



City of
Fullerton,
California



Annual Comprehensive Financial Report Fiscal Year Ending June 30, 2022

303 W Commonwealth Ave. Fullerton, CA 92832



CITY OF FULLERTON, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2022

PREPARED BY THE ADMINISTRATIVE SERVICES DEPARTMENT

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CITY OF FULLERTON

City Manager's Office

December 22, 2022

The Honorable City Council
Fullerton, California

On behalf of the City of Fullerton, I am pleased to present the 2021-22 Annual Comprehensive Financial Report (ACFR). This report serves to verify that all financial data has been prepared accurately and in accordance with all compliance requirements of the Governmental Accounting Standards Board (GASB), as well as provide an update to City Council and the residents of Fullerton on the status of the City's financial position.

The City of Fullerton's financial statements were audited by Lance, Soll, & Lunghard, LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Fullerton for the fiscal year ended June 30, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation.

The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Fullerton's financial statements for the fiscal year ended June 30, 2022, are fairly presented in conformity with generally accepted accounting principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this report. GAAP also requires that management deliver a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). The City of Fullerton's MD&A immediately follows the report of the independent auditors.

The independent audit of the financial statements of the City of Fullerton is also part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies as required by the Federal Single Audit Act. The standards governing single audit engagements require the independent auditor to report not only on the fair presentation of the financial statements but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City of Fullerton's separately issued single audit report.

ECONOMIC CONDITION AND OUTLOOK

Fullerton is in northwestern Orange County, approximately 25 miles southeast of downtown Los Angeles. The City is ideally located for transportation, bounded by 3 major highways, and located 15 miles northwest of John Wayne Airport. On an average workday prior to the COVID-19 crisis, Fullerton's Transportation Center served an average of 3,000 commuters on the Metrolink and Amtrak trains. Encompassing 22.4 square miles, the City has a population of 142,732, ranking it the 41st largest in the State and the 6th largest in Orange County.

Founded in 1887 and incorporated in 1904, Fullerton operates as a general law city governed by a non-partisan, five-member City Council elected to serve staggered four-year terms. As of November 2018, City Council members began to be elected by district within five electoral districts in the city. In April 2022, the Fullerton City Council completed its redistricting process and adopted a new district

THE EDUCATION COMMUNITY

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boundary map, which established a new election sequencing. Beginning with the November 2022 elections, the City Council Member seats for Districts 3 and 5 were up for election to serve four-year terms. In 2024 the remaining City Council Member seats for Districts (1, 2, and 4) will be up for election to serve four-year terms. Services provided by the City include police and fire protection, community development, water and sanitation services, construction and maintenance of streets and infrastructure, recreational and cultural services, library services, general governmental support, and a general aviation airport.

Major employers in Fullerton include California State University, Fullerton, Fullerton Community College, St. Jude Hospital, Raytheon Systems Company, and AJ Kirkwood & Associates Inc. The City's unemployment rate has decreased to 2.9%, a rebound from the COVID-19 pandemic, which is below the statewide rate of 4.2% as of June 2022.

Fullerton is also a major center of higher education in Orange County. California State University, Fullerton, and Fullerton Community College are located within the City, as well as two private colleges/universities for a total enrollment of 61,190 students. As a result of the COVID-19 pandemic, educational institutions have modified traditional "in-class" learning towards online and hybrid classes. As campus education return to pre-pandemic levels, higher enrollment figures are anticipated which may result in further recovery for the economy in Fullerton.

Fullerton maintains a diversified tax base consisting of residential, commercial, and industrial properties, which was impacted by the COVID-19 pandemic in previous years. However, the City's major revenues such as property and sales tax have rebounded in FY 2021-22 to "pre-pandemic" levels. City major revenue increases are mainly due to increasing property values, and higher consumer confidence as restrictions from the pandemic subside and consumer spending continued to spur a strong recovery in sales tax revenues. Sales tax has also been aided by increased online point of sales purchasing from a new state sales tax law enacted on April 25, 2019 requiring online marketplace vendors to remit sales tax, resulting in increases to the City's county pool allocations. Development-related user fees have also increased as a result of cost recovery related fee increases approved and enacted in FY 2021-22 and continued development related activity and growth.

The City implemented several budget reduction strategies in FY 2021-22 and took steps to align its budgeted operating expense with operating revenues. Some of the budget reductions implemented included unfunding of over 50 full-time equivalent (FTE) positions, utilizing anticipated vacancy savings from routine turnover, as well as various other operating expense reductions. Strong revenue recovery, expense budget reductions, and higher than anticipated vacancy savings resulted in a positive net impact on the City's General Fund in FY 2021-22.

The federal government provided states and local agencies across the nation with economic relief from the COVID pandemic through the American Rescue Plan Act (ARPA). The City was allocated \$32.7 million of which the first tranche of \$16.3 million received in May 2021 and with the second tranche received in May 2022. On February 15, 2022, City Council approved the ARPA Spending Plan, which in addition to appropriating funds toward revenue losses, the City obligated funds toward improvements of the City's street infrastructure, water main replacements, and critical information technology network upgrades. ARPA funds also provided other forms of assistance to the community, by assisting residents through a utility subsidy grant program and other various initiatives including addressing homelessness issues and aid to non-profit organizations.

While City revenues rebounded to pre-pandemic levels in FY 2021-22, the City is committed to further development of its long-range strategic and financial planning efforts as well as continual assessment and identification of further revenue enhancement and operational efficiency opportunities to support financial stability in the fiscal years to come.

FINANCIAL INFORMATION

Management of the City is responsible for establishing and maintaining internal controls designed to ensure that the assets of the government are protected from loss, theft, or misuse, and for compiling sufficient reliable information for the preparation of the City of Fullerton's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Fullerton's framework of internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. Management is responsible for both the accuracy of the financial report and the completeness and fairness of the presentation. As management, we assert that, to the best of our 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 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 both the fund and departmental level.

To ensure and provide fiscal transparency, staff presents quarterly financial reports to City Council. These financial reports demonstrate the City's revenues and expenditures progress throughout the year and may also include additional budget appropriation requests and amendments, in which the City Council can amend the operating budget during the fiscal year. The City also maintains an encumbrance accounting system as another method of accomplishing budgetary control. Encumbrances set aside and reserve funds for a specific purpose or contractual obligation to help ensure appropriated budgets are not overspent and aid departments in budget monitoring efforts. Budgetary control is the responsibility of each respective department which is supported by the City's Administrative Services Department's oversight and monitoring of citywide and departmental budgets throughout the year.

Financial Policies

General Fund Balanced Budget

It is the City's policy to adopt a balanced budget in the General Fund, where operating revenues are equal to, or exceed operating expenditures. In the event, a balanced budget is not attainable, and the cause of the imbalance is expected to last for no more than one year, the planned use of available fund balance (reserves) to balance the budget is permitted. In FY 2021-22, the City achieved a balanced budget and will end the year with a \$4.7 million net operating surplus (including transfers ins and outs), primarily due to the City's budget reduction initiatives implemented in FY 2021-22 and the higher than anticipated vacancy rate resulting in greater than budgeted vacancy savings.

General Fund Reserve

To ensure that adequate funds be reserved for potential contingencies such as economic uncertainties or emergencies that might threaten the health, safety, and welfare of the community, the City Council established a policy requiring a minimum of ten percent (10%) and a goal of seventeen percent (17%) of annual General Fund expenditures be set aside as contingency reserves. As of June 30, 2022, the City's General Fund balance, comprised of non-spendable, restricted, committed, assigned, and unassigned balances totaled \$25.3 million, of which \$4.0 million is considered unassigned pending future City Council direction. Of the \$25.3 million, the assigned fund balance for contingency reserves is approximately \$17.7 million which is at the City's goal of 17% contingency reserve level of General Fund expenditures in FY 2021-22. This will be the first year that the City met its goal for a 17% contingency reserve. The increase in overall fund balance over the prior year is primarily due to higher than anticipated revenues received in FY 2021-22 from the City's economic recovery from the pandemic, budget reduction initiatives implemented in FY 2021-22, and the City's high vacancy rate resulting in higher than anticipated vacancy savings achieved in FY 2021-22.

Debt Management

To ensure that City debt is issued and prudently managed to maintain a sound fiscal position, and to maintain the highest credit rating possible and assist the City in its financial flexibility to meet fiscal challenges and finance projects that promote and foster economic growth, a debt management policy was implemented in July of 2020. It is considered sound fiscal practice and prudent financial management for the City to adopt a formal debt management policy that sets parameters for issuing debt, managing the City's debt portfolio, and provides guidance to City staff and decision makers to issue debt with respect to the City's overall fiscal condition.

Purchasing

The City's purchasing policy regulates its centralized purchasing system for the City to achieve the procurement of goods and services from the lowest responsible bidders based on price, specifications, product evaluation, and delivery. The purchasing policy of the City is developed to comply with state and federal procurement laws, promotes an open and competitive process to purchase-procure goods and services without prejudice, and is geared to ensure accountability and establish strong internal controls to ensure purchases are made appropriately and within budget. A review of the City's Purchasing policy and related procedures was initiated in FY 2021-22 with the goals of implementing best purchasing practices to achieve improved efficiency, greater transparency, and ease of understanding.

Long-Term Financial Planning

As part of the City's financial planning efforts, the City develops and employs several "long-term" financial planning tools, or financial forecasts, including a five-year and ten-year financial plan, as well as its Capital Improvement Plan (CIP) for its project planning efforts. The City's financial forecasts are financial planning tools that provide the City's financial outlook over a number of fiscal years in its efforts toward fiscal sustainability and transparency. A five-year plan is a "medium-term" decision making tool that addresses near-term economic factors and a ten-year plan is a "long-term" financial plan at a more macro-level that projects city finances several years out.

Five-Year Financial Plan

Staff normally presents a Five-Year Financial Plan or Forecast for the General Fund to the City Council during the annual Budget Adoption process to aid the City Council in decision making for the new fiscal year. The financial planning model incorporates several economic factors such as (but not limited to): standard revenue inflators for its major revenues of property and sales taxes as well as other revenues, employee growth and CalPERS retirement factors, and mild recession years and higher inflation along with positive or negative financial trends which allows staff to reprioritize goals to stay within financial resources (revenues).

Over the past few years, the City has prepared several short and long-term financial plans, including five, ten, and twenty-year financial forecasts. In FY 2021-22, an abridged "short-term" financial forecast was presented on April 26, 2022 at the FY 2022-23 Budget Study Session in lieu of the five-year forecast largely due to the unknown and uncertain economic impacts and long-term effects of the pandemic. In FY 2022-23, the City will return to its customary financial planning practice and prepare its annual five-year financial forecast.

Five-Year Capital Improvement Plan (CIP)

The Five-Year Capital Improvement Plan (CIP) is the City's capital projects planning vehicle and plan for its proposed infrastructure improvements throughout the City. The CIP Budget is adopted annually with the adopted budget, and capital projects are appropriated for the current year with a five-year projected funding plan for each project. The CIP plan links anticipated expenditures for infrastructure development with recommended projects and proposed funding sources. The City's Infrastructure and Natural Resources Advisory Committee (INRAC) contributes to the City's capital project efforts by reviewing the City's deferred maintenance, infrastructure, and street needs and makes recommendations to the

City Council. Additionally, the City has established a dedicated Infrastructure Fund to begin addressing these ongoing challenges.

The General Fund Financial Forecast and CIP financial plans are both utilized as critical financial planning and long-term, decision-making tools for City Management and City Council.

115 Pension and 115 OPEB Trusts

The City has also established Pension and OPEB Trusts to set aside funds to be used for specific benefit plan purposes, such as CalPERS contributions and post-employment benefits. In fiscal year 2020-21, \$487,000 was transferred into the City's IRS Section 115 Pension Trust using one-time savings from the Police Department salaries and benefits. In fiscal year 2018-19, \$50,000 was transferred into the City's IRS Section 115 OPEB Trust. The use of a 115 Trust helps the City segregate funds for essential functions. These funds, as they accumulate, can be utilized to help ease budgetary pressures from spikes in unfunded actuarial liabilities in the future.

Dedicated Infrastructure Fund

In addition, the City Council authorized the establishment of a dedicated Infrastructure Fund, effective in FY 2020-21, to allocate any supplemental or additional revenue from specific tax sources to prioritize local infrastructure improvement. In FY 2021-22, \$480,688 was transferred to the Infrastructure Fund for vital ADA improvement projects. It is anticipated that \$1 million to \$2 million will be allocated to this new fund annually. The Infrastructure Fund will enable the City to set aside funding dedicated for infrastructure to better meet the service needs of the community and support transparency. The fund was adopted as Ordinance No. 3284 and is codified in the Fullerton Municipal Code as Chapter 2.48.380.

MAJOR INITIATIVES

Overarching to financial planning, is the establishment and adherence to the City's overall strategic priorities. These priorities were outlined during the 2017-18 fiscal year with the establishment of three strategic priority policy statements: 1) Fiscal and Organizational Stability, 2) Public Safety, and 3) Infrastructure and City Assets. These strategic priority policy statements were more specifically defined through tactical goals and objectives that help ensure focus on established priorities.

In FY 2021-22 (February 2022), in preparation of the upcoming budget, the City's major policy priorities were revisited and taken back to the City Council to reaffirm and/or identify new priorities for the City. At this meeting, the three priorities of Public Safety, Infrastructure and Fiscal and Organizational Stability were once again identified as the top priorities for the City Council. In addition, economic development, use of ARPA funds and revenue-generating opportunities were identified as other important priorities for the City.

Notwithstanding, these current policy statements, which are listed on every City Council agenda item, include:

Fiscal and Organizational Stability

Fiscal and organizational stability objectives and goals include implementing financial stability for the General Fund and establishing organizational stability through organizational reviews, fostering a positive and productive workplace, a fair and equitable collective bargaining process with all employee labor groups, and improvement of the employee performance review process. In FY 2021-22, salary wage increases of 5.25% were approved by all labor groups. Other important initiatives in this area was the hiring of a permanent City Manager who began his tenure on May 10, 2022, the hiring and filling of the City's Executive management team, as well as the continuous recruiting and filling of critical budgeted positions city-wide.

In order to address fiscal stability, the City Council also implemented budget reduction measures in FY 2021-22, which included the unfunding of 50+ FTE positions and other operating reductions. The use

of ARPA funds is also expected to supplement the City's budget reduction efforts and be utilized as revenue replacement to stabilize government finances over the next few years if needed.

Public Safety

Public Safety is the number one priority of City government and constitutes over 70% of the General Fund budget. In June 2022, Fullerton and City of Brea ended its "shared command" Fire structure and agreement, and the City now has a full "in-house" Fire Department with all Fullerton Fire command staff. In addition, a financial review of contracting fire services with Orange County Fire Authority (OCFA) was initiated in FY 2021-22 to determine any prospective financial and service benefit to the City. Based on review of this study, City Council voted to retain fire services in-house in FY 2022-23.

The Fullerton Police Department, along with the regional North Orange County Collaborative, have continued to work together over the last year to open the Homeless Outreach and Proactive Engagement Center (HOPE Center). The HOPE Center in Fullerton is located on city-owned property near St. Jude Hospital. The City has allocated vital funding towards the rehabilitation and refurbishment of the new building which will serve as a command center for case workers, healthcare, and outreach providers who will work together to assist the unhoused population in the North Orange County region. The HOPE Center project received funding from various sources, including the CARES Act, the County of Orange, and ARPA. The HOPE Center will also dispatch mobile homeless outreach units with healthcare professionals and homeless liaisons to bring resources to the community.

Infrastructure and City Assets

The City's infrastructure (e.g., roads, flood and sewer control, city buildings, IT systems) is readily acknowledged as needing significant repair/upgrade and significant amount of investment and additional funding. The City has already begun addressing this and there are several initiatives currently in process, including: the establishment of an Infrastructure Fund that redirects 50% of all sales and secured property taxes above an annually established baseline level to infrastructure improvements, an assessment of building and maintenance and improvement needs, pavement management plan, water and sewer master plans and fee studies, and various cost studies to ensure development/engineering and fire user fees are adequately charged for full cost recovery, as well as amended local zoning to apply TOT taxes to short-term rental properties in the city. In addition, in FY 2021-22, \$13.1 million of federal ARPA funds were obligated towards street rehabilitation projects and \$3.0 million for water main replacements projects, which will assist in addressing critical needs in the City's infrastructure in the short-term. Despite the one-time infusion of ARPA funds and ongoing initiatives, a greater amount of investment and additional revenue sources are needed to fully address the City's infrastructure needs on a long-term basis.

In addition, the Community & Economic Development Department continues to focus on attracting quality economic enterprises to the community and ensuring that all development occurs within proper zoning and safety standards. Significant projects in this area also need to be addressed and managed, including updating the City's eight-year Housing Element, and dealing with issues related to residential subdivisions resulting from the passage of SB 9. In addition, new development projects such as the Goodman Logistics Center, Fox Block Development, Fullerton Hub, and many others are in critical development phases and should bring in significant value to the City. Economic development projects produce long-term value for the City's tax base and attract quality new businesses to the City.

AWARD

Fullerton's financial reporting efforts have been recognized by the Government Finance Officers Association (GFOA) with a Certificate of Achievement for Excellence Award for Financial Reporting in our annual comprehensive financial report for the fiscal year ended June 30, 2021. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report 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 that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we will be submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENTS

The preparation of this annual financial report would not have been possible without the efficient and dedicated services of the City's accounting staff, led by Fiscal Services Manager Toni Smart and Accounting Supervisor John Ji. Appreciation is also extended to each City department for their cooperation and assistance throughout the fiscal year in the efficient administration of the City's finances. We also wish to extend our appreciation to the Mayor and City Council for their leadership and support in providing sound financial guidance to the Fullerton Community.

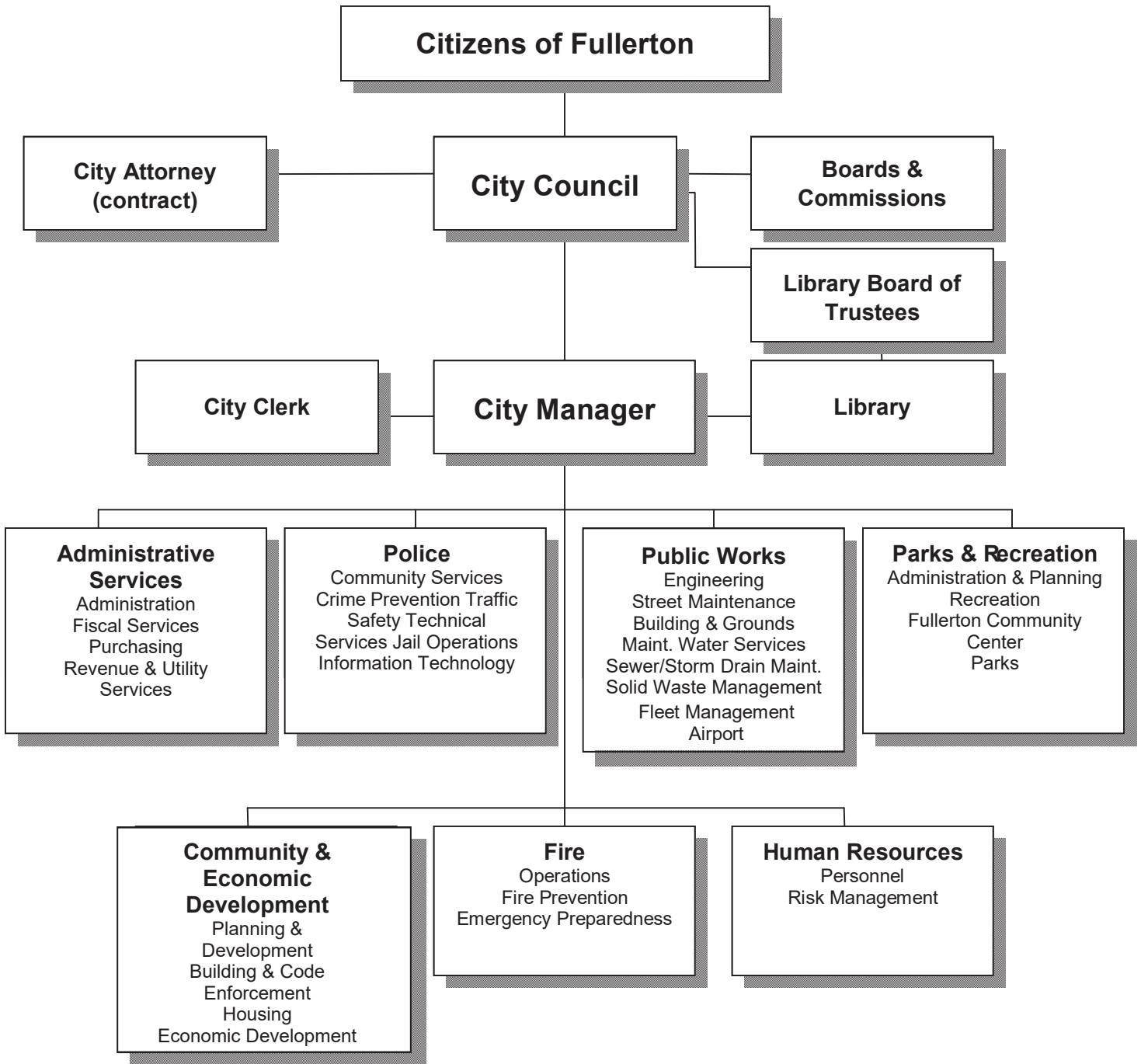
Respectfully submitted,



Eric J. Levitt
City Manager



Ellis Chang
Director of Administrative Services



CITY OF FULLERTON CALIFORNIA

Annual Comprehensive Financial Report For the Fiscal Year Ended June 30, 2022



Fred Jung, Mayor - District 1

Bruce Whitaker
Nick Dunlap
Jesus Silva
Ahmad Zahra

Mayor Pro Tem - District 4
Council Member - District 2
Council Member - District 3
Council Member - District 5

Eric J. Levitt, City Manager

Ellis Chang
Meg McWade
Sunayana Thomas

Director of Administrative Services
Director of Public Works
Interim Director of Community and Economic
Development

Adam Loeser
Vacant
Robert Dunn
Judy Booth
Eddie Manfro

Fire Chief
Director of Parks and Recreation
Chief of Police
Library Director
Director of Human Resources



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Fullerton
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO



INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Fullerton, California

Report on the Financial Statements

Opinions

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 Fullerton, California, (the "City") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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 as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

Change in Accounting Principle

As described in Note 1 to the financial statements, in the fiscal year ended June 30, 2022, the City adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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





To the Honorable Mayor and Members of the City Council
City of Fullerton, California

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Reporting Responsibilities

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules for the General Fund and major special revenue funds, and the required pension and other post-employment benefits schedules, as listed on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.



To the Honorable Mayor and Members of the City Council
City of Fullerton, California

Supplementary 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 combining and individual fund financial statements and schedules (supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2022 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 the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Lance, Solt & Lughard, LLP".

Brea, California
December 16, 2022

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CITY OF FULLERTON
Management's Discussion and Analysis

The City of Fullerton offers readers of its financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2022. The City encourages readers to consider the information presented here in conjunction with additional information furnished in the letter of transmittal.

Financial Highlights

- The City's total assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2022, by \$549.1 million (net position).
- The City's net position totaled \$549.1 million at June 30, 2022, representing an increase of \$73.4 million over the previous fiscal year primarily due to increased water rates, sales tax revenue growth, increases in development-related user fees, State grant revenues for the acquisition of land for the West Coyote Hills development project, return on pension plan assets, and a decrease in worker's compensation claim expenses. Of the total net position, \$621.1 million is the City's net investment in capital assets, while \$42.7 million is restricted for specific governmental operations, leaving a \$114.7 million negative unrestricted balance.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$62.3 million, an increase of \$2.1 million in comparison with the prior year. The increase is primarily attributable to sales tax revenue and development-related user fee increases in the General Fund partially offset by salary wage increases for all labor groups and increases in maintenance and support costs. The General Fund reflects assigned fund balance of \$18.6 million, which compares to assigned fund balance the previous year of \$16.1 million, a restricted fund balance of \$1.5 million, a committed fund balance of \$0.4 million, a nonspendable balance of \$0.7 million, and an unassigned fund balance of \$4.0 million for a combined total of \$25.3 million, representing an increase of \$4.7 million over the previous fiscal year. The increase of \$2.5 million in assigned fund balance is primarily due to City Council designation to increase contingency reserves to the city's goal of a 17% reserve level.
- Long-term debt increased by \$7.7 million in fiscal year 2021-22 due to the City's Energy Efficiency Project.
- Capital assets increased by \$32.9 million due to construction in progress for various street, storm drains, and road infrastructure projects and the purchase of land for the West Coyote Hills project.

Overview of the Financial Statements

This annual report consists of four parts: (1) management's discussion and analysis (this section), (2) the basic financial statements, (3) required supplementary information, and (4) an optional section that presents combining statements for other government funds.

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

Government-wide financial statements. The government-wide financial statements are comprised of the Statement of Net Position and the Statement of Activities. These two statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflow of resources, with the differences reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, community development, human and leisure services, and refuse collection. The business-type activities of the City include the water utility, sewer enterprise operations, airport, parking facilities, Brea Dam recreational facilities, and CNG station.

The government-wide financial statements include the City, Fullerton Public Financing Authority, and Housing Authority. Although these entities are legally separate, they function for all practical purposes as part of the City and, therefore, have been included as blended component units as an integral part of the primary government.

Fund financial statements. The statements focus on current available resources and are organized 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. The funds of the City are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund; the Grants Administration Special Revenue Fund; American Rescue Plan Act (ARPA) Fund, and the City Capital Projects Fund, all of which are considered major funds. The remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these other governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds. The City of Fullerton maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water utility, airport, sewer enterprise, parking facilities, Brea Dam recreational facility operations, and CNG station. Internal Service funds are used to report any activities that provide goods or services to other funds or departments on a cost-reimbursement basis. The City uses internal service funds to account for its liability insurance, vehicle replacement,

workers' compensation insurance, group insurance, equipment maintenance, information technology, building maintenance services and facility capital repair. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the airport, water utility and sewer enterprise, all of which are considered major funds of the City. Individual fund data for the other enterprise funds is provided in the form of combining statements elsewhere in this report.

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's budgetary comparison schedules for the General Fund and each major special revenue fund.

The combining statements referred to earlier in connection with other governmental funds and enterprise funds are presented immediately following the notes to the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Fullerton, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$549.1 million at the close of the most recent fiscal year. The City's net position increased by \$73.4 million from the previous year due to increased water rates, sales tax revenue growth, increases in development-related user fees, State grant revenues for the acquisition of land for the West Coyote Hills development project, return on pension plan assets, and a decrease in worker's compensation expenses.

Net Position

(\$ in thousands)	Governmental activities		Business-type activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$228,606	\$183,727	\$86,657	\$60,969	\$315,263	\$244,696
Capital assets	497,694	476,068	140,539	129,310	638,232	605,378
Total assets	726,300	659,795	227,196	190,279	953,495	850,075
Deferred Outflows	31,806	31,980	2,963	2,975	34,769	34,955
Long-term liabilities	250,391	317,346	21,687	29,509	272,078	346,856
Other liabilities	62,675	40,501	12,661	11,405	75,336	51,906
Total liabilities	313,066	357,847	34,348	40,914	347,414	398,761
Deferred Inflows	72,080	9,252	19,705	1,513	91,786	10,765
Net position:						
Net investment in capital asset	486,642	473,537	134,468	122,811	621,110	596,348
Restricted	42,422	41,442	260	289	42,682	41,731
Unrestricted	(156,105)	(190,128)	41,377	27,227	(114,727)	(162,401)
Total net position	\$372,959	\$324,851	\$176,105	\$150,827	\$549,065	\$475,678

Changes in Net Position

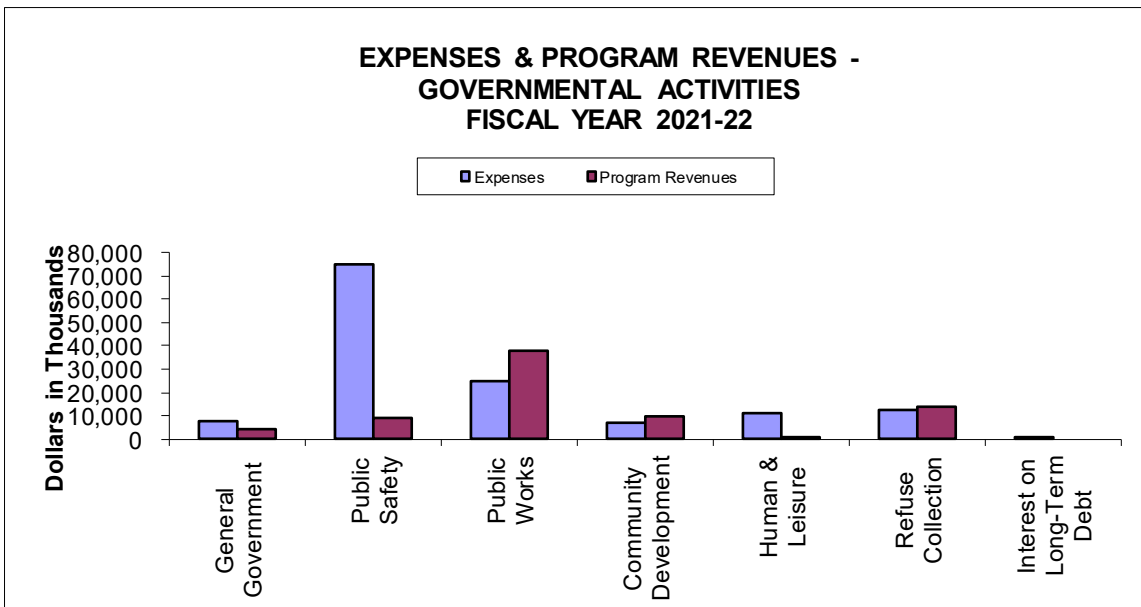
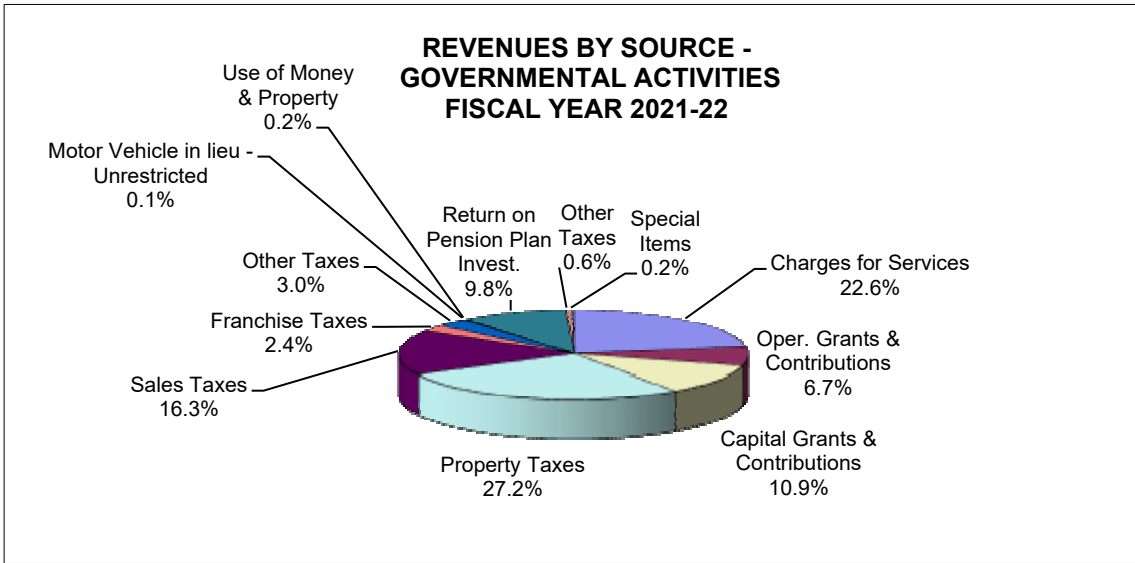
(\$ in thousands)

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>activities</u>		<u>activities</u>			
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 42,268	\$ 39,588	\$ 62,254	\$ 56,854	\$ 104,522	\$ 96,442
Operating grants and contributions	12,589	13,978	108	-	12,697	13,978
Capital grants and contributions	20,434	3,725	4,930	1,302	25,364	5,027
General revenues:					-	-
Property taxes	50,894	50,150	113	88	51,007	50,238
Sales taxes	30,494	25,571	-	-	30,494	25,571
Franchise taxes	4,468	4,382	-	-	4,468	4,382
Other taxes	5,552	3,357	-	-	5,552	3,357
Motor vehicle in lieu – unrestricted	161	104	-	-	161	104
Use of Money & Property	372	3,271	(861)	227	(489)	3,498
Return on pension plan investments	18,378	-			18,378	-
Other	1,148	541	798	172	1,946	713
Transfers	396	186	(396)	(186)	-	-
Total revenues	187,154	144,853	66,946	58,457	254,100	203,310
Expenses:						-
General government	7,941	7,814	-	-	7,941	7,814
Public safety	74,950	83,200	-	-	74,950	83,200
Public works	24,819	24,617	-	-	24,819	24,617
Community development	7,194	10,123	-	-	7,194	10,123
Human and leisure	11,134	11,058	-	-	11,134	11,058
Refuse collection	12,766	12,862	-	-	12,766	12,862
Interest on long-term debt	240	336	-	-	240	336
Water utility	-	-	31,070	32,167	31,070	32,167
Airport	-	-	2,228	1,953	2,228	1,953
Parking facilities	-	-	73	97	73	97
Brea Dam recreational facilities	-	-	3,978	2,730	3,978	2,730
Sewer enterprises	-	-	3,579	3,412	3,579	3,412
CNG	-	-	285	170	285	170
Total expenses	139,044	150,010	41,213	40,529	180,257	190,539
Change in net position	48,110	(5,157)	25,733	17,928	73,843	12,771
Net position - beginning, restated	324,851	330,008	150,371	132,899	475,222	462,907
Net position - ending	\$ 372,960	\$ 324,851	\$ 176,105	\$ 150,827	\$ 549,065	\$ 475,678

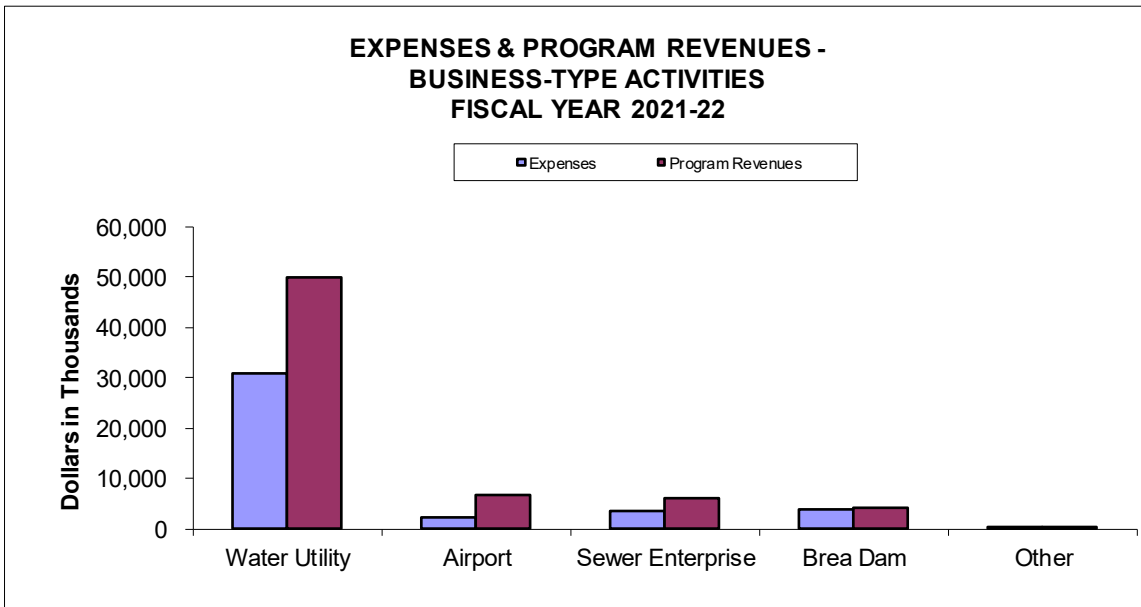
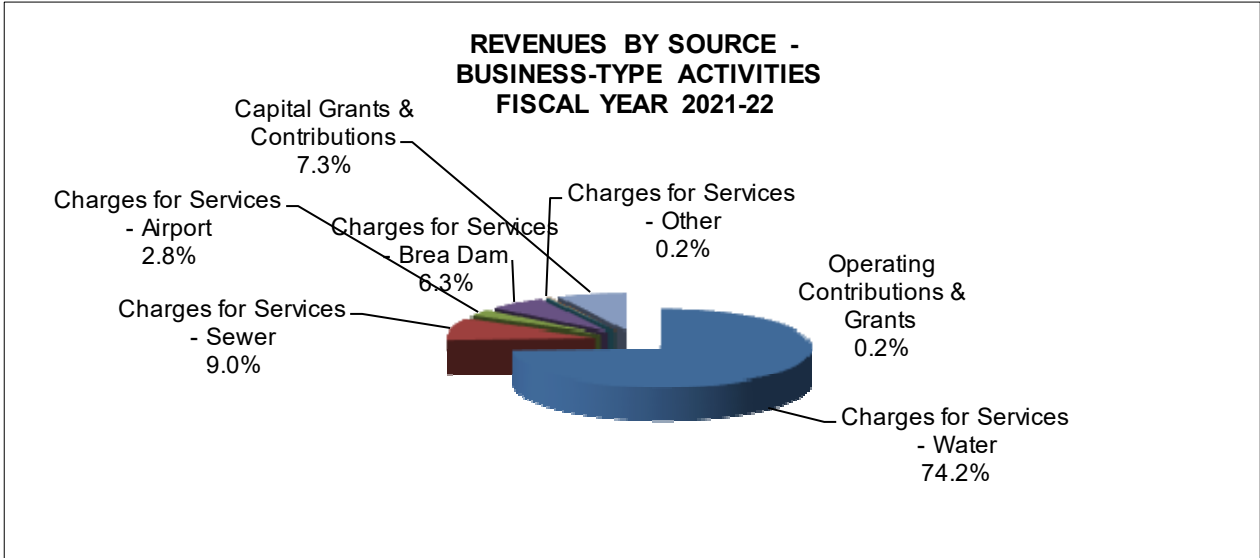
Governmental activities. The net position for governmental activities increased by \$48.1 million over the prior year.

Total revenues reflect an increase of \$42.3 million from the prior year. Most of the increase in revenues can be attributed to increased sales tax revenue growth, increases in development-related user fees, State grant revenues for the acquisition of land for the West Coyote Hills development project, and return on pension plan investments.

Total expenses decreased by \$11.0 million from the prior year. The decrease was attributed to a decrease in workers compensation claim and pension expenses.



Business-type activities. The Business-type activities reported an increase in net position of \$25.2 million. Revenues reflect an increase of \$8.5 million, and expenses show an increase of \$0.7 million. The primary factor for increased revenues relates to updated water rates that went into effect this fiscal year. Expenses increased mainly due an increase in maintenance and operations expenses.



Financial Analysis of the City’s Funds

As noted earlier, the City of Fullerton uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s financing requirements. 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.

As mentioned previously in this discussion, the City’s governmental funds reported combined ending fund balances of \$62.3 million, an increase of \$2.1 million in comparison with the prior year. Of that total,

\$0.8 million is nonspendable because it represents inventory and prepaid costs; \$42.4 million represents monies legally restricted by external agencies for debt service and specific programs or projects, \$0.4 million is committed to city infrastructure projects, and \$18.6 million represents funds assigned by the City Council for a contingency reserve, street and road improvements, and Laguna Lake. The remaining balance of \$80,000 is unassigned.

The City reports four major governmental funds:

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, this fund balance totaled \$25.3 million. Of that amount, \$17.7 million was assigned to a contingency reserve, which is 17% of total General Fund expenditures. The General Fund's reserve policy is to maintain a minimum reserve equal to 10% and strive to reach a level of 17% of total General Fund expenditures each year. The unassigned fund balance was \$4.0 million. Revenues totaled \$112.1 million, while expenditures totaled \$104.2 million. The increase in fund balance was attributed to an increase in sales tax revenue, developer-related user fees from the City's economic recovery from the pandemic, and due to budget reduction initiatives and savings from vacant positions.

The Grants Administration Fund reflected a deficit fund balance of \$(1.4) million due to uncollected receivables as of June 30, 2022. This total represents a decrease of \$0.4 million from the previous fiscal year. The decrease is attributed to grant funds available 60 days after the end of the fiscal year for grant related expenditures. The timing of reimbursable grant monies resulted in the deficit fund balance of \$(1.4) million.

The American Rescue Plan Act Fund (ARPA) reflected a deficit fund balance of \$(0.6) million due to unrealized investment losses on the first tranche of \$16.3 million received. The purpose of this fund is to account for the federal funds received to address the COVID-19 public health crisis. The City was awarded \$32.7 million and received the first \$16.3 million in FY 2020-21 and the remaining \$16.4 million in May 2022. \$31.7 million is recorded as unearned revenue on the balance sheet pending use for eligible expenditures.

The Capital Projects Fund reported a deficit fund balance of \$(0.4) million, decrease of \$2.0 million from the prior year. The purpose of the fund is for the construction, acquisition, and/or improvements of the City's capital assets. Funding for many of the projects comes from grants that operate on a reimbursement basis and timing of receipt of the funds can often overlap fiscal years.

Another fourteen non-major governmental funds are combined for reporting purposes in the government-wide statements and include the Gas Tax; Drainage Capital Outlay; Traffic Safety; Park Dwelling, Asset Seizure; Refuse Collection; Air Quality Improvement; Sanitation; Measure M2, Housing, FTV Cable – PEG Access, SB2/PLHA, West Coyote Hills Endowment, and Debt Service Reserve Funds.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The City's proprietary funds contain six enterprise funds: water utility, airport, sewer, parking facilities, CNG station, and Brea Dam recreational facilities. The eight internal service funds are also proprietary funds and include: liability insurance, vehicle replacement, workers' comp, group insurance, equipment maintenance, information technology, building maintenance, and facility capital repair.

Unrestricted net position of the enterprise funds totaled \$37.6 million at the end of the year: \$30.5 million for the Water Utility Fund, \$2.4 million for the Airport Fund, \$5.3 million for the Sewer Fund, (\$0.3) million for the Brea Dam Fund, (\$0.3) million for Parking Facilities Fund, and \$27,000 for the CNG Fund. The total increase in net position for these enterprise funds was \$24.3 million from the prior fiscal year.

Unrestricted net position of the internal service funds totaled \$26.1 million at the end of the year: \$0.2 million for Liability Insurance Fund, \$7.6 million for Vehicle Replacement Fund, \$12.0 million for Workers' Comp Fund, \$1.6 million for Group Insurance Fund, \$1.5 million for Equipment Maintenance

Fund, \$1.4 million for Information Technology Fund, (\$0.8) million for Building Maintenance Fund, and \$2.6 million for Facility Capital Repair Fund.

Fiduciary funds. The City reports three fiduciary funds consisting of three custodial funds and two trust funds. The custodial funds include Collections for Other Governments, Community Facilities District, and Assessment District Funds which account for amounts received for other governments and transactions associated with various Districts. These custodial funds have a net position of \$1.3 million. One trust fund includes the OPEB-PARS Fund, which accounts for the post-employment benefits, net position of \$0.06 million. The Successor Agency Trust Fund accounts for all transactions associated with the Successor Agency to the Redevelopment Agency. The total net position at June 30, 2022 was \$5.7 million.

General Fund Budgetary Highlights

The General Fund ended the fiscal year with a fund balance of \$25.3 million, reflecting an increase of \$4.7 million from the prior year. Total revenues increased by \$10.8 million, and expenditures increased by \$6.2 million over the prior year. The increase in revenue in comparison to the prior year is due to sales tax revenue growth and increases in development-related user fees. Expenditure increases are due to salary wage increases approved for all labor groups.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business type activities as of June 30, 2022, totaled \$638.2 million (net of accumulated depreciation), an increase of \$32.9 million due to the purchase of West Coyote Hills and the start of the Airport Runway Shoulder Enhancement project. Additional information on the City's capital assets can be found in Note 7 of the Notes to the Financial Statements.

Capital Assets (net of depreciation)

(\$ in thousands)

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>activities</u>		<u>activities</u>			
	2022	2021	2022	2021	2022	2021
Land	\$ 72,182	\$ 54,198	\$ 9,128	\$ 9,128	\$ 81,310	\$ 63,326
Buildings	64,817	66,457	6,581	5,503	71,398	71,960
Improvements other than buildings	30,504	30,468	54,132	50,251	84,636	80,719
Machinery and equipment	11,444	10,597	1,193	1,188	12,637	11,785
Leasehold improvements	109	136	-	7	109	143
Infrastructure	98,456	98,238	46,388	43,741	144,844	141,979
Construction in progress	220,181	215,974	23,116	19,491	243,297	235,465
Total	\$ 497,693	\$ 476,068	\$ 140,538	\$ 129,309	\$ 638,231	\$ 605,377

Long-term debt. At the end of the current fiscal year, the City has total long-term debt outstanding of \$22.5 million, an increase of \$7.7 million due to the start of the City's Energy Efficiency project. Additional information on the City's long-term debt can be found in Note 14 of the Notes to the Financial Statements.

Long-term Debt

(\$ in thousands)

	<u>Governmental</u> <u>activities</u>		<u>Business-type</u> <u>activities</u>		<u>Total</u>	
	2022	2021	2022	2021	2022	2021
Revenue bonds	\$ -	\$ -	\$ 6,169	\$ 6,606	\$ 6,169	\$ 6,606
Judgement obligation bonds	5,232	5,649			5,232	5,649
Financing agreements	11,052	2,531	-	-	11,052	2,531
Total	\$ 16,284	\$ 8,180	\$ 6,169	\$ 6,606	\$ 22,453	\$ 14,786

Economic Factors and Next Year's Budget

Since the great recession, the City continues to struggle to balance expenses with revenues while striving to maintain a high level of service. This difficult situation becomes even more strained as pension costs continue to escalate, and aging infrastructure needs to be addressed. The fiscal year 2022-23 General Fund budget was balanced by the implementation of budget reduction measures and transfers in from the American Rescue Plan Act Fund (ARPA). The City Manager is moving forward and continues to work with City Council to determine cost reductions and identify revenue generating options, along with a plan to apply ARPA funds towards revenue loss.

Requests for Information

This financial report is designed to provide a general overview of the City of Fullerton'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 financial information should be addressed to the office of the Director of Administrative Services, 303 W. Commonwealth Avenue, Fullerton, California 92832.

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CITY OF FULLERTON

STATEMENT OF NET POSITION
JUNE 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments	\$ 164,904,538	\$ 58,080,459	\$ 222,984,997
Restricted assets - cash held with fiscal agent	8,760,900	260,242	9,021,142
Receivables:			
Accounts	22,261,634	12,333,420	34,595,054
Taxes	464,726	-	464,726
Accrued interest	106,455	63,714	170,169
Notes and loans	25,115,214	-	25,115,214
Accrued interest - Leases	98,404	25,979	124,383
Internal balances	(3,538,187)	3,538,187	-
Inventories	315,784	56,223	372,007
Prepaid costs	2,898,914	19,619	2,918,533
Lease Receivable	7,217,581	12,279,324	19,496,905
Capital assets - not being depreciated	292,362,831	32,244,412	324,607,243
Capital assets - net of accumulated depreciation	205,330,903	108,294,095	313,624,998
Total Assets	726,299,697	227,195,674	953,495,371
Deferred Outflows of Resources:			
Deferred charge on refunding	437,500	98,595	536,095
Pension deferrals	25,484,824	1,876,549	27,361,373
Other post-employment benefits deferrals	5,884,110	987,737	6,871,847
Total Deferred Outflows of Resources	31,806,434	2,962,881	34,769,315
Liabilities:			
Accounts payable	12,610,019	10,101,255	22,711,274
Accrued liabilities	3,298,832	233,100	3,531,932
Accrued interest payable	67,755	86,669	154,424
Deposits payable	7,075,110	2,240,095	9,315,205
Intergovernmental payable	297,422	-	297,422
Deferred revenue	71,129	-	71,129
Unearned revenue	39,255,074	-	39,255,074
Noncurrent liabilities:			
Due within one year: bonds, loans, claims, compensated absences	8,304,918	696,209	9,001,127
Due in more than one year:			
Bonds, loans, claims, compensated absences	42,807,428	5,890,918	48,698,346
Net pension liability	170,429,021	10,312,935	180,741,956
Net other post-employment benefits liability	28,849,654	4,786,639	33,636,293
Total Liabilities	313,066,362	34,347,820	347,414,182
Deferred Inflows of Resources:			
Pension deferrals	57,716,776	6,536,178	64,252,954
Leases	7,073,641	11,952,847	19,026,488
Other post-employment benefits deferrals	7,289,807	1,216,376	8,506,183
Total Deferred Inflows of Resources	72,080,224	19,705,401	91,785,625
Net Position:			
Net investment in capital assets	486,642,083	134,467,701	621,109,784
Restricted:			
Community development projects	1,044,058	-	1,044,058
Public safety	297,973	-	297,973
Parks and recreation	2,229,184	-	2,229,184
Public works	20,439,554	-	20,439,554
Capital projects	1,020,065	-	1,020,065
Debt service	205,907	260,242	466,149
Housing	12,913,930	-	12,913,930
Refuse collection	2,651,870	-	2,651,870
Library	738,475	-	738,475
Pension stabilization	501,509	-	501,509
Donations	379,500	-	379,500
Unrestricted	(156,104,563)	41,377,391	(114,727,172)
Total Net Position	\$ 372,959,545	\$ 176,105,334	\$ 549,064,879

The notes to financial statements are an integral part of this statement.

CITY OF FULLERTON

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Primary Government:				
Governmental Activities:				
General government	\$ 7,940,606	\$ 1,592,802	\$ 1,881,352	\$ 750,000
Public safety	74,949,953	8,283,991	728,425	-
Community development	7,194,383	5,977,018	3,445,042	-
Human and leisure	11,133,598	1,000,319	-	-
Public works	24,819,303	11,685,934	6,534,008	19,683,794
Refuse collection	12,765,698	13,728,028	-	-
Interest on long-term debt	240,538	-	-	-
Total Governmental Activities	139,044,079	42,268,092	12,588,827	20,433,794
Business-Type Activities:				
Airport	2,227,525	1,885,119	108,527	4,731,456
Brea Dam Facilities Recreational	3,978,012	4,256,257	-	-
Water Utility	31,069,780	49,901,139	-	198,290
Parking Facilities	72,985	-	-	-
Sewer Enterprise	3,578,954	6,061,351	-	-
Compressed Natural Gas Facility	284,690	150,102	-	-
Total Business-Type Activities	41,211,946	62,253,968	108,527	4,929,746
Total Primary Government	\$ 180,256,025	\$ 104,522,060	\$ 12,697,354	\$ 25,363,540

General Revenues:

Taxes:

Property taxes, levied for general purpose

Sales taxes

Franchise taxes

Other taxes

Motor vehicle in lieu - unrestricted

Use of money and property

Return on pension plan investments

Other

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Restatement

Beginning of Fiscal Year, as restated

Net Position - Ending

**Net (Expenses) Revenues and
Changes in Net Position**

Primary Government

Governmental Activities	Business-Type Activities	Total
\$ (3,716,452)	\$ -	\$ (3,716,452)
(65,937,537)	-	(65,937,537)
2,227,677	-	2,227,677
(10,133,279)	-	(10,133,279)
13,084,433	-	13,084,433
962,330	-	962,330
(240,538)	-	(240,538)
(63,753,366)	-	(63,753,366)
-	4,497,577	4,497,577
-	278,245	278,245
-	19,029,649	19,029,649
-	(72,985)	(72,985)
-	2,482,397	2,482,397
-	(134,588)	(134,588)
-	26,080,295	26,080,295
(63,753,366)	26,080,295	(37,673,071)
50,893,765	113,521	51,007,286
30,493,831	-	30,493,831
4,467,509	-	4,467,509
5,551,739	-	5,551,739
161,078	-	161,078
372,207	(861,311)	(489,104)
18,377,512	-	18,377,512
1,147,850	798,075	1,945,925
396,185	(396,185)	-
111,861,676	(345,900)	111,515,776
48,108,310	25,734,395	73,842,705
324,851,235	150,827,420	475,678,655
-	(456,481)	(456,481)
324,851,235	150,370,939	475,222,174
\$ 372,959,545	\$ 176,105,334	\$ 549,064,879

The notes to financial statements are an integral part of this statement.

CITY OF FULLERTON

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022**

	<u>Special Revenue Funds</u>		
	<u>General</u>	<u>Grants Administration</u>	<u>American Rescue Plan Act</u>
Assets:			
Cash and investments	\$ 28,478,212	\$ 2,258,982	\$ 31,062,036
Restricted assets - cash held with fiscal agents	544,589	297,422	-
Receivables:			
Accounts	9,048,170	2,322,684	-
Taxes	464,726	-	-
Accrued interest	74,165	-	34,422
Leases	7,217,581	-	-
Notes and loans	-	13,349,448	-
Due from other funds	413,248	-	-
Inventories	6,528	-	-
Prepaid costs	706,953	-	-
Total Assets	\$ 46,954,172	\$ 18,228,536	\$ 31,096,458
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit):			
Liabilities:			
Accounts payable	\$ 3,807,767	\$ 154,209	\$ 74,151
Accrued liabilities	3,026,672	31,980	176
Deposits payable	7,059,128	3,432	-
Due to other funds	-	-	-
Due to other governments	-	297,422	-
Unearned revenues	347,617	4,411,132	31,658,689
Total Liabilities	14,241,184	4,898,175	31,733,016
Deferred Inflows of Resources:			
Unavailable revenues	364,779	14,728,994	-
Leases	7,073,641	-	-
Total Deferred Inflows of Resources	7,438,420	14,728,994	-
Fund Balances (Deficit):			
Nonspendable	713,481	-	-
Restricted	1,518,813	-	-
Committed	438,687	-	-
Assigned	18,569,739	-	-
Unassigned	4,033,848	(1,398,633)	(636,558)
Total Fund Balances (Deficit)	25,274,568	(1,398,633)	(636,558)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit)	\$ 46,954,172	\$ 18,228,536	\$ 31,096,458

CITY OF FULLERTON

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Capital Projects Fund		
	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets:			
Cash and investments	\$ 6,170,452	\$ 25,668,927	\$ 93,638,609
Restricted assets - cash held with fiscal agents	-	-	842,011
Receivables:			
Accounts	3,981,365	6,869,076	22,221,295
Taxes	-	-	464,726
Accrued interest	-	20,344	128,931
Leases	-	-	7,217,581
Notes and loans	-	11,765,766	25,115,214
Due from other funds	-	-	413,248
Inventories	-	-	6,528
Prepaid costs	51,811	-	758,764
Total Assets	\$ 10,203,628	\$ 44,324,113	\$ 150,806,907
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit):			
Liabilities:			
Accounts payable	\$ 4,389,634	\$ 3,032,434	\$ 11,458,195
Accrued liabilities	30,520	109,513	3,198,861
Deposits payable	10,450	2,100	7,075,110
Due to other funds	-	214,141	214,141
Due to other governments	-	-	297,422
Unearned revenues	2,813,027	-	39,230,465
Total Liabilities	7,243,631	3,358,188	61,474,194
Deferred Inflows of Resources:			
Unavailable revenues	3,353,702	1,536,023	19,983,498
Leases	-	-	7,073,641
Total Deferred Inflows of Resources	3,353,702	1,536,023	27,057,139
Fund Balances (Deficit):			
Nonspendable	51,811	-	765,292
Restricted	-	40,903,212	42,422,025
Committed	-	-	438,687
Assigned	-	-	18,569,739
Unassigned	(445,516)	(1,473,310)	79,831
Total Fund Balances (Deficit)	(393,705)	39,429,902	62,275,574
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit)	\$ 10,203,628	\$ 44,324,113	\$ 150,806,907

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CITY OF FULLERTON

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total Fund Balances - Governmental Funds	\$ 62,275,574
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The details of this \$489,996,836 are as follows:	
Capital assets - not being depreciated	\$ 292,362,831
Capital assets - being depreciated	478,822,009
Less: accumulated depreciation	<u>(281,188,004)</u>
Net adjustment to increase <i>Fund Balance - Total Governmental Funds</i> to arrive at <i>Net Position - Governmental Activities</i>	489,996,836
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	
	19,912,369
Internal service funds are used by management to charge the costs of liability insurance, vehicle replacement, workers' compensation, group insurance, equipment maintenance, information technology, building maintenance, and facility capital repair to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position. The details of this \$29,872,332 difference are as follows:	
Net Position of the Internal Service Funds	33,609,626
Less: Internal payable representing charges in excess of cost to business-type activities - prior years	(2,289,143)
Add: Internal receivable representing charges in less than the cost to business-type activities - current year	<u>(1,448,151)</u>
Net adjustment to increase <i>Fund Balance - Total Governmental Funds</i> to arrive at <i>Net Position - Governmental Activities</i>	29,872,332
Deferred outflows and inflows of resources related to pensions and other post-employment benefits are only reported in the Statement of Net Position as the changes in these amounts only affect the government-wide statements for governmental activities. The details of this (\$31,722,930) difference are as follows:	
Deferred outflows of resources for pensions	24,755,030
Deferred inflows of resources for pensions	(55,174,844)
Deferred outflows of resources for other post-employment benefits	5,520,354
Deferred inflows of resources for other post-employment benefits	<u>(6,823,470)</u>
Net adjustment to increase <i>Fund Balance - Total Governmental Funds</i> to arrive at <i>Net Position - Governmental Activities</i>	(31,722,930)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. The details of this (\$197,374,636) difference are as follows:	
Net pension liability	(166,418,302)
Compensated absences	(2,606,820)
Leases	(1,409,648)
Claims and judgments	(42,708)
Net other post-employment benefits liability	<u>(26,897,158)</u>
Net adjustment to decrease <i>Fund Balance - Total Governmental Funds</i> to arrive at <i>Net Position - Governmental Activities</i>	<u>(197,374,636)</u>
Net Position of Governmental Activities	<u>\$ 372,959,545</u>

CITY OF FULLERTON

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Special Revenue Funds		
	General	Grants Administration	American Rescue Plan Act
Revenues:			
Taxes	\$ 86,939,335	\$ -	\$ -
Franchise taxes	4,269,636	-	-
Licenses and permits	2,736,503	-	-
Intergovernmental	1,470,672	4,172,814	1,006,611
Charges for services	11,275,258	-	-
Investment earnings	2,675,955	-	(691,864)
Fines and forfeitures	1,560,603	-	-
Miscellaneous	1,173,555	3,126	-
Total Revenues	112,101,517	4,175,940	314,747
Expenditures:			
Current:			
General government	6,621,526	-	676,655
Public safety	75,591,918	922,351	-
Community development	4,988,203	1,422,935	-
Human and leisure	9,165,659	104,336	-
Public works	7,512,297	130,766	-
Refuse collection	-	-	-
Capital outlay	21,963	21,381	-
Debt service:			
Principal retirement	259,240	-	-
Interest and fiscal charges	46,895	-	-
Total Expenditures	104,207,701	2,601,769	676,655
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,893,816	1,574,171	(361,908)
Other Financing Sources (Uses):			
Transfers in	361,742	-	-
Transfers out	(3,543,046)	(1,957,310)	(329,956)
Total Other Financing Sources (Uses)	(3,181,304)	(1,957,310)	(329,956)
Net Change in Fund Balances	4,712,512	(383,139)	(691,864)
Fund Balances (Deficit) - Beginning	20,562,056	(1,015,494)	55,306
Fund Balances (Deficit) - Ending	\$ 25,274,568	\$ (1,398,633)	\$ (636,558)

CITY OF FULLERTON

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Capital Projects Fund		Total Governmental Funds
	Capital Projects	Other Governmental Funds	
Revenues:			
Taxes	\$ -	\$ 197,873	\$ 87,137,208
Franchise taxes	-	-	4,269,636
Licenses and permits	-	-	2,736,503
Intergovernmental	19,289,549	9,820,169	35,759,815
Charges for services	78,997	21,643,174	32,997,429
Investment earnings	-	(116,339)	1,867,752
Fines and forfeitures	-	131,300	1,691,903
Miscellaneous	14,680	110,850	1,302,211
Total Revenues	19,383,226	31,787,027	167,762,457
Expenditures:			
Current:			
General government	-	163,730	7,461,911
Public safety	-	197,907	76,712,176
Community development	-	911,576	7,322,714
Human and leisure	-	36,107	9,306,102
Public works	-	9,506,274	17,149,337
Refuse collection	-	13,207,925	13,207,925
Capital outlay	32,972,193	314,286	33,329,823
Debt service:			
Principal retirement	-	-	259,240
Interest and fiscal charges	-	-	46,895
Total Expenditures	32,972,193	24,337,805	164,796,123
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,588,967)	7,449,222	2,966,334
Other Financing Sources (Uses):			
Transfers in	11,595,843	-	11,957,585
Transfers out	-	(7,046,040)	(12,876,352)
Total Other Financing Sources (Uses)	11,595,843	(7,046,040)	(918,767)
Net Change in Fund Balances	(1,993,124)	403,182	2,047,567
Fund Balances (Deficit) - Beginning	1,599,419	39,026,720	60,228,007
Fund Balances (Deficit) - Ending	\$ (393,705)	\$ 39,429,902	\$ 62,275,574

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CITY OF FULLERTON

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances - Total Governmental Funds	\$	2,047,567
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period. The details of this \$21,063,696 difference are as follows:</p>		
Capital outlay	\$	32,628,822
Depreciation and amortization expense		(10,973,452)
Loss on disposal of capital assets		<u>(591,674)</u>
Net adjustment to increase <i>Net Changes in Fund Balances - Total Governmental Funds</i> to arrive at <i>Changes in Net Position of Governmental Activities</i>		21,063,696
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds.		1,361,780
<p>Some 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. The details of this \$18,791,665 difference are as follows:</p>		
Compensated absences		201,985
Pensions		18,377,512
Other post-employment benefits		(91,067)
Leases		259,240
Claims and judgments		<u>43,995</u>
Net adjustment to decrease <i>Net Changes in Fund Balances - Total Governmental Funds</i> to arrive at <i>Changes in Net Position of Governmental Activities</i>		18,791,665
<p>The internal service funds are used by management to charge the costs of liability insurance, vehicle replacement, worker's compensation, group insurance, equipment maintenance, information technology, building maintenance, and facility capital repair to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities. The details of this \$4,843,602 difference are as follows:</p>		
Change in net position of internal service funds		6,291,753
Less: income from charges to business-type activities		<u>(1,448,151)</u>
Net adjustment to increase <i>Net Changes in Fund Balances - Total Governmental Funds</i> to arrive at <i>Changes in Net Position of Governmental Activities</i>		<u>4,843,602</u>
Change in Net Position of Governmental Activities	\$	<u>48,108,310</u>

CITY OF FULLERTON

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2022

	Business-Type Activities - Enterprise Funds		
	Airport	Water Utility	Sewer Enterprise
Assets:			
Current Assets:			
Cash and investments	\$ 2,986,957	\$ 44,711,913	\$ 8,097,457
Restricted assets - cash held with fiscal agent	-	-	-
Accounts receivable	942,769	10,153,463	1,234,809
Accrued interest receivable	3,307	49,080	9,033
Accrued interest - leases	21,300	2,505	-
Inventory	-	-	-
Prepaid items	-	18,119	1,500
Total Current Assets	<u>3,954,333</u>	<u>54,935,080</u>	<u>9,342,799</u>
Noncurrent Assets:			
Lease Receivables	10,316,510	1,050,918	-
Capital assets - net of accumulated depreciation	17,741,702	68,028,796	51,667,293
Total Noncurrent Assets	<u>28,058,212</u>	<u>69,079,714</u>	<u>51,667,293</u>
Total Assets	<u>32,012,545</u>	<u>124,014,794</u>	<u>61,010,092</u>
Deferred Outflows of Resources:			
Deferred charge on refunding	-	98,595	-
Pension deferrals	157,076	1,329,974	330,938
Other post-employment benefits deferrals	81,957	671,070	212,896
Total Deferred Outflows of Resources	<u>239,033</u>	<u>2,099,639</u>	<u>543,834</u>
Liabilities:			
Current Liabilities:			
Accounts payable	48,089	7,823,812	91,123
Accrued liabilities	17,246	162,294	44,056
Accrued interest payable	-	67,968	-
Unearned revenues	-	-	-
Deposits payable	72,614	2,166,621	640
Due to other funds	-	-	-
Compensated absences - current	24,586	182,779	68,325
Claims and judgments - current	-	-	-
Loans payable - current	-	-	-
Bonds payable - current	-	270,000	-
Total Current Liabilities	<u>162,535</u>	<u>10,673,474</u>	<u>204,144</u>
Noncurrent Liabilities:			
Compensated absences	6,146	104,039	18,702
Claims and judgments	-	-	-
Loans payable	-	-	-
Bonds payable	-	4,440,507	-
Net pension liability	863,243	7,309,121	1,818,727
Net other post-employment benefits liability	393,178	3,206,853	1,085,738
Total Noncurrent Liabilities	<u>1,262,567</u>	<u>15,060,520</u>	<u>2,923,167</u>
Total Liabilities	<u>1,425,102</u>	<u>25,733,994</u>	<u>3,127,311</u>
Deferred Inflows of Resources:			
Leases	10,046,844	1,017,419	-
Pension deferrals	547,110	4,632,408	1,152,681
Other post-employment benefits deferrals	94,540	838,779	262,948
Total Deferred Inflows of Resources	<u>10,688,494</u>	<u>6,488,606</u>	<u>1,415,629</u>
Net Position:			
Net investment in capital assets	17,741,702	63,416,884	51,667,293
Restricted for debt service	-	-	-
Unrestricted	2,396,280	30,474,949	5,343,693
Total Net Position	<u>\$ 20,137,982</u>	<u>\$ 93,891,833</u>	<u>\$ 57,010,986</u>

Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time

Net Position of Business-Type Activities

CITY OF FULLERTON

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2022

	Business-Type Activities - Enterprise Funds		Governmental Activities
	Other Enterprise Funds	Totals	Internal Service Funds
Assets:			
Current Assets:			
Cash and investments	\$ 2,284,132	\$ 58,080,459	\$ 71,265,929
Restricted assets - cash held with fiscal agent	260,242	260,242	7,918,889
Accounts receivable	2,379	12,333,420	40,339
Accrued interest receivable	2,294	63,714	75,928
Accrued interest - leases	2,174	25,979	-
Inventory	56,223	56,223	309,256
Prepaid items	-	19,619	2,140,150
Total Current Assets	2,607,444	70,839,656	81,750,491
Noncurrent Assets:			
Lease Receivables	911,896	12,279,324	-
Capital assets - net of accumulated depreciation	3,100,716	140,538,507	7,696,898
Total Noncurrent Assets	4,012,612	152,817,831	7,696,898
Total Assets	6,620,056	223,657,487	89,447,389
Deferred Outflows of Resources:			
Deferred charge on refunding	-	98,595	437,500
Pension deferrals	58,561	1,876,549	729,794
Other post-employment benefits deferrals	21,814	987,737	363,756
Total Deferred Outflows of Resources	80,375	2,962,881	1,531,050
Liabilities:			
Current Liabilities:			
Accounts payable	2,138,231	10,101,255	1,151,824
Accrued liabilities	9,504	233,100	99,971
Accrued interest payable	18,701	86,669	67,755
Unearned revenues	-	-	24,609
Deposits payable	220	2,240,095	-
Due to other funds	199,107	199,107	-
Compensated absences - current	10,519	286,209	-
Claims and judgments - current	-	-	5,152,811
Loans payable - current	-	-	117,561
Bonds payable - current	140,000	410,000	432,167
Total Current Liabilities	2,516,282	13,556,435	7,046,698
Noncurrent Liabilities:			
Compensated absences	2,630	131,517	-
Claims and judgments	-	-	27,026,189
Loans payable	-	-	9,524,442
Bonds payable	1,318,894	5,759,401	4,800,000
Net pension liability	321,844	10,312,935	4,010,719
Net other post-employment benefits liability	100,870	4,786,639	1,952,496
Total Noncurrent Liabilities	1,744,238	20,990,492	47,313,846
Total Liabilities	4,260,520	34,546,927	54,360,544
Deferred Inflows of Resources:			
Leases	888,584	11,952,847	-
Pension deferrals	203,979	6,536,178	2,541,932
Other post-employment benefits deferrals	20,109	1,216,376	466,337
Total Deferred Inflows of Resources	1,112,672	19,705,401	3,008,269
Net Position:			
Net investment in capital assets	1,641,822	134,467,701	7,508,007
Restricted for debt service	260,242	260,242	-
Unrestricted	(574,825)	37,640,097	26,101,619
Total Net Position	\$ 1,327,239	172,368,040	\$ 33,609,626
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time		3,737,294	
Net Position of Business-Type Activities		\$ 176,105,334	

The notes to financial statements are an integral part of this statement.

CITY OF FULLERTON

STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Airport</u>	<u>Water Utility</u>	<u>Sewer Enterprise</u>
Operating Revenues:			
Sales and service charges	\$ 1,885,119	\$ 49,901,139	\$ 6,061,351
Interfund service charges	-	-	-
Miscellaneous	2,535	242,851	30,319
Total Operating Revenues	1,887,654	50,143,990	6,091,670
Operating Expenses:			
Maintenance, operations, and administration	1,824,542	12,102,358	2,903,640
Cost of water	-	18,406,714	-
Claims expense	-	-	-
Depreciation expense	481,806	1,435,544	801,958
Total Operating Expenses	2,306,348	31,944,616	3,705,598
Operating Income (Loss)	(418,694)	18,199,374	2,386,072
Nonoperating Revenues (Expenses):			
Taxes	113,521	-	-
Intergovernmental	108,527	-	-
Investment earnings	226,186	(893,017)	(175,380)
Interest expense	-	(216,918)	-
Gain (loss) on disposal of capital assets	-	-	-
Total Nonoperating Revenues (Expenses)	448,234	(1,109,935)	(175,380)
Income (Loss) Before Transfers and Contributions	29,540	17,089,439	2,210,692
Capital contributions	4,731,456	706,504	-
Transfers in	-	-	-
Transfers out	(8,681)	(257,371)	(130,133)
Changes in Net Position	4,752,315	17,538,572	2,080,559
Net Position - Beginning	15,385,667	76,353,261	54,930,427
Restatements	-	-	-
Beginning of Fiscal Year, as restated	15,385,667	76,353,261	54,930,427
Net Position - Ending	\$ 20,137,982	\$ 93,891,833	\$ 57,010,986

Adjustment for the net effect of the current year activity between
the internal service funds and the enterprise funds

Changes in Net Position of Business-Type Activities

CITY OF FULLERTON

STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds		Governmental Activities
	Other Enterprise Funds	Totals	Internal Service Funds
Operating Revenues:			
Sales and service charges	\$ 4,406,359	\$ 62,253,968	\$ -
Interfund service charges	-	-	33,998,367
Miscellaneous	14,156	289,861	454,492
Total Operating Revenues	4,420,515	62,543,829	34,452,859
Operating Expenses:			
Maintenance, operations, and administration	4,328,495	21,159,035	25,224,810
Cost of water	-	18,406,714	-
Claims expense	-	-	2,102,118
Depreciation expense	87,692	2,807,000	1,192,827
Total Operating Expenses	4,416,187	42,372,749	28,522,117
Operating Income (Loss)	4,328	20,171,080	5,930,742
Nonoperating Revenues (Expenses):			
Taxes	-	113,521	-
Intergovernmental	-	108,527	-
Investment earnings	(19,100)	(861,311)	(1,495,545)
Interest expense	(70,430)	(287,348)	(193,643)
Gain (loss) on disposal of capital assets	-	-	(14,753)
Total Nonoperating Revenues (Expenses)	(89,530)	(926,611)	(1,703,941)
Income (Loss) Before Transfers and Contributions	(85,202)	19,244,469	4,226,801
Capital contributions	-	5,437,960	750,000
Transfers in	-	-	2,037,056
Transfers out	-	(396,185)	(722,104)
Changes in Net Position	(85,202)	24,286,244	6,291,753
Net Position - Beginning	1,868,922		27,317,873
Restatements	(456,481)		-
Beginning of Fiscal Year, as restated	1,412,441		27,317,873
Net Position - Ending	\$ 1,327,239		\$ 33,609,626
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds		1,448,151	
Changes in Net Position of Business-Type Activities		\$ 25,734,395	

The notes to financial statements are an integral part of this statement.

CITY OF FULLERTON

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds		
	Airport	Water Utility	Sewer Enterprise
Cash Flows from Operating Activities:			
Receipts from customers	\$ 1,026,559	\$ 49,647,695	\$ 6,120,409
Receipts from interfund charges	-	-	-
Cash recovered from insurance claims	-	-	-
Other receipts	-	242,851	-
Payments to suppliers and service providers	(1,237,399)	(25,519,816)	(2,186,328)
Payments to employees for salaries and benefits	(682,544)	(7,088,122)	(1,728,317)
Payments of insurance claims	-	-	-
Net Cash Provided by (Used for) Operating Activities	(893,384)	17,282,608	2,205,764
Cash Flows from Noncapital Financing Activities:			
Transfers from other funds	-	-	-
Taxes received	113,521	-	-
Cash received on short-term interfund borrowings	-	-	-
Principal paid on noncapital debt	-	-	-
Interest paid on noncapital debt	-	-	-
Transfers out	(8,681)	(257,371)	(130,133)
Net Cash Provided by (Used for) Noncapital Financing Activities	104,840	(257,371)	(130,133)
Cash Flows from Capital and Related Financing Activities:			
Capital grants and contributions received	4,731,456	-	-
Acquisition and construction of capital assets	(3,444,253)	(7,616,154)	(2,273,214)
Principal paid on capital debt	-	(265,000)	-
Interest paid on capital debt	-	(250,627)	-
Advance refunding of old debt	-	-	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	1,287,203	(8,131,781)	(2,273,214)
Cash Flows from Investing Activities:			
Interest on investments	311,392	(957,151)	(179,181)
Net Cash Provided by (Used for) Investing Activities	311,392	(957,151)	(179,181)
Net Increase (Decrease) in Cash and Cash Equivalents	810,051	7,936,305	(376,764)
Cash and Cash Equivalents, July 1	2,176,906	36,775,608	8,474,221
Cash and Cash Equivalents, June 30	\$ 2,986,957	\$ 44,711,913	\$ 8,097,457
Reconciliation of Cash and Cash Equivalents to Amounts Reported on the Statement of Net Position			
Cash and investments	\$ 2,986,957	\$ 44,711,913	\$ 8,097,457
Restricted assets - cash held with fiscal agent	-	-	-
Cash and Cash Equivalents, June 30	\$ 2,986,957	\$ 44,711,913	\$ 8,097,457
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating income (loss)	\$ (418,694)	\$ 18,199,374	\$ 2,386,072
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation	481,806	1,435,544	801,958
Nonoperating miscellaneous revenues/(expenses)	-	-	-
(Increase) decrease in accounts receivable	(10,911,042)	(1,584,169)	28,229
(Increase) decrease in inventory	-	-	-
(Increase) decrease in prepaid items	-	(18,119)	(1,316)
Increase (decrease) in accounts payable	(51,746)	(256,888)	(563,599)
Increase (decrease) in accrued liabilities	10,049,498	14,792	6,085
Increase (decrease) in unearned revenue	-	-	-
Increase (decrease) in deposits payable	3,103	279,807	510
Increase (decrease) in claims and judgments	-	-	-
Increase (decrease) in compensated absences	3,191	(80,228)	(5,308)
Increase (decrease) in pension items	(49,498)	(707,482)	(446,859)
Increase (decrease) in other post-employment benefits items	(2)	(23)	(8)
Total Adjustments	(474,690)	(916,766)	(180,308)
Net Cash Provided by (Used for) Operating Activities	\$ (893,384)	\$ 17,282,608	\$ 2,205,764

The notes to financial statements are an integral part of this statement.

CITY OF FULLERTON

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds		Governmental Activities
	Other Enterprise Funds	Totals	Internal Service Funds
Cash Flows from Operating Activities:			
Receipts from customers	\$ 3,532,439	\$ 60,327,102	\$ -
Receipts from interfund charges	-	-	33,962,820
Cash recovered from insurance claims	-	-	-
Other receipts	-	242,851	193,745
Payments to suppliers and service providers	(1,896,959)	(30,840,502)	(19,823,401)
Payments to employees for salaries and benefits	(44,999)	(9,543,982)	(2,891,678)
Payments of insurance claims	-	-	(5,822,471)
Net Cash Provided by (Used for) Operating Activities	1,590,481	20,185,469	5,619,015
Cash Flows from Noncapital Financing Activities:			
Transfers from other funds	-	-	2,037,056
Taxes received	-	113,521	-
Cash received on short-term interfund borrowings	71,077	71,077	412,658
Principal paid on noncapital debt	-	-	(420,000)
Interest paid on noncapital debt	-	-	(121,601)
Transfers out	-	(396,185)	(722,104)
Net Cash Provided by (Used for) Noncapital Financing Activities	71,077	(211,587)	1,186,009
Cash Flows from Capital and Related Financing Activities:			
Capital grants and contributions received	-	4,731,456	750,000
Acquisition and construction of capital assets	-	(13,333,621)	(1,769,306)
Principal paid on capital debt	(135,000)	(400,000)	(114,359)
Interest paid on capital debt	(69,653)	(320,280)	(6,980)
Advance refunding of old debt	-	-	8,894,000
Net Cash Provided by (Used for) Capital and Related Financing Activities	(204,653)	(9,322,445)	7,753,355
Cash Flows from Investing Activities:			
Interest on investments	(21,180)	(846,120)	(1,532,913)
Net Cash Provided by (Used for) Investing Activities	(21,180)	(846,120)	(1,532,913)
Net Increase (Decrease) in Cash and Cash Equivalents	1,435,725	9,805,317	13,025,466
Cash and Cash Equivalents, July 1	1,108,649	48,535,384	66,159,352
Cash and Cash Equivalents, June 30	\$ 2,544,374	\$ 58,340,701	\$ 79,184,818
Reconciliation of Cash and Cash Equivalents to Amounts Reported on the Statement of Net Position			
Cash and investments	\$ 2,284,132	\$ 58,080,459	\$ 71,265,929
Restricted assets - cash held with fiscal agent	260,242	260,242	7,918,889
Cash and Cash Equivalents, June 30	<u>\$ 2,544,374</u>	<u>\$ 58,340,701</u>	<u>\$ 79,184,818</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating income (loss)	\$ 4,328	\$ 20,171,080	\$ 5,930,742
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation	87,692	2,807,000	1,192,827
Nonoperating miscellaneous revenues/(expenses)	-	-	7,337
(Increase) decrease in accounts receivable	(883,346)	(13,350,328)	(34,522)
(Increase) decrease in inventory	(24,920)	(24,920)	(93,737)
(Increase) decrease in prepaid items	-	(19,435)	(589,467)
Increase (decrease) in accounts payable	2,266,805	1,394,572	(180,770)
Increase (decrease) in accrued liabilities	1,533	10,071,908	23,527
Increase (decrease) in unearned revenue	(4,950)	(4,950)	1,337
Increase (decrease) in deposits payable	220	283,640	-
Increase (decrease) in claims and judgments	-	-	(276,000)
Increase (decrease) in compensated absences	6,390	(75,955)	-
Increase (decrease) in pension items	136,730	(1,067,109)	(362,249)
Increase (decrease) in other post-employment benefits items	(1)	(34)	(10)
Total Adjustments	1,586,153	14,389	(311,727)
Net Cash Provided by (Used for) Operating Activities	\$ 1,590,481	\$ 20,185,469	\$ 5,619,015

The notes to financial statements are an integral part of this statement.

CITY OF FULLERTON

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2022

	Pension (and Other Employee Benefit) Trust Fund	Private- Purpose Trust Fund	
	Retiree Health Insurance Program	Successor Agency of the Former RDA	Custodial Funds
Assets:			
Cash and cash equivalents	\$ -	\$ 5,848,875	\$ 1,335,882
Restricted assets - cash and cash equivalents	-	6,228,325	-
Investments:			
Mutual funds	-	717,730	-
Equity securities	63,432	-	-
Receivables:			
Accounts	-	3,563	-
Leases	-	407,342	-
Accrued interest receivable	-	6,466	-
Notes and loans receivable	-	37,128,462	-
Prepaid costs	-	101,464	-
Deposits	-	-	10,500
Land held for resale	-	2,900,768	-
Total Assets	63,432	53,343,966	1,346,382
Deferred Outflows of Resources:			
Deferred charges on refunding	-	137,352	-
Pension deferrals	-	8,858	-
Total Deferred Outflows of Resources	-	146,210	-
Liabilities:			
Accounts payable	-	14,003	21,800
Accrued liabilities	-	5,796	-
Accrued interest	-	493,513	-
Noncurrent:			
Bonds payable - due within one year	-	7,410,000	-
Bonds payable - due in more than one year	-	39,392,389	-
Net pension liability	-	48,683	-
Total Liabilities	-	47,364,384	32,300
Deferred Inflows of Resources:			
Leases	-	398,401	-
Pension deferrals	-	30,854	-
Total Deferred Inflows of Resources	-	429,255	-
Net Position:			
Restricted for post-employment benefits other than pensions	63,432	-	-
Restricted for individuals, organizations, and other governments	-	5,696,537	1,314,082
Total Net Position	\$ 63,432	\$ 5,696,537	\$ 1,314,082

CITY OF FULLERTON

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2022

	Pension (and Other Employee Benefit) Trust Fund	Private- Purpose Trust Fund	Custodial Funds
	Retiree Health Insurance Program	Successor Agency of the Former RDA	Custodial Funds
Additions:			
Investment Earnings:			
Net increase (decrease) in fair value of investments	\$ (10,755)	\$ (156,553)	\$ -
Interest, dividends, and other	-	744,283	-
Securities lending income	-	-	-
Total Investment Earnings	(10,755)	587,730	-
Property taxes	-	8,964,690	-
Miscellaneous	-	371,188	2,117,220
Total Additions	(10,755)	9,923,608	2,117,220
Deductions:			
Administrative expenses	433	171,166	-
Contractual services	-	309,468	-
Miscellaneous	-	-	2,195,101
Interest expense	-	617,604	-
Total Deductions	433	1,098,238	2,195,101
Changes in Net Position	(11,188)	8,825,370	(77,881)
Net Position - Beginning, as Originally Reported	74,620	(3,274,403)	(21,555,000)
Restatement of Net Position	-	145,570	22,946,963
Net Position - Beginning, as Restated	74,620	(3,128,833)	1,391,963
Net Position - Ending	\$ 63,432	\$ 5,696,537	\$ 1,314,082

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I. SIGNIFICANT ACCOUNTING POLICIES

Note 1: Summary of Significant Accounting Policies

a. Financial Reporting Entity

The City of Fullerton (the City) is a general law city governed by an elected five-member city council. As required by generally accepted accounting principles, these financial statements present the City (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationship with the City. These entities are legally separate from each other. However, the City's elected officials have a continuing full or partial accountability for fiscal matters of the other entities. The financial reporting City consists of: (1) the City, (2) organizations for which the City is financially accountable, and (3) organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete.

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

Blended Component Units

CITY OF FULLERTON PUBLIC FINANCING AUTHORITY

The City of Fullerton Public Financing Authority (the PFA) was created on June 2, 1998, through a joint exercise of powers agreement between the City and the former Fullerton Redevelopment Agency for the purposes of (1) financing the acquisition and construction of various public capital improvements relating to the three Redevelopment Project Areas, and (2) refinancing various outstanding obligations of the former Fullerton Redevelopment Agency. The City's Council Members serve as the board of directors for the Authority. The Authority's financial data and transactions have been blended into the City's ACFR in the government-wide governmental activities and funds of the City as applicable.

CITY OF FULLERTON HOUSING AUTHORITY

The City of Fullerton Housing Authority (the Housing Authority) was established on February 15, 2011. The Housing Authority was activated pursuant to State Law Section 34290 of the California Health and Safety Code, which allows for every City to establish a housing authority. The Housing Authority is designed to help protect local housing funds and programs, provide new revenue opportunities for affordable housing programs, serve the public interest, promote public safety and welfare, and ensure decent, safe, sanitary, and affordable housing accommodations to persons of low income. The Fullerton City Council serves as the Housing Authority's Commissioners. The City has operational responsibility for the Housing Authority. The Authority's financial data and transactions are included with the City under the Housing Special Revenue Fund.

Separate financial statements are not prepared for the PFA and the Housing Authority.

Note 1: Summary of Significant Accounting Policies (Continued)

Jointly Governed Organization

NORTH ORANGE COUNTY CITIES JOINT POWER AUTHORITY

The City of and the City of Brea are members of the North Orange County Cities Joint Powers Authority, these activities are reported as a fiduciary fund. For more information on this Joint Exercise of Powers Agreement see Note 19.

b. Basic Financial Statements - Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units as a whole. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are payments where the amounts are reasonably equivalent in value to the interfund services provided between the government's water, airport, parking facilities, recreational facilities and sewer functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. 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. The interfund activities and balances between governmental activities and business-type activities are shown in the government-wide financial statements.

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

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

Separate financial statements for the government's governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and other governmental funds in the aggregate for governmental funds.

Fiduciary statements, even though excluded from the government-wide financial statements, include financial information that primarily represent assets held by the City in a custodial capacity for other individuals or organizations.

Note 1: Summary of Significant Accounting Policies (Continued)

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. The City's fiduciary funds consists of a pension (and other employee benefits) trust fund, a private-purpose trust fund, and custodial funds. Under the economic resources measurement focus, all assets and liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the current financial resources measurement focus, only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered to be a measure of "available expendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period. Noncurrent portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus. However, special reporting treatments are used to indicate that they should not be considered "available spendable resources" since they do not represent net current assets. Recognition of governmental fund type revenue represented by noncurrent receivables is unavailable until they become current receivables. Noncurrent portions of other long-term receivables are offset by nonspendable fund balance. Governmental fund revenues are recognized when they become measurable and available as net current assets. The primary revenue sources susceptible to accrual are taxpayer assessed taxes, grant revenues, investment income and capital project financing sources. Revenues are recognized when they are measurable at the end of the year and available within 60 days after the end of the fiscal year. Grant revenues have been recorded according to the provisions of GASB Statement 33, whereby grant funds earned but not received are recorded as a receivable, and grants received or receivable before the related revenue recognition criteria have been met are reported as unavailable revenue. Primary revenue sources not susceptible to accrual are court fines, and charges for services. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

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 Grants Administration Special Revenue Fund accounts for receipts and expenditures of various federal, state, and local grant programs.

Note 1: Summary of Significant Accounting Policies (Continued)

- The American Rescue Plan Act Fund accounts for receipts and expenditures of the federal funding received from the American Rescue Plan Act of 2021 for the purposes of emergency response expenditures and economic recovery costs associated with the coronavirus pandemic.
- The Capital Projects Fund accounts for financial resources segregated for the acquisition or construction of major capital facilities and equipment, and the maintenance and construction of the City's major infrastructure.

The City reports the following major enterprise funds:

- The Water Utility Fund accounts for the operation and maintenance of the City's water production, transmission, and distribution system.
- The Airport Fund accounts for the operation and maintenance of the Fullerton Airport.
- The Sewer Enterprise Fund accounts for the operation and maintenance of the City's sewer system.

Additionally, the City reports the following fund types:

- Debt Service Fund accounts for the principal and interest payments of long-term liabilities for the city.
- Internal Service Funds account for the activity that provides goods and services to other funds or departments on a cost-reimbursement basis, such as, liability insurance, equipment replacement, workers' compensation, group insurance, equipment maintenance, information technology, building maintenance services and facility capital repair.
- The Pension (and Other Employee Benefit) Trust Fund accounts for the assets held in trust to pay for future benefits related to the City's post-employment healthcare plan.
- The Private Purpose Trust Fund accounts for the assets and liabilities of the former redevelopment agency and is allocated revenue to pay estimated installment payments of enforceable obligations until obligations of the former redevelopment agency are paid in full and assets have been liquidated.
- Custodial Funds account for fiduciary activities not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. Some of these fiduciary activities of the City include collections to be remitted to other governments, assessment districts, and community facilities districts, and the North Orange County Cities Joint Powers Authority.

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 space rentals. Under GASB Statement No. 34, enterprise funds are also required for any activity whose principal

Note 1: Summary of Significant Accounting Policies (Continued)

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) if 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.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the Water Utility Fund, the Airport Fund, the Sewer Fund, the Parking Facilities Fund, and the Brea Dam Recreation Facilities Fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

d. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position

1. Cash and Investments

The City pools all available cash from all funds for the purpose of increasing income through investment activities. The City's cash and cash equivalents for the proprietary funds represents cash and investments, cash and investments with fiscal agents, and customer deposits with original maturities of three months or less held by the funds at fiscal year-end.

All investments are reported at fair value (the value at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale), except for investments which have a remaining maturity of less than one year when purchased, which are stated at amortized cost. Those investments are short-term, highly liquid debt instruments including commercial paper, certificates of deposit, and agency obligations.

In accordance with GASB 72, Fair Value Measurement and Application, the City's investments are stated at fair value.

2. Receivables and Payables

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

Advances to other funds are offset by a fund balance nonspendable or restricted account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

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

Note 1: Summary of Significant Accounting Policies (Continued)

3. Property Tax Calendar

Property taxes are assessed and collected each fiscal year according to the following property tax calendar:

Lien date	January 1
Ley date	July 1 to June 30
Due date	November 1, 1st Installment and March 1, 2nd installment
Collection date	December 10, 1st installment and April 10, 2nd installment

Under California law, property taxes are assessed and collected by the counties up to 1 percent of assessed value, plus other increases approved by the voters. The property taxes go into a pool and are then allocated to the cities based on complex formulas prescribed by state statutes. Accordingly, the City accrues only those taxes which are received from the county within 60 days after year-end.

4. Inventory, Prepaid Items, and Land Held for Resale

The City uses the consumption method to account for automotive parts and fuels inventory. Inventory is capitalized when purchased and is thereafter recorded as expenditure at the time the inventory item is consumed. Inventory assets are classified as nonspendable fund balance. The City used the purchases method for miscellaneous materials, supplies, utility department meters, pipe, valves, and fittings.

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

Land held for resale is carried at the lower of cost or estimated realizable value. Fund balances are nonspendable or restricted in amounts equal to the carrying value of the land held for resale because such assets are not available to finance the City's current operations.

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with initial, individual cost of more than \$5,000 (\$25,000 for infrastructure) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value when received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

Property, plant, equipment, and the infrastructure are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Building and improvements	20-50
Water system lines and mains	50
Vehicles, furniture, and equipment	3-20
Public domain infrastructure:	
Streets, highways, and alleys	30-50
Bridges	50
Storm drains	50
Sewers	75
Traffic signals	20

6. Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the Statement of Net Position and the Governmental Funds' Balance Sheet will sometimes report separate sections for deferred outflows of resources and for deferred inflows of resources.

The separate financial statement element of deferred outflows of resources represent a consumption of net assets that applies to future periods which will not be recognized as an outflow of resources (expense/expenditure) until that time. The City has items that qualify for reporting in this category: the deferred charge on refunding of long-term liabilities and components of the calculations for the net pension and other post-employment benefits liabilities.

The separate financial statement element of deferred inflows of resources represent an acquisition of net assets that applies to future periods which will not be recognized as an inflow of resources (revenue) until that time. The City has items that qualify for reporting in this category: unavailable revenue, leases, and components of the calculations for the net pension and OPEB liabilities. Unavailable revenue exists only under the modified accrual basis of accounting and, accordingly, is reported only in the governmental funds' balance sheet. The governmental funds typically report unavailable revenues for grant receipts which have been earned, but which are not received within the City's defined availability period (60 days); these amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The recognition period differs depending on the source of the gain or loss.

7. Claims and Judgments

The City records a liability for litigation, judgments and claims when it is probable that an asset has been impaired, or a liability has been incurred prior to year-end and the probable amount of loss (net of any insurance coverage) can be reasonably estimated. This liability is recorded in the Internal Service Fund that accounts for the City's self-insurance activities. It is the City's policy that all insurance claims outstanding at June 30, 2022, will be liquidated from expendable available financial resources at June 30, 2022.

Note 1: Summary of Significant Accounting Policies (Continued)**8. Compensated Absences**

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Unused vacation and sick pay are accrued in the government-wide and proprietary fund financial statements. Only the current portion of the unused sick pay is recorded in the governmental fund statements. The current portion of the unpaid sick pay is the accumulation, as described below, for those employees that have reached retirement age.

Employees may accumulate sick leave without limitation as to the number of hours of accumulation. However, the maximum accumulation of vacation leave is limited to the total number of hours accruable for two years. Employees are paid 100 percent of their accumulated vacation pay when they terminate their employment for any reason. Accumulated sick pay is paid to eligible safety employees and non-safety employees, who were hired before June 30, 1984, and August 31, 1983, respectively, only under the following conditions: (1) 50 percent or 55 percent (depending on employee's classification) of the total accumulation is paid upon retirement or death; (2) 50 percent of the accumulation in excess of 120 days is paid for full-time employees terminated for any other reason after ten full years of continuous service. Only 50 percent or 55 percent of unpaid sick pay for eligible employees was recorded as a City liability. The portion for those eligible employees who reached their retirement ages at the end of the fiscal year were recorded as the current portion of unpaid sick pay. The remaining portion was recorded as a long-term liability.

9. Net Pension Liability

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

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Date (VD)	June 30, 2020
Measurement Date (MD)	June 30, 2021
Measurement Period (MP)	July 1, 2020, to June 30, 2021

10. Other Post-Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and the OPEB expense have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020, to June 30, 2021

11. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds for all the bonds issued after June 30, 2002.

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

12. Fund Equity

In the fund financial statements, government funds report the following fund balance classification:

- Nonspendable include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted include amounts that are constrained on the use of resources by either (a) external creditors, grantors, contributors, or laws of regulations of other governments or (b) by law through constitutional provisions or enabling legislation.
- Committed include amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest authority, City Council. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is by the adoption of an ordinance.
- Assigned include amounts that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed. The Director of Administrative Services is authorized to assign amounts to a specific purpose, which was established by the governing body in resolution.
- Unassigned includes the residual amounts that have not been restricted, committed, or assigned to specific purposes. The General Fund is the only City fund that is able to report a positive unassigned fund balance.

Note 1: Summary of Significant Accounting Policies (Continued)

Pursuant to the City's fund balance policy, the City Council's goal is to achieve a minimum of 10% of the annual General Fund appropriation, as assigned fund balance in the General Fund. This is intended to be used to provide for temporary financing of unanticipated extraordinary needs of an emergency nature, such as economic uncertainties or a local disaster.

13. Net Position Flow Assumption

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

14. Fund Balance Flow Assumptions

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

15. Changes in Accounting Principles and New GASB Pronouncements

For 2022, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the City's 2022 financial statements and had no net effect on the City's beginning net position for any funds.

The implementation of GASB Statement No. 87 had the following effect on net position as reported June 30, 2022:

	Governmental Activities	Business-Type Activities	Private-Purpose Trust Fund
Net Position - Beginning	\$ 324,851,235	\$ 150,827,420	\$ (3,274,403)
Adjustments:			
Lease receivable	7,759,385	12,858,115	582,279
Deferred inflows-leases	(7,759,385)	(12,858,115)	(582,279)
Restated Net Positon - Beginning	<u>\$ 324,851,235</u>	<u>\$ 150,827,420</u>	<u>\$ (3,274,403)</u>

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Note 2: Deficit Fund Equity

At June 30, 2022, the Capital Projects Fund, a major special revenue fund, has a deficit net position of \$393,705. The reason for the deficit in this case is due to the timing of grant receipts and reimbursements. The deficit is expected to be eliminated through future grant revenues.

At June 30, 2022, the Grants Administration Fund, a major special revenue fund, has a deficit fund balance of \$1,398,633. The reason for the deficit in this case is due to the timing of grant receipts and reimbursements. The deficit is expected to be eliminated through future grant revenues.

At June 30, 2022, the American Rescue Plan Act Fund, a major special revenue fund, has a deficit fund balance of \$636,558. The reason for the deficit in this case is due to unrealized loss on investments due to adverse market conditions during fiscal year 2021-2022. The deficit is expected to be eliminated in future years as the markets stabilize.

At June 30, 2022, the SB2 / PLHA Fund, a nonmajor special revenue fund, has a deficit fund balance of \$1,473,310. The reason for the deficit in this case is due to the timing of receipts and reimbursements. The deficit is expected to be eliminated through future program revenues.

Note 3: Budgetary Compliance

The SB2 / PLHA and the West Coyote Hills Endowment special revenue funds did not adopt budgets for the year ended June 30, 2022.

III. DETAILED NOTES ON ALL FUNDS

Note 4: Cash and Investments

Cash and investments at June 30, 2022, are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 222,984,997
Restricted cash and investments	9,021,142
Fiduciary Funds:	
Cash and investments	7,965,919
Restricted cash and investments	6,228,325
Total cash and investments	<u>\$ 246,200,383</u>

CITY OF FULLERTON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 4: Cash and Investments (Continued)

Cash and investments as of June 30, 2022, consist of the following:

Demand deposits	\$ 11,769,286
Cash on hand	47,995
Investments	218,352,467
Cash with fiscal agents	14,190,297
Investments with fiscal agents	<u>1,840,338</u>
Total cash and investments	<u>\$ 246,200,383</u>

At June 30, 2022, the carrying amount of the City's deposits was \$11,769,286 and the bank balance was \$17,258,867. The \$5,489,581 difference represents outstanding checks and other reconciling items.

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

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

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	40%
U.S. Federal instrumentalities	5 years	None	40%
Banker's Acceptances	180 days	40%	5%
Commercial Paper	270 days	25%	5%
Negotiable Certificates of Deposit	5 years	30%	5%
Collateralized Certificates of Deposit	5 years	25%	10%
Repurchase Agreements	1 year	25%	20%
Medium-Term Notes	5 years	30%	5%
Orange County Investment Pool	None	0%	0%
Asset Back Securities	5 years	20%	5%
Municipal Bonds	5 years	20%	5%
Supranational Debt	5 years	30%	5%
Money Market Funds	5 years	2%	10%
Local Agency Investment Fund (LAIF)	None	Lesser of \$50M or 60%	None

b. Investments Authorized by Debt Agreements

The above investments do not address investments of debt proceeds held by a bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 4: Cash and Investments (Continued)**c. Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The City monitors the interest rate inherent in its portfolio by measuring the weighted average maturity of its portfolio.

The investment maturities of the City's portfolio as of June 30, 2022, are as follows:

	Remaining Investment Maturities			Fair Value
	12 months or less	1 to 3 years	3 to 5 years	
Investments:				
Local Agency Investment Fund	\$ 103,203,350	\$ -	\$ -	\$ 103,203,350
Certificates of Deposit	-	-	-	-
US Government Treasury Notes	-	47,574,722	37,004,131	84,578,853
Corporate Notes	-	6,205,896	7,563,952	13,769,848
Municipal Issuances	-	-	-	-
Federal Agency Securities:				
FHLMC	-	9,336,270	793,031	10,129,301
FFCB	-	1,892,603	-	1,892,603
FHLB	-	-	419,495	419,495
FNMA	-	2,254,707	1,321,064	3,575,771
Money Market Mutual Funds	783,246	-	-	783,246
Total Investments	103,986,596	67,264,198	47,101,673	218,352,467
Investments with Fiscal Agents:				
PARS OPEB Trust Fund:				
Equity Securities	-	501,509	-	501,509
PARS Section 115 Pension Trust Fund:				
Equity Securities	-	63,432	-	63,432
Money Market Mutual Funds	1,275,397	-	-	1,275,397
Total Investments with Fiscal Agents	1,275,397	564,941	-	1,840,338
Total	\$ 105,261,993	\$ 67,829,139	\$ 47,101,673	\$ 220,192,805

d. Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City has no investments that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above).

e. Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfil its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

CITY OF FULLERTON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 4: Cash and Investments (Continued)

Presented below is the minimum rating as required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating, as reported by Standard and Poor's, as of year-end for each investment type:

	Total as of June 30, 2021	Minimum Legal Rating	AAA	AA- to AA+	A- to A+	BBB- to BBB+	Not Subject to Credit Risk Disclosure
Investments:							
Local Agency Investment Fund	\$ 103,203,350	N/A	\$ -	\$ -	\$ -	\$ -	\$ 103,203,350
Certificates of Deposit	-	N/A	-	-	-	-	-
US Government Treasury Notes	84,578,853	N/A	-	74,590,253	9,988,600	-	-
Corporate Notes	13,769,848	A	463,484	4,024,028	9,282,336	-	-
Municipal Issuances	-	N/A	-	-	-	-	-
Federal Agency Securities:							
FHLMC	10,129,301	N/A	-	10,129,301	-	-	-
FFCB	1,892,603	N/A	-	1,892,603	-	-	-
FHLB	419,495	N/A	-	419,495	-	-	-
FNMA	3,575,771	N/A	-	3,575,771	-	-	-
Money Market Mutual Funds	783,246	AAA	783,246	-	-	-	-
Total Investments	218,352,467		1,246,730	94,631,451	19,270,936	-	103,203,350
Investments with Fiscal Agents:							
PARS OPEB Trust Fund:							
Equity Securities	501,509	N/A	-	-	-	-	501,509
PARS Section 115 Pension Trust Fund:							
Equity Securities	63,432	N/A	-	-	-	-	63,432
Money Market Mutual Funds	1,275,397	AAA	1,275,397	-	-	-	-
Total Investments with Fiscal Agents	1,840,338		1,275,397	-	-	-	564,941
Total	\$ 220,192,805		\$ 2,522,127	\$ 94,631,451	\$ 19,270,936	\$ -	\$ 103,768,291

f. Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There were no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represented 5% or more of total City investments in FY 2022.

g. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

Note 4: Cash and Investments (Continued)

As of June 30, 2022, none of the City's deposits or investments were exposed to custodial credit risk. As of June 30, 2022, \$9,802,310 in investments are purchased and held by the bond trustee.

h. Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata shares of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawals is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. LAIF does not impose limits or restrictions on participant withdrawals, and the entire balance of the City's investment in the portfolio is available for withdrawal at any time. LAIF is not registered with the Securities and Exchange Commission and is not rated. Deposits and withdrawals in LAIF are made on the basis of \$1 and not fair value. Accordingly, the City's investment in this pool is measured on uncategorized inputs not defined as Level 1, 2, or 3.

i. Allocation of interest income among funds

Interest income from pooled investments is allocated to those funds which are required by law or administrative action to receive interest. Interest is allocated on a monthly basis based on the weighted average cash balances in each fund receiving interest. Interest income from cash and investments with fiscal agent is credited directly to the related fund.

j. Restricted cash and investments

The restricted cash and investments account include various cash amounts retained in debt service reserves required by the revenue bond covenants, customer deposits held by utility, bond current debt service account and bond future debt service reserve account. Cash and investments for CDBG loan program accounts are also included in the restricted cash and investments since their use is restricted by legal requirements.

k. Fair Value Measurement and Application

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are quoted prices for similar assets in active markets; Level 3 inputs are significant unobservable inputs.

CITY OF FULLERTON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 4: Cash and Investments (Continued)

The City has the following recurring fair value measurements as of June 30, 2022:

	Total as of June 30, 2022	Not Measured at Fair Value	Level 1	Level 2
Investments:				
Local Agency Investment Fund	\$ 103,203,350	\$ 103,203,350	\$ -	\$ -
Certificates of Deposit	-	-	-	-
US Government Treasury Notes	84,578,853	-	-	84,578,853
Corporate Notes	13,769,848	-	-	13,769,848
Municipal Issuances	-	-	-	-
Federal Agency Securities:				
FHLMC	10,129,301	-	-	10,129,301
FFCB	1,892,603	-	-	1,892,603
FHLB	419,495	-	-	419,495
FNMA	3,575,771	-	-	3,575,771
Money Market Mutual Funds	783,254	-	783,254	-
Total Investments	218,352,475	103,203,350	783,254	114,365,871
Investments with Fiscal Agents:				
PARS OPEB Trust Fund:				
Equity Securities	501,509	-	-	501,509
PARS Section 115 Pension Trust Fund:				
Equity Securities	63,432	-	-	63,432
Money Market Mutual Funds	1,275,400	-	1,275,400	-
Total Investments with Fiscal Agents	1,840,341	-	1,275,400	564,941
Total	\$ 220,192,816	\$ 103,203,350	\$ 2,058,654	\$ 114,930,812

Note 5: Accounts Receivable

Receivables as of year-end for the government's individual major funds and aggregate nonmajor, internal service, and fiduciary funds, including applicable allowances for uncollectible accounts, are as follows:

Component	Governmental Activities						Total
	General Fund	Grants Administration	American Rescue Plan Act	Capital Projects	Nonmajor Governmental Funds	Internal Service Funds	
Accounts	\$ 565,257	\$ 241,031	\$ -	\$ 812,431	\$ 101,744	\$ 1,317	\$ 1,721,780
Unbilled accounts	7,808,600	2,081,653	-	3,168,934	4,619,218	39,022	17,717,427
Water, sanitation, and trash	521,335	-	-	-	2,148,114	-	2,669,449
Parks and recreation	69,316	-	-	-	-	-	69,316
Bank return items	83,662	-	-	-	-	-	83,662
Total	\$ 9,048,170	\$ 2,322,684	\$ -	\$ 3,981,365	\$ 6,869,076	\$ 40,339	\$ 22,261,634
Component	Business-Type Activities					Fiduciary Funds	
	Airport	Water Utility	Sewer Enterprise	Nonmajor Enterprise Funds	Total		
Accounts	\$ 141,668	\$ 99,769	\$ 31,863	\$ 2,414	\$ 275,714	\$ 3,563	
Unbilled accounts	801,101	6,363,422	620,851	-	7,785,374	-	
Water, sanitation, and trash	-	3,690,272	582,095	(35)	4,272,332	-	
Total	\$ 942,769	\$ 10,153,463	\$ 1,234,809	\$ 2,379	\$ 12,333,420	\$ 3,563	

Note 6: Notes and Loans Receivable

Housing Fund

a. Affordable Housing Loan Program

The former Redevelopment Agency Low and Moderate Housing fund offered low interest loans to owners and developers providing affordable housing to low- and moderate-income tenants. The loans have various interest rates and terms of repayment. These activities have been transferred to the City and are accounted for in the Housing Fund. The outstanding balance at June 30, 2022, is \$11,022,927.

b. DAP – Down Payment Assistance Program

The loans are given in amounts not to exceed \$45,000 per applicant. The loans are payable after 15 years' interest free. The balance outstanding at June 30, 2022, is \$742,839.

The Housing Fund notes and loans receivable total \$11,765,766.

Grants Administration Fund

c. Housing and Community Development Loan Program (CDBG Loans)

The City uses Community Development Block Grant (CDBG) funding to provide loans to eligible applicants. Two types of loans are available: below market interest rate loans and deferred loans.

Below market interest rate loans are offered to low and moderate-income owner/occupants and to owner/investors whose tenants have low and moderate income. Pacific Premier Bank acts as the lender for this program, with the City providing interest subsidies. The maximum term of the loans is fifteen years.

Interest-free deferred loans are offered to low and moderate-income owner/occupants. The City lends CDBG funding directly to eligible households through this program. Deferred loans are payable upon the sale or transfer of the property.

The rehabilitation loans are recorded in Grants Administration Fund as Notes Receivable and Deferred Revenue. Since the Department of Housing and Urban Development has a claim to any funds remaining when the program is terminated, these funds are reported as liabilities. The outstanding balance at June 30, 2022, is \$1,002,540.

d. Civic Center Barrio Housing (HOME Fund – Notes Receivable)

On July 19, 1994, an Owner Participation Agreement was issued for the acquisition and rehabilitation of affordable rental housing projects located at Garnet Lane Apartments at a simple interest rate of 3%. These loans are due in 30 years commencing July 19, 2024. Repayments are due in installment amounts, starting December 14, 2001. The installments are equal to the percentage of the "net operating income after debt service," if any, for the period from the Note Date through the end of the full calendar year preceding the first installment payment that is equal to the percentage of the total costs of acquiring the site and developing the project, that is financed by the City. The outstanding principal balance is \$844,944 with accrued interest of \$698,802, totaling \$1,543,746 at June 30, 2022.

Note 6: Notes and Loans Receivable (Continued)

On December 14, 2000, a 30-year loan was granted for the acquisition and rehabilitation of an affordable rental housing project serving very low-income households through funds the City received from HOME Investment Partnerships Program for the project located at 436 & 442 W. Valencia Drive. Original amount loaned was \$444,281 at a simple interest rate of 3%. Repayments are due in installment amounts, starting December 14, 2001. The installments are equal to the percentage of the “net operating income after debt service,” if any, for the period from the note date through the end of the full calendar year preceding the first installment payment that is equal to the percentage of the total costs of acquiring the site and developing the project, that is financed by the City. The outstanding principal balance is \$444,281 with accrued interest of \$276,925, totaling \$721,206 at June 30, 2022.

On February 22, 2001, a 30-year loan was granted for the acquisition and rehabilitation of an affordable rental housing project serving very low-income households through funds the City received from HOME Investment Partnerships Program for the project located at 461 West Avenue for \$308,065 at a simple interest rate of 3%. Repayments are due in installment amounts, starting December 14, 2001. The installments are equal to the percentage of the “net operating income after debt service,” if any, for the period from the note date through the end of the full calendar year preceding the first installment payment that is equal to the percentage of the total costs of acquiring the site and developing the project, that is financed by the City. The outstanding principal balance is \$308,065 with accrued interest of \$193,113 totaling \$501,178 at June 30, 2022.

e. Fullerton Interfaith Housing (HOME Fund – Notes Receivable)

On October 28, 1994, the disposition and development agreement/Home program participation agreement was entered into between Interfaith Housing Development Corporation and the City. A 30-year loan was granted for acquisition and rehabilitation of the East Fullerton Villas up to \$165,000 at a compounded interest rate of 6.25%. Repayments are due in installments every August 1, starting August 1, 1998. The installments are equal to the percentage of the “net operating income after debt service,” if any, for the period from the note date through the end of the full calendar year preceding the first installment payment that is equal to the percentage of the total costs of acquiring the site and developing the project, that is financed by the City. The outstanding principal balance is \$165,000 with accrued interest of \$602,739, totaling \$767,739 at June 30, 2022.

f. Neighborhood Services (HOME Fund – Notes Receivable)

On November 5, 1996, an owner participation and HOME Program Participation Agreement was entered into between the City and La Habra Neighborhood Housing Services, Inc., in which a loan was granted for the acquisition and rehabilitation of an affordable rental housing project serving very low-income households through funds the City received from HOME Investment Partnership Program for the project located at Garnet Lane Apartments “B” up to \$565,000 at a simple interest rate of 3%. Repayments are due in installments every August 1, starting August 1, 1998. The installments are equal to the percentage of the “net operating income after debt service,” if any, for the period from the note date through the end of the full calendar year preceding the first installment payment that is equal to the percentage of the total costs of acquiring the site and developing the project, that is financed by the City. The note matures on November 27, 2026, at which time the loan will become due in full. The outstanding principal balance is \$565,000 with accrued interest of \$433,805, totaling \$998,805 at June 30, 2022.

Note 6: Notes and Loans Receivable (Continued)

g. Richman Court, LP (HOME Fund – Notes Receivable)

On November 23, 2010, the City agreed to loan \$1,750,000 as a purchase assistance loan for the Roberta Apartments, which was later amended to an additional \$250,000 for a rehabilitation loan. The loan matures over 55 years at a simple interest of 1.5%. Annual payments equal to 50% of project cash flow will begin on November 23, 2030. The outstanding principal balance is \$2,019,560 with accrued interest of \$343,869, totaling \$2,363,429 at June 30, 2022.

On August 16, 2010, the City agreed to loan \$1,985,000 as a purchase assistance loan for the Home Apartments. An additional construction loan was granted on April 30, 2012, for \$176,416. The loan matures over 45 years at a simple interest rate of 3%. The loan will begin to receive loan reductions of \$48,032 annually starting one year after the release of the construction covenants which occurred April 11, 2012. The outstanding principal balance is \$1,681,101 with accrued interest of \$681,711, totaling \$2,362,812 at June 30, 2022.

h. Neighborhood Housing Services (HOME Fund – Notes Receivable)

On February 17, 2004, the City agreed to loan \$550,000 as a purchase assistance loan for the 3810 and 3830 Franklin Avenue Apartments. An additional loan was granted for \$953,337 on July 31, 2006. The loan matures over 30 years with a simple interest rate of 3% annually. The loan began loan reductions as forgiveness starting September 19, 2007, of \$55,000 annually. Any unpaid portion will be payable on the Maturity Date. The outstanding principal is \$687,504 with accrued interest of \$571,284, totaling \$1,258,788 at June 30, 2022.

On November 5, 2004, the City agreed to loan \$146,663 as a development assistance loan for 3810 and 3830 Franklin Avenue Apartments. \$50,000 was issued on November 5, 2004, and \$96,663 was issued on September 14, 2007. The loan matures over 30 years with a simple interest rate of 3% annually. The outstanding principal is \$146,663 with accrued interest of \$69,394, totaling \$216,057 at June 30, 2022.

i. Orange County Community Housing Corporation (HOME Fund – Notes Receivable)

On July 23, 2014, the City agreed to loan \$185,136 as a purchase assistance loan for the 2007 Oxford Avenue Apartments. The loan matures over 15 years with no interest. The loan is subject to loan reductions should the borrower be following various Affordable Housing requirements. The outstanding principal balance is \$185,136 at June 30, 2022.

j. HOME Rehabilitation program

The City uses HOME grant funding to offer interest free deferred loans to low- and moderate-income owner/occupants. Deferred loans are payable upon the sale or transfer of the property and are reviewed every fifteen years to ensure that income qualifications are met. The outstanding balance at June 30, 2022, is \$963,437.

k. DAP – Down Payment Assistance Program

The down payment assistance program is funded by HOME Grants. The loans are given in amounts not to exceed \$45,000 per applicant. The loans are payable after 15 years interest free. The balance outstanding at June 30, 2022, is \$258,501.

CITY OF FULLERTON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 6: Notes and Loans Receivable (Continued)

I. NSP – Neighborhood Stabilization Program

The neighborhood stabilization program is funded by HOME Grants. The loans are issued for the acquisition and rehabilitation of property. No interest shall accrue on the loans. Repayment of the loan will concurrently occur upon the transfer of the property to an eligible homebuyer following the completion of the rehabilitation project and in compliance with the NSP Agreement. The amount paid shall be equal to the resale price of the property. Any outstanding balance, if any, shall be forgiven. The balance outstanding at June 30, 2022, was \$206,074.

The Grants Administration Fund notes and loans receivable total \$13,349,448.

Note 7: Capital Assets

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

	Beginning Balance	Transfers of CIP	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 54,197,658	\$ 251,957	\$ 17,983,036	\$ (250,803)	\$ 72,181,848
Construction in progress	215,973,861	(9,105,704)	13,631,065	(318,239)	220,180,983
Total capital assets, not being depreciated	270,171,519	(8,853,747)	31,614,101	(569,042)	292,362,831
Capital assets, being depreciated:					
Buildings	91,848,022	219,771	-	-	92,067,793
Improvements other than buildings	66,953,281	2,724,653	111,375	(28,029)	69,761,280
Machinery and equipment	38,578,283	701,866	2,126,933	(406,735)	41,000,347
Leasehold improvements	1,837,445	-	-	-	1,837,445
Infrastructure	290,561,420	5,207,457	545,719	(1,468,751)	294,845,845
Total capital assets, being depreciated	489,778,451	8,853,747	2,784,027	(1,903,515)	499,512,710
Less accumulated depreciation for:					
Buildings	(25,390,646)	-	(1,859,661)	-	(27,250,307)
Improvements other than buildings	(36,485,671)	-	(2,785,445)	14,014	(39,257,102)
Machinery and equipment	(27,980,896)	-	(1,956,180)	380,877	(29,556,199)
Leasehold improvements	(1,700,820)	-	(27,325)	-	(1,728,145)
Infrastructure	(192,323,621)	-	(5,535,184)	1,468,751	(196,390,054)
Total accumulated depreciation	(283,881,654)	-	(12,163,795)	1,863,642	(294,181,807)
Total capital assets being depreciated, net	205,896,797	8,853,747	(9,379,768)	(39,873)	205,330,903
Governmental activities capital assets, net	\$ 476,068,316	\$ -	\$ 22,234,333	\$ (608,915)	\$ 497,693,734

CITY OF FULLERTON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 7: Capital Assets (Continued)

Governmental activities depreciation expense for capital assets for the year ended June 30, 2022, is as follows:

General government	\$ 196,916
Public safety	943,582
Public works	7,538,110
Community development	147,216
Human and leisure	2,145,144
Equipment replacement	1,012,603
Equipment maintenance	10,176
Information technology	143,112
Building maintenance	7,706
Worker's Compensation	2,463
Group Insurance	2,484
Facility capital repair	14,283
Total depreciation expense - governmental activities	<u>\$ 12,163,795</u>

b. The following is summary of capital assets for business-type activities:

	Beginning Balance	Transfers of CIP	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 9,128,423	\$ -	\$ -	\$ -	\$ 9,128,423
Construction in progress	19,491,362	(7,241,586)	11,705,672	(839,459)	23,115,989
depreciated	28,619,785	(7,241,586)	11,705,672	(839,459)	32,244,412
Capital assets, being depreciated:					
Buildings	8,594,685	-	1,300,000	-	9,894,685
Improvements other than buildings	88,492,352	3,859,958	1,571,690	(4,774)	93,919,226
Machinery and equipment	14,195,872	-	233,355	(25,730)	14,403,497
Leasehold improvements	468,140	-	-	(468,140)	-
Infrastructure	49,936,309	3,381,628	68,876	-	53,386,813
Total capital assets, being depreciated	161,687,358	7,241,586	3,173,921	(498,644)	171,604,221
Less accumulated depreciation for:					
Buildings	(3,092,005)	-	(222,394)	-	(3,314,399)
Improvements other than buildings	(38,241,082)	-	(1,550,341)	4,774	(39,786,649)
Machinery and equipment	(13,007,565)	-	(228,266)	25,730	(13,210,101)
Leasehold improvements	(461,300)	-	(2,280)	463,580	-
Infrastructure	(6,195,258)	-	(803,719)	-	(6,998,977)
Total accumulated depreciation	(60,997,210)	-	(2,807,000)	494,084	(63,310,126)
net	100,690,148	7,241,586	366,921	(4,560)	108,294,095
Business-type activities capital assets, net	<u>\$ 129,309,933</u>	<u>\$ -</u>	<u>\$ 12,072,593</u>	<u>\$ (844,019)</u>	<u>\$ 140,538,507</u>

Business-type activities depreciation expense for capital assets for the year ended June 30, 2022, is as follows:

Airport	\$ 481,806
Water Utility	1,435,544
Sewer Enterprise	801,958
Brea Dam Facilities Recreational	87,692
Total depreciation expense - business-type activities	<u>\$ 2,807,000</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 8: Defined Benefit Pension Plans**a. General Information about the Pension Plans**Plan Description, Benefits Provided, and Employees Covered

The Miscellaneous and Safety Plans (the Plans) are agent multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). 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 Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2022, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013*	On or after January 1, 2013
Hire date		
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50	52
Monthly benefits, as a % of eligible compensation	1.426% - 2.418%	1.0% - 2.5%
Required employee contribution rates	6.790%	7.000%
Required employer contribution rates	26.498%	26.498%

* Closed to new entrants

	Safety	
	Prior to January 1, 2013*	On or after January 1, 2013
Hire date		
Benefit formula	3% @ 50	3% @ 57
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50	52
Monthly benefits, as a % of eligible compensation	2.0% - 3.0%	2.0% - 2.7%
Required employee contribution rates	9.671%	12.500%
Required employer contribution rates	51.769%	51.769%

* Closed to new entrants

CITY OF FULLERTON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 8: Defined Benefit Pension Plans (Continued)

At June 30, 2022, the following employees were covered by the benefit terms of the Plans:

Description	Number of Members	
	Miscellaneous Plan	Safety Plan
Active members	\$ 332	\$ 191
Transferred members	336	69
Terminated members	225	50
Retired members and beneficiaries	665	446
Total	\$ 1,558	\$ 756

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Miscellaneous Plan contributions for the year equaled \$9,250,079, and Safety Plan contributions for the year equaled \$20,036,897.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2020, valuation was rolled forward to determine the June 30, 2021, total pension liability, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB 68
Actuarial Assumptions	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table ¹	Derived using CalPERS' membership data for all funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter

¹ The mortality table used was developed based on CalPERS-specific data. 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. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions Report from December 2017 that can be found on the CalPERS website.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 8: Defined Benefit Pension Plans (Continued)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 rounded 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 equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as followed:

Asset Class ¹	Assumed	Real Return Years 1-10 ²	Real Return Years 11+ ³
	Asset Allocation		
Global equity	50.0%	4.80%	5.98%
Fixed income	28.0%	1.00%	2.62%
Inflation assets	0.0%	0.77%	1.81%
Private equity	8.0%	6.30%	7.23%
Real assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%

- (1) In 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 rate of 2.00% is used for this period.
- (3) An expected inflation rate of 2.92% is used for this period.

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 benefit payments to determine the total pension liability.

Note 8: Defined Benefit Pension Plans (Continued)

Subsequent Events

On November 15, 2021, the CalPERS Board of Administration selected a new asset allocation mix that will guide the fund's investment portfolio for the next four years, while at the same time retaining the current target rate of return. The Board also approved adding 5 percent leverage to increase investment diversification. The new asset allocation takes effect July 1, 2022 and is expected to decrease employer contribution rates from less than 1 percent to a decrease of more than 2 percent depending on the plan type. Employees in the PEPRA plans will likely see increases in their contribution rates. Contribution changes will take effect in fiscal year 2023-24.

Amortization of Deferred Outflows and Deferred Inflows of Resources

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

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

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

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

CITY OF FULLERTON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 8: Defined Benefit Pension Plans (Continued)

b. Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

Changes in the Net Pension Liabilities

Changes in the City's net pension liabilities for the year ended June 30, 2022, were as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Assets)
Miscellaneous Plan:			
Balance at: 6/30/2021 (Measurement Date of 6/30/20)	\$ 310,106,954	\$ 231,097,508	\$ 79,009,446
Changes recognized for the Measurement Period:			
Service Cost	3,548,169	-	3,548,169
Interest on the Total Pension Liability	21,513,474	-	21,513,474
Difference between Expected and Actual Experience	(2,050,727)	-	(2,050,727)
Contribution from the Employer	-	7,017,542	(7,017,542)
Contributions from Employees	-	1,811,572	(1,811,572)
Net Investment Income	-	51,372,978	(51,372,978)
Benefit Payments including Refunds of Employee Contributions	(17,885,130)	(17,885,130)	-
Administrative Expense	-	(230,852)	230,852
Net changes during 2020-21	5,125,786	42,086,110	(36,960,324)
Balance at: 6/30/2022 (Measurement Date of 6/30/21)	315,232,740	273,183,618	42,049,122
Safety Plan:			
Balance at: 6/30/2021 (Measurement Date of 6/30/20)	522,310,407	335,458,040	186,852,367
Changes recognized for the Measurement Period:			
Service Cost	6,193,673	-	6,193,673
Interest on the Total Pension Liability	36,643,567	-	36,643,567
Difference between Expected and Actual Experience	2,697,088	-	2,697,088
Contribution from the Employer	-	15,515,050	(15,515,050)
Contributions from Employees	-	3,261,576	(3,261,576)
Net Investment Income	-	75,203,654	(75,203,654)
Benefit Payments including Refunds of Employee Contributions	(31,213,796)	(31,213,796)	-
Administrative expense	-	(335,102)	335,102
Net changes during 2020-21	14,320,532	62,431,382	(48,110,850)
Balance at: 6/30/2022 (Measurement Date of 6/30/21)	536,630,939	397,889,422	138,741,517
Total Plans:	\$ 851,863,679	\$ 671,073,040	\$ 180,790,639

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

The following presents the net pension liabilities 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:

	Discount Rate -1% 6.15%	Current Discount Rate 7.15%	Discount Rate +1% 8.15%
Miscellaneous Plan	\$ 80,905,868	\$ 42,049,122	\$ 9,809,803
Safety Plan	208,521,196	138,741,517	81,433,084
Total	\$ 289,427,064	\$ 180,790,639	\$ 91,242,887

CITY OF FULLERTON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 8: Defined Benefit Pension Plans (Continued)

Pension Plan Fiduciary Net Position

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

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

For the year ended June 30, 2022, the City recognized pension expense of \$(842,882) for the Miscellaneous Plan, and \$5,988,826 for the Safety Plan for a combined total pension expense recognized during the year of \$5,145,944. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>Miscellaneous Plan:</u>		
Contributions Subsequent to the Measurement Date	\$ 7,585,485	\$ -
Changes of Assumptions	-	-
Differences Between Expected and Actual Experience	65,813	1,118,578
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	<u>25,531,507</u>
Subtotal - Miscellaneous Plan	<u>7,651,298</u>	<u>26,650,085</u>
<u>Safety Plan:</u>		
Contributions Subsequent to the Measurement Date	16,849,576	-
Differences Between Expected and Actual Experience	2,869,357	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	<u>37,633,723</u>
Subtotal - Safety Plan	<u>19,718,933</u>	<u>37,633,723</u>
Total - Both Plans	<u>\$ 27,370,231</u>	<u>\$ 64,283,808</u>

The \$7,585,485 and \$16,849,576 reported as deferred outflows of resources related to contributions subsequent to the measurement date for the Miscellaneous and Safety Plans, respectively, and will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
Year Ended June 30,	Deferred Outflows/(Inflows) of Resources	Deferred Outflows/(Inflows) of Resources	Deferred Outflows/(Inflows) of Resources
2022	\$ (7,363,190)	\$ (8,280,874)	\$ (15,644,064)
2023	(6,070,260)	(7,659,570)	(13,729,830)
2024	(6,105,847)	(8,479,189)	(14,585,036)
2025	(7,044,975)	(10,344,733)	(17,389,708)

Note 9: Defined Contribution Pension Plan

The City provides pension benefits for all of its non-regular employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The plan is administered as part of the City's 457 plan. All non-regular employees are eligible to participate from the date of employment. Federal legislation requires contributions of at least 7.50% to a retirement plan, and City Council resolved to match the employees' contributions of 3.75%. The City's contributions for each employee (and interest earned by the accounts) are fully vested immediately.

For the year ended June 30, 2022, the City's payroll covered by the plan was \$927,171. The City made employer contributions of \$34,769 (3.75% of current covered payroll), and employees contributed \$34,769 (3.75% of current covered payroll). These amounts are now held in trust for the exclusive benefit of the participants and their beneficiaries.

Note 10: Post-Employment Healthcare Plan

Plan Description

The City administers a single employer defined benefit healthcare plan which provides medical insurance benefits to eligible retirees and their spouses in accordance with various labor agreements. Employees are eligible for retiree health benefits if they retire from the City on or after age 50 with at least 10 years of service (5 years for Executive, Management and Confidential employees) or with a disability at any age with any service and are eligible for a PERS pension.

Miscellaneous and Police retirees and their spouses are covered either under the Kaiser plan or the Cigna HMO and PPO health plans. Fire and Fire Management retirees and their spouses are covered in the health plans available through California PERS.

The City's contribution for retiree health benefits is \$200 for participants that retire with 20 or more years of service and \$100 for participants that retire with more than 10 but less than 20 years of service at retirement for all non-Fire bargaining unit employees hired after January 1, 2012.

After age 65, the City's contribution towards retiree health insurance stops except that the City will pay the minimum required contribution for Fire and Fire Management retirees enrolled in the California PERS health plans.

Employees Covered

As of the June 30, 2020, actuarial valuation, the following current and former employees were covered by the benefit terms under the plan:

Active	447
Inactive employees or beneficiaries currently receiving benefits	158
Total	<u>605</u>

Note 10: Post-Employment Healthcare Plan (Continued)

Contributions

The contribution requirements of plan members and the City are established and may be amended by the City Council and/or the employee associations. The required contribution is based on projected pay-as-you-go premiums. The City pays 100 percent of the amount provided to active employees (single party) of the premium for the retirees employed by the City for 20 years and 25 percent for Management employees employed by the City more than five years but less than 10 years. The City's obligation under the resolution will be discontinued at the earlier of the retiree reaching the age of 65 or receipt of health insurance coverage from another employer. For the measurement date ended June 30, 2021, the City recognized contributions, including the implicit subsidy, in the amount of \$1,668,735 as a reduction to the net OPEB liability.

Net OPEB Liability

The City's net OPEB liability was based on an actuarial valuation as of June 30, 2021. This is the date as of which the actuarial valuation was performed. The City's measurement date was as of June 30, 2021, and to develop the net OPEB liability at the beginning of the measurement period on July 1, 2020, the results of the June 30, 2021, valuation were rolled back, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age, Level Percent of Pay
Actuarial Assumptions	
Discount Rate	1.94%
Long-term expected investment return	6.50%
Inflation Rate	2.25%
Mortality	Based on assumptions for Public Agency Miscellaneous, Police, and Fire members published in the 2017 CalPERS Experience Study. These tables include 15 years of static mortality improvement using 90% of Scale MP-2016.
Healthcare Cost-trade Rate	6.7% for FY 2021, gradually decreasing to an ultimate rate of 3.8% in FY 2076

Discount Rate

The discount rate used to measure the net OPEB liability was 1.94 percent. It reflects the long-term expected rate of return on OPEB plan investments that are expected to be used to finance the payment of benefits. To the extent that OPEB plan assets are insufficient to finance all OPEB benefits, the discount rate is based on 20-year tax exempt AA or higher Municipal Bonds.

CITY OF FULLERTON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 10: Post-Employment Healthcare Plan (Continued)

Changes in the Net OPEB Liability

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

<u>Miscellaneous Plan</u>	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (c) = (a) - (b)</u>
Balance at June 30, 2021 (measured 6/30/2020)	\$ 30,919,179	\$ 56,360	\$ 30,862,819
Changes Recognized from the Measurement Period			
Service Cost	1,673,868	-	1,673,868
Interest	784,439	-	784,439
Difference between Expected and Actual Experience	148,817	-	148,817
Changes of Assumptions	1,853,345	-	1,853,345
Contribution - Employer	-	1,668,735	(1,668,735)
Net Investment Income	-	18,630	(18,630)
Benefit Payments	(1,668,735)	(1,668,735)	-
Administrative Expense	-	(370)	370
Net Changes	<u>2,791,734</u>	<u>18,260</u>	<u>2,773,474</u>
Balance at June 30, 2022 (measured 6/30/2021)	<u>\$ 33,710,913</u>	<u>\$ 74,620</u>	<u>\$ 33,636,293</u>

The City has elected to use the GASB 75 “lookback” method where assets and liabilities are measured as of the prior fiscal year-end but applied to the current year.

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 that is one percentage point lower or one percentage point higher than the current discount rate, for measurement period ended June 30, 2021:

	<u>1% Decrease (0.94%)</u>	<u>Current Discount Rate (1.94%)</u>	<u>1% Increase (2.94%)</u>
Net OPEB Liability	\$ 37,664,566	\$ 33,636,293	\$ 30,273,461

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 that are one percentage point lower or one percentage point higher than the current healthcare cost trend rate, for measurement period ended June 30, 2021:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Net OPEB Liability	\$ 29,083,151	\$ 33,636,293	\$ 39,328,484

CITY OF FULLERTON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 10: Post-Employment Healthcare Plan (Continued)

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

For the fiscal year ended June 30, 2022, the City recognized net OPEB expense of \$91,067. As of fiscal year ended June 30, 2022, the City reported deferred outflows and deferred inflows of resources related to net OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contribution subsequent to measurement date	\$ 972,546	\$ -
Difference between expected and actual experience	132,096	8,496,127
Difference between expected and actual return on assets	-	10,056
Change in Assumptions	5,767,205	-
Total	\$ 6,871,847	\$ 8,506,183

The \$972,546 was reported as deferred outflows of resources related to contributions made subsequent to the measurement date for the net OPEB liability but before the end of the City's reporting period and will be recognized as a reduction of the net OPEB liability in the subsequent fiscal period rather than in the current fiscal period.

Other amounts reported as deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year ended June 30:	Deferred (Inflows) of Resources
2023	\$ (775,838)
2024	(775,466)
2025	(775,523)
2026	(307,637)
Thereafter	27,582
	<u>\$ (2,606,882)</u>

Note 11: Commitments and Contingencies

As of June 30, 2022, there are certain personal injury lawsuits, which have been denied by the City Council. The outcome and eventual liability to the City, if any, in these cases are not known at this time. After reviewing these lawsuits with legal counsel, management estimates that the potential claims against the City, not covered by insurance, resulting from such litigation would not materially affect the financial statements of the City.

CITY OF FULLERTON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 11: Commitments and Contingencies (Continued)

The following material construction commitments existed at June 30, 2022:

Project Name	Current Amount	Expenditures to date as of June 30, 2022	Remaining Commitments
Nutwood-Yale St Improvements	\$ 1,397,367	\$ 696,021	\$ 701,346
Euclid Recon/Williamson - Fern	1,599,339	299,995	1,299,344
W Valencia Drive Infrastructure	848,048	271,551	576,497
Orangethorpe Signal Synch	2,022,833	-	2,022,833
Airport Signage and Landscape	305,473	-	305,473
Marion Area Infrastructure	3,222,346	-	3,222,346
Hidden Lakes Area Water Main	1,825,200	-	1,825,200
Christlieb Well 15A Rehabilitation	357,550	-	357,550
Energy Infrastructure Modernization	8,488,091	2,036,745	6,451,346
HOPE Center	416,199	119,995	296,204

Note 12: Risk Management

a. Self-Insurance Program

The City is exposed to various risks of loss related to its operations, including losses associated with errors and omissions, injuries to employees and members of the public; and natural disasters for which the City carries commercial insurance.

On September 3, 1991, the City Council approved the City's membership in the Independent Cities Risk Management Authority (ICRMA). As members of ICRMA, the City purchases commercial liability insurance of \$25,000,000 in excess of a \$2,000,000 per claim self-insured retention level and a separate commercially insured layer of coverage for losses in the range of \$2,000,000 to \$5,000,000. Losses above the \$30,000,000 limit of insurance are also self-insured.

Additionally, the City purchases commercial workers' compensation insurance with limits equal to statutory limits in excess of \$750,000 for non-safety personnel and \$1,000,000 for safety personnel per claim self-insured retention level.

The City utilizes the services of a contract claims administrator for administration of the workers' compensation program. However, the liability program is currently administered in-house along with the risk management program.

On February 15, 1978, the City initiated a program of self-insurance for unemployment liability claims. By this action, the City will pay all claims based on the individual reimbursement account method as provided by the State of California. Expenditures are recognized when reimbursements are made to the State of California.

The total insurance claims liability as of June 30, 2022, is \$32,179,000 as established by the City's contract insurance administrator, and the City's Risk Manager. An estimate for incurred but not reported (IBNR) claims has been recorded as a liability as of June 30, 2022.

CITY OF FULLERTON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 12: Risk Management (Continued)

Settlements have not exceeded coverages for each of the past three fiscal years. Changes in the balances of claims liabilities during the past two years are as follows:

	Public Liability	Workers' Compensation	Total
Unpaid claims, June 30, 2020	\$ 12,295,000	\$ 17,026,000	\$ 29,321,000
Incurred claims (including IBNRs)	6,970,437	4,329,628	11,300,065
Claim payments	<u>(5,341,437)</u>	<u>(2,824,628)</u>	<u>(8,166,065)</u>
Unpaid claims, June 30, 2021	13,924,000	18,531,000	32,455,000
Incurred claims (including IBNRs)	4,739,902	-	4,739,902
Claim payments	<u>(2,869,902)</u>	<u>(2,146,000)</u>	<u>(5,015,902)</u>
Unpaid claims, June 30, 2022	<u>\$ 15,794,000</u>	<u>\$ 16,385,000</u>	<u>\$ 32,179,000</u>

b. Claim Payable - Public Liability

On May 13, 1993, the City entered into an agreement with a claimant for the settlement of an injury claim involving the Water Department. The annual interest rate on the agreement is 6.00%. The term of the settlement is thirty-one years. Payments are due monthly under the terms of the settlement agreement. At June 30, 2022, the outstanding balance was \$42,708. Settlement debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 42,708	\$ 1,291	\$ 43,999
Total	<u>\$ 42,708</u>	<u>\$ 1,291</u>	<u>\$ 43,999</u>

Note 13: Leases

The City implemented GASB Statement No. 87 in the fiscal year ended June 30, 2022. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

A. Leases Receivable and Deferred Inflows of Resources

The City leases land and buildings to various companies. The terms by lease type are listed in the table below. Some leases have extension options of ranging from five to 20 years. An initial lease receivable was recorded in the amount of \$21,199,509. As of June 30, 2022, the value of the lease receivable is \$19,904,247. The value of the deferred inflow of resources as of June 30, 2022 was \$19,424,889, and the amortization of the deferred inflow during the year totaled \$1,658,741. The City recognized lease revenue of \$5,060,971 during the fiscal year which included \$1,658,741 related to the amortization of the deferred inflow and \$3,402,230 for variable and other payments, including short term leases not included in the measurement of the lease receivable under GASB 87.

CITY OF FULLERTON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 13: Leases (Continued)

	Term Range	Lease Receivable as of Commencement Date	Lease Receivable as of June 30, 2022
Land - Cell Towers	2.08 to 20.76	\$ 6,311,444	\$ 5,901,752
Buildings	3.17 to 16.25	3,869,489	3,423,062
Golf Course	20.26 to 20.26	273,545	262,922
Airport Hangar Rent	6.50 to 29.02	10,745,031	10,316,511
		<u>\$ 21,199,509</u>	<u>\$ 19,904,247</u>

The principal and interest payments that are expected to maturity are as follows:

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 564,410	\$ 207,336	\$ 771,746
2024	498,275	191,953	690,228
2025	495,169	176,400	671,569
2026	495,886	161,729	657,615
2027	468,464	147,219	615,683
2028 - 2032	2,062,836	535,732	2,598,568
2033 - 2037	1,504,247	285,614	1,789,861
2038 - 2042	1,128,294	72,098	1,200,392
Total	<u>\$ 7,217,581</u>	<u>\$ 1,778,081</u>	<u>\$ 8,995,662</u>

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 487,527	\$ 320,148	\$ 807,675
2024	523,751	307,569	831,320
2025	566,204	292,251	858,455
2026	563,191	277,080	840,271
2027	576,245	262,127	838,372
2028 - 2032	2,943,972	1,084,630	4,028,602
2033 - 2037	3,151,483	693,590	3,845,073
2038 - 2042	2,001,257	329,632	2,330,889
2043 - 2047	937,050	142,023	1,079,073
2048 - 2052	528,645	23,921	552,566
Total	<u>\$ 12,279,325</u>	<u>\$ 3,732,971</u>	<u>\$ 16,012,296</u>

Fiscal Year	Fiduciary Funds		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 182,606	\$ 9,300	\$ 191,906
2024	192,052	3,679	195,731
2025	32,683	44	32,727
Total	<u>\$ 407,341</u>	<u>\$ 13,023</u>	<u>\$ 420,364</u>

CITY OF FULLERTON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 14: Long-Term Liabilities

The table below summarizes the City's outstanding bond issuances, direct borrowing, and direct placement debts for both governmental and business-type activities:

	Original Borrowing	Interest Rates	Final Maturity	Outstanding at Year-End
Governmental Activities:				
Judgment Obligation Bonds:				
2013 Taxable Judgment Obligation Bonds	\$ 7,250,000	1.000% - 6.100%	April 1, 2023	\$ 330,000
Taxable Judgment Obligation Refunding Bonds, Series 2021	5,010,000	0.359% - 2.702%	April 1, 2033	<u>4,905,000</u>
Total Judgment Obligation Bonds				<u>5,235,000</u>
Total Governmental Activities				<u>\$ 5,235,000</u>
Business-Type Activities:				
Revenue Bonds:				
2010 Lease Revenue Bonds, Series A	\$ 2,705,000	6.500% - 7.750%	May 1, 2031	\$ 1,480,000
2014 Water Revenue Refunding Bonds	6,810,000	3.000% - 5.000%	September 1, 2033	<u>4,260,000</u>
Total Revenue Bonds				<u>5,740,000</u>
Total Business-Type Activities				<u>\$ 5,740,000</u>

a. Judgment Obligation Bonds

2013 Taxable Judgment Obligation Bonds (Debt Serviced by the Liability Insurance Fund)

On August 23, 2013, the City issued the 2013 Taxable Judgment Obligation Bonds in the amount of \$7,250,000. In 2013, the City settled two large legal cases for a combined payout of \$7 million. The first case was an inverse condemnation lawsuit involving a slope failure, which was settled for \$6 million. The second was a settlement totaling \$1 million for a case involving a police incident. These payments were made from the Liability Insurance Fund, depleting its reserves. The issuance of these bonds replenished the Liability Insurance Fund reserves. On December 6, 2018, Standard & Poor's upgraded the rating on the bonds from "AA-" to "AA". Interest and principal payments are due semiannually and annually, respectively, under terms on the bond agreement. These bonds were partially defeased by the issuance of the Taxable Judgment Obligation Refunding Bonds, Series 2021 (see Note 14c below).

Taxable Judgment Obligation Refunding Bonds, Series 2021 (Debt Serviced by the Liability Insurance Fund)

On March 9, 2021, the City issued the Taxable Judgment Obligation Refunding Bonds in the amount of \$5,010,000. The Bonds are being issued to (a) refund, on an advance basis, the City's 2013 Taxable Judgment Obligation Bonds maturing on and after April 1, 2033, and (b) pay the costs of issuance of the Bonds. Interest and principal payments are due semiannually and annually, respectively, under terms on the bond agreement.

Note 14: Long-Term Liabilities (Continued)

b. Revenue Bonds

2010 Lease Revenue Bond, Series A (Debt Serviced by the Brea Dam Facilities Recreational Fund)

On December 22, 2010, the City issued 2010 Lease Revenue Bonds, Series A in the amount of \$2,705,000. The bonds were issued as “Taxable Recovery Zone Economic Development Bonds” for purposes of the American Recovery and Reinvestment Act of 2009 signed into law on February 17, 2009 (the “Recovery Act”). Pursuant to the Recovery Act, the City expects to receive a cash subsidy payment from the United States Treasury equal to 45% of the interest payable on or about each interest payment date. The subsidy payment is pledged under the indenture to payment of interest. Issuance of the debt was for the purpose of financing the acquisition and construction of certain capital improvements for the City and refinancing certain outstanding obligations of the City. Interest and principal payments are due semiannually and annually, respectively, under terms on the bond agreement.

2014 Water Revenue Refunding Bonds (Debt Serviced by the Water Utility Fund)

On February 26, 2014, the City issued the 2014 Water Revenue Refunding Bonds in the amount of \$6,810,000. The bonds were issued by the City, together with other available funds of the City, prepay the 2004 Water Revenue Certificates of Participation and the City’s obligation with the Orange County Water District. The 2014 Water Revenue Refunding Bonds are secured by a pledge of net revenues of the City’s water system. Interest and principal payments are due semiannually and annually, respectively, under terms of the bond agreement.

c. Advance Refunding

The City issued \$5,010,000 of judgment obligation refunding bonds to provide resources to purchase securities that were placed in an irrevocable trust for the purpose of generating resources for future debt service payments of \$4,370,000 of the 2013 Taxable Judgment Obligation Bonds. As a result, the refunded bonds are considered to be partially defeased and the portion of the defeased liability has been removed from the financial statements. The reacquisition price exceeded the net carrying amount of the old debt by \$477,273. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the remaining life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next ten years by \$542,063 and resulted in an economic gain of \$465,024.

d. Event of Default, Acceleration Clauses, and Termination Events

The outstanding bonds contain a provision that if any event of default should occur and is continuing, the Trustee at the written direction of the Owners of a majority in aggregate principal amount of the bonds then outstanding the Trustee shall, (a) declare the principal of the bonds, together with the accrued interest thereon, to be due and payable immediately, and upon any such declaration the same will become immediately due and payable, anything in the Indenture or in the bonds to the contrary notwithstanding, and (b) exercise any other remedies available in law or at equity.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 14: Long-Term Liabilities (Continued)**e. Loans Payable**

In December 2013, the City entered into a financed purchase agreement with Oshkosh Capital for the acquisition of two fire pumpers at a cost of \$949,810. The interest rate on the loan is 2.7%. The term of the loan is nine years. Payments are due annually under the terms of the financing agreement with the first payment due on December 19, 2014. At June 30, 2022, the outstanding balance was \$117,561.

In July 2016, the City entered into a financed purchase agreement with Motorola Solutions, Inc., for the acquisition of 800 MHz Radio Equipment at a cost of \$2,472,439. The interest rate on the loan is 0.0% for the first two years and 2.81% for the remainder of the loan. The term of the loan is nine years. Payments are due annually under the terms of the financing agreement with the first payment due on July 1, 2019. At June 30, 2022, the outstanding balance was \$1,409,648.

In September 2017, the City entered into a tax-exempt financed purchase agreement with U.S. Bancorp Government Leasing and Finance, Inc. for the acquisition of street lighting equipment, at a cost of \$1,400,000. The interest rate on the loan is 4.55%. The term of the loan is seven years. Payments are due annually under the terms of the financing agreement. At June 30, 2022, the outstanding balance was \$630,442.

In December 2021, the City entered into a financed purchase agreement with Banc of America Public Capital Corp. for the acquisition of various equipment and fixtures including lighting system upgrades, solar system installation, HVAC replacements, electric vehicle charging stations, and various other energy efficient equipment, at a cost of up to \$8,894,000. The interest rate on the loan is 1.84%. The term of the loan is eighteen years. Payments are due annually under the terms of the financing agreement. At June 30, 2022, the outstanding balance was \$8,894,000.

As of June 30, 2022, total future minimum loan obligations and the net present value of these minimum lease payments, are summarized as follows:

Year Ending June 30,	Total
2023	\$ 1,188,647
2024	1,110,916
2025	1,110,843
2026	889,772
2027	889,697
2027-2032	2,916,622
2033-2037	2,914,510
2038-2039	1,747,609
Total minimum loan payments	12,768,616
Less: amounts representing interest	(1,716,965)
Present value of minimum loan payments	<u>\$ 11,051,651</u>

CITY OF FULLERTON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 14: Long-Term Liabilities (Continued)

f. Changes in Long-term Liabilities

Changes in the City's long-term liabilities for the year ended June 30, 2022, are as follows:

	Beginning of Year	Additions	Deletions	End of Year	Due Within One Year
Governmental Activities:					
Bonds Payable:					
Judgment obligation bonds	\$ 5,655,000	\$ -	\$ 420,000	\$ 5,235,000	\$ 435,000
Discount	(5,666)	-	(2,833)	(2,833)	-
Total Bonds Payable	5,649,334	-	417,167	5,232,167	435,000
Loans payable	2,531,250	8,894,000	373,599	11,051,651	588,943
Compensated absences	2,808,805	2,155,976	2,357,961	2,606,820	2,085,456
Claims	32,541,703	4,739,902	5,059,897	32,221,708	5,195,519
Net pension liability	247,414,736	-	76,985,715	170,429,021	-
Net OPEB liability	26,400,592	2,449,062	-	28,849,654	-
Total Governmental Activities	\$ 317,346,420	\$ 18,238,940	\$ 85,194,339	\$ 250,391,021	\$ 8,304,918
Business-Type Activities:					
Bonds payable:					
Revenue bonds	\$ 6,140,000	\$ -	\$ 400,000	\$ 5,740,000	\$ 410,000
Premium	489,122	-	38,615	450,507	-
Discount	(23,589)	-	(2,483)	(21,106)	-
Total bonds payable	6,605,533	-	436,132	6,169,401	410,000
Compensated absences	493,681	587,698	663,653	417,726	286,209
Net pension liability	18,027,733	-	7,714,798	10,312,935	-
Net OPEB liability	4,382,506	404,133	-	4,786,639	-
Total Business-Type Activities	\$ 29,509,453	\$ 991,831	\$ 8,814,583	\$ 21,686,701	\$ 696,209

For compensated absences, the General Fund normally liquidates 90%, and the Airport Fund, Water Fund, Sewer Fund, and the Brea Dam Facilities Recreational Fund liquidate the remaining 10%. For claims, the Liability Insurance Fund normally liquidates approximately 40%, and the Workers' Compensation Fund normally liquidates approximately 55%; the remaining 5% is liquidated by the General Fund. The General Fund normally liquidates 65% of the Miscellaneous Plan net pension liability, while the Water Fund liquidates 15%. The remaining Miscellaneous Plan net pension liability is liquidated among the various other enterprise and internal service funds. The net pension liability for the Safety Plan is wholly liquidated by the General Fund. For net OPEB, the General Fund normally liquidates 80%, and the Water Fund liquidates 10%. The remaining 10% is liquidated among the various other enterprise and internal service funds.

The debt service requirements for the City's bonds are as follows:

June 30	Governmental Activities		Business-Type Activities		Total Primary Government	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 435,000	\$ 109,962	\$ 410,000	\$ 316,013	\$ 845,000	\$ 425,975
2024	445,000	95,455	430,000	294,063	875,000	389,518
2025	450,000	92,216	445,000	270,119	895,000	362,335
2026	455,000	86,969	465,000	243,738	920,000	330,707
2027	460,000	80,526	490,000	215,850	950,000	296,376
2028-2032	2,460,000	254,323	2,605,000	612,013	5,065,000	866,336
2033-2034	530,000	14,321	895,000	45,375	1,425,000	59,696
	\$ 5,235,000	\$ 733,772	\$ 5,740,000	\$ 1,997,171	\$ 10,975,000	\$ 2,730,943

CITY OF FULLERTON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 15: Fund Balance Classifications

The fund balances of the City's governmental funds as of June 30, 2022, are presented below:

Classification	General Fund	Grants		American	Capital Projects	Other	Total
		Administration	Rescue Plan Act	Governmental Funds		Governmental Funds	
Nonspendable:							
Inventories	\$ 6,528	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,528
Property held for resale	-	-	-	-	-	-	-
Prepaid costs	706,953	-	-	-	51,811	-	758,764
Subtotal - nonspendable	713,481	-	-	-	51,811	-	765,292
Restricted:							
Community development	-	-	-	-	-	1,044,058	1,044,058
Public safety	-	-	-	-	-	297,973	297,973
Parks and recreation	-	-	-	-	-	2,229,184	2,229,184
Public works	-	-	-	-	-	20,439,554	20,439,554
Capital projects	-	-	-	-	-	1,020,065	1,020,065
Debt service	-	-	-	-	-	205,907	205,907
Refuse collection	-	-	-	-	-	2,651,870	2,651,870
Housing	-	-	-	-	-	12,913,930	12,913,930
Library	738,475	-	-	-	-	-	738,475
Pension stabilization	501,509	-	-	-	-	-	501,509
Donations	278,829	-	-	-	-	100,671	379,500
Subtotal - restricted	1,518,813	-	-	-	-	40,903,212	42,422,025
Committed:							
Capital projects	438,687	-	-	-	-	-	438,687
Subtotal - restricted	438,687	-	-	-	-	-	438,687
Assigned:							
Contingency reserve	17,724,874	-	-	-	-	-	17,724,874
Street projects	677,618	-	-	-	-	-	677,618
Building permits	156,566	-	-	-	-	-	156,566
Laguna Lake	10,681	-	-	-	-	-	10,681
Subtotal - assigned	18,569,739	-	-	-	-	-	18,569,739
Unassigned	4,033,848	(1,398,633)	(636,558)	(445,516)	(1,473,310)		79,831
Total Fund Balance	\$ 25,274,568	\$ (1,398,633)	\$ (636,558)	\$ (393,705)	\$ 39,429,902		\$ 62,275,574

Note 16: Interfund Transactions

The composition of interfund balances as of June 30, 2022, is as follows:

a. Transfers to and From Other Funds

Transfers In	Transfers Out								Total
	General Fund	Grants Administration	American Rescue Plan Act	Other Governmental Funds	Airport	Water Utility	Sewer Enterprise	Internal Service Funds	
General Fund	\$ -	\$ -	\$ 224,428	\$ 137,314	\$ -	\$ -	\$ -	\$ -	\$ 361,742
Capital Projects	2,075,712	1,957,310	105,528	6,821,916	-	-	-	635,377	11,595,843
Internal Service Funds	1,467,334	-	-	86,810	8,681	257,371	130,133	86,727	2,037,056
Total	\$ 3,543,046	\$ 1,957,310	\$ 329,956	\$ 7,046,040	\$ 8,681	\$ 257,371	\$ 130,133	\$ 722,104	\$ 13,994,641

In the fund financial statements, the interfund transfers generally are made for the purpose of debt service payments made from a debt service fund but funded from an operating fund, capital improvement project expenditures paid by a capital projects fund but funded from other funds, or subsidy transfers. Additionally, during fiscal year 2021-22, the American Rescue Plan Act Fund transferred funds to the General Fund for administration allowance and Fullerton Museum invoices. The General fund also transferred funds to Internal Service Funds for the CCTV Network and Security Upgrade and the Tyler Munis ERP Implementation projects.

CITY OF FULLERTON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 17: Special Assessment Debt with No City Commitment

The City issued special tax and assessment bonds on behalf of the property owners, pursuant to the Municipal Improvement Bond Acts of 1911, 1913, and 1915 and the Mello-Roos Community Facilities Act of 1982, to finance the acquisition and construction of certain infrastructure improvements within the assessment districts and community facilities districts.

The City acts solely as an agent for those paying special tax and assessments and remits the amounts collected to the bondholders of these Municipal Improvement Bond Acts and Mello-Roos Community Facilities Act issues. The City is acting as an agent and is in no way liable for the Special Assessment debt.

The bonds are not general obligations of the City but are limited obligations, payable solely from special tax and assessments. The City has no obligation beyond the balances in the designated custodial funds for any delinquent assessment district bond payments. If delinquencies occur beyond the amounts held in the reserve funds created from the bond proceeds, the City has no duty to pay the delinquency out of the available funds of the City. Neither the faith and credit nor the taxing power of the City, or the State of California, or any political subdivision thereof is pledged to the payment of these bonds.

At June 30, 2022, non-committal debt amounts issued and outstanding are as follows:

Non-committal Debt Issues:	Amount of Issue	Outstanding June 30, 2022
CFD No. 1 2012 Special Tax Refunding Bonds	\$ 19,040,000	\$ 11,250,000
CFD No. 2 2014 Special Tax Bonds	7,570,000	7,105,000
Total Non-committal Debt Issues:	\$ 26,610,000	\$ 18,355,000

Note 18: Successor Agency Trust for Assets of Former Redevelopment Agency

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

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government would agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government. On January 10, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City resolution number 2012-04.

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 18: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

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

a. Cash and investments

Cash and investments reported in the accompanying financial statements consisted of the following:

Cash and investments pooled with the City	\$ 5,848,875
Restricted cash and investments	6,228,325
Cash and investments with fiscal agent	<u>717,730</u>
	<u>\$ 12,794,930</u>

b. Loans Receivable

Rehabilitation Loan:

On October 19, 2004, the former Redevelopment Agency entered into a developer disposition agreement with the Fullerton Historic Theatre Foundation to renovate the FOX Theatre and adjacent condominium units. The agreement was later amended on September 19, 2006. The original amount loaned of \$2,665,722 was increased in prior fiscal years by \$3,078,278 totaling \$5,744,000. Based on the 2nd Amendment dated August 3, 2009, the maximum loan amount could not exceed \$6,000,000. A repayment account was established in the Successor Agency's name for the repayment of the loan once tenants begin paying rent. Deposits shall be made into the repayment account by the allocation and deposit from the aggregate monthly rental payments from all tenants in the Firestone Building Condominium Unit and/or Tea Room Building. The allocation and deposits shall include subleases rental payments pursuant to any master lease agreements. Following the completion of the Fox Theatre two dollars per ticket surcharge, per ticket sold for an event shall be deposited one month after the event occurred.

Payments to the Successor Agency from the repayment account shall commence on the sufficient fund date. The outstanding balance at June 30, 2022, is \$5,640,681.

The former Redevelopment Agency issued additional various rehabilitation loans from \$5,000 - \$180,000 to assist in the acquisition and rehabilitation within the redevelopment project areas. The loans were issued at no interest. At June 30, 2022, the outstanding balances are \$1,041,528.

Seismic Loans:

The former Redevelopment Agency issued 10-year loans for \$25,000 - \$50,000 for the purpose of seismically retrofitting historic buildings in the downtown area. There is no interest accrued on these loans. The deferred loans are payable upon sale or transfer of property. The balance due at June 30, 2022, is \$866,483.

School Expansion Loans:

The Fullerton School District (Maple) was issued a 25-year loan for \$440,442 for the purpose of assisting in the expansion cost of the school. This loan is a noninterest bearing loan. The balance due at June 30, 2022, is \$125,841.

Note 18: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

Tenant Rehab Loans:

The former Redevelopment Agency entered into various Owner Participation Agreements for the purpose of providing loan assistance to participants of the Tenant Improvement Loan Program. This program assisted the tenants for the construction of certain property. These loans are a non-interest-bearing loan. The loan shall be repaid in 10 equal annual payments beginning 18 months after the effective date or 1 year after the recording of the Notice of Completion for the improvements. The outstanding balance at June 30, 2022, is \$23,750.

Fullerton Interfaith Housing Services (dba Pathways of Hope):

On May 20, 2013, the Successor Agency agreed to loan \$630,000 from the \$28.9M 2010 Tax Allocation Housing Bonds for assistance in the development of eight (8) very-low-income units located at 504 West Amerige Avenue and 117 North Richman Avenue. According to the Promissory Note the loan matures over 55 years at a simple interest rate of 3% annually. If the borrower does not default per the Affordable Housing Agreement by and between the City and Fullerton Interfaith Emergency Services, then upon the expiration of the 55-year term the loan and all interest accrued shall be forgiven and the Note shall automatically be cancelled. The outstanding principal balance is \$630,000 with accrued interest of \$158,298, totaling \$788,298 at June 30, 2022.

TRG Fullerton Affordable LLC:

On December 19, 2013, the Successor Agency agreed to loan \$8,972,000 for the acquisition of real property located at 345 East Commonwealth Avenue and the construction of affordable apartment units. According to the Promissory Note the Term of the loan shall terminate on the fifty-eighth (58th) anniversary of the first date on which at least 75% of the units restricted for rental to and occupancy by eligible tenants have been leased to and are occupied by eligible tenants. Interest and principal payments are payable annually on April 1 of each year during the Term at a simple interest rate of 3% annually.

The outstanding principal balance is \$8,972,000 with accrued interest of \$2,087,077 totaling \$11,059,077 at June 30, 2022.

Fullerton Family Housing Partners, LP:

On October 13, 2016, the Successor Agency agreed to loan \$7,200,000 for the acquisition of real property located at 336 East Santa Fe Avenue and the construction of affordable apartment units. According to the Promissory Note the Term the loan matures over 55 years at a simple interest rate of 3% annually. If the borrower does not default per the Affordable Housing Agreement by and between the City and Fullerton Family Housing Partners, LP, then upon the expiration of the 55-year term the loan and all interest accrued shall be forgiven and the Note shall automatically be cancelled. The outstanding principal balance is \$7,200,000 with accrued interest of \$998,536, totaling \$8,198,536 at June 30, 2022.

Note 18: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

Richman Park Housing Partners LP (Jamboree):

On October 31, 2016, the Successor Agency agreed to loan \$4,402,564 for the acquisition of real property located at multiple addresses and the construction of affordable apartment units. According to the Promissory Note the Term of the loan matures over 55 years at a simple interest rate of 3% annually. If the borrower does not default per the Affordable Housing Agreement by and between the City and Richman Park Housing Partners LP, then upon the expiration of the 55-year term the loan and all interest accrued shall be forgiven and the Note shall automatically be cancelled. The outstanding principal balance is \$4,402,564 with accrued interest of \$528,639 totaling \$4,931,203 at June 30, 2022.

Fullerton Supportive Housing, LP:

On November 28, 2016, the Successor Agency agreed to loan \$3,000,000 for the acquisition of real property located at 1220 East Orangethorpe Avenue and the construction of affordable apartment units. According to the Promissory Note the Term the loan matures over 55 years at a simple interest rate of 3% annually. If the borrower does not default per the Affordable Housing Agreement by and between the City and Fullerton Supportive Housing, LP, then upon the expiration of the 55-year term the loan and all interest accrued shall be forgiven and the Note shall automatically be cancelled. The outstanding principal balance is \$3,000,001 with accrued interest of \$435,494, totaling \$3,435,495 at June 30, 2022.

Affordable Housing Apartment Loans:

In June 2018, the Successor Agency agreed to loan \$872,000 for the acquisition of real property located at 418 & 424 Valencia Dr. and 437, 443, 455 & 467 West Ave and the construction of affordable apartment units. The loan is payable by the apartment buyers. According to the Promissory Note no interest shall accrue unless the borrower is required to repay all or any portion of the note, in which case interest shall accrue at a rate of 6% compounded annually. The site must be used for affordable housing for 60 years. The loan is repayable only in the event of a default by borrower. The outstanding balance is \$872,000 at June 30, 2022.

Total Loans Receivable is \$36,982,892.

c. Long-Term Liabilities

2015 Tax Allocation Refunding Bonds

On January 28, 2015, the former Fullerton Redevelopment Agency issued 2015 Tax Allocation Refunding Bonds in the amount of \$11,975,000. Issuance of the debt was for the purpose of prepaying a financing agreement entered into by the former Fullerton Redevelopment Agency (the "1998 Financing Agreement") and to refund on a current basis certain outstanding bonds issued by the PFA, which bonds are secured by the 1998 Financing Agreement, to purchase municipal bond debt service reserve insurance policy for the bonds, and to provide for the costs of issuing the Bonds. The 2015 Tax Allocation Refunding Bonds are secured by the tax increment revenues. Bond repayment commenced on March 1, 2016, with interest rates ranging from 3.00% to 5.00%. The final maturity date is March 1, 2025. Interest and principal payments are due semiannually and annually, respectively, under terms of the bond agreement. At June 30, 2022, the outstanding balance was \$4,400,000.

Note 18: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

2020A and 2020B Tax Allocation Refunding Bonds

On August 19, 2020, the former Fullerton Redevelopment Agency issued 2020A and 2020B Tax Allocation Refunding Bonds in the amount of \$33,965,000 and \$10,730,000, respectively. Issuance of the debt was for the purpose of refunding, on a current basis, the 2005 Tax Allocation Revenue Bond and the 2010 Tax Allocation Housing Bond. The 2020A and 2020B Tax Allocation Refunding Bonds are secured by the tax increment revenues. Bond repayment commenced on September 1, 2021, with interest rates ranging from 0.591% to 4.000%. The final maturity date is September 1, 2027. Interest and principal payments are due semiannually and annually, respectively, under terms of the bond agreement.

Events of Default, Acceleration Clauses, and Termination Events

The outstanding bonds contain a provision that if any event of default occurs, then, and in each and every such case during the continuance of such event of default, with the prior written consent of the Bond Insurer the Trustee may, and at the written direction of the Bond Insurer or (with the prior written consent of the Bond Insurer) at the written direction of the Owners of a majority in aggregate principal amount of the Bonds at the time outstanding, the Trustee will, upon notice in writing to the Authority and the Agency, declare the principal of all of the Bonds then outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same will become immediately due and payable, anything in the Indenture or in the Bonds contained to the contrary notwithstanding.

Pledged Revenues

The City pledged, as security for bonds issued, either directly or through the Financing Authority, a portion of tax increment revenue (including Low- and Moderate-Income Housing set-aside and pass-through allocations) that it receives. The bonds issued were to provide financing for various capital projects, accomplish Low- and Moderate-Income Housing projects and to defease previously issued bonds. Assembly Bill 1X 26 provided that upon dissolution of the Redevelopment Agency, property taxes allocated to redevelopment agencies no longer are deemed tax increment but rather property tax revenues and will be allocated first to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agency. Total principal and interest remaining on the debt is \$47,377,290 with annual debt service requirements as indicated on the following pages. For the current year, the total property tax revenue recognized by the City and Successor Agency for the payment of indebtedness incurred by the dissolved redevelopment agency was \$8,964,690 and the debt service obligation on the bonds was \$7,787,604.

CITY OF FULLERTON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 18: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

Changes in Long-term Liabilities

Changes in the Successor Agency's long-term liabilities for the year ended June 30, 2022, are as follows:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year	Amount Due Within One Year
Bonds Payable:					
2015 Tax Allocation Refunding Bond	\$ 5,415,000	\$ -	\$ 1,015,000	\$ 4,400,000	\$ 1,065,000
2020A Tax Allocation Refunding Bond	33,965,000	-	4,350,000	29,615,000	4,525,000
2020B Tax Allocation Refunding Bond	10,730,000	-	1,805,000	8,925,000	1,820,000
Premiums	4,854,405	-	992,016	3,862,389	-
Total Bonds Payable	54,964,405	-	8,162,016	46,802,389	7,410,000
Net pension liability	419,344	-	369,661	49,683	-
Net OPEB liability	79,721	-	79,721	-	-
Total long-term liabilities	\$ 317,346,420	\$ -	\$ 8,611,398	\$ 46,852,072	\$ 7,410,000

All of the above liabilities are liquidated by the Successor Agency private-purpose trust fund.

The debt service requirements for the City's bonds are as follows:

June 30	Principal	Interest
2023	\$ 7,410,000	\$ 1,376,883
2024	7,660,000	1,122,616
2025	8,940,000	855,174
2026	5,045,000	591,783
2027	8,075,000	374,634
2028-2033	5,810,000	116,200
	<u>\$ 42,940,000</u>	<u>\$ 4,437,290</u>

d. Insurance

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 19: Joint Powers Agreement – North Orange County Cities Joint Powers Authority

On November 21, 2016, the North Orange County Cities Joint Powers Authority (NOCCJPA) was created by a Joint Exercise of Powers Agreement (the JPA) for the purpose of providing quality municipal services to the cities of Fullerton and Brea and their residents while increasing cost-effectiveness by pooling the cities' resources when it is most efficient. The City of Fullerton and the City of Brea are members of NOCCJPA. Members of the Board of Directors consist of four Directors, two appointed from each member's respective City Council. Annually, the Board adopts a budget and determines the activities for the year. NOCCJPA commenced operations on January 15, 2017. Funding of the JPA's budgeted amounts is derived from grants and other sources, as well as contributions made by the members to carry out purposes and powers of the JPA, consistent with all joint resolutions, the JPA's budget, and any cost-sharing agreements between the members. The assets and activity is reported as a custodial fund in the City financial statements. Separate financial statements for NOCCJPA are not available, however financial information for the NOCCJPA is as follows:

Condensed Statement of Net Position

Assets:	
Cash and cash equivalents	\$ 28,641
Net Position:	
Restricted	\$ 28,641

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

Revenues:	\$ -
Expenses	-
Change in Net Position	-
Net Position - Beginning	28,641
Net Position - Ending	\$ 28,641

Note 20: Prior Period Adjustments

For the fiscal year ended June 30, 2022, the City restated the beginning net position of the Custodial Funds by \$22,946,963. This prior period adjustment was made to correct the implementation of GASB Statement No. 84, done during the prior year. Interpretation of GASB Statement No. 84 was ambiguous regarding the treatment of conduit debts through the Custodial Funds. Further clarifications received from the GASB Board subsequent to the issuance of the prior year's financial statements resulted in the removal of the conduit debts from the Custodial Funds.

For the fiscal year ended June 30, 2022, the City restated the beginning net position of the Brea Dam Recreational Fund by \$456,481. This prior period adjustment was made to correct an error in the recognition of Accounts Payable in the June 30, 2021 Financial Statements.

CITY OF FULLERTON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 20: Prior Period Adjustments (Continued)

As part of the implementation of GASB Statement No. 87, the City evaluated a number of agreements for application of the new pronouncement. The Successor Agency Private Purpose Trust Fund recorded an additional prior period adjustment to adjust 25 percent of the total value of one of the lease receivables, as the terms of the leasing arrangement required that lease repayments received be dedicated to the repayment of an existing loan receivable, and thus were already reported by the Successor Agency. The amount of this restatement was \$145,750.

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CITY OF FULLERTON

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 81,094,275	\$ 86,106,817	\$ 91,208,971	\$ 5,102,154
Licenses and permits	2,179,942	2,233,142	2,736,503	503,361
Intergovernmental	616,000	1,087,854	1,470,672	382,818
Charges for services	10,520,384	10,683,717	11,275,258	591,541
Use of money and property	3,781,980	3,781,980	2,675,955	(1,106,025)
Fines and forfeitures	1,034,100	1,034,100	1,560,603	526,503
Miscellaneous	1,681,704	1,681,704	1,173,555	(508,149)
Total Revenues	100,908,385	106,609,314	112,101,517	5,492,203
Expenditures:				
Current:				
General government				
Council	441,666	441,666	423,116	18,550
City Manager	2,325,792	2,325,792	1,986,007	339,785
City Clerk	696,542	693,542	667,549	25,993
Administrative Services Finance	2,438,586	2,489,086	2,445,129	43,957
Human Resources	964,432	964,432	608,100	356,332
Non-departmental	(3,390,000)	(3,390,000)	491,625	(3,881,625)
Public safety				
Fire	27,112,614	27,187,514	26,753,369	434,145
Police	52,667,201	52,720,401	48,838,549	3,881,852
Community development	5,501,454	5,501,454	4,988,203	513,251
Human and leisure				
Parks and Recreation	5,915,249	5,915,249	5,678,737	236,512
Library	4,080,501	4,080,501	3,486,922	593,579
Public works	7,901,736	7,901,736	7,512,297	389,439
Capital outlay	100,000	571,854	21,963	549,891
Debt service:				
Principal retirement	259,245	259,245	259,240	5
Interest and fiscal charges	46,905	46,905	46,895	10
Total Expenditures:	107,061,923	107,709,377	104,207,701	3,501,676
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,153,538)	(1,100,063)	7,893,816	8,993,879
Other Financing Sources				
Transfers in	200,000	424,428	361,742	(62,686)
Transfers out	(400,000)	(4,877,430)	(3,543,046)	1,334,384
Total Other Financing Sources (Uses):	(200,000)	(4,453,002)	(3,181,304)	1,271,698
Net Change in Fund Balances	\$ (6,353,538)	\$ (5,553,065)	4,712,512	\$ 10,265,577
Fund Balances - Beginning			20,562,056	
Fund Balances - Ending			\$ 25,274,568	

The notes to required supplementary information are an integral part of this schedule.

CITY OF FULLERTON

BUDGETARY COMPARISON SCHEDULE
 GRANTS ADMINISTRATION
 FOR THE YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,067,074	\$ 12,288,681	\$ 4,172,814	\$ (8,115,867)
Use of money and property	-	-	-	-
Miscellaneous	-	294,545	3,126	(291,419)
Total Revenues	1,067,074	12,583,226	4,175,940	(8,407,286)
Expenditures:				
Current:				
General government	27,285	27,285	-	27,285
Public safety	132,867	1,945,640	922,351	1,023,289
Community development	682,014	3,284,674	1,422,935	1,861,739
Parks and recreation	498,752	505,951	104,336	401,615
Public works	-	453,566	130,766	322,800
Capital outlay	-	108,852	21,381	87,471
Total Expenditures	1,340,918	6,325,968	2,601,769	3,724,199
Excess (Deficiency) of Revenues Over (Under) Expenditures	(273,844)	6,257,258	1,574,171	(4,683,087)
Other Financing Sources (Uses):				
Transfers out	-	(1,963,323)	(1,957,310)	6,013
Total Other Financing Sources (Uses)	-	(1,963,323)	(1,957,310)	6,013
Net Change in Fund Balances	\$ (273,844)	\$ 4,293,935	(383,139)	\$ (4,677,074)
Fund (Deficit) - Beginning			(1,015,494)	
Fund (Deficit) - Ending			\$ (1,398,633)	

The notes to required supplementary information are an integral part of this schedule.

CITY OF FULLERTON

BUDGETARY COMPARISON SCHEDULE
 AMERICAN RESCUE PLAN ACT
 FOR THE YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ (691,864)	\$ (691,864)
Total Revenues	-	-	314,747	314,747
Expenditures:				
Current:				
General government	-	2,923,941	676,655	2,247,286
Total Expenditures:	-	2,923,941	676,655	2,247,286
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(2,923,941)	(361,908)	(1,932,539)
Other Financing Sources				
Transfers out	-	(1,901,428)	(329,956)	1,571,472
Total Other Financing Sources (Uses):	-	(1,901,428)	(329,956)	1,571,472
Net Change in Fund Balances	\$ -	\$ (4,825,369)	(691,864)	\$ (361,067)
Fund Balances - Beginning			55,306	
Fund Balances - Ending			\$ (636,558)	

The notes to required supplementary information are an integral part of this schedule.

CITY OF FULLERTON

**MISCELLANEOUS PLAN
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS ⁽¹⁾**

	2015	2016	2017	2018
Measurement Date	6/30/2014	6/30/2015	6/30/2016	6/30/2017
Total Pension Liability:				
Service Cost	\$ 3,583,900	\$ 3,434,664	\$ 3,436,150	\$ 4,028,019
Interest on total pension liability	18,104,876	18,544,020	19,021,926	19,457,971
Changes in assumptions	-	(4,406,198)	-	15,777,516
Differences between expected and actual experience	-	(3,523,723)	(2,713,807)	(1,691,562)
Benefit payments, including refunds of employee contributions	(12,422,994)	(12,931,194)	(13,105,760)	(13,600,494)
Net change in total pension liability	9,265,782	1,117,569	6,638,509	23,971,450
Total Pension Liability - Beginning	245,817,888	255,083,670	256,201,239	262,839,748
Total Pension Liability - Ending (a)	255,083,670	256,201,239	262,839,748	286,811,198
Plan Fiduciary Net Position:				
Contributions - employer	1,748,110	2,087,882	2,831,939	3,455,877
Contributions - employee	3,340,171	2,852,024	2,961,557	3,207,458
Net investment income	31,546,084	4,617,716	994,336	21,919,922
Benefit payments, including refunds of employee contributions	(12,422,994)	(12,931,194)	(13,105,760)	(13,600,494)
Net Plan to Plan Resource Movement	-	(715)	-	-
Administrative expense	-	(231,434)	(125,288)	(294,007)
Other miscellaneous income/(expense)	-	-	-	-
Net change in plan fiduciary net position	24,211,371	(3,605,721)	(6,443,216)	14,688,756
Plan Fiduciary Net Position - Beginning	184,970,916	209,182,287	205,576,566	199,133,350
Plan Fiduciary Net Position - Ending (b)	209,182,287	205,576,566	199,133,350	213,822,106
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	\$ 45,901,383	\$ 50,624,673	\$ 63,706,398	\$ 72,989,092
Plan fiduciary net position as a percentage of the total pension liability	82.01%	80.24%	75.76%	74.55%
Covered payroll	\$ 23,913,389	\$ 24,121,530	\$ 24,160,809	\$ 25,506,709
Plan Net Pension Liability as a Percentage of Covered Payroll	191.95%	209.87%	263.68%	286.16%

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

Benefit Changes:

The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2020 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions:

None in 2020-2022. In 2019, demographic assumptions and inflation were changed in accordance to the CalPERS Experience Study and Review of Assumptions December 2017. There were no changes in the discount rate. In 2018, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2017, there were no changes. In 2016, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2015, amounts were based on the 7.5 percent discount rate.

⁽¹⁾ Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only eight years are shown.

2019	2020	2021	2022
6/30/2018	6/30/2019	6/30/2020	6/30/2021
\$ 4,018,130	\$ 3,774,798	\$ 3,775,731	\$ 3,548,169
19,980,940	20,552,464	21,144,370	21,513,474
(1,127,539)	-	-	-
(817,761)	(669,374)	394,873	(2,050,727)
(14,842,526)	(15,586,850)	(17,301,500)	(17,885,130)
7,211,244	8,071,038	8,013,474	5,125,786
286,811,198	294,022,442	302,093,480	310,106,954
294,022,442	302,093,480	310,106,954	315,232,740
3,880,635	4,809,655	6,036,525	7,017,542
2,857,654	2,852,167	2,274,075	1,811,572
17,972,220	14,470,021	11,301,839	51,372,978
(14,842,526)	(15,586,850)	(17,301,500)	(17,885,130)
(518)	(650)	-	-
(333,194)	(158,940)	(322,988)	(230,852)
(632,741)	518	-	-
8,901,530	6,385,921	1,987,951	42,086,110
213,822,106	222,723,636	229,109,557	231,097,508
222,723,636	229,109,557	231,097,508	273,183,618
\$ 71,298,806	\$ 72,983,923	\$ 79,009,446	\$ 42,049,122
75.75%	75.84%	74.52%	86.66%
\$ 25,445,697	\$ 23,492,645	\$ 23,791,627	\$ 22,456,766
280.20%	310.67%	332.09%	187.24%

CITY OF FULLERTON

**SAFETY PLAN
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS ⁽¹⁾**

	2015	2016	2017	2018
Measurement Date	6/30/2014	6/30/2015	6/30/2016	6/30/2017
Total Pension Liability:				
Service Cost	\$ 6,428,794	\$ 6,159,575	\$ 6,139,343	\$ 7,137,610
Interest on total pension liability	29,880,228	30,783,877	31,849,067	32,652,041
Changes in assumptions	-	(7,450,669)	-	27,036,186
Differences between expected and actual experience	-	(3,274,488)	(590,872)	(1,625,395)
Benefit payments, including refunds of employee contributions	(20,933,019)	(21,964,313)	(22,872,497)	(24,235,721)
Net change in total pension liability	15,376,003	4,253,982	14,525,041	40,964,721
Total Pension Liability - Beginning	405,655,143	421,031,146	425,285,128	439,810,169
Total Pension Liability - Ending (a)	421,031,146	425,285,128	439,810,169	480,774,890
Plan Fiduciary Net Position:				
Contributions - employer	6,363,818	7,227,836	8,358,879	10,074,802
Contributions - employee	3,664,440	3,711,794	3,747,337	3,864,941
Net investment income	46,137,412	6,738,820	1,497,136	32,030,653
Benefit payments, including refunds of employee contributions	(20,933,109)	(21,964,313)	(22,872,497)	(24,235,721)
Net Plan to Plan Resource Movement	-	-	-	-
Administrative expense	-	(341,647)	(182,711)	(428,677)
Other miscellaneous income/(expense)	-	90	-	-
Net change in plan fiduciary net position	35,232,561	(4,627,420)	(9,451,856)	21,305,998
Plan Fiduciary Net Position - Beginning	269,193,188	304,425,749	299,798,329	290,346,473
Plan Fiduciary Net Position - Ending (b)	304,425,749	299,798,329	290,346,473	311,652,471
Plan Net Pension Liability - Ending (a) - (b)	\$ 116,605,397	\$ 125,486,799	\$ 149,463,696	\$ 169,122,419
Plan fiduciary net position as a percentage of the total pension liability	72.30%	70.49%	66.02%	64.82%
Covered payroll	\$ 23,106,870	\$ 23,105,917	\$ 22,949,957	\$ 23,799,967
Plan Net Pension Liability as a Percentage of Covered Payroll	504.64%	543.09%	651.26%	710.60%

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

Benefit Changes:

The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2019 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions:

None in 2020-2022. In 2019, demographic assumptions and inflation were changed in accordance to the CalPERS Experience Study and Review of Assumptions December 2017. There were no changes in the discount rate. In 2018, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2017, there were no changes. In 2016, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2015, amounts were based on the 7.5 percent discount rate.

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only eight years are shown.

2019	2020	2021	2022
6/30/2018	6/30/2019	6/30/2020	6/30/2021
\$ 7,276,694	\$ 6,713,029	\$ 5,929,528	\$ 6,193,673
33,741,761	34,715,015	35,667,102	36,643,567
(1,878,673)	-	-	-
2,515,633	406,378	1,835,234	2,697,088
(26,274,949)	(28,787,130)	(30,324,105)	(31,213,796)
15,380,466	13,047,292	13,107,759	14,320,532
480,774,890	496,155,356	509,202,648	522,310,407
496,155,356	509,202,648	522,310,407	536,630,939
10,730,240	12,127,485	14,081,827	15,515,050
3,605,789	3,161,725	3,622,586	3,261,576
26,311,505	21,203,073	16,454,572	75,203,654
(26,274,949)	(28,787,130)	(30,324,105)	(31,213,796)
(757)	650	-	-
(485,640)	(231,653)	(468,167)	(335,102)
(922,239)	757	-	-
12,963,949	7,474,907	3,366,713	62,431,382
311,652,471	324,616,420	332,091,327	335,458,040
324,616,420	332,091,327	335,458,040	397,889,422
\$ 171,538,936	\$ 177,111,321	\$ 186,852,367	\$ 138,741,517
65.43%	65.22%	64.23%	74.15%
\$ 24,764,981	\$ 22,649,309	\$ 20,747,123	\$ 21,947,814
692.67%	781.97%	900.62%	632.14%

CITY OF FULLERTON

**RETIREE HEALTH INSURANCE PROGRAM
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS ⁽¹⁾**

	2018	2019	2020	2021	2022
Measurement Date	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021
Total OPEB Liability:					
Service Cost	\$ 1,913,643	\$ 1,184,811	\$ 1,287,092	\$ 1,349,773	\$ 1,673,868
Interest on total OPEB liability	1,288,253	1,324,045	1,103,389	1,049,606	784,439
Changes in assumptions	-	-	1,889,194	3,881,547	1,853,345
Differences between expected and actual experience	-	(7,029,124)	-	(6,727,717)	148,817
Benefit payments	(1,584,473)	(1,338,227)	(1,390,063)	(1,635,980)	(1,668,735)
Net change in total OPEB liability	1,617,423	(5,858,495)	2,889,612	(2,082,771)	2,791,734
Total OPEB Liability - Beginning	34,353,410	35,970,833	30,112,338	33,001,950	30,919,179
Total OPEB Liability - Ending (a)	35,970,833	30,112,338	33,001,950	30,919,179	33,710,913
Plan Fiduciary Net Position:					
Contributions - employer	-	1,388,227	1,390,063	1,635,980	1,668,735
Net investment income	-	3,686	3,203	(94)	18,630
Benefit payments	-	(1,338,227)	(1,390,063)	(1,635,980)	(1,668,735)
Administrative expense	-	-	(135)	(300)	(370)
Net change in plan fiduciary net position	-	53,686	3,068	(394)	18,260
Plan Fiduciary Net Position - Beginning	-	-	53,686	56,754	56,360
Plan Fiduciary Net Position - Ending (b)	-	53,686	56,754	56,360	74,620
Plan Net OPEB Liability - Ending (a) - (b)	\$ 35,970,833	\$ 30,058,652	\$ 32,945,196	\$ 30,862,819	\$ 33,636,293
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.18%	0.17%	0.18%	0.22%
Covered-employee payroll	\$ 47,763,989	\$ 53,294,857	\$ 55,541,742	\$ 51,823,148	\$ 55,369,789
Plan Net OPEB Liability as a Percentage of Covered-Employee Payroll	75.31%	56.40%	59.32%	59.55%	60.75%

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

Benefit Changes:

None

Changes of Assumptions:

In 2022, the discount rate was changed to 1.94%. In 2021, the discount rate assumption was changed to 2.47 percent. In 2020, the change in actuarial firms resulted in a change in assumptions due to inherent differences in actuarial systems, approaches, and interpretation.

⁽¹⁾ Historical information is required only for measurement for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation, therefore only five years are shown.

CITY OF FULLERTON

SCHEDULES OF PLAN CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS ¹

CalPERS Miscellaneous Employees Agent, Multiple-Employer Pension Plan:

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2014	\$ 1,748,110	\$ 1,748,110	\$ -	\$ 23,913,389	7.31%
2015	2,087,882	2,087,882	-	24,121,530	8.66%
2016	2,831,939	2,831,939	-	24,160,809	11.72%
2017	3,455,877	3,455,877	-	25,506,709	13.55%
2018	3,880,635	3,880,635	-	25,445,697	15.25%
2019	4,809,655	4,809,655	-	23,492,645	20.47%
2020	6,036,168	6,036,168	-	23,791,627	25.37%
2021	7,018,243	7,018,243	-	22,456,766	31.25%
2022	7,585,485	7,585,485	-	20,195,444 *	37.56%

CalPERS Safety Employees Agent, Multiple-Employer Pension Plan:

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2014	\$ 6,363,818	\$ 6,363,818	\$ -	\$ 23,106,870	27.54%
2015	7,227,836	7,227,836	-	23,105,917	31.28%
2016	8,358,879	8,358,879	-	22,949,957	36.42%
2017	10,074,802	10,074,802	-	23,799,967	42.33%
2018	10,730,240	10,730,240	-	24,764,981	43.33%
2019	12,127,485	12,127,485	-	22,649,309	53.54%
2020	14,081,945	14,081,945	-	20,747,123	67.87%
2021	15,515,569	15,515,569	-	21,947,814	70.69%
2022	16,849,576	16,849,576	-	21,806,704 *	77.27%

Retiree Health Insurance Program Single Employer OPEB Plan:

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contribution as a % of Covered-Employee Payroll
2018	\$ 1,388,227	\$ 1,388,227	\$ -	\$ 53,294,857	2.60%
2019	2,181,997	1,390,063	791,934	55,541,742	2.50%
2020	2,286,732	1,635,980	650,752	51,823,148	3.16%
2021	2,017,876	1,668,735	349,141	55,369,789	3.01%
2022	2,073,368	972,546	1,100,822	49,278,492 *	1.97%

¹ Historical information is required only for measurement for which GASB 68 and GASB 75 is applicable. Fiscal year 2015 was the first year of implementation for GASB 68, however information for the year prior to implementation was available, therefore only nine years are shown; Fiscal Year 2018 was the first year of implementation for GASB 75, therefore only five years are shown.

* Estimated amount

CITY OF FULLERTON

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022

Note 1: Budgetary Comparison Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. The budget is presented by fund, program, and department and includes proposed appropriations and the means to finance them. The City Council approves the budget prior to July 1 by resolution and amends the budget throughout the year.

The City Manager is authorized to transfer budgeted amounts within departments, within funds. Transfers of appropriations between departments and between funds may be made only by authority of the City Council. Total fund and department expenditures in excess of the total budgeted amounts are prohibited. Expenditures may not legally exceed budgeted appropriations at the department level. Formal budgetary information is employed as a management control device. Commitments for materials and services, such as purchase orders and contracts, are recorded during the year as encumbrances to assist in controlling expenditures. Appropriations lapse at fiscal year-end unless carried over by approval by the City Council.

During the year, the City's General Fund incurred excesses of expenditures over appropriations as follows:

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
General Fund:			
General Government:			
Non-departmental	(3,390,000)	491,625	3,881,625

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
 JUNE 30, 2022

Note 2: Actuarial Assumptions Underlying the Schedules of Plan Contributions

a. CalPERS Miscellaneous and Safety Pension Plans

The actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year ended June 30, 2022 were derived from the June 30, 2019 funding valuation report.

Actuarial Cost Method:	Entry Age Normal
Amortization Method/Period:	For details, see the June 30, 2019 funding valuation report, available at CalPERS' website
Asset Valuation Method:	Market Value of Assets
Inflation:	2.50 percent
Salary Increases:	Varies by Entry Age and Service
Payroll Growth:	2.75 percent
Investment Rate of Return:	7.00 percent, net of investment and administrative expense
Retirement Age:	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period of 1997 to 2015.
Mortality:	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period of 1997 to 2015. Pre-retirement and post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

b. Retiree Health Insurance Program OPEB Plan

The actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year ended June 30, 2022 were derived from the June 30, 2021 actuarial valuation report.

Actuarial Cost Method:	Entry Age
Amortization Method:	Level Percent of Pay
Remaining Amortization Period:	30 years
Asset Valuation Method:	Market Value
Inflation:	2.25%
Healthcare Cost Trend Rates:	6.7% for FY2021, gradually decreasing over several decades to an ultimate rate of 3.8% in FY2076 and later years
Salary Increases:	Varies by Enty Age and Service
Investment Rate of Return:	6.50%
Retirement Age:	Based on the December 2017 CalPERS Experience Study
Mortality:	Based on the December 2017 CalPERS Experience Study

CITY OF FULLERTON

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	Special Revenue Funds				
	State Gas Tax	Drainage Capital Outlay	Traffic Safety	Park Dwelling	Asset Seizure
Assets:					
Cash and investments	\$ 6,004,662	\$ 6,659,580	\$ -	\$ 2,228,257	\$ 293,387
Receivables:					
Accounts	667,940	173,017	10,061	-	29,617
Notes and loans	-	-	-	-	-
Accrued interest	4,249	4,999	-	927	293
Total Assets	\$ 6,676,851	\$ 6,837,596	\$ 10,061	\$ 2,229,184	\$ 323,297
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable	\$ 234,058	\$ -	\$ -	\$ -	\$ 5,371
Accrued liabilities	37,938	3,767	-	-	7,091
Deposits payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total Liabilities	271,996	3,767	-	-	12,462
Deferred Inflows of Resources:					
Unavailable revenues	53,530	-	-	-	22,923
Total Deferred Inflows of Resources	53,530	-	-	-	22,923
Fund Balances:					
Restricted	6,351,325	6,833,829	10,061	2,229,184	287,912
Unassigned	-	-	-	-	-
Total Fund Balances	6,351,325	6,833,829	10,061	2,229,184	287,912
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 6,676,851	\$ 6,837,596	\$ 10,061	\$ 2,229,184	\$ 323,297

	Special Revenue Funds				
	Refuse Collection	Air Quality Improvement	Sanitation	Measure M2	Housing
Assets:					
Cash and investments	\$ 1,186,305	\$ 1,042,897	\$ 1,438,211	\$ 4,362,467	\$ 1,176,492
Receivables:					
Accounts	2,748,268	-	1,394,939	528,457	6,435
Notes and loans	-	-	-	-	11,765,766
Accrued interest	1,158	1,161	1,623	3,245	1,299
Total Assets	\$ 3,935,731	\$ 1,044,058	\$ 2,834,773	\$ 4,894,169	\$ 12,949,992
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable	\$ 1,085,368	\$ -	\$ 382,682	\$ 31,670	\$ 31,742
Accrued liabilities	965	-	57,532	-	2,220
Deposits payable	-	-	-	-	2,100
Due to other funds	-	-	-	-	-
Total Liabilities	1,086,333	-	440,214	31,670	36,062
Deferred Inflows of Resources:					
Unavailable revenues	197,528	-	2,658	-	-
Total Deferred Inflows of Resources	197,528	-	2,658	-	-
Fund Balances:					
Restricted	2,651,870	1,044,058	2,391,901	4,862,499	12,913,930
Unassigned	-	-	-	-	-
Total Fund Balances	2,651,870	1,044,058	2,391,901	4,862,499	12,913,930
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,935,731	\$ 1,044,058	\$ 2,834,773	\$ 4,894,169	\$ 12,949,992

CITY OF FULLERTON

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2022

	Special Revenue Funds			Debt Service Fund	Total Nonmajor Governmental Funds
	FTV Cable - PEG Access Fund	SB2 / PLHA	West Coyote Hills Endowment	Debt Service Reserve	
Assets:					
Cash and investments	\$ 970,201	\$ -	\$ 100,561	\$ 205,907	\$ 25,668,927
Receivables:					
Accounts	50,958	1,259,384	-	-	6,869,076
Notes and loans	-	-	-	-	11,765,766
Accrued interest	1,065	215	110	-	20,344
Total Assets	\$ 1,022,224	\$ 1,259,599	\$ 100,671	\$ 205,907	\$ 44,324,113
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable	\$ 2,159	\$ 1,259,384	\$ -	\$ -	\$ 3,032,434
Accrued liabilities	-	-	-	-	109,513
Deposits payable	-	-	-	-	2,100
Due to other funds	-	214,141	-	-	214,141
Total Liabilities	2,159	1,473,525	-	-	3,358,188
Deferred Inflows of Resources:					
Unavailable revenues	-	1,259,384	-	-	1,536,023
Total Deferred Inflows of Resources	-	1,259,384	-	-	1,536,023
Fund Balances:					
Restricted	1,020,065	-	100,671	205,907	40,903,212
Unassigned	-	(1,473,310)	-	-	(1,473,310)
Total Fund Balances	1,020,065	(1,473,310)	100,671	205,907	39,429,902
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,022,224	\$ 1,259,599	\$ 100,671	\$ 205,907	\$ 44,324,113

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CITY OF FULLERTON

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Special Revenue Funds				
	State Gas Tax	Drainage Capital Outlay	Traffic Safety	Park Dwelling	Asset Seizure
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	6,112,642	-	-	-	389,447
Charges for services	7,527	1,499,905	-	232,020	5,425
Investment income	(72,715)	(90,912)	-	(13,070)	(5,331)
Fines and forfeitures	-	-	131,300	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	6,047,454	1,408,993	131,300	218,950	389,541
Expenditures:					
Current:					
General government	632	743	-	138	-
Public safety	-	-	-	-	197,907
Community development	-	-	-	-	-
Human and leisure	-	-	-	-	-
Public works	3,188,195	160,170	-	-	-
Refuse collection	-	-	-	-	-
Capital outlay	11,942	-	-	-	292,436
Total Expenditures	3,200,769	160,913	-	138	490,343
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,846,685	1,248,080	131,300	218,812	(100,802)
Other Financing Sources (Uses):					
Transfers out	(3,702,161)	(706,043)	(137,314)	(907,756)	-
Total Other Financing Sources (Uses)	(3,702,161)	(706,043)	(137,314)	(907,756)	-
Net Change in Fund Balances	(855,476)	542,037	(6,014)	(688,944)	(100,802)
Fund Balances - Beginning	7,206,801	6,291,792	16,075	2,918,128	388,714
Fund Balances - Ending	\$ 6,351,325	\$ 6,833,829	\$ 10,061	\$ 2,229,184	\$ 287,912

CITY OF FULLERTON

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

(CONTINUED)

	Special Revenue Funds				
	Refuse Collection	Air Quality Improvement	Sanitation	Measure M2	Housing
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	134,334	-	3,183,746	-
Charges for services	13,530,500	-	6,367,797	-	-
Investment income	(22,750)	(22,684)	(34,071)	(59,939)	232,355
Fines and forfeitures	-	-	-	-	-
Miscellaneous	-	-	50	-	5,400
Total Revenues	13,507,750	111,650	6,333,776	3,123,807	237,755
Expenditures:					
Current:					
General government	-	-	106,869	483	-
Public safety	-	-	-	-	-
Community development	-	8,204	-	-	278,781
Human and leisure	-	-	-	36,107	-
Public works	-	-	5,955,394	202,499	-
Refuse collection	13,207,925	-	-	-	-
Capital outlay	-	-	9,908	-	-
Total Expenditures	13,207,925	8,204	6,072,171	239,089	278,781
Excess (Deficiency) of Revenues Over (Under) Expenditures	299,825	103,446	261,605	2,884,718	(41,026)
Other Financing Sources (Uses):					
Transfers out	(68,279)	(20,394)	(43,861)	(1,460,232)	-
Total Other Financing Sources (Uses)	(68,279)	(20,394)	(43,861)	(1,460,232)	-
Net Change in Fund Balances	231,546	83,052	217,744	1,424,486	(41,026)
Fund Balances - Beginning	2,420,324	961,006	2,174,157	3,438,013	12,954,956
Fund Balances - Ending	\$ 2,651,870	\$ 1,044,058	\$ 2,391,901	\$ 4,862,499	\$ 12,913,930

CITY OF FULLERTON

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Special Revenue Funds			Debt Service Fund	Total Nonmajor Governmental Funds
	FTV Cable - PEG Access Fund	SB2 / PLHA	West Coyote Hills Endowment	Debt Service Reserve	
Revenues:					
Taxes	\$ 197,873	\$ -	\$ -	\$ -	\$ 197,873
Intergovernmental	-	-	-	-	9,820,169
Charges for services	-	-	-	-	21,643,174
Investment income	(20,669)	(4,202)	(2,351)	-	(116,339)
Fines and forfeitures	-	-	-	-	131,300
Miscellaneous	-	2,362	103,038	-	110,850
Total Revenues	177,204	(1,840)	100,687	-	31,787,027
Expenditures:					
Current:					
General government	54,865	-	-	-	163,730
Public safety	-	-	-	-	197,907
Community development	-	624,591	-	-	911,576
Human and leisure	-	-	-	-	36,107
Public works	-	-	16	-	9,506,274
Refuse collection	-	-	-	-	13,207,925
Capital outlay	-	-	-	-	314,286
Total Expenditures	54,865	624,591	16	-	24,337,805
Excess (Deficiency) of Revenues Over (Under) Expenditures	122,339	(626,431)	100,671	-	7,449,222
Other Financing Sources (Uses):					
Transfers out	-	-	-	-	(7,046,040)
Total Other Financing Sources (Uses)	-	-	-	-	(7,046,040)
Net Change in Fund Balances	122,339	(626,431)	100,671	-	403,182
Fund Balances - Beginning	897,726	(846,879)	-	205,907	39,026,720
Fund Balances - Ending	\$ 1,020,065	\$ (1,473,310)	\$ 100,671	\$ 205,907	\$ 39,429,902

CITY OF FULLERTON

BUDGETARY COMPARISON SCHEDULE
 STATE GAS TAX
 FOR THE YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 3,640,532	\$ 6,431,983	\$ 6,112,642	\$ (319,341)
Charges for services	-	-	7,527	7,527
Use of money and property	61,020	112,155	(72,715)	(184,870)
Total Revenues	3,701,552	6,544,138	6,047,454	(496,684)
Expenditures:				
Current:				
General government	-	-	632	(632)
Public works	3,041,842	3,041,842	3,188,195	(146,353)
Capital outlay	7,000	7,000	11,942	(4,942)
Total Expenditures	3,048,842	3,048,842	3,200,769	(151,927)
Excess (Deficiency) of Revenues Over (Under) Expenditures	652,710	3,495,296	2,846,685	(648,611)
Other Financing Sources (Uses):				
Transfers out	(661,000)	(9,767,253)	(3,702,161)	6,065,092
Total Other Financing Sources (Uses)	(661,000)	(9,767,253)	(3,702,161)	6,065,092
Net Change in Fund Balances	\$ (8,290)	\$ (6,271,957)	(855,476)	\$ 5,416,481
Fund Balances - Beginning			7,206,801	
Fund Balances - Ending			\$ 6,351,325	

CITY OF FULLERTON

**BUDGETARY COMPARISON SCHEDULE
DRAINAGE CAPITAL OUTLAY
FOR THE YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 1,600,000	\$ 1,600,000	\$ 1,499,905	\$ (100,095)
Use of money and property	93,795	93,795	(90,912)	(184,707)
Total Revenues	1,693,795	1,693,795	1,408,993	(284,802)
Expenditures:				
Current:				
General government	-	-	743	(743)
Public works	224,825	224,825	160,170	64,655
Total Expenditures	224,825	224,825	160,913	63,912
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,468,970	1,468,970	1,248,080	(220,890)
Other Financing Sources (Uses):				
Transfers out	(1,300,000)	(4,688,702)	(706,043)	3,982,659
Total Other Financing Sources (Uses)	(1,300,000)	(4,688,702)	(706,043)	3,982,659
Net Change in Fund Balances	\$ 168,970	\$ (3,219,732)	542,037	\$ 3,761,769
Fund Balances - Beginning			6,291,792	
Fund Balances - Ending			\$ 6,833,829	

CITY OF FULLERTON

BUDGETARY COMPARISON SCHEDULE
 TRAFFIC SAFETY
 FOR THE YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 200,000	\$ 200,000	\$ 131,300	\$ (68,700)
Total Revenues	200,000	200,000	131,300	(68,700)
Excess (Deficiency) of Revenues Over (Under) Expenditures	200,000	200,000	131,300	(68,700)
Other Financing Sources (Uses):				
Transfers out	(200,000)	(200,000)	(137,314)	62,686
Total Other Financing Sources (Uses)	(200,000)	(200,000)	(137,314)	62,686
Net Change in Fund Balances	\$ -	\$ -	(6,014)	\$ (6,014)
Fund Balances - Beginning			16,075	
Fund Balances - Ending			\$ 10,061	

CITY OF FULLERTON

BUDGETARY COMPARISON SCHEDULE
 PARK DWELLING
 FOR THE YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 1,241,700	\$ 1,241,700	\$ 232,020	\$ (1,009,680)
Use of money and property	94,928	94,928	(13,070)	(107,998)
Total Revenues	1,336,628	1,336,628	218,950	(1,117,678)
Expenditures:				
Current:				
General government	-	-	138	(138)
Total Expenditures:	-	-	138	(138)
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,336,628	1,336,628	218,812	(1,117,816)
Other Financing Sources (Uses):				
Transfers out	(1,015,000)	(3,885,327)	(907,756)	2,977,571
Total Other Financing Sources (Uses)	(1,015,000)	(3,885,327)	(907,756)	2,977,571
Net Change in Fund Balances	\$ 321,628	\$ (2,548,699)	(688,944)	\$ 1,859,755
Fund Balances - Beginning			2,918,128	
Fund Balances - Ending			\$ 2,229,184	

CITY OF FULLERTON

BUDGETARY COMPARISON SCHEDULE
 ASSET SEIZURE
 FOR THE YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 115,000	\$ 345,301	\$ 389,447	\$ 44,146
Charges for services	-	-	5,425	5,425
Use of money and property	10,679	10,679	(5,331)	(16,010)
Total Revenues	125,679	355,980	389,541	33,561
Expenditures:				
Current:				
Public safety	76,124	103,124	197,907	(94,783)
Capital outlay	80,000	404,337	292,436	111,901
Total Expenditures	156,124	507,461	490,343	17,118
Net Change in Fund Balances	\$ (30,445)	\$ (151,481)	(100,802)	\$ 50,679
Fund Balances - Beginning			388,714	
Fund Balances - Ending			\$ 287,912	

CITY OF FULLERTON

**BUDGETARY COMPARISON SCHEDULE
REFUSE COLLECTION
FOR THE YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 6,952	\$ -	\$ (6,952)
Charges for services	12,826,917	12,826,917	13,530,500	703,583
Use of money and property	-	-	(22,750)	(22,750)
Total Revenues	12,826,917	12,833,869	13,507,750	673,881
Expenditures:				
Current:				
Refuse collection	11,956,059	11,963,011	13,207,925	(1,244,914)
Total Expenditures	11,956,059	11,963,011	13,207,925	(1,244,914)
Excess (Deficiency) of Revenues Over (Under) Expenditures	870,858	870,858	299,825	(571,033)
Other Financing Sources (Uses):				
Transfers out	(150,000)	(295,570)	(68,279)	227,291
Total Other Financing Sources (Uses)	(150,000)	(295,570)	(68,279)	227,291
Net Change in Fund Balances	\$ 720,858	\$ 575,288	231,546	\$ (343,742)
Fund Balances - Beginning			2,420,324	
Fund Balances - Ending			\$ 2,651,870	

CITY OF FULLERTON

**BUDGETARY COMPARISON SCHEDULE
AIR QUALITY IMPROVEMENT
FOR THE YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 181,000	\$ 181,000	\$ 134,334	\$ (46,666)
Use of money and property	15,600	15,600	(22,684)	(38,284)
Total Revenues	196,600	196,600	111,650	(84,950)
Expenditures:				
Current:				
Community development	38,050	38,050	8,204	29,846
Capital outlay	265,000	265,000	-	265,000
Total Expenditures	303,050	303,050	8,204	294,846
Excess (Deficiency) of Revenues Over (Under) Expenditures	(106,450)	(106,450)	103,446	209,896
Other Financing Sources (Uses):				
Transfers out	-	(29,142)	(20,394)	8,748
Total Other Financing Sources (Uses)	-	(29,142)	(20,394)	8,748
Net Change in Fund Balances	\$ (106,450)	\$ (135,592)	83,052	\$ 218,644
Fund Balances - Beginning			961,006	
Fund Balances - Ending			\$ 1,044,058	

CITY OF FULLERTON

BUDGETARY COMPARISON SCHEDULE
 SANITATION
 FOR THE YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 6,400,000	\$ 6,400,000	\$ 6,367,797	\$ (32,203)
Use of money and property	58,136	58,136	(34,071)	(92,207)
Miscellaneous	-	-	50	50
Total Revenues	6,458,136	6,458,136	6,333,776	(124,360)
Expenditures:				
Current:				
General government	120,746	120,746	106,869	13,877
Public works	7,092,059	7,092,059	5,955,394	1,136,665
Capital outlay	6,500	6,500	9,908	(3,408)
Total Expenditures	7,219,305	7,219,305	6,072,171	1,147,134
Excess (Deficiency) of Revenues Over (Under) Expenditures	(761,169)	(761,169)	261,605	1,022,774
Other Financing Sources (Uses):				
Transfers out	-	-	(43,861)	(43,861)
Total Other Financing Sources (Uses)	-	-	(43,861)	(43,861)
Net Change in Fund Balances	\$ (761,169)	\$ (761,169)	217,744	\$ 978,913
Fund Balances - Beginning			2,174,157	
Fund Balances - Ending			\$ 2,391,901	

CITY OF FULLERTON

BUDGETARY COMPARISON SCHEDULE
 MEASURE M2
 FOR THE YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,470,502	\$ 2,470,502	\$ 3,183,746	\$ 713,244
Use of money and property	72,925	72,925	(59,939)	(132,864)
Total Revenues	2,543,427	2,543,427	3,123,807	580,380
Expenditures:				
Current:				
General government	-	-	483	(483)
Parks and recreation	205,183	205,183	36,107	169,076
Public works	210,000	210,000	202,499	7,501
Total Expenditures	415,183	415,183	239,089	176,094
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,128,244	2,128,244	2,884,718	756,474
Other Financing Sources (Uses):				
Transfers out	(1,987,300)	(4,776,853)	(1,460,232)	3,316,621
Total Other Financing Sources (Uses)	(1,987,300)	(4,776,853)	(1,460,232)	3,316,621
Net Change in Fund Balances	\$ 140,944	\$ (2,648,609)	1,424,486	\$ 4,073,095
Fund Balances - Beginning			3,438,013	
Fund Balances - Ending			\$ 4,862,499	

CITY OF FULLERTON

BUDGETARY COMPARISON SCHEDULE
 HOUSING
 FOR THE YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 244,756	\$ 244,756	\$ 232,355	\$ (12,401)
Miscellaneous	-	-	5,400	5,400
Total Revenues	244,756	244,756	237,755	(7,001)
Expenditures:				
Current:				
Community development	935,642	935,642	278,781	656,861
Total Expenditures:	935,642	935,642	278,781	656,861
Net Change in Fund Balances	\$ (690,886)	\$ (690,886)	(41,026)	\$ 649,860
Fund Balances - Beginning			12,954,956	
Fund Balances - Ending			\$ 12,913,930	

CITY OF FULLERTON

BUDGETARY COMPARISON SCHEDULE
 FTV CABLE - PEG ACCESS FUND
 FOR THE YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 200,000	\$ 200,000	\$ 197,873	\$ (2,127)
Use of money and property	16,015	16,015	(20,669)	(36,684)
Total Revenues	216,015	216,015	177,204	(38,811)
Expenditures:				
Current:				
General government	192,229	192,229	54,865	137,364
Total Expenditures:	192,229	192,229	54,865	137,364
Net Change in Fund Balances	\$ 23,786	\$ 23,786	122,339	\$ (176,175)
Fund Balances - Beginning			897,726	
Fund Balances - Ending			\$ 1,020,065	

CITY OF FULLERTON

BUDGETARY COMPARISON SCHEDULE
 CAPITAL PROJECTS
 FOR THE YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,352,400	\$ 43,528,975	\$ 19,289,549	\$ (24,239,426)
Charges for services	350,000	1,001,437	78,997	(922,440)
Miscellaneous	-	-	14,680	14,680
Total Revenues	2,702,400	44,530,412	19,383,226	(25,147,186)
Expenditures:				
Capital outlay	12,136,777	86,781,862	32,972,193	53,809,669
Total Expenditures:	12,136,777	86,781,862	32,972,193	53,809,669
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,434,377)	(42,251,450)	(13,588,967)	28,662,483
Other Financing Sources				
Transfers in	8,858,300	33,357,450	11,595,843	(21,761,607)
Total Other Financing Sources (Uses):	8,858,300	42,251,450	11,595,843	(30,655,607)
Net Change in Fund Balances	\$ (576,077)	\$ -	(1,993,124)	\$ (1,993,124)
Fund Balances - Beginning			1,599,419	
Fund Balances - Ending			\$ (393,705)	

CITY OF FULLERTON

COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS
JUNE 30, 2022

	<u>Business-Type Activities - Enterprise Funds</u>			
	<u>Brea Dam Facilities Recreational</u>	<u>Parking Facilities</u>	<u>Compressed Natural Gas Facility</u>	<u>Totals</u>
Assets:				
Current Assets:				
Cash and investments	\$ 2,190,110	\$ -	\$ 94,022	\$ 2,284,132
Restricted assets - cash held with fiscal agent	260,242	-	-	260,242
Accounts receivable	2,379	-	-	2,379
Accrued interest receivable	2,407	(217)	104	2,294
Accrued interest	2,174	-	-	2,174
Inventory	56,223	-	-	56,223
Total Current Assets	<u>2,513,535</u>	<u>(217)</u>	<u>94,126</u>	<u>2,607,444</u>
Noncurrent Assets:				
Lease receivable	911,896	-	-	911,896
Capital assets - net of accumulated depreciation	2,558,927	541,789	-	3,100,716
Total Noncurrent Assets	<u>3,470,823</u>	<u>541,789</u>	<u>-</u>	<u>4,012,612</u>
Total Assets	<u>5,984,358</u>	<u>541,572</u>	<u>94,126</u>	<u>6,620,056</u>
Deferred Outflows of Resources:				
Pension deferrals	45,517	9,344	3,700	58,561
Other post-employment benefits deferrals	12,743	7,789	1,282	21,814
Total Deferred Outflows of Resources	<u>58,260</u>	<u>17,133</u>	<u>4,982</u>	<u>80,375</u>
Liabilities:				
Current Liabilities:				
Accounts payable	2,103,460	2,458	32,313	2,138,231
Accrued liabilities	8,090	988	426	9,504
Accrued interest payable	18,701	-	-	18,701
Deposits payable	220	-	-	220
Due to other funds	-	199,107	-	199,107
Compensated absences - current	10,519	-	-	10,519
Bonds payable - current	140,000	-	-	140,000
Total Current Liabilities	<u>2,280,990</u>	<u>202,553</u>	<u>32,739</u>	<u>2,516,282</u>
Noncurrent Liabilities:				
Compensated absences	2,630	-	-	2,630
Bonds payable	1,318,894	-	-	1,318,894
Net pension liability	250,147	51,356	20,341	321,844
Claims payable	-	-	-	-
Net other post-employment benefits liability	62,619	32,936	5,315	100,870
Total Noncurrent Liabilities	<u>1,634,290</u>	<u>84,292</u>	<u>25,656</u>	<u>1,744,238</u>
Total Liabilities	<u>3,915,280</u>	<u>286,845</u>	<u>58,395</u>	<u>4,260,520</u>
Deferred Inflows of Resources:				
Leases	888,584	-	-	888,584
Pension deferrals	158,539	32,549	12,891	203,979
Other post-employment benefits deferrals	10,400	8,801	908	20,109
Total Deferred Inflows of Resources	<u>1,057,523</u>	<u>41,350</u>	<u>13,799</u>	<u>1,112,672</u>
Net Position:				
Net investment in capital assets	1,100,033	541,789	-	1,641,822
Restricted for debt service	260,242	-	-	260,242
Unrestricted	(290,460)	(311,279)	26,914	(574,825)
Total Net Position	<u>\$ 1,069,815</u>	<u>\$ 230,510</u>	<u>\$ 26,914</u>	<u>\$ 1,327,239</u>

CITY OF FULLERTON

COMBINING STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds			Totals
	Brea Dam Facilities Recreational	Parking Facilities	Compressed Natural Gas Facility	
Operating Revenues:				
Sales and service charges	\$ 4,256,257	\$ -	\$ 150,102	\$ 4,406,359
Miscellaneous	14,156	-	-	14,156
Total Operating Revenues	4,270,413	-	150,102	4,420,515
Operating Expenses:				
Maintenance, operations, and administration	3,958,163	75,568	294,764	4,328,495
Depreciation expense	87,692	-	-	87,692
Total Operating Expenses	4,045,855	75,568	294,764	4,416,187
Operating Income (Loss)	224,558	(75,568)	(144,662)	4,328
Nonoperating Revenues (Expenses):				
Investment earnings	(21,261)	4,123	(1,962)	(19,100)
Interest expense	(70,430)	-	-	(70,430)
Total Nonoperating Revenues (Expenses)	(91,691)	4,123	(1,962)	(89,530)
Income (Loss) Before Transfers	132,867	(71,445)	(146,624)	(85,202)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Changes in Net Position	132,867	(71,445)	(146,624)	(85,202)
Net Position:				
Net Position - Beginning	1,393,429	301,955	173,538	1,868,922
Restatements	(456,481)	-	-	(456,481)
Beginning of Fiscal Year, as restated	936,948	301,955	173,538	1,412,441
Net Position - Ending	\$ 1,069,815	\$ 230,510	\$ 26,914	\$ 1,327,239

CITY OF FULLERTON

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds			
	Brea Dam Facilities Recreational	Parking Facilities	Compressed Natural Gas Facility	Totals
Cash Flows from Operating Activities:				
Receipts from customers	\$ 3,382,337	\$ -	\$ 150,102	\$ 3,532,439
Payments to suppliers and service providers	(1,579,744)	(31,199)	(286,016)	(1,896,959)
Payments to employees for salaries and benefits	(58)	(44,294)	(647)	(44,999)
Net Cash Provided by (Used for) Operating Activities	1,802,535	(75,493)	(136,561)	1,590,481
Cash Flows from Noncapital Financing Activities:				
Cash received on short-term interfund borrowings	-	71,077	-	71,077
Net Cash Provided by (Used for) Non-Capital Financing Activities	-	71,077	-	71,077
Cash Flows from Capital and Related Financing Activities:				
Principal paid on capital debt	(135,000)	-	-	(135,000)
Interest paid on capital debt	(69,653)	-	-	(69,653)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(204,653)	-	-	(204,653)
Cash Flows from Investing Activities:				
Interest on investments	(23,668)	4,416	(1,928)	(21,180)
Net Cash Provided by (Used for) Investing Activities	(23,668)	4,416	(1,928)	(21,180)
Net Increase (Decrease) in Cash and Cash Equivalents	1,574,214	-	(138,489)	1,435,725
Cash and Cash Equivalents, July 1	876,138	-	232,511	1,108,649
Cash and Cash Equivalents, June 30	\$ 2,450,352	\$ -	\$ 94,022	\$ 2,544,374
Reconciliation of Cash and Cash Equivalents to Amounts Reported on the Combining Statement of Net Position:				
Cash and investments	\$ 2,190,110	\$ -	\$ 94,022	\$ 2,284,132
Restricted assets - cash held with fiscal agent	260,242	-	-	260,242
Cash and Cash Equivalents, June 30	\$ 2,450,352	\$ -	\$ 94,022	\$ 2,544,374
Reconciliation of Operating (Loss) to Net Cash Provided by (Used for) by Operating Activities:				
Operating Income (Loss)	\$ 224,558	\$ (75,568)	\$ (144,662)	\$ 4,328
Adjustments to Reconcile Operating (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation expense	87,692	-	-	87,692
(Increase) decrease in accounts receivable	(883,346)	-	-	(883,346)
(Increase) decrease in inventories	(24,920)	-	-	(24,920)
Increase (decrease) in accounts payable	2,269,258	1,204	(3,657)	2,266,805
Increase (decrease) in accrued liabilities	1,385	(20)	168	1,533
Increase (decrease) in unearned revenue	(4,950)	-	-	(4,950)
Increase (decrease) in deposits payable	220	-	-	220
Increase (decrease) in compensated absences	6,390	-	-	6,390
Increase (decrease) in pension liability and related items	126,248	(1,109)	11,591	136,730
Increase (decrease) in OPEB liability and related items	-	-	(1)	(1)
Total Adjustments	1,577,977	75	8,101	1,586,153
Net Cash Provided by (Used for) Operating Activities	\$ 1,802,535	\$ (75,493)	\$ (136,561)	\$ 1,590,481

CITY OF FULLERTON

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2022**

	Governmental Activities - Internal Service Funds				
	Liability Insurance	Vehicle Replacement	Workers' Comp	Group Insurance	Equipment Maintenance
Assets:					
Current Assets:					
Cash and investments	\$ 21,368,442	\$ 5,935,841	\$ 28,831,982	\$ 1,999,128	\$ 4,844,997
Accounts receivable	-	39,022	-	-	1,317
Accrued interest receivable	23,348	5,242	31,659	2,204	5,262
Inventory	-	-	-	-	309,256
Prepaid items	4,000	1,744,938	-	391,212	-
Restricted:					
Cash with fiscal agent	-	-	-	-	-
Total Current Assets	21,395,790	7,725,043	28,863,641	2,392,544	5,160,832
Noncurrent Assets:					
Capital assets - net of accumulated depreciation	1,601	7,105,591	14,777	14,901	17,964
Total Noncurrent Assets	1,601	7,105,591	14,777	14,901	17,964
Total Assets	21,397,391	14,830,634	28,878,418	2,407,445	5,178,796
Deferred Outflows of Resources:					
Deferred charges on refunding	437,500	-	-	-	-
Pension deferrals	51,477	-	55,907	65,365	250,589
Other post-employment benefits deferrals	26,199	-	13,725	27,887	137,773
Total Deferred Outflows of Resources	515,176	-	69,632	93,252	388,362
Liabilities:					
Current Liabilities:					
Accounts payable	12,039	46,284	12,960	63,850	239,299
Accrued liabilities	7,028	-	7,429	15,233	34,337
Accrued interest payable	27,040	1,741	-	-	12,292
Unearned revenues	-	-	-	24,609	-
Claims and judgments	3,255,331	-	1,897,480	-	-
Loans payable - current	-	117,561	-	-	-
Bonds payable - current	432,167	-	-	-	-
Total Current Liabilities	3,733,605	165,586	1,917,869	103,692	285,928
Noncurrent Liabilities:					
Claims and judgments	12,538,669	-	14,487,520	-	-
Loans payable	-	-	-	-	630,442
Bonds payable	4,800,000	-	-	-	-
Net pension liability	282,900	-	307,246	359,229	1,377,158
Net other post-employment benefits liability	150,559	-	63,573	139,059	745,516
Total Noncurrent Liabilities	17,772,128	-	14,858,339	498,288	2,753,116
Total Liabilities	21,505,733	165,586	16,776,208	601,980	3,039,044
Deferred Inflows of Resources:					
Pension deferrals	179,298	-	194,727	227,674	872,822
Other post-employment benefits deferrals	38,420	-	10,211	33,161	181,079
Total Deferred Inflows of Resources	217,718	-	204,938	260,835	1,053,901
Net Position:					
Net investment in capital assets	1,601	6,988,030	14,777	14,901	-
Unrestricted	187,515	7,677,018	11,952,127	1,622,981	1,474,213
Total Net Position	\$ 189,116	\$ 14,665,048	\$ 11,966,904	\$ 1,637,882	\$ 1,474,213

CITY OF FULLERTON

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2022

	Governmental Activities - Internal Service Funds			
	Information Technology	Building Maintenance	Facility Capital Repair	Totals
Assets:				
Current Assets:				
Cash and investments	\$ 3,205,004	\$ 2,470,805	\$ 2,609,730	\$ 71,265,929
Accounts receivable	-	-	-	40,339
Accrued interest receivable	3,499	2,739	1,975	75,928
Inventory	-	-	-	309,256
Prepaid items	-	-	-	2,140,150
Restricted:				
Cash with fiscal agent	-	7,918,889	-	7,918,889
Total Current Assets	3,208,503	10,392,433	2,611,705	81,750,491
Noncurrent Assets:				
Capital assets - net of accumulated depreciation	406,910	53,366	81,788	7,696,898
Total Noncurrent Assets	406,910	53,366	81,788	7,696,898
Total Assets	3,615,413	10,445,799	2,693,493	89,447,389
Deferred Outflows of Resources:				
Deferred charges on refunding	-	-	-	437,500
Pension deferrals	113,511	192,945	-	729,794
Other post-employment benefits deferrals	43,190	114,982	-	363,756
Total Deferred Outflows of Resources	156,701	307,927	-	1,531,050
Liabilities:				
Current Liabilities:				
Accounts payable	648,812	128,580	-	1,151,824
Accrued liabilities	17,814	18,130	-	99,971
Accrued interest payable	-	26,682	-	67,755
Unearned revenues	-	-	-	24,609
Claims and judgments	-	-	-	5,152,811
Loans payable - current	-	-	-	117,561
Bonds payable - current	-	-	-	432,167
Total Current Liabilities	666,626	173,392	-	7,046,698
Noncurrent Liabilities:				
Claims and judgments	-	-	-	27,026,189
Loans payable	-	8,894,000	-	9,524,442
Bonds payable	-	-	-	4,800,000
Net pension liability	623,825	1,060,361	-	4,010,719
Net other post-employment benefits liability	237,639	616,150	-	1,952,496
Total Noncurrent Liabilities	861,464	10,570,511	-	47,313,846
Total Liabilities	1,528,090	10,743,903	-	54,360,544
Deferred Inflows of Resources:				
Pension deferrals	395,371	672,040	-	2,541,932
Other post-employment benefits deferrals	55,307	148,159	-	466,337
Total Deferred Inflows of Resources	450,678	820,199	-	3,008,269
Net Position:				
Net investment in capital assets	406,910	-	81,788	7,508,007
Unrestricted	1,386,436	(810,376)	2,611,705	26,101,619
Total Net Position	\$ 1,793,346	\$ (810,376)	\$ 2,693,493	\$ 33,609,626

CITY OF FULLERTON

COMBINING STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Governmental Activities - Internal Service Funds				
	Liability Insurance	Vehicle Replacement	Workers' Comp	Group Insurance	Equipment Maintenance
Operating Revenues:					
Interfund service charges	\$ 7,348,463	\$ 2,822,721	\$ 4,429,433	\$ 7,325,916	\$ 2,957,261
Miscellaneous	3,549	115,464	264,535	29,352	41,592
Total Operating Revenues	7,352,012	2,938,185	4,693,968	7,355,268	2,998,853
Operating Expenses:					
Maintenance, operations and administration	5,003,811	41,773	866,901	7,047,385	3,032,790
Claims expense	2,869,902	-	(767,784)	-	-
Depreciation expense	-	1,012,603	2,463	2,484	10,176
Miscellaneous	-	2,362	-	-	-
Total Operating Expenses	7,873,713	1,056,738	101,580	7,049,869	3,042,966
Operating Income (Loss)	(521,701)	1,881,447	4,592,388	305,399	(44,113)
Nonoperating Revenues (Expenses):					
Investment earnings	(466,660)	(102,192)	(619,060)	(44,234)	(102,451)
Interest expense	(161,674)	(4,801)	-	-	(27,168)
Gain (loss) on disposal of capital assets	-	(14,753)	-	-	-
Total Nonoperating Revenues (Expenses)	(628,334)	(121,746)	(619,060)	(44,234)	(129,619)
Income (Loss) Before Transfers	(1,150,035)	1,759,701	3,973,328	261,165	(173,732)
Capital grants and contributions	-	750,000	-	-	-
Transfers in	-	-	-	-	-
Transfers out	(140,368)	-	-	-	(86,727)
Changes in Net Position	(1,290,403)	2,509,701	3,973,328	261,165	(260,459)
Net Position - Beginning	1,479,519	12,155,347	7,993,576	1,376,717	1,734,672
Net Position - Ending	\$ 189,116	\$ 14,665,048	\$ 11,966,904	\$ 1,637,882	\$ 1,474,213

CITY OF FULLERTON

COMBINING STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Governmental Activities - Internal Service Funds			Totals
	Information Technology	Building Maintenance	Facility Capital Repair	
Operating Revenues:				
Interfund service charges	\$ 5,783,610	\$ 2,769,009	\$ 561,954	\$ 33,998,367
Miscellaneous	-	-	-	454,492
Total Operating Revenues	5,783,610	2,769,009	561,954	34,452,859
Operating Expenses:				
Maintenance, operations and administration	6,582,133	2,649,723	294	25,224,810
Claims expense	-	-	-	2,102,118
Depreciation expense	143,112	7,706	14,283	1,192,827
Miscellaneous	-	-	-	2,362
Total Operating Expenses	6,725,245	2,657,429	14,577	28,522,117
Operating Income (Loss)	(941,635)	111,580	547,377	5,930,742
Nonoperating Revenues (Expenses):				
Investment earnings	(70,426)	(54,860)	(35,662)	(1,495,545)
Interest expense	-	-	-	(193,643)
Gain (loss) on disposal of capital assets	-	-	-	(14,753)
Total Nonoperating Revenues (Expenses)	(70,426)	(54,860)	(35,662)	(1,703,941)
Income (Loss) Before Transfers	(1,012,061)	56,720	511,715	4,226,801
Capital grants and contributions	-	-	-	750,000
Transfers in	2,037,056	-	-	2,037,056
Transfers out	-	-	(495,009)	(722,104)
Changes in Net Position	1,024,995	56,720	16,706	6,291,753
Net Position - Beginning	768,351	(867,096)	2,676,787	27,317,873
Net Position - Ending	\$ 1,793,346	\$ (810,376)	\$ 2,693,493	\$ 33,609,626

CITY OF FULLERTON

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Governmental Activities - Internal Service Funds				
	Liability Insurance	Vehicle Replacement	Workers' Comp	Group Insurance	Equipment Maintenance
Cash Flows from Operating Activities:					
Receipts from interfund charges	\$ 7,348,463	\$ 2,785,837	\$ 4,429,433	\$ 7,327,253	\$ 2,957,261
Other receipts	-	115,464	-	29,352	48,929
Payments to suppliers and service providers	(1,163,231)	(668,074)	(572,519)	(7,054,080)	(2,011,472)
Payments to employees for salaries and benefits	(123,345)	-	(373,105)	(298,293)	(1,256,860)
Payments of insurance claims	(4,708,790)	-	(1,113,681)	-	-
Net Cash Provided by (Used for) Operating Activities	1,353,097	2,233,227	2,370,128	4,232	(262,142)
Cash Flows from Noncapital Financing Activities:					
Transfers from other funds	-	-	-	-	-
Cash received from short-term interfund borrowings	-	412,658	-	-	-
Principal paid on noncapital debt	(420,000)	-	-	-	-
Interest paid on noncapital debt	(121,601)	-	-	-	-
Transfers to other funds	(140,368)	-	-	-	(86,727)
Net Cash Provided by (Used for) Noncapital Financing Activities	(681,969)	412,658	-	-	(86,727)
Cash Flows from Capital and Related Financing Activities:					
Acquisition and construction of capital assets	(1,601)	(1,767,705)	-	-	-
Principal paid on capital debt	-	(114,359)	-	-	-
Interest paid on capital debt	-	(6,494)	-	-	(27,168)
Proceeds from issuance of debt	-	-	-	-	-
Net Cash Provided by (Used for) Capital and Related Financing	(1,601)	(1,138,558)	-	-	(27,168)
Cash Flows from Investing Activities:					
Interest on investments	(477,578)	(104,747)	(634,667)	(45,229)	(104,605)
Net Cash Provided by (Used for) Investing Activities	(477,578)	(104,747)	(634,667)	(45,229)	(104,605)
Net Increase (Decrease) in Cash and Cash Equivalents	191,949	1,402,580	1,735,461	(40,997)	(480,642)
Cash and Cash Equivalents, July 1	21,176,493	4,533,261	27,096,521	2,040,125	5,325,639
Cash and Cash Equivalents, June 30	\$ 21,368,442	\$ 5,935,841	\$ 28,831,982	\$ 1,999,128	\$ 4,844,997
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Operating income (loss)	\$ (521,701)	\$ 1,881,447	\$ 4,592,388	\$ 305,399	\$ (44,113)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Depreciation expense	-	1,012,603	2,463	2,484	10,176
Nonoperating miscellaneous revenues/(expenses)	-	-	-	-	7,337
(Increase) decrease in accounts receivable	-	(34,522)	-	-	-
(Increase) decrease in inventories	-	-	-	-	(93,737)
(Increase) decrease in prepaid items	-	(198,255)	-	(391,212)	-
Increase (decrease) in accounts payable	(3,456)	(428,046)	3,810	41,100	97,135
Increase (decrease) in accrued liabilities	2,740	-	1,656	1,796	10,836
Increase (decrease) in unearned revenues	-	-	-	1,337	-
Increase (decrease) in claims and judgments	1,870,000	-	(2,146,000)	-	-
Increase (decrease) in pension liability and related items	5,515	-	(84,189)	43,328	(249,771)
Increase (decrease) in OPEB liability and related items	(1)	-	-	-	(5)
Total Adjustments	1,874,798	351,780	(2,222,260)	(301,167)	(218,029)
Net Cash Provided by (Used for) Operating Activities	\$ 1,353,097	\$ 2,233,227	\$ 2,370,128	\$ 4,232	\$ (262,142)
Schedule of Non-Cash Capital and Related Financing Activities and Investing Activities:					
Capital and Related Financing Activities:					
Gain/(loss) on disposal of capital assets	\$ -	\$ (14,753)	\$ -	\$ -	\$ -
Amortization of bond discount	31,160	-	-	-	-
Total Capital and Related Financing Activities	\$ 31,160	\$ (14,753)	\$ -	\$ -	\$ -
Investing Activities:					
Unrealized gain/(loss) on investments	\$ (545,168)	\$ (122,082)	\$ (736,788)	\$ (51,561)	\$ (123,795)

CITY OF FULLERTON

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Governmental Activities - Internal Service Funds			
	Information Technology	Building Maintenance	Facility Capital Repair	Totals
Cash Flows from Operating Activities:				
Receipts from interfund charges	\$ 5,783,610	\$ 2,769,009	\$ 561,954	\$ 33,962,820
Other receipts	-	-	-	193,745
Payments to suppliers and service providers	(6,290,094)	(2,063,637)	(294)	(19,823,401)
Payments to employees for salaries and benefits	(202,323)	(637,752)	-	(2,891,678)
Payments of insurance claims	-	-	-	(5,822,471)
Net Cash Provided by (Used for) Operating Activities	(708,807)	67,620	561,660	5,619,015
Cash Flows from Noncapital Financing Activities:				
Transfers from other funds	2,037,056	-	-	2,037,056
Cash received from short-term interfund borrowings	-	-	-	412,658
Principal paid on noncapital debt	-	-	-	(420,000)
Interest paid on noncapital debt	-	-	-	(121,601)
Transfers to other funds	-	-	(495,009)	(722,104)
Net Cash Provided by (Used for) Noncapital Financing Activities	2,037,056	-	(495,009)	1,186,009
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	-	-	-	(1,769,306)
Principal paid on capital debt	-	-	-	(114,359)
Interest paid on capital debt	-	26,682	-	(6,980)
Proceeds from issuance of debt	-	8,894,000	-	8,894,000
Net Cash Provided by (Used for) Capital and Related Financing	-	8,920,682	-	7,753,355
Cash Flows from Investing Activities:				
Interest on investments	(72,797)	(56,734)	(36,556)	(1,532,913)
Net Cash Provided by (Used for) Investing Activities	(72,797)	(56,734)	(36,556)	(1,532,913)
Net Increase (Decrease) in Cash and Cash Equivalents	1,255,452	8,931,568	30,095	13,025,466
Cash and Cash Equivalents, July 1	1,949,552	1,458,126	2,579,635	66,159,352
Cash and Cash Equivalents, June 30	\$ 3,205,004	\$ 10,389,694	\$ 2,609,730	\$ 79,184,818
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating income (loss)	\$ (941,635)	\$ 111,580	\$ 547,377	\$ 5,930,742
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation expense	143,112	7,706	14,283	1,192,827
Nonoperating miscellaneous revenues/(expenses)	-	-	-	7,337
(Increase) decrease in accounts receivable	-	-	-	(34,522)
(Increase) decrease in inventories	-	-	-	(93,737)
(Increase) decrease in prepaid items	-	-	-	(589,467)
Increase (decrease) in accounts payable	176,253	(67,566)	-	(180,770)
Increase (decrease) in accrued liabilities	7,658	(1,159)	-	23,527
Increase (decrease) in unearned revenues	-	-	-	1,337
Increase (decrease) in claims and judgments	-	-	-	(276,000)
Increase (decrease) in pension liability and related items	(94,195)	17,063	-	(362,249)
Increase (decrease) in OPEB liability and related items	-	(4)	-	(10)
Total Adjustments	232,828	(43,960)	14,283	(311,727)
Net Cash Provided by (Used for) Operating Activities	\$ (708,807)	\$ 67,620	\$ 561,660	\$ 5,619,015
Schedule of Non-Cash Capital and Related Financing Activities and Investing Activities:				
Capital and Related Financing Activities:				
Gain/(loss) on disposal of capital assets	\$ -	\$ -	\$ -	\$ (14,753)
Amortization of bond discount	-	-	-	31,160
Total Capital and Related Financing Activities	\$ -	\$ -	\$ -	\$ 16,407
Investing Activities:				
Unrealized gain/(loss) on investments	\$ (79,462)	\$ (62,156)	\$ (46,195)	\$ (1,767,207)

CITY OF FULLERTON

COMBINING STATEMENT OF FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 JUNE 30, 2022

	Collections for Other Governments	Community Facilities Districts	Assessment Districts	Total
Assets:				
Cash and cash equivalents	\$ 75,605	\$ 869,413	\$ 390,864	\$ 1,335,882
Total Assets	75,605	869,413	390,864	1,335,882
Liabilities:				
Accounts payable	17,922	3,878	-	21,800
Total Liabilities	17,922	3,878	-	21,800
Net Position:				
Restricted for individuals, organizations, and other governments	57,683	865,535	390,864	1,314,082
Total Net Position	\$ 57,683	\$ 865,535	\$ 390,864	\$ 1,314,082

CITY OF FULLERTON

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2022

	Collections for Other Governments	Community Facilities Districts	Assessment Districts	Total
Additions:				
Miscellaneous	\$ 156,680	\$ 1,959,173	\$ 1,367	\$ 2,117,220
Total Additions	156,680	1,959,173	1,367	2,117,220
Deductions:				
Miscellaneous	204,422	1,990,679	-	2,195,101
Total Deductions	204,422	1,990,679	-	2,195,101
Changes in Net Position	(47,742)	(31,506)	1,367	(77,881)
Net Position - Beginning, as Originally Reported	104,478	(22,048,975)	389,497	(21,555,000)
Restatement of Net Position	947	22,946,016	-	22,946,963
Net Position - Beginning, as Restated	105,425	897,041	389,497	1,391,963
Net Position - Ending	\$ 57,683	\$ 865,535	\$ 390,864	\$ 1,314,082

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Statistical Section

This part of the City of Fullerton’s Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information says about the government’s overall financial health.

Contents	Page
Financial Trends.....	126
These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	
Revenue Capacity.....	136
These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.	
Debt Capacity.....	139
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	
Demographic and Economic Information	148
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.	
Operating Information	150
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the City’s Annual Comprehensive Financial Report for the relevant year.

City of Fullerton
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(in Thousands)

	Fiscal Year				
	2012-13	2013-14	2014-15	2015-16	2016-17
Governmental activities					
Net investment in capital assets	\$ 302,884	\$ 306,424	\$ 343,504	\$ 384,032	\$ 406,560
Restricted	31,113	30,585	28,620	26,427	27,704
Unrestricted	22,343	33,585	(128,432)	(122,478)	(123,501)
Total governmental activities net position	<u>\$ 356,340</u>	<u>\$ 370,594</u>	<u>\$ 243,692</u>	<u>\$ 287,981</u>	<u>\$ 310,763</u>
Business-type activities					
Net investment in capital assets	\$ 77,139	\$ 80,109	\$ 87,838	\$ 93,508	\$ 97,142
Restricted	885	556	308	279	276
Unrestricted	20,826	24,948	10,579	11,119	14,490
Total business-type activities net position	<u>\$ 98,850</u>	<u>\$ 105,613</u>	<u>\$ 98,725</u>	<u>\$ 104,906</u>	<u>\$ 111,908</u>
Primary government					
Net investment in capital assets	\$ 380,023	\$ 386,533	\$ 431,342	\$ 477,540	\$ 503,701
Restricted	31,998	31,141	28,928	26,706	27,980
Unrestricted	43,169	58,533	(117,853)	(111,358)	(109,010)
Total primary government net position	<u>\$ 455,190</u>	<u>\$ 476,207</u>	<u>\$ 342,417</u>	<u>\$ 392,887</u>	<u>\$ 422,671</u>

City of Fullerton
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(in Thousands)

	Fiscal Year				
	2017-18	2018-19	2019-20	2020-21	2021-22
Governmental activities					
Net investment in capital assets	\$ 428,099	\$ 450,340	\$ 469,893	\$ 473,537	\$ 486,642
Restricted	39,316	42,006	41,568	41,442	42,423
Unrestricted	(169,976)	(170,220)	(181,629)	(190,128)	(156,105)
Total governmental activities net position	<u>\$ 297,439</u>	<u>\$ 322,126</u>	<u>\$ 329,832</u>	<u>\$ 324,851</u>	<u>\$ 372,960</u>
Business-type activities					
Net investment in capital assets	\$ 102,771	\$ 108,226	\$ 114,443	\$ 122,811	\$ 134,468
Restricted	298	300	300	289	260
Unrestricted	14,223	16,408	18,156	27,727	41,377
Total business-type activities net position	<u>\$ 117,292</u>	<u>\$ 124,934</u>	<u>\$ 132,899</u>	<u>\$ 150,827</u>	<u>\$ 176,105</u>
Primary government					
Net investment in capital assets	\$ 530,870	\$ 558,566	\$ 584,336	\$ 596,348	\$ 621,110
Restricted	39,614	42,306	41,868	\$ 41,731	\$ 42,683
Unrestricted	(155,753)	(153,812)	(163,473)	\$ (162,401)	\$ (114,728)
Total primary government net position	<u>\$ 414,731</u>	<u>\$ 447,060</u>	<u>\$ 462,731</u>	<u>\$ 475,678</u>	<u>\$ 549,065</u>

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

	Fiscal Year				
	2012-13	2013-14	2014-15	2015-16	2016-17
Expenses					
Governmental activities:					
General government	\$ 11,135	\$ 3,607	\$ 4,983	\$ 1,799	\$ 1,594
Public safety	52,627	54,469	55,089	57,569	65,249
Public works	20,571	17,039	18,598	23,129	26,944
Community development	7,975	8,074	8,583	5,539	6,687
Human and leisure	9,729	10,661	11,110	11,741	11,670
Refuse collection	9,964	10,011	10,077	10,181	10,384
Interest on long-term debt	259	533	554	431	378
Total governmental activities net expenses	<u>112,260</u>	<u>104,394</u>	<u>108,994</u>	<u>110,389</u>	<u>122,906</u>
Business-type activities:					
Water utility	24,892	27,929	26,929	24,991	27,268
Airport	1,396	1,517	1,445	1,492	1,526
Parking facilities	25	51	29	28	28
Brea Dam recreational facilities	2,983	2,899	2,745	2,764	2,857
Compressed Natural Gas facility	65	412	522	458	396
Sewer enterprise	3,886	2,384	3,375	3,076	3,495
Total business-type activities net expenses	<u>33,247</u>	<u>35,192</u>	<u>35,045</u>	<u>32,809</u>	<u>35,570</u>
Total primary government expenses	<u>\$ 145,507</u>	<u>\$ 139,586</u>	<u>\$ 144,039</u>	<u>\$ 143,198</u>	<u>\$ 158,476</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 429	\$ 547	\$ 1,553	\$ 820	\$ 778
Public safety	4,823	5,140	5,066	5,035	5,071
Public works	7,259	7,723	7,691	7,300	8,195
Community development	3,681	4,529	4,085	3,810	4,548
Human and leisure	1,468	3,288	8,400	1,547	4,399
Refuse collection	10,170	10,255	10,449	10,569	10,788
Operating grants and contributions	8,033	8,990	8,820	8,473	13,748
Capital grants and contributions	16,206	35,283	39,543	29,053	22,761
Total governmental activities program revenues	<u>52,069</u>	<u>75,755</u>	<u>85,607</u>	<u>66,607</u>	<u>70,288</u>

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

	Fiscal Year				
	2017-18	2018-19	2019-20	2020-21	2021-22
Expenses					
Governmental activities:					
General government	\$ 6,862	\$ 5,675	\$ 6,368	\$ 7,814	\$ 7,941
Public safety	75,773	76,743	83,043	83,200	74,950
Public works	28,183	24,726	26,077	24,617	24,819
Community development	8,761	10,645	8,524	10,123	7,194
Human and leisure	12,670	13,065	13,574	11,058	11,134
Refuse collection	10,394	10,878	11,716	12,862	12,766
Interest on long-term debt	358	391	410	336	241
Total governmental activities net expenses	<u>143,001</u>	<u>142,123</u>	<u>149,712</u>	<u>150,010</u>	<u>139,044</u>
Business-type activities:					
Water utility	30,290	27,806	32,315	32,167	31,070
Airport	1,667	1,831	2,493	1,953	2,227
Parking facilities	45	23	104	97	73
Brea Dam recreational facilities	2,770	2,945	2,679	2,729	3,978
Compressed Natural Gas facility	274	140	196	170	285
Sewer enterprise	3,735	3,384	4,831	3,412	3,579
Total business-type activities net expenses	<u>38,781</u>	<u>36,129</u>	<u>42,618</u>	<u>40,528</u>	<u>41,212</u>
Total primary government expenses	<u>\$ 181,782</u>	<u>\$ 178,252</u>	<u>\$ 192,330</u>	<u>\$ 190,538</u>	<u>\$ 180,256</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 1,305	\$ 1,222	\$ 962	\$ 1,857	\$ 1,593
Public safety	5,179	7,209	7,945	7,095	8,284
Public works	9,717	11,587	11,449	11,618	11,686
Community development	4,515	4,850	3,936	4,359	5,977
Human and leisure	1,809	5,387	1,356	1,552	1,000
Refuse collection	10,894	11,661	12,059	13,107	13,728
Operating grants and contributions	8,897	9,035	10,538	13,978	12,589
Capital grants and contributions	23,180	27,752	4,796	3,725	20,434
Total governmental activities program revenues	<u>65,496</u>	<u>78,703</u>	<u>53,041</u>	<u>57,291</u>	<u>75,291</u>

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

	Fiscal Year				
	2012-13	2013-14	2014-15	2015-16	2016-17
Business-type activities:					
Charges for services:					
Water utility	25,524	29,454	28,715	27,041	30,021
Airport	1,660	1,643	1,650	1,885	1,823
Parking facilities	25	-	-	17	24
Brea Dam recreational facilities	2,996	3,017	3,083	2,918	2,725
Compressed Natural Gas facility	95	510	385	552	313
Sewer enterprise	6,770	6,799	6,418	5,844	5,948
Operating grants and contributions		-	-		
Capital grants and contributions	520	79	457	420	1,417
Total business-type activities program revenues	<u>37,590</u>	<u>41,502</u>	<u>40,708</u>	<u>38,677</u>	<u>42,271</u>
Primary government program revenues	<u>\$ 89,659</u>	<u>\$ 117,257</u>	<u>\$ 126,315</u>	<u>\$ 108,965</u>	<u>\$ 107,767</u>
Net (Expense)/Revenue					
Governmental activities	\$ (60,192)	\$ (28,638)	\$ (23,387)	\$ (43,783)	\$ (52,618)
Business-type activities	4,344	6,309	5,663	5,869	6,701
Total primary government net expense	<u>\$ (55,848)</u>	<u>\$ (22,329)</u>	<u>\$ (17,724)</u>	<u>\$ (37,914)</u>	<u>\$ (45,917)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Property taxes	\$ 37,226	\$ 32,950	\$ 35,723	\$ 37,840	\$ 39,738
Sales taxes	19,704	20,582	20,643	23,000	21,456
Franchise taxes	3,929	3,971	4,392	4,383	4,181
Other Taxes					
Unrestricted motor vehicle in-lieu taxes	130		57	57	64
Unrestricted investment earnings					
Use of money and property	1,676	3,636	3,858	4,615	3,976
Miscellaneous	4,189	4,283	4,699	4,823	6,024
Transfers	(34)	(36)	(36)	(36)	(36)
Extraordinary item	(980)(1)	(22,359)	-	13,667	
Gain on sale of capital asset					
Total governmental activities	<u>65,840</u>	<u>43,027</u>	<u>69,336</u>	<u>88,349</u>	<u>75,403</u>
Business-type activities:					
Property taxes	63	93	105	104	110
Use of money and property	43	80	39	41	38
Miscellaneous	213	244	366	132	117
Transfers	34	36	36	36	36
Total business-type activities	<u>353</u>	<u>453</u>	<u>546</u>	<u>313</u>	<u>301</u>
Total primary government	<u>\$ 66,193</u>	<u>\$ 43,480</u>	<u>\$ 69,882</u>	<u>\$ 88,662</u>	<u>\$ 75,704</u>
Change in Net Position					
Governmental activities	\$ 5,648	\$ 14,388	\$ 45,948	\$ 44,566	\$ 22,782
Business-type activities	4,697	6,763	6,210	6,182	7,002
Total primary government	<u>\$ 10,345</u>	<u>\$ 21,151</u>	<u>\$ 52,158</u>	<u>\$ 50,748</u>	<u>\$ 29,784</u>

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

	Fiscal Year				
	2017-18	2018-19	2019-20	2020-21	2021-22
Business-type activities:					
Charges for services:					
Water utility	33,095	32,715	37,786	44,691	49,901
Airport	1,775	1,884	1,849	1,822	1,885
Parking facilities	16	12	8	-	-
Brea Dam recreational facilities	2,863	2,510	2,448	3,958	4,256
Compressed Natural Gas facility	421	222	190	170	150
Sewer enterprise	6,390	6,044	5,944	6,212	6,061
Operating grants and contributions				-	108
Capital grants and contributions	189	185	567	1,302	4,930
Total business-type activities program revenues	<u>44,749</u>	<u>43,572</u>	<u>48,792</u>	<u>58,156</u>	<u>67,292</u>
Primary government program revenues	<u>\$ 123,452</u>	<u>\$ 122,275</u>	<u>\$ 101,833</u>	<u>\$ 115,447</u>	<u>\$ 142,583</u>
Net (Expense)/Revenue					
Governmental activities	\$ (77,505)	\$ (63,420)	\$ (96,671)	\$ (92,719)	\$ (63,753)
Business-type activities	5,968	7,443	6,174	17,628	26,080
Total primary government net expense	<u>\$ (71,537)</u>	<u>\$ (55,977)</u>	<u>\$ (90,497)</u>	<u>\$ (75,091)</u>	<u>\$ (37,673)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Property taxes	\$ 42,146	\$ 44,204	\$ 46,258	\$ 50,150	\$ 50,894
Sales taxes	21,834	24,438	23,095	25,571	30,494
Franchise taxes	4,336	4,493	4,358	4,382	4,468
Other Taxes					5,552
Unrestricted motor vehicle in-lieu taxes	75	69	113	104	161
Unrestricted investment earnings					
Use of money and property	4,594	8,444	7,453	3,271	372
Miscellaneous	5,558	6,459	5,249	3,898	1,147
Transfers	(290)			186	396
Extraordinary item			17,850		18,378
Gain on sale of capital asset	3,150				
Total governmental activities	<u>81,403</u>	<u>88,107</u>	<u>104,376</u>	<u>87,562</u>	<u>111,862</u>
Business-type activities:					
Property taxes	98	87	107	88	113
Use of money and property	40	45	1,612	227	(861)
Miscellaneous	166	67	71	172	798
Transfers	290		-	(186)	(396)
Total business-type activities	<u>594</u>	<u>199</u>	<u>1,790</u>	<u>301</u>	<u>(346)</u>
Total primary government	<u>\$ 81,997</u>	<u>\$ 88,306</u>	<u>\$ 106,166</u>	<u>\$ 87,863</u>	<u>\$ 111,516</u>
Change in Net Position					
Governmental activities	\$ 3,898	\$ 24,687	\$ 7,705	\$ (5,157)	\$ 48,109
Business-type activities	6,562	7,642	7,964	17,929	25,734
Total primary government	<u>\$ 10,460</u>	<u>\$ 32,329</u>	<u>\$ 15,669</u>	<u>\$ 12,772</u>	<u>\$ 73,843</u>

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

	Fiscal Year				
	2012-13	2013-14	2014-15	2015-16	2016-17
General Fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved					
Nonspendable	20	11	13	11	68
Restricted					
Committed	7,422	7,679	7,967	8,743	9,139
Assigned					
Unassigned	8,164	7,888	9,231	6,139	1,522
Total general fund	<u>\$ 15,606</u>	<u>\$ 15,578</u>	<u>\$ 17,211</u>	<u>\$ 14,893</u>	<u>\$ 10,729</u>
All Other Governmental Funds					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds					
Capital projects funds					
Debt service funds					
Nonspendable					
Special revenue funds	18,047	17,821			
Capital projects funds	-	-			
Other governmental funds		-			
Restricted					
Special revenue funds	54	147	17,943	17,769	17,921
Capital projects funds		-			
Debt service funds		-			
Other governmental funds	10,960	10,361	10,677	8,658	9,783
Committed					
Special revenue funds			12,209	10,681	10,473
Other governmental funds	11,320	13,849	9,520	10,227	9,445
Assigned					
Special revenue funds					
Capital projects funds		-			
Unassigned					
Special revenue funds	(197)	(237)	(97)	(39)	(77)
Capital projects funds	(1,350)	(18,281)	(1,528)	(4,187)	(10,441)
Other governmental funds					
Total all other governmental funds	<u>\$ 38,834</u>	<u>\$ 23,660</u>	<u>\$ 48,724</u>	<u>\$ 43,109</u>	<u>\$ 37,104</u>

Beginning in 2011, the City started reporting fund balance in conformity with GASB Statement 54, which changed how fund balance is classified.

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

		Fiscal Year				
		2017-18	2018-19	2019-20	2020-21	2021-22
	\$	-	\$ -	\$ -	\$ -	\$ -
		290	7	3,214	2,908	713
			1,386	672	1,514	1,519
		8,992	15,656	13,958	16,140	18,570
		4,999	5,432	217	-	4,034
	\$	<u>14,281</u>	<u>\$ 22,481</u>	<u>\$ 18,061</u>	<u>\$ 20,562</u>	<u>\$ 25,275</u>
	\$	-	\$ -	\$ -	\$ -	\$ -
					170	52
					1	
		21,355			55	
		17,962	40,620	40,897	39,873	40,903
					1,429	
		(172)	(189)	(327)	(1,015)	(2,036)
		(3,233)	(20,501)	(1,391)	-	(446)
					(847)	(1,473)
	\$	<u>35,912</u>	<u>\$ 19,930</u>	<u>\$ 39,179</u>	<u>\$ 39,666</u>	<u>\$ 37,000</u>

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

	Fiscal Years				
	2012-13	2013-14	2014-15	2015-16	2016-17
Revenues					
Taxes	\$ 60,696	\$ 57,394	\$ 60,558	\$ 65,275	\$ 66,134
Franchise fees	3,929	3,971	4,392	4,383	4,181
Licenses and permits	1,434	1,766	2,283	1,877	2,037
Fines and forfeitures	1,686	1,586	1,751	1,628	1,513
Investment income	1,711	3,430	3,595	4,156	3,897
Intergovernmental	22,386	24,948	68,498	34,616	31,140
Charges for services	23,447	27,237	31,870	24,449	28,913
Other	2,066	1,448	1,284	948	1,820
Total revenues	117,355	121,780	174,231	137,332	139,635
Expenditures					
Current					
General government	6,572	4,577	5,396	5,197	5,230
Public safety	51,546	53,909	55,877	61,631	64,986
Public works	11,929	12,935	13,209	14,337	17,927
Community development	4,315	4,661	4,982	5,746	6,717
Human and leisure	8,545	9,205	9,400	10,047	9,876
Refuse collection	9,964	10,011	10,078	10,183	10,385
Debt service					
Principal retired	813	753	764	712	722
Interest and fiscal charges	255	217	180	103	29
ERAF/SERAF payments					
Pass through payment to taxing agencies					
Capital outlay	18,805	39,276	47,912	37,338	37,012
Total expenditures	112,744	135,544	147,798	145,294	152,884
Excess (deficiency) of revenues over (under) expenditures	4,611	(13,764)	26,433	(7,962)	(13,249)
Other Financing Sources (Uses)					
Contributions from the Successor Agency	195				
Bonds issued					
Bond premium					
Loss on disposition of assets					
Proceeds from sale of capital asset	6	7	12	53	
SERAF payment					
Transfers in	11,415	6,845	6,292	8,992	9,460
Transfers out	(8,276)	(8,155)	(6,040)	(8,739)	(8,853)
Capital Leases					2,473
Total other financing sources (uses)	3,340	(1,303)	264	306	3,080
Extraordinary item -					
Net change in fund balances	6,971	(15,067)	26,697	(7,656)	(10,169)
Fund balances - July 1	47,469	54,440	39,238	65,935	58,002
Restatements	0	(135)		(277)	
Fund balances - June 30	\$ 54,440	\$ 39,238	\$ 65,935	\$ 58,002	\$ 47,833
Debt service as a percentage of noncapital expenditures	1.10%	1.00%	0.92%	0.75%	0.64%

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

	Fiscal Years				
	2017-18	2018-19	2019-20	2020-21	2021-22
Revenues					
Taxes	\$ 68,810	\$ 73,901	\$ 73,850	\$ 79,279	\$ 87,136
Franchise fees	4,335	4,493	4,145	4,182	4,270
Licenses and permits	2,284	2,784	2,146	2,406	2,737
Fines and forfeitures	1,674	1,658	1,239	1,014	1,692
Investment income	4,399	6,895	5,185	3,013	1,868
Intergovernmental	42,575	20,611	37,715	23,343	35,760
Charges for services	26,383	33,008	30,505	31,430	32,997
Other	1,624	1,958	1,464	1,160	1,302
Total revenues	152,084	145,308	156,249	145,827	167,762
Expenditures					
Current					
General government	4,466	4,922	5,870	7,506	7,462
Public safety	65,519	68,958	72,921	72,970	76,740
Public works	15,428	16,590	16,926	16,244	17,265
Community development	6,763	6,601	7,940	9,780	7,219
Human and leisure	9,980	10,480	10,668	8,704	9,307
Refuse collection	10,737	11,166	11,899	12,714	13,208
Debt service					
Principal retired	519	806	745	252	259
Interest and fiscal charges	18	13	66	54	47
ERAF/SERAF payments					
Pass through payment to taxing agencies					
Capital outlay	38,426	33,636	15,483	14,947	33,289
Total expenditures	151,856	153,172	142,518	143,171	164,796
Excess (deficiency) of revenues over (under) expenditures	228	(7,864)	13,731	2,656	2,966
Other Financing Sources (Uses)					
Contributions from the Successor Agency					
Bonds issued					
Bond premium					
Loss on disposition of assets	(1,395)	(3,406)			
Proceeds from sale of capital asset	3,150	2,411			
SERAF payment					
Transfers in	15,170	10,637	13,711	15,573	11,958
Transfers out	(14,793)	(9,560)	(15,513)	(15,418)	(12,876)
Capital Leases					
Total other financing sources (uses)	2,132	82	(1,802)	155	(918)
Extraordinary item -					
Net change in fund balances	2,361	(7,782)	14,829	2,811	2,048
Fund balances - July 1	47,832	50,193	42,411	57,240	60,228
Restatements				177	0
Fund balances - June 30	\$ 50,193	\$ 42,411	\$ 57,240	\$ 60,228	\$ 62,276
Debt service as a percentage of noncapital expenditures	0.47%	0.69%	0.64%	0.24%	0.23%

City of Fullerton
 Assessed Value and Actual Value of Taxable Property
 Last Ten Fiscal Years
 (in Thousands)

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Agricultural** Property	Other* Property	Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2012-13	11,097,680	1,639,211	1,338,964		6,246	-	14,082,101	1.0614
2013-14	11,479,863	1,694,648	1,381,108		6,368	-	14,561,987	1.0568
2014-15	12,261,966	1,744,831	1,395,924		6,320	-	15,409,041	1.0543
2015-16	13,055,598	1,778,875	1,474,548		6,443	-	16,315,464	1.0649
2016-17	13,709,472	1,841,370	1,453,964		6,539	-	17,011,345	1.0798
2017-18	14,398,621	1,927,864	1,603,068		6,666	-	17,936,219	1.0816
2018-19	15,200,869	2,089,736	1,697,146		516	-	18,988,267	1.0785
2019-20	15,955,232	2,253,396	1,792,068		1,518	-	20,002,214	1.0737
2020-21	16,628,149	2,844,107	1,990,344		1,520	-	21,464,120	1.0825
2021-22	17,250,541	2,538,472	2,033,533	6,975	1,422	-	21,830,943	1.0769

*Other property includes water, mineral rights, rural, extensions, and unique miscellaneous. Values have changed due to reclassification.

**FY 21/22 Agricultural classification is added

Source: Orange County Assessor

City of Fullerton
Principal Property Tax Payers
Current Year and Nine Years Ago

Taxpayer	2021-22			2012-13		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
GLC Fullerton LLC	\$ 205,118,449	1	0.90 %			
Aspect Acquisition LLC	\$ 138,643,658	2	0.61			
Prologis USLV Subreit 3 LLC	\$ 128,404,631	3	0.57			
FHF I Amerige Pointe LLC	\$ 124,121,941	4	0.55			
3503 RP Fullerton Metrocenter Land LLC	\$ 118,954,414	5	0.52			
Uptown Fullerton LLC	\$ 106,148,009	6	0.47			
University House Fullerton LLC	\$ 97,646,351	7	0.43			
Corecare III	\$ 94,765,541	8	0.42			
Rreef America Reit II Corporation	\$ 93,238,264	9	0.41			
Realty Income Propertis 14 LLC	\$ 86,000,000	10	0.38			
Kimberly-Clark Worldwide Inc				\$ 154,905,176	1	1.03 %
Rreef America Reit II Corporation				78,882,414	2	0.53
Corecare III				70,548,019	3	0.47
Kraft Foods Global Inc				65,457,248	4	0.44
Sfers Real Estate Corporation				58,899,944	5	0.39
Amerige Heights Apartments LLC				57,752,477	6	0.39
Beckman Instruments Inc				56,097,386	7	0.37
Breitburn Energy Partners				55,802,756	8	0.37
PK I Fullerton Town Center LP				55,017,875	9	0.37
CPT Parkside LP				54,596,833	10	0.36
	<u>\$ 1,193,041,258</u>		<u>5.26%</u>	<u>\$ 707,960,128</u>		<u>4.72%</u>

Source: Orange County Assessment Rolls and HdL Companies
Excludes government and tax-exempt property owners

City of Fullerton
Secured Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year ended June 30	Collected within the Fiscal Year of the Levy			Collections in Subsequent Years	Total Collections to Date	
	Total Tax Levy	Amount	% of Levy		Amount	% of Levy
2013	19,978,708	19,625,807	98.23	209,533	19,835,340	99.28
2014	20,444,654	20,167,631	98.65	170,860	20,338,491	99.48
2015	21,759,590	21,412,516	98.40	162,109	21,574,625	99.15
2016	22,974,457	22,718,019	98.88	159,395	22,877,414	99.58
2017	23,839,526	23,583,249	98.92	141,968	23,725,217	99.52
2018	24,908,566	24,706,931	99.19	142,799	24,849,730	99.76
2019	26,273,796	25,981,413	98.89	157,559	26,138,972	99.49
2020	27,520,292	27,217,700	98.90	214,101	27,431,801	99.68
2021	29,380,451	29,133,624	99.16	207,733	29,341,357	99.87
2022	29,446,168	29,147,874	98.99	N/A	29,147,874	98.99

Source: Orange County Auditor/Controller
Property tax totals are net of 1915 act bond assessment district levies.

City of Fullerton
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita amounts)

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	% of Personal Income (1)	Per Capita (1)
	Revenue Bonds	Capital Leases	Section 108 Loans	Revenue Bonds	Capital Leases	Construction Loan			
2012-13		970	3,500	9,820	24	4,225	18,539	0.45%	134
2013-14	6,990	717	3,000	9,230	-	2,969	22,906	0.55%	163
2014-15	6,725	453	2,500	8,940	-	2,523	21,141	0.49%	150
2015-16	6,455	2,733	2,000	8,485	-	2,059	21,732	0.51%	154
2016-17	6,135	4,208	1,500	8,766	-	1,575	22,184	0.51%	157
2017-18	5,858	4,799	1,000	8,236	-	1,071	20,964	0.46%	145
2018-19	5,575	3,832	500	7,691	-	546	18,144	0.38%	126
2019-20	5,283	2,942	-	7,017	-	-	15,242	0.30%	107
2020-21	5,649	2,531	-	6,606	-	-	14,786	0.28%	106
2021-22	5,232	11,052	-	6,169	-	-	22,453	NYA	157

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

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

NYA = Not Yet Available

City of Fullerton
 Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
 (rate per \$1,000 of assessed value)

Fiscal Year	City Direct Rate	Overlapping Rates							
		Fullerton Schools	Anaheim Schools	Brea Olinda Schools	Buena Park Schools	La Habra Schools	N. OC Community College	Placentia Yorba Linda Schools	Metro Water District
2012-13	1.0000	0.04239	0.08240	0.02365	0.01809	0.02644	0.01902	0.06203	0.00350
2013-14	1.0000	0.03971	0.08468	0.02470	0.01662	0.02746	0.01704	0.06525	0.00350
2014-15	1.0000	0.03721	0.05279	0.02528	0.04793	0.02612	0.01704	0.05822	0.00350
2015-16	1.0000	0.03447	0.09175	0.02292	0.01628	0.02546	0.03043	0.05665	0.00350
2016-17	1.0000	0.05091	0.08720	0.02298	0.03570	0.02719	0.02885	0.05475	0.00350
2017-18	1.0000	0.05237	0.06713	0.02325	0.03455	0.03058	0.02927	0.05529	0.00350
2018-19	1.0000	0.05025	0.09303	0.02370	0.03034	0.03084	0.02829	0.05261	0.00350
2019-20	1.0000	0.04960	0.09911	0.02291	0.03593	0.03353	0.02409	0.04848	0.00350
2020-21	1.0000	0.05055	0.10566	0.02489	0.03396	0.03617	0.03198	0.06032	0.00350
2021-22	1.0000	0.04812	0.10125	0.02376	0.04206	0.04090	0.02877	0.04849	0.00350

Total Direct Tax Rate

Fiscal Year	City Direct Rate	Fullerton Schools	N. OC Community College	Total Direct Tax Rate
2012-13	1.0000	0.04239	0.01902	1.0614
2013-14	1.0000	0.03971	0.01704	1.0568
2014-15	1.0000	0.03721	0.01704	1.0543
2015-16	1.0000	0.03447	0.03043	1.0649
2016-17	1.0000	0.05091	0.02885	1.0798
2017-18	1.0000	0.05237	0.02927	1.0816
2018-19	1.0000	0.05025	0.02829	1.0785
2019-20	1.0000	0.04960	0.02409	1.0737
2020-21	1.0000	0.05055	0.03198	1.0825
2021-22	1.0000	0.04812	0.02877	1.0769

Source: Orange County Assessor Tax Rate Table

City of Fullerton
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2022

(in Thousands)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ¹	Estimated Share of Overlapping Debt
Debt repaid with property taxes: Orange County and Fullerton School Districts	\$ 162,932	0.75%	\$ 1,216
Subtotal, overlapping debt			\$ 1,216
City of Fullerton direct debt	\$5,238		5,238
Total direct and overlapping debt			\$ 6,454

Sources: Assessed value data used to estimate applicable percentages provided by the County Board of Equalization and Assessment. Debt outstanding data provided by the county.

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

¹ The percentage of overlapping debt applicable is estimated using net taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

City of Fullerton
 Legal Debt Margin Information
 Last Ten Fiscal Years
 (in Thousands)

	Fiscal Year				
	2013 (1)	2014 (1)	2015 (1)	2016 (1)	2017 (1)
Debt limit	\$ 2,112,315	\$ 2,184,298	\$ 2,311,356	\$ 2,447,320	\$ 2,551,702
Total net debt applicable to limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Legal debt margin	<u>\$ 2,112,315</u>	<u>\$ 2,184,298</u>	<u>\$ 2,311,356</u>	<u>\$ 2,447,320</u>	<u>\$ 2,551,702</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

Legal Debt Margin Calculation for Fiscal Year 2021-22

Assessed value	\$ 21,830,943
Add back: exempt real property	<u>-</u>
Total Assessed Value	<u>\$ 21,830,943</u>
Debt limit (15% of total assessed value)	\$ 3,274,641
Debt applicable to limit:	<u>0</u>
Legal debt margin	<u><u>\$ 3,274,641</u></u>

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

(1) Net Taxable Value was used for the calculation rather than Assessed Value as in previous years.

City of Fullerton
 Legal Debt Margin Information
 Last Ten Fiscal Years
 (in Thousands)

Fiscal Year				
2018 (1)	2019 (1)	2020 (1)	2021 (1)	2022 (1)
\$ 2,690,433	\$ 2,848,240	\$ 3,219,618	\$ 3,219,618	\$ 3,274,641
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 2,690,433</u>	<u>\$ 2,848,240</u>	<u>\$ 3,219,618</u>	<u>\$ 3,219,618</u>	<u>\$ 3,274,641</u>
0%	0%	0%	0%	0%

City of Fullerton
Revenue Bond Coverage

2014 Water Revenue Refunding Bonds
Last Seven Fiscal Years

Fiscal Year	Gross Revenue (1)	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2016	\$ 4,125,954	\$ 350,000	\$ 273,663	\$ 623,663	6.62
2017	4,826,465	360,000	263,013	623,013	7.75
2018	3,670,038	370,000	252,063	622,063	5.90
2019	6,036,975	380,000	240,813	620,813	9.72
2020	6,908,323	390,000	231,213	621,213	11.12
2021	14,593,816	250,000	222,313	472,313	30.90
2022	19,634,918	265,000	212,013	477,013	41.16

(1) All water system net available revenue (operating income adjusted by depreciation expenses)

2004 Water Revenue Certificates of Participation
Last Ten Fiscal Years

Fiscal Year	Gross Revenue (1)	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2013	2,954,820	200,000	350,800	550,800	5.36
2014	3,889,609	200,000	343,550	550,800	7.06
2015	N/A	0	0	0	N/A
2016	N/A	0	0	0	N/A
2017	N/A	0	0	0	N/A
2018	N/A	0	0	0	N/A
2019	N/A	0	0	0	N/A
2020	N/A	0	0	0	N/A
2021	N/A	0	0	0	N/A
2022	N/A	0	0	0	N/A

(1) All water system net available revenue (operating income adjusted by depreciation expenses)

*The bonds were retired in March of 2014

2003 Refunding Certificates of Participation (3)
Last Ten Fiscal Years

Fiscal Year	Gross Revenue (1)	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2013	-	825,000	84,869	909,869	0.00
2014	-	850,000	52,400	902,400	0.00
2015	-	885,000	17,700	902,700	0.00
2016	N/A	0	0	0	N/A
2017	N/A	0	0	0	N/A
2018	N/A	0	0	0	N/A
2019	N/A	0	0	0	N/A
2020	N/A	0	0	0	N/A
2021	N/A	0	0	0	N/A
2022	N/A	0	0	0	N/A

(1) Total Debt Service Fund revenues for Central and East Fullerton Redevelopment Project Areas.

(3) The Redevelopment Agency was dissolved on February 1, 2012.

*2003 COP fully retired in FY 14/15

Note- Gross Revenue comes from the ACFR financial statements not the GL

City of Fullerton
Revenue Bond Coverage

1998 Refunding Revenue Bonds (3)
Last Ten Fiscal Years

Fiscal Year	Gross Revenue (1)	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2013	-	594,517	1,245,870	1,840,387	0.00
2014	-	597,421	1,285,716	1,883,137	0.00
2015	-	592,167	1,323,221	1,915,388	0.00
2016	N/A	0	0	0	N/A
2017	N/A	0	0	0	N/A
2018	N/A	0	0	0	N/A
2019	N/A	0	0	0	N/A
2020	N/A	0	0	0	N/A
2021	N/A	0	0	0	N/A
2022	N/A	0	0	0	N/A

(1) Total Debt Service Fund revenues for Central and East Fullerton Redevelopment Project Areas.

(3) The Redevelopment Agency was dissolved on February 1, 2012.

* The bonds were retired in February of 2015.

City of Fullerton
Revenue Bond Coverage

2005 Tax Allocation Revenue Bonds (3)
Last Ten Fiscal Years

Fiscal Year	Gross Revenue (1)	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2013	-	1,675,000	3,517,230	5,192,230	0.00
2014	-	1,735,000	3,438,852	5,173,852	0.00
2015	-	1,765,000	3,362,661	5,127,661	0.00
2016	-	3,245,000	3,371,173	6,616,173	0.00
2017	-	3,210,000	3,209,063	6,419,063	0.00
2018	-	3,285,000	3,046,688	6,331,688	0.00
2019	-	3,415,000	2,878,488	6,293,488	0.00
2020	-	3,765,000	2,698,953	6,463,953	0.00
2021	-	0	0	0	N/A
2022	-	0	0	0	N/A

(1) Total Debt Service Fund revenues for Orangefair, Central, and East Fullerton Redevelopment Project Areas.

(3) The Redevelopment Agency was dissolved on February 1, 2012.

*This bond is completely defeased with the issuance of the 2020A Tax Allocation Refunding Bonds as of June 30, 2021

2005 CRA/ERAF Taxable Revenue Bonds (3)
Last Ten Fiscal Years

Fiscal Year	Gross Revenue (1)	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2013	-	130,000	20,068	150,068	0.00
2014	-	135,000	13,710	148,710	0.00
2015	-	140,000	7,014	147,014	0.00
2016	N/A	0	0	0	N/A
2017	N/A	0	0	0	N/A
2018	N/A	0	0	0	N/A
2019	N/A	0	0	0	N/A
2020	N/A	0	0	0	N/A
2021	N/A	0	0	0	N/A
2022	N/A	0	0	0	N/A

(1) Total Debt Service Fund revenues for Orangefair, Central, and East Fullerton Redevelopment Project Areas.

(3) The Redevelopment Agency was dissolved on February 1, 2012.

* The bonds were retired in FY 14/15

2006 CRA/ERAF Taxable Revenue Bonds (3)
Last Ten Fiscal Years

Fiscal Year	Gross Revenue (1)	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2013	-	125,000	32,028	157,028	0.00
2014	-	135,000	25,034	160,034	0.00
2015	-	140,000	17,442	157,442	0.00
2016	-	150,000	9,540	159,540	0.00
2017	N/A	0	0	0	N/A
2018	N/A	0	0	0	N/A
2019	N/A	0	0	0	N/A
2020	N/A	0	0	0	N/A
2021	N/A	0	0	0	N/A
2022	N/A	0	0	0	N/A

(1) Total Debt Service Fund revenues for Orangefair, Central, and East Fullerton Redevelopment Project Areas.

(3) The Redevelopment Agency was dissolved on February 1, 2012.

*The bonds were retired in FY 15/16

City of Fullerton
Revenue Bond Coverage

2010 Tax Allocation Housing Revenue Bonds (2)
Last Ten Fiscal Years

Fiscal Year	Gross Revenue (1)	Debt Service Requirements			
		Principal	Interest	Total	Coverage
2013	0	1,335,000	1,466,652	2,801,652	0.00
2014	0	1,380,000	1,422,478	2,802,478	0.00
2015	0	1,425,000	1,369,828	2,794,828	0.00
2016	0	1,485,000	1,310,707	2,795,707	0.00
2017	0	1,545,000	1,245,324	2,790,324	0.00
2018	0	1,615,000	1,170,453	2,785,453	0.00
2019	0	1,695,000	1,086,554	2,781,554	0.00
2020	0	1,780,000	994,045	2,774,045	0.00
2021	0	0	0	0	N/A
2022	0	0	0	0	N/A

(1) Total Debt Service Fund revenues for Orangefair and East Fullerton Redevelopment Project Areas.

(2) The Redevelopment Agency was dissolved on February 1, 2012.

*This bond was completely defeased with the issuance of the 2020B Tax Allocation Refunding Bonds as of June 30, 2021

2010 Lease Revenue Bonds - Series A (2)
Last Ten Fiscal Years

Fiscal Year	Gross Revenue (1)	Debt Service Requirements			
		Principal	Interest	Total	Coverage
2013	-	95,000	191,726	286,726	0.00
2014	-	100,000	185,550	285,550	0.00
2015	-	105,000	179,050	284,050	0.00
2016	-	105,000	172,226	277,226	0.00
2017	-	110,000	165,400	275,400	0.00
2018	-	115,000	158,250	273,250	0.00
2019	-	120,000	150,776	270,776	0.00
2020	-	125,000	142,976	267,976	0.00
2021	-	125,000	134,850	259,850	0.00
2022	-	135,000	125,162	260,162	0.00

(1) Total Debt Service Fund revenues for Central and East Fullerton Redevelopment Project Areas.

(2) The Redevelopment Agency was dissolved on February 1, 2012.

2010 Lease Revenue Bonds - Series B (3)
Last Ten Fiscal Years

Fiscal Year	Gross Revenue (1)	Debt Service Requirements			
		Principal	Interest	Total	Coverage
2013	-	440,000	36,000	476,000	0.00
2014	-	460,000	18,400	478,400	0.00
2015	N/A	0	0	0	N/A
2016	N/A	0	0	0	N/A
2017	N/A	0	0	0	N/A
2018	N/A	0	0	0	N/A
2019	N/A	0	0	0	N/A
2020	N/A	0	0	0	N/A
2021	N/A	0	0	0	N/A
2022	N/A	0	0	0	N/A

(1) Total Debt Service Fund revenues for Central and East Fullerton Redevelopment Project Areas.

(3) The Redevelopment Agency was dissolved on February 1, 2012.

* The bonds were fully retired in May of 2014.

Note: The information for the 2015, 2020A, 2020B Tax Allocation Refunding Bonds are not included in the statistical section of the City of Fullerton's Annual Comprehensive Financial Report. Effective February 1, 2012 the State of California dissolved all redevelopment agencies, including the Redevelopment Agency of the City of Fullerton. A Successor Agency was set up to handle the ongoing debt service obligations of the former redevelopment agency. The Successor Agency acts in a fiduciary capacity only and is therefore excluded from the government-wide financial statements because any resources of this Agency cannot be used to support the government's programs. Likewise, the liabilities, including the debt service are not included in the statistical sections.

City of Fullerton
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (in thousands)	Per Capita Personal Income (2)*	Unemployment Rate (3)
2013	140,131	4,130,641	29,477	5.6%
2014	140,120	4,089,122	29,183	6.2%
2015	142,457	4,101,586	28,791	5.1%
2016	142,234	4,228,814	29,731	4.6%
2017	144,214	4,311,756	29,898	4.5%
2018	142,824	4,533,852	31,744	3.0%
2019	141,863	4,796,794	33,812	2.9%
2020	139,431	5,058,288	36,278	9.6%
2021	142,732	5,369,372	37,618	8.5%
2022	142,732	NYA	NYA	4.3%

Sources:

- (1) State of California - Department of Finance
- (2) U.S. Dept. of Commerce - Bureau of Economic Analysis
- (3) U.S. Dept. of Labor - Bureau of Labor Statistics
- (4) 2010 Census

*Based on Orange County personal income data.

NYA = Not Yet Available

City of Fullerton
Principal Employers
Current Year and Nine Years Ago

<u>Employer</u>	<u>2022</u>			<u>2013</u>		
	<u>Employees</u>	<u>Rank</u>	<u>% of Total City Employment*</u>	<u>Employees</u>	<u>Rank</u>	<u>% of Total City Employment</u>
California State University, Fullerton	3,000	1	4.23%	4,121	1	5.69%
St. Jude Medical Center	1,797	2	2.53%	2,516	2	3.48%
Raytheon Systems Co.	1,200	3	1.69%	1,200	3	1.66%
Fullerton College	1,110	4	1.56%	1,100	5	1.52%
Fullerton School District	620	5	0.87%	1,273	4	1.76%
AJ Kirkwood & Associates, Inc	600	6	0.85%			
City of Fullerton	568	7	0.80%	644	8	0.89%
Fullerton Joint Union High School Dist.	463	8	0.65%	870	6	1.20%
Albertson's Regional Corporate	400	9	0.56%	570	9	0.79%
Morningside of Fullerton	350	10	0.49%			
Alcoa Fastening Systems				720	7	0.99%
Kraft Foods				500	10	0.69%
Total	10,108		14.24%	13,514		18.67%

*Based upon U.S. Census Bureau's American Community Survey's estimate of 71,000 residents employed

Source: Data Axle Reference Solutions

City of Fullerton and Fullerton Successor Agency
Full-Time Equivalent City Employees by Function (1)
Last Ten Fiscal Years

Department	2012-13 Total Positions	2013-14 Total Positions	2014-15 Total Positions	2015-16 Total Positions	2016-17 Total Positions
City Council	6.0	6.0	6.0	6.0	6.0
City Manager	7.0	6.5	6.5	7.0	7.0
Administrative Svcs.	37.3	32.3	33.0	33.0	33.0
Human Resources	8.7	8.9	8.9	8.9	8.9
Fire	90.0	90.0	92.0	92.0	92.0
Police	214.0	210.0	211.0	212.0	212.0
Community Dev.	27.0	27.0	29.0	28.0	28.0
Engineering	35.0				
Maintenance Svcs.	160.0				
Public Works*		200.0	199.5	200.0	200.0
Parks & Recreation	21.0	21.0	22.0	22.0	22.0
Library	25.4	23.8	23.8	23.8	23.8
<i>Subtotal</i>	631.4	625.5	631.7	632.7	632.7
Part-Time Hours	192,762	177,294	177,389	165,840	165,920
Full-Time Equivalents	92.7	85.2	85.3	79.7	79.8
TOTAL POSITIONS	724.1	710.7	717.0	712.4	712.5

* The Engineering and Maintenance Services Departments are now merged into the Public Works Department as of FY 13/14

**Reductions in the non-regular positions due to COVID in FY 20/21

*** Excluding Fire Chief, employed by the City of Brea

(1) Source: City of Fullerton Final Budget

City of Fullerton and Fullerton Successor Agency
 Full-Time Equivalent City Employees by Function (1)
 Last Ten Fiscal Years

2017-18 Total Positions	2018-19 Total Positions	2019-20 Total Positions	2020-21 Total Positions	2021-22 Total Positions
6.0	6.0	6.0	6.0	6.0
6.5	6.5	7.0	7.0	7.0
33.0	33.0	35.0	29.0	30.0
8.9	8.9	8.9	9.0	11.0
92.0	89.0	87.0	86.0	87.0 ***
217.0	218.0	203.0	209.0	209.0
28.0	28.0	30.0	31.0	31.0
198.0	198.0	194.0	195.0	192.0
21.0	21.0	21.0	17.0	21.0
23.8	23.8	23.8	21.8	23.8
634.2	632.2	615.7	610.8	617.8
165,255	159,639	160,159	68,410 **	109,127
79.4	76.7	77.0	32.9	52.5
<u>713.6</u>	<u>708.9</u>	<u>692.7</u>	<u>643.7</u>	<u>670.3</u>

City of Fullerton
 Elementary, High School, and University Enrollment Information (1)
 Last Ten Fiscal Years

	2012-13	2013-14	2014-15	2015-16
Fullerton Elementary School District	13,830	13,801	13,730	13,544
Fullerton Joint Union High School District	14,046	13,969	13,910	13,773
Fullerton College	18,890	18,890	35,335	35,335
California State University - Fullerton	38,325	38,128	38,948	40,235
Western State University College of Law**	528	459	376	0
Southern California College of Optometry***	400	391	391	400
Hope International University	1,694	2,011	1,420	1,438
Total enrollment in Fullerton's schools and universities	87,713	87,649	104,110	104,725

*Based on average attendance (actual enrollment data is not available)

**Western State University College of Law moved to Irvine during fiscal year 2015-16

***Southern California College of Optometry became part of Marshall B. Ketchum University in 2013

(1) Sources: California Community Colleges Chancellor's Office
 Southern California College of Optometry, Hope International University
 Fullerton Elementary and Joint Union High School Districts.

City of Fullerton
 Elementary, High School, and University Enrollment Information (1)
 Last Ten Fiscal Years

<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
13,700	13,700	13,700	13,700	12,852	12,141
13,664	13,649	13,695	13,600	13,630	13,473
23,000	23,000	23,000	23,000	21,785	18,742
40,439	39,343	39,030	39,270	41,408	40,087
0	0	0	0	0	0
544	500	500 *	500 *	740 *	738 *
<u>2,349</u>	<u>1,752</u>	<u>1,749</u>	<u>1,784</u>	<u>1,531</u>	<u>1,623</u>
93,696	91,944	91,674	91,854	91,946	86,804

City of Fullerton
Operating Indicators by Function
Last Ten Fiscal Years

Function:	2012-13	2013-14	2014-15	2015-16	2016-17
Police					
Calls dispatched	46,762	47,292	48,637	50,628	52,527
Crime reports	16,233	16,645	16,925	17,635	18,059
Moving citations	5,440	5,350	5,212	7,573	3,878
Parking citations	28,658	35,371	35,551	37,613	36,658
Fire					
Unit responses	16,108	11,646	17,500	18,813	18,250
Medical calls	6,993	9,494	8,201	8,725	8,298
Annual fire inspections	5,578	4,700	4,205	4,437	3,806
Water					
Number of customer accounts	31,577	31,544	31,795	31,307	31,427
Average daily consumption (millions of gallons)	23.8	25.4	22.9	20.9	20.6
Water samples taken	4,300	2,554	4,439	4,597	4,657
Sewers					
Feet of sewer mains root cut/ chemically treated	408,144	249,744	209,009	215,312	236,257
Miles of sewer mains root cut/ hydro jetted					
Number of chemically or mechanically treated sewer laterals	1,722	2,600	2,166	1,711	2,167
Traffic and General Engineering					
Traffic signals maintained	151	151	150	151	151
Infrastructure improvement projects administered	86	96	60	80	77
Private development plans reviewed	933	1,038	2,695	2,500	2,564
Maintenance					
Square ft. graffiti removal	370,166	403,016	344,120	316,667	348,336
Street sweeping miles	36,030	38,399	40,504	36,044	36,864
Trees pruned per year	13,000	13,542	13,500	14,975	14,005
Culture and Recreation					
Park event attendance Independ/ Park /Comm. Ctr. participants	130,500	152,000	152,000	170,000	240,000
Fullerton Museum Center attendance	15,000	23,987	23,987	29,265	21,734

Sources: City of Fullerton Budget Division and various City departments

*Note - As of 7/1/17 sewer mains are root cut/hydro jetted rather than root cut/chemically treated

**Temporarily remain closed due to COVID in FY 20/21

***As of FY 21/22 Fullerton Museum Center is no longer operated by the City

**** Independence gym has not reopened since COVID

City of Fullerton
Operating Indicators by Function
Last Ten Fiscal Years

2017-18	2018-19	2019-20	2020-21	2021-22
52,332	49,647	69,027	45,174	46,825
16,346	15,363	13,539	12,877	12,960
4,078	2,394	2,462	5,331	1,454
27,993	28,980	22,258	31,352	10,275
17,992	16,132	13,611	13,928	15,580
8,088	8,448	10,300	11,160	9,507
3,717	2,678	3,887	2,905	7,277
31,923	31,913	31,987	31,890	31,107
23.2	20.5	20.1	21.1	20.4
4,604	4,607	3,901	4,099	4,139
*	*	*	*	*
363	356.5	279.8	248.2	332.0
2,438	2,222	909	392	1,578
153	154	154	154	154
68	56	38	58	62
2,988	3,023	2,823	2,835	2,906
327,223	365,246	502,178	441,146	634,989
34,870	35,783	32,231	34,321	34,666
8,436	9,587	8,821	13,089	11,479
49,500	57,625	48,900	- *	49,400
250,000	268,000	244,656	56,224	146,057 ****
21,435	23,328	12,500	- * N/A	***

City of Fullerton
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function:	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
Public Safety					
Police stations	1	1	1	1	1
Number of patrol units	26	30	31	34	31
Fire stations	6	6	6	6	6
Number of ladder trucks	2	2	2	2	2
Number of fire engines	11	11	11	11	11
Highways and streets					
Miles of streets	290	290	290	285	285
Traffic Signals	150	151	150	151	151
Streetlights	7,263	7,275	7,275	6,900	6,900
Water					
Number of water wells	11	11	11	11	10
Number of reservoirs	15	15	15	15	15
Miles of lines & mains	420	423	423	423	423
Sewer					
Miles of sanitary sewers	324.00	320.00	322.40	323.30	320.00
Miles of storm drains	71.20	71.20	71.20	71.20	71.20
Culture and Recreation					
Number of recreation and cultural facilities	67	67	67	67	67
Number of acres for above	683	683	683	683	683
Number of libraries	2	2	2	2	2
Number of library books	241,058	241,058	210,597	210,597	210,597

Sources: City of Fullerton Budget Division and various City departments

*The Hunt Library is undergoing a major refurbishment and is currently unavailable to the public.

City of Fullerton
 Capital Asset Statistics by Function
 Last Ten Fiscal Years

2017-18	2018-19	2019-20	2020-21	2021-22
1	1	1	1	1
33	32	31	34	35
6	6	6	6	6
2	2	1	1	1
11	11	9	9	9
285	285	294	294	298
153	154	154	154	154
6,700	6,700	6,700	6,700	6,700
10	10	10	9	9
15	15	15	15	15
423	423	423	423	423
325.00	325.00	320.00	320.00	320.00
71.70	71.70	71.70	71.70	71.70
67	67	67	61	61
683	683	683	683	683
2	2	1 *	1 *	1 *
179,914	212,665	199,196	132,039	168,280

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