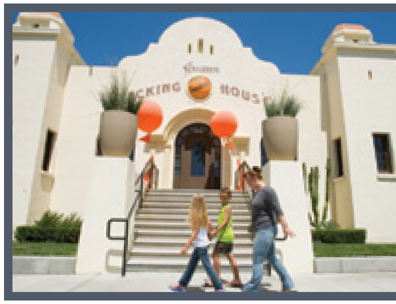
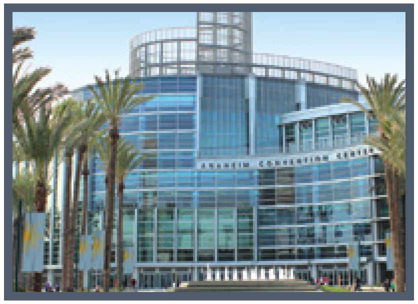
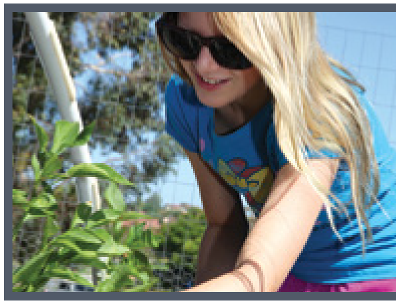
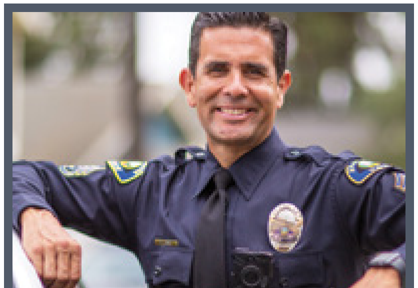
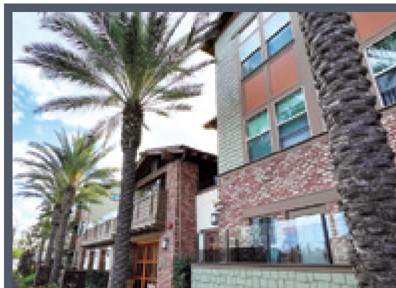
YEAR ENDED JUNE 30, 2023

Annual Comprehensive Financial Report





ANAHEIM, CALIFORNIA

YEAR ENDED JUNE 30, 2023

Annual Comprehensive Financial Report

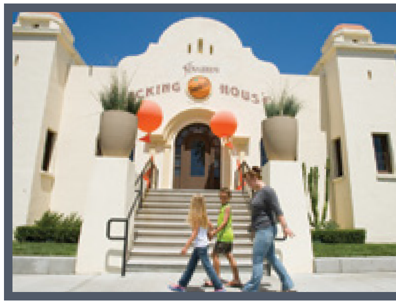
ANAHEIM

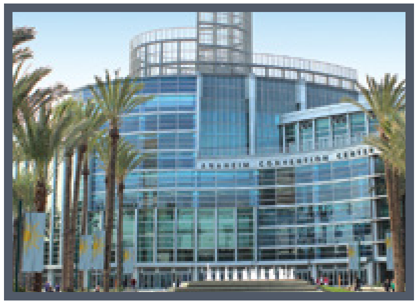
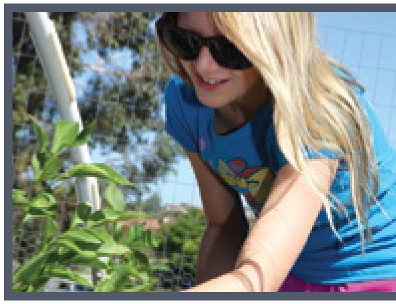
ANAHEIM, CALIFORNIA

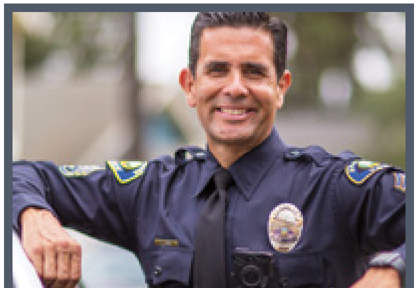
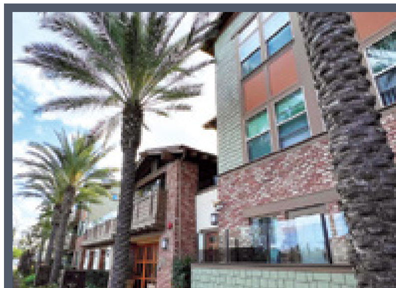
YEAR ENDED JUNE 30, 2023

Annual Comprehensive Financial Report





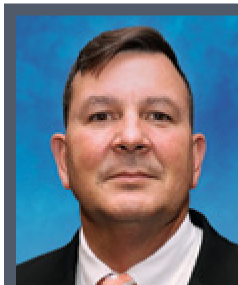
ANAHEIM, CALIFORNIA

PREPARED BY THE FINANCE DEPARTMENT

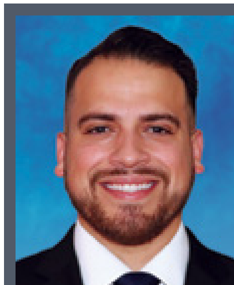
City Council

Ashleigh Aitken
Mayor

Natalie Rubalcava
Mayor Pro Tem
Council Member
District 3

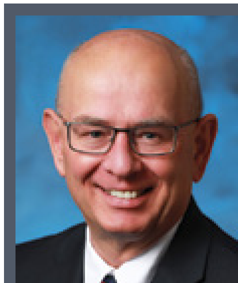


Jose Diaz
Council Member
District 1

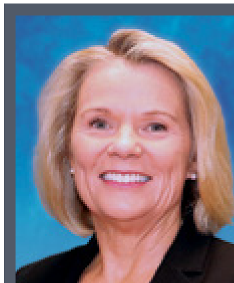


Carlos A. Leon
Council Member
District 2

Norma Campos Kurtz
Council Member
District 4



Stephen Faessel
Council Member
District 5



Natalie Meeks
Council Member
District 6

ANAHEIM

ANAHEIM, CALIFORNIA

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Introductory Section

ANAHEIM

ANAHEIM, CALIFORNIA

City of Anaheim, California
Finance Department

December 22, 2023

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

In accordance with the Charter of the City of Anaheim (City), please accept submission of the Annual Comprehensive Financial Report (ACFR) for the fiscal year ending June 30, 2023. Responsibility for the accuracy of the data, completeness, and fairness of the presentation, including all disclosures, rests with the City. We believe the data included is accurate in all material aspects, and is presented in a manner designed to fairly set forth the financial position and operational achievements of the City, as measured by the financial activity of its various funds. In addition, all disclosures necessary to enable the reader to gain maximum understanding of the City's financial activities have been included.

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

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

CITY OF ANAHEIM PROFILE

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

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

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

City full-time employees numbered 2,061 in 2023, of whom 617 were assigned to the Police Department and 334 to Fire & Rescue. The latter has eleven stations; the City enjoys a Class One fire insurance rating, the highest rating possible.

Anaheim, with a population of 328,580 in 2023, is a significant contributor to the diverse Orange County economy, which is home to more than 8,500 manufacturing plants. Product manufacturers include notable manufacturing businesses focused on defense and aerospace, biomedical, electronics, machinery, and computer products. The City has over 25,000 active business licenses.

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

The unemployment rate in Anaheim in June 2023 was 3.7%, while the national average was at 3.6% and the state average at 4.9%.

ECONOMIC CONDITION AND OUTLOOK

The City of Anaheim is home to over 328,580 residents, 19,000 businesses, and is visited by more than 25 million guests in a normal fiscal year. The City of Anaheim's Fiscal Year 2023 results of operations reported a government-wide net increase of $257.6 million in changes in net position while long-term debts decreased $74.0 million reflecting the City's strength and resilience in the face of unprecedented challenges, as a result of a global pandemic. The City's recovery speaks to the value and strength of our core revenue generators and Anaheim as a premier visitor destination.

The City's recovery is well underway and the outlook for growth remains bright. During fiscal year 2023, the City took positive steps toward returning and expanding core city services. This included the addition of 26 new Police Department positions added mid-year, of which 22 are sworn, an additional $5.1 million to support recreation programs and library services in Community Services, restoration of staff for park services, staff in support of development projects in Planning and Public Works, code enforcement for the Rebuild Beach Boulevard initiative, and a new wildland inspector for fire prevention in high-risk areas. The Anaheim City Council also approved $1.5 million additional funding for expanded library hours, neighborhood clean-up events and services for the senior population. Despite unprecedented challenges over the last two years, the city is looking to the future by focusing on core strategies of public safety and neighborhoods, while also addressing current and future obligations.

As reported in the Major Initiatives, the City of Anaheim has been busy and continues to drive into the future full steam ahead and continues its commitment to being the best place in the world to live, raise a family, and enjoy world class amenities that are renowned in Southern California and enjoyed by visitors from around the world.

Since the pandemic, there have been significant improvements across various economic indicators. The labor market remains the most robust, with unemployment at 3.6% in June 2023[1]. The U.S. labor market also continues to push earnings growth, with the Atlanta Fed's wage tracker data showing that earnings growth continues to be above 6% for the median worker, with lower-income earners seeing even faster rates of growth. In addition, household net worth is about 30% higher than it was pre-pandemic[2]. Despite inflation, consumers continue to spend, and it is forecasted that consumer spending will remain strong in the foreseeable future. As a major tourist destination, domestic air travel is back to pre-pandemic levels in California, and with the reopening of China, it is anticipated that international tourism will follow[3] and tourism has never been better with passenger counts at John Wayne airport reaching record levels in 2022[4],and hotel occupancy has fully recovered. Major developments are happening across Orange County, with significant projects planned in Anaheim, such as the Disney Vacation Club Tower, opening later this year, and ocV!BE.

MAJOR INITIATIVES

With direction from the Mayor and City Council, City management identifies the priorities that shape the path for Anaheim's future. City initiatives are reevaluated regularly, and new items are frequently added to ensure that City efforts are consistent with the priorities of our policy body and the community. The City strives each year to better fulfill its mission of delivering outstanding municipal services that are responsive to our entire community by continuing its tradition of fostering innovation, ingenuity, and opportunity in its operations. This helps achieve the primary goals of focusing on ensuring public safety in our communities, combatting homelessness, increasing community engagement and outreach, investing in our neighborhoods, and enhancing our city's infrastructure. City staff is dedicated to seeking innovative and efficient ways to conduct business to ensure that Anaheim remains a vibrant community for the years to come.

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

- Securing a Safer Future - Anaheim Fire and Rescue (AF&R) was able to increase the number of firefighters by three in fiscal year 2023. General and lateral recruitments placed 25 new hires into the academy to fill these and other vacancies and for the next fiscal year, an additional nine firefighters will be added to AF&R. With an eye towards the future, AF&R also invested heavily in the people of Anaheim, promoting the Fire Explorers and Fire Cadet programs, giving Anaheim youth a glimpse into the firefighting profession and ensuring that the City has a steady supply of firefighters into the future. Investment by AF&R included the continued growth of the ambulance program. AF&R ran three recruitments for ambulance operators and purchased and placed its final four Anaheim ambulances into service. The ambulance program has been a success in providing substantial cost savings to the City by reducing contract costs and conducting in-house

1 U.S. Bureau of Labor Statistics
2 The Beacon Outlook United States. Beacon Economics. Spring 2023. Christopher Thornberg, PhD, Founding Partner.
3 UCLA Anderson Forecast, March 2023
4 Ibid

training, while ensuring the quality and stability of public safety services to residents and visitors. Another aspect of Public Safety included the Police Department and its ongoing efforts to ensure that residents and visitors feel safe and at ease as they live and play in the City. The Police Department hired and filled 104 positions, including 61 sworn officers and 43 civilians in the current fiscal year. In the upcoming fiscal year, the Police Department plans to over hire an additional 12 police officers to keep the City safe in anticipation of police officer retirements. Enhancements to safeguarding the City's children will include hiring six School Resource Officers to keep students safe as they prepare to become tomorrow's leaders. A focus on strengthening community relations will be made in the coming year with multiple efforts to develop educational content on social media, host the annual National Night Out and work with residents to increase the number of Neighborhood Watch groups by 10% citywide. Additional funding for fiscal year 2024 will provide a facility for the storage of city equipment belonging to APD and the Public Works Department along with space for police related uses, such as evidence storage.

- Safety through Technology **-** To augment the safety of residents, the Police Department continued its innovative use of technology, implementing Live 911 software which improves an officer's situational awareness when responding to service calls in the field by allowing them to quickly locate and respond to emergencies and giving them real time information as they work to aid and assist residents. Adding to improvements responding to 911 calls, the Police Department will upgrade its current dispatch consoles and is progressing in its efforts to implement the Drone First Responder Program, an effort to use drones to help officers lower response times, by sending drones to assess the situation before officers arrive so that they may have as much information as possible and respond in the safest manner. Additionally, the Real Time Crime Center will continue to progress during the upcoming year, and will assist officers with real time information to use technology to aid in effective policing.

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

- A Comprehensive Approach to Solving Housing Insecurity **-** A focus on housing, homelessness, and improving the local workforce by the Housing and Community Development Department saw the construction of Finnamore Place, a new 100% affordable housing development that consists of 102 units, with 29 of those units designated for homeless families. Efforts aimed at helping individuals and families transition out of homelessness continued with the conversion of the Studio 6 Motel into an 87-unit interim housing project designed as a space to help people transition from living on the streets to eventually living in permanent housing. To date, the Department was able to relocate 63 people, 20 vehicles, and 20 pets from the streets to Studio 6. In the coming year, the department will convert Tampico Motel into 32 permanent supportive housing units with wraparound services. The City also continues to proactively reach out to those that find themselves unhoused through the Community Care Response Team (CCRT), with assistance from HOPE Anaheim for those facing mental health challenges. A second multi departmental homeless task force will augment the efforts to address homelessness in the next fiscal year and will include hiring additional staff, including police officers, code enforcement officers, and dispatchers. The City has been able to assist those on public property but aims to expand assistance to properties owned by the County, the State, and the Railroad within Anaheim by working collaboratively with those agencies. A crucial first step was prioritizing mobile mental health response calls by routing non-violent mental health calls from the Police Department to Be Well OC, strengthening the City's commitment to assist residents in need. An enhancement to Be Well OC in next year will add another mobile outreach unit to increase awareness of the program by providing outreach to schools, places of worship, and community events. To aid in developing the City's workforce, the City proceeded with plans to redevelop the former site of the first Northgate Gonzalez Market into a project named Store One. In the upcoming year, the development of Store One will continue and will ultimately provide an invaluable space for the community to learn culinary entrepreneurship, vocational training, and community health and wellness. Store One will help ensure that the City can support its robust tourism industry, which will be entering a new chapter with the City Council's approval of the ocV!BE project.
- Community Revitalization **-** Revitalization efforts continue with Rebuild Beach, a collaborative, multi-departmental effort to provide significant improvements on Beach Boulevard. Notably, the Covered Wagon Motel was purchased and demolished. The motel had long been a source of problems related to crime, drug use, and prostitution. The purchase and demolition demonstrated a significant commitment by the City to the redevelopment of the area. The demolition helped dampen some of the criminal

enterprises operating in the area and will serve as the future site of an affordable housing development that will provide 54 rental units and 10 homeownership opportunities for current and future residents. Close to the former site of the Covered Wagon Motel, the City also purchased the Anaheim Lodge, which was also linked to crime in the area. While not immediately demolished because of its better condition, the City sought a $1 million grant to activate the space for the community through art. The site will potentially, and temporarily, feature artists to encourage creativity and build community in the area while long term plans are developed to revitalize the space with housing. The Economic Development department was also heavily involved in stimulating investment and innovation with their efforts to provide grants to local businesses throughout Anaheim to improve their storefronts with the intention of encouraging customers to patronize local businesses. Over 90 businesses across Anaheim applied for the grants; the grant money will be distributed to businesses to improve their storefronts, with the money filtering into the broader local economy as those businesses hire local contractors to make the improvements. In the spirit of innovation and revitalization, the City also commissioned a study of the Brookhurst Corridor. The study's goal is to analyze the area and capitalize on the Little Arabia designation encouraged by residents and approved by the City Council in August 2022. The study will find the best way to engage residents, businesses, and other stakeholders to revitalize the area for residents, businesses, and visitors. The study will also engage the multicultural residents of the Corridor to create an inclusive space that will attract residents and visitors alike. The City is dedicated to improving Beach Boulevard and Brookhurst Street, and in the coming year staff will continue to focus on the needs of residents who live adjacent to major revitalization projects.

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

- Back to Normal **-** Showing the resilience of the City of Anaheim, Community Services in person events resumed in the wake of the COVID-19 pandemic. The Fourth of July celebration event returned, hosting 15,000 people along with the first in person Fall Festival and Halloween Parade since 2019. Libraries continued their vital role in the community with improvements to the Central Library that enhanced outdoor space by providing lighting and structural improvements that facilitated the library's ability to provide more services to residents. An outdoor space for children was created at the Euclid Library, where they will delight in programs that develop literacy and social skills through storytelling, interactive play, and art programs. The Brookhurst Teen Center will add 735 square feet with an interior addition that gives teens a much needed space to hang out. Project S.A.Y. continues to serve Anaheim youth with its Oak Canyon Nature Center Collaboration that gives young people the opportunity to experience the outdoors. Transportation is provided every Saturday and the City's youth can participate in hiking, animal encounters, and archery. Seniors are also a priority for the City, with additional staffing for senior programs secured for the next fiscal year. Additional staff will assist in keeping seniors engaged and cared for, giving back to those that have already given so much. Focusing on families, the Mobile Family Resource Center Project continues to link residents living in high demand for service neighborhoods with pop up events connecting those families to services, like the Library Bookmobile, health services, workforce development, food bank services, and vaccinations. Community Services also cultivated more family gathering locations by adding more park space and amenities, notably, bringing the community together to build a new play area at Center Greens Park in a partnership with KaBOOM! and the new developer-built park, Aloe Promenade, in the Platinum Triangle that includes an open turf area, play spaces, art elements, and passive gathering areas.
- Increased Library Hours – The City's libraries promote literacy, lifelong learning, and a love of reading through traditional print materials as well as virtual services. In an effort to provide more opportunities for residents to use the City's libraries, in fiscal year 2023, City Council increased library hours at Euclid, Sunkist, and East Anaheim libraries from three days a week to five days a week, along with adding Saturday operations at Central, Haskett, and Ponderosa libraries. These additions brought operating hours back to pre-pandemic levels. Then in February 2023 Council expanded library hours at Central, Haskett, and East Anaheim libraries to include Sunday hours, plus Saturday hours at Canyon library. Residents will now have access to library services seven days a week in the west, central, and east regions of the City. Anaheim Public Library will continue to program and engage with the community while providing a safe space for residents to create and engage with one another.

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

- Maintaining and Improving the City's Roads, Sidewalks, and Landscape – The Public Works Department provides continued support for various infrastructure projects. Next fiscal year, these projects include street widening to meet the City's growth on Brookhurst Street continuing with phase 2 from Ball Road to Katella Avenue. Plans to improve the intersection at Lincoln Avenue and Harbor Boulevard to add one additional southbound right-turn lane will enhance roadway operations, reduce vehicular travel times, reduce fuel consumption, and reduce greenhouse gas emissions. Pavement rehabilitation projects also continue all over the City, with 2,500,000 square feet of pavement improved in the Amboy Neighborhood along with 60,000 square feet of sidewalk replacement. 1,400,000 square feet of pavement was also improved in the Willowbrook Neighborhood Rehabilitation Project, along with 1,380,000 square feet of pavement in the Torry Neighborhood Rehabilitation project, and 1,000,000 square feet of pavement in the Riverdale Neighborhood Rehabilitation Project. Replacement of more City sidewalks will be constructed in the next fiscal year to ensure that residents and visitors can safely enjoy their neighborhoods. Along with the improvements to roads and sidewalks, the Public Works Department will enhance the City's landscape with a Street Tree Program designed to beautify the City while keeping trees trimmed to improve driving visibility and safety, and rehabilitate and upgrade landscaping throughout the City.

- Enhancing the City's Electrical Infrastructure – Anaheim Public Utilities (APU) continues its Underground Conversion Program aimed at improving reliability and resiliency, enhancing overall visibility, and reducing risk in high-fire threat zones. APU has replaced 139 circuit miles of overhead electric infrastructure underground - completing 58% of the 240 circuit mile goal. Currently, underground projects in construction include a stretch on Sycamore Street, from Anaheim Boulevard to East Street, which is scheduled for completion by Winter 2023. The Caltrans permitting for Beach Boulevard has been completed and construction is expected to start in fall 2023. Additional undergrounding projects in design and easement acquisition include Cerritos Avenue and Nutwood Street, and overhead segments within wildfire threat zones in East Anaheim.

- Looking Towards the Future of Energy - State legislation requires Anaheim Public Utilities (APU) to achieve a 60% renewable energy portfolio standard by 2030 and 100% carbon-free energy by 2045. To meet these targets and minimize rate impacts on customers, APU has recently updated its Integrated Resources Plan (IRP). The IRP serves as a long-term comprehensive roadmap for meeting future customer energy demand and state compliance goals. The plan involves increasing renewable energy sources and energy storage, eliminating the use of coal, and accommodating the impact of electric vehicles, customer-owned solar power generation, and energy-efficient appliances and buildings. The City Council approved the IRP in May 2023, and it has been submitted to the California Energy Commission for their review.

- Safeguarding the City's Water – Water is fundamental for the City to thrive and progress into the future, which is why 44,000 water quality tests are conducted each year to ensure that customers are served with safe drinking water. Advanced groundwater treatment facilities, capable of treating per-and-polyfluoroalkyl substances (PFAS), are under construction. The first system at the La Palma Complex started operations in March. In total, nine treatment plants will restore access to the groundwater basin that is partly replenished with sustainable, recycled water. The increased use of lower-cost groundwater also reduces reliance on imported water from the Colorado River.

- Administering Public Programs and Investing in the Future – Providing the infrastructure that keeps the City running and the lives of residents happy and productive requires work that is not always visible and often occurs behind the scenes. With this in mind, additional funds have been budgeted in fiscal year 2024 to keep the City running smoothly. The City will begin a Strategic Planning initiative to create a vision that will guide Anaheim into the future. Council Members, staff, and residents will convene throughout the year to share their thoughts on what makes Anaheim such a great place to live, work, and visit. Those thoughts will then be synthesized into a document that will serve as a roadmap to lead Anaheim to a better tomorrow. To help guide Anaheim towards that vision, a comprehensive classification and compensation study will analyze the compensation of the City's staff to ensure that Anaheim is not only competitive in attracting the best and the brightest employees, but also is able to retain those employees once they are employed. In order to improve overall efficiency and to expedite the City's strategic vision, in the next fiscal year, the City will upgrade the current permitting system. Finally, a Special Election was held on October 3, 2023 to let residents decide whether to adopt the Hotel and Event Center Minimum Wage, Worker Retention, and Hotel Worker Safety and Workload Initiative Ordinance. The Special Election enabled residents to focus their attention on the issue so that they can make the most informed decision possible.

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

- Supporting Major Developments - ocV!BE was approved by the City Council as a proposed mixed-use entertainment project on 95 acres surrounding the Honda Center and ARTIC. The project will include millions of square feet of new construction including restaurants and entertainment, 1,500 residential units, a 5,700-seat concert venue, two hotels with 550 rooms, and a four-acre public park. Another major development in the works is DisneylandForward. Centered around Disneyland in the Anaheim Resort, DisneylandForward is proposed as a complementary development to Disneyland that will enhance the Disney experience for residents and visitors. Project planning is underway, with a tentative time frame for circulation of a Draft Subsequent Environmental Impact Report to occur in summer 2023, with Planning Commission consideration planned by the end of 2023 and City Council consideration in early 2024.
- Encouraging Economic Development – The Economic Development Department continues to make an impact on the City by facilitating new business opportunities, encouraging investment, and empowering residents. The department played a critical role in bringing businesses back to the City after the COVID-19 pandemic by continuing environmental remediation efforts on a 4.8 acre lot on Lincoln Avenue and Beach Boulevard. As part of Rebuild Beach, the development of the site will continue, and will lead to the groundbreaking of 39 Commons in the upcoming fiscal year. 39 Commons includes homes and 21,654 square feet of retail/commercial space. More specifically, the first phase of the project will include eateries such as In-N-Out Burger, Starbucks Coffee, and Dave's Hot Chicken. The department's Storefront Improvement program will build upon its fiscal year 2023 success with additional funding to provide grants to businesses for structural and cosmetic improvements, enhancing the City's aesthetic, supporting local business owners and encouraging economic growth. The Department also made sure to include the diverse populations that contribute to making Anaheim the great city that it is by launching the Emprendedor@s program. The program encourages entrepreneurship among Spanish speaking residents by teaching them business skills. So far, the program has graduated 26 participants. The Economic Development Department will continue its investment in the residents of Anaheim by proposing the creation of a micro-enterprise loan/grant program, a business resource center for small businesses, and business education courses and consulting services for entrepreneurs and business owners.

FINANCIAL INFORMATION

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

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

BUDGETARY CONTROLS:

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

RELEVANT FINANCIAL POLICIES:

Through sound fiscal management, the City of Anaheim positions itself to provide a positive atmosphere for economic development and the flexibility to strategically address budgetary challenges that result from fluctuations in the local, national, and global markets. As of June 30, 2023, the City's General Fund has a spendable, unassigned fund balance of $61 million. Excluding the long-term interfund payable of $32 million, the unassigned fund balance amount totaled $93 million, which represents 20% of the General Fund total fiscal year 2022-2023 expenditures. Traditionally, the policy has been to maintain General Fund reserves at a minimum of 7 to 10% of expenditures. The City has a long-standing practice of recognizing and reserving for known and anticipated liabilities. The City's compensated absences and self-insurance liabilities is fully funded. Additionally, the City has established an irrevocable trust for other postemployment benefits (OPEB) and continues to make the annual required actuarial determined contribution (ADC) to ensure this future liability is fully funded.

LONG-TERM FINANCIAL PLANNING:

On June 27, 2023, the City Council adopted the fiscal year 2023-2024 budget. Additionally, as a companion to approving the budget plan, a five-year Capital Improvement Plan was presented to the City Council. The five-year plan links anticipated expenditures for infrastructure development with community needs and desires, and provides a citywide perspective of recommended projects and proposed funding sources. The Capital Improvement Plan was finalized in June 2023, and totaled $760 million for the five-year fiscal period ending June 30, 2028. The five-year Capital Improvement Plan has been submitted and annually updated, in its present form, since 1982, for effective long-range planning purposes. It is City Management's belief that these two plans give City Council members an expanded opportunity to set policy and provide direction for implementation, resulting in improved management efficiency and improved financial results.

In 1996, the City made significant investments in the Anaheim Resort in order to revitalize the City's tourist serving infrastructure and expand the hospitality industry. Those investments have paid huge dividends as exemplified by the tripling of TOT over the past decade. However, the Anaheim Resort was glaringly missing development of four-diamond luxury hotels. In 2015, the City adopted the Hotel Incentive Program to bring other four-diamond hotels to the City. The Economic Assistance provided under the City's Hotel Incentive Program further the City's goals to create a Luxury Hotel market that did not exist in the City then. Incentivizing the development and operation of Luxury Hotels will in turn provide long-term public benefits to the City: 1) provide desirable and attractive experience, for tourists and local residents, 2) promote job creation opportunities in the City, 3) generate a net increase in TOT, retail sales tax and property taxes revenues to the City which will assist in the support of public services provided to residents, visitors and businesses and assist in the revitalization of neighborhoods, enhance property value, and 4) allow the City to remain economically competitive with other large cities that offer similar hotel incentive programs.

AWARD

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

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Anaheim, California, for its annual comprehensive financial report for the fiscal year ended June 30, 2022. This was the 47th consecutive year that the City has achieved this prestigious award (fiscal years ended June 30, 1976 through 2022). In order to be awarded the Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both U.S. generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current annual comprehensive financial report continues to conform to the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENTS

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

Respectfully submitted,

Deborah A. Moreno

James Vanderpool
City Manager

Deborah A. Moreno
Finance Director/City Treasurer

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Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Anaheim California

For its Annual Comprehensive Financial Report For the Fiscal Year Ended

June 30, 2022

Executive Director/CEO

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Anaheim, California for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

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

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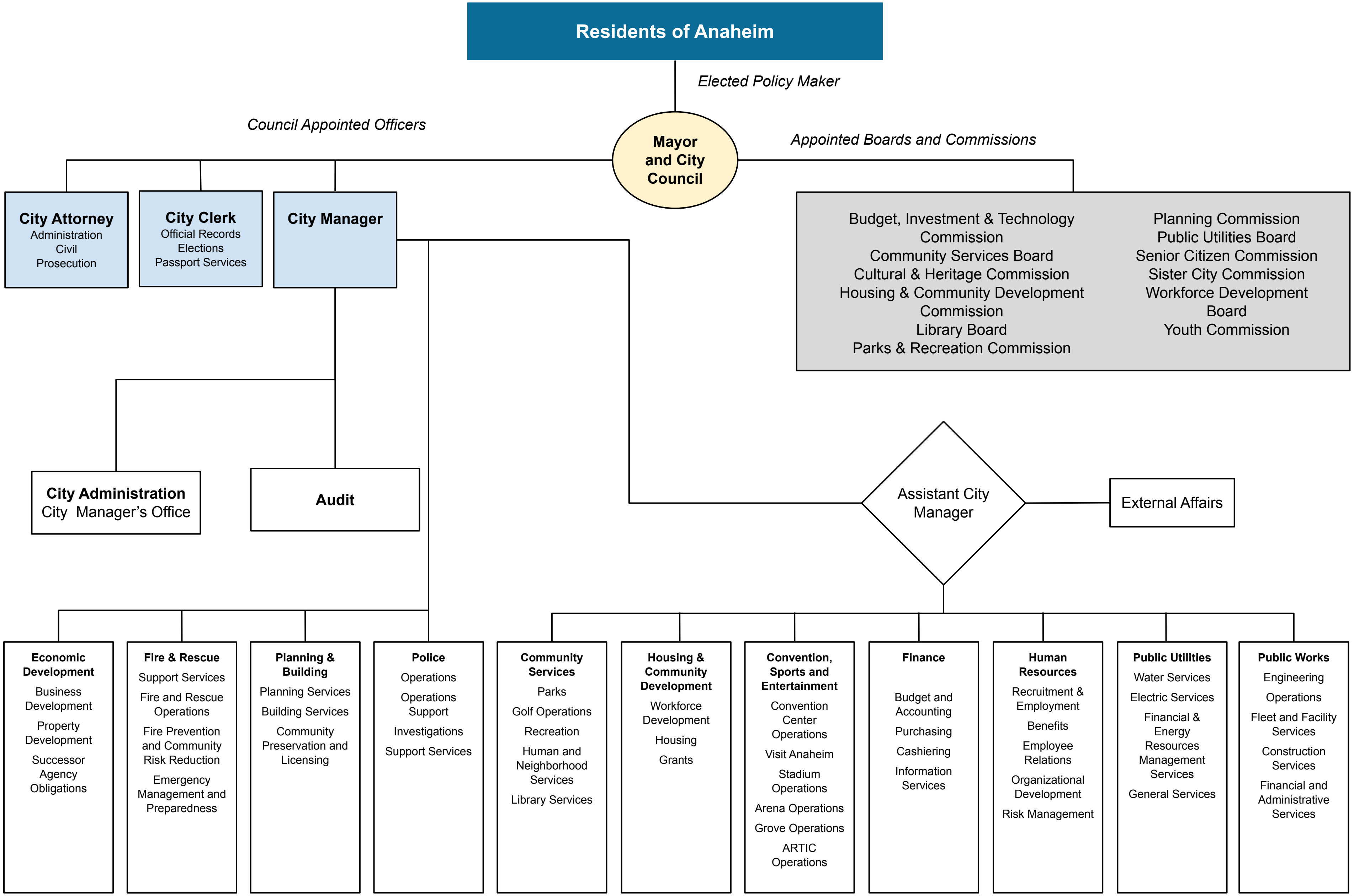
Residents of Anaheim
Elected Policy Maker
Mayor and City Council
Council Appointed Officers
Appointed Boards and Commissions
City Attorney
Administration
Civil
Prosecution
City Clerk
Official Records
Elections
Passport Services
City Manager
Budget, Investment & Technology Commission
Community Services Board
Cultural & Heritage Commission
Housing & Community Development Commission
Library Board
Parks & Recreation Commission
Planning Commission
Public Utilities Board
Senior Citizen Commission
Sister City Commission
Workforce Development Board
Youth Commission
City Administration
City Manager's Office
Audit
Assistant City Manager
External Affairs
Economic Development
Business Development
Property Development
Successor Agency Obligations
Fire & Rescue
Support Services
Fire and Rescue Operations
Fire Prevention and Community Risk Reduction
Emergency Management and Preparedness
Planning & Building
Planning Services
Building Services
Community Preservation and Licensing
Police
Operations
Operations Support
Investigations
Support Services
Community Services
Parks
Golf Operations
Recreation
Human and Neighborhood Services
Library Services
Housing & Community Development
Workforce Development
Housing
Grants
Convention, Sports and Entertainment
Convention Center Operations
Visit Anaheim
Stadium Operations
Arena Operations
Grove Operations
ARTIC Operations
Finance
Budget and Accounting
Purchasing
Cashiering
Information Services
Human Resources
Recruitment & Employment
Benefits
Employee Relations
Organizational Development
Risk Management
Public Utilities
Water Services
Electric Services
Financial & Energy Resources Management Services
General Services
Public Works
Engineering
Operations
Fleet and Facility Services
Construction Services
Financial and Administrative Services

Administrative Personnel
As of December 22, 2023

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

Financial Section

ANAHEIM, CALIFORNIA

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

Independent Auditors' Report

Honorable Mayor and City Council
City of Anaheim, California:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Anaheim, California (the City), as of and for the year ended June 30, 2023, 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 accompanying 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, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Housing Authority Fund for the year then ended in accordance with U.S. generally accepted accounting principles.

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, 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.

Auditors' 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 auditors' report that includes our opinions. 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.

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis and the required supplementary information as listed in the accompanying table of contents 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary 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 individual fund statements and schedules as listed in the accompanying table of contents 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 basic 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 GAAS. In our opinion, the 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 comprehensive financial report. The other information comprises the introductory, statistical, and other information sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do 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 basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic 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 22, 2023, 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.

KPMG LLP

Los Angeles, California
December 22, 2023

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Management's Discussion and Analysis

ANAHEIM

ANAHEIM, CALIFORNIA

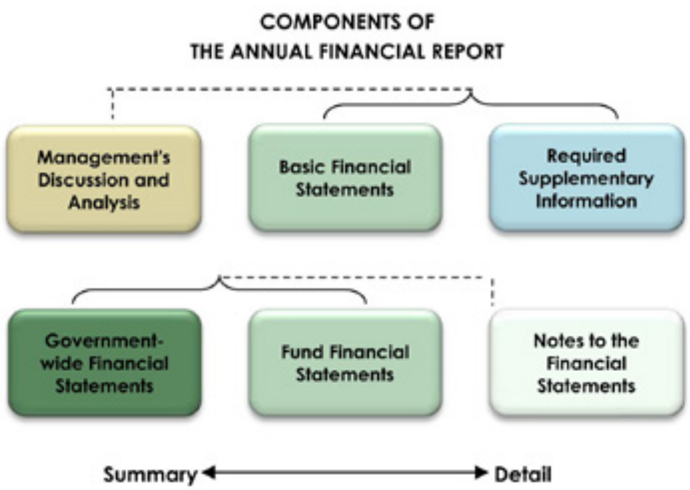
Management's Discussion and Analysis

(Unaudited)

As management of the City of Anaheim (City), we offer readers of the City's basic financial statements this narrative overview and analysis of the financial activities of the City as of and for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report, and the City's basic financial statements in the financial section of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

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



Government-wide financial statements are comprised of the Statement of Net Position and the Statement of Activities. These two statements are designed to provide readers with a broad overview of the City's finances utilizing the full accrual method of accounting, in a manner similar to a private-sector business. Under the full accrual method of accounting, transactions are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, assets, liabilities, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods (e.g. uncollected revenues and accrued but unpaid interest expense).

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

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

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

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

The government-wide financial statements can be found on pages 45-47 of this report.

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

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

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

The City maintains 19 individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, and the Housing Authority Special Revenue Fund which are considered to be major funds and can be found on pages 48-49 and 51 of this report. Data for the remaining 17 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of supplementary combining statements on pages 135-138, 143-144, and 146-147 of this report.

The City adopts an annually appropriated budget for all governmental and proprietary funds. Budgetary comparison statements for the General Fund and the major special revenue fund (Housing Authority) are required to be presented; these schedules are included in the basic financial statements on pages 53-54 of this report. Additionally, budgetary schedules for the other nonmajor governmental funds have been provided to demonstrate compliance with the budget and can be found as part of other supplementary schedules on pages 139-142, 145, and 148-151 of this report.

Proprietary funds of the City include the Enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses its enterprise funds to account for its electric, water and sanitation utilities, golf courses, convention, sports and entertainment venues and ARTIC operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its general benefits and insurance, motorized equipment, information services, and municipal facilities maintenance functions. Because these services predominantly benefit governmental rather than business-type functions, they have been included with governmental activities in the government-wide financial statements.

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

The proprietary funds financial statements can be found on pages 55-61 of this report.

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

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

The fiduciary fund financial statements can be found on pages 62-63 of this report.

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 64-120 of this report.

Required Supplementary Information presents the required supplementary information for pension and its related ratios, the Other Postemployment Benefits (OPEB) and its related ratios. This information can be found on page 123-131 of this report.

The combining and individual fund statements and schedules present combining individual fund statements referred to earlier in connection with nonmajor governmental funds and internal service funds. Also included are the budgetary comparison Schedules of Revenues, Expenditures and Changes in Fund Balances for all nonmajor special revenue funds, all debt service funds, and all capital projects funds. These statements and schedules can be found on pages 135-164 of this report.

FINANCIAL HIGHLIGHTS (Amounts in thousands)

- The City's total assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the end of the current fiscal year by $2,377,258.
- The City's governmental activities represent $1,016,720 (43%) and the business-type activities represent $1,360,538 (57%) of the City's total net position.
- The City's net position has a net increase of $257,616 (12%) as a result of the current fiscal year's operations. The net position of the City's governmental activities increased by $145,234 (17%) and the business-type activities net position increased by $112,382 (9%).
- The City's restricted net position of $377,444 represents amounts available for ongoing programs and obligations with external restrictions.
- The City's total capital assets, net of accumulated depreciation, increased by $152,036. Capital assets in the City's governmental activities increased by $59,866 (4%) and business-type activities capital assets increased by $92,170 (4%) during the current fiscal year.
- The City's total long-term debts decreased by $74,016 (4%) during the current fiscal year; of this amount, long-term debts in the City's governmental activities decreased by $6,021 (1%), and business-type activities decreased by $67,995 (5%).
- The City's total other long-term liabilities increased by $414,816 (51%) during the current fiscal year; of this amount, other long-term liabilities in the City's governmental activities increased by $336,467 (57%), and business-type activities increased by $78,349 (36%).
- At the close of the current fiscal year, the City's governmental funds reported a combined fund balance of $649,006, an increase of $70,546 in comparison with the prior fiscal year. Approximately 36% of this amount or $232,135 is available for spending at the City's discretion (total of committed, assigned and unassigned fund balances).
- At the end of the current fiscal year, unrestricted fund balance (total of committed, assigned and unassigned fund balance) for the General Fund was $176,688 or 39% of total General Fund expenditures. Unassigned fund balance was $61,254 or 13% of total General Fund expenditures. Excluding the long-term interfund payable of $32 million, reserves were $93,254 or 20% of General Fund expenditures.
- The City received various COVID-19 pandemic related fundings during the fiscal year:

  $1,996 provided by HUD to assist with Mental Health Outreach (Be Well OC), Food distribution (Love Anaheim), and Emergency Rental Assistance.

  $2,205 provided by HUD for the Street Outreach, Emergency Housing Vouchers, Rapid Rehousings and Emergency Shelters.

  $1,958 Emergency Rental Assistance, drawn down from a prior year advance, of which $726 was provided by the US Department of Treasury, and $1,232 by the State of California.

  $1,177 FEMA reimbursement for a pandemic vaccination site.

  $1,742 provided by the California Department of Community Services and Development (CSD). The Electric Utility participated in the California Arrearage Payment Program (CAPP), a federally funded program, to provide financial relief to eligible customers who fell behind on their electric utility bill payments because of the COVID-19 pandemic for the past due debts incurred from March 4, 2020 to June 15, 2021. The entire amount was credited to customers' accounts.

  $175 provided by the CSD. The Water Utility participated in the Low-Income Household Assistance Program (LIHWAP), a federally funded program to help low-income households pay down their residential water utility costs. The entire amount was credited to the customers' accounts.

NET POSITION
JUNE 30, 2023 AND 2022

	Governmental Activities		Business-type Activities		Total Government	
	2023	2022*	2023	2022*	2023	2022*
Current and other assets	$ 971,956	$ 885,463	$ 799,911	$ 866,962	$ 1,771,867	$ 1,752,425
Capital assets, net	1,522,307	1,462,441	2,304,732	2,212,562	3,827,039	3,675,003
Total assets	2,494,263	2,347,904	3,104,643	3,079,524	5,598,906	5,427,428
Deferred outflows of resources	286,758	143,113	84,574	46,223	371,332	189,336
Total assets and deferred outflows of resources	2,781,021	2,491,017	3,189,217	3,125,747	5,970,238	5,616,764
Current liabilities	170,831	155,035	182,165	169,946	352,996	324,981
Long-term liabilities less current portion	1,538,394	1,213,553	1,489,962	1,485,998	3,028,356	2,699,551
Total liabilities	1,709,225	1,368,588	1,672,127	1,655,944	3,381,352	3,024,532
Deferred inflows of resources	55,076	250,943	156,552	221,647	211,628	472,590
Total liabilities and deferred inflows of resources	1,764,301	1,619,531	1,828,679	1,877,591	3,592,980	3,497,122
Net position:						
Net investment in capital assets	1,198,057	1,147,895	1,173,010	1,091,868	2,371,067	2,239,763
Restricted	281,382	277,443	96,062	81,344	377,444	358,787
Unrestricted	(462,719)	(553,852)	91,466	74,944	(371,253)	(478,908)
Total net position	$ 1,016,720	$ 871,486	$ 1,360,538	$ 1,248,156	$ 2,377,258	$ 2,119,642

*As restated due to implementation of Governmental Accounting Standards Board Statement No. 96. There is no effect on net postion.

At the end of fiscal year 2023, the City's net position totaled $2,377,258 reflecting a net increase of $257,616 or 12% from the prior fiscal year.

Current and other assets, including cash, cash equivalents and investments, restricted cash equivalents and investments, receivables, prepaid items, land held for resale, lease and notes receivable totaled $1,771,867 and had an increase of $19,442 (1%) as compared to the prior fiscal year; of this amount governmental activities increased by $86,493 and business-type activities decreased by $67,051.

- Unrestricted cash, cash equivalent and investments increased by $26,997 (4%) of which governmental activities had an increase of $36,879 and business-type activities had a decrease of $9,882.

  The increase in governmental-activities is primarily attributable to increases of cash collections from tax revenues in transient occupancy taxes (TOT), sales and use taxes, and the Anaheim Tourism Improvement District (ATID) special assessments. Demands for City services such as construction services, police services and community recreational and sporting classes have all increased as compared to the prior fiscal year. Additionally, a one-time unspent land sale proceeds of $4,970 and an insurance recovery of $2,346 for a capital asset damaged by fire contributed to the increase.

  The decrease in business-type activities is primarily due to cash spent for operation, debt services and capital purchases in Electric Utility ($18,728) and Water Utility ($8,789). Offsetting the decreases are increases in Sanitation Utility ($4,575), and Convention, Sports and Entertainment ($12,647). This increase is primarily due to cash collection from increased revenues in user charges, facility rental and concession rental.

- Restricted cash, cash equivalent and investments decreased by $27,724 (5%). Governmental activities had an increase of $47,283 and business-type had a decrease of $75,007.

  The increase in governmental-activities is primarily due to the increase of Lease Payment Measurement Revenue (LPMR) of $60,387 resulting from the increases in the revenue bases (see note 10 on page 91 of the notes to the financial statements for further discussion of LPMR). This increase is partially offset by a decrease of $5,257 drawn down from the loan proceeds for the ambulances ($1,464) and IT equipment ($3,793) acquisitions; a decrease of $3,957 for debt services of which $3,656 was drawn from the capitalized interest of the 2021 working capital bond proceeds; and a decrease of $3,793 capital spending for the mello-roos capital projects.

The decrease in business-type consisted of $65,128 drawn down from bond proceeds for capital projects including $36,766 in Electric Utility, $26,322 in Water Utility, $1,461 in Sanitation Utility, and $579 in Convention, Sports and Entertainment Venues. The Electric Utility also paid $9,326 in decommissioning costs for SONGS ($9,221), San Juan Generation Station ($105), and San Juan Reclamation liability ($725) from the restricted cash accounts during the fiscal year. Restricted cash of $7,508 was also paid from the Convention, Sports and Entertainment Venues for the 2021 Convention Center Expansion refunding bond debt service. Partially offsetting the decreases is an increase of $1,139 of unspent developer fees in the Sanitation Utility and an increase of $6,495 restricted for debt services in Electric Utility ($3,703) and Water Utility ($2,792).

- Accounts receivable increased by $4,472 (3%).

  The increase of $8,561 in governmental activities were primarily attributable to increases in TOT receivable of $1,941; paramedic services receivable had an increase of $1,231 due to increased emergency medical service transports and the time to process the claims and collection of payments; and a one-time general insurance excess liability recovery of $4,547.

  Business-type activities had a decrease of $4,089. The Electric Utility had a decrease of $9,785 primarily due to a decrease of $5,664 in customer receivables as accounts were brought up-to-date after COVID 19 moratorium; a decrease of $4,000 in unbilled receivable was mainly due to a decrease in customer demand due in part to favorable weather compared to last fiscal year. The Convention, Sports and Entertainment Venues had a decrease of $1,469 due to a decrease in event billings as deposits for facility and event services were received from clients prior to events being held. Partially offsetting the decreases was an increase of $6,652 from Water Utility. The Water Utility had an increase of $8,132 in construction cost reimbursement related to the Per-and Polyfluoroalkyl Substances (PFAS) treatment facilities which partially offset a decrease of $1,480 from customer accounts.

- Due from Other Governments increased by $2,189 (4%). The increase is primarily due to pending grant reimbursements at fiscal year end. An increase of $4,024 in receivable is due from the Federal Emergency Management Agency (FEMA) for the SAFER grant program that supports hiring additional, entry-level firefighters to improve staffing levels. An increase of $6,402 is due from the State of California including $5,252 of the Permanent Local Housing Allocation (PLHA) grant reimbursement for the acquisitions of the Anaheim Lodge and Covered Wagon Motels, and $1,150 for the CalifornianForAll Youth Workforce program for the purpose of developing youth interest in and experience towards a career. The Urban Area Security Initiative (UASI) program had an increase of $553, and the Strategic Highway Safety Plan (SHSP) had an increase of $325. Partially offsetting the increases is a decrease of $3,300 in sales and use tax receivable due to lower sales tax revenues for the last quarter of the fiscal year as compared to last fiscal year; a decrease of $3,156 of transportation project was due to reimbursements received for prior year receivable related to the Anaheim Boulevard and Brookhurst Streement Improvement projects; finally a decrease of $2,614 in Emergency Solution Grant (ESG-CV) federal grant due to lower spending.

- Prepaid and other assets increased by $13,940 (11%). Governmental activities had an increase of $4,382 primarily due to a $3,944 prepaid employee health insurance premiums to the insurance providers for the month of July 2023. Business-type activities had an increase of $9,558 primarily due to prepaid power costs.

- Notes receivable decreased by $881 (1%). The decrease is mainly due to loan principal and interest payments received totaling $4,703 including the loan payoff from Lab Holding, LLC of a $2,500 acquisition loan for the former Reel Lumber site; offset by current year accrued interest receivable, net of allowance, of $2,192 and disbursements in low income housing development loan to LINC North Harbor Boulevard-Studio 6 totaling $1,630.

The City's capital assets, net of accumulated depreciation, increased by $152,036 (4%). Additional information about changes to the City's capital assets can be found on pages 38-40.

Deferred outflows of resources, including deferred charges on refunding bonds, deferred items related to pension and Other Postemployment Benefits (OPEB), totaling $371,332 increased by $181,996 (96%). The increases are primarily due to the following:

- Net change of deferred pension related items increased by $182,886. A combined increase of $448,849 from plan actuarial valuation included an increase of $96,646 in changes of assumption resulting from a change in discount rate from 7.15% to 6.90% in measuring the total pension liability and an increase in difference between projected and actual investment experiences of $352,203 due to unrealized investment loss from the pension plan. Other increases included an increase of $8,452 in pension contribution subsequent to measurement date and $5,006 in changes of proportion. Offsetting the increases by current year amortization of the pension related deferred items of $119,049 and the aggregate netting of the deferred items related to investment experience balance from deferred inflow of resources related to pension of $160,372.
- Net change in deferred OPEB related items increased by $3,628 reflecting an increase of $24,155 in the difference between projected and actual investment experiences due to unrealized investment loss per plan actuarial valuation; an increase of $967 due to change in proportion, offsetting the increase is a decrease of $10,144 from current year amortization, a decrease of $1,301 in OPEB contribution subsequent to measurement date and a decrease of $10,049 aggregate netting of the deferred inflow related to investment experience balances.
- Deferred charges on refunding bonds decreased by $4,518 from currentent year amortization.

Current liabilities, including accounts payable, wages payable, interest payable, current portion of long-term debt, current portion of other long-term liabilities, deposits and unearned revenues, totaled $352,996 and increased by $28,015 (9%). The increases are primarily due to the following:

- Accounts payable increased by $20,070 mainly due to timing of scheduled disbursements to suppliers and construction contractors.
- Current portion of the long-term debt increased by $9,628 (11%). Scheduled debt service payments due within one year for bonds and loan payable had an increase of $6,686, lease payable had an decrease of $90, and subscription payable had an increase of $3,032. During fiscal year 2023, the City implemented Governmental Accounting Standards Board Statement No, 96 *Subscription-Based Information Technology Arrangements* (SBITA). The Statement requires the City to account for the right-to-use vendor provided information technology software as subscription assets with a corresponding increase in subscription payable.
- Deposit payable had an increase of $3,717 including the increase of $2,109 from Electric utility customer deposits, and an increase of $1,845 from tenant deposits due to increased event activities at the Convention, Sports and Entertainment Venues.
- Partially offsetting the increases is a decrease in wages payable of $5,663. The decrease is primarily due to timing of scheduled disbursements for payroll taxes and fewer numbers of work days for accrued payroll at fiscal year end.

The City's long-term liabilities, less current portion, increased by $328,805 (12%). Additional information about changes to the City's long-term liabilities can be found on pages 90-113.

Deferred inflows of resources, totaling $211,628 decreased by $260,962 (55%). The decreases include the following:

- Deferred items related to pension decreased by $221,982. This decrease is primarily due to $84,354 from current year amortization of the deferred items related to pension, and a decrease of $160,372 aggregate netting the balances of the deferred inflow of resources related to investment experience to deferred outflow of resources related to investment experience. Offsetting the decreases is an increase of $17,738 from plan actuarial valuation due to the difference between expected and actual plan experience and an increase of $5,006 from change in proportion.
- Deferred items related to OPEB decreased by $27,230 primarily due to $18,148 from current year amortization of the deferred items related to OPEB, and a decrease of $10,049 netting the deferred inflow of resources related to investment experience to the deferred outflow of resources related to investment experience; offset by an increase of $967 from change in proportion.
- Regulatory credits had a decrease of $8,322 reflecting a net change of amount collected from Utilities customers ($50,315) reduced by amount recognized as Rate Stabilization Account revenues ($58,637) from the Electric and Water Utilities during the fiscal year. Additional information about regulatory credits can be found on note 1 of the notes to the financial statements, on page 72.

The largest portion of the City's net position of $2,371,067 reflects its investment in capital assets (e.g. land, buildings, utility plant, machinery, equipment, and infrastructure), net of any related outstanding debt that was used to acquire those assets. The City uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. Net investment in capital assets increased by $131,304 (6%) primarily due to the addition of capital assets offset by a reduction of the related outstanding debt due to current year principal payments and current year addition to accumulated depreciation.

An additional portion of the City's net position of $377,444 represents resources that are subject to external restrictions on how they may be used. This amount increased by $18,657 from the prior fiscal year.

- Restricted net position of the governmental activities increased $3,939 primarily due to increases of $21,631 in unspent restricted resources including gas tax ($3,226), ATID revenues ($6,611), park development fees ($3,545), narcotic asset forfeiture ($3,371), an increase in amount restricted for other grant purposes ($3,274), and an increase in amount restricted in use ($1,604). Offsetting the increases is a decrease of $3,656 drawn down for debt services from the capitalized interest restricted for the 2021 Working Capital Bonds, and a decrease of $14,465 capital spending (total capital asset acquisitions $19,856 less resources received $5,394 during the fiscal year) in Housing, Community and Development, for the acquisitions of three motels for low income housing development.
- Restricted net position in the business-type activities increased by $14,718 primarily due to an increase of $3,015 in resources restricted for debt service, an increase of $1,555 for capital projects primarily restricted for the Electric and Water Utilities' renewal and replacement for utility plant as required per the bond indenture, and an increase of $10,148 primarily for the Electric Utility public benefits projects.

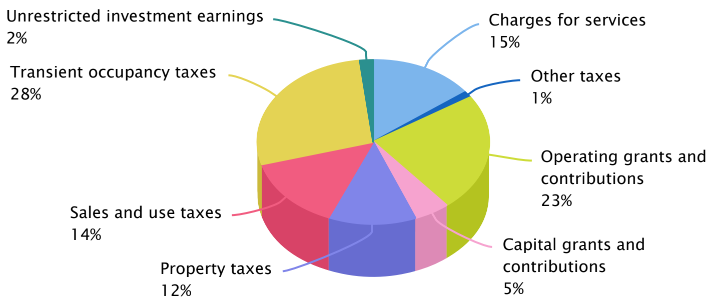
The remaining deficit balance of $371,253 is the unrestricted net position reflecting a decrease in deficit of $107,655 from prior fiscal year.

- Of the total deficit in unrestricted net position, the net effect from the unfunded net pension liability, the unfunded net OPEB liability, and the related deferred inflows and outflows of resources account for $769,304; this deficit amount decreased by $14,431 resulting from plan actuarial valuation for the measurement date of June 30, 2022. The unfunded net OPEB and pension liabilities are long-term liabilities that will be funded annually in accordance with actuarially determined contribution amounts and rates.
- The positive component of the unrestricted net position, excluding the effects of OPEB and pension liabilities, is $398,051 and may be used to meet the City's ongoing obligations to citizens and creditors. This amount increased by $93,224 reflecting results from current year operation.

CHANGE IN NET POSITION
YEAR ENDED JUNE 30, 2023 AND 2022

	Governmental Activities		Business-type Activities		Total Government	
	2023	2022	2023	2022	2023	2022
REVENUES						
Program revenues:						
Charges for services	$ 118,875	$ 105,751	$ 721,850	$ 668,061	$ 840,725	$ 773,812
Operating grants and contributions	189,010	247,271	85	603	189,095	247,874
Capital grants and contributions	40,512	30,090	56,022	31,363	96,534	61,453
General revenues:						
Taxes:						
Property taxes	99,439	94,554			99,439	94,554
Sales and use taxes	108,171	103,374			108,171	103,374
Transient occupancy taxes	224,352	177,057			224,352	177,057
Other taxes	9,952	9,592			9,952	9,592
Unrestricted investment earnings (losses)	14,978	(9,228)	10,619	(6,907)	25,597	(16,135)
Total revenues	805,289	758,461	788,576	693,120	1,593,865	1,451,581
EXPENSES						
Program activities:						
Governmental activities:						
General government	27,444	20,418			27,444	20,418
Police	199,328	147,972			199,328	147,972
Fire & Rescue	107,320	79,516			107,320	79,516
Housing & Community Development	135,971	149,709			135,971	149,709
Economic Development	6,560	3,806			6,560	3,806
Planning & Building	26,883	22,419			26,883	22,419
Public Works	62,687	56,366			62,687	56,366
Community Services	45,984	38,547			45,984	38,547
Public Utilities	2,128	2,075			2,128	2,075
Convention, Sports & Entertainment	28,469	23,879			28,469	23,879
Interest on long-term debt	32,403	33,093			32,403	33,093
Business-type activities:						
Electric Utility			426,491	389,898	426,491	389,898
Water Utility			91,864	95,407	91,864	95,407
Sanitation Utility			71,663	64,186	71,663	64,186
Golf Courses			11,456	8,432	11,456	8,432
Convention, Sports & Entertainment Venues			57,100	51,776	57,100	51,776
ARTIC Management			2,498	2,525	2,498	2,525
Total expenses	675,177	577,800	661,072	612,224	1,336,249	1,190,024
Excess before transfers	130,112	180,661	127,504	80,896	257,616	261,557
Transfers in (out)	15,122	13,056	(15,122)	(13,056)		
Increase in net position	145,234	193,717	112,382	67,840	257,616	261,557
Net position at beginning of year	871,486	677,769	1,248,156	1,180,316	2,119,642	1,858,085
Net position at end of year	$ 1,016,720	$ 871,486	$ 1,360,538	$ 1,248,156	$ 2,377,258	$ 2,119,642

REVENUES BY SOURCE – GOVERNMENTAL ACTIVITIES



Governmental activities increased the City's net position by $145,234. Key elements of this increase are as follows:

The most significant revenues of the governmental activities are general taxes (55%), which include transient occupancy taxes (28%), property taxes (12%), sales and use taxes (14%), and other taxes (1%). Program revenues are 45% of the total revenues of the governmental activities, which include operating grants and contributions (23%), capital grants and contributions (5%), and charges for services (15%); and unrestricted investment income (2%) of the total revenues.

Public safety (Police and Fire & Rescue) expenses are the most significant (46%) of all governmental activities' expenses, followed by Housing and Community Development (20%), Public Works (9%), Community Services (7%), interest on long-term debt (5%), and various other programs (13%). Included in these amounts is depreciation expense, which is 6% of the total expenses for governmental activities.

Governmental activities revenues increased by $46,828 (6%) as compared to the prior fiscal year due to the following:

- Taxes totaling $441,914 increased by $57,337 (15%).

  Transient occupancy taxes (TOT) revenues for fiscal year 2023 is $224,352 and had an increase of $47,295 (27%) as compared to the prior fiscal year. TOT has fully recovered since the pandemic and is currently the highest amount received in City history. TOT is equal to 15% of room sales derived from hotel, motel, and timeshare stays of less than thirty days. In addition to normal revenue growth associated with higher room rates and occupancy, Measure J was affirmed by voters in November 2022 and modernized the City's TOT ordinance. The updated ordinance allows for the collection of TOT on the full value of hotel and short-term rental stays from Online Travel Companies. It also allows for the collection of TOT on guest parking, resort fees, internet, and other room-related charges that were previously excluded.

  The Sales tax revenues totaling $108,171 had an increase of $4,797 (5%). The City's share of sales and use tax is equal to 1% of taxable sales generated within the City (or 1% of the 7.75% sales tax rate). Anaheim is supported heavily by revenues generated within the Anaheim Resort which has fully recovered since the Resort closure during the pandemic. The Anaheim Resort has demonstrated double digit growth in the General Retail and Food Products sectors during the fiscal year. Sales tax revenues in the transportation sector were boosted by highs in new and used auto sales, the construction sector in both wholesale and retail building materials, and business to business sectors and general retail have also reached all-time high during the fiscal year.

  Property taxes totaling $99,439 had an increase of $4,885 (5%). All real and tangible personal property in the State of California is subject to a property tax equal to 1% of its "full cash value." Valuations of real property were frozen at the value of the property in 1975, with an allowable adjustment up to 2% per year for inflation. However, property is reassessed to its current value when a change of ownership occurs. The City receives a portion of the 1% basic levy tax rate. Steady demand and limited supply have continued to fuel a hot market and housing prices are at an all-time high that provided an increase to the base upon which taxes are levied.

- Charges for services increased by $13,124 (12%). Anaheim Tourism Improvement District special assessments (ATID) had an increase of $5,731 resulting from increased hotel room rates and occupancy. The ATID is assessed 2% of the room rent for all hotel facilities located within the ATID boundaries (Anaheim Resort and the Platinum Triangle). Police services provided to Disneyland and other entertainment and special events increased by $2,238 mainly due to increase in demand and billing rates; paramedic revenues increased by $3,687 primarily due to increased numbers of medical transports, and from bringing the Ambulance program in-house; the Economic Development had a $2,335 one-time gain from sale of capital asset. Permits and licenses had an increase of $2,085 due to increased construction activities. Offsetting the increases is a decrease of $3,276 of residual receipts from the Housing Authority ground leases.

- Operating grants decreased by $58,261 (24%).

  A decrease of $53,000 is due to the one-time, second allocation of the federal assistance through the American Rescue Plan (ARP) in the prior fiscal year. The federal assistance was spent to partially offset revenue losses during the Covid-19 pandemic. Emergency rental assistance grants totalling $1,884 had a decrease of $27,687 from the prior fiscal year. The decrease was primarily due to higher COVID-19 related funding allocations from the Federal and the State of California as well as higher volume of claims processed in the prior fiscal year.

  The decrease is partially offset by the following increases: Federal rental assistance and administrative funding for the Housing Choice Voucher (HCV), Mainstream and new Emergency Housing Voucher (EHV) Program had an increase of $7,716 to meet program needs as rental assistance per participant in the combined program increased 5.6% and additional EHV household were assisted. Narcotic asset forfeiture revenues had an increase of $3,857; Homeless Housing, Assistance and Prevention - 3 (HHAP-3) grant for operating the homeless shelters and affordable housing had an increase of $2,193; a total of $1,177 was received from FEMA for the reimbursement of costs provided in support of COVID-19 Super PODS; Accrued revenue of $4,024 of SAFER grant provided by FEMA in support of hiring additional entry-level firefighters to improve staffing level; an increase of a $2,000 one-time grant provided by CalOptima to assist with the rehabilitation of the Tampico Motel for the purpose of converting the site to Permanent Supportive Housing (PSH).

- Capital grants and contributions increased by $10,422 (35%). The increase is primarily attributable to capital asset contributions from developers in public infrastructure ($9,860) and Park development ($1,203); offsetting by a decrease in contributions from property owners for the Platinum Triangle project of $1,235,

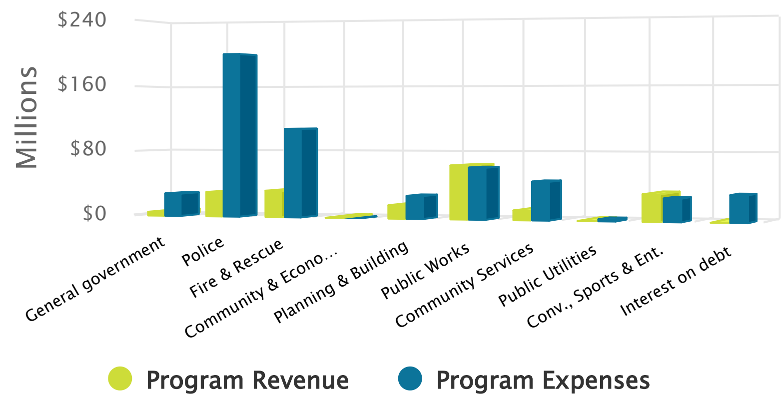
- Unrestricted investment income of $14,978 had an increase of $24,206 (262%). The increase is partially due to increase in realized investment earnings resulting from higher interest rates earned from new investment purchases. Unrealized investment loss was $9,960 favorable compared to last fiscal year.

- Governmental activities net transfer in increased by $2,066 (16%) primarily due to the following:

  Transfer in increased by $3,052 including an increase of $1,915 from the Electric Utility ($1,755) and Sanitation Utility ($160). The transfer is equal to the maximum of 4% current fiscal year total operating revenues adjusted by the true-up of prior fiscal year transfer; an increase of $1,408 from Electric Utility ($1,185) and Water Utility ($223). The transfer is equal to 1.5% of retail electric revenue and net water revenue of the prior fiscal year.

  Partially offsetting the increases is an increase of $986 in Transfer out including a net increase of $4,288 transferred to the Convention, Sports and Entertainment Venues, per debt service requirement; offsetting by a decrease of $2,051 transfer out to the ARTIC Management, per the debt service requirement; and a one-time $1,251 transfer to the Electric Utility in the prior fiscal year for the construction cost of electric facilities in the Platinum Triangle project.

EXPENSES AND PROGRAM REVENUES – GOVERNMENTAL ACTIVITIES



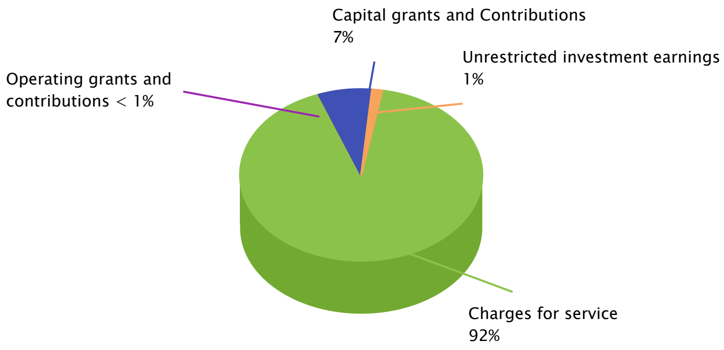
Governmental activities expenses increased by $97,377 (17%) as compared to the prior fiscal year.

Key elements of the change are as follows:

- Pension and OPEB expenses accounted for an increase of $72,262 resulting from large amounts of unfavorable amortization being recognized from the deferred items related to the Pension and OPEB Plans. The increases are due to change in assumption (Pension), and from the difference between projected and actual earnings on Pension Plan and OPEB Plan Investments for the measurement period ended June 30, 2022. Total pension expenses allocated to governmental activities were $71,191 and OPEB expenses were $1,070 higher than prior fiscal year.

- The increase in General government expenses of $7,026 (34%) is primarily due to an increase of $5,812 in pension and OPEB expenses, an increase of $3,380 in the Salvation Army Shelter and Expansion operating costs, partially offsetting by a decrease of $1,572 in operating costs primarily due to post-implementation support for the Permit System in the prior fiscal year.
- The increase in Public safety expenses of $79,160 (35%) is mainly due to an increase in Pension and OPEB expenses of $51,814. Other than the increases in pension and OPEB expenses, Fire Safety had an increase of $12,202 in operating expenses primarily due to increases of $11,342 in labor and employee benefit costs. The increase is partially due to increased labor force operating the in-house ambulance program; vacant positions are also being filled. Employee pay rate and other benefit cost increases contribute to higher labor costs. Fleet repairs and maintenance had an increase of $285 due to increased number of vehicles and ambulances. Police Safety operating expenses increased by $15,144 primarily due to an increase of $14,547 in labor and employee costs. An increase of $2,049 in full-time labor was due to increased hiring for patrol services; full-time overtime had an increase of $3,465 to meet increased demand for police services including increases of $1,712 police services provided to Disneyland and other special events. Narcotic operation had an increased expense of $497 due to increased funding from the Narcotic Asset Forfeiture Fund; Urban Area Security Initiative (UASI) had an increase of $2,786 primarily due to timing of projects.
- The decrease in Housing & Community Development expenses of $13,738 (9%) is primarily due to decrease of $26,766 in expenses related to emergency rental assistance provided to eligible families in need as federal and state funding were provided and higher volume of claims were processed in the prior fiscal year; rental assistance for Housing Choice Vouchers (HCV), Emergency Solutions Grant (ESG-CV) program expense had a decrease of $2,094 primarily due to the grant funding was nearly used up. Partially offsetting the decreases is the increase of $2,359 in pension and OPEB expense; Homeless Housing, Assistance and Prevention program (HHAP) had a increase of $3,268; and the Housing Choice Voucher (HCV), Mainstream Voucher and Emergency Housing Voucher (EHV) program expenses had an increase of $8,000 as property owners raised rents, assistance per household rose 5.6% and and additional EHV households were assisted.
- The increase in Economic Development expenses of $2,754 (72%). This increase consisted of an increase of $1,248 in property management due to increased security services for certain project areas and an increase of $1,026 in various professional services related to economic development activities.
- The increase in Community Services expenses of $7,437 (19%). Pension and OPEB expenses had an increase of $3,713. Other operating expenses had an increase of $3,724. Labor and employee benefit costs had an increase of $2,842 including an increase of $1,396 in part-time labor costs. Higher part-time hours are also staffed to meet the increased demand in community services, library, and recreational classes. Landscape and infrastructure maintenance had an increase of $1,044 to solve deferred maintenance throughout the park system. A one-time expense of $201 was to replace carpet at East and Canyon library damaged by flooding and sewer leaks. Offsetting the increase by a decrease of $351 on water saving due to higher than anticipated level of rain.
- The increase in Public Works expenses of $6,321 (11%) is primarily attributable to the increase of $5,504 in pension and OPEB expenses. Infrastructure and landscape maintenance increased by $3,488 primarily due to increased funding for delayed maintenance; offsetting by a decrease of $2,670 in depreciation expense as older assets were fully or nearly fully depreciated.
- The increase in Planning and Building of $4,464 (20%) included an increase of $2,766 of pension and OPEB expense increases. Other operating costs had an increase of $1,698 primarily due to labor and benefit costs.
- The increase in Convention, Sports & Entertainment expenses of $4,590 (19%) is primarily due to increased payment of $4,251 to Visit Anaheim. The payment is equal to 75% of the ATID revenues.
- The decrease in Interest on long-term debt expenses of $690 (2%) primarily due to lower amount of accrued accretion for the 1997 Anaheim Lease Revenue Bonds.

REVENUES BY SOURCE – BUSINESS-TYPE ACTIVITIES



May not sum to 100% due to rounding

Business-type activities increased the City's net position by $112,382. Key elements of this change are as follows:

Charges for services of 721,850 increased by $53,789 (8%) due to the followings:

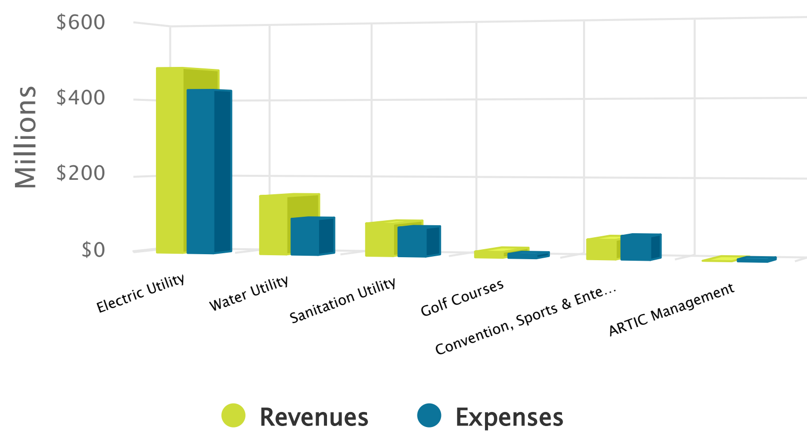
- The increase of $33,705 (8%) in Electric Utilities charges for services is primarily attributable to the following: Retail sales of electricity totaled $348,589, net of uncollectible amounts, and had an increase of $765. The increase is mainly due to incremental increase in retail demand. Wholesales totaled $35,320 and had an increase of $14,680. The increase is primarily attributable to increased demand in the wholesale sector as more energy was sold in the wholesale market. Rate Stabilization Account (RSA) revenue of $58,637 increased by $18,637. Additional information about the RSA can be found in note 1 of the notes to the financial statement on page 72 of this report.
- The decrease of $5,908 (6%) in Water Utilities charges for services included a decrease of $6,154 (6%) in retail sales of water, net of uncollectible amounts. The Water Utility increased its water rates in fiscal year 2023, in conjunction with a decrease in customer demand, drove this relative decrease. Offsetting the decrease by an increase of $246 in other revenues.
- The increase of $8,052 (11%) in Sanitation Utility charges for services included an increase of $6,112 in solid waste and collection fees, and an increase of $1,011 in wastewater fee. The increase reflected an 8% rate increase during the fiscal year. Other revenues had an increase of $833 primarily due to an increase of $790 in sewer mitigation fees.
- The increase of $2,277 (21%) in Golf Courses charges for services had an increase of $641 from Green fees and cart rents; this increase is attributable to increased numbers of players, numbers of rounds played and dynamic pricing. Concession revenues had an increase of $1,624.
- The increase of $15,663 (49%) in the Convention, Sports and Entertainment Venues Fund is primarily due to increased numbers of events held at the Convention Center. Facility rental had an increase of $9,789 and concession revenues had an increase of $5,433.

Capital grants and contribution had an increase of $24,659 (79%) primarily due to an increase in Water Utility of $24,602 (92%) for the PFAS Treatment Facilities attributable to significant increase in construction activity as the first phase is expected to be completed in fiscal year 2024.

Unrestricted investment had an increase of $17,526 (254%) primarily due to higher realized investment income attributable to higher interest rate from investments. Unrealized investment loss was $7,244 favorable compared to last fiscal year.

Business-type activities net transfer out increased by $2,066 (16%) as explained in the net transfer in the governmental activities. There were no other significant changes to note.

EXPENSES AND PROGRAM REVENUES – BUSINESS-TYPE ACTIVITIES



Total expenses of $661,072 increased $48,848 (8%). Key elements of the changes are due to the following:

- The increase in Electric Utility expenses of $36,593 (9%) is due to the following: a) power costs increased by $28,743 (11%). The increase is primarily due to an increase of $23,488 in power generated by the Canyon and Magnolia generating stations due to increased demand in the wholesale sector coupled with higher gas prices. Other purchased power costs, which include transmission cost, ancillary service charges, and major maintenance at our Canyon and Magnolia generating stations had a net increase of $23,182. These increases were offset by a net reduction of $18,255 associated with an increase in carbon credits. b) maintenance, operation and administration had an increase of $10,831 (24%). Pension and OPEB expenses had an increase of $7,736 as previously explained in governmental activities; and an increase of $3,206 in other miscellaneous maintenance.
- The decrease in Water Utility expenses of $3,543 (4%) is due to the following: purchased water and treatment and pumping costs decreased by $2,058 resulting from lower water demand caused by more rainfall during the latter half of the fiscal year. Operation, The amount of overhead capitalized during the fiscal year increased by $3,568 due to increase in capital spending which resulted in a decrease in operating expense; a decrease of $1,148 due to cancellation of a capital project which was found not to be feasible in the prior fiscal year; depreciation expense had a decrease of $758 as older capital assets are near or fully depreciated. Offsetting the decreases is an increase of $3,032 in pension and OPEB expenses and an increase of $1,227 due to increase in contractual services and other miscellaneous maintenance expenses.
- The increase in Sanitation Utility expenses of $7,477 (12%) is primarily due to rate and volume increases in waste disposal services and gate fees ($2,272); labor and employee benefits costs had an increase of $3,655, and an increase of $1,370 due to cancellation of capital projects that was later found to be not feasible. Timing of infrastructure maintenance also partly contributed to the increase in expenses.
- The increase in Golf Courses expenses of $3,024 (36%) reflected higher operating costs along with an increase of 21% in golf course revenues. These increases included increases in contracted services, credit card fees, landscape maintenance, costs of merchandise, costs of food and beverage, and depreciation expenses.
- Convention, Sports and Entertainment Venues expenses had an increase of $5,324 (10%). The increase is primarily due to increased event activities at the Convention Center. Labor and employee benefits expenses had an increase of $8,018 including increases in pension and OPEB expenses of $4,296. Power expenses had an increase of $801. Partially offsetting these increases is a decrease of $2,549 in interest expense attributable to the refunding of the 2021 Convention Center Expansion refunding bonds. Depreciation expense had a decrease of $504 as certain capital assets were near or fully depreciated.
- The decrease in ARTIC Management expenses of $27 (1%) does not have significant change to note.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

At the end of the current fiscal year, the City's governmental funds reported total ending fund balances of $649,006, an increase of $70,546 in comparison with the prior fiscal year.

- Nonspendable fund balance totaled $786 (less than 1%), had a decrease of $43;
- Restricted fund balance totaled $416,085 (64%), had an increase of $56,834;
- Assigned fund balance totaled $178,730 (27%), had an increase of $3,575;
- Committed fund balance totaled $4,007 (1%), had an increase of $64;
- Unassigned fund balance totaled $49,398 (8%) had an increase of $10,116.

Governmental revenues totaled $782,718 increased by $39,497 while expenditures were $739,044 and increased by $88,510. Information about the changes in fund balances, revenues and expenditures are provided in the following analysis of the General Fund, Housing Authority and nonmajor governmental funds, respectively.

General Fund:

The General Fund is the general operating fund of the City. At June 30, 2023, the General Fund reported a total ending fund balance totaling $191,144 and had an increase of $14,123 consisting of the following changes:

- Nonspendable fund balance totaling $646 had an increase of $45 consisting of an increase of $66 in prepaid and a decrease of $21 in inventory.
- Restricted fund balance totaling $13,810 had an increase of $3,780 consisting of an increase of $2,948 in unspent homeless shelter and prevention grants (HAPP) provided by the State of California; an increase of $583 in various unspent restricted Fire and Community Services resources; and an increase of $1,604 of resources that are restricted in use. Partially offset by a decrease of $600 in claims and judgment that was transferred to the Water Utility per the Measure N election result in November 2014, and a decrease of $789 in amount restricted for capital projects from loan proceeds spent for the acquisition of Ambulances.
- Assigned fund balance totaling $115,434 had an increase of $1,395 primarily due to the amount assigned to liquidate outstanding encumbrances.
- Unassigned fund balance totaling $61,254 had an increase of $8,903 reflecting results from current year activities.

General Fund total revenues increased $8,433 (2%) as compared to the prior fiscal year primarily attributable to the following:

- Total taxes increased by $56,970 (15%). Taxes are the largest revenue sources of the General Fund and they accounted for $440,691 of the total General Fund revenues. During fiscal year 2023, transient occupancy taxes (TOT) increased by $47,295 (27%), property taxes increased by $4,885 (5%), sales and use taxes increased by $4,750 (5%); and other taxes increased by $40 (less than 1%). Key elements of the changes in taxes are discussed in the government-wide financial analysis of the governmental activities on page 29 of this report.
- Intergovernmental revenues decreased by $78,068 (83%). The decrease is primarily due to various Covid-19 pandemic federal fundings in the prior fiscal year, including the one-time $53,000 second distribution of the federal assistance ARP, and the $27,687 state and federal emergency rental assistance. These decreases were partially offset by an increase of $2,193 in state provided HHAP 2 and HHAP 3, and the one-time $1,177 FEMA distribution of labor reimbursement provided in support of COVID-19 Super PODS.
- Charges for services increased by $12,504 (38%) primarily due to an increase of $4,635 in emergency transport recovery revenues attributable from bringing the Ambulance program in-house, and an increase of $2,872 for federal ground emergency transport reimbursement. Police services provided to Disneyland and other entertainment and special events had an increase of $2,287 as demand for police services increased, paramedic services provided to Disneyland had an increase of $558. Other services in the aggregate had an increase of $2,152.
- Use of money and property had an increase of $13,821. Realized investment income had an increase of $4,645 primarily due to higher interest rates earned; unrealized investment loss had a favorable decrease of $5,468 compared to last fiscal year. Following the public hearing held on September 22, 2022, the City Council adopted Resolution 2022-124 authorized the sale of real property of approximately 6.4 acres located at 1314 South Sanderson Avenue and 1370 South Sanderson, Anaheim to Developer Powerline Properties, LLC for the purpose of off-site parking to support the “ocV!be”, a mixed use project. The sale brought in $4,970 land sale proceeds.

General Fund expenditures increased by $43,318 (11%) primarily due to the following:

- An increase of $3,875 in City Administration is primarily due to increased operating expenses of the Salvation Army Shelters.
- An increase of $21,416 in Police is primarily due to increased staffing for patrol services, position vacancies being filled, increases in employee pay rates and benefit costs, and increases in service demand. The increase is also attributable to increased Intragovernmental service charges (IGS) in self-insurance due to higher insurance premium and claim costs, and fleet replacement and maintenance which the City suspended for the past two fiscal years to generate budget savings.
- An increase of $15,107 in Fire and Rescue is mainly due to increases in labor and employee benefit costs attributable to vacant positions being filled, and the operation of the in-house ambulance program. IGS charges also had an increase as previously discussed.
- An increase of $4,981 in Public Works is primarily due to increase in deferred landscape and infrastructure maintenance expenses. IGS charges also had an increase as previously discussed.
- An increase of $2,362 in Planning & Building is primarily due to increased labor and employee costs, and contracted consultant and plan checks attributable to increased service demand for plan check, permit issuances, and building services.

- An increase of $5,755 in Community Services is primarily due to increased labor and employee benefit costs with an increased part-time labor to staff the increased demand in community services, library and recreation classes. The increase ($1,055) was to solve deferred maintenance throughout the park system including tree trimming, replacing damaged security lights, safety enhancement at athletic fields.
- An increase of $10,692 in capital outlay is due to the $10,730 subscription technology, per implementation of GASB No. 96.
- An increase of $2,374 in principal and interest debt service payment primarily due to debt service payments on the new leases and subscription-based information technology arrangements (SBITA) related to intangible right-to-use assets and subscription information technology.
- Partially offsetting the above increases is a decrease of $25,162 in Housing and Community Development primarily due to decrease in emergency rental assistance payments. There was a high volume of claims processed in the prior fiscal year due to federal funding for emergency rental assistance.

General Fund other financing sources increased by $8,114 primarily due to the financing for the SBITA subscriptions of cloud- based information technology used by the Police and Fire Departments ($10,730), offset by the decrease of $1,500 loan issuance for additional ambulance acquisitions in the prior fiscal year.

General Fund Transfers in increased by $1,286 primarily due to a transfer of $1,466 from the Other Capital Improvement nonmajor capital fund to support budget amendments adopted by City Council for Community Services.

General Fund Transfers out increased by $2,485 (2%) including the following increases:

- An increase of $23,644 in transfers out to the Anaheim Resort Improvements Debt Service Fund. This increase is due to increases in Lease Payment Measurement Revenues (LPMR). Additional information about LPMR can be found in note 10 on page 91 of the notes to the financial statements of this report;
- An increase of $5,246 to the Convention, Sports and Entertainment fund for debt services.
- Partially offsetting the above increases by the decrease of a one-time $7,433 transferred to the Municipal Facilities nonmajor debt service governmental fund for the 2021 working capital bonds capitalized interest balance in the prior fiscal year;
- A decrease in one-time transfer of $13,000 to the nonmajor capital project fund for Neighborhood projects ($10,000) and Fire Station 4 improvements ($3,000) in the prior fiscal year; and
- A decrease of $5,240 in one-time transfer to the Municipal Facilities Maintenance internal service fund for deferred maintenance projects in the prior fiscal year.

Housing Authority

The Housing Authority reported a fund balance totaling $78,306 at June 30, 2023, and had a decrease of $7,354.

- Restricted fund balance totaling $33,450 decreased by $10,693 primarily due to $19,750 spent for the acquisitions of three motels for low income housing development; offset by the receipt of $5,394 of Permanent Local Housing Allocation grant funding provided by the State of California for the purchase of the Tampico Motel.
- Assigned fund balance for housing projects totaling $44,809 had an increase of $3,334 primarily due to development and homebuyer loan payments and residual receipts from housing ground leases.

The Housing Authority revenues totaled $126,271 and had an increase of $11,001. The increase consists of the following:

- Intergovernmental revenues from Federal rental assistance and administrative funding for the Housing Choice Voucher (HCV), Mainstream Voucher and Emergency Housing Voucher (EHV) programs increased $7,716 to meet program needs as rental assistance per participant in the combined programs rose 5.6% and additional EHV households were assisted.
- Use of money and property increased $5,047 primarily due to a favorable decrease of unrealized investment loss of $2,644 and an increase of $2,331 in housing development and homebuyer loan payments.
- Lease revenues had a decrease of $3,276 due to a decrease of $3,276 from housing ground leases.
- Other revenues increased $1,469 due to the receipt of casualty insurance proceeds from the fire and subsequent demolition of a Housing Authority owned property at 331 West Carl Karcher Way.

The Housing Authority expenditures totaled $139,019 increased by $21,398 (18%). This increase is primarily due to the following:

- On-going rental assistance expenditures for the Section 8 HCV, Mainstream and Emergency Housing Voucher programs rose $8,000 as rental assistance per participant in the combined program increased 5.6% and additional EHV households were assisted.
- Project development and program administration costs increased $2,415.
- Housing development loan disbursements had a decrease of $7,401.
- Capital outlay increased $19,771. The Housing Successor Low Mod Income Housing Fund purchased three motels totaling $19,750 for the purpose of developing low income housing.

Net transfer increased by $4,584 consisting of the following:

- Transfer in had an increase of $2,837. A transfer in from the Grant nonmajor special revenue of $5,394 Permanent Local Allocation grant funding provided by the State of California to purchase the Tampico Motel in the current fiscal year, offset by $2,451 of federal HOME funding for the Miraflores Apartments project in the prior fiscal year.
- Offseting a decrease in transfer out of $1,747 from prior year transfer to the General Fund ($1,260) for the purchase of the City's Matrix/ Midway right of way parcel added to the Miraflores Apartment project, and $487 of Section 8 Emergency Housing Voucher service fees transferred to the Grant nonmajor special revenue fund.

<u>Nonmajor governmental funds</u>

Nonmajor governmental funds reported fund balances totaled $379,556 reflecting an increase of $63,777. The change consists of the following:

- Nonspendable fund balance had a decrease of $93. There is no significant change to note.
- Restricted fund balance totaling $368,825 had an increase of $63,747. Of this increase, fund balance restricted for debt services increased by $56,845 which included an increase of 60,804 for the Resort bonds resulting from the increases of LPMR (refer to note 10 on page 91 for discussion related to LPMR); offset by the decrease of $3,959 in amount restricted for debt services of which $3,656 was capitalized interest restricted for the 2021 Working Capital Bonds debt service. Fund balance restricted for streets, roads and transportation improvements had an increase of $9,847 primarily due to increase in ATID funds of $6,611 attributable to increase in ATID revenues, and an increase in Narcotic Asset Forfeiture fund of $3,371 due to timing of revenue distribution from the U.S. Treasury. Offsetting the increase by a decrease of $2,511 in fund balance restricted for development impact projects from capital spending.
- Assigned fund balance totaling $18,487 had a decrease of $1,154 resulting from a transfer out of $1,466 to the General Fund to provide resources for service enhancement in the Community Services Department.
- Unassigned fund balance deficit totaling $11,856 had a decrease in deficit of $1,213. The deficit fund balance will be eliminated in future years by the receipts of grant expenditures. There is no other significant changes to note

Total nonmajor governmental funds revenues increased by $20,063 (22%). The most significant factors of the changes are discussed in the government-wide financial analysis of the governmental-activities.

- Charges for services increased by $5,949 (22%) attributable to increases in ATID assessment revenues ($5,731) as previously discussed.
- Intergovernmental revenues increased by $5,833 (11%). The Narcotic Asset Forfeiture fund had an increase of $3,857 due to timing of revenue distribution from the U.S. Treasury and Department of Justice. Gas tax had an increase of $1,167 partly due to increases in gas price. Street Construction had an increase of $2,236 of which $1,132 was recognized as revenues from advanced funding as the project started construction during the fiscal, and $503 was recognized from prior year deferred revenues. CDBG had an increased $1,334 entitlement draw due to increased spending. A one-time grant of $2,000 was provided by CalOptima to partially provide funding in assistance with the rehabilitation of the Tampico Motel for the purpose of converting the site to Permanent Supportive Housing (PSH). An increase of $2,420 from UASI grant reimbursements due to timing of project expenditures. Offsetting the above increases is a decrease from a one-time $5,500 homeless affordable housing State grant; and a decrease of $3,134 in ESG due to lower spending as the grant was nearly used up.
- Licenses, fees and permits increased by $2,019 (33%) primarily due to the one-time development fees received from the Zia Apartments and Anton Vida Apartments.
- Contribution from property owners had a decrease of $1,236 primarily due to higher funds received in the prior fiscal year for the Mello-Roos capital projects in the Platinum Triangle District.

- Use of money and property totaling $12,368 had an increase of $7,507 (154%) mainly due to increase in realized investment income of $6,492 attributable to the higher investment interest rates; unrealized investment loss had a favorable decrease of $2,717 compared to prior fiscal year; rent revenues had an increase of $741. Offsetting the increases by a decrease of a one-time land sale distribution of $1,196 restricted resource for the CDBG in the prior fiscal year; and $1,208 lower collection of loan revenues.

Total nonmajor governmental funds expenditures increased by $23,596 (19%) due to the following:

- An increase of $4,251 is for the payment to Visit Anaheim which is equal to 7% of ATID, as previously discussed.
- An increase of $2,803 is for the UASI expenditures primarily due to timing of project expenditures.
- An increase of $2,220 in Interest charges is primarily due to a full year interest charge of $3,656 compared to a six month interest payment of $1,919 in the prior fiscal year for the 2021 Working Capital bonds issued in June 2021.
- An increase of $505 in principal payment is primarily due to $334 in principal payment for a SBITA during the fiscal year.
- Capital outlay had an increase of $14,089 primarily due to timing of projects. This increase included the construction of street improvements on the Orangewood Street Widening ($6,340), neighborhood improvements in Willowbrook ($2,795), and Sabina Area B ($2,285).
- The increases were offset by a decrease of $3,560 for the payment in the prior fiscal year from the Long Range Property Management Plan for distribution of the land sale proceeds of the former Redevelopment Agency properties to the County of Orange.

Total nonmajor governmental funds Other Financing sources and uses increased by $5,492 (6%) due to the following:

- Transfer in increased $1,868. The increase is primarily attributable to an increase of $22,644 in LPMR; offsetting by one-time transfers of $20,132 in the prior fiscal year from the General Fund including $7,132 of the capitalized interest for the 2021 Working Capital Bonds, $3,000 for the Fire Station 4 capital improvement,and $10,000 for neighborhood improvements.
- Transfer out decreased by $2,404. Transfer out to the ARTIC Management for the ARTIC loan debt services decreased by $2,000 due to decreased amount of debt services as the loan is close to payoff. A decrease of $1,251, a one-time transfer to the Electric Utility for the reimbursement of electric facilities in the Platinum Triangle capital project in the prior fiscal year. Offsetting the decrease by an increase of $1,466 transfer to the General Fund to support budget amendments adopted by City Council for Community Services.
- Other financing sources included $1,418 SBITA financing for subscription of the information technology used by the Police Department.

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

- The Electric Utility net position increased by $41,611 (9%) in the current fiscal year.
- The Water Utility fund net position increased by $55,824 (23%) in the current fiscal year.
- The Sanitation fund net position increased by $9,194 (7%) in the current fiscal year.
- The Golf Courses fund net position increased by $1,516 (20%) in the current fiscal year.
- The Convention, Sports and Entertainment Venues fund net position increased by $1,155 (1%) in the current fiscal year.
- The ARTIC Management fund net position decreased by $105 (less than 1%) primarily due to amortization of current year depreciation expense offset by amount transfer in.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, the original budget was amended to increase appropriations by $30,460 (7%). The increase in appropriations was primarily the result of the carryover of prior year appropriations and amendments amounting to $16,271 and the reallocation of appropriations from other funds of the same departments of $14,189. These amendments were to be funded from savings in other programs of the General Fund during the year.

General Fund revenues of $544,136 were greater than budgeted revenues of $476,576 by $67,560 (14%), primarily due to stronger than anticipated performance of transient occupancy taxes as the Anaheim's tourism has rebounded more quickly than expected since the pandemic. TOT accounted for $39,975 of the favorable variance between budget and actual. Sales and use tax revenues had an increase of $4,868; Emergency Medical Transport revenues exceeded budget by $5,860; investment income had a favorable variance of $4,042 due to higher interest rates, and the proceeds from sales of land exceeded budget by $4,920.

General Fund expenditures were less than budgeted. Of the total appropriations of $456,837, approximately 2%, or $8,316, went unspent. General Fund labor costs were below budget by $2,656. The favorable variance in labor savings was mainly resulting from employee turnover and the time between an employee leaving and the recruitment of a new employee. There were no other significant variances to note.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS
(net of accumulated depreciation)
JUNE 30, 2023 AND 2022

	Governmental Activities		Business-type Activities		Total Government	
	2023	2022	2023	2022	2023	2022
Land	$ 711,219	$ 694,224	$ 93,331	$ 93,331	$ 804,550	$ 787,555
Construction in Progress	57,339	43,674	271,313	167,595	328,652	211,269
Building, structures, and improvements	218,517	218,505	645,836	658,187	864,353	876,692
Utility plant			1,273,265	1,270,801	1,273,265	1,270,801
Machinery and equipment	44,501	44,382	16,880	18,807	61,381	63,189
Lease assets	5,191	4,699	3,458	3,019	8,649	7,718
Subscription assets*	27,841	3,432	649	822	28,490	4,254
Infrastructure	457,699	453,525			457,699	453,525
Total	$ 1,522,307	$ 1,462,441	$ 2,304,732	$ 2,212,562	$ 3,827,039	$ 3,675,003

*Restated 2022 to include subscription assets due to implementation of GASB No. 96.

Capital assets

The City's investment in capital assets for its governmental and business-type activities at June 30, 2023 amounted to $3,827,039 (net of accumulated depreciation). This investment in capital assets included land, construction in progress, buildings, structures, and improvements, intangible right-to-use assets, utility plant, machinery and equipment, and infrastructure. The total increase over the prior fiscal year was $152,036 (4%), of which governmental activities increased by $59,866 (4%) and business-type activities increased by $92,170 (4%).

Governmental activities capital asset additions totaled $114,838, capital asset transferred in from the business-type activities of $33, offset by current year depreciation of $48,317, and retirement of capital assets, net of accumulated depreciation of $6,688. Major capital asset activities during the current fiscal year include the following:

- Land had a net increase of $16,995 including an increase of $16,704 for the acquisitions of the Anaheim Lodge, Covered Wagon and Tampico motels, an increase of $1,764 for the Aloe Promenade Park, and $1,162 of public right-of-way of which $862 was contributed by developers.

  Land, approximately 6.4 acres located at 1314 South Sanderson and 1370 South Sanderson, Anaheim, with a book value of $2,635 was sold at a fair market value of $4,970 and generated a realized gain of $2,335. The realized gain was reported as program income in the Economic Development.

- Construction in progress (CWIP) had a net increase of $13,665 consisting of $44,089 in project additions, completion of $29,409 and cancellation of $1,015. The additions of works in progress include $23,116 of infrastructure construction, $3,166 in park developments, $11,059 in building, structure and improvements, $2,091 implementation costs for the Enterprise Resource Planning system (ERP) upgrade, $5,521 in land acquisition, and $1,119 in equipment acquisitions.

Major additions to construction in progress during the fiscal year included the following:

Street improvements: Orangewood widening ($5,310), Project Amboy- Residential street improvement ($3,171), Weir Canyon ($1,987), Euclid street ($1,867)

Building, structures and improvements: Platinum Triangle Area-Riverwalk ($1,030), Downtown Open Space ($992), Soccer field upgrade ($429), Brookhurst Park improvements ($690), HVAC project at the Honda Center ($3,366), Fire Stations ($1,241)

- Building, structures and improvements had a net increase of $12 including capital asset additions of $7,578, transfer in from CWIP upon project completion of $11,550, capital asset retirement, net of accumulated depreciation, of $2,855, and offsetting by current year depreciation expense of $16,261. Major additions included the following: Tampico Motels ($3,152), Aloe Promenade park ($1,203), City Hall HVAC upgrade ($490), LED Lighting at various parks ($340), Euclid and Central Library Landscape ($560), and the improvements at the Honda Center ($12,850).

  Retirement of the building at 331 W Karcher, Anaheim with a net book value of $2,812 was due to damage by fire. Casualty insurance recovery of $2,346 partially offset the loss from retirement of the asset. The balance from the loss of the capital asset retirement ($466) was expensed as program expense in the Housing, and Community Development.

- Machinery and equipment had a net increase of $119 including addition and transfer in from CWIP of $7,764, offset by retirements, net of accumulated depreciation, of $182 and current year depreciation of $7,463. Addition of $3,001 is for information technology and software, $1,897 is for vehicle acquisitions including $805 in acquisition for ambulances, office equipment and furniture of $566, and field equipment of $2,035.

- Infrastructure had a net increase of $4,174 including additions of $13,527, transfer in from CWIP upon project completion of $11,789, offsetting by current year depreciation of $21,142. Major projects included the following: Katella Avenue improvement ($8,125), Ball Road ($2,156), Sabina Area B Neighborhood improvement ($4,975), Willowbrook Neighborhood improvement ($2,917), Riverdale Neighborhood improvement ($747), Orangewood to Broadway street improvement ($607). Storm drain construction at various locations ($2,181), and traffic signals at various locations ($572).

- Lease equipment had a net increase of $375 primarily from current year addition of computer leases.

- Subscription assets had a net increase of $24,409 including the ERP system, and various Police Department subscription assets.

- Contributions of capital assets from various external sources included $12,058 of structural improvements in the Honda Center, $12,231 in right-of-way and infrastructure, and $1,203 in park development.

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

- The Electric Utility net increase of $21,853 (2%) included capital asset additions of $70,171, and offset by $48,318 for the current year in addition to accumulated depreciation. Construction in progress increased by $34,793 mainly due to $69,212 in additions of capital projects offset by work completed of $34,419. During the fiscal year, the Electric Utility completed construction of the undergrounding of the area of Euclid Avenue from Broadway to Crone and Euclid from Ball to Sallie Lane as part of the Undergrounding District 50 Phase II and III as well as completion of Underground District 65, which includes the area located at Royal Oak Road to Santa Ana Canyon Road to Nohl Ranch Road. During the fiscal year, there were also additional installations of 2kV and 69kV as part of the Platinum Triangle Line Extension. Additionally, the Electric Utility completed the Automation of Meter Infrastructure (AMI) project, which consists of installation of collectors, antennas, associated equipment, and software. Other major projects such as the replacement of switchgear and transformers at our substations.

- The Water Utility increase of $82,987 (19%) included capital asset additions of $95,669, offset by current year accumulated depreciation addition of $12,682. Construction in progress increased by $68,003 primarily due to work in progress additions of $93,181 offset by works completed of $25,178. Major water main replacement projects completed during the fiscal year include the following: Rural Ridge Circle, Shady Lane, Olive Avenue and County Hill Road, Imperial/Big Sky, and Lincoln and Dahlia/Dwyer Drive.

- The Sanitation Utility increase of $3,997 (less than 1%) included capital asset additions of $8,255 and offset by the current year additions to accumulated depreciation of $2,856; cancellation of $1,369 in work in progress and $33 of assets transferred to governmental activities. Construction work in progress increased by $4,241 primarily due to additions of $6,048 of sanitary improvements on various city locations, offset by work completed of ($406) on Center Greens.

- The Golf Courses increase of $1,132 (11%) included current year additions of $2,039 of which $837 is lease golf carts, offset by retirement of lease equipment, net of accumulated depreciation of $51, and the current year additions of $856 to accumulated depreciation. The additions to capital assets are primarily for the golf courses improvement and building improvements.
- The Convention, Sports and Entertainment Venues decrease of $15,545 (4%) is primarily due to current year depreciation of $18,539 offset by additions to capital assets of $2,994. Completion of construction work in progress was $4,233 improvement to the facility.
- The ARTIC Management decrease of $2,254 (1%) is mainly due to capital asset additions of $129 offset by current year addition to accumulated depreciation of $2,383.

Additional information on the City's Capital Assets can be found in notes 1 and note 7 of the notes to the financial statements, on page 70 and page 87 of this report.

LONG-TERM LIABILITIES
JUNE 30, 2023 AND 2022

	Governmental Activities		Business-type Activities		Total Government	
	2023	2022	2023	2022	2023	2022
Long-term debts:						
Interest payable			$ 3,766	$ 3,747	$ 3,766	$ 3,747
Lease payable	$ 4,727	$ 4,375	2,880	2,997	7,607	7,372
Subscription payable*	22,261	3,432	655	822	22,916	4,254
Notes and loans payable from direct borrowing	17,077	21,473	310	2,402	17,387	23,875
Revenue bonds	645,361	666,167	1,238,884	1,304,522	1,884,245	1,970,689
Total	689,426	695,447	1,246,495	1,314,490	1,935,921	2,009,937
Other long-term liabilities:						
Due to other governments	19,020	19,020			19,020	19,020
Self-insurance claim liability	59,088	58,519			59,088	58,519
Compensated absences	25,187	24,459			25,187	24,459
San Juan reclamation liability			4,217	4,942	4,217	4,942
Provision for decommissioning liability			80,728	87,779	80,728	87,779
Net OPEB liability	92,971	81,027	29,751	26,122	122,722	107,149
Net pension liability	731,639	408,413	184,189	101,693	915,828	510,106
Total	927,905	591,438	298,885	220,536	1,226,790	811,974
Total long-term liabilities	$ 1,617,331	$ 1,286,885	$ 1,545,380	$ 1,535,026	$ 3,162,711	$ 2,821,911

* Restated 2022 to include Subscription payable due to the implementation of GASB No. 96.

Long-term liabilities

At June 30, 2023, The City's outstanding long-term liabilities totaled $3,162,711 increased by $340,800 (12%) in which long-term debts decreased by $74,016, and other long-term liabilities increased by $414,816.

Long-term debts including revenue bonds, notes and loans payable, lease payable, subscription payable, and interest payable due in more than one year totaled $1,935,921 at June 30, 2023. Key changes include the following:

Long-term debts in Governmental activities totaled $689,426, and decreased by $6,021 (1%).

- Principal payments of $24,674 on bonds, notes, lease and subscription payable, payment made on the accretion of capital appreciation bonds of $19,217, and the annual amortization of discounts/premium of $2,868 decreased the long-term debt balances.
- New debt issuances and the accretion accrued totaling $40,738 offsetting the above decreases and included the following: a) an increase of $17,075 for the current year accrued accretion payable; b) an increase of $1,708 in lease equipment, and an increase of $80 in lease building; and c) an increase of $21,875 in subscription payable including the ERP software system and various Police Department subscription software.

Long-term debt in the business-type activities totaled $1,246,495, decreased by $67,995 (5%) due to the following:

- 2022 Electric Revenue Refunding Bonds Series E in the principal amount of $34,095 and at a premium of $3,773 was issued to refund the remaining outstanding principal balance of the 2012

A Electric revenue bonds ($45,995). This refunding decreased long-term debt by $8,127.

- Principal payments of $50,259 on bonds, notes, leases and subscription payable, $8,127 for current year amortization of premium/discount, the unamortized premium balance of the 2012A bond ($1,782) was adjusted to deferred inflow of resources related to refunding bonds. Offset the decrease is an increase of $19 for a long-term interest payable for the ARTIC loan.

Other long-term liabilities include self-insurance, compensated absences, provision for decommissioning liability, net OPEB liability, and net pension liability totaling $1,226,790 increased by $414,816 at June 30, 2023. Key changes include the following:

- Other long-term liabilities in the governmental activities totaled $927,905 increased by $336,467 (57%). Self-insurance claim liability, based on actuarial valuation, increased by $569, compensated absences liability increased by $728, net pension liability, per plan actuarial valuation, increased by $323,226 primarily due to the plan unfavorable difference between projected and actual investment earnings and change of assumption; Net OPEB liability had an increase of $11,944 primarily due to plan unfavorable difference between projected and actual investment experience.
- Other long-term liabilities in the business-type activities totaled $298,885 increased by $78,349 (36%). Net OPEB liabilities increased by $3,629 and net pension liability increased by $82,496, as previously discussed, San Juan reclamation liability decreased by $725 from current year payment, Decommissioning liabilities had a net decrease of $7,051 due to current year payment of $9,326, offsetting by interest earned in the account of $1,341 and transfer in from the deferred inflow of resources - regulatory business of $933 to maintain the liability balance per the estimated liability of the decommissioning study.

Additional information on the City's long-term liabilities can be found in notes 8, 10, 11, 12, 13, 14 and 15 of the notes to the financial statements, on pages 88-113 of this report.

ECONOMIC FACTORS

Tourism plays a significant role in the economies of California, Orange County and the City of Anaheim (City). Anaheim has been able to compete for and capture a significant portion of tourism revenues. Anaheim's tourism has rebounded more quickly and stronger than expected post-pandemic. TOT for fiscal year 2023 was $224 million, the highest in the City's history and is expected to grow another 6% in fiscal year 2023-2024.

For the 2024 fiscal year, the City appropriated $494,336 in estimated available resources of $573,500 for General Fund spending. This leaves $79,163 in estimated available reserves, which is 16% of General Fund appropriations. The City's long-standing policy is to maintain General Fund reserves of at least 7% to 10% of annual appropriations.

The City annually reviews all of its fees as part of the budget adoption process. Developer, construction, and other fees applicable to residents and developers doing business in the City are adjusted each year to reflect recurring costs.

California Senate Bill 100 (SB 100) signed into law in September 2018 and adjusted the Renewable Portfolio Standard (RPS) that all California utilities are required to reach. The new RPS mandate is that California utilities, at a minimum, must use renewal resources to serve 38.5% of their retail load by 2022, 50% by 2026, and 60% by 2030. SB 100 also set a state policy goal to have 100% of retail sales be served by carbon-free resources by 2045. The Electric Utility uses a number of strategies to mitigate potential cost impacts while striving to meet and/or exceed state energy targets.

For fiscal year 2023, the Orange County Water District (OCWD) set the Basin Production Percentage (BPP) for all cities and water districts they serve at 77%. The Water Utility's Water Rates, Rules, and Regulations provide for an automatic adjustment of its commodity adjustment when OCWD and Municipal Water District (MWD) increase or decrease the cost per acre foot of water. As approved on March 18, 2008, the Water Utility instituted a charge to all customers for a Water System Reliability Adjustment (WSRA). The Water Utility increased the WSRA to $0.975 per 100 cubic foot on April 3, 2023 per the stipulated formula as approved by the Anaheim City Council. This charge recovers projected capital costs, including rehabilitation and construction of water and reclaimed water system infrastructure and the related debt service payments.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the Finance Director, City of Anaheim, 200 South Anaheim Boulevard, Suite 643, Anaheim, California, 92805. The City's Annual Comprehensive Financial Report can also be found on the City's website at www.anaheim.net.

Basic Financial Statements

ANAHEIM, CALIFORNIA

Statement of Net Position
June 30, 2023 (In thousands)

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 173,120	$ 46,046	$ 219,166
Investments	327,662	171,443	499,105
Restricted cash and cash equivalents	89,173	38,036	127,209
Restricted Investments	16,742	84,336	101,078
Accounts receivable, net	44,894	88,257	133,151
Accrued interest receivable	2,770	1,915	4,685
Lease receivable, net	1,075	1,813	2,888
Internal balances, net	14,914	(14,914)	
Due from other governments	53,437		53,437
Inventories	1,819	30,558	32,377
Land held for resale, net	21,327		21,327
Prepaid and other assets	6,164	42,931	49,095
Total current assets	753,097	490,421	1,243,518
Noncurrent assets:			
Restricted cash and cash equivalents	72,882	125,715	198,597
Restricted investments	56,980	86,074	143,054
Prepaid and other assets		89,616	89,616
Unamortized prepaid bond insurance	787	547	1,334
Lease receivable, net	10,725	7,538	18,263
Notes receivable, net	73,819		73,819
Due from Successor Agency	3,666		3,666
Capital assets, net:			
Nondepreciable	768,558	364,644	1,133,202
Depreciable	753,749	1,940,088	2,693,837
Total noncurrent assets	1,741,166	2,614,222	4,355,388
Total assets	2,494,263	3,104,643	5,598,906
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding bonds	23,045	13,619	36,664
Deferred OPEB related items	29,350	9,025	38,375
Deferred pension related items	234,363	61,930	296,293
Total deferred outflows of resources	286,758	84,574	371,332

(Continued)

Statement of Net Position
June 30, 2023 (In thousands)

	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	$ 57,761	$ 95,458	$ 153,219
Wages payable	7,693	1,322	9,015
Interest payable	5,542	15,899	21,441
Lease payable, current portion	990	173	1,163
Subscription payable, current portion	4,003	167	4,170
Deposits	9,545	15,727	25,272
Unearned revenues	11,353	224	11,577
Other long-term liabilities, current portion	32,512		32,512
Long-term debts, current portion	41,432	53,195	94,627
Total current liabilities	170,831	182,165	352,996
Noncurrent liabilities:			
Interest payable		1,883	1,883
Lease payable	3,737	2,707	6,444
Subscription payable	18,258	488	18,746
Other long-term liabilities	70,783	84,945	155,728
Long-term debts	621,006	1,185,999	1,807,005
Net OPEB liability	92,971	29,751	122,722
Net pension liability	731,639	184,189	915,828
Total noncurrent liabilities	1,538,394	1,489,962	3,028,356
Total liabilities	1,709,225	1,672,127	3,381,352
DEFERRED INFLOWS OF RESOURCES			
Deferred item related to leases	11,398	9,193	20,591
Deferred Regulatory credits		97,331	97,331
Deferred Regulated business activities		14,840	14,840
Deferred item on refunding bonds		13,444	13,444
Deferred OPEB related items	30,825	11,629	42,454
Deferred pension related items	12,853	10,115	22,968
Total deferred inflows of resources	55,076	156,552	211,628
NET POSITION			
Net investment in capital assets	1,198,057	1,173,010	2,371,067
Restricted for:			
Debt services	139	38,044	38,183
Capital projects	93,039	39,498	132,537
Housing and Community development	107,470		107,470
Streets, roads and transportation improvement projects	56,945		56,945
Other purposes	23,789	18,520	42,309
Unrestricted	(462,719)	91,466	(371,253)
Total net position	$ 1,016,720	$ 1,360,538	$ 2,377,258

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

Statement of Activities
Year Ended June 30, 2023 (In thousands)

			Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs								
Governmental activities:								
General government	$ 44,524	$ (17,080)	$ 1,560	$ 2,308		$ (23,576)		$ (23,576)
Police	194,300	5,028	14,861	14,232	$ 34	(170,201)		(170,201)
Fire & Rescue	106,422	898	27,211	5,481		(74,628)		(74,628)
Housing & Community Development	135,293	678	8,891	137,826	5,398	16,144		16,144
Economic Development	6,236	324	5,949	40		(571)		(571)
Planning & Building	25,802	1,081	13,761	1,451		(11,671)		(11,671)
Public Works	62,614	73	22,695	25,695	16,595	2,298		2,298
Community Services	45,230	754	3,089	1,977	7,428	(33,490)		(33,490)
Public Utilities	2,128					(2,128)		(2,128)
Convention, Sports & Entertainment	28,218	251	20,858		11,057	3,446		3,446
Interest on long-term debt	32,403					(32,403)		(32,403)
Total governmental activities	683,170	(7,993)	118,875	189,010	40,512	(326,780)		(326,780)
Business-type activities:								
Electric Utility	421,481	5,010	481,991		3,619		$ 59,119	59,119
Water Utility	90,612	1,252	96,331		51,446		55,913	55,913
Sanitation Utility	71,041	622	82,626	85	111		11,159	11,159
Golf Courses	11,360	96	12,986				1,530	1,530
Convention, Sports and Entertainment Venues	56,087	1,013	47,916		717		(8,467)	(8,467)
ARTIC Management	2,498				129		(2,369)	(2,369)
Total business-type activities	653,079	7,993	721,850	85	56,022		116,885	116,885
Total government	$ 1,336,249	$	$ 840,725	$ 189,095	$ 96,534	(326,780)	116,885	(209,895)

	Governmental Activities	Business-type Activities	Total
General revenues:			
Taxes:			
Property taxes	99,439		99,439
Sales and use taxes	108,171		108,171
Transient occupancy taxes	224,352		224,352
Other taxes	9,952		9,952
Unrestricted investment income	14,978	10,619	25,597
Transfers	15,122	(15,122)	
Total general revenues and transfers	472,014	(4,503)	467,511
Change in net position	145,234	112,382	257,616
Net position at beginning of year	871,486	1,248,156	2,119,642
Net position at end of year	$ 1,016,720	$ 1,360,538	$ 2,377,258

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

Balance Sheet
Governmental Funds
June 30, 2023 (In thousands)

	General	Housing Authority	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 114,235	$ 12,518	$ 31,310	$ 158,063
Investments	83,649	51,457	130,003	265,109
Restricted cash and cash equivalents	4,066	1,595	153,687	159,348
Restricted investments	16,742		56,980	73,722
Accounts receivable, net	34,859	162	2,588	37,609
Accrued interest receivable	901	247	1,318	2,466
Due from other funds	1,954	8,558	9,799	20,311
Due from other governments	26,030	685	26,722	53,437
Inventories	334			334
Land held for resale, net		6,032	15,295	21,327
Prepaid and other assets	312	47	93	452
Due from Successor Agency			3,666	3,666
Lease receivable	2,458	227	9,115	11,800
Notes receivable, net	8,177	49,383	16,259	73,819
Total assets	$ 293,717	$ 130,911	$ 456,835	$ 881,463
LIABILITIES				
Accounts payable	$ 28,788	$ 1,761	$ 15,565	$ 46,114
Wages payable	3,845	95	154	4,094
Deposits	7,840	213	1,492	9,545
Due to other funds	39,784		11,382	51,166
Unearned revenue	7,824	492	460	8,776
Total liabilities	88,081	2,561	29,053	119,695
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	11,362	442	19,496	31,300
Deferred item related to leases	2,374	219	8,805	11,398
Unavailable resources- long-term notes and loans	756	49,383	19,925	70,064
Total deferred inflows of resources	14,492	50,044	48,226	112,762

(Continued)

Balance Sheet
Governmental Funds
June 30, 2023 (In thousands)

	General	Housing Authority	Nonmajor Governmental Funds	Total Governmental Funds
FUND BALANCES:				
Nonspendable related to inventory, prepaid and other assets	646	47	93	786
Restricted:				
Anaheim Resort maintenance and improvement			6,455	6,455
Capital projects	36		3,891	3,927
Claims and judgments	2,431			2,431
Economic development projects			20,871	20,871
Debt services			177,815	177,815
Development impact projects			89,597	89,597
Grant purposes	11,343		8,354	19,697
Homebuyer assistance programs		2,189	13,685	15,874
Low and moderate income housing		24,004		24,004
Rental assistance		7,257		7,257
Streets, roads and transportation improvement projects			48,157	48,157
Committed for neighborhood and community projects			4,007	4,007
Assigned:				
Capital projects			16,745	16,745
Debt service	10,000		1,742	11,742
Housing projects		44,809		44,809
Other purposes	105,434			105,434
Unassigned	61,254		(11,856)	49,398
Total fund balances	191,144	78,306	379,556	649,006
Total liabilities, deferred inflows of resources, and fund balances	$ 293,717	$ 130,911	$ 456,835	$ 881,463

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

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2023 (In thousands)

Total fund balances - governmental funds		$ 649,006
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in the operation of governmental funds are not current financial resources and, therefore, are not reported in the funds. These assets consist of:		
Land	$ 711,219	
Construction in progress	54,889	
Buildings, structures and improvements	443,045	
Machinery and equipment	75,644	
Infrastructure	1,001,850	
Lease land and buildings	3,059	
Subscription assets	12,284	
Accumulated depreciation	(829,494)	
Total capital assets, net		1,472,496
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the funds.		101,364
Unamortized prepaid bond insurance ($787) and deferred charge on bonds ($23,045) are not current financial resources, and, therefore, are not reported in the funds.		
Unamortized prepaid bond insurance	$ 787	
Deferred loss on refunding bonds	3,442	
Deferred future interest on partial defeasance of capital appreciation bonds	19,603	23,832
Internal service funds are used by management to charge the costs of certain activities, such as insurance, employee benefits, and fleet services, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.		37,546
Compensated absences, not otherwise included in the internal service funds, are not due and payable in the current period and, therefore, are not reported in the funds.		(726)
Certain liabilities are not due and payable in the current period, and therefore, are not reported in the funds		(19,020)
Effects of net pension liability and other post-employment benefits (OPEB) liability are not due and payable in the current period, and therefore, are not reported in the funds.		
Deferred outflows of resources	$ 250,357	
Net OPEB liability	(86,711)	
Net pension liability	(697,454)	
Deferred inflows of resources	(38,281)	(572,089)
Long-term liabilities of governmental funds, including bonds ($645,361), notes and loan payable ($11,777), lease payable ($2,934), subscription payable ($10,141), and accrued interest payable ($5,476) are not due and payable in the current period and, therefore, are not reported in the funds.		(675,689)
Net position of governmental activities		$ 1,016,720

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

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2023 (In thousands)

	General	Housing Authority	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	$ 99,439			$ 99,439
Sales and use taxes	108,171			108,171
Transient occupancy taxes	224,352			224,352
Other taxes	8,729			8,729
Licenses, fees and permits	23,612	$ 75	$ 8,107	31,794
Intergovernmental revenues	16,432	114,060	57,786	188,278
Charges for services	45,267		33,295	78,562
Fines, forfeits and penalties	2,875			2,875
Use of money and property	13,913	5,840	12,368	32,121
Lease revenues	800	3,893	409	5,102
Others	546	2,403	48	2,997
Contribution from property owners			298	298
Total revenues	544,136	126,271	112,311	782,718
Expenditures:				
Current:				
City Council	856			856
City Administration	16,033			16,033
City Attorney	9,119		104	9,223
City Clerk	1,763			1,763
Human Resources	2,663			2,663
Finance	6,969		25	6,994
Police	186,934		7,533	194,467
Fire & Rescue	106,171		470	106,641
Housing & Community Development	5,750	119,014	11,383	136,147
Economic Development	2,919	37	3,848	6,804
Planning & Building	25,653		1,609	27,262
Public Works	29,396		13,666	43,062
Community Services	40,753		916	41,669
Public Utilities	2,126			2,126
Convention, Sports & Entertainment	383		20,650	21,033
Capital outlay	14,614	19,968	32,288	66,870
Debt service:				
Principal retirement	2,179		18,965	21,144
Interest charges	969		33,318	34,287
Total expenditures	455,250	139,019	144,775	739,044
Excess (deficiency) of revenues over (under) expenditures	88,886	(12,748)	(32,464)	43,674
Other financing sources (uses):				
Transfers in	30,672	5,394	104,205	140,271
Transfers out	(116,245)		(9,382)	(125,627)
Lease financing	80			80
SBITAs financing	10,730		1,418	12,148
Total other financing sources	(74,763)	5,394	96,241	26,872
Net change in fund balances	14,123	(7,354)	63,777	70,546
Fund balances at beginning of year	177,021	85,660	315,779	578,460
Fund balances at end of year	$ 191,144	$ 78,306	$ 379,556	$ 649,006

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

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended June 30, 2023 (In thousands)

Net change in fund balances - total governmental funds	$ 70,546
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay ($66,870) exceeded depreciation ($42,149) in the current period.	24,721
Transfer of capital assets from proprietary fund to governmental fund does not provide current financial resources and are not reported as transfer in the funds.	33
The net effect of other miscellaneous transactions involving capital assets (i.e., sales, trade-in, retirements and contributions) is to increase net position.	19,036
Certain revenues in the Statement of Activities do not provide current financial resources and therefore, are not reported as revenues in the governmental funds.	6,108
Collections of notes and long-term receivables provide current financial resources to governmental funds but reduce receivables in the Statement of Net Position.	(3,861)
Loan disbursements in the governmental funds use current financial resources but increase receivables in the Statement of Net Position.	1,630
Certain expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	2,111
Financing for subscription-based information technology arrangements ($12,148) and lease ($80) provide resources for capital outlay in the governmental funds, but increase long-term liabilities in the Statement of Net Position.	(12,228)
Payments of principal on long-term debt ($18,632) and other long-term liabilities ($3,560) use current financial resources in the governmental funds, but the repayments reduce long-term liabilities in the Statement of Net Position.	21,144
Net effect of accrued net pension liability and net OPEB liability and the related deferred outflows and deferred inflows of resources are not reported as expenditures in the funds.	4,559
Internal service funds are used by management to charge the costs of certain activities, such as insurance, employee benefits, and fleet services, to individual funds. The net expense of the internal service funds is reported with governmental activities.	11,435
Change in net position of governmental activities	$ 145,234

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

Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Budgetary Basis Actual - General Fund
Year Ended June 30, 2023 (In thousands)

	Original Budgeted Amounts	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget
Revenues:				
Property taxes	$ 97,274	$ 97,274	$ 99,439	$ 2,165
Sales and use taxes	103,303	103,303	108,171	4,868
Transient occupancy taxes	184,377	184,377	224,352	39,975
Other taxes	7,805	7,805	8,729	924
Licenses, fees and permits	22,541	22,566	23,612	1,046
Intergovernmental revenues	7,015	19,350	16,432	(2,918)
Charges for services	34,167	34,228	45,267	11,039
Fines, forfeits and penalties	3,001	3,001	2,875	(126)
Use of money and property	2,993	2,993	14,010	11,017
Lease revenues	716	716	703	(13)
Other	594	963	546	(417)
Total revenues	463,786	476,576	544,136	67,560
Expenditures:				
City Council	1,020	1,020	856	(164)
City Administration	12,676	16,217	16,087	(130)
City Attorney	9,383	9,386	9,119	(267)
City Clerk	1,947	2,046	1,763	(283)
Human Resources	2,401	2,663	2,663	
Finance	8,175	8,867	8,867	
Police	186,335	189,620	189,620	
Fire & Rescue	92,895	108,019	108,019	
Housing & Community Development	7,564	9,494	6,072	(3,422)
Economic Development	4,337	4,364	3,426	(938)
Planning & Building	26,047	26,646	25,877	(769)
Public Works	29,181	32,046	32,046	
Community Services	41,800	43,833	41,597	(2,236)
Public Utilities	2,128	2,128	2,126	(2)
Convention, Sports and Entertainment	488	488	383	(105)
Total expenditures	426,377	456,837	448,521	(8,316)
Excess of revenues over expenditures	37,409	19,739	95,615	75,876
Other financing sources (uses):				
Transfers in	27,663	27,663	30,672	3,009
Transfers out	(98,349)	(105,872)	(116,245)	(10,373)
Issuance of bonds	23,400	23,400		(23,400)
Total other financing sources (uses)	(47,286)	(54,809)	(85,573)	(30,764)
Net change in fund balance	(9,877)	(35,070)	10,042	45,112
Fund balance at beginning of year	177,021	177,021	177,021	
Fund balance at end of year	$ 167,144	$ 141,951	187,063	$ 45,112
Adjustment to reconcile to GAAP:				
Encumbrance			3,100	
Receipt of interfund loan			(213)	
Payment of interfund loan			1,194	
Capital outlay - lease and SBITA			(10,810)	
Other financing sources - lease and SBITA financing			10,810	
Ending fund balance - GAAP basis			$ 191,144	

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

Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Budgetary Basis Actual - Housing Authority Year Ended June 30, 2023 (In thousands)

	Original Budgeted Amounts	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget
Revenues:				
Licenses, fees and permits	$ 20	$ 20	$ 75	$ 55
Intergovernmental revenues	120,005	120,005	114,060	(5,945)
Use of money and property	4,554	4,554	5,840	1,286
Lease revenues	2,696	2,696	3,893	1,197
Other	3,899	3,899	2,403	(1,496)
Total revenues	131,174	131,174	126,271	(4,903)
Expenditures:				
Housing & Community Development	151,080	187,863	139,110	(48,753)
Total expenditures	151,080	187,863	139,110	(48,753)
Excess (deficiency) of revenues over (under) expenditures	(19,906)	(56,689)	(12,839)	43,850
Other financing (uses):				
Transfers in	8,750	32,139	5,394	(26,745)
Transfers out				
Total other financing uses	8,750	32,139	5,394	(26,745)
Net change in fund balance	(11,156)	(24,550)	(7,445)	17,105
Fund balance at beginning of year	85,660	85,660	85,660	
Fund balance at end of year	$ 74,504	$ 61,110	78,215	$ 17,105
Adjustments to reconcile to GAAP:				
Encumbrance			91	
Ending fund balance - GAAP basis			$ 78,306	

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

Statement of Net Position
Proprietary Funds
June 30, 2023 (In thousands)

	Business-type Activities - Enterprise Funds							
	Electric Utility	Water Utility	Sanitation Utility	Golf Courses	Convention, Sports and Entertainment Venues	ARTIC Management	Total	Governmental Activities - Internal Service Funds
ASSETS								
Current assets:								
Cash and cash equivalents	$ 14,785	$ 10,297	$ 10,578	$ 645	$ 9,573	$ 168	$ 46,046	$ 15,057
Investments	61,422	26,178	43,075	998	39,770		171,443	62,553
Restricted cash and cash equivalents	28,307	5,884	3,689		156		38,036	2,707
Restricted investments	64,197	9,314	10,825				84,336	
Accounts receivable, net	42,466	30,853	10,645	81	4,212		88,257	7,285
Accrued interest receivable	1,150	218	336	4	207		1,915	304
Interfund receivable	496						496	1,005
Inventories	29,413	963		182			30,558	1,485
Prepaid and other assets	40,982	1,948			1		42,931	5,712
Lease receivable	340				1,473		1,813	
Total current assets	283,558	85,655	79,148	1,910	55,392	168	505,831	96,108
Noncurrent assets:								
Restricted cash and cash equivalents, less current portion	107,353	7,075	10,414		873		125,715	
Restricted investments, less current portion	86,074						86,074	
Interfund receivable, less current portion	525						525	31,021
Lease receivable, less current portion	4,557				2,981		7,538	
Prepaid and other assets	89,616				547		90,163	
Capital assets:								
Land	34,243	2,970	316	1,949	21,330	32,523	93,331	
Buildings, structures and improvements			136,020	22,734	716,892	171,265	1,046,911	12,391
Utility plant	1,615,226	599,397					2,214,623	
Machinery and equipment			9,919	1,612	40,257	2,889	54,677	73,277
Lease land and building	3,200						3,200	185
Lease equipment				837			837	4,078
Subscription assets	658	164					822	17,713
Construction in progress	134,139	122,105	13,350	23	1,696		271,313	2,450
Total capital assets	1,787,466	724,636	159,605	27,155	780,175	206,677	3,685,714	110,094
Less accumulated depreciation	(737,607)	(204,431)	(38,968)	(15,697)	(364,445)	(19,834)	(1,380,982)	(60,283)
Capital assets, net	1,049,859	520,205	120,637	11,458	415,730	186,843	2,304,732	49,811
Total noncurrent assets	1,337,984	527,280	131,051	11,458	420,131	186,843	2,614,747	80,832
Total assets	1,621,542	612,935	210,199	13,368	475,523	187,011	3,120,578	176,940
DEFERRED OUTFLOWS OF RESOURCES:								
Deferred charges on refunding bonds	1,200	4,199			8,220		13,619	
Deferred OPEB related items	4,579	1,533	1,412	76	1,425		9,025	2,163
Deferred pension related items	32,221	10,277	6,469	421	12,542		61,930	11,193
Total deferred outflows of resources	38,000	16,009	7,881	497	22,187		84,574	13,356

(continued)

Statement of Net Position
Proprietary Funds
June 30, 2023 (In thousands)(continued)

	Business-type Activities - Enterprise Funds							
	Electric Utility	Water Utility	Sanitation Utility	Golf Courses	Convention, Sports and Entertainment Venues	ARTIC Management	Total	Governmental Activities - Internal Service
LIABILITIES								
Current liabilities (payable from current assets):								
Accounts payable	$ 41,246	$ 30,721	$ 6,011	$ 2,046	$ 1,339		$ 81,363	$ 10,916
Wages payable	494	210	111	6	306		1,127	3,599
Interest payable				1	3,161	$ 1,883	5,045	66
Lease payable, current portion	125			48			173	927
Subscription payable, current portion	134	33					167	2,106
Other long-term liabilities, current portion								31,786
Long-term debts, current portion	9,447	1,748	855	36	6,929		19,015	1,280
Unearned revenues					224		224	2,577
Deposits	7,208	691	796	675	6,357		15,727	
Interfund payable		344					344	1,504
Total current liabilities (payable from current assets)	58,654	33,747	7,773	2,812	18,316	1,883	123,185	54,761
Current liabilities (payable from restricted assets):								
Accounts payable	9,045	3,639	1,256		155		14,095	731
Wages payable	186		9				195	
Interest payable	7,532	2,333	824				10,689	
Arbitrage rebate liability	165						165	
Long-term debts, current portion	28,341	5,243	596				34,180	
Total current liabilities (payable from restricted assets)	45,269	11,215	2,685		155		59,324	731
Total current liabilities	103,923	44,962	10,458	2,812	18,471	1,883	182,509	55,492
Noncurrent liabilities:								
Interfund payable, less current portion		344					344	
Interest payable, less current portion						1,883	1,883	
Lease payable, less current portion	2,533			174			2,707	866
Subscription payable, less current portion	390	98					488	10,014
Other long-term liabilities, less current portion	4,217						4,217	51,763
Long-term debts, less current portion	691,207	234,935	44,048	71	215,738		1,185,999	4,020
Net OPEB liability	15,052	5,558	3,993	216	4,932		29,751	6,260
Net pension liability	101,160	32,740	18,331	1,255	30,703		184,189	34,185
Provision for decommissioning liability	80,728						80,728	
Total noncurrent liabilities	895,287	273,675	66,372	1,716	251,373	1,883	1,490,306	107,108
Total liabilities	999,210	318,637	76,830	4,528	269,844	3,766	1,672,815	162,600

(continued)

	Electric Utility	Water Utility	Sanitation Utility	Golf Courses	Convention, Sports and Entertainment Venues	ARTIC Management	Total	Governmental Activities - Internal Service
	Business-type Activities - Enterprise Funds							
DEFERRED INFLOWS OF RESOURCES								
Deferred item related to leases	4,835				4,358		9,193	
Regulatory credits	94,905	2,426					97,331	
Regulated business activities	14,840						14,840	
Deferred item on refunding bonds	11,168	1,860	416				13,444	
Deferred OPEB related items	5,942	2,092	1,522	116	1,957		11,629	3,040
Deferred pension related items	4,722	1,242	528	36	3,587		10,115	2,357
Total deferred inflows of resources	136,412	7,620	2,466	152	9,902		156,552	5,397
NET POSITION								
Net investment in capital assets	405,843	287,562	79,373	10,686	202,703	186,843	1,173,010	30,473
Restricted for:								
Debt service	32,203	5,245	596				38,044	
Capital projects	18,314	3,981	17,203				39,498	
Other purposes	18,520						18,520	
Unrestricted	49,040	5,899	41,612	(1,501)	15,261	(3,598)	106,713	(8,174)
Total net position	$ 523,920	$ 302,687	$ 138,784	$ 9,185	$ 217,964	$ 183,245	1,375,785	$ 22,299
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds							(15,247)	
Net position of business-type activities							$ 1,360,538	

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

Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year Ended June 30, 2023 (In thousands)

	Business-type Activities - Enterprise Funds							
	Electric Utility	Water Utility	Sanitation Utility	Golf Courses	Convention, Sports and Entertainment Venues	ARTIC Management	Total	Governmental Activities - Internal Service Funds
Operating revenues:								
Sales of retail and wholesale electricity, net	$ 442,934						$ 442,934	
Transmission revenues	35,167						35,167	
Sales of water, net		$ 94,765					94,765	
Solid waste collection fees			$ 59,800				59,800	
Wastewater fees			16,236				16,236	
Street cleaning fees			3,266				3,266	
Green fees and cart rentals				$ 8,804			8,804	
Facilities rental					$ 36,950		36,950	
Concession fees				3,699	8,378		12,077	
Charges for services				483			483	$ 181,503
Lease revenues	370				2,198		2,568	
Other	3,520	1,566	3,324		390		8,800	330
Total operating revenues	481,991	96,331	82,626	12,986	47,916		721,850	181,833
Operating expenses:								
Cost of purchased power	300,036						300,036	
Fuel and generation of power	265						265	
Cost of purchased water		49,776					49,776	
Treatment and pumping of water		5,402					5,402	
Maintenance, operations and administration	56,883	16,025	67,799	10,626	32,158	$ 96	183,587	61,015
Insurance premiums and claims								25,274
Compensated absences and other benefits								75,714
Depreciation	48,318	12,682	2,856	856	18,539	2,383	85,634	6,168
Total operating expenses	405,502	83,885	70,655	11,482	50,697	2,479	624,700	168,171
Operating income (losses)	76,489	12,446	11,971	1,504	(2,781)	(2,479)	97,150	13,662
Nonoperating income (expenses):								
Intergovernmental revenues			85				85	
Investment income	7,156	1,641	1,372	19	431		10,619	815
Interest expense	(22,685)	(8,510)	(1,429)	(7)	(6,942)	(19)	(39,592)	(246)
Gain (loss) from disposal of capital assets								(54)
Total nonoperating income (expenses)	(15,529)	(6,869)	28	12	(6,511)	(19)	(28,888)	515
Income (losses) before contributions and transfers	60,960	5,577	11,999	1,516	(9,292)	(2,498)	68,262	14,177
Capital contributions	3,619	51,446	111		717	129	56,022	
Transfers in	253	603			10,952	2,264	14,072	500
Transfers out	(23,221)	(1,802)	(2,916)		(1,222)		(29,161)	(55)
Change in net position	41,611	55,824	9,194	1,516	1,155	(105)	109,195	14,622
Net position at beginning of year	482,309	246,863	129,590	7,669	216,809	183,350		7,677
Net position at end of year	$ 523,920	$ 302,687	$ 138,784	$ 9,185	$ 217,964	$ 183,245		$ 22,299
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.							3,187	
Change in net position of business-type activities							$ 112,382	

Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2023 (In thousands)

	Business-type Activities - Enterprise Funds							
	Electric Utility	Water Utility	Sanitation Utility	Golf Courses	Convention, Sports & Entertainment Venues	ARTIC Management	Total	Governmental Activities - Internal Service Funds
Cash flows from operating activities:								
Receipts from customers and users	$ 482,874	$ 97,455	$ 78,885	$ 13,022	$ 48,914		$ 721,150	
Receipts from interfund services provided	2,319	401	40				2,760	$ 181,146
Receipts from leases	335				2,163		2,498	
Payments to suppliers	(316,950)	(38,396)	(50,475)	(9,761)	(10,972)		(426,554)	(38,799)
Payment of decommissioning costs	(9,326)						(9,326)	
Payments for salaries, wages and other benefits	(53,720)	(16,983)	(9,981)	(596)	(21,522)		(102,802)	(99,893)
Payments for interfund services used	(15,320)	(6,292)	(5,607)	(246)	(3,875)	$ (96)	(31,436)	(6,050)
Payments for insurance premiums and claims								(28,671)
Other receipts			3,185				3,185	638
Net cash provided by (used for) operating activities	90,212	36,185	16,047	2,419	14,708	(96)	159,475	8,371
Cash flows from noncapital financing activities:								
Receipt of interfund balances	572						572	2,509
Payment of interfund balances	(212)	(344)					(556)	(39)
Transfers in	253	603	85				941	(55)
Transfers out	(23,221)	(1,802)	(2,916)		(1,222)		(29,161)	500
Net cash provided by (used for) noncapital financing activities	(22,608)	(1,543)	(2,831)		(1,222)		(28,204)	2,915
Cash flows from capital and related financing activities:								
Proceeds from sale of capital assets								128
Capital contributions	3,365	41,460					44,825	
Capital purchases	(65,943)	(96,002)	(6,850)	(2,110)	(2,240)		(173,145)	(8,691)
Proceeds from issuance of bonds	220						220	
Bond reserved funds transferred to refunded bond escrow agent	(8,804)						(8,804)	
Principal payments on long-term debts	(36,327)	(4,745)	(1,376)	(35)	(4,051)	(2,000)	(48,534)	(1,252)
Principal payment on leases	(264)			(43)			(307)	(1,375)
Principal payment on subscription payable	(134)	(33)					(167)	(903)
Interest payments	(30,140)	(9,306)	(2,048)	(6)	(6,622)		(48,122)	(223)
Payment of interfund balances for capital purposes					(7,301)		(7,301)	
Transfer in for capital purpose					10,952	2,264	13,216	
Net cash provided by (used for) capital and related financing activities	(138,027)	(68,626)	(10,274)	(2,194)	(9,262)	264	(228,119)	(12,316)
Cash flows from investing activities:								
Purchase of investment securities	(65,933)	(18,103)	(27,266)	(505)	(20,119)		(131,926)	(31,619)
Proceeds from sale and maturity of investment securities	66,524	11,343	25,320	166	5,981		109,334	21,439
Interest received	11,616	2,433	2,218	41	1,233		17,541	1,883
Interest paid								(37)
Net cash provided by (used for) investing activities	12,207	(4,327)	272	(298)	(12,905)		(5,051)	(8,334)
Increase (decrease) in cash and cash equivalents	(58,216)	(38,311)	3,214	(73)	(8,681)	168	(101,899)	(9,364)
Cash and cash equivalents at beginning of the year	208,661	61,567	21,467	718	19,283		311,696	27,128
Cash and cash equivalents at end of the year	$ 150,445	$ 23,256	$ 24,681	$ 645	$ 10,602	$ 168	$ 209,797	$ 17,764

(continued)

Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2023 (In thousands)

	Business-type Activities - Enterprise Funds							
	Electric Utility	Water Utility	Sanitation Utility	Golf Courses	Convention, Sports & Entertainment Venues	ARTIC Management	Total	Governmental Activities - Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:								
Operating income (loss)	$ 76,489	$ 12,446	$ 11,971	$ 1,504	$ (2,781)	$ (2,479)	$ 97,150	$ 13,662
Adjustment to reconcile operating income (loss)								
to net cash provided by (used for) operating activities:								
Depreciation	48,318	12,682	2,856	856	18,539	2,383	85,634	6,168
Cancellation of construction in progress			1,370				1,370	
Changes in assets, deferred outflows of resources,								
liabilities, and deferred inflows of resources:								
Accounts receivable	9,785	1,480	(517)	4	1,469		12,221	(4,785)
Inventories	(2,655)	(217)		(38)			(2,910)	97
Prepaid and other assets	(9,424)				9		(9,415)	(4,404)
Lease receivable	409				494		903	
Accounts payable and other accrued liability	(11,569)	10,736	800	85	(611)		(559)	(669)
Wages and benefits payable	(4,433)	(987)	(434)	(24)	(3,609)		(9,487)	(3,122)
Unearned revenues					(118)		(118)	146
Deposits	2,109	45	1	32	1,845		4,032	
Compensated absences and self-insurance liabilities								1,278
Other long-term liability	(725)						(725)	
Provision for decommissioning liabilities	(9,326)						(9,326)	
Deferred inflow related to leases	(444)				(529)		(973)	
Regulatory credits	(8,322)						(8,322)	
Total adjustments	13,723	23,739	4,076	915	17,489	2,383	62,325	(5,291)
Net cash provided by (used for) operating activities	$ 90,212	$ 36,185	$ 16,047	$ 2,419	$ 14,708	$ (96)	$ 159,475	$ 8,371

(Continued)

Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2023 (In thousands)

	Business-type Activities - Enterprise Funds							
	Electric Utility	Water Utility	Sanitation Utility	Golf Courses	Convention, Sports & Entertainment Venues	ARTIC Management	Total	Governmental Activities - Internal Service Funds
Schedule of noncash operating, investing, capital and noncapital financing activities:								
Increase (decrease) in fair value of investments	$ (3,035)	$ (768)	$ (907)	$ (21)	$ (851)		$ (5,582)	$ (1,119)
Lease assets financing				241			241	1,708
SBITA financing								11,289
Capital contributions	254	1,854	111		717	$ 129	3,065	
Refunded bond proceeds deposited in refunding bond escrow agent	37,565						37,565	
Defeasance of outstanding revenue bond principal	(45,995)						(45,995)	
Cost of issuance - underwriter discounts	83						83	
Increase in account receivable related to capital contribution		8,132					8,132	
Increase (decrease) in accounts payable related to capital purchases	3,974	(2,187)	1,262	(312)	37		2,774	2,300
Amortization of bond premium (discount), deferred outflow/inflow, net	(8,384)	(995)	(590)		(542)		(10,511)	
Increase (decrease) in accrued interest payable	846	199	(29)	1	(300)		717	224
Increase (decrease) in accrued interest receivable	(13)	(24)	61	(1)	49		72	88
Reconciliation of cash and cash equivalents:								
Cash and cash equivalents	$ 14,785	$ 10,297	$ 10,578	$ 645	$ 9,573	$ 168	$ 46,046	$ 15,057
Restricted cash and cash equivalents, current portion	28,307	5,884	3,689		156		38,036	2,707
Restricted cash and cash equivalents, noncurrent portion	107,353	7,075	10,414		873		125,715	
Total cash and cash equivalents	$ 150,445	$ 23,256	$ 24,681	$ 645	$ 10,602	$ 168	$ 209,797	$ 17,764

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

Statement of Fiduciary Net Position (Deficit)
Fiduciary Funds
June 30, 2023 (In thousands)

	Successor Agency Private Purpose Trust Fund	Custodial Funds: External Investment Pools	Custodial Funds: Others
ASSETS			
Cash and cash equivalents	$ 40,929	$ 902	$ 7,969
Investments		3,749	
Accrued interest receivable	275	23	17
Special assessment receivable			18
Notes receivable, net	801		
Prepaid and other assets	396		
Unamortized prepaid bond insurance	312		
Lease receivable, net	1,376		
Lease land	19,613		
Accumulated depreciation	(1,456)		
Total assets	62,246	4,674	8,004
LIABILITIES			
Accounts payable	327		1
Wages payable	2		
Interest payable	3,123		
Long-term liabilities:			
Other long term liabilities, current portion	9,028		
Lease payable, current portion	427		
Long-term debt, current portion	10,499		
Other long term liabilities, less current potion	33,583		
Lease payable, less current portion	18,361		
Long term debt, less current portion	118,966		
Total liabilities	194,316		1
DEFERRED INFLOWS OF RESOURCES			
Deferred item on refunding bonds	238		
Deferred item related to leases	1,329		
Total deferred outflows of resources	1,567		
NET POSITION			
Restricted for individuals, organizations, and other governments		4,674	8,003
(Deficit)	(133,637)		
Total net position(deficit)	$ (133,637)	$ 4,674	$ 8,003

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

Statement of Changes in Fiduciary Net Position (Deficit)
Fiduciary Funds
Year Ended June 30, 2023 (In thousands)

	Successor Agency Private Purpose Trust Fund	Custodial Funds: External Investment Pools	Custodial Funds: Others
ADDITIONS			
Property tax increments	$ 34,435		
Special assessment collections from Community Facility Districts			$ 4,146
Deposits to pooled investments		$ 8,983	
Lease revenues	85		
Deposits			106
Donation collections			9
Interest income	1,069	62	225
Total collections on behalf of other individuals, organizations and other governments	35,589	9,045	4,486
DEDUCTIONS			
Salaries and administration	238		72
Program expenses	25,964		
Payments			406
Distributions from pool investments		8,424	
Interest payments	5,203		
Depreciation	727		
Debt service payments - Community Facilities Districts			2,843
Total deductions	32,132	8,424	3,321
Change in net position	3,457	621	1,165
Net position (deficit) at beginning of year	(137,094)	4,053	6,838
Net position (deficit) at end of year	$ (133,637)	$ 4,674	$ 8,003

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

Notes to Financial Statements

(Amounts in thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial reporting entity

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

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

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

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

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

Anaheim Housing and Public Improvement Authority (AHPIA), a joint power authority, was created by and between the City and the Anaheim Housing Authority as a vehicle to reduce local borrowing costs and promote greater use of existing and new financial instruments and mechanisms. Members of the City Council of the City serves as the members of the Board and Directors of the AHPIA. Financial activity of the AHPIA has been blended into the City's ACFR into various business-type activities and funds of the City as applicable.

The City is a participant in four joint ventures and jointly-owned properties (see note 19), which are not considered part of the financial reporting entity, as the City does not have significant equity interests in the joint ventures and jointly-owned properties.

The City is a participant in the California Municipal Finance Authority (CMFA), a non-profit Joint Power Authority created to strengthen local communities by assisting with the financing of economic development and charitable activities throughout the State of California. The CMFA acts as conduit issuer by assisting local governments, nonprofits and businesses with the issuance of taxable and tax-exempt financing aimed at improving the quality of life in California. The City has no financial, budgeting and operational obligations and responsibilities of the CMFA. The CMFA is a jointly governed organization. The City has recorded assets and liabilities from the City's debt issuances through the CMFA in the business-type activities and funds of the City as applicable (see note 10).

Basic financial statements

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

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

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

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

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

The government-wide Statement of Activities demonstrates the degree to which both direct and indirect expenses of the various functions and programs of the City are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or program. Indirect expenses for administrative overhead are allocated among the functions and programs using a full cost allocation approach and are presented separately to enhance comparability of direct expenses between governments that allocate direct expenses and those that do not. Interest on general long-term debt is not allocated to the various functions. Program revenues include: 1) charges to customers or users who purchase, use or directly benefit from goods, services or privileges provided by a particular function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes, unrestricted investment income and other revenues not identifiable with particular functions or programs are included as general revenues. The general revenues support the net costs of the functions and programs not covered by program revenues.

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

The City reports the following major governmental funds:

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

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

The City reports the following major enterprise funds:

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

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

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

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

The Convention, Sports & Entertainment Venues Fund accounts for the operations of the Anaheim Convention Center, Angel Stadium of Anaheim, and The City National Grove of Anaheim. See note 19 for further discussions of the Angel Stadium of Anaheim and The City National Grove of Anaheim.

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

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

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

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

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

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

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

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

The Custodial Funds are used to account for the monies collected and paid on behalf of other individuals, governments, and organizations. The City reports the following activities in the Custodial Funds: 1) External Investment Pools is used to account for the external portion of the City's investment pool, which commingles resources of legally separate entities administered by the City in an investment portfolio for the benefit of all participants. The entities include three Joint Powers Authorities (JPA) governed by local boards. The City separately maintains these entities' money in three individual funds; these funds represent the assets, primarily cash and investment, and the related net position held by the City for disbursements on demand; 2) Community Facility Districts (CFDs) accounts for collections of mello-roos special assessments, payments for the conduit debts and the administration for the CFDs located in the City; 3) Money seized by law enforcements pending judgement and the disbursements of which on order; 4) bail bonds; 5) Inmate Welfare Fund accounts for miscellaneous receipts collected on behalf of inmates and payments of expenditures for their benefits; and 6) Collections of utility helping hand donations and the related charity disbursements.

Measurement focus and basis of accounting

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

- Revenue is recorded when it is earned, measurable and available (received within 60 days after year-end). Revenue considered susceptible to accrual includes: property taxes, sales and use taxes, transient occupancy taxes, licenses, fees and permits, intergovernmental revenues (including motor vehicle license fees), charges for services, fines, forfeits and penalties, and investment income.
- Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been

accumulated in the debt service fund for payments to be made early in the following year.

- Disbursements for the purchase of capital assets providing future benefits are considered expenditures. Bond proceeds are reported as other financing sources.

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

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

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

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

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

The reporting focus for the fiduciary funds is upon net position and changes in net position and employs accounting principles similar to proprietary funds.

Cash and investments

The City pools available cash from all funds for the purpose of increasing income through investment activities. Investments in U.S. Treasury obligations and agency securities and medium term corporate notes are carried at fair value based on quoted market prices. Nonparticipating guaranteed investment contracts, flexible repurchase agreements are carried at cost-based measure. Money market mutual funds and participating interest-earning investment contracts that have a remaining maturity at the time of purchase of one year or less are carried at amortized cost (which approximates fair value). The City's investment in the State of California Local Agency Investment Fund (LAIF) is carried at fair value based on the value of each participating dollar as provided by LAIF. LAIF is authorized by California Government Code (Government Code) Section 16429 under the oversight of the Treasurer of the State of California. Commercial paper, participating guaranteed investment contracts and negotiable certificates of deposit are carried at amortized cost (which approximates fair value). Interest income, which includes changes in fair value, on investments is allocated to all funds on the basis of daily cash and investment balances. See note 3 for further discussion.

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

Inventories

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

Prepaid and other assets

Certain payments to vendors such as insurance premiums, prepaid power, prepaid rent, prepaid software maintenance and deposits for real property acquisitions reflect costs applicable to future periods and are recorded as prepaid and other assets in both government-wide and fund financial statements. The costs of these prepaid items are recorded as expenditures/expenses in the period when consumed or when the City receives title to the real property rather than when purchased.

Land held for resale

The Housing Authority has recorded parcels of land held for resale in their financial records. The properties held for resale are for the primary purpose of developing low and moderate income housing and are recorded at the lower of cost or estimated net realizable value. At June 30, 2023, land held for resale with an original cost of $10,454 was recorded net of the allowance for decline in value of $4,422 and totaled $6,032, with this amount offset by a restriction of fund balance for low and moderate income housing in the Housing Authority major governmental fund financial statement.

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

Notes receivable

In the government-wide financial statements, notes receivable of $73,819 includes accrued interest receivable of $20,516, ranging from 3% to 10% interest per annum, and is net of allowances of $2,574 for uncollectible accounts at June 30, 2023. Allowances for uncollectible accounts were estimated based on certain assumptions; therefore, actual results could differ from the estimates.

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

Restricted assets

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

Leases

***Lesso*r**: The City is a lessor for non-cancellable leases of office space, building and land. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide, governmental and proprietary funds' financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses the interest rate as stated on the lease agreements. When the interest rate is not stated, the City uses its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will re-measure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

The City is also a lessor of various ground leases that lease payment requirements are dependent on residual receipts generated from the leasing assets. The City records the residual receipts as inflow of resources when receives.

Lessee: The City is a lessee for non cancellable leases of equipment, building and land. The City recognizes a lease liability and an intangible right-to-use assets (lease assets) in the government-wide financial statements and proprietary fund financial statements.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeassure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debts on the statement of net position.

Payments due under the lease contracts include fixed payments plus, for certain of the City's leases, variable payments, primarily maintenance charges. Maintenance charges are accounted for as outflow of resources when incurred, and are not included in the measurement of the lease liability.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- amounts expected to be payable by the City under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the City exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. Extension and termination options are included in a number of the city's land leases.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the lease asset in a similar economic environment with similar terms, security and conditions.

Variable payments that depend on an index or a rate (such as the Consumer Price Index or a market interest rate), initially measured using the index or rate as of the commencement of the lease term.

Subscription-based information technology arrangements (SBITAs)

Under GASB No. 96, SBITA is an information technology (IT) arrangement that conveys to governments control of the right to use vendor-provided IT software and associated tangible capital assets for subscription payments without granting governments perpetual license or title to the IT software and associated tangible capital assets.

SBITA are non-cancellable IT arrangements for a specified period of time. The City recognizes a subscription liability and intangible right-to-use subscription assets in the government-wide financial statements and proprietary fund financial statements.

At the commencement of a SBITA, the City initially measures the SBITA liability at the present value of payments expected to be made during the contract term. Subsequently, the SBITA liability is reduced by the principal portion of payments made. The subscription asset is measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the SBITA commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to SBITAs include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) contract term, and (3) subscription payments.

- The City uses the interest rate charged by the vendor-provider as the discount rate. When the interest rate charged by the vendor-provider is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for measuring the subscription liability. SBITA payments that change based on an index or a rate (such as the Consumer Price Index or a market interest rate), initially measured using the index or rate as of the commencement of the contract term.
- The subscription term includes the noncancellable period of the IT arrangement.
- Subscription payments included in the measurement of the subscription liability are composed of the original term and the extension options that the City is reasonably certain to exercise. In determining the subscription term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the subscription term if the SBITA is reasonably certain to be extended (or not terminated).

The City monitors changes in circumstances that would require a remeasurement of its SBITAs and will re-measure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debts on the statement of net position.

Capital assets

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

Capital assets, including public domain infrastructure (e.g., roads, bridges, sidewalks and other assets that are immovable and of value only to the City), are defined as assets with an initial, individual cost of more than $5 ($50 for infrastructure) and an estimated useful life of greater than one year.

Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value rather than fair value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as the projects are constructed.

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

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

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

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

Debt issuance costs

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

Bond refunding costs

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

Accretion

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

Deferred outflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. In the government-wide statement of net position, the City reported the following in this category:

1. Deferred charges on refunding bonds - A deferred charge on refunding bonds results from the difference in the carrying value of debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The City reported $23,045 (this amount includes $3,442 deferred loss from refunding bonds and $19,603 payments of future interest resulting from partial defeasance of capital appreciation bonds) in governmental activities and $13,619 in business-type activities in this category.
2. Deferred outflows of OPEB related items - these balances represent current fiscal year contribution to the OPEB Trust that will be applied as a reduction in net OPEB liability in the next fiscal year; or other items arising from changes in actuarial assumptions, difference between actual and projected experience, difference between actual and projected investment gains/losses or changes in a fund's proportionate share of the net OPEB liability; the amount will be amortized and reported as a component in OPEB expense in future fiscal years (refer to discussion of OPEB Plan). The City reported $29,350 in governmental activities and $9,025 in business-type activities in this category.
3. Deferred outflows of resources of pension related items - these balances represent current fiscal year contribution to the pension plans that will be applied as a reduction in net pension liability in the next fiscal year; or other items arising from changes in actuarial assumptions, difference between actual and projected experience, difference between actual and projected investment gains/losses or changes in a fund's proportionate share of the net pension liability; the amount will be amortized and reported as a component in pension expense in future fiscal years (refer to discussion of Pension Plans). The City reported $234,363 in governmental activities and $61,930 in business-type activities in this category.

Deferred inflows of resources

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents acquisitions of net assets that apply to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City reported the following in this category:

1. Deferred inflow related to unavailable resources, which include revenues, notes and long-term receivable, due from the Successor Agency, measured under the modified accrual basis of accounting reported in governmental funds. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available.

	General Fund	Housing Authority	Nonmajor Governmental Funds	Total
Governmental Funds:				
Grants	$ 4,024	$ 393	$ 19,186	$ 23,603
Other revenues	7,338	49	310	7,697
Long-term notes and loans receivable	756	49,383	19,925	70,064
Total	$ 12,118	$ 49,825	$ 39,421	$ 101,364

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

	Business-type Activities
Enterprise Funds:	
Electric Utility	$ 94,905
Water Utility	2,426
Total	$ 97,331

3. Deferred inflow from regulated business activities reported in business-type activities totaled $14,840 represented the excess funding of asset retirement obligations primarily resulting from the accumulation of investment earnings from the decommissioning irrevocable trust account. Refer to note 1 on page 73 of the notes to the financial statements of this report.
4. Deferred inflow related to leases - the City, as lessor, recognizes a lease receivable and a deferred inflow of resources which is initially measured at the present value of lease payments expected to be received during the lease term adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources is recognized as a revenue over the life of the lease term. The City reports $11,398 in governmental activities and $9,193 in business-type activities in this category.
5. Deferred inflow related to refunding bonds includes gains from debt refunding. The City reports a total of $13,444 in business-type activities in this category.
6. Deferred inflows of resources related to OPEB represents changes in total OPEB liability arising from changes in actuarial assumptions; difference between actual and projected plan experiences; difference between actual and projected investment gains/losses or changes of the Fund's proportionate share of the net OPEB liability. This amount will be amortized and included as a component in OPEB expenses in future fiscal years. Refer to discussion of the OPEB Plan in note 15 of the notes to the financial statements on pages 110-113 of this report. The City reported $30,825 in governmental activities and $11,629 in business-type activities in this category.
7. Deferred inflows of resources related to pension are certain changes in total pension liability and fiduciary net position that are to be amortized and recognized as a component in pension expenses in future fiscal years. These are the balances that arise from changes in actuarial assumptions; difference between actual and projected experience; difference between actual and projected investment gains/losses or changes in the Fund's proportionate share of the Plan's net pension liability. Refer to discussion of Pension Plans in note 14 of the notes to the financial statements on pages 104-109 of this report. The City reported $12,853 in governmental activities and $10,115 in business-type activities in this category.

Regulatory credits

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

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

During fiscal year 2023 the Electric Utility recognized $58,637 in EMA revenues to mitigate the impact of environmental mitigation costs. This amount is included in the operating revenues Sales of retail and wholesale electricity of the Electric Utility Enterprise Fund.

As of June 30, 2023, the PCA rates were $0.0100 per kWh for residential, general commercial, industrial and municipal customers and $0.0150 for large commercial customers. The Electric Utility recorded deferred inflows of resources for regulatory credits related to PCA totaled $67,208. The EMA rates were $0.0155 per kWh for residential, general commercial, industrial and municipal customers and $0.0128 per KWh for large commercial customers. The deferred inflows of resources recorded for regulatory credits related to EMA totaled $27,697.

The Water Utility's rates, rules and regulations provide for a water regulatory credit account to reflect variations in the cost of water to the Water Utility and provide more stable retail water rates to the customers of the City's Water Utility. This rate stabilization account (RSA) provides increased flexibility by allowing the Water Utility to maintain financial performance indicators and goals specified in bond covenants. The account is funded through expense reimbursements such as water supply cost refunds received from the Metropolitan Water District and Orange County Water District and other miscellaneous credits and revenue. At June 30, 2023, the deferred inflows of resources recorded for regulatory credits totaled $2,426 for the Water Utility. During fiscal year 2023, no RSA revenue was recognized.

Compensated absences

Compensated absences, vacation and sick pay, for all City employees are generally paid by the General Benefits and Insurance Fund, an internal service fund. The General Benefits and Insurance Fund is reimbursed through payroll charges to all other funds based on estimates of benefits to be earned and used during the fiscal year. It is the policy of the City to pay all accumulated vacation pay when an employee retires or terminates. Accumulated sick pay in excess of 175 hours per employee is paid to employees at their then current rate of pay in January each year or upon termination from the City. Employees are paid for all accumulated sick pay when they retire from the City. Vested vacation and sick pay benefits are accrued when incurred in the General Benefits and Insurance Fund and at June 30, 2023, totaled $24,461. Compensated absence of $18,110 is included in the current portion of other long-term liabilities, and $6,351 is included in other long-term liabilities less the current portion in the Statement of Net Position. Also included in long-term liabilities in the government-wide Statement of Net Position at June 30, 2023, is compensatory time liability of $726.

Changes in the City's compensated absences liability in fiscal year 2022 were as follows:

Estimated compensated absences liability at beginning of year	$ 24,459
Estimated compensated absence benefits earned	27,817
Compensated absences used	(27,089)
Compensated absences liability at end of year	$ 25,187

Asset Retirement Obligations (ARO)-Provision for decommissioning costs

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

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

On June 7, 2013, Southern California Edison (SCE) announced the permanent retirement of the SONGS plant. The Electric Utility's minority interest in SONGS units 2 and 3 is approximately 2.4681% of the total decommissioning costs estimated at $5,242,984 at June 30, 2023. SCE has decommissioning responsibility as well as majority interest of 75.7419%. Other minority owners are San Diego Gas and Electric 20.0%, and the City of Riverside Public Utilities 1.79%. The Electric Utility's minority share interest in SONGS of 2.4681% of the total decommissioning liability, net of payments already made by the Electric Utility, is $69,405 at June 30, 2023. The Electric Utility currently has assets of $82,923 including accrued interest of $379 in an irrevocable trust for the decommissioning costs. The overfunding amounts of $13,518, recorded in the deferred inflows from regulated business activities at June 30, 2023, are held in trust that will be used to reduce rates in the future or return to Electric rate customers if there are any funds remaining at the completion of decommissioning which is expected to take approximately 30 to 40 years. During fiscal year 2023, the Electric Utility paid $9,221 related to SONGS decommissioning costs.

The Electric Utility was also previously a minority owner of the San Juan Generation Station (SJ) located in San Juan, New Mexico and is responsible for the future decommission costs related to its former ownership share in Units 2 and 3. The Electric Utility's minority share interest in SJ is 3.1% of the total estimated decommissioning liability of $174,130. PNM Resources, Inc. has decommissioning responsibility as well as majority interest of 46.297%. Other minority owners are

Texas-New Mexico Power Company 19.8%; Southern California Public Power Authority 12.71%; M-S-R Public Power Agency 8.7%; the City of Farmington, New Mexico 2.559%; Tri State Generation and Transmission Associates, Inc. 2.49%; the Incorporated County of Los Almos, New Mexico 2.175%; and Utah Associated Municipal Power Systems 2.169%. In fiscal year 2022, The Electric Utility's percentage liability decreased from 3.1% to 2.7% as the plant continues to operate after the Electric Utility transferred its ownership rights on December 31, 2017. As of June 30, 2023, the Electric Utility has recorded a provision for decommissioning costs for SJ of $5,398 with assets of $6,079 in the City's restricted cash account for the decommissioning costs. The overfunding amount of $681, recorded in the deferred inflows from regulated business activities at June 30, 2023, will be returned to Electric rate customers if there are any funds remaining at the completion of the decommissioning which is expected to take approximately 20 to 40 years. The Electric Utility recorded its proportionate share of the asset retirement obligations based on its former ownership percentages of estimates made by the primary owners of the assets which measured their respective liability under standards set by the GASB.

In 2020, the Kraemer Combustion Turbine plant (CT) located in the northeast part of the City was taken out of service and will be decommissioned as part of the Electric Utility's responsibility to provide for the repurposing of the site for use for future needs of our customers. The Electricity Utility owns 100% of the plant. The Electric Utility has recorded a provision for decommissioning costs for the CT of $5,925. During fiscal year 2023, the Electric Utility paid $105 related to the CT decommissioning costs.

The Electric Utility had the following asset retirement obligations as of June 30, 2023:

Asset	Obligating Event	Beginning	Additions	Payments	Ending
SONG	Ownership Agreement	$ 76,351	$ 2,275	$ (9,221)	$ 69,405
SJ	Ownership Agreement	5,398			5,398
CT	Ownership	6,030		(105)	5,925
		$ 87,779	$ 2,275	$ (9,326)	$ 80,728

Pension plan

Full-time City employees are members of the State of California Public Employees' Retirement System (CalPERS). The City's policy is to fund all annual required actuarially determined contribution (ADC); such costs to be funded are determined annually as of July 1 by the CalPERS's actuary. The City maintains three Pension Plans with CalPERS - Miscellaneous Plan, Police Safety Plan and Fire Safety Plan. See note 14 for further discussion.

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

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

Postemployment benefits other than pension (OPEB)

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

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

For purposes of measuring the net OPEB liability and deferred outflows/ inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's OPEB Plan and additions to/ deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CERBT. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See note 15 for further discussion.

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

Net position restricted by enabling legislation

The government-wide Statement of Net Position reports $281,382 of governmental activities restricted net position, of which $76,638 is restricted by enabling legislation.

Fund balances

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

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

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

In all governmental funds, encumbered amounts have been restricted or assigned for specific purposes for which resources have already been allocated. On June 30, 2023, encumbrances totaled $3,100, $91 and $20,521 in the General Fund, Housing Authority Special Revenue Fund, and other nonmajor governmental funds, respectively.

The accumulated deficit fund balances at June 30, 2023 of $1,030 in the Workforce Development nonmajor Special Revenue Fund, $10,526 in the Streets Construction, and $82 in the Transportation Improvement Projects non major Capital Project Funds, will be eliminated in future years by the receipt of reimbursements for grant expenditures.

Deficit Net Position - Internal Service Funds

The accumuated deficit net position at June 30, 2023 of $3,023 in the General Benefits and Insurance will be eliminated in future years by charges to user departments.

Deficit Net Position - Successor Agency Fiduciary Fund

The accumulated deficit net position at June 30, 2023 of $133,637 will be eliminated in future years by the receipts of Redevelopment Property Tax Trust Fund (RPTTF) revenue allocations.

Budgetary principles

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

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

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

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

Property taxes

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

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

Entitlements, shared revenues and grants

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

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

Revenue, net of uncollectible amount, is recorded in the period in which services are provided. Most residential and smaller commercial customers are billed bimonthly and all other customers monthly. At June 30, 2023 unbilled but earned service charges recorded in accounts receivable for the Electric Utility, Water Utility, and Sanitation Utility Funds amounted to $20,492, $1,561, and $4,706, respectively. See note 10 for discussion of pledged revenues.

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. As such, actual results could differ from those estimates.

NOTE 2 – NEW ACCOUNTING PRONOUNCEMENTS

The City adopted the following new accounting pronouncements issued by the GASB during the current fiscal year ended June 30, 2023:

- Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The Requirements of this Statement are effective for reporting periods beginning after December 15, 2021.
- Statement No. 94, *Private-Private and Public-Public Partnerships and Availability Payment Arrangements*. A Public-Private and Public-Public Partnership (PPP) is an arrangement in which a

government (the transferor) contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital assets (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Availability payment arrangements (APS) have also been used in practice to procure governmental services. This Statement establishes standards of accounting and financial reporting for PPPs and APAs for governments. The requirements of this Statement are effective for the fiscal year that ends June 30, 2023.

- Statement No. 96, *Subscription-Based Information Technology Arrangements.* Subscription-Based Information Technology Arrangements (SBITAS) are arrangements that governments enter into vendor-provided information technology, software and associated tangible capital assets for subscription payments without granting governments perpetual license or title to the IT software and associated tangible capital assets. This Statement establishes accounting and financial reporting for SBITAS. The requirements for this Statement takes effect for financial statements starting with the fiscal year that ends June 30, 2023.

- Statement No. 99, *Omnibus 2022*. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

Implementations of the above GASB Statements have no material effect on amounts reported in the City's financial statements, except for GASB Statement No. 96, *Subscription-Based information Technology Arrangements.* The City restated the beginning amount of the subscription assets and subscription payable by increasing the depreciable capital assets and long-term debt by the same amount ($3,432) in governmental and ($822) in business-type activities. The restatement does not have any effect on net position in both the governmental and business-type activities. Information related to subscription assets and subscription liability can be found on note 7 Capital Assets on page 87, and note 10 on page 90 respectively.

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

- Statement No. 99, *Omnibus 2022*. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

- Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62.* The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

- Statement No. 101, *Compensated Absences.* This Statement amends the existing requirements to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability. In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. The requirements of this Statement are effective for fiscal years beginning December 15, 2023, and all reporting periods thereafter.

NOTE 3 – DEPOSITS AND INVESTMENTS:

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

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

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

Deposits and investments are comprised of the following at June 30, 2023:

	Cash and Cash Equivalents	Investments	Restricted Cash and Cash Equivalents	Restricted Investments	Total
Governmental activities:					
General Fund	$ 114,235	$ 83,649	$ 4,066	$ 16,742	$ 218,692
Housing Authority	12,518	51,457	1,595		65,570
Nonmajor governmental funds	31,310	130,003	153,687	56,980	371,980
Internal service funds	15,057	62,553	2,707		80,317
Total governmental activities	173,120	327,662	162,055	73,722	736,559
Business-type activities:					
Electric Utility	14,785	61,422	135,660	150,271	362,138
Water Utility	10,297	26,178	12,959	9,314	58,748
Sanitation Utility	10,578	43,075	14,103	10,825	78,581
Golf Courses	645	998			1,643
Convention, Sports & Entertainment Venues	9,573	39,770	1,029		50,372
ARTIC Management	168				168
Total business-type activities	46,046	171,443	163,751	170,410	551,650
Government-wide totals	219,166	499,105	325,806	244,132	1,288,209
Fiduciary funds			49,800	3,749	53,549
Total cash and investments	$ 219,166	$ 499,105	$ 375,606	$ 247,881	$ 1,341,758

Deposits and investments are comprised of the following at June 30, 2023:

Deposits	$ 7,484
Investments and cash equivalents	1,334,274
Total deposits and investments	$ 1,341,758

At June 30, 2023, deposits of $7,484 with a corresponding bank balance of $17,568, were maintained in various federally regulated financial institutions. The difference of $10,084 represents deposits in transit, outstanding checks, and other reconciling items. Deposits with bank balances of $2,000 are insured by the Federal Depository Insurance Corporation. For deposits with bank balances totaling $15,568, California state statutes require federally regulated financial institutions to secure a city's deposits by pledging collateral consisting of either government securities with a value of 110% of a city's total deposits or by pledging first trust deed mortgage notes having a value of 150% of a city's total deposits. The collateral is required by regulation to be held by the counterparty's agent in the name of the City.

Investments

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

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

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

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer	(S&P/ Moody's / Fitch)
U.S. Treasury obligations	5 Years	100%	None	None
U.S. agency securities	5 Years	100%	40%	None
Banker's acceptances	180 days	40%	5%	None
Commercial paper	270 days	25%	5%	A-1;P-1;F-1
Negotiable certificates of deposit	365 days	25%	5%	None
Repurchase agreements	1 Year	30%	None	None
Reverse repurchase agreements	90 days	20%	None	None
Medium-term corporate notes	5 Years	30%	5%	A-
Money market mutual funds	N/A	20%	10%	AAA
LAIF	N/A	$75 million per account	$75 million per account	None
Time Certificate of Deposit	1 year	20%	5%	None
Supranationals	5 Years	20%	10%	AA

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

The City's pooled investments comply with the requirements of the investment policy. GAAP requires disclosure of certain investments in any one issuer that exceeds five percent concentration of the total investments. At June 30, 2023, the following investments represent five percent or more of the City's total pooled investments.

Issuer	Investment Type	Fair Value	%
U.S. Treasury obligations	Treasury securities	$ 275,853	36%
Federal Farm Credit Bank	U.S. agency securities	132,330	17%
Federal Home Loan Bank	U.S. agency securities	88,641	12%
Wells Fargo Government Institution	Money Market Mutual Funds	61,000	8%
Federal National Mortgage Association	U.S. agency securities	52,156	7%

Investments authorized by debt agreements

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

Authorized Investment Type	Maximum Maturity	Percentage Allowed	Investment in One Issuer
U.S. Treasury obligations	None	None	None
U.S. agency securities	None	None	None
Guaranteed investment contracts	None	None	None
Collateralized investment contracts	None	None	None
Flexible repurchase agreements	None	None	None
Money market mutual funds	None	None	None
LAIF	None	None	None

At June 30, 2023, the following investments represent five percent or more of the City's total investments controlled by bond trustees:

Issuer	Investment Type	Fair Value	%
First American Treasury Obligations	Money market mutual fund	$ 270,052	47%
Dreyfus Treasury	Money market mutual fund	114,902	20%
Morgan Stanley	Flexible Repurchase Agreement	41,883	7%
U.S. Treasury obligations	Treasury securities	40,061	7%
LAIF	Local Agency Investment Fund	33,153	6%
Federal Farm Credit Bank	U.S. agency securities	30,015	5%

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

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

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

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

Custodial credit risk

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

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

Interest rate risk

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

Investments held by bond trustees are typically long-term securities which are not adversely affected by interest rate changes. Guaranteed investment contracts for construction funds are usually limited to three years or less. Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity at June 30, 2023.

City's investments (including investments held by bond trustees) to market interest rate fluctuations and the distribution of the City's investments by maturity at June 30, 2023:

Cash Equivalents & Investments	Credit Rating (Moody's/S&P)	Fair Value 6/30/2023	12 months or less	13 to 24 Months	25 to 36 Months	37 to 60 Months
Cash equivalents & investments controlled by City Treasurer:						
U.S. treasury obligations	N/A	$ 275,853	$ 120,593	$ 60,267	$ 29,621	$ 65,372
U.S. agency securities	AA+,Aaa	300,769	155,750	56,485	41,277	47,257
Medium term notes	AA+, Aaa	28,335	4,896	14,094	4,426	4,919
Medium term notes	AA, Aa2	9,809				9,809
Medium term notes	AA-, Aa3	9,888	9,888			
Medium term notes	A+, A2	9,325		9,325		
Medium term notes	A, A2	13,854		9,429	4,425	
Medium term notes	A+,A1	9,435				9,435
Medium term notes	A1,A1	14,323				14,323
Medium term notes	AA, A1	9,523				9,523
Supranationals	AAA,Aaa	8,846				8,846
Supranationals	AA+,Aaa	11,165			11,165	
Money market mutual funds	AAA, Aaa	62,318	62,318			
LAIF	Unrated	297	297			
Total cash equivalents & investments controlled by City Treasurer		763,740	353,742	149,600	90,914	169,484
Cash equivalents & investment controlled by bond trustees:						
U.S. treasury obligations	N/A	40,061	19,828	18,598	901	734
U.S. agency securities	AA+.Aaa	37,409	20,371	9,417	7,394	227
Flexible repurchase agreements	Unrated	56,075			56,075	
Money market mutual funds	Unrated	403,836	403,836			
LAIF	Unrated	33,153	33,153			
Total cash equivalents & investments controlled by bond trustees		570,534	477,188	28,015	64,370	961
Total cash equivalents & Investments		$ 1,334,274	$ 830,930	$ 177,615	$ 155,284	$ 170,445

Fair Value Measurement:

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

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

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

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

The City has the following recurring measurements as of June 30, 2023:

		Fair Value Measurement Using		
Investment by fair value level	6/30/2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant other Observable Inputs (Level 2)	Not Required to be leveled
Debt securities:				
U.S. Treasury Obligations	$ 315,914		$ 315,914	
U.S. Agency Securities	338,178	$ 64,347	273,831	
Suprantional	20,011		20,011	
Medium Term Corporate Notes	104,492		104,492	
LAIF	33,450			$ 33,450
Subtotal	812,045	$ 64,347	$ 714,248	$ 33,450
Investments measured at cost-based:				
Flexible repurchase agreements	56,075			
Money Market Mutual Funds	466,154			
Subtotal	522,229			
Total	$1,334,274			

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

Accounts receivable

Accounts receivable for the City's governmental and business-type activities, including the applicable allowance for uncollectible accounts at June 30, 2023, are as follows:

	Accounts Receivable	Less Allowance for Uncollectible	Total
Governmental activities:			
General Fund	$ 41,790	$ (6,931)	$ 34,859
Housing Authority	354	(192)	162
Nonmajor governmental funds	2,596	(8)	2,588
Internal service funds	7,340	(55)	7,285
Total governmental activities	52,080	(7,186)	44,894
Business-type activities:			
Electric Utility	48,918	(6,452)	42,466
Water Utility	32,170	(1,317)	30,853
Sanitation Utility	12,831	(2,186)	10,645
Golf Courses	81		81
Convention, Sports & Entertainment Venues	4,321	(109)	4,212
Total business-type activities	98,321	(10,064)	88,257
Total accounts receivable, net	$ 150,401	$ (17,250)	$ 133,151

Due from other governments

Due from other governments for the City's governmental activities at June 30, 2023, are as follows:

	Taxes	Grants	Other	Total
Governmental activities:				
General Fund	$ 19,188	$ 4,651	$ 2,191	$ 26,030
Housing Authority		685		685
Nonmajor governmental funds		26,526	196	26,722
Total due from other governments	$ 19,188	$ 31,862	$ 2,387	$ 53,437

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

General fund	$ 534
Electric Utility	1,445
Water Utility	187
Sanitation Utility	418
Convention, Sports & Entertainment Venues	32
Total	$ 2,616

Due from the Successor Agency

At June 30, 2023, the amount due from the Successor Agency is $3,666. Due to the extended period of time over which the receivables for the HUD loan agreements are to be collected, the City has recorded expenditures at the time the loans were provided and deferred inflows of resources equal to the amount due in the nonmajor special revenues funds ($2,936) and the nonmajor capital project fund ($730).

- On April 1, 2003, the City and the former Anaheim Redevelopment Agency entered into a Cooperation Agreement whereby the City assisted the Redevelopment Agency with the development of Westgate utilizing $10,000 of funds from the HUD Section 108 loan program. The amount is due to the City by annual installment through June 2024. At June 30, 2023, the amount due is $730.
- On June 1, 2010, the City and the former Anaheim Redevelopment Agency entered into a Cooperation Agreement whereby the City assisted the Redevelopment Agency with the rehabilitation of the historic Packing House site utilizing $7,000 of funds from the HUD Section 108 $15,000 loan proceeds. The amount is due to the City by annual installment through June 2031. At June 30, 2023, the amount due is $2,936.

Interfund receivable and payable balances

Net internal balances between governmental activities and business-type activities of $14,914 are included in the government-wide financial statements as of June 30, 2023.

Interfund receivables and payables that are included in the fund financial statements at June 30, 2023, are as follows:

	Interfund Receivable:					
	General Fund	Housing Authority	Nonmajor governmental funds	Internal service funds	Electric Utility	Total
Interfund Payable:						
Governmental Funds:						
General Fund		$ 7,425		$ 32,026	$ 333	$ 39,784
Nonmajor governmental funds	$ 450	1,133	$ 9,799			11,382
Enterprise Funds:						
Water Utility					688	688
Internal Service Funds	1,504					1,504
Total	$ 1,954	$ 8,558	$ 9,799	$ 32,026	$ 1,021	$ 53,358

All interfund balances at June 30, 2023 are generally short-term loans to relieve temporary cash deficits in various funds, except the following interfund balances that are expected to be repaid in more than one year:

General Fund

In 2020, a $33 million interfund loan was made between the General Fund and the General Benefits and Insurance Fund, an Internal Service Fund of the City, to provide cash relief due to general tax revenue shortfall resulting from the COVID-19 pandemic and the California Stay-At-Home order. The fund will be repaid over ten years at the City of Anaheim Treasury Investment Portfolio earning rate. At June 30, 2023, the balance is $32 million.

Electric Utility

- In 2015, the Public Utility Customer Service Information System Project was completed and placed in service. The Electric Utility paid for the total cost of the project. The Water Utility portion of the total cost is $3,484, payable in annual amounts of not less than $344 beginning July 2016 until July 2024. The outstanding balance at June 30, 2023 is $688.
- The Public Utility and Community Services Departments entered into various Memorandum of Understanding (MOU) whereby the Public Utility agreed to provide low-interest financial assistance to fund project costs in implementing resource efficiency measures in various City facilities, City Parks and City libraries. The funds will be repaid over five years.
  1. In February 2019, $295 was provided for the security lighting upgrade projects in various City parks. The interest rate is 2.11% per annum, principal and interest payment is $5 payable from unrestricted general fund resources. At June 30, 2023, the balance is $50.
  2. In August 2019, $296 was provided for the replacing, upgrading, retrofitting, and construction project materials, contract labor, and design services in various City-owned libraries. Interest rate is 2.35% per annum. Monthly principal and interest payment is $5 payable from unrestricted general fund resources. At June 30, 2023, the balance is $87.
  3. In January 2023, $213 was provided to fund the costs of the security lights with new energy efficient LED lamps and fixtures at the Hasket Library and Boysen Park. Interest rate is 2.69% per annum. Monthly principal and interest payment is $4 payable from unrestricted general fund resources. At June 30, 2023, the balance is $196.

Housing Authority

- In February 2018, the City and the Anaheim Housing Authority (Authority) entered into a Cooperation Agreement whereby the City and Housing Authority exchanged real property for the purpose of developing affordable housing. The fair value of the Housing Authority property exceeded that of the City property by $2,150; hence, the City agreed to provide $2,150 in future Park Fee Credits to the Housing Authority for the benefit of affordable housing development. At June 30, 2023, the park fee credit due to the Housing Authority is $1,133 from the Community Services Facilities nonmajor special revenue fund.
- On July 30, 2019, the Authority purchased 1213 & 1227 South Claudina Street ("Properties") from B&AINV 1 & 2 LLC at a purchase price of $7,250. The Authority wishes to exchange the Properties for property owned by the City (yet to be determined) of equal value and suitable for low and moderate income housing purposes. Concurrently, the City entered into a Purchase & Sale Agreement dated July 30, 2019 with ATN Asset Holding Co. LLC (ATN) for the sale of Properties for $7,405 secured by a note and deed of trust for the entire amount. To facilitate the sale, the Properties were transferred from the Authority to the City. The City and the Authority entered into an Agreement and Escrow Instructions for Delayed Exchange of Real Property for a replacement property, yet to be determined. Interfund due from and to in the amount of $7,425 were reported in the Housing Authority and General Fund respectively with the General Fund reported a note receivable from ATN in the amount of $7,405.

Certain interfund transactions

The following interfund transfers are reflected in the fund financial statements at June 30, 2023:

	Transfer In:								
					Enterprise Funds				
Transfer Out:	General Fund	Housing Authority	Nonmajor governmental funds	Internal Service Funds	Electric Utility	Water Utility	Convention, Sports & Entertainment Venues	ARTIC Management	Total
General Fund			$ 104,193	$ 500		$ 600	$ 10,952		$ 116,245
Nonmajor governmental funds	$ 1,985	$ 5,394	3					$ 2,000	9,382
Electric Utility	23,221								23,221
Water Utility	1,601				$ 201				1,802
Sanitation Utility	2,907		9						2,916
Convention, Sports and Entertainment Venues	958							264	1,222
Internal Service Funds					52	3			55
Total	$ 30,672	$ 5,394	$ 104,205	$ 500	$ 253	$ 603	$ 10,952	$ 2,264	$ 154,843

The net transfers between governmental funds and proprietary funds is $14,644 which are primarily operational subsidies from enterprise funds to the General Fund and are offset by debt service subsidies to the ARTIC Management and Convention, Sports & Entertainment Venues Funds.

The City made the following major transfers during fiscal year ended June 30, 2023:

- Transfer of $101,776 represents Lease Payment Measurement Revenues (LPMR) from the General Fund to the Anaheim Resort Improvements Debt Service Fund, which is held by the Trustee, see discussion on note 10 of the notes to the financial statements on page 91 of this report.
- Transfer of $10,952 from the General Fund to the Convention, Sports & Entertainment Venues Enterprise Fund for debt services.
- Transfer of $798 from the General Fund to the Municipal Facilities nonmajor Debt Service Fund for debt services.
- Transfer of $1,053 from the General Fund to the Other Capital Improvements nonmajor Capital Project Fund for Public Safety 800 Megahertz (MHz) communication debt service ($803); and various neighborhood capital improvement projects ($250).
- Transfer of $500 from the General Fund to the Municipal Facilities Maintenance, Internal Service Funds for deferred maintenance projects.
- Transfer of $600 from the General Fund to the Water Utility Enterprise Fund per the result of Measure N in the November 2014 election.
- Transfer of $1,466 from the Other Capital Improvements nonmajor Capital Project Fund to the General Fund to support budget amendments adopted by City Council for Community Services.
- Transfer of $5,394 of the state grant provided by the State of California General Fund from the Grant nonmajor Special Revenue Fund to the Housing Authority, per the Cooperation Agreement between the City and the Housing Authority, to provide resources for the acquisition of the Tampico Motel for the purpose of creating affordable housing opportunities.
- Transfer of $2,000 from the Gas Tax nonmajor Special Revenue Fund to the ARTIC Management Enterprise Fund for debt services on the ARTIC land acquisition loan as discussed on note 10 of the notes to the financial statements on page 96 of this report.
- Transfer of $958 and $264 from the Convention, Sports and Entertainment Venues Fund to the General Fund and the ARTIC Management Enterprise Fund, respectively, to support certain interfund services cost allocation for the Honda Center and the ARTIC.
- Transfers of $16,994 from the Electric Utility Enterprise Fund and $2,907 from the Sanitation Utility Enterprise Fund to the General Fund. As defined by City Charter, the transfer is equal to the

maximum of 4% of total operating revenues of the current fiscal year.

- Transfer of $6,227 from the Electric Utility Enterprise Fund and $1,601 from the Water Utility Enterprise Fund to the General Fund. The amount represents the City Council approved transfer of 1.5% retail electric revenue and net water revenue of the prior fiscal year.

The net transfer of $15,122 from the business-type activities to governmental activities in the government-wide Statement of Activities consisted of a $33 transfer of capital assets from the Sanitation Utility business-type activities to the governmental activities and the net transfers described above.

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

NOTE 5- LEASE RECEIVABLES

The City leases out its office space, buildings and land for various operational purposes to third parties. The City's lease receivables at June 30, 2023 were valued at $11,800 for Governmental Activities and $9,351 for Business-type Activities. The deferred inflow of resources related to these lease receivables of $11,398 and $9,193, respectively, will be recognized as revenues over the term of the leases.

The City's incremental borrowing rate for the lease inception was applied to the leases that do not have specific interest rates for each of the Lease Agreements.

Lease receivables of the governmental activities consist the following:

- Office space and building totaling $537 at the interest rate of 1.75%, annual principal and interest lease payment is $48; the remaining lease terms is August 20, 2037;
- Land leases totaling $11,263 at the interest rate of 1.75%, annual principal and interest lease payment ranges from $129 to $1,229, the remaining lease terms range from December 23, 2023 to March 11, 2076.

Lease receivables of the Business-type activities consist the following:

- Land leases totaling $9,351 at the interest rate of 1.75%; annual principal and interest lease payment ranges from $134 to $1,947, the remaining lease terms range from May 31, 2024 to March 28, 2039.

The total amount of inflows of resources relating to leases recognized in the current fiscal year are as follows:

	Governmental Activities	Business-type Activities	Total
Lease revenue	$ 5,229	$ 2,568	$ 7,797
Interest revenue	$ 215	$ 171	$ 386

Lease revenues include variable lease revenues not previously measured in lease receivable. The variable portion of the lease revenues include amount collected based on a percentage of the lessees' income on the leasing assets, and the residual receipts of the Housing Authority ground leases. The amount collected of the variable portion during fiscal year 2023 is $3,845 in governmental activities and $711 in business-type activities.

The Fiduciary Fund - Successor Agency leases out its land to a third party. The Successor Agency's lease receivable at June 30, 2023 was valued at $1,376. The deferred inflow of resources related to this lease receivables of $1,329 will be recognized as revenues over the term of the leases.

- Annual principal and interest lease payment ranges from $77 to $114; at the Successor Agency's incremental borrowing rate of 1.75%; the remaining lease term through March 5, 2039.

The Successor Agency's total amount of inflows of resources relating to leases recognized in the current fiscal year are as follows:

	Fiduciary Funds Activities
Lease revenue	$ 85
Interest revenue	$ 24

NOTE 6 – ECONOMIC ASSISTANCE AGREEMENTS - TAX ABATEMENTS (as defined by GASB Statement No. 77)

As of June 30, 2023, the City has three active Economic Assistance Agreements (Agreements) to developers. These Agreements related to construction of Hotels and retail spaces (Projects) within the City of Anaheim. There has been analysis of the feasibility gap between the costs of developing and operating the Projects and the costs that the Projects can finance and viably support. The feasibility gap for the Projects is the economic assistance that the City has committed to partially provide and is capped at $244,726, per the Agreements. As of June 30, 2023, the City has made payments totaling $18,445 for these Agreements.

The economic assistance that the City provides under these three Agreements is in the form of tax abatements - rebates of transient occupancy taxes (TOT) and sales tax that these Projects generated and the City receives. These tax abatements are reported as reductions to tax revenues in the General Fund. During fiscal year 2023, the City paid $9,529 for TOT abatements and $350 for sales tax abatement.

In June 2015, the City adopted the Hotel Incentive Program to bring other four-diamond hotels to the City. In accordance with the Hotel Incentive Program, the City entered into several economic assistance agreements to provide assistance to partially fill the feasibility gap of the four-diamond hotel developments within the City. Provision of economic assistance is contingent upon completion of construction of the hotels, the commencement of and continued operations as a four-diamond quality hotel, and the generation of and payment to the City of TOT. Some of the contemplated hotels have yet to be built, and therefore cannot operate, generate nor pay TOT, and as such no economic assistance is required by the City at this time. Once the hotels are constructed and operated at the required quality level, the City will use an amount equal to 70% of the TOT generated and paid to the City to fund the corresponding economic assistance. All Agreements have terms of twenty years and are capped with maximum amount of economic assistance payments.

These Agreements create the desired number of luxury hotel rooms within the City. As such the program was rescinded for future developments in December 2016.

NOTE 7 – CAPITAL ASSETS

Capital asset activities for the year ended June 30, 2023, were as follows:

	Beginning Balance, as restated	Additions	Transfer In (Out)	Deletions	Ending Balance
Governmental activities:					
Nondepreciable assets:					
Land	$ 694,224	$ 17,156	$ 2,474	$ (2,635)	$ 711,219
Construction in progress	43,674	44,089	(29,409)	(1,015)	57,339
Total	737,898	61,245	(26,935)	(3,650)	768,558
Depreciable assets:					
Buildings, structures and improvements	439,725	7,578	11,550	(3,417)	455,436
Machinery and equipment	145,269	7,500	264	(4,112)	148,921
Infrastructure	976,828	13,527	11,789	(294)	1,001,850
Lease land and buildings	2,979	265			3,244
Lease equipment	2,683	1,523		(128)	4,078
Subscription assets	3,432	23,200	3,365		29,997
Total	1,570,916	53,593	26,968	(7,951)	1,643,526
Total assets	2,308,814	114,838	33	(11,601)	2,412,084
Less accumulated depreciation for:					
Buildings, structures and improvements	(221,220)	(16,261)		562	(236,919)
Machinery and equipment	(100,887)	(7,463)		3,930	(104,420)
Infrastructure	(523,303)	(21,142)		294	(544,151)
Lease land and buildings	(110)	(148)			(258)
Lease equipment	(853)	(1,147)		127	(1,873)
Subscription assets		(2,156)			(2,156)
Total accumulated depreciation	(846,373)	(48,317)		4,913	(889,777)
Total governmental activities capital assets, net	$ 1,462,441	$ 66,521	$ 33	$ (6,688)	$ 1,522,307
Business-type activities:					
Nondepreciable assets:					
Land	$ 93,331				$ 93,331
Construction in progress	167,595	$ 170,147	$ (65,060)	$ (1,369)	271,313
Total	260,926	170,147	(65,060)	(1,369)	364,644
Depreciable assets:					
Buildings, structures and improvements	1,038,435	3,105	5,431	(60)	1,046,911
Utility plant	2,156,848	3,447	59,596	(5,268)	2,214,623
Machinery and equipment	52,997	1,721		(41)	54,677
Lease land	3,200				3,200
Lease equipment	266	837		(266)	837
Subscription assets	822				822
Total	3,252,568	9,110	65,027	(5,635)	3,321,070
Total assets	3,513,494	179,257	(33)	(7,004)	3,685,714
Less accumulated depreciation for:					
Buildings, structures and improvements	(380,248)	(20,887)		60	(401,075)
Utility plant	(886,047)	(60,579)		5,268	(941,358)
Machinery and equipment	(34,190)	(3,648)		41	(37,797)
Lease land	(260)	(248)			(508)
Lease equipment	(187)	(99)		215	(71)
Subscription assets		(173)			(173)
Total accumulated depreciation	(1,300,932)	(85,634)		5,584	(1,380,982)
Total business-type activities capital assets, net	$ 2,212,562	$ 93,623	$ (33)	$ (1,420)	$ 2,304,732

Depreciation expense was charged to functions/programs of the City during fiscal year 2023 as follows:

Governmental activities:		
General government	$	88
Police		2,908
Fire		2,162
Housing & Community Development		2,081
Planning		45
Public Works		21,861
Community Services		5,597
Convention, Sports and Entertainment		7,407
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets		6,168
Total depreciation expense - governmental activities	$	48,317
Business-type activities:		
Electric Utility	$	48,318
Water Utility		12,682
Sanitation Utility		2,856
Golf Courses		856
Convention, Sports & Entertainment Venues		18,539
ARTIC Management		2,383
Total depreciation expense - business-type activities	$	85,634

Successor Agency

Lease assets for the Successor Agency for the fiscal year ended June 30, 2023 were as follows:

	Beginning Balance as restated	Addition	Deletion	Ending Balance
Lease land	$ 19,613			$ 19,613
Less accumulated depreciation	(729)	$ (727)		(1,456)
Lease assets, net	$ 18,884	$ (727)	$	$ 18,157

NOTE 8 – SELF INSURANCE:

The Insurance Fund (a function of the General Benefits and Insurance Fund), an internal service fund, is used to account for self-funded workers' compensation related benefits, self-funded general liability claims, commercial insurance purchases, and alternative risk financing vehicles. Revenues of the Insurance Fund are derived from cost-allocation charges to City departments using estimates of anticipated risk-transfer costs, new losses, payments on existing claims, and reserve development on known claims. In addition, the Insurance Fund receives interest income from reserves.

At June 30, 2023, the City was funded at an actuarially acceptable level for self-funded retention for workers' compensation and general liability claim exposures (with retention levels of $2,000 per occurrence for workers' compensation claims and $1,000 per occurrence for general liability claims). Above these retained levels, the City's potential liability is covered through various commercial insurance and intergovernmental risk pooling programs (collectively, "Insurance"). Settled claims have not exceeded total Insurance in any of the past three years, nor does management believe that there are any pending claims that will exceed total Insurance coverage.

The unpaid claims liability included in the Insurance Fund is based on the results of actuarial studies and includes amounts for claims incurred-but- not-reported, known-claim development, and allocated loss adjustment expenses. Claims liabilities are calculated using a discount rate of 2.25% and consider the effects of inflation, multi-year loss development trends, and other economic and social factors. It is the practice of the City to obtain full annual actuarial studies annually for its retained levels for general liability and workers' compensation exposures. "Premiums" are charged by the Insurance Fund using allocation methods that include actual costs, trends in claims experience and applicable exposure bases.

Changes in claims liability of the General Benefits and Insurance Fund related to the governmental funds that are reported in the governmental activities in the government-wide Statement of Net Position in fiscal years 2023 and 2022 were as follows:

	2023	2022
Claims liability at beginning of year	$ 58,519	$ 59,119
Current year claims and changes in estimates	13,388	13,700
Claims payments	(12,819)	(14,300)
Claims liability at end of year	$ 59,088	$ 58,519

Above the retained limit of $2,000 per occurrence for workers' compensation losses, the City purchases excess coverage, utilizing both commercial insurance and an intergovernmental risk pooling program (PRISM), to statutory limits.

Above the retained limit of $1,000 per occurrence for liability losses, the City maintains excess coverage for all City operations to $55,000 per occurrence, excluding helicopter operations for which the City purchases $50,000, per occurrence, of commercial aviation liability insurance (on a first-dollar basis). The first layer of excess liability loss coverage is procured through the Authority for California Cities Excess Liability (ACCEL), a joint powers insurance authority, formed in 1986, pooling catastrophic general, automobile, personal injury, and public officials errors and omissions liability losses among twelve California cities, through both risk-sharing and commercial insurance joint-purchase arrangements. The City, therefore, continues to maintain some limited excess liability risk sharing exposure, above $1,000 per occurrence, directly with ACCEL. This pooled coverage has exposure from the run-out periods from prior years in the ACCEL retained layer of $4,000 or $9,000 in excess of $1,000. Each ACCEL member's share of pooled losses is based on a retrospectively-rated risk-sharing formula which includes, but is not limited to, exposure and loss experience factors.

In order to provide funds to pay claims, ACCEL collects an annual deposit from each member. The deposits are credited with investment income at the rate earned on ACCEL's investments. As of June 30, 2023, ACCEL's cash and investments totaled $71,424. The City has no specific equity interest in ACCEL. Deposits provided to ACCEL by the City are expensed when paid by the General Benefits and Insurance Fund.

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

NOTE 9 – REVOLVING LINE OF CREDIT

On January 1, 2021, the Public Utility Department renewed the Revolving Credit Agreement (Agreement) with Wells Fargo Bank, National Association for a maximum note amount not to exceed $100,000, of which $86,000 is made available for the Electric Utility and $14,000 for the Water Utility. The note was renewed with the same three year term with a maturity date of December 31, 2023, at variable interest rates based on the SOFR Index Rate and a spread. The annual commitment fee is 0.30% of the total note amount of $100,000. The current U.S. Dollar LIBOR publication is scheduled to end by June 30, 2023.

The purpose of the Agreement is to provide temporary financing for the costs of acquisition and construction to capital improvements of the Utility's electric and water systems. There was no draw from the Agreement during fiscal year 2023 and no balance is outstanding at June 30, 2023.

NOTE 10 – LONG-TERM DEBTS:

The following is a summary of changes in long-term debts reported in the government-wide financial statements for the year ended June 30, 2023:

	Beginning Balance, as restated	Additions/ Proceeds	Refunded	Reductions/ Payments	Ending Balance	Due Within One Year
Governmental activities:						
Bonds payable:						
City lease revenue	$ 415,008			$ (15,796)	$ 399,212	$ 17,090
Accretion	225,279	$ 17,075		(19,217)	223,137	20,454
Unamortized bond discount/premium, net	25,880			(2,868)	23,012	
Total	666,167	17,075		(37,881)	645,361	37,544
Notes and loans payable from direct borrowing:						
City	14,921			(3,144)	11,777	2,608
Internal Service Funds	6,552			(1,252)	5,300	1,280
Total	21,473			(4,396)	17,077	3,888
Leases (note 12):						
City	2,915	80		(61)	2,934	63
Internal Service Funds	1,460	1,708		(1,375)	1,793	927
Total	4,375	1,788		(1,436)	4,727	990
Subscription payable (note 13):						
City	136	12,148		(2,143)	10,141	1,897
Internal Service Funds	3,296	9,727		(903)	12,120	2,106
Total	3,432	21,875		(3,046)	22,261	4,003
Governmental activities total	695,447	40,738		(46,759)	689,426	46,425
Business-type activities:						
Bonds payable:						
Electric Utility	$ 727,455	$ 34,095	$ (45,995)	$ (36,295)	$ 679,260	$ 37,755
Water Utility	234,130			(4,745)	229,385	6,991
Sanitation	40,930			(1,355)	39,575	1,430
Convention, Sports & Entertainment Venues	226,704			(4,047)	222,657	6,926
Unamortized bond discount/premium, net	75,303	3,773		(11,069)	68,007	
Total	1,304,522	37,868	(45,995)	(57,511)	1,238,884	53,102
Notes and loans payable from direct borrowing:						
Electric Utility	149			(32)	117	33
Sanitation Utility	97			(21)	76	21
Golf Courses	142			(35)	107	36
Convention, Sports and Entertainment Venues	14			(4)	10	3
ARTIC Management	2,000			(2,000)		
Total	2,402			(2,092)	310	93
Leases (note 12):						
Electric Utility	2,922			(264)	2,658	125
Golf Courses	75	241		(94)	222	48
Total	2,997	241		(358)	2,880	173
Subscription payable (note 13):						
Electric Utility	658			(134)	524	134
Water Utility	164			(33)	131	33
Total	822			(167)	655	167
Interest payable						
ARTIC Management	3,747	19			3,766	1,883
Total	3,747	19			3,766	1,883
Business-type activities total	1,314,490	38,128	(45,995)	(60,128)	1,246,495	55,418
Government-wide total	$ 2,009,937	$ 78,866	$ (45,995)	$ (106,888)	$ 1,935,921	$ 101,843

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

	Standard & Poor's	Fitch Ratings	Moody's
1997 A Lease Revenue Bonds	AA	A-	A1
1997 C Lease Revenue Bonds	AA	Unrated	A1
2019 Senior Lease Revenue Bonds	AA	A-	A2
2021 A Lease Revenue Bonds	AA	Unrated	A1
2021 Working Capital Bonds	AA	Unrated	A1
Electric Revenue Bonds	AA-	AA-	Aa3
Water Revenue Bonds	AA+	AA+	Unrated
Sewer Revenue Bonds	AA+	Unrated	Unrated

GOVERNMENTAL ACTIVITIES:

BONDS PAYABLE

At June 30, 2023, bonds payable consisted of the followings:

	Date Issued	Final Maturity	Range of Interest Rates at Issue Date	Authorized and Issued	Outstanding 6/30/2023
1997 Anaheim Lease Revenue Bonds	2/1/1997	3/1/2037	4.5% - 6.1%	$ 251,182	$ 78,378
Accretion					223,137
2019 A Anaheim Senior Lease Revenue Refunding Bonds	4/30/2019	9/1/2036	5.0% - 5.0%	169,065	158,635
2021 Lease Revenue Refunding Bonds	12/14/2021	7/1/2046	0.9% - 3.3%	23,546	23,444
2021A Lease Revenue Bonds (Working Capital Financing)	6/22/2021	7/1/2051	0.6% - 3.1%	138,755	138,755
Total					622,349
Unamortized bond premium/discounts, net					23,012
Total governmental activities bonds				$ 582,548	$ 645,361

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

Bonds Payable - City

Lease payment measurement revenues (LPMR)

In February 1997, the Anaheim Public Financing Authority sold $510,427 of lease revenue bonds to finance the construction of public improvements in The Anaheim Resort. In June 2007, the Authority sold $256,320 of lease revenue bonds to defease $248,335 of the 1997 lease revenue bonds. In April 2019, the Authority sold $175,565 of Senior Lease Revenue Refunding Bonds to defease the $209,065 outstanding balance of the 2007 A1 and A2 bonds. On January 13, 2020, the Authority transferred $58,600 from the LPMR Special Reserve Fund to the escrow bank to defease a portion of the outstanding lease revenue Capital Appreciation Bonds 1997 series C with the maturity value at defeasance of $84,270 maturing on September 1, 2035, September 1, 2036 and March 1, 2037.

The bonds are special obligations of the Authority payable solely from lease payments to be made by the City to the Authority for the use and occupancy of the leased premises. Debt service requirements to maturity for these lease revenue bonds are paid from lease payment measurement revenues (LPMR) measured by portions of the three largest revenue sources (TOT, sales tax, and property tax). Lease payments made by the City under the lease agreement are equal to LPMR, which in general means the sum of an amount equal to the following will be transferred in the a debt service fund:

1) 3% of the 15% TOT rate (i.e. 20% of the total TOT revenue) for all hotel properties in the City, excluding certain Disney properties constructed prior to 2009;

2) 100% of the TOT revenues from certain Disney properties constructed prior to 2009 over the 1995 base (adjusted annually by the change in CPI) with a minimum of 2% increase;

3) 100% of sales tax revenues from certain Disney properties over the 1995 base (adjusted annually by the change in CPI) with a minimum 2% increase;

4) 100% property tax revenues from certain Disney properties in excess of the 1995 base property tax amount, adjusted annually by 2%.

The City is not required to pay any additional sums should the LPMR fall short of the amount required to pay debt service on the bonds. The Walt Disney Company provided a guarantee to the bond insurer to enable the issuer to obtain municipal bond insurance.

LPMR began on January 1, 2001, with the first payment made to the trustee on July 7, 2001, for the LPMR generated during the period January through June 2001. Subsequent to that date, LPMR is collected and remitted to the trustee monthly. During the fiscal year ended June 30, 2023, $98,802 was remitted to the trustee.

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

Fiscal Year Ending 6/30	Principal	Interest	Total
2024	$ 16,361	$ 29,161	$ 45,522
2025	17,089	29,759	46,848
2026	17,800	30,376	48,176
2027	18,405	31,045	49,450
2028	17,648	31,797	49,445
2029-2033	74,656	172,568	247,224
2034-2038	75,054	97,534	172,588
Total	237,013	422,240	659,253
Unamortized bond premiums	23,012		23,012
Total bonds	$ 260,025	$ 422,240	$ 682,265

Included in interest is $223,137 related to accretion on capital appreciation bonds.

Lease revenue bonds – City

The City purchased a Surety Policy and a Reserve Policy in satisfaction of the bond reserve requirements. Debt service requirements to maturity for the City's lease revenue bonds to be paid from unrestricted revenues of the Municipal Facilities Debt Service Fund are as follows:

Fiscal Year Ending 6/30	Principal	Interest	Total
2024	$ 729	$ 661	$ 1,390
2025	737	652	1,389
2026	748	641	1,389
2027	760	628	1,388
2028	775	612	1,387
2029-2033	4,150	2,777	6,927
2034-2038	4,774	2,136	6,910
2039-2043	5,594	1,308	6,902
2044-2049	5,177	344	5,521
Total Bonds	$ 23,444	$ 9,759	$ 33,203

Lease Revenue Bonds - Working Capital Financing

On June 10, 2021, the Anaheim Public Financing Authority sold $138,755 of Lease Revenue Bonds (Working Capital Financing), Series 2021 A, at par. Proceeds of the bonds provide financing for projected cash flow deficits attributable to significant declines in General Fund revenues impacted by the COVID-19 pandemic for fiscal year 2020-2021 through 2023-2024. The bonds will be repaid from unrestricted general fund revenues. During fiscal year 2023, there was no draw from the bond proceeds.

The City also purchased a Surety Policy and a Reserve Policy in satisfaction of the bond reserve requirements. The Reserve requirement, as of the date of any calculation, an amount equal to the least of 1) 10% of the proceeds of the issue, 2) the maximum Annual Debt Service on the outstanding bonds, and 3) 125% of the average Annual Debt Service on the Outstanding Bonds.

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

Fiscal Year Ending 6/30	Principal	Interest	Total
2024		$ 3,656	$ 3,656
2025	$ 3,650	3,644	7,294
2026	3,675	3,615	7,290
2027	3,710	3,576	7,286
2028	3,755	3,527	7,282
2029-2033	19,780	16,581	36,361
2034-2038	22,135	14,140	36,275
2039-2043	25,400	10,807	36,207
2044-2048	29,535	6,592	36,127
2049-2053	27,115	1,725	28,840
Total	$ 138,755	$ 67,863	$ 206,618

NOTES AND LOANS PAYABLE

Notes and loan payable from direct borrowing contain provision that in the event of default, the entire outstanding principal amount are due and payable. Additionally, the City had pledged certain real properties, park land, and a portion of its annual Community Development Block Grants entitlement as securities interest for the HUD Section 108 guaranteed loans. At June 30, 2023 notes and loans payable are as follows:

Notes and Loans Payable – City

HUD Section 108 guaranteed loans payable

In May 2003, the City entered into an agreement with HUD, making available $10,000 to provide financial assistance related to the development of Westgate on a former landfill site located at the northeast corner of Beach Boulevard and Lincoln Avenue. The loan is payable from the receipts of the Successor Agency receivable. The outstanding balance at June 30, 2023 was $730. The loan bears interest ranging from 1.74% to 5.97% and is payable over 20 years beginning on February 1, 2005, until August 1, 2024. Loan debt service requirements to maturity are as follows:

Fiscal Year Ending 6/30	Principal	Interest	Total
2024	$ 730	$ 22	$ 752
Total notes and loans	$ 730	$ 22	$ 752

In March 2010, the City entered into an agreement with HUD, making available $15,000 to fund the acquisitions of the Orange County Family Justice Center and Miraloma Park site, construction of the Thornton Brady storm drain and the rehabilitation of the historic Packing House site. The loan is payable from the Community Development Block Grant yearly entitlement and from the receipts of the Successor Agency receivable. The outstanding balance of the loan at June 30, 2023, was $6,575. The loan bears interest ranging from 1.74% to 3.97% and is payable over 20 years beginning on February 1, 2011 through August 1, 2030. Loan debt service requirements to maturity are as follows:

Fiscal Year Ending 6/30	Principal	Interest	Total
2024	$ 805	$ 261	$ 1,066
2025	835	229	1,064
2026	865	194	1,059
2027	900	157	1,057
2028	930	118	1,048
2029-2031	2,240	117	2,357
Total notes and loans	$ 6,575	$ 1,076	$ 7,651

800 Megahertz Communication Equipment

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

On November 30, 2015, the Agreement provided $1,100 financing for the acquisition of a portion of the mobile radio equipment payable over 10 years and bears interest of 1.98% per annum, Principal and interest payments of $61 are due semi-annually beginning on May 30, 2016, until November 30, 2025. The outstanding balance at June 30, 2023 was $296 .

On November 30, 2016, the Agreement provided $6,840 financing for the acquisition of the remaining radio equipment payable over 10 years and bears interest of 1.87% per annum. Principal and interest of $377 are due semi-annually beginning on May 30, 2017, until November 30, 2026. Amount of this financing allocated to governmental activities totaled $6,235. The outstanding balance at June 30, 2023 was 2,336 .

Loan debt service requirements to maturity are as follows:

Fiscal Year Ending 6/30	Principal	Interest	Total
2024	$ 769	$ 45	$ 814
2025	783	31	814
2026	737	17	754
2027	343	3	346
Total notes and loans	$ 2,632	$ 96	$ 2,728

Ambulance Loan Payable

On January 15, 2020, the Agreement with Banc of America Public Capital Corp. provided $799 financing for the acquisition of five (5) ambulances, payable over 7 years and bearing interest at 1.69% per annum. Principal and interest payment of $121 are due annually beginning on January 15, 2022 until January 15, 2028.

On March 4, 2022, the Agreement provided $1,500 financing for the acquisition of additional eight (8) ambulances, payable over 7 years and bears interest at 2.48% per annum. Principal and interest payment of $118 are due semi-annually beginning on September 7, 2022 until March 4, 2029.

Debt services of the ambulance loans will be funded from the unrestricted revenue sources of the Fire & Rescue Department's in-house Emergency Medical Transportation Program revenues. The outstanding balance of the loans at June 30, 2023 was $1,880. Loan debt service requirement to maturity are as follows:

Fiscal Year Ending 6/30	Principal	Interest	Total
2024	$ 315	$ 42	$ 357
2025	323	34	357
2026	330	27	357
2027	337	19	357
2028	345	12	357
2029-2032	230	4	235
Total notes and loans	$ 1,880	$ 138	$ 2,018

Technology Equipment Loan

On March 4, 2022, the Agreement with Banc of America provided $6,500 financing for the acquisition of various Technology Equipment. The loan has a term of 5 years and bears interest at 2.36% per annum. Principal and interest of $693 are due semi-annually beginning on September 4, 2022 until March 4, 2027. Debt services of the loan will be funded from the unrestricted revenue sources of the Information and Communication Services internal service funds. The outstanding balance of the loan at June 30, 2023 was $5,260. Total debt services to maturity are as follows:

Fiscal Year Ending 6/30	Principal	Interest	Total
2024	$ 1,269	$ 117	$ 1,386
2025	1,299	87	1,386
2026	1,330	56	1,386
2027	1,362	24	1,386
Total notes and loans	$ 5,260	$ 284	$ 5,544

BUSINESS-TYPE ACTIVITIES:

BONDS PAYABLE

At June 30, 2023, bonds payable consisted of the following:

	Date Issued	Maturity	Range of Interest Rates at Issue Date	Authorized and Issued	Outstanding 6/30/2023
Electric Utility					
2014 Revenue Bonds	10/8/2014	10/1/2025	2.0% - 5.0%	109,350	29,965
2015B Revenue Bonds	10/1/2016	10/1/2035	3.0% - 5.0%	92,865	55,635
2017A Revenue Bonds	12/21/2017	10/1/2028	5.0% - 5.0%	42,955	34,540
2017B Revenue Bonds	12/21/2017	10/1/2023	5.0% - 5.0%	9,205	4,710
2020A Revenue Bonds	3/4/2020	10/1/2050	5.0% - 5.0%	59,215	57,430
2020B Revenue Bonds	3/4/2020	10/1/2034	1.6% - 3.0%	121,795	111,855
2020C Revenue Bonds	3/4/2020	10/1/2045	5.0% - 5.0%	42,340	42,340
2022A Revenue Bonds	4/28/2022	10/1/2052	5.0% - 5.0%	156,530	156,530
2022B Revenue Bonds	4/28/2022	10/1/2034	5.0% - 5.0%	74,255	74,255
2022D Revenue Bonds	4/28/2022	10/1/2033	2.3% - 4.1%	79,855	77,905
2022E Revenue Bonds	7/6/2022	10/1/2030	5.0% - 5.0%	34,095	34,095
Total					679,260
Unamortized bond premiums/discounts, net					49,618
Total Electric Utility					728,878
Water Utility					
2015 Revenue Bonds	4/21/2015	10/1/2040	4.0% - 5.0%	$ 44,725	$ 42,115
2020A Revenue Bonds	3/4/2020	10/1/2025	5.0% - 5.0%	2,680	2,060
2020B Revenue Bonds	3/4/2020	10/1/2038	1.6% - 3.0%	32,445	29,395
2022A Revenue Bonds	4/12/2022	10/1/2052	5.0% - 5.0%	44,955	44,955
2022B Revenue Bonds	4/12/2022	10/1/2049	2.5% - 4.3%	79,260	79,260
2022C Revenue Bonds	4/12/2022	10/1/2040	5.0% - 5.0%	31,600	31,600
Total					229,385
Unamortized bond premiums/discounts, net					12,541
Total Water Utility					241,926
Sanitation Utility					
2018 Revenue Bonds	1/25/2018	2/1/2048	5.0% - 5.0%	$ 45,705	$ 39,575
Unamortized bond premium					5,848
Total Sanitation Utility					45,423
Convention, Sports and Entertainment Venues					
2021 Revenue Bonds					
Bonds	12/15/2021	2/1/2048	0.9% - 3.3%	$ 226,704	$ 222,657
Total Convention, Sports and Entertainment Venues					222,657
Total business-type activities bonds				$ 1,330,534	$ 1,238,884

Bonds Payable - Electric Utility

The City's Electric Utility has pledged future electric revenues, net of certain costs, to repay a total of $951,144 outstanding long-term obligations, principal and interest. Proceeds from bonds provided financing for various capital improvements, primarily distribution assets. The Electric Utility's bonds are payable solely from electric customer net revenues and are payable through 2053. At June 30, 2023, the annual principal and interest payments on the bonds were 51.23% of net revenues. Principal and interest paid for the current fiscal year and total net revenues were $64,414 and $125,736 respectively.

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

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

Fiscal Year Ending 6/30	Principal	Interest	Total
2024	$ 37,755	$ 29,258	$ 67,013
2025	44,510	27,517	72,027
2026	46,395	25,629	72,024
2027	43,655	23,645	67,300
2028	45,720	21,576	67,296
2029-2033	236,955	76,372	313,327
2034-2038	121,710	34,350	156,060
2039-2043	39,930	20,817	60,747
2044-2048	38,970	10,211	49,181
2049-2053	23,660	2,509	26,169
Total	679,260	271,884	951,144
Unamortized bond premiums/discounts, net	49,618		49,618
Total bonds	$ 728,878	$ 271,884	$ 1,000,762

Bonds Payable - Water Utility

The City's Water Utility has pledged future revenues from the sale of water, net of certain costs, to repay a total of $359,083 for outstanding long-term obligations, principal and interest. Proceeds from bonds provided financing for various capital improvements, primarily distribution assets. The bonds are payable solely from water net revenues and are payable through 2053. At June 30, 2023, the annual principal and interest payments on the bonds were 55.5% of net revenues. Principal and interest paid for the current fiscal year and total net revenues were $13,962 and $ $25,168 respectively.

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

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

Fiscal Year Ending 6/30	Principal	Interest	Total
2024	$ 6,991	$ 9,203	$ 16,194
2025	7,270	8,926	16,196
2026	7,575	8,620	16,195
2027	7,865	8,336	16,201
2028	8,125	8,076	16,201
2029-2033	45,060	35,944	81,004
2034-2038	54,410	26,601	81,011
2039-2043	46,550	14,998	61,548
2044-2048	28,125	7,130	35,255
2049-2053	17,414	1,864	19,278
Total	229,385	129,698	359,083
Unamortized bond premiums/discount, net	12,541		12,541
Total bonds	$ 241,926	$ 129,698	$ 371,624

Bonds Payable – Sanitation Utility

The City's Sanitation Utility has pledged future sanitation system net revenues to pay a total of $61,878 outstanding revenue bonds issued in January 2018. Proceeds from the bonds provided financing for capital improvements to the sanitation sewer collection system. The bonds are payable solely from system net revenues and are payable through February 2048. At June 30, 2023, total principal and interest payments on the bonds were 47.12% of net revenues. Total principal and interest paid and total system net revenues for the current fiscal year were $3,402 and $7,219 respectively.

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

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

Fiscal Year Ending 6/30	Principal	Interest	Total
2024	$ 1,430	$ 1,979	$ 3,409
2025	1,495	1,907	3,402
2026	1,575	1,833	3,408
2027	1,645	1,754	3,399
2028	1,730	1,672	3,402
2029-2033	10,060	6,969	17,029
2034-2038	12,825	4,190	17,015
2039-2043	5,250	1,447	6,697
2044-2048	3,565	552	4,117
Total	39,575	22,303	61,878
Unamortized bond premium	5,848		5,848
Total bonds	$ 45,423	$ 22,303	$ 67,726

Bonds Payable – Convention, Sports and Entertainment Venues

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

Fiscal Year Ending 6/30	Principal	Interest	Total
2024	$ 6,929	$ 6,284	$ 13,213
2025	7,003	6,197	13,200
2026	7,102	6,091	13,193
2027	7,225	5,964	13,189
2028	7,360	5,818	13,178
2029-2033	39,430	26,381	65,811
2034-2038	45,356	20,296	65,652
2039-2043	53,141	12,425	65,566
2044-2048	49,111	3,273	52,384
Total bonds	$ 222,657	$ 92,729	$ 315,386

NOTES AND LOANS PAYABLE

Note Payable – ARTIC Management

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

In July 2012, the City entered into an agreement with the Orange County Transportation Authority (OCTA) for the Purchase and Sale of a 13.58 acres real property located at 1750 South Douglass Road in Anaheim. The purchase price for the site is $32,500. The City paid $1,000 at the close of escrow and the remaining $31,500 will be payable to OCTA over 13 years and bears 2% simple interest per annum. Annual principal payments are due on or before July 10th each year commencing 2012. The payment of accrued interest is deferred until equal payments of $1,883 are due and payable on or before July 10, 2024 and July 10, 2025. The loan is payable with the Anaheim Tourism Improvement Special District (ATID) special assessments and Measure M2 Local Fair Share funds. OCTA will retain payments from Anaheim's "Local Fair Share'' funds allocated by OCTA under Measure M2 each year until the final payment is made on May 20, 2025. At June 30, 2023, accrued interest payable for the ARTIC loan was $3,766 . The City may elect to provide alternative funding from other City funds for transportation related purposes. On June 30, 2023, there was no outstanding balance of the ARTIC loan. Interest payment requirements for the ARTIC loan are as follows:

Fiscal Year Ending 6/30	Principal	Interest	Total
2024		$ 1,883	$ 1,883
2025		1,883	1,883
Total notes and loans		$ 3,766	$ 3,766

800 Megahertz Communication Equipment loan payable

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

Electric Utility

Fiscal Year Ending 6/30	Principal	Interest	Total
2024	$ 33	$ 2	$ 35
2025	33	1	34
2026	34	1	35
2027	17		17
Total notes and loans	$ 117	$ 4	$ 121

Sanitation Utility

Fiscal Year Ending 6/30	Principal	Interest	Total
2024	$ 21	$ 1	$ 22
2025	22	1	23
2026	22	1	23
2027	11		11
Total notes and loans	$ 76	$ 3	$ 79

Convention, Sports and Entertainment Venues

Fiscal Year Ending 6/30	Principal	Interest	Total
2024	$ 3		$ 3
2025	3		3
2026	3		3
2027	1		1
Total notes and loans	$ 10		$ 10

Golf Courses Equipment Loans

The City entered into various long-term noncancellable finance-purchased agreements of Golf Course equipment. The debt services of these equipment loans will be repaid from the unrestricted revenue sources of the Golf Courses Enterprise Fund.

An Agreement with DDL Finance on October 5, 2020 to provide financing of $62 for the acquisition of golf carts at Dad Millers Golf Course. The interest rate for the loan is 4.58% per annum, payable monthly beginning on November 5, 2020 and ending on November 5, 2025. Total debt service to maturity is $69. At June 30, 2023, the principal loan balance is $30.

An Agreement with PNC Equipment Finance on September 15, 2021 to provide financing of $50 for the acquisition of golf course equipment. The interest rate for the loan is 2.0% per annum, payable monthly beginning on September 15, 2021 and ending on August 15, 2026. Total debt service to maturity is $53. At June 30, 2023, the principal loan balance is $32.

An Agreement with PNC Equipment Finance on November 1, 2021 to provide financing of $67 for the acquisition of golf course equipment. The interest rate for the loan is 2.0% per annum, payable monthly beginning on November 1, 2021 and ending on November 1, 2026. Total debt service to maturity is $70. At June 30, 2023, the principal loan balance is $45.

Loan debt service to maturity requirements are as follows:

Fiscal Year Ending 6/30	Principal	Interest	Total
2024	$ 36	$ 3	$ 39
2025	37	2	39
2026	28		28
2027	6		6
Total notes and loans	$ 107	$ 5	$ 112

ARBITRAGE

The Tax Reform Act of 1986 (Act) substantially revised the treatment to be afforded to earnings on the proceeds of tax-exempt debt, and requires the City to calculate and remit rebatable arbitrage earnings to the Internal Revenue Service. Certain of the City's debt and interest earned on the proceeds thereof are subject to the requirements of the Act. The City has accrued a liability for estimated rebatable arbitrage earnings and has set aside such earnings as restricted cash. At June 30, 2023, the arbitrage rebate liability for governmental and business-type activities was zero and $165, respectively.

LEGAL DEBT MARGIN

The City of Anaheim has a general obligation debt limit that cannot exceed 3.75% of the total assessed valuation of all real and personal property within the City. Based on the fiscal year 2022-2023 gross assessed valuation for taxation purposes of $56,535,417, the City has a debt limit of $2,120,078 or 3.75%. Currently the City does not have any outstanding bonded indebtedness in the form of general obligation bonds. Since the outstanding bond principal is zero, the City has a net debt margin of $2,120,078.

COMPLIANCE WITH DEBT COVENANTS

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

DEBT ISSUANCES

Electric Utility - Debt Issuances

On July 6, 2022, the Electric Utility issued Anaheim Housing and Public Improvements Authority Revenue Refunding Bonds, Series 2022-E (Electric Utility Distribution System Refunding), in the principal amount of $34,095 and at a premium of $3,773. The bond proceeds net of underwriter discount ($83) and cost of issuance ($57), together with the 2012-A Bond Reserve Fund of $8,816, and debt service fund of $1,560 (representing current year accrued debt services), totaled $48,104 was used to refund the remaining $45,995 outstanding principal balance of the 2012-A revenues bonds. The Electric Utility reduced the total debt service payment of the refunded bonds by $2,788 with a net present value saving of $2,129.

DEBT RETIREMENTS

Debt Defeased

The City defeased the following bonds prior to June 30, 2023:

	Outstanding 6/30/2023
City	
1997-C APFA Capital Appreciation Bonds	$ 84,270
2014 A Lease Revenue Bonds (Anaheim Convention Center Expansion Project)	222,865
Water Utility	
2015- A Water Revenue Bonds	39,065
2020- A Water Revenue Bonds	34,305
	$ 380,505

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

CONDUIT FINANCINGS

Anaheim Housing Authority

The Anaheim Housing Authority has entered into conduit debt financings on behalf of various developers to assist with the acquisition, construction, equipping, rehabilitation and refinancing of multifamily residential rental projects within the City of Anaheim. In accordance with the bond documents, neither the City nor the Housing Authority has an obligation for debt service payments and therefore, the debt is not reflected in the accompanying basic financial statements. Housing Authority revenue bonds related to conduit financings outstanding at June 30,2023, were as follows:

	Date Issued	Final Maturity	Amount Issued	Outstanding 6/30/2023
Sage Park Project	11/1/1998	11/1/2028	$ 5,500	$ 5,500
Solara Court Apartments	11/28/2004	12/1/1934	8,200	3,860
Pradera Apartments (Lincoln Anaheim) Phase B	5/15/2009	4/15/1939	23,217	5,585
Crossings at Cherry Orchard Apartments Tranche A	8/23/2012	12/1/2044	9,365	952
Crossings at Cherry Orchard Apartments Tranche B	8/23/2012	12/1/2029	2,985	1,559
Paseo Village Apartments	2/28/2013	9/1/2045	19,750	11,469
Village Center Apartments	8/7/2014	3/1/2047	15,000	14,172
Pebble Cove Apartments Series A	8/19/2015	9/1/2031	13,000	11,669
Pebble Cove Apartments Taxable Subordinate Series 2015A	8/19/2015	8/1/2055	3,550	3,550
Hermosa Village Apartments Phase 1 Series A-1/A-2	12/28/2016	7/1/2049	41,028	25,373
Miracle Terrace Apartments Series B-1	1/10/2017	2/1/2050	26,555	25,280
Cobblestone Apartments Series A-1	3/14/2017	10/1/2054	6,185	5,863
Sea Wind Apartments Series B-1	3/14/2017	10/1/2054	11,015	10,378
Jamboree Anaheim PSH Apartments Series A	4/30/2020	5/1/2038	12,200	5,319
Hermosa Village Apartments Phase 2 Series A 1-3	10/30/2020	5/1/2038	20,798	9,727
The Salvation Army Anaheim Center of Hope Apts A-1	2/1/2022	2/1/2025	18,000	11,352
Total			$ 236,348	$ 151,608

FIDUCIARY FUNDS

Successor Agency

The following is a summary of changes in long-term debts for the year ended June 30, 2023:

	Beginning Balance	Additions/ Proceeds	Reductions/ Payments	Ending Balance	Due Within One Year
Bonds payable	$ 125,160		$ (8,935)	$ 116,225	$ 9,405
Premium	11,795		(2,221)	9,574	
Lease payable	19,170	$ 18	(400)	18,788	427
Due to City of Anaheim	5,000		(1,334)	3,666	1,094
	$ 161,125	$ 18	$ (12,890)	$ 148,253	$ 10,926

Bonds Payable

2007 Tax Allocation Refunding Bonds

The Successor Agency will repay a total of $40,825, principal and interest, for the outstanding 2007 tax allocation bonds issued in December 2007 from the semi-annual Redevelopment Property Tax Trust Fund (RPTTF) revenue allocations. Proceeds from the bonds provided financing for public improvements related to the merged project areas, for the supply of low-and moderate–income housing within the City, to repay certain Redevelopment Agency loan obligations and to advance refund the 1992, 1997 and 2000 bonds. The bonds bear interest at rates ranging from 4.25% to 6.50% and are payable through February 2031. During the fiscal year ended June 30, 2023, total principal and interest paid was $3,869.

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

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

Fiscal Year Ending 6/30	Principal	Interest	Total
2024	$ 1,875	$ 1,973	$ 3,848
2025	1,990	1,851	3,841
2026	2,130	1,722	3,852
2027	4,270	1,583	5,853
2028	4,550	1,305	5,855
2029-2033	15,515	2,061	17,576
Total bonds	$ 30,330	$ 10,495	$ 40,825

2018 Tax Allocation Refunding Bonds

On January 25, 2018, the Successor Agency issued Tax Allocation Refunding Bonds, 2018 Series A and B. The bond proceeds together with the 2007 series A and C bond reserve funds were used to refund the 2007 Tax Allocation Bonds series A and C, and the 2010 Recovery Economic Zone Development Bonds. The Successor Agency will repay a total of $107,082, principal and interest, from the semi-annual RPTTF revenue allocations. The refunding bonds bear interest at rates ranging from 2.27% to 2.50% and are payable through February 2031.

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

Fiscal Year Ending 6/30	Principal	Interest	Total
2024	$ 7,530	$ 4,295	$ 11,825
2025	7,915	3,918	11,833
2026	9,990	3,523	13,513
2027	10,255	3,023	13,278
2028	11,650	2,510	14,160
2029-2032	38,555	3,918	42,473
Total bonds	85,895	21,187	107,082
Unamortized bond premium	9,574		9,574
Total bonds	$ 95,469	$ 21,187	$ 116,656

Due to the City of Anaheim

The Successor Agency will repay a total of $752 outstanding long-term obligations, principal and interest, from the semi-annual RPTTF revenue allocations for the $10,000 Cooperation Agreement dated April 1, 2003, between the former Redevelopment Agency and the City, whereby the City assisted the former Agency with the development of the Anaheim Westgate Center (Westgate project) utilizing $10,000 of funds from the HUD Section 108 loan. This Cooperation Agreement obligation (HUD Section 108 loan) bears interest ranging from 1.74% to 5.97% and is payable semi- annually through August 2023. At June 30, 2023, outstanding principal due to the City for the Westgate project obligation was $730. Principal and interest paid for the current fiscal year were $1,047.

Fiscal Year Ending 6/30	Principal	Interest	Total
2024	$ 730	$ 22	$ 752
Total notes and loans	$ 730	$ 22	$ 752

The Successor Agency will repay a total of $3,432 outstanding long-term obligations, principal and interest, from the semi-annual RPTTF revenue allocations for the $7,000 Cooperation Agreement dated June 2010 between the former Redevelopment Agency and the City, whereby the City assisted the former Redevelopment Agency with the rehabilitation of the historic Packing House site utilizing proceeds from the HUD Section 108 loan. This Cooperation Agreement obligation (HUD 108 Section loan) bears interest ranging from 1.68% to 3.98% and is payable over 20 years beginning on February 1, 2011 through August 1, 2030. As of June 30, 2023, the outstanding principal due to the City for the Packing House site project obligation was $2,936. Principal and interest paid for the current fiscal year were $490.

Fiscal Year Ending 6/30	Principal	Interest	Total
2024	$ 364	$ 117	$ 481
2025	369	102	471
2026	375	87	462
2027	382	71	453
2028	388	55	443
2029-2034	1,058	64	1,122
Total notes and loans	$ 2,936	$ 496	$ 3,432

Mello-Roos Community Facilities Districts

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

At June 30, 2023, the City has the following outstanding Mello-Roos special tax bonds:

	Outstanding 6/30/2023
CFD 06-02	$ 5,700
CFD 08-01	46,185
	$ 51,885

In February 2007, the City issued $9,060 in special tax bonds to finance a portion of the cost of acquisition and construction of facilities in the Platinum Triangle of Anaheim, Community Facility District 06-2. Stadium Loft. On August 10, 2016, the outstanding balance of $7,680 of the 2007 special tax bonds were refunded by Special Tax Refunding Bonds, Series 2016, CFD 06-02, in the principal amount of $7,540 and at a premium of $91. The City reduced the CFD 06-2 total debt service payments over the life of the refunded bonds by $1,989 with a present value savings of $1,352. The true interest cost is 2.89% payable semi-annually commencing from March 1, 2017 through September 1, 2037. Balance of total debt service is $7,121 to maturity.

In August 2010, the City issued $28,630 in special tax bonds, Series 2010 to finance a portion of the cost of acquisition and construction of facilities in the Platinum Triangle of Anaheim, Community Facility District 08-1 and to fund a reserve fund for the Series 2010 Bonds. On August 10, 2016 the City issued Special Tax Bonds, Series 2016, CFD 08-1 in the principal amount of $60,000 and at a premium of $5,923. The bonds are being used to provide financing for acquisition and construction of certain public facilities necessary for the continued development of the District, and to refund $22,730 outstanding principal of the CFD 08-1, Special Tax Bonds, Series 2010. The City reduced the CFD 08-1 total debt service payments over the life of the refunded bonds by $13,325 with a present value savings of $8,649. The true interest cost is 3.38% payable semiannually commencing from March 1, 2017 through September 1, 2037. Balance of total debt service is $75,103 to maturity.

NOTE 11 – OTHER LONG-TERM LIABILITIES:

The following is a summary of other long-term liabilities reported in the government-wide financial statements for the fiscal year ended June 30, 2023:

	Beginning Balance	Additions	Reductions/ Payments	Ending Balance	Due Within One Year
Governmental activities:					
Claims liabilities (note 8)	$ 58,519	$ 13,388	$ (12,819)	$ 59,088	$ 13,676
Compensated absences (note 1)	24,459	27,817	(27,089)	25,187	18,836
Due to other governments	19,020			19,020	
Other Postemployment Benefits (OPEB) (note 15)					
Governmental Funds	75,347	11,364		86,711	
Internal Service Funds	5,680	580		6,260	
Total	81,027	11,944		92,971	
Pension (note 14):					
Governmental Funds	388,136	309,317		697,453	
Internal Service Funds	20,277	13,909		34,186	
Total	408,413	323,226		731,639	
Governmental activities total	591,438	376,375	(39,908)	927,905	32,512
Business-type activities:					
San Juan reclamation liability	4,942		(725)	4,217	
Provision for decommissioning liability (note 1)	87,779	2,275	(9,326)	80,728	
Other Postemployment Benefits (OPEB) (note 15)					
Electric Utility	13,395	1,657		15,052	
Water Utility	4,937	621		5,558	
Sanitation Utility	3,251	742		3,993	
Golf Courses	188	28		216	
Convention, Sports and Entertainment Venues	4,351	581		4,932	
Total	26,122	3,629		29,751	
Pension (note 14)					
Electric Utility	58,177	42,983		101,160	
Water Utility	18,545	14,195		32,740	
Sanitation Utility	9,718	8,613		18,331	
Golf Courses	674	581		1,255	
Convention, Sports and Entertainment Venues	14,579	16,124		30,703	
Total	101,693	82,496		184,189	
Business-type activities total	220,536	88,400	(10,051)	298,885	
Government-wide total	$ 811,974	$ 464,775	$ (49,959)	$ 1,226,790	$ 32,512

Governmental activities

Due to other governments

The California Department of Finance (DOF) approved the Successor Agency's Long Range Property Management Plan (LRPMP) on December 31, 2015; the LRPMP authorized the transfer of all of the properties formerly held by the Successor Agency to the City for either governmental use or future development. The California Redevelopment Agency Dissolution Law (ABx1 26, AB 1484, AB 471 and SB 107, as the same may be amended from time to time) addresses the distribution of land sale proceeds from the sale of those properties and suggests that such distribution be memorialized in agreements (Compensation Agreements) among the entities that receive the former redevelopment agency's property tax increment. To date, no Compensation Agreements have been executed, but such distribution may involve the transfer of $0 up to the estimated net total liability at June 30, 2020 of $22,580 to those taxing entities. During fiscal year 2022, payment of $3,560 was paid to the County of Orange for the distribution to other taxing entities. The balance of the estimated accrued liability at June 30, 2023 was $19,020.

Business-type activities

Other liability - San Juan reclamation obligation

The Electric Utility is providing for the future reclamation costs allocation based on its former ownership share of Unit 4 of 10.04% of the San Juan (SJ) Generation Station. The Electric Utility has $4,858 including accrued interest of $13 in an irrevocable trust as of June 30, 2023 for reclamation costs and with a reclamation obligation of $4,217. During fiscal year 2023, the Electric Utility paid $725 related to San Juan reclamation obligation and transferred amount of the overfunding ($72) to deferred inflow of resources related to regulated business activities for the benefits of utility rate payers. Balance of the regulated business activities related to SJ reclamation was $641 at June 30, 2023.

Sucessor Agency

Other long-term liabilities

The Successor Agency has the following other long-term liabilities at June 30, 2023:

	Beginning Balance	Additions/ Proceeds	Reductions/ Payments	Ending Balance	Within One Year
Notes and loans payable	$ 2,707			$ 2,707	
Pollution remediation liability	17,808	$ 25,459	$ (3,363)	39,904	$ 9,028
	$ 20,515	$ 25,459	$ (3,363)	$ 42,611	$ 9,028

Savi Ranch Associates Note Payable

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

Westgate Pollution Remediation Obligation

In June 2003, the former Redevelopment Agency acquired property located at 2951 West Lincoln Avenue as part of a redevelopment project named the Westgate project. Approximately 11 acres of the property were formerly known as the Sparks and Rains Landfills. The County of Orange was the operator of these landfills until 1960. In November 2008, the County paid the Redevelopment Agency $5,176 in settlement of claims related to the pollution remediation for the Westgate project site prior to the development of a shopping center. The total costs of the pollution remediation work amounted to $12,420 based on the actual contract received for the project. Subsequently, management identified potential additional pollution remediation costs including ongoing maintenance responsibilities required for the Westgate project amounting to $18,576 in fiscal year 2015, and $4,351 in fiscal year 2021. In fiscal year 2023, management estimated additional engineering and construction contract costs of $25,459 necessary to complete the pollution remediation project. The Successor Agency paid $3,363 related to the Westgate pollution remediation cost during fiscal year 2023. The pollution remediation liability at June 30, 2023 is estimated to be $39,904.

NOTE 12 – LEASE PAYABLE:

The City is a lessee for non cancellable leases of land, building and equipment. The City's lease payable at June 30, 2023 were valued at $4,727 for Governmental Activities and $2,880 for Business-type Activities.

At June 30, 2023, lease assets, net of accumulated amortization, related to these leases were $5,191 and $3,458 for the Governmental and Business-type Activities respectively. Lease equipment in the Business-type activities included upfront payments by the City of $596 for the leasing of the golf carts. The lease asset balances and the related accumulated amortization are displayed on note 7 on page 87 of the notes to the financial statements.

The City's incremental borrowing rates range from 1.75% to 3.37% were applied for those leases that do have a specific interest rate.

Lease payable of the governmental activities totaling $4,727 consist the following:

- Lease payable for lease building totaling $234, the remaining lease terms are November 30, 2024 and March 31, 2028, Annual principal and interest payment range from $32 to $79.
- Lease payable for lease land totaling $2,877, the remaining lease terms are April 10, 2027 and January 31, 2065, annual principal and interest payments range from $73 to $140.
- Lease payable for lease equipment totaling $1,616 for the City's computer leases, the remaining lease terms range from June 30, 2024 to May 31, 2028. Annual principal and interest payment ranges from $129 to $933.

Lease payable of the business-type activities totaling $2,880 consist the following:

- Lease payable for lease equipment totaling $222 at a rate of 2.77% and the remaining lease terms range from September 2027 to December 31, 2027, annual principal and interest payment ranges from $22 to $54
- Lease payable for lease land totaling $2,658, the remaining lease terms range from March 18, 2024 to April 30, 2046; annual principal and interest payment ranges from $65 to $186.

The future principal and lease payment as of June 30, 2023, were as follows

	Governmental Activities		Business-type Activities	
Fiscal year	Principal	Interest	Principal	Interest
2024	$ 990	$ 95	$ 173	$ 52
2025	674	72	178	48
2026	193	55	183	45
2027	63	50	188	41
2028	55	48	161	37
2029-2033	150	232	760	147
2034-2038	204	217	721	77
2039-2043	266	197	306	32
2044-2048	339	171	210	5
2049-2053	423	138		
Thereafter	1,370	149		
Total	$ 4,727	$ 1,424	$ 2,880	$ 484

The Fiduciary Fund - Successor Agency is a lessee for non cancellable leases of land. Lease payable at June 30, 2023 was $18,788. The Successor Agency recorded the lease land of $19,613 with an accumulated amortization of $1,456, and the lease payable on the Statement of Fiduciary Fund net position. The applied interest rate for the leases was 1.75%, the remaining lease term range from April 30, 2041 to January 29, 2078; annual principal and interest payment ranges from $216 to $1,026.

The future principal and interest lease payment as of June 30, 2023, were as follows:

	Fiduciary Fund	
Fiscal year	Principal	Interest
2024	$ 427	$ 324
2025	444	316
2026	452	308
2027	478	300
2028	516	292
2029-2033	2,923	1,315
2034-2038	3,657	1,031
2039-2043	2,624	713
2044-2048	569	615
2049-2053	738	560
Thereafter	5,960	1,492
Total	$ 18,788	$ 7,266

NOTE 13 – SUBSCRIPTION PAYABLE:

The City entered into various subscription-based information technology arrangements (SBITAs) with various technology providers for the noncancellable right to use the underlying IT assets. The City's subscription payable at June 30, 2023 were valued at $22,261 for Governmental Activities and $655 for Business-type Activities.

At June 30, 2023, Subscription assets, net of accumulated amortization, related to these SBITAs were $27,841 and $649 for the Governmental and Business-type Activities, respectively. The subscription assets of the governmental activities included implementation costs paid by the City in the amount of $3,365 related to the Enterprise Resource Planning (ERP) cloud-based subscription. The implementation costs were previously accounted for as Works in Progress and transferred to the SBITA asset when the subscription asset was placed in service. The subscription asset balances and the related accumulated amortization are displayed on note 7 on page 87 of the notes to the financial statements.

The City's incremental borrowing rate ranging from 2.02% to 3.35% was applied to those SBITAs that do not have a specific interest rate at implementation. The rates at the subscription inception were used to the new SBITAs added during the year.

- Subscription payable in the governmental activities totaling $22,261, were applied at the interest rates range from 2.02% to 3.35%, the remaining subscription terms range from July 31, 2024 to June 30, 2031, annual principal and interest payment ranges from $1,386 to $4,367.

- Subscription payable of the business-type activities totaling $655, were applied at the interest rate of 2.02%, the remaining subscription terms range from April 14, 2024 to July 31, 2028, annual principal and interest payment ranges from $10 to $179.

The future principal and interest subscription payments as of June 30, 2023, were as follows:

	Governmental Activities		Business-type Activities	
Fiscal year	Principal	Interest	Principal	Interest
2024	$ 4,003	$ 324	$ 167	$ 12
2025	3,683	540	116	9
2026	3,702	438	118	6
2027	3,011	337	121	4
2028	2,573	247	123	2
2029-2033	5,289	303	10	0
Total	**$ 22,261**	**$ 2,189**	**$ 655**	**$ 33**

NOTE 14 – PENSIONS:

General information about the Pension Plans

Plan Description

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

Benefits Provided

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

The Plans' provisions and benefits in effect at June 30, 2023 are summarized as follows:

	Miscellaneous	
	Prior to	On or after
Hire Date	January 1, 2013	January 1, 2013
Benefit formula	2.7% @ 55	2.0% @ 62
Benefit vesting schedule	5 years' service	5 years' service
Benefit payments	monthly for life	monthly for life
Retirement age	50-55	52-65
Monthly benefits, as a% of eligible compensation	2.70%	2.00%
Required employee contribution rates	8.00%	7.50%
Required employer contribution rates	11.75%	11.75%

	Police Safety	
	Prior to	On or after
Hire Date	January 1, 2013	January 1, 2013
Benefit formula	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years' service	5 years' service
Benefit payments	monthly for life	monthly for life
Retirement age	50	52-57
Monthly benefits, as a % of eligible compensation	3.00%	2.70%
Required employee contribution rates	9.00%	13.50%
Required employer contribution rates	23.70%	23.70%

	Fire Safety	
	Prior to	On or after
Hire Date	January 1, 2013	January 1, 2012; January 1, 2013
Benefit formula	3.0% @ 50	2% @ 50; 2.7% @ 57
Benefit vesting schedule	5 years' service	5 years' service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50; 57
Monthly benefits, as a % of eligible compensation	3.00%	2.0%; -2.7%
Required employee contribution rates	9.00%	9.00%; 12.00%
Required employer contribution rates	18.73%	18.73%

Employees Covered

As of the June 30, 2022 actuarial valuation, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous	Police Safety	Fire Safety
Inactive employees or beneficiaries currently receiving benefits	2,368	647	336
Inactive employees entitled to but not yet receiving benefits	1,905	84	71
Active employees	1,593	388	217
Total	5,866	1,119	624

Contributions

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

The total required minimum employer contribution is the sum of the Employer Normal Cost Rate (Employer Rate, expressed as a percentage of payroll) plus the Employer Unfunded Accrued Liability (UAL) Contribution amount (in dollar). The following table summarizes the required contribution rates by employee and employer effective for fiscal year 2023. The contribution requirements of plan members and the City are established and may be amended by CalPERS.

				Employer Rate		Total Rate			
Employee Group	CalPERS Membership[1]	Retirement Formula	Employee Rate	Employee[2]	City	Employee	City	Total Rate	FY 2023 UAL Contribution[3]
Miscellaneous Employees									
Management; confidential (AFSCME)	Classic	2.7% @ 55	8.00%	4.00%	7.75%	12.00%	7.75%	19.75%	
Anaheim Municipal Employees Association (AMEA) General	New	2% @ 62	7.50%	0.00%	11.75%	7.50%	11.75%	19.25%	$ 40,545
Anaheim Municipal Employees Association (AMEA) Clerical									
International Brotherhood of Electrical Workers (IBEW)									
Anaheim Police Association Trainees									
Safety Employees									
Fire Management	Classic	3% @ 50	9.00%	3.00%	15.73%	12.00%	15.73%	27.73%	
Anaheim Fire Association (AFA)	Classic	2% @ 50	9.00%	3.00%	15.73%	12.00%	15.73%	27.73%	
	New	2.7% @ 57	12.00%	0.00%	18.73%	12.00%	18.73%	30.73%	$ 11,717
Police Management	Classic	3% @ 50	9.00%	3.00%	20.70%	12.00%	20.70%	32.70%	
Anaheim Police Management Association (APMA)	New	2.7% @ 57	13.50%	0.00%	23.70%	13.50%	23.70%	37.20%	$ 20,485
Anaheim Police Association (APA)									

[1] Definition of a 'New' PERS member
A new hire who is brought in CalPERS membership for the first time on or after January 1, 2013, and who has no prior membership in any California public retirement system.
A new hire who is brought into CalPERS membership for the first time on or after January 1, 2013, and who is not eligible for reciprocity with another California public retirement system.
A member who first established CalPERS membership prior to January 1, 2013, and who is rehired by a different CALPERS employer after a break in service of greater than six months.

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

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

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

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

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

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

Net Pension Liability

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plan is measured as of June 30, 2022. Liabilities are based on the results of the actuarial calculations performed as of June 30, 2021 and were rolled forward to determine the June 30, 2022 total pension liability. Fiduciary net position is based on fair value of investments as of June 30, 2022.

Actuarial Assumptions:

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

Valuation Date (VD)	June 30, 2021
Measurement Date (MD)	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022
Reporting Date (RD)	June 30, 2023
Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB 68
Asset Valuation Method	Fair Value of Assets
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increase	Varies by Entry Age and Service
Payroll Growth	2.75%
Investment Rate of Return	7.00% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Retirement Age	The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	Derived using CalPERS' membership data for all funds. The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.
Post-Retirement Benefits Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.30% thereafter

Change of Assumptions

Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectation as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefits payments to determine the total pension liability.

Long-term expected rate of return

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points.

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

Asset Class[1]	Current Target Allocation	Real Return [1 2]
Global Equity - Cap-weighted	30.00	4.54
Global Equity - Non-cap-weighted	12.00	3.84
Private Equty	13.00	7.28
Treasury	5.00	0.27
Mortgage-backed Securities	5.00	0.50
Investment Grade Corporates	10.00	1.56
High Yield	5.00	2.27
Emerging Market Debt	5.00	2.48
Prive Debt	5.00	3.57
Real Assets	15.00	3.21
Leverage	(5.00)	(0.59)
	100.00	

[1] An expected inflation of 2.3% used for this period.

[2] Figures are based on the 2021 Asset Liability Management study.

Recognition of Gains and Losses

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

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

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

Change in the Net Pension Liability

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

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

Miscellaneous Plan:	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (c) = (a) - (b)
Balance at June 30, 2021 (VD)	$ 1,566,193	$ 1,308,963	$ 257,230
Changes recognized for the Measurement Period:			
Service Cost	23,628		23,628
Interest on the Total Pension Liability	108,220		108,220
Changes of Assumptions	47,281		47,281
Difference between Expected and Actual Experience	(13,322)		(13,322)
Contribution from the Employer		51,643	(51,643)
Contributions from Employees		9,681	(9,681)
Net Investment Income		(98,954)	98,954
Benefit Payments, including Refunds of Employee Contributions	(87,125)	(87,125)	
Administrative Expenses		(815)	815
Net Changes during 2021-2022	78,682	(125,570)	204,252
Balance at June 30, 2022 (MD)	$ 1,644,875	$ 1,183,393	$ 461,482

Police Safety Plan:	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (c) = (a) - (b)
Balance at June 30, 2021 (VD)	$ 900,581	$ 742,753	$ 157,828
Changes recognized for the Measurement Period:			
Service Cost	19,460		19,460
Interest on the Total Pension Liability	63,365		63,365
Changes of Assumptions	34,577		34,577
Difference between Expected and Actual Experience	(3,076)		(3,076)
Contributions from Employer		31,090	(31,090)
Contributions from Employees		5,482	(5,482)
Net Investment Income		(56,217)	56,217
Benefit Payments, including Refunds of Employee Contributions	(46,959)	(46,959)	
Administrative Expenses		(463)	463
Net Changes during 2021-2022	67,367	(67,067)	134,434
Balance at June 30, 2022 (MD)	$ 967,948	$ 675,686	$ 292,262

Fire Safety Plan:	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (c) = (a) - (b)
Balance at June 30, 2021 (VD)	$ 490,968	$ 395,920	$ 95,048
Changes recognized for the Measurement Period:			
Service Cost	8,115		8,115
Interest on the Total Pension Liability	34,121		34,121
Changes of Assumptions	14,788		14,788
Difference between Expected and Actual Experience	(1,340)		(1,340)
Contributions from Employer		15,990	(15,990)
Contributions from Employees		2,823	(2,823)
Net Investment Income		(29,918)	29,918
Benefit Payments, including Refunds of Employee Contributions	(27,945)	(27,945)	
Administrative Expenses		(247)	247
Net Changes during 2021-2022	27,739	(39,297)	67,036
Balance at June 30, 2022 (MD)	$ 518,707	$ 356,623	$ 162,084

Combined Total:	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (c) = (a) - (b)
Balance at June 30, 2021 (VD)	$ 2,957,742	$ 2,447,636	$ 510,106
Changes recognized for the Measurement Period:			
Service Cost	51,203		51,203
Interest on the Total Pension Liability	205,706		205,706
Changes of Assumptions	96,646		96,646
Difference between Expected and Actual Experience	(17,738)		(17,738)
Contribution from the Employer		98,723	(98,723)
Contributions from Employees		17,986	(17,986)
Net Investment Income		(185,089)	185,089
Benefit Payments, including Refunds of Employee Contributions	(162,029)	(162,029)	
Administrative Expenses		(1,525)	1,525
Net Changes during 2021-2022	173,788	(231,934)	405,722
Balance at June 30, 2022 (MD)	$ 3,131,530	$ 2,215,702	$ 915,828

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

The following presents the net pension liability of the City's three Plans of the measurement date, calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90%) or 1 percentage-point higher (7.90%) than the current rate:

Plans' Net Pension Liability	Discount Rate - 1% (5.90%)	Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
Miscellaneous	$ 676,576	$ 461,482	$ 284,039
Police Safety	423,988	292,262	184,418
Fire Safety	229,597	162,084	106,372
Combine total	$ 1,330,161	$ 915,828	$ 574,829

Pension Plan Fiduciary Net Position

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

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

Pension expense is the change in net pension liability from the previous fiscal year to the current fiscal year less adjustments. For the fiscal year ended June 30, 2023, the City recognized pension expenses of $108,029 which included $47,246 from the Miscellaneous Plan, $40,845 from the Police Safety Plan, and $19,938 from the Fire Safety Plan.

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

Miscellaneous Plan		Deferred Outflows of Resources		Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$	55,626		
Changes of Assumptions		30,977		
Difference between Expected and Actual Experiences			$	13,304
Net difference between projected and actual earnings on plan investments		59,133		
Change in proportions		6,177		6,177
Total	$	151,913	$	19,481

Police Safety Plan		Deferred Outflows of Resources		Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$	34,014		
Changes of Assumptions		25,232		
Difference between Expected and Actual Experiences		1,501	$	2,459
Net difference between projected and actual earnings on plan investments		33,997		
Total	$	94,744	$	2,459

Fire Safety Plan		Deferred Outflows of Resources		Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$	17,530		
Changes of Assumptions		11,349		
Difference between Expected and Actual Experiences		2,760	$	1,028
Net difference between projected and actual earnings on plan investments		17,997		
Total	$	49,636	$	1,028

Combined Total		Deferred Outflows of Resources		Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$	107,170		
Changes of Assumptions		67,558		
Difference between Expected and Actual Experiences		4,261	$	16,791
Net difference between projected and actual earnings on plan investments		111,127		
Change in proportions		6,177		6,177
Total	$	296,293	$	22,968

The combined total $107,170 ($55,626 from the Miscellaneous Plan, $34,014 from the Police Safety Plan and $17,530 from Fire Safety Plan) reported as deferred outflows of resources related to contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year. Other amount reported in deferred outflow of resources and inflows of resources related to pensions will be recognized as a component in pension expense (benefit) as follows:

Fiscal year Ended 6/30		Miscellaneous Plan		Police Safety Plan		Fire Safety Plan		Total
2024	$	17,136	$	14,510	$	7,830	$	39,476
2025		18,161		14,058		6,602		38,821
2026		3,864		8,288		4,328		16,480
2027		37,645		21,415		12,318		71,378
	$	76,806	$	58,271	$	31,078	$	166,155

Payable to the Pension Plans

At June 30, 2023, the City reported a payable of $1,174 for the outstanding amount of contributions to the pension plan required for the fiscal year ended June 30, 2023.

NOTE 15 – OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The City provides other postemployment benefits (OPEB) to eligible regular full-time employees who retired from city services in a single-employer defined benefit healthcare plan (Plan). The Plan participates in the California Employers' Retiree Benefit Trust (CERBT) to pre-fund OPEB liabilities. The CERBT is an agent multiple employer plan consisting of an aggregation of single-employer plans, with pooled administrative and investment functions that are administered by CalPERS. A copy of the aggregated CERBT annual financial report may be obtained at www.calpers.ca.gov.

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

Employee Group	Date of Hire	Eligibility Requirement	City Contribution Formulas[1]
Council, Management - Unrepresented AFSCME[2] AMEA[3]	Before 1/1/1996	Age 50 with 10 years of continuous full time City services; must have been awarded a retirement from PERS as the reason for separation from City service	1.5 multiplied by Miscellaneous 2% @ 60 PERS retirement schedule based on employee's age at retirement & City service accrued through 12/31/2005
Police Safety	Before 7/6/2001	Age 50 with 10 years of continuous full time City services; must have been awarded a retirement from PERS as the reason for separation from City service	1.2 multiplied by 2% @ 50 Safety PERS based on the employee's age and years of City service at the time of retirement
Fire Safety	Before 11/9/2001	Age 50 with 10 years of continuous full time City services; must have been awarded a retirement from PERS as the reason for separation from City service	1.2 multiplied by 2% @ 50 Safety PERS based on the employee's age and years of City service at the time of retirement

[1] The maximum City contribution for the retiree's OPEB is 95% of the annual contribution amount for active employees
[2] American Federation of State, County, and Municipal Employees
[3] Anaheim Municipal Employee Associations

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

Benefits provided

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

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

Employees Covered

At the June 30, 2022 actuarial valuation, the following employees were covered by the benefit terms of the OPEB Plan:

Inactive employees or beneficiaries currently receiving benefit payments	1,331
Inactive employees entitled to but not yet receiving benefit payments	106
Active employees	1,789
Total	3,226

Contributions

The contribution requirements of plan members and the City are established in accordance with City Personnel Resolutions, Council Resolution and various Memoranda of Understanding. The retired plan members receiving benefits make varying contributions toward the cost of these benefits. The City contributes an amount not less than the annual Actuarially Determined Contribution (ADC) measured in accordance with the parameters of GASB Statement No. 75. The ADC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortization of any unfunded actuarial liabilities over a closed 30-year period. The remaining amortization at June 30, 2023 is twelve years.

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

For the fiscal year ended June 30, 2023, the City contributed the required ADC of $14,765 to the OPEB plan. This amount included insurance premiums of $17,415, implicit subsidy of $2,721, City cash contribution of $246, offset by retiree contributions of $5,617.

Net OPEB Liability

The City's OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

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

Valuation Date (VD)	June 30, 2021
Measurement Date (MD)	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022
Reporting Date (RD)	June 30, 2023
Actuarial Cost Method	Entry Age Normal Cost, level percent of pay
Asset Valuation Method	Fair Value of Assets
Actuarial Assumptions:	
Long Term Return on Assets	6.00% net of plan investment expenses and including inflation
Discount Rate	6.00% net of plan investment expenses and including inflation
General Inflation Rate	2.50% per year
Salary Increase	3.00% per year; since benefits do not depend on salary, this is used to allocate the cost of benefits between service years.
Participants Valued	Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in this valuation.
Participation Rates	Active employees expected to qualify for explicit City benefits in retirement: 90% of future retirees are assumed to elect coverage through the City in retirement; Active employees not eligible for explicit City benefits in retirement: 50% are assumed to continue their current medical plan elections in retirement. Current retirees: All currently participating retirees are assumed to continue their existing medical and dental plan elections for the remainder of their lifetime. 35% of retirees under age 70 and eligible for benefits but currently waiving coverage are assumed to rejoin the plan. Retirees age 70 and older waiving coverage and eligible for coverage are assumed never to enroll.
Demographic	Based on the 2017 experience study of the CalPERS using data from 1997 to 2015, except for a different basis used to project future mortality improvements. The representative mortality rates were those published by CalPERS rates, adjusted to back out 15 years of Scale MP 2016 to central year 2015.
Mortality Improvement	Macleod Watts Scale 2022 applied generationally from 2015.
Healthcare Trend	Medical plan premiums and claims costs by age are assumed to increase once each year. Assumed to start at 5.8% in 2023 and grade down to 3.9% for year 2076 and later. This model was developed using the Getzen Model 2022-b published by the Society of Actuaries. Dental premiums are assumed to increase by 3.5% per year. Medicare Part B premiums (for a small closed group of retirees) are assumed to increase by 5% per year.
Employer Cost Sharing	The City's contribution toward active employee's health coverage is assumed to increase by the general inflation rate (2.5%) plus 75% of the healthcare trend rate in excess of the general inflation rate.
Life Insurance	Life insurance is valued by taking the present value of all future death benefits for future retirees, plus a "load" of 10% to reflect insurance company expenses and profit. A 4% interest rate was used for determining the single premium value of life insurance at retirement.

Change of Assumptions

There was no change of assumptions for the measure year.

Discount Rate

The discount rate used to measure the total OPEB liability was 6.0%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The expected long-term return on trust assets was derived from information published by CalPERS for CERBT Strategy 1. CalPERS determined its returns using a building-block method and best-estimate ranges of expected future real rates of return for each major asset class (expected returns, net of OPEB plan investment expense and inflation). CalPERS' expected returns are split for years 1-5 and years 6-20.

To derive the single equivalent long-term expected return specific to the City's OPEB Plan, the actuarial valuation first adjusted CalPERS's future return expectations to align with the 2.5% general inflation assumption. Then applying the plan specific benefit payments to CalPERS' bifurcated return expectations. The City's OPEB Plan participates in CERBT portfolio investment Strategy 1. The target allocation and best estimates of geometric real rates of return published by CalPERS for each major asset class of Strategy 1 are summarized in the following table:

Asset Class	Target Allocation	Years 1-5	Years 6-20
Global Equity	49%	4.00%	4.50%
Fixed Income	23%	-1.00%	2.20%
Global Real Estate (REITs)	20%	3.00%	3.90%
Treasury Inflation Protected Securities	5%	-1.80%	1.30%
Commodities	3%	0.80%	1.20%
Cash	-		

* General inflation rate assumption for Years 1-5 is 2.4% and for Years 6-20 is 2.3%

Recognition of Plan Changes and Gains and Losses

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

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

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

Changes in the OPEB Liability

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

	Increase (Decrease)		
	Total OPEB Liabilities (a)	**Plan Fiduciary Net Position** (b)	**Net OPEB Liability** (a) - (b)
Balance at 06/30/2021	$ 231,782	$ 124,633	$ 107,149
Changes for the year:			
Service cost	1,418		1,418
Interest on Total OPEB Liability	13,510		13,510
Expected investment income		7,477	(7,477)
Changes of Assumptions			
Differences between Expected and Actual Experience			
Contributions - Employer		16,065	(16,065)
Investment experience		(24,155)	24,155
Benefit payments	(16,065)	(16,065)	
Trust administrative expense		(32)	32
Net Change	(1,137)	(16,710)	15,573
Balance at 06/30/2022	$ 230,645	$ 107,923	$ 122,722

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

The following presents the net OPEB liability of the City if it were calculated using a discount rate of 6.00% and the impact of 1 percentage-point lower (5.00%) or 1 percentage-point higher (7.00%) than the current rate:

	1% Decrease 5.00%	Discount Rate 6.00%	1% Increase 7.00%
Net OPEB Liability	$ 150,100	$ 122,722	$ 99,881

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

The following presents the net OPEB liability of the City if it were calculated using health care cost trend rates assumed to start at 5.8% and grade down to 3.9% for years 2076 and thereafter. The impact of 1 percentage-point lower or 1 percentage point higher than the current rate, for measurement period ended June 30, 2022:

	1% Decrease 4.80%	Current Trend Rate 5.80%	1% Increase 6.80%
Net OPEB Liability	$ 99,499	$ 122,722	$ 150,389

OPEB Plan fiduciary net position

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

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

For the year ended June 30, 2023, the City recognized OPEB expense of ($520). At June 30, 2023, the City reported deferred outflows of resources and deferred nflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	$ 14,765	
Changes of Assumptions	11,620	$ 2,699
Difference between Expected and Actual Experiences		36,248
Net difference between projected and actual earnings on plan investments	8,483	
Change in proportion	3,507	3,507
Total	$ 38,375	$ 42,454

$14,765 reported as deferred outflows of resources related to contribution made subsequent to measurement date will be recognized as a reduction in net OPEB liability in the next fiscal year. Other amount reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as a component in OPEB expense (benefit) as follows:

Fiscal Year Ended June 30	
2024	$ (6,763)
2025	(6,960)
2026	(4,604)
2027	258
2028	(775)
Total	$ (18,844)

NOTE 16 – SEGMENT INFORMATION:

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

Condensed Statement of Net Position

Assets		
Cash & cash equivalents	$	7,124
Investments		28,730
Other current assets		2,360
Restricted cash & cash equivalents		14,103
Restricted investments		10,825
Capital assets, net		118,107
Total assets		181,249
Deferred outflows of resources		3,411
Liabilities		
Current liabilities		1,658
Long-term debt due within one year		855
Current liabilities payable from restricted assets		2,089
Long-term debt due within one year payable from restricted assets		596
Long-term debt less current portion		44,048
Other long-term liabilities		10,313
Total liabilities		59,559
Deferred inflows of resources		1,291
Net Position		
Net investment in capital assets		77,181
Restricted for debt services		596
Restricted for capital projects		17,203
Unrestricted		28,830
Total net position	$	123,810

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

Waste water fees (pledged against bonds)	$	16,236
Other revenues		1,286
Depreciation and amortization		(2,552)
Other operating expenses		(10,154)
Total operating Income		4,816
Nonoperating income(expenses)		
Investment income		1,136
Interest expense		(1,429)
Capital contribution		111
Transfer out		(641)
Total nonoperating expenses		(823)
Change in net position		3,993
Net position at beginning of year		119,817
Net position at end of year	$	123,810

Condensed Statement of Cash Flows

Net cash provided (used for) by:		
Operating activities	$	7,193
Noncapital financing activities		(641)
Capital and related financing activities		(7,129)
Investing activities		4,250
Net increase		3,673
Beginning cash and cash equivalents		17,554
Ending cash and cash equivalents	$	21,227
Reconciliation of cash & cash equivalent		
Cash & cash equivalent	$	7,124
Restricted cash & cash equivalent		14,103
Total cash & cash equivalent	$	21,227

NOTE 17 – DEFERRED COMPENSATION PLAN

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

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

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

NOTE 18 – RETIREMENT HEALTH SAVINGS PLAN AND TRUST

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

City employees, depending on the unit of representation, may be mandatorily required to participate in the RHS Plan. The mandatory salary contribution effective for the fiscal year ended June 30, 2023 was

0% - 3% of base salary for the City and 0% - 3% employee contribution based upon the employee group. The City's Deferred Compensation Committee also administers the RHS and makes selection of investment options available to the participants; but decisions for investment choices are the responsibilities of participants. Neither the City nor the Trustee shall be liable for any losses incurred by virtue of following a participants' or beneficiary's directions regarding an investment option.

Total employer contributions from the City amounted to $3,651 for the fiscal year ended on June 30, 2023. The accumulated assets of the RHS are not required to be reported in the accompanying basic financial statements.

NOTE 19 – JOINT VENTURES AND JOINTLY-OWNED PROPERTIES

Authority for Orange County - City Hazardous Materials Emergency Response

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

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

Public entities in Orange County may receive hazardous materials response services from the Hazmat by executing an agreement and paying a fair share contribution. Audited financial information for the joint powers authority as of and for the year ended June 30, 2023, was as follows:

Total assets	$	313
Total liability		5
Members' equity		308
Total revenues		83
Total expenses		115
Change in net position		(32)

Hazmat does not have any debt outstanding as of June 30, 2023.

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

Metro Cities Fire Authority

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

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

Public entities in Orange County may receive services from the Fire Authority by executing an agreement and paying a fair share contribution. Audited financial information for the Fire Authority as of and for the year ended June 30, 2023, was as follows:

Total assets	$	4,088
Total liability		2,142
Members' equity		1,946
Total revenues		7,134
Total expenses		7,362
Change in net position		(228)

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

North Net Joint Training Authority

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

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

Public entities in Orange County may receive training services from the Authority by executing a "subscription agreement" and by paying the annual fee and other costs. Audited financial information for the Authority as of and for the year ended June 30, 2023, was as follows:

Total assets	$	4,167
Total liability		520
Members' equity		3,647
Total revenues		1,631
Total expenses		1,208
Change in net position		423

SONGS

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

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

San Juan Generating Station

On July 31, 2015, the Electric Utility and the other Parties involved with the San Juan Generating Plants, agreed to a plan for the closure of two of the four units. As co-owner of one of the units that is not being closed, on December 31, 2017, the Electric Utility relinquished its 10.04% ownership interest in the existing coal-fired SJ, Unit 4, located near Waterflow, New Mexico to the parties that will continue in the Plant. Other participants include Public Service of New Mexico, 45.485%; the City of Farmington, 8.475%; the County of Los Alamos, 7.200%; and M-S-R Public Power Agency, 28.800%. The Electric Utility's original purchase cost and cumulative share of ongoing construction costs included in the utility plant at December 31, 2017 amounted to $84,616. All capital assets related to the San Juan unit were fully depreciated and retired as of June 30, 2018. There are no separate financial statements for this venture, as each participant's interest is reflected in its respective financial statements. Refer to note 1 on page 73 Provision for decommissioning costs related to the decommissioning trust fund set-aside for the future decommissioning of the Plant.

NOTE 20 – COMMITMENTS AND CONTINGENCIES:

Intermountain Power Agency

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

	Entitlement	Expiration
Generation:		
Intermountain Power Project	13.225%	2027

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

Southern California Public Power Authority

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

	Entitlement	Expiration
Transmission:		
Souther Transmission System (STS)	17.6%	2027
Mead-Adelanto Project (MAP)	13.5	2030
Mead-Phoenix Project (MPP)	24.2	2030
Generation:		
Magnolia Generating Station (Magnolia)	39.7	2037
Canyon Power Project (Canyon)	100.0	2040
Natural Gas Reserve Projects (Natural Gas)		
SCPAA Natural Gas Project-Pinedale, Wyoming	35.7%	2033
SCPPA Natural Gas Project-Barnett, Texas	45.5	2033

<u>Take or pay commitments</u>

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

In addition to take-or-pay commitments referenced above, the City's entitlement requires the payment for fuel costs, operations and maintenance (O&M), administration and general (A&G) and other miscellaneous costs associated with the generation and transmission facilities discussed above. These costs do not have a similar structured payment schedule as debt service; however, prior experience indicates that annual costs are generally consistent from year to year.

Fiscal Year Ending 6/30	IPA	STS	Magnolia	Natural Gas	Canyon	Total
2024	$ 5,204	$ 12,421	$ 7,333	$ 3,563	$ 19,207	$ 47,728
2025	5,204	6,044	7,397	3,299	19,422	41,366
2026	5,204	6,951	7,457	3,054	20,240	42,906
2027	8,352	8,356	7,524	2,831	18,007	45,070
2028	5,382	8,020	7,594	2,624	17,926	41,546
2029-2033			39,116	10,501	96,430	146,047
2034-2038			38,374		94,490	132,864
2039-2043					57,956	57,956
	$ 29,346	$ 41,792	$ 114,795	$ 25,872	$ 343,678	$ 555,483

The fiscal year 2023 expenses for fuel, O&M, A&G and other costs at these projects were as follows:

	Fiscal Year Ending 6/302023
IPA	$ 38,502
STS	5,448
MAP	(48)
MPP	283
Magnolia	48,385
Natural Gas	699
Canyon	18,282
Total	$ 111,551

Cap-and-Trade Program

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

The Cap-and-Trade program (Program) was implemented beginning January 1, 2013. This Program requires Electric Utilities to have GHG allowances on an annual basis to offset GHG emissions associated with generating electricity. CARB will provide a free allocation of GHG allowance to each electric utility to mitigate retail rate impacts. This free allocation of GHG allowance is expected to be sufficient to meet Electric Utility's GHG compliance obligations for retail sales. During this fiscal year, an unused portion of retail allowance was sold for $10,907 to reduce future renewable energy costs for retail customers. The compliance obligation for the wholesale sales requires allowance to be obtained through the auction or in the secondary market quarterly. At June 30, 2023, the value of prepaid Cap and Trade allowance is $21,786 and the value of the Cap and Trade obligation is $6,538.

The Honda Center

On January 26, 1999, the City entered into a series of lease transactions for the Honda Center. Subsequently on December 16, 2003, the City and Anaheim Arena Management LLC (AAM) entered into a Facility Management Agreement (FMA) whereby AAM has the exclusive right and license to manage, maintain and operate all aspects of the Honda Center in accordance with the FMA through June 30, 2023, with an option to extend the term for an additional period not to exceed 10 years.

In November 2018, an amendment was signed to extend the term of agreement from June 30, 2023 to June 30, 2048, with five 5-year extension options. Under the amendment, AAM assumed responsibility to provide 3,900 parking spaces for Honda Center, relieving the City of this long-term obligation. Annual distributions to the City, AAM and the County of Orange are required for their respective share of adjusted net revenues, as defined in the FMA. In the event that cash on hand is insufficient to pay operating expenses, debt service, distributions to the City, the County of Orange, or other amounts payable, AAM shall make or cause an affiliate or third-party lending institution to make loans for such purposes, as defined in the FMA. Such funds will be repaid from gross revenues or adjusted net revenues, if any, as defined in and in accordance with disbursement priorities established in the FMA. The debt is non-recourse, payable from revenues generated by the facility. Neither the faith and credit nor the taxing power of the City is pledged to the payment of the debt. The debt is not a general or special obligation of the City, nor does it contain any credit enhancements that secondarily pledge existing or future resources of the City (other than revenues generated by the facility), and accordingly it is not reflected in the accompanying basic financial statements.

On June 29, 2023, an amendment and restatement was signed to extend the initial term of the facility management agreement from June 30, 2048, to June 30, 2053. In addition, the agreement reduces the number of optional term extensions from five (5) additional periods of sixty (60) calendar months to four (4) additional periods of sixty (60) calendar months. The amended and restated agreement increases the excess general liability insurance policy coverage from $60 million as of August 15, 2043, to $70 million as of August 15, 2053. The Manager is also required to operate the Facility in accordance with the 2023 Facility Financing document.

Angel Stadium of Anaheim

On May 15, 1996, the City and the California Angels, LP (Team), which was then managed by Disney Sports Enterprises, Inc. (subsequently known as Anaheim Sports, Inc.), entered into an agreement to provide for the operation and refurbishment of the Stadium. Pursuant to the agreement, the Team assumed responsibility for the operation of the Stadium on October 1, 1996. The agreement runs for 33 years (subject to a limited Team option to cancel at 20 years and the Team's right to extend the term). In September 2013, the agreement was modified extending the Team's right to terminate the agreement by three years to October 16, 2019. In January 2019, an amendment was signed to extend the Team's right to terminate the agreement at any time, without cause, to be effective no later than December 31, 2020. The Team did not provide notice to terminate, therefore, the term of the agreement will continue in full effect through December 31, 2029. Thereafter, and so long as the Team is not then in default under the Agreement, The Team has the right and option to extend the term for up to three (3) additional periods of three (3) years each.

The May 14, 1996 Agreement also provided the City the right to develop approximately 42 acres of the parking lot development site. In 1998 a land sale of $1,000 for a 1.25 acre site was approved for the construction of a 1,100-seat theater called "Tinseltown Studios" (now known as "City National Grove of Anaheim"). In November 2002, the City purchased the facility and the land for $6,700 from its then owner, SMG. Concurrent with the purchase, the City granted to Nederlander-Grove LLC (Nederlander) a license to operate the facility for three years with the right to extend another five years. In May 2009, the management agreement was amended extending the term to December 31, 2015 with the right to extend another five year period. In June 2015, the option to extend was exercised, which extends the term to December 31, 2020. A fourth amendment extended the expiration date to December 31, 2022. A fifth amendment extended the agreement through December 31, 2023, which included the City's sole right to extend it through December 31, 2024. The City sent the extension letters to Nederlander exercising the right on July 25, 2023, extending the agreement through December 31, 2024.

Additionally, under the amended management agreement, effective January 1, 2009, Nederlander no longer receives a management fee of $150 and the City's share in the annual net profits and losses from operations increased from 50% to 60%. Nederlander is responsible for 100% of losses in excess of $400, thereby limiting the City's share of net losses to a maximum of $240 in any given year. The City may elect to terminate the agreement prior to expiration of the term under certain conditions, and pay the unamortized balance of capital assets purchased during the term to Nederlander. Concurrent with the amendment to the management agreement, the parking license fee agreement was amended, wherein the parking license fees from Nederlander were reduced to $176 and is subject to adjustment annually based on CPI increases. For the fiscal year ended June 30, 2023, Nederlander paid the City $240 for parking license fees.

Anaheim Regional Transportation Intermodal Center - ARTIC

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

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

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

Under the terms of The Facility Management Agreement, ATCM assumes management of ARTIC through June 30, 2048, with the option to extend its management obligations for five five-year extension terms; ATCM will be responsible for all operating losses up to $2.5 million annually; AAM/

ATCM will advance all expenses of a sign “Spectacular” at ARTIC, with all proceeds applied to operating expenses; AAM fully guarantees ATCM performance; and City and ATCM share in net profits, 60% to City and 40% to ATCM. For the fiscal year ended June 30, 2023, there was no revenue share distribution.

Muzeo

In October 2007, the City and the former Redevelopment Agency entered into a property operating agreement (Agreement) with the Muzeo Foundation to operate and provide programming for the Muzeo, the downtown museum. The Agreement is for a term of 30 years and provides for a line of credit (LOC) for the first 3 years from the City to the Muzeo Foundation in an amount not to exceed $1,000 or 95% of pledges at an annual interest rate of 5%. The Agreement was amended on August 1, 2010, to extend the maturity date to June 30, 2015. It also amended the aggregate amount of the line of credit to $500 during fiscal year 2011 and $200 during each fiscal year thereafter with amounts being converted to grants upon achieving fundraising thresholds. On June 30, 2014, the agreement was amended to extend the maturity date to June 30, 2019 and increased the line of credit amount from $200 to $250 annually.

In June 2019, The City and the Muzeo Foundation entered Amendment No. 4 to the Property Operating Agreement which includes the continuance of the annual LOC in the amount of $250 per annum for a term of five years expiring June 30, 2024. Additionally, the Muzeo Foundation is also granted a Capital Working LOC (CWLOC) for up to $150 each fiscal year. For the fiscal year ended June 30, 2023, there was no fund drawn from the CWLOC.

Participation Agreement – Construction of Regional Animal Care Shelter

On April 12, 2016 the City Council approved a Participation Agreement between the County of Orange and City of Anaheim for the construction of a new regional animal shelter at the former Tustin Air Base. Participants of this Participation Agreement are the County of Orange and fourteen Orange County Cities. The Shelter will be a County public works project with a maximum construction amount of $35 million of which the County will fund $7.2 million and contribute the land at no cost. The remaining $27.3 million of the maximum construction amount will be divided proportionately among the contract cities based on the percentage of actual shelter usage over the last five years. The City’s proportionate share is 28.28% or $7.7 million for an estimated annual payment of $798 payable quarterly over 10 years starting with fiscal year 2017. During fiscal year 2023, the City paid $772 with an estimated committed balance of $2,316.

Homeless Shelters and Homeless Prevention

On November 10, 2020, the City approved the First Amendment of the Agreement (Shelter Reimbursement) between the City and the Salvation Army for the continuation of the 224 beds shelter services at the Salvation Army homeless shelter located at 1455 South Salvation Place to 1) extend the funding termination date by two additional years from January 31, 2021 to January 31, 2023; and 2) approve a funding reimbursement amount of $11 million for the period from February 1, 2021 through January 31, 2023. Subsequently, on February 1, 2023, the City approved the Second Amendment extending the contract term by six (6) months through June 30, 2023. On June 30, 2023, the City approved the Third Amendment extending the terms by an additional twelve (12) months through June 30, 2024, and approved an additional funding reimbursement amount up to $6,768 to the total Agreement up to a maximum of $17,768. The City paid $7,904 for the fiscal year ended June 30, 2023 with an estimated committed balance of $5,658 (before crediting amount paid from the Agreement as described in the subsequent paragraph).

On April 22, 2020, the City entered an Agreement for the Homeless Shelter Expansion (Expansion Agreement) with the Salvation Army to obtain additional temporary shelter capacity. The City agreed to fully reimburse the Salvation Army up to $1,800 for its costs in constructing the Expansion with a minimum of 101 beds located in large trailers or similar structures with roof and four walls. The City completed the commitment of the construction payments in fiscal year 2021. Additionally, the City agreed to fully reimburse the Salvation Army for its costs actually incurred in operating the Expansion up to $1,726 annually. The term of the Agreement is two years beginning on the Commencement Date. For the fiscal year ended June 30, 2023, the City paid $1,382.

On December 1, 2021, the City entered into an Agreement (“Agreement”) with the Salvation Army (Subrecipient) to passthrough $4,000 of the ESG grant that the City received from HUD for the purposes to prevent, prepare for, and respond to the COVID-19 among individuals and families who are homeless or receiving homeless assistance and to support additional homeless assistance and homeless prevention activities to mitigate the impacts of COVID-19 pandemic. The term is from the period from December 1, 2021 through September 1, 2022. Per the Agreement, funds that the Subrecipient received from the City pursuant to the Agreement shall offset and serve as credit against City’s obligation for the Shelter Reimbursement and/or Expansion Reimbursement Agreements, if any. During fiscal year 2023, the City paid $241 and completed the commitment by the Agreement expiration date.

On December 15, 2020, the City entered into a CARES Emergency Solutions Grants Program Subrecipient Agreement with Kingdom

Causes, Inc, doing business as City Net (Subrecipient), whereby the Subrecipient received federal funds ("ESG-CV Funds") for the operation of emergency solutions program for homeless individuals or families at risk of homelessness due to COVID-19 in the City of Anaheim. The Agreement is for one-year at an amount not to exceed $2,500. In June 2020, the State of California established the Homeless Housing Assistance, and Prevention Program Round 2 (HHAP-2), and in 2021 round 3 (HHAP-3). The City was awarded HHAP-2 and HHAP-3 grant funds for use in the City to address homelessness in order to achieve maximum impact. Subsequently, on December 21, 2021, the City and Subrecipient entered into a First Amendment to Agreement to extend the terms of the original Agreement for an additional two year term effective January 1, 2022 and shall terminate on December 31, 2023; and to modify the scope of works to incorporate the terms and conditions required to be imposed on subrecipient of HHAP-2 and HHAP-3 funds to allow the City reimburse Subrecipient for performance of the Services with ESG-CV and o/ HHAP-2 funds and /or HHAP-3 funds. The Amendment increased the maximum reimbursement for an amount not to exceed $8,592, inclusive of the original agreement amount of $2,500. The City paid $3,116 during fiscal year 2023 with a committed balance of $1,802.

Litigation

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

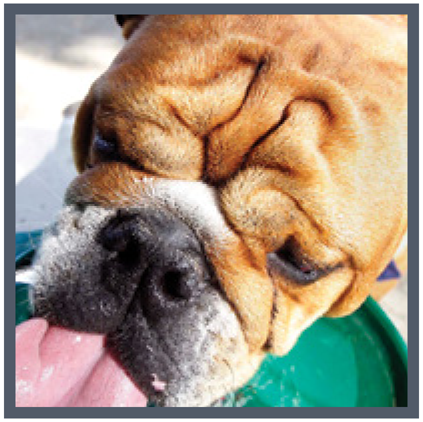
Grants

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

Construction and other significant commitments

At June 30, 2023, the City had the following commitments with respect to unfinished capital projects, disposition and development agreements, reimbursement agreements and cooperation agreements:

Capital Projects	Remaining Construction Commitment	Expected Completion Date
Anaheim West Tower HVAC Rehabilitation Project	$ 1,703	2024
Center Greens Improvements	5,138	2023
City Hall Elevators Modernization	1,746	2024
Concrete Facilities Removal and Replacement - Citywide	560	2023
Direct Buried Cable Replacement Project Phase 14	1,182	2023
Euclid Street Rehabilitation from Broadway to Lincoln	506	2023
Groundwater Treatment Plants Phase A	12,538	2024
Groundwater Treatment Plants Phase B	43,573	2025
Harbor Boulevard Reliability, Distribution Transmission and Switch Upgrade	2,053	2023
Large Water Valve Replacement	2,020	2024
LED Street Light Improvement Project Design-Build	2,909	2024
Orangewood Avenue Improvements from State College Boulevard to the Santa Ana River	8,342	2024
Overhead Electric Reliability Improvement Project	6,270	2023
Perimeter Wall & Gate Upgrade for EUC Warehouse	2,694	2023
Perimeter Wall and Gate Upgrade for Katella Substation Design-Build	2,438	2024
Police Helicopter Engine Overhaul	646	2023
Portable Water Valve Replacement - Phase I	925	2024
Power Systems Switchgears and Related Accessories	3,983	2023
Residential Street Improvement Project - Amboy	7,750	2024
South Street Rehabilitation From State College Boulevard to East Street	596	2023
Sustainability Education Center (SEC)	8,750	2025
Transformers	8,563	2023
Transmission & Distribution Wood Pole	2,882	2025
Underground District No. 65 Phase 2 Santa Ana Canyon Rd	3,702	2023
Underground District No. 67 Sycamore Street	2,031	2023
Underground Reliability Improvement Project	9,978	2023
Vehicle acquisitions	19,473	2023
Wanda 12kv Electric Line Extension (Phase II)	3,861	2023
Water Main Replacement - Felicidad, Lemon and Freedom	2,209	2024
Water Main Replacement - Holbrook Street Phase 1	1,644	2024
Water Main Replacement - Knott Avenue	2,016	2024
Water Main Replacement - La Palma Avenue and Tustin Avenue	1,409	2024
	$ 174,090	



Required Supplementary Information

ANAHEIM, CALIFORNIA

Schedule of Changes in the Net Pension Liability and Related Ratios
Last Ten Fiscal Years[1]

(In thousands)

Measurement Period:	Miscellaneous 2021-2022	Police Safety 2021-2022	Fire Safety 2021-2022	Total 2021-2022	Miscellaneous 2020-2021	Police Safety 2020-2021	Fire Safety 2020-2021	Total 2020-2021
TOTAL PENSION LIABILITY								
Service cost	$ 23,628	$ 19,460	$ 8,115	$ 51,203	$ 24,229	$ 17,748	$ 7,330	$ 49,307
Interest on the Total Pension Liability	108,220	63,365	34,121	205,706	106,426	60,991	33,408	200,825
Changes of Assumptions	47,281	34,577	14,788	96,646				
Difference Between Expected and Actual Experience	(13,322)	(3,076)	(1,340)	(17,738)	(10,970)	3,082	337	(7,551)
Benefit Payments, including Refunds of Employee Contributions	(87,125)	(46,959)	(27,945)	(162,029)	(81,651)	(44,591)	(26,689)	(152,931)
Net Change in Total Pension Liability	78,682	67,367	27,739	173,788	38,034	37,230	14,386	89,650
Total Pension Liability - Beginning	1,566,193	900,584	490,968	2,957,745	1,528,159	863,354	476,582	2,868,095
Total Pension Liability - Ending (a)	$ 1,644,875	$ 967,951	$ 518,707	$ 3,131,533	$ 1,566,193	$ 900,584	$ 490,968	$ 2,957,745
PLAN FIDUCIARY NET POSITION								
Contributions - Employer	$ 51,643	$ 31,090	$ 15,990	$ 98,723	$ 49,044	$ 29,139	$ 14,317	$ 92,500
Contributions - Employees	9,681	5,482	2,823	17,986	9,589	5,526	2,745	17,860
Net Investment Income	(98,954)	(56,217)	(29,918)	(185,089)	245,656	138,955	74,381	458,992
Benefit Payments, including Refunds of Employee Contributions	(87,125)	(46,959)	(27,945)	(162,029)	(81,651)	(44,591)	(26,689)	(152,931)
Plan to Plan Resource Movement								
Administrative Expense	(815)	(463)	(247)	(1,525)	(1,086)	(614)	(331)	(2,031)
Other Miscellaneous Income (Expense)								
Net Change in Fiduciary Net Position	(125,570)	(67,067)	(39,297)	(231,934)	221,552	128,415	64,423	414,390
Plan Fiduciary Net Position - Beginning[2]	1,308,963	742,756	395,920	2,447,639	1,087,411	614,341	331,497	2,033,249
Plan Fiduciary Net Position - Ending (b)	1,183,393	675,689	356,623	2,215,705	1,308,963	742,756	395,920	2,447,639
Plan Net Pension Liability (Asset) - Ending (a) - (b)	$ 461,482	$ 292,262	$ 162,084	$ 915,828	$ 257,230	$ 157,828	$ 95,048	$ 510,106
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	71.94%	69.81%	68.75%	70.75%	83.58%	82.47%	80.64%	82.75%
Covered Payroll[3]	$ 114,862	$ 54,341	$ 27,132	$ 196,335	$ 128,129	$ 54,707	$ 26,771	$ 209,607
Plan Net Pension Liability (Asset) as a Percentage of Covered Payroll	401.77%	537.83%	597.39%	466.46%	200.76%	288.50%	355.04%	243.36%

Notes:

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

[2] Includes any beginning of year adjustment

[3] Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal year ended June 30, 2022; 2.75% payroll growth assumption for fiscal years ended June 30, 2018-21; 3.00% payroll growth assumption for fiscal years ended June 30, 2014-17.

(Continued)

Schedule of Changes in the Net Pension Liability and Related Ratios
Last Ten Fiscal Years[1]

(In thousands) (continued)

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

Notes:

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

[2] Includes any beginning of year adjustment

[3] Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal year ended June 30, 2022; 2.75% payroll growth assumption for fiscal years ended June 30, 2018-21; 3.00% payroll growth assumption for fiscal years ended June 30, 2014-17.

(Continued)

Schedule of Changes in the Net Pension Liability and Related Ratios Last Ten Fiscal Years[1]

(In thousands) (continued)

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

Notes:

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

[2] In 2018, demographic assumptions and inflation rate were changed in accordance with CalPERS experience Study and Review of Actuarial Assumptions December 2017. In 2017, the discount rate was reduced from 7.65% to 7.15%.

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

[4] Includes any beginning of year adjustment

[5] Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal year ended June 30, 2022; 2.75% payroll growth assumption for fiscal years ended June 30, 2018-21; 3.00% payroll growth assumption for fiscal years ended June 30, 2014-17.

(Continued)

Schedule of Changes in the Net Pension Liability and Related Ratios Last Ten Fiscal Years[1]

(In thousands) (continued)

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

Notes:

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

[2] In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense).

[3] Includes any beginning of year adjustment

[4] Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal year ended June 30, 2022; 2.75% payroll growth assumption for fiscal years ended June 30, 2018-21; 3.00% payroll growth assumption for fiscal years ended June 30, 2014-17.

(Continued)

Schedule of Changes in the Net Pension Liability and Related Ratios
Last Ten Fiscal Years[1]

(In thousands) (continued)

Measurement Period:	Miscellaneous 2013-2014	Police Safety 2013-2014	Fire Safety 2013-2014	Total 2013-2014
TOTAL PENSION LIABILITY				
Service cost	$ 21,254	$ 13,088	$ 5,961	$ 40,303
Interest on the Total Pension Liability	85,591	45,898	27,044	158,533
Changes of Assumptions				
Difference Between Expected and Actual Experience				
Benefit Payments, including Refunds of Employee Contributions	(53,552)	(28,845)	(18,657)	(101,054)
Net Change in Total Pension Liability	53,293	30,141	14,348	97,782
Total Pension Liability - Beginning	1,157,361	619,849	366,927	2,144,137
Total Pension Liability - Ending (a)	$ 1,210,654	$ 649,990	$ 381,275	$ 2,241,919
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	$ 23,841	$ 13,505	$ 7,723	$ 45,069
Contributions - Employees	8,893	4,064	2,337	15,294
Net Investment Income	135,468	75,115	44,305	254,888
Benefit Payments, including Refunds of Employee Contributions	(53,552)	(28,845)	(18,657)	(101,054)
Plan to Plan Resource Movement				
Administrative Expense				
Other Miscellaneous Income (Expense)				
Net Change in Fiduciary Net Position	114,650	63,839	35,708	214,197
Plan Fiduciary Net Position - Beginning[2]	787,584	436,424	257,916	1,481,924
Plan Fiduciary Net Position - Ending (b)	902,234	500,263	293,624	1,696,121
Plan Net Pension Liability (Asset) - Ending (a) - (b)	$ 308,420	$ 149,727	$ 87,651	$ 545,798
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	74.52%	76.96%	77.01%	75.65%
Covered Payroll[3]	$ 110,815	$ 43,204	$ 22,107	$ 176,126
Plan Net Pension Liability (Asset) as a Percentage of Covered Payroll	278.32%	346.56%	396.49%	309.89%

Notes:
[1] Historical information is required only for measurement periods for which GASB 68 is applicable, Additional years will be presented as they become available
[2] Includes any beginning of year adjustment
[3] Includes one year's payroll growth using 3.0%.

See accompanied independent auditors' report

Schedule of Pension Plan Contributions
Last Ten Fiscal Years[1]
(In thousands)

Fiscal Year	Pension Plan	Actuarially Determined Contribution[2]	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll[3]	Contributions as a Percentage of Covered Payroll [3]
2022-2023	Miscellaneous	$ 55,626	$ 55,626		$ 128,507	43.29%
	Police Safety	34,014	34,014		57,183	59.48%
	Fire Safety	17,530	17,530		31,022	56.51%
	Total	$ 107,170	$ 107,170	$	$ 216,712	49.45%
2021-2022	Miscellaneous	$ 51,643	$ 51,643		$ 114,862	44.96%
	Police Safety	31,090	31,090		54,341	57.21%
	Fire Safety	15,990	15,990		27,133	58.93%
	Total	$ 98,723	$ 98,723	$	$ 196,336	50.28%
2020-2021	Miscellaneous	$ 49,044	$ 49,044		$ 128,129	38.28%
	Police Safety	29,139	29,139		54,707	53.26%
	Fire Safety	14,317	14,317		26,771	53.48%
	Total	$ 92,500	$ 92,500	$	$ 209,607	44.13%
2019-2020	Miscellaneous	$ 46,238	$ 46,238		$ 127,786	36.18%
	Police Safety	26,639	26,639		52,999	50.26%
	Fire Safety	13,174	13,174		25,092	52.50%
	Total	$ 86,051	$ 86,051	$	$ 205,877	41.80%
2018-2019	Miscellaneous	$ 40,546	$ 40,546		$ 123,499	32.83%
	Police Safety	23,375	23,375		52,491	44.53%
	Fire Safety	11,654	11,654		23,383	49.84%
	Total	$ 75,575	$ 75,575	$	$ 199,373	37.91%
2017-2018	Miscellaneous	$ 35,753	$ 35,753		$ 124,068	28.82%
	Police Safety	20,412	20,412		50,771	40.20%
	Fire Safety	10,600	10,600		23,214	45.66%
	Total	$ 66,765	$ 66,765	$	$ 198,053	33.71%
2016-2017	Miscellaneous	$ 33,275	$ 33,275		$ 120,653	27.58%
	Police Safety	19,615	19,615		48,294	40.62%
	Fire Safety	10,350	10,350		22,688	45.62%
	Total	$ 63,240	$ 63,240	$	$ 191,635	33.00%
2015-2016	Miscellaneous	$ 31,141	$ 31,595	$ (454)	$ 111,398	28.36%
	Police Safety	17,527	17,527		46,479	37.71%
	Fire Safety	9,483	9,483		21,600	43.90%
	Total	$ 58,151	$ 58,605	$ (454)	$ 179,477	32.65%

(continued)

Schedule of Pension Plan Contributions
Last Ten Fiscal Years[1]
(In thousands)

Fiscal Year	Pension Plan		Actuarially Determined Contribution[2]		Contributions in Relation to the Actuarially Determined Contribution		Contribution Deficiency (Excess)		Covered Payroll[3]	Contributions as a Percentage of Covered Payroll [3]
2014-2015	Miscellaneous	$	25,375	$	25,375			$	112,039	22.65%
	Police Safety		14,663		14,663				41,800	35.08%
	Fire Safety		7,622		7,622				20,935	36.41%
	Total	$	47,660	$	47,660	$		$	174,774	27.27%
2013-2014	Miscellaneous	$	23,841	$	23,841			$	110,815	21.51%
	Police Safety		13,505		13,505				43,204	31.26%
	Fire Safety		7,723		7,723				22,107	34.93%
	Total	$	45,069	$	45,069	$		$	176,126	25.59%

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

[2] Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions toward their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

[3] Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal year ended June 30, 2022; 2.75% payroll growth assumption for fiscal years ended June 30, 2018-21; 3% payroll growth assumption for fiscal years ended June 30, 2014-17.

Notes to Schedules of Plan Contributions:

The actuarial methods and assumptions used to set the actuarially determined contributions for fiscal years 2022-23 and 2021-22 were derived from the June 30, 2020 and 2019 funding valuation reports respectively.

Actuarial Cost Method	Entry Age Normal
Amortization Method/ Period	For details, see June 30, 2019 Funding Valuation Report
Asset Valuation Method	Fair Value of Assets. For details, see June 30, 2019 Funding Valuation Report
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	2.75%
Investment Rate of Return	7.00% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Retirement Age	The probabilities of Retirement are based on the 2017 CalPERS Study for period from 1997 to 2015
Mortality	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.

Schedule of Changes in the Net OPEB Liability and Related Ratios
Last Ten Fiscal Years[1]

(Amounts in Thousands)

Measurement Period:	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
TOTAL OPEB LIABILITY						
Service cost	$ 1,418	$ 1,714	$ 1,667	$ 1,900	$ 1,840	$ 2,032
Interest on the Total OPEB Liability	13,510	16,840	16,741	19,577	19,229	19,550
Difference Between Expected and Actual Experience		(45,405)		(15,626)		(14,382)
Changes of Assumptions		17,191		(7,583)		4,617
Benefit Payments, including Refunds of Employee Contributions	(16,065)	(16,393)	(17,541)	(16,629)	(16,061)	(16,016)
Net Change in Total OPEB Liability	(1,137)	(26,053)	867	(18,361)	5,008	(4,199)
Total OPEB Liability - Beginning	231,782	257,835	256,968	275,329	270,321	274,520
Total OPEB Liability - Ending (a)	230,645	231,782	257,835	256,968	275,329	270,321
PLAN FIDUCIARY NET POSITION						
Contributions - Employer	16,065	16,393	16,488	16,049	16,367	16,016
Net investment income	(16,678)	26,935	3,374	5,582	6,658	8,010
Benefit payments	(16,065)	(16,393)	(17,541)	(16,629)	(16,061)	(16,016)
Administrative Expense	(32)	(37)	(47)	(19)	(44)	(41)
Other Expense					(111)	
Net Change in Fiduciary Net Position	(16,710)	26,898	2,274	4,983	6,809	7,969
Plan Fiduciary Net Position - Beginning	124,633	97,735	95,461	90,478	83,669	75,700
Plan Fiduciary Net Position - Ending (b)	107,923	124,633	97,735	95,461	90,478	83,669
Plan Net OPEB Liability - Ending (a) - (b)	$ 122,722	$ 107,149	$ 160,100	$ 161,507	$ 184,851	$ 186,652
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	46.79%	53.77%	37.91%	37.15%	32.86%	30.95%
Covered-Employee Payroll[2]	$ 211,176	$ 203,773	$ 209,656	$ 209,942	$ 209,435	$ 203,473
Plan Net OPEB Liability as a Percentage of Covered-Employee Payroll	58.11%	52.58%	76.36%	76.93%	88.26%	91.73%

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

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

Schedule of OPEB Plan Contributions
Last Ten Fiscal Years[1]
(In thousands)

Fiscal Year	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Actuarially Determined Contribution (ADC)	$ 14,765	$ 14,523	$ 14,180	$ 16,488	$ 16,049	$ 16,367	$ 15,937
Contributions in relation to ADC	$ 14,765	$ 16,065	$ 16,393	$ 16,488	$ 16,049	$ 16,367	$ 16,016
Contribution deficiency (excess)		$ (1,542)	$ (2,213)				$ (79)
Covered-Employee Payroll[2]	$ 227,873	$ 211,176	$ 203,733	$ 209,656	$ 209,942	$ 209,435	$ 203,473
Contributions as a Percentage of Covered-employee Payroll	6.48%	7.61%	8.05%	7.86%	7.64%	7.82%	7.87%

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

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

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year ending June 30, 2023 was from the July 1, 2021 Actuarial Valuation Report, for Fiscal years ending June 30, 2021, and 2022 were from the July 1, 2019 Actuarial Valuation Report, for June 30, 2019 and 2020 were from the July 1, 2017 Actuarial Valuation Report, and for Fiscal Years ending June 30, 2017 and 2018 were from the July 1, 2015 Actuarial Valuation Report.

Methods and assumptions used to determine contributions:

Actuarial Cost Method	Entry Age Normal Close Group Level Dollar Basis.
Amortization Method/Period	Level % of Pay
Asset Valuation Method	15-year Smoothed value
General Inflation Rate	2.5% for 2021-2023 and 2.75% for 2017-2020
Salary Increase	3.0% for 2021-2023 and 3.25% for 2017-2020
Long Term Return on Assets	6.0% for 2023, 6.6% for 2021-2022 and 7.28% for 2017-2020
Healthcare Trend	Assumed to start at 5.8% in January 2023, fluctuating down to 3.9% per year by 2076 & thereafter
Retirement Age	From 50 to 75
Mortality Improvement	MacLeod Watts Scale 2022 applied generationally for 2023, MacLeod Watts Scale 2020 for 2021-2022, MacLeod Watts Scale 2017 for 2019-2020 and MacLeod Watts Scale 2014 for 2017-2018.

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Nonmajor Governmental Funds

ANAHEIM, CALIFORNIA

Nonmajor Governmental Funds

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

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

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

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

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

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

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

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

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

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

MUNICIPAL FACILITIES FUND—Established to accumulate resources for payment of the principal and interest on the lease revenue bonds for the Fire Facilities and other various acquisitions and capital improvements.

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

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

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

TRANSPORTATION IMPROVEMENT PROJECT FUND—Established to account for transportation improvement projects in the City. Financing is provided by Federal, State and local agencies.

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

COMMUNITY SERVICES FACILITIES FUND—Established to account for the development of new park sites, playgrounds and library facilities. Financing is provided by Federal and State grant programs, in conjunction with fees charged to residential and commercial developers. Much of this revenue is used to support the capital construction of parks and other recreational facilities throughout the City.

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

OTHER CAPITAL IMPROVEMENTS FUND—Established to account for various capital projects as determined by the City Council. Currently, financing for these projects is provided by bond proceeds and subsidies from the General Fund.

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

Combining Balance Sheet
Nonmajor Governmental Funds by Fund Type
June 30, 2023 (In thousands)

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	$ 16,168	$ 338	$ 14,804	$ 31,310
Investments	67,091	1,404	61,508	130,003
Accounts receivable, net	2,588			2,588
Accrued interest receivable	383	471	464	1,318
Due from other funds			9,799	9,799
Due from other governments	16,470		10,252	26,722
Land held for resale	15,295			15,295
Prepaid and other assets	93			93
Restricted cash and cash equivalents	83	120,364	33,240	153,687
Restricted investments		56,980		56,980
Due from Successor Agency	2,936		730	3,666
Lease receivable	9,115			9,115
Notes receivable, net	16,259			16,259
Total assets	$ 146,481	$ 179,557	$ 130,797	$ 456,835
LIABILITIES				
Accounts payable	$ 11,792		$ 3,773	$ 15,565
Wages payable	133		21	154
Deposits	273		1,219	1,492
Unearned revenues	20		440	460
Due to other funds	450		10,932	11,382
Total liabilities	12,668		16,385	29,053
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	9,446		10,050	19,496
Unearned lease revenues	8,805			8,805
Unavailable resources- long-term notes receivable	19,195		730	19,925
Total deferred inflows of resources	37,446		10,780	48,226
FUND BALANCES				
Nonspendable prepaid and other assets	93			93
Restricted:				
Anaheim Resort maintenance and improvement	6,455			6,455
Capital projects			3,891	3,891
Community and economic development projects	20,871			20,871
Debt service		$ 177,815		177,815
Development impact projects			89,597	89,597
Grant purposes	8,354			8,354
Homebuyer assistance program	13,685			13,685
Streets, roads and transportation improvement projects	48,157			48,157
Committed for neighborhood and community projects			4,007	4,007
Assigned:				
Debt service		1,742		1,742
Capital projects			16,745	16,745
Unassigned	(1,248)		(10,608)	(11,856)
Total fund balances	96,367	179,557	103,632	379,556
Total liabilities, deferred inflows of resources, and fund balances	$ 146,481	$ 179,557	$ 130,797	$ 456,835

See accompanied independent auditors' report

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds by Fund Type
Year Ended June 30, 2023 (In thousands)

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Licenses, fees and permits	$ 5		$ 8,102	$ 8,107
Intergovernmental revenues	52,637		5,149	57,786
Charges for services	33,271		24	33,295
Use of money and property	5,485	$ 3,481	3,402	12,368
Lease revenues	409			409
Others	44		4	48
Contribution from property owners			298	298
Total revenues	91,851	3,481	16,979	112,311
Expenditures:				
Current:				
City Attorney	104			104
Finance		25		25
Police	7,532		1	7,533
Fire & Rescue	335		135	470
Housing & Community Development	11,352		31	11,383
Economic Development	3,832		16	3,848
Planning & Building	1,290		319	1,609
Public Works	11,363		2,303	13,666
Community Services	501		415	916
Convention, Sports and Entertainment	20,650			20,650
Capital outlay	18,154		14,134	32,288
Debt service:				
Principal retirement	1,451	15,796	1,718	18,965
Interest charges	300	32,887	131	33,318
Total expenditures	76,864	48,708	19,203	144,775
Excess (deficiency) of revenues over (under) expenditures	14,987	(45,227)	(2,224)	(32,464)
Other financing sources (uses):				
Transfers in	266	102,576	1,363	104,205
Transfers out	(7,916)		(1,466)	(9,382)
SBITA financing	1,418			1,418
Total other financing sources (uses)	(6,232)	102,576	(103)	96,241
Net change in fund balances	8,755	57,349	(2,327)	63,777
Fund balances at beginning of year	87,612	122,208	105,959	315,779
Fund balances at end of year	$ 96,367	$ 179,557	$ 103,632	$ 379,556

Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2023 (In thousands)

	Gas Tax	Workforce Development	Community Development Block Grant	Grants	Anaheim Resort Maintenance District	Anaheim Tourism Improvement District	Narcotic Asset Forfeiture	Long Range Property Management Plan	Total
ASSETS									
Cash and cash equivalents	$ 5,031	$ 3	$ 276	$ 3,328	$ 1,360	$ 4,276	$ 667	$ 1,227	$ 16,168
Investments	20,901	14	1,080	13,827	5,649	17,766	2,772	5,082	67,091
Accounts receivable, net		1		12		2,574		1	2,588
Accrued interest receivable	115		5	101	31	90	13	28	383
Due from other governments	4,319	1,416	1,082	9,465	30		158		16,470
Prepaid and other assets	25			34				34	93
Land held for resale								15,295	15,295
Restricted cash and cash equivalents							83		83
Due from Successor Agency			2,936						2,936
Lease receivable								9,115	9,115
Notes receivable, net			1,958	14,301					16,259
Total assets	$ 30,391	$ 1,434	$ 7,337	$ 41,068	$ 7,070	$ 24,706	$ 3,693	$ 30,782	$ 146,481
LIABILITIES									
Accounts payable	$ 2,914	$ 709	$ 1,369	$ 1,782	$ 606	$ 3,832	$ 94	$ 486	$ 11,792
Wages payable	54	22	19	25	9	1		3	133
Due to other Funds		450							450
Unearned revenues		20							20
Deposits								273	273
Total liabilities	2,968	1,201	1,388	1,807	615	3,833	94	762	12,668
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenues	114	1,263	249	7,510				310	9,446
Unearned leases revenues								8,805	8,805
Unavailable resources- long-term notes & loans receivable			4,894	14,301					19,195
Total deferred inflows of resources	114	1,263	5,143	21,811				9,115	37,446
FUND BALANCES									
Nonspendable prepaid and other assets	25			34				34	93
Restricted:									
Anaheim Resort maintenance and improvement					6,455				6,455
Economic development projects								20,871	20,871
Grant purposes			806	3,949			3,599		8,354
Homebuyer assistance program				13,685					13,685
Streets, roads and transportation improvement projects	27,284					20,873			48,157
Assigned for other purposes									
Unassigned		(1,030)		(218)					(1,248)
Total fund balances	27,309	(1,030)	806	17,450	6,455	20,873	3,599	20,905	96,367
Total liabilities, deferred inflows of resources, and fund balances	$ 30,391	$ 1,434	$ 7,337	$ 41,068	$ 7,070	$ 24,706	$ 3,693	$ 30,782	$ 146,481

See accompanied independent auditors' report

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit)
Nonmajor Special Revenue Funds
Year Ended June 30, 2023 (In thousands)

	Gas Tax	Workforce Development	Community Development Block Grant	Grants	Anaheim Resort Maintenance District	Anaheim Tourism Improvement District	Narcotic Asset Forfeiture	Long Range Property Management Plan	Total
Revenues:									
Licenses, fees and permits	$ 5								$ 5
Intergovernmental revenues	24,934	$ 2,795	$ 5,963	$ 15,047			$ 3,898		52,637
Charges for services	77				$ 5,382	$ 27,812			33,271
Use of money and property	289	100	724	1,306	86	97	57	$ 2,826	5,485
Lease revenues		88						321	409
Other		16	1	27					44
Total revenues	25,305	2,999	6,688	16,380	5,468	27,909	3,955	3,147	91,851
Expenditures:									
Current:									
City Attorney			104						104
Police				6,948			584		7,532
Fire & Rescue				335					335
Housing & Community Development		4,127	2,564	4,595				66	11,352
Economic Development			40					3,792	3,832
Planning & Building			1,221		69				1,290
Public Works	6,269				5,092	2			11,363
Community Services			479	22					501
Convention, Sports & Entertainment						20,650			20,650
Capital outlay	13,873		1,644	1,761	493	368		15	18,154
Debt service:									
Principal retirement			1,117	334					1,451
Interest charges			299	1					300
Total expenditures	20,142	4,127	7,468	13,996	5,654	21,020	584	3,873	76,864
Excess (deficiency) of revenues over (under) expenditures	5,163	(1,128)	(780)	2,384	(186)	6,889	3,371	(726)	14,987
Other financing sources (uses):									
Transfers in	66				200				266
Transfers out	(2,003)			(5,635)		(278)			(7,916)
SBITA financing				1,418					1,418
Total other financing sources (uses)	(1,937)			(4,217)	200	(278)			(6,232)
Net change in fund balances	3,226	(1,128)	(780)	(1,833)	14	6,611	3,371	(726)	8,755
Fund balances at beginning of year	24,083	98	1,586	19,283	6,441	14,262	228	21,631	87,612
Fund balances (deficit) at end of year	$ 27,309	$ (1,030)	$ 806	$ 17,450	$ 6,455	$ 20,873	$ 3,599	$ 20,905	$ 96,367

Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficit) Budget and Budgetary Basis Actual – All Nonmajor Special Revenue Funds Year Ended June 30, 2023 (In thousands)

	Gas Tax			Workforce Development		
	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget
Revenues:						
Licenses, fees and permits	$ 3	$ 5	$ 2			
Intergovernmental revenues	25,807	24,934	(873)	$ 9,303	2,795	$ (6,508)
Charges for services	62	77	15			
Use of money and property	1	289	288	100	100	
Lease revenues				90	88	(2)
Other	1		(1)		16	16
Total revenues	25,874	25,305	(569)	9,493	2,999	(6,494)
Expenditures:						
City Attorney						
Police						
Fire & Rescue						
Housing & Community Development				9,526	4,127	(5,399)
Economic Development						
Planning & Building						
Public Works	39,200	26,808	(12,392)			
Community Services						
Convention, Sports & Entertainment						
Total expenditures	39,200	26,808	(12,392)	9,526	4,127	(5,399)
Excess (deficiency) of revenues over (under) expenditures	(13,326)	(1,503)	11,823	(33)	(1,128)	(1,095)
Other financing sources (uses):						
Transfers in	66	66				
Transfers out	(2,000)	(2,003)	(3)			
Total other financing sources (uses)	(1,934)	(1,937)	(3)			
Net change in fund balances	(15,260)	(3,440)	11,820	(33)	(1,128)	(1,095)
Fund balances at beginning of year	24,083	24,083		98	98	
Fund balance (deficit) at end of year	$ 8,823	20,643	$ 11,820	$ 65	(1,030)	$ (1,095)
Adjustment to reconcile to GAAP:						
Encumbrance		6,666				
Ending fund balance (deficit) - GAAP basis		$ 27,309			$ (1,030)	

(continued)

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Budgetary Basis Actual – All Nonmajor Special Revenue Funds
Year Ended June 30, 2023 (In thousands)

	Community Development Block Grant			Grants		
	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget
Revenues:						
Intergovernmental revenues	$ 13,580	$ 5,963	$ (7,617)	$ 54,418	$ 15,047	$ (39,371)
Charges for services						
Use of money and property	1,050	724	(326)	1,447	1,306	(141)
Other		1	1		27	27
Total revenues	14,630	6,688	(7,942)	55,865	16,380	(39,485)
Expenditures:						
City Attorney	109	104	(5)			
Police				15,394	7,835	(7,559)
Fire & Rescue				456	456	
Housing & Community Development	8,717	4,047	(4,670)	18,404	4,595	(13,809)
Economic Development	530	530				
Planning & Building	1,294	1,221	(73)			
Public Works						
Community Services	2,199	1,744	(455)	328	49	(279)
Convention, Sports & Entertainment						
Total expenditures	12,849	7,646	(5,203)	34,582	12,935	(21,647)
Excess (deficiency) of revenues over (under) expenditures	1,781	(958)	(2,739)	21,283	3,445	(17,838)
Other financing sources (uses):						
Transfers in						
Transfers out				(25,415)	(5,635)	19,780
Total other financing sources (uses)				(25,415)	(5,635)	19,780
Net change in fund balances	1,781	(958)	(2,739)	(4,132)	(2,190)	1,942
Fund balances at beginning of year	1,586	1,586		19,283	19,283	
Fund balances at end of year	$ 3,367	628	$ (2,739)	$ 15,151	17,093	$ 1,942
Adjustment to reconcile to GAAP:						
Encumbrance		178			357	
Capital outlay - SBITA					(1,418)	
Other financing sources - SBITA financing					1,418	
Ending fund balance - GAAP basis		$ 806			$ 17,450	

(continued)

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Budgetary Basis Actual – All Nonmajor Special Revenue Funds
Year Ended June 30, 2023 (In thousands)

	Anaheim Resort Maintenance District			Anaheim Tourism Improvement District		
	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget
Revenues:						
Charges for services	$ 5,426	$ 5,382	$ (44)	$ 23,176	$ 27,812	$ 4,636
Use of money and property	106	86	(20)	200	97	(103)
Other	14		(14)			
Total revenues	5,546	5,468	(78)	23,376	27,909	4,533
Expenditures:						
Economic Development						
Planning & Building	69	69				
Public Works	6,279	5,638	(641)	11,074	391	(10,683)
Convention, Sports & Entertainment				20,650	20,650	
Total expenditures	6,348	5,707	(641)	31,724	21,041	(10,683)
Excess (deficiency) of revenues over (under) expenditures	(802)	(239)	563	(8,348)	6,868	15,216
Other financing sources (uses):						
Transfers in	200	200				
Transfers out				(231)	(278)	(47)
Total other financing sources (uses)	200	200		(231)	(278)	(47)
Net change in fund balances	(602)	(39)	563	(8,579)	6,590	15,169
Fund balances at beginning of year	6,441	6,441		14,262	14,262	
Fund balances at end of year	$ 5,839	6,402	$ 563	$ 5,683	20,852	$ 15,169
Adjustment to reconcile to GAAP basis:						
Encumbrance		53			21	
Ending fund balance - GAAP basis		$ 6,455			$ 20,873	

(continued)

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Budgetary Basis Actual – All Nonmajor Special Revenue Funds
Year Ended June 30, 2023 (In thousands)

	Narcotic Asset Forfeiture			Long Range Property Management Plan		
	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget
Revenues:						
Intergovernmental revenues	$ 63	$ 3,898	$ 3,835			
Use of money and property	9	57	48	$ 2,527	$ 2,826	$ 299
Lease revenues				438	321	(117)
Total revenues	72	3,955	3,883	2,965	3,147	182
Expenditures:						
City Attorney						
Police	584	584				
Fire & Rescue						
Housing & Community Development				78	66	(12)
Economic Development				5,419	3,807	(1,612)
Planning & Building						
Public Works						
Community Services						
Convention, Sports & Entertainment						
Total expenditures	584	584		5,497	3,873	(1,624)
Excess (deficiency) of revenues over (under) expenditures	(512)	3,371	3,883	(2,532)	(726)	1,806
Other financing sources (uses):						
Transfers in						
Transfers out						
Total other financing sources (uses)						
Net change in fund balance (deficits)	(512)	3,371	3,883	(2,532)	(726)	1,806
Fund balances at beginning of year	228	228		21,631	21,631	
Fund balances at end of year	$ (284)	$ 3,599	$ 3,883	$ 19,099	$ 20,905	$ 1,806

Balance Sheet
Nonmajor Debt Service Funds
June 30, 2023 (In thousands)

	Municipal Facilities	Anaheim Resort Improvements	Total
ASSETS			
Cash and cash equivalents	$ 338		$ 338
Investments	1,404		1,404
Accrued interest receivable	7	$ 464	471
Restricted cash and cash equivalents	1,960	118,404	120,364
Restricted investments		56,980	56,980
Total assets	$ 3,709	$ 175,848	$ 179,557
Fund balances:			
Restricted for debt service	$ 1,967	$ 175,848	$ 177,815
Assigned for debt service	1,742		1,742
Total fund balances	3,709	175,848	179,557
Total liabilities and fund balances	$ 3,709	$ 175,848	$ 179,557

Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Debt Service Funds
Year Ended June 30, 2023 (In thousands)

	Municipal Facilities	Anaheim Resort Improvements	Total
Revenues:			
Use of money and property	$ 202	$ 3,279	$ 3,481
Total revenues	202	3,279	3,481
Expenditures:			
Current:			
Finance	3	22	25
Debt service:			
Principal retirement	103	15,693	15,796
Interest charges	4,351	28,536	32,887
Total expenditures	4,457	44,251	48,708
Deficiency of revenues under expenditures	(4,255)	(40,972)	(45,227)
Other financing sources:			
Transfers in	800	101,776	102,576
Transfers out			
Total other financing sources	800	101,776	102,576
Net change in fund balances	(3,455)	60,804	57,349
Fund balances at beginning of year	7,164	115,044	122,208
Fund balances at end of year	$ 3,709	$ 175,848	$ 179,557

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Debt Service Funds
Year Ended June 30, 2023 (In thousands)

	Municipal Facilities			Anaheim Resort Improvements		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:						
Use of money and property		$ 202	$ 202	$ 100	$ 3,279	$ 3,179
Total revenues		202	202	100	3,279	3,179
Expenditures:						
Finance	$ 4,457	4,457		44,262	44,251	(11)
Total expenditures	4,457	4,457		44,262	44,251	(11)
Excess (deficiency) of revenues over (under) expenditures	(4,457)	(4,255)	202	(44,162)	(40,972)	3,190
Other financing sources:						
Transfers in	800	800		84,211	101,776	17,565
Transfers out						
Total other financing sources	800	800		84,211	101,776	17,565
Net change in fund balances	(3,657)	(3,455)	202	40,049	60,804	20,755
Fund balances at beginning of year	7,164	7,164		115,044	115,044	
Fund balances at end of year	$ 3,507	$ 3,709	$ 202	$ 155,093	$ 175,848	$ 20,755

Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2023 (In thousands)

	Streets Construction	Transportation Improvement Projects	Development Impact Projects	Community Services Facilities	Storm Drain Construction	Other Capital Improvements	Mello-Roos Projects	Total
ASSETS								
Cash and cash equivalents	$ 51	$ 14	$ 6,710	$ 3,046	$ 614	$ 2,365	$ 2,004	$ 14,804
Investments	210	60	27,879	12,657	2,550	9,824	8,328	61,508
Accounts receivable, net								
Accrued interest receivable			215	65	17	95	72	464
Due from other funds						9,700	99	9,799
Due from other governments	10,044	208						10,252
Restricted cash and cash equivalents						2,629	30,611	33,240
Restricted investment								
Due from the Successor Agency						730		730
Total assets	$ 10,305	$ 282	$ 34,804	$ 15,768	$ 3,181	$ 25,343	$ 41,114	$ 130,797
LIABILITIES								
Accounts payable	$ 850	$ 44	$ 586	$ 931	$ 353	$ 186	$ 823	$ 3,773
Wages payable	12		4	1			4	21
Deposits					1,219			1,219
Unearned revenues	440							440
Due to other funds	9,598	201		1,133				10,932
Total liabilities	10,900	245	590	2,065	1,572	186	827	16,385
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenues	9,931	119						10,050
Unavailable resources-long-term notes & receivable						730		730
Total deferred inflows of resources	9,931	119				730		10,780
FUND BALANCES								
Restricted:								
Capital projects						3,891		3,891
Development impact projects			34,214	13,487	1,609		40,287	89,597
Committed for neighborhood and community projects						4,007		4,007
Assigned for Capital projects				216		16,529		16,745
Unassigned	(10,526)	(82)						(10,608)
Total fund balances (deficits)	(10,526)	(82)	34,214	13,703	1,609	24,427	40,287	103,632
Total liabilities, deferred inflows of resources, and fund balances (deficits)	$ 10,305	$ 282	$ 34,804	$ 15,768	$ 3,181	$ 25,343	$ 41,114	$ 130,797

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Nonmajor Capital Projects Funds
Year Ended June 30, 2023 (In thousands)

	Streets Construction	Transportation Improvement Projects	Development Impact Projects	Community Services Facilities	Storm Drain Construction	Other Capital Improvements	Mello-Roos Projects	Total
Revenues:								
Licenses, fees and permits	$ 31		$ 2,715	$ 5,210		$ 146		$ 8,102
Intergovernmental revenues	4,583	$ 337				229		5,149
Charges for services	24							24
Use of money and property	(168)	(13)	613	380	$ 94	1,135	$ 1,361	3,402
Other				4				4
Contribution from property owners							298	298
Total revenues	4,470	324	3,328	5,594	94	1,510	1,659	16,979
Expenditures:								
Current:								
Police			1					1
Fire & Rescue			113			22		135
Housing & Community Development						31		31
Economic Development						16		16
Planning & Building						319		319
Public Works	1,916	100	252				35	2,303
Community Services			234	91		90		415
Capital outlay	1,488		4,571	1,958		192	5,925	14,134
Debt service:								
Principal retirement						1,718		1,718
Interest charges						131		131
Total expenditures	3,404	100	5,171	2,049		2,519	5,960	19,203
Excess (deficiency) of revenues over (under) expenditures	1,066	224	(1,843)	3,545	94	(1,009)	(4,301)	(2,224)
Other financing sources (uses):								
Transfers in	307	3				1,053		1,363
Transfers out						(1,466)		(1,466)
Total other financing sources	307	3				(413)		(103)
Net change in fund balances	1,373	227	(1,843)	3,545	94	(1,422)	(4,301)	(2,327)
Fund balances (deficits) at beginning of year	(11,899)	(309)	36,057	10,158	1,515	25,849	44,588	105,959
Fund balances (deficits) at end of year	$ (10,526)	$ (82)	$ 34,214	$ 13,703	$ 1,609	$ 24,427	$ 40,287	$ 103,632

See accompanied independent auditors' report

Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficits) Budget and Budgetary Basis Actual - All Capital Projects Funds Year Ended June 30, 2023 (In thousands)

	Streets Construction			Transportation Improvement Projects		
	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget
Revenues:						
Licenses, fees and permits		$ 31	$ 31			
Intergovernmental revenues	$ 22,589	4,583	(18,006)	$ 400	$ 337	$ (63)
Charges for services		24	24			
Use of money and property		(168)	(168)		(13)	(13)
Other	240		(240)			
Total revenues	22,829	4,470	(18,359)	400	324	(76)
Expenditures:						
Police						
Fire & Rescue						
Housing & Community Development						
Economic Development						
Planning & Building						
Public Works	9,214	3,548	(5,666)	400	100	(300)
Community Services						
Total expenditures	9,214	3,548	(5,666)	400	100	(300)
Excess (deficiency) of revenues over (under) expenditures	13,615	922	(12,693)		224	224
Other financing sources (uses):						
Transfers in		307	307		3	3
Transfers out						
Total other financing sources		307	307		3	3
Net change in fund balances	13,615	1,229	(12,386)		227	227
Fund balances (deficits) at beginning of year	(11,899)	(11,899)		(309)	(309)	
Fund balances (deficits) at end of year	$ 1,716	(10,670)	$ (12,386)	$ (309)	(82)	$ 227
Adjustment to reconcile to GAAP:						
Encumbrance		144				
Ending fund balances (deficits) - GAAP basis		$ (10,526)			$ (82)	

(continued)

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Budgetary Basis Actual - All Capital Projects Funds
Year Ended June 30, 2023 (In thousands)

	Development Impact Projects			Community Services Facilities		
	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget
Revenues:						
Licenses, fees and permits	$ 6,420	$ 2,715	$ (3,705)	$ 2,673	$ 5,210	$ 2,537
Intergovernmental revenues	2,000		(2,000)	2,352		(2,352)
Charges for services						
Use of money and property	209	613	404	221	380	159
Other					4	4
Total revenues	8,629	3,328	(5,301)	5,246	5,594	348
Expenditures:						
Police	575	575				
Fire & Rescue	3,544	1,273	(2,271)			
Community & Economic Development						
Planning & Building						
Public Works	4,031	791	(3,240)			
Community Services	5,550	3,208	(2,342)	8,974	7,065	(1,909)
Total expenditures	13,700	5,847	(7,853)	8,974	7,065	(1,909)
Excess (deficiency) of revenues over (under) expenditures	(5,071)	(2,519)	2,552	(3,728)	(1,471)	2,257
Other financing sources (uses):						
Transfers in						
Transfers out						
Total other financing sources (uses)						
Net change in fund balances	(5,071)	(2,519)	2,552	(3,728)	(1,471)	2,257
Fund balances at beginning of year	36,057	36,057		10,158	10,158	
Fund balances at end of year	$ 30,986	33,538	$ 2,552	$ 6,430	8,687	$ 2,257
Adjustment to reconcile to GAAP:						
Encumbrance		676			5,016	
Ending fund balance - GAAP basis		$ 34,214			$ 13,703	

(continued)

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Budgetary Basis Actual - All Capital Projects Funds
Year Ended June 30, 2023 (In thousands)

	Storm Drain Construction			Other Capital Improvements		
	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget
Revenues:						
Licenses, fees and permits					$ 146	$ 146
Intergovernmental revenues				$ 1,755	229	(1,526)
Use of money and property	$ 70	$ 94	$ 24	1,052	1,135	83
Other						
Total revenues	70	94	24	2,807	1,510	(1,297)
Expenditures:						
Police				518	518	
Fire & rescue				359	359	
Housing & Community Development				278	49	(229)
Economic Development				1,732	1,294	(438)
Planning & Building				1,134	334	(800)
Public Works				80	31	(49)
Community Services				456	362	(94)
Total expenditures				4,557	2,947	(1,610)
Excess (deficiency) of revenues over (under) expenditures	70	94	24	(1,750)	(1,437)	313
Other financing sources (uses):						
Transfers in				1,053	1,053	
Transfers out				(1,466)	(1,466)	
Total other financing sources (uses)				(413)	(413)	
Net change in fund balances	70	94	24	(2,163)	(1,850)	313
Fund balances at beginning of year	1,515	1,515		25,849	25,849	
Fund balances at end of year	$ 1,585	1,609	$ 24	$ 23,686	23,999	$ 313
Adjustment to reconcile to GAAP:						
Encumbrance					428	
Ending fund balance - GAAP basis		$ 1,609			$ 24,427	

(continued)

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Budgetary Basis Actual - All Capital Projects Funds
Year Ended June 30, 2023 (In thousands)

	Mello-Roos Projects		
	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget
Revenues:			
Licenses, fees and permits			
Intergovernmental revenues			
Charges for services			
Use of money and property	$ 1,479	$ 1,361	$ (118)
Contribution from property owners		298	298
Total revenues	1,479	1,659	180
Expenditures:			
Police			
Fire & Rescue			
Housing & Community & Development			
Economic Development			
Planning & Building			
Public Works	34,132	12,942	(21,190)
Community Services			
Total expenditures	34,132	12,942	(21,190)
Excess (deficiency) of revenues over (under) expenditures	(32,653)	(11,283)	21,370
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Net change in fund balances	(32,653)	(11,283)	21,370
Fund balances at beginning of year	44,588	44,588	
Fund balances at end of year	$ 11,935	33,305	$ 21,370
Adjustment to reconcile to GAAP:			
Encumbrance		6,982	
Ending fund balance - GAAP basis		$ 40,287	

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Internal Service Funds

ANAHEIM

ANAHEIM, CALIFORNIA

Internal Service Funds

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

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

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

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

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

ANAHEIM, CALIFORNIA

Combining Statement of Net Position
Internal Service Funds
June 30, 2023 (In thousands)

	General Benefits and Insurance	Motorized Equipment	Information and Communication Services	Municipal Facilities Maintenance	Total
ASSETS					
Current assets:					
Cash and cash equivalents	$ 10,661	$ 2,805	$ 29	$ 1,562	$ 15,057
Investments	44,292	11,650	120	6,491	62,553
Restricted cash and cash equivalents			2,707		2,707
Accounts receivable, net	7,145	140			7,285
Accrued interest receivable	211	61		32	304
Interfund receivable	1,005				1,005
Inventories		1,230		255	1,485
Prepaid and other assets	4,066	66	1,477	103	5,712
Total current assets	67,380	15,952	4,333	8,443	96,108
Noncurrent assets:					
Interfund receivable, less current portion	31,021				31,021
Capital assets:					
Buildings, structures and improvements		3,230		9,161	12,391
Machinery and equipment	93	44,509	23,888	4,787	73,277
Lease building			185		185
Lease equipment			4,078		4,078
Subscription assets			17,598	115	17,713
Construction in progress		35	1,061	1,354	2,450
Less accumulated depreciation	(86)	(33,386)	(19,286)	(7,525)	(60,283)
Capital assets, net	7	14,388	27,524	7,892	49,811
Total noncurrent assets	31,028	14,388	27,524	7,892	80,832
Total assets	98,408	30,340	31,857	16,335	176,940
DEFERRED OUTFLOW OF RESOUCES					
Deferred OPEB related items	549	655	337	622	2,163
Deferred pension related items	3,367	2,723	2,158	2,945	11,193
Total deferred outflow of resources	3,916	3,378	2,495	3,567	13,356

(Continued)

Combining Statement of Net Position
Internal Service Funds
June 30, 2023 (In thousands)(Continued)

	General Benefits and Insurance	Motorized Equipment	Information and Communication Services	Municipal Facilities Maintenance	Total
LIABILITIES					
Current liabilities:					
Accounts payable	3,305	858	3,550	3,203	10,916
Wages payable	3,449	52	40	58	3,599
Interest payable			66		66
Due to other Funds			1,504		1,504
Lease payable, current portion			927		927
Subscription payable, current portion			2,106		2,106
Compensated absences, current portion	18,110				18,110
Self-insurance liability, current portion	13,676				13,676
Long-term debts, current portion		11	1,269		1,280
Unearned revenues	2,577				2,577
Accounts payable - payable from restricted assets			731		731
Total current liabilities	41,117	921	10,193	3,261	55,492
Noncurrent liabilities:					
Lease payable, less current portion			866		866
Subscription payable, less current portion			10,014		10,014
Compensated absences, less current portion	6,351				6,351
Self-insurance liability, less current portion	45,412				45,412
Long-term debts, less current portion		29	3,991		4,020
Net OPEB liability	1,562	1,907	1,018	1,773	6,260
Net pension liability	9,500	8,542	7,037	9,106	34,185
Total noncurrent liabilities	62,825	10,478	22,926	10,879	107,108
Total liabilities	103,942	11,399	33,119	14,140	162,600
DEFERRED INFLOW OF RESOURCES					
Deferred OPEB related items	697	908	579	856	3,040
Deferred pension related items	708	365	645	639	2,357
Total deferred inflow of resources	1,405	1,273	1,224	1,495	5,397
NET POSITION					
Net investment in capital assets	7	14,139	9,320	7,007	30,473
Unrestricted	(3,030)	6,907	(9,311)	(2,740)	(8,174)
Total net position	$ (3,023)	$ 21,046	$ 9	$ 4,267	$ 22,299

Combining Statement of Revenues, Expenses and Changes in Net Position (Deficit)
Internal Service Funds
Year Ended June 30, 2023 (In thousands)

	General Benefits and Insurance	Motorized Equipment	Information and Communication Services	Municipal Facilities Maintenance	Total
Operating revenues:					
Charges for services	$ 120,518	$ 16,854	$ 26,196	$ 17,935	$ 181,503
Other	327	2		1	330
Total operating revenues	120,845	16,856	26,196	17,936	181,833
Operating expenses:					
Salaries and wages	5,364	4,260	2,809	4,892	17,325
Maintenance and operations	4,217	8,433	17,572	13,468	43,690
Insurance premiums and claims	25,274				25,274
Compensated absences and other benefits	75,714				75,714
Depreciation	2	2,275	3,394	497	6,168
Total operating expenses	110,571	14,968	23,775	18,857	168,171
Operating income (loss)	10,274	1,888	2,421	(921)	13,662
Nonoperating income (expenses):					
Investment income	691	123	(13)	14	815
Interest expense		(1)	(243)	(2)	(246)
Gain (loss) from disposal of capital assets		(54)			(54)
Total nonoperating income (loss)	691	68	(256)	12	515
Income (Loss)	10,965	1,956	2,165	(909)	14,177
Transfer in				500	500
Transfer out		(55)			(55)
Change in net position	10,965	1,901	2,165	(409)	14,622
Net position (deficit) at beginning of year	(13,988)	19,145	(2,156)	4,676	7,677
Net position (deficit) at end of year	$ (3,023)	$ 21,046	$ 9	$ 4,267	$ 22,299

Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2023 (In thousands)

	General Benefits and Insurance	Motorized Equipment	Information and Communication Services	Municipal Facilities Maintenance	Total
Cash flows from operating activities:					
Receipts from interfund services provided	$ 120,518	$ 16,497	$ 26,196	$ 17,935	$ 181,146
Payments to suppliers	(2,104)	(7,295)	(18,749)	(10,651)	(38,799)
Payments for salaries and wages to employees	(7,005)	(4,712)	(3,232)	(5,276)	(20,225)
Payments for interfund services used	(1,999)	(1,166)	(1,218)	(1,667)	(6,050)
Payments for insurance premiums and claims	(28,671)				(28,671)
Payments for compensated absences and other benefits	(79,668)				(79,668)
Other receipts	327	310		1	638
Net cash provided by (used for) operating activities	1,398	3,634	2,997	342	8,371
Cash flows from noncapital financing activities:					
Receipt of interfund balances	1,005		1,504		2,509
Payment of interfund balances				(39)	(39)
Transfer in				500	500
Transfer out		(55)			(55)
Net cash provided by (used for) noncapital financing activities	1,005	(55)	1,504	461	2,915
Cash flows from capital and related financing activities:					
Proceeds from sale of capital assets		128			128
Capital purchases		(1,130)	(5,962)	(1,599)	(8,691)
Principal payments on long-term debt		(12)	(1,240)		(1,252)
Principal payments on leases			(1,375)		(1,375)
Principal payments on subscription payable			(788)	(115)	(903)
Interest payments		(1)	(220)	(2)	(223)
Net cash provided by (used for) capital and related financing activities		(1,015)	(9,585)	(1,716)	(12,316)
Cash flows from investing activities:					
Purchase of investment securities	(22,406)	(5,893)	(36)	(3,284)	(31,619)
Proceeds from sale and maturity of investment securities	14,862	2,516	989	3,072	21,439
Interest received	1,354	339		190	1,883
Interest paid			(37)		(37)
Net cash provided by (used for) investing activities	(6,190)	(3,038)	916	(22)	(8,334)
Increase (decrease) in cash and cash equivalents	(3,787)	(474)	(4,168)	(935)	(9,364)
Cash and cash equivalents at beginning of the year	14,448	3,279	6,904	2,497	27,128
Cash and cash equivalents at end of the year	$ 10,661	$ 2,805	$ 2,736	$ 1,562	$ 17,764

(continued)

Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2023 (In thousands) (continued)

	General Benefits and Insurance	Motorized Equipment	Information and Communication Services	Municipal Facilities Maintenance	Total
Reconciliation of operating income to net cash provided by operating activities:					
Operating income (loss)	$ 10,274	$ 1,888	$ 2,421	$ (921)	$ 13,662
Adjustment to reconcile operating income to net cash provided by operating activities:					
Depreciation	2	2,275	3,394	497	6,168
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:					
Accounts receivable	(4,736)	(49)			(4,785)
Inventories		102		(5)	97
Prepaid and other assets	(4,046)	(45)	(210)	(103)	(4,404)
Accounts payable	343	(85)	(2,185)	1,258	(669)
Wages and benefit payable	(1,863)	(452)	(423)	(384)	(3,122)
Unearned revenues	146				146
Compensated absences	709				709
Self-insurance liability	569				569
Total adjustments	(8,876)	1,746	576	1,263	(5,291)
Net cash provided by operating activities	$ 1,398	$ 3,634	$ 2,997	$ 342	$ 8,371
Schedule of noncash financing and investing activities:					
Lease assets financing			$ 1,708		$ 1,708
SBITA financing			11,289		11,289
Increase (decrease) in fair value of investments	$ (720)	$ (226)	24	$ (197)	(1,119)
Increase in accounts payable related to capital asset purchases		155	1,516	629	2,300
Increase in accrued interest payable			224		224
Increase in accrued interest receivable	57	10		21	88
Reconciliation of cash and cash equivalents:					
Cash and cash equivalents	$ 10,661	$ 2,805	$ 29	$ 1,562	$ 15,057
Restricted cash and cash equivalents			2,707		2,707
Total cash and cash equivalents	$ 10,661	$ 2,805	$ 2,736	$ 1,562	$ 17,764

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Fiduciary Funds

ANAHEIM, CALIFORNIA

Combining Statement of Fiduciary Net Position
Custodial Funds - Others
Year Ended June 30, 2023 (In thousands)

	Custodial Funds - Others			
	Community Facility Districts	Unclaimed Money Seized	Miscellaneous	Total
ASSETS				
Cash and cash equivalents	$ 7,917		$ 52	$ 7,969
Special assessment receivable	17			17
Accrued interest receivable	18			18
Total assets	7,952		52	8,004
LIABILITIES				
Accounts payable	1			1
Total liabilities	1			1
NET POSITION				
Restricted for individuals, organizations, and other governments	7,951		52	8,003
Total net position	$ 7,951		$ 52	$ 8,003

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

Year Ended June 30, 2023 (In thousands)

	Custodial - Others				
	Community Facility Districts	Unclaimed Money Seized	Bail Bond Deposits	Miscellaneous	Total
ADDITIONS					
Special assessment collections from Community Facility Districts	$ 4,146				$ 4,146
Deposits			$ 106		106
Donation collections				$ 9	9
Miscellaneous receipts on behalf of inmates					
Interest and investment income	225				225
Total additions	4,371		106	9	4,486
DEDUCTIONS					
Debt service payments for Community Facility Districts	2,843				2,843
Payments	298		106		404
Payments - Charity distributions				2	2
Administration	72				72
Total deductions	3,213		106	2	3,321
Change in net position	1,158			7	1,165
Net position at beginning of year	6,793			45	6,838
Net position at end of year	$ 7,951			$ 52	$ 8,003

Statistical Section

ANAHEIM, CALIFORNIA

Statistical Section

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

ANAHEIM, CALIFORNIA

STATISTICAL INFORMATION

(Unaudited)

The Statistical Section is included to provide financial statement users with additional historical perspective, context, and detail for them to use in evaluating the information contained within the financial statements, notes to the financial statements, and required supplementary information with the goal of providing the user a better understanding of the City[1]s economic condition.

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

Net Position by Component
Last Ten Fiscal Years (In thousands)
(Accrual basis of accounting)

	Fiscal Year 2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental Activities										
Net investment in capital assets	$ 1,198,057	$ 1,147,895	$ 1,138,182	$ 1,112,914	$ 1,040,595	$ 1,008,489	$ 974,071	$ 968,473	$ 894,651	$ 1,016,259
Restricted	281,382	277,443	260,160	251,942	266,447	266,983	274,830	211,338	210,934	205,998
Unrestricted [1 2 3]	(462,719)	(553,852)	(720,573)	(629,091)	(554,529)	(551,607)	(557,245)	(417,976)	(447,817)	(455,863)
Total Governmental Activities	1,016,720	871,486	677,769	735,765	752,513	723,865	691,656	761,835	657,768	766,394
Business-type Activities										
Net investment in capital assets	1,173,010	1,091,868	1,074,102	1,074,006	1,058,213	1,009,302	1,016,113	997,292	993,075	823,505
Restricted	96,062	81,344	70,372	66,069	61,808	86,863	83,811	76,749	83,448	77,311
Unrestricted [1 2]	91,466	74,944	35,842	22,284	51,630	15,661	(26,767)	36,644	(1,725)	(37,696)
Total Business-type Activities	1,360,538	1,248,156	1,180,316	1,162,359	1,171,651	1,111,826	1,073,157	1,110,685	1,074,798	863,120
Total Government										
Net investment in capital assets	2,371,067	2,239,763	2,212,284	2,186,920	2,098,808	2,017,791	1,990,184	1,965,765	1,887,726	1,839,764
Restricted	377,444	358,787	330,532	318,011	355,181	353,846	358,641	288,087	294,382	283,309
Unrestricted	(371,253)	(478,908)	(684,731)	(606,807)	(529,825)	(535,946)	(584,012)	(381,332)	(449,542)	(493,559)
Total Government	$ 2,377,258	$ 2,119,642	$ 1,858,085	$ 1,898,124	$ 1,924,164	$ 1,835,691	$ 1,764,813	$ 1,872,520	$ 1,732,566	$ 1,629,514

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

2 The City implemented Governmental Accounting Standards Board (GASB) Statement No. 75 Accounting and Financial Reporting for Other Postemployment Benefits Other Than Pension for the fiscal year ended June 30, 2018. Implementation of this Statements required the City to restate prior period net positions and are reflected in the fiscal year 2017 Unrestricted net position. Information prior to the implementation of these Statements is not available.

3 The City implemented Governmental Accounting Standards Board (GASB) Statement No. 87 Accounting for Leases for the fiscal year ended June 30, 2022. Implementation of this Statements required the City to restate prior period net position and are reflected in the fiscal year 2021 Net Investment in capital assets and Unrestricted net position. Information prior to the implementation of these Statements is not available.

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

Source: Finance Department, City of Anaheim

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Program Revenues										
Governmental activities:										
Charges for services										
General government	$ 1,560	$ 1,477	$ 2,115	$ 1,796	$ 1,742	$ 1,749	$ 1,903	$ 2,034	$ 2,398	$ 1,779
Police	14,861	13,279	9,040	13,595	15,901	15,361	15,441	11,775	10,001	9,927
Fire & Rescue	27,211	23,338	18,819	21,024	10,949	11,621	10,582	9,814	9,024	10,166
Housing & Community Development [2]	8,891	13,033	14,625	6,796	5,441	5,438	17,171	9,295	13,796	17,144
Economic Development [2]	5,949	2,867	3,003	3,110	2,090	1,983	1,875	915	227	161
Planning & Building	13,761	11,198	12,178	11,059	11,715	16,573	11,357	11,515	9,800	7,746
Public Works	22,695	20,846	17,422	20,123	21,075	17,378	16,140	15,817	13,309	13,037
Community Services	3,089	3,153	1,573	2,491	3,174	3,227	11,190	3,430	3,408	3,479
Convention, Sports & Entertainment	20,858	16,560	2,195	11,075	14,802	14,231	13,672	12,528	11,124	10,236
Total charges for services	118,875	105,751	80,970	91,069	86,889	87,561	99,331	77,123	73,087	73,675
Operating grants and contributions	189,010	247,271	226,525	158,750	130,335	115,520	109,989	108,131	109,968	114,584
Capital grants and contributions	40,512	30,090	36,376	43,191	21,335	39,340	65,937	85,782	67,014	110,295
Governmental activities program revenues	348,397	383,112	343,871	293,010	238,559	242,421	275,257	271,036	250,069	298,554
Business-type activities:										
Charges for services										
Electric Utility	481,991	448,286	433,734	417,912	459,182	443,755	433,561	430,485	453,697	426,051
Water Utility	96,331	102,239	96,351	84,943	79,649	79,074	70,777	60,509	63,495	65,946
Sanitation Utility	82,626	74,574	69,482	70,812	68,036	65,138	63,893	61,006	60,076	57,843
Golf Courses	12,986	10,709	6,978	4,282	4,306	4,273	4,062	4,114	4,435	4,667
Convention, Sports & Entertainment	47,916	32,253	4,371	35,909	51,072	44,984	37,015	35,363	34,742	32,084
ARTIC Management			39	41	1,030	1,343	1,050	878	448	
Total charges for services	721,850	668,061	610,955	613,899	663,275	638,567	610,358	592,355	616,893	586,591
Operating grants and contributions	85	603	88	143	231	88	425	776	287	452
Capital grants and contributions	56,022	31,363	9,751	12,339	28,408	8,353	4,381	11,743	8,734	8,441
Business-type activities program revenues	777,957	700,027	620,794	626,381	691,914	647,008	615,164	604,874	625,914	595,484
Total government program revenues	1,126,354	1,083,139	964,665	919,391	930,473	889,429	890,421	875,910	875,983	894,038
Expenses										
Governmental activities:										
General government	27,444	20,418	25,415	31,866	22,005	15,645	11,825	10,331	12,370	15,790
Police	199,328	147,972	182,509	202,064	175,409	173,921	151,559	132,889	135,161	127,037
Fire & Rescue	107,320	79,516	103,696	96,803	82,948	81,528	70,365	62,520	61,794	59,510
Housing & Community Development [2]	135,971	149,709	122,411	104,153	87,443	90,475	95,472	90,081	79,492	78,789
Economic Development [2]	6,560	3,806	5,928	6,659	11,375	5,592	5,248	20,537	1,484	1,254
Planning & Building	26,883	22,419	25,695	27,929	26,248	25,376	21,944	19,862	18,303	17,030
Public Works	62,687	56,366	60,664	60,693	53,742	55,981	61,806	48,719	66,023	60,262
Community Services	45,984	38,547	39,721	50,513	43,218	39,020	34,799	34,212	31,587	34,130
Public Utilities	2,128	2,075	2,171	2,381	2,476	2,346	2,530	2,687	2,599	2,514
Convention, Sports & Entertainment	28,469	23,879	8,071	17,713	27,663	19,930	19,238	18,503	17,026	15,586
Interest on long-term debt	32,403	33,093	31,527	29,734	35,149	34,938	34,876	35,185	35,340	35,514
Governmental Activities Expenses	675,177	577,800	607,808	630,508	567,676	544,752	509,662	475,526	461,179	447,416

(Continued)

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses										
Business-type Activities:										
Electric Utility	426,491	389,898	378,087	404,272	425,072	394,574	412,424	390,732	401,243	411,246
Water Utility	91,864	95,407	96,920	88,554	76,484	75,755	72,715	61,620	68,011	62,996
Sanitation Utility	71,663	64,186	66,022	67,375	64,659	61,145	58,218	56,564	55,979	53,508
Golf Courses	11,456	8,432	6,046	5,017	4,954	4,898	4,465	4,405	4,418	4,399
Convention, Sports & Entertainment Venues	57,100	51,776	51,239	75,621	68,187	66,058	47,321	44,285	56,715	46,385
ARTIC Management	2,498	2,525	2,548	2,949	6,548	6,218	6,374	6,235	5,075	
Business-type activities expense	661,072	612,224	600,862	643,788	645,904	608,648	601,517	563,841	591,441	578,534
Total government expenses	1,336,249	1,190,024	1,208,670	1,274,296	1,213,580	1,153,400	1,111,179	1,039,367	1,052,620	1,025,950
Net (Expense)/Revenue										
Governmental activities	(326,780)	(194,688)	(263,937)	(337,498)	(329,117)	(302,331)	(234,405)	(204,490)	(211,110)	(148,862)
Business-type activities	116,885	87,803	19,932	(17,407)	46,010	38,360	13,647	41,033	34,473	16,950
Total government, net (expense) revenue	(209,895)	(106,885)	(244,005)	(354,905)	(283,107)	(263,971)	(220,758)	(163,457)	(176,637)	(131,912)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	99,439	94,554	90,222	86,256	80,822	76,547	72,909	70,646	68,405	66,282
Sales and use taxes [1]	108,171	103,374	76,811	76,851	84,982	80,732	77,732	76,975	72,356	67,505
Transient occupancy taxes [1]	224,352	177,057	29,797	122,735	161,948	154,925	149,566	137,570	119,744	110,134
Other taxes	9,952	9,592	8,902	8,796	8,893	9,076	8,946	8,731	8,318	7,780
Gain on sale on capital assets						6,258				
Unrestricted investment earnings	14,978	(9,228)	1,470	15,371	15,654	2,783	2,116	3,692	2,725	2,930
Other			762	100	98	105	106	87	55	49
Transfers	15,122	13,056	4,270	10,641	5,368	4,114	7,701	10,856	(169,119)	7,288
Special item							(8,218)			
Governmental activities	472,014	388,405	212,234	320,750	357,765	334,540	310,858	308,557	102,484	261,968
Business-type activities:										
Unrestricted investment earnings (losses)	10,619	(6,907)	2,295	18,756	19,183	4,423	4,001	5,710	8,086	6,986
Transfers	(15,122)	(13,056)	(4,270)	(10,641)	(5,368)	(4,114)	(7,701)	(10,856)	169,119	(7,288)
Business-type activities	(4,503)	(19,963)	(1,975)	8,115	13,815	309	(3,700)	(5,146)	177,205	(302)
Total government	467,511	368,442	210,259	328,865	371,580	334,849	307,158	303,411	279,689	261,666
Change in Net Position										
Governmental activities	145,234	193,717	(51,703)	(16,748)	28,648	32,209	76,453	104,067	(108,626)	113,106
Business-type activities	112,382	67,840	17,957	(9,292)	59,825	38,669	9,947	35,887	211,678	16,648
Total government change in net position	$ 257,616	$ 261,557	$ (33,746)	$ (26,040)	$ 88,473	$ 70,878	$ 86,400	$ 139,954	$ 103,052	$ 129,754

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

[2] The previously Community & Economic development was re-organized to Housing & Community Development and Economic Department in fiscal year 2022.

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

Source: Finance Department, City of Anaheim

See accompanied independent auditors' report

Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years (In thousands)
(Accrual basis of accounting)

Fiscal Year	Property Taxes	Sales and Use Taxes	Transient Occupancy Taxes	Other Taxes	Total
	Amounts				
2023	$ 99,439	$ 108,171	$ 224,352	$ 9,952	$ 441,914
2022	94,554	103,374	177,057	9,592	384,577
2021	90,222	76,811	29,797	8,902	205,732
2020	86,256	76,851	122,735	8,796	294,638
2019	80,822	84,982	161,948	8,893	336,645
2018	76,547	80,732	154,925	9,076	321,280
2017	72,909	77,732	149,566	8,946	309,153
2016	70,646	76,975	137,570	8,731	293,922
2015	68,405	72,356	119,744	8,318	268,823
2014	66,282	67,505	110,134	7,780	251,701

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

Source: Finance Department, City of Anaheim

Fund Balances of Governmental Funds
Last Ten Fiscal Years (In thousands)
(Modified accrual basis of accounting)

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund										
Nonspendable	$ 646	$ 601	$ 402	$ 308	$ 756	$ 519	$ 819	$ 958	$ 1,538	$ 2,099
Restricted	13,810	10,030	13,538	12,547	4,627	5,194	6,238	7,730	6,124	6,449
Committed				2,250						
Assigned [1]	115,434	114,039	104,212	6,752	15,221	11,008	2,056	7,442	513	4,073
Unassigned	61,254	52,351	17,975	10,954	43,455	41,556	42,336	39,850	39,615	30,394
Total General fund	191,144	177,021	136,127	32,811	64,059	58,277	51,449	55,980	47,790	43,015
Housing Authority Fund										
Nonspendable	47	42	41	39	36	34		2	4	7
Restricted	33,450	44,143	51,320	48,285	61,641	60,180	62,338	48,974	43,703	41,134
Assigned	44,809	41,475	35,840	31,579	28,434	26,574	22,904	16,129	14,283	11,664
Total Housing Authority Fund	78,306	85,660	87,201	79,903	90,111	86,788	85,242	65,105	57,990	52,805
Nonmajor Governmental Funds										
Nonspendable	93	186	155	252	11,503	9,091	8,713	6,000	6,270	3,542
Restricted [2]	368,825	305,078	254,607	276,604	319,412	320,034	303,036	237,930	197,360	170,950
Committed	4,007	3,943	4,057	4,039	3,812	4,063				
Assigned	18,487	19,641	8,288	7,475	6,696	6,797	9,612	5,875	3,040	3,291
Unassigned	(11,856)	(13,069)	(13,146)	(15,080)	(9,217)	(11,535)	(12,202)	(17,991)	(20,071)	(19,005)
Total nonmajor governmental funds	379,556	315,779	253,961	273,290	332,206	328,450	309,159	231,814	186,599	158,778
Total governmental funds	$ 649,006	$ 578,460	$ 477,289	$ 386,004	$ 486,376	$ 473,515	$ 445,850	$ 352,899	$ 292,379	$ 254,598

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

[2] Increase in restricted fund balance in Fiscal Year 2023 is due to increased amount of LPMR transferred in for the Resort debt services resulting from higher TOT and sales tax revenues. Decrease in restricted fund balance in Fiscal Year 2020 is due to $59 million used for the partially defeasance of the 1996 APFA Series C Capital Appreciation Bonds.

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

Source: Finance Department, City of Anaheim

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years (In thousands)
(Modified accrual basis of accounting)

	Fiscal Year 2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
Property taxes	$ 99,439	$ 94,554	$ 90,222	$ 86,256	$ 80,822	$ 76,547	$ 72,909	$ 70,646	$ 68,405	$ 66,282
Sales and use taxes [3]	108,171	103,421	76,907	76,898	84,792	81,680	80,500	81,844	71,977	68,581
Transient occupancy taxes [3]	224,352	177,057	30,180	122,351	161,948	154,925	149,566	137,570	119,744	110,134
Other taxes	8,729	8,689	8,139	8,024	8,175	8,311	8,287	8,024	7,478	7,012
Licenses, fees, and permits	31,794	26,460	29,451	26,627	24,397	38,258	30,365	24,851	23,893	16,653
Intergovernmental revenues [4]	188,278	252,796	234,891	167,085	139,776	124,696	123,797	121,055	155,314	215,755
Charges for services	78,562	60,109	35,199	50,927	51,308	50,771	48,186	41,949	37,975	37,269
Fines, forfeits, and penalties	2,875	3,257	3,096	2,658	2,937	2,988	2,756	2,875	2,823	2,656
Use of money and property [2]	32,121	12,770	31,798	29,323	37,459	26,801	47,505	67,204	20,068	22,427
Contribution from property owners[1]	298	1,534	5,175	3,124			36,864			
Lease revenues	5,102	1,195								
Others	2,997	1,379	2,029	1,597	1,086	1,178	2,127	1,368	9,738	809
Total revenues	782,718	743,221	547,087	574,870	592,700	566,155	602,862	557,386	517,415	547,578
Expenditures										
General government	37,532	32,927	32,660	33,715	26,936	21,358	19,447	18,679	19,052	21,070
Police	194,467	169,922	161,633	170,308	160,355	156,338	148,801	139,775	127,226	120,962
Fire & Rescue	106,641	91,310	92,793	85,677	76,604	74,888	70,164	66,399	61,483	57,529
Housing & Community Development	136,147	159,591	120,165	105,386	92,699	88,263	86,841	87,007	87,962	82,404
Economic Development	6,804	7,625	5,928	6,659	11,375	5,592	5,248	20,537	1,484	1,254
Planning & Building	27,262	24,595	24,662	24,498	24,196	23,649	21,997	19,935	17,667	16,086
Public Works	43,062	36,681	39,606	37,022	32,329	34,331	30,886	30,388	29,814	29,737
Community Services	41,669	36,241	33,306	40,690	36,339	34,042	32,258	31,980	28,394	30,602
Public Utilities	2,126	2,121	2,187	2,397	2,448	2,341	2,496	2,727	2,622	2,510
Convention, Sports & Entertainment	21,033	16,871	2,484	11,774	15,575	14,639	14,023	13,089	11,608	10,714
Capital outlay	66,870	22,318	29,250	71,117	43,191	46,366	44,532	32,589	79,710	136,597
Debt service:										
Principal	21,144	18,632	17,409	18,575	32,128	14,749	26,123	28,448	25,289	24,220
Interest charges	34,287	31,700	29,694	78,065	30,943	28,412	15,571	16,930	18,085	18,797
Bond issuance costs		198	1,411		1,748				127	
Total expenditures	739,044	650,732	593,188	685,883	586,866	544,968	518,387	508,483	510,523	552,482
Revenues over (under) expenditures	43,674	92,489	(46,101)	(111,013)	5,834	21,187	84,475	48,903	6,892	(4,904)
Other Financing Sources (Uses)										
Transfers in	140,271	134,280	42,141	78,434	107,804	97,513	103,797	95,920	85,818	84,813
Transfers out	(125,627)	(127,296)	(44,309)	(67,793)	(102,556)	(93,285)	(101,446)	(85,403)	(79,373)	(75,953)
Premium on long term debt					35,279				1,790	
Issuance of long-term debt		25,046	139,554		175,565	2,250	6,125	1,100	28,854	1,350
Payments to refunded bond escrow agent		(23,348)			(209,065)				(6,200)	
Lease financing	80									
SBITAs Financing	12,148									
Total other financing sources	26,872	8,682	137,386	10,641	7,027	6,478	8,476	11,617	30,889	10,210
Net change in fund balances	$ 70,546	$ 101,171	$ 91,285	$ (100,372)	$ 12,861	$ 27,665	$ 92,951	$ 60,520	$ 37,781	$ 5,306
Debt service as a percentage of non-capital expenditures	8.25%	8.01%	8.35%	15.72%	11.60%	8.66%	8.80%	9.54%	10.07%	10.34%

[1] Contribution from property owners pursuant to the issuances of Community Facility District 08-1 Platinum Triangle Series 2010 (Fiscal Year 2011), and Series 2016 (Fiscal year 2017) Special Tax Bonds.
[2] Increase in Use of money and property in Fiscal Year 2016 is due to one-time land held for resale transferred from the Successor Agency
[3] Decreases in Sales and Use Taxes and Transient Occupancy Taxes in Fiscal Years 2020 and 2021 are due to COVID-19 pandemic and California Stay-At-Home Order
[4] Increases in Intergovernmental revenues in Fiscal years 2020, 2021 and 2022 are due to CARES and ARP fundings.
Note: Certain reclassifications have been made to prior fiscal years' data to conform to the current presentation.
Source: Finance Department, City of Anaheim

General Government Tax Revenues By Source
Last Ten Fiscal Years (In thousands)
(Modified accrual basis of accounting)

Amounts in Dollars

Fiscal Year	Property Taxes: Secured Property Taxes	Property Taxes: Unsecured Property Taxes	Property Taxes: Supplemental Property Taxes	Residual	Property Taxes in-lieu of VLF [2]	Sales and Use Taxes [1,3]	Transient Occupancy Taxes [3]	Other Taxes	Total
2023	$ 50,857	$ 1,492	$ 2,160	$ 3,473	$ 41,457	$ 108,171	$ 224,352	$ 8,729	$ 440,691
2022	48,113	1,499	1,107	4,943	38,892	103,421	177,057	8,689	383,721
2021	46,499	1,371	933	3,949	37,470	76,907	30,180	8,139	205,448
2020	44,285	1,378	920	3,850	35,823	76,898	122,351	8,024	293,529
2019	41,529	1,263	1,173	3,322	33,535	84,792	161,948	8,175	335,737
2018	39,396	1,265	1,259	2,892	31,735	81,680	154,925	8,311	321,463
2017	37,771	1,214	1,108	2,484	30,332	80,500	149,566	8,287	311,262
2016	37,000	1,256	991	2,203	29,196	81,844	137,570	8,024	298,084
2015	35,624	1,358	1,001	2,262	28,160	71,977	119,744	7,478	267,604
2014	33,976	1,243	832	2,873	27,358	68,581	110,134	7,012	252,009

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

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

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

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

Source: Finance Department, City of Anaheim

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

	Fiscal Year 2023	2022	2021	2020	2019
City of Anaheim					
Secured property	$ 46,640,449	$ 43,892,712	$ 42,491,830	$ 40,745,451	$ 38,098,867
Unsecured property	1,422,066	1,679,279	1,315,829	1,273,871	1,302,121
Total City of Anaheim	48,062,515	45,571,991	43,807,659	42,019,322	39,400,988
Redevelopment Project Areas					
Secured property	7,351,216	6,565,882	6,333,408	5,938,225	5,593,018
Unsecured property	1,121,686	898,924	957,529	893,906	737,385
Total Anaheim Redevelopment Agency	8,472,902	7,464,806	7,290,937	6,832,131	6,330,403
Total Taxable Assessed Value	$ 56,535,417	$ 53,036,797	$ 51,098,596	$ 48,851,453	$ 45,731,391
Total Direct Tax Rate	1.00000%	1.00000%	1.00000%	1.00000%	1.00000%

	Fiscal Year 2018	2017	2016	2015	2014
City of Anaheim					
Secured property	$ 36,199,163	$ 34,732,460	$ 33,338,748	$ 32,023,757	$ 30,548,214
Unsecured property	1,175,627	1,172,650	1,243,307	1,515,905	1,266,403
Total City of Anaheim	37,374,790	35,905,110	34,582,055	33,539,662	31,814,617
Redevelopment Agency Project Areas					
Secured property	5,182,683	4,773,715	4,479,386	4,102,931	3,916,169
Unsecured property	720,305	684,544	753,736	759,729	654,982
Total Anaheim Redevelopment Agency	5,902,988	5,458,259	5,233,122	4,862,660	4,571,151
Total Taxable Assessed Value	$ 43,277,778	$ 41,363,369	$ 39,815,177	$ 38,402,322	$ 36,385,768
Total Direct Tax Rate	1.00000%	1.00000%	1.00000%	1.00000%	1.00000%

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

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

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Direct Rate										
Basic Levy[1]	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Overlapping Rates[2] :										
Anaheim General Obligation Bond Fund							0.00173	0.00173	0.00198	0.00211
Anaheim City School Districts	0.04667	0.06321	0.06595	0.05943	0.05059	0.04502	0.04461	0.04227	0.02867	0.05848
Anaheim Union High School Districts	0.03016	0.03804	0.03971	0.03968	0.04244	0.02211	0.04259	0.04948	0.02412	0.02620
North Orange County Community College	0.02778	0.02877	0.03198	0.02409	0.02829	0.02927	0.02885	0.03043	0.01704	0.01704
Water District Rate	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350
	0.10811	0.13352	0.14114	0.12670	0.12482	0.09990	0.12128	0.12741	0.07531	0.10733
Total Direct and Overlapping Rates	1.10811	1.13352	1.14114	1.12670	1.12482	1.09990	1.12128	1.12741	1.07531	1.10733
City's share of 1% Basic Levy per Prop 13[3]	0.10851	0.10851	0.10851	0.10851	0.10851	0.10851	0.10851	0.10851	0.10851	0.10851

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

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

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

Source: Auditor Controller, Orange County

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

	Fiscal year					
	2023			2014		
Tax Payer	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value
Walt Disney World Company	1	11.05%	$ 5,966,927	1	13.53%	$ 4,662,929
HHC HA Investment II Inc.	2	0.42%	228,063	2	0.57%	195,645
FJS Inc.	3	0.40%	213,487			
Anaheim Concourse ILP LLC	4	0.38%	205,845			
C3J LP	5	0.37%	198,623			
PR 1910 Union LLC	6	0.36%	193,990			
Gelt Oasis Exchange LLC	7	0.27%	146,359			
US REIF MG Madison Park CA LLC	8	0.26%	138,169			
Dynamic Campus LLC	9	0.24%	127,549			
Irvine Company LLC	10	0.24%	127,482	3	0.32%	110,594
PPC Anaheim Apartments				4	0.27%	94,341
Angeli LLC				5	0.26%	88,542
Mary Susan SaSamia Trust				6	0.25%	86,869
Essex Anavia LP				7	0.23%	80,318
OTR				8	0.22%	76,187
Reef America REIT II Corp				9	0.21%	73,909
Avalon Anaheim Stadium LP				10	0.21%	73,557
Total		13.98%	$ 7,546,494		16.08%	$ 5,542,891

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

Property Tax Levies and Collections
Last Ten Fiscal Years (In thousands)

Fiscal Year	Total Taxes Levy	Collected within the Fiscal Year of the Levy: Amount [1]	Collected within the Fiscal Year of the Levy: Percentage of Levy	Collections in Subsequent Years	Total Collections to Date: Amount	Total Collections to Date: Percentage of Levy
2023	$ 55,336	$ 54,065	97.70%	$ 271	$ 54,336	98.19%
2022	51,577	50,270	97.47%	443	50,713	98.32%
2021	49,162	48,306	98.26%	489	48,795	99.25%
2020	47,082	46,223	98.18%	497	46,720	99.23%
2019	44,588	43,630	97.85%	360	43,990	98.66%
2018	42,432	41,578	97.99%	336	41,914	98.78%
2017	40,787	39,710	97.36%	342	40,052	98.20%
2016	40,026	38,832	97.02%	382	39,214	97.97%
2015	38,365	37,456	97.63%	414	37,870	98.71%
2014	36,293	35,558	97.97%	460	36,018	99.24%

[1] Excludes property taxes in-lieu of vehicle license fees

Note: Certain reclassifications have been made to prior fiscal years' data to conform to the current presentation.
Source: Auditor-Controller, County of Orange

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

(In thousands, except per capita amount)

	Fiscal Year 2023	2022	2021	2020	2019
Governmental Activities					
Bonds	$ 645,361	$ 666,167	$ 684,157	$ 562,005	$ 600,444
Notes and loans	17,077	21,473	16,466	19,681	23,796
Leases	4,727	4,375	4,828	2,297	1,988
Subscription payable[1]	22,261	3,432			
Total governmental activities	689,426	695,447	705,451	583,983	626,228
Business-Type Activities					
Bonds	1,238,884	1,304,522	1,173,008	1,220,797	1,172,354
Notes and loans	310	2,402	6,366	9,866	13,418
Leases	2,880	2,997	3,337	198	
Subscription payable[1]	655	822			
Total business-type activities	1,242,729	1,310,743	1,182,711	1,230,861	1,185,772
Total Government	$ 1,932,155	$ 2,006,190	$ 1,888,162	$ 1,814,844	$ 1,812,000
Percentage of Personal Income	17.31%	17.87%	16.69%	16.87%	16.20%
Per Capita	$ 5,880	$ 5,867	$ 5,479	$ 5,083	$ 5,080

	Fiscal Year 2018	2017	2016	2015	2014
Governmental Activities					
Bonds	$ 621,675	$ 627,589	$ 632,321	$ 640,891	$ 614,757
Certificates of participation				8,880	8,880
Notes and loans	28,008	29,577	20,820	21,372	50,757
Capital leases	1,550	1,738	2,088	2,346	1,325
Total governmental activities	651,233	658,904	655,229	664,609	675,719
Business-Type Activities					
Bonds	1,214,339	1,235,400	1,124,159	1,116,443	780,553
Certificates of participation					38,000
Notes and loans	16,972	20,523	36,200	57,399	48,271
Total business-type activities	1,231,311	1,255,923	1,160,359	1,173,842	866,824
Total Government	$ 1,882,544	$ 1,914,827	$ 1,815,588	$ 1,838,451	$ 1,542,543
Percentage of Personal Income	18.06%	20.12%	20.18%	21.26%	17.22%
Per Capita	$ 5,272	$ 5,341	$ 5,070	$ 5,231	$ 4,429

Note: Per capita income for 2023 is unavailable. The Per Capita for fiscal 2023 used the 2022 Per Capita Income.
Certain reclassifications have been made to prior year data to conform to the current presentation
[1] Implementation of GASB No. 96 in fiscal year 2023.
Sources: California Department of Finance, Demographic Research Unit, E-1 City/County Population Estimates with Annual Percent Change; and Finance Department, City of Anaheim
US Census Yearly American Community Survey

Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

(In thousands, except per capita amount)

	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019
Bonds					
Lease Revenue[1]	$ 645,361	$ 666,167	$ 684,157	$ 562,005	$ 600,444
Less amount available for principal					
Total net obligation bonds outstanding	$ 645,361	$ 666,167	$ 684,157	$ 562,005	$ 600,444
Percentage of Assessed Value of Property	1.14%	1.26%	1.34%	1.15%	1.31%
Per capita	$ 1,964	$ 1,952	$ 1,985	$ 1,574	$ 1,683

	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014
Bonds					
General Obligation			$ 700	$ 1,360	$ 1,995
Lease Revenue[1]	$ 621,675	$ 627,589	631,621	639,531	612,762
Tax Allocation					
	621,675	627,589	632,321	640,891	614,757
Less amount available for principal			700	813	725
Total net obligation bonds outstanding	$ 621,675	$ 627,589	$ 631,621	$ 640,078	$ 614,032
Percentage of Assessed Value of Property	1.44%	1.52%	1.59%	1.67%	1.69%
Per capita	$ 1,741	$ 1,750	$ 1,764	$ 1,821	$ 1,763

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

[1] Include Accretion on revenue bonds

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

Source: Finance Department, City of Anaheim

Direct and Overlapping Governmental Activities Debt
As of June 30, 2023 (In thousands)

2022-23 Assessed Valuation	$ 56,535,417					
			Debt Outstanding June 30, 2023	% Applicable[1]		Estimated City's Share of Overlapping Debt
DIRECT DEBT:						
City of Anaheim [2]						
Lease Revenue Bonds		$	645,361	100%	$	645,361
Notes and Loans from direct borrowing			17,077	100		17,077
Leases			4,727	100		4,727
Subscription payable			22,261	100		22,261
TOTAL CITY OF ANAHEIM DIRECT DEBT [2]		$	689,426		$	689,426
OVERLAPPING TAX AND ASSESSMENT DEBT:						
Metropolitan Water District		$	19,215	1.553%	$	298
North Orange Joint Community College District			324,915	28.313		91,993
Rancho Santiago Community College District			176,539	11.821		20,869
Rancho Santiago Community College District School Facilities Improvement District No 1			149,820	0.355		532
Anaheim Union High School District			245,579	68.428		168,045
Fullerton Joint Union High School District			182,620	0.244		446
Garden Grove Unified School District			524,835	0.541		2,839
Orange Unified School District			277,865	24.937		69,291
Placentia - Yorba Linda Unified School District			204,787	19.781		40,509
Anaheim School District			270,657	99.262		268,659
Magnolia School District			18,728	65.059		12,184
Other School Districts			147,115	Various		23,713
City of Anaheim Community Facilities Districts			51,885	100		51,885
California Statewide Community Community Development Authority Assessment Districts			2,140	100		2,140
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		$	2,596,700		$	753,403
OVERLAPPING GENERAL FUND DEBT:						
Orange County General Fund Obligations		$	451,165	7.800%	$	35,191
Orange County Board of Education General Fund Oblligations			10,860	7.800		847
North Orange County Regional Occupation Program Certificates of Participation			7,790	29.126		2,269
Orange Unified School District Certificates of Participation			12,946	24.937		3,228
Orange Unified School District Benefit Obligations			58,570	24.937		14,606
Placentia-Yorba Linda Unified School District Certificates of Participation			84,135	19.781		16,643
Anaheim Union High School District Certificates of Participation			29,580	68.428		20,241
Fullerton Joint Union High School District Certificates of Participation			15,755	0.244		38
Fullerton School District General Fund Obligations			2,845	0.175		5
Magnolia School District General Fund Obligations			12,501	65.059		8,133
TOTAL GROSS OVERLAPPING GENERAL FUND OBLIGATION DEBT		$	686,147		$	101,201
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):						
City of Anaheim Tax Allocation Bonds	-	$	116,225	100%	$	116,225
TOTAL OVERLAPPING TAX INCREMENT DEBT						116,225
TOTAL GROSS OVERLAPPING DEBT						970,829
TOTAL NET OVERLAPPING DEBT						970,829
TOTAL DIRECT AND OVERLAPPING DEBT					$	1,660,255

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

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

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

Legal Debt Margin
Last Ten Fiscal Years (In thousands)

	Fiscal Year 2023	2022	2021	2020	2019
Debt limit	$ 2,120,078	$ 1,988,880	$ 1,916,197	$ 1,831,929	$ 1,714,927
Total net debt applicable to limit					
Legal debt margin	$ 2,120,078	$ 1,988,880	$ 1,916,197	$ 1,831,929	$ 1,714,927
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%
Legal Debt Margin					
Assessed value	$ 56,535,417	$ 53,036,797	$ 51,098,596	$ 48,851,453	$ 45,731,391
Debt limit (3.75% of total assessed value)[1]	$ 2,120,078	$ 1,988,880	$ 1,916,197	$ 1,831,929	$ 1,714,927

	Fiscal Year 2018	2017	2016	2015	2014
Debt limit	$ 1,622,917	$ 1,551,126	$ 1,493,069	$ 1,440,087	$ 1,364,466
Total net debt applicable to limit		(700)	(700)	(1,360)	(1,995)
Legal debt margin	$ 1,622,917	$ 1,551,126	$ 1,492,369	$ 1,438,727	$ 1,362,471
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.05%	0.09%	0.15%
Legal Debt Margin					
Assessed value	$ 43,277,778	$ 41,363,369	$ 39,815,177	$ 38,402,322	$ 36,385,768
Debt limit (3.75% of total assessed value)[1]	$ 1,622,917	$ 1,551,126	$ 1,493,069	$ 1,440,087	$ 1,364,466

Note:

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

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

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

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

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

Electric Utility Revenue Bonds							
		Less	Net				
Fiscal	Electric	Operating	Available	Debt Service			
Year	Revenue	Expenses[1]	Revenue	Principal	Interest	Total	Coverage
2023	$ 489,147	$ 363,411	$ 125,736	$ 35,090	$ 29,324	$ 64,414	1.9520
2022	445,184	322,786	122,398	33,065	27,775	60,840	2.0118
2021	435,231	314,374	120,857	29,010	29,755	58,765	2.0566
2020	426,746	339,624	87,122	25,005	26,145	51,150	1.7033
2019	469,076	365,983	103,093	20,975	30,386	51,361	2.0072
2018	446,156	330,376	115,780	21,305	30,613	51,918	2.2301
2017	435,805	338,888	96,917	18,950	28,948	47,898	2.0234
2016	433,744	319,169	114,575	14,040	27,995	42,035	2.7257
2015	458,211	341,206	117,005	12,950	27,878	40,828	2.8658
2014	430,782	347,290	83,492	11,590	30,039	41,629	2.0056

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

(continued)

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

Water Utility Revenue Bonds

Fiscal Year	Water Revenue	Less Operating Expenses [1]	Net Available Revenue	Debt Service Principal	Debt Service Interest	Debt Service Total	Coverage
2023	$97,972	$72,804	$25,168	$4,745	$9,217	$13,962	1.8026
2022	101,191	74,755	26,436	5,375	8,100	13,475	1.9619
2021	97,096	78,210	18,886	4,970	8,511	13,481	1.4009
2020	88,549	69,479	19,070	3,640	7,242	10,882	1.7524
2019	83,079	59,273	23,806	3,490	7,519	11,009	2.1624
2018	80,131	59,975	20,156	3,370	7,638	11,008	1.8310
2017	71,790	56,487	15,303	3,380	6,815	10,195	1.5010
2016	61,721	46,383	15,338	5,885	1,775	7,660	2.0023
2015	65,518	52,883	12,635	960	4,178	5,138	2.4591
2014	66,979	50,046	16,933	920	4,217	5,137	3.2963

[1] Operating expenses include transfer for right of way and exclude amortization and depreciation.
Note: Details regarding the City's outstanding debt can be found in the notes to the basic financial statements.
Source: Finance Department, City of Anaheim

Sanitation Revenue Bonds

Fiscal Year	Wastewater Revenue [2]	Less Operating Expenses [3]	Net Available Revenue	Principal	Debt Service Interest	Total	Coverage
2023	$17,373	$10,154	$7,219	$1,355	$2,047	$3,402	2.1220
2022	13,869	7,042	6,827	1,295	2,111	3,406	2.0044
2021	14,669	7,047	7,622	1,230	2,173	3,403	2.2398
2020	17,044	8,012	9,032	1,170	2,231	3,401	2.6557
2019	16,740	7,767	8,973	1,080	2,323	3,403	2.6368
2018	13,963	6,779	7,184	1,095	1,902	2,997	2.3971
2017	13,771	6,252	7,519	1,045	1,954	2,999	2.5072
2016	13,291	5,733	7,558	1,005	1,994	2,999	2.5202
2015	13,373	6,103	7,270	955	2,042	2,997	2.4258
2014	12,572	5,594	6,978	920	2,079	2,999	2.3268

[2] Amounts based on the notes to the basic financial statement, segment reporting
[3] Operating expenses exclude amortization and depreciation.
Note: Details regarding the City's outstanding debt can be found in the notes to the basic financial statements.
Source: Finance Department, City of Anaheim

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income [1]	Median Age [1]	Education Level in Years of Schooling	School Enrollment [1,2]	Orange County Unemployment Rate
2023	328,580	$11,159,563	33,963	36.0	12.2	50,303	3.70%
2022	341,245	11,589,704	33,963	36.0	12.2	50,303	2.90%
2021	344,604	11,312,316	32,827	37.2	12.2	53,135	6.00%
2020	357,059	10,755,331	30,122	35.2	12.2	51,110	9.00%
2019	356,669	11,187,993	31,368	35.2	12.2	51,110	2.80%
2018	357,084	10,422,568	29,188	34.4	12.2	59,580	3.00%
2017	358,546	9,515,094	26,538	34.3	12.2	58,761	3.50%
2016	358,136	8,998,883	25,127	34.1	12.2	58,972	4.10%
2015	351,433	8,649,469	24,612	33.6	12.2	58,435	4.50%
2014	348,305	8,955,966	25,713	34.2	12.2	58,366	5.60%

[1] Per capita personal income, median age, and school enrollment for year 2023 data not readily available.
[2] Public school district, Kindergarten to 12th grade

Sources:
California State Department of Finance
State of California, Employment Development Department
State Department of Commerce and Labor
US Census Yearly American Community Survey

Principal Employers
Current Year and Nine Years Ago

	Fiscal Year					
	2023			2014		
Employer	Rank	Employees	Percentage of Total City Employment	Rank	Employees	Percentage of Total City Employment
Disneyland Resort	1	35,000	21.08%	1	23,402	14.60%
Kaiser Permanente Anaheim Medical Center	2	10,000	6.02%	2	6,070	3.80%
Northgate Market	3	1,000	0.60%			
L3Harris Technologies Inc.	4	885	0.53%	6	1,070	0.70%
Anaheim Regional Medical Center	5	880	0.53%	4	1300	0.80%
Hilton Anaheim	6	850	0.51%	3	1,572	1.00%
West Anaheim Medical Center	7	850	0.51%	10	750	0.50%
Angels Baseball LP	8	800	0.48%	7	1,050	0.70%
Ganahl Lumber Co.	9	660	0.40%			
Anaheim Marriott	10	550	0.33%	8	900	0.60%
Miller's Precision Grinding				5	1,200	0.80%
Time Warner				8	900	0.60%
G4S Secure Solutions				9	800	0.50%
Total		51,475	31.01%		39,014	24.60%

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

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Function/Program										
City Council	9	9	9	9	9	9	9	6	7	7
City Administration	19	19	19	19	19	19	19	19	20	20
City Attorney	35	33	33	33	33	33	33	33	33	31
City Clerk	8	8	8	8	8	8	8	8	7	7
Human Resources	41	40	40	40	40	40	40	39	37	37
Finance [1]	56	55	55	55	55	55	55	54	44	44
Police	617	617	591	591	590	590	576	569	561	549
Fire & Rescue	334	330	276	276	276	276	276	274	267	262
Housing & Community Development	76	70	73	73	73	73	73	73	71	68
Economic Development[2]	7	7								
Planning & Building	80	77	76	76	76	76	76	76	75	71
Public Works	240	236	236	236	236	236	236	235	237	236
Community Services	101	93	93	93	93	93	92	92	91	87
Public Utilities	353	352	352	352	352	352	352	352	354	353
Convention, Sports & Entertainment	85	85	85	85	85	85	85	85	85	84
Total	2,061	2,031	1,946	1,946	1,945	1,945	1,930	1,915	1,889	1,856

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

[2] Economic Development Department was created in FY 2021/22 and included the transfer of three positions from Housing & Community Development

Source: City of Anaheim

(continued)

Operating Indicators by Function
Last Ten Fiscal Years

	Fiscal Year									
Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Police Department										
Number of calls for service	195,719	202,134	192,471	193,998	192,422	200,934	200,695	208,710	195,305	186,042
Number of 911 calls received	161,896	164,859	138,985	148,895	163,445	146,770	150,555	155,371	158,447	145,813
Number of Part I Crimes per 100,000 population	N/A [2]	1,598	3,008	2,719	2,731	2,925	2,917	3,279	2,950	2,883
Group A Offenses Rate	6,700 [2]	3,200								
Number of Arrest	8,063	8,057	10,491	10,576	12,575	11,865	11,010	11,604	11,405	11,846
Number of Field Reports processed by Records Bureau	37,713	36,745	34,268	35,971	39,373	45,402	41,208	41,655	39,191	38,362
Number of traffic collisions	3,635	4,454	3,399	4,276	4,378	4,757	4,817	5,179	4,833	4,686
Number of Hours of Volunteer service	11,278	11,099	4,018	11,435	18,380	19,270	21,132	21,647	22,885	24,124
Fire Department										
Fire responses	699	1,323	1,129	996	1,025	1,057	1,035	1,082	952	885
False alarm responses	1,473	1,266	1,184	2,432	2,038	1,803	1,903	1,848	3,910	1,735
Mutual aid responses	3,193	3,514	3,018	3,596	3,906	4,069	5,450	5,506	4,322	3,001
Medical responses	31,777	30,489	26,759	29,195	29,232	29,385	28,437	28,858	27,158	24,912
Hazardous condition responses	293	158	173	180	204	190	222	211	213	211
Public Works										
Centerline miles of arterial highway pavement improved	0.60	4.60	9.93	3.40	9.15	1.29	1.2	4.7	3.6	7.1
Square feet of deteriorated pavement replaced	2,515,513	3,739,337	4,000,210	2,746,130	3,389,786	2,960,600	4,017,828	2,487,188	2,101,231	4,345,480
Square feet of deteriorated pavement slurry sealed	1,096,200	84,295	708,860	2,017,000	3,003,023	4,704,400	5,519,982	1,941,187	7,253,633	4,422,148
Number of traffic intersections maintained	339	339	395	394	376	360	335	333	321	327
Number of traffic control hubs maintained	19	18	20	20	18	18	18	18	18	19
Square feet of deteriorated sidewalk replaced	126,318	127,323	244,043	93,243	194,674	162,774	102,305	232,922	153,531	96,399
Linear feet of damaged curb/gutter replaced	58,737	27,284	34,275	29,311	78,147	65,569	6,797	33,373	30,152	29,996
Square feet of medians/parkways maintained	6,305,775	6,301,655	6,301,655	6,297,655	6,297,655	6,101,098	6,063,299	6,063,299	5,721,764	5,644,799
Square feet of landscape maintained in the Anaheim Resort	1,674,600	1,674,600	1,656,500	1,656,500	1,656,500	1,605,958	1,554,886	1,554,886	1,542,442	1,542,442
Square feet of hardscape maintained in the Anaheim Resort	991,860	991,860	991,860	991,360	991,360	991,350	991,360	991,360	991,370	991,360
Number of vehicles maintained	858	868	887	887	1,059	1,050	1,036	1,025	1,097	1,144
Number of vehicles per mechanic	73	45	44	44	46	52	49	49	57	58
Square feet of interior space maintained	2,409,427	2,409,427	2,409,427	2,409,427	2,408,734	2,399,337	2,379,100	2,379,100	2,379,100	2,700,000
Square feet of exterior space maintained	37,746,100	37,746,100	37,746,100	37,746,100	37,746,100	37,698,184	37,662,184	37,662,184	37,662,184	37,655,278
Number of facility square feet (interior) per worker	120,471	120,471	120,471	120,471	120,437	126,281	125,215	1,459,000	1,459,000	150,000
Number of construction projects	1,164	1,411	1,072	708	590	180	80	120	100	165
Number of permit inspections	7,294	8,212	9,426	1,007	1,691	900	650	510	429	486
Parks										
Number of park acres maintained per full-time equivalent employee	78	78	78	78	77	77	77	77	76	75
Number of sports fields prepared	66	66	66	66	66	66	66	66	66	66
Cost per acre of parks maintained	$ 11,196	$ 10,663	$ 9,873	$ 9,585	$ 9,325	$ 9,497	$ 9,221	$ 8,952	$ 8,691	$ 8,438
Cost per sports field maintained	$ 6,095	$ 5,805	$ 5,375	$ 5,219	$ 5,082	$ 4,934	$ 4,791	$ 4,655	$ 4,519	$ 4,387
Golf Courses										
Cost per acre of golf course maintained	$ 14,651	$ 18,328	$ 15,176	$ 9,712	$ 10,906	$ 11,147	$ 10,434	$ 10,076	$ 9,455	$ 9,931
Number of rounds played	154,623	169,037	145,025	94,746	105,952	102,498	102,542	102,234	110,855	117,652
Number of acres maintained	200	200	200	200	200	200	200	200	200	200

(Continued)

Operating Indicators by Function
Last Ten Fiscal Years
(Continued)

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
	Fiscal Year									
City Libraries										
Hours open	15,574	11,310	9,992	14,668	16,965	17,065	16,023	15,461	16,929	16,820
Total circulation of materials, including eBooks	1,015,939	901,499	783,392	1,012,328	1,006,276	1,026,997	1,117,096	1,169,829	1,257,127	1,397,239
Patron assistance (reference, information, computer)	155,308	154,148	132,623	225,468	191,269	207,724	226,429	185,436	207,305	240,287
Patron visits	2,380,345	3,013,726	4,045,310	1,184,487	1,382,433	1,460,551	981,637	1,098,146	1,221,982	1,264,972
Library cardholders	280,047	269,532	260,441	254,093	297,256	233,312	230,951	217,661	201,194	186,891
Programs offered	4,025	2,495	1,570	3,585	4,449	4,770	4,507	3,900	3,800	3,397
Program attendance	134,306	96,403	367,901	196,521	141,504	144,660	142,098	125,609	117,226	111,380
Hours of public internet usage	40,733	36,385	16,289	89,344	136,671	151,709	144,364	150,712	184,851	209,953
Community Services Programs										
Number of youth program participants	155,127	52,284	52,284	152,791	165,264	197,228	181,697	183,967	177,746	126,429
Number of youth program participants in recreation classes	7,636	6,088	6,088	9,894	8,291	7,957	8,500	13,026	10,136	13,897
Number of adult program sports teams	405	112	112	343	537	588	679	725	750	791
Number of park ranger contacts	404,217	530,361	530,361	547,707	781,176	641,320	382,310	278,599	327,893	263,765
Public Utilities Department										
Electric Utility:										
Number of meters	123,333	104,561	121,526	121,227	120,400	119,564	118,248	117,593	115,682	115,474
Megawatt-hours - sales	2,191,488	2,682,392	2,652,150	2,687,030	3,109,157	3,217,353	3,298,340	3,229,569	3,725,386	4,065,552
Megawatt-hours - purchased power	2,721,712	2,781,257	2,745,977	2,760,933	3,120,824	2,985,962	2,990,931	3,050,657	3,417,459	3,751,220
Megawatt-hours - owned generation[1]			[1]	2	60,890	231,391	398,068	318,921	371,657	467,348
Water Utility:										
Number of meters	64,751	64,698	64,592	64,421	64,188	64,001	63,489	63,775	63,145	63,002
Millions of gallons sold	16,046	17,968	17,733	17,861	17,760	19,308	17,422	16,607	19,804	20,743
Millions of gallons purchased from Metropolitan Water District	11,916	13,715	13,673	7,877	3,581	8,767	4,170	4,373	4,717	5,286
Millions of gallons pumped from water system wells	4,925	5,470	4,921	10,947	14,603	10,742	14,217	13,213	15,180	16,749
Anaheim Convention Center										
Number of events serviced	115	101	13	135	168	171	179	181	197	221
Number of attendees	866,000	641,000	377,000	916,000	1,083,000	960,000	925,000	954,000	986,000	1,020,000
Percentage of occupancy	59.00%	42.00%	19.00%	46.00%	55.00%	68.00%	72.00%	59.00%	63.00%	63.00%

[1] The City sold its shares of SONGS and SJ ownserships

[2] Data collection for the Anaheim Police Department transitioned from Part 1 Crime reporting to the National Incident-Based Resporting System (NIBRS) effective November 1, 2021.

Sources: Various City departments

Capital Assets Statistics by Function
Last Ten Fiscal Years

	Fiscal Year									
Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Police Department										
Police Facilities	9	9	9	9	10	10	10	10	10	10
Motorized Equipment	277	277	277	277	256	256	260	260	250	247
Police Helicopters	3	3	3	3	3	3	3	2	2	2
Shooting Range	1	1	1	1	1	1	1	1	1	1
Communication/Radio Tower	1	1	1	1	1	1	1	1	1	1
Fixed Wing	1	1	1	1	1	1	1	1	1	1
Fire Department										
Fire stations	11	11	11	11	11	11	11	11	11	11
Training center	1	1	1	1	1	1	1	1	1	1
Fire trucks, engines, and other vehicles	93	91	88	85	79	76	75	75	74	74
Public Works										
Streets (center lane miles)	584	584	584	584	584	584	585	584	584	578
Traffic signals	339	392	395	394	376	360	335	321	321	321
Sewers (miles)	578.43	578.43	578.43	578.43	578.43	578.43	578.17	578.13	577.60	575.52
Storm Drains (miles)	151.82	151.82	151.82	151.82	151.82	151.82	151.82	151.30	151.30	151.30
Parks										
Community parks	9	9	9	9	9	9	11	11	11	11
Mini parks	11	11	10	10	10	10	15	15	9	7
Neighborhood parks	23	23	23	23	23	23	23	23	21	21
Special use parks	3	3	3	3	3	3	8	8	7	7
Golf Courses	2	2	2	2	2	2	2	2	2	2
City Libraries										
Branch libraries	8	8	8	8	8	8	8	8	8	7
Book mobiles	2	2	2	1	1	1	1	1	1	1
Museums/Historic properties	5	5	5	5	5	5	5	5	5	5

(Continued)

Capital Assets Statistics by Function
Last Ten Fiscal Years
(continued)

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Function/Program										
Public Utilities Department										
Electric Utility:										
Transmission, 69 kV, circuit miles	89	89	89	88	90	90	88	87	86	87
Distribution, 12 kV and lower, circuit miles										
Overhead	389	389	391	393	401	402	408	414	420	426
Underground	769	769	764	742	709	708	693	680	666	662
Water Utility:										
Active Wells	4[1]	4	17	19	15	18	17	18	17	18
Reservoirs	13	13	13	13	13	14	14	14	14	14
Water Mains (miles)	758	757	757	758	754	753	753	753	753	753
Fire Hydrants	7,953	7,946	7,943	7,912	7,835	7,842	7,832	7,840	7,832	7,816
Anaheim Convention Center										
Square footage available	1,370,000	1,370,000	1,370,000	1,370,000	1,370,000	1,130,000	1,130,000	1,130,000	1,130,000	1,130,000
Number of exhibit halls	7	7	7	7	7	5	5	5	5	5

Source: Various City Departments

[1] Fourteen (14) groundwater wells are offline during the Groundwater Treatment Project Construction.

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Other Information

ANAHEIM, CALIFORNIA

Summary of Pension Liability Funding Progress

(in thousands)

June 30, 2022 Actuarial Valuation Date	Fair Value of Assets (FVA)	Accrued Liability (AL)	Unfunded Accrued Liability (UAL)	Funded Ratio	Annual Covered Payroll	UAL as a % of Payroll
Miscellaneous	$ 1,183,362	$ 1,681,617	$ 498,255	70.4%	$ 119,690	416.3%
Police Safety	675,666	985,062	309,396	68.6%	53,517	578.1%
Fire Safety	356,612	529,357	172,745	67.4%	28,129	614.1%
Total	$ 2,215,640	$ 3,196,036	$ 980,396	69.3%	$ 201,336	486.9%

June 30, 2021 Actuarial Valuation Date	Fair Value of Assets (FVA)	Accrued Liability (AL)	Unfunded Accrued Liability (UAL)	Funded Ratio	Annual Covered Payroll	UAL as a % of Payroll
Miscellaneous	$ 1,308,881	$ 1,619,285	$ 310,404	80.8%	$ 111,733	277.8%
Police Safety	742,705	943,632	200,927	78.7%	52,861	380.1%
Fire Safety	395,894	510,417	114,523	77.6%	26,393	433.9%
Total	$ 2,447,480	$ 3,073,334	$ 625,854	79.6%	$ 190,987	327.7%

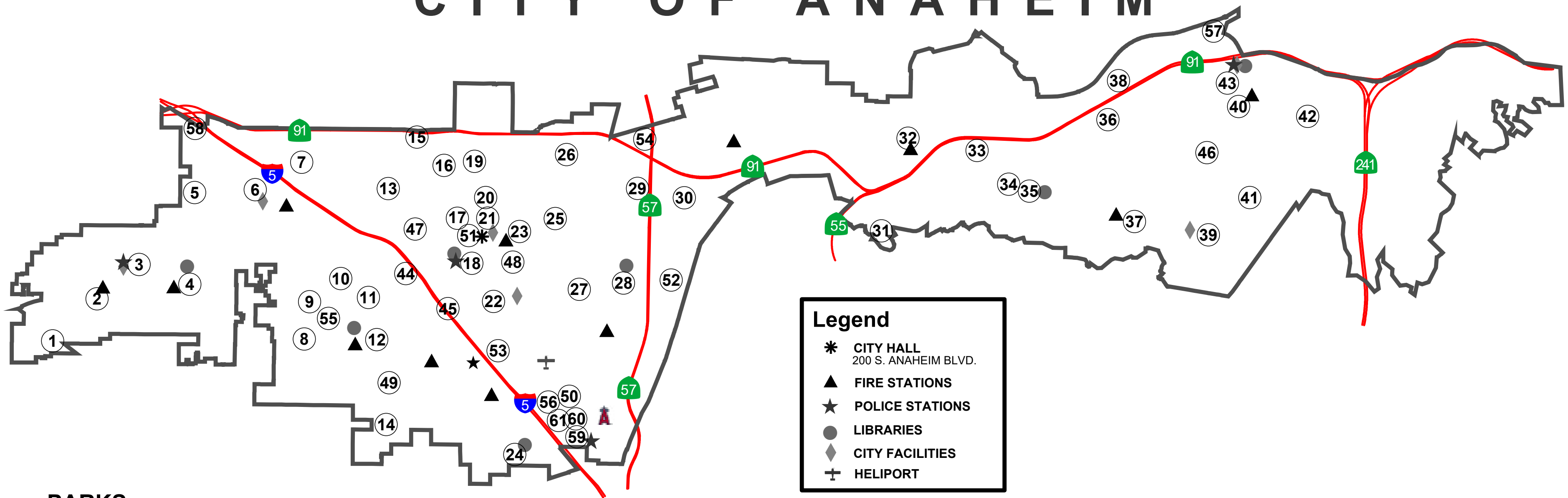
June 30, 2020 Actuarial Valuation Date	Fair Value of Assets (FVA)	Accrued Liability (AL)	Unfunded Accrued Liability (UAL)	Funded Ratio	Annual Covered Payroll	UAL as a % of Payroll
Miscellaneous	$ 1,084,188	$ 1,543,927	$ 459,739	70.2%	$ 124,700	368.7%
Police Safety	612,525	882,257	269,732	69.4%	53,243	506.6%
Fire Safety	330,503	485,339	154,836	68.0%	26,055	594.3%
Total	$ 2,027,216	$ 2,911,523	$ 884,307	69.6%	$ 203,998	433.5%

Schedule of Funding Progress for Other Post-Employment Benefits

(Amounts in Thousands)

Actuarial Valuation Date	Fair Value of Assets (FVA)	Accrued Liability (AL)	Unfunded Accrued Liability (UAL)	Funded Ratios	Annual Covered-Employee Payroll	UAL as a % of Covered-Employee Payroll
June 30, 2021	$ 110,402	$ 231,781	$ 121,379	47.6%	$ 203,733	59.6%
June 30, 2019	102,332	262,908	160,576	38.9%	209,942	76.5%
June 30, 2017	89,953	273,950	183,997	32.8%	203,473	90.4%

CITY OF ANAHEIM



PARKS

1. **HANSEN PARK**
1300 S. Knott St.
2. **TWILA REID PARK**
3100 W. Orange Ave.
3. **SCHWEITZER PARK**
238 S. Bel Air St.
4. **MAXWELL PARK**
2660 W. Orange Ave.
5. **PETER MARSHALL PARK**
801 N. Magnolia Ave.
6. **BROOKHURST COMMUNITY PARK**
2271 W. Cresent Ave.
7. **JOHN MARSHALL PARK**
2066 Falmouth Ave.
8. **MODJESKA PARK**
1331 S. Nutwood St.
9. **CLARA BARTON PARK**
1926 Clearbrook Ln.
10. **CHAPARRAL PARK**
1770 E. Broadway
11. **WILLOW PARK**
1625 W. Crone Ave.
12. **PALM LANE PARK**
1595 Palais Rd.
13. **SAGE PARK**
1313 Lido Pl.
14. **STODDARD PARK**
901 S. Ninth St.
15. **MANZANITA PARK**
1260 Riviera St.
16. **LA PALMA PARK & STADIUM**
1151 La Palma Park Way
17. **PEARSON PARK**
400 N. Harbor Blvd.
18. **LITTLE PEOPLES PARK**
220 W. Elm St.
19. **JULIANNA PARK**
309 E. Juliana St.
20. **GEORGE WASHINGTON PARK**
250 E. Cypress St.
21. **COLONY SQUARE**
210 E. Lincoln Ave.
22. **WALNUT GROVE PARK**
905 S. Anaheim Blvd.
23. **CITRUS PARK**
104 S. Atchison St.
24. **PONDEROSA PARK**
2100 S. Haster St.
25. **LINCOLN PARK**
1440 E. Lincoln Ave.
26. **EDISON PARK**
1145 Baxter St.
27. **BOYSEN PARK**
951 State College Blvd.
28. **JUAREZ PARK**
841 S. Sunkist St.
29. **PIONEER PARK**
2565 E. Underhill Ave.
30. **RIO VISTA PARK**
201 N. Park Vista St.
31. **OLIVE HILLS PARK**
4200 Nohl Ranch Rd.
32. **RIVERDALE PARK**
4545 E. Riverdale Ave.
33. **PERALTA CANYON PARK**
115 N. Pinney Dr.
34. **PELANCONI PARK**
222 S. Avenida Margarita
35. **IMPERIAL PARK**
450 S. Imperial Hwy.
36. **EUCALYPTUS PARK**
100 N. Quintana Dr.
37. **OAK PARK**
6400 E. Nohl Ranch Rd.
38. **YORBA REGIONAL PARK**
7600 E. La Palma Ave.
39. **OAK CANYON NATURE CENTER**
6700 Walnut Canyon Rd.
40. **SYCAMORE PARK**
8268 Monte Vista Rd.
41. **CANYON RIM PARK**
7305 E. Canyon Rim Rd.
42. **RONALD REAGAN PARK**
945 S.Weir Canyon Rd.
43. **ROOSEVELT PARK**
8160 E.Bauer Rd.
44. **BETSY ROSS PARK**
1280 W. Santa Ana St.
45. **COTTONWOOD PARK**
853 W. Cottonwood Cir.
46. **DEER CANYON PARK**
Mohler & Santa Ana Rd.
47. **FOUNDERS' PARK**
400 N. West St.
48. **COLONY PARK**
501 E. Water St.
49. **ENERGY FIELD**
1625 S. Ninth St.
50. **MAGNOLIA PARK**
1515 Wright Cir.
51. **FRIENDSHIP PLAZA PARK**
200 S. Anaheim Blvd.
52. **ANAHEIM COVES**
962 S. Rio Vista St.
53. **PAUL REVERE PARK**
160 Guinida Ln.
54. **MIRALOMA PARK**
2600 E. Miraloma Way
55. **CIRCLE PARK**
924 S.Park Cir.
56. **CORAL TREE PARK**
1711 S. Betmor Ln.
57. **ANAHEIM WETLANDS PARK**
8500 E. La Palma Ave.
58. **DELPHI PARK**
1211 N Magnolia Ave.
59. **JACARANDA PARK**
1955 Jacaranda Way
60. **ALOE GREEN**
1400 E. Park St.
61. **ALOE PROMENADE**
1402 E. Meridian St.

Date: 10/3/2023

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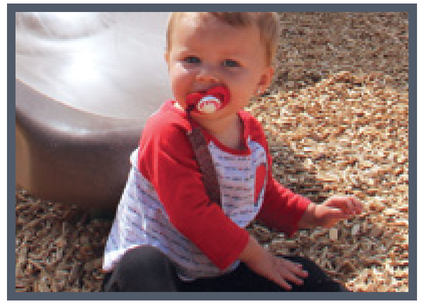
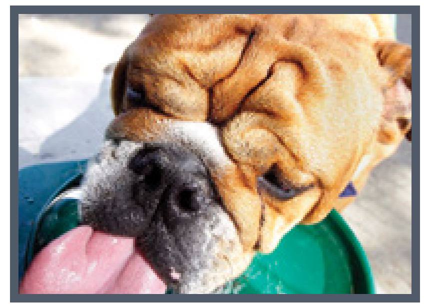
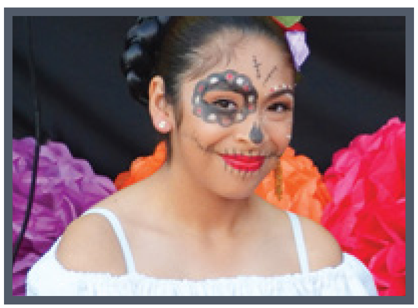
ANAHEIM, CALIFORNIA





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