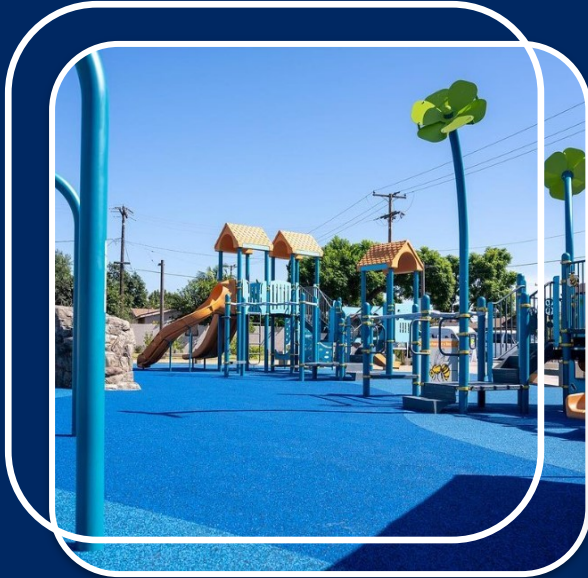


CITY OF SANTA ANA, CALIFORNIA

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2023



CITY OF SANTA ANA, CALIFORNIA

**2023**  
**Annual Comprehensive**  
**Financial Report**

For the Fiscal Year Ended June 30, 2023

Prepared by  
Finance & Management Services Agency

**Annual Comprehensive Financial Report**

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CITY OF SANTA ANA, CALIFORNIA  
Annual  
Comprehensive Financial  
Report

**MAYOR**

Valerie Amezcua  
MAYOR PRO TEM

**COUNCILMEMBERS**

Phil Bacerra  
Johnathan Ryan Hernandez  
David Penalzo  
Thai Viet Phan  
Benjamin Vazquez



**INTERIM CITY MANAGER**  
Tom Hatch  
**CITY ATTORNEY**  
Sonia R. Carvalho  
**CLERK OF THE COUNCIL**  
Jennifer L. Hall

## CITY OF SANTA ANA

20 Civic Center Plaza • P.O. Box 1988  
Santa Ana, California 92702  
[www.santa-ana.org](http://www.santa-ana.org)

December 11, 2023

Honorable Mayor, Members of the City Council and Residents of the City of Santa Ana:

In accordance with California State law and City Charter requirements, it is our pleasure to present the Annual Comprehensive Financial Report (ACFR) for the City of Santa Ana (the City) for the fiscal year ending June 30, 2023. State law requires that all general-purpose local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed independent certified public accountants.

The goal of the independent audit is to provide reasonable assurance that the City's financial statements for the fiscal year ended June 30, 2023 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. CliftLarsonAllen LLP (CLA), a firm of certified public accountants, has audited the City's financial statements. CLA concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2023 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The ACFR consists of management's representations concerning the finances of the City. Management assumes full responsibility for the completeness and reliability of all the information presented in this report. In making these representations, the management of the City has established a comprehensive internal control framework designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

### SANTA ANA CITY COUNCIL

Valerie Amezcua  
Mayor  
[vamezcua@santa-ana.org](mailto:vamezcua@santa-ana.org)

Jessie Lopez  
Mayor Pro Tem, Ward 3  
[jessielopez@santa-ana.org](mailto:jessielopez@santa-ana.org)

Thai Viet Phan  
Ward 1  
[tphan@santa-ana.org](mailto:tphan@santa-ana.org)

Benjamin Vazquez  
Ward 2  
[bvazquez@santa-ana.org](mailto:bvazquez@santa-ana.org)

Phil Bacerra  
Ward 4  
[pbacerra@santa-ana.org](mailto:pbacerra@santa-ana.org)

Johnathan Ryan Hernandez  
Ward 5  
[jryanhernandez@santa-ana.org](mailto:jryanhernandez@santa-ana.org)

David Penalzo  
Ward 6  
[dpenalzo@santa-ana.org](mailto:dpenalzo@santa-ana.org)

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditors' report.

If over \$750,000 is expended on Federal Financial grant programs, the City is also required to undergo an annual "Single Audit" in conformity with the provisions of the Single Audit Act of 1996 and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). For the year-ended June 30, 2023, the City expended over \$114 million in federal grant monies and thus is required to undergo a Single Audit. The standards governing Single Audit engagements require the auditors to consider internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Due to the size and complexity of the City's financial systems and the timing of the audit, the Single Audit report is issued separately from the audited financial statements. The Single Audit report will be available upon request from the City's Finance & Management Services Agency.

## **City Profile**

Founded in 1869, Santa Ana is located in Southern California adjacent to the Santa Ana River, within 10 miles (16 km) of the California coast. The City is part of the Greater Los Angeles Area, which according to the U.S. Census Bureau, is the second largest metropolitan area in the U.S., with over eighteen million people. Santa Ana is 62<sup>nd</sup> most populous City in the nation according to the 2021 Census data and the 13<sup>th</sup> largest City in the State.

Santa Ana is both the County seat and the second most populous city in Orange County, occupying 27.3 square miles and serving a population of more than 310,000. Santa Ana is a densely populated city, ranking fourth nationally among cities with over 300,000 residents. Centrally located within Orange County, the City houses both State and Federal agencies, County Administration, County Court functions, and the Ronald Reagan Federal Building and Courthouse within its civic center complex. The current Office of Management and Budget metropolitan designation for the Orange County Area is Santa Ana–Anaheim–Irvine.

In 1952, the City was established as a charter city and adopted the council-manager form of government. Policy-making and legislative authority is vested in a governing City Council consisting of the Mayor and six Councilmembers. The City Council, among other things, is responsible for passing ordinances, adopting the budget, appointing committees, and hiring the City Manager, City Attorney, and City Clerk. Councilmembers are nominated from one of six geographic wards in the City and elected by ward on a non-partisan basis. Councilmembers serve a four-year term and are limited to three terms. The Mayor is directly elected at-large and has term limits of no more than four (4) two-year terms. The Mayor Pro Tem is nominated and elected from amongst the seated council.

The City Manager is responsible for carrying out the policies and ordinances of the City Council as well as overseeing the day-to-day operations of the City. The City Manager is also responsible for developing and recommending the City's budget, which is submitted to the City Council for approval. The annual budget is the foundation for the City's financial planning and control. The legal level of budgetary control is by functional department and fund. The City Council can amend the budget throughout the year with a two-thirds vote of the Council.

## **City Profile (continued)**

The City provides a full range of municipal services, including police, construction and maintenance of streets and related infrastructure, municipal utilities such as water, sewer, refuse and sanitation, recreational activities, a public library, and various cultural events. The City has contracted the Orange County Fire Authority and CARE Ambulance Service to provide fire suppression and emergency medical services. Additionally, the City administers three other legally separate entities: the Successor Agency to the Santa Ana Redevelopment Agency, Housing Authority of the City of Santa Ana, and the Santa Ana Financing Authority.

Santa Ana is home to many attractive entertainment destinations like the Bowers Museum, MainPlace Mall, and the Discovery Science Center. Near the intersection of the Santa Ana Freeway and the Costa Mesa Freeway is the newly designated "Metro East" area, which the City Council has envisioned as a secondary mixed-use development district. Also on the city's east side is the Santa Ana Zoo at Prentice Park, notable for its collection of monkeys and species from South and Central America. Santa Ana boasts many unique shops, premier restaurants, and artist galleries in the Historic Downtown Santa Ana area.

The City houses nationally recognized schools such as Mater Dei High School and Orange County School of the Arts. Both academic institutions are well known for their college-level academics program. Mater Dei is nationally recognized in athletics, while the Orange County School of the Arts is highly recognized in music, dance, and theatre.

The Santa Ana Unified School District is the seventh-largest school district in California and the second-largest in Orange County. The District offers various programs to provide its students with a high-quality education, rigorous and advanced programs, and a nurturing, safe environment with state-of-the-art facilities and 21<sup>st</sup>-century learning and technology.

Santa Ana is the headquarters for many recognized companies such as Behr Paint, First American Corporation, Overair Inc., KPC Healthcare, Aluminum Precision Products, and SchoolsFirst Federal Credit Union, a leading Credit Union serving the educational community for the region. The City houses major regional headquarters for the Xerox Corporation, Ultimate Software, and Yokohama Tire Corporation. In recent years, Santa Ana has approved commercial projects in the South Coast Metro area and the Metro East development, located at the confluence of the Santa Ana Freeway and the Costa Mesa Freeway.

## **Local Economy**

The City is located within the Los Angeles, Long Beach, Santa Ana, and Metropolitan areas. The area is the country's second-highest-producing metro area as measured by Gross Metropolitan Product. The City is known as the heart of Orange County and the center of government, commerce, and transportation. The City is also home to approximately thirty-thousand (30,000) businesses, with the top twenty-five (25) businesses generating approximately 33.7% of the jurisdiction's total sales tax revenue. The City has a solid retail base within both of its Sales Tax bases, which is anchored by the following economic segments: Business-to-Business services, General Retail and Transportation.

The food product sector performed well during the year, specifically restaurants on a year-over-year basis. The Construction sector continued its strong performance on an annual basis compared to the prior year. The Transportation sector continued performing well, specifically new Auto-Sales, but had a notable reduction during the last quarter of the fiscal year. General retail and Business-To-Business sectors had an overall decrease compared to the prior years, specifically a decrease in Drug Stores (including Cannabis sales) and electronic equipment.

## **Local Economy (continued)**

For fiscal year 2022-23, the City remained fiscally stable due to its diverse economic base while providing a broad range of new programs and services. The City continued using the additional resources available through COVID-19 funding allocations, primarily for one-time projects, to supplement the community needs and address the City Council's priorities. For the upcoming fiscal year, the local economy is expected to have slow growth and specific local concerns related to increasing costs.

The City faces several challenges in the upcoming years related to increasing costs for providing services and softening outlook on major revenue sources. Based on most recent figures, renters comprise 54% of the City's population, and the median home price in Santa Ana was \$795,000 in 2023, a 1.9% increase on a year-over-year basis. The City is primarily built out, so development is typically redevelopment of existing infrastructure that may temporarily decrease taxable revenues in the short term but can increase tax revenues in the long term for larger projects. Some of the notable increases include costs related to bargaining unit negotiations, increase in pension contribution rates to the City due to CalPERS investments not meeting expectations in fiscal year 2021-22, and increases in construction costs for Capital Improvement Program due to the Community Workforce Agreement (CWA).

The City received numerous COVID-19 federal, state, and local funding allocations during the past fiscal years. The most notable allocations were over \$30 million of the Coronavirus Aid, Relief, and Economic Security Act (CARES) funds and \$128 million of the American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Funds (SLFRF). These funds will protect and revive the Santa Ana community as it emerges from the impacts of the COVID-19 pandemic. Some of the plan's major priorities include; a) Recovery from the Pandemic, b) Direct Assistance Programs, c) Public Health & Safety, d) Critical Infrastructure, and e) City Fiscal Health. The City anticipates expending these funds through fiscal year 2025-26 as federal guidelines allow.

The City continues its efforts to support the local workforce and increase economic activity by actively exploring and promoting major developments, including those for affordable housing. Some notable projects include the Legacy Square project, a 93-unit affordable housing project that was completed this year and will provide affordable housing to Santa Ana residents who earn less than 60% of the Area Median Income. The project is located adjacent to Santa Ana's vibrant downtown and a stop for the Orange County Streetcar is located directly in front of the property. It is an ideal project to allow Santa Ana residents who work and need to afford to live in the City close to their jobs. There are various other projects that continued construction this year including the Crossroads at Washington, an 85-unit affordable housing project for large families and people experiencing homelessness; Westview House, an 84-unit affordable housing project; and Habitat for Humanity's Lacy and Vance project, involving the new construction of two affordable single-family detached homes.

## **Economic Condition and Outlook**

The City's financial position remained stable due to a diverse economic base and adherence to budget policies. Some major revenue sources that performed better than anticipated include Residual Property and Property Tax, Utility User Tax Electric, Business Tax, Paramedic Services charges, Earnings on Investment, and Hotel Visitor's Tax with a combined total exceeding revised revenue estimates by \$7 million. One of the major sources of revenue for the City, Sales & Use Taxes (Bradley-Burns allocation of 1% and local add-on Measure X of 1.5%), performed worse than expected with a total shortfall of \$5 million from original expectations. High inflation and stagnant wages have negatively impacted the disposable income available to make taxable purchases. Some of the segments impacted by this include General Retail, Transportation, and Business to Business. The Restaurant and Construction segments continued showing an overall growth on a year-over-year basis.



## **Economic Condition and Outlook (continued)**

The General Fund balance increased by \$27.9 million, primarily due to overall revenue performance and expenditure savings. The addition to the General Fund balance was primarily used to fund one-time projects in the fiscal year 2023-24 budget. For fiscal year 2023-24, the Sales and Use Taxes forecast is lower than previous year due to the continued impact of inflation and the forecast incorporates a recession inflation scenario.

The following development projects will contribute to the City's economic diversity.

### **Residential**

- Construction of new affordable housing projects
  - Legacy Square (93 affordable housing units) – Completed in June 2023
  - Westview House (84 affordable housing units)
  - Crossroads at Washington (85 affordable housing units)
  - Habitat for Humanity's Lacy and Vance Project (2 affordable homes)
  - Estrella Springs (89 affordable housing units)
  - WISEPlace Permanent Supportive Housing (47 affordable housing units)
  - FX Residence (16 affordable housing units)

### **Commercial**

- Economic Development Team
  - Small business development through workshops and incentive program
  - A "Shop Local" campaign continued to encourage residents to Shop Santa Ana
  - Small business assistance to 227 Downtown businesses to stabilize during OC Streetcar construction in the amount of \$5.7 Million
- Santa Ana Tourism Marketing District
  - Continued to support the citywide benefit assessment district that has improved tourism activity and increased the demand for hotel room nights in the City
  - City Council approved a 2% assessment on room revenue for all hotels of 70 rooms or more within the City for an initial five-year term beginning January 1, 2021 through December 31, 2025
- Resident Vehicle Incentive Program
  - A total of 1,105 Santa Ana residents and businesses received \$500 rebates towards the purchase of their vehicle from one of ten Santa Ana franchised dealerships
  - Aims to keep vehicle sales local and avoid leakage to other cities
- Small Business Incentive Program
  - Provided 15 new businesses with grants of up to \$5,000 to assist with business stabilization due to COVID-19 pandemic
  - Businesses were linked to the Small Business Development Center to receive technical support

The Tax Cuts and Jobs Act of 2017 established Santa Ana's Opportunity Zone, which encompasses approximately 25% of the City, as a mechanism to provide tax incentives for investment in designated census tracts. The City is looking for future investments that will provide a substantial economic return for its business and resident community. Opportunity Zone designations remain in effect until December 31, 2028.

## **Economic Condition and Outlook (continued)**

Going forward, the City will focus on sustainability, seeking to maintain a balanced fiscal health by thoughtfully and strategically providing essential services as resources allow while maintaining a healthy General Fund balance and adhering to the City's financial policies.

### **Long-term Financial Planning**

At the end of fiscal year 2022-23, the City maintained its General Fund policy-driven operating reserve. However, the City's assessment of the Ten-Year Outlook indicated a General Fund revenue shortfall to sustain the current expenditure structure mainly due to the reduction of the Measure X use tax rate in 2029. In addition, there was an overall reduction in Cannabis revenues due to a tax rate decrease that became effective in January 2023 and a statewide reduction in demand. The City of Santa Ana, like all communities across the United States, has seen an increase in costs. One of the future increases in expenditures is due to CalPERS' investment loss of 6.1% (expected return of 6.8%) in fiscal year 2021-22, which will impact the City's future contribution rates. Furthermore, the City faces economic reservations, including continued high inflation, the Federal Reserve's monetary policy, and war's potential impact. Accordingly, City staff will continue monitoring the fiscal health and updating the financial outlook to determine if adjustments to the budget are necessary.

Managing costs associated with City employees under the California Public Employees' Retirement System (CalPERS) pension continues to be challenging for the City. In recent years, the City of Santa Ana has taken measures towards mitigating pension cost increases, including pre-payments to CalPERS to decrease the City's unfunded liability, establishing a Section 115 trust to offset future pension volatility, and issuing a Pension Obligation Bonds (POB) to refinance the City's Unfunded Accrued Liability (UAL).

Other key elements to provide long-term stability include investing in economic development; modernizing operations to provide efficient service; examining fees to ensure the City maximizes its cost recovery; and continuing a partnership with the Orange County Fire Authority to deliver Fire and Emergency Medical services.

As a means to provide additional services to the community and reduce the burden on city finances, the City will continue to research and apply for both Federal and State grant opportunities and monitor local and national economic trends, to ensure the City can fund services, capital needs and other unforeseen expenditures. Through thoughtful planning and careful evaluation, the City will continue to work toward long-term fiscal sustainability despite the current economic uncertainty.

### **Relevant Financial Policies**

The City follows the budget reserve policy and an unfunded employee pension liability cost reduction policy (Pension policy). The policies provide guidance for a balanced budget approach, use of one-time funds, appropriate reserve levels as recommended by the Government Finance Officers Association (GFOA), and strategies in addressing rising employee pension costs.

The budget and reserve policy defines the appropriateness of when to utilize the reserve along with language regarding the amount to be maintained within the operating reserve. The policy requires the City to maintain an Operating Reserve of the Unrestricted Fund Balance equivalent to a minimum of 18% of annual recurring General Fund revenue. During the fiscal year 2022-23, the City will continue to maintain a reserve for the General Fund, which totals approximately \$73.5 million.

## Major Initiatives

The City has embarked on many initiatives, including embracing community involvement, increasing transparency efforts, supporting future development, and improving the City's overall fiscal environment. Some of the objectives accomplished during fiscal year 2022-23 follow:

### Community Development Agency

- Purchased the Navigation Center, a 200-bed facility that provides supportive services to transition to permanent housing along with mental health services
- Distributed over \$4.2 million in economic relief grants to downtown businesses impacted by the OC Streetcar construction
- Continued support of affordable housing projects, which will add 414 affordable rental units to the community and 8 affordable homeownership opportunities

### Finance and Management Services Agency

- Organized and facilitated compliant spending and reporting for federal COVID-19 grant funds
- Maximized collections of Business License tax using local revenue audits and the tax holiday approved by voters in November 2022
- Improved the Capital Improvement Plan document by adding a list of unfunded projects to demonstrate the need for additional funding from outside resources
- Increased public outreach efforts during the budget process, resulting in over 1,000 engagements

### Human Resources

- Enhancement and expansion of Citywide organizational development and training program, including offering supervisory and management training, and implementation of a Learning Management System that includes web-based training
- Completion of labor negotiations for successor Memoranda of Understanding with the various bargaining units
- Improved City Hall and Ross Annex security by updating access restrictions and protocols

### Information Technology Agency

- Transitioned to bi-weekly payroll and modernized payroll calculations
- Replaced outdated servers and storage in the City's two data centers with a new Hyperconverged Infrastructure
- Implemented updates and modifications to the City's Business Tax System to support new legislation and new cannabis rates

### Library

- Completed design of the Newhope Library Renovation and Delhi Center Library Branch projects
- Expanded Library services to the Garfield and El Salvador Community Centers by creating new "Teen Time" spaces specially designed and programmed for young adults
- Expanded public service hours at the Main Library by adding 8 additional hours each week

## Major Initiatives (continued)

### Parks, Recreation & Community Services

- Completion of new stadium scoreboard, new stadium synthetic turf, Morrison Park security lighting, shade canopies in over eight fitness courts, and Cabrillo Irrigation renovation project
- Undertook several significant events, such as the Winter Village, Fiestas Patrias, 4th of July, 5k/10K Run, Easter Egg Hunt, Mid-Autumn Festival, Juneteenth, Chicano Heritage, Indigenous People's Day, and summer movies and concert series

### Planning & Building Agency

- Modernization of regulations related to the new cannabis ordinance, property maintenance, and the comprehensive zoning code update
- Continued working with the community to implement the general plan by initiating environmental justice goals and policies in addition to the formation of the Neighborhood Initiatives and Environmental Services Unit

### Police Department

- Continued reduction of Priority 1 call response times over the past three years by 20%
- Actively solved investigations and removed guns off the streets
  - 77% of homicide case solved in 2022 and successfully recovered 557 firearms during the Gun-Buy-Back Program event, resulting in a 74.5% increase in firearms seized compared to 2021
- Implemented District/Ward Senior Officer Liaison program for the Mayor and each City Council ward to enhance communication and logistics when requiring pre-planned police services
- Enhanced the PD's social media presence and strategy and collaborated with the Recruitment Team to actively recruit to fill vacancies throughout the department
  - Held 1<sup>st</sup> Women Hiring Expo in October 2022 (1<sup>st</sup> in the County)
  - Committed to hiring 30% female sworn officers by 2030 (1<sup>st</sup> in the County)

### Public Works Agency

- Issued contracts and began work on implementing an online electronic plan check system with a goal to go-live in fiscal year 2023-24. Once operational, it will improve efficiency in processing nearly 1,200 street work encroachment permits issued by the City annually
- Completed construction of and started operating the first Perfluoralkyl and Polyfluoralkyl Substances (PFAS) groundwater well-head treatment system in Santa Ana
- Awarded 26 construction projects totaling over \$95 million in Capital investments, including the First Street Slope Stabilization, Well 32 Rehabilitation, Centennial Lake Restoration, and multiple Safe Routes to School projects
- Completed 669 sidewalk repairs throughout four Wards totaling over \$1.3 million in improvements

## Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. The City has received this prestigious award for forty-five consecutive years. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized Annual Comprehensive Financial Report. This report satisfied both GAAP and applicable legal requirements. A Certificate of Achievement is valid for one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements. We are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of Finance staff, particularly the Accounting Division. We want to express our appreciation to everyone who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and the City Council for their strategic leadership and support in maintaining the highest standards of professionalism in managing the City's finances.

Respectfully submitted,



Tom Hatch  
Interim City Manager



Kathryn Downs, CPA  
Executive Director  
Finance & Management Services Agency



CITY OF SANTA ANA, CALIFORNIA  
Annual  
Comprehensive Financial  
Report



GFOA Certificate of Achievement

Excellence in Financial Reporting for the Fiscal Year Ended June 30, 2022



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Santa Ana  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO

Directory of City Officials

June 30, 2023

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**Mayor**  
**Valerie Amezcua**  
vamezcua@santa-ana.org



**Ward**  
**1**

Councilmember  
**Thai Viet Phan**  
tphan@santa-ana.org



**Ward**  
**2**

Councilmember  
**Benjamin Vazquez**  
bvazquez@santa-ana.org



**Ward**  
**3**

Mayor Pro Tem  
**Jessie Lopez**  
jessielopez@santa-ana.org



**Ward**  
**4**

Councilmember  
**Phil Bacerra**  
pbacerra@santa-ana.org



**Ward**  
**5**

Councilmember  
**Johnathan R Hernandez**  
jryanhernandez@santa-ana.org



**Ward**  
**6**

Councilmember  
**David Penaloza**  
dpenaloza@santa-ana.org

Directory of City Officials

June 30, 2023

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JENNIFER L. HALL  
CLERK OF THE COUNCIL

TOM HATCH  
INTERIM CITY MANAGER

SONIA R. CARVALHO  
CITY ATTORNEY

*COMMUNITY DEVELOPMENT AGENCY*

MICHAEL GARCIA  
EXECUTIVE DIRECTOR

*FINANCE & MANAGEMENT SERVICES*

KATHRYN DOWNS  
EXECUTIVE DIRECTOR

*HUMAN RESOURCES*

JASON MOTSICK  
EXECUTIVE DIRECTOR

*INFORMATION TECHNOLOGY*

JACK CIULLA  
CHIEF TECHNOLOGY INNOVATIONS OFFICER

*LIBRARY*

BRIAN STERNBERG  
LIBRARY SERVICES DIRECTOR

*PARKS, RECREATION & COMMUNITY SERVICES*

HAWK SCOTT  
EXECUTIVE DIRECTOR

*PLANNING & BUILDING AGENCY*

MINH THAI  
EXECUTIVE DIRECTOR

*POLICE DEPARTMENT*

ROBERT RODRIGUEZ  
ACTING POLICE CHIEF

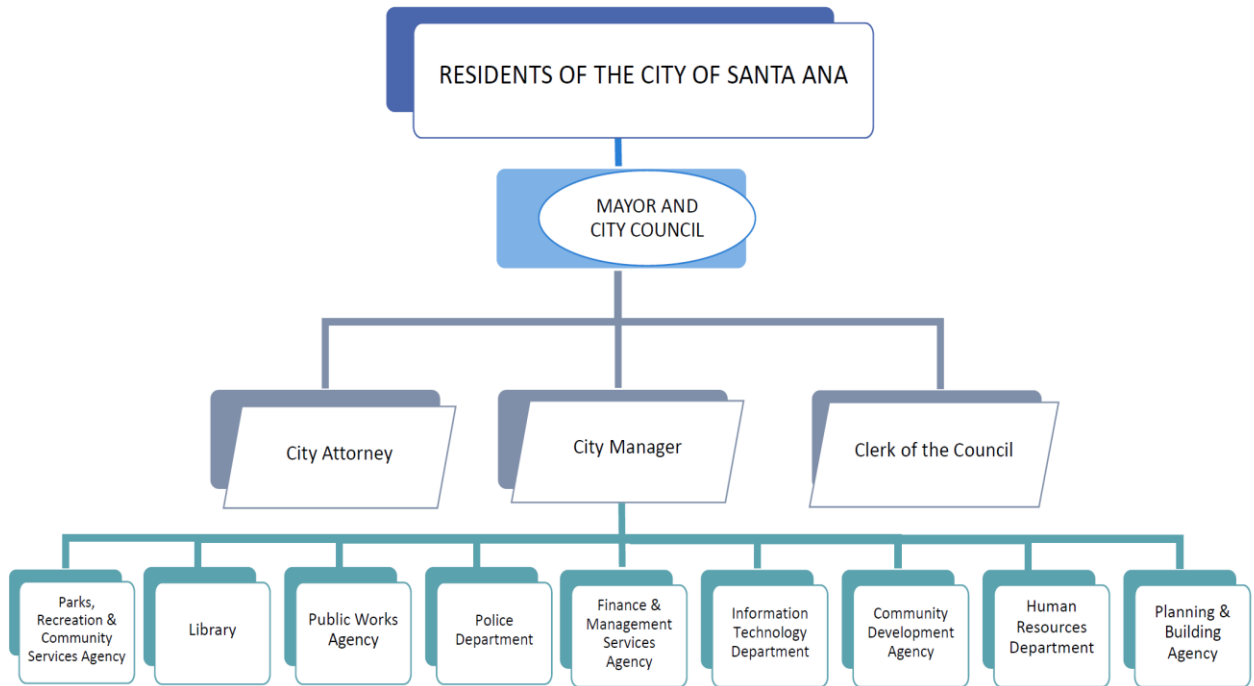
*PUBLIC WORKS AGENCY*

NABIL SABA  
EXECUTIVE DIRECTOR

**Table of Organization**

**Fiscal Year 2022-2023**

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CITY OF SANTA ANA, CALIFORNIA

# **Financial Section**







## INDEPENDENT AUDITORS' REPORT

Honorable Mayor and  
Members of the City Council  
City of Santa Ana  
Santa Ana, California

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Santa Ana (the City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *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.

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

##### ***Change in Accounting Principle***

As described in Note 1E to the financial statements, effective July 1, 2022, the City adopted new accounting guidance, Statement of Governmental Accounting Standards Board (GASB Statement) No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

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

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

***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 City of Santa Ana'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 City of Santa Ana's ability to continue as a going concern for a reasonable period of time.

Honorable Mayor and  
Members of the City Council  
City of Santa Ana

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***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules - general and major special revenue funds, notes to the required supplementary information, schedule of changes in net pension liability and related ratios and schedule of plan contributions for the miscellaneous, safety, and supplementary retirement plans, and schedule of changes in the total OPEB liability and related ratios 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 of Santa Ana's basic financial statements. The combining and individual non-major fund financial statements and schedules 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 combining and individual non-major fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

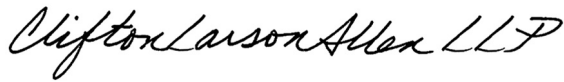
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover 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.

Honorable Mayor and  
Members of the City Council  
City of Santa Ana

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 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.



**CliftonLarsonAllen LLP**

Irvine, California  
December 11, 2023

CITY OF SANTA ANA, CALIFORNIA

# **Management's Discussion and Analysis**





## Management's Discussion and Analysis

As management of the City of Santa Ana (City), we offer the readers of the City's financial statements this narrative overview and analysis of financial activities for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information furnished in our letter of transmittal, which can be found on pages 1-9 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 millions of dollars.**

### Financial Highlights

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2023 by \$922.9 million (net position). The net position consisted of the following amounts: \$1,162.4 million is net investment in capital assets, \$229.5 million is restricted for various programs and a deficit of \$(469.0) million is unrestricted. Similar to other cities in California, the City's unrestricted net position was negatively impacted with unfunded liabilities for pension plans and other postemployment benefits (OPEB) plan in which it participates. The City's total net pension liability and OPEB liability were \$383.7 million and \$42.7 million respectively at the close of the current fiscal year. More information on the City's pension and OPEB plans can be found in Note 4 on pages 114-132 of this report.
- The City's total capital assets increased \$80.5 million (6.8%) from the prior fiscal year. Capital assets in the governmental activities increased \$51.2 million (5.0%) and business-type activities capital assets increased \$29.3 million (18.6%) during the current fiscal year largely as a result of improvements and infrastructure related to capital projects such as street rehabilitation, sewer main, and water meter projects.
- The City's current and other assets increased \$17.7 million (8.4%) primarily due to an increase in loans receivable related to various affordable housing and home rehabilitation programs funded by federal and state grants.
- The City's total long-term liabilities including net pension liability, total OPEB liability, compensated absences, claims payable, lease, and subscription liability decreased by \$107.6 million (8.1%) during the current fiscal year which was largely attributable to reduction in net pension liability of \$115.1 million. The City issued Pension Obligation Bonds (POB) and contributed \$424.6 million of the bond proceeds to its California Public Employees' Retirement system (CalPERS) retirement plans during the prior fiscal year. However, the CalPERS actuarial valuation did not reflect the additional contribution and reduction of the City's net pension liability until the current fiscal year. The overstatement of the liability as of the close of the prior fiscal year was corrected this fiscal year.
- The City implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription Based Information Technology Arrangements (SBITAs)*, during the current fiscal year. As a result, the City reported \$6.1 million of subscription assets and \$6.1 million of subscription liability.
- The City's total deferred outflows of resources on pension plans decreased \$310.8 million from the prior year, primarily due to the POB proceeds recognized as a reduction to pension liability. The total deferred inflows of resources on pension plans decreased by \$156.6 million as a result of net differences between projected and actual earnings on pension plan investments.

- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$338.4 million, an increase of \$16.2 million (5%) as compared to the prior fiscal year. Of this amount, \$170.1 million or approximately 50.3% of total fund balances is available for spending at the City's discretion (assigned and unassigned fund balance). The fund balances available for spending are primarily comprised of General Fund operating reserves and amounts available for carryover appropriations. The City's restricted net position of \$168.0 million (49.6%) represents amounts available for ongoing programs with external restrictions.
- At the end of the current fiscal year, the combined nonspendable, restricted, and assigned fund balance for the General Fund was \$92.3 million or 46.5% of the total fund balance. The remaining fund balance designated as unassigned was \$106.3 million or 53.5% of the total fund balance, which consisted of \$73.5 million of operating reserves and \$32.8 million of unallocated balance. The reserves were 18% of General Fund operating recurring revenues as required by City Council policy.

### Overview of the Financial Statements

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

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private sector business. The *statement of net position* presents information on all of the City's assets, liabilities, and deferred inflows/outflows of resources. The difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include the following Departments: general government, human resources, finance and management services, museum, library, recreation and community services, police department, fire & ambulance services, information technology, planning and building, public works, and community development. The business-type activities of the City include the following Enterprise Activities: Water, Sewer, Refuse Collections, Sanitation, Parking, Transportation Center, and Federal Clean Water Protection.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also blended component units. Certain blended component units, although legally separate entities are, in substance, part of the primary government's operations for which there is a benefit/burden relationship and are included as part of the primary government. Accordingly, the Housing Authority and the Santa Ana Financing Authority (SAFA) are reported as part of the primary government. After the date of dissolution, the Successor Agency activities are reported in the Santa Ana Redevelopment Agency Private-Purpose Trust Fund, a fiduciary fund. Fiduciary funds are not presented in the government-wide financial statements, as the resources are not available to support the City programs. The government-wide financial statements can be found on pages 41-43 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the City funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The City maintains eighteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Special Revenue Grants, Special Revenue Housing Authority, Special Revenue American Rescue Plan Act, and Capital Projects Street Construction, all of which are considered to be major funds. Data from the other 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 *combining statements* in the Supplementary Information.

The City adopts an annual appropriated budget for its General Fund, Special Revenue Housing Authority, Special Revenue American Rescue Plan Act, and other nonmajor Special Revenue Funds, including Sewer Connection Fee, Civic Center Maintenance, Inmate Welfare and Air Quality Improvement, and Gas Tax. A budgetary comparison statement has been provided for such funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 48-54 of this report.

**Proprietary funds.** The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City's enterprise funds account for Water, Sewer, Refuse Collections, Sanitation, Parking, Transportation Center, and Federal Clean Water Protection. *Internal service funds* are utilized to accumulate and allocate costs internally among the City's various functions. The City's internal service funds account for, amongst others, its self-insurance, equipment maintenance & replacement, and information & communications services. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *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 fund financial statements provide separate information for the Water and Sewer, which are considered major funds of the City. Remaining nonmajor enterprise funds and all internal service funds are aggregated in a single column in the proprietary fund financial statements, respectively. Individual fund data for the nonmajor enterprise and all internal service funds are provided in the form of *combining statements* in the Supplementary Schedules.

The basic proprietary fund financial statements can be found on pages 56-63 of this report.

***Fiduciary funds.*** Fiduciary funds are used to account for resources held for the benefit of parties outside of government. Fiduciary funds are *not* reflected in the government-wide financial statement 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 for the Successor Agency to the Santa Ana Redevelopment Agency; the Custodial Fund is used to account for those assets for which the City acts solely in a custodial capacity.

The basic fiduciary funds financial statements can be found on pages 64-65 and 198-199 of this report.

**Notes to the basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 69-134 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's budgetary information and compliance; Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of Plan Contributions, Schedule of Changes in the Total OPEB Liability and Related Ratios. Required supplementary information can be found on pages 137-150 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds, enterprise funds, internal service funds, and fiduciary funds are presented immediately following the required supplementary information captioned supplementary schedules. Combining and individual fund statements and schedules can be found on pages 153-196 of this report.

### **Government-wide Financial Analysis**

The government-wide financial statements provide long-term and short-term information about the City's overall financial condition. This analysis addresses the financial statements of the City as a whole.

**City of Santa Ana  
Statement of Net Position**

	Governmental		Business-type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
<b>Assets:</b>						
Cash and investments	\$ 479.0	\$ 457.4	\$ 66.3	\$ 86.8	\$ 545.3	\$ 544.2
Current and other assets	209.7	194.3	19.7	17.4	229.4	211.7
Capital assets	1,082.6	1,031.4	186.8	157.5	1,269.4	1,188.9
Total assets	<u>1,771.3</u>	<u>1,683.1</u>	<u>272.8</u>	<u>261.7</u>	<u>2,044.1</u>	<u>1,944.8</u>
<b>Deferred outflows of resources:</b>						
Unamortized loss on bond defeasance	1.3	2.1	0.1	0.1	1.4	2.2
Deferred amounts on pension plans	198.7	497.7	8.2	20.0	206.9	517.7
Deferred amounts on OPEB plan	5.3	4.3	1.5	0.7	6.8	5.0
Total deferred outflows of resources	<u>205.3</u>	<u>504.1</u>	<u>9.8</u>	<u>20.8</u>	<u>215.1</u>	<u>524.9</u>
<b>Liabilities:</b>						
Long-term liabilities	581.2	576.9	30.7	30.5	611.9	607.4
Net pension liability	368.2	480.1	15.5	18.7	383.7	498.8
Total OPEB liability	36.6	46.9	6.1	7.6	42.7	54.5
Other liabilities	238.5	225.9	19.0	16.8	257.5	242.7
Total liabilities	<u>1,224.5</u>	<u>1,329.8</u>	<u>71.3</u>	<u>73.6</u>	<u>1,295.8</u>	<u>1,403.4</u>
<b>Deferred inflows of resources:</b>						
Deferred amounts on pension plans	13.1	160.2	1.3	10.8	14.4	171.0
Deferred amounts on OPEB plan	15.6	5.9	3.1	1.0	18.7	6.9
Deferred amounts on leases	6.6	6.2	0.8	0.4	7.4	6.6
Total deferred inflows of resources	<u>35.3</u>	<u>172.3</u>	<u>5.2</u>	<u>12.2</u>	<u>40.5</u>	<u>184.5</u>
<b>Net position:</b>						
Net investment in capital assets	992.7	941.9	169.7	141.3	1,162.4	1,083.2
Restricted	222.4	211.6	7.1	2.5	229.5	214.1
Unrestricted	(498.3)	(468.4)	29.3	52.9	(469.0)	(415.5)
Total net position	<u>\$ 716.8</u>	<u>\$ 685.1</u>	<u>\$ 206.1</u>	<u>\$ 196.7</u>	<u>\$ 922.9</u>	<u>\$ 881.8</u>

**City of Santa Ana  
Changes in Net Position**

	Governmental		Business-type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
<b>Program revenues:</b>						
Charges for services	\$ 74.8	\$ 78.5	\$ 109.7	\$ 99.2	\$ 184.4	\$ 177.7
Operating grants and contributions	138.2	128.3	-	0.1	138.2	128.4
Capital grants and contributions	42.2	32.2	2.9	0.1	45.1	32.3
<b>General revenues:</b>						
Property taxes	98.4	92.7	-	-	98.4	92.7
Hotels visitors taxes	10.5	7.5	-	-	10.5	7.5
Utility users taxes	28.5	24.8	-	-	28.5	24.8
Business taxes	33.8	39.5	-	-	33.8	39.5
Franchise taxes	12.6	12.3	-	-	12.6	12.3
Other taxes	1.2	1.7	-	-	1.2	1.7
<b>Intergovernmental, unrestricted:</b>						
Motor vehicle licenses	1.0	0.7	-	-	1.0	0.7
State mandated costs & reimbursements	0.4	0.4	-	-	0.4	0.4
Sales tax shared revenue	63.6	65.3	-	-	63.6	65.3
Sales tax Measure X	86.8	86.0	-	-	86.8	86.0
Investment income (loss)	0.4	(8.1)	3.3	(3.8)	3.7	(11.9)
<b>Total revenues</b>	<b>592.4</b>	<b>561.8</b>	<b>115.9</b>	<b>95.6</b>	<b>708.2</b>	<b>657.4</b>
<b>Expenses:</b>						
General government	56.1	40.9	-	-	56.1	40.9
Human resources	3.9	3.0	-	-	3.9	3.0
Finance and management services	11.3	10.3	-	-	11.3	10.3
Museum	1.7	1.8	-	-	1.7	1.8
Library	7.5	6.5	-	-	7.5	6.5
Recreation and community services	20.3	31.5	-	-	20.3	31.5
Police department	185.9	134.9	-	-	185.9	134.9
Fire & Ambulance services	54.7	51.3	-	-	54.7	51.3
Information Technology	0.1	0.2	-	-	0.1	0.2
Planning and building	21.0	17.2	-	-	21.0	17.2
Public works	80.0	46.1	-	-	80.0	46.1
Community development	99.0	98.5	-	-	99.0	98.5
Interest on long-term debt	17.6	15.3	-	-	17.6	15.3
Water	-	-	65.2	58.0	65.2	58.0
Sewer	-	-	8.9	6.7	8.8	6.7
Refuse collections	-	-	16.1	13.5	16.1	13.5
Sanitation	-	-	5.0	3.5	5.0	3.5
Parking	-	-	6.5	3.7	6.5	3.7
Transportation center	-	-	2.1	1.9	2.1	1.9
Federal clean water protection	-	-	4.3	3.1	4.3	3.1
<b>Total expenses</b>	<b>559.1</b>	<b>457.5</b>	<b>108.1</b>	<b>90.4</b>	<b>667.1</b>	<b>547.9</b>
Increase in net position before transfers and capital contribution	33.3	104.3	7.8	5.2	41.1	109.5
Transfers	(1.6)	(3.7)	1.6	3.7	-	-
<b>Change in net position</b>	<b>31.7</b>	<b>100.6</b>	<b>9.4</b>	<b>8.9</b>	<b>41.1</b>	<b>109.5</b>
Net position beginning, as restated	685.1	584.5	196.7	187.8	881.8	772.3
<b>Net position ending</b>	<b>\$ 716.8</b>	<b>\$ 685.1</b>	<b>\$ 206.1</b>	<b>\$ 196.7</b>	<b>\$ 922.9</b>	<b>\$ 881.8</b>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources of the City's government-wide activities exceeded liabilities and deferred inflows of resources by \$922.9 million at the close of fiscal year 2022-23 reflecting a positive net position.

The largest portion of the City's net position totaling \$1,162.4 million represents its investment in capital assets (e.g. land, right of way, street trees, construction in progress, buildings, improvements, equipment, infrastructure, library materials, computer software, lease, and subscription assets), less any related debt used to acquire those assets that are still outstanding. The City utilizes these capital 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, due to the fact capital assets themselves cannot be used to liquidate these liabilities.

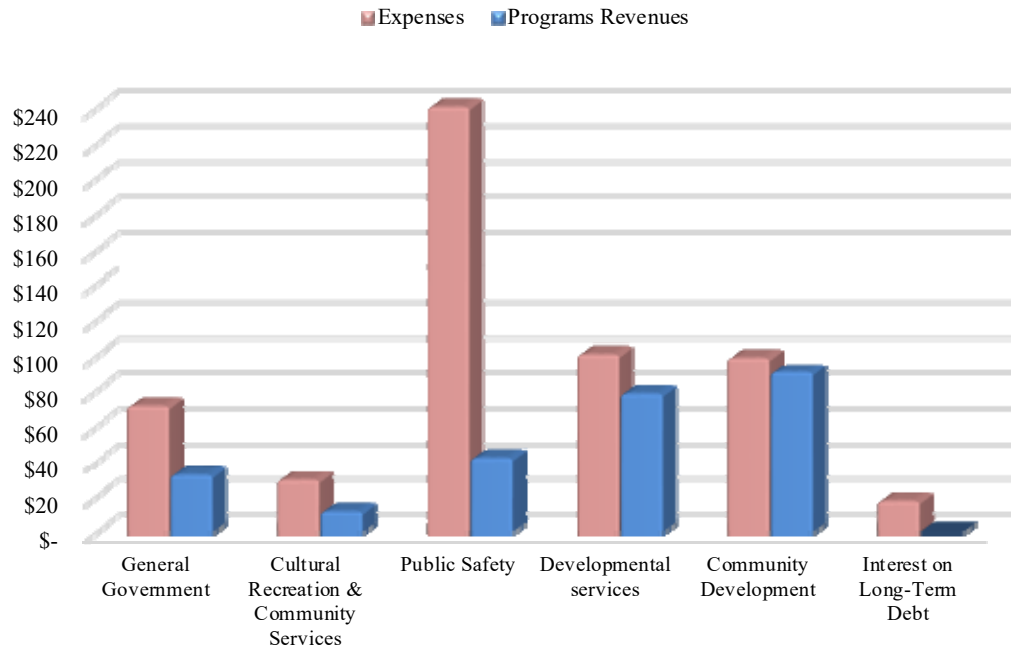
The second largest portion of the City's net position totaling \$229.5 million represents resources that are subject to external restrictions on how they may be used. The remaining portion of the City's net position is unrestricted. Significant liabilities recorded for both the pensions and OPEB, as well as the pension bond debt contributed to a negative unrestricted net position of \$ (469.0) million.

**Governmental activities.** Governmental activities overall increased the City's net position by \$31.7 million compared to the prior fiscal year.

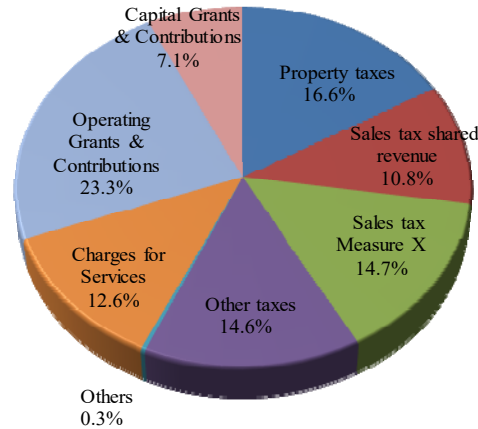
Governmental revenues increased \$30.6 million (5.4%) during the current fiscal year. Key elements related to the increase were increases of \$9.9 million for Operating grants and contributions, \$10.0 million for Capital grants and contributions, and \$8.5 million from Investment income. Operating grants and contributions is primarily linked to the recognition of grant revenue related to the American Rescue Plan Act (ARPA) funded community business and housing assistance programs and infrastructure improvements. Capital grants and contributions increased mostly due to sale of land held for resale and capital contributions received by the Public Works Agency. The increase in the investment income is a result of higher interest rates and the City temporarily holding cash advanced by the ARPA grant.

Governmental activities expenses increased \$101.6 million from the prior fiscal year. The General Government and Police Department expenses increased \$15.2 million and \$51.0 million respectively, which reflected net pension liability adjustments associated with CalPERS retirement plans as a result of increase in interest expense and employee compensation increases. The Police Department expenditures also include \$3.5 million of capital outlay relating to the implementation of GASB 96. The Public Works Agency reported \$33.9 million more expenses than prior fiscal year mainly as a result of reassignment of park maintenance functions from the Recreation and Community Services to the Public Works Agency and an increase in expenses related to capital improvement projects.

## Expenses and Program Revenues – Governmental Activities



## Revenue by Source – Governmental Activities



**Business-type activities.** Business-type activities increased the City’s net position by \$9.4 million in comparison to the prior fiscal year. The increase is mainly due to the following the following:

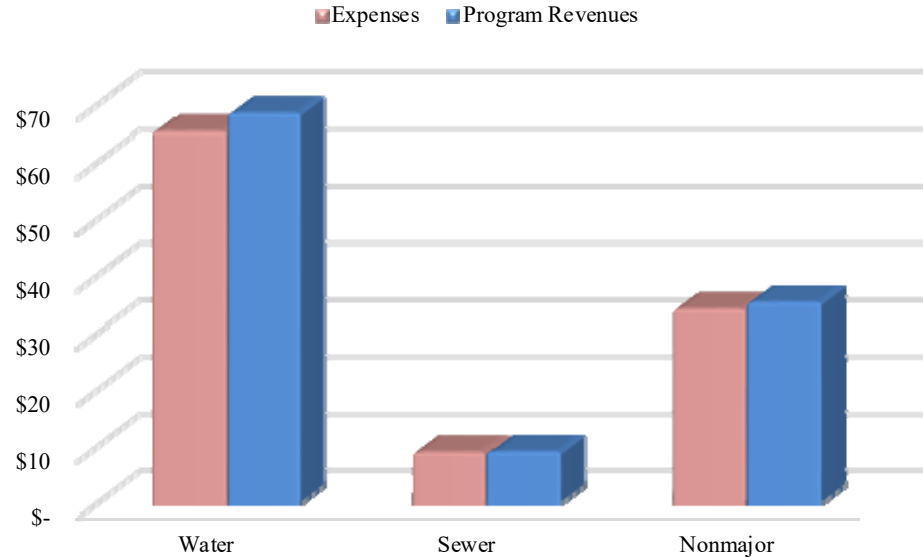
- The Water Fund net position increased by \$3.7 million primarily due to increases in non-operating revenues including \$2.0 million in intergovernmental reimbursement payments from Orange County Transportation Authority and \$1.3 million less in unrealized losses in the fair value of investments.
- The Sewer Fund net position increased by \$1.2 million in the fiscal year due to a decrease in allocated unrealized losses in the fair value of investments.
- The Non-major Sanitation Fund net position increased by \$1.5 million due to consistent revenue coupled with decreases in spending for vehicles and contractual services as a result of delays in vendor procurement, office remodeling, and weather-related cancellation of contracted street sweeping services.



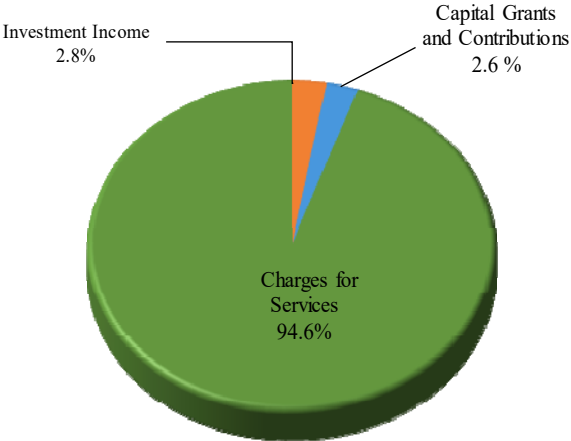
- The Non-major Federal Clean Water Protection Fund net position increased by \$3.8 million primarily due to a \$3.6 million settlement payment from Monsanto for Polychlorinated biphenyls (PCB) contamination remediation related to the class action lawsuit *City of Long Beach, et al. v. Monsanto Company, et al.*
- The net positions for the Non-major Refuse Collections Fund, Parking Fund, and Transportation Center Fund did not have significant change during the current fiscal year.
- The \$17.7 million increase of business-type expenses was due to increased operating costs across all enterprise funds, primarily for contractual services and labor costs. The largest increase (\$7.2 million) was seen in the Water fund where increased spending on supplies and non-operating losses on asset disposals were also factors.

Unrestricted net position related to business-type activities decreased \$23.6 million for a total amount of \$29.3 million. The decrease was mainly attributable to the increases in capital asset investments primarily in the Water Fund and Sewer Fund.

**Expenses and Program Revenues – Business-Type Activities**



**Revenue by Source – Business-Type Activities**



## Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure a demonstrated compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or the City Manager who has been authorized to assign resources for use for particular purposes by the Council.

As of the end of the current fiscal year, the City's governmental funds reported combined ending total fund balances of \$338.4 million of which \$88.1 million constitutes the *unassigned fund balance*. The Special Revenue Grants Fund, Special Revenue American Rescue Plan Act Fund and the Non-Major Governmental Funds, specifically Special Revenue Funds and Capital Grants Fund reported negative unassigned fund balances due to timing of receipts, which did not meet the revenue recognition criteria for governmental funds and an adjustment to reflect a decrease in fair value of investments at year-end. The remainder of the total governmental fund balance is allocated as follows: 1) \$82.0 million assigned to both contractual obligations and continuing projects; 2) \$168.0 million is restricted by law or contractual agreements with other agencies for specific spending; and 3) \$0.3 million is for non-spendable items, such as inventory of supplies and prepaid expenses.

- The Special Revenue Grants' ending fund balance increased \$0.1 million during the current fiscal year. The increase was primarily due to opioid remediation settlement payments, and recognition of revenues related to Community Development housing assistance programs funded by federal and state grants.
- The Special Revenue Housing Authority ending fund balance increased \$1 million during the current fiscal year resulting from an increase in revenue associated with growth of the Housing Choice Vouchers Program.
- The Special Revenue American Rescue Plan Act fund balance decreased \$0.5 million due to a temporary adjustment of investments to fair market value as of the close of the fiscal year. The City holds investments to maturity without loss.
- The Capital Projects Street Construction fund balance decreased \$8.2 million during the current fiscal year, mainly due to the delay in receiving grant reimbursements. The most notable capital improvement projects are discussed in the government-wide financial analysis of governmental activities.

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

## General Fund Financial Highlights

The General Fund is the chief operating fund for the City, which is presented as a group of funds. At the end of the current fiscal year, the fund balance of the General Fund was \$198.6 million (\$0.1 million is nonspendable; \$10.3 million is restricted; \$82.0 million is assigned for various programs and services; and the unassigned amount of \$106.3 million which includes the City's Operating Reserve and the balance available for one-time spending).

As a measure of General Fund liquidity, it may be useful to compare unassigned fund balance to total General Fund expenditures. The Government Finance Officers Association (GFOA) recommends, at a minimum, that general-purpose governments, regardless of size, maintain unrestricted fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures, roughly a 16% to 17% reserve level. The City's unassigned fund balance in the General Fund is approximately \$106.3 million, or 30.4% of total fiscal year 2022-23 General Fund expenditures and transfers out.

The General Fund's total revenues increased \$18.5 million as compared to the prior fiscal year primarily due to increases of \$6.5 million and \$8.5 million in taxes and investment income respectively. Property Taxes increased by \$5.7 million as compared to the prior fiscal year mainly due to additional residual tax allocated from the Redevelopment Property Tax Trust Fund and increases to parcel assessed values. Hotel Visitors Taxes increased by \$3.0 million primarily due to revenues returning to pre-pandemic levels following the end of travel restrictions and re-opening of businesses and entertainment venues. Utility Users Taxes increase of \$3.7 million was primarily related to a substantially higher price of natural gas and higher electricity usage. The interest rate increases by the Federal Reserve contributed to \$8.5 million increase in investment income.

The General Fund's total expenditures increased \$22.0 million as compared to the prior fiscal year due to base salary increases for full-time represented employees, the transfer of the Public Works Agency's construction inspection costs from the Internal Service Fund to the General Fund, and capital expenditures related to street and road improvements throughout the City.

### **General Fund Budgetary Highlights**

During the year, there was an increase totaling \$12.3 million between the original and final amended budgeted revenues. The amendment was largely a result of increases in Investment Income (\$3.3 million), Utility Users Taxes (\$3.0 million), Building Plan Check Fees (\$2.5 million), and Hotel Visitor's Taxes (\$1.0 million). In response to requests from the Cannabis industry, the City took action to decrease Cannabis tax rates during the year, which resulted in \$2.1 million budget reduction.

Actual General Fund Revenues were lower than the final budget by \$0.8 million due to a \$5.2 million adjustment of investments to fair market value as of the close of the fiscal year. The total operating revenue was higher than the final budget.

There was an increase of \$62.7 million between the original and final amended budgeted expenditures. The increase was largely due to \$33.7 million of unspent budget carried over from the prior fiscal year to provide for incomplete and multi-year projects, including \$16.3 million for the youth services program, \$5.6 million for the Transportation Center improvements, and \$2.1 million for park improvements projects. Other increases included \$3.9 million for the Main Library transformation and Newhope Library tenant improvement project, \$2.5 million for Right of Way maintenance to cover a Gas Tax revenue reduction, \$1.3 million for Santa Ana Zoo improvements (Giant River Otter/Primate Trails), and \$1.2 million for the Newhope Library renovation.

### **Capital Asset and Debt Administration**

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities was \$1,269.4 million (net of accumulated depreciation & amortization) as of June 30, 2023. The investment in capital assets includes land, right of way, street trees, construction in progress, buildings, improvements, equipment, infrastructure, library materials, computer software, lease, and subscription assets.

**City of Santa Ana**  
**Summary of Changes in Capital Assets**  
(net of accumulated depreciation & amortization)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 20.3	\$ 20.3	\$ 9.6	\$ 9.3	\$ 29.9	\$ 29.6
Right of way	498.2	503.1	-	-	498.2	503.1
Street trees	8.0	8.0	-	-	8.0	8.0
Construction in progress	178.0	129.0	45.7	20.7	223.7	149.7
Buildings	44.7	46.8	0.4	0.6	45.1	47.4
Improvements	67.5	64.8	108.5	104.5	176.0	169.3
Equipment	10.5	10.1	13.3	12.3	23.8	22.4
Infrastructure	234.0	237.3	8.1	9.9	242.1	247.2
Library materials	0.3	0.3	-	-	0.3	0.3
Computer software	1.8	2.1	0.3	0.3	2.1	2.4
Lease asset	14.1	9.6	-	-	14.1	9.6
Subscription asset	5.2	-	0.9	-	6.1	-
<b>Total</b>	<b>\$ 1,082.6</b>	<b>\$ 1,031.4</b>	<b>\$ 186.8</b>	<b>\$ 157.6</b>	<b>\$ 1,269.4</b>	<b>\$ 1,189.0</b>

At the end of the current fiscal year, the City's total capital assets increased by \$80.4 million (6.8%). The increase was primarily due to ongoing improvement and infrastructure projects. Major projects included West Well Station construction, Warner Avenue Improvement, Streetlight Upgrades, and Advanced Meter Infrastructure. Additional information on the City's capital assets can be found in Note 3C on pages 88-91 of this report.

**Long-term debt.** At the end of the current fiscal year, the City's total outstanding long-term liability was \$611.9 million. Of this amount, \$479.2 million comprised of debt backed by the full faith and credit of the City, \$95.7 million represented compensated absences and claims payable, \$15.3 million in bonds secured solely by specified revenue sources, and \$21.7 million in lease obligations, subscription liability, and long-term loans.

**City of Santa Ana**  
**Summary of Changes in Long-term Liabilities**

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Lease obligations	\$ 14.5	\$ 9.8	\$ -	\$ -	\$ 14.5	\$ 9.8
Subscription liability	5.1	-	1.0	-	6.1	-
Gas tax refunding bonds	37.8	39.2	-	-	37.8	39.2
Lease revenue bonds	4.3	8.4	9.8	10.7	14.1	19.1
Pension obligation bonds	403.7	409.5	16.0	16.3	419.7	425.8
Long-term loans and other payables	1.1	1.5	-	-	1.1	1.5
Net Bond discount/premium	7.2	7.7	1.2	1.3	8.4	9.0
Notes from direct borrowings	14.5	20.5	-	-	14.5	20.5
Compensated absences payable	34.7	28.3	2.7	2.2	37.4	30.5
Claims payable	58.3	52.0	-	-	58.3	52.0
<b>Total</b>	<b>\$ 581.2</b>	<b>\$ 576.9</b>	<b>\$ 30.7</b>	<b>\$ 30.5</b>	<b>\$ 611.9</b>	<b>\$ 607.4</b>

At the end of the current fiscal year, Governmental Activities and Business-type Activities long-term debt increased by \$4.3 million and \$0.2 million, respectively, primarily due to changes in lease and subscription liabilities. Claims payable was adjusted based on the results of updated actuarial studies. Additional information on the City's long-term debt may also be found in Note 3E and 4A on pages 94-106 and 111- 112 of this report.

**Economic Factors and Next Year's Budget and Rates**

The City of Santa Ana is heading into fiscal year 2023-24 with a balanced budget due to sound fiscal policies and a diverse economic base. The General Fund budget of \$414.0 million will pay for essential City services, including police and fire protection, libraries, park programs, planning and building code enforcement, public works, economic development, and more. It also includes a \$36.9 million capital improvement program to pay for road and traffic safety projects, bike lanes, park and library expansions, and other infrastructure and facility improvements.

The City received numerous COVID-19 federal, state, and local funding allocations during the past fiscal years. The most notable allocations were over \$30 million of the Coronavirus Aid, Relief, and Economic Security Act (CARES) funds and \$128 million of the American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Funds (SLFRF). These funds will protect and revive the Santa Ana community as it emerges from the impacts of the COVID-19 pandemic. Some of the plan's major priorities include: a) Recovery from the Pandemic, b) Direct Assistance Programs, c) Public Health & Safety, d) Critical Infrastructure, and e) City Fiscal Health. The City anticipates expending these funds through fiscal year 2025-26 as federal guidelines allow.

One of the main factors affecting the City's economic condition is the public employee pension and its sustainability. CalPERS utilizes various assumptions to estimate the net pension liability and the required contributions in order to meet future pension obligations. One of those assumptions is the discount rate, which may significantly impact the City's total net pension liability. The CalPERS investment portfolio suffered a 6.1% loss in fiscal year 2021-22 (the target was 6.8% earnings), which drastically increased unfunded liability. In fiscal year 2022-23, the rate of return was 5.8%, which was 1% short of the expected 6.8% return. The recent investment shortfalls will impact current and future fiscal years due to increasing contribution rates for the unfunded liability. The City has consistently taken steps to mitigate the impacts of increases in pension costs, including pre-paying the annual Unfunded Accrued Liability (UAL) and establishing a trust account to pre-fund the liability. In addition, the City issued pension bonds during fiscal year 2021-22 to help reduce future pension contributions for accrued interest. Additional information about the City's pension plans can be found in Note 4 E and F on pages 114 through 127.

The City faces several challenges with the upcoming budget related to increasing service costs and expected low revenue growth. Some of the notable increases include costs related to bargaining unit negotiations, increase in pension contribution rates due to CalPERS investments not meeting expectations, increases in construction costs for Capital Improvement Program due to Community Workforce Agreement (CWA), addressing deferred maintenance needs, and maintaining the health of internal service operations. Other economic reservations include high inflation, the Federal Reserve's monetary policy, and war's potential impact. The City maintains an 18% operating reserve of recurring General Fund revenues and a diverse economic base to maintain future fiscal sustainability.

The City will continue to build upon its budget and financial policies to ensure future fiscal sustainability. The City's unassigned account balances as of June 30, 2023 are as follows:

<u>Account Name</u>	<u>Amount</u>
• Operating Reserve	\$ 73.5 million
• Unallocated (available for one-time spending)	\$ 32.8 million

**Requests for Information**

This financial report is designed to provide a general overview of the City's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance & Management Services Agency at City of Santa Ana, 20 Civic Center Plaza, Santa Ana, CA 92701.



CITY OF SANTA ANA, CALIFORNIA  
Annual  
Comprehensive Financial  
Report

CITY OF SANTA ANA, CALIFORNIA

# **Basic Financial Statements**





CITY OF SANTA ANA, CALIFORNIA

# **Government - wide Financial Statements**



**Statement of Net Position**  
**June 30, 2023**

	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Cash and investments	\$ 460,857,707	\$ 64,950,071	\$ 525,807,778
Receivables:			
Taxes	5,746,733	-	5,746,733
Interest	1,919,509	225,792	2,145,301
Accounts, net of allowances	6,834,909	17,670,302	24,505,211
Intergovernmental	87,602,512	1,010,500	88,613,012
Leases	6,972,225	847,134	7,819,359
Loans and notes	97,331,723	-	97,331,723
Deposits	10,300	-	10,300
Inventory of supplies	466,793	-	466,793
Prepaid items	459,850	-	459,850
Restricted assets:			
Cash and investments	5,041,140	873,934	5,915,074
Cash and investments with fiscal agents	3,210,992	173	3,211,165
Pension stability fund	9,903,384	533,823	10,437,207
Land held for resale	2,370,039	-	2,370,039
Capital assets, not being depreciated	704,303,139	55,291,796	759,594,935
Capital assets, being depreciated, net of accumulated depreciation/amortization	378,292,937	131,496,387	509,789,324
Total assets	<u>1,771,323,892</u>	<u>272,899,912</u>	<u>2,044,223,804</u>
<b>Deferred outflows of resources:</b>			
Unamortized loss on bond defeasance	1,273,474	65,728	1,339,202
Deferred amounts on pension plans	198,684,049	8,256,553	206,940,602
Deferred amounts on OPEB plan	5,321,471	1,551,671	6,873,142
Total deferred outflows of resources	<u>205,278,994</u>	<u>9,873,952</u>	<u>215,152,946</u>
<b>Liabilities:</b>			
Accounts payable	23,173,077	15,594,178	38,767,255
Interest payable	4,616,649	337,981	4,954,630
Retention payable	2,896,571	1,462,399	4,358,970
Due to city employees	8,248,589	-	8,248,589
Due to other governmental agencies	68,823,306	-	68,823,306
Deposits	7,486,439	1,210,604	8,697,043
Unearned revenue	123,218,846	435,450	123,654,296
Long-term liabilities- due within one year	25,580,493	1,933,511	27,514,004
Total OPEB liability- due within one year	1,554,008	259,108	1,813,116
Claims payable- due within one year	9,600,000	-	9,600,000
Due in more than one year:			
Long-term liabilities	497,309,609	28,759,105	526,068,714
Net pension liability	368,234,757	15,544,567	383,779,324
Total OPEB liability	35,046,750	5,843,528	40,890,278
Claims payable	48,710,333	-	48,710,333
Total liabilities	<u>1,224,499,427</u>	<u>71,380,431</u>	<u>1,295,879,858</u>
<b>Deferred inflows of resources:</b>			
Deferred amounts on pension plans	13,070,298	1,302,677	14,372,975
Deferred amounts on OPEB plan	15,585,888	3,095,691	18,681,579
Deferred amounts on leases	6,646,338	847,054	7,493,392
Total deferred inflows of resources	<u>35,302,524</u>	<u>5,245,422</u>	<u>40,547,946</u>
<b>Net Position:</b>			
Net investment in capital assets	992,745,470	169,718,633	1,162,464,103
Restricted for:			
Debt service	110,428	-	110,428
Capital projects	52,925,784	-	52,925,784
National pollution discharge elimination system	-	6,519,113	6,519,113
Community Development	7,769,086	-	7,769,086
Community Services & Planning	720,632	-	720,632
Recreation & Community Services	2,204,348	-	2,204,348
Public Safety	9,342,663	-	9,342,663
Public Works	105,289,224	-	105,289,224
Special revenue housing authority projects	34,100,718	-	34,100,718
Pension stability	9,903,384	533,823	10,437,207
Unrestricted	(498,310,802)	29,376,442	(468,934,360)
Total net position	<u>\$ 716,800,935</u>	<u>\$ 206,148,011</u>	<u>\$ 922,948,946</u>

See accompanying Notes to the Basic Financial Statements.

**Statement of Activities**  
**Year ended June 30, 2023**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 56,220,791	10,193,029	21,935,453	-
Human resources	3,911,763	-	-	-
Finance and management services	11,269,025	203,951	15,513	-
Museum	1,705,509	-	-	-
Library	7,531,412	3,329	53,871	-
Recreation and community services	20,321,921	3,575,035	286,190	7,877,722
Police department	185,879,274	23,467,995	9,415,212	-
Fire & ambulance services	54,673,136	9,510,994	-	-
Information Technology	78,467	-	-	-
Planning and building	20,958,105	17,350,481	507,592	-
Public works	80,049,624	9,472,830	18,509,531	32,465,194
Community development	98,997,805	1,041,778	87,522,354	1,825,466
Interest on long-term debt	17,601,056	-	-	-
Total governmental activities	<u>559,197,888</u>	<u>74,819,422</u>	<u>138,245,716</u>	<u>42,168,382</u>
Business-type activities:				
Water	65,206,617	66,478,509	-	1,971,763
Sewer	8,866,024	9,041,274	-	-
Refuse collections	16,108,329	19,139,292	-	-
Sanitation	4,990,516	6,197,177	-	-
Parking	6,503,308	3,731,722	-	-
Transportation center	2,165,640	576,705	-	-
Federal clean water protection	4,267,039	4,505,815	-	1,000,000
Total business-type activities	<u>108,107,473</u>	<u>109,670,494</u>	<u>-</u>	<u>2,971,763</u>
Total	<u>\$ 667,305,361</u>	<u>184,489,916</u>	<u>138,245,716</u>	<u>45,140,145</u>

General revenues:  
 Property taxes  
 Hotels visitors taxes  
 Utility users taxes  
 Business taxes  
 Franchise taxes  
 Other taxes  
 Intergovernmental, unrestricted:  
 Motor vehicle licenses  
 State mandated costs & reimbursements  
 Sales tax shared revenue  
 Sales tax Measure X  
 Investment income (loss)  
 Transfers  
 Total general revenues and transfers

Change in net position  
 Net position - beginning  
 Net position - ending

See accompanying Notes to the Basic Financial Statements.

**STATEMENT OF ACTIVITIES**

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ (24,092,309)	\$ -	\$ (24,092,309)
(3,911,763)	-	(3,911,763)
(11,049,561)	-	(11,049,561)
(1,705,509)	-	(1,705,509)
(7,474,212)	-	(7,474,212)
(8,582,974)	-	(8,582,974)
(152,996,067)	-	(152,996,067)
(45,162,142)	-	(45,162,142)
(78,467)	-	(78,467)
(3,100,032)	-	(3,100,032)
(19,602,069)	-	(19,602,069)
(8,608,207)	-	(8,608,207)
(17,601,056)	-	(17,601,056)
(303,964,368)	-	(303,964,368)
-	3,243,655	3,243,655
-	175,250	175,250
-	3,030,963	3,030,963
-	1,206,661	1,206,661
-	(2,771,586)	(2,771,586)
-	(1,588,935)	(1,588,935)
-	1,238,776	1,238,776
-	4,534,784	4,534,784
\$ (303,964,368)	\$ 4,534,784	\$ (299,429,584)
98,404,656	-	98,404,656
10,477,648	-	10,477,648
28,543,740	-	28,543,740
33,832,442	-	33,832,442
12,617,903	-	12,617,903
1,186,302	-	1,186,302
992,715	-	992,715
359,767	-	359,767
63,569,634	-	63,569,634
86,849,804	-	86,849,804
450,254	3,263,689	3,713,943
(1,663,123)	1,663,123	-
335,621,742	4,926,812	340,548,554
31,657,374	9,461,596	41,118,970
685,143,561	196,686,415	881,829,976
\$ 716,800,935	\$ 206,148,011	\$ 922,948,946



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Comprehensive Financial  
Report

CITY OF SANTA ANA, CALIFORNIA

# **Fund Financial Statements**





## Governmental Funds

### Major Governmental Funds

#### GENERAL FUND

The General Fund must be classified as a major fund and is used to account for revenues and expenditures that are not required to be accounted for in another fund.

#### SPECIAL REVENUE FUNDS

The Special Revenue Funds account for the proceeds of special revenue sources that are restricted by law or administrative action to expenditures for specific purposes. The following funds have been classified as major funds in the accompanying financial statements:

Grants Fund is a combined report of various grants awarded to the City by the Federal, State, and local governments not otherwise accounted for in the General Fund or Capital Projects Funds. A detailed report by program is available under a separate report meeting the criteria of the Uniform Guidance, for all grants operated by the City.

Housing Authority Fund accounts for the receipts and disbursements of funds received from the U.S. Department of Housing and Urban Development to provide rental assistance programs for low income residents and senior citizens under Section 8 of the Federal Housing Act of 1937 as amended, and for the receipt of revenues from the issuance of Residential Mortgage Revenue Bonds.

American Rescue Plan Act Fund accounts for the receipts and disbursements of funds received from the U.S. Department of the Treasury to respond to the economic and public health impacts of COVID-19 and contain impacts on communities, residents, and businesses.

#### CAPITAL PROJECTS FUNDS

The Capital Projects Funds account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary funds. The following Capital Projects Fund has been classified as a major fund in the accompanying financial statements:

Street Construction Fund accounts for the receipts and disbursements of funds for right-of-way acquisition, construction and improvements related to the City's street system. These projects are funded by gas tax, Measure M, Intermodal Surface Transportation Efficiency Act and improvement fees.

### Nonmajor Governmental Funds

Other Governmental Funds - These funds constitute all other governmental funds that do not meet the major 10% tests of assets, liabilities, deferred inflows of resources, revenues or expenditures for the governmental funds and the 5% test of total assets, liabilities, deferred inflows of resources, revenues or expenditures for the total governmental and enterprise funds combined. These funds include other Special Revenue Funds, Debt Service Funds, and several Capital Projects Funds.

**CITY OF SANTA ANA**

**Balance Sheet  
Governmental Funds  
June 30, 2023**

	General	Special Revenue Grants
<b>Assets</b>		
Cash and investments	\$ 179,124,887	\$ 29,870,446
Receivables, net of allowances:		
Taxes	5,746,733	-
Interest	1,214,969	111,298
Accounts	4,959,711	1,659,153
Intergovernmental	26,279,126	7,970,285
Leases	5,029,256	1,816,095
Loans and notes	-	66,805,211
Inventory of supplies	12,125	-
Deposits	10,300	-
Prepaid items	39,514	267,384
Restricted assets:		
Cash and investments	-	96,892
Cash and investments with fiscal agents	1,306,829	100,030
Pension stability fund	8,996,765	-
Land held for resale	-	-
Total assets	<u>232,720,215</u>	<u>108,696,794</u>
<b>Liabilities, deferred inflows of resources, and fund balances</b>		
<b>Liabilities:</b>		
Accounts payable	10,402,725	3,138,760
Interest payable	10,777	-
Retention payable	333,678	79,933
Due to other funds	-	-
Due to City employees	8,248,589	-
Due to other governmental agencies	1,045,815	65,526,872
Unearned revenue	988,167	26,352,353
Deposits	6,725,807	-
Advances payable to other funds	584,000	-
Total liabilities	<u>28,339,558</u>	<u>95,097,918</u>
Deferred inflows of resources:		
Unavailable revenues	955,821	5,103,879
Deferred amounts on leases	4,779,888	1,740,105
Total deferred inflows of resources	<u>5,735,709</u>	<u>6,843,984</u>
Fund balances:		
Nonspendable	51,639	267,384
Restricted	10,265,635	10,410,954
Assigned	82,029,459	-
Unassigned	106,298,215	(3,923,446)
Total fund balances	<u>198,644,948</u>	<u>6,754,892</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 232,720,215</u>	<u>\$ 108,696,794</u>

See accompanying Notes to the Basic Financial Statements.

**GOVERNMENTAL FUNDS**

Special Revenue Housing Authority	Special Revenue American Rescue Plan Act	Capital Projects Street Construction	Nonmajor Governmental Funds	Total
\$ 6,277,271	\$ 93,890,731	\$ 29,085,566	\$ 77,116,172	\$ 415,365,073
-	-	-	-	5,746,733
8,288	-	144,365	254,118	1,733,038
6,188	-	-	81,735	6,706,787
360,187	-	38,992,938	13,628,885	87,231,421
-	-	126,874	-	6,972,225
-	-	-	30,526,512	97,331,723
-	-	-	-	12,125
-	-	-	-	10,300
-	-	-	-	306,898
756,357	-	3,742,900	144,938	4,741,087
-	-	1,571,525	232,608	3,210,992
-	-	-	-	8,996,765
-	-	2,295,039	75,000	2,370,039
<u>7,408,291</u>	<u>93,890,731</u>	<u>75,959,207</u>	<u>122,059,968</u>	<u>640,735,206</u>
163,670	2,659,912	911,014	4,090,213	21,366,294
-	-	-	-	10,777
-	79,294	608,715	1,754,985	2,856,605
-	-	-	9,362,452	9,362,452
-	-	-	-	8,248,589
-	-	2,250,619	-	68,823,306
-	95,501,295	366,161	10,870	123,218,846
756,357	4,275	-	-	7,486,439
-	-	-	-	584,000
<u>920,027</u>	<u>98,244,776</u>	<u>4,136,509</u>	<u>15,218,520</u>	<u>241,957,308</u>
9,477	-	37,949,319	9,691,744	53,710,240
-	-	126,345	-	6,646,338
<u>9,477</u>	<u>-</u>	<u>38,075,664</u>	<u>9,691,744</u>	<u>60,356,578</u>
-	-	-	-	319,023
6,478,787	-	33,747,034	107,071,792	167,974,202
-	-	-	-	82,029,459
-	(4,354,045)	-	(9,922,088)	88,098,636
<u>6,478,787</u>	<u>(4,354,045)</u>	<u>33,747,034</u>	<u>97,149,704</u>	<u>338,421,320</u>
\$ <u>7,408,291</u>	\$ <u>93,890,731</u>	\$ <u>75,959,207</u>	\$ <u>122,059,968</u>	\$ <u>640,735,206</u>



CITY OF SANTA ANA, CALIFORNIA  
Annual  
Comprehensive Financial  
Report

**Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Position  
June 30, 2023**

Fund balances of governmental funds	\$	338,421,320
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets, net of depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds. This amount does not include the net capital assets of the internal service funds of \$7,828,133 which are reported below.		
Capital assets	1,619,550,442	
Accumulated depreciation/amortization	(544,782,499)	
Total capital assets used in governmental activities	<u>1,074,767,943</u>	1,074,767,943
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds. This amount does not include the long-term liabilities of the internal service funds which are reported below.		
Lease obligations	(14,475,906)	
Subscription liability	(3,972,102)	
Revenue refunding bond	(37,845,000)	
Lease revenue bonds	(4,342,500)	
Pension obligation bonds	(378,295,790)	
Notes from direct borrowings	(14,451,443)	
Long-term loans & other payables	(1,144,908)	
Compensated absences payable	(32,002,743)	
Bond premium	(7,228,320)	
Unamortized loss on bond defeasance	1,273,474	
Total governmental activities long-term debt	<u>(492,485,238)</u>	(492,485,238)
Pension related debt applicable to the City governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to pensions are only reported in the Statement of Net Position as the changes in these amounts affects only the government-wide statement for governmental activities.		
Deferred outflows of resources from pension	185,597,427	
Deferred inflows of resources from pension	(11,406,351)	
Net pension liability	<u>(341,483,925)</u>	(167,292,849)
OPEB related debt applicable to the City governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to postemployment benefits are only reported in the Statement of Net Position as the changes in these amounts affects only the government-wide statement for governmental activities.		
Deferred outflows of resources from OPEB	4,613,496	
Deferred inflows of resources from OPEB	(11,749,421)	
Total OPEB liability	<u>(31,051,042)</u>	(38,186,967)
Accrued interest payable for the current portion of interest due on long-term liabilities has not been reported in the governmental funds.		(4,329,168)
Long-term receivables are not available to pay for current period expenditures and, therefore, are deferred on the modified accrual basis in governmental fund.		53,710,240
Internal Service Funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.		<u>(47,804,346)</u>
Net position of governmental activities	\$	<u><u>716,800,935</u></u>

See accompanying Notes to the Basic Financial Statements.

**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**Year ended June 30, 2023**

	General	Special Revenue Grants
<b>Revenues:</b>		
Taxes	\$ 185,062,691	\$ -
License and permits	8,989,083	-
Intergovernmental	151,875,339	41,477,943
Charges for services	23,153,942	14,392
Fines and forfeits	5,763,188	-
Investment income	(364,844)	534,996
Cost recoveries	16,090,049	6,771
Rental income	17,189,813	505,757
Miscellaneous	530,183	908,142
Total revenues	<u>408,289,444</u>	<u>43,448,001</u>
<b>Expenditures:</b>		
Current:		
General government	34,091,926	2,097,385
Human resources	3,546,594	-
Finance and management services	10,512,592	-
Museum	1,541,833	-
Library	7,039,420	51,006
Recreation and community services	15,171,299	193,516
Police department	141,714,665	3,077,003
Fire & ambulance services	53,066,710	-
Information technology	-	-
Planning and building	18,481,855	1,043,533
Public works	38,801,156	148,843
Community development	5,639,467	28,264,182
Pass-through payments to districts and other agencies	-	2,560,084
Capital Outlay	15,607,296	10,230,795
Debt Service:		
Principal	2,952,358	1,026,684
Interest and fiscal charges	342,134	332,466
Total expenditures	<u>348,509,305</u>	<u>49,025,497</u>
Excess (deficiency) of revenues over (under) expenditures	<u>59,780,139</u>	<u>(5,577,496)</u>
<b>Other financing sources (uses):</b>		
Transfers in	48,120	-
Transfers out	(36,314,683)	(173,289)
Sales of capital assets	-	-
Lease proceeds	-	5,850,607
Subscription proceeds	4,403,338	-
Total other financing sources (uses)	<u>(31,863,225)</u>	<u>5,677,318</u>
Net change in fund balances	27,916,914	99,822
Fund balances - beginning	170,728,034	6,655,070
Fund balances - ending	<u>\$ 198,644,948</u>	<u>\$ 6,754,892</u>

See accompanying Notes to the Basic Financial Statements.

**GOVERNMENTAL FUNDS**

Special Revenue Housing Authority	Special Revenue American Rescue Plan Act	Capital Projects Street Construction	Nonmajor Governmental Funds	Total
\$ -	\$ -	\$ 1,062,772	\$ 161,860	\$ 186,287,323
-	-	13,925	-	9,003,008
54,046,243	20,361,076	6,434,400	26,502,895	300,697,896
-	-	748,595	1,225,447	25,142,376
-	-	-	-	5,763,188
26,471	(523,006)	(261,030)	982,871	395,458
-	-	505,466	6,213,267	22,815,553
-	21,450	178,177	-	17,895,197
207,146	-	5,509,123	-	7,154,594
<u>54,279,860</u>	<u>19,859,520</u>	<u>14,191,428</u>	<u>35,086,340</u>	<u>575,154,593</u>
-	1,145,307	-	-	37,334,618
-	5,342	-	95,347	3,647,283
-	157,253	-	-	10,669,845
-	-	-	-	1,541,833
-	-	-	-	7,090,426
-	1,306,023	-	6,008	16,676,846
-	519,768	-	1,670,942	146,982,378
-	-	-	-	53,066,710
-	62,257	-	-	62,257
-	595,281	-	74,864	20,195,533
-	1,303,965	10,403,404	5,756,172	56,413,540
53,181,312	4,176,867	-	1,521,972	92,783,800
-	-	-	-	2,560,084
-	11,090,019	18,809,455	22,955,582	78,693,147
-	-	-	15,669,954	19,648,996
-	-	-	12,695,199	13,369,799
<u>53,181,312</u>	<u>20,362,082</u>	<u>29,212,859</u>	<u>60,446,040</u>	<u>560,737,095</u>
<u>1,098,548</u>	<u>(502,562)</u>	<u>(15,021,431)</u>	<u>(25,359,700)</u>	<u>14,417,498</u>
-	-	6,733,108	25,716,228	32,497,456
(93,487)	-	-	(4,547,401)	(41,128,860)
-	-	129,246	-	129,246
-	-	-	-	5,850,607
-	-	-	-	4,403,338
<u>(93,487)</u>	<u>-</u>	<u>6,862,354</u>	<u>21,168,827</u>	<u>1,751,787</u>
1,005,061	(502,562)	(8,159,077)	(4,190,873)	16,169,285
5,473,726	(3,851,483)	41,906,111	101,340,577	322,252,035
<u>\$ 6,478,787</u>	<u>\$ (4,354,045)</u>	<u>\$ 33,747,034</u>	<u>\$ 97,149,704</u>	<u>\$ 338,421,320</u>

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**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**


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Net change in fund balances-total governmental funds \$ 16,169,285

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation in the current period. This does not include internal service fund activity of \$4,318,728 in additions, \$1,771,533 in deletions, and \$1,342,992 in depreciation/amortization expense.

Capital outlay	78,693,147	
Depreciation/amortization expense	(29,386,063)	
Capital contributions & adjustments	4,880,796	
Loss on disposal of capital assets	<u>(6,607,716)</u>	47,580,164

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental fund. 12,423,470

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, the governmental funds report the effect of the premiums, discounts, and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal payments made:		
Lease obligations	1,154,255	
Subscription liability	1,127,980	
Revenue refunding bond	1,400,000	
Lease revenue bonds	4,085,000	
Pension obligation bonds	5,429,263	
Notes from direct borrowings	6,078,714	
Long-term loans & other payables	<u>373,784</u>	
Total principal repayments		19,648,996
Proceeds from lease agreements		(5,850,607)
Proceeds from subscription agreements		(4,403,338)
Amortization of bond premium and discount		438,080
Amortization of deferred charges on refunding		(823,775)
Net change in compensated absences		<u>(6,403,867)</u>
		2,605,489

Accrued interest for long term liabilities including bonds payable. This is the net change in accrued interest for the current period. 37,454

Pension expense reported in the governmental funds includes the annual required contributions. In the Statement of Activities, pension expense includes the change in the net pension liability, and related change in pension amounts for deferred outflows of resources and deferred inflows of resources. (40,436,169)

OPEB expense reported in the governmental funds includes the insurance premiums paid. In the Statement of Activities, OPEB expense includes the change in the OPEB liability, and related change in OPEB amounts for deferred outflows of resources and deferred inflows of resources. 1,133,531

Internal Service Funds are used by management to charge the cost of certain activities to individual funds. The net revenues (expenses) of the internal service funds are reported with governmental activities. (7,136,385)

Governmental Funds do not report transfers of capital assets and long-term debt from proprietary funds. This is the net effect of transfer from Central Services Internal Service Fund. (719,465)

Change in net position of governmental activities \$ 31,657,374

See accompanying Notes to the Basic Financial Statements.



## **Major Enterprise Funds**

Enterprise Funds are used to account for any activity for which a fee is charged to external users for goods or services. These funds use the full accrual basis of accounting.

Water – For the provision of water services to the residential, commercial and industrial segments of the City.

Sewer - For the provision of providing cleaning, rehabilitation, and repair of sanitary sewer facilities and removal of sewer main blockages.

CITY OF SANTA ANA

Statement of Net Position

Proprietary Funds

June 30, 2023

	Water	Sewer
<b>Assets:</b>		
Current assets:		
Cash and investments	\$ 23,236,195	\$ 19,275,933
Receivables:		
Interest	89,010	61,230
Accounts, net of allowances	11,587,597	1,676,202
Leases	-	-
Intergovernmental	10,500	-
Due from other funds	-	-
Inventory of supplies	-	-
Prepaid items	-	-
Total current assets	<u>34,923,302</u>	<u>21,013,365</u>
Noncurrent assets:		
Advances to other funds	-	-
Restricted cash and investments	873,934	-
Cash and investments with fiscal agent	173	-
Pension stability fund	264,583	63,232
Capital assets, not being depreciated	36,037,633	11,242,497
Capital assets, net of accumulated depreciation/amortization	89,338,454	21,718,992
Total noncurrent assets	<u>126,514,777</u>	<u>33,024,721</u>
Total assets	<u>161,438,079</u>	<u>54,038,086</u>
<b>Deferred outflows of resources:</b>		
Unamortized loss on bond defeasance	65,728	-
Deferred amounts on pension plans	3,917,882	1,492,300
Deferred amounts on OPEB plan	903,733	244,110
Total deferred outflow of resources	<u>4,887,343</u>	<u>1,736,410</u>
<b>Liabilities:</b>		
Current liabilities:		
Accounts payable	12,048,964	1,277,830
Interest payable	246,976	31,919
Retention payable	972,312	452,954
Due to other funds	-	-
Deposits payable	1,195,974	-
Subscription liability	276,388	-
Due to other governmental agencies	-	-
Compensated absences payable	376,526	118,345
Claims payable	-	-
Total OPEB liability	125,526	44,002
Grant Advances	-	-
Revenue bonds payable	905,000	-
Pension obligation bonds payable	37,785	14,392
Total current liabilities	<u>16,185,451</u>	<u>1,939,442</u>
Noncurrent liabilities:		
Subscription liability	699,143	-
Compensated absences payable	1,129,577	355,034
Claims payable	-	-
Total OPEB liability	2,830,907	992,347
Net pension liability	7,451,957	2,838,406
Revenue bonds payable	10,095,579	-
Pension obligation bonds payable	7,643,671	2,911,428
Total noncurrent liabilities	<u>29,850,834</u>	<u>7,097,215</u>
Total liabilities	<u>46,036,285</u>	<u>9,036,657</u>
<b>Deferred inflows of resources:</b>		
Deferred amounts on pension plans	206,296	152,109
Deferred amounts on OPEB plan	1,118,686	392,147
Deferred amounts on leases	-	-
Total deferred inflows of resources	<u>1,324,982</u>	<u>544,256</u>
<b>Net position:</b>		
Net investment in capital assets	109,528,895	31,921,747
Restricted for :		
National pollution discharge elimination system	-	-
Pension stability	264,583	63,232
Unrestricted	9,170,677	14,208,604
Total net position (deficit)	<u>\$ 118,964,155</u>	<u>\$ 46,193,583</u>

See accompanying Notes to the Basic Financial Statements.

**PROPRIETARY FUNDS**

		Business-Type Activities- Enterprise Funds		Governmental Activities- Internal Service Funds	
Nonmajor		Total			
\$	22,437,943	\$	64,950,071	\$	45,492,634
	75,552		225,792		186,471
	4,406,503		17,670,302		128,122
	847,134		847,134		-
	1,000,000		1,010,500		371,091
	-		-		10,392,641
	-		-		454,668
	-		-		152,952
	<u>28,767,132</u>		<u>84,703,799</u>		<u>57,178,579</u>
	-		-		584,000
	-		873,934		300,053
	-		173		-
	206,008		533,823		906,619
	8,011,666		55,291,796		2,307,804
	<u>20,438,941</u>		<u>131,496,387</u>		<u>5,520,329</u>
	<u>28,656,615</u>		<u>188,196,113</u>		<u>9,618,805</u>
	<u>57,423,747</u>		<u>272,899,912</u>		<u>66,797,384</u>
	-		65,728		-
	2,846,371		8,256,553		13,086,622
	403,828		1,551,671		707,975
	<u>3,250,199</u>		<u>9,873,952</u>		<u>13,794,597</u>
	2,267,384		15,594,178		1,806,783
	59,086		337,981		276,704
	37,133		1,462,399		39,966
	-		-		1,030,189
	14,630		1,210,604		-
	-		276,388		373,651
	-		-		-
	178,433		673,304		668,050
	-		-		9,600,000
	89,580		259,108		235,632
	435,450		435,450		-
	-		905,000		-
	26,642		78,819		124,762
	<u>3,108,338</u>		<u>21,233,231</u>		<u>14,155,737</u>
	-		699,143		722,003
	535,298		2,019,909		2,004,151
	-		-		48,710,333
	2,020,274		5,843,528		5,314,084
	5,254,204		15,544,567		26,750,832
	-		10,095,579		-
	5,389,375		15,944,474		25,238,773
	<u>13,199,151</u>		<u>50,147,200</u>		<u>108,740,176</u>
	<u>16,307,489</u>		<u>71,380,431</u>		<u>122,895,913</u>
	944,272		1,302,677		1,663,947
	1,584,858		3,095,691		3,836,467
	847,054		847,054		-
	<u>3,376,184</u>		<u>5,245,422</u>		<u>5,500,414</u>
	28,267,991		169,718,633		6,616,513
	6,519,113		6,519,113		-
	206,008		533,823		906,619
	<u>5,997,161</u>		<u>29,376,442</u>		<u>(55,327,478)</u>
\$	<u>40,990,273</u>	\$	<u>206,148,011</u>	\$	<u>(47,804,346)</u>

**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**Year ended June 30, 2023**

	Water	Sewer
Operating revenues:		
Charges for services	\$ 66,027,622	\$ 9,034,509
Lease revenues	237,826	-
Miscellaneous	213,061	6,765
Total operating revenues	<u>66,478,509</u>	<u>9,041,274</u>
Operating expenses:		
Personnel services	9,504,772	2,980,909
Contractual services	25,813,812	2,279,843
Materials and supplies	13,612,236	634,974
Administrative charges	11,457,436	2,033,533
Insurance	-	-
Provision for self-insured losses	-	-
Depreciation & amortization	3,437,702	860,150
Total operating expenses	<u>63,825,958</u>	<u>8,789,409</u>
Operating income (loss)	<u>2,652,551</u>	<u>251,865</u>
Nonoperating revenues (expenses):		
Intergovernmental	1,971,763	-
Net decrease in the fair value of investment	1,252,268	1,233,342
Investment earnings	328,672	212,311
Interest expense	(604,126)	(76,615)
Loss on disposal of capital assets	(776,533)	-
Total nonoperating revenues (expenses)	<u>2,172,044</u>	<u>1,369,038</u>
Income (loss) before transfers	<u>4,824,595</u>	<u>1,620,903</u>
Transfers in	-	-
Transfers out	(1,170,251)	(416,726)
Change in net position	<u>3,654,344</u>	<u>1,204,177</u>
Net position (deficit) - beginning	<u>115,309,811</u>	<u>44,989,406</u>
Net position (deficit) - ending	<u>\$ 118,964,155</u>	<u>\$ 46,193,583</u>

See accompanying Notes to the Basic Financial Statements.

**PROPRIETARY FUNDS**

		Business-Type Activities- Enterprise Funds		Governmental Activities- Internal Service Funds	
Nonmajor		Total			
\$	29,273,035	\$	104,335,166	\$	88,326,608
	542,343		780,169		-
	4,335,333		4,555,159		1,365,789
	34,150,711		109,670,494		89,692,397
	3,619,492		16,105,173		14,665,404
	22,623,767		50,717,422		11,536,171
	556,909		14,804,119		4,576,624
	3,563,721		17,054,690		14,792,486
	-		-		36,377,478
	-		-		17,768,431
	1,600,188		5,898,040		1,342,992
	31,964,077		104,579,444		101,059,586
	2,186,634		5,091,050		(11,367,189)
	1,000,000		2,971,763		371,091
	-		2,485,610		(3,213,584)
	237,096		778,079		571,525
	(141,822)		(822,563)		(665,125)
	(1,928,933)		(2,705,466)		198,616
	(833,659)		2,707,423		(2,737,477)
	1,352,975		7,798,473		(14,104,666)
	6,820,899		6,820,899		7,199,400
	(3,570,799)		(5,157,776)		(231,119)
	4,603,075		9,461,596		(7,136,385)
	36,387,198		196,686,415		(40,667,961)
\$	40,990,273	\$	206,148,011	\$	(47,804,346)

**Statement of Cash Flows**  
**Proprietary Funds**  
**Year ended June 30, 2023**

	Water	Sewer
<b>Cash flows from operating activities:</b>		
Receipts from customers	\$ 66,152,189	\$ 8,805,090
Receipts from interfund services provided	-	-
Receipts from other operating sources	213,061	6,765
Payments to suppliers for goods and services	(50,667,288)	(4,610,649)
Payments from interfund services used	-	-
Payments to employees	(8,979,277)	(2,784,483)
	<u>6,718,685</u>	<u>1,416,723</u>
Net cash provided (used) by operating activities		
<b>Cash flows from noncapital financing activities:</b>		
Transfer in	-	-
Transfer out	(1,170,251)	(416,726)
Interest Paid	(201,260)	(76,659)
Receipt of Interfund balances	-	-
Grant subsidies	1,961,263	-
	<u>589,752</u>	<u>(493,385)</u>
Net cash provided (used) by noncapital financing activities		
<b>Cash flows from capital and related financing activities:</b>		
Acquisition of capital assets	(29,143,488)	(6,290,872)
Proceeds from sale of capital assets	-	-
Retirement of long-term liabilities	(865,000)	-
Interest paid	(488,199)	-
	<u>(30,496,687)</u>	<u>(6,290,872)</u>
Net cash used by capital and related financing activities		
<b>Cash flows from investing activities:</b>		
Interest received	346,343	203,653
Net increase (decrease) in the fair value of investment	1,252,268	1,233,342
	<u>1,598,611</u>	<u>1,436,995</u>
Net cash provided (used) by investing activities		
Net increase (decrease) in cash and cash equivalents	(21,589,639)	(3,930,539)
Cash and cash equivalents - beginning	45,964,524	23,269,704
Cash and cash equivalents - ending (Includes restricted assets)	<u>\$ 24,374,885</u>	<u>\$ 19,339,165</u>

See accompanying Notes to the Basic Financial Statements.

		Business -Type Activities- Enterprise Funds		Governmental Activities- Internal Service Funds	
Nonmajor		Totals			
\$	29,228,334	\$	104,185,613	\$	-
	-		-		88,329,825
	4,335,333		4,555,159		1,350,930
	(25,118,279)		(80,396,216)		(63,506,139)
	-		-		(4,696,795)
	(5,250,408)		(17,014,168)		(23,365,068)
	3,194,980		11,330,388		(1,887,247)
	6,820,899		6,820,899		7,199,400
	(3,570,799)		(5,157,776)		(231,119)
	(141,903)		(419,822)		(579,866)
	-		-		901,490
	-		1,961,263		-
	3,108,197		3,204,564		7,289,905
	(1,406,976)		(36,841,336)		(4,318,728)
	-		-		142,462
	-		(865,000)		-
	-		(488,199)		-
	(1,406,976)		(38,194,535)		(4,176,266)
	201,095		751,091		423,543
	-		2,485,610		(3,213,584)
	201,095		3,236,701		(2,790,041)
	5,097,296		(20,422,882)		(1,563,649)
	17,546,655		86,780,883		48,262,955
\$	22,643,951	\$	66,358,001	\$	46,699,306

**Statement of Cash Flows**  
**Proprietary Funds**  
**Year ended June 30, 2023**

	Water	Sewer
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ 2,652,551	\$ 251,865
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation & amortization expense	3,437,702	860,150
Decrease (increase) in accounts receivable	(174,989)	(229,419)
Decrease (increase) in leases receivable	-	-
Decrease (increase) in inventory of supplies	-	-
Decrease (increase) in prepaid items	-	-
Decrease (increase) in deferred outflows from pension	5,536,948	2,108,989
Decrease (increase) in deferred outflows from OPEB	(621,598)	(137,544)
Increase (decrease) in accounts payable	(258,745)	337,701
Increase (decrease) in compensated absences payable	145,618	248,978
Increase (decrease) in pension obligation bonds payable	(110,243)	(41,991)
Increase (decrease) in deposits payable	61,730	-
Increase (decrease) in retention payable	474,941	-
Increase (decrease) in grant advances	-	-
Increase (decrease) in interest payable	-	-
Increase (decrease) in subscription liability	-	-
Increase (decrease) in net pension liability	(1,528,538)	(582,210)
Increase (decrease) in total OPEB liability	(126,376)	(128,054)
Increase (decrease) in deferred inflows from pension	(3,499,687)	(1,516,840)
Increase (decrease) in deferred inflows from OPEB	729,371	245,098
Increase (decrease) in deferred inflows from leases	-	-
Net cash provided (used) by operating activities	<u>\$ 6,718,685</u>	<u>\$ 1,416,723</u>
<b>Noncash investing, capital, and financing activities:</b>		
Increase in fair value of investments	\$ 1,252,268	\$ 1,233,342
Amortization of premium & unamortized loss on bond defeasance	<u>\$ (60,669)</u>	<u>\$ -</u>

See accompanying Notes to the Basic Financial Statements.



**PROPRIETARY FUNDS**

Page 4 of 4

		Business -Type Activities- Enterprise Funds			Governmental Activities- Internal Service Funds
Nonmajor			Total		
\$	2,186,634	\$	5,091,050	\$	(11,367,189)
	1,600,188		5,898,040		1,342,992
	(582,265)		(986,673)		3,684,991
	(363,778)		(363,778)		-
	-		-		142,448
	-		-		(152,952)
	4,113,870		11,759,807		18,913,043
	(94,117)		(853,259)		126,785
	1,190,668		1,269,624		(874,424)
	86,178		480,774		(77,898)
	(77,729)		(229,963)		(586,630)
	(24,068)		37,662		-
	-		474,941		39,966
	435,450		435,450		-
	-		-		1,095,654
	-		-		(159)
	(1,077,736)		(3,188,484)		(5,371,866)
	(1,274,271)		(1,528,701)		(3,563,825)
	(4,464,600)		(9,481,127)		(14,264,457)
	1,157,489		2,131,958		2,677,021
	383,067		383,067		-
\$	<u>3,194,980</u>	\$	<u>11,330,388</u>	\$	<u>(1,887,247)</u>
\$	-	\$	2,485,610	\$	(3,213,584)
\$	-	\$	<u>(60,669)</u>	\$	<u>-</u>

**Fiduciary Funds**  
**Statement of Fiduciary Net Position**  
**June 30, 2023**

	Successor Agency to the Santa Ana Redevelopment Agency Private-Purpose Trust Fund	Custodial Funds
<b>Assets</b>		
Cash and investments	\$ 11,487,213	\$ 3,507,393
Restricted assets:		
Cash and investments with fiscal agents	16,024	105,348
Receivables, net of allowances:		
Interest	35,995	6,692
Taxes	-	5,804
Leases	918,911	-
Lease assets, net of accumulated amortization	992,373	-
Total assets	<u>13,450,516</u>	<u>3,625,237</u>
<b>Deferred outflows of resources:</b>		
Unamortized loss on bond defeasance	2,541,146	
Deferred amounts on pension plans	62,422	
Deferred amounts on OPEB plan	976	
Total deferred outflows of resources	<u>2,604,544</u>	
<b>Liabilities</b>		
Accounts payable	83	179,524
Interest payable	748,967	-
Deposits payable	-	201,937
Due to governmental agencies	-	594,825
Long-term liabilities - Due within one year	9,684,577	-
Total OPEB liability - Due within one year	420	-
Due in more than one year:		
Long-term liabilities	48,994,969	-
Net pension liability	118,729	-
Total OPEB liability	9,485	-
Total liabilities	<u>59,557,230</u>	<u>976,286</u>
<b>Deferred inflows of resources:</b>		
Deferred amounts on pension plans	96,880	
Deferred amounts on OPEB plan	159,316	
Deferred amounts on leases	911,981	
	<u>1,168,177</u>	
<b>Net position (deficit)</b>		
Held in trust for other purposes	(44,670,347)	-
Individuals, organizations, and other governments	-	2,648,951
Total net position	<u>\$ (44,670,347)</u>	<u>\$ 2,648,951</u>

See accompanying Notes to the Basic Financial Statements.

**Fiduciary Funds**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Year ended June 30, 2023**

	Successor Agency to the Santa Ana Redevelopment Agency Private-Purpose Trust Fund	Custodial Funds
<b>Additions:</b>		
Property taxes	\$ 11,907,227	\$ 137,199
Investment earnings	59,631	19,366
Rental income	185,319	-
Police seized assets	-	673,217
Miscellaneous	-	14,042
Commissary	-	1,125,756
Other	750,887	8,114,064
	<u>12,903,064</u>	<u>10,083,644</u>
<b>Deductions:</b>		
Program expenses	600,663	-
Administrative expenses	32,320	4,598,891
Interest and fiscal agency expenses	2,683,288	-
Police seized assets	-	126,442
Bond payment	-	100,837
Payments to other agency	-	4,179,879
Commissary	-	1,103,728
Miscellaneous	-	6,280
Amoritization	397,665	-
	<u>3,713,936</u>	<u>10,116,057</u>
Total deductions		
Change in net position	9,189,128	(32,413)
Net position - beginning	<u>(53,859,475)</u>	<u>2,681,364</u>
Net position - ending	<u>\$ (44,670,347)</u>	<u>\$ 2,648,951</u>

See accompanying Notes to the Basic Financial Statements.



CITY OF SANTA ANA, CALIFORNIA  
Annual  
Comprehensive Financial  
Report

CITY OF SANTA ANA, CALIFORNIA

# **Notes to the Basic Financial Statements**



**CITY OF SANTA ANA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**For the Year Ended June 30, 2023**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The City of Santa Ana (the “City”) was incorporated on June 1, 1886, and operates under a Council/Manager form of government. The Council is composed of an elected Mayor and six Council members. As required by generally accepted accounting principles, these financial statements present the government and its component units for which the government is considered financially accountable. Blended component units, although legally separate entities, are in substance, part of the government’s operations for which there is a benefit/burden relationship and the financial data from these units are combined with the data of the primary government. Each blended component unit as described below has a June 30 year-end. The City has no discretely presented component units.

**Blended Component Units**

Housing Authority of the City of Santa Ana

The Housing Authority (the “Authority”) was established in 1972 pursuant to Housing Authority Laws of California to provide rental assistance programs to low-income families and senior citizens, and to operate a Housing Rehabilitation Loan Program. The Authority is governed by a commission of seven members comprised of the City Council, which designates management and has full accountability for the Authority’s fiscal affairs. The Authority’s financial data and transactions are included within the Special Revenue Housing Authority Fund. As indicated above, on January 9, 2012, the City adopted a resolution designating the Housing Authority of the City to serve as the Housing Successor Agency. The Housing Successor Agency’s financial data and transactions are included within the Capital Projects Housing Successor Agency fund. There is no separate Component Unit Financial Report (CUFR) prepared for the Authority.

Santa Ana Financing Authority

The Santa Ana Financing Authority (SAFA) was organized in August 1993, for the primary purpose of assisting in the financing and refinancing of certain redevelopment activities of the Community Redevelopment Agency (RDA) and certain public programs and projects of the City. The City is legally obligated to provide resources in case there are deficiencies in debt service payment and resources are not available from any other remedies. The Financing Authority is administered by a board whose members shall be, at all times, the Mayor of the City and the members of the City Council. The SAFA’s board has full accountability for the Financing Authority’s fiscal affairs. The SAFA’s financial data and transactions are included within the Debt Service Funds and the Water Enterprise Fund. There is no separate Component Unit Financial Report (CUFR) prepared for SAFA.

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its blended component units. As a general rule, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are payments in lieu of taxes where the amount are reasonably equivalent in value to the interfund services provided and other charges between the government’s water functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**CITY OF SANTA ANA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):**

**B. Government-wide and Fund Financial Statements (Continued)**

*Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentations**

The government-wide, proprietary, fiduciary private purpose trust and custodial funds financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, utility user's taxes, hotel visitors' taxes, interest and business taxes are susceptible to accrual. Sales taxes collected and held by the state at year-end on behalf of the City are also recognized as revenue. Other receipts and taxes become measurable and available when cash is received by the City and are recognized as revenue at that time.



**CITY OF SANTA ANA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentations (Continued)**

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 as revenue when the qualifying expenditures have been incurred, all other grant requirements have been met, and the susceptible to accrual criteria have been met. Grant funds received before the revenue recognition criteria have been met are reported as unearned revenue.

The City reports the following major governmental funds:

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

Special Revenue Grants Fund. This fund accounts for revenue sources awarded to the City by the Federal, State and local governments not otherwise accounted for in the General Fund or capital projects funds.

Special Revenue Housing Authority Fund. This fund accounts for the receipt and disbursement of funds received from the U.S. Department of Housing and Urban Development to provide rental assistance under Section 8 of the Federal Housing Act as amended.

Special Revenue American Rescue Plan Act Fund. This fund accounts for the receipt and disbursement of funds received from the U.S. Department of the Treasury to respond to the economic and public health impacts of COVID-19 pandemic.

Capital Projects Street Construction Fund. This fund is used to account for the receipts and disbursements of funds for right-of-way acquisition, construction and improvements related to the City's street system. These projects are funded by gas taxes, Measure M, Intermodal Surface Transportation Efficiency Act and improvement fees.

The City reports the following major proprietary funds:

Water Enterprise Fund. This fund is used to account for the provision of water services to the residential, commercial and industrial segments of the City.

Sewer Fund. This fund is used to account for the provision of the cost of cleaning, rehabilitating, repairing of sanitary sewer facilities and removing of sewer main blockages.

Additionally, the City reports the following fund types:

Internal Service Funds. These funds account for reprographic services, fleet services, facilities management, equipment maintenance and replacement, stores and property control, the administration of the self-insurance programs, installation and maintenance of all data networking and financial management systems, engineering, designing, project management and construction services, and training and support services provided to other departments or agencies of the City, on a cost reimbursement basis.

**CITY OF SANTA ANA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentations (Continued)**

Successor Agency to the Santa Ana Redevelopment Agency Private-Purpose Trust Fund. This fund accounts for the receipt of property tax revenues pursuant to the Dissolution Act and the value of assets transferred from the former RDA. The fund accounts for the expenses incurred during the reporting year pursuant to the Recognized Obligation Payment Schedules (ROPS) approved by the State Department of Finance under the Dissolution Act (AB 26 –Section 34177).

Custodial Funds. These funds account for those assets for which the City acts solely in a custodial capacity. These funds include collection of taxes and fees imposed by and distributed to localities, deposits, and other miscellaneous accounts.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and of the City's internal service funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

**CITY OF SANTA ANA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balances**

Cash and Investments. For purposes of the statement of cash flows, the City considers cash and cash equivalents as short term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. The City follows the practice of pooling the cash and investments of all funds. As amounts are available to these funds on demand without prior notice or penalty, all cash and investments are considered to be cash and cash equivalents for statement of cash flows purposes.

Investments are reported in the accompanying financial statements at fair value, which 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. Changes in fair value that occur during the fiscal year are recognized as revenue from investment income (governmental funds) and net change in the fair value of investment (proprietary funds). These revenues include interest earnings, changes in fair value, leases and any gains or losses realized upon liquidation, maturity, or sale of investments.

Cash and investments are pooled to maximize investment yields. Individual investments cannot be identified with any single fund because the City may be required to liquidate its investments at any time to cover large outlays required in excess of normal operating needs. The interest earned on the investments is allocated monthly to the respective funds based on each fund's daily average cash and investments balance.

Cash and Investments with Fiscal Agents. This account includes unexpended bond and loan proceeds, amounts set aside for payment of debt service, and state condemnation funds held with the State.

Interagency Receivables, Payables, Transfers and Advances. During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amount as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that the net amount is included as transfers in the business-type activities column.

**CITY OF SANTA ANA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balances (Continued)**

Property Taxes. Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are levied in September and are payable in two installments due on November 1, and February 1, and are considered delinquent after December 10 and April 10, respectively. The County of Orange, California 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 on the government-wide statements, and to the extent that they result in current receivables within 60 days in the governmental funds financial statements.

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. The City receives a share of this basic levy proportionate to what it received in the 1976 to 1978 period.

Inventories and prepaid items. Inventories of materials and supplies are valued at average cost. The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed. Certain payments to vendors reflect costs applicable to future accounting period and recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Land Held for Resale. The properties held for resale are for the primary purpose of developing low and moderate income housing and completing street improvement projects and is carried at the lower of cost or estimated net realizable value, as determined upon the execution of a disposition and development agreement.

Restricted Assets. Certain proceeds of the City's long-term debt proceeds are classified as restricted assets because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The City's pension stability funds balance is also included in the restricted assets.

Capital Assets. Capital assets, which include property, plant, equipment, library materials, intangible items, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Equipment and library materials are reported as assets with an individual cost of more than \$75,000 (amount not rounded) and an estimated useful life of two years or more. Buildings, improvements, infrastructure, and computer software are reported as assets with an individual cost of more than \$250,000 (amount not rounded) and an estimated useful life of two years or more. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the time of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Lease assets, which include land, buildings and building improvements, follow the same capitalization thresholds as capital assets. Lease assets are recorded at the amount of the initial measurement of the lease liabilities and modified by any lease payments made to the lessor at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term along with any initial direct costs that are ancillary charges necessary to place the lease asset into service. Subscription assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the subscription contract made to the vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any vendor incentives received from the vendor at the commencement of the agreement term.

**CITY OF SANTA ANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balances (Continued)**

Lease and subscription assets are amortized in a systematic and rational manner over the shorter of the lease or subscription term or the useful life of the underlying lease and subscription assets. Property, plant, and equipment of the primary government, as well as the component units, are depreciated and amortized using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Life</u>
Buildings and building improvements	10-40
Improvements other than buildings	20
Infrastructure	10-75
Equipment	3-15
Library materials	6
Computer software	10-20

Deferred Outflows/Inflows of Resources. In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category:

- Loss on bond refunding reported in the government-wide statement of net position, proprietary statement of net position, and statement of fiduciary net position. A loss on bond refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Pension contributions subsequent to measurement date, differences between expected and actual experience, net difference between projected and actual earnings on pension plan investments, changes of assumptions, and changes in proportionate share related to the net pension liability in the government-wide statement of net position, proprietary statement of net position, and the fiduciary statement of net position are reported as deferred outflows of resources. All of these items are amortized over the average expected remaining service lives of employees in the plan with the exception of pension contributions subsequent to measurement date which are recognized as a reduction of the net pension liability and the net differences between projected and actual earnings, which is amortized over five years.
- Other Post-Employment Benefit (OPEB) contributions subsequent to measurement date, changes of assumptions, and difference between expected and actual experience, and changes in proportionate related to the total OPEB liability in the government-wide statement of net position, proprietary statement of net position, and the fiduciary statement of net position are reported as a deferred outflow of resources. All of these items are amortized over the average expected remaining service lives of employees in the plan with the exception of contributions subsequent to measurement date, which are recognized as a reduction of the total OPEB liability.

**CITY OF SANTA ANA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balances (Continued)**

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue/contra expense) until that time. The City has the following items that qualify for reporting in this category:

- Unavailable revenues reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues that are not collected during the “availability period”. The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Major sources of unavailable revenues are intergovernmental revenues for grants and cost recoveries.
- Differences between expected and actual experience and changes in proportionate share related to the net pension liability in the government-wide statement of net position, proprietary statement of net position, and statement of fiduciary net position. These amounts are deferred and amortized as a component of pension expense in future periods over the average expected remaining service lives of employees in the plan.
- Changes of assumptions and changes in proportionate share related to the total OPEB liability in the government-wide statement of net position, proprietary statement of net position, and statement of fiduciary net position. These amounts are deferred and amortized as a component of OPEB expense in future periods over the average expected remaining service lives of employees in the plan.
- The value of the lease receivable and any payments received at or before the commencement of the lease term that relate to future periods in the government-wide statement of net position, proprietary statement of net position, and statement of fiduciary net position. These amounts are deferred and amortized as inflows of resources in future periods over the term of the lease.

Arbitrage Liability. Any liability for arbitrated interest is recorded in the fund incurring the liability and interest income is reduced by the amount of liability incurred during the year. The City had no arbitrage liability as of June 30, 2023.

Compensated Absences. It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Depending on the bargaining group and years of service, a liability for unpaid accumulated sick leave is accrued for employees who have attained ten (10) years or more of continuous service, up to one hundred percent (100%) of the total accumulated sick leave benefit credited to the employee, to a maximum of 1,600 hours for each employee. All vacation, compensated time, and vested sick leave pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example as a result of employee resignations and retirements.

**CITY OF SANTA ANA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balances (Continued)**

Long-term Obligations. In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, proprietary funds, and the private-purpose trust fund. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

Pensions. 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.

Fund Balances. Governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2023, fund balances for government funds are made up of the following:

- *Nonspendable Fund Balance* – includes amounts that are (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 and prepaid amounts.
- *Restricted Fund Balance* – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- *Committed Fund Balance* – includes amounts that can only be used for the specific purposes determined by a formal action of the City's highest level of decision-making authority, the City Council. The City Council adopts a motion to this effect by the affirmative votes of at least two-thirds (2/3) of the members of the city council to commit fund balance by an ordinance prior to the end of the fiscal year. Commitments may be changed or lifted only by the City taking the same formal action that imposed the constraint originally.
- *Assigned Fund Balance* – comprises amounts intended to be used by the City for specific purposes that are neither restricted nor committed. The City Council has by resolution authorized the City Manager to assign fund balance. The Council may also assign fund balance through the annual adopted budget and as amended per the approved budget policy. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be

**CITY OF SANTA ANA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balances (Continued)**

taken for removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

- *Unassigned Fund Balance* – is the residual classification for the General Fund including all amounts not contained in the other classifications and the residual negative fund balance of governmental funds other than the General Fund. Unassigned amounts are technically available for any purpose. In circumstances when expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, it is the City’s policies that fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned.

**E New Accounting Pronouncements**

**Current Year Standards**

In fiscal year ended June 30, 2023, the City adopted the following accounting standards.

- GASB Statement No. 91, *Conduit Debt Obligations*, effective for periods beginning after December 15, 2021. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issues and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. See Note 3G for updated note disclosures. The implementation of this statement did not impact the City’s net position.
- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for fiscal years beginning after June 15, 2022, this standard defines a subscription-based information technology arrangement (SBITA); establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA. The City adopted the requirements of the guidance effective July 1, 2022 and has applied the provisions of this standard to the beginning of the period of adoption. The implementation of this standard resulted in the Government reporting a SBITA asset and a SBITA liability as disclosed in Note 3C and Note 3E, respectively.



**CITY OF SANTA ANA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

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**NOTE 2. FUND DEFICITS**

At June 30, 2023, the deficit of \$4.4 million in the Major American Rescue Plan Act Special Revenue Fund is primarily due to the fair market value adjustment of cash and investments.

The deficit of \$0.2 million in the Non-major Civic Center Maintenance Special Revenue Fund and \$9.7 million in the Non-major Capital Grants Capital Projects Fund are primarily due to the timing of receipt which did not meet the revenue recognition criteria for governmental funds. Subsequent collection of the receivable will reduce the deficits.

The deficits of \$4.1 million in the Internal Service Building Maintenance Fund, \$1.2 million in the Internal Service Stores & Property Control Fund, \$31.3 million in the Internal Service Self Insurance Fund, \$0.5 million in the Internal Service City Yard Operations Fund, and \$19.9 million in the Internal Service Engineering and Administrative Services Fund are primarily due to an increase in the net pension liability, OPEB liability, and claims liability. In order to address pension obligations and future benefit contributions, the City established the pension stability fund shown as a restricted asset and issued Taxable Pension Obligation Bonds in September 2021. Please see Note 4 section E for further details.

**CITY OF SANTA ANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

**NOTE 3. DETAILED NOTES ON ALL FUNDS**

**A. Cash and Investments**

Cash and investments as of June 30, 2023 were classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	\$ 525,807,778
Restricted assets:	
Cash and investments	5,915,074
Cash and investments with fiscal agents	3,211,165
Pension stability funds	10,437,207
Statement of fiduciary net position:	
Cash and investments	14,994,606
Restricted assets:	
Cash and investments with fiscal agents	<u>121,372</u>
Total cash and investments	<u>\$ 560,487,202</u>

Cash and investments as of June 30, 2023 consisted of the following:

Cash on hand	\$ 82,125
Deposits with financial institutions	22,220,839
Investments	<u>538,184,238</u>
Total cash and investments	<u>\$ 560,487,202</u>

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

The table below identifies the investment types that are authorized for the City by the California Government Code and the City's investment policy. The table also identifies certain provisions of the California Government Code (or the City's investment policy, if more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. The investment types that are prohibited by the City's investment policy are Asset-backed Securities, Derivatives, Investment Agreements, Mortgage-backed Securities, Reverse Repurchase Agreements, and Securities Lending Agreements. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, or assets held in the Public Agencies Retirement Trust that are governed by provisions of the Plan documents of the City, rather than the general provisions of the California Government Code or the City's investment policy.

**CITY OF SANTA ANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

**NOTE 3. DETAILED NOTES ON ALL FUNDS (CONTINUED):**

**A. Cash and Investments (Continued)**

Investment Types <u>Authorized by State Law</u>	Authorized By <u>Policy</u>	*Maximum <u>Maturity</u>	*Maximum Percentage of <u>Portfolio</u>	*Maximum Investment <u>In One Issuer</u>
Local Agency Bonds	Yes	5 years	None	None
U.S. Treasury Obligations	Yes	5 years	None	None
Federal Agency Securities	Yes	5 years	None	None
Banker's Acceptances	Yes	180 days	40%	30%
Commercial Paper	Yes	270 days	25%	10%
Negotiable Certificates of Deposit	Yes	5 years	30%	None
Medium-Term Notes	Yes	5 years	30%	5%
Money Market Mutual Funds	Yes	None	20%	10%
Local Agency Investment Fund (LAIF)	Yes	None	75 Million **	None
Repurchase Agreement	Yes	1 year	20%	None
Supranational Obligations	Yes	5 Years	30%	None
City of Santa Ana Bonds	Yes	5 Years	None	None

\* Based on state law requirements or investment policy requirements, whichever is more restrictive.

\*\* In addition to the City's regular account, the State Treasurer authorized a COVID Relief Fund Account, which is subject to a separate \$75 million deposit limit.

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>
U.S. Treasury Notes	None
Federal Agency Securities	None
Banker's Acceptances	180 Days
Certificates of Deposit	None
Commercial Paper	270 days
Municipal Obligations	None
Money Market Mutual Funds	None
State of California Investment Pool	None
Savings Accounts	None
Money Market Deposit Accounts	None
Deposit Accounts	None
Investment Contracts	None
Repurchase Agreements	1 year

**CITY OF SANTA ANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

**NOTE 3. DETAILED NOTES ON ALL FUNDS (CONTINUED):**

**A. Cash and Investments (Continued)**

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value change in market interest rates. In accordance with the City's investment policy that was established by a resolution on June 21, 2022, interest rate risk may be mitigated by; 1) structuring the fund so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, 2) purchasing investments with the intent to hold until maturity, and 3) investing operating funds primarily in shorter-term securities. The cash flow is updated on a daily basis and will be considered prior to the investment of securities, which will reduce the necessity to sell investments for liquidity purposes.

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided in the following table reflecting the distribution of the City's investments by maturity. For purposes of the schedule shown below, any callable securities are assumed to be maturing at the next call date:

Investment Type	Total	Remaining Maturity (in months)		
		12 Months or Less	13 to 24 Months	25-60 Months
Federal Agency Securities	\$ 380,896,997	\$ 92,876,838	\$ 81,789,780	\$ 206,230,379
U.S. Treasury Securities	9,807,400	4,984,750	4,822,650	-
Negotiable Certificates of Deposit	6,053,720	-	920,269	5,133,451
Local Agency Investment Fund	130,811,141	130,811,141	-	-
Held by Fiscal Agent:				
Money Market Funds	177,773	177,773	-	-
Pension Trust - PARS Pooled Trust	10,437,207	-	-	10,437,207
	<u>\$ 538,184,238</u>	<u>\$ 228,850,502</u>	<u>\$ 87,532,699</u>	<u>\$ 221,801,037</u>

The City's investments (including investments held by bond trustees) include the following investments that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above):

Highly Sensitive Investments	Fair Value at Year End
Callable agency securities with interest rates that increase in ranges from 2 percent to 7 percent	\$ 205,892,668

**CITY OF SANTA ANA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

**NOTE 3. DETAILED NOTES ON ALL FUNDS (CONTINUED):**

**A. Cash and Investments (Continued)**

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City’s investment policy, or debt agreements, and the actual rating by Moody’s as of year-end for each investment type.

Investment Type	Total	Minimum Legal Rating	Rating as of Year End	
			Aaa	Not Rated
Federal Agency Securities	\$ 380,896,997	N/A	\$ 380,896,997	\$ -
U.S. Treasury Securities	9,807,400	N/A	9,807,400	-
Negotiable Certificates of Deposit	6,053,720	N/A	-	6,053,720
Local Agency Investment Fund	130,811,141	N/A	-	130,811,141
Held by Fiscal Agent:				
Money Market Funds	177,773	AAA	177,773	-
Pension Trust - PARS Pooled Trust	10,437,207	N/A	-	10,437,207
	<u>\$ 538,184,238</u>		<u>\$ 390,882,170</u>	<u>\$ 147,302,068</u>

Concentration of Credit Risk

The Investment Policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments are as follows:

Issuer	Investment Type	Amount
Federal Farm Credit Bank	Federal agency securities	\$ 51,935,898
Federal Home Loan Bank	Federal agency securities	233,098,669
Federal Home Loan Mortgage Corporation	Federal agency securities	41,255,450
Federal National Mortgage Association	Federal agency securities	54,606,980

**CITY OF SANTA ANA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

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**NOTE 3. DETAILED NOTES ON ALL FUNDS (CONTINUED):**

**A. Cash and Investments (Continued)**

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2023, none of the City's deposits with financial institutions in excess of federal depository insurance limits was held in uncollateralized accounts.

For investments identified herein as held by bond trustee, the bond trustee selects the investment under the terms of the applicable trust agreement, acquires the investment, and holds the investment on behalf of the City.

Investments in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio. The balance available for withdrawal is based on the accounting records maintained by LAIF.

Investments in Public Agencies Retirement Trust

The \$10,437,207 of pension stability funds represents assets restricted to the defined benefit pension plan. The Plan assets are subject to the investment selections stipulated in the Plan document rather than the general provisions of the California Government Code or the City's investment policy.

**CITY OF SANTA ANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

**NOTE 3. DETAILED NOTES ON ALL FUNDS (CONTINUED):**

**A. Cash and Investments (Continued)**

Fair Value Measurements

The City categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level of inputs are as follows:

- Level 1 inputs are unadjusted, quoted prices in active markets for identical assets at the measurement date.
- Level 2 inputs are observable for the assets and liabilities through corroboration with market data at the measurement date. Matrix pricing is used to value investments based on the securities' relationship to benchmark quoted prices.
- Level 3 are unobservable inputs for the assets 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 City did not have any investments in this category as of June 30, 2023.

The City has the following recurring fair value measurements as of June 30, 2023.

	Quoted Prices Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3	Total
Federal Agency Securities	\$ -	\$ 380,896,997	\$ -	\$ 380,896,997
U.S. Treasury Securities	-	9,807,400	-	9,807,400
Negotiable Certificates of Deposit	-	6,053,720	-	6,053,720
Total Leveled Investments	\$ -	\$ 396,758,117	\$ -	396,758,117
Local Agency Investment Fund				130,811,141
Money Market Funds				177,773
Pension Trust - PARS Pooled Trust				10,437,207
				\$ 538,184,238

**CITY OF SANTA ANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

**NOTE 3. DETAILED NOTES ON ALL FUNDS (CONTINUED):**

**B. Leases Receivable**

The City leases various pieces of land, building and office spaces under long-term, noncancelable lease agreements. A summary of the City's lease terms and interest rates is as follows:

Governmental Activities:

- Building and office space leases. Annual installments totaling \$2.0 million plus interest at rates ranging from 0.22% to 1.33 % due dates ranging from July 2023 to April 2035.
- Land leases. Annual installments totaling \$4.9 million plus interest rates ranging from 0.46 % to 1.64 %, due dates ranging from July 2023 to October 2045.

Business-Type Activities:

- Building and office space leases. Annual installments totaling \$ 0.8 million plus interest at rates ranging from 0.32 % to 2.33 % due dates ranging from July 2023 to May 2028.

Fiduciary Activities:

- Land leases. Annual installments totaling \$0.9 million plus interest rate of 0.83 % and due date of December 2027.

Total future minimum lease payments to be received under lease agreements are as follows:

Fiscal Year	Governmental Activities		
	Principal	Interest	Total
2024	\$ 633,050	\$ 80,752	\$ 713,802
2025	646,951	74,057	721,008
2026	652,326	67,010	719,336
2027	655,149	59,792	714,941
2028	623,534	52,469	676,003
2029 - 2033	2,545,244	160,865	2,706,109
2034 - 2038	848,032	46,127	894,159
2039 - 2043	236,799	20,981	257,780
2044 - 2046	131,141	2,638	133,779
Total minimum lease payments	\$ <u>6,972,225</u>	\$ <u>564,691</u>	\$ <u>7,536,916</u>



**CITY OF SANTA ANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

**NOTE 3. DETAILED NOTES ON ALL FUNDS (CONTINUED):**

**B. Leases Receivable (Continued)**

Fiscal Year	Business-Type Activities		
	Principal	Interest	Total
2024	\$ 446,716	\$ 13,417	\$ 460,133
2025	122,818	7,982	130,800
2026	125,697	5,103	130,800
2027	102,970	2,230	105,200
2028	48,933	567	49,500
Total minimum lease payments	\$ 847,134	\$ 29,299	\$ 876,433

Fiscal Year	Fiduciary Activities		
	Principal	Interest	Total
2024	\$ 201,237	\$ 6,887	\$ 208,124
2025	202,920	5,205	208,125
2026	204,617	3,508	208,125
2027	206,328	1,797	208,125
2028	103,809	252	104,061
Total minimum lease payments	\$ 918,911	\$ 17,649	\$ 936,560

Certain leases provide for increases in future minimum annual rental payments based on defined increases in the Consumer Price Index, subject to certain minimum increases. Some leases require variable payments based on future performance of the lessee or usage of the underlying asset and are not included in the measurement of the lease receivable. Those variable payments are recognized as inflows of resources in the periods in which the payments are received. During the year ended June 30, 2023, the City received variable payments as required by lease agreements totaling \$12.5 million.

Total lease principal and interest received during the year is as follows:

	Principal	Interest
Governmental Activities	\$ 861,169	\$ 105,153
Business-Type Activities	633,259	8,364
Fiduciary Activities	199,568	8,556
Total	\$ 1,693,996	\$ 122,073

**CITY OF SANTA ANA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

**NOTE 3. DETAILED NOTES ON ALL FUNDS (CONTINUED):**

**C. Capital Assets**

A summary of changes in the Governmental Activities capital assets at June 30, 2023 is as follows:

	Beginning Balance as Restated (1)	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 20,274,022	\$ -	\$ -	\$ 20,274,022
Right of Way	503,085,485	-	(4,875,498)	498,209,987
Street Trees	8,026,751	-	-	8,026,751
Construction in progress	128,997,219	68,933,744	(20,138,584)	177,792,379
Total capital assets, not being depreciated	660,383,477	68,933,744	(25,014,082)	704,303,139
Capital assets being depreciated and amortized:				
Buildings and building improvements	217,138,980	4,711,075	(118,392)	221,731,663
Improvements other than buildings	138,967,908	8,157,460	(1,844,282)	145,281,086
Equipment	37,419,517	3,155,688	(2,798,056)	37,777,149
Infrastructure	493,319,325	11,242,322	(2,443,712)	502,117,935
Library materials	5,097,768	92,514	(374,996)	4,815,286
Computer software	9,209,026	-	-	9,209,026
Lease assets	11,028,190	5,850,607	-	16,878,797
Subscription assets	2,007,400	4,577,187	-	6,584,587
Total capital assets being depreciated and amortized	914,188,114	37,786,853	(7,579,438)	944,395,529
Less: Accumulated depreciation/amortization for:				
Buildings and building improvements	(170,324,457)	(6,770,318)	118,392	(176,976,383)
Improvements other than buildings	(74,137,663)	(5,068,276)	1,478,300	(77,727,639)
Equipment	(27,291,150)	(2,511,723)	2,565,569	(27,237,304)
Infrastructure	(256,029,729)	(13,260,082)	1,264,976	(268,024,835)
Library materials	(4,773,336)	(125,968)	374,996	(4,524,308)
Computer software	(7,142,000)	(284,001)	-	(7,426,001)
Lease assets	(1,477,435)	(1,322,123)	-	(2,799,558)
Subscription assets	-	(1,386,564)	-	(1,386,564)
Total Accumulated depreciation and amortization	(541,175,770)	(30,729,055)	5,802,233	(566,102,592)
Capital assets being depreciated, net	373,012,344	7,057,798	(1,777,205)	378,292,937
Governmental activities capital assets, net	\$ 1,033,395,821	\$ 75,991,542	\$ (26,791,287)	\$ 1,082,596,076

(1) The beginning balance was restated due to the implementation of GASB Statement No. 96, *Subscription Based Information Technology Arrangements*. See Note 1 section E.

Construction in Progress decreases are reflected in the increase in Buildings and building improvements, Improvements other than buildings, Equipment, and Infrastructure.

**CITY OF SANTA ANA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

**NOTE 3. DETAILED NOTES ON ALL FUNDS (CONTINUED):**

**C. Capital Assets (Continued)**

A summary of changes in the Business-type Activities capital assets at June 30, 2023 is as follows:

	Beginning Balance As Restated (2)	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 9,286,297	\$ 786,534	\$ (517,733)	\$ 9,555,098
Construction in progress	<u>20,665,568</u>	<u>36,607,362</u>	<u>(11,536,232)</u>	<u>45,736,698</u>
Total capital assets not being depreciated	<u>29,951,865</u>	<u>37,393,896</u>	<u>(12,053,965)</u>	<u>55,291,796</u>
Capital assets being depreciated:				
Buildings and building improvements	8,831,492	-	-	8,831,492
Improvements other than buildings	212,036,137	7,667,434	(76,120)	219,627,451
Equipment	24,114,401	2,394,850	(233,186)	26,276,065
Parking structures	22,701,415	-	(4,022,716)	18,678,699
Computer software	491,949	-	-	491,949
Subscription assets	<u>1,153,364</u>	<u>-</u>	<u>-</u>	<u>1,153,364</u>
Total capital assets being depreciated and amortized	<u>269,328,758</u>	<u>10,062,284</u>	<u>(4,332,022)</u>	<u>275,059,020</u>
Less: Accumulated depreciation/amortization for:				
Buildings and building improvements	(8,238,368)	(218,482)	-	(8,456,850)
Improvements other than buildings	(107,488,686)	(3,659,793)	76,120	(111,072,359)
Equipment	(11,813,452)	(1,302,936)	116,890	(12,999,498)
Parking structures	(12,822,386)	(451,800)	2,686,662	(10,587,524)
Computer software	(181,373)	(35,265)	-	(216,638)
Subscription assets	<u>-</u>	<u>(229,764)</u>	<u>-</u>	<u>(229,764)</u>
Total Accumulated depreciation/amortization	<u>(140,544,265)</u>	<u>(5,898,040)</u>	<u>2,879,672</u>	<u>(143,562,633)</u>
Capital assets being depreciated, net	<u>128,784,493</u>	<u>4,164,244</u>	<u>(1,452,350)</u>	<u>131,496,387</u>
Business-type activities capital assets, net	<u>\$ 158,736,358</u>	<u>\$ 41,558,140</u>	<u>\$ (13,506,315)</u>	<u>\$ 186,788,183</u>

(2) The beginning balance was restated due to the implementation of GASB Statement No. 96, *Subscription Based Information Technology Arrangements*. See Note 1 section E.

A summary of changes in the Fiduciary Activities capital asset activities at June 30, 2023 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Private-Purpose Trust activities:				
Lease assets	\$ 2,577,442	\$ -	\$ (1,144,014)	\$ 1,433,428
Less: Accumulated amortization	<u>(397,665)</u>	<u>(397,665)</u>	<u>354,275</u>	<u>(441,055)</u>
Private-purpose trust capital assets, net	<u>\$ 2,179,777</u>	<u>\$ (397,665)</u>	<u>\$ (789,739)</u>	<u>\$ 992,373</u>

**CITY OF SANTA ANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

**NOTE 3. DETAILED NOTES ON ALL FUNDS (CONTINUED):**

**C. Capital Assets (Continued)**

Governmental activities:	
General government	\$ 1,364,065
Finance and management services	428,329
Human Resources	72,204
Museum	124,420
Library	282,570
Recreation and community services	3,052,300
Police department	5,432,610
Fire and ambulance services	255,325
Planning and building	92,469
Public works	15,838,025
Community development	2,429,121
Information Technology	14,625
Internal service funds	1,342,992
Total depreciation/amortization expense-governmental activities	\$ <u>30,729,055</u>
Business-type activities:	
Water	\$ 3,437,702
Parking	361,547
Sanitation	339,306
Sewer	860,150
Refuse Collections	3,214
Transportation Center	430,262
Federal Clean Water Protection	465,859
Total depreciation/amortization expense - business-type activities	\$ <u>5,898,040</u>

Construction Commitments

The City has active construction projects as of June 30, 2023. The projects include street widening and improvements, various park improvements, improvements to the water system, sewer improvements and storm drain improvements:

**CITY OF SANTA ANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

**NOTE 3. DETAILED NOTES ON ALL FUNDS (CONTINUED):**

**C. Capital Assets (Continued)**

<u>Projects:</u>	<u>Spent-to date</u>	<u>Remaining Commitment</u>	<u>Total Project Budget</u>
Street widening and improvements	\$ 153,933,293	\$ 152,698,994	\$ 306,632,287
Park improvements	37,758,564	61,507,999	99,266,563
Water system improvements	41,478,463	61,843,028	103,321,491
Sewer improvements	24,124,602	15,171,885	39,296,486
Other improvements	9,246,587	4,394,490	13,641,077

**D. Interfund Receivables, Payables, Transfers and Advances**

The composition of interfund balances as of and for the year ended June 30, 2023 is as follows:

Due To/From Other Funds:

<u>Due To Other Funds (Payable)</u>	<u>Due From Other Funds (Receivable)</u>
	Internal Service Self Insurance Fund
Non-major Special Revenue Funds:	
Civic Center & Maintenance	\$ 156,590
Non-major Capital Projects Funds:	
Capital Grants Fund	9,205,862
Internal Service Funds:	
City Yard Operations	572,003
Stores & Property Control	458,186
Total	<u>\$ 10,392,641</u>

The Non-major Special Revenue Civic Center Maintenance Fund received a temporary advance from the Self Insurance Internal Service Fund to cover a cash shortfall. Subsequent collection of receivables will repay the advance.

The Non-major Capital Projects Capital Grants Funds received a temporary advance from the Self Insurance Internal Service Fund to cover a cash shortfall. Subsequent collection of receivables from the granting agencies will repay the advance.

The Internal Service City Yard Operations and Stores Funds received temporary advances from the Self Insurance Internal Service Fund to cover a cash shortfall. The City is evaluating various cost-saving measures and a robust cost recovery plan to enhance its financial condition.

**CITY OF SANTA ANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

**NOTE 3. DETAILED NOTES ON ALL FUNDS (CONTINUED):**

**D. Interfund Receivables, Payables, Transfers and Advances (Continued)**

Interfund Transfers:

Transfers Out	Transfers In						Total
	General Fund	Capital Projects Street Construction	Nonmajor Debt Service Fund	Nonmajor Special Revenue Funds	Nonmajor Enterprise Funds	Internal Service Funds	
General Fund	\$ -	\$ -	\$ 24,570,373	\$ 600,000	\$ 3,954,910	\$ 7,189,400	\$ 36,314,683
Grants Special Revenue Fund	-	-	173,289	-	-	-	173,289
Housing Authority Special Revenue Fund	-	-	93,487	-	-	-	93,487
Nonmajor Special Revenue Funds	-	4,466,442	49,097	-	-	10,000	4,525,539
Nonmajor Capital Projects Funds	-	-	21,862	-	-	-	21,862
Water Enterprise Fund	20,727	-	-	-	1,149,524	-	1,170,251
Sewer Enterprise Fund	-	-	-	-	416,726	-	416,726
Nonmajor Enterprise Fund	4,394	2,266,666	-	-	1,299,739	-	3,570,799
Internal Service Funds	22,999	-	208,120	-	-	-	231,119
<b>Total</b>	<b>\$ 48,120</b>	<b>\$ 6,733,108</b>	<b>\$ 25,116,228</b>	<b>\$ 600,000</b>	<b>\$ 6,820,899</b>	<b>\$ 7,199,400</b>	<b>\$ 46,517,755</b>

The General Fund received transfers of \$32,781 for capital lease and loan payments for the 800 MHz Radio System. The transfers consisted of \$20,727 from the Water major Enterprise Fund, \$451 from the Parking nonmajor Enterprise Fund, \$3,943 from the Sanitation nonmajor Enterprise Fund, \$3,605 from the Equipment Maintenance and Replacement Internal Service Fund, and \$4,055 from the Engineering and Administrative Services Internal Service Fund. The General Fund also received \$15,339 from the Central Services Internal Fund to close out the fund.

The Street Construction major Capital Projects Fund received \$4,466,442 from the Gas Tax nonmajor Special Revenue Fund for street construction and maintenance projects and \$2,266,666 from the Refuse Collections nonmajor Enterprise Fund to provide funding for improvements to the City's streets to offset the wear and tear impact of heavy waste collection trucks.

The Pension Obligation Bond nonmajor Debt Service Fund received transfers of \$15,338,058 for debt service payments of the 2021 Taxable Pension Obligation Bonds. The transfers consisted of \$15,000,323 from the General Fund, \$173,289 from the Grants major Special Revenue Fund, \$93,487 from the Housing Authority major Special Revenue Fund, \$28,853 from the Gas Tax nonmajor Special Revenue Fund, \$7,049 from the Air Quality Improvement nonmajor Special Revenue Fund, \$13,195 from the Civic Center Maintenance nonmajor Special Revenue Fund, \$9,814 from the Inclusionary Housing Fee nonmajor Capital Projects Fund, and \$12,048 from the Housing Successor Agency nonmajor Capital Projects Fund.

The nonmajor Santa Ana Financing Authority Debt Service Fund received transfers of \$9,778,170 for debt service payments of the 1994 Series Police Lease Revenue bonds and the 2014 Private Placement Financing. The transfers consisted of \$9,570,050 from the General Fund and \$208,120 from the Engineering and Administrative Internal Service Fund.

**CITY OF SANTA ANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

**NOTE 3. DETAILED NOTES ON ALL FUNDS (CONTINUED):**

**D. Interfund Receivables, Payables, Transfers and Advances (Continued)**

The Civic Center & Maintenance nonmajor Special Revenue Funds received transfers of \$600,000 from the General Fund to pay for the City's annual share of Civic Center maintenance obligations payable to the County of Orange.

The Sanitation nonmajor Enterprise Fund received transfer of \$200,000 from the Federal Clean Water Protection nonmajor Enterprise Fund for street sweeping services. The Transportation Center nonmajor Enterprise Fund received \$1,081,870 from the General Fund to address the negative fund balance. The Parking nonmajor Enterprise Fund received \$2,873,040 from the General Fund to support ongoing parking operations. The Federal Clean Water Protection nonmajor Enterprise Fund received \$1,149,524 from the Water major Enterprise Fund, \$416,726 from the Sewer major Enterprise Fund, and \$1,299,739 from Refuse Collection nonmajor Enterprise Fund for surcharges that fund the various activities of the storm water management program.

The Self Insurance Internal Service Fund received \$7,189,400 from the General Fund to address estimated negative fund balance. The Engineering & Admin Services Internal Service Fund received \$10,000 from the Gas Tax nonmajor Special Revenue Fund for street-related engineering costs.

Advances To/From Other Funds:

Receivable fund	Payable fund	Amount
Internal Service Funds:		
Self Insurance Fund	General Fund	\$ 584,000

The \$584,000 represents the outstanding balance of \$2,920,000 advance made by the Self Insurance Fund to the General Fund for the construction of Fire Station #1. The annual repayment of \$292,000 will be made through July 2024.

**CITY OF SANTA ANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

**NOTE 3. DETAILED NOTES ON ALL FUNDS (CONTINUED):**

**E. Long Term Liabilities**

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

	Beginning Balance			Ending	Due Within
	<u>As Restated (1)</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>One Year</u>
Governmental activities:					
<i>Other debt:</i>					
Lease obligations	\$ 9,779,554	\$ 5,850,607	\$ 1,154,255	\$ 14,475,906	\$ 1,084,586
Subscription liability	2,007,400	4,577,187	1,516,831	5,067,756	1,428,364
Revenue refunding bonds	39,245,000	-	1,400,000	37,845,000	1,465,000
Lease revenue bonds	8,427,500	-	4,085,000	4,342,500	4,342,500
Pension Obligations bonds	409,452,604	-	5,793,279	403,659,325	1,985,580
Long-term loans & other payables	1,518,692	-	373,784	1,144,908	328,857
Unamortized bond discount/premium, net	7,666,400	-	438,080	7,228,320	-
<i>Direct borrowings and placements:</i>					
Notes from direct borrowings	20,530,157	-	6,078,714	14,451,443	6,276,870
<i>Other long-term liabilities:</i>					
Compensated absences payable	28,291,470	16,379,414	9,995,940	34,674,944	8,668,736
Claims payable - worker's compensation	32,899,874	11,701,171	5,942,003	38,659,042	5,200,000
Claims payable - liability insurance	19,061,206	6,067,259	5,477,174	19,651,291	4,400,000
Governmental activities total	<u>\$ 578,879,857</u>	<u>\$ 44,575,638</u>	<u>\$ 42,255,060</u>	<u>\$ 581,200,435</u>	<u>\$ 35,180,493</u>
Business-type activities:					
<i>Other debt:</i>					
Revenue bonds payable	\$ 10,675,000	\$ -	\$ 865,000	\$ 9,810,000	\$ 905,000
Subscription liability	1,153,364	-	177,833	975,531	276,388
Pension Obligations bonds	16,253,254	-	229,961	16,023,293	78,819
Add: Bond premium	1,337,868	-	147,289	1,190,579	-
<i>Other long-term liabilities:</i>					
Compensated absences payable	2,212,441	1,515,147	1,034,375	2,693,213	673,304
Business-type activities total	<u>\$ 31,631,927</u>	<u>\$ 1,515,147</u>	<u>\$ 2,454,458</u>	<u>\$ 30,692,616</u>	<u>\$ 1,933,511</u>

(1) The beginning balance was restated due to the implementation of GASB Statement No. 96, *Subscription Based Information Technology Arrangements*. See Note 1 section E.

At year-end, \$2.7 million of internal service funds compensated absences are included in the above amounts. The general fund and internal services funds are generally used to liquidate the claims and judgments, the compensated absences, the net pension liability, and the total OPEB liability.



**CITY OF SANTA ANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

**NOTE 3. DETAILED NOTES ON ALL FUNDS (CONTINUED):**

**E. Long Term Liabilities (Continued)**

The following is a summary of changes in long-term liabilities of the Private-Purpose Trust Fund for the year ended June 30, 2023:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Private-purpose trust activities:					
<i>Other debt:</i>					
Lease obligations	\$ 2,202,323	\$ -	\$ 1,202,410	\$ 999,913	\$ 218,976
2018A Tax allocation refunding bonds	9,990,000	-	795,000	9,195,000	830,000
2018B Tax allocation refunding bonds	55,290,000	-	8,030,000	47,260,000	8,635,000
Pension Obligation bonds	124,142	-	1,760	122,382	601
Add: Bond premium	<u>1,237,220</u>	<u>-</u>	<u>134,969</u>	<u>1,102,251</u>	<u>-</u>
Private-purpose trust total	\$ <u>68,843,685</u>	\$ <u>-</u>	\$ <u>10,164,139</u>	\$ <u>58,679,546</u>	\$ <u>9,684,577</u>

The City's legal debt margin is 10% of the total assessed valuation, which is \$811.8 million for the fiscal year ended June 30, 2023.

A description of each long-term debt obligation follows:

**LEASE OBLIGATIONS**

The City leases building and office facilities for various terms under long-term, non-cancelable lease agreements. A summary of the City's lease terms and interest rates is as follows:

Governmental Activities:

- Building and office space leases. Annual installments totaling \$ 14.5 million plus interest at rates ranging from 0.46% to 1.33 % due dates ranging from July 2023 to July 2035.

Fiduciary Activities:

- Building and office space leases. Annual installments totaling \$ 1.0 million plus interest rate of 0.83 % due in December 2027.

**CITY OF SANTA ANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

**NOTE 3. DETAILED NOTES ON ALL FUNDS (CONTINUED):**

**E. Long Term Liabilities (Continued)**

Certain facility leases provide for increases in future minimum annual rental payments based on defined increases in the Consumer Price Index, subject to certain minimum increases. Total minimum lease payments have not been reduced by \$0.3 million to be received in the future under non-cancelable subleases.

Total future minimum lease payments under lease agreements are as follows:

Year Ending June 30	Governmental Activities		Fiduciary Activities		Total
	Principal	Interest	Principal	Interest	
2024	\$ 1,084,586	\$ 501,569	\$ 218,976	\$ 7,495	\$ 1,812,626
2025	1,112,040	470,062	220,807	5,663	1,808,572
2026	1,050,716	436,222	222,654	3,817	1,713,409
2027	1,103,432	400,847	224,515	1,955	1,730,749
2028	1,158,528	363,612	112,961	275	1,635,376
2029 - 2033	6,710,375	1,187,571	-	-	7,897,946
2034 - 2036	2,256,229	167,517	-	-	2,423,746
Total	<u>\$ 14,475,906</u>	<u>\$ 3,527,400</u>	<u>\$ 999,913</u>	<u>\$ 19,205</u>	<u>\$ 19,022,424</u>

**SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS**

The City has entered into subscription based-information technology arrangements (SBITAs) for various software subscriptions including: rental registry, public bid notification, budget tracking, cashiering and cash management, job posting, crowd strike endpoint protection, library resource content, cataloging and database management, permitting, plan review, police camera, law enforcement plus, zoo ticketing, advanced metering infrastructure and water systems management. The SBITA arrangements expire at various dates through 2036 and provide for renewal options.

As of June 30, 2023, SBITA assets and the related accumulated amortization totaled \$6.6 million and \$1.4 million, respectively in governmental activities and \$1.2 million and \$0.2 million, respectively in business-type activities.

**CITY OF SANTA ANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

**NOTE 3. DETAILED NOTES ON ALL FUNDS (CONTINUED):**

**E. Long Term Liabilities (Continued)**

The future subscription payments under SBITA agreements are as follows:

Year Ending June 30,	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2024	\$ 1,428,364	\$ 125,028	\$ 276,388	\$ 27,776	\$ 1,857,556
2025	1,403,507	90,624	181,842	16,568	1,692,541
2026	1,134,806	55,584	44,948	15,652	1,250,990
2027	817,928	28,134	46,335	14,572	906,969
2028	111,483	8,143	47,764	13,143	180,533
2029 - 2033	171,668	6,561	261,854	42,680	482,763
2034 - 2036	-	-	116,400	5,414	121,814
Total	\$ 5,067,756	\$ 314,074	\$ 975,531	\$ 135,805	\$ 6,493,166

Some SBITA agreements require variable payments based on future performance of the government, usage of the underlying IT assets, or number of user seats and are not included in the measurement of the SBITA liability. Those variable payments are recognized as outflows of resources in the periods in which the obligation for those payments is incurred. During the year ended June 30, 2023, the City made variable payments as required by SBITA agreements totaling \$750,133.

**REVENUE REFUNDING BONDS**

Gas Tax Revenue Refunding Bonds, Series 2019. On December 10, 2019, the City issued the Gas Tax Revenue Refunding Bonds, Series 2019 in the amount of \$44.7 million. The proceeds of the bonds were used for defeasance and refinancing of the 2007 Gas Tax Revenue Certificates of Participation. The 2019 Gas Tax Refunding Bonds mature serially starting on January 1, 2020 through January 1, 2040 in amounts ranging from \$1.3 million to \$3.1 million and pay interest at rates varying from 4.0% to 5.0%.

The Bonds are payable from and secured by the City's pledge of Gas Tax Revenues and certain funds and accounts held under the Indenture. Gas Tax Revenues consist of all amounts received by the City under Streets and Highways Code Sections 2103, 2105, 2106, and 2107. Pledged revenue recognized during the fiscal year ended June 30, 2023 was \$7.8 million against total debt payment of \$3.2 million. The refunding resulted in cash flow difference of \$14.8 million and an economic gain (difference between the present values of the old debt and new debt service payment) of \$11.3 million. The unpaid balance as of June 30, 2023 was \$37.8 million.

**CITY OF SANTA ANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

**NOTE 3. DETAILED NOTES ON ALL FUNDS (CONTINUED):**

**E. Long Term Liabilities (Continued)**

Period Ending June 30	Principal	Interest
2024	\$ 1,465,000	\$ 1,764,875
2025	1,545,000	1,689,625
2026	1,615,000	1,610,625
2027	1,700,000	1,527,750
2028	1,785,000	1,440,625
2029-2033	10,355,000	5,735,375
2034-2038	13,210,000	2,819,025
2039-2040	6,170,000	249,200
Total	\$ 37,845,000	\$ 16,837,100

**LEASE REVENUE BONDS**

Police Lease Revenue Bonds. On March 23, 1994, the Santa Ana Financing Authority (SAFA) issued the Police Administration and Holding Facility Lease Revenue Bonds in the amount of \$107.4 million to provide funds for the construction and equipping of a police administration and holding facility. The bonds were issued in the following portfolio mix: \$1.5 million Capital Appreciation Bonds with accreted values of \$0.3 million due July 1, 2001, \$0.8 million due July 1, 2002 and \$1.3 million due July 1, 2003; \$17.6 million of Current Interest Serial Bonds are due in amounts ranging from \$1.8 million starting July 1, 2004 to \$3.6 million ending in July 1, 2009; \$21.2 million of Auction Inverse Rate Securities Term Bonds (AIRS), due in amounts ranging from \$3.8 million starting in July 1, 2011, to \$4.7 million ending July 1, 2014; \$28.5 million of noncallable Premium Serial Bonds due in amounts ranging from \$5.0 million starting July 1, 2015 to \$6.4 million ending July 1, 2021 and \$38.6 million of noncallable Premium Term Bonds due in amounts ranging from \$6.8 million starting July 1, 2023, to \$8.7 million ending July 1, 2024.

On February 4, 2004, the SAFA issued the Lease Revenue Refunding Bonds, Series 2004A to partially refund \$17.6 million of the Lease Revenue Bonds, Series 1994A representing the Current Interest Serial Bonds maturing in July 1, 2004 through July 1, 2009, and fully refund \$21.2 million of AIRS Term Bonds maturing July 1, 2010 through July 1, 2014. The face value of the Lease Revenue Refunding Bonds, Series 2004A was \$38.8 million. The refunding was issued with interest rates ranging from 2.5% to 5%.

On June 18, 2014, the Lease Revenue Refunding Bonds, Series 2004A was defeased. At the same time, the SAFA executed the 2014 Private Placement Financing with TPB Investment, Inc., Compass Mortgage Corporation and Capital One Public Funding, LLC, to advance refund 50% of the 1994A Police Administration and Holding Facility Lease Revenue Bonds.

**CITY OF SANTA ANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

**NOTE 3. DETAILED NOTES ON ALL FUNDS (CONTINUED):**

**E. Long Term Liabilities (Continued)**

The bonds are payable from revenues of the Financing Authority, consisting principally of base rental payments by the City pursuant to a lease agreement between the City and the Authority. The City agreed to make all base rental payments sufficient to permit the Authority to pay principal and interest on all the bonds described in the preceding paragraph. These revenues are pledged until fiscal year 2024. Payment of principal and interest on the bonds is covered by a municipal bond insurance policy issued by Municipal Bond Investors Assurance Company (MBIA). The unpaid balance as of June 30, 2023 was \$4.3 million.

Combined lease revenue bonds debt service requirements to maturity are as follows:

Period Ending		Principal	Interest
June 30			
2024	\$	4,342,500	\$ 271,406

**PENSION OBLIGATION BONDS**

2021 Taxable Pension Obligation Bonds, Series A

On September 8, 2021, the City issued \$425.8 million Taxable Pension Obligation Bonds, Series A. The proceeds of the bonds were used to (i) pay all or a portion of the City's currently amortized, unfunded accrued actuarial liability to the California Public Employees' Retirement System with respect to the City's defined benefit retirement plans for City employees, and (ii) pay costs of issuance of the Bonds. Taxable Pension Obligation Bonds, Series A mature serially on August 1 beginning 2023 through 2045 in amounts ranging from \$6.0 million to \$34.3 million and pay interest at rates varying from 0.25% to 3.1%. The unpaid balance as of June 30, 2023 was \$419.8 million.

The annual debt service requirements are as follows:

Period Ending		Principal	Interest
June 30			
2024		2,065,000	10,987,744
2025		3,345,000	10,972,803
2026		5,970,000	10,932,631
2027		8,790,000	10,851,812
2028		12,890,000	10,705,708
2029-2033		96,265,000	48,701,963
2034-2038		165,190,000	31,822,452
2039-2043		110,435,000	9,207,643
2044-2045		14,855,000	366,571
Total	\$	<u>419,805,000</u>	<u>\$ 144,549,327</u>

**CITY OF SANTA ANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

**NOTE 3. DETAILED NOTES ON ALL FUNDS (CONTINUED):**

**E. Long Term Liabilities (Continued)**

**LONG-TERM LOANS AND OTHER PAYABLES**

Southern California Edison On-Bill Financing Program. On August 2011, the Council approved the installation of energy-efficient LED street lights on Main Street and Edinger Avenue. The project was funded through Southern California Edison’s On-Bill Financing Program. Since inception of this program, the Council has approved the installation of streetlights at various other city locations. The costs are repaid from energy savings over a period of up to ten years. The unpaid balance as of June 30, 2023 was \$1.1 million. The annual debt service requirements are as follows:

Period Ending June 30	Principal
2024	328,857
2025	270,604
2026	177,224
2027	134,977
2028	74,772
2029-2032	158,475
Total	\$ <u>1,144,908</u>

**NOTES FROM DIRECT BORROWINGS**

Private Placement Financing. On June 18, 2014, the Santa Ana Financing Authority executed the 2014 Private Lease Financing in the amount of \$45.1 million with three private placement providers: TPB Investment, Inc. (\$22.0 million), Compass Mortgage Corporation (\$10.0 million), and Capital One Public Funding, LLC (\$13.1 million). Of the proceeds received, the City used \$8.0 million to refinance the outstanding 1998 Certificate of Participation (City Hall Expansion Project). These issues will mature serially on January 1, beginning 2017 through 2028, in amounts ranging from \$0.4 to \$0.7 million and bear interest at 3.75%. The remaining \$37.0 million of the proceeds was used to partially advance refund the 1994 Police Administration and Holding Facility Lease Revenue Bonds. These issues will mature serially on July 1, beginning 2015 through 2024, in amounts ranging from \$3.1 million to \$4.3 million and bear interest at 3.32%. The unpaid balance as of June 30, 2023 was \$7.6 million.

**CITY OF SANTA ANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

**NOTE 3. DETAILED NOTES ON ALL FUNDS (CONTINUED):**

**E. Long Term Liabilities (Continued)**

The annual debt service payment requirements to maturity are as follows:

Period Ending June 30	TPB Investment, Inc.		Compass Mortgage Corporation		Capital One Public Funding, LLC		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 2,540,000	84,328	1,155,000	38,346	1,200,000	133,069	\$ 4,895,000	\$ 255,743
2025	-	-	-	-	645,000	90,094	645,000	90,094
2026	-	-	-	-	665,000	65,531	665,000	65,531
2027	-	-	-	-	695,000	40,031	695,000	40,031
2028	-	-	-	-	720,000	13,500	720,000	13,500
Total	\$ 2,540,000	\$ 84,328	\$ 1,155,000	\$ 38,346	\$ 3,925,000	\$ 342,225	\$ 7,620,000	\$ 464,899

800 MHz Radio System. On May 22, 2015, the City entered into a financing agreement with Holman Capital Corporation to fund the City's partnership cost for participating in the Next Generation Systems for 800 MHz CCCS, which requires the replacement of the backbone radio infrastructure equipment. On June 5, 2015, Homan Capital Corporation assigned its right, title, and interest in and to the agreement to Community Business Bank (now known as Suncrest Bank). The City's partnership costs totaling \$2.3 million were payable over three fiscal years. Community Business Bank provided the funding necessary to fulfill the City's commitment for the first two years in the amount of \$1.0 million at interest rate of 3% per annum. The unpaid balance as of June 30, 2023 was \$0.2 million.

The annual debt service requirements are as follows:

Period Ending June 30	Principal	Interest
2024	\$ 119,018	\$ 5,919
2025	122,630	2,308
Total	\$ 241,648	\$ 8,227

On June 15, 2017, the City entered into a financing agreement with Holman Capital Corporation to fund the City's commitment to fulfill the third and final year (fiscal year 2017-18) partnership cost for this project. The total amount financed was \$1.5 million at interest rate of 3.1% per annum. On June 15, 2017, Homan Capital Corporation assigned its right, title, and interest in and to the agreement to Santa Cruz County Bank. The unpaid balance as of June 30, 2023 was \$0.4 million.

The annual debt service requirements are as follows:

Period Ending June 30	Principal	Interest
2024	\$ 196,402	\$ 10,099
2025	202,562	3,940
Total	\$ 398,964	\$ 14,039

**CITY OF SANTA ANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

**NOTE 3. DETAILED NOTES ON ALL FUNDS (CONTINUED):**

**E. Long Term Liabilities (Continued)**

On November 23, 2004, the City and thirty-seven other cities in the Orange County executed a Joint Agreement for the Operation Maintenance and Financial Management of the Orange County 800 Megahertz Countywide Coordinated Communications System, which provides for the management and governance of the 800MHz Countywide Coordinated Communication System (800 MHz CCCS). On May 5, 2015, the City entered into an agreement amendment with the County of Orange for the operation, maintenance and financial management of the 800 MHz CCCS, which consisted of the replacement of the backbone infrastructure equipment, along with agency owned equipment and dispatch consoles with the radio equipment. The City financed the purchase of equipment necessary to implement the 800 MHz system upgrade by entering into an equipment lease-purchase agreement with Motorola Credit Corporation and Motorola Solutions, Inc. The minimum payments required during the ten-year term of the agreement are \$4.9 million. The payment discounted at an estimated interest rate of 3.12 percent provides a present value of \$4.3 million, which is capitalized as equipment in the City’s capital assets with a cost of \$4.2 million and accumulated depreciation of \$2.5 million as of June 30, 2023. Since the agreement transfers ownership of the equipment to the City at the end of the term, the City is reporting this arrangement as a long-term other payable.

The future minimum obligations and the net present value of these minimum payments as of June 30, 2023 were as follows:

Period Ending		Principal		Interest
June 30				
2024	\$	444,254	\$	42,512
2025		458,315		28,451
2026		472,819		13,945
Total	\$	1,375,388	\$	84,908

Streetlights Acquisition and Upgrade Project Financing. On April 4, 2017, City Council approved a Purchase and Sale agreement with Southern California Edison to acquire streetlights in Santa Ana. On April 6, 2018, the City executed an agreement with Siemens Industry, Inc., to purchase and install Light Emitting Diode fixtures for citywide streetlight upgrades; the City also execute an agreement with Magellan Advisors to provide citywide fiber-optic and wireless broadband network consulting services. The City financed the project by entering into an equipment lease- purchase agreement with Holman Capital Corporation (Holman) and an escrow deposit agreement with Signature Bank on April 6, 2018. The total amount financed was \$5.4 million at interest rate of 3.3% per annum.



**CITY OF SANTA ANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

**NOTE 3. DETAILED NOTES ON ALL FUNDS (CONTINUED):**

**E. Long Term Liabilities (Continued)**

The annual debt service requirements are as follows:

Period Ending June 30	Principal	Interest
2024	\$ 622,196	\$ 160,354
2025	642,915	139,635
2026	664,324	118,226
2027	686,446	96,104
2028	709,305	73,245
2029-2030	1,490,257	74,845
Total	\$ 4,815,443	\$ 662,409

**COMPENSATED ABSENCES PAYABLE**

The City's policies relating to compensated absences are described in Note 1D. The outstanding balance at June 30, 2023 was \$34.7 million and \$2.7 million for the Governmental Activities and Business-type Activities respectively. The liability for Governmental Activities is primarily liquidated from the General Fund while the liability for Business-type activities is liquidated from the Enterprise Funds.

**REVENUE BONDS PAYABLE**

Water Revenue Refunding Bonds, Series 2014. On August 7, 2014, the City, through the Santa Ana Financing Authority (SAFA), issued Water Revenue Refunding Bonds, Series 2014 for \$15.7 million. The proceeds of the bonds were used to (a) provide funds to refund in full the Authority's Water Revenue Refunding Bonds, Series, 2004, b) to finance a portion of the acquisition and construction of certain improvements to the City's Water System, and lastly c) to pay certain costs of issuance of the Bonds. The principal of the bonds is payable commencing March 1, 2017, through 2032 and interest rate ranges from 2.0% to 5.0%.

The 2014 Bonds are payable solely from installment payment made by the City from Net System Revenues pursuant to the Installment Purchase Agreement. These revenues have been pledged until fiscal year 2025. Total debt service amount for the bonds is \$23.4 million. Pledged revenue recognized during the fiscal year ended June 30, 2023 was \$4.5 million as against total debt payment of \$1.6 million. There is no requirement for establishing a reserve fund as security for the Bonds. The unpaid balance as of June 30, 2023 was \$9.8 million.

**CITY OF SANTA ANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

**NOTE 3. DETAILED NOTES ON ALL FUNDS (CONTINUED):**

**E. Long Term Liabilities (Continued)**

Water revenue bonds debt service requirements to maturity are as follows:

Period Ending June 30	Principal	Interest
2024	\$ 905,000	\$ 450,738
2025	940,000	411,400
2026	985,000	363,275
2027	1,035,000	317,950
2028	1,075,000	270,375
2029-2032	4,870,000	502,000
Total	<u>\$ 9,810,000</u>	<u>\$ 2,315,738</u>

Among other provisions of the bond resolutions, the City covenants that revenue from the water utility operation will be sufficient to provide net revenues of at least 1.20 times the principal and interest (or minimum term bond payment of the bonds as they become due and payable). The City has complied with such covenant as noted in the following analysis:

	<u>June 30, 2023</u>
Operating revenue	\$ 66,478,509
Operating expenses (net of depreciation & amortization expense of \$3,437,702)	<u>60,388,256</u>
Net revenue	6,090,253
Amount required for payment of principal and interest payable for the year ended June 30, 2024 (\$1,355,738 x 1.20)	<u>1,626,885</u>
Excess of net revenue over amount required	<u>\$ 4,463,368</u>

**CITY OF SANTA ANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

**NOTE 3. DETAILED NOTES ON ALL FUNDS (CONTINUED):**

**E. Long Term Liabilities (Continued)**

**TAX ALLOCATION BONDS**

The proceeds of the Tax allocation bonds and Tax allocation refunding bonds were used to fund certain redevelopment activities of benefit to public properties within the Agency’s Santa Ana South Main Street Redevelopment Project Area.

2018A Tax Allocation Refunding Bonds. On November 8, 2018, the Successor Agency to the former Community Redevelopment Agency of the City of Santa Ana issued the Series 2018A Tax Allocation Refunding Bonds in the amount of \$13.6 million. The proceeds of the bonds were used for defeasance and refinancing of the 2003A Tax Allocation Bonds and 2003B Tax Allocation Refunding Bonds. The 2018A Tax Allocation Refunding Bonds mature serially starting on September 1, 2020 through September 1, 2031 in amounts ranging from \$0.3 million to \$2.8 million and pay interest at rates varying from 4.0% to 5.0%.

The Bonds are special obligations of the Successor Agency and are payable solely from and secured by a pledge of certain Tax Revenues. The Bonds do not constitute a debt or liability of the City of Santa Ana or of any of its political subdivisions, other than the Successor Agency. The Payment of principal and interest on the bonds is covered by a municipal bond insurance policy.

The 2018A Tax Allocation Refunding Bonds debt service to maturity is as follows:

Period Ending			
June 30	Principal		Interest
2024	\$ 830,000	\$	439,000
2025	875,000		396,375
2026	915,000		351,625
2027	965,000		304,625
2028	1,015,000		255,125
2029-2032	4,595,000		473,625
Total	<u>\$ 9,195,000</u>	<u>\$</u>	<u>2,220,375</u>

2018B Tax Allocation Refunding Bonds. On November 8, 2018, the Successor Agency to the former Community Redevelopment Agency of the City of Santa Ana issued the Series 2018B Tax Allocation Refunding Bonds in the amount of \$58.7 million. The proceeds of the bonds were used for defeasance and refinancing of the 2011A Tax Allocation Bonds. The 2018B Tax Allocation Refunding Bonds mature serially starting on March 1, 2020 through March 1, 2028 in amounts ranging from \$3.4 million to \$11.3 million and pay interest at rates varying from 3.3% to 4.0%.

The Bonds are special obligations of the Successor Agency and are payable solely from and secured by a pledge of certain Tax Revenues. The Bonds do not constitute a debt or liability of the City of Santa Ana or of any of its political subdivisions, other than the Successor Agency. The Payment of principal and interest on the bonds is covered by a municipal bond insurance policy.

**CITY OF SANTA ANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

**NOTE 3. DETAILED NOTES ON ALL FUNDS (CONTINUED):**

**E. Long Term Liabilities (Continued)**

The 2018B Tax Allocation Refunding Bonds debt service to maturity is as follows:

Period Ending		Principal	Interest
June 30		Principal	Interest
2024	\$	8,635,000	\$ 1,629,139
2025		9,285,000	1,304,150
2026		9,970,000	946,080
2027		11,315,000	540,217
2028		4,255,000	237,044
2029		3,800,000	76,323
Total	\$	<u>47,260,000</u>	<u>\$ 4,732,953</u>

ABx1 26 (the "Dissolution Act") was enacted in late June 2011 as part of the fiscal year 2011-12 state budget package and was held by the California Supreme Court to be largely constitutional on December 29, 2011. Under the Dissolution Act, each of California's redevelopment agencies was dissolved as of February 1, 2012. On January 9, 2012, the City adopted a resolution declaring its intent to serve as the Successor Agency and designating the Housing Authority of the City to serve as the Successor Housing Agency. Pursuant to ABx1 26, prior to the dissolution, on August 24, 2011, the Dissolved Redevelopment Agency prepared the initial Enforceable Obligation Payment Schedule (the "EOPS") subject to update by the Successor Agency. Subsequent legislation further amended the Dissolution Act and the Successor Agency is currently required to submit an annual Oversight Board approved Recognized Obligation Payment Schedule (ROPS) to the County Auditor Controller (CAC) and the Department of Finance (DOF) by February 1<sup>st</sup> of each year (Section 34177(o)). Distributions from the Redevelopment Property Tax Trust Fund (RPTTF) are made semi-annually on June 1 and January 2. The Successor Agency issued the 2018 Series A and B Bonds to refund the 2003A and 2011 Tax Allocation Bonds and the 2003B Tax Allocation Refunding Bonds on November 8, 2018. The RPTTF distribution revenues have been pledged until the year 2031 for the 2018 Series A bonds and 2028 for 2018 Series B Bonds in accordance with ROPS.

The information of EOPS and ROPS are found on the City's website at:

<https://www.santa-ana.org/successor-agency-oversight-board/>

**F. Special Assessment Debt with No City Commitment**

On July 27, 2016, the City issued Assessment District No. 2015-01 (Warner Industrial Community) Limited Obligation Improvement Bonds for \$1.6 million on behalf of the property owners, pursuant to provisions of the Improvement Bond Act of 1915. The proceeds of the bonds is used to finance certain infrastructure improvements within the assessment district, pay the costs of issuing the bonds and certain administrative expenses, and fund a reserve fund for the bonds. The bonds are not a debt or a liability of the City. The City acts solely as an agent and is in no way liable for the Special Assessment debt.

**CITY OF SANTA ANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

**NOTE 3. DETAILED NOTES ON ALL FUNDS (CONTINUED):**

**F. Special Assessment Debt with No City Commitment (Continued)**

The City has no obligation beyond the balances in the designated custodial funds for any delinquent assessment district bond payments. If delinquencies occur beyond the amounts held in the reserve funds created from bond proceeds, the City has no duty to pay the delinquency out of the available funds of the City. Neither the faith and credit nor the taxing power of the City, or the State of California, or any political subdivision thereof is pledged to the payment of these bonds.

Non-committal debt amount issued and outstanding at June 30, 2023 for the bonds was as follows:

Number	Fixed Rate Issues	Bonds Issued	Bonds Outstanding
2015-01	Warner Industrial Community	\$ 1,585,000	\$ 1,170,000
	Total Fixed Rate Issues	\$ 1,585,000	\$ 1,170,000

**G. Other Bonds and Loan Programs**

The City has entered into a number of bond and loan programs to provide low interest financing for various residential and commercial developments within the City. Although the City has arranged these financing programs, these debts are not payable from any revenues or assets of the City. Neither the faith and credit nor the taxing power of the City, nor any political subdivision of the City, is pledged to repay the indebtedness. Generally, the bond or loan holders may look only to assets held by trustees for security on the indebtedness. Accordingly, since these debts do not constitute obligations of the City, they are not reflected as a liability in the accompanying statement of net position. A short description of each program follows:

Residential Mortgage Revenue Bond Programs:

Through June 30, 2023, the City and the Housing Authority of the City has issued residential mortgage revenue bonds totaling \$35.2 million. The proceeds of these bonds were used to purchase mortgage loans made to homeowners and developers for the purpose of financing construction of single-family and multi-family housing. At June 30, 2023, the bonds have an aggregate outstanding principal amount payable of \$13.3 million. The bonds, secured by first trust deeds and private mortgage insurance, are as follows:

Issue Date	Interest Rate	Original Principal	Outstanding Principal
November 1, 2001	6.05%	\$ 3,306,407	\$ 1,588,276
June 25, 2002	6.00%	1,035,778	520,860
May 1, 2006	5.88%	7,343,904	1,467,000
May 1, 2007	5.21%	8,858,276	5,996,866
July 1, 2009	Variable	4,055,000	1,328,029
October 31, 2011	5.85%	10,615,700	2,361,452
		\$ 35,215,065	\$ 13,262,483

**CITY OF SANTA ANA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

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**NOTE 3. DETAILED NOTES ON ALL FUNDS (CONTINUED):**

**G. Other Bonds and Loan Programs (Continued)**

The bonds are payable solely from payments made on the mortgage loans, proceeds of the bonds, and other amounts held in funds or accounts established by the trustee pursuant to the indentures. In addition, no commitments beyond the maintenance of the tax-exempt status of the conduit debt obligation were extended by the City and the Housing Authority of the City for any of these bonds. The City also does not hold title to any of the asset financed by the issued bonds.

Residential Loan Programs:

In April 1983, the City Council implemented a self-funding residential loan program. The program provided direct loans to qualifying persons for both single-family and multi-family units in amounts up to \$75,000 at 0% to 3% interest, which are either amortized over 20 to 30 years or deferred up to 5 years for single-family homes. Generally, all loans are due upon sale or once the property is no longer owner-occupied, and are secured by a deed of trust. For mobile home loans, the program provided up to \$12,000 with 0% interest and is forgivable at a rate of 20% of the loan amount per year and fully forgiven after five years of owner occupancy.

In 2021, the City Council implemented the City's new Home Repair Program. The program is administered by Habitat for Humanity of Orange County on behalf of the City. The program provides grants of up to \$25,000 for eligible home repairs to include eligible roof replacement to low-income homeowners at or below 80% of the Area Median Income (AMI) as defined by the U.S. Department of Housing and Urban Development (HUD). Eligible activities include the repair, replacement, and/or installation of major systems including plumbing, heating, electrical, windows, roof, paint, and handicap accessibility.

A number of loans that may be forgiven are "Gap Loans" to homebuyers for homes that were built by Habitat for Humanity. The "Gap Loan" represents the difference between the current market rate appraised value and the affordable sales price. In the event the loan has not become due and payable prior to the 45th year, the whole amount will be considered matured and the obligation to pay shall be forgiven as of the maturity date. If the property is sold to a non-income qualified buyer, the full amount will be due and payable in addition to, if required by the specific loan, a Contingent Equity participation amount as set forth in the promissory note and loan agreement terms.

The City Council also approved a down payment assistance loan program for first time homebuyers. The program offers 0% interest, deferred payment loans up to \$80,000 to \$120,000 depending on the household income level of the qualifying person. All loans are deferred for 45 years or are due upon sale with the loan secured by a deed of trust. A student incentive is also provided to a college graduate who attended a local Santa Ana high school in which \$10,000 may be forgiven every five years up to \$40,000 in total forgiveness.

In addition, the City provides residual receipt loans with up to 3% interest to developers of multi-family affordable housing projects for new construction or acquisition/rehabilitation. In 2012, the Successor Agency to the Community Redevelopment Agency of the City of Santa Ana provided a one-time forgivable loan of \$2,900,000 for the development of a 41-unit new construction project that shall be forgiven in March 2067.

**CITY OF SANTA ANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

**NOTE 3. DETAILED NOTES ON ALL FUNDS (CONTINUED):**

**G. Other Bonds and Loan Programs (Continued)**

The various loan programs described above are funded by the HOME Investment Partnerships Program, Community Development Block Grant, Low and Moderate Income Housing Asset Fund, Inclusionary Housing Fund, Neighborhood Stabilization Program, and other grant funds that are available to create affordable housing and rehabilitate existing housing. The forgivable loans were offset by allowance for uncollectible accounts and the long-term loans were discounted based on the historical prime rate, which was 5.50 percent as of June 30, 2023. At year-end, loans and notes receivable were reported as follows:

Program/Fund	Loans Receivable	Allowance for Uncollectibles	Net Loans Receivable
HOME Investment Partnership Program	\$ 46,126,231	\$ (284,108)	\$ 45,842,123
HOME - American Rescue Plan Program	3,791,697	-	3,791,697
Community Development Block Grants	5,129,949	(40,000)	5,089,949
Neighborhood Stabilization Program	10,794,458	-	10,794,458
CalHome Program	1,072,454	(133,341)	939,113
Rental Rehabilitation Program	347,871	-	347,871
Total Special Revenue Grants	<u>67,262,660</u>	<u>(457,449)</u>	<u>66,805,211</u>
Capital Projects - Inclusionary Housing Fee	8,946,446	(668,744)	8,277,702
Capital Projects - Housing Successor Agency	72,243,171	(49,994,361)	22,248,810
	<u>\$ 148,452,277</u>	<u>\$ (51,120,554)</u>	<u>\$ 97,331,723</u>

**H. Commitments**

Appellate Court Garage Lease Agreement

On October 27, 2005, the Santa Ana Financing Authority (SAFA) entered the Lease Agreement with the City to lease the City's property at the blocks A, B, C and D on Ross Street (Site) for construction of the three-level parking facility. Under the lease, the SAFA agreed to advance rental payment in the amount of \$6.0 million to the City. On October 27, 2005, the SAFA re-leased the Site to the City and assigned its right to receive lease payment and its right to enforce payment of the Lease Payments to All Points Public Funding, LLC.

On March 30, 2007, both parties, the SAFA and the City amended the October 27, 2005 Lease and Release Agreements. Under the amended Lease and Release Agreements, the SAFA agreed to advance rental payment in the amount of \$8.5 million to the City. On March 30, 2007, the SAFA and All Points Public Funding, LLC (now known as Capital One Public Funding, LLC) amended the Assigned Agreement to the lease amount of \$8.5 million.

On June 1, 2014, the Assigned Agreement was amended to give the City a prepayment option and revised the lease payment schedule. The amended lease term is scheduled to end on May 1, 2026. The amended lease payment schedule was computed at 3.6 % per annum. The future minimum lease payments required under the term of the lease at June 30, 2023 totaled \$1.8 million.

**CITY OF SANTA ANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

**NOTE 3. DETAILED NOTES ON ALL FUNDS (CONTINUED):**

**H. Commitments (Continued)**

Period Ending June 30	Principal Component	Interest Component	Total Lease Payment
2024	\$ 577,507	\$ 59,512	\$ 637,019
2025	598,484	38,535	637,019
2026	620,223	16,796	637,019
	\$ 1,796,214	\$ 114,843	\$ 1,911,057

Encumbrances

Encumbrances represent commitments related to contracts not yet performed, and orders not yet filled and they are used to control expenditure commitments for the year and to enhance cash management. While all appropriations and encumbrances lapse at year-end, valid outstanding encumbrances (those for which performance under executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget. The encumbrances balance at June 30, 2023 was \$27.4 million. These amounts are reported as assigned fund balance in the governmental funds.

Encumbrances	June 30, 2023
General Fund	\$ 10,750,421
Special Revenue Grants	8,735,598
Sanitation	436,087
Water	1,708,620
Sewer	205,578
Capital Project Funds	809,607
Nonmajor Capital Project Funds	2,363,465
Nonmajor Enterprise Funds	520,986
Internal Services Funds	1,821,534
	\$ 27,351,896



**CITY OF SANTA ANA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

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**NOTE 4. OTHER INFORMATION**

**A. Risk Management**

The City is exposed to various risks of loss related to employee injury or illness; torts; theft of, damage to and destruction of assets; errors and omissions; employer liability; and natural disasters. The City established Self Insurance Internal Service Funds for the administration of the City's self-insurance programs, workers' compensation and general liability claims. The City contracts with a Third Party Administrator, AdminSure, Inc. for all claims handling and administration of General Liability and Workers' Compensation programs. AdminSure claims adjusters estimate total losses for each claim and determines reserve requirements for the General Liability and Workers' Compensation claims as well as maintaining required reporting and on-going communication with risk pool personnel, excess and reinsurance carriers, City Attorney's staff, outside legal counsel and City Risk Management staff.

The City currently is a member of two risk pools regarding the general liability and workers' compensation excess coverage and reinsurance. The City is currently managing the remainder of general liability claims with dates of incident prior to July 1, 2019 under Big Independent Cities Excess Pool (BICEP), a public entity risk pool established to pool resources, share risks, and purchase excess insurance and reinsurance. The City's relationship with BICEP will continue until all claims in the relative period are resolved or otherwise transferred to another entity. Each BICEP member city assumes the first \$1 million of each occurrence as their self-insured retention (SIR) amount. In some previous plan years, all BICEP members share the risk for the first layer of claims between \$1 million to \$2 million. Reinsurance and excess insurance covers amounts from \$2 million to \$27 million maximum. The City is also currently managing the remainder of workers' compensation claims with dates of incident prior to July 1, 2019 under California State Association of Counties – Excess Insurance Authority (CSAC-EIA), now PRISM, for excess workers' compensation claims in excess of \$1 million per occurrence. The City's relationship with CSAC-EIA/PRISM will continue until all claims in the relative period are resolved or otherwise transferred to another entity.

Effective July 1, 2019, the City was accepted as a member of Independent Cities Risk Management Authority (ICRMA), a qualified risk pool, currently with 14 other southern California cities, for both general liability and workers' compensation excess coverage and reinsurance for all claims with dates of incident of July 1, 2019 going forward. Under these programs, the City is permissibly self-insured for workers' compensation claims up to \$2 million each occurrence with Statutory Coverage. ICRMA also provides numerous other risk control services for member cities.

All funds of the City participate in the program and make payments to the Self Insurance Fund based on actuarial estimates of the amounts needed to pay prior and current claims in the general liability and workers' compensation programs.

Claims expenses, benefits and liabilities are reported in accordance with each applicable Memoranda of Coverage and associated reporting procedures with BICEP, CSAC-EIA/PRISM and ICRMA, including, when it is probable that a loss has occurred and the amount of loss can be reasonably estimated. The losses include an estimate of claims that have been incurred but not reported (IBNR). The effects of specific incremental claim adjustment expenditures/expenses, salvage, and subrogation, and other allocated and unallocated claim adjustment expenditures/expenses are included. At June 30, 2023, the outstanding losses for the workers' compensation and general liability programs are reported at their discounted present value. The outstanding losses are discounted at a 2.0% annual interest rate

**CITY OF SANTA ANA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

**NOTE 4. OTHER INFORMATION (CONTINUED)**

**A Risk Management (Continued)**

to reflect future investment earnings. The present value computations were performed by an independent casualty actuary, in connection with their actuarial study of the City's self-insured workers' compensation and liability programs undertaken as of June 30, 2023.

Changes in the balances of claims liabilities since July 1, 2021 resulted from the following:

	<u>Workers Compensation</u>	<u>General Liability</u>	<u>Total</u>
Net Unpaid Claims - July 1, 2021	\$ 33,102,777	\$ 17,672,101	\$ 50,774,878
Claims and Changes in Estimate	6,480,266	7,228,155	13,708,421
Claims Payments	<u>(2,673,020)</u>	<u>(5,381,195)</u>	<u>(8,054,215)</u>
Unpaid Claims - June 30, 2022	36,910,023	19,519,061	56,429,084
Less Discount Taken	<u>(4,010,149)</u>	<u>(457,855)</u>	<u>(4,468,004)</u>
Net Unpaid Claims - June 30, 2022	<u>\$ 32,899,874</u>	<u>\$ 19,061,206</u>	<u>\$ 51,961,080</u>
	<u>Workers Compensation</u>	<u>General Liability</u>	<u>Total</u>
Net Unpaid Claims - July 1, 2022	\$ 32,899,874	\$ 19,061,206	\$ 51,961,080
Claims and Changes in Estimate	16,072,221	6,595,192	22,667,413
Claims Payments	<u>(5,942,003)</u>	<u>(5,477,174)</u>	<u>(11,419,177)</u>
Unpaid Claims - June 30, 2023	43,030,092	20,179,224	63,209,316
Less Discount Taken	<u>(4,371,050)</u>	<u>(527,933)</u>	<u>(4,898,983)</u>
Net Unpaid Claims - June 30, 2023	<u>\$ 38,659,042</u>	<u>\$ 19,651,291</u>	<u>\$ 58,310,333</u>

Internal service funds predominantly serve the governmental funds. Accordingly, the total for the internal service funds claims payable is included as part of the \$58.3 million of claims payable for governmental activities.

**B. Related Party Transactions**

As explained in Note 1A, this report includes the accounts of the Housing Authority and the Financing Authority, each of which is considered a component unit of the City. Each of these component units is operated by City employees, some of whom provide services for (or exert management influence over) more than one of these component units. Charges to these units for labor, materials and overhead are made directly at the City's standard rate per formal agreements with the City. Real property transfers between the City and its component units are reported at the current carrying value, net of cost incurred by the acquiring unit.

**CITY OF SANTA ANA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

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**NOTE 4. OTHER INFORMATION (CONTINUED):**

**C. Contingent Liabilities**

Commitments and Contingencies. Numerous claims and suits have been filed against the City in the normal course of business. To the extent that information available indicates that it is probable, a liability has been incurred as of June 30, 2023 and where the amount of loss could be reasonably estimated, the obligation has been accrued as an expense of the City's self-insurance program (see Note 4A).

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

**D. Joint Venture**

The Orange County Civic Center Authority (the "OCCCA") was created in January 1966 under a Joint Exercise of Powers Agreement between the City and the County of Orange. The purpose of the OCCCA is to provide, through the issuance of revenue bonds, financing necessary to construct a county courthouse and certain City buildings, located on land contributed to the OCCCA by the County and the City. Upon completion of construction, the OCCCA leased the facilities to the County, the City and the State of California. The City took title to its City Hall facilities when it exercised an early defeasance of the corresponding revenue bonds in fiscal year 1993-94.

The Authority is governed by a five-member board to which the Orange County Board of Supervisors and the Santa Ana City Council each appoint two members. These four members select the fifth member. The City and the County have contracted with the OCCCA to administer the Civic Center parking lot and the Parking/Maintenance Fund. Parking revenue is retained by the OCCCA and must be used to pay the parking lot concessionaire, to pay any taxes related to the parking lot, and to reimburse the City for the cost of maintaining the Civic Center. No provision has been made for disposition of excess funds remaining after authorized expenditures have been made.

The Agreement specifies a term of existence of 50 years; however, the Agreement cannot be terminated until all revenue bonds issued and interest thereon has been paid in full or are adequately provided. Upon termination of the Agreement, title to all properties of the OCCCA shall be conveyed to the State, the County and the City, as applicable. Audited financial information of the OCCCA is available at the office of the Auditor-Controller, County of Orange, Finance Building, 630 North Broadway P.O. Box 567, Santa Ana, California 92702-0567.

**CITY OF SANTA ANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

**NOTE 4. OTHER INFORMATION (CONTINUED):**

**E. Defined Benefit Pension Plan**

a. General Information about the Pension Plans:

Plan Description

All qualified permanent and probationary employees are eligible to participate in the City’s separate Safety (police and fire) and Miscellaneous (all other) Plans, agent multiple-employer defined benefit pension plans administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and City resolution. 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.

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 to 62 with statutorily reduced benefits. PEPRM miscellaneous members become eligible for service retirement upon attainment of age 52 with at least 5 years of service. All members are eligible for non-duty disability benefits after 5 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. Safety members can receive a special death benefit if the member dies while actively employed and the death is job-related. Fire members may receive the alternate death benefit in lieu of the Basic Death Benefit or the 1957 Survivor Benefit if the member dies while actively employed and has at least 20 years of total CalPERS service. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plan’s provisions and benefits in effect at the measurement date ended June 30, 2022, are summarized as follows:

	<b>Miscellaneous</b>	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.7% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1% to 2.5%
Required employee contribution rates	8.00%	7.00%
Required employer contribution (Normal Cost Rate)	11.90%	11.90%
Required employer contribution (Unfunded Liability) \$	24,654,510	Included in Tier 1

**CITY OF SANTA ANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

**NOTE 4. OTHER INFORMATION (CONTINUED):**

**E. Defined Benefit Pension Plan (Continued)**

	<b>Safety</b>	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	3% @ 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
Monthly benefits, as a % of eligible compensation	3.0%	2.0% to 2.7%
Required employee contribution rates	9.00%	13.00%
Required employer contribution (Normal Cost Rate)	22.930%	22.930%
Required employer contribution (Unfunded Liability) \$	25,319,498	Included in Tier 1

Employees Covered

At the measurement date ended June 30, 2022, the following employees were covered by the benefit terms of each Plan:

	Miscellaneous	Safety
Inactive employees or beneficiaries currently receiving benefits	1,595	984
Inactive employees entitled to but not yet receiving benefits	947	162
Active employees	821	350
Total	<u>3,363</u>	<u>1,496</u>

Contributions

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

**CITY OF SANTA ANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

**NOTE 4. OTHER INFORMATION (CONTINUED):**

**E. Defined Benefit Pension Plan (Continued)**

Participants are required to contribute 8% (9% for safety employees) of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. On January 1, 2013, the Public Employees' Pension Reform Act of 2013 (PEPRA) took effect. Participants who joined CalPERS on or after January 1, 2013 (new members) are required to contribute at least 50% of the normal cost rate. In fiscal year 2022-23, the rate is 7.00% (13.00% for safety employees) of the new members' annual covered salary. As an employer, the City is required to contribute an actuarially determined percentage rate of annual covered payroll. For fiscal year 2022-23, the Employer Normal Cost Rate was 22.07% for safety employees and 11.23% for non-safety employees. The City's total employer contributions based on the rates were \$11.6 million for safety employees and \$8.6 million for non-safety employees. The City also contributed Employer Payment of Unfunded Liability of \$15.9 million for safety employees and \$11.9 million for non-safety employees. The contribution requirements of plan members and the City are established and may be amended by CalPERS.

b. 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 Plans is measured as of June 30, 2022, using an annual actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions

The total pension liabilities in the June 30, 2021 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2021	June 30, 2021
Measurement Date	June 30, 2022	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions:		
Discount Rate	6.90%	6.90%
Inflation	2.30%	2.30%
Projected Salary Increase	(1)	(1)
Mortality Rate Table	(2)	(2)
Post Retirement Benefit Increas	(3)	(3)

(1) Varies by entry age and service.

(2) 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 mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

(3) The less of contract COLA or 2.30% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.30% thereafter.

**CITY OF SANTA ANA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

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**NOTE 4. OTHER INFORMATION (CONTINUED):**

**E. Defined Benefit Pension Plan (Continued)**

Change of Assumptions

The discount rate and long-term rate of return decreased from 7.15% to 6.90% and the inflation rate decreased from 2.50% to 2.30% from the measurement date June 30, 2021 to June 30, 2022.

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 benefit 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. Using historical returns 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.

**CITY OF SANTA ANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

**NOTE 4. OTHER INFORMATION (CONTINUED):**

**E. Defined Benefit Pension Plan (Continued)**

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

<u>Asset Class (a)</u>	<u>New Strategic Allocation</u>	<u>Real Return (a) (b)</u>
Global Equity - Cap-weighted	30.00%	4.45%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	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%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	<u>100.00%</u>	

(a) An expected inflation of 2.30% used for this period.

(b) Figures are based on the 2021 Asset Liability Management study.

c. Changes in the Net Pension Liability:

The changes in the Net Pension Liability for each Plan are as follows:



**CITY OF SANTA ANA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

**NOTE 4. OTHER INFORMATION (CONTINUED):**

**E. Defined Benefit Pension Plan (Continued)**

**Miscellaneous Plan:**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
<b>Balance at June 30, 2021 (VD) <sup>(1)</sup></b>	\$ 995,220,856	\$ 796,690,266	\$ 198,530,590
<b>Changes in the year:</b>			
Service cost	13,958,963	-	13,958,963
Interest on the total pension liability	68,941,567	-	68,941,567
Differences between expected and actual experience	(4,050,191)	-	(4,050,191)
Changes in assumptions	27,977,970	-	27,977,970
Plan to Plan Resource Movement	-	-	-
Contribution from the employer	-	205,101,430	(205,101,430)
Contribution from the employees	-	5,670,222	(5,670,222)
Net investment income	-	(69,655,899)	69,655,899
Benefit payments, including refunds of employee contributions	(53,949,934)	(53,949,934)	-
Administrative expense	-	(496,290)	496,290
Other Miscellaneous Income/(Expense)	-	-	-
<b>Net changes during 2021-22</b>	<b>\$ 52,878,375</b>	<b>\$ 86,669,529</b>	<b>\$ (33,791,154)</b>
<b>Balance at June 30, 2022 (MD) (1)</b>	<b>\$ 1,048,099,231</b>	<b>\$ 883,359,795</b>	<b>\$ 164,739,436</b>

**Safety Plan:**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
<b>Balance at June 30, 2021 (VD) <sup>(1)</sup></b>	\$ 1,240,630,396	\$ 942,421,520	\$ 298,208,876
<b>Changes in the year:</b>			
Service cost	17,497,323	-	17,497,323
Interest on the total pension liability	85,463,316	-	85,463,316
Differences between expected and actual experience	(14,607,231)	-	(14,607,231)
Changes in assumptions	40,822,417	-	40,822,417
Plan to plan Resource Movement	-	-	-
Contribution from the employer	-	290,235,652	(290,235,652)
Contribution from the employees	-	5,739,104	(5,739,104)
Net investment income	-	(85,016,524)	85,016,524
Benefit payments, including refunds of employee contributions	(73,990,935)	(73,990,935)	-
Administrative expense	-	(587,072)	587,072
Other Miscellaneous Income/(Expense)	-	-	-
<b>Net changes during 2021-22</b>	<b>\$ 55,184,890</b>	<b>\$ 136,380,225</b>	<b>\$ (81,195,335)</b>
<b>Balance at June 30, 2022 (MD) (1)</b>	<b>\$ 1,295,815,286</b>	<b>\$ 1,078,801,745</b>	<b>\$ 217,013,541</b>

<sup>(1)</sup> The table above is based on the Valuation Date (VD) June 30, 2021 and the Measurement Date (MD) of June 30, 2022.

**CITY OF SANTA ANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

**NOTE 4. OTHER INFORMATION (CONTINUED):**

**E. Defined Benefit Pension Plan (Continued)**

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

The following presents the net pension liability of the City for each Plan, calculated using the discount rate for each Plan of 6.90%, as well as what the City's 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:

Plan	1% Decrease 5.90%	Current Discount Rate 6.90%	1% Increase 7.90%
Miscellaneous	302,821,147	164,739,436	50,876,327
Safety	384,121,873	217,013,541	79,626,491

Pension Plan Fiduciary Net Position

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

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

For the year ended June 30, 2023, the City recognized pension expense of \$37.1 million for safety plan and \$49.9 million for non-safety employees. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**Miscellaneous Plan:**

	Deferred of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 20,512,425	\$ -
Changes of assumptions	16,786,782	-
Differences between expected and actual experience	1,082,502	2,430,115
Net differences between projected and actual earnings on pension plan	48,230,482	-
Changes in proportionate share	2,469,485	2,469,485
Total	\$ 89,081,676	\$ 4,899,600

**CITY OF SANTA ANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

**NOTE 4. OTHER INFORMATION (CONTINUED):**

**E. Defined Benefit Pension Plan (Continued)**

**Safety Plan:**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 27,558,234	\$ -
Changes of assumptions	26,745,721	-
Differences between expected and actual experience	3,413,331	9,570,255
Net differences between projected and actual earnings on pension plan investments	60,197,527	-
Total	\$ 117,914,813	\$ 9,570,255

The \$48.1 million reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Deferred Outflows/(inflows) of Resources		
	Miscellaneous	Safety	Total
2024	\$ 19,447,205	\$ 23,639,472	\$ 43,086,677
2025	12,889,882	18,522,098	31,411,980
2026	5,347,436	7,105,007	12,452,443
2027	25,985,128	31,519,747	57,504,875
2028	-	-	-
Thereafter	-	-	-

**e. Payable to the Pension Plan:**

As of June 30, 2023, the City had \$1.3 million of contributions payable to the pension plan required for the fiscal year ended June 30, 2023.

**CITY OF SANTA ANA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

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**NOTE 4. OTHER INFORMATION (CONTINUED):**

**F. Supplementary Retirement Plan**

a. Plan Description:

On April 18, 2011, the City adopted a resolution authorizing the implementation of a Public Agency Retirement Services (PARS) for twenty-five (25) Police Officer's Association (POA) retirees. On August 24, 2011, City amended the resolution to allow the incumbent POA President to participate under the plan. The plan provides a stipend for twenty-six POA retirees that were denied reportable compensation under the California Public Employee Retirement System (CalPERS) for salary increases they received in exchange for participating in an unpaid furlough program. The plan is an agent-multiple employer defined benefit pension plan. This plan is closed to new participants and the twenty-five retirees are inactive employees (or their beneficiaries) currently receiving benefits.

b. Eligibility:

POA members who retired from July 1, 2009 to December 31, 2010 and participated in an unpaid furlough program. Additionally, one POA President who retired prior to December 31, 2011 was eligible under supplementary retirement plan.

c. Funding Policy:

The City has made available an original annual amount of \$119,768 to the plan in accordance with the payment terms defined by the plan. This amount has increased annually due to an annual compounding cost of living adjustment of two percent (2%) per year. For fiscal year 2022-23, the City's annual PARS contribution was \$144,551.

d. Net Pension liability:

The City's net pension liability for the supplementary plan is measured as the total pension liability, less the pension plan's fiduciary net position (unfunded accrued liability). The net pension liability of the Plan is measured as of June 30, 2023, using an annual actuarial valuation as of June 30, 2023. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

**CITY OF SANTA ANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

**NOTE 4. OTHER INFORMATION (CONTINUED):**

**F. Supplementary Retirement Plan (Continued)**

Actuarial Assumptions

The actuarial assumptions for the Supplementary Retirement Plan for twenty-five (25) POA retirees included:

Valuation Timing	Actuarially determined contribution rates are calculated as of June 30, for the fiscal year ending that June 30th.
Valuation Date	6/30/2023
Measurement Date	6/30/2023
Actuarial Cost Method	Entry-Age Normal
Amortization Method:	
Level percent or level dollar	Level dollar
Closed, open, or layered periods	Closed
Amortization period at 06/30/2023	9 Years
Amortization growth rate	0.00%
Asset Valuation Method:	
Smoothing period	None
Recognition method	None
Corridor	None
Actuarial Assumptions:	
Inflation	N/A
Projected Salary Increase	N/A
Investment Rate of Return	6.00%
Cost of Living	2.00%
Mortality	Males: RP-2000 Male Table projected to 2030 using Scale BB (as prescribed by PARS)
	Females: RP-2000 Female Table projected to 2030 using Scale BB (as prescribed by PARS)

Discount Rate

The discount rate is based on the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments to the extent that the plan's fiduciary net position is not projected to be sufficient. As of June 30, 2023, the plan's fiduciary net position is not projected to be sufficient in the first year of the projection.

**CITY OF SANTA ANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

**NOTE 4. OTHER INFORMATION (CONTINUED):**

**F. Supplementary Retirement Plan (Continued)**

The primary assumption in determining the sufficiency of a plan's fiduciary net position relates to expected employer contributions. As of June 30, 2023, the supplementary plan is currently not prefunded, in other words the level of contributions made are sufficient only to make current benefit payments.

Since a date of depletion is determined, the discount rate is much lower than the current 6.00% investment return assumption. After assets are expected to be depleted, projected benefit payments are discounted using the municipal bond index. The City has chosen the Bond Buyer Go 20-Bond Municipal Bond Index. The bond index increased from 3.54% as of June 30, 2022 to 3.65% as of June 30, 2023 resulting in an increase in the single equivalent rate from 3.54% as of June 30, 2022 to 3.65% as of June 30, 2023.

The unfunded liability, referred to as the Net Pension Liability, is \$2.1 million for a funded ratio of 4.16% as of June 30, 2023.

Asset Class	Index	Estimated Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
US Cash	BAML 3-Month Tbil	100%	0.51%	0.49%
Assumed Inflation- Mean			2.32%	2.32%
Assumed Inflation - Standard Deviation			1.42%	1.42%
Portfolio Real Mean Return			0.51%	0.49%
Portfolio Nominal Mean Return			2.83%	2.82%
Portfolio Standard Deviation				1.10%
Long-Term Expected Rate of Return				6.00%

**CITY OF SANTA ANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

**NOTE 4. OTHER INFORMATION (CONTINUED):**

**F. Supplementary Retirement Plan (Continued)**

Changes in the Net Pension Liability:

The changes in the Net Pension Liability for the POA retirees plan are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at June 30, 2022	\$ 2,296,065	\$ 82,808	\$ 2,213,257
Service cost	-	-	-
Interest on total pension liability	78,999	-	78,999
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	19,901	-	19,901
Effect of assumptions changes or inputs	(26,789)	-	(26,789)
Benefit payments	(130,063)	(130,063)	-
Employer contributions	-	144,551	(144,551)
Member contributions	-	-	-
Net investment income	-	3,441	(3,441)
Administrative expenses	-	(7,700)	7,700
Balances at June 30, 2023	\$ 2,238,113	\$ 93,037	\$ 2,145,076

Sensitivity Analysis

The following presents the net pension liability of the City of Santa Ana PARS Supplementary Retirement Plan, calculated using the discount rate of 3.65%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.65%) or 1 percentage point higher (4.65%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
	2.65%	3.65%	4.65%
Net pension liability	\$ 2,408,795	\$ 2,145,076	\$ 1,923,395

- e. Supplementary Retirement Plan Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions:

For the year ended June 30, 2023, the City recognized pension expense of \$0.1 million. As of June 30, 2023, the deferred inflows and outflows of resources were as follows:

**CITY OF SANTA ANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

**NOTE 4. OTHER INFORMATION (CONTINUED):**

**F. Supplementary Retirement Plan (Continued)**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net differences between projected and actual earnings on pension plan investments	\$ 6,535	\$ -
Total	\$ 6,535	\$ -

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Period Ending June 30	Deferred Outflows(inflows) of Resources
2024	\$ 2,782
2025	2,136
2026	1,273
2027	344

The following is a summary of the City's total fiscal year 2022-23 deferred amounts on pension plans, net pension liability, and pension expense:

Plan	Government- wide	Fiduciary Funds	Total
<u>Deferred outflows on pension plans</u>			
- CalPERS	\$ 206,934,067	\$ 62,422	\$ 206,996,489
- Supplementary Retirement Plan	6,535	-	6,535
Total \$	\$ 206,940,602	\$ 62,422	\$ 207,003,024
<u>Deferred inflows on pension plans</u>			
- CalPERS	\$ 14,372,975	\$ 96,880	\$ 14,469,855
<u>Net pension liability:</u>			
- CalPERS	381,634,248	118,729	381,752,977
- Supplementary Retirement Plan	2,145,076	-	2,145,076
Total \$	\$ 383,779,324	\$ 118,729	\$ 383,898,053



**CITY OF SANTA ANA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

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**NOTE 4. OTHER INFORMATION (CONTINUED):**

**F. Supplementary Retirement Plan (Continued)**

<u>Plan</u>	<u>Pension Expense</u>
Defined Benefit Pension Plan:	
- Miscellaneous	\$ 37,132,173
- Safety	49,900,962
Supplementary Retirement Plan	<u>77,896</u>
Total	<u>\$ 87,111,031</u>

The City's net pension liability is primarily comprised of two numbers: the net liability of \$381.8 million with CalPERS and the \$419.8 million of outstanding pension obligation bonds at June 30, 2023. The pension obligation bonds were issued in September 2021 and the proceeds of those bonds were used to reduce the net liability with CalPERS.

**G. Section 457 Deferred Compensation Plan**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code 457. The plan, available to full-time City employees, permits them to defer a portion of their salaries until future years. The plan assets are under the participants control and are principally invested in demand deposits and mutual funds and are held in a trust for the exclusive benefit of the participants and their beneficiaries. The assets are not the property of the City and, as such, are not subject to the claims of the City's general creditors. As a result, these assets are not reported in the financial statements.

**CITY OF SANTA ANA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

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**NOTE 4. OTHER INFORMATION (CONTINUED):**

**H. Other Post-Employment Benefits (OPEB) Plan**

a. Plan Description

The City provides a single-employer defined benefit healthcare plan to retirees through CalPERS under the California Public Employees Medical & Hospital Care Act (PEMHCA). The PEMHCA benefits are applied to all employee groups other than POA. Firefighters (FBA, FMA) joined PEMHCA on 1/1/98. All other employee represented groups (excluding POA) joined PEMHCA on 1/1/99. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. The plan does not issue a separate report. The CalPERS Board of Administration consists of thirteen members who are elected, appointed, or hold office ex officio. The board composition is mandated by law and can only be changed by a majority of the registered voters in the state.

b. Eligibility:

Employees are eligible for PEMHCA benefits if they retire from the City on or after age 50 for all Classic Members and PEPRA Safety member and age 52 for PEPRA Miscellaneous members with at least 5 years of CalPERS service credit or an approved disability retirement, and are eligible for a PERS pension.

c. Funding Method and Funded Status:

The City initially selected "unequal" PEMHCA method for the contribution. Under this method, the City offered a lesser contribution for retirees than for active employees. Beginning 2008, Assembly Bill 2544 changed the computation for annual increases to annuitant health care under the unequal method. Under the new provisions, the City increased annuitant health care contribution equal an amount not less than 5 percent of active employees' contribution times number of year in the PEMHCA. The annual increase in minimum PEMHCA contribution to CalPERS continued until December 31, 2018 when the City contribution for retirees equaled the City contribution paid for active employees. The City began contributing the equal method for both active and retired members on January 1, 2019. The City paid \$151 for calendar year 2023 per active safety & miscellaneous employee and retirees for PEMHCA minimum. The CalPERS Board of Administration approves the employer contribution rate and plan changes annually based on Government Code section 22892. During the fiscal year 2022-23 (measurement period 2021-22), the total City's PEMHCA benefit payment was \$0.8 million and the implicit subsidy was \$1.0 million for a total of \$1.8 million.

**CITY OF SANTA ANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

**NOTE 4. OTHER INFORMATION (CONTINUED):**

**H. Other Post-Employment Benefits (OPEB) Plan (Continued)**

d. Employees Covered

As of the June 30, 2022 measurement date, the following current and former employees were covered by the benefit terms under the plan:

Inactive employees currently receiving benefits	430
Inactives entitled to but not yet receiving	52
Active employees	625
Total	1,107

e. Total OPEB Liability

The City's total OPEB liability of \$42.7 million was measured as of June 30, 2022, and was determined by an actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022 using standard update procedures.

Actuarial Assumptions and Other Inputs

The total OPEB liability as of June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	4.09%
Inflation	2.50%
Projected Salary Increase	2.75% per annum, in aggregate
Healthcare Cost Trend Rates	Non-Medicare - 6.50% for 2023, decreasing to an ultimate rate of 3.75% in 2076 Medicare - 5.65% (Non-Kaiser) and 4.60% (Kaiser) for 2023, decreasing to an ultimate rate of 3.75% in 2076
Pre-retirement Turnover	Derived from CalPERS pension plan
Mortality, Retirement, Disability, Termination	CalPERS 2000-2019 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2021

Demographic actuarial assumptions used in this valuation are based on the California Public Employees Retirement System (CalPERS) 2000-2019 Experience Study.

**CITY OF SANTA ANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

**NOTE 4. OTHER INFORMATION (CONTINUED):**

**H. Other Post-Employment Benefits (OPEB) Plan (Continued)**

Change of Assumptions

Changes of assumptions since June 30, 2021 measurement date included updated discount rate based on municipal bond rate as of the measurement date.

Discount Rate

The discount rate was based on the S&P Municipal Bond 20 Year High Grade Index. As of the beginning and end of Measurement period, use of this index results in discount rates of 2.18% as of June 30, 2021 and 4.09% as of June 30, 2022.

Changes in Total OPEB Liability

The changes in total OPEB liability are as follows:

		<u>Total OPEB Liability</u>
Balance at June 30, 2022	\$	54,749,489
Changes in the Year:		
Service cost		1,862,985
Interest on the total OPEB liability		1,215,190
Changes of assumptions		(13,374,724)
Benefit payments		<u>(1,739,641)</u>
Net Changes		<u>(12,036,190)</u>
Balance at June 30, 2023 <sup>(1)</sup>	\$	<u><u>42,713,299</u></u>

(1) The table above is based on the Valuation Date of June 30, 2021 and the Measurement Date of June 30, 2022

**CITY OF SANTA ANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

**NOTE 4. OTHER INFORMATION (CONTINUED):**

**H. Other Post-Employment Benefits (OPEB) Plan (Continued)**

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

The following presents the total OPEB liability of the City, calculated using the discount rate for the Plan, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease <u>3.09%</u>	Current Discount Rate <u>4.09%</u>	1% Increase <u>5.09%</u>
Total OPEB Liability	\$ 49,017,171	\$ 42,713,299	\$ 37,592,244

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Trend Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates:

	1% Decrease <u>\$ 36,852,840</u>	Current Healthcare Cost Trend Rates <u>\$ 42,713,299</u>	1% Increase <u>\$ 50,037,284</u>
Total OPEB Liability			

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

For the year ended June 30, 2023, the City recognized OPEB expense of \$159,332. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>
Contributions made subsequent to measurement date	\$ 1,813,536	\$	-
Change of assumptions	258,121		16,162,310
Difference between expected and actual experience	2,123,876		-
Changes in proportionate share	2,678,585		2,678,585
Total	<u>\$ 6,874,118</u>	\$	<u>18,840,895</u>

**CITY OF SANTA ANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

**NOTE 4. OTHER INFORMATION (CONTINUED):**

**H. Other Post-Employment Benefits (OPEB) Plan (Continued)**

\$1.8 million reported as deferred outflows of resources related to contributions made subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Fiscal Year Fiscal Year Ending June 30	Deferred Outflows (inflows) of Resources
2024	\$ (3,357,281)
2025	(2,819,569)
2026	(2,527,855)
2027	(2,486,954)
2028	(2,157,214)
Thereafter	(431,440)

The following is a summary of the City's total fiscal year 2022-23 deferred amounts on OPEB plan, and total OPEB liability:

Plan	Government- wide	Fiduciary Funds	Total
Deferred outflows on OPEB plan	\$ 6,873,142	\$ 976	\$ 6,874,118
Deferred inflows on OPEB plan	18,681,579	159,316	18,840,895
Total OPEB liability	42,703,394	9,905	42,713,299

**CITY OF SANTA ANA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

**NOTE 4. OTHER INFORMATION (CONTINUED):**

**I. Classification of Fund Balances**

The City's fund balances at June 30, 2023 consisted of the following:

	Special Revenue Funds						Capital Projects Street Construction	Nonmajor Governmental Funds	Total
	General	Special Revenue Grants	Special Revenue Housing Authority	Special Revenue American Rescue Plan Act					
<b>Nonspendable:</b>									
Prepaid Items	\$ 39,514	\$ 267,384	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 306,898	
Inventory of supplies	12,125	-	-	-	-	-	-	12,125	
<b>Total Nonspendable</b>	<b>51,639</b>	<b>267,384</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>319,023</b>	
<b>Restricted:</b>									
Public works streetlight project	1,268,870	-	-	-	-	-	-	1,268,870	
Public safety grants	-	4,519,113	-	-	-	-	-	4,519,113	
Housing & urban development	-	5,157,536	6,478,787	-	-	-	48,863,465	60,499,788	
Recreation services	-	704,946	-	-	-	-	-	704,946	
Library services	-	29,359	-	-	-	-	-	29,359	
Street capital improvement projects	-	-	-	-	33,747,034	-	28,216,555	61,963,589	
Drainage construction	-	-	-	-	-	-	3,975,993	3,975,993	
Inmate welfare	-	-	-	-	-	-	2,157,042	2,157,042	
Sewer system maintenance	-	-	-	-	-	-	4,160,736	4,160,736	
Air quality improvements	-	-	-	-	-	-	1,403,735	1,403,735	
Park acquisition & development	-	-	-	-	-	-	17,933,111	17,933,111	
Community development capital projects	-	-	-	-	-	-	233,398	233,398	
Debt service	-	-	-	-	-	-	110,428	110,428	
Capital grants	-	-	-	-	-	-	17,329	17,329	
Pension stability funds	8,996,765	-	-	-	-	-	-	8,996,765	
<b>Total restricted</b>	<b>10,265,635</b>	<b>10,410,954</b>	<b>6,478,787</b>	<b>-</b>	<b>33,747,034</b>	<b>-</b>	<b>107,071,792</b>	<b>167,974,202</b>	
<b>Assigned:</b>									
Contractual obligations	10,750,422	-	-	-	-	-	-	10,750,422	
City Services	1,968,343	-	-	-	-	-	-	1,968,343	
City Public Safety & Community									
Benefit Programs	1,229,820	-	-	-	-	-	-	1,229,820	
Fire Facilities Fund	2,225,061	-	-	-	-	-	-	2,225,061	
Cable TV (PEG)	1,826,411	-	-	-	-	-	-	1,826,411	
Continuing projects:									
Cannabis Public Benefit	18,884,789	-	-	-	-	-	-	18,884,789	
Artist grant program	350,000	-	-	-	-	-	-	350,000	
City Facility Improvements	11,635,516	-	-	-	-	-	-	11,635,516	
Community & Business Assistance Programs	2,051,310	-	-	-	-	-	-	2,051,310	
Community & Neighborhood Preservation	225,000	-	-	-	-	-	-	225,000	
Emergency Management & Preparation	330,000	-	-	-	-	-	-	330,000	
Employee Retention Initiatives & Separation Payouts	2,453,839	-	-	-	-	-	-	2,453,839	
Fire & Emergency Medical Service Assessments	50,000	-	-	-	-	-	-	50,000	
General Plan Implementation	1,800,000	-	-	-	-	-	-	1,800,000	
Homelessness Reduction Initiative	1,000,000	-	-	-	-	-	-	1,000,000	
Library Supplies and Equipment	352,806	-	-	-	-	-	-	352,806	
Parks & Recreation Facilities Improvements	1,206,197	-	-	-	-	-	-	1,206,197	
Police Department Oversight	1,000,000	-	-	-	-	-	-	1,000,000	
Police Facilities and Equipment	938,350	-	-	-	-	-	-	938,350	
Public Works Projects & Equipment	20,472,955	-	-	-	-	-	-	20,472,955	
Technology improvements and upgrades	313,262	-	-	-	-	-	-	313,262	
Treasury administration & system upgrades	205,378	-	-	-	-	-	-	205,378	
Vehicle purchase	760,000	-	-	-	-	-	-	760,000	
<b>Total assigned</b>	<b>82,029,459</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>82,029,459</b>	
<b>Unassigned:</b>									
General Fund									
Operating Reserve	73,480,943	-	-	-	-	-	-	73,480,943	
Unallocated Amount	32,817,272	-	-	-	-	-	-	32,817,272	
Special Revenue Funds	-	(3,923,446)	-	(4,354,045)	-	-	(180,826)	(8,458,317)	
Capital Projects Funds	-	-	-	-	-	-	(9,741,262)	(9,741,262)	
<b>Total unassigned</b>	<b>106,298,215</b>	<b>(3,923,446)</b>	<b>-</b>	<b>(4,354,045)</b>	<b>-</b>	<b>-</b>	<b>(9,922,088)</b>	<b>88,098,636</b>	
<b>Total</b>	<b>\$ 198,644,948</b>	<b>\$ 6,754,892</b>	<b>\$ 6,478,787</b>	<b>\$ (4,354,045)</b>	<b>\$ 33,747,034</b>	<b>\$ 97,149,704</b>	<b>\$ 338,421,320</b>		

**CITY OF SANTA ANA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended June 30, 2023**

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**NOTE 4. OTHER INFORMATION (CONTINUED):**

**I. Classification of Fund Balances (Continued)**

On March 16, 2021, the City Council approved the City's Budget and Reserve Policy (Policy). The Policy was developed as a tool to guide for how the City should respond and/or prepare for an economic downturn. As a result, the City established a General Fund Operating Reserve (minimum of 18% of annual recurring General Fund revenue). A documented plan to replenish the Operating Reserve must accompany any City Council authorized use of the Operating Reserve. A plan for replenishment may include reduction of expenditures, one-time money, favorable budget variances and/or new revenue sources.

**J. Subsequent Event**

On September 13, 2023, the City acquired a building located at 1815 East Carnegie Avenue for \$12.8 million pursuant to a Purchase and Sale Agreement with Dyer 18 LLC. The City had previously entered into a 15-year lease agreement with Dyer 18 LLC to provide the City's homeless shelter, known as the Carnegie Navigation Center. The City reported \$8.0 million of lease asset and \$8.4 million of lease obligation for this building as of June 30, 2023. The acquisition will ensure the City's ability to use it as a homeless shelter for the long term and provide control over the building for future renovation or alternative uses.



CITY OF SANTA ANA, CALIFORNIA

# **Required Supplementary Information**

Required Supplementary  
Information



**General Fund**  
**Budgetary Comparison Schedule**  
**Year ended June 30, 2023**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Taxes	\$ 178,561,440	\$ 178,638,610	\$ 185,062,691	\$ 6,424,081
License and permits	5,947,180	8,725,280	8,989,083	263,803
Intergovernmental	156,326,700	156,326,700	151,875,339	(4,451,361)
Charges for services	18,136,120	21,772,560	23,153,942	1,381,382
Fines and forfeits	5,460,870	6,560,870	5,763,188	(797,682)
Investment income	485,000	3,785,000	(364,844)	(4,149,844)
Cost recoveries and donations	13,540,840	14,404,739	16,090,049	1,685,310
Rental income	17,853,210	17,853,210	17,189,813	(663,397)
Miscellaneous	445,680	995,680	530,183	(465,497)
Total revenues	<u>396,757,040</u>	<u>409,062,649</u>	<u>408,289,444</u>	<u>(773,205)</u>
Expenditures:				
Current:				
General Government:				
City Council	1,029,860	1,029,860	839,595	190,265
Clerk of the Council	1,935,720	1,935,720	1,408,949	526,771
City Attorney	4,122,680	4,147,680	3,496,609	651,071
City Manager	3,154,040	3,189,040	2,942,259	246,781
Nondepartmental	31,482,450	32,549,050	25,404,514	7,144,536
Total General Government	<u>41,724,750</u>	<u>42,851,350</u>	<u>34,091,926</u>	<u>8,759,424</u>
Human Resources	3,884,170	3,884,170	3,546,594	337,576
Finance and Management Services	11,616,930	12,211,690	10,512,592	1,699,098
Museum	1,542,320	1,542,320	1,541,833	487
Library	7,338,780	7,488,964	7,039,420	449,544
Recreation and Community Services	17,495,230	18,670,102	15,171,299	3,498,803
Police Department	146,258,870	145,531,569	141,714,665	3,816,904
Fire and ambulance services	56,681,370	56,681,370	53,066,710	3,614,660
Planning and Building	23,789,480	24,131,841	18,481,855	5,649,986
Public Works	37,431,560	39,582,034	38,801,156	780,878
Community Development	7,944,600	10,920,090	5,639,467	5,280,623
	<u>313,983,310</u>	<u>320,644,150</u>	<u>295,515,591</u>	<u>25,128,559</u>
Capital Outlay	15,997,660	70,889,671	15,607,296	55,282,375
Debt Service:				
Principal retirement	2,693,130	2,548,004	2,952,358	(404,354)
Interest and fiscal charges	95,800	298,271	342,134	(43,863)
Total expenditures	<u>374,494,650</u>	<u>437,231,446</u>	<u>348,509,305</u>	<u>88,722,141</u>
Excess (deficiency) of revenues over (under) expenditures	<u>22,262,390</u>	<u>(28,168,797)</u>	<u>59,780,139</u>	<u>87,948,936</u>
Other financing sources (uses):				
Transfers in	-	-	48,120	48,120
Transfers out	(36,877,770)	(36,877,770)	(36,314,683)	563,087
Subscription proceeds	-	-	4,403,338	4,403,338
Total other financing sources (uses)	<u>(36,877,770)</u>	<u>(36,877,770)</u>	<u>(31,863,225)</u>	<u>5,014,545</u>
Net change in fund balances	<u>(14,615,380)</u>	<u>(65,046,567)</u>	<u>27,916,914</u>	<u>92,963,481</u>
Fund balance - beginning	170,728,034	170,728,034	170,728,034	-
Fund balance - ending	<u>\$ 156,112,654</u>	<u>\$ 105,681,467</u>	<u>\$ 198,644,948</u>	<u>\$ 92,963,481</u>

See accompanying Notes to Required Supplementary Information.

**Special Revenue Housing Authority Fund**  
**Budgetary Comparison Schedule**  
**Year ended June 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 50,913,620	\$ 53,326,994	\$ 54,046,243	\$ 719,249
Investment income	25,000	25,000	26,471	1,471
Cost recoveries	25,000	25,000	-	(25,000)
Miscellaneous	73,500	73,500	207,146	133,646
Total revenues	51,037,120	53,450,494	54,279,860	829,366
<b>Expenditures:</b>				
Current:				
Community development	51,097,618	53,789,616	53,181,312	608,304
Total expenditures	51,097,618	53,789,616	53,181,312	608,304
Excess (deficiency) of revenues over (under) expenditures	(60,498)	(339,122)	1,098,548	1,437,670
<b>Other financing sources (uses):</b>				
Transfers out	-	(93,487)	(93,487)	-
Total other financing sources (uses)	-	(93,487)	(93,487)	-
Net change in fund balance	(60,498)	(432,609)	1,005,061	1,437,670
Fund balance - beginning	5,473,726	5,473,726	5,473,726	-
Fund balance - ending	\$ 5,413,228	\$ 5,041,117	\$ 6,478,787	\$ 1,437,670

See accompanying Notes to Required Supplementary Information.

**Special Revenue American Rescue Plan Act  
Budgetary Comparison Schedule  
Year ended June 30, 2023**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ 99,531,883	\$ 20,361,076	\$ (79,170,807)
Investment income	-	-	(523,006)	(523,006)
Rental income	-	-	21,450	21,450
Total revenues	-	99,531,883	19,859,520	(79,672,363)
<b>Expenditures:</b>				
Current:				
General government	157,730	4,256,025	1,145,307	3,110,718
Human resources	115,250	64,104	5,342	58,762
Finance and management services	308,790	11,191,330	157,253	11,034,077
Library	-	77,174	-	77,174
Recreation and community services	-	1,961,568	1,306,023	655,545
Police department	36,660	1,782,802	519,768	1,263,034
Information technology	-	1,844,282	62,257	1,782,025
Planning and building	514,020	1,457,189	595,281	861,908
Public works	177,780	28,677,806	1,303,965	27,373,841
Community development	579,940	7,993,045	4,176,867	3,816,178
Capital Outlay	-	56,673,909	11,090,019	45,583,890
Total expenditures	1,890,170	115,979,235	20,362,082	95,617,153
Excess (deficiency) of revenues over (under) expenditures	(1,890,170)	(16,447,352)	(502,562)	15,944,790
Net change in fund balance	(1,890,170)	(16,447,352)	(502,562)	15,944,790
Fund balance - beginning	(3,851,483)	(3,851,483)	(3,851,483)	-
Fund balance - ending	\$ (5,741,653)	\$ (20,298,835)	\$ (4,354,045)	\$ 15,944,790

See accompanying Notes to Required Supplementary Information.

**CITY OF SANTA ANA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**For the Year Ended June 30, 2023**

**A. BUDGETARY INFORMATION**

The City and its component units' fiscal year begins on July 1 of each year and ends June 30 the following year. On or before the fifteenth of June of each year, the City Manager recommends and submits to the City Council a proposed budget for the next ensuing fiscal year based on a detailed financial plan prepared by the heads of the various offices, agencies and departments of the City and its component units. Upon receipt of the proposed budget, the Council holds a public hearing wherein the public is given an opportunity to be heard, after which the Council may make any revisions deemed advisable. After the conclusion of the public hearing, the Council may make modifications with the affirmative vote of a super majority of its members. A super majority vote by City Council is also required to adopt the budget as amended on or before the thirty-first day of July. Upon final adoption, the budget is in effect for the ensuing fiscal year and becomes the authority for the various offices, agencies, and departments to expend subject to controls established by the City Charter. At any meeting after the adoption of the budget, the City Council may amend or supplement the budget by affirmative vote of at least two-thirds of the members so as to authorize the transfer of unused balances appropriated for one purpose to another purpose, or to appropriate available revenue not included in the budget. Where appropriations are made to offices, departments, or agencies for more than one activity or program, "appropriations" are considered in the aggregate with respect to total expenditures authorized for that office, department or agency within each fund, limited to purposes for which the revenues of such funds are to be spent. The City Manager is authorized to make revisions among the items included in such appropriations if, in his opinion, such revisions are necessary and proper. Budgetary control exists at the department level. Council action is necessary for transfers between funds and departments. During the fiscal year, all budget and supplemental amendments were necessary and made in a legally permissible manner.

The City legally adopts annual budgets for the General Fund, Proprietary Funds, and certain Special Revenue Funds including Housing Authority, American Rescue Plan Act (ARPA), Gas Tax, Sewer Connection Fee, Civic Center Maintenance, Inmate Welfare, and Air Quality Improvement. The budgetary control for the Special Revenue Funds is under the department in charge. The Public Works Agency is responsible for the budget of the Civic Center Maintenance, Gas Tax and Sewer Connection Fee funds. Housing Authority fund is managed by the Community Development Agency. Air Quality Improvement fund is managed by the Public Works Agency. The Police Department is responsible for the budget of the Inmate Welfare fund. The City Manager's Office is responsible for ARPA. In addition, project and grant-length budgets are approved for the Special Revenue Grants Fund and Capital Projects Funds as a planning device and for financial and management control purposes, but are not required to be legally adopted by the City Council. Monthly budgetary reports are prepared to effect control through fiscal management. Furthermore, although budgets are legally adopted for the Proprietary Funds of the City, there is no legal requirement for the fiscal year results to be reported to City Council. Therefore, no budgetary reporting for the Proprietary Funds has been presented in the accompanying financial statements.

**CITY OF SANTA ANA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
(CONTINUED)**

**For the Year Ended June 30, 2023**

**A. BUDGETARY INFORMATION (CONTINUED):**

Budgets are prepared on a modified accrual basis. Encumbrances (e.g. purchase orders, contracts) outstanding at year-end are reported as restricted or assigned fund balances since they do not constitute expenditures or liabilities. All other annual appropriations lapse at fiscal year-end to the extent that they have not been expended or lawfully encumbered. After the adoption of the budget, the City Council may amend or supplement the budget and appropriate unused balances. Furthermore, revisions to the budget may be made, upon City Council approval, for appropriation for one purpose to another purpose or appropriation of available revenue not previously included in the budget. Expenditures may not legally exceed appropriations at the departmental level in the governmental funds, except that certain Special Revenue Funds and Capital Projects Funds are maintained at the project level.

Budgetary Compliance. The total expenditures/expenses were within the legal prescribed limits as approved by the City Council.

**CITY OF SANTA ANA  
REQUIRED SUPPLEMENTARY INFORMATION  
(CONTINUED)**

**For the Year Ended June 30, 2023**

**An Agent Multiple-Employer Defined Benefit Pension Plan  
Miscellaneous and Safety Plans  
Schedule of Changes in Net Pension Liability and Related Ratios  
Last Ten Fiscal Years <sup>(1)</sup>**

Fiscal year ended Measurement period	June 30, 2023		June 30, 2022		June 30, 2021		June 30, 2020	
	June 30, 2022		June 30, 2021		June 30, 2020		June 30, 2019	
	Miscellaneous	Safety	Miscellaneous	Safety	Miscellaneous	Safety	Miscellaneous	Safety
<b>TOTAL PENSION LIABILITY</b>								
Service cost	\$ 13,958,963	\$ 17,497,323	\$ 12,289,589	\$ 15,315,133	\$ 11,318,820	\$ 13,297,013	\$ 11,557,539	\$ 13,194,125
Interest on the total pension liability	68,941,567	85,463,316	67,697,532	84,643,047	65,271,458	81,740,251	63,170,975	79,725,420
Changes of Benefit Terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(4,050,191)	(14,607,231)	6,495,016	14,791,099	1,913,494	3,506,542	1,887,415	12,947,427
Changes in assumptions	27,977,970	40,822,417	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(53,949,934)	(73,990,935)	(50,880,185)	(70,978,097)	(48,398,964)	(69,499,682)	(45,891,602)	(67,096,452)
Net Change in Total Pension Liability	52,878,375	55,184,890	35,601,952	43,771,182	30,104,808	29,044,124	30,724,327	38,770,520
Total Pension Liability - Beginning	995,220,856	1,240,630,396	959,618,904	1,196,859,214	929,514,096	1,167,815,090	898,789,769	1,129,044,570
Total Pension Liability - Ending (a)	\$ 1,048,099,231	\$ 1,295,815,286	\$ 995,220,856	\$ 1,240,630,396	\$ 959,618,904	\$ 1,196,859,214	\$ 929,514,096	\$ 1,167,815,090
<b>PLAN FIDUCIARY NET POSITION</b>								
Contribution from the employer	\$ 205,101,430	\$ 290,235,652	\$ 30,811,367	\$ 37,372,233	\$ 28,544,599	\$ 33,643,966	\$ 23,585,463	\$ 27,159,274
Contribution from the employee	5,670,222	5,739,104	5,303,654	5,660,954	5,560,258	5,008,789	4,649,932	3,973,090
Net investment income	(69,655,899)	(85,016,524)	149,879,386	177,678,941	31,736,275	38,593,656	40,383,805	49,864,238
Benefit payments, including refunds of employee contributions	(53,949,934)	(73,990,935)	(50,880,185)	(70,978,097)	(48,398,964)	(69,499,682)	(45,891,602)	(67,096,452)
Net Plan to Plan Resource Movement	-	-	-	-	-	-	-	-
Administrative expenses	(496,290)	(587,072)	(661,535)	(792,638)	(910,287)	(1,109,255)	(444,887)	(551,981)
Other Miscellaneous Income/(Expense)	-	-	-	-	-	-	1,444	1,796
Net change in Fiduciary Net position	86,669,529	136,380,225	134,452,687	148,941,393	16,531,881	6,637,474	22,284,155	13,349,965
Plan Fiduciary Net Position - Beginning	796,690,266	942,421,520	662,237,579	793,480,127	645,705,698	786,842,653	623,421,543	773,492,688
Plan Fiduciary Net Position - Ending (b)	\$ 883,359,795	\$ 1,078,801,745	\$ 796,690,266	\$ 942,421,520	\$ 662,237,579	\$ 793,480,127	\$ 645,705,698	\$ 786,842,653
Plan Net Pension Liability/(Asset) Ending (a) - (b)	\$ 164,739,436	\$ 217,013,541	\$ 198,530,590	\$ 298,208,876	\$ 297,381,325	\$ 403,379,087	\$ 283,808,398	\$ 380,972,437
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.28%	83.25%	80.05%	75.96%	69.01%	66.30%	69.47%	67.38%
Covered payroll	\$ 72,831,624	\$ 52,421,641	\$ 68,085,845	\$ 50,955,466	\$ 64,563,229	\$ 47,789,799	\$ 59,686,019	\$ 41,120,637
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	226.19%	413.98%	291.59%	585.23%	460.60%	844.07%	475.50%	926.48%

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

**Notes to Schedule:**

**Benefit Changes:** There were no changes in benefits.

**Changes of Assumptions:**

From Fiscal Year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From Fiscal Year June 30, 2016 to June 30, 2017:

There were no changes of assumptions.

From Fiscal Year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.



**CITY OF SANTA ANA  
REQUIRED SUPPLEMENTARY INFORMATION  
(CONTINUED)**

**For the Year Ended June 30, 2023**

**An Agent Multiple-Employer Defined Benefit Pension Plan  
Miscellaneous and Safety Plans  
Schedule of Changes in Net Pension Liability and Related Ratios  
Last Ten Fiscal Years <sup>(1)</sup>**

June 30, 2019 June 30, 2018		June 30, 2018 June 30, 2017		June 30, 2017 June 30, 2016		June 30, 2016 June 30, 2015		June 30, 2015 June 30, 2014	
Miscellaneous	Safety	Miscellaneous	Safety	Miscellaneous	Safety	Miscellaneous	Safety	Miscellaneous	Safety
\$ 11,348,737	\$ 12,192,473	\$ 11,036,864	\$ 11,809,664	\$ 9,746,396	\$ 10,455,350	\$ 9,672,344	\$ 10,747,904	\$ 10,195,939	\$ 11,422,391
61,037,490	77,086,590	59,176,108	75,330,724	58,091,618	74,975,420	56,329,663	72,730,571	54,166,684	70,618,409
-	-	-	-	-	-	-	-	-	-
1,935,068	4,973,371	(10,220,370)	(12,297,897)	(5,558,589)	4,319,662	(900,398)	(955,751)	-	-
(4,549,188)	(4,470,521)	49,432,900	60,902,020	-	-	(13,889,017)	(17,407,256)	-	-
<u>(43,186,575)</u>	<u>(64,544,773)</u>	<u>(40,256,356)</u>	<u>(62,009,422)</u>	<u>(38,594,541)</u>	<u>(60,403,213)</u>	<u>(36,302,165)</u>	<u>(56,211,627)</u>	<u>(34,094,639)</u>	<u>(52,174,231)</u>
26,585,532	25,237,140	69,169,146	73,735,089	23,684,884	29,347,219	14,910,427	8,903,841	30,267,984	29,866,569
872,204,237	1,103,807,430	803,035,091	1,030,072,341	779,350,207	1,000,725,122	764,439,780	991,821,281	734,171,796	961,954,712
<u>\$ 898,789,769</u>	<u>\$ 1,129,044,570</u>	<u>\$ 872,204,237</u>	<u>\$ 1,103,807,430</u>	<u>\$ 803,035,091</u>	<u>\$ 1,030,072,341</u>	<u>\$ 779,350,207</u>	<u>\$ 1,000,725,122</u>	<u>\$ 764,439,780</u>	<u>\$ 991,821,281</u>
\$ 21,163,207	\$ 24,277,484	\$ 18,415,225	\$ 20,329,015	\$ 16,951,369	\$ 17,021,875	\$ 14,336,768	\$ 15,096,410	\$ 12,836,905	\$ 11,118,596
5,111,516	4,155,374	4,850,487	3,670,011	4,876,243	3,625,596	4,982,824	3,829,695	5,076,392	3,758,344
49,494,120	61,839,581	60,753,784	77,563,585	2,859,074	3,667,781	12,722,834	17,008,914	85,824,721	117,187,596
(43,186,575)	(64,544,773)	(40,256,356)	(62,009,422)	(38,594,541)	(60,403,213)	(36,302,165)	(56,211,627)	(34,094,639)	(52,174,231)
(1,444)	(1,796,000)	-	-	497	(497)	63	-	-	-
(924,871)	(1,170,514)	(812,882)	(1,052,193)	(344,230)	(456,601)	(635,613)	(843,530)	-	-
(1,756,345)	(2,222,827)	-	-	-	-	-	-	-	-
29,899,608	22,332,529	42,950,258	38,500,996	(14,251,588)	(36,545,059)	(4,895,289)	(21,120,138)	69,643,379	79,890,305
593,521,935	751,160,159	550,571,677	712,659,163	564,823,265	749,204,222	569,718,554	770,324,360	500,075,175	690,434,055
<u>\$ 623,421,543</u>	<u>\$ 773,492,688</u>	<u>\$ 593,521,935</u>	<u>\$ 751,160,159</u>	<u>\$ 550,571,677</u>	<u>\$ 712,659,163</u>	<u>\$ 564,823,265</u>	<u>\$ 749,204,222</u>	<u>\$ 569,718,554</u>	<u>\$ 770,324,360</u>
<u>\$ 275,368,226</u>	<u>\$ 355,551,882</u>	<u>\$ 278,682,302</u>	<u>\$ 352,647,271</u>	<u>\$ 252,463,414</u>	<u>\$ 317,413,178</u>	<u>\$ 214,526,942</u>	<u>\$ 251,520,900</u>	<u>\$ 194,721,226</u>	<u>\$ 221,496,921</u>
69.36%	68.51%	68.05%	68.05%	68.56%	69.19%	72.47%	74.87%	74.53%	77.67%
\$ 60,481,440	\$ 38,001,725	\$ 59,794,476	\$ 36,014,956	\$ 59,115,644	\$ 35,670,399	\$ 58,022,457	\$ 36,512,787	\$ 57,613,942	\$ 37,782,453
455.29%	935.62%	466.07%	979.17%	427.07%	889.85%	369.73%	688.86%	337.98%	586.24%

From Fiscal Year June 30, 2018 to June 30, 2019:  
There were no significant changes of assumptions.

From Fiscal Year June 30, 2019 to June 30, 2020:  
There were no significant changes of assumptions.

From Fiscal Year June 30, 2020 to June 30, 2021:  
There were no significant changes of assumptions.

From Fiscal Year June 30, 2021 to June 30, 2022:  
There were no significant changes of assumptions.

From Fiscal Year June 30, 2022 to June 30, 2023:  
The discount rate and long-term rate of return decreased from 7.15% to 6.90% and the inflation rate decreased from 2.50% to 2.30% from the measurement date June 30, 2021 to June 30, 2022.

**CITY OF SANTA ANA  
REQUIRED SUPPLEMENTARY INFORMATION  
(CONTINUED)**

**For the Year Ended June 30, 2023**

**An Agent Multiple-Employer Defined Benefit Pension Plan  
Miscellaneous and Safety Plans  
Schedule of Plan Contributions  
Last Ten Fiscal Years <sup>(1)</sup>**

Fiscal year ended	2023		2022		2021		2020	
	Miscellaneous	Safety	Miscellaneous	Safety	Miscellaneous	Safety	Miscellaneous	Safety
Actuarially Determined Contribution Contributions in Relation to the Actuarially Determined Contribution	\$ 20,512,425	\$ 27,558,234	\$ 33,286,592	\$ 37,339,147	\$ 30,817,795	\$ 37,379,534	\$ 28,459,807	\$ 33,630,219
Contribution Deficiency (Excess)	<u>(20,512,425)</u>	<u>(27,558,234)</u>	<u>(33,286,592)</u>	<u>(37,339,147)</u>	<u>(30,817,795)</u>	<u>(37,379,534)</u>	<u>(28,459,807)</u>	<u>(33,630,219)</u>
Covered Payroll	\$ 76,476,622	\$ 52,428,811	\$ 72,831,624	\$ 52,421,641	\$ 68,085,845	\$ 50,955,466	\$ 64,563,229	\$ 47,789,799
Contributions as a Percentage of Covered Payroll	26.82%	52.56%	45.70%	71.23%	45.26%	73.36%	44.08%	70.37%

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

**Notes to Schedule:**

Fiscal year ended	2023		2022		2021		2020	
	Miscellaneous	Safety	Miscellaneous	Safety	Miscellaneous	Safety	Miscellaneous	Safety
Valuation Date	June 30, 2020	June 30, 2020	June 30, 2019	June 30, 2019	June 30, 2018	June 30, 2018	June 30, 2017	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Amortization Method	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value
Actuarial Assumptions:								
Discount Rate	7.00%	7.00%	7.00%	7.00%	7.15%	7.15%	7.15%	7.15%
Inflation	2.5%	2.5%	2.5%	2.5%	2.625%	2.625%	2.63%	2.63%
Projected Salary Increase	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	7% <sup>(3)</sup>	7% <sup>(3)</sup>	7% <sup>(3)</sup>	7% <sup>(3)</sup>	7.25% <sup>(3)</sup>	7.25% <sup>(3)</sup>	7.25% <sup>(3)</sup>	7.25% <sup>(3)</sup>
Mortality	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)

- (1) Level percentage of payroll, closed.
- (2) Varies by entry age, service and type of employment.
- (3) Net of Pension Plan Investment and Administrative Expenses; including inflation.
- (4) The probabilities of mortality are based mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

**CITY OF SANTA ANA  
REQUIRED SUPPLEMENTARY INFORMATION  
(CONTINUED)**

**For the Year Ended June 30, 2023**

**An Agent Multiple-Employer Defined Benefit Pension Plan  
Miscellaneous and Safety Plans  
Schedule of Plan Contributions  
Last Ten Fiscal Years<sup>(1)</sup>**

2019		2018		2017		2016		2015	
Miscellaneous	Safety	Miscellaneous	Safety	Miscellaneous	Safety	Miscellaneous	Safety	Miscellaneous	Safety
24,143,358	\$ 27,718,529	\$ 21,182,283	\$ 24,212,791	\$ 18,407,185	\$ 20,199,997	\$ 16,941,372	\$ 17,016,579	\$ 14,518,009	\$ 14,690,045
(24,143,358)	(27,718,529)	(21,182,283)	(24,212,791)	(18,407,185)	(20,199,997)	(16,941,372)	(17,016,579)	(14,518,009)	(14,690,045)
-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
59,686,019	\$ 41,120,637	\$ 60,481,440	\$ 38,001,725	\$ 59,794,476	\$ 36,014,956	\$ 59,115,644	\$ 35,670,399	\$ 58,022,457	\$ 36,512,787
40.45%	67.41%	35.02%	63.71%	30.78%	56.09%	28.66%	47.71%	25.02%	40.23%

**Notes to Schedule:**

2019		2018		2017		2016		2015	
Miscellaneous	Safety	Miscellaneous	Safety	Miscellaneous	Safety	Miscellaneous	Safety	Miscellaneous	Safety
June 30, 2016	June 30, 2016	June 30, 2015	June 30, 2015	June 30, 2014	June 30, 2014	June 30, 2013	June 30, 2013	June 30, 2012	June 30, 2012
Entry-Age Normal	Entry-Age Normal	Entry-Age Normal	Entry-Age Normal	Entry-Age Normal	Entry-Age Normal	Entry-Age Normal	Entry-Age Normal	Entry-Age Normal	Entry-Age Normal
Cost Method	Cost Method	Cost Method	Cost Method	Cost Method	Cost Method	Cost Method	Cost Method	Cost Method	Cost Method
(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value
7.15%	7.15%	7.15%	7.15%	7.65%	7.65%	7.65%	7.65%	7.50%	7.50%
2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
(2)	(2)	(2)	(2)	(2)	(2)	3.3% - 24.2% <sup>(2)</sup>	3.3% - 24.2% <sup>(2)</sup>	Varies by Entry Age and Service	Varies by Entry Age and Service
7.375% <sup>(3)</sup>	7.375% <sup>(3)</sup>	7.5% <sup>(3)</sup>	7.5% <sup>(3)</sup>	7.5% <sup>(3)</sup>	7.5% <sup>(3)</sup>	7.5% <sup>(3)</sup>	7.5% <sup>(3)</sup>	7.5% <sup>(3)</sup>	7.5% <sup>(3)</sup>
(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)

**CITY OF SANTA ANA  
REQUIRED SUPPLEMENTARY INFORMATION  
(CONTINUED)**

**For the Year Ended June 30, 2023**

**An Agent Multiple-Employer Defined Benefit  
Supplementary Retirement Plan  
Schedule of Changes in Net Pension Liability and Related Ratios  
Last Ten Fiscal Years <sup>(1)</sup>**

Fiscal year ended	2023	2022	2021
<b>Total Pension Liability</b>			
Service cost	\$ -	\$ -	\$ -
Interest on the total pension liability	78,999	54,881	57,246
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	19,901	22,232	20,620
Effect of assumptions changes or inputs	(26,789)	(281,709)	22,358
Benefit payments	(130,063)	(127,079)	(125,012)
Net Change in Total Pension Liability	(57,952)	(331,675)	(24,788)
Total Pension Liability - Beginning	2,296,065	2,627,740	2,652,528
Total Pension Liability - Ending (a)	\$ 2,238,113	\$ 2,296,065	\$ 2,627,740
<b>Plan Fiduciary Net Position</b>			
Employer Contributions	144,551	141,716	138,938
Member Contributions	-	-	-
Net investment income net of investment expenses	3,441	115	17
Benefit payments	(130,063)	(127,079)	(125,012)
Administrative expenses	(7,700)	(7,549)	(7,401)
Net change in Fiduciary Net position	10,229	7,203	6,542
Plan Fiduciary Net Position - Beginning	82,808	75,605	69,063
Plan Fiduciary Net Position - Ending (b)	\$ 93,037	\$ 82,808	\$ 75,605
Plan Net Pension Liability/(Asset) Ending (a) - (b)	\$ 2,145,076	\$ 2,213,257	\$ 2,552,135
Plan Fiduciary Net Position as a Percentage of the			
Total Pension Liability	4.16%	3.61%	2.88%
Covered Payroll	N/A	N/A	N/A
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	N/A	N/A	N/A

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

**CITY OF SANTA ANA  
REQUIRED SUPPLEMENTARY INFORMATION  
(CONTINUED)**

**For the Year Ended June 30, 2023**

**An Agent Multiple-Employer Defined Benefit  
Supplementary Retirement Plan  
Schedule of Changes in Net Pension Liability and Related Ratios  
Last Ten Fiscal Years <sup>(1)</sup>**

2020	2019	2018	2017	2016	2015
-	-	-	-	-	-
81,361	87,013	84,322	74,777	74,810	85,299
-	-	-	-	-	-
(70,232)	15,006	14,150	14,037	20,818	14,220
381,181	100,758	(81,490)	(235,753)	558,088	118,428
(127,739)	(125,234)	(122,778)	(120,371)	(118,011)	(115,697)
264,571	77,543	(105,796)	(267,310)	535,705	102,250
2,387,957	2,310,414	2,416,210	2,683,520	2,147,815	2,045,565
<u>2,652,528</u>	<u>\$ 2,387,957</u>	<u>\$ 2,310,414</u>	<u>\$ 2,416,210</u>	<u>\$ 2,683,520</u>	<u>\$ 2,147,815</u>
136,213	133,543	130,924	128,357	125,840	123,373
-	-	-	-	-	-
820	1,543	671	198	42	-
(127,739)	(125,234)	(122,778)	(120,371)	(118,011)	(115,697)
(7,256)	(7,114)	(6,976)	(6,838)	(13,132)	(148)
2,038	2,738	1,841	1,346	(5,261)	7,528
67,025	64,287	62,446	61,100	66,361	58,833
<u>69,063</u>	<u>\$ 67,025</u>	<u>\$ 64,287</u>	<u>\$ 62,446</u>	<u>\$ 61,100</u>	<u>\$ 66,361</u>
<u>2,583,465</u>	<u>\$ 2,320,932</u>	<u>\$ 2,246,127</u>	<u>\$ 2,353,764</u>	<u>\$ 2,622,420</u>	<u>\$ 2,081,454</u>
2.60%	2.81%	2.78%	2.58%	2.28%	3.09%
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A

**CITY OF SANTA ANA  
REQUIRED SUPPLEMENTARY INFORMATION  
(CONTINUED)**

**For the Year Ended June 30, 2023**

**An Agent Multiple-Employer Defined Benefit  
Supplementary Retirement Plan  
Schedule of Employer Contributions  
Last Ten Fiscal Years <sup>(1)</sup>**

Fiscal Year ended June 30	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2014	\$ 142,599	\$ 120,954	\$ 21,645	N/A	N/A
2015	146,195	123,373	22,822	N/A	N/A
2016	165,862	125,840	40,022	N/A	N/A
2017	172,079	128,357	43,722	N/A	N/A
2018	179,062	130,924	48,138	N/A	N/A
2019	186,950	133,543	53,407	N/A	N/A
2020	188,446	136,213	52,233	N/A	N/A
2021	198,327	138,938	59,389	N/A	N/A
2022	217,689	141,716	75,973	N/A	N/A
2023	232,567	144,551	88,016	N/A	N/A

**Notes to Supplementary Retirement Plan:**

Fiscal year ended	2023	2022	2021	2020
Valuation Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Actuarial Cost Method	Entry-Age Normal	Entry-Age Normal	Entry-Age Normal	Entry-Age Normal
Amortization Method:				
Level percent or level dollar	Level dollar	Level dollar	Level dollar	Level dollar
Closed, open, or layered periods	Closed	Closed	Closed	Closed
Amortization period	9 years	10 years	11 years	12 years
Amortization growth rate	0.00%	0.00%	0.00%	0.00%
Asset Valuation Method:				
Smoothing period	None	None	None	None
Recognition method	None	None	None	None
Corridor	None	None	None	None
Actuarial Assumptions				
Inflation	0.00%	0.00%	0.00%	0.00%
Salary increases including inflation	None	None	None	None
Long-term investment rate of return	6.00%	6.00%	6.00%	6.00%
Cost of Living	2.00%	2.00%	2.00%	2.00%
Mortality	(A)	(A)	(B)	(B)

**CITY OF SANTA ANA  
REQUIRED SUPPLEMENTARY INFORMATION  
(CONTINUED)**

**For the Year Ended June 30, 2023**

**An Agent Multiple-Employer Defined Benefit  
Supplementary Retirement Plan  
Schedule of Employer Contributions  
Last Ten Fiscal Years <sup>(1)</sup>**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Fiscal year ended</b>	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Valuation Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Measurement Date	Entry-Age Normal	Entry-Age Normal	Entry-Age Normal	Entry-Age Normal	Entry-Age Normal
Actuarial Cost Method					
Amortization Method:	Level dollar	Level dollar	Level dollar	Level dollar	Level dollar
Level percent or level dollar	Closed	Closed	Closed	Closed	Closed
Closed, open, or layered plan	13 years	14 years	15 years	16 years	17 years
Amortization period	0.00%	0.00%	0.00%	0.00%	0.00%
Amortization growth rate					
Asset Valuation Method:	None	None	None	None	None
Smoothing period	None	None	None	None	None
Recognition method	None	None	None	None	None
Corridor					
Actuarial Assumptions	0.00%	0.00%	0.00%	0.00%	0.00%
Inflation	None	None	None	None	None
Salary increases including	6.00%	6.00%	6.00%	6.00%	6.00%
Long-term investment rate	2.00%	2.00%	2.00%	2.00%	2.00%
Cost of Living	(B)	(B)	(B)	(B)	(C)
Mortality					

- (A) Males: RP-2000 Male Table projected to 2030 using Scale BB (as prescribed by PARS).  
Females: RP-2000 Female Table projected to 2030 using Scale BB (as prescribed by PARS).
- (B) Males: RP-2000 Male Table projected to 2020 using Scale BB (as prescribed by PARS).  
Females: RP-2000 Female Table projected to 2020 using Scale BB (as prescribed by PARS).
- (C) Males 1983 GAM Males (as prescribed by PARS). Females: 1983 GAM Females (as prescribed by PARS).

**CITY OF SANTA ANA  
REQUIRED SUPPLEMENTARY INFORMATION  
(CONTINUED)**

**For the Year Ended June 30, 2023**

**Schedule of Changes in the Total OPEB Liability and Related Ratios  
Last Ten Fiscal Years <sup>(1) (2)</sup>**

Fiscal year ended Measurement period	June 30, 2023 June 30, 2022	June 30, 2022 June 30, 2021	June 30, 2021 June 30, 2020	June 30, 2020 June 30, 2019	June 30, 2019 June 30, 2018	June 30, 2018 June 30, 2017
<b>Total OPEB Liability:</b>						
Service cost	\$ 1,862,985	\$ 1,854,139	\$ 1,753,882	\$ 1,399,500	\$ 1,308,802	\$ 1,414,074
Interest on total OPEB liability	1,215,190	1,501,484	1,509,110	1,706,665	1,718,488	1,555,806
Actual vs. expected experience	-	2,896,547	-	872,243	-	-
Changes in assumptions	(13,374,724)	(5,287,167)	583,000	(5,711,635)	1,248,914	(3,589,376)
Benefit payments, including refunds of	(1,739,641)	(1,616,248)	(1,562,712)	(2,040,940)	(1,959,112)	(1,603,472)
Net Change in Total OPEB Liability (b)	(12,036,190)	(651,245)	2,283,280	(3,774,167)	2,317,092	(2,222,968)
Total OPEB Liability - Beginning of Year (a)	54,749,489	55,400,734	53,117,454	56,891,621	54,574,529	56,797,497
Total OPEB Liability - Ending (a)-(b)	<u>\$ 42,713,299</u>	<u>\$ 54,749,489</u>	<u>\$ 55,400,734</u>	<u>\$ 53,117,454</u>	<u>\$ 56,891,621</u>	<u>\$ 54,574,529</u>
Covered employee payroll	\$ 51,711,700	\$ 48,788,506	\$ 47,116,316	\$ 43,457,755	\$ 45,109,856	\$ 47,394,045
Total OPEB liability as percentage of covered payroll	82.60%	112.22%	117.58%	122.23%	126.12%	115.15%

(1) Historical information is required only for measurement period for which GASB 75 is applicable.

Fiscal year 2018 was the first year of implementation, therefore only six years are shown.

(2) No assets are accumulated in a trust to pay related benefits.

**Notes to Schedule:**

Fiscal year ended	2023	2022	2021	2020	2019	2018
Valuation Date	June 30, 2021	June 30, 2021	June 30, 2019	June 30, 2019	June 30, 2017	June 30, 2017
Measurement Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Funding Method	Entry-Age Normal	Entry-Age Normal	Entry-Age Normal	Entry-Age Normal	Entry-Age Normal	Entry-Age Normal
Discount Rate	4.09%	2.18%	2.66%	2.79%	2.98%	3.13%
Participants Valued	(A)	(A)	(A)	(A)	(A)	(A)
Salary Increase	2.75% per year	2.75% per year	3% per year	3% per year	3.25% per year	3.25% per year
Assumed Wage Inflation					3.0% per year	3.0% per year
General Inflation Rate	2.50% per year	2.50% per year	2.75% per year	2.75% per year	2.75% per year	2.75% per year
Mortality	(B)	(B)	(C)	(C)	(D)	(D)

(A) Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in this valuation.

(B) Demographic assumptions are based on the California Public Employees Retirement System 2000-2019.

(C) Demographic assumptions are based on the California Public Employees Retirement System 1997-2015.

(D) Demographic assumptions are based on the 2014 experience study of the California Public Employees Retirement System using data from 1997 to 2011, except for a different basis used to project future mortality improvements.

**Benefit Changes:**

There were no changes in benefits.

**Changes in Assumptions:**

From Fiscal Year June 30, 2019: The discount rate was changed from 2.98% to 2.79%.

From Fiscal Year June 30, 2019 to June 30, 2020: Update to CalPERS new demographic assumptions, Society of Actuaries new mortality projection, and new S&P municipal bond rate used as the discount rate (2.79%).

From Fiscal Year June 30, 2020 to June 30, 2021: The discount rate was changed from 2.79% to 2.66%.

From Fiscal Year June 30, 2021 to June 30, 2022: The discount rate was changed from 2.66% to 2.18%, decreased inflation rate from 2.75% to 2.50%, updated experience study to CalPERS 2000-2019, and mortality improvement scale was updated to Scale MP-2021.

From Fiscal Year June 30, 2022 to June 30, 2023: The discount rate was changed from 2.18% to 4.09%.



CITY OF SANTA ANA, CALIFORNIA

# **Supplementary Schedules**



**Nonmajor Governmental Funds  
Combining Balance Sheet  
June 30, 2023**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
<b>Assets</b>				
Cash and investments	\$ 35,333,081	\$ 92,157	\$ 41,690,934	\$ 77,116,172
Receivables:				
Interest	117,384	-	136,734	254,118
Accounts	81,735	-	-	81,735
Intergovernmental	2,785,821	-	10,843,064	13,628,885
Loans and notes	-	-	30,526,512	30,526,512
Restricted assets:				
Cash and investments	-	-	144,938	144,938
Cash and investments with fiscal agents	-	18,271	214,337	232,608
Land held for resale	-	-	75,000	75,000
<b>Total assets</b>	<b><u>38,318,021</u></b>	<b><u>110,428</u></b>	<b><u>83,631,519</u></b>	<b><u>122,059,968</u></b>
<b>Liabilities, deferred inflows of resources, and fund balances</b>				
<b>Liabilities:</b>				
Accounts payable	1,726,715	-	2,363,498	4,090,213
Retention payable	564,583	-	1,190,402	1,754,985
Due to other funds	156,590	-	9,205,862	9,362,452
Unearned revenue	-	-	10,870	10,870
<b>Total liabilities</b>	<b><u>2,447,888</u></b>	<b><u>-</u></b>	<b><u>12,770,632</u></b>	<b><u>15,218,520</u></b>
<b>Deferred inflows of resources:</b>				
Unavailable revenues	112,891	-	9,578,853	9,691,744
<b>Fund balances:</b>				
Restricted	35,938,068	110,428	71,023,296	107,071,792
Unassigned	(180,826)	-	(9,741,262)	(9,922,088)
<b>Total fund balances</b>	<b><u>35,757,242</u></b>	<b><u>110,428</u></b>	<b><u>61,282,034</u></b>	<b><u>97,149,704</u></b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b><u>\$ 38,318,021</u></b>	<b><u>\$ 110,428</u></b>	<b><u>\$ 83,631,519</u></b>	<b><u>\$ 122,059,968</u></b>

**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Year ended June 30, 2023**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ 161,860	\$ 161,860
Intergovernmental	19,105,694	-	7,397,201	26,502,895
Charges for services	1,225,447	-	-	1,225,447
Investment income	(589,925)	13,114	1,559,682	982,871
Cost recoveries	513,854	-	5,699,413	6,213,267
	<u>20,255,070</u>	<u>13,114</u>	<u>14,818,156</u>	<u>35,086,340</u>
<b>Expenditures:</b>				
Current:				
Human resources	95,347	-	-	95,347
Recreation and community services	-	-	6,008	6,008
Police department	1,670,942	-	-	1,670,942
Planning and building	74,864	-	-	74,864
Public works	5,575,746	-	180,426	5,756,172
Community development	-	-	1,521,972	1,521,972
Capital outlay	5,965,038	-	16,990,544	22,955,582
Debt Service:				
Principal retirement	1,415,690	14,254,264	-	15,669,954
Interest and fiscal charges	1,836,500	10,858,699	-	12,695,199
Total expenditures	<u>16,634,127</u>	<u>25,112,963</u>	<u>18,698,950</u>	<u>60,446,040</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,620,943</u>	<u>(25,099,849)</u>	<u>(3,880,794)</u>	<u>(25,359,700)</u>
<b>Other financing sources:</b>				
Transfers in	600,000	25,116,228	-	25,716,228
Transfers out	(4,525,539)	-	(21,862)	(4,547,401)
Total other financing sources	<u>(3,925,539)</u>	<u>25,116,228</u>	<u>(21,862)</u>	<u>21,168,827</u>
Net change in fund balances	(304,596)	16,379	(3,902,656)	(4,190,873)
Fund balances - beginning	<u>36,061,838</u>	<u>94,049</u>	<u>65,184,690</u>	<u>101,340,577</u>
Fund balances - ending	<u>\$ 35,757,242</u>	<u>\$ 110,428</u>	<u>\$ 61,282,034</u>	<u>\$ 97,149,704</u>

### Nonmajor Special Revenue Funds

The following Special Revenue Funds have been classified as nonmajor funds in the accompanying financial statements:

Sewer Connection Fee – This fund is used to account for the receipts and expenditures of sewer connection fees and the replacement and repair of existing undersized sewer system.

Civic Center Maintenance – This fund is used to account for the receipts and disbursement of funds for the cost of cleaning and maintaining the common areas in the Civic Center, Centennial Park and the City’s downtown area. Funding is provided jointly by the City and the County of Orange, except downtown which is provided exclusively by the City.

Inmate Welfare – This fund is used to account for the receipts and disbursement of funds received through donations, profits on the sale of commissary items, and commissions for personal items purchased or services used by inmates of the Santa Ana Jail, as authorized by the State of California Penal Code Section 4025.

Air Quality Improvement – This fund is used to account for the receipt and disbursement of funds received under AB 2766 (Health and Safety Code Sections 44220 and 44247).

Gas Tax accounts for the receipts and expenditures of money apportioned under Streets and Highway Code Sections 2103, 2105, 2106, and 2107 of the State of California.

**Nonmajor Special Revenue Funds  
Combining Balance Sheet  
June 30, 2023**

	Sewer Connection Fee	Civic Center Maintenance
<b>Assets</b>		
Cash and investments	\$ 5,144,640	\$ -
Receivables:		
Interest	16,235	-
Accounts	-	-
Intergovernmental	-	66,308
<b>Total assets</b>	<b>5,160,875</b>	<b>66,308</b>
<b>Liabilities, deferred inflows of resources, and fund balances</b>		
Liabilities:		
Accounts payable	543,499	24,236
Retention payable	450,197	-
Due to other funds	-	156,590
<b>Total liabilities</b>	<b>993,696</b>	<b>180,826</b>
Deferred inflows of resources:		
Unavailable revenues	6,443	66,308
Fund balances (deficit):		
Restricted	4,160,736	-
Unassigned	-	(180,826)
<b>Total fund balances (deficit)</b>	<b>4,160,736</b>	<b>(180,826)</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 5,160,875</b>	<b>\$ 66,308</b>

**NONMAJOR SPECIAL REVENUE FUNDS**

<u>Inmate Welfare</u>	<u>Air Quality Improvement</u>	<u>Gas Tax</u>	<u>Total</u>
\$ 2,074,206	\$ 1,303,840	\$ 26,810,395	\$ 35,333,081
6,459	6,239	88,451	117,384
81,735	-	-	81,735
-	102,875	2,616,638	2,785,821
<u>2,162,400</u>	<u>1,412,954</u>	<u>29,515,484</u>	<u>38,318,021</u>
2,795	6,743	1,149,442	1,726,715
-	-	114,386	564,583
-	-	-	156,590
<u>2,795</u>	<u>6,743</u>	<u>1,263,828</u>	<u>2,447,888</u>
2,563	2,476	35,101	112,891
2,157,042	1,403,735	28,216,555	35,938,068
-	-	-	(180,826)
<u>2,157,042</u>	<u>1,403,735</u>	<u>28,216,555</u>	<u>35,757,242</u>
\$ <u>2,162,400</u>	\$ <u>1,412,954</u>	\$ <u>29,515,484</u>	\$ <u>38,318,021</u>

**Nonmajor Special Revenue Funds  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Year ended June 30, 2023**

	Sewer Connection Fee	Civic Center Maintenance	Inmate Welfare	Air Quality Improvement	Gas Tax	Total
<b>Revenues:</b>						
Intergovernmental	\$ -	\$ 3,229,821	\$ -	\$ 1,093,657	\$ 14,782,216	\$ 19,105,694
Charges for services	1,225,447	-	-	-	-	1,225,447
Investment income	57,145	-	19,473	20,375	(686,918)	(589,925)
Cost recoveries	-	-	513,854	-	-	513,854
<b>Total revenues</b>	<u>1,282,592</u>	<u>3,229,821</u>	<u>533,327</u>	<u>1,114,032</u>	<u>14,095,298</u>	<u>20,255,070</u>
<b>Expenditures:</b>						
Current:						
Human resources	-	-	-	95,347	-	95,347
Police department	-	1,483,250	187,692	-	-	1,670,942
Planning and building	-	-	-	74,864	-	74,864
Public works	-	2,223,436	-	12,179	3,340,131	5,575,746
Capital Outlay	4,765,869	-	-	1,199,169	-	5,965,038
Debt Service:						
Principal retirement	-	15,690	-	-	1,400,000	1,415,690
Interest and fiscal charges	-	-	-	-	1,836,500	1,836,500
<b>Total expenditures</b>	<u>4,765,869</u>	<u>3,722,376</u>	<u>187,692</u>	<u>1,381,559</u>	<u>6,576,631</u>	<u>16,634,127</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,483,277)</u>	<u>(492,555)</u>	<u>345,635</u>	<u>(267,527)</u>	<u>7,518,667</u>	<u>3,620,943</u>
<b>Other financing sources:</b>						
Transfers in	-	600,000	-	-	-	600,000
Transfers out	-	(13,195)	-	(7,048)	(4,505,296)	(4,525,539)
<b>Total other financing sources</b>	<u>-</u>	<u>586,805</u>	<u>-</u>	<u>(7,048)</u>	<u>(4,505,296)</u>	<u>(3,925,539)</u>
<b>Net change in fund balances</b>	<u>(3,483,277)</u>	<u>94,250</u>	<u>345,635</u>	<u>(274,575)</u>	<u>3,013,371</u>	<u>(304,596)</u>
Fund balances (deficit) - beginning	<u>7,644,013</u>	<u>(275,076)</u>	<u>1,811,407</u>	<u>1,678,310</u>	<u>25,203,184</u>	<u>36,061,838</u>
Fund balances (deficit) - ending	<u>\$ 4,160,736</u>	<u>\$ (180,826)</u>	<u>\$ 2,157,042</u>	<u>\$ 1,403,735</u>	<u>\$ 28,216,555</u>	<u>\$ 35,757,242</u>



**NONMAJOR SPECIAL REVENUE FUNDS**

**Nonmajor Special Revenue Funds  
Sewer Connection Fee  
Budgetary Comparison Schedule  
Year ended June 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for services	\$ 1,040,400	\$ 1,040,400	\$ 1,225,447	\$ 185,047
Investment income	100,000	100,000	57,145	(42,855)
Total revenues	<u>1,140,400</u>	<u>1,140,400</u>	<u>1,282,592</u>	<u>142,192</u>
<b>Expenditures:</b>				
Capital Outlay	1,000,000	8,770,613	4,765,869	4,004,744
Total expenditures	<u>1,000,000</u>	<u>8,770,613</u>	<u>4,765,869</u>	<u>4,004,744</u>
Excess (deficiency) of revenues over (under) expenditures	<u>140,400</u>	<u>(7,630,213)</u>	<u>(3,483,277)</u>	<u>4,146,936</u>
Net change in fund balance	140,400	(7,630,213)	(3,483,277)	4,146,936
Fund balance - beginning	<u>7,644,013</u>	<u>7,644,013</u>	<u>7,644,013</u>	<u>-</u>
Fund balance - ending	<u>\$ 7,784,413</u>	<u>\$ 13,800</u>	<u>\$ 4,160,736</u>	<u>\$ 4,146,936</u>

**Nonmajor Special Revenue Funds  
Civic Center Maintenance  
Budgetary Comparison Schedule  
Year ended June 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 3,608,250	\$ 3,929,669	\$ 3,229,821	\$ (699,848)
Total revenues	3,608,250	3,929,669	3,229,821	(699,848)
<b>Expenditures:</b>				
Current:				
Police department	2,284,340	1,680,894	1,483,250	197,644
Public works	2,540,180	3,078,150	2,223,436	854,714
Debt Service:				
Principal retirement	15,690	15,690	15,690	-
Total expenditures	4,840,210	4,774,734	3,722,376	1,052,358
Excess (deficiency) of revenues over (under) expenditures	(1,231,960)	(845,065)	(492,555)	352,510
<b>Other financing sources:</b>				
Transfers in	1,179,400	1,179,400	600,000	(579,400)
Transfers out	(13,200)	(13,200)	(13,195)	5
Total other financing sources	1,166,200	1,166,200	586,805	(579,395)
Net change in fund balance	(65,760)	321,135	94,250	(226,885)
Fund balance (deficit) - beginning	(275,076)	(275,076)	(275,076)	-
Fund balance (deficit) - ending	\$ (340,836)	\$ 46,059	\$ (180,826)	\$ (226,885)

NONMAJOR SPECIAL REVENUE FUNDS

**Nonmajor Special Revenue Funds  
Inmate Welfare  
Budgetary Comparison Schedule  
Year ended June 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Investment income	\$ -	\$ -	\$ 19,473	\$ 19,473
Cost recoveries	2,299,510	2,299,510	513,854	(1,785,656)
Total revenues	2,299,510	2,299,510	533,327	(1,766,183)
<b>Expenditures:</b>				
Current:				
Police department	2,299,510	2,299,510	187,692	2,111,818
Total expenditures	2,299,510	2,299,510	187,692	2,111,818
Excess (deficiency) of revenues over (under) expenditures	-	-	345,635	345,635
Net change in fund balance	-	-	345,635	345,635
Fund balance - beginning	1,811,407	1,811,407	1,811,407	-
Fund balance - ending	\$ 1,811,407	\$ 1,811,407	\$ 2,157,042	\$ 345,635

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**Nonmajor Special Revenue Funds  
Air Quality Improvement  
Budgetary Comparison Schedule  
Year ended June 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 525,000	\$ 776,268	\$ 1,093,657	\$ 317,389
Investment income	7,000	7,000	20,375	13,375
Cost recoveries	2,000	2,000	-	(2,000)
Total revenues	534,000	785,268	1,114,032	328,764
<b>Expenditures:</b>				
Current:				
Human resources	147,900	147,900	95,347	52,553
Planning and building	316,200	316,200	74,864	241,336
Public works	-	-	12,179	(12,179)
Capital Outlay	73,440	1,830,223	1,199,169	631,054
Total expenditures	537,540	2,294,323	1,381,559	912,764
Excess (deficiency) of revenues over (under) expenditures	(3,540)	(1,509,055)	(267,527)	1,241,528
<b>Other financing sources (uses):</b>				
Transfers out	(7,048)	(7,048)	(7,048)	-
Total other financing sources (uses)	(7,048)	(7,048)	(7,048)	-
Net change in fund balance	(10,588)	(1,516,103)	(274,575)	1,241,528
Fund balance - beginning	1,678,310	1,678,310	1,678,310	-
Fund balance (deficit) - ending	\$ 1,667,722	\$ 162,207	\$ 1,403,735	\$ 1,241,528

NONMAJOR SPECIAL REVENUE FUNDS

**Nonmajor Special Revenue Funds**  
**Gas Tax**  
**Budgetary Comparison Schedule**  
**Year ended June 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 17,183,130	\$ 14,717,500	\$ 14,782,216	\$ 64,716
Investment income	-	25,082	(686,918)	(712,000)
Total revenues	<u>17,183,130</u>	<u>14,742,582</u>	<u>14,095,298</u>	<u>(647,284)</u>
<b>Expenditures:</b>				
Current:				
Public works	5,731,620	4,891,912	3,340,131	1,551,781
Debt Service:				
Principal retirement	1,400,000	1,400,000	1,400,000	-
Interest and fiscal charges	1,836,500	1,836,500	1,836,500	-
Total expenditures	<u>8,968,120</u>	<u>8,128,412</u>	<u>6,576,631</u>	<u>1,551,781</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,215,010</u>	<u>6,614,170</u>	<u>7,518,667</u>	<u>904,497</u>
<b>Other financing uses:</b>				
Transfers out	(9,107,290)	(33,031,294)	(4,505,296)	28,525,998
Total other financing uses	<u>(9,107,290)</u>	<u>(33,031,294)</u>	<u>(4,505,296)</u>	<u>28,525,998</u>
Net change in fund balance	(892,280)	(26,417,124)	3,013,371	29,430,495
Fund balance - beginning	<u>25,203,184</u>	<u>25,203,184</u>	<u>25,203,184</u>	<u>-</u>
Fund balance - ending	<u>\$ 24,310,904</u>	<u>\$ (1,213,940)</u>	<u>\$ 28,216,555</u>	<u>\$ 29,430,495</u>



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### **Nonmajor Debt Service Funds**

The Debt Service Funds account for the servicing of the long-term debt not being financed by proprietary or nonexpendable trust funds. The following Debt Service Funds have been classified as nonmajor in the accompanying financial statements:

Santa Ana Financing Authority (SAFA) – This fund accounts for the receipts of revenues and payments of debt service related to the Police Administration and Holding Facility Lease Revenue Bonds and 2014 Private Placement Financing.

Pension Obligation Bonds (POB) – This fund accounts for the receipts of revenues and payments of debt service related to the Pension Obligation Bonds.

**Nonmajor Debt Service Funds**  
**Combining Balance Sheet**  
**June 30, 2023**

	<u>SAFA</u>	<u>POB</u>	<u>Total</u>
<b>Assets</b>			
Cash and investments	\$ 92,157	\$ -	\$ 92,157
Restricted assets:			
Cash and investments with fiscal agents	1	18,270	18,271
Total assets	<u>92,158</u>	<u>18,270</u>	<u>110,428</u>
<b>Liabilities, deferred inflows of resources, and fund balances</b>			
Fund balances:			
Restricted	<u>92,158</u>	<u>18,270</u>	<u>110,428</u>
Total fund balances	<u>92,158</u>	<u>18,270</u>	<u>110,428</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 92,158</u>	<u>\$ 18,270</u>	<u>\$ 110,428</u>



**Nonmajor Debt Service Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Year ended June 30, 2023**

	<u>SAFA</u>	<u>POB</u>	<u>Total</u>
<b>Revenues:</b>			
Investment income	\$ 3,300	\$ 9,814	\$ 13,114
Total revenues	<u>3,300</u>	<u>9,814</u>	<u>13,114</u>
<b>Expenditures:</b>			
Debt Service:			
Principal retirement	8,825,000	5,429,264	14,254,264
Interest and fiscal charges	<u>947,145</u>	<u>9,911,554</u>	<u>10,858,699</u>
Total expenditures	<u>9,772,145</u>	<u>15,340,818</u>	<u>25,112,963</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,768,845)</u>	<u>(15,331,004)</u>	<u>(25,099,849)</u>
<b>Other financing sources:</b>			
Transfers in	<u>9,778,170</u>	<u>15,338,058</u>	<u>25,116,228</u>
Total other financing sources	<u>9,778,170</u>	<u>15,338,058</u>	<u>25,116,228</u>
Net change in fund balances	9,325	7,054	16,379
Fund balances - beginning	<u>82,833</u>	<u>11,216</u>	<u>94,049</u>
Fund balances - ending	<u>\$ 92,158</u>	<u>\$ 18,270</u>	<u>\$ 110,428</u>



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## Nonmajor Capital Projects Funds

The following Capital Projects Funds have been classified as nonmajor in the accompanying financial statements:

Capital Grants – This is a combined report of various capital grants awarded to the City by Federal, State, and local governments not otherwise accounted for in the General and Special Revenue Funds.

Drainage Construction – This fund is used to account for the receipt and disbursements of funds received from developers in the form of drainage assessment fees to be used for storm drain construction.

Park Acquisitions & Development – This fund is used to account for the receipt and disbursements of funds received from developers in the form of development fees for use in park land acquisition and development.

Community Development – This fund accounts for the receipts and expenditures related to various Community Development capital improvement projects funded through one-time revenue sources.

Housing Success Agency – This fund accounts for the receipts and expenditures related to the Housing Successor Agency in accordance with the California Health and Safety Code.

Inclusionary Housing Fee – This fund is used to account for receipts from Developer fees and disbursements for planning (including but not limited to preparation of one or more elements of its general plan or for zoning improvements), conceptual design, final design, bid preparation, award of bid, property appraisal, property acquisition, relocation, lost goodwill, and/or construction of new or substantially rehabilitated existing affordable housing in the City.

**Nonmajor Capital Projects Funds  
Combining Balance Sheet  
June 30, 2023**

	Capital Grants	Drainage Construction
<b>Assets</b>		
Cash and investments	\$ 17,329	\$ 3,972,056
Interest	-	12,424
Intergovernmental	10,661,526	-
Loans and notes	-	-
Restricted assets:		
Cash and investments	-	-
Cash and investments with fiscal agents	-	-
Land held for resale	-	-
	<u>10,678,855</u>	<u>3,984,480</u>
<b>Liabilities, deferred inflows of resources, and fund balances</b>		
<b>Liabilities:</b>		
Accounts payable	1,167,807	1,073
Retention payable	504,702	2,483
Due to other funds	9,205,862	-
Unearned revenue	-	-
	<u>10,878,371</u>	<u>3,556</u>
<b>Deferred inflows of resources:</b>		
Unavailable revenues	<u>9,524,417</u>	<u>4,931</u>
<b>Fund balances (deficit):</b>		
Restricted	17,329	3,975,993
Unassigned	<u>(9,741,262)</u>	<u>-</u>
	<u>(9,723,933)</u>	<u>3,975,993</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 10,678,855</u>	<u>\$ 3,984,480</u>

**NONMAJOR CAPITAL PROJECTS FUNDS**

Park Acquisitions & Development	Community Development	Housing Successor Agency	Inclusionary Housing Fee	Total
\$ 19,461,647	\$ 203,243	\$ 5,076,422	\$ 12,960,237	\$ 41,690,934
66,679	454	15,948	41,229	136,734
-	181,538	-	-	10,843,064
-	-	22,248,810	8,277,702	30,526,512
-	144,938	-	-	144,938
-	-	214,337	-	214,337
-	-	75,000	-	75,000
<u>19,528,326</u>	<u>530,173</u>	<u>27,630,517</u>	<u>21,279,168</u>	<u>83,631,519</u>
1,171,088	-	2,257	21,273	2,363,498
397,666	285,551	-	-	1,190,402
-	-	-	-	9,205,862
-	10,870	-	-	10,870
<u>1,568,754</u>	<u>296,421</u>	<u>2,257</u>	<u>21,273</u>	<u>12,770,632</u>
26,461	354	6,329	16,361	9,578,853
17,933,111	233,398	27,621,931	21,241,534	71,023,296
-	-	-	-	(9,741,262)
<u>17,933,111</u>	<u>233,398</u>	<u>27,621,931</u>	<u>21,241,534</u>	<u>61,282,034</u>
\$ <u>19,528,326</u>	\$ <u>530,173</u>	\$ <u>27,630,517</u>	\$ <u>21,279,168</u>	\$ <u>83,631,519</u>

**Nonmajor Capital Projects Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Year ended June 30, 2023**

	Capital Grants	Drainage Construction
<b>Revenues:</b>		
Taxes	\$ -	\$ 161,860
Intergovernmental	7,193,534	-
Investment income	114	38,853
Cost recoveries	-	-
Total revenues	<u>7,193,648</u>	<u>200,713</u>
<b>Expenditures:</b>		
Current:		
Recreation and community services	-	-
Public Works	180,426	-
Community development	-	-
Capital outlay	<u>6,604,445</u>	<u>2,291</u>
Total expenditures	<u>6,784,871</u>	<u>2,291</u>
Net change in fund balances	<u>408,777</u>	<u>198,422</u>
<b>Other financing sources (uses):</b>		
Transfers out	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Net change in fund balances	408,777	198,422
Fund balances (deficit) - beginning	<u>(10,132,710)</u>	<u>3,777,571</u>
Fund balances (deficit) - ending	<u><u>\$ (9,723,933)</u></u>	<u><u>\$ 3,975,993</u></u>

**NONMAJOR CAPITAL PROJECTS FUNDS**

Park Acquisitions & Development	Community Development	Housing Successor Agency	Inclusionary Housing Fee	Total
\$ -	\$ -	\$ -	\$ -	161,860
-	203,667	-	-	7,397,201
(107,056)	1,638	429,633	1,196,500	1,559,682
<u>5,526,671</u>	<u>-</u>	<u>54,101</u>	<u>118,641</u>	<u>5,699,413</u>
<u>5,419,615</u>	<u>205,305</u>	<u>483,734</u>	<u>1,315,141</u>	<u>14,818,156</u>
6,008	-	-	-	6,008
-	-	-	-	180,426
-	22,501	96,179	1,403,292	1,521,972
<u>9,097,683</u>	<u>1,286,125</u>	<u>-</u>	<u>-</u>	<u>16,990,544</u>
<u>9,103,691</u>	<u>1,308,626</u>	<u>96,179</u>	<u>1,403,292</u>	<u>18,698,950</u>
<u>(3,684,076)</u>	<u>(1,103,321)</u>	<u>387,555</u>	<u>(88,151)</u>	<u>(3,880,794)</u>
<u>-</u>	<u>-</u>	<u>(12,048)</u>	<u>(9,814)</u>	<u>(21,862)</u>
<u>-</u>	<u>-</u>	<u>(12,048)</u>	<u>(9,814)</u>	<u>(21,862)</u>
<u>(3,684,076)</u>	<u>(1,103,321)</u>	<u>375,507</u>	<u>(97,965)</u>	<u>(3,902,656)</u>
<u>21,617,187</u>	<u>1,336,719</u>	<u>27,246,424</u>	<u>21,339,499</u>	<u>65,184,690</u>
<u>\$ 17,933,111</u>	<u>\$ 233,398</u>	<u>\$ 27,621,931</u>	<u>\$ 21,241,534</u>	<u>\$ 61,282,034</u>



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## **Nonmajor Enterprise Funds**

Enterprise Funds are used to account for any activity for which a fee is charged to external users for goods or services. These funds use full accrual accounting.

The following Enterprise Funds have been classified as nonmajor in the accompanying financial statements:

Refuse Collections - For the provision of refuse collection services to the residential, commercial and industrial segments of the City.

Sanitation - For the provision of motorized sweeping of all improved streets in the City and weed control.

Parking - For the provision of the parking meter program and the downtown parking structures operations.

Transportation Center - For the provision of a concentrated commuter-oriented transportation center for the region.

Federal Clean Water Protection - For the provision of storm drain systems operation and maintenance and pollution reduction under the National Pollutant Discharge Elimination permits issued by the Santa Ana Region of Water Quality Control Board.

**Nonmajor Enterprise Funds  
Combining Statement of Net Position  
June 30, 2023**

	Refuse Collections	Sanitation
<b>Assets:</b>		
Current assets:		
Cash and investments	\$ 4,948,109	\$ 5,116,281
Receivables:		
Interest	18,521	17,573
Accounts, net of allowances	3,157,829	1,103,247
Leases	-	-
Intergovernmental	-	-
Total current assets	<u>8,124,459</u>	<u>6,237,101</u>
Noncurrent assets:		
Pension stability fund	9,247	108,745
Capital assets, not being depreciated	-	328,464
Capital assets, net of accumulated depreciation/amortization	<u>10,712</u>	<u>3,817,880</u>
Total noncurrent assets	<u>19,959</u>	<u>4,255,089</u>
Total assets	<u>8,144,418</u>	<u>10,492,190</u>
<b>Deferred outflows of resources:</b>		
Deferred amounts on pension plans	345,577	1,319,643
Deferred amounts on OPEB plan	<u>198,487</u>	<u>104,586</u>
Total deferred outflows of resources	<u>544,064</u>	<u>1,424,229</u>
<b>Liabilities:</b>		
Current liabilities:		
Accounts payable	553,508	334,511
Interest payable	6,267	28,226
Retention payable	-	-
Deposits payable	-	-
Compensated absences payable	24,818	93,363
Total OPEB liability	19,813	45,207
Grant advances	435,450	-
Pension obligation bonds payable	<u>2,826</u>	<u>12,727</u>
Total current liabilities	<u>1,042,682</u>	<u>514,034</u>
Noncurrent liabilities:		
Compensated absences payable	74,453	280,089
Total OPEB liability	446,823	1,019,536
Net pension liability	557,306	2,510,009
Pension obligation bonds payable	<u>571,643</u>	<u>2,574,584</u>
Total noncurrent liabilities	<u>1,650,225</u>	<u>6,384,218</u>
Total liabilities	<u>2,692,907</u>	<u>6,898,252</u>
<b>Deferred inflows of resources:</b>		
Deferred amounts on pension plans	8,221	677,921
Deferred amounts on OPEB plan	176,569	978,461
Deferred amounts on leases	-	-
Total deferred inflow of resources	<u>184,790</u>	<u>1,656,382</u>
<b>Net position:</b>		
Net investment in capital assets	10,712	4,065,706
Restricted for:		
National Pollution Discharge Elimination System	-	-
Pension stability	9,247	108,745
Unrestricted	<u>5,790,826</u>	<u>(812,666)</u>
Total net position	<u>\$ 5,810,785</u>	<u>\$ 3,361,785</u>

**NONMAJOR ENTERPRISE FUNDS**

Parking	Transportation Center	Federal Clean Water Protection	Total
\$ 3,528,398	\$ 457,115	\$ 8,388,040	\$ 22,437,943
11,888	1,818	25,752	75,552
42,118	-	103,309	4,406,503
-	847,134	-	847,134
-	-	1,000,000	1,000,000
<u>3,582,404</u>	<u>1,306,067</u>	<u>9,517,101</u>	<u>28,767,132</u>
61,006	3,889	23,121	206,008
3,073,316	3,792,491	817,395	8,011,666
<u>6,093,134</u>	<u>2,701,812</u>	<u>7,815,403</u>	<u>20,438,941</u>
<u>9,227,456</u>	<u>6,498,192</u>	<u>8,655,919</u>	<u>28,656,615</u>
<u>12,809,860</u>	<u>7,804,259</u>	<u>18,173,020</u>	<u>57,423,747</u>
635,064	94,190	451,897	2,846,371
70,212	14,532	16,011	403,828
<u>705,276</u>	<u>108,722</u>	<u>467,908</u>	<u>3,250,199</u>
187,316	50,778	1,141,271	2,267,384
13,584	1,343	9,666	59,086
-	-	37,133	37,133
-	14,630	-	14,630
39,961	18,015	2,276	178,433
15,908	1,731	6,921	89,580
-	-	-	435,450
6,125	606	4,358	26,642
<u>262,894</u>	<u>87,103</u>	<u>1,201,625</u>	<u>3,108,338</u>
119,884	54,045	6,827	535,298
358,788	39,039	156,088	2,020,274
1,207,914	119,452	859,523	5,254,204
<u>1,238,988</u>	<u>122,525</u>	<u>881,635</u>	<u>5,389,375</u>
<u>2,925,574</u>	<u>335,061</u>	<u>1,904,073</u>	<u>13,199,151</u>
<u>3,188,468</u>	<u>422,164</u>	<u>3,105,698</u>	<u>16,307,489</u>
66,810	1,762	189,558	944,272
141,783	15,427	272,618	1,584,858
-	847,054	-	847,054
<u>208,593</u>	<u>864,243</u>	<u>462,176</u>	<u>3,376,184</u>
9,166,450	6,494,303	8,530,820	28,267,991
-	-	6,519,113	6,519,113
61,006	3,889	23,121	206,008
890,619	128,382	-	5,997,161
<u>\$ 10,118,075</u>	<u>\$ 6,626,574</u>	<u>\$ 15,073,054</u>	<u>\$ 40,990,273</u>

**Nonmajor Enterprise Funds**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Year ended June 30, 2023**

	<u>Refuse Collections</u>	<u>Sanitation</u>
Operating revenues:		
Charges for services	\$ 19,139,292	\$ 6,197,177
Lease revenues	-	-
Miscellaneous	-	-
Total operating revenues	<u>19,139,292</u>	<u>6,197,177</u>
Operating expenses:		
Personnel services	1,313,118	1,041,894
Contractual services	13,560,899	1,457,428
Materials and supplies	70,220	377,824
Administrative charges	1,145,835	1,631,168
Depreciation & amortization	3,214	339,306
Total operating expenses	<u>16,093,286</u>	<u>4,847,620</u>
Operating income (loss)	<u>3,046,006</u>	<u>1,349,557</u>
Nonoperating revenues (expenses):		
Intergovernmental	-	-
Investment earnings	70,406	57,467
Interest expense	(15,043)	(67,751)
Loss on disposal of capital assets	-	(75,145)
Total nonoperating revenues (expenses)	<u>55,363</u>	<u>(85,429)</u>
Income (loss) before transfers	<u>3,101,369</u>	<u>1,264,128</u>
Transfers in	-	200,000
Transfers out	<u>(3,366,405)</u>	<u>(3,943)</u>
Change in net position	<u>(265,036)</u>	<u>1,460,185</u>
Net position - beginning	<u>6,075,821</u>	<u>1,901,600</u>
Net position - ending	<u>\$ 5,810,785</u>	<u>\$ 3,361,785</u>

**NONMAJOR ENTERPRISE FUND**

Parking	Transportation Center	Federal Clean Water Protection	Total
\$ 2,955,421	\$ 34,362	\$ 946,783	\$ 29,273,035
-	542,343	-	542,343
776,301	-	3,559,032	4,335,333
3,731,722	576,705	4,505,815	34,150,711
993,489	217,851	53,140	3,619,492
2,967,541	1,279,727	3,358,172	22,623,767
31,025	62,220	15,620	556,909
263,314	172,356	351,048	3,563,721
361,547	430,262	465,859	1,600,188
4,616,916	2,162,416	4,243,839	31,964,077
(885,194)	(1,585,711)	261,976	2,186,634
-	-	1,000,000	1,000,000
31,441	14,153	63,629	237,096
(32,604)	(3,224)	(23,200)	(141,822)
(1,853,788)	-	-	(1,928,933)
(1,854,951)	10,929	1,040,429	(833,659)
(2,740,145)	(1,574,782)	1,302,405	1,352,975
2,873,040	1,081,870	2,665,989	6,820,899
(451)	-	(200,000)	(3,570,799)
132,444	(492,912)	3,768,394	4,603,075
9,985,631	7,119,486	11,304,660	36,387,198
\$ 10,118,075	\$ 6,626,574	\$ 15,073,054	\$ 40,990,273

**Nonmajor Enterprise Funds  
Combining Statement of Cash Flows  
Year ended June 30, 2023**

	<u>Refuse Collections</u>	<u>Sanitation</u>
<b>Cash flows from operating activities:</b>		
Receipts from customers	\$ 18,646,956	\$ 6,050,545
Receipts from other operating sources	-	-
Payments to suppliers for goods and services	(13,883,855)	(3,932,276)
Payments to employees	<u>(1,111,887)</u>	<u>(2,564,100)</u>
Net cash provided (used) by operating activities	<u>3,651,214</u>	<u>(445,831)</u>
<b>Cash flows from noncapital financing activities:</b>		
Transfer in	-	200,000
Transfer out	(3,366,405)	(3,943)
Interest Paid	<u>(15,052)</u>	<u>(67,790)</u>
Net cash provided (used) by noncapital financing activities	<u>(3,381,457)</u>	<u>128,267</u>
<b>Cash flows from capital and related financing activities:</b>		
Acquisition of capital assets	<u>-</u>	<u>(1,187,376)</u>
Net cash used by capital and related financing activities	<u>-</u>	<u>(1,187,376)</u>
<b>Cash flows from investing activities:</b>		
Interest received	<u>62,398</u>	<u>55,478</u>
Net cash provided by investing activities	<u>62,398</u>	<u>55,478</u>
Net increase (decrease) in cash and cash equivalents	332,155	(1,449,462)
Cash and cash equivalents - beginning	<u>4,625,201</u>	<u>6,674,488</u>
Cash and cash equivalents - ending	<u>\$ 4,957,356</u>	<u>\$ 5,225,026</u>

**NONMAJOR ENTERPRISE FUNDS**

<u>Parking</u>	<u>Transportation Center</u>	<u>Federal Clean Water Protection</u>	<u>Total</u>
\$ 2,920,369	\$ 571,926	\$ 1,038,538	\$ 29,228,334
776,301	-	3,559,032	4,335,333
(3,139,203)	(1,508,142)	(2,654,803)	(25,118,279)
<u>(991,063)</u>	<u>(110,029)</u>	<u>(473,329)</u>	<u>(5,250,408)</u>
(433,596)	(1,046,245)	1,469,438	3,194,980
2,873,040	1,081,870	2,665,989	6,820,899
(451)	-	(200,000)	(3,570,799)
<u>(32,622)</u>	<u>(3,226)</u>	<u>(23,213)</u>	<u>(141,903)</u>
2,839,967	1,078,644	2,442,776	3,108,197
-	-	(219,600)	(1,406,976)
-	-	(219,600)	(1,406,976)
22,054	13,383	47,782	201,095
22,054	13,383	47,782	201,095
2,428,425	45,782	3,740,396	5,097,296
<u>1,160,979</u>	<u>415,222</u>	<u>4,670,765</u>	<u>17,546,655</u>
<u>\$ 3,589,404</u>	<u>\$ 461,004</u>	<u>\$ 8,411,161</u>	<u>\$ 22,643,951</u>

*Continued*

**Nonmajor Enterprise Funds**  
**Combining Statement of Cash Flows**  
**Year ended June 30, 2023**

	Refuse Collections	Sanitation
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ 3,046,006	\$ 1,349,557
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	3,214	339,306
Change in assets and liabilities:		
Decrease (increase) in accounts receivable	(492,336)	(146,632)
Decrease (increase) in leases receivable	-	-
Decrease (increase) in deferred outflows from pension	545,513	1,864,985
Decrease (increase) in deferred outflows from OPEB	(159,844)	81,013
Increase (decrease) in accounts payable	457,649	(465,856)
Increase (decrease) in compensated absences payable	14,186	24,532
Increase (decrease) in deposits payable	-	-
Increase (decrease) in pension obligation bonds payable	(8,245)	(37,132)
Increase (decrease) in grant advances	435,450	-
Increase (decrease) in net pension liability	(114,314)	(514,851)
Increase (decrease) in total OPEB liability	44,399	(963,234)
Increase (decrease) in deferred inflows from pension	(243,711)	(2,699,874)
Increase (decrease) in deferred inflows from OPEB	123,247	722,355
Increase (decrease) in deferred inflows from leases	-	-
Net cash provided (used) by operating activities	\$ <u>3,651,214</u>	\$ <u>(445,831)</u>



Parking	Transportation Center	Federal Clean Water Protection	Total
\$ (885,194) \$	(1,585,711) \$	261,976 \$	2,186,634
361,547	430,262	465,859	1,600,188
(35,052)	-	91,755	(582,265)
-	(363,778)	-	(363,778)
897,501	167,231	638,640	4,113,870
(29,780)	(10,861)	25,355	(94,117)
122,677	6,161	1,070,037	1,190,668
32,148	18,956	(3,644)	86,178
-	(24,068)	-	(24,068)
(17,869)	(1,767)	(12,716)	(77,729)
-	-	-	435,450
(247,765)	(24,502)	(176,304)	(1,077,736)
(67,092)	642	(288,986)	(1,274,271)
(650,707)	(52,237)	(818,071)	(4,464,600)
85,990	10,360	215,537	1,157,489
-	383,067	-	383,067
<u>\$ (433,596) \$</u>	<u>(1,046,245) \$</u>	<u>1,469,438 \$</u>	<u>3,194,980</u>



CITY OF SANTA ANA, CALIFORNIA  
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## Internal Service Funds

To account for the financing of goods or services provided by one department or agency of the City to other departments or agencies on a cost-reimbursement basis.

Central Services - For the provision of printing, duplicating, messenger and postal services.

Building Maintenance - For the provision of building maintenance, janitorial services and utilities to the City departments.

Equipment Maintenance and Replacement - For the provision of maintenance on, materials and supplies for, and replacement of, City vehicles and other gasoline or diesel-powered equipment.

Stores & Property Control - For the maintenance of a warehouse inventory of materials and supplies for all City departments.

Self-Insurance - For the administration of the City's self-insurance programs and the payment of health and dental benefits, City's workers' compensation and payment of liability claims.

Information & Communications Services - For the design, installation and maintenance of all data networking, voice, radio, and facsimile services of the City's operating departments.

City Yard Operations - For the maintenance and security services at the City's Corporate Yard and Fleet Maintenance Facility.

Engineering & Administrative Services - For the provision of engineering, design, and project management for public facilities and infrastructure, and the development and administration of transportation policy and the City's capital improvement program.

Quality Service Training - For the provision of training and support services, through the use and application of total quality improvement tools, for the continuous improvement of City services.

**Internal Service Funds**  
**Combining Statement of Net Position**  
**June 30, 2023**

Page 1 of 3

	Central Services	Building Maintenance
<b>Assets:</b>		
Current assets:		
Cash and investments	\$ -	\$ 1,557,588
Receivables:		
Interest	-	6,429
Accounts, net of allowances	-	-
Intergovernmental	-	371,091
Due from other funds	-	-
Inventory of supplies	-	-
Prepaid items	-	-
Total current assets	<u>-</u>	<u>1,935,108</u>
Noncurrent assets:		
Advances to other funds	-	-
Restricted cash and investments	-	-
Pension stability fund	-	156,080
Capital assets, not being depreciated	-	-
Capital assets, net of accumulated depreciation/amortization	-	-
Total noncurrent assets	<u>-</u>	<u>156,080</u>
Total assets	<u>-</u>	<u>2,091,188</u>
<b>Deferred outflows of resources:</b>		
Deferred amounts on pension plans	-	1,738,639
Deferred amounts on OPEB plan	-	167,100
Total deferred outflows of resources	<u>-</u>	<u>1,905,739</u>
<b>Liabilities:</b>		
Current liabilities:		
Accounts payable	-	284,641
Interest payable	-	34,891
Retention payable	-	-
Due to other funds	-	-
Subscription Liability	-	-
Compensated absences payable	-	51,071
Claims payable	-	-
Total OPEB liability	-	38,757
Pension obligation bond payable	-	15,732
Total current liabilities	<u>-</u>	<u>425,092</u>
Noncurrent liabilities:		
Subscription liability	-	-
Compensated absences payable	-	153,212
Claims payable	-	-
Total OPEB liability	-	874,060
Net pension liability	-	3,102,641
Pension obligation bond payable	-	3,182,461
Total noncurrent liabilities	<u>-</u>	<u>7,312,374</u>
Total liabilities	<u>-</u>	<u>7,737,466</u>
<b>Deferred inflows of resources:</b>		
Deferred amounts on pension plans	-	45,768
Deferred amounts on OPEB plan	-	345,400
Total deferred inflows of resources	<u>-</u>	<u>391,168</u>
<b>Net position:</b>		
Net investment in capital assets	-	-
Restricted for:		
Pension stability	-	156,080
Unrestricted	-	(4,287,787)
Total net position (deficit)	<u>\$ -</u>	<u>\$ (4,131,707)</u>

INTERNAL SERVICE FUNDS

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<u>Equipment Maintenance and Replacement</u>	<u>Stores &amp; Property Control</u>	<u>Self Insurance</u>	<u>Information &amp; Communications Services</u>	<u>City Yard Operations</u>	<u>Engineering &amp; Administrative Services</u>
\$ 8,419,473	\$ -	\$ 22,384,099	\$ 11,666,262	\$ -	\$ 1,419,982
26,544	-	102,208	41,867	-	9,423
101,141	26,981	-	-	-	-
-	-	-	-	-	-
-	-	10,392,641	-	-	-
24,607	430,061	-	-	-	-
-	-	92,228	-	-	-
<u>8,571,765</u>	<u>457,042</u>	<u>32,971,176</u>	<u>11,708,129</u>	<u>-</u>	<u>1,429,405</u>
-	-	584,000	-	-	-
-	-	300,053	-	-	-
113,428	-	223,121	160,195	-	253,795
377,607	-	1,523,906	406,291	-	-
2,668,805	-	771,727	1,637,920	129,666	312,211
<u>3,159,840</u>	<u>-</u>	<u>3,402,807</u>	<u>2,204,406</u>	<u>129,666</u>	<u>566,006</u>
<u>11,731,605</u>	<u>457,042</u>	<u>36,373,983</u>	<u>13,912,535</u>	<u>129,666</u>	<u>1,995,411</u>
1,761,392	283,300	1,718,108	2,064,536	20,428	5,500,219
74,292	4,600	74,924	69,500	1,952	315,607
<u>1,835,684</u>	<u>287,900</u>	<u>1,793,032</u>	<u>2,134,036</u>	<u>22,380</u>	<u>5,815,826</u>
31,355	364,694	756,822	314,936	-	54,297
37,675	5,287	36,609	44,159	437	117,646
-	-	23,836	16,130	-	-
-	458,186	-	-	572,003	-
-	-	-	327,481	-	46,170
84,600	35	33,057	133,849	-	365,438
-	-	9,600,000	-	-	-
32,113	1,989	25,260	30,042	844	106,627
16,987	2,384	16,506	19,911	197	53,045
<u>202,730</u>	<u>832,575</u>	<u>10,492,090</u>	<u>886,508</u>	<u>573,481</u>	<u>743,223</u>
-	-	-	644,925	-	77,078
253,799	105	99,173	401,547	-	1,096,315
-	-	48,710,333	-	-	-
724,221	44,851	569,680	677,532	19,036	2,404,704
3,350,230	470,134	5,400,544	3,926,821	38,853	10,461,609
3,436,419	482,230	3,339,219	4,027,844	39,853	10,730,747
<u>7,764,669</u>	<u>997,320</u>	<u>58,118,949</u>	<u>9,678,669</u>	<u>97,742</u>	<u>24,770,453</u>
<u>7,967,399</u>	<u>1,829,895</u>	<u>68,611,039</u>	<u>10,565,177</u>	<u>671,223</u>	<u>25,513,676</u>
497,428	6,935	320,819	265,150	2,367	525,480
725,702	92,865	486,243	522,382	17,082	1,646,793
<u>1,223,130</u>	<u>99,800</u>	<u>807,062</u>	<u>787,532</u>	<u>19,449</u>	<u>2,172,273</u>
3,046,412	-	2,195,797	1,055,675	129,666	188,963
113,428	-	223,121	160,195	-	253,795
<u>1,216,920</u>	<u>(1,184,753)</u>	<u>(33,670,004)</u>	<u>3,477,992</u>	<u>(668,292)</u>	<u>(20,317,470)</u>
<u>\$ 4,376,760</u>	<u>\$ (1,184,753)</u>	<u>\$ (31,251,086)</u>	<u>\$ 4,693,862</u>	<u>\$ (538,626)</u>	<u>\$ (19,874,712)</u>

Continued

**Internal Service Funds**  
**Combining Statement of Net Position**  
**June 30, 2023**

Page 3 of 3

	Quality Service Training	Total
<b>Assets:</b>		
Current assets:		
Cash and investments	\$ 45,230	\$ 45,492,634
Receivables:		
Interest	-	186,471
Accounts, net of allowances	-	128,122
Intergovernmental	-	371,091
Due from other funds	-	10,392,641
Inventory of supplies	-	454,668
Prepaid items	60,724	152,952
Total current assets	<u>105,954</u>	<u>57,178,579</u>
Noncurrent assets:		
Advances to other funds	-	584,000
Restricted cash and investments	-	300,053
Pension stability fund	-	906,619
Capital assets, not being depreciated	-	2,307,804
Capital assets, being depreciated, net of	-	5,520,329
Total noncurrent assets	<u>-</u>	<u>9,618,805</u>
Total assets	<u>105,954</u>	<u>66,797,384</u>
<b>Deferred outflows of resources:</b>		
Deferred amounts on pension plans	-	13,086,622
Deferred amounts on OPEB plan	-	707,975
Total deferred outflows of resources	<u>-</u>	<u>13,794,597</u>
<b>Liabilities:</b>		
Current liabilities:		
Accounts payable	38	1,806,783
Interest payable	-	276,704
Retention payable	-	39,966
Due to other funds	-	1,030,189
Subscription Liability	-	373,651
Compensated absences payable	-	668,050
Claims payable	-	9,600,000
Total OPEB liability	-	235,632
Pension obligation bond payable	-	124,762
Total current liabilities	<u>38</u>	<u>14,155,737</u>
Noncurrent liabilities:		
Subscription liability	-	722,003
Compensated absences payable	-	2,004,151
Claims payable	-	48,710,333
Total OPEB liability	-	5,314,084
Net pension liability	-	26,750,832
Pension obligation bond payable	-	25,238,773
Total noncurrent liabilities	<u>-</u>	<u>108,740,176</u>
Total liabilities	<u>38</u>	<u>122,895,913</u>
<b>Deferred inflows of resources:</b>		
Deferred amounts on pension plans	-	1,663,947
Deferred amounts on OPEB plan	-	3,836,467
Total deferred inflows of resources	<u>-</u>	<u>5,500,414</u>
<b>Net position:</b>		
Net investment in capital assets	-	6,616,513
Restricted for:		
Pension stability	-	906,619
Unrestricted	105,916	(55,327,478)
Total net position (deficit)	<u>\$ 105,916</u>	<u>\$ (47,804,346)</u>



CITY OF SANTA ANA, CALIFORNIA  
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**Internal Service Funds**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Year ended June 30, 2023**

	Central Services	Building Maintenance
Operating revenues:		
Charges for services	\$ -	\$ 5,623,060
Miscellaneous	719,466	3,217
Total operating revenues	719,466	5,626,277
Operating expenses:		
Personnel services	115,225	2,526,832
Contractual services	-	3,441,187
Materials and supplies	-	161,167
Administrative charges	5,127	861,645
Insurance	-	-
Provision for self-insured losses	-	-
Depreciation & amortization	-	-
Total operating expenses	120,352	6,990,831
Operating income (loss)	599,114	(1,364,554)
Nonoperating revenues (expenses):		
Intergovernmental	-	371,091
Net decrease in the fair value of investment	-	-
Investment earnings	-	21,504
Interest expense	-	(83,747)
Gain (loss) on disposal of capital assets	(25,959)	-
Total nonoperating revenues (expenses)	(25,959)	308,848
Income (loss) before transfers	573,155	(1,055,706)
Transfers in	-	-
Transfers out	(15,339)	-
Change in net position	557,816	(1,055,706)
Net position (deficit) - beginning	(557,816)	(3,076,001)
Net position (deficit) - ending	\$ -	\$ (4,131,707)



**INTERNAL SERVICE FUNDS**

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Equipment Maintenance and Replacement	Stores & Property Control	Self Insurance	Information and Communications Services	City Yard Operations	Engineering and Administrative Services
\$ 6,470,405	\$ 2,612,729	\$ 50,109,776	\$ 9,153,147	\$ 1,254,160	\$ 13,103,331
15,148	131,377	490,113	-	-	6,468
6,485,553	2,744,106	50,599,889	9,153,147	1,254,160	13,109,799
1,828,723	270,262	-	2,517,612	52,612	7,354,138
812,485	132,796	-	4,458,988	512,120	2,011,272
1,493,477	2,572,395	-	180,694	11,112	135,092
1,614,539	318,204	6,072,975	706,673	1,190,607	4,022,716
-	-	36,377,478	-	-	-
-	-	17,768,431	-	-	-
893,441	-	10,869	363,567	6,403	68,712
6,642,665	3,293,657	60,229,753	8,227,534	1,772,854	13,591,930
(157,112)	(549,551)	(9,629,864)	925,613	(518,694)	(482,131)
-	-	-	-	-	-
-	-	(2,008,842)	(1,204,742)	-	-
85,539	-	299,040	136,616	-	28,826
(90,430)	(12,690)	(87,872)	(105,993)	(1,049)	(283,344)
174,428	50,147	-	-	-	-
169,537	37,457	(1,797,674)	(1,174,119)	(1,049)	(254,518)
12,425	(512,094)	(11,427,538)	(248,506)	(519,743)	(736,649)
-	-	7,189,400	-	-	10,000
(3,605)	-	-	-	-	(212,175)
8,820	(512,094)	(4,238,138)	(248,506)	(519,743)	(938,824)
4,367,940	(672,659)	(27,012,948)	4,942,368	(18,883)	(18,935,888)
\$ 4,376,760	\$ (1,184,753)	\$ (31,251,086)	\$ 4,693,862	\$ (538,626)	\$ (19,874,712)

*Continued*

**Internal Service Funds**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Year ended June 30, 2023**

	Quality Service Training	Total
Operating revenues:		
Charges for services	\$ -	\$ 88,326,608
Miscellaneous	-	1,365,789
Total operating revenues	-	89,692,397
Operating expenses:		
Personnel services	-	14,665,404
Contractual services	167,323	11,536,171
Materials and supplies	22,687	4,576,624
Administrative charges	-	14,792,486
Insurance	-	36,377,478
Provision for self-insured losses	-	17,768,431
Depreciation	-	1,342,992
Total operating expenses	190,010	101,059,586
Operating income (loss)	(190,010)	(11,367,189)
Nonoperating revenues (expenses):		
Intergovernmental	-	371,091
Net decrease in the fair value of investment	-	(3,213,584)
Investment earnings	-	571,525
Interest expense	-	(665,125)
Gain (loss) on disposal of capital assets	-	198,616
Total nonoperating revenues (expenses)	-	(2,737,477)
Income (loss) before transfers	(190,010)	(14,104,666)
Transfers in	-	7,199,400
Transfers out	-	(231,119)
Change in net position	(190,010)	(7,136,385)
Net position (deficit) - beginning	295,926	(40,667,961)
Net position (deficit) - ending	\$ 105,916	\$ (47,804,346)



CITY OF SANTA ANA, CALIFORNIA  
Annual  
Comprehensive Financial  
Report

**Internal Service Funds**  
**Combining Statement of Cash Flows**  
**Year ended June 30, 2023**

	Central Services	Building Maintenance
<b>Cash flows from operating activities:</b>		
Receipts from interfund services provided	\$ -	\$ 5,626,277
Receipts from other operating sources	734,805	-
Payments to suppliers for goods and services	(2,537)	(3,477,789)
Payments for interfund services used	(5,127)	(861,645)
Payments to employees	(834,690)	(2,069,226)
Net cash provided (used) by operating activities	<u>(107,549)</u>	<u>(782,383)</u>
<b>Cash flows from noncapital financing activities:</b>		
Transfers in	-	-
Transfers out	(15,339)	-
Interest Paid	(2,398)	(83,794)
Receipt of interfund balances	-	-
Net cash provided (used) by noncapital financing activities	<u>(17,737)</u>	<u>(83,794)</u>
<b>Cash flows from capital and related financing activities:</b>		
Acquisition of capital assets	-	-
Proceeds from sale of capital assets	-	-
Net cash provided (used) for capital and related financing activities	<u>-</u>	<u>-</u>
<b>Cash flows from investing activities:</b>		
Interest received	272	21,595
Decrease in the fair value of investment	-	-
Net cash provided (used) by investing activities	<u>272</u>	<u>21,595</u>
Net increase (decrease) in cash and cash equivalents	(125,014)	(844,582)
Cash and cash equivalents - beginning	125,014	2,558,250
Cash and cash equivalents - ending	<u>\$ -</u>	<u>\$ 1,713,668</u>
(Includes restricted cash and investments)		
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ 599,114	\$ (1,364,554)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation & amortization expense	-	-
Change in assets and liabilities:		
Decrease (increase) in accounts receivable	-	-
Decrease (increase) in inventory of supplies	15,339	-
Decrease (increase) in prepaid items	-	-
Decrease (increase) in deferred outflows from pension	270,130	2,573,862
Decrease (increase) in deferred outflows from OPEB	17,782	(68,186)
Increase (decrease) in accounts payable	(2,537)	124,565
Increase (decrease) in compensated absences payable	(57,507)	(49,881)
Increase (decrease) in retention payable	-	-
Increase (decrease) in pension obligation bonds payable	(222,614)	(45,900)
Increase (decrease) in claims payable	-	-
Increase (decrease) in subscription liability	-	-
Increase (decrease) in Interest Payable	-	-
Increase (decrease) in net pension liability	(256,579)	(636,411)
Increase (decrease) in total OPEB liability	(186,725)	(167,993)
Increase (decrease) in deferred inflows from pension	(251,837)	(1,356,794)
Increase (decrease) in deferred inflows from OPEB	(32,115)	208,909
Net cash provided (used) by operating activities	<u>\$ (107,549)</u>	<u>\$ (782,383)</u>
<b>Noncash investing, capital, and financing activities:</b>		
Decrease in fair value of investments	<u>\$ -</u>	<u>\$ -</u>

INTERNAL SERVICE FUNDS

Page 2 of 3

Equipment Maintenance and Replacement	Stores & Property Control	Self Insurance	Information and Communications Services	City Yard Operations	Engineering and Administrative Services
\$ 6,470,405	\$ 2,612,729	\$ 50,109,776	\$ 9,153,147	\$ 1,254,160	\$ 13,103,331
15,148	104,396	490,113	-	-	6,468
(3,123,611)	(1,917,747)	(44,411,382)	(3,748,862)	(492,976)	(6,001,002)
(1,614,539)	(318,204)	-	(706,673)	(1,190,607)	-
<u>(2,740,221)</u>	<u>(610,864)</u>	<u>(6,681,823)</u>	<u>(2,746,846)</u>	<u>(86,778)</u>	<u>(7,594,620)</u>
<u>(992,818)</u>	<u>(129,690)</u>	<u>(493,316)</u>	<u>1,950,766</u>	<u>(516,201)</u>	<u>(485,823)</u>
-	-	7,189,400	-	-	10,000
(3,605)	-	-	-	-	(212,175)
(90,481)	(12,697)	(50)	(106,053)	(1,049)	(283,344)
-	92,240	292,000	-	517,250	-
<u>(94,086)</u>	<u>79,543</u>	<u>7,481,350</u>	<u>(106,053)</u>	<u>516,201</u>	<u>(485,519)</u>
(710,773)	-	(1,252,929)	(2,184,175)	-	(170,851)
92,315	50,147	-	-	-	-
<u>(618,458)</u>	<u>50,147</u>	<u>(1,252,929)</u>	<u>(2,184,175)</u>	<u>-</u>	<u>(170,851)</u>
80,027	-	174,708	122,754	-	24,187
-	-	(2,008,842)	(1,204,742)	-	-
<u>80,027</u>	<u>-</u>	<u>(1,834,134)</u>	<u>(1,081,988)</u>	<u>-</u>	<u>24,187</u>
(1,625,335)	-	3,900,971	(1,421,450)	-	(1,118,006)
10,158,236	-	19,006,302	13,247,907	-	2,791,783
<u>\$ 8,532,901</u>	<u>\$ -</u>	<u>\$ 22,907,273</u>	<u>\$ 11,826,457</u>	<u>\$ -</u>	<u>\$ 1,673,777</u>

\$ (157,112)	\$ (549,551)	\$ (9,629,864)	\$ 925,613	\$ (518,694)	\$ (482,131)
893,441	-	10,869	363,567	6,403	68,712
-	(26,981)	3,711,972	-	-	-
1,272	125,837	-	-	-	-
-	-	(92,228)	-	-	-
2,489,284	439,630	2,420,399	2,917,702	28,868	7,773,168
60,779	8,817	20,668	40,358	1,388	45,179
(818,921)	213,160	(258,306)	(97,716)	-	44,830
40,516	(6,191)	(65,006)	33,543	-	26,628
-	-	23,836	16,130	-	-
(49,563)	(6,955)	(48,162)	(58,093)	(575)	(154,768)
-	-	6,349,253	-	-	-
-	-	-	972,406	-	123,248
-	-	-	-	-	(159)
(687,195)	(96,434)	(735,940)	(805,465)	(7,969)	(2,145,873)
(719,552)	(99,780)	(449,534)	(492,801)	(16,619)	(1,430,821)
(2,585,084)	(205,591)	(2,105,614)	(2,235,270)	(21,477)	(5,502,790)
539,317	74,349	354,341	370,792	12,474	1,148,954
<u>(992,818)</u>	<u>(129,690)</u>	<u>(493,316)</u>	<u>1,950,766</u>	<u>(516,201)</u>	<u>(485,823)</u>

\$ -	\$ -	\$ (2,008,842)	\$ (1,204,742)	\$ -	\$ -
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Continued

**Internal Service Funds**  
**Combining Statement of Cash Flows**  
**Year ended June 30, 2023**

	Quality Service Training	Total
<b>Cash flows from operating activities:</b>		
Receipts from interfund services provided	\$ -	\$ 88,329,825
Receipts from other operating sources	-	1,350,930
Payments to suppliers for goods and services	(330,233)	(63,506,139)
Payments for interfund services used	-	(4,696,795)
Payments to employees	-	(23,365,068)
Net cash provided (used) by operating activities	<u>(330,233)</u>	<u>(1,887,247)</u>
<b>Cash flows from noncapital financing activities:</b>		
Transfers in	-	7,199,400
Transfers out	-	(231,119)
Payment of interfund balances	-	(579,866)
Receipt of interfund balances	-	901,490
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>7,289,905</u>
<b>Cash flows from capital and related financing activities:</b>		
Acquisition of capital assets	-	(4,318,728)
Proceeds from sale of capital assets	-	142,462
Net cash provided (used) for capital and related financing activities	<u>-</u>	<u>(4,176,266)</u>
<b>Cash flows from investing activities:</b>		
Interest received	-	423,543
Decrease in the fair value of investment	-	(3,213,584)
Net cash provided (used) by investing activities	<u>-</u>	<u>(2,790,041)</u>
Net increase (decrease) in cash and cash equivalents	(330,233)	(1,563,649)
Cash and cash equivalents - beginning	375,463	48,262,955
Cash and cash equivalents - ending	<u>\$ 45,230</u>	<u>\$ 46,699,306</u>
(Includes restricted cash and investments)		
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ (190,010)	\$ (11,367,189)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation expense	-	1,342,992
Change in assets and liabilities:		
Decrease (increase) in accounts receivable	-	3,684,991
Decrease (increase) in inventory of supplies	-	142,448
Decrease (increase) in prepaid items	(60,724)	(152,952)
Decrease (increase) in deferred outflows from pension	-	18,913,043
Decrease (increase) in deferred outflows from OPEB	-	126,785
Increase (decrease) in accounts payable	(79,499)	(874,424)
Increase (decrease) in compensated absences payable	-	(77,898)
Increase (decrease) in retention payable	-	39,966
Increase (decrease) in Pension obligation bonds payable	-	(586,630)
Increase (decrease) in claims payable	-	6,349,253
Increase (decrease) in SBITA Liability	-	1,095,654
Increase (decrease) in Interest Payable	-	(159)
Increase (decrease) in net pension liability	-	(5,371,866)
Increase (decrease) in total OPEB liability	-	(3,563,825)
Increase (decrease) in deferred inflows from pension	-	(14,264,457)
Increase (decrease) in deferred inflows from OPEB	-	2,677,021
Net cash provided (used) by operating activities	<u>\$ (330,233)</u>	<u>\$ (1,887,247)</u>
<b>Noncash investing, capital, and financing activities:</b>		
Decrease in fair value of investments	<u>\$ -</u>	<u>\$ (3,213,584)</u>

## Custodial Funds

Custodial Funds are used to account for assets held by the City as a custodian for individuals, private organizations, and other governmental units. Custodial Funds include the following:

Treasurer's Trust – For deposits made by developers, governmental agencies and others for disposition under the terms of the agreements for which deposits were made.

Transportation Corridor – For the collection of fees until their disbursements to transportation corridor agencies under the terms of joint exercise of powers agreement.

Warner Industrial Community Assessment District – For amounts collected and remitted under the terms of the assessment district.

**Custodial Funds**  
**Combining Statement of Fiduciary Net Position**  
**June 30, 2023**

	Treasurer's Trust	Transportation Corridor	Warner Industrial Community Assessment District	Total
<b>Assets</b>				
Cash and investments	\$ 3,191,409	\$ -	\$ 315,984	\$ 3,507,393
Restricted assets:				
Cash & investments with fiscal agents	-	-	105,348	105,348
Receivables:				
Interest	6,692	-	-	6,692
Taxes	-	-	5,804	5,804
Total assets	<u>3,198,101</u>	<u>-</u>	<u>427,136</u>	<u>3,625,237</u>
<b>Liabilities</b>				
Accounts payable	179,524	-	-	179,524
Deposits payable	201,937	-	-	201,937
Due to governmental agencies	594,825	-	-	594,825
Total liabilities	<u>976,286</u>	<u>-</u>	<u>-</u>	<u>976,286</u>
<b>Net Position</b>	<u>\$ 2,221,815</u>	<u>\$ -</u>	<u>\$ 427,136</u>	<u>\$ 2,648,951</u>



**Custodial Funds**  
**Combining Statement of Changes in Fiduciary Net Position**  
**For the Fiscal Year Ended June 30, 2023**

	Treasurer's Trust	Transportation Corridor	Warner Industrial Community Assessment District	Total
<b><u>ADDITIONS</u></b>				
Property tax collections for bondholder	\$ -	\$ -	\$ 137,199	\$ 137,199
Investment earnings	19,361	-	5	19,366
Police seized assets	673,217	-	-	673,217
Miscellaneous	14,042	-	-	14,042
Commissary	1,125,756	-	-	1,125,756
Other taxes and fees for other agency	6,148,635	1,965,429	-	8,114,064
Total additions	<u>\$ 7,981,011</u>	<u>\$ 1,965,429</u>	<u>\$ 137,204</u>	<u>\$ 10,083,644</u>
<b><u>DEDUCTIONS</u></b>				
Administrative expense	\$ 4,598,891	\$ -	\$ -	\$ 4,598,891
Police seized assets	126,442	-	-	126,442
Bond payment	-	-	100,837	100,837
Payments to other agency	2,190,967	1,988,912	-	4,179,879
Commissary	1,103,728	-	-	1,103,728
Miscellaneous	6,280	-	-	6,280
Total deductions	<u>\$ 8,026,308</u>	<u>\$ 1,988,912</u>	<u>\$ 100,837</u>	<u>\$ 10,116,057</u>
Changes in net position	(45,297)	(23,483)	36,367	(32,413)
Net position - beginning	<u>2,267,112</u>	<u>23,483</u>	<u>390,769</u>	<u>2,681,364</u>
Net position - ending	<u>\$ 2,221,815</u>	<u>\$ -</u>	<u>\$ 427,136</u>	<u>\$ 2,648,951</u>



CITY OF SANTA ANA, CALIFORNIA  
Annual  
Comprehensive Financial  
Report

CITY OF SANTA ANA, CALIFORNIA

# Statistical Section



# STATISTICAL SECTION

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

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<b><u>Financial Trends</u></b> - These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
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<b><u>Demographic and Economic Information</u></b> - This schedule offers demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	
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<b><u>Operating Information</u></b> - These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	
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**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	Fiscal Year			
	2023	2022	2021	2020
<b>Governmental Activities:</b>				
Net investment in capital assets	\$ 992,746	\$ 941,901	\$ 909,573	\$ 881,919
Restricted	222,366	211,632	208,355	189,944
Unrestricted	(498,311)	(468,389)	(533,455)	(535,086)
Total governmental activities net position	<u>\$ 716,801</u>	<u>\$ 685,144</u>	<u>\$ 584,473</u>	<u>\$ 536,777</u>
<b>Business-type activities:</b>				
Net investment in capital assets	\$ 169,719	\$ 141,332	\$ 129,341	\$ 116,854
Restricted	7,053	2,454	1,857	2,216
Unrestricted	29,376	52,900	56,657	57,883
Total business-type activities net position	<u>\$ 206,148</u>	<u>\$ 196,686</u>	<u>\$ 187,855</u>	<u>\$ 176,953</u>
<b>Primary government:</b>				
Net investment in capital assets	\$ 1,162,465	\$ 1,083,233	\$ 1,038,914	\$ 998,773
Restricted	229,419	214,086	210,212	192,160
Unrestricted	(468,935)	(415,489)	(476,798)	(477,203)
Total primary government net position	<u>\$ 922,949</u>	<u>\$ 881,830</u>	<u>\$ 772,328</u>	<u>\$ 713,730</u>

\*The 2014 net position was restated to implement GASB 68 and 71.

\*\*The 2017 net pension was restated to implement GASB 75.

Source: City of Santa Ana

SCHEDULE 1

Fiscal Year					
2019	2018	2017**	2016	2015	2014*
\$ 877,188	\$ 867,360	\$ 842,333	\$ 823,975	\$ 807,136	\$ 797,222
189,135	175,986	176,377	156,204	238,034	227,514
(533,495)	(501,404)	(387,032)	(362,557)	(378,741)	71,741
<u>\$ 532,828</u>	<u>\$ 541,942</u>	<u>\$ 631,678</u>	<u>\$ 617,622</u>	<u>\$ 666,429</u>	<u>\$ 1,096,477</u>
\$ 113,665	\$ 109,752	\$ 101,972	\$ 96,563	\$ 94,756	\$ 92,652
2,507	2,332	2,908	2,859	2,867	4,033
62,336	33,072	41,547	38,804	33,018	53,819
<u>\$ 178,508</u>	<u>\$ 145,156</u>	<u>\$ 146,427</u>	<u>\$ 138,226</u>	<u>\$ 130,641</u>	<u>\$ 150,504</u>
\$ 990,853	\$ 977,112	\$ 944,305	\$ 920,538	\$ 901,892	\$ 889,874
191,642	178,318	179,285	159,063	240,901	231,547
(471,159)	(468,332)	(345,485)	(323,753)	(345,723)	125,560
<u>\$ 711,336</u>	<u>\$ 687,098</u>	<u>\$ 778,105</u>	<u>\$ 755,848</u>	<u>\$ 797,070</u>	<u>\$ 1,246,981</u>

**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	Fiscal Year					Page 1 of 6
	2023	2022	2021	2020	2019	
<b>Expenses:</b>						
Governmental activities:						
General government (1)	\$ 71,480	\$ 54,389	\$ 81,384	\$ 62,108	\$ 24,444	
Cultural recreation and community services (2)	29,559	39,785	38,088	33,409	33,961	
Public safety (3) (5)	240,552	186,227	217,320	223,748	238,760	
Developmental services (4)	101,008	63,285	59,440	48,657	45,089	
Community development	98,998	98,486	84,729	59,293	55,312	
Pass-through payments to districts and other agencies	-	-	-	-	-	
County administrative charges	-	-	-	-	-	
Interest on long-term debt	17,601	15,215	5,247	5,517	6,334	
Total governmental activities expenses	<u>\$ 559,198</u>	<u>\$ 457,387</u>	<u>\$ 486,208</u>	<u>\$ 432,732</u>	<u>\$ 403,900</u>	
Business-type activities:						
Water	\$ 65,207	\$ 57,963	\$ 55,861	\$ 51,763	\$ 48,886	
Sewer	8,866	6,748	6,915	7,120	6,347	
Sanitation	4,991	3,537	5,194	4,651	6,596	
Refuse collections	16,108	13,501	11,915	20,475	18,004	
Parking	6,503	3,651	3,467	5,537	6,503	
Transportation center	2,166	1,893	1,923	1,525	1,417	
Federal clean water protection	4,267	3,134	3,179	3,071	2,766	
Total business-type expenses	<u>108,108</u>	<u>90,427</u>	<u>88,454</u>	<u>94,142</u>	<u>90,519</u>	
Total primary government expenses	<u>\$ 667,306</u>	<u>\$ 547,814</u>	<u>\$ 574,662</u>	<u>\$ 526,874</u>	<u>\$ 494,419</u>	

1. Includes Human Resources, Finance & Management Services, and Information Technology.

2. Includes Museum and Library.

3. Includes Police and Fire & Ambulance Services.

4. Includes Planning & Building and Public Works.

5. As of April 2012, the City contracted with OCFA for fire services.

Source: City of Santa Ana



SCHEDULE 2

						Page 2 of 6
Fiscal Year						
2018	2017	2016	2015	2014		
\$ 23,916	\$ 22,965	\$ 16,266	\$ 15,702	\$ 16,244		
36,666	30,689	26,252	27,408	30,613		
232,167	185,803	156,989	166,410	160,153		
43,308	44,831	29,369	30,548	28,567		
55,119	47,427	43,778	44,604	55,537		
-	-	-	-	-		
-	-	-	-	-		
6,627	6,944	7,208	7,576	8,080		
<u>\$ 397,803</u>	<u>\$ 338,659</u>	<u>\$ 279,862</u>	<u>\$ 292,248</u>	<u>\$ 299,194</u>		
\$ 49,800	\$ 45,040	\$ 41,947	\$ 45,217	\$ 44,912		
5,588	4,916	4,685	4,627	4,761		
7,082	6,695	6,675	7,256	7,616		
18,028	16,853	16,463	15,946	15,948		
5,636	5,276	4,296	2,852	2,795		
1,474	1,197	1,245	1,187	1,267		
2,816	2,373	2,878	2,033	2,125		
<u>90,424</u>	<u>82,350</u>	<u>78,189</u>	<u>79,118</u>	<u>79,424</u>		
<u>\$ 488,227</u>	<u>\$ 421,009</u>	<u>\$ 358,051</u>	<u>\$ 371,366</u>	<u>\$ 378,618</u>		

**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	Fiscal Year					Page 3 of 6
	2023	2022	2021	2020	2019	
<b>Program revenues:</b>						
Governmental activities:						
Charges for services:						
General government (1)	\$ 10,397	\$ 8,770	\$ 8,171	\$ 6,932	\$ 10,715	
Cultural recreation and community services (2)	3,578	10,544	6,522	3,456	8,977	
Public safety (3) (5)	32,979	33,101	29,914	29,554	30,113	
Developmental services (4)	26,823	24,048	19,351	22,176	23,290	
Community development	1,042	1,996	874	1,149	1,110	
Operating grants and contributions	138,246	128,272	126,748	83,373	74,230	
Capital grants and contributions	42,168	32,200	35,492	19,595	32,156	
Total governmental activities program revenues	\$ 255,233	\$ 238,931	\$ 227,072	\$ 166,235	\$ 180,591	
Business-type activities:						
Charges for services:						
Water	\$ 66,479	\$ 66,661	\$ 64,045	\$ 57,062	\$ 56,227	
Sewer	9,041	8,034	7,349	6,947	6,702	
Refuse collections	19,139	13,361	13,211	21,590	21,634	
Sanitation	6,197	5,801	5,746	5,784	6,978	
Parking	3,732	3,733	3,289	3,476	4,067	
Transportation center	577	556	464	642	398	
Federal clean water protection	4,506	1,024	964	689	864	
Operating grants and contributions	-	125	197	210	194	
Capital grants and contributions	2,971	55	2,900	170	23,828	
Total business-type activities Program revenues	112,642	99,350	98,165	96,570	120,892	
Total primary government Program revenues	\$ 367,875	\$ 338,281	\$ 325,237	\$ 262,805	\$ 301,483	
Net (expense) revenue						
Governmental activities	(303,965)	(218,456)	(259,136)	(266,497)	(223,309)	
Business-type activities	4,534	8,923	9,711	2,428	30,373	
Total primary government net (expense) revenue	\$ (299,431)	\$ (209,533)	\$ (249,425)	\$ (264,069)	\$ (192,936)	

SCHEDULE 2

Fiscal Year					Page 4 of 6
2018	2017	2016	2015	2014	
\$ 7,575	\$ 5,379	\$ 4,584	\$ 5,267	\$ 4,307	
3,100	3,100	3,245	3,411	4,302	
22,607	22,596	23,370	22,962	25,498	
17,672	18,595	17,410	16,651	16,239	
854	1,168	1,721	3,268	5,433	
66,388	62,814	65,518	64,711	77,494	
<u>44,259</u>	<u>58,350</u>	<u>19,882</u>	<u>25,624</u>	<u>36,252</u>	
\$ 162,455	\$ 172,002	\$ 135,730	\$ 141,894	\$ 169,525	
\$ 55,560	\$ 51,657	\$ 48,289	\$ 45,812	\$ 52,856	
6,381	5,620	5,125	4,756	5,017	
19,480	18,985	18,230	17,270	17,062	
7,020	7,384	7,973	8,045	7,934	
4,172	4,410	4,472	5,306	4,771	
524	602	593	757	754	
657	1,725	365	2,862	2,868	
419	-	-	77	92	
981	-	-	-	-	
<u>95,194</u>	<u>90,383</u>	<u>85,047</u>	<u>84,885</u>	<u>91,354</u>	
\$ <u>257,649</u>	\$ <u>262,385</u>	\$ <u>220,777</u>	\$ <u>226,779</u>	\$ <u>260,879</u>	
(235,348)	(166,657)	(144,132)	(150,354)	(129,669)	
<u>4,770</u>	<u>8,033</u>	<u>6,858</u>	<u>5,767</u>	<u>11,930</u>	
\$ <u>(230,578)</u>	\$ <u>(158,624)</u>	\$ <u>(137,274)</u>	\$ <u>(144,587)</u>	\$ <u>(117,739)</u>	

**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	Fiscal Year				Page 5 of 6
	2023	2022	2021	2020	2019
<b>General revenues and other changes in net position</b>					
Governmental activities:					
Net program revenue (expense):					
General government (1)	\$ (39,132)	\$ (37,392)	\$ (37,296)	\$ (54,506)	\$ (13,387)
Cultural recreation and community services (2)	(17,763)	(24,836)	(26,144)	(23,896)	(18,762)
Public safety (3) (5)	(198,158)	(148,173)	(183,138)	(185,946)	(202,293)
Developmental services (4)	(22,702)	(2,660)	895	6,240	15,983
Community development	(8,608)	9,820	(8,206)	(2,872)	1,484
Pass-through payments to districts and other agencies	-	-	-	-	-
County administrative charge	-	-	-	-	-
Interest on long-term debt	(17,601)	(15,215)	(5,247)	(5,517)	(6,334)
General revenues:					
Property taxes	98,405	92,740	88,054	85,935	81,619
Sales Taxes	-	-	-	-	-
Hotels visitors' taxes	10,478	7,495	4,350	7,740	9,415
Utility users taxes	28,544	24,844	22,651	21,710	22,656
Business taxes	33,832	39,536	34,918	25,435	18,815
Franchise taxes	12,618	12,311	11,833	9,171	8,278
Other taxes	1,186	1,707	1,400	1,199	1,219
Intergovernmental, unrestricted	151,772	152,346	133,452	109,455	67,955
Investment income	450	(8,107)	1,014	3,177	4,212
Other revenues	-	-	-	-	-
Transfers	(1,663)	(3,746)	(1,334)	6,625	25
Extraordinary gain	-	-	-	-	-
Total Governmental activities	<u>31,658</u>	<u>100,670</u>	<u>37,202</u>	<u>3,950</u>	<u>(9,115)</u>
Business-type activities:					
Water	3,244	8,753	8,184	5,299	7,341
Sewer	175	1,286	434	(173)	23,584
Sanitation	1,207	2,264	552	1,133	382
Refuse collections	3,031	(15)	1,493	1,326	3,824
Parking	(2,772)	81	(178)	(2,061)	(2,436)
Transportation center	(1,589)	(1,337)	(1,459)	(884)	(1,019)
Federal clean water protection	1,239	(2,110)	686	(2,212)	(1,302)
General revenues:					
Investment income (loss)	3,264	(3,837)	(144)	2,642	3,003
Transfers	1,663	3,746	1,334	(6,625)	(25)
Total business-type activities	<u>9,462</u>	<u>8,831</u>	<u>10,902</u>	<u>(1,555)</u>	<u>33,352</u>
Total primary government	<u>41,120</u>	<u>109,501</u>	<u>48,104</u>	<u>2,395</u>	<u>24,237</u>
<b>Changes in net position</b>					
Governmental activities	31,658	100,670	37,202	3,950	(9,115)
Business-type activities	9,462	8,831	10,902	(1,555)	33,352
Total primary government	<u>\$ 41,120</u>	<u>\$ 109,501</u>	<u>\$ 48,104</u>	<u>\$ 2,395</u>	<u>\$ 24,237</u>

\* Sales Taxes are presented as part of Intergovernmental, unrestricted revenue starting from FY14-15 based on GFOA recommendations.

SCHEDULE 2

Fiscal Year					Page 6 of 6
2018	2017	2016	2015	2014	
\$ (15,498)	\$ (16,528)	\$ (11,141)	\$ (9,710)	\$ (11,480)	
(23,304)	(20,912)	(15,765)	(19,106)	(17,080)	
(203,383)	(155,869)	(125,726)	(134,780)	(122,434)	
18,655	31,293	8,255	18,944	30,426	
(5,191)	2,303	7,453	1,874	(1,021)	
-	-	-	-	-	
-	-	-	-	-	
(6,627)	(6,944)	(7,208)	(7,576)	(8,080)	
76,616	72,572	67,902	72,750	66,098	
-	-	-	- *	44,367	
9,246	9,768	8,882	8,983	8,519	
23,943	24,413	25,102	24,919	25,035	
14,903	13,774	12,384	11,343	11,201	
8,339	7,866	8,449	8,316	7,984	
1,263	1,371	1,520	997	1,169	
48,572	50,609	50,747	48,170	521	
344	302	2,452	1,265	1,598	
-	11	871	576	6	
-	27	168	56	-	
-	-	-	-	-	
<u>(52,122)</u>	<u>14,056</u>	<u>34,345</u>	<u>27,021</u>	<u>36,829</u>	
5,760	6,617	6,342	596	7,944	
794	704	440	128	256	
(62)	689	1,298	789	318	
1,871	2,132	1,767	1,401	1,206	
(1,465)	(866)	176	2,453	1,976	
(950)	(595)	(653)	(430)	(513)	
(1,178)	(647)	(2,512)	829	743	
102	194	895	361	568	
-	(27)	(167)	(56)	-	
<u>4,872</u>	<u>8,201</u>	<u>7,586</u>	<u>6,071</u>	<u>12,498</u>	
<u>(47,250)</u>	<u>22,257</u>	<u>41,931</u>	<u>33,092</u>	<u>49,327</u>	
(52,122)	14,056	34,345	27,021	36,829	
4,872	8,201	7,586	6,071	12,498	
<u>\$ (47,250)</u>	<u>\$ 22,257</u>	<u>\$ 41,931</u>	<u>\$ 33,092</u>	<u>\$ 49,327</u>	

**Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
(amounts expressed in thousands)**

	Fiscal Year		
	2023	2022	2021
<b>General Fund</b>			
Nonspendable	\$ 52	\$ -	\$ -
Restricted	10,266	1,792	1,790
Assigned	82,029	55,406	26,559
Unassigned	106,298	113,530	105,374
Total General Fund	<u>\$ 198,645</u>	<u>\$ 170,728</u>	<u>\$ 133,723</u>
<b>All Other Governmental Funds</b>			
Nonspendable	\$ 267	\$ 265	\$ 267
Restricted	157,709	168,550	169,938
Unassigned:			
Special Revenue	(8,459)	(7,141)	(2,435)
Capital Projects	(9,741)	(10,150)	(9,655)
Total all other governmental funds	<u>\$ 139,776</u>	<u>\$ 151,524</u>	<u>\$ 158,115</u>

Source: City of Santa Ana

SCHEDULE 3

Fiscal Year						
2020	2019	2018	2017	2016	2015	2014
\$ -	\$ -	\$ -	\$ 9	\$ -	\$ 3,434	\$ 3,357
1,997	2,081	7,620	2,160	1,455	955	-
21,457	10,695	5,378	9,928	27,077	21,562	5,404
73,970	62,636	56,363	62,456	48,395	45,891	45,298
<u>\$ 97,424</u>	<u>\$ 75,412</u>	<u>\$ 69,361</u>	<u>\$ 74,553</u>	<u>\$ 76,927</u>	<u>\$ 71,842</u>	<u>\$ 54,059</u>
\$ 13	\$ 20	\$ -	\$ 23	\$ 16	\$ 25,263	\$ 18,993
156,330	159,656	149,247	157,467	152,641	95,697	97,784
(3,731)	(2,652)	(789)	(3,287)	(921)	(1,618)	(806)
(4,728)	(1,631)	(3,703)	(2,034)	(888)	(686)	(1,721)
<u>\$ 147,884</u>	<u>\$ 155,393</u>	<u>\$ 144,755</u>	<u>\$ 152,169</u>	<u>\$ 150,848</u>	<u>\$ 118,656</u>	<u>\$ 114,250</u>

**Changes in Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
(amounts expressed in thousands)**

	Fiscal Year			
	2023	2022	2021	2020
<b>Revenues:</b>				
Taxes	\$ 186,287	\$ 180,519	\$ 165,424	\$ 151,598
License and permits	9,003	6,859	6,132	5,233
Intergovernmental	300,698	303,735	276,534	198,341
Charges for services	25,142	22,629	17,354	19,774
Fines and forfeits	5,763	6,471	5,125	5,917
Investment income	395	(15,816)	2,016	5,898
Cost recoveries	22,816	28,834	18,447	16,861
Rental income	17,895	19,473	18,628	17,272
Miscellaneous	7,155	2,916	4,707	1,798
Contributions from property owner- special assessments	-	-	-	-
Payment of bond proceeds from successor agency	-	-	-	-
Total revenues	<u>575,154</u>	<u>555,620</u>	<u>514,367</u>	<u>422,692</u>
<b>Expenditures:</b>				
General government (1)	51,714	185,109	74,452	56,737
Cultural recreation and community services (2)	25,309	36,962	33,172	29,114
Public safety (3) (5)	200,049	450,395	191,540	189,936
Developmental services (4)	76,609	46,136	45,984	29,446
Community development	95,343	105,287	81,915	57,820
Capital outlay	78,693	52,654	45,131	35,312
Debt service:				
Principal retirement	19,649	12,565	11,101	68,278
Interest and fiscal charges	13,370	8,986	4,241	4,975
Cost of issuance and other bond charges	-	-	-	-
Total expenditures	<u>560,736</u>	<u>898,094</u>	<u>487,536</u>	<u>471,618</u>
Excess (deficiency) of revenues over (under) expenditures	14,418	(342,474)	26,831	(48,926)
<b>Other Financing Sources (uses):</b>				
Loss on sale of land held for resale	-	-	-	-
Sales of capital assets	129	617	561	3,138
Transfers in	32,497	19,203	12,179	22,368
Transfers out	(41,129)	(32,059)	(13,293)	(15,525)
Lease agreement	5,851	1,625	9,404	-
Subscription agreement	4,403	-	-	-
Issuance of Debt	-	383,502	354	-
Payment to refunded bond escrow agent	-	-	-	8,798
Proceeds from issuance of bonds	-	-	-	44,650
Capital contribution	-	-	-	-
Total other financing sources (uses)	<u>1,751</u>	<u>372,888</u>	<u>9,205</u>	<u>63,429</u>
Net change in fund balance	<u>\$ 16,169</u>	<u>\$ 30,414</u>	<u>\$ 36,036</u>	<u>\$ 14,503</u>
Debt service as a percentage of noncapital expenditures	6.8%	2.5%	3.5%	16.8%

Source: City of Santa Ana

1. Includes Human Resources, Finance & Management Services, and Information Technology.

2. Includes Museum and Library.

3. Includes Police and Fire & Ambulance Services, and pass-through payments to districts & other agencies.

4. Includes Planning & Building and Public Works.

5. As of April 2012, the City contracted with OCFA for fire services.



STATISTICAL SECTION

SCHEDULE 4

Fiscal Year					
2019	2018	2017	2016	2015	2014
\$ 142,812	\$ 134,812	\$ 131,308	\$ 125,255	\$ 127,913	\$ 164,855
9,965	7,994	5,804	4,744	5,346	3,295
150,716	145,520	145,682	129,823	129,108	95,367
20,169	15,399	16,016	12,756	10,698	11,493
5,651	5,713	5,096	5,450	5,937	7,010
5,018	1,601	517	2,992	1,715	1,607
26,317	14,353	-	-	-	-
17,269	11,880	30,278	35,688	31,048	43,804
3,208	5,627	947	-	-	-
-	-	1,252	-	-	-
-	-	2,515	-	-	-
<u>381,125</u>	<u>342,899</u>	<u>339,415</u>	<u>316,708</u>	<u>311,765</u>	<u>327,431</u>
19,758	18,477	18,999	15,261	14,369	13,264
28,327	30,366	26,512	23,934	4,976	27,074
192,511	180,276	171,486	162,047	154,975	151,703
24,657	24,876	18,532	18,892	36,754	17,237
51,989	52,073	48,928	42,827	44,150	58,337
31,855	41,418	45,109	30,367	25,123	10,801
10,248	9,787	9,181	8,242	7,872	11,513
5,334	5,741	6,020	6,342	6,750	7,987
-	-	-	-	-	183
<u>364,679</u>	<u>363,014</u>	<u>344,767</u>	<u>307,912</u>	<u>294,969</u>	<u>298,099</u>
16,446	(20,115)	(5,352)	8,796	16,796	29,332
-	-	-	(1,267)	-	-
-	-	2,000	-	-	-
12,713	11,763	11,645	17,826	14,975	12,496
(12,470)	(11,551)	(11,398)	(17,624)	(14,793)	(12,186)
-	-	-	-	4,256	-
-	-	-	-	-	-
-	7,297	2,052	-	955	-
-	-	-	-	-	(44,856)
-	-	-	-	-	45,060
-	-	-	-	-	3,437
<u>243</u>	<u>7,509</u>	<u>4,299</u>	<u>(1,065)</u>	<u>5,393</u>	<u>3,951</u>
<u>\$ 16,689</u>	<u>\$ (12,606)</u>	<u>\$ (1,053)</u>	<u>\$ 7,731</u>	<u>\$ 22,189</u>	<u>\$ 33,283</u>
4.7%	4.8%	5.1%	5.3%	5.4%	6.8%

**Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years  
(in thousands of dollars)**

Fiscal Year Ended June 30	City			Taxable Assessed Value	Total Direct Tax Rate <sup>2</sup>
	Secured	Unsecured	Less: Exemptions <sup>1</sup>		
2023	\$ 30,723,826	\$ 1,748,007	\$ (146,478)	\$ 32,325,355	-
2022	28,865,226	1,676,091	(148,167)	\$ 30,393,150	-
2021	27,590,592	1,489,607	(149,395)	28,930,804	-
2020	26,373,249	1,570,712	(152,527)	27,791,434	-
2019	25,027,024	1,493,217	(153,329)	26,366,912	-
2018	23,719,049	1,513,465	(155,807)	25,076,707	-
2017	22,436,846	1,449,280	(157,732)	23,728,394	-
2016	21,528,909	1,484,318	(159,727)	22,853,500	-
2015	20,432,992	1,642,391	(161,264)	21,914,119	-
2014	19,579,938	1,539,745	(164,260)	20,955,423	-

1. Includes tax-exempt property.

2. Basic levy (Prop. 13) for county, city, schools, and districts (apportioned by County Auditor). Proposition 13 in effect eliminated the property rates for cities, exclusive of voted authorizations for which a rate may be established for debt service on debt authorized by the voters prior to July 1, 1978.

Source: County of Orange Auditor-Controller's Office

SCHEDULE 5

Dissolved Redevelopment Agency				
Secured	Unsecured	Less: Exemptions <sup>1</sup>	Taxable Assessed Value	Total Direct Tax Rate <sup>2</sup>
\$ 9,265,050	\$ 1,141,956	\$ (5,990)	\$ 10,401,016	1.1080
8,653,039	1,057,339	(6,128)	9,704,251	1.1202
8,181,829	994,473	(6,112)	9,170,189	1.1150
7,818,215	986,961	(6,197)	8,798,980	1.1300
7,356,533	941,861	(5,745)	8,292,649	1.1283
6,937,988	991,258	(5,547)	7,923,698	1.1045
6,532,889	944,728	(5,677)	7,471,941	1.1177
6,292,184	980,400	(5,723)	7,266,861	1.1167
5,965,248	1,001,603	(5,788)	6,961,064	1.1199
5,766,230	1,043,697	(5,889)	6,804,038	1.1230

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

	2023	2022	2021	2020
Direct Rate:				
Basic Levy <sup>(1)</sup>	1.00000	1.00000	1.00000	1.00000
Overlapping Rates:				
Coast Community College District	0.03102	0.03119	0.03181	0.03100
Garden Grove Unified School District	0.00000	0.00000	0.06956	0.06922
Garden Grove Usd	0.06329	0.06929	0.00000	0.00000
Garden Grove Usd 2016 Series 2021	0.00000	0.00479	0.00000	0.00000
Metropolitan Water District	0.00350	0.00350	0.00350	0.00350
Orange Usd Elem 2016 Series 2022	0.00946	0.00000	0.00000	0.00000
Orange Usd Series 2018 2016	0.01609	0.01656	0.01664	0.02288
Rancho Santiago Community College	0.04691	0.04289	0.04520	0.05178
Santa Ana Unified	0.06976	0.06858	0.08127	0.07300
Tustin Unified	0.06647	0.06523	0.07102	0.06376
	<u>0.30650</u>	<u>0.30203</u>	<u>0.31900</u>	<u>0.31514</u>
Total Direct and Overlapping Rates <sup>(2)</sup>	<u>1.30650</u>	<u>1.30203</u>	<u>1.31900</u>	<u>1.31514</u>
City's share of 1% Basic Levy per Prop 13 <sup>(3)</sup>	0.19026	0.19026	0.19026	0.19026
Redevelopment Rate <sup>(4)</sup>				
Total Direct Rate <sup>(5)</sup>	0.18661	0.18693	0.18608	0.18628

1. In 1978, California voters passed Proposition 13 which sets the property tax rate at 1.00% fixed amount. This 1.00% is shared by all taxing agencies in which the subject property resides. In addition to the 1.00% fixed amount, property owners are charges taxes as a percentage of assessed property values for the payment of various voter-approved bonds.
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. The ERAF portion of the City's Levy has been subtracted where known.
4. Redevelopment Rate is based on the largest RDA tax rate area and only includes rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year 2012/13 and years thereafter.
5. Total Direct Rate is the weighted average of all individual direct rates applied by the City preparing the statistical section information and excludes revenues derived from aircraft. Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City in the same proportions as general fund revenue.

Source: Orange County Assessor 2013/14-2022/23 Tax Rate Table

SCHEDULE 6

2019	2018	2017	2016	2015	2014
1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
0.03052	0.03145	0.03116	0.03092	0.03015	0.02899
0.06848	0.07454	0.04487	0.04656	0.04148	0.03703
0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
0.00350	0.00350	0.00350	0.00350	0.00350	0.00350
0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
0.02685	0.00000	0.00000	0.00000	0.00000	0.00000
0.04537	0.05088	0.04945	0.05039	0.05078	0.03334
0.05561	0.06327	0.06377	0.06604	0.06869	0.07359
0.06687	0.06873	0.07001	0.07751	0.06955	0.08912
<u>0.29720</u>	<u>0.29237</u>	<u>0.26276</u>	<u>0.27492</u>	<u>0.26415</u>	<u>0.26557</u>
<u>1.29720</u>	<u>1.29237</u>	<u>1.26276</u>	<u>1.27492</u>	<u>1.26415</u>	<u>1.26557</u>
0.19026	0.19026	0.19026	0.19026	0.19026	0.19026
0.18623	0.18618	0.18624	0.18624	0.18618	0.18635

**Property Tax Levies and Collections  
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2023	\$ 46,157,584	\$ 45,279,986	98.1%	\$ 319,121	\$ 45,599,107	98.8%
2022	43,017,260	42,119,561	97.9%	325,256	42,444,817	98.7%
2021	40,871,237	40,296,066	98.6%	299,950	40,596,016	99.3%
2020	39,363,777	38,776,771	98.5%	338,857	39,115,627	99.4%
2019	37,972,488	37,415,786	98.5%	510,214	37,926,000	99.9%
2018	36,331,948	35,786,397	98.5%	432,373	36,218,770	99.7%
2017	34,625,379	33,948,629	98.0%	217,366	34,165,995	98.7%
2016	33,366,315	32,609,752	97.7%	228,462	32,838,214	98.4%
2015	31,723,610	31,374,544	98.9%	216,113	31,590,658	99.6%
2014	30,143,293	29,807,066	98.9%	218,538	30,025,604	99.6%

Source: County of Orange Auditor-Controller's Office



CITY OF SANTA ANA, CALIFORNIA  
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**Taxable Sales by Category  
Last Ten Fiscal Years  
(in thousands of dollars)**

Category	Fiscal Year			
	2023	2022	2021	2020
General Retail	\$ 1,125,656	\$ 1,198,512	\$ 1,053,321	\$ 892,136
Food Products	951,935	899,763	748,869	749,169
Transportation	1,334,415	1,292,315	979,352	890,337
Construction	633,543	567,508	508,109	445,367
Business to Business	1,055,587	1,109,496	1,005,516	926,200
Miscellaneous <sup>1</sup>	59,509	50,144	41,171	29,665
<b>Total</b>	<b>\$ 5,160,645</b>	<b>\$ 5,117,739</b>	<b>\$ 4,336,338</b>	<b>\$ 3,932,874</b>

1. Miscellaneous category includes health & government

- The County of Orange has a 7.75% tax rate.
- The Santa Ana residents approved Measure X, the City's Transactions & Use Tax, on November 6, 2018. The measure increases the City's sales tax by 1.5 cents until 2029, then reduced to 1 cent until 2039.

Source: MBIA Muniservices



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**SCHEDULE 8**

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Fiscal Year					
2019	2018	2017	2016	2015	2014
\$ 987,259	\$ 963,193	\$ 946,321	\$ 966,874	\$ 936,187	\$ 897,382
811,103	805,433	761,998	733,732	688,882	644,269
982,554	967,443	928,206	949,296	960,861	968,350
466,522	524,397	524,692	528,337	487,685	461,968
1,148,295	997,471	910,681	845,233	794,870	756,298
38,693	46,764	53,777	46,086	42,054	58,492
<u>\$ 4,434,427</u>	<u>\$ 4,304,699</u>	<u>\$ 4,125,674</u>	<u>\$ 4,069,557</u>	<u>\$ 3,910,538</u>	<u>\$ 3,786,760</u>

**Principal Property Tax Remitters  
Current and Nine Fiscal Years Ago**

Principal Property Tax Remitters	2023			2014		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Main Place Shoppingtown	\$ 343,869,523	1	1.07%	\$ 227,306,384	1	1.09%
Bre OC Griffin LLC	240,461,846	2	0.75%	-		-
RP/Essex Skyline Holdings	152,350,555	3	0.47%	133,371,203	2	0.64%
First American Title	141,445,558	4	0.44%	124,453,538	3	0.59%
MDC Coastal 13 LLC	120,758,820	5	0.37%	-		-
APG OCIC LLC	116,546,455	6	0.36%	-		-
Centerpoint 2701 Harbor LLC	114,025,000	7	0.35%	-		-
Cadigan 1901 First LLC	105,463,775	8	0.33%	-		-
Rexford Industrial -1800 St	105,300,000	9	0.33%	-		-
Adagio 366 LLC	104,995,718	10	0.33%	-		-
AG LPC Griffin Towers LP	-		-	94,199,152	4	0.45%
Freedom Newspapers Inc.	-		-	79,297,448	5	0.38%
Colton David A	-		-	71,486,113	6	0.34%
Lapco Industrial Parks	-		-	68,827,444	7	0.33%
Bel Santa Ana LLC	-		-	64,686,870	8	0.31%
Fund IX VT Santa Ana LLC	-		-	60,047,961	9	0.29%
1851 E First Street Investors	-		-	58,992,680	10	0.28%
<b>Total</b>	<b>\$ 1,545,217,250</b>		<b>4.80%</b>	<b>\$ 982,668,793</b>		<b>4.70%</b>

*Presented in order of highest to lowest estimated property tax revenue paid to the City and dissolved Redevelopment Agency.*

*Source: MBIA Muniservices LLC / an Avenu Insights & Analytics Company*



CITY OF SANTA ANA, CALIFORNIA  
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**Water Sold by Type of Customer  
Last Ten Fiscal Years  
(in thousands of gallons)**

	Fiscal Year			
	2023	2022	2021	2020
Type of Customer				
Residential	6,433,512.8	7,012,001.8	7,299,518.8	6,928,365.0
Commercial	1,832,659.8	1,945,509.1	1,868,058.2	1,933,951.0
Industrial	525,102.7	655,057.3	653,152.1	599,309.6
Wholesale food	116,764.3	118,849.7	124,643.0	126,488.3
Government	221,737.1	257,119.8	260,122.2	200,024.2
Others <sup>1</sup>	437,531.4	497,282.4	470,696.2	407,120.7
<b>Total</b>	<b>9,567,308.1</b>	<b>10,485,820.1</b>	<b>10,676,190.5</b>	<b>10,195,258.7</b>
Total direct rate per 44 units <sup>2</sup>	\$ 2.360	\$ 2.310	\$ 2.170	\$ 3.090

1. Others include: churches, construction use, medical, schools, vacant lots, reclaim water.

2. A unit is 748 gallons.

Source: City of Santa Ana

SCHEDULE 10

Fiscal Year					
2019	2018	2017	2016	2015	2014
7,004,926.5	7,228,201.5	6,892,323.3	6,903,687.7	7,725,440.5	8,285,900.4
2,084,082.8	2,151,678.1	2,042,209.0	2,031,311.4	2,232,378.3	2,315,563.4
620,519.9	694,821.7	611,536.4	619,406.1	827,394.2	844,945.3
111,505.1	113,598.8	109,407.0	108,499.6	110,939.6	117,576.6
212,388.6	236,191.5	200,476.0	209,123.6	317,185.7	360,322.8
478,703.5	496,808.1	453,205.0	450,398.5	567,059.6	555,458.8
<u>10,512,126.5</u>	<u>10,921,299.7</u>	<u>10,309,156.7</u>	<u>10,322,426.9</u>	<u>11,780,397.8</u>	<u>12,479,767.4</u>
\$ 3.020	\$ 2.950	\$ 2.950	\$ 2.790	\$ 2.727	\$ 2.727

**Water Rates  
Last Ten Fiscal Years**

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<u>Fiscal Year</u> <u>Ended June 30</u>		<u>Monthly base</u> <u>Rate<sup>1</sup></u>	<u>Rate per</u> <u>44 Units<sup>2</sup></u>
2023	\$	47.68	2.36
2022		46.74	2.31
2021		43.88	2.17
2020		13.90	3.09
2019		13.90	3.02
2018		12.35	2.95
2017		10.70	2.95
2016		9.05	2.79
2015		7.40	2.78
2014		7.00	2.73

1. Monthly rates are based on 5/8" meter, which is the standard household meter size.

2. A unit is 748 gallons.

Source: City of Santa Ana

**Principal Water Customers  
Current and Nine Years Ago**

Water Customer	2023		2014	
	Taxable Water Charges	Percentage of Total Water Revenues	Taxable Water Charges	Percentage of Total Water Revenues
Adohr Farms Inc.	\$ 563,285	0.89%	\$ 274,543	0.55%
Chroma Systems	463,242	0.73%	424,990	0.85%
Fairview Villas	254,155	0.40%	207,508	0.41%
Rp/Essex Skyline Holding Inc.	197,586	0.31%	-	-
Warwick Square Assoc. Inc.	127,886	0.20%	152,911	0.31%
Power Circuits Inc.	270,050	0.42%	240,607	0.48%
Far West Management Corp	114,634	0.18%	139,611	0.28%
Western Medical Center	189,175	0.30%	-	-
County of Orange	226,161	0.36%	199,296	0.40%
Mac Arthur Village	106,846	0.17%	-	-
County of Orange	-	-	159,719	0.32%
Centennial Park	-	-	115,269	0.23%
Town Square Owners	-	-	124,291	0.25%
<b>Total</b>	<b>\$ 2,513,020</b>	<b>3.96%</b>	<b>\$ 2,038,747</b>	<b>4.08%</b>

Source: City of Santa Ana

**Ratios of Outstanding Debt by Type<sup>1</sup>  
Last Ten Fiscal Years  
(Net of Bond Discount/Premium)**

Governmental Activities						
Fiscal Year Ended June 30	Leases	Subscription Liability	Refunding Revenue Bonds	Lease Revenue Bonds	Certificates of Participation	
2023	\$ 14,475,906	\$ 5,067,756	\$ 45,073,320	\$ 4,342,500	\$ -	
2022	9,779,554	-	46,911,400	8,427,500	-	
2021	11,488,671	-	48,694,480	12,272,500	-	
2020	2,628,034	-	50,427,560	15,892,500	-	
2019	3,020,229	-	-	19,300,000	55,257,535	
2018	3,455,990	-	-	22,505,000	56,825,037	
2017	3,999,230	-	-	25,522,500	58,317,539	
2016	4,627,103	-	-	28,362,500	59,735,041	
2015	4,255,657	-	-	31,035,000	61,082,543	
2014	-	-	-	33,550,000	62,375,045	

Fiscal Year Ended June 30	Pension Obligation Bonds	Long Term Loans	Private Placement Financing	Direct Borrowings and Placements <sup>3</sup>	
2023	\$ 403,659,325	\$ 1,144,908	\$ -	\$ 14,451,443	
2022	409,452,604	1,518,692	-	20,530,157	
2021	-	1,901,664	-	24,188,635	
2020	-	1,898,200	-	29,480,440	
2019	-	1,120,874	-	34,537,993	
2018	-	10,519,142	29,820,000	-	
2017	-	3,750,566	33,835,000	-	
2016	-	1,999,507	37,720,000	-	
2015	-	2,136,062	41,475,000	-	
2014	-	822,967	45,060,000	-	

Business-type Activities						
Fiscal Year Ended June 30	Revenue Bonds Payable	Subscription Liability	Refunding COP	Notes Payable	Pension Obligation Bonds	
2023	\$ 11,000,579	\$ 975,531	\$ -	\$ -	\$ 16,023,293	
2022	12,012,868	-	-	-	16,253,254	
2021	12,980,157	-	-	-	-	
2020	13,912,446	-	-	-	-	
2019	14,804,735	-	-	-	-	
2018	15,662,024	-	-	-	-	
2017	16,494,413	-	-	98,216	-	
2016	17,306,602	-	-	289,609	-	
2015	18,058,891	-	618,009	474,476	-	
2014	13,086,938	-	2,576,013	653,038	-	



SCHEDULE 13

Fiscal Year Ended June 30	Total		
	Total Primary Government	Percentage of Personal Income <sup>2</sup>	Debt Per Capita <sup>2</sup>
2023	\$ 516,214,561	0.20%	\$ 6,178
2022	524,886,029	0.20%	6,477
2021	111,526,107	0.05%	1,495
2020	114,239,180	0.05%	1,593
2019	128,041,366	0.06%	1,848
2018	138,787,193	0.07%	2,122
2017	142,017,464	0.07%	2,288
2016	150,040,362	0.08%	2,598
2015	159,135,638	0.09%	2,888
2014	158,124,001	0.09%	2,900

Source: City of Santa Ana

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

2. Population and personal income data can be found in Schedule 17 of the Statistical Section;

Ratios are calculated using prior calendar year. Changed data from metropolitan area to Orange County data.

3. The City implemented GASB 88 in fiscal year 2018-19.

**Legal Debt Margin Information  
Last Ten Fiscal Years**

	Fiscal Year			
	2023	2022	2021	2020
Assessed valuation	\$ 32,471,833,021	\$ 30,541,316,852	\$ 29,080,199,582	\$ 27,943,960,825
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	8,117,958,255	7,635,329,213	7,270,049,896	6,985,990,206
Debt limit percentage <sup>1</sup>	10%	10%	10%	10%
Debt limit	811,795,826	763,532,921	727,004,990	698,599,021
Total net debt applicable to limit: General obligation bonds	-	-	-	-
Legal debt margin	\$ <u>811,795,826</u>	\$ <u>763,532,921</u>	\$ <u>727,004,990</u>	\$ <u>698,599,021</u>
Total debt applicable to the limit as percentage of debt limit	-	-	-	-

Source: County of Orange Auditor-Controller's Office

1. This equates to be the 10% authorized by the Santa Ana Charter (Section 602) prior to the Assessor's change in assessed value basis from 25% to 100% of full cash value in fiscal year 1982.

SCHEDULE 14

Fiscal Year					
2019	2018	2017	2016	2015	2014
\$ 26,520,241,206	\$ 25,232,415,520	\$ 23,886,126,355	\$ 23,013,226,208	\$ 22,075,383,494	\$ 21,119,683,205
25%	25%	25%	25%	25%	25%
6,630,060,302	6,308,103,880	5,971,531,589	5,753,306,552	5,518,845,874	5,279,920,801
10%	10%	10%	10%	10%	10%
663,006,030	630,810,388	597,153,159	575,330,655	551,884,587	527,992,080
-	-	-	-	-	-
<u>\$ 663,006,030</u>	<u>\$ 630,810,388</u>	<u>\$ 597,153,159</u>	<u>\$ 575,330,655</u>	<u>\$ 551,884,587</u>	<u>\$ 527,992,080</u>
-	-	-	-	-	-

## Direct and Overlapping Debt Fiscal Year 2023

<u>City of Santa Ana</u>			
<b>2022-23 Assessed Valuation:</b>	<b>\$ 32,471,833,021</b>		
<u>Overlapping Tax and Assessment Debt:</u>	Total Debt 6/30/23	% Applicable (1)	City's Share of Debt 06/30/23
Metropolitan Water District	\$ 19,215,000	0.892%	\$ 171,398
Coast Community College District	920,781,084	0.242%	2,228,290
Rancho Santiago Community College District	176,539,286	31.146%	54,984,926
Rancho Santiago Community College District SFID No. 1	149,820,000	56.093%	84,038,533
Garden Grove Unified School District	524,835,000	11.703%	61,421,440
Orange Unified School District	277,865,000	3.040%	8,447,096
Santa Ana Unified School District	418,970,373	60.542%	253,653,043
Tustin Unified School District Facilities Improvement District No 2002-1	40,350,000	12.612%	5,088,942
Tustin Unified School District Facilities Improvement District No 2008-1	76,275,000	12.963%	9,887,528
Tustin Unified School District Facilities Improvement District No 2012-1	51,825,000	9.239%	4,788,112
City of Santa Ana 1915 Act Bonds	1,170,000	100.000%	1,170,000
Total Overlapping Tax and Assessment Debt:			\$ 485,879,308
<u>Overlapping General Fund Debt:</u>			
Orange County General Fund Obligations	\$ 451,165,000	4.480%	\$ 20,212,192
Orange County Board of Education Certificates of Participation	10,860,000	4.480%	486,528
Coast Community College District General Fund Obligations	1,480,000	0.242%	3,582
Coast Community College District Pension Obligations Bonds	1,380,000	0.242%	3,340
Orange Unified School District Benefit Obligations	58,570,000	3.040%	1,780,528
Orange Unified School District Certificates of Participation	12,945,618	3.040%	393,547
Santa Ana Unified School District Certificates of Participation	46,436,043	60.542%	28,113,309
Total Overlapping General Fund Debt			\$ 50,993,026
<u>Direct Governmental General Fund Debt (Net of Bond Discount/Premium):</u>			
City of Santa Ana Governmental Fund Obligations			
Lease Obligations	\$ 14,475,906	100%	14,475,906
Subscription Liability	5,067,756	100%	5,067,756
2019 Gas Tax Revenue Refunding Bonds	45,073,320	100%	45,073,320
Police Lease Revenue Bonds	4,342,500	100%	4,342,500
Direct Borrowings, Loans, and Other Payables	15,596,351	100%	15,596,351
Pension Obligation Bonds	403,659,325	100%	403,659,325
Total Direct Governmental General Fund Debt			\$ 488,215,158
<u>Overlapping Tax Increment Debt (Successor Agency):</u>	\$ 56,455,000	99.999%	\$ 56,454,435
Total Direct Debt			\$ 488,215,158
Total Overlapping Debt			\$ 593,326,769
Combined Total Debt			\$ 1,081,541,927 (2)

(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 subscription liability.

### Ratios to 2022-23 Assessed Valuation:

Total Overlapping Tax and Assessment Debt.....	1.50%
Total Direct Debt .....	1.50%
Combined Total Debt.....	3.33%

### Ratios to Redevelopment Incremental Valuation (\$9,140,992,723):

Total Overlapping Tax Increment Debt.....	0.62%
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Source: California Municipal Statistics, Inc. and City of Santa Ana

**Pledged-Revenue Coverage<sup>1</sup>**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

Fiscal Year Ended June 30	Water Revenue	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2023	\$ 66,478	\$ 60,388	\$ 6,090	\$ 865	\$ 488	4.50
2022	66,661	54,308	12,353	820	530	9.15
2021	64,045	52,250	11,795	785	570	8.70
2020	57,062	48,415	8,647	745	609	6.39
2019	56,227	45,808	10,419	710	645	7.69
2018	55,560	46,758	8,802	685	677	6.46
2017	51,658	41,892	9,766	665	700	7.15
2016	48,289	38,994	9,295	605	716	7.04
2015	45,812	42,045	3,767	930	578	2.50
2014	52,856	42,059	10,797	900	609	7.16

Source: City of Santa Ana

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

Operating expenses do not include depreciation/amortization.

(1) Pursuant to the Indenture, all Revenues (all Installment Payments paid by the City to the Trust) and amounts on deposits in the funds and accounts established under the Indenture (other than amount on deposit in the Rebate Fund) has irrevocably pledged to the payments of principal and interest on the Bonds. In addition, the City covenants that revenue from the water utility operation will be sufficient to provide net revenues of at least 1.20 times the principal and interest (or minimum term bond payment of the bonds as they become due and payable).

**Demographic and Economic Statistics  
Last Ten Calendar Years**

Calendar Year	Population (1)	Personal Income (in thousands) (2)	Per Capita Personal Income (2)	Unemployment Rate (3)
2022	299,630	\$ 263,290,135	\$ 83,553	3.2%
2021	308,459	256,700,438	81,034	6.0%
2020	331,369	236,303,451	74,618	8.8%
2019	335,052	227,732,561	71,711	2.8%
2018	337,716	220,684,684	69,268	2.9%
2017	338,247	208,653,019	65,400	3.5%
2016	341,341	196,920,661	62,071	4.0%
2015	342,930	183,052,341	57,749	4.5%
2014	335,264	173,305,650	55,096	5.5%
2013	331,953	169,792,810	54,519	6.2%

## Sources:

1. State Department of Finance
2. Bureau of Economic Analysis; changed from metropolitan area data to Orange County data
3. State of California Employment Development; rate changed from State rate to County rate

**Principal Employers  
Current and Nine Years Ago**

Employer	2023		2014	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
County of Orange*	16,830	10.80%	17,658	11.00%
Santa Ana Unified School District	5,078	3.30%	4,654	2.90%
Santa Ana College (includes Centennial & Rancho Santiago)*	3,521	2.26%	2,875	1.80%
KPC Healthcare formerly Integrated Healthcare Holdings, Inc.	1,693	1.09%	1,150	0.70%
City of Santa Ana	1,565	1.01%	1,445	0.90%
United States Postal Service (3 locations)	1,393	0.90%	-	-
Allied Universal	1,200	0.80%	-	-
First American Title	1,084	0.70%	1,500	0.90%
Superior Court of CA-County of Orange	760	0.49%	765	0.50%
Johnson & Johnson	554	0.36%	-	-
Corinthian Colleges Inc.	-	-	663	0.40%
Orange County Register (Freedom Communications)	-	-	779	0.50%
Ingram Micro	-	-	987	0.60%

Source: MuniServices, LLC / Avenu Insights & Analytics

Source: 2014, previously published ACFR

Results based on direct correspondence with city's local businesses.

## Full-time and Part-time City Employees by Function Last Ten Fiscal Years

Function	Full-Time and Part-time Employees as of June 30			
	2023	2022	2021	2020
General government (1)	173	160	176	219
Cultural recreation and community services (2)	309	239	217	392
Public safety (3) (5)	629	626	646	623
Developmental services (4)	444	377	373	278
Community development	68	65	57	62
<b>Total</b>	<b>1,623</b>	<b>1,467</b>	<b>1,469</b>	<b>1,574</b>

1. Includes Human Resources and Finance & Management Services.

2. Includes Library.

3. Includes Police and Fire & Ambulance Services.

4. Includes Planning and Building, and Public Works.

5. As of April 2012, the City contracted with OCFA for fire services.

Source: City of Santa Ana



SCHEDULE 19

Full-Time and Part-time Employees as of June 30

2019	2018	2017	2016	2015	2014
219	197	193	200	188	175
392	376	353	380	368	392
621	592	604	597	585	596
278	242	246	229	238	216
62	49	48	51	60	59
<u>1,572</u>	<u>1,456</u>	<u>1,444</u>	<u>1,457</u>	<u>1,439</u>	<u>1,438</u>

## Operating Indicators by Function Last Ten Fiscal Years

	2023	2022	2021
<b>Police:</b>			
Physical arrests	7,781	8,043	8,874
Parking citations issued	105,957	96,001	98,482
Traffic citations issued	8,235	9,668	10,083
Responses to 911 calls	124,453	169,890	175,534
<b>Fire:</b>			
Number of emergency calls-SAFD	-	-	-
Number of emergency calls-OCFA	31,274	29,340	27,493
Inspections-SAFD	N/A	N/A	N/A
Inspections-OCFA	3,265	3,290	3,260
<b>Public Works:</b>			
<b>Streets:</b>			
-Street resurfacing (miles)	16	14	13
-Pot holes repaired *	2,868	1,787	1,638
<b>Refuse collected (tons/year)</b>			
-Goal: Max lbs refuse disposed/person	8	8	8
-Actual: lbs refuse disposed/person	7	7	5
<b>Water:</b>			
-New connections	249	119	12
-Water mains breaks	32	17	18
-Average daily consumption (thousands of gallons)	27,289	28,728	29,460
<b>Parks, recreation and community services:</b>			
Athletic field permits issued **	-	-	-
Number of recreation classes (subjects) **	632	131	197
Number of facility rentals **	8,575	7,976	6,163
<b>Planning and Building:</b>			
Number of building permits issued	3,937	2,574	2,289
Number of plan checks	2,916	2,413	1,309
Number of inspections	37,592	32,229	24,706
Number of demolition building permits	86	69	49
<b>Value of construction (in thousands):</b>			
-Commercial and industrial construction	91,344	114,530	115,550
-Residential construction	294,489	172,598	235,840
-Other additions and alterations	86,837	78,248	25,232

\* Note: Beginning in 2015, the statistical method for reporting potholes changed to the actual number of potholes filled, versus the average tons of asphalt per day.

\*\* Note: Beginning in 2019, new software combines athletic field permits issued and facility rentals; recreational classes count is by class session not by subject.

Source: City of Santa Ana

**SCHEDULE 20**

2020	2019	2018	2017	2016	2015	2014
10,445	8,199	8,621	9,704	9,492	10,445	10,273
94,112	105,003	103,015	101,841	105,714	94,112	72,464
9,378	9,032	9,860	11,184	11,325	9,378	7,886
159,530	162,013	156,165	148,390	131,197	159,530	165,505
-	-	-	-	-	-	-
27,335	27,514	26,707	25,074	23,455	21,392	19,303
N/A	N/A	N/A	N/A	N/A	N/A	N/A
3,163	3,105	2,994	1,267	2,862	2,686	2,616
5	4	3	3	4	3	9
1,687	2,196	4,934	2,289	2,000	1,900	24,200
8	8	8	8	8	8	8
5	6	5	5	5	5	5
92	22	147	56	86	86	27
18	21	13	26	19	15	17
29,460	29,850	31,210	29,700	29,300	32,700	35,200
-	-	5,282	8,835	13,254	12,957	11,619
2,002	2,160	1,157	1,847	1,166	634	415
6,494	8,393	432	652	1,021	1,166	1,250
2,317	2,801	3,007	3,213	3,513	3,325	2,131
2,200	2,362	2,140	2,635	2,661	2,762	2,292
26,147	29,261	29,053	27,278	28,702	22,597	20,884
58	82	32	84	10	18	16
105,440,683	170,134	39,004	8,243	20,046	60,624	8,494
68,426,047	261,885	102,518	55,001	28,361	117,512	6,720
149,549,354	3,262	144,019	141,668	102,619	43,027	87,656

**Capital Assets Statistics by Function  
Last Ten Fiscal Years**

	2023	2022	2021	2020
Police:				
Stations	3	3	3	3
Fire:				
Fire stations	10	10	10	10
Public Works:				
Street (miles)	437	437	424	424
Streetlights *	12,229	12,219	12,183	12,178
Traffic Signals	307	305	304	303
Parks, Recreation and community services				
Number of parks	47	47	45	45
Number of libraries	2	2	2	2
Number of recreation facilities	18	18	18	18
Number of municipal swimming pools	5	5	5	5
Number of municipal tennis centers	2 WITH 25 COURTS	2 WITH 25 COURTS	2 WITH 25 COURTS	2 WITH 25 COURTS
Number of miles of bike trails	13	13	13	13
Water:				
Water mains (miles)	480	480	480	480
Maximum daily capacity (thousands of gallons)	146,000	146,000	146,000	146,000
Number of water wells	20	20	20	20
Number of reservoirs	10	10	10	10
Number of hydrants	6,296	6,273	5,027	5,042
Sewer:				
Sewer mains (miles)	398	398	398	398

\* Note: Beginning in 2015, count includes metered and un-metered City-owned streetlights.

Source: City of Santa Ana

**SCHEDULE 21**

2019	2018	2017	2016	2015	2014
4	4	4	4	2	2
10	10	10	10	10	10
422	422	422	422	422	422
12,015	3,515	2,909	2,871	2,861	1,872
303	303	299	297	297	297
44	44	44	44	44	44
2	2	2	2	2	2
18	18	17	17	18	18
5	5	5	5	5	5
2 WITH 25 COURTS	2 WITH 25 COURTS	2 WITH 25 COURTS	2 WITH 25 COURTS	2 WITH 25 COURTS	2 WITH 25 COURTS
13	13	13	13	13	13
480	480	480	480	480	480
146,000	146,000	146,000	146,000	146,000	146,000
20	20	20	20	20	20
10	10	10	10	10	10
5,008	5,002	4,955	4,899	4,844	4,826
398	390	390	390	390	390



CITY OF SANTA ANA, CALIFORNIA  
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CITY OF SANTA ANA,  
CALIFORNIA

# 2023 Annual Comprehensive Financial Report

20 Civic Center Plaza, Santa Ana, California 92701 (714) 647-5400