

CITY OF SANTA ANA, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2024



2024



CITY OF SANTA ANA, CALIFORNIA

2024
Annual Comprehensive
Financial Report

For the Fiscal Year Ended June 30, 2024

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 Amezcu
MAYOR PRO TEM
Thai Viet Phan
COUNCILMEMBERS
Phil Bacerra
Johnathan Ryan Hernandez
Jessie Lopez
David Penalzoa
Benjamin Vazquez



CITY MANAGER
Alvaro Nuñez
CITY ATTORNEY
Sonia R. Carvalho
CLERK OF THE COUNCIL
Jennifer L. Hall

CITY OF SANTA ANA

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December 12, 2024

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, 2024. 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, 2024 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. CliftonLarsonAllen 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, 2024 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

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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, 2024, the City expended over \$120 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 along the Santa Ana River, less than 10 miles from 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 United States. Centrally positioned in Orange County, Santa Ana spans 27.2 square miles and serves as its county seat. As of the 2020 census, the City has a population of 310,227, making it the second-largest city in Orange County and the 13th largest in California. Its civic center complex hosts a variety of government institutions, including state and federal offices, county administrative facilities, court functions, and the Ronald Reagan Federal Courthouse.

Santa Ana is home to numerous cultural and recreational attractions. Highlights include the world-renowned Bowers Museum, Main Place Mall, Lyon's Air Museum, the Discovery Science Center, and the Santa Ana Zoo, which features popular exhibits such as Amazon's Edge and the Fifty-Monkey Ferris Wheel. The Historic Downtown Santa Ana area offers a vibrant mix of unique shops, premier restaurants, and art galleries, creating a dynamic cultural hub.

The City also boasts nationally recognized educational institutions. Mater Dei High School and the Orange County School of the Arts are well-known for their rigorous academic programs. Mater Dei is celebrated for its athletic achievements, while the Orange County School of the Arts is acclaimed for excellence in music, dance, and theater. The Santa Ana Unified School District, the seventh-largest in California and the second-largest in Orange County, provides students with a high-quality education, advanced learning opportunities, and access to state-of-the-art facilities designed for 21st-century education.

Santa Ana serves as the headquarters for several prominent companies, including Behr Paint, Collector's Universe, First American Corporation, Rickenbacker Guitars, Suavecito, 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, strategically located at the intersection of the Santa Ana Freeway and the Costa Mesa Freeway.

Governing Board

The City oversees four legally distinct entities: The Housing Authority of the City of Santa Ana, the Santa Ana Financing Authority, the Santa Ana Public Financing Authority, and the Successor Agency to the Santa Ana Redevelopment Agency.

Established as a charter city in 1952, Santa Ana operates under a council-manager form of government. Policymaking and legislative authority are vested in a City Council, which consists of the Mayor and six Council members. The City Council is responsible for enacting ordinances, adopting the budget, appointing committees, and selecting the City Manager, City Attorney, and City Clerk. The City's voters elect Council members by ward on a non-partisan basis, serve four-year terms, and are limited to three consecutive terms. The Mayor, elected at large, serves two-year terms with a limit of four terms.

The City Manager plays a key role in executing City Council policies and ordinances and managing daily operations. Additionally, the City Manager is responsible for developing and recommending the City's annual operating budget which is then submitted to City Council for approval. The annual budget serves as the foundation for the City's financial planning and operational oversight. 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.

The City provides a comprehensive range of municipal services, including police protection, infrastructure development and maintenance, municipal utilities (water, sewer, refuse, and sanitation), recreational programming, public library services, and cultural events. Fire suppression and emergency medical services are delivered through partnerships with the Orange County Fire Authority and CARE Ambulance Service.

Local Economy

The City is located within the Los Angeles, Long Beach, Santa Ana, and Metropolitan areas, recognized as the second-highest producing metro area in the United States based on Gross Metropolitan Product. As the heart of Orange County, the City serves as central hub for government, commerce, and transportation. The City is home to approximately 30,000 businesses, with its top 25 businesses accounting for 30.5% of the total sales tax revenue. The City's economy is supported by a diverse financial foundation, with revenues primarily generated through taxes and charges for services. Among tax revenues, the largest contributors are Property Tax and Sales Tax, which includes the standard Bradley-Burns tax and an additional 1.5% add-on sales tax.

The City's sales tax base is supported by a robust retail sector that spans several key economic areas, including auto and transportation, fuel and service stations, building and construction, general consumer goods, business and industry, restaurants and hotels, and food and drug stores, which also include cannabis retail operations. This diverse economic base is instrumental in maintaining stable and reliable revenue streams, contributing significantly to the City's fiscal health and its ability to achieve long-term developmental objectives.

The business/industry and restaurant/hotel sectors performed better during fiscal year 2023-24 than the prior year, driven primarily by growth in e-commerce activity, while restaurants saw minimal gains amidst tighter consumer budgets. In contrast, other sectors, including auto/transportation, fuel/service stations, and food/drug stores (including cannabis operations), faced challenges and underperformed during the fiscal year. In the auto/transportation sector, consumer preferences shifted toward smaller, less expensive vehicles, reducing higher-margin sales of fully loaded models. The fuel/service stations sector experienced downward pressure on gasoline, diesel, and oil barrel prices compared to the previous year, accompanied by a decline in statewide motor vehicle fuel consumption in calendar years 2022-23 and the early months of 2024.

Local Economy (continued)

Persistent high inflation was a significant factor affecting these underperforming sectors, limiting discretionary spending and fostering economic caution throughout the year. These challenges highlight the varied impacts of economic conditions on different industries and their implications for the City's fiscal health as fiscal year 2023-24 concludes. Looking ahead, modest improvements across most tax-generating groups are expected next year. The Federal Reserve's approach to the funds rate and shifts in consumer confidence will play a pivotal role in shaping future spending patterns and overall economic recovery.

The City continued its efforts to support the local workforce by actively supporting major developments, including those for affordable housing. Some notable affordable housing projects include the Crossroads at Washington project, an 85-unit multifamily housing project that was completed in October 2024 and will provide affordable and permanent supportive housing to Santa Ana residents who earn less than 30% of the Area Median Income (AMI). The project is located at a key entry point into Santa Ana, and the start of the Orange County Streetcar is located across the street from the property. This prime location makes it ideal for residents needing affordable housing with convenient access to employment opportunities and a transit-oriented lifestyle. Other affordable housing projects that were completed this year includes the Archways, an 84-unit affordable housing project for families where 75% of the units are residents who earn less than 30% AMI, and Habitat for Humanity's Lacy and Vance project, which included the new construction of two affordable single-family detached homes. The City's other affordable housing projects under construction this year included FX Residences (16 units of permanent supportive housing (PSH)), Estrella Springs (89 units of PSH), WISEPlace (47 units of PSH) and Habitat for Humanity's Washington Street project (six new affordable single-family homes). These efforts reflect the City's continued dedication to addressing the housing needs of its most vulnerable residents while fostering a thriving, accessible community.

Economic Condition and Outlook

The City successfully closed fiscal year 2023-24 with a balanced budget, supported by a diversified economic base and adherence to fiscal policies that promote fiscal stability. While several revenue streams exceeded estimates, challenges in other areas required adjustments to maintain a balanced budget.

The Business Tax generated \$0.8 million above the adjusted budget of \$16.0 million. Indirect cost recoveries outperformed estimates by \$1.0 million due to higher personnel salaries for overhead services provided to restricted-money funds. Refuse Franchise Fee revenues exceeded estimates by \$1.5 million, driven by stronger-than-anticipated gross receipts from customers. Cannabis revenues also performed well, generating an additional \$3.2 million of one-time revenue following corrections to tax calculations from prior periods. In contrast, sales tax revenues fell short of estimates, requiring adjustments to ensure a balanced budget. The shortfall was largely attributed to persistent high inflation, which constrained discretionary spending.

In addition to revenue performance, \$2.6 million in savings were realized within the non-departmental section of the General Fund budget, primarily due to the unused set-aside for labor negotiations. Expenditure savings from various departments also contributed to the overall financial performance.

The General Fund balance increased by \$21.4 million, reflecting a combination of overall revenue performance and expenditure savings. These funds were allocated to support one-time projects included in the fiscal year 2024-25 budget.

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

Economic Condition and Outlook (continued)

Residential

- Construction of new affordable housing projects
 - The Archways (84 affordable housing units)
 - Crossroads at Washington (85 affordable housing units)
 - Habitat for Humanity's Lacy and Vance Project (2 affordable homes)
 - Habitat for Humanity Washington Street Project (6 affordable homes)
 - Estrella Springs (89 affordable housing units) – Under Construction
 - WISEPlace Permanent Supportive Housing (47 affordable housing units)
 - FX Residence (16 affordable housing units)
- Rehabilitation of existing housing
 - Habitat for Humanity Single Family Rehabilitation Program (13 Homes)

Commercial

- Economic Development Team
 - Small business development through workshops and incentive program for start-up businesses
 - A "Shop Local" campaign continued to encourage residents to Shop Santa Ana
 - Awarded \$1.1 million in ARPA funding to 49 small businesses to help pay off debt or assist with rental payments that were in arrears as part of the City's Rent & Debt Relief Grant Program
 - Hosted a Vietnamese Business Forum to highlight the City's nurturing business climate and connect Vietnamese business owners to key City staff that can assist with their business needs
- 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 1,067 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
 - Program ended this fiscal year
- Small Business Incentive Program
 - Provided 10 new businesses with grants of up to \$5,000 to assist with business stabilization
 - Businesses are 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.

The City will continue to 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

The City's Ten-Year Outlook projects a General Fund shortfall if current expenditure trends continue, driven largely by inflationary pressures that have increased the City's costs. Similar to many other municipalities, the City faces rising costs for public safety, maintaining roads and infrastructure, and addressing long-term pension obligations. Costs are expected to continue increasing faster than the City's revenues. The outlook indicates that the General Fund budget structure must be adjusted in the future to remain balanced.

Sales tax revenue is one of the City's primary funding sources. Alongside the standard Bradley-Burns sales tax, City voters approved a local add-on sales tax of 1.5%, effective April 2019. However, a significant factor in the projected revenue-expenditure gap is the expected reduction of Measure X revenue, as this add-on sales tax is scheduled to decrease from 1.5% to 1% in April 2029, potentially resulting in a revenue loss of approximately \$30 million. By proposing one-time spending, the City Manager is helping to ensure the City will not need to significantly decrease recurring service programs in 2029.

One of the City's major costs is its pension obligations, managed through contracts with the California Public Employees' Retirement System (CalPERS), which provides defined benefit pensions for City employees. Unfunded liabilities arise when investment returns fall short of CalPERS assumptions, resulting in a gap between future pension obligations and the cash available in the plan. Market fluctuations significantly impact annual funding requirements, creating additional unpredictability in pension costs. In recent years, the City has taken proactive steps to manage pension costs. These measures include prepaying contributions to CalPERS to reduce unfunded liabilities, establishing a Section 115 trust to buffer against pension cost volatility, and issuing Pension Obligation Bonds (POB) to refinance the Unfunded Accrued Liability (UAL) at a lower interest rate, saving the City millions of dollars.

To build long-term fiscal stability, the City is also focusing on several strategic initiatives: investing in economic development, modernizing operations for efficiency, examining fees to maximize cost recovery, and maintaining its partnership with the Orange County Fire Authority for Fire and Emergency Medical services.

The City remains committed to exploring both Federal and State grant opportunities to provide additional services to the community and to alleviate pressure on the City's finances. A recent significant funding source, the American Rescue Plan Act (ARPA), has enabled the City to deliver essential programs and infrastructure projects that would otherwise be unattainable, highlighting the importance of such external funding.

Through careful planning and continued financial discipline, the City is working toward long-term fiscal sustainability despite ongoing economic uncertainties.

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 2023-24, the City maintained a General Fund reserve totaling approximately \$74 million.

Major Initiatives

The City has embarked on many initiatives, including fostering community engagement, enhancing transparency, supporting future development, and improving the City's overall fiscal environment. The following are some of the key objectives achieved during the fiscal year 2023-24:

Community Development

- A total of 136 families and individuals successfully transitioned to permanent housing, and 1,095 meals were distributed to support individuals experiencing homelessness.
- City Net contract for outreach services provided contact to 4,873 unique individuals resulting in 874 clients exiting from homelessness and the City Net dispatch services diverted 10,609 calls for non-emergency/non-medical service from SAPD directly homeless resources providing outreach and engagement.
- Disbursed over \$1.8 million for 17 new families to become first-time homebuyers through the City's My First Home Program and staff also conducted a total of 43 community outreach workshops.

Finance and Management Services

- Successfully proposed a balanced fiscal year 2024-25 budget, maintaining a \$73.2 million General Fund Reserve (18% of annual recurring revenue) and a \$12 million set-aside of pension debt savings to the Section 115 Trust. The budget also funds \$11.1 million in one-time initiatives, including traffic signal upgrades, Zoo and City Yard maintenance projects, fleet vehicle replacements, and deferred maintenance at the Jail.
- Enhanced public outreach efforts during the budget process, resulting in over 3,000 engagements, nearly 400,000 social media impressions, and approximately 3,000 visits to the budget webpage.
- Collaborated with cannabis business operators to correct past tax calculations, resulting in the collection of over \$3.2 million in additional one-time revenue for fiscal year 2023-24.
- Organized and facilitated compliant spending and reporting for federal COVID-19 grant funds, successfully ensuring full obligation of ARPA funds by the December 2024 deadline.

Human Resources

- Developed and implemented key training programs to enhance leadership and management skills for staff and managers.
- Successfully completed labor negotiations for successor Memoranda of Understanding with various bargaining units.
- Launched a Citywide Workplace Violence Prevention Program to promote safety and well-being across the organization.

Information Technology

- Implemented specialized system upgrades, including migrating the Fleet Management system to the cloud, upgrading the Cityworks Asset Management System to sustain support levels, and enhancing the Housing Authority's document management system.
- Enhanced the Land Management System by implementing solar permitting functionality with online payment options, integrating online payments into the PWA Planning module, adding an SD-84 zoning warning, and automating year-end fee uploads.
- Upgraded the City's financial and human resource/payroll systems as required by software vendors to maintain support, while also migrating system servers to supported versions and enhancing environment components, including Portal, Security, Process Flow, and LBI.
- Completed key Police Department infrastructure projects in collaboration with PD IT staff, including the upgrade and migration of the network firewall, enhancement of the NetMotion system for vehicle connectivity, and a technology upgrade for the interview room.

Major Initiatives (continued)

Library

- Received a California State Library Building Forward Library Facilities Improvement Program Grant for \$1,086,754 for the Newhope Library Renovation Project.
- Completed bidding and awarded a construction services contract for the Main Library Renovation Project.
- Completed bidding and awarded a construction services contract for the new Outdoor Library at Jerome Park and Newhope Library Renovation projects.

Parks, Recreation & Community Services

- Developed and launched a new website for the Zoo, replacing a 15-year-old platform to enhance user experience and accessibility.
- Designed and completed new exhibits for the Santiago Creek ECO Center, initiating programming to engage and educate the community.
- Amended the Municipal Code to permit the sale and consumption of beer, wine, and distilled spirits at Eddie West Field–Santa Ana Stadium, creating new opportunities for event services.
- Successfully reintroduced the Fiestas Patrias Festival and Parade to Downtown Santa Ana along Calle Cuatro, attracting 85,000 attendees over two days.

Planning & Building

- Issued more than 9,500 building permits, reaching a historic construction valuation of \$772 million, over twice the valuation of prior years.
- Launched a long-awaited comprehensive update to the City’s Zoning Code in February, the first update since its re-enactment in 1960. This 18-month initiative is designed to modernize and streamline the Zoning Code, implement the goals and policies of the 2022 Updated General Plan to improve the regulatory framework, and reduce barriers to new development.

Police Department

- Expanded the Quality of Life Team (QOLT) to provide continuous support to the community and Field Operations in response to concerns related to homeless encampments, public intoxication and street level drug use.
- Re-allocated resources to focus on visibility and enforcement in and around the business corridors of the City.
- Established the Street Narcotics Team to provide focused and effective enforcement against drug-related activities, leading to a significant reduction in street level narcotics use and distribution within our community.
- The Community Engagement Team completed two successful Community Police Academies and the positive reviews from the program have led to increase in demand.
- As part of a Police Management re-organization, the Department assigned a Human Resources Commander to directly oversee all recruitment and hiring efforts to maximize efficiency and results.

Public Works

- Completed 778 sidewalk replacement repairs across five City Council Wards, totaling \$1 million in improvements that enhance pedestrian safety.
- Awarded 13 new construction contracts, launching over \$18 million in capital improvement projects.
- Received the APWA Best Project award for the Santiago Park Gas House Area Development project.

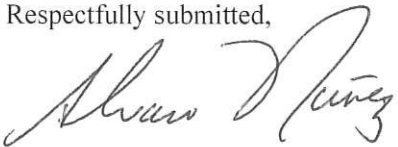
- Advanced the construction of the San Lorenzo Sewer Lift Station, transitioning the Operations and Maintenance (O&M) Services Program from reactive maintenance to scheduled, preventive actions, improving efficiency in addressing sewer issues.
- Began construction on the Washington Well, the City's first new potable water well in over 20 years, enhancing the reliability of the water supply system.
- Trimmed 16,248 City street trees, representing 33% of the 50,000-tree inventory, maintaining the City's safety and aesthetic standards.

Awards and Acknowledgements

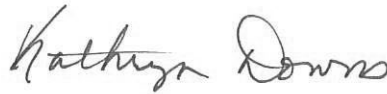
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. The City has received this prestigious award for forty-six consecutive years. 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,



Alvaro Nuñez
City Manager



Kathryn Downs, CPA
Executive Director
Finance & Management Services



CITY OF SANTA ANA, CALIFORNIA

Annual
Comprehensive Financial
Report

GFOA Certificate of Achievement

Excellence in Financial Reporting for the Fiscal Year Ended June 30, 2023



Government Finance Officers Association

**Certificate of
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Reporting**

Presented to

**City of Santa Ana
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrell

Executive Director/CEO



Mayor
Valerie Amezcuea
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, 2024

JENNIFER L. HALL

CLERK OF THE COUNCIL

ALVARO NUÑEZ

CITY MANAGER

SONIA R. CARVALHO

CITY ATTORNEY

COMMUNITY DEVELOPMENT

MICHAEL GARCIA

EXECUTIVE DIRECTOR

FINANCE & MANAGEMENT SERVICES

KATHRYN DOWNS

EXECUTIVE DIRECTOR

HUMAN RESOURCES

LORI SCHNAIDER

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

MINH THAI

EXECUTIVE DIRECTOR

POLICE DEPARTMENT

ROBERT RODRIGUEZ

ACTING POLICE CHIEF

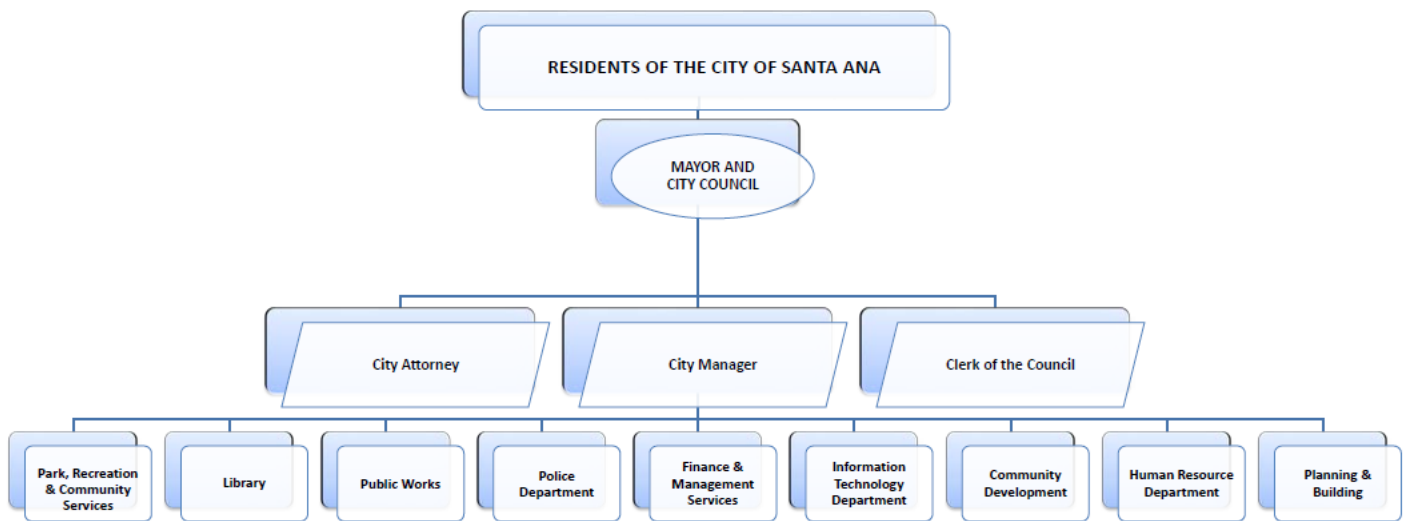
PUBLIC WORKS

NABIL SABA

EXECUTIVE DIRECTOR

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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, 2024, 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, 2024, 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: Change to or Within the Financial Reporting Entity

During the fiscal year ended June 30, 2024, the City adopted GASB Statement No. 100, *Accounting Changes and Error Corrections*, which resulted in the disclosure of a restatement for a change in funds that qualified as major. See Note 4I. 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 12, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Irvine, California
December 12, 2024

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, 2024. 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.**

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, the Santa Ana Financing Authority (SAFA), and the Santa Ana Public Financing Authority (SAPFA) 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 nineteen 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, Capital Projects Capital Grants, 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, Gas Tax, and Rent Stabilization. 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 208-209 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 69-136 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 139-157 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 161-206 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.

Financial Highlights

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2024 by \$1.0 billion (net position). The net position consisted of the following amounts: \$1,275.0 million is net investment in capital assets, \$260.8 million is restricted for various programs and a deficit of \$(535.3) 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 \$432.9 million and \$36.1 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 115-133 of this report.
- The City's total capital assets increased \$102.5 million (8.1%) from the prior fiscal year. Capital assets in the governmental activities increased \$68.5 million (6.3%) and business-type activities capital assets increased \$34.0 million (18.2%) during the current fiscal year largely as a result of improvements and infrastructure related to capital projects such as street rehabilitation, sewer main, and Advanced Metering Infrastructure (AMI) water meter projects.
- The City's current and other assets increased \$16.2 million (7.1%) primarily due to an increase in intergovernmental receivable for the Capital Grants Fund, which reported \$17.5 million more capital outlay expenditures this fiscal year compared to the prior year. Some of major capital improvement projects included safe routes to school, downtown flood reduction & storm water infiltration, bike lanes, and Advanced Metering Infrastructure.

- The City's total long-term liabilities including net pension liability, total OPEB liability, compensated absences, claims payable, lease, and subscription liability increased by \$16.5 million (1.3%) during the current fiscal year which was largely attributable to the net effect of the \$49.2 million increase in actuarially determined net pension liability, \$10.9 million increase in due to other funds to cover temporary cash shortfalls in reimbursement grant funds, and \$47.2 million decrease in the unearned revenue as a result of recognizing \$33.0 million revenue related to the American Rescues Plan Act (ARPA) fund.
- The City's total deferred outflows of resources on pension plans decreased \$23.3 million (12.7%) from the prior year, primarily due to the decrease in the outflows related to changes of assumptions. The total deferred inflows of resources on pension plans decreased by \$9.1 million (171.7%) as a result of the decrease in the net differences between projected and actual experience and the full amortization of the changes in proportionate share.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$355.3 million, an increase of \$16.9 million (5.0%) as compared to the prior fiscal year. Of this amount, \$166.9 million or approximately 47.0% 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 \$188.3 million (53.0%) 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 \$122.8 million or 55.8% of the total fund balance. The remaining fund balance designated as unassigned was \$97.2 million or 44.2% of the total fund balance, which consisted of \$74.0 million of operating reserves and \$23.2 million of unallocated balance. The reserves were 18% of General Fund operating recurring revenues as required by City Council policy.

Statement of Net Position

	Governmental		Business-type		Total	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
Assets:						
Cash and investments	\$ 452.0	\$ 479.0	\$ 87.3	\$ 66.3	\$ 539.3	\$ 545.3
Current and other assets	219.1	209.7	26.5	19.7	245.6	229.4
Capital assets	1,151.1	1,082.6	220.8	186.8	1,371.9	1,269.4
Total assets	1,822.2	1,771.3	334.6	272.8	2,156.8	2,044.1
Deferred outflows of resources	180.7	205.3	8.8	9.8	189.5	215.1
Liabilities:						
Long-term liabilities	557.4	581.2	70.4	30.7	627.8	611.9
Net pension liability	414.8	368.2	18.1	15.5	432.9	383.7
Total OPEB liability	30.9	36.6	5.2	6.1	36.1	42.7
Other liabilities	190.6	238.5	24.9	19.0	215.5	257.5
Total liabilities	1,193.7	1,224.5	118.6	71.3	1,312.3	1,295.8
Deferred inflows of resources	28.3	35.3	5.2	5.2	33.5	40.5
Net position:						
Net investment in capital assets	1,076.0	992.7	199.0	169.7	1,275.0	1,162.4
Restricted	253.1	222.4	7.7	7.1	260.8	229.5
Unrestricted	(548.2)	(498.3)	12.9	29.3	(535.3)	(469.0)
Total net position	\$ 780.9	\$ 716.8	\$ 219.6	\$ 206.1	\$ 1,000.5	\$ 922.9

Changes in Net Position

	Governmental		Business-type		Total	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
Program revenues:						
Charges for services	\$ 80.1	\$ 74.8	\$ 114.5	\$ 109.7	\$ 194.6	\$ 184.4
Operating grants and contributions	157.6	138.2	-	-	157.6	138.2
Capital grants and contributions	47.5	42.2	9.5	2.9	57.0	45.1
General revenues:						
Property taxes	103.5	98.4	-	-	103.5	98.4
Hotels visitors taxes	9.5	10.5	-	-	9.5	10.5
Utility users taxes	28.5	28.5	-	-	28.5	28.5
Business taxes	33.0	33.8	-	-	33.0	33.8
Franchise taxes	13.3	12.6	-	-	13.3	12.6
Other taxes	1.4	1.2	-	-	1.4	1.2
Intergovernmental, unrestricted:						
Motor vehicle licenses	0.5	1.0	-	-	0.5	1.0
State mandated costs & reimbursements	0.7	0.4	-	-	0.7	0.4
Sales tax shared revenue	62.3	63.6	-	-	62.3	63.6
Sales tax Measure X	83.6	86.8	-	-	83.6	86.8
Investment income (loss)	16.0	0.4	2.7	3.3	18.7	3.7
Total revenues	637.5	592.4	126.7	115.9	764.2	708.2
Expenses:						
General government	56.4	56.1	-	-	56.4	56.1
Human resources	3.9	3.9	-	-	3.9	3.9
Finance and management services	23.0	11.3	-	-	23.0	11.3
Museum	1.8	1.7	-	-	1.8	1.7
Library	7.8	7.5	-	-	7.8	7.5
Recreation and community services	22.6	20.3	-	-	22.6	20.3
Police department	204.3	185.9	-	-	204.3	185.9
Fire & Ambulance services	47.0	54.7	-	-	47.0	54.7
Information Technology	0.1	0.1	-	-	0.1	0.1
Planning and building	23.5	21.0	-	-	23.5	21.0
Public works	78.7	80.0	-	-	78.7	80.0
Community development	91.0	99.0	-	-	91.0	99.0
Interest on long-term debt	13.7	17.6	-	-	13.7	17.6
Water	-	-	69.4	65.2	69.4	65.2
Sewer	-	-	9.1	8.9	9.1	8.80
Refuse collections	-	-	16.6	16.1	16.6	16.1
Sanitation	-	-	7.2	5.0	7.2	5.0
Parking	-	-	4.8	6.5	4.8	6.5
Transportation center	-	-	2.1	2.1	2.1	2.1
Federal clean water protection	-	-	3.6	4.3	3.6	4.3
Total expenses	573.8	559.1	112.8	108.1	686.6	667.1
Increase in net position before transfers and capital contribution	63.7	33.3	13.9	7.8	77.6	41.1
Transfers	0.4	(1.6)	(0.4)	1.6	-	-
Change in net position	64.1	31.7	13.5	9.4	77.6	41.1
Net position beginning, as restated	716.8	685.1	206.1	196.7	922.9	881.8
Net position ending	\$ 780.9	\$ 716.8	\$ 219.6	\$ 206.1	\$ 1,000.5	\$ 922.9

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 \$1,000.5 million at the close of fiscal year 2023-24 reflecting a positive net position.

The largest portion of the City's net position totaling \$1,275.0 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.

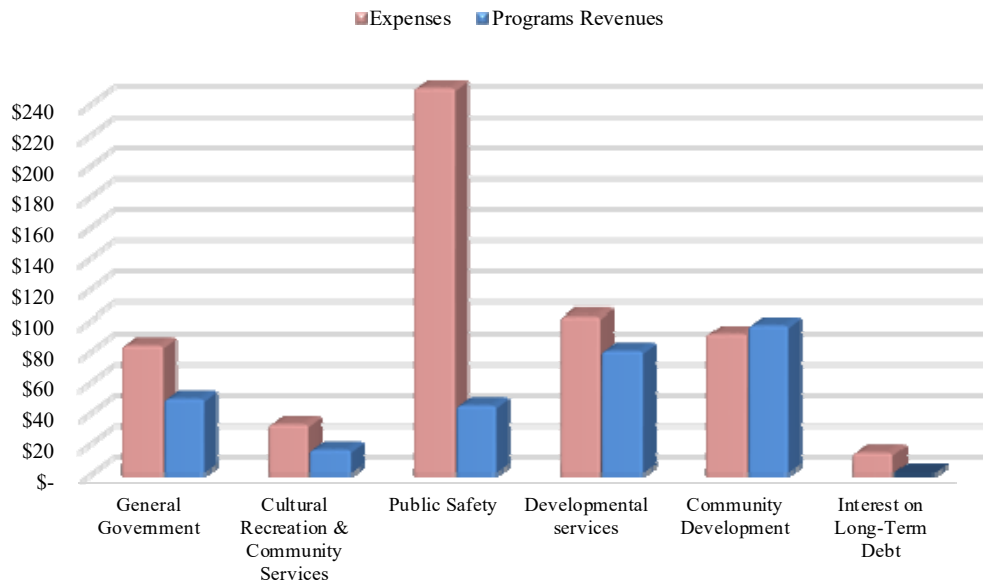
The second largest portion of the City's net position totaling \$260.8 million represents resources that are subject to external restrictions on how they may be used. The remaining portion of the City's net position is unrestricted. Significant liabilities recorded for both the pensions and OPEB, as well as the pension bond debt contributed to a negative unrestricted net position of \$ (535.3) million.

Governmental activities. Governmental activities overall increased the City's net position by \$64.1 million compared to the prior fiscal year.

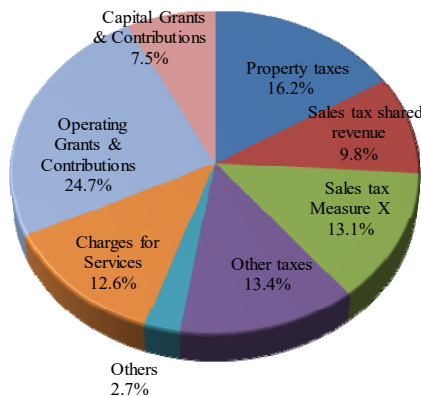
Governmental revenues increased \$45.1 million (7.6%) during the current fiscal year. Key elements related to the increase were increases of \$19.4 million for Operating grants and contributions, \$5.3 million for Capital grants and contributions, and \$15.6 million from Investment income. Operating grants and contributions is primarily linked to the recognition of grant revenue related to the ARPA funded community business and housing assistance programs and infrastructure improvements. Capital grants and contributions increased mostly due to Community Development capital grants related to the Santa Ana Civic Center property acquisition. The increase in the investment income is a result of higher interest rates.

Governmental activities expenses increased \$14.7 million from the prior fiscal year. The Finance and Management Services expenses increased \$11.7 million primarily due to \$10.0 million of expenditures related to ARPA grant programs. The ARPA guidelines allow cities to use their allocations for a standard \$10.0 million backfill of lost tax revenue during the pandemic. The City used the \$10.0 million to pay for a portion of fire services costs in the current fiscal year, which freed up General Fund money for the City Council to re-allocate to other capital projects. Police Department expenses increased \$18.4 million, primarily due to 3% salary & benefit increases, \$1.9 million additional pension costs due to California Public Employees' Retirement System (CalPERS) rate increase, \$3.1 million additional unanticipated separation cash outs, and one-time capital expenditures for Fire Alarm System Upgrade and Heating, Ventilation, and Air Conditioning (HVAC) replacement.

Expenses and Program Revenues – Governmental Activities



Revenue by Source – Governmental Activities



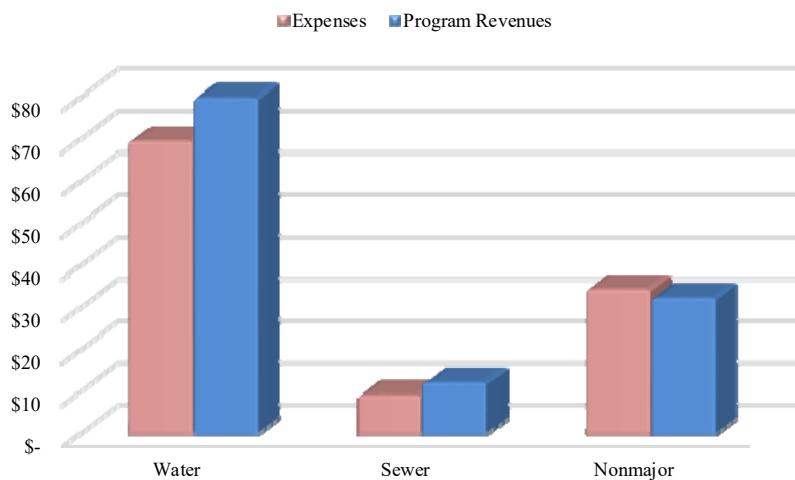
Business-type activities. Business-type activities increased the City's net position by \$13.5 million in comparison to the prior fiscal year. The increase is mainly due to the following:

- The Water Fund net position increased by \$10.4 million primarily due to increases in non-operating revenues including \$4.3 million in intergovernmental reimbursement payments from Orange County Transportation Authority, \$2.0 million net increase in the fair value of investments, and \$3.2 million capital contribution received from the ARPA Fund for West Well Station project.
- The Sewer Fund net position increased by \$2.7 million in the fiscal year primarily due to \$1.8 million capital contribution received from the Non-major Sewer Connection Fee Fund for sewer main capital improvements, coupled with consistent operating income before transfers compared to the prior fiscal year.

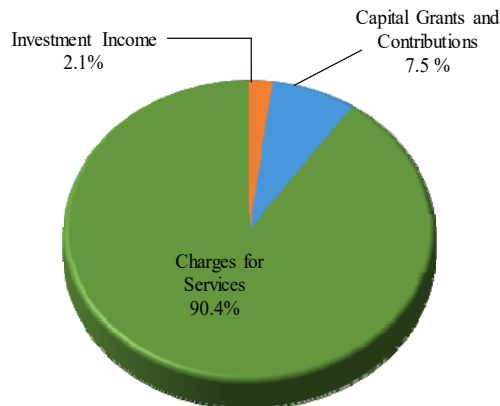
- The Non-major Refuse Collections Fund net position increased by \$0.9 million primarily due to an annual increase in rates charged for curbside service and additional optional services such as residential extra pick-up, steam cleaning of curbside carts, and bulky item pick-up fee. This increase in revenue of \$1.7 million was offset by the combined increase of \$0.5 million in contractual services and administrative expenses for contracted services with Republic Waste Services and general operation of the fund, respectively.
- The Non-major Sanitation Fund net position decreased by \$0.6 million primarily due to consistent revenue compared to prior fiscal year, offset by an increase in spending for contractual services related to weed and debris removal, coupled with overall increase in administrative expenses for general operation of the fund.
- The net positions for the Non-major Parking Fund and Transportation Center Fund did not have a significant change during the current fiscal year.
- The \$4.7 million increase of business-type expenses was primarily due to increased operating costs across all enterprise funds, primarily for contractual services and labor costs. The largest increase of \$4.2 million was seen in the Water Fund where expenses for contractual services increased approximately \$7.2 million primarily due to increased spending for ground water production, on-call services for maintenance and repair of sewer and water mains, asphalt, and utilities, offset by approximately \$3.7 million decrease in spending for materials and supplies.

Unrestricted net position related to business-type activities decreased \$16.4 million for a total amount of \$12.9 million. The decrease was mainly attributable to the increases in capital asset investments primarily in the Water 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 \$355.3 million of which \$71.4 million constitutes the *unassigned fund balance*. The Special Revenue Grants Fund, Special Revenue American Rescue Plan Act Fund, Capital Projects Capital Grants Fund, and the Non-Major Governmental Funds, specifically Special Revenue Civic Center Maintenance 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) \$95.5 million assigned to both contractual obligations and continuing projects; 2) \$188.3 million is restricted by law or contractual agreements with other agencies for specific spending; and 3) \$0.1 million is for non-spendable items, such as inventory of supplies and prepaid expenses.

- The Special Revenue Grants' ending fund balance increased \$2.4 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 \$0.4 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 increased \$3.2 million due to an adjustment of investments to fair market value as of the close of the fiscal year.

- The Capital Projects Capital Grants fund balance decreased by \$11.8 million during the current fiscal year, primarily due to delays in receiving grant reimbursements. While capital project expenditures increased by \$17.5 million, the corresponding intergovernmental revenue increased by only \$5.5 million compared to the prior year.
- The Capital Projects Street Construction fund balance increased by \$3.1 million during the current fiscal year, primarily due to a reduction in construction expenditures compared to the prior year. 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 \$220.0 million (\$0.1 million is nonspendable; \$27.2 million is restricted; \$95.5 million is assigned for various programs and services; and the unassigned amount of \$97.2 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 \$97.2 million, or 24.1% of total fiscal year 2023-24 General Fund expenditures and transfers out.

The General Fund's total revenues increased \$14.5 million (3.6%) as compared to the prior fiscal year. Property Taxes increased by \$5.0 million mainly due to ongoing growth in assessed valuations and reassessment of tax basis to its current value when a change of ownership occurs. The investment income increased \$12.8 million due to higher interest rates, an adjustment of investments to fair market for \$5.5 million, and ARPA cash balances. Many of the City's projects funded with ARPA take time to complete, which led to the City holding ARPA cash and additional investment income. Charges for services increased \$3.7 million primarily due to paramedic service charges, Planning & Building revenues, and increase to Parks & Recreation's zoo revenue and recreational program offerings. The City also received additional cannabis revenue due to correction in calculation.

The General Fund's total expenditures increased \$18.9 million (5.4%) as compared to the prior fiscal year. Full-time represented employees received pay increases of 3%. An increase of \$11.4 million in Police Department is mainly due to increases in salary & benefits, cash outs, and capital improvement projects. Capital outlay increased \$8.5 million due to various street and road improvement projects throughout the City, as well as facility and park improvement projects, such as synthetic turf replacement at the Dan Young Sports Complex (DYSC) and installation of sport lights at DYSC, Memorial Park, and Thornton Park.

General Fund Budgetary Highlights

During the year, there was a decrease totaling \$2.3 million between the original and final amended budgeted revenues. One of the City's major revenue sources, sales tax, was impacted by persistent high inflation, which limited discretionary spending in underperforming sectors. The original budget estimate for Bradley-Burns sales tax was reduced by \$5.3 million due to declines in the General Retail and Transportation sectors. Similarly, the budget for Measure X, the local 1.5% sales tax, was also reduced by \$5.3 million, reflecting decreased

revenues from the Business-to-Business, General Retail, and Transportation sectors. The City increased estimates for paramedic service charge by \$7.6 million as revenue related to ambulance transports continued to exceed expectations and a new federal program with higher reimbursement rates became effective in January, 2023. The jail revenue continued to decline due to staffing challenges and deferred maintenance, which prevented the jail from operating at full capacity. As a result, the original jail revenue budget was amended to decrease revenue estimates by \$4.2 million. Actual General Fund Revenues were more than the final budget by \$17.7 million, mainly due to a \$7.3 million in taxes and \$7.6 million in investment income. The total operating revenue was higher than the final budget.

There was an increase of \$78.5 million between the original and final amended budgeted expenditures. The increase was largely due to \$72.0 million of unspent budget carried over from the prior fiscal year to provide for incomplete and multi-year projects, including \$20.5 million for street and city facility improvement projects and \$18.3 million for the youth services programs implemented through the Parks, Recreation, and Community Services Agency and the Library. Major projects included bikeway construction, replacement of street lights and poles, street alley improvements, Santa Ana Zoo improvements, Centennial Lake renovation, and installation of splash pads at various parks. Other increases included \$11.6 million for city facility improvements and \$10.0 million for payment of fire services utilizing backfill of lost tax revenue allowed per ARPA guidelines.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities was \$1,371.9 million (net of accumulated depreciation & amortization) as of June 30, 2024. 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.

Summary of Changes in Capital Assets

(net of accumulated depreciation & amortization)

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 20.3	\$ 20.3	\$ 20.1	\$ 9.6	\$ 40.4	\$ 29.9
Right of way	498.2	498.2	-	-	498.2	498.2
Street trees	8.0	8.0	-	-	8.0	8.0
Construction in progress	209.2	178.0	50.3	45.7	259.5	223.7
Buildings	54.5	44.7	0.2	0.4	54.7	45.1
Improvements	91.7	67.5	128.6	108.5	220.3	176.0
Equipment	9.7	10.5	12.9	13.3	22.6	23.8
Infrastructure	247.1	234.0	7.7	8.1	254.8	242.1
Library materials	0.6	0.3	-	-	0.6	0.3
Computer software	1.5	1.8	0.2	0.3	1.7	2.1
Lease asset	6.1	14.1	-	-	6.1	14.1
Subscription asset	4.2	5.2	0.8	0.9	5.0	6.1
Total	\$ 1,151.1	\$ 1,082.6	\$ 220.8	\$ 186.8	\$ 1,371.9	\$ 1,269.4

At the end of the current fiscal year, the City's total capital assets increased by \$102.5 million (8.1%). The increase was primarily due to the following:

- Land had an increase of \$10.5 million from the acquisition of a parcel on the 1st Street for West Well Station Project.

- Construction in progress had a net increase of \$35.8 million, consisting of \$129.0 million in project additions and \$93.2 million in completions. Major projects during the year included Santa Anita Soccer Field, Warner Avenue Improvement, and Advanced Meter Infrastructure.
- Improvements had a net increase of \$44.3 million. Major projects included Warner Avenue Improvement and bike lane improvements.
- Infrastructure had a net increase of \$12.7 million. Major projects included local street pavement and streetlights for South Main Street Corridor Public Improvements.

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 \$627.8 million. Of this amount, \$469.0 million comprised of debt backed by the full faith and credit of the City, \$96.9 million represented compensated absences and claims payable, \$49.4 million in bonds secured solely by specified revenue sources, and \$12.5 million in lease obligations, subscription liability, and long-term loans.

Summary of Changes in Long-term Liabilities

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Lease obligations	\$ 6.2	\$ 14.5	\$ -	\$ -	\$ 6.2	\$ 14.5
Subscription liability	4.0	5.1	0.8	1.0	4.8	6.1
Gas tax refunding bonds	36.4	37.8	-	-	36.4	37.8
Lease revenue bonds	-	4.3	44.2	9.8	44.2	14.1
Pension obligation bonds	401.2	403.7	16.4	16.0	417.6	419.7
Long-term loans and other payables	0.8	1.1	0.7	-	1.5	1.1
Net Bond discount/premium	6.8	7.2	5.2	1.2	12.0	8.4
Notes from direct borrowings	8.2	14.5	-	-	8.2	14.5
Compensated absences payable	34.2	34.7	3.1	2.7	37.3	37.4
Claims payable	59.6	58.3	-	-	59.6	58.3
Total	\$ 557.4	\$ 581.2	\$ 70.4	\$ 30.7	\$ 627.8	\$ 611.9

At the end of the current fiscal year, the City's total long-term liabilities increased by \$15.9 million. In addition to making scheduled principal payments, the City had the following key changes:

- Lease obligations decreased by \$8.3 million due to an acquisition of a building previously leased from Dyer 18, Inc.
- Governmental Activities Police lease revenue bonds were fully defeased in the current fiscal year.
- Business-type Activities lease revenue bonds had a net increase of \$34.4 million primarily due to the issuance of 2024 Water Revenue Bonds for \$44.2 million, offset by the repayment of principal debt balance related to the 2014 Water Revenue Bonds for \$9.8 million.
- 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 94-107 and 112- 113 of this report.

Economic Factors and Next Year's Budget and Rates

The City of Santa Ana adopted a balanced budget for fiscal year 2024–25 that introduces new community-focused programs while making significant investments in roads, infrastructure, and public facilities. The total budget, including funds restricted for specific uses, amounts to \$734 million. This includes \$406.8 million for the General Fund, which will cover essential services such as police and fire protection, libraries, park programs, planning and building services, code enforcement, public works, and economic development. Additionally, a \$36.3 million capital improvement program will support ongoing road and traffic safety projects, park and library expansions, and other infrastructure enhancements.

A key challenge for fiscal year 2024–25 is balancing rising service costs with slow revenue growth. Projected General Fund revenue for the year is \$406.5 million, representing a modest \$5.6 million or 1.4% increase over fiscal year 2023–24. Jail revenue estimates have decreased due to staffing challenges and deferred maintenance, which have limited the jail's operational capacity. Sales tax revenue has also declined, as both Bradley-Burns and the Measure X local add-on tax have been affected by consumer adjustments to higher prices and financing costs. In contrast, property tax, one of the City's largest revenue sources, is projected to generate \$92.8 million in fiscal year 2024–25. This represents a 5.01% increase over the prior year, driven by new construction and the annual maximum allowable property assessment increase of 2%.

One of the City's most significant financial obligations is its pension commitments, managed through CalPERS. Unfunded liabilities arise when investment returns fail to meet CalPERS' assumptions, creating a gap between future obligations and available funds. Market fluctuations further complicate pension funding by introducing unpredictability. In fiscal year 2022–23, CalPERS achieved a 5.8% return, which was 1% short of the 6.8% target, compounding funding challenges. Fiscal year 2023–24 showed improvement with a preliminary 9.3% return, exceeding the target and signaling some relief. However, the fiscal year 2022–23 results will influence contribution rates in fiscal year 2025–26, underscoring the need for continued financial prudence.

In recent years, the City has adopted proactive measures to manage its pension obligations. These include prepaying contributions to CalPERS to reduce unfunded liabilities, establishing a Section 115 trust to buffer against cost volatility, and issuing Pension Obligation Bonds to refinance the Unfunded Accrued Liability at lower interest rates.

Looking ahead, the City faces ongoing budget pressures due to rising service costs and slow revenue growth. Notable cost drivers include increases related to bargaining unit negotiations, higher pension contribution rates linked to CalPERS' prior underperformance, rising construction costs for capital improvement projects, deferred maintenance needs, and the financial demands of maintaining internal service operations. Despite these challenges, the City has preserved an 18% operating reserve of recurring General Fund revenues and continues to rely on its diverse economic base to support long-term 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, 2024 are as follows:

<u>Account Name</u>	<u>Amount</u>
• Operating Reserve	\$ 74.0 million
• Unallocated (available for one-time spending)	\$ 23.2 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
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CITY OF SANTA ANA, CALIFORNIA

Basic Financial Statements

CITY OF SANTA ANA, CALIFORNIA

Government - wide Financial Statements

Statement of Net Position
June 30, 2024

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments	\$ 416,020,302	\$ 44,744,994	\$ 460,765,296
Receivables:			
Taxes	5,989,256	-	5,989,256
Interest	2,251,864	201,523	2,453,387
Accounts, net of allowances	7,118,600	24,602,676	31,721,276
Intergovernmental	96,433,408	997,734	97,431,142
Leases	6,153,136	811,048	6,964,184
Loans and notes	98,347,560	-	98,347,560
Deposits	10,300	-	10,300
Internal Balances	200,506	(200,506)	-
Inventory of supplies	165,814	60,159	225,973
Prepaid items	109,424	-	109,424
Restricted assets:			
Cash and investments	4,942,655	40,872,519	45,815,174
Cash and investments with fiscal agents	2,525,070	2,926	2,527,996
Pension stability fund	28,496,784	1,630,794	30,127,578
Land held for resale	2,370,039	-	2,370,039
Capital assets, not being depreciated	735,685,173	70,395,593	806,080,766
Capital assets, being depreciated, net of accumulated depreciation/amortization	415,392,862	150,451,259	565,844,121
Total assets	<u>1,822,212,753</u>	<u>334,570,719</u>	<u>2,156,783,472</u>
Deferred outflows of resources:			
Unamortized loss on bond defeasance	515,577	-	515,577
Deferred amounts on pension plans	176,035,391	7,594,555	183,629,946
Deferred amounts on OPEB plan	4,179,589	1,241,298	5,420,887
Total deferred outflows of resources	<u>180,730,557</u>	<u>8,835,853</u>	<u>189,566,410</u>
Liabilities:			
Accounts payable	22,674,070	20,620,605	43,294,675
Interest payable	4,562,105	198,081	4,760,186
Retention payable	4,409,259	1,393,357	5,802,616
Due to city employees	7,473,773	-	7,473,773
Due to other governmental agencies	69,519,561	-	69,519,561
Deposits	5,976,538	1,242,227	7,218,765
Unearned revenue	76,016,972	1,411,176	77,428,148
Long-term liabilities- due within one year	17,785,132	2,212,307	19,997,439
Total OPEB liability- due within one year	1,406,565	238,457	1,645,022
Claims payable- due within one year	10,219,500	-	10,219,500
Due in more than one year:			
Long-term liabilities	479,895,079	68,220,846	548,115,925
Net pension liability	414,834,813	18,067,219	432,902,032
Total OPEB liability	29,455,741	4,993,696	34,449,437
Claims payable	49,487,894	-	49,487,894
Total liabilities	<u>1,193,717,002</u>	<u>118,597,971</u>	<u>1,312,314,973</u>
Deferred inflows of resources:			
Unamortized gain on bond defeasance	-	910,677	910,677
Deferred amounts on pension plans	5,263,988	78,747	5,342,735
Deferred amounts on OPEB plan	17,267,864	3,395,919	20,663,783
Deferred amounts on leases	5,772,492	802,909	6,575,401
Total deferred inflows of resources	<u>28,304,344</u>	<u>5,188,252</u>	<u>33,492,596</u>
Net Position:			
Net investment in capital assets	1,075,974,798	198,989,276	1,274,964,074
Restricted for:			
Debt service	72,451	-	72,451
Capital projects	63,604,700	-	63,604,700
National pollution discharge elimination system	-	6,062,956	6,062,956
Community Development	10,141,220	-	10,141,220
Recreation & Community Services	1,582,272	-	1,582,272
Public Safety	10,183,555	-	10,183,555
Public Works	105,412,348	-	105,412,348
Special revenue housing authority projects	33,601,944	-	33,601,944
Pension stability	28,496,784	1,630,794	30,127,578
Unrestricted	(548,148,108)	12,937,323	(535,210,785)
Total net position	<u>\$ 780,921,964</u>	<u>\$ 219,620,349</u>	<u>\$ 1,000,542,313</u>

See accompanying Notes to the Basic Financial Statements.

Statement of Activities
Year ended June 30, 2024

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 56,359,437	10,179,420	37,614,735	183,420
Human resources	3,911,037	27,338	-	-
Finance and management services	23,022,756	743,035	-	-
Museum	1,839,031	-	-	-
Library	7,846,097	30,512	216,484	-
Recreation and community services	22,621,697	9,466,449	288,180	5,615,871
Police department	204,260,541	19,899,519	7,010,658	908,648
Fire & ambulance services	46,995,781	16,596,636	-	-
Information Technology	53,032	127,864	-	-
Planning and building	23,514,995	13,658,963	1,229,568	-
Public works	78,703,555	6,395,778	22,868,297	35,712,126
Community development	91,042,871	3,001,456	88,358,872	5,109,353
Interest on long-term debt	13,686,358	-	-	-
Total governmental activities	573,857,188	80,126,970	157,586,794	47,529,418
Business-type activities:				
Water	69,372,943	72,202,997	-	7,550,220
Sewer	9,098,852	10,172,370	-	1,830,564
Refuse collections	16,591,973	20,830,371	573	-
Sanitation	7,237,173	6,363,498	-	-
Parking	4,860,644	3,324,479	-	-
Transportation center	2,172,355	666,495	-	138,693
Federal clean water protection	3,588,629	980,346	-	-
Total business-type activities	112,922,569	114,540,556	573	9,519,477
Total	\$ 686,779,757	194,667,526	157,587,367	57,048,895
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
\$ (8,381,862)	\$ -	\$ (8,381,862)
(3,883,699)	-	(3,883,699)
(22,279,721)	-	(22,279,721)
(1,839,031)	-	(1,839,031)
(7,599,101)	-	(7,599,101)
(7,251,197)	-	(7,251,197)
(176,441,716)	-	(176,441,716)
(30,399,145)	-	(30,399,145)
74,832	-	74,832
(8,626,464)	-	(8,626,464)
(13,727,354)	-	(13,727,354)
5,426,810	-	5,426,810
(13,686,358)	-	(13,686,358)
(288,614,006)	-	(288,614,006)
-	10,380,274	10,380,274
-	2,904,082	2,904,082
-	4,238,971	4,238,971
-	(873,675)	(873,675)
-	(1,536,165)	(1,536,165)
-	(1,367,167)	(1,367,167)
-	(2,608,283)	(2,608,283)
-	11,138,037	11,138,037
\$ (288,614,006)	\$ 11,138,037	\$ (277,475,969)
103,451,137	-	103,451,137
9,506,727	-	9,506,727
28,489,463	-	28,489,463
32,965,395	-	32,965,395
13,343,028	-	13,343,028
1,430,654	-	1,430,654
509,334	-	509,334
721,100	-	721,100
62,318,134	-	62,318,134
83,602,679	-	83,602,679
16,044,982	2,686,703	18,731,685
352,402	(352,402)	-
352,735,035	2,334,301	355,069,336
64,121,029	13,472,338	77,593,367
716,800,935	206,148,011	922,948,946
\$ 780,921,964	\$ 219,620,349	\$ 1,000,542,313



CITY OF SANTA ANA, CALIFORNIA

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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.

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 capital assets or the construction of major capital projects not financed by proprietary funds. The following Capital Projects Funds have been classified as a major fund in the accompanying financial statements:

Capital Grants – accounts for various capital grants awarded to the City by the Federal, State, and local governments not otherwise accounted for in the General Fund and Special Revenue Funds.

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, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenditures for the governmental funds and the 5% test of total assets, deferred outflows of resources, 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, 2024

	General	Special Revenue Grants
Assets		
Cash and investments	\$ 178,399,010	\$ 20,126,778
Receivables, net of allowances:		
Taxes	5,989,256	-
Interest	1,384,273	96,375
Accounts	5,036,812	1,962,582
Intergovernmental	25,427,722	5,297,300
Leases	4,129,170	1,949,422
Loans and notes	-	66,717,738
Due from other funds	-	-
Inventory of supplies	15,180	-
Deposits	10,300	-
Prepaid items	30,448	-
Restricted assets:		
Cash and investments	-	77,529
Cash and investments with fiscal agents	1,268,870	79,426
Pension stability fund	25,943,157	-
Land held for resale	-	-
Total assets	<u>247,634,198</u>	<u>96,307,150</u>
Liabilities, deferred inflows of resources, and fund balances		
Liabilities:		
Accounts payable	7,324,380	2,959,962
Retention payable	650,664	156,463
Due to other funds	-	-
Due to City employees	7,473,773	-
Due to other governmental agencies	2,139,322	65,129,620
Unearned revenue	566,667	12,631,451
Deposits	4,852,917	-
Advances payable to other funds	292,000	-
Total liabilities	<u>23,299,723</u>	<u>80,877,496</u>
Deferred inflows of resources:		
Unavailable revenues	485,114	4,389,023
Deferred amounts on leases	3,829,706	1,868,722
Total deferred inflows of resources	<u>4,314,820</u>	<u>6,257,745</u>
Fund balances:		
Nonspendable	45,628	-
Restricted	27,212,027	12,129,327
Assigned	95,531,154	-
Unassigned	97,230,846	(2,957,418)
Total fund balances	<u>220,019,655</u>	<u>9,171,909</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 247,634,198</u>	<u>\$ 96,307,150</u>

See accompanying Notes to the Basic Financial Statements.

GOVERNMENTAL FUNDS

Special Revenue Housing Authority	Special Revenue American Rescue Plan Act	Capital Projects Capital Grants	Capital Projects Street Construction	Nonmajor Governmental Funds	Total
\$ 6,975,522	\$ 64,684,356	\$ -	\$ 34,079,428	\$ 72,868,374	\$ 377,133,468
-	-	-	-	-	5,989,256
10,221	-	-	189,871	319,659	2,000,399
6,188	-	-	-	87,988	7,093,570
32,198	-	24,258,016	37,754,727	3,663,445	96,433,408
-	-	-	74,544	-	6,153,136
-	-	-	-	31,629,822	98,347,560
-	-	-	200,506	-	200,506
-	-	-	-	-	15,180
-	-	-	-	-	10,300
-	-	-	-	2,500	32,948
1,089,881	-	-	3,322,945	146,723	4,637,078
-	-	-	1,041,525	135,249	2,525,070
-	-	-	-	-	25,943,157
-	-	-	2,295,039	75,000	2,370,039
<u>8,114,010</u>	<u>64,684,356</u>	<u>24,258,016</u>	<u>78,958,585</u>	<u>108,928,760</u>	<u>628,885,075</u>
116,526	3,033,121	3,555,401	2,192,984	1,971,933	21,154,307
-	395,486	900,555	1,168,442	1,076,426	4,348,036
-	-	19,847,263	-	399,654	20,246,917
-	-	-	-	-	7,473,773
-	-	-	2,250,619	-	69,519,561
-	62,453,155	-	364,887	812	76,016,972
1,123,621	-	-	-	-	5,976,538
-	-	-	-	-	292,000
<u>1,240,147</u>	<u>65,881,762</u>	<u>24,303,219</u>	<u>5,976,932</u>	<u>3,448,825</u>	<u>205,028,104</u>
9,207	-	21,452,291	36,041,927	427,785	62,805,347
-	-	-	74,064	-	5,772,492
<u>9,207</u>	<u>-</u>	<u>21,452,291</u>	<u>36,115,991</u>	<u>427,785</u>	<u>68,577,839</u>
-	-	-	-	-	45,628
6,864,656	-	-	36,865,662	105,192,129	188,263,801
-	-	-	-	-	95,531,154
-	(1,197,406)	(21,497,494)	-	(139,979)	71,438,549
<u>6,864,656</u>	<u>(1,197,406)</u>	<u>(21,497,494)</u>	<u>36,865,662</u>	<u>105,052,150</u>	<u>355,279,132</u>
\$ <u>8,114,010</u>	\$ <u>64,684,356</u>	\$ <u>24,258,016</u>	\$ <u>78,958,585</u>	\$ <u>108,928,760</u>	\$ <u>628,885,075</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, 2024**

Fund balances of governmental funds	\$	355,279,132
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 \$8,240,723 which are reported below.		
Capital assets	1,711,563,039	
Accumulated depreciation/amortization	(568,725,727)	
Total capital assets used in governmental activities		1,142,837,312
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	(6,172,957)	
Subscription liability	(3,719,413)	
Revenue refunding bond	(36,380,000)	
Pension obligation bonds	(376,434,970)	
Notes from direct borrowings	(8,174,572)	
Long-term loans & other payables	(823,870)	
Compensated absences payable	(31,851,870)	
Bond premium	(6,790,240)	
Unamortized loss on bond defeasance	515,577	
Total governmental activities long-term debt		(469,832,315)
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	164,585,732	
Deferred inflows of resources from pension	(5,145,312)	
Net pension liability	(385,568,263)	(226,127,843)
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	3,625,514	
Deferred inflows of resources from OPEB	(13,509,919)	
Total OPEB liability	(26,180,297)	(36,064,702)
Accrued interest payable for the current portion of interest due on long-term liabilities has not been reported in the governmental funds.		(4,290,881)
Long-term receivables are not available to pay for current period expenditures and, therefore, are deferred on the modified accrual basis in governmental fund.		62,805,347
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.		(43,684,086)
Net position of governmental activities	\$	<u>780,921,964</u>

See accompanying Notes to the Basic Financial Statements.

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year ended June 30, 2024

	General	Special Revenue Grants
Revenues:		
Taxes	\$ 189,186,404	\$ -
License and permits	9,477,312	-
Intergovernmental	147,151,247	34,210,835
Charges for services	26,772,159	12,736
Fines and forfeits	6,558,478	-
Investment income	12,536,408	706,712
Cost recoveries	15,946,241	-
Rental income	14,850,751	494,047
Miscellaneous	212,672	2,530,709
Total revenues	<u>422,691,672</u>	<u>37,955,039</u>
Expenditures:		
Current:		
General government	31,211,653	832,047
Human resources	3,618,178	-
Finance and management services	11,981,068	-
Museum	1,673,522	-
Library	7,428,121	3,093
Recreation and community services	17,510,027	312,197
Police department	153,104,912	3,249,077
Fire & ambulance services	45,671,272	-
Information technology	-	-
Planning and building	21,119,419	1,358,406
Public works	42,706,434	180,048
Community development	3,895,848	16,074,169
Pass-through payments to districts and other agencies	-	2,148,524
Capital Outlay	24,043,948	10,295,984
Debt Service:		
Principal retirement	3,011,542	569,936
Interest and fiscal charges	364,788	155,794
Total expenditures	<u>367,340,732</u>	<u>35,179,275</u>
Excess (deficiency) of revenues over (under) expenditures	<u>55,350,940</u>	<u>2,775,764</u>
Other financing sources (uses):		
Transfers in	50,820	-
Transfers out	(35,681,024)	(408,833)
Sale of capital assets	(8,252)	-
Lease proceeds	832,147	-
Subscription proceeds	830,076	50,086
Total other financing sources (uses)	<u>(33,976,233)</u>	<u>(358,747)</u>
Net change in fund balances	21,374,707	2,417,017
Fund balances, June 30, 2023, as previously presented	198,644,948	6,754,892
Change within financial reporting entity (nonmajor to major fund)	-	-
Fund balances, June 30, 2023, as restated	<u>198,644,948</u>	<u>6,754,892</u>
Fund balances, June 30, 2024	<u><u>\$ 220,019,655</u></u>	<u><u>\$ 9,171,909</u></u>

GOVERNMENTAL FUNDS

Special Revenue Housing Authority	Special Revenue American Rescue Plan Act	Capital Projects Capital Grants	Capital Projects Street Construction	Nonmajor Governmental Funds	Total
\$ -	\$ -	\$ -	\$ 1,382,117	\$ 378,818	\$ 190,947,339
-	-	-	18,166	-	9,495,478
60,314,386	33,048,140	12,703,232	11,255,733	24,482,246	323,165,819
-	-	-	644,694	3,087,515	30,517,104
-	-	-	-	-	6,558,478
33,837	3,134,340	-	224,563	3,010,016	19,645,876
-	-	-	1,375,102	7,029,441	24,350,784
-	22,300	-	54,569	-	15,421,667
50,065	-	187,377	-	99	2,980,922
<u>60,398,288</u>	<u>36,204,780</u>	<u>12,890,609</u>	<u>14,954,944</u>	<u>37,988,135</u>	<u>623,083,467</u>
-	507,153	-	-	-	32,550,853
-	-	-	-	166,084	3,784,262
-	10,186,360	-	-	-	22,167,428
-	-	-	-	-	1,673,522
-	35,358	-	-	-	7,466,572
-	501,862	48,021	-	59,837	18,431,944
-	276,894	-	-	1,921,486	158,552,369
-	-	-	-	-	45,671,272
-	19,127	-	-	-	19,127
-	535,069	-	-	287,314	23,300,208
-	5,643,980	530,638	2,612,898	8,713,346	60,387,344
59,940,740	2,719,735	-	-	2,915,369	85,545,861
-	-	-	-	-	2,148,524
127,809	12,622,603	24,085,511	22,963,600	12,125,705	106,265,160
-	-	-	-	12,620,535	16,202,013
-	-	-	-	12,198,346	12,718,928
<u>60,068,549</u>	<u>33,048,141</u>	<u>24,664,170</u>	<u>25,576,498</u>	<u>51,008,022</u>	<u>596,885,387</u>
<u>329,739</u>	<u>3,156,639</u>	<u>(11,773,561)</u>	<u>(10,621,554)</u>	<u>(13,019,887)</u>	<u>26,198,080</u>
-	-	-	13,740,182	22,340,590	36,131,592
(71,679)	-	-	-	(11,307,211)	(47,468,747)
-	-	-	-	-	(8,252)
-	-	-	-	-	832,147
127,809	-	-	-	165,021	1,172,992
<u>56,130</u>	<u>-</u>	<u>-</u>	<u>13,740,182</u>	<u>11,198,400</u>	<u>(9,340,268)</u>
385,869	3,156,639	(11,773,561)	3,118,628	(1,821,487)	16,857,812
6,478,787	(4,354,045)	-	33,747,034	97,149,704	338,421,320
-	-	(9,723,933)	-	9,723,933	-
<u>6,478,787</u>	<u>(4,354,045)</u>	<u>(9,723,933)</u>	<u>33,747,034</u>	<u>106,873,637</u>	<u>338,421,320</u>
<u>\$ 6,864,656</u>	<u>\$ (1,197,406)</u>	<u>\$ (21,497,494)</u>	<u>\$ 36,865,662</u>	<u>\$ 105,052,150</u>	<u>\$ 355,279,132</u>

**Reconciliation of the Statement of Revenues, Expenditures
And Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year ended June 30, 2024**

Net change in fund balances-total governmental funds \$ 16,857,812

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 \$2,626,268 in additions, \$2,938,943 in deletions, and \$1,447,118 in depreciation/amortization expense.

Capital outlay	106,265,160	
Depreciation/amortization expense	(30,561,844)	
Capital contributions & adjustments	895,781	
Gain on disposal of capital assets	<u>95,263</u>	76,694,360

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental fund. 9,095,107

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	697,970	
Subscription liability	1,237,816	
Revenue refunding bond	1,465,000	
Lease revenue bonds	4,342,500	
Pension obligation bonds	1,860,818	
Notes from direct borrowings	6,276,871	
Long-term loans & other payables	<u>321,038</u>	
Total principal repayments		16,202,013
Proceeds from lease agreements		(832,147)
Proceeds from subscription agreements		(1,172,992)
Amortization of bond premium and discount		438,080
Amortization of deferred charges on refunding		(757,897)
Net change in compensated absences		<u>150,875</u>
		14,027,932

Accrued interest for long term liabilities including bonds payable. This is the net change in accrued interest for the current period. 38,287

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. (58,834,994)

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. 2,122,265

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.

	<u>4,120,260</u>
Change in net position of governmental activities	<u>\$ 64,121,029</u>

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, 2024

	Water	Sewer
Assets:		
Current assets:		
Cash and investments	\$ 5,753,954	\$ 18,125,440
Receivables:		
Interest	35,623	75,797
Accounts, net of allowances	16,199,354	2,317,272
Leases	-	-
Intergovernmental	-	-
Due from other funds	-	-
Inventory of supplies	60,159	-
Prepaid items	-	-
Total current assets	22,049,090	20,518,509
Noncurrent assets:		
Advances to other funds	-	-
Restricted cash and investments	40,872,519	-
Cash and investments with fiscal agent	2,926	-
Pension stability fund	808,307	193,173
Capital assets, not being depreciated	60,396,702	1,249,934
Capital assets, net of accumulated depreciation/amortization	96,123,866	34,630,006
Total noncurrent assets	198,204,320	36,073,113
Total assets	220,253,410	56,591,622
Deferred outflows of resources:		
Deferred amounts on pension plans	3,756,844	1,346,041
Deferred amounts on OPEB plan	725,990	194,522
Total deferred outflow of resources	4,482,834	1,540,563
Liabilities:		
Current liabilities:		
Accounts payable	18,582,060	777,907
Interest payable	107,141	31,896
Retention payable	1,211,774	112,303
Due to other funds	-	-
Deposits payable	1,231,227	-
Subscription liability	229,058	-
Compensated absences payable	360,447	215,861
Claims payable	-	-
Total OPEB liability	116,457	40,186
Grant Advances	-	-
Revenue bonds payable	1,065,000	-
Pension obligation bonds payable	65,067	23,313
Total current liabilities	22,968,231	1,201,466
Noncurrent liabilities:		
Subscription liability	596,943	-
Compensated absences payable	1,081,342	647,584
Notes payable	662,357	-
Claims payable	-	-
Total OPEB liability	2,438,816	841,569
Net pension liability	8,937,424	3,202,189
Revenue bonds payable	48,306,233	-
Pension obligation bonds payable	8,060,834	2,888,115
Total noncurrent liabilities	70,083,949	7,579,457
Total liabilities	93,052,180	8,780,923
Deferred inflows of resources:		
Unamortized gain on bond defeasance	910,677	-
Deferred amounts on pension plans	38,956	13,957
Deferred amounts on OPEB plan	1,379,297	455,019
Deferred amounts on leases	-	-
Total deferred inflows of resources	2,328,930	468,976
Net position:		
Net investment in capital assets	135,281,776	35,494,702
Restricted for :		
National pollution discharge elimination system	-	-
Pension stability	808,307	193,173
Unrestricted	(6,734,949)	13,194,411
Total net position (deficit)	\$ 129,355,134	\$ 48,882,286

See accompanying Notes to the Basic Financial Statements.

PROPRIETARY FUNDS

		Business-Type Activities- Enterprise Funds		Governmental Activities- Internal Service Funds	
Nonmajor		Total			
\$	20,865,600	\$	44,744,994	\$	38,886,834
	90,103		201,523		251,465
	6,086,050		24,602,676		25,030
	811,048		811,048		-
	997,734		997,734		-
	89,343		89,343		21,193,734
	-		60,159		150,634
	-		-		76,476
	28,939,878		71,507,477		60,584,173
	-		-		292,000
	-		40,872,519		305,577
	-		2,926		-
	629,314		1,630,794		2,553,627
	8,748,957		70,395,593		3,090,405
	19,697,387		150,451,259		5,150,318
	29,075,658		263,353,091		11,391,927
	58,015,536		334,860,568		71,976,100
	2,491,670		7,594,555		11,449,659
	320,786		1,241,298		554,075
	2,812,456		8,835,853		12,003,734
	1,260,638		20,620,605		1,519,763
	59,044		198,081		271,224
	69,280		1,393,357		61,223
	289,849		289,849		946,817
	11,000		1,242,227		-
	-		229,058		121,056
	210,406		786,714		576,484
	-		-		10,219,500
	81,814		238,457		213,385
	1,411,176		1,411,176		-
	-		1,065,000		-
	43,155		131,535		198,234
	3,436,362		27,606,059		14,127,686
	-		596,943		148,785
	631,218		2,360,144		1,729,452
	-		662,357		-
	-		-		49,487,894
	1,713,311		4,993,696		4,468,624
	5,927,606		18,067,219		29,266,550
	-		48,306,233		-
	5,346,220		16,295,169		24,558,308
	13,618,355		91,281,761		109,659,613
	17,054,717		118,887,820		123,787,299
	-		910,677		-
	25,834		78,747		118,676
	1,561,603		3,395,919		3,757,945
	802,909		802,909		-
	2,390,346		5,188,252		3,876,621
	28,212,798		198,989,276		7,909,659
	6,062,956		6,062,956		-
	629,314		1,630,794		2,553,627
	6,477,861		12,937,323		(54,147,372)
\$	41,382,929	\$	219,620,349	\$	(43,684,086)

Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Year ended June 30, 2024

	Water	Sewer
Operating revenues:		
Charges for services	\$ 71,610,317	\$ 10,161,220
Lease revenues	360,696	-
Miscellaneous	225,726	11,150
Total operating revenues	72,196,739	10,172,370
Operating expenses:		
Personnel services	10,841,199	3,636,578
Contractual services	33,035,203	1,694,295
Materials and supplies	9,883,568	638,821
Administrative charges	11,307,986	2,024,359
Insurance	-	-
Provision for self-insured losses	-	-
Depreciation & amortization	3,538,509	1,024,414
Total operating expenses	68,606,465	9,018,467
Operating income (loss)	3,590,274	1,153,903
Nonoperating revenues (expenses):		
Intergovernmental	-	-
Net increase in the fair value of investment	1,964,141	-
Investment earnings	155,360	241,966
Interest expense	(766,478)	(76,556)
Gain (loss) on disposal of capital assets	6,258	(3,829)
Total nonoperating revenues (expenses)	1,359,281	161,581
Income (loss) before transfers	4,949,555	1,315,484
Capital contributions	7,550,220	1,830,564
Transfers in	-	-
Transfers out	(2,108,796)	(457,345)
Change in net position	10,390,979	2,688,703
Net position (deficit) - beginning	118,964,155	46,193,583
Net position (deficit) - ending	\$ 129,355,134	\$ 48,882,286

See accompanying Notes to the Basic Financial Statements.

PROPRIETARY FUNDS

		Business-Type Activities- Enterprise Funds		Governmental Activities- Internal Service Funds	
Nonmajor		Total			
\$	31,242,141	\$	113,013,678	\$	92,762,854
	533,152		893,848		-
	389,896		626,772		745,578
	32,165,189		114,534,298		93,508,432
	5,807,191		20,284,968		16,969,533
	22,309,536		57,039,034		10,070,607
	789,199		11,311,588		5,895,494
	3,795,039		17,127,384		14,616,180
	-		-		40,186,724
	-		-		14,824,048
	1,608,095		6,171,018		1,447,118
	34,309,060		111,933,992		104,009,704
	(2,143,871)		2,600,306		(10,501,272)
	573		573		-
	-		1,964,141		2,722,236
	325,236		722,562		807,472
	(141,714)		(984,748)		(683,401)
	-		2,429		85,668
	184,095		1,704,957		2,931,975
	(1,959,776)		4,305,263		(7,569,297)
	138,693		9,519,477		-
	5,896,323		5,896,323		12,082,293
	(3,682,584)		(6,248,725)		(392,736)
	392,656		13,472,338		4,120,260
	40,990,273		206,148,011		(47,804,346)
\$	41,382,929	\$	219,620,349	\$	(43,684,086)

Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2024

Page 1 of 4

	Water	Sewer
Cash flows from operating activities:		
Receipts from customers	\$ 67,334,348	\$ 9,520,151
Receipts from interfund services provided	-	-
Receipts from other operating sources	225,726	11,150
Payments to suppliers for goods and services	(46,791,843)	(5,198,049)
Payments from interfund services used	-	-
Payments to employees	(8,944,709)	(2,931,148)
	<u>11,823,522</u>	<u>1,402,104</u>
Net cash provided (used) by operating activities		
Cash flows from noncapital financing activities:		
Transfers in	-	-
Transfers out	(2,095,332)	(457,345)
Interest Paid	(536,251)	(76,579)
Receipt of interfund balances	-	-
Payment of interfund balances	-	-
Receipt of operating grants	10,500	-
	<u>(2,621,083)</u>	<u>(533,924)</u>
Net cash provided (used) by noncapital financing activities		
Cash flows from capital and related financing activities:		
Proceeds from refunding debt	49,371,233	-
Capital contributions	7,550,220	1,830,564
Acquisition of capital assets	(34,623,670)	(3,946,695)
Proceeds from sale of capital assets	6,258	-
Termination of subscription liability	-	-
Retirement of long-term liabilities	(9,810,000)	-
Payments on subscription liability	(227,544)	-
Interest paid	(579,003)	-
	<u>11,687,494</u>	<u>(2,116,131)</u>
Net cash used by capital and related financing activities		
Cash flows from investing activities:		
Interest received	208,747	227,399
Net increase (decrease) in the fair value of investment	1,964,141	-
	<u>2,172,888</u>	<u>227,399</u>
Net cash provided (used) by investing activities		
Net increase (decrease) in cash and cash equivalents	23,062,821	(1,020,552)
Cash and cash equivalents - beginning	24,374,885	19,339,165
Cash and cash equivalents - ending (Includes restricted assets)	<u>\$ 47,437,706</u>	<u>\$ 18,318,613</u>

See accompanying Notes to the Basic Financial Statements.

PROPRIETARY FUNDS

Page 2 of 4

		Business -Type Activities- Enterprise Funds			Governmental Activities- Internal Service Funds
Nonmajor		Totals			
\$	29,996,979	\$	106,851,478	\$	-
	-		-		92,766,599
	389,896		626,772		869,954
	(26,892,649)		(78,882,541)		(84,785,678)
	-		-		(4,736,615)
	(5,851,217)		(17,727,074)		(21,381,931)
	(2,356,991)		10,868,635		(17,267,671)
	5,896,323		5,896,323		11,976,384
	(3,682,584)		(6,235,261)		(392,736)
	(141,756)		(754,586)		(600,992)
	289,849		289,849		666,814
	-		-		(458,186)
	573		11,073		371,092
	2,362,405		(792,602)		11,562,376
	-		49,371,233		-
	-		9,380,784		-
	(1,603,829)		(40,174,194)		(2,383,084)
	-		6,258		74,679
	-		-		757,610
	-		(9,810,000)		-
	-		(227,544)		(1,068,996)
	-		(579,003)		-
	(1,603,829)		7,967,534		(2,619,791)
	310,685		746,831		654,674
	-		1,964,141		2,717,144
	310,685		2,710,972		3,371,818
	(1,287,730)		20,754,539		(4,953,268)
	22,643,951		66,358,001		46,699,306
\$	21,356,221	\$	87,112,540	\$	41,746,038

Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2024

Page 3 of 4

	Water	Sewer
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 3,590,274	\$ 1,153,903
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation & amortization expense	3,538,509	1,024,414
Change in assets and liabilities:		
Decrease (increase) in accounts receivable	(4,611,759)	(641,069)
Decrease (increase) in leases receivable	-	-
Decrease (increase) in inventory of supplies	(60,159)	-
Decrease (increase) in prepaid items	-	-
Decrease (increase) in deferred outflows from pension	161,038	146,259
Decrease (increase) in deferred outflows from OPEB	177,743	49,588
Increase (decrease) in accounts payable	6,533,095	(840,574)
Increase (decrease) in compensated absences payable	(64,314)	390,066
Increase (decrease) in notes payable	662,357	-
Increase (decrease) in deposits payable	35,253	-
Increase (decrease) in retention payable	239,462	-
Increase (decrease) in claims payable	-	-
Increase (decrease) in pension obligation bonds payable	444,445	(14,392)
Increase (decrease) in grant advances	-	-
Increase (decrease) in interest payable	-	-
Increase (decrease) in net pension liability	1,485,467	363,783
Increase (decrease) in total OPEB liability	(401,160)	(154,594)
Increase (decrease) in deferred inflows from pension	(167,340)	(138,152)
Increase (decrease) in deferred inflows from OPEB	260,611	62,872
Increase (decrease) in deferred inflows from leases	-	-
Net cash provided (used) by operating activities	<u>\$ 11,823,522</u>	<u>\$ 1,402,104</u>
Noncash investing, capital, and financing activities:		
Increase in fair value of investments	\$ 1,964,141	\$ -
Amortization of premium & unamortized loss on bond defeasance	844,949	-
Issuance of leases	-	-
Issuance of SBITAs	<u>93,779</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	
\$ (2,143,871)	\$ 2,600,306	\$ (10,501,272)
1,608,095	6,171,018	1,447,118
(1,766,625)	(7,019,453)	(10,672,972)
36,086	36,086	-
-	(60,159)	409,943
-	-	76,476
354,701	661,998	1,636,963
83,042	310,373	153,900
(974,601)	4,717,920	(287,021)
127,893	453,645	(366,267)
-	662,357	-
(3,630)	31,623	-
-	239,462	21,257
-	-	1,397,061
(26,642)	403,411	(606,991)
975,726	975,726	-
-	-	(84)
673,402	2,522,652	2,515,718
(314,729)	(870,483)	(867,707)
(918,438)	(1,223,930)	(1,545,271)
(23,255)	300,228	(78,522)
(44,145)	(44,145)	-
\$ (2,356,991)	\$ 10,868,635	\$ (17,267,671)
\$ -	\$ 1,964,141	\$ 2,717,144
-	844,949	-
488,725	488,725	-
-	93,779	243,182

Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2024

	Successor Agency to the Santa Ana Redevelopment Agency Private-Purpose Trust Fund	Custodial Funds
Assets		
Cash and investments	\$ 11,409,391	\$ 3,484,921
Restricted assets:		
Cash and investments with fiscal agents	23,341	105,348
Receivables, net of allowances:		
Interest	49,953	8,956
Taxes	-	6,723
Leases	717,674	-
Lease assets, net of accumulated amortization	771,846	-
Total assets	<u>12,972,205</u>	<u>3,605,948</u>
Deferred outflows of resources:		
Unamortized loss on bond defeasance	2,036,264	
Deferred amounts on pension plans	56,303	
Deferred amounts on OPEB plan	764	
Total deferred outflows of resources	<u>2,093,331</u>	
Liabilities		
Accounts payable	-	210,729
Interest payable	632,463	-
Deposits payable	-	333,878
Due to governmental agencies	-	506,967
Long-term liabilities - Due within one year	10,381,782	-
Total OPEB liability - Due within one year	384	-
Due in more than one year:		
Long-term liabilities	38,478,221	-
Net pension liability	133,946	-
Total OPEB liability	8,043	-
Total liabilities	<u>49,634,839</u>	<u>1,051,574</u>
Deferred inflows of resources:		
Deferred amounts on pension plans	583	
Deferred amounts on OPEB plan	130,000	
Deferred amounts on leases	709,319	
	<u>839,902</u>	
Net position (deficit)		
Held in trust for other purposes	(35,409,205)	-
Individuals, organizations, and other governments	-	2,554,374
Total net position	<u>\$ (35,409,205)</u>	<u>\$ 2,554,374</u>

See accompanying Notes to the Basic Financial Statements.

Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Position
Year ended June 30, 2024

	Successor Agency to the Santa Ana Redevelopment Agency Private-Purpose Trust Fund	Custodial Funds
Additions:		
Property taxes	\$ 12,190,942	\$ 135,716
Investment earnings	(622,456)	29,887
Rental income	202,662	-
Police seized assets	-	542,397
Miscellaneous	-	4,197
Commissary	-	1,154,689
Other	122,610	7,624,250
Total additions	11,893,758	9,491,136
Deductions:		
Program expenses	3,844	-
Administrative expenses	75,999	3,772,262
Interest and fiscal agency expenses	2,332,246	-
Police seized assets	-	481,432
Bond payment	-	104,387
Payments to other agency	-	3,984,401
Commissary	-	1,242,762
Miscellaneous	-	469
Amoritization	220,527	-
Total deductions	2,632,616	9,585,713
Change in net position	9,261,142	(94,577)
Net position - beginning	(44,670,347)	2,648,951
Net position - ending	\$ (35,409,205)	\$ 2,554,374

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, 2024

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 SAFA 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 SAFA’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.

Santa Ana Public Financing Authority

The Santa Ana Public Financing Authority (SAPFA) was organized in June 2024, for the primary purpose of providing for the financing or refinancing of Public Capital Improvements for and Working Capital Requirements and insurance programs of the City and the Housing Authority. 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 SAPFA is administered by a board whose members shall be the members of the City Council. The SAPFA’s board has the responsibility for the general management of the affairs, property, and business of the SAPFA. The SAPFA’s financial data and transactions are included within the Water Enterprise Fund. There is no separate Component Unit Financial Report (CUFR) prepared for SAPFA.

CITY OF SANTA ANA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2024

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

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.

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.

CITY OF SANTA ANA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2024

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

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

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.

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 Capital Grants Fund. This fund is a combined report of various capital grants awarded to the City by the Federal, State, and local governments not otherwise accounted for in the General Fund and Special Revenue Funds.

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.

CITY OF SANTA ANA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2024

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

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

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.

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, 2024

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, 2024

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, 2024

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, and changes of assumptions 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 share 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 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 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, 2024

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:

- Gain on bond refunding reported in the government-wide statement of net position, proprietary statement of net position, and statement of fiduciary net position. A gain 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.
- 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 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, differences between expected and actual experience, 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, 2024.

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

CITY OF SANTA ANA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2024

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

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

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.

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 balances 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, 2024, 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.

CITY OF SANTA ANA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2024

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

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

- *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 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 the fiscal year ended June 30, 2024, the City adopted the following accounting standards.

GASB Statement No. 100, Accounting Changes and Error Corrections, effective for fiscal years beginning after June 15, 2023. In June 2022, the GASB issued GASB Statement No. 100, Accounting Changes and Error Corrections. This standard enhances accounting and financial reporting requirements for accounting changes and error corrections. Included in the category of accounting changes is changes to or within the financial reporting entity, which results from a change in the fund's presentation as major or nonmajor. The City adopted the requirements of the guidance effective July 1, 2023 and has applied the provisions of this standard to the beginning of the period of adoption. The implementation of this standard resulted in the City showing a restatement for a change to or within the financial reporting entity due to the change in presentation of the Capital Grants Special Revenue Fund from nonmajor to major as disclosed in Note 4, section I.

CITY OF SANTA ANA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2024

NOTE 2. FUND DEFICITS

At June 30, 2024, the deficit of \$1.2 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 deficits of \$21.5 million in the major Capital Grants Capital Projects Fund and \$0.1 million in the nonmajor Civic Center Maintenance Special Revenue 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 \$5.1 million in the Internal Service Building Maintenance Fund, \$28.5 million in the Internal Service Self Insurance Fund, \$0.8 million in the Internal Service City Yard Operations Fund, and \$20.0 million in the Internal Service Engineering and Administrative Services Fund are primarily due to 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, 2024

NOTE 3. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

Cash and investments as of June 30, 2024 were classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	\$ 460,765,296
Restricted assets:	
Cash and investments	45,815,174
Cash and investments with fiscal agents	2,527,996
Pension stability fund	30,127,578
Statement of fiduciary net position:	
Cash and investments	14,894,312
Restricted assets:	
Cash and investments with fiscal agents	<u>128,689</u>
Total cash and investments	<u>\$ 554,259,045</u>

Cash and investments as of June 30, 2024 consisted of the following:

Cash on hand	\$ 79,625
Deposits with financial institutions	70,540,637
Investments	<u>483,638,783</u>
Total cash and investments	<u>\$ 554,259,045</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, 2024

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

A. Cash and Investments (Continued)

<u>Investment Types</u> <u>Authorized by State Law</u>	<u>Authorized</u> <u>By</u> <u>Policy</u>	<u>*Maximum</u> <u>Maturity</u>	<u>*Maximum</u> <u>Percentage of</u> <u>Portfolio</u>	<u>*Maximum</u> <u>Investment</u> <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%
California Cooperative Liquid Assets Securitie	Yes	None	None	None
Commercial Paper	Yes	270 days	25%	10%
Negotiable Certificates of Deposit	Yes	5 years	50%	30%
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, 2024

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 6, 2023, 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	\$ 311,703,223	\$ 89,326,990	\$ 138,624,760	\$ 83,751,473
U.S. Treasury Securities	23,038,993	23,038,993	-	-
Negotiable Certificates of Deposit	6,217,657	963,647	1,386,722	3,867,288
Local Agency Investment Fund	110,346,484	110,346,484	-	-
California CLASS	2,053,642	2,053,642	-	-
Held by Fiscal Agent:				
Money Market Funds	151,205	151,205	-	-
Pension Trust - PARS Pooled Trust	30,127,579	1,254,949	-	28,872,630
	<u>\$ 483,638,783</u>	<u>\$ 227,135,910</u>	<u>\$ 140,011,482</u>	<u>\$ 116,491,391</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	\$ 38,168,678

CITY OF SANTA ANA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2024

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	\$ 311,703,223	AAA	\$ 311,703,223	\$ -
U.S. Treasury Securities	23,038,993	N/A	-	23,038,993
Negotiable Certificate of Deposit	6,217,657	N/A	-	6,217,657
Local Agency Investment Fund	110,346,484	N/A	-	110,346,484
California CLASS	2,053,642	N/A	-	2,053,642
Held by Fiscal Agent:				
Money Market Funds	151,205	AAA	151,205	-
Pension Trust-PARS Pooled Trust	30,127,579	N/A	-	30,127,579
	<u>\$ 483,638,783</u>		<u>\$ 311,854,428</u>	<u>\$ 171,784,355</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	\$ 45,082,345
Federal Home Loan Bank	Federal Agency Securities	164,258,908
Federal Home Loan Mortgage Corporation	Federal Agency Securities	47,049,150
Federal National Mortgage Association	Federal Agency Securities	55,312,820
U.S. Treasury	U.S. Treasury	23,038,993

CITY OF SANTA ANA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2024

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, 2024, 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.

California Cooperative Liquid Assets Securities System (California CLASS)

The City is a voluntary participant in the California Cooperative Liquid Assets Securities System (California CLASS). The California CLASS, sponsored by the League of California Cities and the California Special Districts Association, is a local government investment pool. The investment program is a Joint Powers Authority (JPA) created pursuant to the California Joint Exercise of Powers Act and is governed by a Board of Trustees comprised of special district and city finance professionals. The Prime Fund is managed by the California CLASS in compliance with the requirements of California law, specifically California Government Code Section 53601(p). The investment objectives of the Prime Fund are to preserve principal, provide daily liquidity, earn a competitive rate of return, and maintain a stable net asset value. The Prime Fund accrues net income daily and pays net income on a pro rata basis monthly. The balance available for withdrawal is based on the accounting records maintained by California CLASS.

CITY OF SANTA ANA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2024

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

A. Cash and Investments (Continued)

Investments in Public Agencies Retirement Trust

The \$30.1 million 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.

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 liabilities. 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, 2024.

The City has the following recurring fair value measurements as of June 30, 2024:

	Quoted Prices Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3	Total
Federal Agency Securities	\$ -	\$ 311,703,223	\$ -	\$ 311,703,223
U.S. Treasury Securities	-	23,038,993	-	23,038,993
Negotiable Certificates of Deposit	-	6,217,657	-	6,217,657
Total Leveled Investments	\$ -	\$ 340,959,873	\$ -	340,959,873
Local Agency Investment Fund				110,346,484
California CLASS				2,053,642
Pension Trust - PARS Pooled Trust				30,127,579
Money Market Funds*				151,205
				\$ 483,638,783

*Not subject to fair value hierarchy.

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

For the Year Ended June 30, 2024

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 \$2.2 million plus interest at rates ranging from 0.22% to 1.33% with due dates ranging from July 2024 to April 2035.
- Land leases. Annual installments totaling \$4.0 million plus interest rates ranging from 0.46% to 1.64%, due dates ranging from July 2024 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 2024 to May 2028.

Fiduciary Activities:

- Land leases. Annual installments totaling \$0.7 million plus interest rate of 0.83% and due date from July 2024 to December 2027.

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

Fiscal Year	Governmental Activities		
	Principal	Interest	Total
2025	\$ 899,343	\$ 77,241	\$ 976,584
2026	615,033	64,276	679,309
2027	615,652	57,268	672,920
2028	581,736	50,181	631,917
2029	594,688	43,122	637,811
2030 - 2034	2,058,803	125,486	2,184,289
2035 - 2039	462,790	36,904	499,694
2040 - 2044	248,496	17,018	265,514
2045 - 2046	76,595	896	77,491
Total minimum lease payments	\$ 6,153,136	\$ 472,392	\$ 6,625,529

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

For the Year Ended June 30, 2024

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

B. Leases Receivable (Continued)

Fiscal Year	Business-Type Activities		
	Principal	Interest	Total
2025	\$ 297,489	\$ 18,075	\$ 523,688
2026	276,563	9,989	494,676
2027	148,702	4,498	361,324
2028	88,293	1,207	193,562
Total minimum lease payments	\$ 811,048	\$ 33,769	\$ 1,573,250

Fiscal Year	Fiduciary Activities		
	Principal	Interest	Total
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	\$ 717,674	\$ 10,762	\$ 728,436

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, 2024, the City received variable payments as required by lease agreements totaling \$11.2 million.

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

	Principal	Interest
Governmental Activities	\$ 1,370,423	\$ 95,463
Business-Type Activities	524,880	18,844
Fiduciary Activities	201,237	6,887
Total	\$ 2,096,540	\$ 121,194

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

For the Year Ended June 30, 2024

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

C. Capital Assets

A summary of changes in the Governmental Activities capital assets at June 30, 2024 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 20,274,022	\$ -	\$ -	\$ 20,274,022
Right of Way	498,209,987	-	-	498,209,987
Street Trees	8,026,751	-	(139)	8,026,612
Construction in progress	<u>177,792,379</u>	<u>93,055,934</u>	<u>(61,673,761)</u>	<u>209,174,552</u>
Total capital assets, not being depreciated	<u>704,303,139</u>	<u>93,055,934</u>	<u>(61,673,900)</u>	<u>735,685,173</u>
Capital assets being depreciated and amortized:				
Buildings and building improvements	221,731,663	16,662,918	-	238,394,581
Improvements other than buildings	145,281,086	30,027,395	-	175,308,481
Equipment	37,777,149	1,870,321	(2,001,421)	37,646,049
Infrastructure	502,117,935	27,073,026	(3,261,584)	525,929,377
Library materials	4,815,286	424,012	(1,316,231)	3,923,067
Computer software	9,209,026	-	-	9,209,026
Lease buildings	16,878,797	832,147	(9,899,103)	7,811,841
Subscription assets	<u>6,584,587</u>	<u>1,515,216</u>	<u>(1,608,810)</u>	<u>6,490,993</u>
Total capital assets being depreciated and amortize	<u>944,395,529</u>	<u>78,405,035</u>	<u>(18,087,149)</u>	<u>1,004,713,415</u>
Less: Accumulated depreciation/amortization for:				
Buildings and building improvements	(176,976,383)	(6,944,915)	-	(183,921,298)
Improvements other than buildings	(77,727,639)	(5,831,018)	-	(83,558,657)
Equipment	(27,237,304)	(2,497,538)	1,838,560	(27,896,282)
Infrastructure	(268,024,835)	(13,263,998)	2,444,222	(278,844,611)
Library materials	(4,524,308)	(99,353)	1,316,155	(3,307,506)
Computer software	(7,426,001)	(284,001)	-	(7,710,002)
Lease buildings	(2,799,558)	(1,352,093)	2,401,558	(1,750,093)
Subscription assets	<u>(1,386,564)</u>	<u>(1,736,046)</u>	<u>790,506</u>	<u>(2,332,104)</u>
Total Accumulated depreciation and amortization	<u>(566,102,592)</u>	<u>(32,008,962)</u>	<u>8,791,001</u>	<u>(589,320,553)</u>
Capital assets being depreciated, net	<u>378,292,937</u>	<u>46,396,073</u>	<u>(9,296,148)</u>	<u>415,392,862</u>
Governmental activities capital assets, net	<u>\$ 1,082,596,076</u>	<u>\$ 139,452,007</u>	<u>\$ (70,970,048)</u>	<u>\$ 1,151,078,035</u>

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, 2024

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, 2024 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 9,555,098	\$ 10,520,799	\$ -	\$ 20,075,897
Construction in progress	45,736,698	35,994,909	(31,411,911)	50,319,696
Total capital assets not being depreciated	<u>55,291,796</u>	<u>46,515,708</u>	<u>(31,411,911)</u>	<u>70,395,593</u>
Capital assets being depreciated and amortized:				
Buildings and building improvements	8,831,492	-	-	8,831,492
Improvements other than buildings	219,627,451	24,014,429	(616,347)	243,025,533
Equipment	26,276,065	1,055,969	(17,662)	27,314,372
Parking structures	18,678,699	-	-	18,678,699
Computer software	491,949	-	-	491,949
Subscription assets	1,153,364	93,779	(34,461)	1,212,682
Total capital assets being depreciated and amortized	<u>275,059,020</u>	<u>25,164,177</u>	<u>(668,470)</u>	<u>299,554,727</u>
Less: Accumulated depreciation/amortization for:				
Buildings and building improvements	(8,456,850)	(217,114)	-	(8,673,964)
Improvements other than buildings	(111,072,359)	(3,924,042)	612,521	(114,383,880)
Equipment	(12,999,498)	(1,441,866)	17,662	(14,423,702)
Parking structures	(10,587,524)	(409,807)	-	(10,997,331)
Computer software	(216,638)	(35,265)	-	(251,903)
Subscription assets	(229,764)	(142,924)	-	(372,688)
Total Accumulated depreciation/amortization	<u>(143,562,633)</u>	<u>(6,171,018)</u>	<u>630,183</u>	<u>(149,103,468)</u>
Capital assets being depreciated, net	<u>131,496,387</u>	<u>18,993,159</u>	<u>(38,287)</u>	<u>150,451,259</u>
Business-type activities capital assets, net	<u>\$ 186,788,183</u>	<u>\$ 65,508,867</u>	<u>\$ (31,450,198)</u>	<u>\$ 220,846,852</u>

A summary of changes in the Fiduciary Activities capital asset activities at June 30, 2024 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Private-Purpose Trust activities:				
Lease buildings	\$ 1,433,428	\$ -	\$ -	\$ 1,433,428
Less: Accumulated amortization	(441,055)	(220,527)	-	(661,582)
Private-purpose trust capital assets, net	<u>\$ 992,373</u>	<u>\$ (220,527)</u>	<u>\$ -</u>	<u>\$ 771,846</u>

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

For the Year Ended June 30, 2024

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

C. Capital Assets (Continued)

Governmental activities:

General government	\$ 1,078,749
Finance and management services	398,826
Human resources	98,291
Museum	127,267
Library	311,598
Recreation and community services	3,670,713
Police department	5,411,642
Fire and ambulance services	280,867
Planning and building	92,470
Public works	17,244,890
Community development	2,789,577
Information Technology	504,072
Total depreciation/amortization expense-governmental activities	\$ <u>32,008,962</u>

Business-type activities:

Water	\$ 3,538,509
Parking	319,554
Sanitation	386,528
Sewer	1,024,414
Refuse Collections	3,214
Transportation Center	430,262
Federal Clean Water Protection	468,537
Total depreciation/amortization expense - business-type activities	\$ <u>6,171,018</u>

Construction Commitments

The City has active construction projects as of June 30, 2024. 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, 2024

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

C. Capital Assets (Continued)

Projects	Spent-to-date	Remaining Commitment	Total Project Budget
Street widening and improvements	\$ 248,926,837	\$ 184,956,635	\$ 433,883,471
Park improvements	46,246,998	70,362,263	116,609,261
Water system improvements	65,965,666	49,682,990	115,648,656
Sewer improvements	21,886,397	13,933,028	35,819,425
Other improvements	18,712,063	11,781,561	30,493,624

D. Interfund Receivables, Payables, Transfers and Advances

The composition of interfund balances as of and for the year ended June 30, 2024 is as follows:

Due To/From Other Funds:

	Due From Other Funds (Receivable)			
	Internal Service Self Insurance Fund	Capital Projects Street Construction	Nonmajor Enterprise Fund Federal Clean Water Protection	Total
Due To Other Funds (Payable)				
Major Capital Projects Funds:				
Capital Grants	\$ 19,847,263	\$ -	\$ -	\$ 19,847,263
Nonmajor Special Revenue Funds:				
Civic Center & Maintenance	399,654	-	-	399,654
Internal Service Funds:				
City Yard Operations	946,817	-	-	946,817
Nonmajor Enterprise Funds:				
Refuse Collections	-	200,506	89,343	289,849
Total	\$ <u>21,193,734</u>	\$ <u>200,506</u>	\$ <u>89,343</u>	\$ <u>21,483,583</u>

The Capital Grants major Capital Projects Fund 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 nonmajor 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 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, 2024

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

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

The nonmajor Enterprise Refuse Collections Fund collects vehicle impact fees and National Pollutant Discharge Elimination System fees from waste collection services and transfers the revenue to the major Capital Projects Street Construction Fund and the nonmajor Enterprise Federal Clean Water Protection Fund. The \$0.3 million was accrued revenue for fees collected subsequent to the fiscal year-end. See Interfund Transfers below for additional information.

Interfund Transfers:

Transfers Out	Transfers In							Total
	General Fund	Street Construction	Nonmajor Debt Service Fund	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Enterprise Funds	Internal Service Funds	
General Fund	\$ -	\$ 91,304	\$ 20,998,359	\$ 600,000	-	\$ 2,944,190	\$ 11,047,171	\$ 35,681,024
Grants	-	-	133,805	-	275,028	-	-	408,833
Housing Authority	-	-	71,679	-	-	-	-	71,679
Nonmajor Special Revenue Funds	10,000	11,242,812	37,637	-	-	-	-	11,290,449
Nonmajor Capital Projects Funds	-	-	16,762	-	-	-	-	16,762
Water	28,766	-	-	-	-	1,222,664	857,366	2,108,796
Sewer	-	-	-	-	-	457,345	-	457,345
Nonmajor Enterprise Funds	4,394	2,406,066	-	-	-	1,272,124	-	3,682,584
Internal Service Funds	7,660	-	207,320	-	-	-	177,756	392,736
Total	\$ 50,820	\$ 13,740,182	\$ 21,465,562	\$ 600,000	275,028	\$ 5,896,323	\$ 12,082,293	\$ 54,110,208

The General Fund received transfers of \$40,820 for capital lease and loan payments for the 800 MHz Radio System. The transfers consisted of \$28,766 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. There was a transfer in of \$10,000 from the Gas Tax nonmajor Special Revenue Fund for street-related engineering costs.

The Street Construction major Capital Projects Fund received \$11,242,812 from the Gas Tax nonmajor Special Revenue Fund for street construction and maintenance projects and \$2,406,066 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. There was a transfer in of \$91,304 from the General Fund for the land transfer of two parcels to expand the City's green space.

The Pension Obligation Bond nonmajor Debt Service Fund received transfers of \$11,762,124 for debt service payments of the 2021 Taxable Pension Obligation Bonds. The transfers consisted of \$11,502,241 from the General Fund, \$133,805 from the Grants major Special Revenue Fund, \$22,116 from the Gas Tax nonmajor Special Revenue Fund, \$71,679 from the Housing Authority major Special Revenue Fund, \$5,404 from the Air Quality Improvement nonmajor Special Revenue Fund, \$10,117 from the Civic Center Maintenance nonmajor Special Revenue Fund, \$9,237 from the Housing Successor Agency nonmajor Capital Projects Fund, and \$7,525 from the Inclusionary Housing Fee nonmajor Capital Projects Fund.

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

For the Year Ended June 30, 2024

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

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

The nonmajor Santa Ana Financing Authority Debt Service Fund received transfers of \$9,703,438 for debt service payments of the 1994 Series Police Lease Revenue bonds and the 2014 Private Placement Financing. The transfers consisted of \$9,496,118 from the General Fund and \$207,320 from the Engineering and Administrative Services Internal Service Fund.

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 Drainage Construction nonmajor Capital Projects Fund received transfers of \$275,028 from the Grants major Special Revenue Fund to provide funding for repairs to drainage facilities.

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 \$1,862,320 from the General Fund to support ongoing parking operations. The Federal Clean Water Protection nonmajor Enterprise Fund received \$1,222,664 from the Water major Enterprise Fund, \$457,345 from the Sewer major Enterprise Fund, and \$1,072,124 from the Refuse Collections nonmajor Enterprise Fund for surcharges that fund the various activities of the storm water management program.

The Self Insurance Internal Service Fund received \$10,089,400 from the General Fund to address estimated negative fund balance. The Information and Communications Services Internal Service Fund received \$107,771 from the General Fund and \$71,847 from the Engineering and Administrative Services Internal Service Fund for subscription-based information technology arrangements. The Engineering and Administrative Services Internal Service Fund received \$5,424 from the Water major Enterprise Fund for subscription-based information technology arrangements. There was a transfer in of \$851,942 from the Water major Enterprise Fund, \$850,000 from the General Fund, and \$105,909 from the Stores and Property Control Services Internal Service Fund to close out the fund.

Advances To/From Other Funds:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
Internal Service Funds:		
Self Insurance Fund	General Fund	\$ 292,000

The \$292,000 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, 2024

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, 2024:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
<i>Other debt:</i>					
Lease obligations	\$ 14,475,906	\$ 832,146	\$ 9,135,095	\$ 6,172,957	\$ 695,872
Subscription liability	5,067,756	1,416,175	2,494,677	3,989,254	1,449,952
Revenue refunding bonds	37,845,000	-	1,465,000	36,380,000	1,545,000
Lease revenue bonds	4,342,500	-	4,342,500	-	-
Pension Obligations bonds	403,659,325	-	2,467,813	401,191,512	3,212,490
Long-term loans & other payables	1,144,908	-	321,038	823,870	270,946
Unamortized bond discount/premium, net	7,228,320	-	438,080	6,790,240	-
<i>Direct borrowings and placements:</i>					
Notes from direct borrowings	14,451,443	-	6,276,871	8,174,572	2,071,421
<i>Other long-term liabilities:</i>					
Compensated absences payable	34,674,944	10,524,390	11,041,528	34,157,806	8,539,451
Claims payable - worker's compensation	38,659,042	5,597,241	6,093,875	38,162,408	5,850,000
Claims payable - liability insurance	19,651,291	9,796,182	7,902,487	21,544,986	4,369,500
Governmental activities total	\$ <u>581,200,435</u>	\$ <u>28,166,134</u>	\$ <u>51,978,964</u>	\$ <u>557,387,605</u>	\$ <u>28,004,632</u>
Business-type activities:					
<i>Other debt:</i>					
Revenue bonds payable	\$ 9,810,000	\$ 44,160,000	\$ 9,810,000	\$ 44,160,000	\$ 1,065,000
Subscription liability	975,531	715,776	865,306	826,001	229,057
Pension Obligations bonds	16,023,293	482,230	78,819	16,426,704	131,535
Add: Bond premium	1,190,579	5,211,233	1,190,579	5,211,233	-
Long-term loans & other payables	-	662,357	-	662,357	-
<i>Other long-term liabilities:</i>					
Compensated absences payable	2,693,213	1,492,372	1,038,727	3,146,858	786,715
Business-type activities total	\$ <u>30,692,616</u>	\$ <u>52,723,968</u>	\$ <u>12,983,431</u>	\$ <u>70,433,153</u>	\$ <u>2,212,307</u>

At year-end, \$2.3 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, 2024

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, 2024:

	Beginning Balance		Additions		Reductions		Ending Balance		Due Within One Year
Private-purpose trust activities:									
<i>Other debt:</i>									
Lease obligations	\$ 999,913	\$ -		\$ 218,976	\$		\$ 780,937	\$	220,807
2018A Tax allocation refunding bonds	9,195,000	-		830,000			8,365,000		875,000
2018B Tax allocation refunding bonds	47,260,000	-		8,635,000			38,625,000		9,285,000
Pension Obligation bonds	122,382	-		598			121,784		975
Add: Bond premium	1,102,251	-		134,969			967,282		-
Private-purpose trust total	\$ 58,679,546	\$ -		\$ 9,819,543	\$		\$ 48,860,003	\$	10,381,782

The City's legal debt margin is 10% of the total assessed valuation, which is \$862.6 million for the fiscal year ended June 30, 2024.

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 \$ 6.2 million plus interest at rates ranging from 0.46% to 1.33% with due dates ranging from July 2024 to July 2035.

Fiduciary Activities:

- Building and office space leases. Annual installments totaling \$ 0.8 million plus interest rate of 0.83% and due dates ranging from July 2024 to December 2027.

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

For the Year Ended June 30, 2024

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	
2025	\$ 695,872	\$ 83,725	\$ 220,807	\$ 5,663	\$ 1,006,067
2026	724,540	71,894	222,654	3,817	1,022,905
2027	754,759	59,615	224,515	1,955	1,040,844
2028	751,377	46,859	112,961	275	911,472
2029	594,331	37,302	-	-	631,633
2030 - 2033	2,652,078	69,715	-	-	2,721,793
Total	<u>\$ 6,172,957</u>	<u>\$ 369,110</u>	<u>\$ 780,937</u>	<u>\$ 11,710</u>	<u>\$ 7,334,714</u>

SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The City has entered into subscription-based information technology arrangements (SBITA) 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, 2024, SBITA assets and the related accumulated amortization totaled \$6.5 million and \$2.3 million, respectively, in governmental activities and \$1.2 million and \$0.4 million, respectively, in business-type activities.

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

For the Year Ended June 30, 2024

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	
2025	\$ 1,449,952	\$ 95,671	\$ 229,057	\$ 3,649	\$ 1,778,329
2026	1,213,785	67,015	79,485	18,578	1,378,863
2027	1,001,868	36,241	44,974	15,933	1,099,016
2028	225,296	10,753	46,359	14,548	296,956
2029	47,233	3,354	47,786	13,120	111,493
2030 - 2034	51,120	1,743	261,930	42,605	357,398
2035 - 2036	-	-	116,410	5,404	121,814
Total	\$ <u>3,989,254</u>	\$ <u>214,777</u>	\$ <u>826,001</u>	\$ <u>113,837</u>	\$ <u>5,143,869</u>

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, 2024, the City made variable payments as required by SBITA agreements totaling \$816,157.

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, 2024 was \$8.5 million against total debt payment of \$3.2 million. The unpaid balance as of June 30, 2024 was \$36.4 million.

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

For the Year Ended June 30, 2024

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

E. Long Term Liabilities (Continued)

Period Ending June 30	Principal	Interest
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	1,875,000	1,349,125
2030-2034	10,870,000	5,204,750
2035-2039	13,845,000	2,186,825
2040	3,145,000	62,900
Total	\$ <u>36,380,000</u>	\$ <u>15,072,225</u>

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, 2020, 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 5.0%.

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. The bonds were fully defeased in the current fiscal year.

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

For the Year Ended June 30, 2024

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

E. Long Term Liabilities (Continued)

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 2022 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, 2024 was \$417.7 million.

The annual debt service requirements are as follows:

Period Ending June 30	Principal	Interest
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	22,810,000	10,421,395
2030-2034	105,960,000	46,524,081
2035-2039	162,405,000	27,000,059
2040-2044	91,165,000	6,084,859
2045	4,405,000	68,233
Total	\$ <u>417,740,000</u>	\$ <u>133,561,582</u>

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

For the Year Ended June 30, 2024

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, 2024 was \$0.8 million. The annual debt service requirements are as follows:

Period Ending June 30	Principal
2025	\$ 270,946
2026	179,593
2027	136,344
2028	75,310
2029	69,558
2030-2031	92,119
Total	\$ <u>823,870</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 million 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, 2024 was \$2.7 million.

CITY OF SANTA ANA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2024

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	Capital One Public Funding, LLC	
	Principal	Interest
2025	\$ 645,000	\$ 90,094
2026	665,000	65,531
2027	695,000	40,031
2028	720,000	13,500
Total	<u>\$ 2,725,000</u>	<u>\$ 209,156</u>

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, 2024 was \$0.1 million.

The annual debt service requirements are as follows:

Period Ending June 30	Principal	Interest
2025	\$ 122,629	\$ 2,308

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, 2024 was \$0.2 million.

The annual debt service requirements are as follows:

Period Ending June 30	Principal	Interest
2025	\$ 202,562	\$ 3,940

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

For the Year Ended June 30, 2024

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 % 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 \$3.2 million as of June 30, 2024. 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, 2024 were as follows:

Period Ending			
June 30	Principal		Interest
2025	\$ 458,315	\$	28,451
2026	472,819		13,945
Total	\$ 931,134	\$	42,396

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, 2024

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
2025	\$	642,915	\$	139,635
2026		664,324		118,226
2027		686,446		96,104
2028		709,305		73,245
2029		732,925		49,626
2030		757,332		25,219
Total	\$	4,193,247	\$	502,055

COMPENSATED ABSENCES PAYABLE

The City's policies relating to compensated absences are described in Note 1D. The outstanding balance at June 30, 2024 was \$34.2 million and \$3.1 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 bonds were fully defeased in the current fiscal year with the issuance of the Water Revenue Bonds, Series 2024.

Water Revenue Bonds, Series 2024. On June 27, 2024, the City, through the Santa Ana Public Financing Authority (SAPFA), issued Water Revenue Bonds, Series 2024 for \$44.2 million. The proceeds of the bonds were used a) to refund in full the Water Revenue Refunding Bonds, Series, 2014, b) to finance a portion of the design, acquisition and construction of certain improvements to the water system, and c) to pay certain costs of issuing the Bonds. The principal of the bonds is payable commencing September 1, 2024 through 2049 and interest rate is 5.0%.

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

For the Year Ended June 30, 2024

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

E. Long Term Liabilities (Continued)

The 2024 Bonds are payable from revenues of SAPFA, consisting principally of installment payments by the City pursuant to a Master Installment Purchase Agreement between the City and SAPFA. The installment payments are special limited obligation of the City, payable from and secured by on all Net System Revenues. The total debt service amount for the bonds is \$77.8 million. Pledged revenue recognized during the fiscal year ended June 30, 2024 was \$4.3 million as against total debt payment of \$3.0 million. There is no requirement for establishing a reserve fund as security for the Bonds. The refunding resulted in cash flow difference of \$0.6 million and an economic gain (difference between the present value of the old debt and new debt service payments) of \$0.6 million. The unpaid balance as of June 30, 2024 was \$44.2 million.

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

Period Ending June 30	Principal	Interest
2025	\$ 1,065,000	\$ 1,469,908
2026	910,000	2,132,000
2027	960,000	2,085,250
2028	1,005,000	2,036,125
2029	1,055,000	1,984,625
2030-2034	6,100,000	9,056,000
2035-2039	7,725,000	7,338,375
2040-2044	9,860,000	5,150,500
2045-2049	12,575,000	2,359,375
2050	2,905,000	72,625
Total	\$ <u>44,160,000</u>	\$ <u>33,684,783</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, 2024</u>
Operating revenue	\$ 72,196,739
Operating expenses (net of depreciation & amortization expense of \$3,538,509)	<u>65,067,956</u>
Net revenue	7,128,783
Amount required for payment of principal and interest payable for the year ended June 30, 2025 (\$2,534,908 x 1.20)	<u>3,041,890</u>
Excess of net revenue over amount required	\$ <u>4,086,893</u>

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

For the Year Ended June 30, 2024

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

E. Long Term Liabilities (Continued)

Water Loan Notes

The City has entered into various loan arrangements with the California State Water Resources Control Board (SWRCB) for the purpose of financing expansion of sewer system and water system infrastructure improvements and maintenance. The City has one loan outstanding for certain well rehabilitation project funded through SWRCB's Drinking Water State Revolving Fund (SRF). The SRF assists public water systems in financing the cost of drinking water infrastructure projects needed to achieve or maintain compliance with Safe Drinking Water Act (SDWA) requirements. The principal and interest are payable commencing no later than one year after completion of the project at an interest rate ranging from 1.1% to 2.6% per annum with maturity date ranging from July 1, 2045, to June 30, 2055. In the event of default, the City may be required to, upon demand, immediately return to the SWRCB any grant or principal forgiveness amounts received; lender may accelerate the payment of any principal owed, all of which shall be immediately due and payable; and the City may be required to pay interest at the highest legal rate on all of the foregoing; and pay any additional fees. The payment date for the outstanding loan balance of \$0.7 million as of June 30, 2024 will not be determined until the completion of the project.

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:

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

For the Year Ended June 30, 2024

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

E. Long Term Liabilities (Continued)

Period Ending June 30	Principal	Interest
2025	\$ 875,000	\$ 396,375
2026	915,000	351,625
2027	965,000	304,625
2028	1,015,000	255,125
2029	1,065,000	203,125
2030-2032	3,530,000	270,500
Total	\$ <u>8,365,000</u>	\$ <u>1,781,375</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.

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

Period Ending June 30	Principal	Interest
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>38,625,000</u>	\$ <u>3,103,814</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

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

For the Year Ended June 30, 2024

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

E. Long Term Liabilities (Continued)

Recognized Obligation Payment Schedule (ROPS) to the County Auditor Controller (CAC) and the Department of Finance (DOF) by February 1st of each year (Section 34177(o)). Distributions from the Redevelopment Property Tax Trust Fund (RPTTF) are made semi-annually on June 1st and January 2nd. 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.

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, nor the State of California, nor any political subdivision thereof is pledged to the payment of these bonds.

Non-committal debt amount issued and outstanding at June 30, 2024 for the bonds was as follows:

Number	Fixed Rate Issues	Bonds Issued	Bonds Outstanding
2015-01	Warner Industrial Community	\$ 1,585,000	\$ 1,095,000
	Total Fixed Rate Issues	\$ <u>1,585,000</u>	\$ <u>1,095,000</u>

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:

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

For the Year Ended June 30, 2024

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

G. Other Bonds and Loan Programs (Continued)

Residential Mortgage Revenue Bond Programs:

Through June 30, 2024, 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, 2024, 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:

<u>Issue Date</u>	<u>Interest Rate</u>	<u>Original Principal</u>	<u>Outstanding Principal</u>
May 1, 2006	5.88%	7,343,904	1,384,244
May 1, 2007	5.21%	8,858,276	5,672,249
July 1, 2009	Variable	4,055,000	1,288,829
October 31, 2011	5.85%	10,615,700	2,300,392
		<u>\$ 30,872,880</u>	<u>\$ 10,645,714</u>

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 Residential Rehabilitation Grant 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.

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

For the Year Ended June 30, 2024

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

G. Other Bonds and Loan Programs (Continued)

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 30 to 45 years or are due upon sale with the loan secured by a deed of trust. A student incentive is provided to a college graduate who lived in Santa Ana while attending high school in which \$10,000 may be forgiven every five years up to \$40,000 in total forgiveness. US Military personnel and Veterans can also receive an incentive in which \$10,000 may be forgiven every five years up to \$40,000 with proof of owner occupancy.

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. For example, in 2012, the Successor Agency to the Community Redevelopment Agency of the City of Santa Ana provided a one-time forgivable loan of \$2.9 million for the development of a 41-unit new construction project that shall be forgiven in March 2067.

The various loan programs described above are funded by the HOME Investment Partnerships Program, Community Development Block Grant, CalHome Program, Low and Moderate Income Housing Asset Fund, Inclusionary Housing Fund, Neighborhood Stabilization Program, Rental Rehabilitation Program, and other grant funds that are available to create affordable housing and rehabilitate existing housing. The forgivable loans are offset by allowance for uncollectible accounts and the long-term loans are discounted based on the historical prime rate, which was 5.50% as of June 30, 2024. 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	\$ 45,450,223	\$ (267,308)	\$ 45,182,915
HOME - American Rescue Plan Program	3,791,697	-	3,791,697
Community Development Block Grants	5,518,079	(80,000)	5,438,079
Neighborhood Stabilization Program	10,716,929	-	10,716,929
CalHome Program	1,373,588	(133,341)	1,240,247
Rental Rehabilitation Program	347,871	-	347,871
Total Special Revenue Grants	67,198,387	(480,649)	66,717,738
Capital Projects - Inclusionary Housing Fee	11,023,342	(1,985,641)	9,037,701
Capital Projects - Housing Successor Agency	73,562,631	(50,970,510)	22,592,121
	<u>\$ 151,784,360</u>	<u>\$ (53,436,800)</u>	<u>\$ 98,347,560</u>

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

For the Year Ended June 30, 2024

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

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, 2024 totaled \$1.2 million.

Period Ending June 30	Principal Component	Interest Component	Total Lease Payment
2025	\$ 598,484	\$ 38,535	\$ 637,019
2026	620,223	16,796	637,019
	<u>\$ 1,218,707</u>	<u>\$ 55,331</u>	<u>\$ 1,274,038</u>

CITY OF SANTA ANA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2024

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

H. Commitments (Continued)

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, 2024 was \$17.2 million. These amounts are reported as assigned fund balance in the governmental funds.

<u>Encumbrances</u>	<u>June 30, 2024</u>
General Fund	\$ 5,376,003
Special Revenue Grants	3,329,294
Housing Authority	129,574
American Rescue Plan Act	1,880,857
Capital Grants	985,724
Water	960,051
Sewer	167,490
Nonmajor Special Revenue Funds	586,050
Nonmajor Capital Projects Funds	637,351
Nonmajor Enterprise Funds	52,300
Internal Service Funds	3,141,830
	<u>\$ 17,246,524</u>

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

For the Year Ended June 30, 2024

NOTE 4. OTHER INFORMATION (CONTINUED)

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. In July 1975, the City established Self Insurance Internal Service Funds for the administration of the City's self-insurance programs, to include workers' compensation, property, and liability, and associated risk management programs. The City contracts with a Third Party Administrator, AdminSure, Inc. for claims handling and administration of liability and workers' compensation claims. AdminSure claims adjusters estimate total losses for each claim and determines reserve requirements for the General Liability and Workers' Compensation claims as well as maintain required reporting and on-going communication with risk pool personnel including the Liability and Workers' Compensation Program Managers, and applicable gap, 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 liability, property and workers' compensation excess coverage and reinsurance. The City is currently managing the remainder of 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 Memorandum 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, 2024, 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, 2024

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, 2024.

Changes in the balances of claims liabilities since July 1, 2022 resulted from the following:

	<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>
	<u>Workers Compensation</u>	<u>General Liability</u>	<u>Total</u>
Net Unpaid Claims - July 1, 2023	\$ 38,659,042	\$ 19,651,291	\$ 58,310,333
Claims and Changes in Estimate	8,467,586	8,475,636	16,943,221
Claims Payments	<u>(4,633,882)</u>	<u>(6,008,792)</u>	<u>(10,642,673)</u>
Unpaid Claims - June 30, 2024	42,492,746	22,118,135	64,610,881
Less Discount Taken	<u>(4,330,338)</u>	<u>(573,149)</u>	<u>(4,903,487)</u>
Net Unpaid Claims - June 30, 2024	<u>\$ 38,162,408</u>	<u>\$ 21,544,986</u>	<u>\$ 59,707,394</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 \$59.7 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, the Santa Ana Financing Authority, and the Santa Ana Public 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, 2024

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, 2024 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, 2024

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. PEPR 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, 2023, are summarized as follows:

	Miscellaneous	
	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)	11.23%	11.23%
Required employer contribution (Unfunded Liability)	\$ 9,568,651	Included in Tier 1

CITY OF SANTA ANA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2024

NOTE 4. OTHER INFORMATION (CONTINUED):

E. Defined Benefit Pension Plan (Continued)

	Safety	
	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%	12.25%
Required employer contribution (Normal Cost Rate)	22.07%	22.07%
Required employer contribution (Unfunded Liability)	\$ 12,780,268	Included in Tier 1

Employees Covered

At the measurement date ended June 30, 2023, the following employees were covered by the benefit terms of each Plan:

	<u>Miscellaneous</u>	<u>Safety</u>
Inactive employees or beneficiaries currently receiving benefits	1,634	984
Inactive employees entitled to but not yet receiving benefits	988	165
Active employees	877	345
Total	<u>3,499</u>	<u>1,494</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, 2024

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 the fiscal year 2023-24, the rate is 7.75% (12.75% 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 the fiscal year 2023-24, the Employer Normal Cost Rate was 24.17% for safety employees and 12.55% for non-safety employees. The City's total employer contributions based on the rates were \$13.0 million for safety employees and \$10.7 million for non-safety employees. The City also contributed Employer Payment of Unfunded Liability of \$12.8 million for safety employees and \$9.6 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, 2023, using an annual actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 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, 2022 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous	Safety
Valuation Date	June 30, 2022	June 30, 2022
Measurement Date	June 30, 2023	June 30, 2023
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 Increase	(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 and Review of Actuarial Assumptions. Mortality rates incorporate full 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 2021 experience study report from November 2021 that can be found on the CalPERS website.
- (3) The lesser 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, 2024

NOTE 4. OTHER INFORMATION (CONTINUED):

E. Defined Benefit Pension Plan (Continued)

Change of Assumptions

There were no changes to assumptions from the measurement date June 30, 2022 to June 30, 2023.

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 of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 basis points.

CITY OF SANTA ANA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2024

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%	4.54%
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, 2024

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)
Balance at June 30, 2022 (VD) ⁽¹⁾	\$ 1,048,099,231	\$ 883,359,795	\$ 164,739,436
Changes in the year:			
Service cost	14,778,401	-	14,778,401
Interest on the total pension liability	71,689,862	-	71,689,862
Differences between expected and actual experience	12,115,570	-	12,115,570
Changes in assumptions	-	-	-
Changes of Benefit Terms	927,937	-	927,937
Contribution from the employer	-	20,140,233	(20,140,233)
Contribution from the employees	-	5,674,243	(5,674,243)
Net investment income	-	53,233,106	(53,233,106)
Benefit payments, including refunds of employee contributions	(59,096,862)	(59,096,862)	-
Administrative expense	-	(649,581)	649,581
Other Miscellaneous Income/(Expense)	-	-	-
Net changes during 2022-23	\$ 40,414,908	\$ 19,301,139	\$ 21,113,769
Balance at June 30, 2023 (MD) (1)	\$ 1,088,514,139	\$ 902,660,934	\$ 185,853,205

Safety Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2022 (VD) ⁽¹⁾	\$ 1,295,815,286	\$ 1,078,801,745	\$ 217,013,541
Changes in the year:			
Service cost	17,487,810	-	17,487,810
Interest on the total pension liability	88,584,738	-	88,584,738
Differences between expected and actual experience	17,446,334	-	17,446,334
Changes in assumptions	-	-	-
Changes of Benefit Terms	491,763	-	491,763
Contribution from the employer	-	26,984,286	(26,984,286)
Contribution from the employees	-	5,255,312	(5,255,312)
Net investment income	-	64,432,709	(64,432,709)
Benefit payments, including refunds of employee contributions	(77,321,020)	(77,321,020)	-
Administrative expense	-	(793,300)	793,300
Other Miscellaneous Income/(Expense)	-	-	-
Net changes during 2022-23	\$ 46,689,625	\$ 18,557,987	\$ 28,131,638
Balance at June 30, 2023 (MD) (1)	\$ 1,342,504,911	\$ 1,097,359,732	\$ 245,145,179

⁽¹⁾ The table above is based on the Valuation Date (VD) June 30, 2022 and the Measurement Date (MD) of June 30, 2023.

CITY OF SANTA ANA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2024

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	327,830,387	185,853,205	68,757,424
Safety	416,724,718	245,145,179	104,000,400

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, 2024, the City recognized pension expense of \$60.6 million for safety plan and \$47.9 million for non-safety employees. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Miscellaneous Plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 20,291,645	\$ -
Changes of assumptions	5,595,594	-
Differences between expected and actual experience	7,628,322	810,039
Net differences between projected and actual earnings on pension plan	44,607,846	-
Total	<u>\$ 78,123,407</u>	<u>\$ 810,039</u>

CITY OF SANTA ANA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2024

NOTE 4. OTHER INFORMATION (CONTINUED):

E. Defined Benefit Pension Plan (Continued)

Safety Plan:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 25,763,340	\$ -
Changes of assumptions	12,669,025	-
Differences between expected and actual experience	11,430,357	4,533,279
Net differences between projected and actual earnings on pension plan investments	55,696,159	-
Total	<u>\$ 105,558,881</u>	<u>\$ 4,533,279</u>

The \$46.1 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	<u>Deferred Outflows/(inflows) of Resources</u>		
	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
2025	\$ 18,669,869	\$ 26,209,338	\$ 44,879,207
2026	9,781,249	14,190,650	23,971,899
2027	27,277,867	33,191,010	60,468,877
2028	1,292,738	1,671,264	2,964,002
Thereafter	-	-	-

e. Payable to the Pension Plan:

As of June 30, 2024, the City had \$1.8 million of contributions payable to the pension plan required for the fiscal year ended June 30, 2024.

CITY OF SANTA ANA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2024

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 the fiscal year 2023-24, the City's annual PARS contribution was \$147,442.

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, 2024, using an annual actuarial valuation as of June 30, 2024. 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, 2024

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	6/30/2024
Measurement Date	6/30/2024
Actuarial Cost Method	Entry-Age Normal
Amortization Method:	
Level percent or level dollar	Level dollar
Closed, open, or layered periods	Closed
Amortization period at 06/30/2024	8 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, 2024, 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, 2024

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, 2024, 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 3.65% as of June 30, 2023 to 3.93% as of June 30, 2024, resulting in an increase in the single equivalent rate from 3.65% as of June 30, 2023 to 3.93% as of June 30, 2024.

The unfunded liability, referred to as the Net Pension Liability, is \$2.0 million for a funded ratio of 4.92% as of June 30, 2024.

<u>Asset Class</u>	<u>Index</u>	<u>Estimated Allocation</u>	<u>Long-Term Expected Arithmetic Real Rate of Return</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
US Cash	BAML 3-Month Tbill	100%	0.94%	0.91%
Assumed Inflation- Mean			2.30%	2.30%
Assumed Inflation - Standard Deviation			1.45%	1.45%
Portfolio Real Mean Return			0.94%	0.91%
Portfolio Nominal Mean Return			3.24%	3.24%
Portfolio Standard Deviation				1.12%
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, 2024

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 (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2023	\$ 2,238,113	\$ 93,037	\$ 2,145,076
Service cost	-	-	-
Interest on total pension liability	79,292	-	79,292
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	21,350	-	21,350
Effect of assumptions changes or inputs	(63,010)	-	(63,010)
Benefit payments	(132,664)	(132,664)	-
Employer contributions	-	147,442	(147,442)
Member contributions	-	-	-
Net investment income	-	5,526	(5,526)
Administrative expenses	-	(7,854)	7,854
Balances at June 30, 2024	<u>\$ 2,143,081</u>	<u>\$ 105,487</u>	<u>\$ 2,037,594</u>

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 3.93%, 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 (2.93%) or 1 percentage point higher (4.93%) than the current rate.

	1% Decrease 2.93%	Current Discount Rate 3.93%	1% Increase 4.93%
Net pension liability	\$ 2,277,091	\$ 2,037,594	\$ 1,834,911

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

For the year ended June 30, 2024, the City recognized pension expense of \$0.04 million. As of June 30, 2024, 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, 2024

NOTE 4. OTHER INFORMATION (CONTINUED):

F. Supplementary Retirement Plan (Continued)

	Deferred Inflows of Resources	Deferred Outflows of Resources
Net differences between projected and actual earnings on pension plan	\$ -	\$ 3,961
Total	\$ -	\$ 3,961

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
2025	\$ 2,188
2026	1,325
2027	396
2028	52
2029	-
Thereafter*	-

* Note that additional future deferred inflows and outflows of resources may impact these numbers.

The following is a summary of the City's total fiscal year 2023-24 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	\$ 183,625,985	\$ 56,303	\$ 183,682,288
- Supplementary Retirement Plan	3,961	-	3,961
Total	\$ 183,629,946	\$ 56,303	\$ 183,686,249
<u>Deferred inflows on pension plans</u>			
- CalPERS	\$ 5,342,735	\$ 583	\$ 5,343,318
<u>Net pension liability:</u>			
- CalPERS	430,864,438	133,946	430,998,384
- Supplementary Retirement Plan	2,037,594	-	2,037,594
Total	\$ 432,902,032	\$ 133,946	\$ 433,035,978

CITY OF SANTA ANA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2024

NOTE 4. OTHER INFORMATION (CONTINUED):

F. Supplementary Retirement Plan (Continued)

Plan	Pension Expense
Defined Benefit Pension Plan:	
- Miscellaneous	\$ 47,901,930
- Safety	60,639,986
Supplementary Retirement Plan	<u>42,534</u>
Total \$	<u><u>108,584,450</u></u>

The City's net pension liability is primarily comprised of two numbers: the net liability of \$431.0 million with CalPERS and the \$417.7 million of outstanding pension obligation bonds at June 30, 2024. 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, 2024

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 \$157 for calendar year 2024 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 2023-24 (measurement period 2022-23), the total City's PEMHCA benefit payment was \$0.8 million and the implicit subsidy was \$0.8 million for a total of \$1.6 million.

CITY OF SANTA ANA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2024

NOTE 4. OTHER INFORMATION (CONTINUED):

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

d. Employees Covered:

As of the June 30, 2023 measurement date, the following current and former employees were covered by the benefit terms under the plan:

Inactive employees currently receiving benefits	443
Inactives entitled to but not yet receiving	68
Active employees	684
Total	<u><u>1,195</u></u>

e. Total OPEB Liability:

The City's total OPEB liability of \$36.1 million was measured as of June 30, 2023, and was determined by an actuarial valuation as of June 30, 2023.

Actuarial Assumptions and Other Inputs

The total OPEB liability as of June 30, 2023 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, 2023
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	4.13%
Inflation	2.50%
Projected Salary Increase	2.75% per annum, in aggregate
	Non-Medicare - 8.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076
Healthcare Cost Trend Rates	Medicare - 7.50% (Non-Kaiser) and 6.25% (Kaiser) for 2025, decreasing to an ultimate rate of 3.45% 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, 2024

NOTE 4. OTHER INFORMATION (CONTINUED):

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

Change of Assumptions

Changes of assumptions since June 30, 2023 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 4.09% as of June 30, 2022 and 4.13% as of June 30, 2023.

Changes in Total OPEB Liability

The changes in total OPEB liability are as follows:

	<u>Total OPEB Liability</u>
Balance at June 30, 2023	\$ 42,713,299
Changes in the Year:	
Service cost	1,184,322
Interest on the total OPEB liability	1,758,565
Changes of assumptions	(3,404,352)
Actual vs. expected experience	(4,347,085)
Benefit payments	<u>(1,801,863)</u>
Net Changes	<u>(6,610,413)</u>
Balance at June 30, 2024 ⁽¹⁾	<u>\$ 36,102,886</u>

(1) The table above is based on the Valuation Date of June 30, 2023 and the Measurement Date of June 30, 2023.

CITY OF SANTA ANA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2024

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	Current Discount Rate	1% Increase
	<u>3.13%</u>	<u>4.13%</u>	<u>5.13%</u>
Total OPEB Liability	\$ 41,100,293	\$ 36,102,886	\$ 31,997,393

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	Current Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	\$ 31,660,552	\$ 36,102,886	\$ 41,575,921

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

For the year ended June 30, 2024, the City recognized OPEB income of \$1.6 million. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made subsequent to measurement date	\$ 1,645,406	\$ -
Change of assumptions	149,828	14,932,045
Difference between expected and actual experience	1,462,945	3,698,266
Changes in proportionate share	2,163,472	2,163,472
Total	\$ <u>5,421,651</u>	\$ <u>20,793,783</u>

CITY OF SANTA ANA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2024

NOTE 4. OTHER INFORMATION (CONTINUED):

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

\$1.6 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, 2025. 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
2025	(3,976,500)
2026	(3,684,786)
2027	(3,643,885)
2028	(3,314,145)
2029	(1,588,371)
Thereafter	(809,851)

The following is a summary of the City's total fiscal year 2023-24 deferred amounts on OPEB plan, and total OPEB liability:

Plan	Government- wide	Fiduciary Funds	Total
Deferred outflows on OPEB plan	\$ 5,420,887	\$ 764	\$ 5,421,651
Deferred inflows on OPEB plan	20,663,783	130,000	20,793,783
Total OPEB liability	36,094,459	8,427	36,102,886

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

For the Year Ended June 30, 2024

NOTE 4. OTHER INFORMATION (CONTINUED):

I. Restatement of Beginning Net Position and Fund Balance

During the year ended June 30, 2024, beginning fund balance of the Governmental Funds was restated for the implementation of GASB Statement No. 100 to record the change in fund presentation.

Change in Fund Presentation from Nonmajor to Major

Capital Projects Capital Grants Fund previously did not meet the criteria to be reported as a major governmental fund. However, effective July 1, 2023, the fund no longer met the criteria to be reported as a nonmajor fund and is reported as major governmental fund for the fiscal year ended June 30, 2024. The effect of this change resulted in adjustments to and restatements of beginning fund balances as follows:

	June 30, 2023 As Previously Reported	Changes to or Within the Financial Reporting Entity	June 30, 2024 As Restated
Governmental Funds:			
Major Funds:			
General Fund	198,644,948	-	198,644,948
Special Revenue Grants	6,754,892	-	6,754,892
Special Revenue Housing Authority	6,478,787	-	6,478,787
Special Revenue American Rescue Plan Act	(4,354,045)	-	(4,354,045)
Capital Projects Capital Grants	-	(9,723,933)	(9,723,933)
Capital Projects Street Construction	33,747,034	-	33,747,034
Nonmajor Funds	97,149,704	9,723,933	106,873,637
Total Governmental Funds	\$ 338,421,320	\$ -	\$ 338,421,320

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

For the Year Ended June 30, 2024

NOTE 4. OTHER INFORMATION (CONTINUED):

J. Classification of Fund Balances

The City's fund balances at June 30, 2024 consisted of the following:

	General	Special Revenue Funds			Capital Projects Capital Grants	Capital Projects Street Construction	Nonmajor Governmental Funds	Total
		Special Revenue Grants	Special Revenue Housing Authority	Special Revenue American Rescue Plan Act				
Nonspendable:								
Prepaid Items	\$ 30,448	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,448
Inventory of supplies	15,180	-	-	-	-	-	-	15,180
Total Nonspendable	45,628	-	-	-	-	-	-	45,628
Restricted:								
Public works streetlight project	1,268,870	-	-	-	-	-	-	1,268,870
Public safety grants	-	5,270,190	-	-	-	-	-	5,270,190
Housing & urban development	-	6,062,478	6,864,656	-	-	-	45,356,443	58,283,577
Recreation services	-	701,851	-	-	-	-	-	701,851
Library services	-	94,808	-	-	-	-	-	94,808
Street capital improvement projects	-	-	-	-	-	36,865,662	26,437,589	63,303,251
Drainage construction	-	-	-	-	-	-	4,353,745	4,353,745
Inmate welfare	-	-	-	-	-	-	2,505,347	2,505,347
Sewer system maintenance	-	-	-	-	-	-	4,521,527	4,521,527
Air quality improvements	-	-	-	-	-	-	785,613	785,613
Park acquisition & development	-	-	-	-	-	-	20,942,008	20,942,008
Community development capital projects	-	-	-	-	-	-	217,406	217,406
Debt service	-	-	-	-	-	-	72,451	72,451
Pension stability fund	25,943,157	-	-	-	-	-	-	25,943,157
Total restricted	27,212,027	12,129,327	6,864,656	-	-	36,865,662	105,192,129	188,263,801
Assigned:								
Contractual obligations	18,376,003	-	-	-	-	-	-	18,376,003
City Services	2,330,760	-	-	-	-	-	-	2,330,760
City Public Safety & Community Benefit Programs	6,898	-	-	-	-	-	-	6,898
Fire Facilities Fund	2,865,105	-	-	-	-	-	-	2,865,105
Cable TV (PEG)	2,201,885	-	-	-	-	-	-	2,201,885
Continuing projects:								
Cannabis Public Benefit	19,942,537	-	-	-	-	-	-	19,942,537
Artist Grant Program	275,000	-	-	-	-	-	-	275,000
City Facility Improvements	10,410,461	-	-	-	-	-	-	10,410,461
Community & Business Assistance Programs	487,716	-	-	-	-	-	-	487,716
Compliance Reporting	259,890	-	-	-	-	-	-	259,890
Community & Neighborhood Preservation	470,000	-	-	-	-	-	-	470,000
Emergency Management & Preparation	363,980	-	-	-	-	-	-	363,980
Employee Retention Initiatives & Separation	42,000	-	-	-	-	-	-	42,000
Equipment & related supplies	139,235	-	-	-	-	-	-	139,235
General Plan Implementation	1,670,251	-	-	-	-	-	-	1,670,251
IT Software Systems	112,000	-	-	-	-	-	-	112,000
Library Improvements & Programs	5,238,356	-	-	-	-	-	-	5,238,356
Parking Study & Parking Lot Purchase	290,000	-	-	-	-	-	-	290,000
Parks & Recreation Facilities Improvements	16,821,871	-	-	-	-	-	-	16,821,871
Police Facilities and Equipment	1,273,580	-	-	-	-	-	-	1,273,580
Public Works Projects & Equipment	11,646,206	-	-	-	-	-	-	11,646,206
Technology improvements and upgrades	30,000	-	-	-	-	-	-	30,000
Treasury administration & system upgrades	185,420	-	-	-	-	-	-	185,420
Vehicle Purchase & Related Equipment	92,000	-	-	-	-	-	-	92,000
Total assigned	95,531,154	-	-	-	-	-	-	95,531,154
Unassigned:								
General Fund								
Operating Reserve	74,032,894	-	-	-	-	-	-	74,032,894
Unallocated Amount	23,197,952	-	-	-	-	-	-	23,197,952
Special Revenue Funds	-	(2,957,418)	-	(1,197,406)	-	-	(139,979)	(4,294,803)
Capital Projects Funds	-	-	-	-	(21,497,494)	-	-	(21,497,494)
Total unassigned	97,230,846	(2,957,418)	-	(1,197,406)	(21,497,494)	-	(139,979)	71,438,549
Total	\$ 220,019,655	\$ 9,171,909	\$ 6,864,656	\$ (1,197,406)	\$ (21,497,494)	\$ 36,865,662	\$ 105,052,150	\$ 355,279,132

CITY OF SANTA ANA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2024

NOTE 4. OTHER INFORMATION (CONTINUED):

J. 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.

CITY OF SANTA ANA, CALIFORNIA

Required Supplementary Information

Required Supplementary
Information

General Fund
Budgetary Comparison Schedule
Year ended June 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	\$ 179,292,650	\$ 181,869,155	\$ 189,186,404	\$ 7,317,249
License and permits	7,358,240	8,817,140	9,477,312	660,172
Intergovernmental	157,375,120	146,959,710	147,151,247	191,537
Charges for services	21,403,250	26,944,445	26,772,159	(172,286)
Fines and forfeits	5,647,100	5,647,100	6,558,478	911,378
Investment income	713,200	4,913,200	12,536,408	7,623,208
Cost recoveries and donations	14,867,360	14,939,330	15,946,241	1,006,911
Rental income	19,012,000	14,462,000	14,850,751	388,751
Miscellaneous	1,572,070	420,509	212,672	(207,837)
Total revenues	407,240,990	404,972,589	422,691,672	17,719,083
Expenditures:				
Current:				
General Government:				
City Council	1,021,070	1,048,470	777,107	271,363
Clerk of the Council	2,411,150	1,793,350	1,477,772	315,578
City Attorney	4,877,620	4,982,620	3,525,312	1,457,308
City Manager	3,359,680	3,562,880	3,503,093	59,787
Nondepartmental	39,721,110	38,297,349	21,928,369	16,368,980
Total General Government	51,390,630	49,684,669	31,211,653	18,473,016
Human Resources	4,194,040	4,400,640	3,618,178	782,462
Finance and Management Services	11,781,880	12,358,142	11,981,068	377,074
Museum	1,674,210	1,674,210	1,673,522	688
Library	7,835,310	7,992,735	7,428,121	564,614
Recreation and Community Services	18,069,800	19,928,873	17,510,027	2,418,846
Police Department	149,488,290	154,614,336	153,104,912	1,509,424
Fire and ambulance services	57,191,300	50,658,795	45,671,272	4,987,523
Planning and Building	24,316,180	26,806,666	21,119,419	5,687,247
Public Works	42,037,930	41,018,444	42,706,434	(1,687,990)
Community Development	6,174,080	7,207,985	3,895,848	3,312,137
	322,763,020	326,660,826	308,708,801	17,952,025
Capital Outlay	10,092,160	86,450,227	24,043,948	62,406,279
Debt Service:				
Principal retirement	2,696,050	2,523,645	3,011,542	(487,897)
Interest and fiscal charges	91,610	229,975	364,788	(134,813)
Total expenditures	387,033,470	465,549,342	367,340,732	98,208,610
Excess (deficiency) of revenues over (under) expenditures	20,207,520	(60,576,753)	55,350,940	115,927,693
Other financing sources (uses):				
Transfers in	160,500	160,500	50,820	(109,680)
Transfers out	(32,385,560)	(35,678,504)	(35,681,024)	(2,520)
Lease proceeds	-	-	832,147	832,147
Subscription proceeds	-	-	830,076	830,076
Sale of capital assets	-	-	(8,252)	(8,252)
Total other financing sources (uses)	(32,225,060)	(35,518,004)	(33,976,233)	1,541,771
Net change in fund balances	(12,017,540)	(96,094,757)	21,374,707	117,469,464
Fund balance - beginning	198,644,948	198,644,948	198,644,948	-
Fund balance - ending	\$ 186,627,408	\$ 102,550,191	\$ 220,019,655	\$ 117,469,464

See accompanying Notes to Required Supplementary Information.

Special Revenue Housing Authority Fund
Budgetary Comparison Schedule
Year ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 56,591,610	\$ 62,366,677	\$ 60,314,386	\$ (2,052,291)
Investment income	35,000	35,000	33,837	(1,163)
Cost recoveries	25,000	25,000	-	(25,000)
Miscellaneous	151,330	151,330	50,065	(101,265)
Total revenues	56,802,940	62,578,007	60,398,288	(2,179,719)
Expenditures:				
Current:				
Community development	56,840,530	62,470,570	59,940,740	2,529,830
Capital Outlay	35,000	55,700	127,809	(72,109)
Total expenditures	56,875,530	62,526,270	60,068,549	2,457,721
Excess (deficiency) of revenues over (under) expenditures	(72,590)	51,737	329,739	278,002
Other financing sources (uses):				
Transfers out	(71,700)	(71,700)	(71,679)	21
Capital lease arrangement	-	-	127,809	127,809
Total other financing sources (uses)	(71,700)	(71,700)	56,130	127,830
Net change in fund balance	(144,290)	(19,963)	385,869	405,832
Fund balance - beginning	6,478,787	6,478,787	6,478,787	-
Fund balance - ending	\$ 6,334,497	\$ 6,458,824	\$ 6,864,656	\$ 405,832

See accompanying Notes to Required Supplementary Information.

Special Revenue American Rescue Plan Act
Budgetary Comparison Schedule
Year ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 85,577,128	\$ 33,048,140	\$ (52,528,988)
Investment income	-	-	3,134,340	3,134,340
Rental income	-	-	22,300	22,300
Total revenues	-	85,577,128	36,204,780	(49,372,348)
Expenditures:				
Current:				
General government	104,480	2,347,403	507,153	1,840,250
Human resources	129,880	-	-	-
Finance and management services	317,800	10,856,932	10,186,360	670,572
Library	-	35,358	35,358	-
Recreation and community services	-	655,545	501,862	153,683
Police department	102,520	960,996	276,894	684,102
Information technology	-	1,788,263	19,127	1,769,136
Planning and building	532,060	861,908	535,069	326,839
Public works	3,365,790	5,643,980	5,643,980	-
Community development	5,462,590	4,574,406	2,719,735	1,854,671
Capital Outlay	-	67,892,362	12,622,603	55,269,759
Total expenditures	10,015,120	95,617,153	33,048,141	62,569,012
Excess (deficiency) of revenues over (under) expenditures	(10,015,120)	(10,040,025)	3,156,639	13,196,664
Net change in fund balance	(10,015,120)	(10,040,025)	3,156,639	13,196,664
Fund balance - beginning	(4,354,045)	(4,354,045)	(4,354,045)	-
Fund balance - ending	\$ (14,369,165)	\$ (14,394,070)	\$ (1,197,406)	\$ 13,196,664

See accompanying Notes to Required Supplementary Information.

CITY OF SANTA ANA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2024

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 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.

The proposed budget is presented to the Council during a public hearing. A notice advertising the public hearing is published in a local publication in May and /or June. The public is given the opportunity to be heard at this hearing and City Council may make modifications to the proposed budget with an affirmative vote of a super majority (5). On or before the 30th day of June, the City Council meets to adopt the proposed budget, as amended by the affirmative vote of a supermajority (5) of the seven-member Council. In the event that a budget is not formally adopted by the 30th day of June, the City Charter requires City Council to adopt a budget no later than July 31. Upon final adoption, the budget becomes the authority for the various departments, agencies, and offices to expend appropriations, 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 (5) of the members to authorize the transfer of unused balances appropriated for one purpose to another purpose, or to appropriate available revenue not included in the budget. When 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 such revisions are necessary and proper. The legal level of budgetary control exists at the department and fund 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 Human Resources Department. The Police Department is responsible for the budget of the Inmate Welfare fund and the City Manager's Office is responsible for managing the ARPA budget. 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. Although budgets for the City's Proprietary Funds are legally adopted, 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, 2024

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. 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, 2024

**Defined Benefit Pension Plan
Miscellaneous Plan
Schedule of Changes in Net Pension Liability and Related Ratios
Last Ten Fiscal Years**

Fiscal year ended	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Measurement period	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
TOTAL PENSION LIABILITY				
Service cost	\$ 14,778,401	\$ 13,958,963	\$ 12,289,589	\$ 11,318,820
Interest on the total pension liability	71,689,862	68,941,567	67,697,532	65,271,458
Changes of Benefit Terms	927,937	-	-	-
Differences between expected and actual experience	12,115,570	(4,050,191)	6,495,016	1,913,494
Changes in assumptions	-	27,977,970	-	-
Benefit payments, including refunds of employee contributions	(59,096,862)	(53,949,934)	(50,880,185)	(48,398,964)
Net Change in Total Pension Liability	40,414,908	52,878,375	35,601,952	30,104,808
Total Pension Liability - Beginning	1,048,099,231	995,220,856	959,618,904	929,514,096
Total Pension Liability - Ending (a)	<u>\$ 1,088,514,139</u>	<u>\$ 1,048,099,231</u>	<u>\$ 995,220,856</u>	<u>\$ 959,618,904</u>
PLAN FIDUCIARY NET POSITION				
Contribution from the employer	\$ 20,140,233	\$ 205,101,430	\$ 30,811,367	\$ 28,544,599
Contribution from the employee	5,674,243	5,670,222	5,303,654	5,560,258
Net investment income	53,233,106	(69,655,899)	149,879,386	31,736,275
Benefit payments, including refunds of employee contributions	(59,096,862)	(53,949,934)	(50,880,185)	(48,398,964)
Net Plan to Plan Resource Movement	-	-	-	-
Administrative expenses	(649,581)	(496,290)	(661,535)	(910,287)
Other Miscellaneous Income/(Expense)	-	-	-	-
Net change in Fiduciary Net position	19,301,139	86,669,529	134,452,687	16,531,881
Plan Fiduciary Net Position - Beginning	883,359,795	796,690,266	662,237,579	645,705,698
Plan Fiduciary Net Position - Ending (b)	<u>\$ 902,660,934</u>	<u>\$ 883,359,795</u>	<u>\$ 796,690,266</u>	<u>\$ 662,237,579</u>
Plan Net Pension Liability/(Asset) Ending (a) - (b)	<u>\$ 185,853,205</u>	<u>\$ 164,739,436</u>	<u>\$ 198,530,590</u>	<u>\$ 297,381,325</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.93%	84.28%	80.05%	69.01%
Covered payroll	\$ 76,476,622	\$ 72,831,624	\$ 68,085,845	\$ 64,563,229
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	243.02%	226.19%	291.59%	460.60%

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.

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

For the Year Ended June 30, 2024

**Defined Benefit Pension Plan
Miscellaneous Plan
Schedule of Changes in Net Pension Liability and Related Ratios
Last Ten Fiscal Years**

<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
\$ 11,557,539	\$ 11,348,737	\$ 11,036,864	\$ 9,746,396	\$ 9,672,344	\$ 10,195,939
63,170,975	61,037,490	59,176,108	58,091,618	56,329,663	54,166,684
-	-	-	-	-	-
1,887,415	1,935,068	(10,220,370)	(5,558,589)	(900,398)	-
-	(4,549,188)	49,432,900	-	(13,889,017)	-
<u>(45,891,602)</u>	<u>(43,186,575)</u>	<u>(40,256,356)</u>	<u>(38,594,541)</u>	<u>(36,302,165)</u>	<u>(34,094,639)</u>
30,724,327	26,585,532	69,169,146	23,684,884	14,910,427	30,267,984
898,789,769	872,204,237	803,035,091	779,350,207	764,439,780	734,171,796
<u>\$ 929,514,096</u>	<u>\$ 898,789,769</u>	<u>\$ 872,204,237</u>	<u>\$ 803,035,091</u>	<u>\$ 779,350,207</u>	<u>\$ 764,439,780</u>
\$ 23,585,463	\$ 21,163,207	\$ 18,415,225	\$ 16,951,369	\$ 14,336,768	\$ 12,836,905
4,649,932	5,111,516	4,850,487	4,876,243	4,982,824	5,076,392
40,383,805	49,494,120	60,753,784	2,859,074	12,722,834	85,824,721
(45,891,602)	(43,186,575)	(40,256,356)	(38,594,541)	(36,302,165)	(34,094,639)
-	(1,444)	-	497	63	-
(444,887)	(924,871)	(812,882)	(344,230)	(635,613)	-
<u>1,444</u>	<u>(1,756,345)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
22,284,155	29,899,608	42,950,258	(14,251,588)	(4,895,289)	69,643,379
623,421,543	593,521,935	550,571,677	564,823,265	569,718,554	500,075,175
<u>\$ 645,705,698</u>	<u>\$ 623,421,543</u>	<u>\$ 593,521,935</u>	<u>\$ 550,571,677</u>	<u>\$ 564,823,265</u>	<u>\$ 569,718,554</u>
<u>\$ 283,808,398</u>	<u>\$ 275,368,226</u>	<u>\$ 278,682,302</u>	<u>\$ 252,463,414</u>	<u>\$ 214,526,942</u>	<u>\$ 194,721,226</u>
69.47%	69.36%	68.05%	68.56%	72.47%	74.53%
\$ 59,686,019	\$ 60,481,440	\$ 59,794,476	\$ 59,115,644	\$ 58,022,457	\$ 57,613,942
475.50%	455.29%	466.07%	427.07%	369.73%	337.98%

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%.

From Fiscal Year June 30, 2018 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.

From Fiscal Year June 30, 2023 to June 30, 2024:

There were no significant changes of assumptions.

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

For the Year Ended June 30, 2024

**Defined Benefit Pension Plan
Safety Plan
Schedule of Changes in Net Pension Liability and Related Ratios
Last Ten Fiscal Years**

Fiscal year ended	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Measurement period	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
TOTAL PENSION LIABILITY				
Service cost	\$ 17,487,810	\$ 17,497,323	\$ 15,315,133	\$ 13,297,013
Interest on the total pension liability	88,584,738	85,463,316	84,643,047	81,740,251
Changes of Benefit Terms	491,763	-	-	-
Differences between expected and actual experience	17,446,334	(14,607,231)	14,791,099	3,506,542
Changes in assumptions	-	40,822,417	-	-
Benefit payments, including refunds of employee contributions	(77,321,020)	(73,990,935)	(70,978,097)	(69,499,682)
Net Change in Total Pension Liability	46,689,625	55,184,890	43,771,182	29,044,124
Total Pension Liability - Beginning	1,295,815,286	1,240,630,396	1,196,859,214	1,167,815,090
Total Pension Liability - Ending (a)	<u>\$ 1,342,504,911</u>	<u>\$ 1,295,815,286</u>	<u>\$ 1,240,630,396</u>	<u>\$ 1,196,859,214</u>
PLAN FIDUCIARY NET POSITION				
Contribution from the employer	\$ 26,984,286	\$ 290,235,652	\$ 37,372,233	\$ 33,643,966
Contribution from the employee	5,255,312	5,739,104	5,660,954	5,008,789
Net investment income	64,432,709	(85,016,524)	177,678,941	38,593,656
Benefit payments, including refunds of employee contributions	(77,321,020)	(73,990,935)	(70,978,097)	(69,499,682)
Net Plan to Plan Resource Movement	-	-	-	-
Administrative expenses	(793,300)	(587,072)	(792,638)	(1,109,255)
Other Miscellaneous Income/(Expense)	-	-	-	-
Net change in Fiduciary Net position	18,557,987	136,380,225	148,941,393	6,637,474
Plan Fiduciary Net Position - Beginning	1,078,801,745	942,421,520	793,480,127	786,842,653
Plan Fiduciary Net Position - Ending (b)	<u>\$ 1,097,359,732</u>	<u>\$ 1,078,801,745</u>	<u>\$ 942,421,520</u>	<u>\$ 793,480,127</u>
Plan Net Pension Liability/(Asset) Ending (a) - (b)	<u>\$ 245,145,179</u>	<u>\$ 217,013,541</u>	<u>\$ 298,208,876</u>	<u>\$ 403,379,087</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.74%	83.25%	75.96%	66.30%
Covered payroll	\$ 52,428,811	\$ 52,421,641	\$ 50,955,466	\$ 47,789,799
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	467.58%	413.98%	585.23%	844.07%

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.

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

For the Year Ended June 30, 2024

**Defined Benefit Pension Plan
Safety Plan
Schedule of Changes in Net Pension Liability and Related Ratios
Last Ten Fiscal Years**

<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
\$ 13,194,125	\$ 12,192,473	\$ 11,809,664	\$ 10,455,350	\$ 10,747,904	\$ 11,422,391
79,725,420	77,086,590	75,330,724	74,975,420	72,730,571	70,618,409
-	-	-	-	-	-
12,947,427	4,973,371	(12,297,897)	4,319,662	(955,751)	-
-	(4,470,521)	60,902,020	-	(17,407,256)	-
(67,096,452)	(64,544,773)	(62,009,422)	(60,403,213)	(56,211,627)	(52,174,231)
38,770,520	25,237,140	73,735,089	29,347,219	8,903,841	29,866,569
1,129,044,570	1,103,807,430	1,030,072,341	1,000,725,122	991,821,281	961,954,712
<u>\$ 1,167,815,090</u>	<u>\$ 1,129,044,570</u>	<u>\$ 1,103,807,430</u>	<u>\$ 1,030,072,341</u>	<u>\$ 1,000,725,122</u>	<u>\$ 991,821,281</u>
\$ 27,159,274	\$ 24,277,484	\$ 20,329,015	\$ 17,021,875	\$ 15,096,410	\$ 11,118,596
3,973,090	4,155,374	3,670,011	3,625,596	3,829,695	3,758,344
49,864,238	61,839,581	77,563,585	3,667,781	17,008,914	117,187,596
(67,096,452)	(64,544,773)	(62,009,422)	(60,403,213)	(56,211,627)	(52,174,231)
-	(1,796.00)	-	(497)	-	-
(551,981)	(1,170,514)	(1,052,193)	(456,601)	(843,530)	-
1,796	(2,222,827)	-	-	-	-
13,349,965	22,332,529	38,500,996	(36,545,059)	(21,120,138)	79,890,305
773,492,688	751,160,159	712,659,163	749,204,222	770,324,360	690,434,055
<u>\$ 786,842,653</u>	<u>\$ 773,492,688</u>	<u>\$ 751,160,159</u>	<u>\$ 712,659,163</u>	<u>\$ 749,204,222</u>	<u>\$ 770,324,360</u>
<u>\$ 380,972,437</u>	<u>\$ 355,551,882</u>	<u>\$ 352,647,271</u>	<u>\$ 317,413,178</u>	<u>\$ 251,520,900</u>	<u>\$ 221,496,921</u>
67.38%	68.51%	68.05%	69.19%	74.87%	77.67%
\$ 41,120,637	\$ 38,001,725	\$ 36,014,956	\$ 35,670,399	\$ 36,512,787	\$ 37,782,453
926.48%	935.62%	979.17%	889.85%	688.86%	586.24%

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%.

From Fiscal Year June 30, 2018 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.

From Fiscal Year June 30, 2023 to June 30, 2024:
There were no significant changes of assumptions.

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

For the Year Ended June 30, 2024

**Defined Benefit Pension Plan
Miscellaneous Plan
Schedule of Plan Contributions
Last Ten Fiscal Years**

Fiscal year ended	2024	2023	2022	2021
Actuarially Determined Contribution	\$ 20,291,645	\$ 20,512,425	\$ 33,286,592	\$ 30,817,795
Contributions in Relation to the Actuarially Determined Contribution	(20,291,645)	(20,512,425)	(33,286,592)	(30,817,795)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 85,807,928	\$ 76,476,622	\$ 72,831,624	\$ 68,085,845
Contributions as a Percentage of Covered Payroll	23.65%	26.82%	45.70%	45.26%

Notes to Schedule:

Fiscal year ended	2024	2023	2022	2021
Valuation Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Actuarial 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)
Asset Valuation Method	Market Value	Market Value	Market Value	Market Value
Actuarial Assumptions:				
Discount Rate	6.90%	7.00%	7.00%	7.15%
Inflation	2.3%	2.5%	2.5%	2.625%
Projected Salary Increase	(2)	(2)	(2)	(2)
Investment Rate of Return	7% ⁽³⁾	7% ⁽³⁾	7% ⁽³⁾	7.25% ⁽³⁾
Mortality	(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, 2024

**Defined Benefit Pension Plan
Miscellaneous Plan
Schedule of Plan Contributions
Last Ten Fiscal Years**

2020	2019	2018	2017	2016	2015
\$ 28,459,807	\$ 24,143,358	\$ 21,182,283	\$ 18,407,185	\$ 16,941,372	\$ 14,518,009
(28,459,807)	(24,143,358)	(21,182,283)	(18,407,185)	(16,941,372)	(14,518,009)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 64,563,229	\$ 59,686,019	\$ 60,481,440	\$ 59,794,476	\$ 59,115,644	\$ 58,022,457
44.08%	40.45%	35.02%	30.78%	28.66%	25.02%

Notes to Schedule:

2020	2019	2018	2017	2016	2015
June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
Entry-Age Normal Cost Method (1) Market Value	Entry-Age Normal Cost Method (1) Market Value	Entry-Age Normal Cost Method (1) Market Value	Entry-Age Normal Cost Method (1) Market Value	Entry-Age Normal Cost Method (1) Market Value	Entry-Age Normal Cost Method (1) Market Value
7.15%	7.15%	7.15%	7.65%	7.65%	7.50%
2.63%	2.75%	2.75%	2.75%	2.75%	2.75%
(2)	(2)	(2)	(2)	3.3% - 24.2% ⁽²⁾	Varies by Entry Age and Service
7.25% ⁽³⁾	7.375% ⁽³⁾	7.5% ⁽³⁾	7.5% ⁽³⁾	7.5% ⁽³⁾	7.5% ⁽³⁾
(4)	(4)	(4)	(4)	(4)	(4)

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

For the Year Ended June 30, 2024

**Defined Benefit Pension Plan
Safety Plan
Schedule of Plan Contributions
Last Ten Fiscal Years**

Fiscal year ended	2024	2023	2022	2021
Actuarially Determined Contribution	\$ 25,763,340	\$ 27,558,234	\$ 37,339,147	\$ 37,379,534
Contributions in Relation to the Actuarially Determined Contribution	(25,763,340)	(27,558,234)	(37,339,147)	(37,379,534)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 53,726,215	\$ 52,428,811	\$ 52,421,641	\$ 50,955,466
Contributions as a Percentage of Covered Payroll	47.95%	52.56%	71.23%	73.36%

Notes to Schedule:

Fiscal year ended	2024	2023	2022	2021
Valuation Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Actuarial 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)
Asset Valuation Method	Market Value	Market Value	Market Value	Market Value
Actuarial Assumptions:				
Discount Rate	6.90%	7.00%	7.00%	7.15%
Inflation	2.3%	2.5%	2.5%	2.625%
Projected Salary Increase	(2)	(2)	(2)	(2)
Investment Rate of Return	7% ⁽³⁾	7% ⁽³⁾	7% ⁽³⁾	7.25% ⁽³⁾
Mortality	(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, 2024

**Defined Benefit Pension Plan
Safety Plan
Schedule of Plan Contributions
Last Ten Fiscal Years**

2020	2019	2018	2017	2016	2015
\$ 33,630,219	\$ 27,718,529	\$ 24,212,791	\$ 20,199,997	\$ 17,016,579	\$ 14,690,045
(33,630,219)	(27,718,529)	(24,212,791)	(20,199,997)	(17,016,579)	(14,690,045)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 47,789,799	\$ 41,120,637	\$ 38,001,725	\$ 36,014,956	\$ 35,670,399	\$ 36,512,787
70.37%	67.41%	63.71%	56.09%	47.71%	40.23%

Notes to Schedule:

2020	2019	2018	2017	2016	2015
June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
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
(1)	(1)	(1)	(1)	(1)	(1)
Market Value	Market Value	Market Value	Market Value	Market Value	Market Value
7.15%	7.15%	7.15%	7.65%	7.65%	7.50%
2.63%	2.75%	2.75%	2.75%	2.75%	2.75%
(2)	(2)	(2)	(2)	3.3% - 24.2% ⁽²⁾	Varies by Entry
7.25% ⁽³⁾	7.375% ⁽³⁾	7.5% ⁽³⁾	7.5% ⁽³⁾	7.5% ⁽³⁾	Age and Service
(4)	(4)	(4)	(4)	(4)	7.5% ⁽³⁾
					(4)

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

For the Year Ended June 30, 2024

**Supplementary Retirement Plan
Schedule of Changes in Net Pension Liability and Related Ratios
Last Ten Fiscal Years**

Fiscal year ended	2024	2023	2022	2021
Total Pension Liability				
Service cost	\$ -	\$ -	\$ -	\$ -
Interest on the total pension liability	79,292	78,999	54,881	57,246
Effect of plan changes	-	-	-	-
Effect of economic/demographic gains or losses	21,350	19,901	22,232	20,620
Effect of assumptions changes or inputs	(63,010)	(26,789)	(281,709)	22,358
Benefit payments	(132,664)	(130,063)	(127,079)	(125,012)
Net Change in Total Pension Liability	(95,032)	(57,952)	(331,675)	(24,788)
Total Pension Liability - Beginning	2,238,113	2,296,065	2,627,740	2,652,528
Total Pension Liability - Ending (a)	\$ 2,143,081	\$ 2,238,113	\$ 2,296,065	\$ 2,627,740
Plan Fiduciary Net Position				
Employer Contributions	147,442	144,551	141,716	138,938
Member Contributions	-	-	-	-
Net investment income net of investment expenses	5,526	3,441	115	17
Benefit payments	(132,664)	(130,063)	(127,079)	(125,012)
Administrative expenses	(7,854)	(7,700)	(7,549)	(7,401)
Net change in Fiduciary Net position	12,450	10,229	7,203	6,542
Plan Fiduciary Net Position - Beginning	93,037	82,808	75,605	69,063
Plan Fiduciary Net Position - Ending (b)	\$ 105,487	\$ 93,037	\$ 82,808	\$ 75,605
Plan Net Pension Liability/(Asset) Ending (a) - (b)	\$ 2,037,594	\$ 2,145,076	\$ 2,213,257	\$ 2,552,135
Plan Fiduciary Net Position as a Percentage of the				
Total Pension Liability	4.92%	4.16%	3.61%	2.88%
Covered Payroll	N/A	N/A	N/A	N/A
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A

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

For the Year Ended June 30, 2024

**Supplementary Retirement Plan
Schedule of Changes in Net Pension Liability and Related Ratios
Last Ten Fiscal Years**

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
-	\$ -	\$ -	\$ -	\$ -	\$ -
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
<u>(127,739)</u>	<u>(125,234)</u>	<u>(122,778)</u>	<u>(120,371)</u>	<u>(118,011)</u>	<u>(115,697)</u>
264,571	77,543	(105,796)	(267,310)	535,705	102,250
<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>	<u>2,045,565</u>
<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)
<u>(7,256)</u>	<u>(7,114)</u>	<u>(6,976)</u>	<u>(6,838)</u>	<u>(13,132)</u>	<u>(148)</u>
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, 2024

**Supplementary Retirement Plan
Schedule of Employer Contributions
Last Ten Fiscal Years**

<u>Fiscal Year ended June 30</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contribution as a % of Covered Payroll</u>
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
2024	250,831	147,442	103,389	N/A	N/A

Notes to Supplementary Retirement Plan:

Fiscal year ended	2024	2023	2022	2021	2020
Valuation Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Measurement Date	June 30, 2024	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	Entry-Age Normal
Amortization Method:					
Level percent or level dollar	Level dollar	Level dollar	Level dollar	Level dollar	Level dollar
Closed, open, or layered periods	Closed	Closed	Closed	Closed	Closed
Amortization period	8 years	9 years	10 years	11 years	12 years
Amortization growth rate	0.00%	0.00%	0.00%	0.00%	0.00%
Asset Valuation Method:					
Smoothing period	None	None	None	None	None
Recognition method	None	None	None	None	None
Corridor	None	None	None	None	None
Actuarial Assumptions					
Inflation	0.00%	0.00%	0.00%	0.00%	0.00%
Salary increases including inflation	None	None	None	None	None
Long-term investment rate of return	6.00%	6.00%	6.00%	6.00%	6.00%
Cost of Living	2.00%	2.00%	2.00%	2.00%	2.00%
Mortality	(A)	(A)	(A)	(B)	(B)

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

For the Year Ended June 30, 2024

**Supplementary Retirement Plan
Schedule of Employer Contributions
Last Ten Fiscal Years**

	2019	2018	2017	2016	2015
Fiscal year ended	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, 2024

**Schedule of Changes in the Total OPEB Liability and Related Ratios
Last Ten Fiscal Years ^{(1) (2) (3)}**

Fiscal year ended Measurement period	June 30, 2024 June 30, 2023	June 30, 2023 June 30, 2022	June 30, 2022 June 30, 2021
<u>Total OPEB Liability:</u>			
Service cost	\$ 1,184,322	\$ 1,862,985	\$ 1,854,139
Interest on total OPEB liability	1,758,565	1,215,190	1,501,484
Actual vs. expected experience	(4,347,085)	-	2,896,547
Changes in assumptions	(3,404,352)	(13,374,724)	(5,287,167)
Benefit payments, including refunds of	<u>(1,801,863)</u>	<u>(1,739,641)</u>	<u>(1,616,248)</u>
Net Change in Total OPEB Liability (b)	(6,610,413)	(12,036,190)	(651,245)
Total OPEB Liability - Beginning of Year (a)	<u>42,713,299</u>	<u>54,749,489</u>	<u>55,400,734</u>
Total OPEB Liability - Ending (a)-(b)	<u>\$ 36,102,886</u>	<u>\$ 42,713,299</u>	<u>\$ 54,749,489</u>
Covered-employee payroll	\$ 48,280,905	\$ 51,711,700	\$ 48,788,506
Total OPEB liability as percentage of covered-employee payroll	74.78%	82.60%	112.22%

(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 seven years are shown.

(2) No assets are accumulated in a trust to pay related benefits.

(3) There were no changes in benefits.

Notes to Schedule:

Fiscal year ended	2024	2023	2022
Valuation Date	June 30, 2023	June 30, 2021	June 30, 2021
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021
Funding Method	Entry-Age Normal	Entry-Age Normal	Entry-Age Normal
Discount Rate	4.13%	4.09%	2.18%
Participants Valued	(A)	(A)	(A)
Salary Increase	2.75% per year	2.75% per year	2.75% per year
General Inflation Rate	2.50% per year	2.50% per year	2.50% per year
Mortality	(B)	(B)	(B)

(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.

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

For the Year Ended June 30, 2024

**Schedule of Changes in the Total OPEB Liability and Related Ratios
Last Ten Fiscal Years ^{(1) (2) (3)}**

June 30, 2021 June 30, 2020	June 30, 2020 June 30, 2019	June 30, 2019 June 30, 2018	June 30, 2018 June 30, 2017
\$ 1,753,882	\$ 1,399,500	\$ 1,308,802	\$ 1,414,074
1,509,110	1,706,665	1,718,488	1,555,806
-	872,243	-	-
583,000	(5,711,635)	1,248,914	(3,589,376)
<u>(1,562,712)</u>	<u>(2,040,940)</u>	<u>(1,959,112)</u>	<u>(1,603,472)</u>
2,283,280	(3,774,167)	2,317,092	(2,222,968)
53,117,454	56,891,621	54,574,529	56,797,497
<u>\$ 55,400,734</u>	<u>\$ 53,117,454</u>	<u>\$ 56,891,621</u>	<u>\$ 54,574,529</u>
 \$ 47,116,316	 \$ 43,457,755	 \$ 45,109,856	 \$ 47,394,045
 117.58%	 122.23%	 126.12%	 115.15%

2021	2020	2019	2018
June 30, 2019	June 30, 2019	June 30, 2017	June 30, 2017
June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Entry-Age Normal	Entry-Age Normal	Entry-Age Normal	Entry-Age Normal
2.66%	2.79%	2.98%	3.13%
(A)	(A)	(A)	(A)
3% per year	3% per year	3.25% per year	3.25% per year
2.75% per year	2.75% per year	2.75% per year	2.75% per year
(C)	(C)	(D)	(D)



CITY OF SANTA ANA, CALIFORNIA

Annual
Comprehensive Financial
Report

CITY OF SANTA ANA, CALIFORNIA

Supplementary Schedules

**Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2024**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
Assets				
Cash and investments	\$ 34,464,686	\$ 50,095	\$ 38,353,593	\$ 72,868,374
Receivables:				
Interest	157,682	-	161,977	319,659
Accounts	31,291	-	56,697	87,988
Intergovernmental	3,662,197	-	1,248	3,663,445
Loans and notes	-	-	31,629,822	31,629,822
Prepaid expenses			2,500	2,500
Restricted assets:				
Cash and investments	-	-	146,723	146,723
Cash and investments with fiscal agents	-	22,356	112,893	135,249
Land held for resale	-	-	75,000	75,000
Total assets	38,315,856	72,451	70,540,453	108,928,760
Liabilities, deferred inflows of resources, and fund balances				
Liabilities:				
Accounts payable	1,032,782	-	939,151	1,971,933
Retention payable	414,005	-	662,421	1,076,426
Due to other funds	399,654	-	-	399,654
Unearned revenue	-	-	812	812
Total liabilities	1,846,441	-	1,602,384	3,448,825
Deferred inflows of resources:				
Unavailable revenues	379,413	-	48,372	427,785
Fund balances:				
Restricted	36,229,981	72,451	68,889,697	105,192,129
Unassigned	(139,979)	-	-	(139,979)
Total fund balances	36,090,002	72,451	68,889,697	105,052,150
Total liabilities, deferred inflows of resources, and fund balances	\$ 38,315,856	\$ 72,451	\$ 70,540,453	\$ 108,928,760

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year ended June 30, 2024

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
Revenues:				
Taxes	\$ -	\$ -	\$ 378,818	\$ 378,818
Intergovernmental	20,643,377	-	3,838,869	24,482,246
Charges for services	3,087,515	-	-	3,087,515
Investment income	1,746,569	27,544	1,235,903	3,010,016
Cost recoveries	557,869	-	6,471,572	7,029,441
Miscellaneous	-	-	99	99
Total revenues	<u>26,035,330</u>	<u>27,544</u>	<u>11,925,261</u>	<u>37,988,135</u>
Expenditures:				
Current:				
Human resources	166,084	-	-	166,084
Recreation and community services	-	-	59,837	59,837
Police department	1,921,486	-	-	1,921,486
Planning and building	175,986	-	111,328	287,314
Public works	8,713,346	-	-	8,713,346
Community development	-	-	2,915,369	2,915,369
Capital outlay	801,421	-	11,324,284	12,125,705
Debt Service:				
Principal retirement	1,468,923	11,098,318	53,294	12,620,535
Interest and fiscal charges	1,764,875	10,432,765	706	12,198,346
Total expenditures	<u>15,012,121</u>	<u>21,531,083</u>	<u>14,464,818</u>	<u>51,008,022</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,023,209</u>	<u>(21,503,539)</u>	<u>(2,539,557)</u>	<u>(13,019,887)</u>
Other financing sources:				
Transfers in	600,000	21,465,562	275,028	22,340,590
Transfers out	(11,290,449)	-	(16,762)	(11,307,211)
Subscription proceeds	-	-	165,021	165,021
Total other financing sources	<u>(10,690,449)</u>	<u>21,465,562</u>	<u>423,287</u>	<u>11,198,400</u>
Net change in fund balances	332,760	(37,977)	(2,116,270)	(1,821,487)
Fund balances, June 30, 2023, as previously presented	35,757,242	110,428	61,282,034	97,149,704
Change within financial reporting entity (nonmajor to major fund)	-	-	9,723,933	9,723,933
Fund balances, June 30, 2023, as restated	<u>35,757,242</u>	<u>110,428</u>	<u>71,005,967</u>	<u>106,873,637</u>
Fund balances, June 30, 2024	<u>\$ 36,090,002</u>	<u>\$ 72,451</u>	<u>\$ 68,889,697</u>	<u>\$ 105,052,150</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.

Rent Stabilization accounts for the receipt of rental registry fees from landlords and expenditures related to the administration of the rent stabilization and just cause eviction ordinance.

Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2024

	Sewer Connection Fee	Civic Center Maintenance
Assets		
Cash and investments	\$ 4,921,245	\$ -
Receivables:		
Interest	20,274	-
Accounts	-	-
Intergovernmental	-	529,471
	<u>4,941,519</u>	<u>529,471</u>
Total assets		
	<u>4,941,519</u>	<u>529,471</u>
Liabilities, deferred inflows of resources, and fund balances		
Liabilities:		
Accounts payable	-	37,754
Retention payable	414,005	-
Due to other funds	-	399,654
	<u>414,005</u>	<u>437,408</u>
Total liabilities		
	<u>414,005</u>	<u>437,408</u>
Deferred inflows of resources:		
Unavailable revenues	5,987	232,042
	<u>5,987</u>	<u>232,042</u>
Fund balances (deficit):		
Restricted	4,521,527	-
Unassigned	-	(139,979)
	<u>4,521,527</u>	<u>(139,979)</u>
Total fund balances (deficit)		
	<u>4,521,527</u>	<u>(139,979)</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>4,941,519</u>	\$ <u>529,471</u>

NONMAJOR SPECIAL REVENUE FUNDS

<u>Inmate Welfare</u>	<u>Air Quality Improvement</u>	<u>Gas Tax</u>	<u>Rent Stabilization</u>	<u>Total</u>
\$ 2,469,974	\$ 1,147,559	\$ 23,951,614	\$ 1,974,294	\$ 34,464,686
10,173	4,843	114,430	7,962	157,682
31,291	-	-	-	31,291
-	204,871	2,927,855	-	3,662,197
<u>2,511,438</u>	<u>1,357,273</u>	<u>26,993,899</u>	<u>1,982,256</u>	<u>38,315,856</u>
3,087	469,424	522,517	-	1,032,782
-	-	-	-	414,005
-	-	-	-	399,654
<u>3,087</u>	<u>469,424</u>	<u>522,517</u>	<u>-</u>	<u>1,846,441</u>
3,004	102,236	33,793	2,351	379,413
2,505,347	785,613	26,437,589	1,979,905	36,229,981
-	-	-	-	(139,979)
<u>2,505,347</u>	<u>785,613</u>	<u>26,437,589</u>	<u>1,979,905</u>	<u>36,090,002</u>
\$ <u>2,511,438</u>	\$ <u>1,357,273</u>	\$ <u>26,993,899</u>	\$ <u>1,982,256</u>	\$ <u>38,315,856</u>

Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year ended June 30, 2024

	Sewer Connection Fee	Civic Center Maintenance	Inmate Welfare
Revenues:			
Intergovernmental	\$ -	\$ 3,702,742	\$ -
Charges for services	1,119,315	-	-
Investment income	64,781	-	31,028
Cost recoveries	-	-	557,869
Total revenues	1,184,096	3,702,742	588,897
Expenditures:			
Current:			
Human resources	-	-	-
Police department	-	1,680,894	240,592
Planning and building	-	-	-
Public works	685,056	2,566,961	-
Capital Outlay	138,249	-	-
Debt Service:			
Principal retirement	-	3,923	-
Interest and fiscal charges	-	-	-
Total expenditures	823,305	4,251,778	240,592
Excess (deficiency) of revenues over (under) expenditures	360,791	(549,036)	348,305
Other financing sources:			
Transfers in	-	600,000	-
Transfers out	-	(10,117)	-
Total other financing sources	-	589,883	-
Net change in fund balances	360,791	40,847	348,305
Fund balances (deficit) - beginning	4,160,736	(180,826)	2,157,042
Fund balances (deficit) - ending	\$ 4,521,527	\$ (139,979)	\$ 2,505,347

NONMAJOR SPECIAL REVENUE FUNDS

**Nonmajor Special Revenue Funds
Sewer Connection Fee
Budgetary Comparison Schedule
Year ended June 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 1,020,000	\$ 1,020,000	\$ 1,119,315	\$ 99,315
Investment income	70,000	70,000	64,781	(5,219)
Total revenues	1,090,000	1,090,000	1,184,096	94,096
Expenditures:				
Current:				
Public works	-	-	685,056	(685,056)
Capital Outlay	-	4,004,743	138,249	3,866,494
Total expenditures	-	4,004,743	823,305	3,181,438
Excess (deficiency) of revenues over (under) expenditures	1,090,000	(2,914,743)	360,791	3,275,534
Net change in fund balance	1,090,000	(2,914,743)	360,791	3,275,534
Fund balance - beginning	4,160,736	4,160,736	4,160,736	-
Fund balance - ending	\$ 5,250,736	\$ 1,245,993	\$ 4,521,527	\$ 3,275,534

CITY OF SANTA ANA

Nonmajor Special Revenue Funds
Civic Center Maintenance
Budgetary Comparison Schedule
Year ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 3,608,250	\$ 3,608,250	\$ 3,702,742	\$ 94,492
Total revenues	3,608,250	3,608,250	3,702,742	94,492
Expenditures:				
Current:				
Police department	1,680,900	1,680,900	1,680,894	6
Public works	2,527,250	2,527,250	2,566,961	(39,711)
Debt Service:				
Principal retirement	15,690	15,690	3,923	11,767
Total expenditures	4,223,840	4,223,840	4,251,778	(27,938)
Excess (deficiency) of revenues over (under) expenditures	(615,590)	(615,590)	(549,036)	66,554
Other financing sources:				
Transfers in	1,182,400	600,000	600,000	-
Transfers out	(10,120)	(10,120)	(10,117)	3
Total other financing sources	1,172,280	589,880	589,883	3
Net change in fund balance	556,690	(25,710)	40,847	66,557
Fund balance (deficit) - beginning	(180,826)	(180,826)	(180,826)	-
Fund balance (deficit) - ending	\$ 375,864	\$ (206,536)	\$ (139,979)	\$ 66,557

NONMAJOR SPECIAL REVENUE FUNDS

**Nonmajor Special Revenue Funds
Inmate Welfare
Budgetary Comparison Schedule
Year ended June 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ -	\$ 31,028	\$ 31,028
Cost recoveries	410,000	410,000	557,869	147,869
Total revenues	410,000	410,000	588,897	178,897
Expenditures:				
Current:				
Police department	1,284,700	1,284,700	240,592	1,044,108
Total expenditures	1,284,700	1,284,700	240,592	1,044,108
Excess (deficiency) of revenues over (under) expenditures	(874,700)	(874,700)	348,305	1,223,005
Net change in fund balance	(874,700)	(874,700)	348,305	1,223,005
Fund balance - beginning	2,157,042	2,157,042	2,157,042	-
Fund balance - ending	\$ 1,282,342	\$ 1,282,342	\$ 2,505,347	\$ 1,223,005

CITY OF SANTA ANA

Nonmajor Special Revenue Funds
Air Quality Improvement
Budgetary Comparison Schedule
Year ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 718,900	\$ 718,900	\$ 376,823	\$ (342,077)
Investment income	7,000	7,000	15,701	8,701
Cost recoveries	-	-	-	-
Total revenues	725,900	725,900	392,524	(333,376)
Expenditures:				
Current:				
Human resources	149,230	149,230	166,084	(16,854)
Planning and building	331,360	224,360	175,986	48,374
Capital Outlay	385,000	1,691,114	663,172	1,027,942
Total expenditures	865,590	2,064,704	1,005,242	1,059,462
Excess (deficiency) of revenues over (under) expenditures	(139,690)	(1,338,804)	(612,718)	726,086
Other financing sources (uses):				
Transfers out	(5,410)	(5,410)	(5,404)	6
Total other financing sources (uses)	(5,410)	(5,410)	(5,404)	6
Net change in fund balance	(145,100)	(1,344,214)	(618,122)	726,092
Fund balance - beginning	1,403,735	1,403,735	1,403,735	-
Fund balance - ending	\$ 1,258,635	\$ 59,521	\$ 785,613	\$ 726,092

NONMAJOR SPECIAL REVENUE FUNDS

**Nonmajor Special Revenue Funds
Gas Tax
Budgetary Comparison Schedule
Year ended June 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 16,507,380	\$ 15,841,492	\$ 16,563,812	\$ 722,320
Investment income	-	-	1,623,354	1,623,354
Total revenues	16,507,380	15,841,492	18,187,166	2,345,674
Expenditures:				
Current:				
Public works	5,798,880	6,677,499	5,461,329	1,216,170
Debt Service:				
Principal retirement	1,465,000	1,465,000	1,465,000	-
Interest and fiscal charges	1,764,880	1,764,880	1,764,875	5
Total expenditures	9,028,760	9,907,379	8,691,204	1,216,175
Excess (deficiency) of revenues over (under) expenditures	7,478,620	5,934,113	9,495,962	3,561,849
Other financing uses:				
Transfers out	(7,705,530)	(35,244,492)	(11,274,928)	23,969,564
Total other financing uses	(7,705,530)	(35,244,492)	(11,274,928)	23,969,564
Net change in fund balance	(226,910)	(29,310,379)	(1,778,966)	27,531,413
Fund balance - beginning	28,216,555	28,216,555	28,216,555	-
Fund balance - ending	\$ 27,989,645	\$ (1,093,824)	\$ 26,437,589	\$ 27,531,413

CITY OF SANTA ANA

Nonmajor Special Revenue Funds
Rent Stabilization
Budgetary Comparison Schedule
Year ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
License and permits	\$ 3,245,000	\$ 3,245,000	\$ 1,968,200	\$ (1,276,800)
Investment income	-	-	11,705	11,705
Total revenues	3,245,000	3,245,000	1,979,905	(1,265,095)
Expenditures:				
Current:				
Community development	2,823,640	2,823,640	-	2,823,640
Total expenditures	2,823,640	2,823,640	-	2,823,640
Excess (deficiency) of revenues over (under) expenditures	421,360	421,360	1,979,905	1,558,545
Net change in fund balance	421,360	421,360	1,979,905	1,558,545
Fund balance - beginning	-	-	-	-
Fund balance (deficit) - ending	\$ 421,360	\$ 421,360	\$ 1,979,905	\$ 1,558,545



CITY OF SANTA ANA, CALIFORNIA

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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, 2024

	SAFA	POB	Total
Assets			
Cash and investments	\$ 36,360	\$ 13,735	\$ 50,095
Restricted assets:			
Cash and investments with fiscal agents	3,619	18,737	22,356
Total assets	<u>39,979</u>	<u>32,472</u>	<u>72,451</u>
Liabilities, deferred inflows of resources, and fund balances			
Fund balances:			
Restricted	<u>39,979</u>	<u>32,472</u>	<u>72,451</u>
Total fund balances	<u>39,979</u>	<u>32,472</u>	<u>72,451</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 39,979</u>	<u>\$ 32,472</u>	<u>\$ 72,451</u>

Nonmajor Debt Service Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year ended June 30, 2024

	SAFA	POB	Total
Revenues:			
Investment income	\$ 13,342	\$ 14,202	\$ 27,544
Total revenues	13,342	14,202	27,544
Expenditures:			
Debt Service:			
Principal retirement	9,237,500	1,860,818	11,098,318
Interest and fiscal charges	531,459	9,901,306	10,432,765
Total expenditures	9,768,959	11,762,124	21,531,083
Excess (deficiency) of revenues over (under) expenditures	(9,755,617)	(11,747,922)	(21,503,539)
Other financing sources:			
Transfers in	9,703,438	11,762,124	21,465,562
Total other financing sources	9,703,438	11,762,124	21,465,562
Net change in fund balances	(52,179)	14,202	(37,977)
Fund balances - beginning	92,158	18,270	110,428
Fund balances - ending	\$ 39,979	\$ 32,472	\$ 72,451



CITY OF SANTA ANA, CALIFORNIA

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Nonmajor Capital Projects Funds

The following Capital Projects Funds have been classified as nonmajor in the accompanying financial statements:

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 of 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, 2024

	Drainage Construction	Park Acquisitions & Development
Assets		
Cash and investments	\$ 4,417,156	\$ 22,387,974
Interest	17,103	96,439
Accounts	-	-
Intergovernmental	-	-
Loans and notes	-	-
Prepaid items	-	-
Restricted assets:		
Cash and investments	-	-
Cash and investments with fiscal agents	-	-
Land held for resale	-	-
Total assets	<u>4,434,259</u>	<u>22,484,413</u>
Liabilities, deferred inflows of resources, and fund balances		
Liabilities:		
Accounts payable	57,908	869,059
Retention payable	17,555	644,866
Unearned revenue	-	-
Total liabilities	<u>75,463</u>	<u>1,513,925</u>
Deferred inflows of resources:		
Unavailable revenues	<u>5,051</u>	<u>28,480</u>
Fund balances:		
Restricted	<u>4,353,745</u>	<u>20,942,008</u>
Total fund balances	<u>4,353,745</u>	<u>20,942,008</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,434,259</u>	<u>\$ 22,484,413</u>

NONMAJOR CAPITAL PROJECTS FUNDS

Community Development		Housing Successor Agency		Inclusionary Housing Fee		Total	
\$	70,359	\$	3,948,631	\$	7,529,473	\$	38,353,593
	605		16,354		31,476		161,977
	-		-		56,697		56,697
	1,248		-		-		1,248
	-		22,592,121		9,037,701		31,629,822
	-		-		2,500		2,500
	146,723		-		-		146,723
	-		112,893		-		112,893
	-		75,000		-		75,000
	218,935		26,744,999		16,657,847		70,540,453
	-		2,882		9,302		939,151
	-		-		-		662,421
	812		-		-		812
	812		2,882		9,302		1,602,384
	717		4,829		9,295		48,372
	217,406		26,737,288		16,639,250		68,889,697
	217,406		26,737,288		16,639,250		68,889,697
\$	218,935	\$	26,744,999	\$	16,657,847	\$	70,540,453

Nonmajor Capital Projects Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year ended June 30, 2024

	Capital Grants	Drainage Construction
Revenues:		
Taxes	\$ -	\$ 378,818
Intergovernmental	-	-
Investment income	-	54,834
Cost recoveries	-	-
Miscellaneous	-	-
Total revenues	-	433,652
Expenditures:		
Current:		
Recreation and community services	-	-
Planning and Building	-	111,328
Community development	-	-
Capital outlay	-	219,600
Debt Service:		
Principal retirement	-	-
Interest and fiscal charges	-	-
Total expenditures	-	330,928
Net change in fund balances	-	102,724
Other financing sources (uses):		
Transfers in	-	275,028
Transfers out	-	-
Subscription proceeds	-	-
Total other financing sources (uses)	-	275,028
Net change in fund balances	-	377,752
Fund balances, June 30, 2023, as previously presented	(9,723,933)	3,975,993
Change within financial reporting entity (nonmajor to major fund)	9,723,933	-
Fund balances, June 30, 2023, as restated	-	3,975,993
Fund balances, June 30, 2024	\$ -	\$ 4,353,745

NONMAJOR CAPITAL PROJECTS FUNDS

<u>Park Acquisitions & Development</u>	<u>Community Development</u>	<u>Housing Successor Agency</u>	<u>Inclusionary Housing Fee</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	378,818
-	3,838,869	-	-	3,838,869
746,097	1,937	316,013	117,022	1,235,903
5,552,891	-	1,048	917,633	6,471,572
-	-	99	-	99
<u>6,298,988</u>	<u>3,840,806</u>	<u>317,160</u>	<u>1,034,655</u>	<u>11,925,261</u>
59,837	-	-	-	59,837
-	-	-	-	111,328
-	-	1,192,566	1,722,803	2,915,369
3,230,254	3,856,798	-	4,017,632	11,324,284
-	-	-	53,294	53,294
-	-	-	706	706
<u>3,290,091</u>	<u>3,856,798</u>	<u>1,192,566</u>	<u>5,794,435</u>	<u>14,464,818</u>
<u>3,008,897</u>	<u>(15,992)</u>	<u>(875,406)</u>	<u>(4,759,780)</u>	<u>(2,539,557)</u>
-	-	-	-	275,028
-	-	(9,237)	(7,525)	(16,762)
-	-	-	165,021	165,021
-	-	(9,237)	157,496	423,287
<u>3,008,897</u>	<u>(15,992)</u>	<u>(884,643)</u>	<u>(4,602,284)</u>	<u>(2,116,270)</u>
17,933,111	233,398	27,621,931	21,241,534	61,282,034
-	-	-	-	9,723,933
<u>17,933,111</u>	<u>233,398</u>	<u>27,621,931</u>	<u>21,241,534</u>	<u>71,005,967</u>
<u>\$ 20,942,008</u>	<u>\$ 217,406</u>	<u>\$ 26,737,288</u>	<u>\$ 16,639,250</u>	<u>\$ 68,889,697</u>



CITY OF SANTA ANA, CALIFORNIA

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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, 2024

	Refuse Collections	Sanitation
Assets:		
Current assets:		
Cash and investments	\$ 5,248,985	\$ 3,303,532
Receivables:		
Interest	25,564	14,362
Accounts, net of allowances	4,323,856	1,486,141
Leases	-	-
Intergovernmental	859,041	-
Due from other funds	-	-
Total current assets	10,457,446	4,804,035
Noncurrent assets:		
Pension stability fund	28,226	332,208
Capital assets, not being depreciated	106,289	390,454
Capital assets, net of accumulated depreciation/amortization	7,499	3,811,344
Total noncurrent assets	142,014	4,534,006
Total assets	10,599,460	9,338,041
Deferred outflows of resources:		
Deferred amounts on pension plans	264,289	1,190,306
Deferred amounts on OPEB plan	159,126	81,758
Total deferred outflows of resources	423,415	1,272,064
Liabilities:		
Current liabilities:		
Accounts payable	732,392	108,928
Interest payable	6,263	28,206
Retention payable	-	-
Due to other funds	289,849	-
Deposits payable	-	-
Compensated absences payable	30,905	118,634
Total OPEB liability	18,095	41,287
Grant advances	1,411,176	-
Pension obligation bonds payable	4,577	20,616
Total current liabilities	2,493,257	317,671
Noncurrent liabilities:		
Compensated absences payable	92,715	355,903
Total OPEB liability	378,933	864,628
Net pension liability	628,733	2,831,703
Pension obligation bonds payable	567,066	2,553,968
Total noncurrent liabilities	1,667,447	6,606,202
Total liabilities	4,160,704	6,923,873
Deferred inflows of resources:		
Deferred amounts on pension plans	2,740	12,342
Deferred amounts on OPEB plan	204,878	932,368
Deferred amounts on leases	-	-
Total deferred inflow of resources	207,618	944,710
Net position:		
Net investment in capital assets	113,788	4,201,798
Restricted for:		
National Pollution Discharge Elimination System	-	-
Pension stability	28,226	332,208
Unrestricted	6,512,539	(1,792,484)
Total net position	\$ 6,654,553	\$ 2,741,522

NONMAJOR ENTERPRISE FUNDS

<u>Parking</u>		<u>Transportation Center</u>		<u>Federal Clean Water Protection</u>		<u>Total</u>	
\$	4,064,617	\$	549,923	\$	7,698,543	\$	20,865,600
	16,984		2,249		30,944		90,103
	60,964		35,152		179,937		6,086,050
	-		811,048		-		811,048
	-		138,693		-		997,734
	-		-		89,343		89,343
	<u>4,142,565</u>		<u>1,537,065</u>		<u>7,998,767</u>		<u>28,939,878</u>
	186,386		11,886		70,608		629,314
	3,073,316		3,792,491		1,386,407		8,748,957
	<u>5,773,580</u>		<u>2,271,550</u>		<u>7,833,414</u>		<u>19,697,387</u>
	<u>9,033,282</u>		<u>6,075,927</u>		<u>9,290,429</u>		<u>29,075,658</u>
	<u>13,175,847</u>		<u>7,612,992</u>		<u>17,289,196</u>		<u>58,015,536</u>
	572,823		56,645		407,607		2,491,670
	<u>55,754</u>		<u>11,633</u>		<u>12,515</u>		<u>320,786</u>
	<u>628,577</u>		<u>68,278</u>		<u>420,122</u>		<u>2,812,456</u>
	82,703		77,864		258,751		1,260,638
	13,574		1,342		9,659		59,044
	-		-		69,280		69,280
	-		-		-		289,849
	-		11,000		-		11,000
	29,383		27,581		3,903		210,406
	14,530		1,581		6,321		81,814
	-		-		-		1,411,176
	<u>9,921</u>		<u>981</u>		<u>7,060</u>		<u>43,155</u>
	<u>150,111</u>		<u>120,349</u>		<u>354,974</u>		<u>3,436,362</u>
	88,150		82,742		11,708		631,218
	304,272		33,107		132,371		1,713,311
	1,362,726		134,761		969,683		5,927,606
	<u>1,229,067</u>		<u>121,544</u>		<u>874,575</u>		<u>5,346,220</u>
	<u>2,984,215</u>		<u>372,154</u>		<u>1,988,337</u>		<u>13,618,355</u>
	<u>3,134,326</u>		<u>492,503</u>		<u>2,343,311</u>		<u>17,054,717</u>
	5,939		587		4,226		25,834
	164,514		17,901		241,942		1,561,603
	-		802,909		-		802,909
	<u>170,453</u>		<u>821,397</u>		<u>246,168</u>		<u>2,390,346</u>
	8,846,896		6,064,041		8,986,275		28,212,798
	-		-		6,062,956		6,062,956
	186,386		11,886		70,608		629,314
	<u>1,466,363</u>		<u>291,443</u>		<u>-</u>		<u>6,477,861</u>
\$	<u>10,499,645</u>	\$	<u>6,367,370</u>	\$	<u>15,119,839</u>	\$	<u>41,382,929</u>

Nonmajor Enterprise Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Year ended June 30, 2024

	<u>Refuse Collections</u>	<u>Sanitation</u>
Operating revenues:		
Charges for services	\$ 20,830,371	\$ 6,363,498
Lease revenues	-	-
Miscellaneous	-	-
Total operating revenues	<u>20,830,371</u>	<u>6,363,498</u>
Operating expenses:		
Personnel services	1,345,381	2,622,555
Contractual services	14,274,244	1,677,349
Materials and supplies	56,779	507,216
Administrative charges	897,324	1,975,826
Depreciation & amortization	3,214	386,528
Total operating expenses	<u>16,576,942</u>	<u>7,169,474</u>
Operating income (loss)	<u>4,253,429</u>	<u>(805,976)</u>
Nonoperating revenues (expenses):		
Intergovernmental	573	-
Investment earnings	82,987	57,355
Interest expense	(15,031)	(67,699)
Total nonoperating revenues (expenses)	<u>68,529</u>	<u>(10,344)</u>
Income (loss) before transfers	<u>4,321,958</u>	<u>(816,320)</u>
Capital contributions	-	-
Transfers in	-	200,000
Transfers out	(3,478,190)	(3,943)
Change in net position	<u>843,768</u>	<u>(620,263)</u>
Net position - beginning	<u>5,810,785</u>	<u>3,361,785</u>
Net position - ending	<u>\$ 6,654,553</u>	<u>\$ 2,741,522</u>

NONMAJOR ENTERPRISE FUND

<u>Parking</u>	<u>Transportation Center</u>	<u>Federal Clean Water Protection</u>	<u>Total</u>
\$ 2,941,258	\$ 132,257	\$ 974,757	\$ 31,242,141
-	533,152	-	533,152
383,221	1,086	5,589	389,896
3,324,479	666,495	980,346	32,165,189
1,172,019	160,146	507,090	5,807,191
2,975,994	1,257,287	2,124,662	22,309,536
50,882	163,794	10,528	789,199
309,616	157,644	454,629	3,795,039
319,554	430,262	468,537	1,608,095
4,828,065	2,169,133	3,565,446	34,309,060
(1,503,586)	(1,502,638)	(2,585,100)	(2,143,871)
-	-	-	573
55,866	26,093	102,935	325,236
(32,579)	(3,222)	(23,183)	(141,714)
23,287	22,871	79,752	184,095
(1,480,299)	(1,479,767)	(2,505,348)	(1,959,776)
-	138,693	-	138,693
1,862,320	1,081,870	2,752,133	5,896,323
(451)	-	(200,000)	(3,682,584)
381,570	(259,204)	46,785	392,656
10,118,075	6,626,574	15,073,054	40,990,273
\$ 10,499,645	\$ 6,367,370	\$ 15,119,839	\$ 41,382,929

Nonmajor Enterprise Funds
Combining Statement of Cash Flows
Year ended June 30, 2024

Page 1 of 4

	Refuse Collections	Sanitation
Cash flows from operating activities:		
Receipts from customers	\$ 18,805,303	\$ 5,980,604
Receipts from other operating sources	-	-
Payments to suppliers for goods and services	(14,073,738)	(4,385,975)
Payments to employees	(1,178,562)	(2,930,838)
Net cash provided (used) by operating activities	3,553,003	(1,336,209)
Cash flows from noncapital financing activities:		
Transfers in	-	200,000
Transfers out	(3,478,190)	(3,943)
Interest Paid	(15,035)	(67,719)
Receipt of interfund balances	289,849	-
Receipt of operating grants	573	-
Net cash provided (used) by noncapital financing activities	(3,202,803)	128,338
Cash flows from capital and related financing activities:		
Capital contribution	-	-
Acquisition of capital assets	(106,289)	(441,981)
Net cash used by capital and related financing activities	(106,289)	(441,981)
Cash flows from investing activities:		
Interest received	75,944	60,566
Net cash provided by investing activities	75,944	60,566
Net increase (decrease) in cash and cash equivalents	319,855	(1,589,286)
Cash and cash equivalents - beginning	4,957,356	5,225,026
Cash and cash equivalents - ending (Includes restricted assets)	\$ 5,277,211	\$ 3,635,740

NONMAJOR ENTERPRISE FUNDS

Page 2 of 4

<u>Parking</u>	<u>Transportation Center</u>	<u>Federal Clean Water Protection</u>	<u>Total</u>
\$ 2,922,412	\$ 479,875	\$ 1,808,785	\$ 29,996,979
383,221	1,086	5,589	389,896
(3,441,105)	(1,551,639)	(3,440,192)	(26,892,649)
<u>(1,082,979)</u>	<u>(71,519)</u>	<u>(587,319)</u>	<u>(5,851,217)</u>
(1,218,451)	(1,142,197)	(2,213,137)	(2,356,991)
1,862,320	1,081,870	2,752,133	5,896,323
(451)	-	(200,000)	(3,682,584)
(32,589)	(3,223)	(23,190)	(141,756)
-	-	-	289,849
<u>-</u>	<u>-</u>	<u>-</u>	<u>573</u>
1,829,280	1,078,647	2,528,943	2,362,405
-	138,693	-	138,693
<u>-</u>	<u>-</u>	<u>(1,055,559)</u>	<u>(1,603,829)</u>
-	138,693	(1,055,559)	(1,465,136)
50,770	25,662	97,743	310,685
<u>50,770</u>	<u>25,662</u>	<u>97,743</u>	<u>310,685</u>
661,599	100,805	(642,010)	(1,149,037)
<u>3,589,404</u>	<u>461,004</u>	<u>8,411,161</u>	<u>22,643,951</u>
\$ <u>4,251,003</u>	\$ <u>561,809</u>	\$ <u>7,769,151</u>	\$ <u>21,494,914</u>

Continued

Nonmajor Enterprise Funds
Combining Statement of Cash Flows
Year ended June 30, 2024

Page 3 of 4

	Refuse Collections	Sanitation
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 4,253,429	\$ (805,976)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	3,214	386,528
Change in assets and liabilities:		
Decrease (increase) in accounts receivable	(2,025,068)	(382,894)
Decrease (increase) in leases receivable	-	-
Decrease (increase) in deferred outflows from pension	81,288	129,337
Decrease (increase) in deferred outflows from OPEB	39,361	22,828
Increase (decrease) in accounts payable	178,883	(225,584)
Increase (decrease) in compensated absences payable	24,349	101,085
Increase (decrease) in deposits payable	-	-
Increase (decrease) in pension obligation bonds payable	(2,826)	(12,727)
Increase (decrease) in grant advances	975,726	-
Increase (decrease) in net pension liability	71,427	321,694
Increase (decrease) in total OPEB liability	(69,608)	(158,828)
Increase (decrease) in deferred inflows from pension	(5,481)	(665,579)
Increase (decrease) in deferred inflows from OPEB	28,309	(46,093)
Increase (decrease) in deferred inflows from leases	-	-
Net cash provided (used) by operating activities	\$ <u>3,553,003</u>	\$ <u>(1,336,209)</u>
Noncash investing, capital, and financing activities:		
Issuance of leases	\$ <u>-</u>	\$ <u>-</u>

NONMAJOR ENTERPRISE FUNDS

Page 4 of 4

Parking	Transportation Center	Federal Clean Water Protection	Total
\$ (1,503,586)	\$ (1,502,638)	\$ (2,585,100)	\$ (2,143,871)
319,554	430,262	468,537	1,608,095
(18,846)	(173,845)	834,028	(1,766,625)
-	36,086	-	36,086
62,241	37,545	44,290	354,701
14,458	2,899	3,496	83,042
(104,613)	27,086	(850,373)	(974,601)
(42,312)	38,263	6,508	127,893
-	(3,630)	-	(3,630)
(6,125)	(606)	(4,358)	(26,642)
	-	-	975,726
154,812	15,309	110,160	673,402
(55,894)	(6,082)	(24,317)	(314,729)
(60,871)	(1,175)	(185,332)	(918,438)
22,731	2,474	(30,676)	(23,255)
-	(44,145)	-	(44,145)
\$ <u>(1,218,451)</u>	\$ <u>(1,142,197)</u>	\$ <u>(2,213,137)</u>	\$ <u>(2,356,991)</u>
\$ <u>-</u>	\$ <u>488,725</u>	\$ <u>-</u>	\$ <u>488,725</u>



CITY OF SANTA ANA, CALIFORNIA

Annual
Comprehensive Financial
Report

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.

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 Fund - 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, 2024

Page 1 of 3

	Building Maintenance	Equipment Maintenance and Replacement
Assets:		
Current assets:		
Cash and investments	\$ 1,180,938	\$ 8,347,807
Receivables:		
Interest	4,948	33,899
Accounts, net of allowances	-	25,030
Due from other funds	-	-
Inventory of supplies	-	44,725
Prepaid items	-	-
Total current assets	<u>1,185,886</u>	<u>8,451,461</u>
Noncurrent assets:		
Advances to other funds	-	-
Restricted cash and investments	-	-
Pension stability fund	476,822	346,532
Capital assets, not being depreciated	-	694,207
Capital assets, net of accumulated depreciation/amortization	-	2,228,357
Total noncurrent assets	<u>476,822</u>	<u>3,269,096</u>
Total assets	<u>1,662,708</u>	<u>11,720,557</u>
Deferred outflows of resources:		
Deferred amounts on pension plans	1,471,349	1,588,759
Deferred amounts on OPEB plan	132,637	58,075
Total deferred outflows of resources	<u>1,603,986</u>	<u>1,646,834</u>
Liabilities:		
Current liabilities:		
Accounts payable	261,460	17,651
Interest payable	34,866	37,648
Retention payable	-	-
Due to other funds	-	-
Subscription Liability	-	-
Compensated absences payable	51,329	92,624
Claims payable	-	-
Total OPEB liability	35,396	29,328
Pension obligation bond payable	25,483	27,517
Total current liabilities	<u>408,534</u>	<u>204,768</u>
Noncurrent liabilities:		
Subscription liability	-	-
Compensated absences payable	153,986	277,871
Claims payable	-	-
Total OPEB liability	741,256	614,183
Net pension liability	3,500,290	3,779,611
Pension obligation bond payable	3,156,978	3,408,902
Total noncurrent liabilities	<u>7,552,510</u>	<u>8,080,567</u>
Total liabilities	<u>7,961,044</u>	<u>8,285,335</u>
Deferred inflows of resources:		
Deferred amounts on pension plans	15,256	16,473
Deferred amounts on OPEB plan	400,777	687,065
Total deferred inflows of resources	<u>416,033</u>	<u>703,538</u>
Net position:		
Net investment in capital assets	-	2,922,564
Restricted for:		
Pension stability	476,822	346,532
Unrestricted	(5,587,205)	1,109,422
Total net position (deficit)	<u>\$ (5,110,383)</u>	<u>\$ 4,378,518</u>

INTERNAL SERVICE FUNDS

Page 2 of 3

Stores & Property Control	Self Insurance	Information & Communications Services	City Yard Operations	Engineering & Administrative Services
\$ -	\$ 15,136,411	\$ 12,298,144	\$ -	\$ 1,892,496
-	143,208	56,346	-	13,064
-	-	-	-	-
-	21,193,734	-	-	-
-	-	-	105,909	-
-	46,114	-	-	-
-	36,519,467	12,354,490	105,909	1,905,560
-	292,000	-	-	-
-	305,577	-	-	-
-	681,640	489,378	-	559,255
-	2,125,080	271,118	-	-
-	745,640	1,636,303	123,263	416,755
-	4,149,937	2,396,799	123,263	976,010
-	40,669,404	14,751,289	229,172	2,881,570
-	1,547,785	1,862,193	18,427	4,961,146
-	58,998	54,330	1,526	248,509
-	1,606,783	1,916,523	19,953	5,209,655
-	899,589	292,528	3,458	45,077
-	36,583	44,128	437	117,562
-	23,836	37,387	-	-
-	-	-	946,817	-
-	-	57,939	-	63,117
-	21,579	121,767	-	289,185
-	10,219,500	-	-	-
-	23,070	27,438	771	97,382
-	26,738	32,252	319	85,925
-	11,250,895	613,439	951,802	698,248
-	-	-	-	148,785
-	64,737	365,302	-	867,556
-	49,487,894	-	-	-
-	483,124	574,586	16,143	2,039,332
-	5,710,298	4,430,101	43,833	11,802,417
-	3,312,481	3,995,591	39,534	10,644,822
-	59,058,534	9,365,580	99,510	25,502,912
-	70,309,429	9,979,019	1,051,312	26,201,160
-	16,007	19,309	191	51,440
-	472,118	516,338	16,449	1,665,198
-	488,125	535,647	16,640	1,716,638
-	2,846,884	1,812,095	123,263	204,853
-	681,640	489,378	-	559,255
-	(32,049,891)	3,851,673	(942,090)	(20,590,681)
\$ -	\$ (28,521,367)	\$ 6,153,146	\$ (818,827)	\$ (19,826,573)

Continued

Internal Service Funds
Combining Statement of Net Position
June 30, 2024

Page 3 of 3

	Quality Service Training	Total
Assets:		
Current assets:		
Cash and investments	\$ 31,038	\$ 38,886,834
Receivables:		
Interest	-	251,465
Accounts, net of allowances	-	25,030
Due from other funds	-	21,193,734
Inventory of supplies	-	150,634
Prepaid items	30,362	76,476
Total current assets	61,400	60,584,173
Noncurrent assets:		
Advances to other funds	-	292,000
Restricted cash and investments	-	305,577
Pension stability fund	-	2,553,627
Capital assets, not being depreciated	-	3,090,405
Capital assets, being depreciated, net of	-	5,150,318
Total noncurrent assets	-	11,391,927
Total assets	61,400	71,976,100
Deferred outflows of resources:		
Deferred amounts on pension plans	-	11,449,659
Deferred amounts on OPEB plan	-	554,075
Total deferred outflows of resources	-	12,003,734
Liabilities:		
Current liabilities:		
Accounts payable	-	1,519,763
Interest payable	-	271,224
Retention payable	-	61,223
Due to other funds	-	946,817
Subscription Liability	-	121,056
Compensated absences payable	-	576,484
Claims payable	-	10,219,500
Total OPEB liability	-	213,385
Pension obligation bond payable	-	198,234
Total current liabilities	-	14,127,686
Noncurrent liabilities:		
Subscription liability	-	148,785
Compensated absences payable	-	1,729,452
Claims payable	-	49,487,894
Total OPEB liability	-	4,468,624
Net pension liability	-	29,266,550
Pension obligation bond payable	-	24,558,308
Total noncurrent liabilities	-	109,659,613
Total liabilities	-	123,787,299
Deferred inflows of resources:		
Deferred amounts on pension plans	-	118,676
Deferred amounts on OPEB plan	-	3,757,945
Total deferred inflows of resources	-	3,876,621
Net position:		
Net investment in capital assets	-	7,909,659
Restricted for:		
Pension stability	-	2,553,627
Unrestricted	61,400	(54,147,372)
Total net position (deficit)	\$ 61,400	\$ (43,684,086)



CITY OF SANTA ANA, CALIFORNIA

Annual
Comprehensive Financial
Report

Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Year ended June 30, 2024

Page 1 of 3

	Building Maintenance	Equipment Maintenance and Replacement
Operating revenues:		
Charges for services	\$ 5,623,060	\$ 7,124,507
Miscellaneous	3,745	1,418
Total operating revenues	5,626,805	7,125,925
Operating expenses:		
Personnel services	2,604,733	2,579,309
Contractual services	2,896,362	732,513
Materials and supplies	141,984	1,288,935
Administrative charges	906,613	1,621,835
Insurance	-	-
Provision for self-insured losses	-	-
Depreciation & amortization	-	865,230
Total operating expenses	6,549,692	7,087,822
Operating income (loss)	(922,887)	38,103
Nonoperating revenues (expenses):		
Net increase in the fair value of investment	-	-
Investment earnings	27,894	120,727
Interest expense	(83,683)	(90,361)
Gain (loss) on disposal of capital assets	-	(63,106)
Total nonoperating revenues (expenses)	(55,789)	(32,740)
Income (loss) before transfers	(978,676)	5,363
Transfers in	-	-
Transfers out	-	(3,605)
Change in net position	(978,676)	1,758
Net position (deficit) - beginning	(4,131,707)	4,376,760
Net position (deficit) - ending	\$ (5,110,383)	\$ 4,378,518

INTERNAL SERVICE FUNDS

Page 2 of 3

Stores & Property Control	Self Insurance	Information and Communications Services	City Yard Operations	Engineering and Administrative Services
\$ 3,103,295	\$ 52,316,886	\$ 9,866,109	\$ 1,228,115	\$ 13,500,882
148,293	592,122	-	-	-
3,251,588	52,909,008	9,866,109	1,228,115	13,500,882
261,548	-	2,871,322	9,623	8,642,998
81,146	-	4,928,538	370,318	1,031,368
2,991,730	-	236,340	43,523	1,178,828
341,957	4,963,810	682,900	1,183,310	4,915,755
-	40,186,724	-	-	-
-	14,824,048	-	-	-
-	26,087	470,604	6,403	78,794
3,676,381	60,000,669	9,189,704	1,613,177	15,847,743
(424,793)	(7,091,661)	676,405	(385,062)	(2,346,861)
-	2,303,769	413,375	-	5,092
-	416,016	190,160	-	52,675
(7,397)	(87,805)	(128,138)	(1,048)	(284,969)
20,910	-	127,864	-	-
13,513	2,631,980	603,261	(1,048)	(227,202)
(411,280)	(4,459,681)	1,279,666	(386,110)	(2,574,063)
1,701,942	7,189,400	179,618	105,909	2,905,424
(105,909)	-	-	-	(283,222)
1,184,753	2,729,719	1,459,284	(280,201)	48,139
(1,184,753)	(31,251,086)	4,693,862	(538,626)	(19,874,712)
\$ -	\$ (28,521,367)	\$ 6,153,146	\$ (818,827)	\$ (19,826,573)

Continued

Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Year ended June 30, 2024

Page 3 of 3

	Quality Service Training	Total
Operating revenues:		
Charges for services	\$ -	\$ 92,762,854
Miscellaneous	-	745,578
Total operating revenues	-	93,508,432
Operating expenses:		
Personnel services	-	16,969,533
Contractual services	30,362	10,070,607
Materials and supplies	14,154	5,895,494
Administrative charges	-	14,616,180
Insurance	-	40,186,724
Provision for self-insured losses	-	14,824,048
Depreciation	-	1,447,118
Total operating expenses	44,516	104,009,704
Operating income (loss)	(44,516)	(10,501,272)
Nonoperating revenues (expenses):		
Net increase in the fair value of investment	-	2,722,236
Investment earnings	-	807,472
Interest expense	-	(683,401)
Gain (loss) on disposal of capital assets	-	85,668
Total nonoperating revenues (expenses)	-	2,931,975
Income (loss) before transfers	(44,516)	(7,569,297)
Transfers in	-	12,082,293
Transfers out	-	(392,736)
Change in net position	(44,516)	4,120,260
Net position (deficit) - beginning	105,916	(47,804,346)
Net position (deficit) - ending	\$ 61,400	\$ (43,684,086)



CITY OF SANTA ANA, CALIFORNIA

Annual
Comprehensive Financial
Report

Internal Service Funds
Combining Statement of Cash Flows
Year ended June 30, 2024

Page 1 of 3

	Building Maintenance	Equipment Maintenance and Replacement
Cash flows from operating activities:		
Receipts from interfund services provided	\$ 5,626,805	\$ 7,124,507
Receipts from other operating sources	-	102,558
Payments to suppliers for goods and services	(3,061,527)	(2,055,269)
Payments from interfund services used	(906,613)	(1,621,835)
Payments to employees	(2,031,332)	(2,578,384)
Net cash provided (used) by operating activities	(372,667)	971,577
Cash flows from noncapital financing activities:		
Transfers in	-	-
Transfers out	-	(3,605)
Interest Paid	(83,708)	(90,388)
Receipt of interfund balances	-	-
Payment of interfund balances	-	-
Receipt of operating grants	371,092	-
Net cash provided (used) by noncapital financing activities	287,384	(93,993)
Cash flows from capital and related financing activities:		
Acquisition of capital assets	-	(878,195)
Proceeds from sale of capital assets	-	48,677
Termination of subscription liability	-	-
Payments on subscription liability	-	-
Net cash provided (used) for capital and related financing activities	-	(829,518)
Cash flows from investing activities:		
Interest received	29,375	113,372
Net increase (decrease) in the fair value of investment	-	-
Net cash provided (used) by investing activities	29,375	113,372
Net increase (decrease) in cash and cash equivalents	(55,908)	161,438
Cash and cash equivalents - beginning	1,713,668	8,532,901
Cash and cash equivalents - ending	\$ 1,657,760	\$ 8,694,339
(Includes restricted assets)		
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (922,887)	\$ 38,103
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation & amortization expense	-	865,230
Change in assets and liabilities:		
Decrease (increase) in accounts receivable	-	101,140
Decrease (increase) in inventory of supplies	-	(20,118)
Decrease (increase) in prepaid items	-	-
Decrease (increase) in deferred outflows from pension	267,290	172,633
Decrease (increase) in deferred outflows from OPEB	34,463	16,217
Increase (decrease) in accounts payable	(23,181)	(13,703)
Increase (decrease) in compensated absences payable	1,031	32,096
Increase (decrease) in retention payable	-	-
Increase (decrease) in claims payable	-	-
Increase (decrease) in pension obligation bonds payable	(15,732)	(16,987)
Increase (decrease) in Interest Payable	-	-
Increase (decrease) in net pension liability	397,649	429,381
Increase (decrease) in total OPEB liability	(136,165)	(112,823)
Increase (decrease) in deferred inflows from pension	(30,512)	(480,955)
Increase (decrease) in deferred inflows from OPEB	55,377	(38,637)
Net cash provided (used) by operating activities	\$ (372,667)	\$ 971,577
Noncash investing, capital, and financing activities:		
Increase in fair value of investments	\$ -	\$ -
Issuance of SBITAs	-	-

INTERNAL SERVICE FUNDS

Page 2 of 3

Stores & Property Control	Self Insurance	Information and Communications Services	City Yard Operations	Engineering and Administrative Services
\$ 3,103,295	\$ 52,316,886	\$ 9,866,109	\$ 1,228,115	\$ 13,500,882
175,274	592,122	-	-	-
(2,719,609)	(64,225,925)	(5,166,029)	(407,956)	(7,135,171)
(341,957)	-	(682,900)	(1,183,310)	-
(1,363,076)	(4,937,910)	(2,576,202)	(10,615)	(7,884,412)
(1,146,073)	(16,254,827)	1,440,978	(373,766)	(1,518,701)
1,701,942	7,189,400	179,618	-	2,905,424
(105,909)	-	-	-	(283,222)
(12,684)	(26)	(128,169)	(1,048)	(284,969)
-	292,000	-	374,814	-
(458,186)	-	-	-	-
1,125,163	7,481,374	51,449	373,766	2,337,233
-	(601,173)	(903,716)	-	-
20,910	-	-	-	5,092
-	-	697,766	-	59,844
-	-	(914,468)	-	(154,528)
20,910	(601,173)	(1,120,418)	-	(89,592)
-	287,212	175,681	-	49,034
-	2,303,769	413,375	-	-
-	2,590,981	589,056	-	49,034
-	(6,783,645)	961,065	-	777,974
-	22,907,273	11,826,457	-	1,673,777
\$ -	\$ 16,123,628	\$ 12,787,522	\$ -	\$ 2,451,751
\$ (424,793)	\$ (7,091,661)	\$ 676,405	\$ (385,062)	\$ (2,346,861)
-	26,087	470,604	6,403	78,794
26,981	(10,801,093)	-	-	-
430,061	-	-	-	-
-	46,114	-	-	-
283,300	170,323	202,343	2,001	539,073
4,600	15,926	15,170	426	67,098
(364,694)	142,765	(22,408)	3,458	(9,220)
(140)	(45,914)	(48,328)	-	(305,012)
-	-	21,257	-	-
-	1,397,061	-	-	-
(484,614)	(16,506)	(19,910)	(197)	(53,045)
-	-	-	-	(84)
(470,134)	309,754	503,280	4,980	1,340,808
(46,840)	(88,746)	(105,550)	(2,966)	(374,617)
(6,935)	(304,812)	(245,841)	(2,176)	(474,040)
(92,865)	(14,125)	(6,044)	(633)	18,405
\$ (1,146,073)	\$ (16,254,827)	\$ 1,440,978	\$ (373,766)	\$ (1,518,701)
\$ -	\$ 2,303,769	\$ 413,375	\$ -	\$ -
-	-	-	-	243,182

Continued

Internal Service Funds
Combining Statement of Cash Flows
Year ended June 30, 2024

Page 3 of 3

	Quality Service Training	Total
Cash flows from operating activities:		
Receipts from interfund services provided	\$ -	\$ 92,766,599
Receipts from other operating sources	-	869,954
Payments to suppliers for goods and services	(14,192)	(84,785,678)
Payments from interfund services used	-	(4,736,615)
Payments to employees	-	(21,381,931)
Net cash provided (used) by operating activities	(14,192)	(17,267,671)
Cash flows from noncapital financing activities:		
Transfers in	-	11,976,384
Transfers out	-	(392,736)
Interest Paid	-	(600,992)
Receipt of interfund balances	-	666,814
Payment of interfund balances	-	(458,186)
Receipt of operating grants	-	371,092
Net cash provided (used) by noncapital financing activities	-	11,562,376
Cash flows from capital and related financing activities:		
Acquisition of capital assets	-	(2,383,084)
Proceeds from sale of capital assets	-	74,679
Termination of subscription liability	-	757,610
Payments on subscription liability	-	(1,068,996)
Net cash provided (used) for capital and related financing activities	-	(2,619,791)
Cash flows from investing activities:		
Interest received	-	654,674
Net increase (decrease) in the fair value of investment	-	2,717,144
Net cash provided (used) by investing activities	-	3,371,818
Net increase (decrease) in cash and cash equivalents	(14,192)	(4,953,268)
Cash and cash equivalents - beginning	45,230	46,699,306
Cash and cash equivalents - ending	\$ 31,038	\$ 41,746,038
(Includes restricted cash and investments)		
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (44,516)	\$ (10,501,272)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation expense	-	1,447,118
Change in assets and liabilities:		
Decrease (increase) in accounts receivable	-	(10,672,972)
Decrease (increase) in inventory of supplies	-	409,943
Decrease (increase) in prepaid items	30,362	76,476
Decrease (increase) in deferred outflows from pension	-	1,636,963
Decrease (increase) in deferred outflows from OPEB	-	153,900
Increase (decrease) in accounts payable	(38)	(287,021)
Increase (decrease) in compensated absences payable	-	(366,267)
Increase (decrease) in retention payable	-	21,257
Increase (decrease) in claims payable	-	1,397,061
Increase (decrease) in Pension obligation bonds payable	-	(606,991)
Increase (decrease) in Interest Payable	-	(84)
Increase (decrease) in net pension liability	-	2,515,718
Increase (decrease) in total OPEB liability	-	(867,707)
Increase (decrease) in deferred inflows from pension	-	(1,545,271)
Increase (decrease) in deferred inflows from OPEB	-	(78,522)
Net cash provided (used) by operating activities	\$ (14,192)	\$ (17,267,671)
Noncash investing, capital, and financing activities:		
Increase in fair value of investments	\$ -	\$ 2,717,144
Issuance of SBITAs	-	243,182

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, 2024

	Treasurer's Trust	Transportation Corridor	Warner Industrial Community Assessment District	Total
Assets				
Cash and investments	\$ 3,063,236	\$ 75,286	\$ 346,399	\$ 3,484,921
Restricted assets:				
Cash & investments with fiscal agents	-	-	105,348	105,348
Receivables:				
Interest	8,956	-	-	8,956
Taxes	-	-	6,723	6,723
Total assets	<u>3,072,192</u>	<u>75,286</u>	<u>458,470</u>	<u>3,605,948</u>
Liabilities				
Accounts payable	135,443	75,286	-	210,729
Deposits payable	333,878	-	-	333,878
Due to governmental agencies	<u>506,967</u>	<u>-</u>	<u>-</u>	<u>506,967</u>
Total liabilities	<u>976,288</u>	<u>75,286</u>	<u>-</u>	<u>1,051,574</u>
Net Position	<u>\$ 2,095,904</u>	<u>\$ -</u>	<u>\$ 458,470</u>	<u>\$ 2,554,374</u>

Custodial Funds
Combining Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2024

	Treasurer's Trust	Transportation Corridor	Warner Industrial Community Assessment District	Total
Additions:				
Property tax collections for bondholder	\$ -	\$ -	\$ 135,716	\$ 135,716
Investment earnings	29,882	-	5	29,887
Police seized assets	542,397	-	-	542,397
Miscellaneous	4,197	-	-	4,197
Commissary	1,154,689	-	-	1,154,689
Other taxes and fees for other agency	5,259,545	2,364,705	-	7,624,250
Total additions	\$ 6,990,710	\$ 2,364,705	\$ 135,721	\$ 9,491,136
Deductions:				
Administrative expense	\$ 3,772,262	\$ -	\$ -	\$ 3,772,262
Police seized assets	481,432	-	-	481,432
Bond payment	-	-	104,387	104,387
Payments to other agency	1,619,696	2,364,705	-	3,984,401
Commissary	1,242,762	-	-	1,242,762
Miscellaneous	469	-	-	469
Total deductions	\$ 7,116,621	\$ 2,364,705	\$ 104,387	\$ 9,585,713
Changes in net position	(125,911)	-	31,334	(94,577)
Net position - beginning	2,221,815	-	427,136	2,648,951
Net position - ending	\$ 2,095,904	\$ -	\$ 458,470	\$ 2,554,374



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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<u>Financial Trends</u> - 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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<u>Demographic and Economic Information</u> - 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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<u>Operating Information</u> - 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			
	2024	2023	2022	2021
Governmental Activities:				
Net investment in capital assets	\$ 1,075,975	\$ 992,746	\$ 941,901	\$ 909,573
Restricted	253,095	222,366	211,632	208,355
Unrestricted	(548,148)	(498,311)	(468,389)	(533,455)
Total governmental activities net position	<u>\$ 780,922</u>	<u>\$ 716,801</u>	<u>\$ 685,144</u>	<u>\$ 584,473</u>
Business-type activities:				
Net investment in capital assets	\$ 198,989	\$ 169,719	\$ 141,332	\$ 129,341
Restricted	7,694	7,053	2,454	1,857
Unrestricted	12,937	29,376	52,900	56,657
Total business-type activities net position	<u>\$ 219,620</u>	<u>\$ 206,148</u>	<u>\$ 196,686</u>	<u>\$ 187,855</u>
Primary government:				
Net investment in capital assets	\$ 1,274,964	\$ 1,162,465	\$ 1,083,233	\$ 1,038,914
Restricted	260,789	229,419	214,086	210,212
Unrestricted	(535,211)	(468,935)	(415,489)	(476,798)
Total primary government net position	<u>\$ 1,000,542</u>	<u>\$ 922,949</u>	<u>\$ 881,830</u>	<u>\$ 772,328</u>

***The 2017 net pension was restated to implement GASB 75.*

Source: City of Santa Ana

SCHEDULE 1

Fiscal Year					
2020	2019	2018	2017**	2016	2015
\$ 881,919	\$ 877,188	\$ 867,360	\$ 842,333	\$ 823,975	\$ 807,136
189,944	189,135	175,986	176,377	156,204	238,034
(535,086)	(533,495)	(501,404)	(387,032)	(362,557)	(378,741)
<u>\$ 536,777</u>	<u>\$ 532,828</u>	<u>\$ 541,942</u>	<u>\$ 631,678</u>	<u>\$ 617,622</u>	<u>\$ 666,429</u>
\$ 116,854	\$ 113,665	\$ 109,752	\$ 101,972	\$ 96,563	\$ 94,756
2,216	2,507	2,332	2,908	2,859	2,867
57,883	62,336	33,072	41,547	38,804	33,018
<u>\$ 176,953</u>	<u>\$ 178,508</u>	<u>\$ 145,156</u>	<u>\$ 146,427</u>	<u>\$ 138,226</u>	<u>\$ 130,641</u>
\$ 998,773	\$ 990,853	\$ 977,112	\$ 944,305	\$ 920,538	\$ 901,892
192,160	191,642	178,318	179,285	159,063	240,901
(477,203)	(471,159)	(468,332)	(345,485)	(323,753)	(345,723)
<u>\$ 713,730</u>	<u>\$ 711,336</u>	<u>\$ 687,098</u>	<u>\$ 778,105</u>	<u>\$ 755,848</u>	<u>\$ 797,070</u>

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year					Page 1 of 6
	2024	2023	2022	2021	2020	
Expenses:						
Governmental activities:						
General government (1)	\$ 83,346	\$ 71,480	\$ 54,389	\$ 81,384	\$ 62,108	
Cultural recreation and community services (2)	32,307	29,559	39,785	38,088	33,409	
Public safety (3) (5)	251,256	240,552	186,227	217,320	223,748	
Developmental services (4)	102,219	101,008	63,285	59,440	48,657	
Community development	91,043	98,998	98,486	84,729	59,293	
Pass-through payments to districts and other agencies	-	-	-	-	-	
County administrative charges	-	-	-	-	-	
Interest on long-term debt	13,686	17,601	15,215	5,247	5,517	
Total governmental activities expenses	<u>\$ 573,857</u>	<u>\$ 559,198</u>	<u>\$ 457,387</u>	<u>\$ 486,208</u>	<u>\$ 432,732</u>	
Water	\$ 69,373	\$ 65,207	\$ 57,963	\$ 55,861	\$ 51,763	
Sewer	9,099	8,866	6,748	6,915	7,120	
Sanitation	16,592	4,991	3,537	5,194	4,651	
Refuse collections	7,237	16,108	13,501	11,915	20,475	
Parking	4,861	6,503	3,651	3,467	5,537	
Transportation center	2,172	2,166	1,893	1,923	1,525	
Federal clean water protection	3,589	4,267	3,134	3,179	3,071	
Total business-type expenses	<u>112,923</u>	<u>108,108</u>	<u>90,427</u>	<u>88,454</u>	<u>94,142</u>	
Total primary government expenses	<u>\$ 686,780</u>	<u>\$ 667,306</u>	<u>\$ 547,814</u>	<u>\$ 574,662</u>	<u>\$ 526,874</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

Fiscal Year					Page 2 of 6
2019	2018	2017	2016	2015	
\$ 24,444	\$ 23,916	\$ 22,965	\$ 16,266	\$ 15,702	
33,961	36,666	30,689	26,252	27,408	
238,760	232,167	185,803	156,989	166,410	
45,089	43,308	44,831	29,369	30,548	
55,312	55,119	47,427	43,778	44,604	
-	-	-	-	-	
-	-	-	-	-	
6,334	6,627	6,944	7,208	7,576	
\$ 403,900	\$ 397,803	\$ 338,659	\$ 279,862	\$ 292,248	
\$ 48,886	\$ 49,800	\$ 45,040	\$ 41,947	\$ 45,217	
6,347	5,588	4,916	4,685	4,627	
6,596	7,082	6,695	6,675	7,256	
18,004	18,028	16,853	16,463	15,946	
6,503	5,636	5,276	4,296	2,852	
1,417	1,474	1,197	1,245	1,187	
2,766	2,816	2,373	2,878	2,033	
90,519	90,424	82,350	78,189	79,118	
\$ 494,419	\$ 488,227	\$ 421,009	\$ 358,051	\$ 371,366	

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year					Page 3 of 6
	2024	2023	2022	2021	2020	
Program revenues:						
Governmental activities:						
Charges for services:						
General government (1)	\$ 11,078	\$ 10,397	\$ 8,770	\$ 8,171	\$ 6,932	
Cultural recreation and community services (2)	9,497	3,578	10,544	6,522	3,456	
Public safety (3) (5)	36,496	32,979	33,101	29,914	29,554	
Developmental services (4)	20,055	26,823	24,048	19,351	22,176	
Community development	3,001	1,042	1,996	874	1,149	
Operating grants and contributions	157,587	138,246	128,272	126,748	83,373	
Capital grants and contributions	47,529	42,168	32,200	35,492	19,595	
Total governmental activities program revenues	\$ 285,243	\$ 255,233	\$ 238,931	\$ 227,072	\$ 166,235	
Business-type activities:						
Charges for services:						
Water	\$ 72,206	\$ 66,479	\$ 66,661	\$ 64,045	\$ 57,062	
Sewer	10,172	9,041	8,034	7,349	6,947	
Refuse collections	20,830	19,139	13,361	13,211	21,590	
Sanitation	6,363	6,197	5,801	5,746	5,784	
Parking	3,324	3,732	3,733	3,289	3,476	
Transportation center	666	577	556	464	642	
Federal clean water protection	980	4,506	1,024	964	689	
Operating grants and contributions	-	-	125	197	210	
Capital grants and contributions	9,520	2,971	55	2,900	170	
Total business-type activities program revenues	124,061	112,642	99,350	98,165	96,570	
Total primary government program revenues	\$ 409,304	\$ 367,875	\$ 338,281	\$ 325,237	\$ 262,805	
Net (expense) revenue						
Governmental activities	(288,614)	(303,965)	(218,456)	(259,136)	(266,497)	
Business-type activities	11,138	4,534	8,923	9,711	2,428	
Total primary government net (expense) revenue	\$ (277,476)	\$ (299,431)	\$ (209,533)	\$ (249,425)	\$ (264,069)	

SCHEDULE 2

Fiscal Year					Page 4 of 6
2019	2018	2017	2016	2015	
\$ 10,715	\$ 7,575	\$ 5,379	\$ 4,584	\$ 5,267	
8,977	3,100	3,100	3,245	3,411	
30,113	22,607	22,596	23,370	22,962	
23,290	17,672	18,595	17,410	16,651	
1,110	854	1,168	1,721	3,268	
74,230	66,388	62,814	65,518	64,711	
32,156	44,259	58,350	19,882	25,624	
\$ 180,591	\$ 162,455	\$ 172,002	\$ 135,730	\$ 141,894	
\$ 56,227	\$ 55,560	\$ 51,657	\$ 48,289	\$ 45,812	
6,702	6,381	5,620	5,125	4,756	
21,634	19,480	18,985	18,230	17,270	
6,978	7,020	7,384	7,973	8,045	
4,067	4,172	4,410	4,472	5,306	
398	524	602	593	757	
864	657	1,725	365	2,862	
194	419	-	-	77	
23,828	981	-	-	-	
120,892	95,194	90,383	85,047	84,885	
\$ 301,483	\$ 257,649	\$ 262,385	\$ 220,777	\$ 226,779	
(223,309)	(235,348)	(166,657)	(144,132)	(150,354)	
30,373	4,770	8,033	6,858	5,767	
\$ (192,936)	\$ (230,578)	\$ (158,624)	\$ (137,274)	\$ (144,587)	

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year				Page 5 of 6
	2024	2023	2022	2021	2020
General revenues and other changes in net position					
Governmental activities:					
Net program revenue (expense):					
General government (1)	\$ (34,470)	\$ (39,132)	\$ (37,392)	\$ (37,296)	\$ (54,506)
Cultural recreation and community services (2)	(16,689)	(17,763)	(24,836)	(26,144)	(23,896)
Public safety (3) (5)	(206,841)	(198,158)	(148,173)	(183,138)	(185,946)
Developmental services (4)	(22,354)	(22,702)	(2,660)	895	6,240
Community development	5,427	(8,608)	9,820	(8,206)	(2,872)
Pass-through payments to districts and other agencies	-	-	-	-	-
County administrative charge	-	-	-	-	-
Interest on long-term debt	(13,687)	(17,601)	(15,215)	(5,247)	(5,517)
General revenues:					
Property taxes	103,452	98,405	92,740	88,054	85,935
Hotels visitors' taxes	9,507	10,478	7,495	4,350	7,740
Utility users taxes	28,489	28,544	24,844	22,651	21,710
Business taxes	32,965	33,832	39,536	34,918	25,435
Franchise taxes	13,343	12,618	12,311	11,833	9,171
Other taxes	1,431	1,186	1,707	1,400	1,199
Intergovernmental, unrestricted	147,151	151,772	152,346	133,452	109,455
Investment income	16,045	450	(8,107)	1,014	3,177
Other revenues	-	-	-	-	-
Transfers	352	(1,663)	(3,746)	(1,334)	6,625
Extraordinary gain	-	-	-	-	-
Total Governmental activities	<u>64,121</u>	<u>31,658</u>	<u>100,670</u>	<u>37,202</u>	<u>3,950</u>
Business-type activities:					
Water	10,520	3,244	8,753	8,184	5,299
Sewer	2,904	175	1,286	434	(173)
Sanitation	(874)	1,207	2,264	552	1,133
Refuse collections	4,238	3,031	(15)	1,493	1,326
Parking	(1,536)	(2,772)	81	(178)	(2,061)
Transportation center	(1,506)	(1,589)	(1,337)	(1,459)	(884)
Federal clean water protection	(2,608)	1,239	(2,110)	686	(2,212)
General revenues:					
Investment income (loss)	2,686	3,264	(3,837)	(144)	2,642
Transfers	(352)	1,663	3,746	1,334	(6,625)
Total business-type activities	<u>13,472</u>	<u>9,462</u>	<u>8,831</u>	<u>10,902</u>	<u>(1,555)</u>
Total primary government	<u>77,593</u>	<u>41,120</u>	<u>109,501</u>	<u>48,104</u>	<u>2,395</u>
Changes in net position					
Governmental activities	64,121	31,658	100,670	37,202	3,950
Business-type activities	13,472	9,462	8,831	10,902	(1,555)
Total primary government	<u>\$ 77,593</u>	<u>\$ 41,120</u>	<u>\$ 109,501</u>	<u>\$ 48,104</u>	<u>\$ 2,395</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
2019	2018	2017	2016	2015	
\$ (13,387)	\$ (15,498)	\$ (16,528)	\$ (11,141)	\$ (9,710)	
(18,762)	(23,304)	(20,912)	(15,765)	(19,106)	
(202,293)	(203,383)	(155,869)	(125,726)	(134,780)	
15,983	18,655	31,293	8,255	18,944	
1,484	(5,191)	2,303	7,453	1,874	
-	-	-	-	-	
-	-	-	-	-	
(6,334)	(6,627)	(6,944)	(7,208)	(7,576)	
81,619	76,616	72,572	67,902	72,750	
9,415	9,246	9,768	8,882	8,983	
22,656	23,943	24,413	25,102	24,919	
18,815	14,903	13,774	12,384	11,343	
8,278	8,339	7,866	8,449	8,316	
1,219	1,263	1,371	1,520	997	
67,955	48,572	50,609	50,747	48,170	
4,212	344	302	2,452	1,265	
-	-	11	871	576	
25	-	27	168	56	
-	-	-	-	-	
(9,115)	(52,122)	14,056	34,345	27,021	
7,341	5,760	6,617	6,342	596	
23,584	794	704	440	128	
382	(62)	689	1,298	789	
3,824	1,871	2,132	1,767	1,401	
(2,436)	(1,465)	(866)	176	2,453	
(1,019)	(950)	(595)	(653)	(430)	
(1,302)	(1,178)	(647)	(2,512)	829	
3,003	102	194	895	361	
(25)	-	(27)	(167)	(56)	
33,352	4,872	8,201	7,586	6,071	
24,237	(47,250)	22,257	41,931	33,092	
(9,115)	(52,122)	14,056	34,345	27,021	
33,352	4,872	8,201	7,586	6,071	
\$ 24,237	\$ (47,250)	\$ 22,257	\$ 41,931	\$ 33,092	

Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year		
	2024	2023	2022
General Fund			
Nonspendable	\$ 46	\$ 52	\$ -
Restricted	27,212	10,266	1,792
Assigned	95,531	82,029	55,406
Unassigned	97,231	106,298	113,530
Total General Fund	<u>\$ 220,020</u>	<u>\$ 198,645</u>	<u>\$ 170,728</u>
All Other Governmental Funds			
Nonspendable	\$ -	\$ 267	\$ 265
Restricted	161,052	157,709	168,550
Unassigned:			
Special Revenue	(4,296)	(8,459)	(7,141)
Capital Projects	(21,497)	(9,741)	(10,150)
Total all other governmental funds	<u>\$ 135,259</u>	<u>\$ 139,776</u>	<u>\$ 151,524</u>

Source: City of Santa Ana

SCHEDULE 3

Fiscal Year						
2021	2020	2019	2018	2017	2016	2015
\$ -	\$ -	\$ -	\$ -	\$ 9	\$ -	\$ 3,434
1,790	1,997	2,081	7,620	2,160	1,455	955
26,559	21,457	10,695	5,378	9,928	27,077	21,562
105,374	73,970	62,636	56,363	62,456	48,395	45,891
\$ 133,723	\$ 97,424	\$ 75,412	\$ 69,361	\$ 74,553	\$ 76,927	\$ 71,842
\$ 267	\$ 13	\$ 20	\$ -	\$ 23	\$ 16	\$ 25,263
169,938	156,330	159,656	149,247	157,467	152,641	95,697
(2,435)	(3,731)	(2,652)	(789)	(3,287)	(921)	(1,618)
(9,655)	(4,728)	(1,631)	(3,703)	(2,034)	(888)	(686)
\$ 158,115	\$ 147,884	\$ 155,393	\$ 144,755	\$ 152,169	\$ 150,848	\$ 118,656

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year			
	2024	2023	2022	2021
Revenues:				
Taxes	\$ 190,947	\$ 186,287	\$ 180,519	\$ 165,424
License and permits	9,495	9,003	6,859	6,132
Intergovernmental	323,166	300,698	303,735	276,534
Charges for services	30,517	25,142	22,629	17,354
Fines and forfeits	6,558	5,763	6,471	5,125
Investment income	19,646	395	(15,816)	2,016
Cost recoveries	24,351	22,816	28,834	18,447
Rental income	15,422	17,895	19,473	18,628
Miscellaneous	2,981	7,155	2,916	4,707
Contributions from property owner- special assessments	-	-	-	-
Payment of bond proceeds from successor agency	-	-	-	-
Total revenues	<u>623,083</u>	<u>575,154</u>	<u>555,620</u>	<u>514,367</u>
Expenditures:				
General government (1)	58,522	51,714	185,109	74,452
Cultural recreation and community services (2)	27,572	25,309	36,962	33,172
Public safety (3) (5)	206,371	200,049	450,395	191,540
Developmental services (4)	83,688	76,609	46,136	45,984
Community development	85,546	95,343	105,287	81,915
Capital outlay	106,265	78,693	52,654	45,131
Debt service:				
Principal retirement	16,202	19,649	12,565	11,101
Interest and fiscal charges	12,719	13,370	8,986	4,241
Total expenditures	<u>596,885</u>	<u>560,736</u>	<u>898,094</u>	<u>487,536</u>
Excess (deficiency) of revenues over (under) expenditures	26,198	14,418	(342,474)	26,831
Other Financing Sources (uses):				
Loss on sale of land held for resale	-	-	-	-
Sales of capital assets	(8)	129	617	561
Transfers in	36,132	32,497	19,203	12,179
Transfers out	(47,469)	(41,129)	(32,059)	(13,293)
Lease agreement	832	5,851	1,625	9,404
Subscription agreement	1,173	4,403	-	-
Issuance of Debt	-	-	383,502	354
Payment to refunded bond escrow agent	-	-	-	-
Proceeds from issuance of bonds	-	-	-	-
Total other financing sources (uses)	<u>(9,340)</u>	<u>1,751</u>	<u>372,888</u>	<u>9,205</u>
Net change in fund balance	<u>\$ 16,858</u>	<u>\$ 16,169</u>	<u>\$ 30,414</u>	<u>\$ 36,036</u>
Debt service as a percentage of noncapital expenditures	5.9%	6.8%	2.5%	3.5%

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					
2020	2019	2018	2017	2016	2015
\$ 151,598	\$ 142,812	\$ 134,812	\$ 131,308	\$ 125,255	\$ 127,913
5,233	9,965	7,994	5,804	4,744	5,346
198,341	150,716	145,520	145,682	129,823	129,108
19,774	20,169	15,399	16,016	12,756	10,698
5,917	5,651	5,713	5,096	5,450	5,937
5,898	5,018	1,601	517	2,992	1,715
16,861	26,317	14,353	-	-	-
17,272	17,269	11,880	30,278	35,688	31,048
1,798	3,208	5,627	947	-	-
-	-	-	1,252	-	-
-	-	-	2,515	-	-
422,692	381,125	342,899	339,415	316,708	311,765
56,737	19,758	18,477	18,999	15,261	14,369
29,114	28,327	30,366	26,512	23,934	4,976
189,936	192,511	180,276	171,486	162,047	154,975
29,446	24,657	24,876	18,532	18,892	36,754
57,820	51,989	52,073	48,928	42,827	44,150
35,312	31,855	41,418	45,109	30,367	25,123
68,278	10,248	9,787	9,181	8,242	7,872
4,975	5,334	5,741	6,020	6,342	6,750
471,618	364,679	363,014	344,767	307,912	294,969
(48,926)	16,446	(20,115)	(5,352)	8,796	16,796
-	-	-	-	(1,267)	-
3,138	-	-	2,000	-	-
22,368	12,713	11,763	11,645	17,826	14,975
(15,525)	(12,470)	(11,551)	(11,398)	(17,624)	(14,793)
-	-	-	-	-	4,256
-	-	-	-	-	-
-	-	7,297	2,052	-	955
8,798	-	-	-	-	-
44,650	-	-	-	-	-
63,429	243	7,509	4,299	(1,065)	5,393
\$ 14,503	\$ 16,689	\$ (12,606)	\$ (1,053)	\$ 7,731	\$ 22,189
16.8%	4.7%	4.8%	5.1%	5.3%	5.4%

**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 ²
	Secured	Unsecured	Less:			
			Exemptions ¹			
2024	\$ 32,637,583	\$ 1,866,783	\$ (145,419)	\$ 34,358,947	-	
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	-	

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					
		Less:		Taxable Assessed	Total Direct Tax
Secured	Unsecured	Exemptions ¹		Value	Rate ²
\$ 9,974,913	\$ 1,241,199	\$ (6,239)	\$	11,209,872	1.1129
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

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

	2024	2023	2022	2021
Direct Rate:				
Basic Levy ⁽¹⁾	1.00000	1.00000	1.00000	1.00000
Overlapping Rates:				
Coast Community College District	0.02850	0.03102	0.03119	0.03181
Garden Grove Unified School District	0.00000	0.00000	0.00000	0.06956
Garden Grove Usd	0.06719	0.06329	0.06929	0.00000
Garden Grove Usd 2016 Series 2021	0.00000	0.00000	0.00479	0.00000
Metropolitan Water District	0.00350	0.00350	0.00350	0.00350
Orange Usd	0.02533	0.00000	0.00000	0.00000
Orange Usd Elem 2016 Series 2022	0.00000	0.00946	0.00000	0.00000
Orange Usd Series 2018 2016	0.00000	0.01609	0.01656	0.01664
Rancho Santiago Community College	0.04555	0.04691	0.04289	0.04520
Santa Ana Unified	0.05893	0.06976	0.06858	0.08127
Tustin Unified	0.05856	0.06647	0.06523	0.07102
	<u>0.28756</u>	<u>0.30650</u>	<u>0.30203</u>	<u>0.31900</u>
Total Direct and Overlapping Rates ⁽²⁾	<u>1.28756</u>	<u>1.30650</u>	<u>1.30203</u>	<u>1.31900</u>
City's share of 1% Basic Levy per Prop 13 ⁽³⁾	0.19026	0.19026	0.19026	0.19026
Redevelopment Rate ⁽⁴⁾				
Total Direct Rate ⁽⁵⁾	0.18658	0.18661	0.18693	0.18608

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 charged 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 2014/15-2023/24 Tax Rate Table

SCHEDULE 6

2020	2019	2018	2017	2016	2015
1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
0.03100	0.03052	0.03145	0.03116	0.03092	0.03015
0.06922	0.06848	0.07454	0.04487	0.04656	0.04148
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
0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
0.02288	0.02685	0.00000	0.00000	0.00000	0.00000
0.05178	0.04537	0.05088	0.04945	0.05039	0.05078
0.07300	0.05561	0.06327	0.06377	0.06604	0.06869
0.06376	0.06687	0.06873	0.07001	0.07751	0.06955
0.31514	0.29720	0.29237	0.26276	0.27492	0.26415
1.31514	1.29720	1.29237	1.26276	1.27492	1.26415
0.19026	0.19026	0.19026	0.19026	0.19026	0.19026
0.18628	0.18623	0.18618	0.18624	0.18624	0.18618

**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
2024	\$ 47,682,780	\$ 46,900,502	98.4%	\$ 414,013	\$ 47,314,515	99.2%
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%

Source: County of Orange Auditor-Controller's Office



CITY OF SANTA ANA, CALIFORNIA

Annual
Comprehensive Financial
Report

Taxable Sales by Category
Last Ten Fiscal Years
(in thousands of dollars)

Category	Fiscal Year			
	2024	2023	2022	2021
General Retail	\$ 1,024,620	\$ 1,125,656	\$ 1,198,512	\$ 1,053,321
Food Products	943,260	951,935	899,763	748,869
Transportation	1,223,947	1,334,415	1,292,315	979,352
Construction	665,125	633,543	567,508	508,109
Business to Business	1,160,540	1,055,587	1,109,496	1,005,516
Miscellaneous ¹	21,351	59,509	50,144	41,171
Total	\$ <u>5,038,843</u>	\$ <u>5,160,645</u>	\$ <u>5,117,739</u>	\$ <u>4,336,338</u>

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: HdL Companies

SCHEDULE 8

Fiscal Year						
2020	2019	2018	2017	2016	2015	
\$ 892,136	\$ 987,259	\$ 963,193	\$ 946,321	\$ 966,874	\$ 936,187	
749,169	811,103	805,433	761,998	733,732	688,882	
890,337	982,554	967,443	928,206	949,296	960,861	
445,367	466,522	524,397	524,692	528,337	487,685	
926,200	1,148,295	997,471	910,681	845,233	794,870	
29,665	38,693	46,764	53,777	46,086	42,054	
<u>\$ 3,932,874</u>	<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>	

**Principal Property Tax Remitters
Current and Nine Fiscal Years Ago**

Principal Property Tax Remitters	2024			2015		
	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 LLC	\$ 405,099,031	1	1.17%	\$ 228,423,484	1	1.04%
PR Broadstone Heritage LLC	242,311,220	2	0.70%			-
Santa Ana California III SGF LLC	166,258,181	3	0.48%			-
KB BPG Griffin Towers LLC	157,865,210	4	0.46%			-
RP Essex Skyline Holdings LLC	155,906,181	5	0.45%	133,542,578	3	0.61%
First American Title	153,250,100	6	0.44%	122,396,501	5	0.56%
Robinson Pharma Inc	145,059,297	7	0.42%			-
Santa Ana Apartments LLC	139,696,733	8	0.40%			-
MDC Coastal 13 LLC	123,173,996	9	0.36%			-
Rexford Industrial -1800 St Andrew	123,080,155	10	0.36%			-
Bre Properties Inc	-		-	145,878,654	2	0.67%
Lake Diane Apts LP	-		-	126,054,271	4	0.58%
APG OCIC LLC	-		-	101,135,978	6	0.46%
AG LPC Griffin Towers LP	-		-	94,625,559	7	0.43%
Freedom SPV II LLC	-		-	94,503,910	8	0.43%
PAG Santa Ana BI Inc	-		-	69,234,108	9	0.32%
Bel Santa Ana LLC	-		-	64,980,548	10	0.30%
Total	\$ 1,811,700,104		5.24%	\$ 1,180,775,591		5.40%

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

Annual
Comprehensive Financial
Report

**Water Sold by Type of Customer
Last Ten Fiscal Years
(in thousands of gallons)**

	Fiscal Year			
	2024	2023	2022	2021
Type of Customer				
Residential	6,425,495.8	6,433,512.8	7,012,001.8	7,299,518.8
Commercial	1,800,252.7	1,832,659.8	1,945,509.1	1,868,058.2
Industrial	504,411.6	525,102.7	655,057.3	653,152.1
Wholesale food	112,434.1	116,764.3	118,849.7	124,643.0
Government	223,079.0	221,737.1	257,119.8	260,122.2
Others ¹	411,802.4	440,272.8	497,282.4	470,696.2
Total	<u>9,477,475.7</u>	<u>9,570,049.5</u>	<u>10,485,820.1</u>	<u>10,676,190.5</u>
Total direct rate per 44 units ²	\$ 2.600	\$ 2.360	\$ 2.310	\$ 2.170

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					
2020	2019	2018	2017	2016	2015
6,928,365.0	7,004,926.5	7,228,201.5	6,892,323.3	6,903,687.7	7,725,440.5
1,933,951.0	2,084,082.8	2,151,678.1	2,042,209.0	2,031,311.4	2,232,378.3
599,309.6	620,519.9	694,821.7	611,536.4	619,406.1	827,394.2
126,488.3	111,505.1	113,598.8	109,407.0	108,499.6	110,939.6
200,024.2	212,388.6	236,191.5	200,476.0	209,123.6	317,185.7
407,120.7	478,703.5	496,808.1	453,205.0	450,398.5	567,059.6
<u>10,195,258.7</u>	<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>
\$ 3.090	\$ 3.020	\$ 2.950	\$ 2.950	\$ 2.790	\$ 2.727

Water Rates
Last Ten Fiscal Years

Fiscal Year Ended June 30		Monthly base Rate ¹	Rate per 44 Units ²
2024	\$	48.62	2.60
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

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

SCHEDULE 12

**Principal Water Customers
Current and Nine Years Ago**

Water Customer	2024		2015	
	Taxable Water Charges	Percentage of Total Water Revenues	Taxable Water Charges	Percentage of Total Water Revenues
Adohr Farms Inc.	\$ 623,390	0.93%	\$ 256,375	0.54%
Chroma Systems	490,570	0.73%	672,807	1.41%
Fairview Villas	253,851	0.38%	200,930	0.42%
Warwick Square Assoc. Inc.	155,102	0.23%	147,191	0.31%
Power Circuits Inc.	302,251	0.45%	212,714	0.45%
Western Medical Center	216,796	0.32%	-	-
Far West Management Corp	123,477	0.18%	138,532	0.29%
Mac Arthur Village	106,715	0.16%	137,469	0.29%
County of Orange	195,136	0.29%	177,727	0.37%
County of Orange	184,423	0.28%	144,925	0.30%
Centennial Park	-	-	140,372	0.29%
Total	\$ 2,651,711	3.95%	\$ 2,229,042	4.67%

Source: City of Santa Ana

Ratios of Outstanding Debt by Type¹
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	
2024	\$ 6,172,957	\$ 3,989,254	\$ 43,170,240	\$ -	\$ -	
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	
Fiscal Year Ended June 30	Pension Obligation Bonds	Long Term Loans	Private Placement Financing	Direct Borrowings and Placements ³		
2024	\$ 401,191,512	\$ 823,870	\$ -	\$ 8,174,572		
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	-		
Business-type Activities						
Fiscal Year Ended June 30	Revenue Bonds Payable	Subscription Liability	Refunding COP	Long Term Loans	Pension Obligation Bonds	
2024	\$ 49,371,233	\$ 826,001	\$ -	\$ 662,357	\$ 16,426,704	
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	-	

SCHEDULE 13

Fiscal Year Ended June 30	Total		
	Total Primary Government	Percentage of Personal Income ²	Debt Per Capita ²
2024	\$ 463,522,405	0.17%	\$ 5,214
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

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			
	2024	2023	2022	2021
Assessed valuation	\$ 34,504,366,076	\$ 32,471,833,021	\$ 30,541,316,852	\$ 29,080,199,582
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	8,626,091,519	8,117,958,255	7,635,329,213	7,270,049,896
Debt limit percentage ¹	10%	10%	10%	10%
Debt limit	862,609,152	811,795,826	763,532,921	727,004,990
Total net debt applicable to limit: General obligation bonds	-	-	-	-
Legal debt margin	\$ <u>862,609,152</u>	\$ <u>811,795,826</u>	\$ <u>763,532,921</u>	\$ <u>727,004,990</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.

STATISTICAL SECTION

SCHEDULE 14

Fiscal Year					
2020	2019	2018	2017	2016	2015
\$ 27,943,960,825	\$ 26,520,241,206	\$ 25,232,415,520	\$ 23,886,126,355	\$ 23,013,226,208	\$ 22,075,383,494
25%	25%	25%	25%	25%	25%
6,985,990,206	6,630,060,302	6,308,103,880	5,971,531,589	5,753,306,552	5,518,845,874
10%	10%	10%	10%	10%	10%
698,599,021	663,006,030	630,810,388	597,153,159	575,330,655	551,884,587
-	-	-	-	-	-
\$ 698,599,021	\$ 663,006,030	\$ 630,810,388	\$ 597,153,159	\$ 575,330,655	\$ 551,884,587
-	-	-	-	-	-

Direct and Overlapping Debt Fiscal Year 2024

City of Santa Ana			
2023-24 Assessed Valuation:	\$	34,504,366,076	
<u>Overlapping Tax and Assessment Debt:</u>		Total Debt	City's Share of
		6/30/24	Debt 06/30/24
Metropolitan Water District	\$	18,210,000	0.890% \$ 162,069
Coast Community College District		886,956,084	0.237% 2,102,086
Rancho Santiago Community College District		154,276,441	31.547% 48,669,589
Rancho Santiago Community College District SFID No. 1		144,765,000	56.486% 81,771,958
Garden Grove Unified School District		517,805,000	11.787% 61,033,675
Orange Unified School District		276,295,000	3.031% 8,374,501
Santa Ana Unified School District		409,228,633	61.000% 249,629,466
Tustin Unified School District Facilities Improvement District No 2002-1		36,420,000	12.714% 4,630,439
Tustin Unified School District Facilities Improvement District No 2008-1		73,030,000	13.054% 9,533,336
Tustin Unified School District Facilities Improvement District No 2012-1		47,005,000	9.392% 4,414,710
City of Santa Ana 1915 Act Bonds		1,095,000	100.000% 1,095,000
Total Overlapping Tax and Assessment Debt:			\$ 471,416,829
<u>Overlapping General Fund Debt:</u>			
Orange County General Fund Obligations	\$	440,385,000	4.482% \$ 19,738,056
Orange County Board of Education Certificates of Participation		10,030,000	4.482% 449,545
Coast Community College District General Fund Obligations		1,075,000	0.237% 2,548
Coast Community College District Pension Obligations Bonds		925,000	0.237% 2,192
Orange Unified School District Benefit Obligations		56,260,000	3.031% 1,705,241
Orange Unified School District Certificates of Participation		8,440,000	3.031% 255,816
Santa Ana Unified School District Certificates of Participation		42,399,216	61.000% 25,863,522
Total Overlapping General Fund Debt			\$ 48,016,920
<u>Direct Governmental General Fund Debt (Net of Bond Discount/Premium):</u>			
City of Santa Ana Governmental Fund Obligations (2)			
Lease Obligations	\$	6,172,957	100% 6,172,957
Subscription Liability		3,989,254	100% 3,989,254
Gas Tax Revenue Refunding Bonds		43,170,240	100% 43,170,240
Direct Borrowings, Loans, and Other Payables		8,998,442	100% 8,998,442
Pension Obligation Bonds		401,191,512	100% 401,191,512
Total Direct Governmental General Fund Debt			\$ 463,522,405
<u>Overlapping Tax Increment Debt (Successor Agency):</u>	\$	46,990,000	99.999% \$ 46,989,530
Total Direct Debt			\$ 463,522,405
Total Overlapping Debt			\$ 566,423,279
Combined Total Debt			\$ 1,029,945,684 (3)

(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) Excludes \$36,380,000 Revenue Bonds supported by gas tax revenues.

(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue bonds and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

Ratios to 2023-24 Assessed Valuation:

Total Overlapping Tax and Assessment Debt.....	1.37%
Total Direct Debt	1.34%
Combined Total Debt.....	2.98%

Ratios to Redevelopment Incremental Valuation (\$9,947,266,399):

Total Overlapping Tax Increment Debt.....	0.47%
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Source: California Municipal Statistics, Inc. and City of Santa Ana

SCHEDULE 16

Pledged-Revenue Coverage¹
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	
2024	\$ 72,197	\$ 64,813	\$ 7,384	\$ 905	\$ 451	5.45
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

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)
2023	310,797	\$ 278,760,587	\$ 88,897	3.6%
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%

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

SCHEDULE 18

**Principal Employers
Current and Nine Years Ago**

Employer	2024		2015	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
County of Orange	19,179	12.50%	16,464	10.30%
Santa Ana Unified School District	5,985	3.90%	4,500	2.80%
Santa Ana College (includes Centennial & Rancho Santiago)	4,271	2.80%	1,928	1.20%
KPC Healthcare formerly Integrated Healthcare Holdings, Inc.	1,732	1.10%	1,130	0.70%
City of Santa Ana	1,671	1.10%	1,444	0.90%
United States Postal Service (3 locations)	1,393	0.90%	-	-
Allied Universal	1,100	0.70%	-	-
First American Title	980	0.60%	1,500	0.90%
Superior Court of CA-County of Orange	743	0.50%	742	0.50%
Johnson & Johnson	522	0.30%	-	-
Orange County Register (Freedom Communications)	-	-	601	0.40%
Abbott Medical Optics Inc	-	-	600	0.40%

Source: MuniServices, LLC / Avenu Insights & Analytics

Source: FY2015, City of Santa Ana - ACFR Publication Report

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			
	2024	2023	2022	2021
General government (1)	156	173	160	176
Cultural recreation and community services (2)	408	309	239	217
Public safety (3) (5)	611	629	626	646
Developmental services (4)	427	444	377	373
Community development	73	68	65	57
Total	1,675	1,623	1,467	1,469

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

2020	2019	2018	2017	2016	2015
219	219	197	193	200	188
392	392	376	353	380	368
623	621	592	604	597	585
278	278	242	246	229	238
62	62	49	48	51	60
<u>1,574</u>	<u>1,572</u>	<u>1,456</u>	<u>1,444</u>	<u>1,457</u>	<u>1,439</u>

Operating Indicators by Function Last Ten Fiscal Years

	2024	2023	2022
Police:			
Physical arrests	6,133	7,781	8,043
Parking citations issued	108,129	105,957	96,001
Traffic citations issued	5,752	8,235	9,668
Responses to 911 calls	126,804	124,453	169,890
Fire:			
Number of emergency calls-SAFD	-	-	-
Number of emergency calls-OCFA	32,243	31,274	29,340
Inspections-SAFD	N/A	N/A	N/A
Inspections-OCFA	3,803	3,265	3,290
Public Works:			
Streets:			
-Street resurfacing (miles)	19	16	14
-Pot holes repaired *	1,854	2,868	1,787
Refuse collected (tons/year)			
-Goal: Max lbs refuse disposed/person	8	8	8
-Actual: lbs refuse disposed/person	6	7	7
Water:			
-New connections	170	249	119
-Water mains breaks	21	32	17
-Average daily consumption (thousands of gallons)	27,258	27,289	28,728
Parks, recreation and community services:			
Athletic field permits issued **	-	-	-
Number of recreation classes (subjects) **	1,294	632	131
Number of facility rentals **	9,831	8,575	7,976
Planning and Building:			
Number of building permits issued	3,151	3,937	2,574
Number of plan checks	2,775	2,916	2,413
Number of inspections	36,500	37,592	32,229
Number of demolition building permits	148	86	69
Value of construction (in thousands):			
-Commercial and industrial construction	223,071	91,344	114,530
-Residential construction	338,960	294,489	172,598
-Other additions and alterations	74,924	86,837	78,248

* 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

2021	2020	2019	2018	2017	2016	2015
8,874	10,445	8,199	8,621	9,704	9,492	10,445
98,482	94,112	105,003	103,015	101,841	105,714	94,112
10,083	9,378	9,032	9,860	11,184	11,325	9,378
175,534	159,530	162,013	156,165	148,390	131,197	159,530
-	-	-	-	-	-	-
27,493	27,335	27,514	26,707	25,074	23,455	21,392
N/A	N/A	N/A	N/A	N/A	N/A	N/A
3,260	3,163	3,105	2,994	1,267	2,862	2,686
13	5	4	3	3	4	3
1,638	1,687	2,196	4,934	2,289	2,000	1,900
8	8	8	8	8	8	8
5	5	6	5	5	5	5
12	92	22	147	56	86	86
18	18	21	13	26	19	15
29,460	29,460	29,850	31,210	29,700	29,300	32,700
-	-	-	5,282	8,835	13,254	12,957
197	2,002	2,160	1,157	1,847	1,166	634
6,163	6,494	8,393	432	652	1,021	1,166
2,289	2,317	2,801	3,007	3,213	3,513	3,325
1,309	2,200	2,362	2,140	2,635	2,661	2,762
24,706	26,147	29,261	29,053	27,278	28,702	22,597
49	58	82	32	84	10	18
115,550	105,440,683	170,134	39,004	8,243	20,046	60,624
235,840	68,426,047	261,885	102,518	55,001	28,361	117,512
25,232	149,549,354	3,262	144,019	141,668	102,619	43,027

Capital Assets Statistics by Function Last Ten Fiscal Years

	2024	2023	2022	2021
Police:				
Stations	2	3	3	3
Fire:				
Fire stations	10	10	10	10
Public Works:				
Street (miles)	454	437	437	424
Streetlights *	12,067	12,229	12,219	12,183
Traffic Signals	308	307	305	304
Parks, Recreation and community services				
Number of parks	48	47	47	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	21	20	20	20
Number of reservoirs	8	10	10	10
Number of hydrants	6,310	6,296	6,273	5,027
Sewer:				
Sewer mains (miles)	390	398	398	398

* Note: Beginning in 2015, count includes metered and un-metered City-owned streetlights.

Source: City of Santa Ana

STATISTICAL SECTION

SCHEDULE 21

2020	2019	2018	2017	2016	2015
3	4	4	4	4	2
10	10	10	10	10	10
424	422	422	422	422	422
12,178	12,015	3,515	2,909	2,871	2,861
303	303	303	299	297	297
45	44	44	44	44	44
2	2	2	2	2	2
18	18	18	17	17	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
5,042	5,008	5,002	4,955	4,899	4,844
398	398	390	390	390	390



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