

# ANAHEIM



Year Ended **June 30, 2025**  
Annual Comprehensive Financial Report





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Annual Comprehensive Financial Report

Prepared by the Finance Department





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# City Council



# Annual Comprehensive Financial Report

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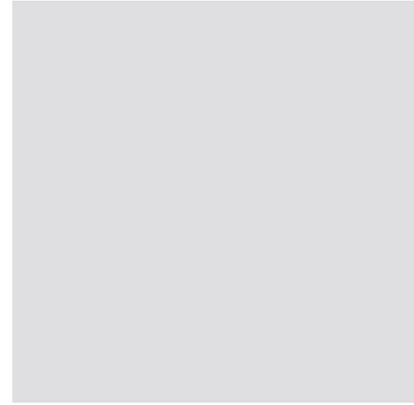
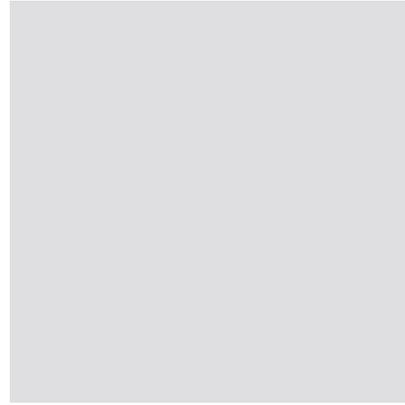
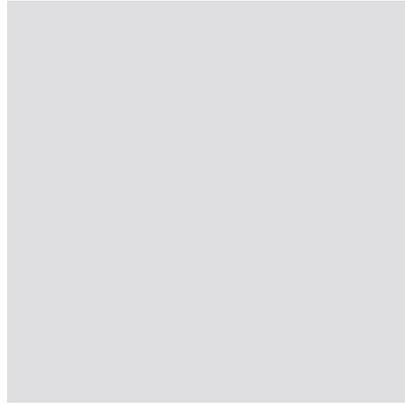
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# Introductory Section







## City of Anaheim, California Finance Department

**December 23, 2025**

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

In accordance with the Charter of the City of Anaheim (City), please accept submission of the Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2025. Responsibility for the accuracy of the data, completeness, and fairness of the presentation, including all disclosures, rests with the City. We believe the data included is accurate in all material aspects, and is presented in a manner designed to fairly set forth the financial position and operational achievements of the City, as measured by the financial activity of its various funds. In addition, all disclosures necessary to enable the reader to gain maximum understanding of the City's financial activities have been included.

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

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

### CITY OF ANAHEIM PROFILE

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

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

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

City full-time employees numbered 2,119 in 2025, of whom 616 were assigned to the Police Department and 355 to Fire & Rescue. The latter has eleven stations; the City enjoys a Class One fire insurance rating, the highest rating possible.

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

### ECONOMIC CONDITION AND OUTLOOK

Nestled at the heart of Orange County, California, the City of Anaheim stands as a beacon of diversity, offering an array of services tailored to the needs and interests of its vibrant population. From its world-renowned entertainment venues to its expansive recreational facilities, and robust public transportation systems, Anaheim sets the stage for unparalleled experiences and opportunities.

Anaheim, with a population of 341,773 in 2025, is a significant contributor to the diverse Orange County economy, which is home to more than 8,500 manufacturing plants. Product manufacturers include notable manufacturing businesses focused on defense and aerospace, biomedical, electronics, machinery, and computer products. Anaheim has over 26,000 active business licenses, of which over 17,000 are businesses operating within the City's boundaries.

The unemployment rate in Anaheim in June 2024 was 4.5%, while the national average was at 4.1%, and the state average at 5.4%.

The U.S. economy entered the fiscal year with good momentum and is not anticipated to fall into a recession in the next couple of quarters. However, concerns about the health of the U.S. economy continue to grow and economic experts believe that it is likely that economic expansion will begin to slow. Administrative changes have had a vast impact on the U.S. economy and the likelihood of a recession has grown.<sup>1</sup> Inflation continues to rise and will likely remain elevated at about 3% throughout 2025 and 2026 caused by global tariffs implemented this year.<sup>2</sup> The U.S. Bureau of Labor Statistics reported the national unemployment rate in March of 2025 was 4.2%.<sup>3</sup> Consumer confidence in April has declined for the fifth consecutive month, falling to levels not seen since the onset of the pandemic.

The state of California is also struggling as it faces numerous financial and political challenges. In January 2025, the state experienced devastating wildfires in Los Angeles County with early estimates of economic losses widely ranging from \$53 billion to \$131 billion. California's home insurance market continues to be increasingly unstable, with many insurers pulling out of high-risk regions. The State continues to have one of the highest unemployment rates among all states at 5.3% in April 2025.<sup>4</sup> The average household size in California has declined due to the lack of new housing and the rising real income. As a result, higher income earners can afford the luxury of spreading out and forming smaller, separate households, while lower income residents are priced out and leaving the state all together.

Fortunately, Orange County is maintaining its stability while the state faces some challenges.<sup>5</sup> New development is still dominating in the region while other markets are seeing a slowdown. Tourism, residential real estate, the industrial market, and hotel-motel occupancy rates are softening throughout Orange County. John Wayne airport usage decreased by 10% and Disneyland saw a decrease in attendance in

2024.<sup>6</sup> While tourism has slowed in recent months, the City is optimistic that upcoming events including the Disneyland Resorts 70th Year Anniversary celebration will increase the number of visitors to the resort and to the City. Visit Anaheim has confirmed 55 conventions, 72 meetings, and 76 events for 2025. While we face many challenges ahead, both as a city and as a country, the U.S. economy continues to show signs of resilience, and we believe the City will also show resilience during these uncertain times.

## MAJOR INITIATIVES

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

### ENSURE FINANCIAL RESPONSIBILITY:

- **Planning for Future Revenues and Exploring Potential New Funding Sources.** In the upcoming fiscal year, the City will engage in two important policy discussions: creating a plan for the responsible use of revenue anticipated upon retirement of the Anaheim Resort Lease Payment Revenue (LPMR) bonds and exploring options related to potential new funding/revenue sources. Policy discussions with the City Council are expected in Fall 2025.

### ENHANCE LIVABILITY:

- **Addressing Neighborhood and Commercial Blight.** Anaheim is taking a proactive approach to improve the appearance and vitality of our commercial corridors. Through focused code enforcement efforts and close collaboration among city departments, we identify problem areas, promote compliance,

<sup>1</sup> The Beacon Outlook: United States. Beacon Economics. Spring 2025. Niree Kodaverdian, PhD, Research Manager.

<sup>2</sup> UCLA Forecast: 2025 Orange County Regional Economic Outlook. April 29, 2025.

<sup>3</sup> U.S. Bureau of Labor Statistics: Employment Situation Summary April 2025

<sup>4</sup> 2025 Spring Economic Forecast. Woods Center for Economic Analysis and Forecasting. CSUF College of Business and Economics.

<sup>5</sup> U.S. Bureau of Labor Statistics: Employment Situation Summary April 2025

<sup>6</sup> UCLA Forecast: 2025 Orange County Regional Economic Outlook. April 29, 2025.

and support long-term improvements. The City's efforts to purchase problematic motels, such as the Tampico Motel, Rainbow Inn and Kettle Motor Motel, have supported the priority of revitalizing neighborhoods. Over time, Anaheim will see these properties redeveloped into new housing. These coordinated efforts help create cleaner, more welcoming places that benefit businesses, residents, and visitors alike.

- **Developing Strategies for Affordable Housing.** Anaheim has proven to be a leader in building affordable housing in Orange County. Construction of the Miraflores Family Apartments was completed in December 2024 as a 100% affordable 86-unit workforce rental housing project with eight units allocated for homeless families. Also, Azure Apartments, with the support of Project Homekey funds, is the conversion of the former Studio 6 Motel on North Harbor into permanent supportive housing for individuals and families exiting chronically homeless conditions. The site of the former Americana Motel and Silver Moon Motel near Beach Boulevard and Lincoln Avenue will soon see the development of affordable inter-generational rental housing and for-sale townhomes.

This year, the City Council also approved the establishment of the Anaheim Local Housing Trust Fund, which will finance new affordable housing developments in the City with \$15 million in seed funding from Disney as part of the Disneyland Forward agreement. The Council also approved an inclusionary housing ordinance that requires new rental developments to set aside units as deed-restricted affordable units. To further advance Anaheim's commitment to increasing housing supply and enhancing livability, Anaheim was awarded a grant to create the Livability Lab, which will identify and develop innovative housing strategies, process improvements, and neighborhood quality of life initiatives.

- **Expanding Services to Address Homelessness.** Anaheim does more than any other Orange County city to assist people out of homelessness with daily social worker outreach, substance abuse recovery, mental health, emergency shelter, and long-term supportive housing. The City's Homeless Assessment Liaison Officer (HALO) team represents a coordinated initiative supported by several City departments aimed at addressing homelessness through increased coverage and resources. This team leads efforts in outreach, assessments, and connecting individuals experiencing homelessness to essential services. Additionally, the City continues its proactive engagement through the Community

Care Response Team (CCRT), with support from HOPE Anaheim to assist those navigating mental health challenges.

The City also launched an interdepartmental "Quality of Life" Task Force to address the impacts of homelessness. In the fall, Anaheim updated its municipal code to strengthen regulations regarding the use of public parks and spaces, including prohibiting smoking in public parks, the selling of bikes and bike parts in parks, and obstructing public parks, sidewalks and spaces. The Task Force has also been instrumental in deploying new cameras in parks and railroad rights-of-way to monitor and deter behavior, building partnerships with outside partners such as Caltrans and the railroads to improve clean-ups and safety enforcement, and implementing physical improvements in challenged areas using CPTED (Crime Prevention Through Environmental Design) principles.

Lastly, Anaheim's Collaborative Court Evaluating Strategies and Solutions Program (ACCESS), led by the Anaheim City Attorney's Prosecution Office, entered its second year of operation. The ACCESS program intends to address the persistent issue of low-level, high-risk, and high-need misdemeanor offenders living on the streets who repeatedly cycle through the criminal justice system without access to essential services. With a substantial grant of \$8.5 million awarded to the City, ACCESS has been able to expand its services to reduce repeat offenses by providing the services necessary for participants to fully reintegrate into the community. The City of Anaheim has developed a comprehensive, compassionate approach to addressing homelessness through a system of care designed to support individuals at every stage of their journey from the street to home.

- **Assessing Community Needs.** To better understand the needs of our residents, the City and Anaheim Community Foundation (ACF) completed the 2024 Anaheim Youth & Families and Older Adults Needs Assessments. The assessments provide recommendations to help guide the City and ACF to support residents of all ages over time. Building on these findings, the City will work closely with ACF and community partners to prioritize key recommendations.

#### EXPAND INFRASTRUCTURE AND AMENITIES:

- **Improving Street Corridors.** Over the past year, Anaheim has made significant progress in improving and enhancing major street corridors. The City completed arterial roadway widening and rehabilitation projects, such as the Orangewood Avenue widening from State College Boulevard to the Santa Ana River. In the fall,

the City officially took over control of Beach Boulevard from the State of California. The transfer in ownership has unlocked new flexibility, allowing the City to move forward with streetscape improvements more quickly and with greater local control. Beach Boulevard median beautification is currently underway.

- **Maintaining and Improving Infrastructure.** A \$25 million utility undergrounding project along Beach Boulevard is also underway, set for completion in 2026. Other locations currently being undergrounded are Cerritos/Nutwood and overhead segments in wildfire threat zones. Projects currently in design include Vermont Avenue, between Anaheim Boulevard and East Street, and La Palma Avenue, from State College Boulevard to East Street. Additionally, a newly adopted ordinance requiring telecommunication companies to remove their overhead lines within 12 months has improved response times on projects that were taking an average of 2.4 years to complete.

Providing high-quality water to everyone in Anaheim protects public health and supports daily life. It ensures that residents, businesses, and visitors have reliable access to safe, clean water for drinking, sanitation, and other critical needs. In partnership with the Orange County Water District, Anaheim Public Utilities led the way to open the Linda Vista Groundwater Treatment Plant. This location expands the advanced treatment system, which is made up of filters, tanks, control valves, pumps and pipes, to address industrial chemicals that have made their way into the local aquifer. The first two phases were completed in 2024, and a third and final phase is currently in the design process.

- **Enhancing Our Parks.** The Anaheim Parks Plan was published in 2018 to evaluate the city's current park conditions and maintenance practices while providing recommendations for improvements and identifying opportunities for additional park facilities. The Parks Plan continues to serve as a roadmap for park improvements and investments. Center Greens Park, located in downtown Anaheim, debuted last year and transformed a grassy space into a new park with a skate park, walking paths, and a butterfly garden. Riverdale Park saw the completion of a new 10,000-square-foot playground that features climbers, swings, bridges, educational panels, slides, and group spinners for kids of all abilities. Also, La Palma Park celebrated the completion of a new promenade that transforms the corridor into a safe and beautiful route for active transportation, increases access to open space for residents and revitalizes a historically underserved area. The City is committed to planning for future facilities, amenities,

and infrastructure that support the needs of a growing and diverse community. At the same time, we prioritize the effective use of our existing assets through regular maintenance, repair, and strategic upgrades. This dual approach ensures long-term sustainability while enhancing the quality of life for residents, businesses, and visitors.

- **Enhancing Senior Activities and Centers.** Anaheim's Active Older Adult Program is dedicated to fostering a vibrant and supportive community for those aged 55 and over. Through a broad range of activities, the program encourages both physical and social engagement for participants of all abilities. Centered at the Downtown Anaheim Active Older Adult Center and various hubs across the City, this initiative ensures that everyone can find something to suit their interests. Identified as a priority, the City enhanced older adult programs and services, including staffing at three additional locations – Miraloma Park Family Resource Center, Ponderosa Park Family Resource Center, and West Anaheim Youth Center. Furthermore, we continued offering adult programs and services at the Central and six branch libraries. Anaheim will continue to explore the expansion of senior services and evaluate potential locations for a stand-alone senior center.

#### FOSTERING A HIGH-PERFORMING ORGANIZATION:

- **Developing a Professional Workforce.** Expanding our professional development program helps Anaheim cultivate new talent while enhancing the skills of current staff. This year, our Human Resources Department offered 99 Citywide training courses focused on the professional growth of our city workforce. City employees also participated in the California State University, Fullerton (CSUF) Leadership Development Program where they are afforded the opportunity to network with peers and learn more about leadership in government. Lastly, the City established two new job pipelines supporting organizational stability, reducing recruitment gaps, and fostering career development for existing employees by creating new pathways for advancement. There are two pipelines: 1) administrative interns to entry-level engineering roles; and 2) Ambulance Operators, designed to upskill ambulance operations and offer a direct pipeline to Anaheim's Fire Academy.
- **Implementing Classification and Compensation Study.** Human Resources spearheaded the Citywide classification and compensation study to ensure that the City consistently maintains the ability to successfully 1) recruit and retain a talented and highly qualified workforce, 2) review compensation practices that achieve internal equity and external competitiveness, and 3)

provide a safe, productive work environment with high employee engagement. The first phase of the study has been completed. The second and last phase will include the finalization of classification specifications, development of pay structure(s), consultation with departments and labor groups, completion of the final report, and development of an implementation plan.

#### PROMOTE PUBLIC SAFETY:

- **Activating the Real Time Crime Center.** The Anaheim Police Department (APD) provides world class public safety services to the community through a wide variety of operations and innovative programs that create a safer environment for residents, visitors, and businesses. The Real Time Crime Center (RTCC) is a cutting-edge hub that enables officers to proactively respond to calls for service using information gleaned from various law enforcement databases, analytical software, and video in real time to deter and solve crime, provide and share real-time intelligence, and assist with tactical support to patrol operations and critical incident resolution. Since last year, the RTCC has implemented phase one by taking significant steps to improve the Citywide camera network and increase access to the network for the RTCC. Now fully staffed, the RTCC has expanded its operations from four to seven days a week. APD is working towards increasing the capabilities of the RTCC, including the integration of drone technologies.
- **Improving School Safety.** APD's Safe Schools Program is a collaborative initiative between Police and local school districts to enhance student safety and foster positive school environments. Central to this program is the deployment of School Resource Officers (SROs) who provide a visible law enforcement presence on campuses, deter delinquent behavior, investigate criminal activity, and serve as role models and mentors. SROs also engage in educational activities, such as teaching about bullying prevention and participating in programs like the Gang Reduction and Intervention Partnership (GRIP), to support at-risk youth and promote positive decision-making. This comprehensive approach to school safety emphasizes community policing within schools and proactive prevention measures.
- **Building a New Fire Station.** Earlier this year, Anaheim celebrated the groundbreaking of its newest fire station, also known as Fire Station 12. The station is being built along State College Boulevard near Angel Stadium in the Platinum Triangle. Once built and fully activated, the new station will cut medical and fire response times in the area by half.

- **Preparing for Emergencies.** Another initiative supported by Anaheim Fire & Rescue is its involvement in the Firewise USA program. Anaheim successfully received its first Firewise USA designation at Camino Grande Loop in East Anaheim. The Firewise USA program, led by the National Fire Protection Association (NFPA), offers a structured approach for communities to enhance their wildfire resilience in California. This initiative promotes collaborative efforts among residents, local fire departments, and other key stakeholders to bolster the fire resistance of homes and surroundings. Integral to California's wildfire preparedness strategy, the program is supported by CAL FIRE's Community Wildfire Preparedness & Mitigation Division, aiding communities in achieving Firewise designation.

#### ENCOURAGE DEVELOPMENT AND TOURISM:

- **Advancing the Anaheim Canyon as an Economic Engine.** Anaheim Canyon is a dynamic hub of innovation and industry, home to more than 3,000 businesses and over 40,000 employees across diverse sectors such as manufacturing, technology, and design. With the support of the Anaheim Canyon Specific Plan, adopted to streamline development and encourage sustainable growth, the area continues to attract forward-thinking companies and high-quality jobs. One of the latest additions is St. John Knits International Inc., a globally recognized luxury fashion brand that has relocated its headquarters to an 85,000-square-foot facility on La Palma Avenue. This new space houses offices, design studios, a boutique production atelier, and a warehouse, and employs about 120 people. The move not only enhances Anaheim Canyon's reputation as a premier business district but also strengthens Anaheim's creative economy, reflecting the entrepreneurial spirit that defines the City.
- **Supporting Small Businesses.** The City also celebrated a significant milestone in the fall by unveiling freeway signs for Little Arabia, the City's first officially recognized cultural district. Located along Brookhurst Street in West Anaheim, Little Arabia is home to over 70 Middle Eastern and North African businesses, including restaurants, cafes, and boutiques. The new signage, installed along the Riverside (91) and Santa Ana (I-5) Freeways, symbolizes the City's acknowledgment of the contributions of immigrant communities to Anaheim's cultural and economic landscape.
- **Capitalizing on the 2028 Olympics.** The Honda Center has been selected as the official indoor volleyball venue for the 2028 Summer Olympics, marking a significant achievement for the

City. The arena, which seats over 18,000, will host both men's and women's volleyball teams, including Team USA, over two weeks in July, 2028. This selection not only reinforces Anaheim's reputation as a premier sports destination but also promises substantial economic benefits from increased tourism and global exposure. The City is preparing to support the games with essential services such as public safety and traffic management, ensuring a successful and memorable Olympic experience for athletes and visitors alike.

- **Facilitating Major Developments.** OCVibe is a transformative mixed-use development currently under construction around the Honda Center. Every day, residents and visitors witness the project's progress, with buildings coming to life around the arena. The development includes entertainment venues, housing, retail, restaurants, hotels, and green spaces. Once complete, it will contribute to Anaheim's economic vitality and elevate the City's reputation as a premier place to live, work, and be entertained.

The Disneyland Resort is undergoing an exciting transformation with several new attractions coming to Disney California Adventure. The park will welcome an immersive Avatar-themed land inspired by Avatar: The Way of Water. A groundbreaking new Coco ride is also in development. Meanwhile, Avengers Campus is expanding with two new attractions: Avengers Infinity Defense and Stark Flight Lab. These additions reflect Disney's commitment to enhancing the guest experience. We will also start to see new infrastructure investments in the next year in support of future DisneylandForward projects, including new parking and transportation facilities, and associated pedestrian improvements

#### FINANCIAL INFORMATION:

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

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

and belief, this financial report is complete and reliable in all material respects.

#### BUDGETARY CONTROLS:

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

#### RELEVANT FINANCIAL POLICIES:

Through sound fiscal management, the City of Anaheim positions itself to provide a positive atmosphere for economic development and the flexibility to strategically address budgetary challenges that result from fluctuations in the local, national, and global markets. As of June 30, 2025, the City's General Fund has a spendable, unassigned fund balance of \$86 million. Excluding the long-term interfund payable of \$30 million, the unassigned fund balance amount totaled \$116 million, which represents 22% of the General Fund total fiscal year 2024-2025 expenditures. Traditionally, the policy has been to maintain General Fund reserves at a minimum of 7 to 10% of expenditures. The City has a long-standing practice of recognizing and reserving for known and anticipated liabilities. The City's compensated absences and self-insurance liabilities are fully funded. Additionally, the City has established an irrevocable trust for other postemployment benefits (OPEB) and continues to make the annual required actuarial determined contribution (ADC) to ensure this future liability is fully funded.

#### LONG-TERM FINANCIAL PLANNING:

On June 17, 2025, the City Council adopted the fiscal year 2025-2026 budget. Additionally, as a companion to approving the budget plan, a five-year Capital Improvement Plan was presented to the City Council. The five-year plan links anticipated expenditures for infrastructure development with community needs and desires, and provides a citywide perspective of recommended projects and proposed funding sources. The Capital Improvement Plan was finalized in June 2025, and totaled \$1,065 million for the five-year fiscal period ending June 30, 2030. The five-year Capital Improvement Plan has been submitted and annually updated, in its present form, since 1982, for effective

long-range planning purposes. It is City Management's belief that these two plans give City Council members an expanded opportunity to set policy and provide direction for implementation, resulting in improved management efficiency and improved financial results.

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

## **AWARD**

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

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Anaheim, California, for its annual comprehensive financial report for the fiscal year ended June 30, 2024. This was the 49th consecutive year that the City has achieved this prestigious award (fiscal years ended June 30, 1976 through 2024). In order to be awarded the Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both U.S. generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current annual comprehensive financial report continues to conform to the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

## **ACKNOWLEDGMENTS**

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

Respectfully submitted,



James Vanderpool  
City Manager



Deborah A. Moreno  
Finance Director/City Treasurer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Anaheim  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2024

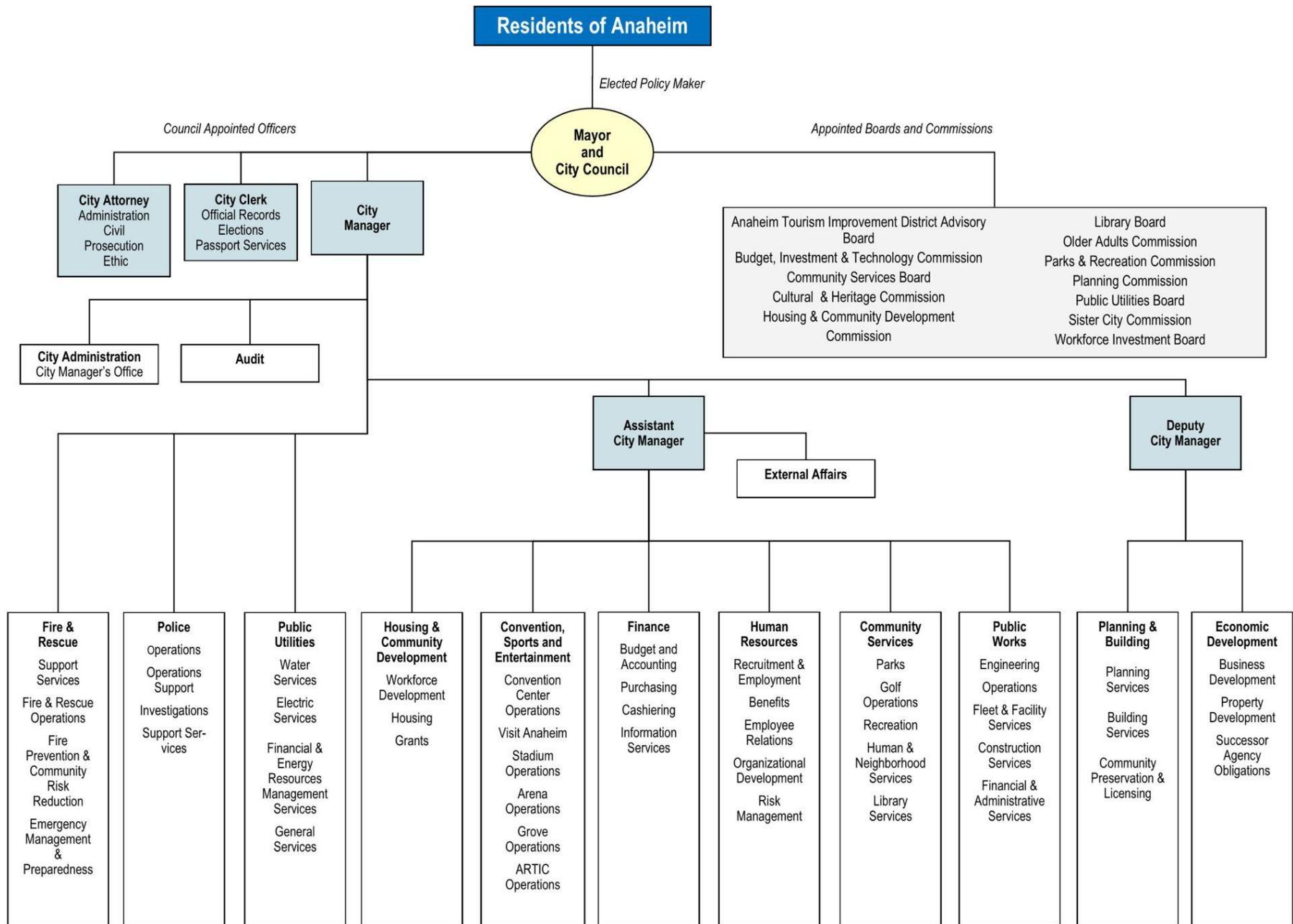
*Christopher P. Morrell*

Executive Director/CEO

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Anaheim, California for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

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



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**Administrative Personnel  
As of June 30, 2025**

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



# Financial Section







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

## Independent Auditors' Report

The Honorable Mayor and City Council  
City of Anaheim, California:

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Anaheim, California (the City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Housing Authority Fund for the year then ended in accordance with U.S. generally accepted accounting principles.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial

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

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

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

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



### *Auditors' Responsibilities for the Audit of the Financial Statements*

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness

of the City's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

### *Required Supplementary Information*

U.S. generally accepted accounting principles require that the management's discussion and analysis and the required supplementary information as listed in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses



to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining individual fund statements and schedules as listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### *Other Information*

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

the other information, and we do not express an opinion or any form of assurance thereon.

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

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

**KPMG LLP**

Los Angeles, California  
December 23, 2025



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# Management's Discussion and Analysis





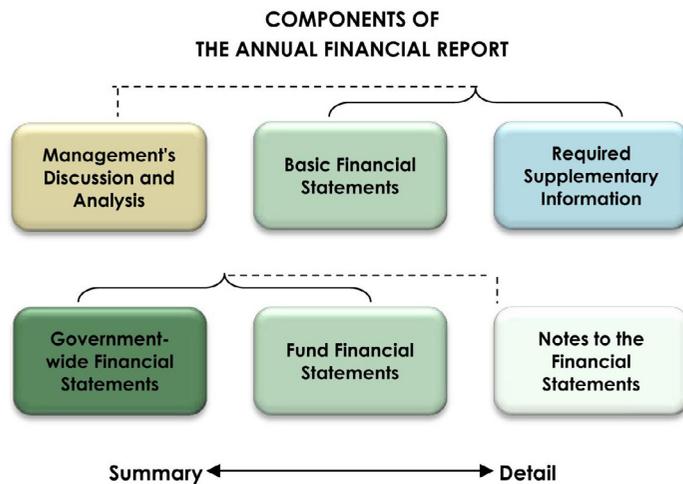
# Management’s Discussion and Analysis

## (Unaudited)

As management of the City of Anaheim (City), we offer readers of the City’s basic financial statements this narrative overview and analysis of the financial activities of the City as of and for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report, and the City’s basic financial statements in the financial section of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

## OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

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



**Government-wide financial statements** comprise of the Statement of Net Position and the Statement of Activities. These two statements are designed to provide readers with a broad overview of the City’s finances utilizing the full accrual method of accounting, in a manner similar to a private-sector business. Under the full accrual method of

accounting, transactions are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, assets, liabilities, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods (e.g. uncollected revenues and accrued but unpaid interest expense).

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

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

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

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

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

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

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

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

The City maintains 20 individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, the Housing Authority Special Revenue Fund, and the Anaheim Resort Improvements Debt Service Fund which are considered to be major funds and can be found on pages 48-49 and 51 of this report. Data for the remaining 17 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of supplementary combining statements on pages 135-138, 144-145, and 147-148 of this report.

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

compliance with the budget and can be found as part of other supplementary schedules on pages 139-143, 146, 149-152, and 155 of this report.

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

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

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

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

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

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

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

**Required Supplementary Information** presents the required supplementary information for pension and its related ratios, the Other Postemployment Benefits (OPEB) and its related ratios. This information can be found on page 123-132 of this report.

**The combining and individual fund statements and schedules** present combining individual fund statements referred to earlier in connection with nonmajor governmental funds and internal service funds. Also included are the budgetary comparison Schedules of Revenues, Expenditures and Changes in Fund Balances for all nonmajor special revenue funds, all debt service funds, and all capital projects funds. These statements and schedules can be found on pages 135-152 of this report.

#### **FINANCIAL HIGHLIGHTS (Amounts in thousands)**

- The City's total assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the end of the current fiscal year by \$2,857,165.
- The City's governmental activities represent \$1,354,076 (47%) and the business-type activities represent \$1,503,089 (53%) of the City's total net position.
- The City's net position has a net increase of \$261,951 (10%) as a result of the current fiscal year's operations. The net position of the City's governmental activities increased by \$191,863 (17%) and the business-type activities net position increased by \$70,088 (5%).
- The City's restricted net position of \$546,405 represents amounts available for ongoing programs and obligations with external restrictions.
- The City's total capital assets, net of accumulated depreciation, increased by \$177,113. Capital assets in the City's governmental activities increased by \$105,507 (7%) and business-type activities capital assets increased by \$71,606 (3%) during the current fiscal year.
- The City's total long-term debts decreased by \$46,027 (2%) during the current fiscal year; of this amount, long-term debts in the City's governmental activities decreased by \$31,255 (5%), and business-type activities decreased by \$14,772 (1%).
- The City's total other long-term liabilities decreased by \$70,329 (6%) during the current fiscal year; of this amount, other long-term liabilities in the City's governmental activities decreased by \$50,151 (5%), and business-type activities decreased by \$20,178 (7%).
- At the close of the current fiscal year, the City's governmental funds reported a combined fund balance of \$836,789, an increase of \$57,250 in comparison with the prior fiscal year. Approximately 29% of this amount or \$246,079 is available for spending at the City's discretion (total of committed, assigned and unassigned fund balances).
- At the end of the current fiscal year, unrestricted fund balance (total of committed, assigned and unassigned fund balance) for the General Fund was \$176,216 or 34% of total General Fund expenditures. Unassigned fund balance was \$85,909 or 17% of total General Fund expenditures. Excluding the long-term interfund payable of \$30 million, reserves were \$115,909 or 22% of General Fund expenditures.

**NET POSITION**  
**JUNE 30, 2025 AND 2024**

	Governmental Activities		Business-type Activities		Total Government	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 1,178,508	\$ 1,109,745	\$ 738,335	\$ 759,883	\$ 1,916,843	\$ 1,869,628
Capital assets, net	<u>1,639,205</u>	<u>1,533,698</u>	<u>2,451,886</u>	<u>2,380,280</u>	<u>4,091,091</u>	<u>3,913,978</u>
Total assets	2,817,713	2,643,443	3,190,221	3,140,163	6,007,934	5,783,606
Deferred outflows of resources	<u>196,941</u>	<u>272,606</u>	<u>58,731</u>	<u>78,860</u>	<u>255,672</u>	<u>351,466</u>
Total assets and deferred outflows of resources	<u>3,014,654</u>	<u>2,916,049</u>	<u>3,248,952</u>	<u>3,219,023</u>	<u>6,263,606</u>	<u>6,135,072</u>
Current liabilities	193,119	185,714	202,764	201,341	395,883	387,055
Long-term liabilities less current portion	<u>1,436,519</u>	<u>1,525,063</u>	<u>1,383,457</u>	<u>1,419,467</u>	<u>2,819,976</u>	<u>2,944,530</u>
Total liabilities	1,629,638	1,710,777	1,586,221	1,620,808	3,215,859	3,331,585
Deferred inflows of resources	<u>30,940</u>	<u>43,059</u>	<u>159,642</u>	<u>165,214</u>	<u>190,582</u>	<u>208,273</u>
Total liabilities and deferred inflows of resources	<u>1,660,578</u>	<u>1,753,836</u>	<u>1,745,863</u>	<u>1,786,022</u>	<u>3,406,441</u>	<u>3,539,858</u>
Net position:						
Net investment in capital assets	1,340,657	1,232,369	1,320,385	1,238,121	2,661,042	2,470,490
Restricted	472,303	349,859	74,102	100,603	546,405	450,462
Unrestricted	<u>(458,884)</u>	<u>(420,015)</u>	<u>108,602</u>	<u>94,277</u>	<u>(350,282)</u>	<u>(325,738)</u>
Total net position	<u>\$ 1,354,076</u>	<u>\$ 1,162,213</u>	<u>\$ 1,503,089</u>	<u>\$ 1,433,001</u>	<u>\$ 2,857,165</u>	<u>\$ 2,595,214</u>

At the end of fiscal year 2025, the City's net position totaled \$2,857,165 reflecting a net increase of \$261,951 or 10% from the prior fiscal year.

Current and other assets, including cash, cash equivalents and investments, restricted cash equivalents and investments, receivables, prepaid items, land held for resale, lease and notes receivable totaled \$1,916,843 and had an increase of \$47,215 (3%) as compared to the prior fiscal year; of this amount governmental activities increased by \$68,763 and business-type activities decreased by \$21,548.

- Cash, Cash equivalents and investments totaling \$1,429,430 increased by \$57,948 (4%).

Governmental-activities had an increase of \$64,154 (7%). The increase is primarily attributable to the following: an increase of \$12,029 in cash collections from tax revenues in transient occupancy taxes (TOT), sales taxes, property taxes, the Anaheim Tourism Improvement District (ATID) special assessment; receipts of \$19,034 from prior year grant reimbursement receivables including the SAFER grant (\$4,396), UASI grant (\$2,230),

HOPWA (\$1,750), HOME (\$1,507), Lincoln-East Evergreen Project (\$4,807), and Center Green and Oak Canyon Nature Center grant reimbursements (\$4,344); cash contributions from developers of \$25,444 consisting \$15,050 for housing development and \$8,000 for park development from Walt Disney Park and Resort, U.S., Inc. per the Disneyland Forward agreement; \$1,416 for the Platinum Triangle Mello-Roos district infrastructure development from property owners, and \$978 for various other infrastructure improvements in the city from various developers. Other increases included an increase of \$1,682 in proceeds from sales of excess street right-of-way; an increase of \$3,319 in interest received resulting from higher cash balances and higher interest rates earned, an increase of \$8,670 was from the increase in investment fair value. These increases are partially offset by capital asset acquisitions of the Rainbow Inn, Crown, and Kettle Motor Motels totalling \$13,113 and vehicle acquisitions of \$12,216.

Business-type activities had a decrease of \$6,206 (1%).

The Electric Utility had a decrease of \$60,021 (17%) primarily due to capital spending of \$109,053 (including spending down of \$24,722 from the 2022 bond proceeds). Payments in provision for decommissioning totalling \$12,439 consisted the Electric Utility's former ownership of the San Onofre Nuclear Generation Station (SONG) (\$10,059), the San Juan Generation Station (673), the Kraemer Combustion Turbine Plant (\$387), and the San Juan reclamation costs (\$1,320); \$9,592 in restricted cash and investment related to the 2014-A, 2015-B and 2017 bond series, which were originally required as default reserve at issuance, were released as excess reserve. \$5,407 of the excess reserve was used to pay the current year debt services and \$4,185 was transferred to the refunded bond trustee together with the refunded bond proceeds to partially defease the outstanding bonds. Offsetting the above reductions by the receipt of \$18,189 in prior year receivable related to the installation of electrical facilities for the OCVIBE project and collection of user charges.

The Water Utility had an increase of \$48,571 (132%) primarily due to the influx of cash and cash equivalent of \$54,426 proceeds from the issuance of the \$65,000 Water Revenue Bonds, Series 2024-A. During the fiscal year, the Water Utility had spent down \$16,162 of the bond proceeds for construction related costs. Additionally, an increase of \$12,364 was from the receipts of prior year construction costs reimbursement related to the Per-and Polyfluoroalkyl Substances (PFAS) treatment facilities.

- Accounts receivable decreased by \$26,346 (18%).

Governmental activities had an increase of \$5,467 (13%). This increase was attributable to the pending receipt of \$2,490 from the California Employer's Retirement Benefit Fund Trust (CERBT) for the reimbursement of excess payment over the OPEB Plan's actuarially determined contribution; an increase of \$2,268 was from increased emergency medical service (EMS) transports billings as it takes the time to process higher volume of claims and collection of payments; and an increase of \$826 for police services provided for the month of June 2025.

Business-type activities had a decrease of \$31,813 (30%) primarily due to receipt of the prior year account receivable of \$18,189 for the OCVIBE project in Electric Utility, and \$12,364 for the PFAS project in Water Utility.

- Due from Other Governments decreased by \$8,186 (14%) primarily due to receipts of prior year receivables of SAFER grant

(\$4,396) and the Lincoln-East Evergreen construction cost grant reimbursement (\$4,807).

- Prepaid and other assets increased by \$15,041 (13%). Governmental activities had an increase of \$96 related to prepaid maintenance. Business-type activities had an increase of \$14,945 primarily related to prepaid power costs of \$9,966, and prepaid costs of \$4,979 related to the implementation of the Oracle works and Asset Cloud Service and Oracle Field Service subscription-based information technology arrangements (SBITA).
- Notes receivable increased by \$13,227 (16%). The increase is mainly due to new loans made for low income housing development: \$6,000 to Beach and Lincoln, LP for the Beach Boulevard housing project; \$5,566 to LINC North Harbor Boulevard LP for the Studio 6 project, and various low-to-moderate-income household mortgage assistance loans from the BEGIN program (\$349) and Community Development Block Grant (CDBG) (\$113); and an increase of \$2,540 in accrued note interest receivable, net of allowance; partially offset the increases by the current year receipts for principal and interest payments of \$1,341.

The City's capital assets, net of accumulated depreciation, increased by \$177,113 (5%). Additional information about changes to the City's capital assets can be found on pages 37-38.

Deferred outflows of resources, including deferred charges on refunding bonds, deferred items related to pension and Other Postemployment Benefits (OPEB), totaling \$255,672, decreased by \$95,794 (27%). The decreases are primarily due to the following:

- Net change of deferred pension related items decreased by \$80,729. This decrease is primarily due to current year amortization of the pension related deferred items of \$128,892. Offsetting this decrease is a combined increase of \$35,755 from plan actuarial valuation including an increase of \$20,795 in changes of Plan experiences, an increase of \$11,957 in pension contributions subsequent to measurement date and \$3,003 in changes of proportion. Lastly, deferred items related to the investment experience balance of \$12,408 were netted from the deferred inflow of resources to deferred outflow in the aggregate. The balance of contribution subsequent to measurement date will be applied to reduce pension liabilities in the next fiscal year; balances of the other deferred outflow of resources related to pension will be amortized in pension expense in future years.
- Net change in deferred OPEB related items decreased by \$11,091 reflecting a decrease of \$10,117 from current year amortization

of deferred OPEB related items, a decrease of \$1,627 in OPEB contribution subsequent to measurement date, and the deferred inflow of resources related to investment expenses of the OPEB plan (\$391) was netted to the deferred outflow in the aggregate. Offsetting the decreases is an increase of \$1,044 in changes of proportion. Balances of the deferred outflow related to OPEB will be amortized in pension expense in future years.

- Deferred charges on refunding bonds decreased by \$3,974 from current year amortization.

Current liabilities, including accounts payable, wages payable, interest payable, current portion of long-term debt, current portion of other long-term liabilities, deposits and unearned revenues, totaled \$395,883 and increased by \$8,828 (2%). The increases are primarily due to the following:

- Accounts payable increased by \$8,014 mainly due to timing of scheduled disbursements to suppliers and construction contractors.
- The current portion of the long-term debt decreased by \$3,490 (3%). The decrease is attributable to the repayment of \$10,380, drawn for capital need in the prior fiscal year, on the Water Utility's line of credit with Wells Fargo Bank. Scheduled debt service payments due within one year for bonds and loan payable had an increase of \$4,869, lease payable had an increase of \$245, and subscription payable had an increase of \$1,776 resulting from increased subscription applications.
- Deposit payable increased by \$4,231 primarily due to an increase of \$2,340 from customer deposits due to a higher volume of events booked at the Anaheim Convention Center for future periods, and an increase of \$1,668 related to customers deposits for utilities accounts.
- Interest payable decreased by \$900 primarily due to the final payment of the accrued interest payable of \$1,883 for the ARTIC land loan, partially offset by an increase of \$1,440 in arbitrage rebate liabilities in Electric Utility.

The City's long-term liabilities, less current portion, decreased by \$124,554 (4%). Additional information about changes to the City's long-term liabilities can be found on pages 90-112.

Deferred inflows of resources, totaling \$190,582 decreased by \$17,691 (8%). The decreases include the following:

- Deferred items related to pension decreased by \$7,203. This decrease is primarily due to \$86,214 from current year amortization of the deferred items related to pension, offsetting by a combined increase of \$63,600 resulting from plan actuarial valuation including an increase of \$261 in plan experience and \$63,339 in investment experience. Additional increases of the deferred inflow items included an increase of \$3,003 changes in proportion, and the netting of \$12,408 balances of the deferred inflow of resources related to investment experience to deferred outflow of resources related to investment experience.
- Deferred items related to OPEB decreased by \$12,133 primarily due to \$18,484 in current year amortization of deferred items related to OPEB, offsetting by an increase of \$5,698 in investment experience resulting from plan actuarial valuation and an increase of \$1,044 in changes in proportion. Lastly a decrease of \$391 was netted in deferred inflow of resources related to investment experience to the deferred outflow of resources related to investment experience.
- Regulatory credits had a decrease of \$1,418 reflecting a net change in amount collected from Utilities customers (\$9,082) reduced by amount recognized as Rate Stabilization Account revenues (\$10,500) from the Electric Utilities during the fiscal year. Additional information about regulatory credits can be found on note 1 of the notes to the financial statements, on page 72.
- Deferred regulated business activities had a decrease of \$4,079 primarily due to the transfer of excess funding of \$4,895 to the provision of SONG decommissioning (\$4,160) and the SJ Reclamation (\$735); offsetting by an increase of \$816 for the SJ decommissioning.
- Deferred charge on refunding bonds had an increase of \$6,533 primarily due to an increase of \$10,883 resulting from the refunding of electric bonds offset by current year amortization of \$4,350.

The largest portion of the City's net position of \$2,661,042 reflects its investment in capital assets (e.g. land, buildings, utility plant, machinery, equipment, and infrastructure), net of any related outstanding debt that was used to acquire those assets. The City uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these

liabilities. Net investment in capital assets increased by \$190,552 (8%) primarily due to the addition of capital assets offset by a reduction of the related outstanding debt due to current year principal payments, related accrued construction payable, and current year addition to accumulated depreciation.

An additional portion of the City's net position of \$546,405 represents resources that are subject to external restrictions on how they may be used. This amount increased by \$95,943 from the prior fiscal year.

- Restricted net position of the governmental activities increased by \$122,444 (35%).

Net position restricted for debt services had an increase of \$80,768 primarily due to unspent current year LPMR revenue partially offset by decreased amount of accrued interest expense. Additional information about LPMR can be found in note 10 on page 91 of the notes to the financial statements.

Net position restricted for capital projects had an increase of \$6,381 primarily due to unspent contribution from developers of \$9,416 related to the Disneyland Forward project (\$8,000) and the Mello-Roos Projects (\$1,416) partially offset by resources used for the development of La Palma Park (\$4,685) and Rio Vista Parks (\$1,210).

Net position restricted for Housing and Community Development had an increase of \$31,371. This increase is primarily attributable to the contribution of \$15,050 received for the housing development related to the Disneyland Forward project; and the increase of development and homebuyer notes receivable totalling \$13,227. The funding sources of the notes receivable were provided by CDBG, HOME, CalOptima and Permanent Local Housing Allocation Program (PLHA) grant revenues.

Net position restricted for streets, roads and transportation improvement projects had an increase of \$9,869 primarily

resulting from unspent ATID revenues (\$6,296); an increase of \$4,813 was from resources provided by California Department of Transportation restricted to the maintenance of the Beach Boulevard.

Net position restricted for other purposes had a decrease of \$5,945 primarily due to assistance provided for the emergency rental assistance program (\$3,148), and other grant funded spending.

- Restricted net position in the business-type activities decreased by \$26,501 including a decrease of \$2,331 in resources restricted for debt service; a decrease of \$25,432 restricted for other purposes primarily for the Electric Utility public benefits projects which was fully spent; partially offset by an increase of \$1,262 in net position restricted for capital projects including an increase of \$343 for renewal and replacement reserved for utility plant as required by the Electric and Water Utility bond indentures, and an increase of \$919 for developer projects.

The remaining deficit balance of \$350,282 is the unrestricted net position reflecting an increase in deficit of \$24,544 from the prior fiscal year.

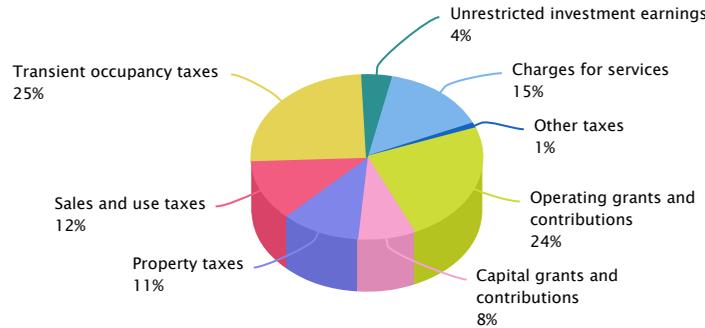
- Of the total deficit in unrestricted net position, the net effect from the unfunded net pension liability, the unfunded net OPEB liability, and the related deferred inflows and outflows of resources account for \$796,980; this deficit amount increased by \$5,472 resulting from plan actuarial valuation for the measurement date of June 30, 2024. The unfunded net OPEB and pension liabilities are long-term liabilities that will be funded annually in accordance with actuarially determined contribution amounts and rates.
- The positive component of the unrestricted net position, excluding the effects of OPEB and pension liabilities, is \$446,698 and may be used to meet the City's ongoing obligations to citizens and creditors. This amount decreased by \$19,072 reflecting results from current year operations.

**CHANGE IN NET POSITION  
YEAR ENDED JUNE 30, 2025 AND 2024**

	Governmental Activities		Business-type Activities		Total Government	
	2025	2024	2025	2024	2025	2024
<b>REVENUES</b>						
Program revenues:						
Charges for services	\$ 141,385	\$ 129,769	\$ 730,561	\$ 701,130	\$ 871,946	\$ 830,899
Operating grants and contributions	237,672	199,403	85	941	237,757	200,344
Capital grants and contributions	76,604	32,669	10,811	56,692	87,415	89,361
General revenues:						
Taxes:						
Property taxes	112,095	106,399			112,095	106,399
Sales and use taxes	113,198	107,811			113,198	107,811
Transient occupancy taxes	243,757	247,584			243,757	247,584
Other taxes	10,140	10,457			10,140	10,457
Unrestricted investment income	42,546	33,353	26,225	23,965	68,771	57,318
Total revenues	977,397	867,445	767,682	782,728	1,745,079	1,650,173
<b>EXPENSES</b>						
Program activities:						
Governmental activities:						
General government	22,691	24,073 *			22,691	24,073
Police	233,976	233,467			233,976	233,467
Fire & Rescue	124,249	121,544			124,249	121,544
Housing & Community Development	173,824	165,831 *			173,824	165,831
Economic Development	8,827	9,232			8,827	9,232
Planning & Building	32,791	32,208			32,791	32,208
Public Works	76,896	73,146			76,896	73,146
Community Services	57,334	54,326			57,334	54,326
Public Utilities	2,078	2,152			2,078	2,152
Convention, Sports & Entertainment	28,785	29,539			28,785	29,539
Interest on long-term debt	30,304	31,701			30,304	31,701
Business-type activities:						
Electric Utility			405,241	390,022	405,241	390,022
Water Utility			112,460	100,013	112,460	100,013
Sanitation Utility			84,100	81,357	84,100	81,357
Golf Courses			13,065	11,930	13,065	11,930
Convention, Sports & Entertainment Venues			76,507	69,268	76,507	69,268
Total expenses	791,755	777,219	691,373	652,590	1,483,128	1,429,809
Excess before transfers	185,642	90,226	76,309	130,138	261,951	220,364
Transfers in (out)	6,221	57,675	(6,221)	(57,675)		
Increase in net position	191,863	147,901	70,088	72,463	261,951	220,364
Net position at beginning of year	1,162,213	1,014,312	1,433,001	1,360,538	2,595,214	2,374,850
Net position at end of year	\$ 1,354,076	\$ 1,162,213	\$ 1,503,089	\$ 1,433,001	\$ 2,857,165	\$ 2,595,214

\* In Fiscal Year 2025, operating costs of the Salvation Army Homeless Shelter were charged to the Housing & Community Development which were previously charged to General Government. Reclassifications were made to the Fiscal Year 2024 Expenses to conform to the Fiscal Year 2025 presentation.

REVENUES BY SOURCE – GOVERNMENTAL ACTIVITIES



**Governmental activities** increased the City’s net position by \$191,863. Key elements of this increase are as follows:

The most significant revenues of the governmental activities are general taxes (49%), which include transient occupancy taxes (25%), property taxes (11%), sales and use taxes (12%), and other taxes (1%). Program revenues are 47% of the total revenues of the governmental activities, which include operating grants and contributions (24%), capital grants and contributions (8%), and charges for services (15%); and unrestricted investment income (4%) of the total revenues.

Governmental activities revenues increased by \$109,952 (13%) as compared to the prior fiscal year due to the following:

- Taxes totaling \$479,190 increased by \$6,939 (1%).

Transient occupancy taxes (TOT) revenues for fiscal year 2025 is \$243,757 and had a decrease of \$3,827 (2%) as compared to the prior fiscal year. TOT is equal to 15% of room sales derived from hotel, motel, and timeshare stays of less than thirty days. The local hotel market slowed this fiscal year with uncertainty leading up to and after the 2024 presidential election. The strength of the dollar also led potential visitors to travel overseas to Europe and Asia resulting in lower rates and a slight dip in occupancy for the Anaheim market.

Sales tax revenues totaling \$113,198 had an increase of \$5,387 (5%). The City’s share of sales and use tax is equal to 1% of taxable sales generated within the City (or 1% of the 7.75% sales tax rate). Sales tax revenues have increased across all sectors with the exception

of Transportation. The continual transition from gasoline vehicles to electric and hybrid vehicles has affected the Transportation category by reducing the sales tax revenues generated from gasoline.

Property taxes totaling \$112,095 had an increase of \$5,696 (5%). All real and tangible personal property in the State of California is subject to a property tax equal to 1% of its “full cash value.” Valuations of real property were frozen at the value of the property in 1975, with an allowable adjustment up to 2% per year for inflation. However, property is reassessed to its current value when a change of ownership occurs. The City receives a portion of the 1% basic levy tax rate. While the volume of property sales have slowed with higher interest rates, property values have remained stable.

- Charges for services increased by \$11,616 (9%). Paramedic revenues increased by \$4,602 primarily due to increases in both rates and numbers of medical transports provided by the in-house Anaheim Emergency Transportation program. Fire service revenue had an increase of \$2,416 from reimbursement of labor costs related to strike team deployment to various wildfire assistance. Police services provided to Disneyland and other entertainment and special events increased by \$1,135 mainly due to increased demand in police services and billing rates. Permits, building and engineering inspection revenues had an increase of \$1,520 due to increased construction related activities in the city. Other one-time increases included \$1,682 proceeds from the sale of surplus right-of-way. Offsetting these increases was a decrease of \$1,380 of residual receipts from the Anaheim Housing Authority ground leases due to a one-time additional lease revenue from Hermosa Village phase 2 low income project in the prior fiscal year, and a decrease of \$544 in Anaheim Tourism Improvement District (ATID) special assessment resulting from a slight decreased hotel room occupancy. The ATID is assessed 2% of the room rent for all hotel facilities located within the ATID boundaries (Anaheim Resort and the Platinum Triangle).
- Operating grants increased by \$38,269 (19%).

Housing & Community Development had an increase of \$36,262 consisting of an increase of \$10,718 in federal rental assistance and administrative funding for the Housing Choice Voucher (HCV), Mainstream and new Emergency Housing Voucher (EHV) programs as ongoing rental assistance funding per participant in the combined program increased 9% and the numbers of residents assisted increased over 3%. Community

Development Block Grant (CDBG) had an increase of \$3,027 due to higher spending resulting from the completion of various park development projects. Other increases included resources provided by HUD of \$5,740 in HOME funds for the Tampico and the Beach and Lincoln housing development, and \$1,000 Pro Housing for affordable housing projects; State of California provided resources included \$4,350 Encampment Resolution Funding grant (ERF) for the purpose of reducing homelessness in the community, and \$1,000 for the Store One Project. Additionally, a \$15,050 developer contribution from the Disneyland Forward project provides assistance in developing and maintaining affordable housing in the city. Partially offsetting these increases were decreases of \$5,378 provided by CalOptima in the prior fiscal year for the Studio 6 (\$3,878) and the Finamore Project (\$1,500); and a decrease of \$1,577 in Workforce Development due to lower program spending.

Other increases included a one-time resource provided by California Department of Transportation of \$4,813 for the maintenance of the Beach Boulevard, and an increase of \$953 for the Organized Retail Theft Grant.

Decreases in the following operating grants partially offset the above increases: \$2,370 in Urban Area Security Initiative (UASI) grant due to timing of projects; and \$1,537 in accrued revenue for SAFER grant provided by FEMA in support of hiring additional entry-level firefighters to improve staffing level; and the one-time \$602 in FEMA reimbursement for costs provided in support of COVID-19 and \$1,500 provided by the State of California for the Mobile Family Resource Center in the prior fiscal year.

- Capital grants and contributions increased by \$43,935 (134%) primarily due to a one-time developer contribution from Disneyland Forward project of \$8,000 for park development; an increase in capital asset contributions in public right-of-way and infrastructure of \$28,197, Park development of \$221, and other improvements of \$16,344; partially offset by decreases in infrastructure construction grant reimbursements of \$4,071 mainly due to timing of projects; and a one-time capital grant

of \$4,857 for housing development property acquisitions in the prior fiscal year.

- Unrestricted investment income of \$42,546 had an increase of \$9,193 (28%) primarily due to an increase in unrealized investment gain of \$8,670.
- Governmental activities net transfer in decreased by \$51,454 (89%) primarily due to the following:

A decrease of \$42,482 was a one-time transfer from the Convention, Sports & Entertainment Venues for the Car Park 2 at the Hilton/Anaheim Convention Center sales proceeds in the prior fiscal year.

A decrease of \$4,261 was from the Electric Utility of which a decrease of \$4,022 was from transfer equals to the maximum of 4% current fiscal year total operating revenues adjusted by the true-up of prior fiscal year transfer, and a decrease of \$239 was from the transfer which is 1.5% of retail electric revenue.

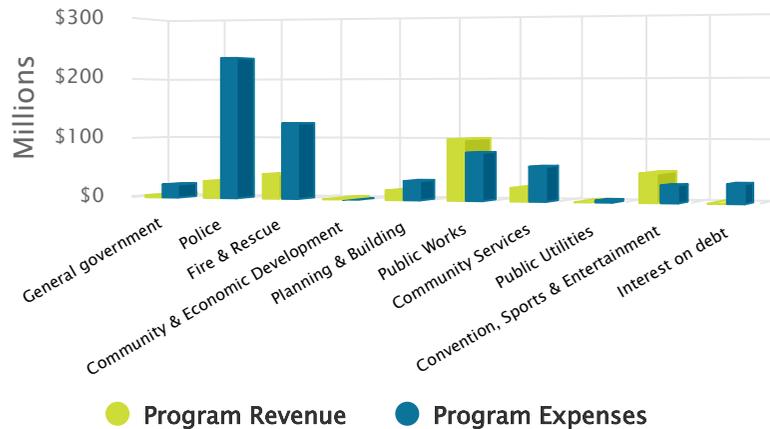
Other decreases totaled \$2,323 including a one-time transfer of \$1,323 from the Sanitation Utility for its portion of the wastewater diversion on Brookhurst North Construction project in the prior fiscal year; and a decrease of \$300 from Water Utility, and \$700 from Sanitation Utility related to street maintenance.

Partially offsetting the above decreases was an increase of \$1,250 from the Electric Utility to provide resources for the Energy Field Turf Restoration Project (\$1,000) and for the purchase and installation of energy-efficient kitchen appliances (\$250) for the Store One project.

An increase of \$3,944 in transfer out including \$2,831 to Electric Utility for the Orangewood widening project; and \$1,114 to the Convention, Sports and Entertainment Venues for capital improvement.

Additional information about the City's interfund transfers can be found on note 4 of the notes to the financial statements, page 84 of this report.

**EXPENSES AND PROGRAM REVENUES –  
GOVERNMENTAL ACTIVITIES**



Governmental activities expenses increased by \$14,536 (2%) as compared to the prior fiscal year. Key elements of the change are as follows:

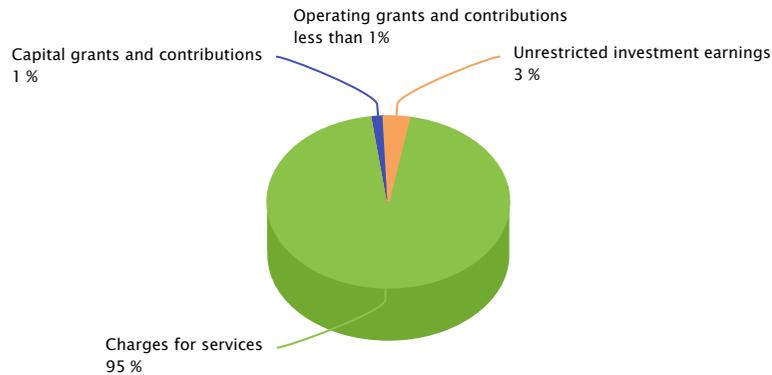
Public safety (Police and Fire & Rescue) expenses are the most significant (45%) of all governmental activities' expenses, followed by Housing and Community Development (22%), Public Works (10%), Community Services (7%), interest on long-term debt (4%), and various other programs (12%). Included in these amounts is depreciation expense, which is 5% of the total expenses for governmental activities.

- Per the various labor contracts, during the current fiscal year, employee pay rates had an increase ranging from 2.5% to 5.0%, varying by the labor group. Pay rate driven employee benefit costs also increased.
- The decrease in General government expenses of \$1,382 (6%) is primarily due to a decrease of \$1,425 related to costs of general election expenses in the prior fiscal year.
- The increase in Public Safety expense was \$3,214 (less than 1%). There were no significant changes to note.
- The increase in Housing & Community Development expenses of \$7,993 (5%) included an increase of \$7,969 from ongoing rental assistance for the Section 8 Housing Choice Voucher (HCV), Mainstream and Emergency Housing Voucher program

as rental assistance in the combined programs increased 8% and the numbers of residents assisted annually increased over 3%. Project development cost had an increase of \$1,286 primarily due to environmental remediation funded by the Equitable Community Revitalization Grant (ECRG) in central Anaheim; and the Homeless Prevention Program had an increase of \$1,333. Offsetting by decreases in several grant funded programs primarily due to availability of grant funds and timing of project spending. Emergency rental assistance provided to eligible families in need had a decrease of \$667; Workforce Development program had a decrease of \$854, and the Salvation Army Homeless Shelter operating costs had a decrease of \$748.

- The increase in Community Services expenses of \$3,008 (6%) included an increase in labor and employee benefit costs of \$1,401 (7%). An increase of \$440 was related to the increased transportation costs for the Senior Mobility Program; an increase of \$396 was from intradepartmental service (IGS) charges for facilities rental; and an increase of \$423 in depreciation expense was due to more new capital assets being placed in services. Other expenses increases were primarily due to general price increases. There was no other significant variance to note.
- The increase in Public Works expenses of \$3,750 (5%) included an increase of \$1,910 (12%) in labor and employee benefit costs. Infrastructure maintenance, including cost for the use of heavy duty equipment, had an increase of \$3,432 to support the Homeless Assistance Liaison Officer (HALO) team. IGS self insurance charge had an increase of \$675. Partially offsetting the above increases was a decrease of a one-time \$1,300 pass-through payment to Anaheim Transportation Network (ATN) as a subrecipient of the State of California earmark funds toward the construction of ATN facilities in the prior fiscal year, and a decrease of \$1,239 provided to ATN in assistance for the operational shortfall.
- The decrease in Convention, Sports & Entertainment expenses of \$754 (3%) is primarily due to decreased payment of \$404 to Visit Anaheim. The payment is equal to 75% of the ATID revenues, and a decrease of \$405 in depreciation expense as some older capital assets have been fully depreciated.
- The decrease in Interest on long-term debt expenses of \$1,397 (4%) primarily due to lower amount of accrued accretion for the 1997 Anaheim Lease Revenue Bonds.

## REVENUES BY SOURCE – BUSINESS-TYPE ACTIVITIES



**Business-type activities** increased the City's net position by \$70,088. Key elements of this change are as follows:

Charges for services of \$730,539 increased by \$29,431 (34%) due to the following:

- The increase of \$28,488 (6%) in Electric Utilities charges for services is primarily attributable to the following:

Retail sales of electricity totaled \$408,813, net of uncollectible amounts, and had an increase of \$51,497 (14%). As a result of rate restructuring effective May 1, 2024, in order to more effectively align the recovery of the Electric Utility's costs with the nature of the costs incurred, in part of the Electric Utility revised rate structure, the base rate increase was accompanied by a corresponding reduction in the Power Cost Adjustment (PCA) and Environmental Mitigation Adjustment (EMA) allowing for a more stable and reliable revenue stream. The restructuring was designed to be revenue neutral for each customer.

Wholesales totaled \$10,427 and had a decrease of \$3,678 mainly due to forced outage at the Canyon Power Plant, which reduced available generation and limited the amount of excess power the Electric Utility could sell into the wholesale market.

An increase of \$5,316 was a gain related to the reduction of a previously recorded obligation for the decommissioning of the Kraemer Combustion Turbine (CT) plant. The gain reflected an adjustment to an earlier liability estimate as additional project information became available and a more precise cost determination was made as the project progressed and near completion.

Rate Stabilization Account (RSA) revenue of \$10,500 decreased by \$23,500. Additional information about the RSA can be found in note 1 of the notes to the financial statement on page 72 of this report.

- The increase of \$7,152 (7%) in Water Utilities charges for services included an increase of \$6,547 (7%) in retail sales of water, net of uncollectible amounts. This increase was primarily driven by higher customer demand and rate adjustments, which included an increase in the fixed customer charge implemented in the latter part of fiscal year 2024 and additional usage-based rate increases that took effect during fiscal year 2025.
- The increase of \$2,377 (3%) in Sanitation Utility charges for services included an increase of \$2,000 in solid waste and collection fees, an increase of \$244 in wastewater fees, and offset by a decrease of \$143 in street cleaning fees. The increase primarily reflected a 3% rate increase for solid waste and wastewater during the fiscal year. Other revenues had an increase of \$253 primarily due to increases in sewer mitigation fees and an increase of \$22 from gain on sale of capital assets.
- The increase of \$1,154 (8%) in Golf Courses charges for services had an increase of \$607 in revenue growth over prior year performance in green fees, and an increase of \$554 in concession revenues. Renovations at the Anaheim Hill restaurant, and other major improvements at the golf courses over the past few years had made a positive impact and provided customers with better experience in the Golf Courses resulting in increases in rounds and tournaments, and concession revenues.
- The decrease of \$9,740 (17%) in the Convention, Sports and Entertainment Venues Fund is primarily due to a decrease of \$2,509 in parking revenue including the decrease of \$3,330 of the parking revenue resulted from the elimination of revenue share from the Car Park 2 at the Hilton/Anaheim Convention Center which the City sold its ownership share in June 2024; offset by an increase of \$821 in parking revenue at the Anaheim Convention Center primarily due to rate increase. A decrease of \$2,760 was from the one-time gain on sale of the Car Park 2 in the prior fiscal year. Additionally, a decline in consumer show, compared to prior fiscal year, resulted in reduced rental income of \$1,635; concession revenue had a decrease of \$2,600 which was partially offset by an increase of \$1,297 in Technology commission revenues.

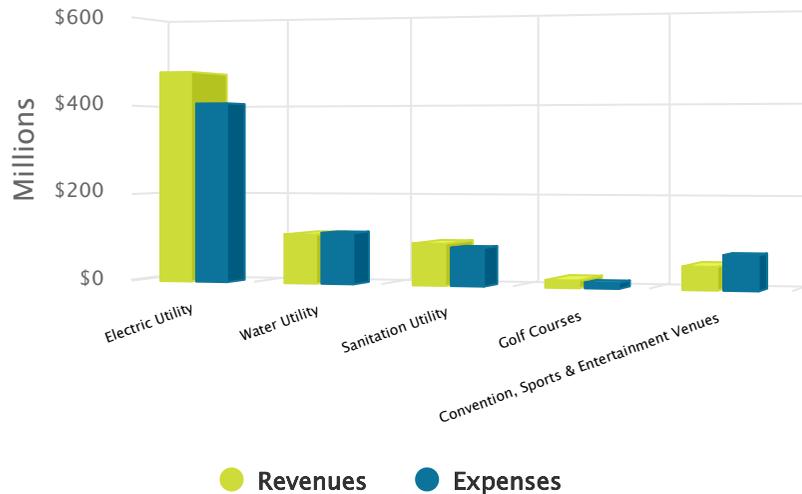
Operating grants had a decrease of \$856 (91%) in Sanitation Utility due to a one-time Organic Waste Recycling grant of \$859 provided by the State of California in the prior fiscal year.

Capital grants and contributions had a decrease of \$45,881 (81%) primarily due to a decrease of \$15,427 in Electric Utility related to the one-time OCVIBE electric facilities installation (\$18,188) in the prior year; Water Utility had a decrease of \$30,533 (88%) primarily due to the completion of the PFAS Treatment Facilities construction project.

Unrestricted investment had an increase of \$2,260 (9%) primarily due to Unrealized investment gain of \$3,475 being more favorable compared to last fiscal year, partially offsetting by a decrease of \$1,215 in realized investment income resulting from decrease cash and investment balance for the Electric Utility and Convention, Center and Entertainment Venues funds.

Business-type activities net transfer out decreased by \$51,454 (89%) as explained in the net transfer in the governmental activities. There were no other significant changes to note.

**EXPENSES AND PROGRAM REVENUES – BUSINESS-TYPE ACTIVITIES**



Total expenses of \$691,373 increased \$38,783 (6%). Key elements of the changes are due to the following:

- The increase in Electric Utility expenses of \$15,219 (4%) is due to the following:  
Power costs increased by \$14,645 (19%). The increase is mostly due to higher purchased-power costs, including a \$14,166 increase from the Intermountain Power Plant offset by a \$210 decrease

from Hoover Dam, and an \$11,326 increase in renewable-resource purchases. Transmission and ancillary service costs rose by \$2,686 and \$528, respectively. These increases were partially offset by lower generation costs at City-owned facilities. Magnolia and Canyon generation costs decreased by \$4,147 and \$2,045, respectively, reflecting reduced wholesale market demand and lower natural gas prices. CAISO market purchases decreased by \$3,775 due to lower system demand. The Electric Utility also recognized a net \$1,079 benefit from allocated carbon credits, which reduced power costs. Additionally, major maintenance at the Canyon Generating Station decreased by \$2,919.

Maintenance, operation and administration had an increase of \$574. Depreciation expense had an increase of \$562 as newer capital assets were placed in services. Other increases included increase in labor and employee benefits costs due to employee pay rate increases. offset by the decrease in pension and OPEB expenses. There were no other significant variances to note.

- The increase in Water Utility expenses of \$12,447 (12%) is due to the following:  
purchased water and treatment and pumping costs, which accounted for 49% of total expenses, increased by \$3,055 (6%). While the Water Utility purchased less imported water, which is more cost-effective due to the increased availability of groundwater from wells returning to operation, the overall increase in customer demand resulted in higher total water production costs during the year.  
Operation, maintenance, and administration costs increased by \$3,019 primarily due to an increase of \$5,845 in overhead resulting from less overhead being applied to capital projects as major PFAS construction projects reached completion, fewer internal labor and indirect costs were capitalized; partially offsetting the increase was a decrease of \$2,344 in outside contractor and professional service costs. Depreciation expense increased by \$4,411 due to more capital assets being placed in service. Interest expense had an increase of \$1,962 (23%) primarily due to interest expense for the newly issued 2024-A bond and the related costs of issuance.
- The increase in Sanitation Utility expenses of \$2,743 (3%) is primarily due to rate and volume increases of \$3,657 in waste disposal services and gate fees; labor, employee benefits costs, and pension and OPEB expenses had an increase of \$1,104. partially offsetting by the decrease of \$500 in infrastructure maintenance and \$441 in legal expenses.

- The increase in Golf Courses expenses of \$1,135 (10%) reflected higher operating costs along with an increase of 8% in golf course revenues. These increases included increases in contracted services, credit card fees, landscape maintenance, costs of merchandise, costs of food and beverage, and depreciation expenses.
- Convention, Sports and Entertainment Venues expenses had an increase of \$7,239 (10%). Salary, employee benefit costs, and pension and OPEB expenses had an increase of \$6,568. Full-time labor had an increase of \$677 reflecting lower numbers of vacancies and pay rate increase. Part-time labor had an increase of \$2,819 attributable to enhanced recruitment efforts which have resulted in a higher number of part-time employees. The increase in part-time labor partially decreased over-time and contract labor by \$867. Employee benefit costs, pension and OPEB expenses had a combined increase of \$3,915. Property insurance and other insurance premiums had an increase of \$384 due to a general rise in insurance premiums. Building maintenance had an increase of \$1,501 due to timing of service requirement.

## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

At the end of the current fiscal year, the City's governmental funds reported total ending fund balances of \$836,789, an increase of \$57,250 in comparison with the prior fiscal year.

- Nonspendable fund balance totaled \$975 (less than 1%), had an increase of \$20;
- Restricted fund balance totaled \$589,735 (70%), had an increase of \$86,062;
- Assigned fund balance totaled \$163,558 (20%), had a decrease of \$24,286;
- Committed fund balance totaled \$1,348 (less than 1%), had a decrease of \$2,838;
- Unassigned fund balance totaled \$81,173 (10%) and had a decrease of \$1,708.

Governmental revenues totaled \$923,397 increased by \$64,513 while expenditures were \$872,502 and increased by \$82,268. Information about the changes in fund balances, revenues and expenditures are provided in the following analysis of the General Fund, Housing Authority, Anaheim Resort Improvements, and nonmajor governmental funds, respectively.

### General Fund:

The General Fund is the general operating fund of the City. At June 30, 2025, the General Fund reported a total ending fund balance totaling \$192,512 and had a decrease of \$38,557 consisting of the following changes:

- Nonspendable fund balance totaling \$815 had an increase of \$87 consisting of an increase of \$37 in prepaid and an increase of \$50 in inventory.
- Restricted fund balance totaling \$15,481 had a decrease of \$1,800 primarily due to a combined decrease of \$3,608 restricted resources used for grant funded projects and the payments of claims and judgment. Partially offsetting the increase was an increase of \$116 from an unspent donation to the Police Department and an increase of \$1,674 from unspent opioid settlement receipts during the fiscal year.
- Assigned fund balance totaling \$90,307 had a decrease of \$30,075. This decrease was primarily due to the spending down of the 2021-A Working Capital Bond proceeds of \$66,753 (refer to note 10 on page 92 for more information about the 2021-A Working Capital Bond); partially offset by an increase of \$36,200 assigned for future capital projects.
- Unassigned fund balance totaling \$85,909 had a decrease of \$6,769 partially due to assigning \$36,200 from the unspent Car Park 2 at the Hilton/Anaheim Convention Center sales proceeds, the remaining balance reflected results from current year activities.

General Fund total revenues increased \$18,732 (3%) as compared to the prior fiscal year primarily attributable to the following:

- Total taxes increased by \$7,358 (2%). Taxes are the largest revenue sources of the General Fund and they accounted for \$470,821 of the total General Fund revenues. During fiscal year 2025, transient occupancy taxes (TOT) decreased by \$3,827 (2%), property taxes increased by \$5,696 (5%), sales and use taxes increased by \$5,387 (5%); and other taxes increased by \$102 (1%). Key elements of the changes in taxes are discussed in the government-wide financial analysis of the governmental activities on page 27 of this report.
- Intergovernmental revenues increased by \$3,950 (24%). The increase is primarily due to receipt of a new grant \$3,182

Encampment Resolution Funding (ERF) provided by the California HUD to address homelessness in the community; an increase of \$1,796 in SAFER grant provided by FEMA was recognized when the fund was available and received from prior year deferred revenue; and an increase of \$763 of HHAP grant provided by the State of California. Partially offset the increases by a one-time Mobile Family Resource Center grant of \$1,500 provided by the State of California and a decrease of \$602 of FEMA reimbursement related to Covid-19 contract works and supplies in the prior fiscal year.

- Charges for services had an increase of \$2,995 (5%) primarily due to an increase of \$2,416 in fire service reimbursement related to strike team deployment for various wild fires. Police services provided to Disneyland had an increase of \$608 primarily due to increased billing rate resulting from increased labor cost of providing for the services; partially offset by a decrease of \$1,324 in Opioids settlement distribution.
- Use of money and property had an increase of \$2,048 primarily from a \$1,627 one-time land sale proceeds of surplus right-of-way, and higher investment income.
- Other revenue had an increase of \$1,129. An increase of \$1,523 was reimbursement related to ineligible spending from city provided resources during the Covid-19 pandemic.

General Fund expenditures increased by \$29,602 (6%) as compared to prior fiscal year. The key elements of the changes as discussed in the government-wide financial analysis of the governmental activities.

- Salary, employee benefit costs, pension and OPEB contribution accounted for an increase of \$25,960 (8%) as compared to the prior fiscal year primarily due to increases in scheduled employee pay rates as previously discussed, increases in unfunded accrued liability contributions (UAL) for the pension plans, and vacant positions being filled.
- Intragovernmental service charges for equipment and facility rental, information technology services, and self-insurance accounted for a combined increase of \$6,380 primarily due to increases in service demand and cost increases.
- Debt service had an increase of \$347 for payments related to Subscription-Based Information Technology Arrangements (SBITA) placed in service during the fiscal year.
- Partially offset by a decrease of \$1,118 in landscape maintenance primarily due to timing of projects.

General Fund other financing sources increased by \$1,355 including the following:

- \$688 issuance of loan to provide financing for the acquisition of three emergency transportation ambulances.
- \$133 in lease financing for the lease extension of the Police evidence storage facility.
- \$1,181 in SBITA financing included the Contract Management system, Debt management and Fire billing management subscriptions of cloud-based information technology used citywide and the Fire Departments.

General Fund transfers in decreased by \$57,209 (70%) primarily due to the following:

- Reduction of one-time transfers: \$42,481 of Car Park 2 sales proceeds from the Convention, Sports & Entertainment Venues Enterprise Fund in the prior fiscal year; and \$8,000 transfer from Other Capital Improvement nonmajor capital fund to support budget amendments adopted by the City Council in the prior fiscal year.
- A decrease of \$4,261 transfer in from Electric Utility as previously discussed.
- Elimination of a \$3,000 transfer in from the Water and Sanitation Utility to the General Fund per the Agreement that the Water and Sanitation Utility directly made the transfer to the Gas Tax fund.

General Fund transfers out increased by \$11,758 (8%) including the following increases:

- An increase of \$3,270 in transfers out to the Anaheim Resort Improvements major Debt Service Fund. This increase is due to increases in Lease Payment Measurement Revenues (LPMR). Additional information about LPMR can be found in note 10 on page 91 of the notes to the financial statements of this report.
- An increase of \$5,466 to the Municipal Facilities nonmajor debt service governmental fund. Per the debt service schedule, the 2021 working capital bonds began the first principal payment on July 1, 2024.
- An increase of \$6,283 to the Other Capital Project Fund to provide financing for the acquisitions of the Crown and Kettle Motels.
- An increase of \$4,096 was to the Anaheim Housing Authority to provide financing for the Tampico Motel conversion and the Studio 6 low income housing projects.

- Partially offsetting the above increases were decreases from one-time transfers in the prior fiscal year including \$3,328 to the nonmajor capital project fund for Neighborhood projects; \$822 to the Grant nonmajor special revenue to support non-grant funded expenditures; and the transfer of \$3,000 to the Gas Tax nonmajor special revenue for street maintenance per the Agreement.

#### Housing Authority

The Housing Authority reported a fund balance totaling \$95,332 at June 30, 2025, and had an increase of \$10,276.

- Restricted fund balance totaling \$37,932 increased by \$4,608 primarily due to current year results of operation from restricted resource funded activities including the Housing Choice Voucher (HCV) and housing development projects.
- Assigned fund balance for housing projects totaling \$57,391 had an increase of \$5,708 primarily due to development and homebuyer loan payments and residual receipts from housing ground leases.

The Housing Authority revenues totaled \$150,323 and had an increase of \$6,098 primarily due to an increase of \$10,718 in HCV offset by a decrease of \$1,179 in lease revenues, and a one-time CalOptima grant of \$3,878 in the prior fiscal year. The key elements of the changes as discussed in the government-wide financial analysis of the governmental activities.

The Housing Authority expenditures totaled \$163,050 increased by \$22,617 (16%). This increase is primarily due to the following:

- On-going rental assistance expenditures for the Section 8 HCV, Mainstream and Emergency Housing Voucher programs rose \$7,969. Key elements for the changes are discussed in the government-wide financial analysis of the governmental activities on page 29 of this report.
- Environmental remediation of \$1,300 funded by the Equitable Community Revitalization Grant (ECRG) in Central Anaheim.
- Low income multifamily housing development loan disbursements had an increase of \$5,870 including loan disbursements of \$11,466 to the Studio 6 Motel and the South East Beach and Lincoln project offsetting by loan disbursements of \$5,596 to Finamore Place Apartment and Studio 6 projects in the prior fiscal year.
- Capital outlay increased \$7,090. The Housing Successor Low Mod Income Housing Fund purchased the Rainbow Inn Motel for \$6,900 for the purpose of developing low income housing in the prior fiscal year. The City Neighborhood Reserve Fund partially funded the acquisition cost of \$3,000.

Net transfer increased by \$20,045 (755%). Refer to the Note 4 on page 84 for further discussion.

#### Anaheim Resort Improvements

The Anaheim Resort Improvements reported a fund balance totaling \$324,824 at June 30, 2025, and had an increase of \$77,212 for the Resort bonds resulting from the increases of LPMR (refer to note 10 on page 91 for discussion related to LPMR). The entire fund balance of the Anaheim Resort Improvements is restricted for debt service of the 1997 Anaheim Lease Revenue Bonds and the 2019 A Anaheim Senior Lease Revenue Refunding Bonds.

Investment income increased by \$3,500 primarily due to increase in cash and investment balances and favorable interest rates.

Debt services had an increase of \$1,326 per the debt service payment schedule.

Transfer in from the General Fund had an increase of \$3,270 attributable to increase in LPMR.

#### Nonmajor governmental funds

Nonmajor governmental funds reported fund balances totaled \$224,121 reflecting an increase of \$8,319. The change consists of the following:

- Nonspendable fund balance had a decrease of \$27. There is no significant change to note.
- Restricted fund balance totaling \$211,498 had an increase of \$6,042. Key components of the changes included the following:

Development impact projects had an increase of \$6,092 from unspent restricted developer fees and capital contribution.

Housing development had an increase of \$15,630 including a \$15,050 developer contribution for the DisneyForward project and a transfer in of \$582 from the Other Capital Project fund representing the unspent voluntary developer contribution for housing activities.

Homebuyer assistance programs had a decrease of \$5,482 primarily resulting from a transfer of \$6,769 to the Anaheim Housing Authority.

Capital projects had a decrease of \$3,174 resulting from current year capital spending.

Economic development projects had a decrease of \$1,036 primarily due to resources used for property management related to the Long Range Property Management Plan.

Grant purposes had a decrease of \$1,399 resulting from grant funded spending.

Streets, roads and transportation improvement projects had a decrease of \$4,303 primarily due to capital spending.

- Committed fund balance had a decrease of \$2,838. The City Council approved a Cooperative Agreement between the City and Anaheim Housing Authority to provide resources of \$3,000 from the Anaheim Neighborhood Reserve fund to assist with the acquisition of the Rainbow Inn Motel located at 831 S. Beach Boulevard.
- Assigned fund balance totaling \$15,860 had an increase of \$81. There is no significant change to note.
- Unassigned fund balance deficit totaling \$4,736 had a decrease in deficit of \$5,061 primarily due to receipts of grant reimbursements for prior year deferred revenues mainly for street construction and workforce development. The deficit fund balance will be eliminated in future years by the receipts of grant expenditures. There is no other significant changes to note

Total nonmajor governmental funds revenues increased by \$36,183. The most significant factors of the changes are discussed in the government-wide financial analysis of the governmental-activities.

- Charges for services decreased by \$460 (1%) primarily due to a decrease of \$544 in ATID assessment revenues as previously discussed.
- Intergovernmental revenues increased by \$10,735 (16%). Street Construction had an increase of \$9,175 attributable to recognizing \$4,808 of construction grant reimbursement from prior year deferred revenue, and a \$4,813 one-time payment from California Department of Transportation related to the maintenance of the Beach Boulevard. CDBG had an increase of \$3,027 due to higher spending for park improvement and neighborhood improvement projects; Community Services Facilities had an increase of \$2,626 resulting from recognizing revenues from prior year deferred revenues for the La Palma Park and Center Green Improvement Projects. Offsetting these increases was a decrease of \$5,230 in Grants fund from the State Permanent Local Housing Allocation Program Grant in the prior fiscal year; and a decrease of \$1,515 in Workforce Development resulting from decreased spending in CalWorks (\$410), and CaliforniaAllForYouth grant (\$700).
- Use of money and property totaling \$16,420 had an increase of \$1,583 (11%) mainly due to increase in investment income of \$1,580

attributable to the higher cash and investment balance and higher investment interest rates.

Total nonmajor governmental funds expenditures increased by \$32,925 (14%) due to the following:

- Capital outlay had an increase of \$33,852 primarily due to timing of projects. This increase included the construction of street improvements on Lincoln Avenue-East Street widening, Sabrina Neighborhood Improvement, Center Green Park improvement, La Palma Promenade, and the acquisitions of Crown and Kettle motels.
- Principal payment on debt services had an increase of \$3,134 primarily due to the scheduled \$3,650 first principal payment of the 2021A Working Capital Bond.
- Landscape and infrastructure maintenance had an increase of \$688 mainly due to timing of projects.
- Partially offsetting the above increases were a combined decrease of \$2,450 in payments to Anaheim Transportation Network (ATN); and a decrease of \$2,462 in workforce development expenditures as previously discussed.

Total nonmajor governmental funds Other Financing sources and uses decreased by \$4,846 due to the following:

- Transfer in increased \$7,282 due to the following:

Transfer in from the General Fund had an increase of \$7,480 including \$5,466 for debt services, and \$6,282 for property acquisitions; partially offset by the decrease of one-time transfers of \$4,155 in the prior fiscal year to support non-grant funded expenditures and various neighborhood capital improvement projects.

A \$1,250 one-time transfer from Electric Utility for the Energy Field Restoration project (\$1,000) and the acquisition of electric appliances at the Store One project (\$250).

Partially offsetting the increases by a combined decrease of \$1,000 to the gas tax fund for street maintenance from the Water Utility (\$300) and Sanitation Utility (\$700), and \$1,323 from Sanitation Utility for the Brookhurst North Construction Environmental Cleanup Program in the prior fiscal year.

- Transfer out increased by \$12,423 due to the following: \$15,949 to the Anaheim Housing Authority for housing development projects.

\$2,831 to Electric Utility for the Orangewood widening electric facilities.

\$1,114 to the Convention, Sports and Entertainment Venues for capital improvement.

Offset the above increases by the decrease of a one-time \$8,000 transfer to the General Fund to support budget amendments adopted by City Council for community services in the prior fiscal year.

- Other financing sources increased by \$295 for the Police Department information technology subscription.

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

- The Electric Utility net position increased by \$65,110 (11%) in the current fiscal year.
- The Water Utility fund net position increased by \$56 (less than 1%) in the current fiscal year.
- The Sanitation fund net position increased by \$10,371 (7%) in the current fiscal year.
- The Golf Courses fund net position increased by \$2,021 (18%) in the current fiscal year.
- The Convention, Sports and Entertainment Venues fund net position decreased by \$9,941 (3%) in the current fiscal year.

## GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, the original budget was amended to increase appropriations by \$38,421 (7%). The increase in appropriations was primarily the result of the carryover of prior year appropriations and amendments amounting to \$26,400 and the reallocation of appropriations from other funds of the same departments of \$12,021. These amendments were to be funded from savings in other programs of the General Fund during the year.

General Fund revenues of \$598,836 were lower than budgeted revenues of \$624,469 by \$25,633 (4%). TOT had an unfavorable variance by \$26,823, the decline in TOT was previously discussed. Intergovernmental revenue was under budget by \$22,241 partly due to actual expenditures that required grant reimbursement were lower than the amount being planned and partly due to project timing. Sales and use tax had a favorable variance of \$5,156 as previously discussed. Use of Money and Property had a favorable variance of \$6,998 primarily due to investments being invested with higher interest rates, and from the sale of excess street right-of-way.

General Fund expenditures were less than budgeted. Of the total appropriations of \$552,635, approximately 6%, or \$35,082, went unspent. Expenditures were below budget for the following:

Housing and Community Development - \$24,272 primarily unspent appropriation for HHAP and homeless prevention, and emergency shelter.

Economic Development - \$3,879 primarily unspent appropriations for the Storefront improvement program and delays in capital improvement projects.

Community Service - \$3,219 primarily unspent appropriation for the Senior Mobility and Mobile Family Resource Center programs.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**CAPITAL ASSETS**  
(net of accumulated depreciation)  
**JUNE 30, 2025 AND 2024**

	Governmental Activities		Business-type Activities		Total Government	
	2025	2024	2025	2024	2025	2024
Land	\$ 757,455	\$ 714,492	\$ 93,914	\$ 93,914	\$ 851,369	\$ 808,406
Construction in Progress	130,959	80,892	280,577	222,819	411,536	303,711
Building, structures, and improvements	208,144	204,294	626,249	633,710	834,393	838,004
Utility plant			1,428,865	1,409,908	1,428,865	1,409,908
Machinery and equipment	57,533	48,103	16,075	15,761	73,608	63,864
Lease assets	6,943	5,761	3,645	3,686	10,588	9,447
Subscription assets	24,759	23,672	2,561	482	27,320	24,154
Infrastructure	<u>453,412</u>	<u>456,484</u>			<u>453,412</u>	<u>456,484</u>
<b>Total</b>	<b>\$ 1,639,205</b>	<b>\$ 1,533,698</b>	<b>\$ 2,451,886</b>	<b>\$ 2,380,280</b>	<b>\$ 4,091,091</b>	<b>\$ 3,913,978</b>

**Capital assets**

The City's investment in capital assets for its governmental and business-type activities at June 30, 2025 amounted to \$4,091,091 (net of accumulated depreciation). This investment in capital assets included land, construction in progress, buildings, structures, and improvements, intangible right-to-use assets, utility plant, machinery and equipment, and infrastructure. The total increase over the prior fiscal year was \$177,113 (5%), of which governmental activities increased by \$105,507 (7%) and business-type activities increased by \$71,606 (3%).

Governmental activities capital asset additions totaled \$159,612, offset by current year depreciation of \$53,314, and retirement of capital assets, net of accumulated depreciation of \$791. Major capital asset activities during the current fiscal year include the following:

- Land had a net increase of \$42,963 Including the acquisitions of the Crown Motel (\$3,048), the Kettle Motor Motel (\$4,211) and the Rainbow Inn (\$7,044) which was demolished as part of an ongoing remaking of Beach Boulevard known as Rebuild Beach. Addition of public right-of-way totaled \$28,660 which included right-of-way contributions by developers, and the Beach Boulevard that the City took over control from the State of California.
- Construction in progress (CWIP) had a net increase of \$50,067 consisting of \$84,645 in project additions, completion of \$34,034 and cancellation of \$544. The additions of works in progress

include \$45,393 of infrastructure construction, \$11,198 in park developments, \$27,886 in building, structure and improvements, and \$168 addition in information technology,

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

Street improvements: Lincoln Avenue-East Street-Evergreen Street Widening (\$8,110),Orangewood widening (\$2,483), Sabina Phase 4, 5 and Sycamore Neighborhood Improvement (\$9,305), Beth Jackson Neighborhood Improvement (\$5,353), Avenida Bernardo Improvement (\$2,977), Harbor-Ball to South \$2,131, East-Cypress to La Palma (\$1,238), and Serrano South City Limit to Weir Canyon Road (\$3,325).

Building, structures and improvements: Platinum Triangle Area Fire Station 12 (\$4,212), Soccer Field Upgrade (\$4,685), Rio Vista Park (1,210), and various improvements at the Honda Center (\$20,773).

- Building, structures and improvements had a net increase of \$3,850 including addition and transfer in from CWIP of \$19,520 offset by current year depreciation expense of \$15,670. Major additions included the completion of Center Greens Park (\$4,239), La Palma Promenade (\$4,494), and the Oak Canyon Nature Center Renovation.

- Machinery and equipment had a net increase of \$9,430 including addition and transfer in from CWIP of \$18,208, offset by retirements, net of accumulated depreciation, of \$240 and current year depreciation of \$8,538. Major acquisitions totaling \$12,216 included 3 ambulances, 2 fire engines, 5 heavy duty trucks, and 171 various vehicles. Equipment and heavy duty field equipment acquisition totaled \$5,992.
- Infrastructure had a net decrease of \$3,072 including additions of \$3,918, transfer in from CWIP upon project completion of \$14,709, offsetting by current year depreciation of \$21,699. Major projects of street improvements included the following: Peary Way Street improvement (\$1,647), Avenida Bernardo Street improvement (\$3,974), Knott Avenue Ball to Orange (\$1,565), Euclid-Crescent to Glenoaks (\$1,380), E South Street (\$1,254), and Katella Lighting (\$1,264). The additions to infrastructure assets also included storm drain construction, traffic signal modifications and installations at various city locations.
- Lease land, buildings, and equipment had a net increase of \$1,182 primarily from current year addition of computer leases.
- Subscription assets had a net decrease of \$1,087 including the cloud-based Permit system, Fire Record Management System, Debt Management System, and the Geographic Information System.

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

- The Electric Utility net increase of \$75,436 (7%) included capital asset additions of \$126,786, and offset by the current year additions to accumulated depreciation of \$51,016. Construction in progress increased by \$59,635 mainly due to \$121,941 in additions of capital projects offset by work completed of \$62,306. During the fiscal year, the Electric Utility completed the underground automation project, which includes the Addie, Brenda, Cravens, Jeanne, Moody and Servite 12KV circuits in addition to LED streetlight and switch replacement throughout the City. The Electric Utility completed the removal and replacement of overhead to underground facilities in numerous areas throughout the City. Major CWIP additions included the underground district No. 66 on

Beach Boulevard, as well as the direct buried cable replacement project through the City,

- The Water Utility increase of \$1,055 (less than 1%) included upgrades made by the Water Utility to water capital infrastructure. Capital asset additions for the fiscal year was \$26,192, offset by current year accumulated depreciation addition of \$25,137. Construction in progress decreased by \$3,858 primarily due to work in progress additions of \$25,467 offset by works completed of \$29,325. Major water projects completed during the fiscal year included: PFAS Water Treatment - Phase B, Felicidad/Lemon/Freedom Water Main Replacement.
- The Sanitation Utility increase of \$8,347 (7%) included capital asset additions of \$12,011 and offset by the current year additions to accumulated depreciation of \$3,073; cancellation of \$591 in work in progress that was found not to be feasible. Construction work in progress increased by \$2,453 primarily due to additions of \$10,172 of sanitary improvements on various city locations, offset by work completed of \$7,128 and cancellation of \$591. CWIP additions included Cypress-Citron (\$3,761), Knollwood-Magnolia (\$1,598). Project completion included LA Reina-Lincoln West of Magnolia (\$1,718), Ally Improvements (\$2,823), La Palma West of East Street (\$1,998). The additions also included acquisitions totalling \$1,466 in heavy duty equipment of sewer cleaners.
- The Golf Course's increase of \$1,365 (11%) included current year additions of \$2,431, offset by the current year depreciation of \$1,066. The additions to capital assets are primarily for the golf courses improvement and the renovation of the Anaheim Hills Golf Club.
- The Convention, Sports and Entertainment Venues decrease of \$14,931 (3%) is primarily due to current year depreciation of \$20,369 offset by additions to capital assets of \$5,446 and retirement of capital assets, net of accumulated depreciation of \$8. The capital asset additions were upgrades and improvements to the facility.
- Additional information on the City's Capital Assets can be found in notes 1 and note 7 of the notes to the financial statements, on page 70 and page 87 of this report.

**LONG-TERM LIABILITIES**  
**JUNE 30, 2025 AND 2024**

	Governmental		Business-type		Total	
	Activities		Activities		Government	
	2025	2024	2025	2024	2025	2024
Long-term debts:						
Interest payable				\$ 1,883		\$ 1,883
Lease payable	\$ 6,267	\$ 5,209	\$ 3,250	3,264	\$ 9,517	8,473
Subscription payable	18,970	18,632	2,474	488	21,444	19,120
Notes and loans payable from direct borrowing	10,420	13,096	121	217	10,541	13,313
Revenue bonds	591,603	621,578	1,163,062	1,177,827	1,754,665	1,799,405
Total	<u>627,260</u>	<u>658,515</u>	<u>1,168,907</u>	<u>1,183,679</u>	<u>1,796,167</u>	<u>1,842,194</u>
Other long-term liabilities:						
Due to other governments	18,550	18,550			18,550	18,550
Self-insurance claim liability	63,108	60,911			63,108	60,911
Compensated absences	31,661	28,976			31,661	28,976
San Juan reclamation liability			3,898	2,847	3,898	2,847
Provision for decommissioning liability			71,456	80,706	71,456	80,706
Net OPEB liability	77,361	87,918	24,589	26,951	101,950	114,869
Net pension liability	714,955	759,431	178,353	187,970	893,308	947,401
Total	<u>905,635</u>	<u>955,786</u>	<u>278,296</u>	<u>298,474</u>	<u>1,183,931</u>	<u>1,254,260</u>
Total long-term liabilities	<u>\$ 1,532,895</u>	<u>\$ 1,614,301</u>	<u>\$ 1,447,203</u>	<u>\$ 1,482,153</u>	<u>\$ 2,980,098</u>	<u>\$ 3,096,454</u>

### Long-term liabilities

At June 30, 2025, The City's outstanding long-term liabilities totaled \$2,980,098 decreased by \$116,356 (4%) in which long-term debts decreased by \$46,027, and other long-term liabilities decreased by \$70,329.

Long-term debts including revenue bonds, notes and loans payable, lease payable, subscription payable, and interest payable due in more than one year totaled \$1,796,167 at June 30, 2025. Key changes include the following:

Long-term debts in Governmental activities totaled \$627,260, and decreased by \$31,255 (5%).

- Principal payments of \$32,070 on bonds, notes, lease and subscription payable, payment made on the accretion of capital appreciation bonds of \$21,711, and the annual amortization of discounts/premium of \$2,787 decreased the long-term debt balances.

- New debt issuances and the accretion accrued totaling \$25,315 offsetting the above decreases and included the following: a) an increase of \$15,999 for the current year accrued accretion payable; b) an increase of \$688 in loan payable for the acquisition of three Emergency Transportation Ambulances; c) an increase of \$2,950 in lease equipment (\$2,817) and lease building (\$133), and d) an increase of \$5,676 in subscription payable including the Permit System and the Geographic Information System.

Long-term debt in the business-type activities totaled \$1,168,907, decreased by \$14,772 (1%) due to the following:

- Principal payments of \$61,116 on bonds, notes, leases and subscription payable, payment on long-term interest payable of \$1,883; current year amortization of \$8,237 in premium/discount, and the unamortized premium balances of the refunded bonds (\$5,850) were adjusted to deferred inflow of resources. These amounts decreased the long-term debt balances.

- The Electric Utility issued 2024-A refunding bonds in the principal amount of \$109,380 and at a premium of \$12,360 to partially refund the outstanding principal balance of the 2015-B (\$5,100), 2020 series A, B and C (totalling \$94,865), and 2022-B (\$27,175) totaling \$127,140. These amounts decreased long-term debt by \$5,400.
- The Water Utility issued 2024 Water bond in the principal amount of \$65,000 at par to provide resources for capital acquisition and to repay the outstanding balance of \$10,380 drawn on the line of credit in the prior fiscal year.
- Offsetting the decrease is an increase of \$334 addition for an Electric Utility equipment lease, and \$2,380 in SBITA payable.

Other long-term liabilities include self-insurance, compensated absences, provision for decommissioning liability, net OPEB liability, and net pension liability totaling \$1,183,931 decreased by \$70,329 at June 30, 2025. Key changes include the following:

- Other long-term liabilities in the governmental activities totaled \$905,635 decreased by \$50,151 (5%). Net pension liability, per the plan's actuarial valuation, decreased by \$44,476 and net OPEB liability had a decrease of \$10,557. These decreases were primarily due to the plan's favorable investment earnings resulting in large reductions in the net pension and net OPEB liabilities. Offsetting these decreases were an increase in self-insurance claim liability of \$2,197, based on actuarial valuation, and an increase of \$2,685 in compensated absences liability.
- Other long-term liabilities in the business-type activities totaled \$278,296 decreased by \$20,178 (7%). Net OPEB liabilities decreased by \$2,362 and net pension liability decreased by \$9,617, as previously discussed. Decommissioning liabilities had a net decrease of \$9,250 including current year payment of \$11,119, and a reduction in obligation of \$5,316 for the Kramer Combustion Turbine Plant, offsetting by an increase of \$8,110 for the San Juan decommissioning provision based on the latest study; and \$925 of excess funding was transferred to regulated business activities. San Juan reclamation liability increased by \$1,051 resulting from an increase in liability of \$2,371, based on the latest study, offset by current year payment of \$1,320.

Additional information on the City's long-term liabilities can be found in notes 8, 10, 11, 12, 13, 14 and 15 of the notes to the financial statements, on pages 88-112 of this report.

## ECONOMIC FACTORS

Tourism plays a significant role in the economies of California, Orange County and the City of Anaheim (City). Anaheim has been able to compete for and capture a significant portion of tourism revenues. TOT for fiscal year 2025 was \$244 million which fell short of budget by \$27 million. In fiscal year 2026, revenue projections for TOT and other revenue sources are anticipated to be largely flat with modest increases in the range of 2.5%. Meanwhile operational expenses, including labor and pension obligations, are increasing approximately 6%. The combined weakness in tourism-related revenues and increases in operational expenses results in a budget deficit of \$63.9 million in fiscal year 2026. To maintain the existing service level, management has presented a balanced budget, and the City Council has approved, that relies on one-time revenue sources to bridge the budget gap. The one-time funding sources include \$33.6 million in Working-Capital Bond Proceeds, \$10 million of funds previously set aside to reduce or retire debt obligations, and \$20.3 million proceeds from the sale of Car Park 2 at the Hilton/Anaheim Convention Center. The structural deficit is a near-term challenge. Game-changing revenues to the General Fund are expected once the Anaheim Resort Lease Payment Measurement Revenue (LPMR) bonds are retired, anticipated in fiscal year 2027.

For the 2026 fiscal year, the City appropriates \$558,971 in estimated available resources of \$626,869 for General Fund spending. This leaves \$67,898 in estimated available reserves, which is 12% of General Fund appropriations. The City's long-standing policy is to maintain General Fund reserves of at least 7% to 10% of annual appropriations.

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

California Senate Bill 100 (SB 100) signed into law in September 2018 and adjusted the Renewable Portfolio Standard (RPS) that all California utilities are required to reach. The new RPS mandate is that California utilities, at a minimum, must use renewal resources to serve 50% of their retail load by 2025, 60% by 2030. SB 100 also set a state policy goal to have 100% of retail sales be served by carbon-free resources by 2045. The Electric Utility uses a number of strategies to mitigate potential cost impacts while striving to meet and/or exceed state energy targets.

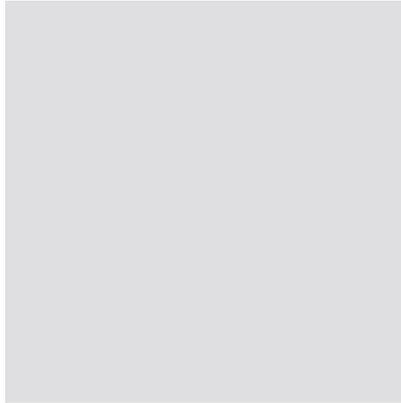
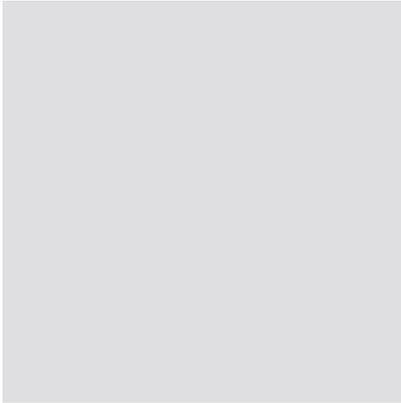
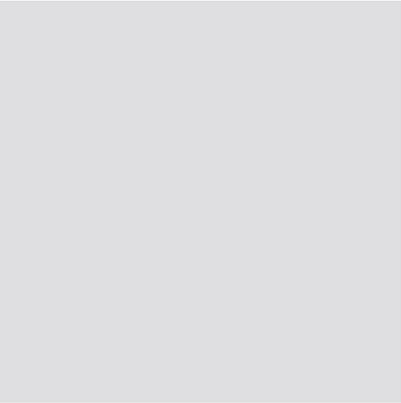
For fiscal year 2025, the Orange County Water District (OCWD) set the Basin Production Percentage (BPP) for all cities and water districts they serve at 85%. The Water Utility's Water Rates, Rules, and Regulations provide for an automatic adjustment of its commodity adjustment when OCWD and Municipal Water District (MWD) increase or decrease the cost per acre foot of water. Elevated water costs will continue until the Water Utility, in partnership with OCWD build local ground water treatment to eliminate or mitigate the PFAS levels found in the local groundwater.

### **REQUESTS FOR INFORMATION**

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



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# Basic Financial Statements





# Statement of Net Position

## June 30, 2025 (In thousands)

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 159,847	\$ 35,143	\$ 194,990
Investments	392,982	215,324	608,306
Restricted cash and cash equivalents	90,217	24,216	114,433
Restricted Investments	11,423	82,962	94,385
Accounts receivable, net	48,860	72,714	121,574
Accrued interest receivable	4,173	2,456	6,629
Lease receivable, net	969	1,330	2,299
Internal balances, net	10,055	(10,055)	
Due from other governments	50,778		50,778
Inventories	2,652	31,576	34,228
Land held for resale, net	21,123		21,123
Prepaid and other assets	2,207	49,816	52,023
Total current assets	<u>795,286</u>	<u>505,482</u>	<u>1,300,768</u>
Noncurrent assets:			
Restricted cash and cash equivalents	258,692	78,565	337,257
Restricted investments	16,922	63,137	80,059
Prepaid and other assets		83,035	83,035
Unamortized prepaid bond insurance	655	471	1,126
Lease receivable, net	10,211	7,645	17,856
Notes receivable, net	94,539		94,539
Due from Successor Agency	2,203		2,203
Capital assets, net:			
Nondepreciable	888,414	374,491	1,262,905
Depreciable	750,791	2,077,395	2,828,186
Total noncurrent assets	<u>2,022,427</u>	<u>2,684,739</u>	<u>4,707,166</u>
Total assets	<u>2,817,713</u>	<u>3,190,221</u>	<u>6,007,934</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charges on refunding bonds	17,438	11,175	28,613
Deferred OPEB related items	20,112	6,567	26,679
Deferred pension related items	159,391	40,989	200,380
Total deferred outflows of resources	<u>196,941</u>	<u>58,731</u>	<u>255,672</u>

# Statement of Net Position

## June 30, 2025 (In thousands)

	Governmental Activities	Business-type Activities	Total
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 66,573	\$ 105,295	\$ 171,868
Wages payable	9,403	2,246	11,649
Interest payable	5,343	15,472	20,815
Deposits	11,100	15,865	26,965
Unearned revenues	4,324	140	4,464
Lease payable, current portion	1,370	345	1,715
Subscription payable, current portion	5,317	327	5,644
Other long-term liabilities, current portion	41,115		41,115
Long-term debts, current portion	48,574	63,074	111,648
Total current liabilities	<u>193,119</u>	<u>202,764</u>	<u>395,883</u>
Noncurrent liabilities:			
Lease payable	4,897	2,905	7,802
Subscription payable	13,653	2,147	15,800
Other long-term liabilities	72,204	75,354	147,558
Long-term debts	553,449	1,100,109	1,653,558
Net OPEB liability	77,361	24,589	101,950
Net pension liability	714,955	178,353	893,308
Total noncurrent liabilities	<u>1,436,519</u>	<u>1,383,457</u>	<u>2,819,976</u>
Total liabilities	<u>1,629,638</u>	<u>1,586,221</u>	<u>3,215,859</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred item related to leases	10,433	8,753	19,186
Deferred Regulatory credits		112,570	112,570
Deferred Regulated business activities		11,722	11,722
Deferred item on refunding bonds		18,323	18,323
Deferred OPEB related items	17,131	6,697	23,828
Deferred pension related items	3,376	1,577	4,953
Total deferred inflows of resources	<u>30,940</u>	<u>159,642</u>	<u>190,582</u>
<b>NET POSITION</b>			
Net investment in capital assets	1,340,657	1,320,385	2,661,042
Restricted for:			
Debt services	123,442	37,450	160,892
Capital projects	98,296	36,652	134,948
Housing and Community development	144,464		144,464
Streets, roads and transportation improvement projects	85,884		85,884
Other purposes	20,217		20,217
Unrestricted	(458,884)	108,602	(350,282)
Total net position	<u>\$ 1,354,076</u>	<u>\$ 1,503,089</u>	<u>\$ 2,857,165</u>

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

## Statement of Activities

### Year Ended June 30, 2025 (In thousands)

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:								
General government	\$ 39,760	\$ (17,069)	\$ 1,433	\$ 2,293		\$ (18,965)		\$ (18,965)
Police	229,340	4,636	19,063	9,713	\$ 113	(205,087)		(205,087)
Fire & Rescue	123,457	792	38,411	373	812	(84,653)		(84,653)
Housing & Community Development	173,155	669	10,461	185,755		22,392		22,392
Economic Development	8,537	290	4,292			(4,535)		(4,535)
Planning & Building	31,654	1,137	13,226	1,640		(17,925)		(17,925)
Public Works	76,988	(92)	26,490	34,816	39,597	24,007		24,007
Community Services	56,406	928	3,121	3,082	14,677	(36,454)		(36,454)
Public Utilities	2,078					(2,078)		(2,078)
Convention, Sports & Entertainment	28,496	289	24,888		21,405	17,508		17,508
Interest on long-term debt	30,304					(30,304)		(30,304)
Total governmental activities	<u>800,175</u>	<u>(8,420)</u>	<u>141,385</u>	<u>237,672</u>	<u>76,604</u>	<u>(336,094)</u>		<u>(336,094)</u>
Business-type activities:								
Electric Utility	400,286	4,955	471,072		5,769		\$ 71,600	71,600
Water Utility	111,221	1,239	104,583		4,290		(3,587)	(3,587)
Sanitation Utility	83,347	753	91,072	85	89		7,146	7,146
Golf Courses	12,948	117	15,010				1,945	1,945
Convention, Sports and Entertainment Venues	75,151	1,356	48,824		663		(27,020)	(27,020)
Total business-type activities	<u>682,953</u>	<u>8,420</u>	<u>730,561</u>	<u>85</u>	<u>10,811</u>		<u>50,084</u>	<u>50,084</u>
Total government	<u>\$ 1,483,128</u>	<u>\$ (8,420)</u>	<u>\$ 871,946</u>	<u>\$ 237,757</u>	<u>\$ 87,415</u>	<u>(336,094)</u>	<u>50,084</u>	<u>(286,010)</u>
General revenues:								
Taxes:								
Property taxes						112,095		112,095
Sales and use taxes						113,198		113,198
Transient occupancy taxes						243,757		243,757
Other taxes						10,140		10,140
Unrestricted investment income						42,546	26,225	68,771
Transfers						6,221	(6,221)	
Total general revenues and transfers						<u>527,957</u>	<u>20,004</u>	<u>547,961</u>
Change in net position						191,863	70,088	261,951
Net position at beginning of year						<u>1,162,213</u>	<u>1,433,001</u>	<u>2,595,214</u>
Net position at end of year						<u>\$ 1,354,076</u>	<u>\$ 1,503,089</u>	<u>\$ 2,857,165</u>

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

**Balance Sheet**  
**Governmental Funds**  
**June 30, 2025** (In thousands)

	General	Housing Authority	Anaheim Resort Improvements	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 126,510	\$ 5,977		\$ 18,019	\$ 150,506
Investments	49,070	61,835		184,432	295,337
Restricted cash and cash equivalents	1,093	15,140	\$ 306,868	25,453	348,554
Restricted investments	11,423		16,922		28,345
Accounts receivable, net	40,892	190		2,501	43,583
Accrued interest receivable	784	324	1,036	1,504	3,648
Interfund receivable	12,398	8,861		6,783	28,042
Due from other governments	24,384	1,710		24,684	50,778
Inventories	407				407
Land held for resale, net		6,032		15,091	21,123
Prepaid and other assets	408	9		201	618
Due from Successor Agency				2,203	2,203
Lease receivable	1,550			9,630	11,180
Notes receivable, net	8,407	68,515		17,617	94,539
Total assets	<u>\$ 277,326</u>	<u>\$ 168,593</u>	<u>\$ 324,826</u>	<u>\$ 308,118</u>	<u>\$ 1,078,863</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 19,842	\$ 2,588	\$ 2	\$ 32,873	\$ 55,305
Wages payable	5,967	112		213	6,292
Deposits	9,272	277		1,551	11,100
Interfund payable	37,561			7,680	45,241
Unearned revenue	776	496		224	1,496
Total liabilities	<u>73,418</u>	<u>3,473</u>	<u>2</u>	<u>42,541</u>	<u>119,434</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenues	8,914	1,273		12,683	22,870
Deferred item related to leases	1,480			8,953	10,433
Unavailable resources- long-term notes and loans	1,002	68,515		19,820	89,337
Total deferred inflows of resources	<u>11,396</u>	<u>69,788</u>	<u></u>	<u>41,456</u>	<u>122,640</u>

(Continued)

**Balance Sheet**  
**Governmental Funds**  
**June 30, 2025** (In thousands)

	General	Housing Authority	Anaheim Resort Improvements	Nonmajor Governmental Funds	Total Governmental Funds
<b>FUND BALANCES:</b>					
Nonspendable related to inventory, prepaid and other assets	815	9		151	975
Restricted:					
Anaheim Resort maintenance and improvement				6,577	6,577
Capital projects				606	606
Claims and judgments	1,467				1,467
Economic development projects				18,461	18,461
Debt services			324,824	44	324,868
Development impact projects				91,170	91,170
Grant purposes	7,549			5,473	13,022
Homebuyer assistance programs		2,556		16,070	18,626
Housing development				15,630	15,630
Low and moderate income housing		22,823			22,823
Rental assistance		12,553			12,553
Streets, roads and transportation improvement projects				57,467	57,467
Other purposes	6,465				6,465
Committed for neighborhood and community projects				1,348	1,348
Assigned:					
Capital projects				13,786	13,786
Debt service				2,074	2,074
Housing projects		57,391			57,391
Other purposes	90,307				90,307
Unassigned	85,909			(4,736)	81,173
Total fund balances	<u>192,512</u>	<u>95,332</u>	<u>324,824</u>	<u>224,121</u>	<u>836,789</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 277,326</u>	<u>\$ 168,593</u>	<u>\$ 324,826</u>	<u>\$ 308,118</u>	<u>\$ 1,078,863</u>

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

# Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

## June 30, 2025 (In thousands)

Total fund balances - governmental funds	\$	836,789	
Amounts reported for governmental activities in the Statement of Net Position are different because:			
Capital assets used in the operation of governmental funds are not current financial resources and, therefore, are not reported in the funds. These assets consist of:			
Land	\$	757,455	
Construction in progress		128,285	
Buildings, structures and improvements		462,654	
Machinery and equipment		82,851	
Infrastructure		1,040,347	
Lease land and buildings		3,059	
Subscription assets		14,209	
Accumulated depreciation		<u>(914,348)</u>	
Total capital assets, net			1,574,512
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the funds.			112,207
Unamortized prepaid bond insurance and deferred charge on bonds are not current financial resources, and, therefore, are not reported in the funds.			
Unamortized prepaid bond insurance	\$	655	
Deferred loss on refunding bonds		2,691	
Deferred future interest on partial defeasance of capital appreciation bonds		<u>14,747</u>	18,093
Internal service funds are used by management to charge the costs of certain activities, such as insurance, employee benefits, and fleet services, to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.			49,246
Certain liabilities are not due and payable in the current period, and therefore, are not reported in the funds			(19,169)
Effects of net pension liability and other post-employment benefits (OPEB) liability are not due and payable in the current period, and therefore, are not reported in the funds.			
Deferred outflows of resources	\$	170,558	
Net OPEB liability		(72,292)	
Net pension liability		(683,081)	
Deferred inflows of resources		<u>(17,885)</u>	(602,700)
Long-term liabilities of governmental funds are not due and payable in the current period and, therefore, are not reported in the funds.			
Bonds payable	\$	(591,603)	
Loan payable		(7,710)	
Subscription payable		(7,702)	
Lease payable		(2,937)	
Accrued interest payable		<u>(4,950)</u>	<u>(614,902)</u>
Net position of governmental activities	\$		<u>1,354,076</u>

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

# Statement of Revenues, Expenditures, and Changes in Fund Balances

## Governmental Funds

### Year Ended June 30, 2025 (In thousands)

	General	Housing Authority	Anaheim Resort Improvements	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 112,095				\$ 112,095
Sales and use taxes	113,198				113,198
Transient occupancy taxes	243,757				243,757
Other taxes	9,129				9,129
Licenses, fees and permits	23,154	\$ 67		\$ 5,163	28,384
Intergovernmental revenues	20,073	139,805		76,799	236,677
Charges for services	58,594			35,049	93,643
Fines, forfeits and penalties	3,455				3,455
Use of money and property	15,259	5,090	\$ 11,388	16,420	48,157
Lease revenues	811	5,192		403	6,406
Contribution from developers				25,444	25,444
Others	2,172	169		711	3,052
Total revenues	<u>601,697</u>	<u>150,323</u>	<u>11,388</u>	<u>159,989</u>	<u>923,397</u>
Expenditures:					
Current:					
City Council	1,248				1,248
City Administration	4,755				4,755
City Attorney	10,607			106	10,713
City Clerk	2,128				2,128
Human Resources	2,936			225	3,161
Finance	8,353		22	15	8,390
Police	217,397			6,732	224,129
Fire & Rescue	120,535			434	120,969
Housing & Community Development	18,467	155,328		11,355	185,150
Economic Development	3,497			4,163	7,660
Planning & Building	30,540			1,609	32,149
Public Works	33,965			19,997	53,962
Community Services	49,541			1,523	51,064
Public Utilities	2,123				2,123
Convention, Sports & Entertainment	481			21,642	22,123
Capital outlay	5,418	7,419		70,616	83,453
Debt service:					
Principal retirement	2,525		17,089	6,373	25,987
Interest charges	1,386		29,759	4,578	35,723
Total expenditures	<u>515,902</u>	<u>162,747</u>	<u>46,870</u>	<u>149,368</u>	<u>874,887</u>
Excess (deficiency) of revenues over (under) expenditures	<u>85,795</u>	<u>(12,424)</u>	<u>(35,482)</u>	<u>10,621</u>	<u>48,510</u>
Other financing sources (uses):					
Transfers in	24,384	22,700	112,694	22,878	182,656
Transfers out	(150,738)			(25,475)	(176,213)
Issuance of loan payable	688				688
Lease financing	133				133
SBITA financing	1,181			295	1,476
Total other financing sources	<u>(124,352)</u>	<u>22,700</u>	<u>112,694</u>	<u>(2,302)</u>	<u>8,740</u>
Net change in fund balances	<u>(38,557)</u>	<u>10,276</u>	<u>77,212</u>	<u>8,319</u>	<u>57,250</u>
Fund balances at beginning of year	231,069	85,056	247,612	215,802	779,539
Fund balances at end of year	<u>\$ 192,512</u>	<u>\$ 95,332</u>	<u>\$ 324,824</u>	<u>\$ 224,121</u>	<u>\$ 836,789</u>

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

## Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

### Year Ended June 30, 2025 (In thousands)

Net change in fund balances - total governmental funds	\$ 57,250
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense (\$43,434) exceeded capital outlay (\$83,453) in the current period.	40,019
The net effect of other miscellaneous transactions involving capital assets (i.e., sales, trade-in, retirements and contributions) is to increase net position.	53,377
Certain revenues in the governmental funds provide current financial resources but have been included in the Statement of Activities in prior fiscal year.	(5,575)
Certain expenditures in the governmental funds use current financial resources but have been included in the Statement of Activities in prior fiscal year.	222
The net effects on collections of notes and long-term receivables, and the related accrued interest receivable are deferred in the governmental funds but increase revenues in the Statement of Activities.	962
Loan disbursements in the governmental funds use current financial resources but increase receivables in the Statement of Net Position.	11,929
Accrued interest expense, amortization of bond premiums and the related deferred items on refunded bonds are not reported in the funds.	(36)
Financing for subscription-based information technology arrangements (\$1,476), leases (\$133), and loan payable (\$688) provides resources for capital outlay in the governmental funds but increases long-term liabilities in the Statement of Net Position.	(2,297)
Payments of principal on long-term debt (\$25,987) and accretion payable (\$21,711) use current financial resources in the governmental funds, but the repayments reduce long-term liabilities in the Statement of Net Position.	47,698
Current year accrued accretion on bonds does not use current financial resources in the governmental funds but is reported as interest expense in the Statement of Activities.	(15,999)
Net effect of accrued net pension liability and net OPEB liability and the related deferred outflows and deferred inflows of resources are not reported as expenditures in the funds.	(7,520)
Internal service funds are used by management to charge the costs of certain activities, such as insurance, employee benefits, and fleet services, to individual funds. The net expense of the internal service funds is reported with governmental activities.	<u>11,833</u>
Change in net position of governmental activities	<u>\$ 191,863</u>

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

# Statement of Revenues, Expenditures, and Changes in Fund Balances

## Budget and Budgetary Basis Actual - General Fund

### Year Ended June 30, 2025 (In thousands)

	Original Budgeted Amounts	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget
Revenues:				
Property taxes	\$ 112,803	\$ 112,803	\$ 112,095	\$ (708)
Sales and use taxes	108,042	108,042	113,198	5,156
Transient occupancy taxes	270,580	270,580	243,757	(26,823)
Other taxes	8,519	8,519	9,129	610
Licenses, fees and permits	22,826	22,826	23,154	328
Intergovernmental revenues	21,553	42,314	20,073	(22,241)
Charges for services	48,601	49,337	58,594	9,257
Fines, forfeits and penalties	3,006	3,006	3,455	449
Use of money and property	5,400	5,400	12,398	6,998
Lease revenues	750	750	811	61
Other	1,128	892	2,172	1,280
Total revenues	<u>603,208</u>	<u>624,469</u>	<u>598,836</u>	<u>(25,633)</u>
Expenditures:				
City Council	1,278	1,278	1,248	(30)
City Administration	5,676	5,676	4,771	(905)
City Attorney	11,063	11,063	10,667	(396)
City Clerk	2,610	2,610	2,128	(482)
Human Resources	3,142	3,142	2,936	(206)
Finance	10,702	10,796	10,796	
Police	211,792	220,314	220,314	
Fire & Rescue	116,784	121,475	121,475	
Housing & Community Development	24,341	43,065	18,793	(24,272)
Economic Development	6,926	7,426	3,547	(3,879)
Planning & Building	31,394	31,458	30,866	(592)
Public Works	35,637	38,134	37,185	(949)
Community Services	50,112	53,441	50,222	(3,219)
Public Utilities	2,243	2,243	2,123	(120)
Convention, Sports and Entertainment	514	514	481	(33)
Total expenditures	<u>514,214</u>	<u>552,635</u>	<u>517,552</u>	<u>(35,083)</u>
Excess of revenues over expenditures	<u>88,994</u>	<u>71,834</u>	<u>81,284</u>	<u>9,450</u>
Other financing sources (uses):				
Transfers in	23,206	23,206	24,384	1,178
Transfers out	(159,560)	(159,560)	(150,738)	8,822
Issuance of bonds	42,400	42,400		(42,400)
Total other financing sources (uses)	<u>(93,954)</u>	<u>(93,954)</u>	<u>(126,354)</u>	<u>(32,400)</u>
Net change in fund balance	(4,960)	(22,120)	(45,070)	(22,950)
Fund balance at beginning of year	231,069	231,069	231,069	
Fund balance at end of year	<u>\$ 226,109</u>	<u>\$ 208,949</u>	<u>185,999</u>	<u>\$ (22,950)</u>
Adjustment to reconcile to GAAP:				
Unrealized investment gain			2,861	
Encumbrance			2,581	
Payment of interfund loan			1,071	
Capital outlay - SBITA and lease			2,002	
Other financing sources - SBITA and lease financing			(2,002)	
Ending fund balance - GAAP basis			<u>\$ 192,512</u>	

The accompanying notes are an integral part of these financial statements

**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Budgetary Basis Actual - Housing Authority**  
**Year Ended June 30, 2025** (In thousands)

	Original Budgeted Amounts	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget
Revenues:				
Licenses, fees and permits		\$ 70	\$ 67	\$ (3)
Intergovernmental revenues	\$ 124,513	124,513	139,805	15,292
Use of money and property	10,425	10,425	3,729	(6,696)
Lease revenues	4,000	4,000	5,192	1,192
Other	20	20	169	149
Total revenues	<u>138,958</u>	<u>139,028</u>	<u>148,962</u>	<u>9,934</u>
Expenditures:				
Housing & Community Development	<u>163,121</u>	<u>163,158</u>	<u>162,822</u>	<u>(336)</u>
Total expenditures	<u>163,121</u>	<u>163,158</u>	<u>162,822</u>	<u>(336)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(24,163)</u>	<u>(24,130)</u>	<u>(13,860)</u>	<u>10,270</u>
Other financing (uses):				
Transfers in	12,159	12,159	22,700	10,541
Transfers out		<u>(1,234)</u>		<u>1,234</u>
Total other financing uses	<u>12,159</u>	<u>10,925</u>	<u>22,700</u>	<u>11,775</u>
Net change in fund balance	(12,004)	(13,205)	8,840	22,045
Fund balance at beginning of year	<u>85,056</u>	<u>85,056</u>	<u>85,056</u>	
Fund balance at end of year	<u>\$ 73,052</u>	<u>\$ 71,851</u>	<u>93,896</u>	<u>\$ 22,045</u>
Adjustments to reconcile to GAAP:				
Unrealized investment gain			1,361	
Encumbrance			<u>75</u>	
Ending fund balance - GAAP basis			<u>\$ 95,332</u>	

The accompanying notes are an integral part of these financial statements

# Statement of Net Position Proprietary Funds June 30, 2025 (In thousands)

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Electric Utility	Water Utility	Sanitation Utility	Golf Courses	Convention, Sports and Entertainment Venues	Total	
<b>ASSETS</b>							
Current assets:							
Cash and cash equivalents	\$ 13,269	\$ 12,310	\$ 6,254	\$ 918	\$ 2,392	\$ 35,143	\$ 9,341
Investments	107,934	18,292	61,082	3,020	24,996	215,324	97,645
Restricted cash and cash equivalents	19,418	3,530	1,268			24,216	355
Restricted investments	56,433	13,274	13,255			82,962	
Accounts receivable, net	52,528	7,932	10,778	213	1,263	72,714	5,277
Accrued interest receivable	1,610	207	481	14	144	2,456	525
Interfund receivable	1,449	468	494	28	532	2,971	1,522
Inventories	30,206	1,140		230		31,576	2,245
Prepaid and other assets	47,856	1,953	7			49,816	1,589
Lease receivable	333				997	1,330	
Total current assets	<u>331,036</u>	<u>59,106</u>	<u>93,619</u>	<u>4,423</u>	<u>30,324</u>	<u>518,508</u>	<u>118,499</u>
Noncurrent assets:							
Restricted cash and cash equivalents, less current portion	40,592	37,973				78,565	
Restricted investments, less current portion	63,137					63,137	
Interfund receivable, less current portion	71					71	29,018
Lease receivable, less current portion	3,876				3,769	7,645	
Prepaid and other assets	83,035				471	83,506	
Capital assets:							
Land	34,243	2,970	900	1,948	53,853	93,914	
Buildings, structures and improvements			150,668	25,575	890,998	1,067,241	13,773
Utility plant	1,687,974	819,206				2,507,180	
Machinery and equipment			11,830	2,666	43,847	58,343	82,231
Lease land and building	3,901					3,901	185
Lease equipment	334			837		1,171	7,045
Subscription assets	2,675	418				3,093	22,638
Construction in progress	250,105	13,396	13,286	127	3,663	280,577	2,674
Total capital assets	1,979,232	835,990	176,684	31,153	992,361	4,015,420	128,546
Less accumulated depreciation	(833,535)	(246,430)	(43,165)	(17,759)	(422,645)	(1,563,534)	(63,853)
Capital assets, net	<u>1,145,697</u>	<u>589,560</u>	<u>133,519</u>	<u>13,394</u>	<u>569,716</u>	<u>2,451,886</u>	<u>64,693</u>
Total noncurrent assets	<u>1,336,408</u>	<u>627,533</u>	<u>133,519</u>	<u>13,394</u>	<u>573,956</u>	<u>2,684,810</u>	<u>93,711</u>
Total assets	<u>1,667,444</u>	<u>686,639</u>	<u>227,138</u>	<u>17,817</u>	<u>604,280</u>	<u>3,203,318</u>	<u>212,210</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>							
Deferred charges on refunding bonds	573	3,519			7,083	11,175	
Deferred OPEB related items	3,123	1,123	1,047	42	1,232	6,567	1,473
Deferred pension related items	21,268	6,157	4,388	224	8,952	40,989	7,472
Total deferred outflows of resources	<u>24,964</u>	<u>10,799</u>	<u>5,435</u>	<u>266</u>	<u>17,267</u>	<u>58,731</u>	<u>8,945</u>

(continued)

# Statement of Net Position

## Proprietary Funds

### June 30, 2025 (In thousands)(continued)

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service
	Electric Utility	Water Utility	Sanitation Utility	Golf Courses	Convention, Sports and Entertainment Venues	Total	
<b>LIABILITIES</b>							
Current liabilities (payable from current assets):							
Accounts payable	\$ 66,461	\$ 23,866	\$ 8,276	\$ 2,648	\$ 1,749	\$ 103,000	\$ 11,268
Wages payable	1,125	316	185	10	610	2,246	2,492
Interest payable	19	5			3,074	3,098	393
Lease payable, current portion	294			51		345	1,297
Subscription payable, current portion	277	50				327	2,932
Other long-term liabilities, current portion							41,115
Long-term debts, current portion	15,420	2,148	941	28	7,105	25,642	1,342
Unearned revenues	6				134	140	2,828
Deposits	6,883	720	850	730	6,682	15,865	
Interfund payable							16,383
Total current liabilities (payable from current assets)	<u>90,485</u>	<u>27,105</u>	<u>10,252</u>	<u>3,467</u>	<u>19,354</u>	<u>150,663</u>	<u>80,050</u>
Current liabilities (payable from restricted assets):							
Accounts payable		2,254	41			2,295	
Interest payable	6,895	2,321	764			9,980	
Arbitrage rebate liability	2,394					2,394	
Long-term debts, current portion	<u>30,309</u>	<u>6,467</u>	<u>656</u>			<u>37,432</u>	
Total current liabilities (payable from restricted assets)	<u>39,598</u>	<u>11,042</u>	<u>1,461</u>			<u>52,101</u>	
Total current liabilities	<u>130,083</u>	<u>38,147</u>	<u>11,713</u>	<u>3,467</u>	<u>19,354</u>	<u>202,764</u>	<u>80,050</u>
Noncurrent liabilities:							
Lease payable, less current portion	2,831			74		2,905	2,033
Subscription payable, less current portion	1,881	266				2,147	8,336
Other long-term liabilities, less current portion	3,898					3,898	53,654
Long-term debts, less current portion	576,509	282,074	39,894	6	201,626	1,100,109	1,368
Net OPEB liability	12,481	4,416	3,290	150	4,252	24,589	5,069
Net pension liability	96,530	29,211	18,196	1,008	33,408	178,353	31,874
Provision for decommissioning liability	<u>71,456</u>					<u>71,456</u>	
Total noncurrent liabilities	<u>765,586</u>	<u>315,967</u>	<u>61,380</u>	<u>1,238</u>	<u>239,286</u>	<u>1,383,457</u>	<u>102,334</u>
Total liabilities	<u>895,669</u>	<u>354,114</u>	<u>73,093</u>	<u>4,705</u>	<u>258,640</u>	<u>1,586,221</u>	<u>182,384</u>

(continued)

# Statement of Net Position

## Proprietary Funds

### June 30, 2025 (In thousands)

	Business-type Activities - Enterprise Funds					Total	Governmental Activities - Internal Service
	Electric Utility	Water Utility	Sanitation Utility	Golf Courses	Convention, Sports and Entertainment Venues		
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred item related to leases	4,097				4,656	8,753	
Regulatory credits	109,997	2,573				112,570	
Regulated business activities	11,722					11,722	
Deferred item on refunding bonds	16,515	1,472	336			18,323	
Deferred OPEB related items	3,309	1,339	875	70	1,104	6,697	1,793
Deferred pension related items	618	760	84	115		1,577	829
Total deferred inflows of resources	<u>146,258</u>	<u>6,144</u>	<u>1,295</u>	<u>185</u>	<u>5,760</u>	<u>159,642</u>	<u>2,622</u>
<b>NET POSITION</b>							
Net investment in capital assets	517,617	332,075	89,274	13,235	368,184	1,320,385	45,192
Restricted for:							
Debt service	30,327	6,467	656			37,450	
Capital projects	17,912	5,762	12,978			36,652	
Unrestricted	84,625	(7,124)	55,277	(42)	(11,037)	121,699	(9,043)
Total net position	<u>\$ 650,481</u>	<u>\$ 337,180</u>	<u>\$ 158,185</u>	<u>\$ 13,193</u>	<u>\$ 357,147</u>	<u>1,516,186</u>	<u>\$ 36,149</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds						(13,097)	
Net position of business-type activities						<u>\$ 1,503,089</u>	

# Statement of Revenues, Expenses, and Changes in Net Position

## Proprietary Funds

### Year Ended June 30, 2025 (In thousands)

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Electric Utility	Water Utility	Sanitation Utility	Golf Courses	Convention, Sports and Entertainment Venues	Total	
Operating revenues:							
Sales of retail and wholesale electricity, net	\$ 429,769					\$ 429,769	
Transmission revenues	30,475					30,475	
Sales of water, net		\$ 102,490				102,490	
Solid waste collection fees			\$ 67,237			67,237	
Wastewater fees			17,372			17,372	
Street cleaning fees			3,312			3,312	
Green fees and cart rentals				\$ 10,237		10,237	
Facilities rental					\$ 37,325	37,325	
Concession fees				4,262	8,897	13,159	
Charges for services							\$ 219,809
Lease revenues	368				2,416	2,784	
Other	5,144	2,093	3,129	511	186	11,063	612
Total operating revenues	<u>465,756</u>	<u>104,583</u>	<u>91,050</u>	<u>15,010</u>	<u>48,824</u>	<u>725,223</u>	<u>220,421</u>
Operating expenses:							
Cost of purchased power	256,719					256,719	
Cost of purchased water		43,951				43,951	
Treatment and pumping of water		11,550				11,550	
Maintenance, operations and administration	75,953	21,817	79,996	12,015	49,866	239,647	75,531
Insurance premiums and claims							32,017
Compensated absences and other benefits							92,656
Depreciation	51,016	25,137	3,073	1,066	20,369	100,661	9,880
Total operating expenses	<u>383,688</u>	<u>102,455</u>	<u>83,069</u>	<u>13,081</u>	<u>70,235</u>	<u>652,528</u>	<u>210,084</u>
Operating income (losses)	<u>82,068</u>	<u>2,128</u>	<u>7,981</u>	<u>1,929</u>	<u>(21,411)</u>	<u>72,695</u>	<u>10,337</u>
Nonoperating income (expenses):							
Intergovernmental revenues			85			85	
Investment income	15,906	4,200	4,480	98	1,541	26,225	4,648
Interest expense	(22,830)	(10,394)	(1,327)	(6)	(6,751)	(41,308)	(516)
Gain (loss) from disposal of capital assets			22		(8)	14	57
Gain on reduction of obligation	5,316					5,316	
Total nonoperating income (expenses)	<u>(1,608)</u>	<u>(6,194)</u>	<u>3,260</u>	<u>92</u>	<u>(5,218)</u>	<u>(9,668)</u>	<u>4,189</u>
Income (losses) before contributions and transfers	<u>80,460</u>	<u>(4,066)</u>	<u>11,241</u>	<u>2,021</u>	<u>(26,629)</u>	<u>63,027</u>	<u>14,526</u>
Capital contributions	5,769	4,290	89		663	10,811	
Transfers in	3,199	800	467		16,728	21,194	500
Transfers out	(24,318)	(968)	(1,426)		(703)	(27,415)	(722)
Change in net position	65,110	56	10,371	2,021	(9,941)	67,617	14,304
Net position at beginning of year	585,371	337,124	147,814	11,172	367,088	1,448,569	21,845
Net position at end of year	<u>\$ 650,481</u>	<u>\$ 337,180</u>	<u>\$ 158,185</u>	<u>\$ 13,193</u>	<u>\$ 357,147</u>	<u>\$ 1,516,186</u>	<u>\$ 36,149</u>
						2,471	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.							
Change in net position of business-type activities						<u>\$ 70,088</u>	

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

# Statement of Cash Flows

## Proprietary Funds

### Year Ended June 30, 2025 (In thousands)

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Electric Utility	Water Utility	Sanitation Utility	Golf Courses	Convention, Sports & Entertainment Venues	Total	
Cash flows from operating activities:							
Receipts from customers and users	\$ 461,890	\$ 103,609	\$ 88,736	\$ 14,386	\$ 50,253	\$ 718,874	
Receipts from interfund services provided	3,084	414	27			3,525	\$ 233,252
Receipts from leases	347				2,420	2,767	
Payments to suppliers	(258,324)	(50,782)	(61,320)	(9,852)	(13,539)	(393,817)	(49,122)
Payment of decommissioning and SJ reclamation costs	(12,439)					(12,439)	
Payments for salaries, wages and other benefits	(68,222)	(19,513)	(12,542)	(648)	(28,895)	(129,820)	(116,733)
Payments for interfund services used	(21,588)	(5,887)	(5,633)	(264)	(6,316)	(39,688)	(6,438)
Payments for insurance premiums and claims							(31,104)
Other receipts			3,189	511		3,700	644
Net cash provided by operating activities	104,748	27,841	12,457	4,133	3,923	153,102	30,499
Cash flows from noncapital financing activities:							
Receipt of grants			85			85	
Receipt of interfund balances	411					411	4,105
Payment of interfund balances		(344)				(344)	(3,020)
Transfers in	368	800	467			1,635	500
Transfers out	(24,318)	(968)	(1,426)		(703)	(27,415)	(722)
Net cash provided by (used for) noncapital financing activities	(23,539)	(512)	(874)		(703)	(25,628)	863
Cash flows from capital and related financing activities:							
Proceeds from sale of capital assets			22			22	253
Capital contributions	22,351	16,241				38,592	
Capital purchases	(109,053)	(35,511)	(11,144)	(2,517)	(4,766)	(162,991)	(14,252)
Bond reserve fund transferred to refunded bond trustee	(5,984)					(5,984)	
Proceeds from issuance of bonds	828	54,426				55,254	
Bond issuance costs	(760)	(391)				(1,151)	
Principal payments on long-term debts	(44,543)	(7,270)	(1,517)	(37)	(7,007)	(60,374)	(1,311)
Principal payment on leases	(299)			(49)		(348)	(1,825)
Principal payment on subscription payable	(337)	(57)				(394)	(2,947)
Interest payments	(26,651)	(10,545)	(1,907)	(6)	(8,080)	(47,189)	(475)
Transfer in for capital purpose	2,831				16,728	19,559	
Net cash provided by (used for) capital and related financing activities	(161,617)	16,893	(14,546)	(2,609)	(3,125)	(165,004)	(20,557)
Cash flows from investing activities:							
Purchase of investment securities	(73,885)	(10,200)	(24,021)	(2,572)	(8,076)	(118,754)	(31,695)
Proceeds from sale and maturity of investment securities	102,235	8,780	7,935	798	3,205	122,953	8,249
Interest received	16,213	3,419	3,158	70	1,399	24,259	3,024
Net cash provided by (used for) investing activities	44,563	1,999	(12,928)	(1,704)	(3,472)	28,458	(20,422)
Increase (decrease) in cash and cash equivalents	(35,845)	46,221	(15,891)	(180)	(3,377)	(9,072)	(9,617)
Cash and cash equivalents at beginning of the year	109,124	7,592	23,413	1,098	5,769	146,996	19,313
Cash and cash equivalents at end of the year	\$ 73,279	\$ 53,813	\$ 7,522	\$ 918	\$ 2,392	\$ 137,924	\$ 9,696

(continued)

# Statement of Cash Flows

## Proprietary Funds

### Year Ended June 30, 2025 (In thousands)

	Business-type Activities - Enterprise Funds					Total	Governmental Activities - Internal Service Funds
	Electric Utility	Water Utility	Sanitation Utility	Golf Courses	Convention, Sports & Entertainment Venues		
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:							
Operating income (loss)	\$ 82,068	\$ 2,128	\$ 7,981	\$ 1,929	\$ (21,411)	\$ 72,695	\$ 10,337
Adjustment to reconcile operating income (loss) to net cash provided by (used for) operating activities:							
Depreciation	51,016	25,137	3,073	1,066	20,369	100,661	9,880
Cancellation of construction in progress			591			591	
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:							
Accounts receivable	(582)	(623)	877	(5)	1,594	1,261	(2,771)
Inventories	3,844	(113)		(38)		3,693	(734)
Prepaid and other assets	(10,229)	(101)	(7)			(10,337)	(76)
Interfund receivable	(1,406)	(468)	(494)	(28)	(532)	(2,928)	(518)
Lease receivable	348				(1,236)	(888)	
Accounts payable and other accrued liability	(7,611)	2,740	168	1,395	(503)	(3,811)	(1,756)
Wages and benefits payable	(1,401)	(922)	243	(78)	2,151	(7)	(2,121)
Interfund payable							13,281
Unearned revenues	6				(89)	(83)	95
Deposits	1,725	(82)	25	(108)	2,340	3,900	
Compensated absences and self-insurance liabilities							4,882
Other long-term liability	21					21	
Provision for decommissioning liabilities	(11,119)					(11,119)	
Deferred inflow related to leases	(369)				1,240	871	
Deferred outflow related to regulatory credits	(1,563)	145				(1,418)	
Total adjustments	22,680	25,713	4,476	2,204	25,334	80,407	20,162
Net cash provided by operating activities	\$ 104,748	\$ 27,841	\$ 12,457	\$ 4,133	\$ 3,923	\$ 153,102	\$ 30,499

(continued)

# Statement of Cash Flows

## Proprietary Funds

### Year Ended June 30, 2025 (In thousands)

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Electric Utility	Water Utility	Sanitation Utility	Golf Courses	Convention, Sports & Entertainment Venues	Total	
Schedule of noncash operating, investing, capital and noncapital financing activities:							
Increase in fair value of investments	\$ 4,174	\$ 930	\$ 1,437	\$ 28	\$ 496	\$ 7,065	\$ 1,744
Lease assets financing	334					334	2,817
SBITA financing	2,104	276				2,380	4,200
Capital contributions	1,607	413	89		663	2,772	
(Decrease) in account receivable related to capital contribution	(18,189)	(12,364)				(30,553)	
Increase (decrease) in deferred inflow of resources - regulated business activity	(4,265)	145				(4,120)	
Increase (decrease) in accounts payable related to capital purchases	18,296	(10,008)	125	(86)	17	8,344	918
Amortization of premium/discounts, deferred charge/gain on refunding bonds, net	(6,729)	(793)	(550)		(602)	(8,674)	
(Decrease) in accrued interest payable	(217)	(57)	(31)		(1,931)	(2,236)	41
(Decrease) in accrued interest receivable	(35)	(149)	(115)		(354)	(653)	(120)
Refunded bond proceeds deposited in trustee to defease the outstanding revenue bond principal	120,563					120,563	
Defeasance of outstanding revenue bonds	(127,140)					(127,140)	
Portion of bond proceeds deposited in trustee to repay the outstanding revolving line of credit balance		(10,380)				(10,380)	
Cash and cash equivalents	\$ 13,269	\$ 12,310	\$ 6,254	\$ 918	\$ 2,392	35,143	\$ 9,341
Restricted cash and cash equivalents, current portion	19,418	3,530	1,268			24,216	355
Restricted cash and cash equivalents, noncurrent portion	40,592	37,973				78,565	
Total cash and cash equivalents	\$ 73,279	\$ 53,813	\$ 7,522	\$ 918	\$ 2,392	\$ 137,924	\$ 9,696

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

**Statement of Fiduciary Net Position (Deficit)**  
**Fiduciary Funds**  
**June 30, 2025** (In thousands)

	Successor Agency Private Purpose Trust Fund	Custodial Funds	
		External Investment Pools	Others
<b>ASSETS</b>			
Cash and cash equivalents	\$ 35,109	\$ 390	\$ 8,895
Investments	404	4,070	396
Accrued interest receivable	358	31	37
Special assessment receivable			11
Accounts receivable, net	10	152	
Notes receivable, net	723		
Prepaid and other assets	219		
Unamortized prepaid bond insurance	187		
Lease receivable, net	1,245		
Lease land	19,613		
Accumulated depreciation	(3,190)		
Total assets	<u>54,678</u>	<u>4,643</u>	<u>9,339</u>
<b>LIABILITIES</b>			
Accounts payable	1		262
Wages payable	5		
Interest payable	2,236		
Long-term liabilities:			
Other long term liabilities, current portion	4,550		
Lease payable, current portion	452		
Long-term debt, current portion	12,495		
Other long term liabilities, less current portion	33,804		
Lease payable, less current portion	17,475		
Long term debt, less current portion	92,305		
Total liabilities	<u>163,323</u>		<u>262</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred item on refunding bonds	141		
Deferred item related to leases	1,160		
Total deferred outflows of resources	<u>1,301</u>		
<b>NET POSITION</b>			
Net position for individuals, organizations, and other governments		4,643	9,077
Net position (deficit) in amount held in trust	(109,946)		
Total net position(deficit)	<u>\$ (109,946)</u>	<u>\$ 4,643</u>	<u>\$ 9,077</u>

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

**Statement of Changes in Fiduciary Net Position (Deficit)**  
**Fiduciary Funds**  
**Year Ended June 30, 2025** (In thousands)

	Successor Agency Private Purpose Trust Fund	Custodial Funds	
		External Investment Pools	Others
<b>ADDITIONS</b>			
Property tax increments	\$ 19,663		
Special assessment collections from Community Facility Districts			\$ 4,441
Deposits to pooled investments		\$ 10,712	
Lease and rent revenues	305		
Deposits			565
Donation collections			
Interest income	2,939	263	357
Total collections on behalf of other individuals, organizations and other governments	<u>22,907</u>	<u>10,975</u>	<u>5,363</u>
<b>DEDUCTIONS</b>			
Salaries and administration	359		67
Program expenses	8,320		
Payments			1,814
Distributions from pool investments		10,179	
Interest payments	4,390		
Depreciation	723		
Debt service payments - Community Facilities Districts			2,963
Total deductions	<u>13,792</u>	<u>10,179</u>	<u>4,844</u>
Change in net position	9,115	796	519
Net position (deficit) at beginning of year	<u>(119,061)</u>	<u>3,847</u>	<u>8,558</u>
Net position (deficit) at end of year	<u>\$ (109,946)</u>	<u>\$ 4,643</u>	<u>\$ 9,077</u>

## Notes to Financial Statements

(Amounts in thousands)

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### The financial reporting entity

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

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

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

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

Anaheim Public Financing Authority (APFA), a joint powers authority, was established as a vehicle to reduce local borrowing costs and promote greater use of existing and new financial instruments and mechanisms.

City Council members, in separate sessions, serve as the governing board of the APFA. Financial activity of the APFA has been blended into the City's ACFR into various governmental and business-type activities and funds of the City as applicable.

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

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

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

#### Basic financial statements

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

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

focus more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

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

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

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

The government-wide Statement of Activities demonstrates the degree to which both direct and indirect expenses of the various functions and programs of the City are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or program. Indirect expenses for administrative overhead are allocated among the functions and programs using a full cost allocation approach and are presented separately to enhance comparability of direct expenses between governments that allocate direct expenses and those that do not. Interest on general long-term debt is not allocated to the various functions. Program revenues include: 1) charges to customers or users who purchase, use, or

directly benefit from goods, services, or privileges provided by a particular function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes, unrestricted investment income, and other revenues not identifiable with particular functions or programs are included as general revenues. The general revenues support the net costs of the functions and programs not covered by program revenues.

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

The City reports the following major governmental funds:

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

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

The Anaheim Resort Improvements Debt Service Fund accounts for the accumulation of resources for payment of the principal and interest on the lease revenue bonds for the Anaheim Resort Improvements.

The City reports the following major enterprise funds:

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

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

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

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

The Convention, Sports & Entertainment Venues Fund accounts for the operations of the Anaheim Convention Center, Angel Stadium of Anaheim, Anaheim Regional Transportation Intermodal Center (ARTIC) Management Fund, and The City National Grove of Anaheim. See note 20 for further discussions of the Angel Stadium of Anaheim and The City National Grove of Anaheim.

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

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

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

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

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

Fiduciary Funds account for assets held by the City in a trustee or custodian capacity on behalf of others and, therefore, are not available to support City programs. The Fiduciary Funds are not included in the government-wide

financial statements as they are not assets of the City. The City reports the following fiduciary funds:

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

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

### **Measurement focus and basis of accounting**

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

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

recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

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

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

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

Enterprise funds account for operations where the intent of the City is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges and fees. Under GASB Statement No. 34, enterprise funds are also required for any activity whose principal revenue sources meet

any of the following criteria: 1) any activity that has issued debt backed solely by the fees and charges of the activity, 2) the cost of providing services for an activity, including capital costs such as depreciation or debt service, must legally be recovered through fees and charges, or it is the policy of the City to establish activity fees or charges to recover the cost of providing services, including capital costs.

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

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

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

### **Cash and investments**

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

For purposes of the basic financial statements, the City considers cash equivalents to be highly liquid short-term investments that are readily convertible to known amounts of cash and mature within three months

of the date they are acquired. Cash and cash equivalents are included in the City's cash and investments pool and in accounts held by fiscal agents.

### **Inventories**

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

### **Prepaid and other assets**

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

### **Land held for resale**

The Housing Authority has recorded parcels of land held for resale in their financial records. The properties held for resale are for the primary purpose of developing low and moderate income housing and are recorded at the lower of cost or estimated net realizable value. At June 30, 2025, land held for resale with an original cost of \$10,454 was recorded net of the allowance for decline in value of \$4,422 and totaled \$6,032, with this amount offset by a restriction of fund balance for low and moderate income housing in the Housing Authority major governmental fund financial statement.

The Long Range Property Management Plan nonmajor Special Revenue Fund records parcels of land held for resale transferred from the Successor Agency to the Anaheim Redevelopment Agency on January 1, 2016 under the authorization of the approved Long Range Property Management Plan of the State of California Health and Safety Code Section 34191.5. The parcels are approved for future developments. The City has recorded the land held for resale equal to the net realizable value of these assets in the amount of \$15,091.

### **Notes receivable**

In the government-wide financial statements, notes receivable related to homebuyer mortgage assistance, and affordable housing development financing, totaling \$94,539 includes principal balance of \$73,783, accrued interest receivable of \$23,184, ranging from 3% to 10% interest per annum, and is net of allowances of \$2,428 for uncollectible

accounts at June 30, 2025. Allowances for uncollectible accounts were estimated based on certain assumptions; therefore, actual results could differ from the estimates.

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

### **Restricted assets**

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

### **Leases**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### **Subscription-based information technology arrangements (SBITAs)**

Under GASB No. 96, SBITA is an information technology (IT) arrangement that conveys to governments control of the right to use vendor-provided IT software and associated tangible capital assets for subscription

payments without granting governments perpetual license or title to the IT software and associated tangible capital assets.

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

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

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

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

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

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debts on the Statement of Net Position.

**Capital assets**

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

Capital assets, including public domain infrastructure (e.g., roads, bridges, sidewalks, and other assets that are immovable and of value only to the City), are defined as assets with an initial, individual cost of more than \$10 (\$50 for infrastructure) and an estimated useful life of greater than one year.

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

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

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

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

Buildings, structures, and improvements	5 to 85 years
Utility plant	5 to 75 years
Machinery and equipment	2 to 40 years
Infrastructure	25 to 75 years
Lease assets	2 to 75 years
Subscription assets	2 to 10 years

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

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

**Debt issuance costs**

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

**Bond refunding costs**

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

**Accretion**

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

**Deferred outflows of resources**

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

- Deferred charges on refunding bonds - A deferred charge on refunding bonds results from the difference in the carrying value of debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The City reported \$17,438 (this amount includes \$2,691 deferred loss from refunding bonds and \$14,747 payments of future interest resulting from partial defeasance of capital appreciation bonds) in governmental activities and \$11,175 in business-type activities in this category.
- Deferred outflows of OPEB related items - these balances represent current fiscal year contribution to the OPEB Trust that will be applied as a reduction in net OPEB liability in the next fiscal year; or other items arising from changes in actuarial assumptions,

difference between actual and projected experience, difference between actual and projected investment gains/losses or changes in a fund's proportionate share of the net OPEB liability; the amount will be amortized and reported as a component in OPEB expense in future fiscal years (refer to discussion of OPEB Plan). The City reported \$20,112 in governmental activities and \$6,567 in business-type activities in this category.

- Deferred outflows of resources of pension related items - these balances represent current fiscal year contribution to the pension plans that will be applied as a reduction in net pension liability in the next fiscal year; or other items arising from changes in actuarial assumptions, difference between actual and projected experience, difference between actual and projected investment gains/losses or changes in a fund's proportionate share of the net pension liability; the amount will be amortized and reported as a component in pension expense in future fiscal years (refer to discussion of Pension Plans). The City reported \$159,391 in governmental activities and \$40,989 in business-type activities in this category.

**Deferred inflows of resources**

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

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

	General Fund	Housing Authority	Nonmajor Governmental Funds	Total
Governmental Funds:				
Grants	\$ 439	\$ 1,273	\$ 11,996	\$ 13,708
Other revenues	8,475		687	9,162
Long-term notes and loans receivable	1,002	68,515	19,820	89,337
Total	<u>\$ 9,916</u>	<u>\$ 69,788</u>	<u>\$ 32,503</u>	<u>\$ 112,207</u>

- Deferred inflow from regulatory credits reported in business-type activities totaling \$112,570 were accumulated from collections of the Electric (\$109,997) and Water (\$2,573) Utility customers. These amounts provide recovery in the current period for costs to be incurred in future periods. (refer to the discussion of Regulatory Credits below).
- Deferred inflow from regulated business activities reported in business-type activities totaled \$11,722 represented the excess funding of asset retirement obligations primarily resulting from the accumulation of investment earnings from the decommissioning irrevocable trust account. Refer to note 1 on page 73 of the notes to the financial statements of this report.
- Deferred inflow related to leases - The City, as lessor, recognizes a lease receivable and a deferred inflow of resources which is initially measured at the present value of lease payments expected to be received during the lease term adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources is recognized as a revenue over the life of the lease term. The City reports \$10,433 in governmental activities and \$8,753 in business-type activities in this category.
- Deferred inflow related to refunding bonds includes gains from debt refunding. The City reports a total of \$18,323 in business-type activities in this category.
- Deferred inflows of resources related to OPEB represents changes in total OPEB liability arising from changes in actuarial assumptions; difference between actual and projected plan experiences; difference between actual and projected investment gains/losses or changes of the Fund's proportionate share of the net OPEB liability. This amount will be amortized and included as a component in OPEB expenses in future fiscal years. Refer to discussion of the OPEB Plan in note 15 of the notes to the financial statements on pages 109-112 of this report. The City reported \$17,131 in governmental activities and \$6,697 in business-type activities in this category.
- Deferred inflows of resources related to pension are certain changes in total pension liability and fiduciary net position that are to be amortized and recognized as a component in pension expenses in future fiscal years. These are the balances that arise from changes in actuarial assumptions; difference between actual and projected experience; difference between actual and projected investment gains/losses or changes in the Fund's

proportionate share of the Plan's net pension liability. Refer to discussion of Pension Plans in note 14 of the notes to the financial statements on pages 103-108 of this report. The City reported \$3,376 in governmental activities and \$1,577 in business-type activities in this category.

### Regulatory credits

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

The Electric Utility restructured its rates effective May 1, 2024 in order to more effectively align the recovery of the Electric Utility's costs with the nature of the costs incurred. This was accomplished by reducing the Power Cost Adjustment (PCA) and the Environmental Mitigation Adjustment (EMA) with corresponding increases to base rates. The restructuring was designed to be revenue neutral to the customer.

During fiscal year 2025, the Electric Utility recognized \$10,500 in PCA revenues to mitigate the impact of environmental mitigation costs. This amount is included in the operating revenues Sales of retail and wholesale electricity of the Electric Utility Enterprise Fund.

On May 1, 2024, the PCA rates were \$0.0000 adjusted from \$0.0150 per kWh for all residential, commercial, industrial, and municipal customers. The Electric Utility recorded deferred inflows of resources for regulatory credits related to PCA totaled \$82,368. The EMA rates were \$0.0005 per kWh for all residential, commercial, industrial, and municipal customers. The deferred inflows of resources recorded for regulatory credits related to EMA totaled \$27,629.

The Water Utility's rates, rules, and regulations provide for a water regulatory credit account to reflect variations in the cost of water to the Water Utility and provide more stable retail water rates to the customers of the City's Water Utility. This rate stabilization account (RSA) provides

increased flexibility by allowing the Water Utility to maintain financial performance indicators and goals specified in bond covenants. The account is funded through expense reimbursements such as water supply cost refunds received from the Metropolitan Water District and Orange County Water District and other miscellaneous credits and revenue. At June 30, 2025, the deferred inflows of resources recorded for regulatory credits totaled \$2,573 for the Water Utility. During fiscal year 2025, no RSA revenue was recognized.

**Compensated absences**

Compensated absences, vacation and sick pay, for all City employees are generally paid by the General Benefits and Insurance Fund, an internal service fund. The General Benefits and Insurance Fund is reimbursed through payroll charges to all other funds based on estimates of benefits to be earned and used during the fiscal year. Compensated absences used are applied on a first-in, first-out flow assumption. It is the policy of the City to pay all accumulated vacation pay when an employee retires or terminates. Accumulated sick pay in excess of 175 hours per employee is paid to employees at their then current rate of pay in January each year or upon termination from the City. Employees are paid for all accumulated sick pay when they retire from the City. Accrued vacation and sick pay benefits at June 30, 2025, totaled \$31,661 of which \$26,704 is included in the current portion of other long-term liabilities, and \$4,957 is included in other long-term liabilities in the Statement of Net Position.

Changes in the City’s compensated absences liability in fiscal year 2025 were as follows:

Estimated compensated absences liability at beginning of year	\$ 28,976
Estimated compensated absence benefits earned	33,360
Compensated absences used	(30,675)
Compensated absences liability at end of year	<u>\$ 31,661</u>

**Asset Retirement Obligations (ARO)-Provision for decommissioning costs**

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

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

On June 7, 2013, Southern California Edison (SCE) announced the permanent retirement of the SONGS plant. The Electric Utility’s minority interest in SONGS units 2 and 3 is approximately 2.4681% of the total decommissioning costs estimated at \$5,729,462 at June 30, 2025. SCE has decommissioning responsibility as well as majority interest of 75.7419%. Other minority owners are San Diego Gas and Electric 20.0%, and the City of Riverside Public Utilities 1.79%. The Electric Utility’s minority share interest in SONGS of 2.4681% of the total decommissioning liability balance is \$67,456 at June 30, 2025. The Electric Utility currently has assets of \$77,572 including accrued interest of \$443 in an irrevocable trust for the decommissioning costs. The overfunding amounts of \$10,116, recorded in the deferred inflows from regulated business activities at June 30, 2025, will be used to reduce rates in the future or return to Electric rate customers if there are any funds remaining at the completion of decommissioning, which is expected to take approximately 30 to 40 years. During fiscal year 2025, the decommissioning liability had an increase of \$8,110 which was funded by \$3,950 in interest earned from the trust funds and \$4,160 transferred from the deferred regulated business activities balance. The Electric Utility paid \$10,059 related to SONGS decommissioning costs.

The Electric Utility was also previously a minority owner of the San Juan Generation Station (SJ) located in San Juan, New Mexico and is responsible for the future decommission costs related to its former ownership share in Units 2 and 3. The Electric Utility’s minority share interest in SJ is 3.1% of the total estimated decommissioning liability of \$147,120. PNM Resources, Inc. has decommissioning responsibility as well as majority interest of 46.297%. Other minority owners are Texas-New Mexico Power Company 19.8%; Southern California Public

Power Authority 12.71%; M-S-R Public Power Agency 8.7%; the City of Farmington, New Mexico 2.559%; Tri State Generation and Transmission Associates, Inc. 2.49%; the Incorporated County of Los Alamos, New Mexico 2.175%; and Utah Associated Municipal Power Systems 2.169%. In fiscal year 2022, The Electric Utility's percentage liability decreased from 3.1% to 2.7% as the plant continues to operate after the Electric Utility transferred its ownership rights on December 31, 2017. As of June 30, 2025, the Electric Utility has recorded a provision for decommissioning costs for SJ of \$3,800 with assets of \$4,486 in the City's restricted cash account and an additional \$810 in an irrevocable trust for the decommissioning costs. The overfunding amount of \$1,496, recorded in the deferred inflows from regulated business activities at June 30, 2025, will be returned to Electric rate customers if there are any funds remaining at the completion of the decommissioning which is expected to take approximately 20 to 40 years. The Electric Utility recorded its proportionate share of the asset retirement obligations based on its former ownership percentages of estimates made by the primary owners of the assets which measured their respective liability under standards set by the GASB. During fiscal year 2025, the Electric Utility paid \$673 for the SJ decommissioning costs and had a transfer of \$925 overfunding to the deferred regulated business activities.

In 2020, the Kraemer Combustion Turbine plant (CT) located in the northeast part of the City was taken out of service and was decommissioned as part of the Electric Utility's responsibility to provide for the repurposing of the site for use for future needs of our customers. The Electricity Utility owns 100% of the plant. The Electric Utility has recorded a provision of decommissioning cost for CT of \$200. During fiscal year 2025, the Electric Utility paid \$387 related to the CT decommissioning cost and recognized the excess of decommissioning liability (\$5,316) as a gain from reduction of liability in the Statement of Revenues, Expenses, and Changes in Net Position. The reduction in liability is due to the decrease in provision to reflect the current estimate of the remaining decommissioning obligation of the CT.

The Electric Utility had the following asset retirement obligations as of June 30, 2025:

Asset	Obligating Event	Beginning	Additions	Payments/ Transfer	Ending
SONG	Ownership Agreement	\$ 69,405	\$ 8,110	\$ (10,059)	\$ 67,456
SJ	Ownership Agreement	5,398		(1,598)	3,800
CT	Ownership	5,903		(5,703)	200
		<u>\$ 80,706</u>	<u>\$ 8,110</u>	<u>\$ (17,360)</u>	<u>\$ 71,456</u>

**Pension plan**

Full-time City employees are members of the State of California Public Employees' Retirement System (CalPERS). The City's policy is to fund all

annual required actuarially determined contribution (ADC); such costs to be funded are determined annually as of July 1 by the CalPERS's actuary. The City maintains three Pension Plans with CalPERS - Miscellaneous Plan, Police Safety Plan, and Fire Safety Plan. See note 14 for further discussion.

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

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

**Postemployment benefits other than pension (OPEB)**

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

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

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

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

#### **Net position restricted by enabling legislation**

The government-wide Statement of Net Position reports \$472,303 of governmental activities restricted net position, of which \$95,081 is restricted by enabling legislation.

#### **Fund balances**

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

- Nonspendable fund balance includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories, prepaid or long-term loans, and notes receivable.
- Restricted fund balance includes amounts when constraints placed on the use of the resources are either imposed by external resource providers, constitutional provisions, or enabling legislation.
- Committed fund balance includes amounts that can be used only for the specific purposes pursuant to constraints imposed by formal action of the City's highest level of the decision-making authority. The City Council is the highest level of decision-making authority that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action by the City Council to remove or revise the limitation.

- Assigned fund balance includes amounts that the City intends to use for specific purposes but do not meet the criteria to be classified as restricted or committed. The City Council has by Resolution authorized the City Manager or his designee to establish, modify or rescind an assigned fund balance.
- Unassigned fund balance accounts for the residual balance of the City's General Fund and includes all spendable amounts not contained in other classifications. In other governmental funds, the unassigned classification reports a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

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

In all governmental funds, encumbered amounts have been restricted or assigned for specific purposes for which resources have already been allocated. On June 30, 2025, encumbrances totaled \$2,581, \$75 and \$16,001 in the General Fund, Housing Authority Special Revenue Fund, and other nonmajor governmental funds, respectively.

The accumulated deficit fund balances at June 30, 2025 of \$424 in the Workforce Development nonmajor Special Revenue Fund, \$3,655 in the Streets Construction, and \$43 in the Transportation Improvement Projects non major Capital Project Funds, will be eliminated in future years by the receipt of reimbursements for grant expenditures.

#### **Deficit Net Position - Internal Service Funds**

The accumulated deficit net position at June 30, 2025 of \$1,350 in the Information and Communication Services Fund will be eliminated in future years by charges to user departments.

#### **Deficit Net Position - Successor Agency Fiduciary Fund**

The accumulated deficit net position at June 30, 2025 of \$109,946 will be eliminated in future years by the receipts of Redevelopment Property Tax Trust Fund (RPTTF) revenue allocations.

#### **Budgetary principles**

The City is required by its charter to adopt an annual budget on or before June 30 for the ensuing fiscal year. The General, special revenue, debt service, and capital projects governmental fund types and proprietary fund types have legally adopted budgets approved

by City Council. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the department level. From the effective date of the budget, the amounts stated herein as proposed expenditures/expenses become appropriations to the various City departments. Throughout the fiscal year the budget was amended to add supplemental appropriations. All amendments to the budget which change the total appropriation amount for any department require City Council approval and all increases in appropriations in operating expenditures must be accompanied by an increase in revenue sources of a likely amount to maintain a balanced budget. The City Manager has the authority to change individual budget line items within a department as long as the total department's appropriation amount is not changed.

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

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

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

### **Property taxes**

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

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

### **Entitlements, shared revenues, and grants**

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

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

Revenue, net of uncollectible amount, is recorded in the period in which services are provided. Most residential and smaller commercial customers are billed bimonthly and all other customers monthly. At June 30, 2025, unbilled but earned service charges recorded in accounts receivable for the Electric Utility, Water Utility, and Sanitation Utility Funds amounted to \$28,249, \$1,499, and \$5,729, respectively. See note 10 for discussion of pledged revenues.

### **Use of estimates**

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

### **NOTE 2 – NEW ACCOUNTING PRONOUNCEMENTS**

The City adopted the following new accounting pronouncements issued by the GASB during the current fiscal year ended June 30, 2025:

Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur,

or are more likely than not to begin to occur within 12 months of the date of the financial statements are issued.

Implementation of Statement No. 102 did not have material on note disclosures reported in the City's financial statements.

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

Statement No. 103, *Financial Reporting Model Improvements*. The Statement continues the requirement that the basic financial statements be preceded by management's discussion and analysis (MD&A), which is presented as required supplementary information (RSI), MD&A provides an objective and easily readable analysis of the government's financial activities based on currently known facts, decisions, or conditions and presents comparisons between the current year and the prior year. This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statement, (2) Financial Summary, (3) Detailed Analysis, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, this Statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amount or percentages by which they changed. The Statement also describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence. Finally, the Statement requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

Statement No. 104, *Disclosure of Certain Capital Assets*. The Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital asset note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. The Statement also requires additional disclosures for capital assets held for sale. The requirements of this Statement are effective

for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

### NOTE 3 – DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

Deposits and investments are comprised of the following at June 30, 2025:

	Cash and Cash Equivalents	Investments	Restricted Cash and Cash Equivalents	Restricted Investments	Total
Governmental activities:					
General Fund	\$ 126,510	\$ 49,070	\$ 1,093	\$ 11,423	188,096
Housing Authority	5,977	61,835	15,140		82,952
Anaheim Resort Improvements			306,868	16,922	323,790
Nonmajor governmental funds	18,019	184,432	25,453		227,904
Internal service funds	9,341	97,645	355		107,341
Total governmental activities	159,847	392,982	348,909	28,345	930,083
Business-type activities:					
Electric Utility	13,269	107,934	60,010	119,570	300,783
Water Utility	12,310	18,292	41,503	13,274	85,379
Sanitation Utility	6,254	61,082	1,268	13,255	81,859
Golf Courses	918	3,020			3,938
Convention, Sports & Entertainment Venues	2,392	24,996			27,388
Total business-type activities	35,143	215,324	102,781	146,099	499,347
Government- wide totals	194,990	608,306	451,690	174,444	1,429,430
Fiduciary funds			44,394	4,870	49,264
Total cash and investments	\$ 194,990	\$ 608,306	\$ 496,084	\$ 179,314	\$ 1,478,694

Deposits and investments are comprised of the following at June 30, 2025:

Deposits	\$ 5,824
Investments and cash equivalents	1,472,870
Total deposits and investments	\$ 1,478,694

On June 30, 2025, deposits of \$5,824 with a corresponding bank balance of \$27,178, were maintained in various federally regulated financial institutions. The difference of \$21,354 represents deposits in transit, outstanding checks, and other reconciling items. Deposits with bank balances of \$2,378 are insured by the Federal Depository Insurance Corporation. For deposits with bank balances totaling \$24,800, California state statutes require federally regulated financial institutions to secure a city's deposits by pledging collateral consisting of either government securities with a value of 110% of a city's total deposits or by pledging first trust deed mortgage notes having a value of 150% of a city's total deposits. The collateral is required by regulation to be held by the counterparty's agent in the name of the City.

## Investments

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

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

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

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

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

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

The City's pooled investments comply with the requirements of the investment policy. GAAP requires disclosure of certain investments in any one issuer that exceeds five percent concentration of the total

investments. At June 30, 2025, the following investments represent five percent or more of the City’s total pooled investments.

<u>Issuer</u>	<u>Investment Type</u>	<u>Fair Value</u>	<u>%</u>
U.S. Treasury obligations	Treasury securities	\$ 390,554	48%
Federal Farm Credit Bank	U.S. agency securities	73,999	9%
Wells Fargo Government Institution	Money Market Mutual Funds	36,604	5%

**Investments authorized by debt agreements**

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

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

At June 30, 2025, the following investments represent five percent or more of the City’s total investments controlled by bond trustees:

<u>Issuer</u>	<u>Investment Type</u>	<u>Fair Value</u>	<u>%</u>
Dreyfus Treasury	Money market mutual fund	\$ 305,395	46%
First American Treasury Obligations	Money market mutual fund	234,875	35%
U.S. Treasury obligations	Treasury securities	42,515	6%
LAIF	Local Agency Investment Fund	31,750	5%

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

**Custodial credit risk**

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

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

**Interest rate risk**

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

Investments held by bond trustees are typically long-term securities which are not adversely affected by interest rate changes. Guaranteed investment contracts for construction funds are usually limited to three years or less. Information about the sensitivity of the fair values of the City’s investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City’s investments by maturity at June 30, 2025.

City's investments (including investments held by bond trustees) to market interest rate fluctuations and the distribution of the City's investments by maturity at June 30, 2025:

<b>Cash Equivalents &amp; Investments</b>	Credit Rating (Moody's/S&P)	Fair Value 6/30/2025	12 months or less	13 to 24 Months	25 to 36 Months	37 to 60 Months
Cash equivalents & investments controlled by City Treasurer:						
U.S. treasury obligations	N/A	\$ 390,553	\$ 76,609	\$ 118,281	\$ 37,981	\$ 157,682
U.S. agency securities	Aaa, AA+	133,376	43,650	24,845	24,853	40,028
Medium term notes	Aaa, AA+	9,873	4,856		5,017	
Medium term notes	Aa2, AA	15,066			10,009	5,057
Medium term notes	Aa3, A+	10,123		5,027		5,096
Medium term notes	A1, A	4,879				4,879
Medium term notes	A2, A	10,022				10,022
Medium term notes	A2, A-	4,863	4,863			
Medium term notes	A1, A-	14,791			14,791	
Medium term notes	A1, A+	19,649		9,856		9,793
Medium term notes	A1, AA	9,890		9,890		
Medium term notes	Aa1, A+	5,071		5,071		
Medium term notes	Aa2, A+	10,000	10,000			
Medium term notes	Aaa, AAA	5,138				5,138
Supranationals	Aaa, AAA	31,776	9,634	12,118		10,024
Commercial papers	P-1, A-1	72,344	72,344			
Money market mutual funds	AAA, Aaa	60,205	60,205			
LAIF	Unrated	337	337			
Total cash equivalents & investments controlled by City Treasurer		<u>807,956</u>	<u>282,498</u>	<u>185,088</u>	<u>92,651</u>	<u>247,719</u>
Cash equivalents & investment controlled by bond trustees:						
U.S. treasury obligations	N/A	42,515	31,026	10,836	653	
U.S. agency securities	AA+.Aaa	8,317	8,077	240		
Flexible repurchase agreements	Unrated	12,306	12,306			
Money market mutual funds	Unrated	570,026	570,026			
LAIF	Unrated	31,750	31,750			
Total cash equivalents & investments controlled by bond trustees		<u>664,914</u>	<u>653,185</u>	<u>11,076</u>	<u>653</u>	
Total cash equivalents & Investments		<u>\$ 1,472,870</u>	<u>\$ 935,683</u>	<u>\$ 196,164</u>	<u>\$ 93,304</u>	<u>\$ 247,719</u>

Fair Value Measurement:

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

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

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

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

The City has the following recurring measurements as of June 30, 2025:

	6/30/2025	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets	Significant other Observable Inputs	Not Required to be leveled
Investment by fair value level		(Level 1)	(Level 2)	
<b>Debt securities:</b>				
U.S. Treasury Obligations	\$ 433,068		\$ 433,068	
U.S. Agency Securities	141,693		141,693	
Supranational	31,776		31,776	
Medium Term Corporate Notes	119,365		119,365	
Commercial Papers	72,344		72,344	
LAI	32,087			\$ 32,087
Subtotal	830,333		\$ 798,246	\$ 32,087
<b>Investments measured at cost-based:</b>				
Flexible repurchase agreements	12,306			
Money Market Mutual Funds	630,231			
Subtotal	642,537			
Total	\$ 1,472,870			

**NOTE 4 – ACCOUNTS RECEIVABLE AND CERTAIN INTERFUND TRANSACTIONS**

**Accounts receivable**

Accounts receivable for the City’s governmental and business-type activities, including the applicable allowance for uncollectible accounts at June 30, 2025, are as follows:

	Accounts Receivable	Less Allowance for Uncollectible	Accounts Receivable, Net
Governmental activities:			
General Fund	\$ 48,176	\$ (7,284)	\$ 40,892
Housing Authority	478	(288)	190
Nonmajor governmental funds	2,501		2,501
Internal service funds	5,297	(20)	5,277
Total governmental activities	<u>56,452</u>	<u>(7,592)</u>	<u>48,860</u>
Business-type activities:			
Electric Utility	55,525	(2,997)	52,528
Water Utility	8,541	(609)	7,932
Sanitation Utility	12,735	(1,957)	10,778
Golf Courses	213		213
Convention, Sports & Entertainment Venues	<u>1,317</u>	<u>(54)</u>	<u>1,263</u>
Total business-type activities	<u>78,331</u>	<u>(5,617)</u>	<u>72,714</u>
Total accounts receivable, net	<u>\$ 134,783</u>	<u>\$ (13,209)</u>	<u>\$ 121,574</u>

**Due from other governments**

Due from other governments for the City’s governmental activities at June 30, 2025, are as follows:

	Taxes	Grants	Other	Total
Governmental activities:				
General Fund	\$ 20,989	\$ 1,103	\$ 2,292	\$ 24,384
Housing Authority		1,710		1,710
Nonmajor governmental funds		24,629	55	24,684
Total due from other governments	<u>\$ 20,989</u>	<u>\$ 27,442</u>	<u>\$ 2,347</u>	<u>\$ 50,778</u>

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

General fund	\$ 2,372
Electric Utility	1,373
Water Utility	147
Sanitation Utility	<u>1,445</u>
Total	<u>\$ 5,337</u>

**Due from the Successor Agency**

As of June 30, 2025, the amount due from the Successor Agency is \$2,203. On June 1, 2010, the City and the former Anaheim Redevelopment Agency entered into a Cooperation Agreement whereby the City assisted the Redevelopment Agency with the rehabilitation of the historic Packing House site utilizing \$7,000 of funds from the HUD Section 108 \$15,000 loan proceeds. The amount is due to the City by annual installment through June 2031. Due to the extended period of time over which the receivables for the HUD loan agreements are to be collected, the City has recorded expenditures at the time the loans were provided and deferred inflows of resources equal to the amount due in the nonmajor special revenues funds (\$2,203).

**Interfund receivable and payable balances**

Net internal balances between governmental activities and business-type activities of \$10,055 are included in the government-wide financial statements as of June 30, 2025.

Interfund receivables and payables that are included in the fund financial statements at June 30, 2025, are as follows:

	Interfund Receivable:									
	General Fund	Housing Authority	Nonmajor governmental funds	Internal service funds	Electric Utility	Water Utility	Sanitation Utility	Golf Courses	Convention, Sports and Entertainment	Total
<b>Interfund Payable:</b>										
<b>Governmental Funds:</b>										
General Fund		\$ 7,425		\$ 30,022	\$ 114					\$ 37,561
Nonmajor governmental funds	\$ 180	1,133	\$ 6,367							7,680
Internal Service Funds	12,218	303	416	518	1,406	\$ 468	\$ 494	\$ 28	\$ 532	16,383
Total	\$ 12,398	\$ 8,861	\$ 6,783	\$ 30,540	\$ 1,520	\$ 468	\$ 494	\$ 28	\$ 532	\$ 61,624

All interfund balances at June 30, 2025 are generally short-term loans to relieve temporary cash deficits in various funds. The following interfund balances are expected to be repaid in more than one year:

General Fund

- In 2020, a \$33 million interfund loan was made between the General Fund and the General Benefits and Insurance Fund, an Internal Service Fund of the City, to provide cash relief due to general tax revenue shortfall resulting from the COVID-19 pandemic and the California Stay-At-Home order. The fund will be repaid over 10 years at the City of Anaheim Treasury Investment Portfolio earning rate. As of June 30, 2025, the balance is \$30 million.
- In January 2023, the Anaheim Public Utility and Community Services Departments entered into a Memorandum of Understanding (MOU) whereby the Anaheim Public Utility agreed to provide low-interest financial assistance to fund project costs in implementing resource efficiency measures in various City facilities, City parks, and City libraries. A \$213 interfund loan was provided to fund the costs of the security lights with new energy efficient LED lamps and fixtures at the Haskett Library and Boysen Park. Interest rate is 2.69% per annum. Monthly principal and interest payment is \$4 payable from unrestricted general fund resources. As of June 30, 2025, the balance is \$114.

Housing Authority

- In February 2018, the City and the Anaheim Housing Authority (Authority) entered into a Cooperation Agreement whereby the City and Housing Authority exchanged real property for the purpose of developing affordable housing. The fair value of the Housing Authority property exceeded that of the City property by \$2,150; hence, the City agreed to provide \$2,150 in future Park Fee Credits to the Housing Authority for the benefit of affordable

housing development. As of June 30, 2025, the park fee credit due to the Housing Authority is \$1,133 from the Community Services Facilities nonmajor special revenue fund.

- On July 30, 2019, the Authority purchased 1213 & 1227 South Claudina Street (“Properties”) from B&AINV 1 & 2 LLC at a purchase price of \$7,250. The Authority wishes to exchange the Properties for property owned by the City (yet to be determined) of equal value and suitable for low and moderate income housing purposes. Concurrently, the City entered into a Purchase & Sale Agreement dated July 30, 2019 with ATN Asset Holding Co. LLC (ATN) for the sale of Properties for \$7,405 secured by a note and deed of trust for the entire amount. To facilitate the sale, the Properties were transferred from the Authority to the City. The City and the Authority entered into an Agreement and Escrow Instructions for Delayed Exchange of Real Property for a replacement property, yet to be determined. Interfund due from and to in the amount of \$7,425 were reported in the Housing Authority and General Fund respectively with the General Fund reported a note receivable from ATN in the amount of \$7,405.

**Certain interfund transactions**

The following interfund transfers are reflected in the fund financial statements at June 30, 2025:

	Transfer In:									
	General Fund	Housing Authority	Anaheim Resort Improvements	Nonmajor governmental funds	Internal Service Funds	Enterprise Funds				Total
						Electric Utility	Water Utility	Sanitation Utility	Convention, Sports & Entertainment Venues	
<b>Transfer Out:</b>										
General Fund		\$ 4,096	\$ 112,694	\$ 18,449	\$ 500		\$ 800	\$ 467	\$ 13,732	\$ 150,738
Nonmajor governmental funds	\$ 291	18,604		753		\$ 2,831			2,996	25,475
Electric Utility	23,068			1,250						24,318
Water Utility				600		368				968
Sanitation Utility				1,426						1,426
Convention, Sports and Entertainment Venues	703									703
Internal Service Funds	322			400						722
<b>Total</b>	<b>\$ 24,384</b>	<b>\$ 22,700</b>	<b>\$ 112,694</b>	<b>\$ 22,878</b>	<b>\$ 500</b>	<b>\$ 3,199</b>	<b>\$ 800</b>	<b>\$ 467</b>	<b>\$ 16,728</b>	<b>\$ 204,350</b>

The net transfers between governmental funds and proprietary funds is \$6,443 which are primarily operational subsidies from enterprise funds to the General Fund and are offset by debt service subsidies to the Convention, Sports & Entertainment Venues Funds.

The City made the following major transfers during fiscal year ended June 30, 2025:

- Transfer of \$112,694 represents Lease Payment Measurement Revenues (LPMR) from the General Fund to the Anaheim Resort Improvements major debt service fund, which is held by the Trustee, see discussion on note 10 of the notes to the financial statements on page 91 of this report.
- Transfer of \$13,732 from the General Fund to the Convention, Sports & Entertainment Venues enterprise fund for debt services.
- Transfer of \$8,684 from the General Fund to the Municipal Facilities nonmajor debt service fund for debt services.
- Transfer of \$940 from the General Fund to the Other Capital Improvements nonmajor capital project fund for Public Safety 800 Megahertz (MHz) communication debt service (\$690); and various neighborhood capital improvement projects (250).

- Transfer of \$500 from the General Fund to the Municipal Facilities Maintenance, internal service funds for deferred maintenance projects.
- Transfer of \$600 from the General Fund to the Water Utility enterprise fund per the result of Measure N in the November 2014 election.
- Transfers totalling \$2,647 from the General Fund to the Gas Tax nonmajor special revenue fund (\$2,000), Sanitation Utility (\$467), and Water Utility (\$200), per the Settlement Agreement.
- Transfer of \$1,400 from the Sanitation Utility enterprise fund, and \$600 from the Water Utility enterprise to the Gas Tax nonmajor special fund for street maintenance purposes per the Settlement Agreement.
- Transfers of \$6,283 from the General Fund to Other Capital Project nonmajor capital project fund to provide resources for the acquisition of Kettle Motel (\$3,912) for the purpose of housing development, and to partially fund the acquisitions of Crown Motel (\$2,371) for the development of future recreation purposes.
- Transfer of \$582 of the unspent voluntary developer contributions from the Other Capital Projects nonmajor capital project fund

to the Housing Development nonmajor special revenue fund to support housing development in the city.

- Transfers totalling \$22,700 from the City to the Anaheim Housing Authority (Authority) pursuant to various Cooperative Agreements between the City and the Authority:

\$1,666 from resources received in the General Fund for the Homeless Housing, Assistance and Prevention (HHAP) grant to partially fund the Studio 6 Motel low income housing projects.

\$6,900 consisting of resources received in the General Fund of \$2,430 HHAP grants, \$1,600 of the CalOptima grant in the Grants nonmajor special revenue fund, and \$2,870 of the HOME-ARP grant in the Grants nonmajor special revenue fund, to provide financing gap for the Tampico Motel Housing project.

\$4,000 consisting of \$3,000 of the HOME grant (Grants nonmajor special revenue fund), and \$1,000 Permanent Local Housing Allocation Program Fund (PLHA) (Housing Development nonmajor special revenue fund), to provide financing gap for the South East Beach-Lincoln Affordable Rental Housing Development.

\$5,406 from the Grants nonmajor special revenue fund to provide resources received from the PLHA grant for the acquisitions of Anaheim Lodge, Covered Wagon Motel acquisitions.

\$1,728 from the Grants nonmajor special revenue fund to provide \$1,261 financing for the Studio 6 housing development project (\$367 from the Housing Opportunities for Persons with AIDS (HOPWA) grant, and \$894 from PLHA); and \$467 from the Equitable Community Revitalization Grant (ECRG) for various ECRG projects.

\$3,000 from the City Neighborhood Reserve Funds - Other Capital Project nonmajor capital project fund, to enable the Authority to acquire the Rainbow Inn Motel.

- Transfer of \$1,113 of the unspent 2014 bond proceeds from the Other Capital Improvements nonmajor capital project fund to the Convention, Sports and Entertainment Venues Enterprise Fund to complete the Convention Center Betterment Improvements.
- Transfer of \$2,831 from the Mello-Roos Project nonmajor Capital Project Fund to the Electric Utility Enterprise Fund. This amount represented the Mello-Roos Project Fund's cost share of the electric facilities construction on the Orangewood widening project.

- Transfer of \$1,883 from the Gas Tax nonmajor Special Revenue Fund to the Convention, Sports & Entertainment Venues Enterprise Fund for debt services related to the ARTIC land acquisition loan. Principal and interest for the ARTIC land acquisition loan was paid in full during fiscal year 2025.
- Transfer of \$1,000 from the Electric Utility to the Community Services Facilities nonmajor Capital Project Fund for the Energy Field Turf Restoration project; and \$250 to Other Capital Improvement nonmajor Capital Project Fund for the purpose of purchase and installation of electric-only energy-efficient kitchen appliances for the Store One project located at the 722 N. Anaheim Boulevard; per various memorandum of understanding between Electric Utility and the departments.
- Transfers of \$17,198 from the Electric Utility Enterprise Fund to the General Fund. The transfer is equal to the maximum of 4% of total operating revenues of the current fiscal year.
- Transfer of \$5,870 from the Electric Utility Enterprise Fund to the General Fund. The amount represents the transfer of 1.5% retail electric revenue of the prior fiscal year.

The net transfer of \$6,221 from the business-type activities to governmental activities in the government-wide Statement of Activities consisted of the net transfers described above.

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

#### **NOTE 5 – LEASE RECEIVABLES**

The City leases out its office space, buildings, and land for various operational purposes to third parties. The City's lease receivables at June 30, 2025 were valued at \$11,180 for governmental activities and \$8,975 for business-type activities. The deferred inflow of resources related to these lease receivables of \$10,433 and \$8,753, respectively, will be recognized as revenues over the term of the leases.

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

Lease receivables of the governmental activities consist the following:

- Office space and building totaling \$1,510 at the interest rates range from 1.75% to 3.63%, annual principal and interest lease

payment ranges from \$43 to \$226; the remaining lease terms range from August 30, 2027 to April 30, 2032.

- Land leases totaling \$9,670 at the interest rates range from 1.75% to 3.68%, annual principal and interest lease payment ranges from \$129 to \$1,129, the remaining lease terms range from December 22, 2025 to March 11, 2076.

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

- Land leases totaling \$8,975 at the interest rates ranges from of 1.75% to 3.67%; annual principal and interest lease payment ranges from \$228 to \$2,071, the remaining lease terms range from October 22, 2025 to June 30, 2044.

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

	Governmental Activities	Business-type Activities	Total
Lease revenue	\$ 6,406	\$ 2,784	\$ 9,190
Interest revenue	\$ 226	\$ 224	\$ 450

Lease revenues include variable lease revenues not previously measured in lease receivable. The variable portion of the lease revenues include amount collected based on a percentage of the lessees' income on the leasing assets, and the residual receipts of the Housing Authority ground leases. The amount collected of the variable portion during fiscal year 2025 is \$5,122 in governmental activities and \$885 in business-type activities.

The Fiduciary Fund - Successor Agency leases out its land to a third party. The Successor Agency's lease receivable at June 30, 2025 was valued at \$1,245. The deferred inflow of resources related to this lease receivables of \$1,160 will be recognized as revenues over the term of the leases.

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

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

	Fiduciary Funds Activities
Lease revenue	\$ 85
Interest revenue	\$ 22

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

As of June 30, 2025, the City has three active Economic Assistance Agreements (Agreements) to developers. These Agreements related to construction of Hotels and retail spaces (Projects) within the City of Anaheim. There has been analysis of the feasibility gap between the costs of developing and operating the Projects and the costs that the Projects can finance and viably support. The feasibility gap for the Projects is the economic assistance that the City has committed to partially provide and is capped at \$244,726, per the Agreements. As of June 30, 2025, the City has made payments totaling \$39,699 for these Agreements.

The economic assistance that the City provides under these three Agreements is in the form of tax abatements - rebates of transient occupancy taxes (TOT) and sales tax that these projects generated and the City receives. These tax abatements are reported as reductions to tax revenues in the General Fund. During fiscal year 2025, the City paid \$10,565 for TOT abatements and \$329 for sales tax abatement.

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

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

**NOTE 7 – CAPITAL ASSETS**

Capital asset activities for the year ended June 30, 2025, were as follows:

	Beginning Balance	Additions	Transfer In (Out)	Deletions	Ending Balance
<b>Governmental activities:</b>					
Nondepreciable assets:					
Land	\$ 714,492	\$ 42,970		\$ (7)	\$ 757,455
Construction in progress	80,892	84,645	(34,034)	(544)	130,959
Total	<u>795,384</u>	<u>127,615</u>	<u>(34,034)</u>	<u>(551)</u>	<u>888,414</u>
Depreciable assets:					
Buildings, structures, and improvements	456,987	3,623	15,897	(80)	476,427
Machinery and equipment	151,651	15,730	2,478	(4,777)	165,082
Infrastructure	1,021,833	3,918	14,709	(113)	1,040,347
Lease land and buildings	3,244	133		(133)	3,244
Lease equipment	5,443	2,817		(1,215)	7,045
Subscription assets	30,130	5,776	950	(9)	36,847
Total	<u>1,669,288</u>	<u>31,997</u>	<u>34,034</u>	<u>(6,327)</u>	<u>1,728,992</u>
Total assets	<u>2,464,672</u>	<u>159,612</u>		<u>(6,878)</u>	<u>2,617,406</u>
Less accumulated depreciation for:					
Buildings, structures, and improvements	(252,693)	(15,670)		80	(268,283)
Machinery and equipment	(103,548)	(8,538)		4,537	(107,549)
Infrastructure	(565,349)	(21,699)		113	(586,935)
Lease land and buildings	(426)	(159)		133	(452)
Lease equipment	(2,500)	(1,609)		1,215	(2,894)
Subscription assets	(6,458)	(5,639)		9	(12,088)
Total accumulated depreciation	<u>(930,974)</u>	<u>(53,314)</u>		<u>6,087</u>	<u>(978,201)</u>
Total governmental activities capital assets, net	<u>1,533,698</u>	<u>106,298</u>		<u>(791)</u>	<u>1,639,205</u>
<b>Business-type activities:</b>					
Nondepreciable assets:					
Land	93,914				93,914
Construction in progress	222,819	162,177	(103,828)	(591)	280,577
Total	<u>316,733</u>	<u>162,177</u>	<u>(103,828)</u>	<u>(591)</u>	<u>374,491</u>
Depreciable assets:					
Buildings, structures, and improvements	1,053,878	2,273	11,096	(6)	1,067,241
Utility plant	2,416,310	2,856	91,631	(3,617)	2,507,180
Machinery and equipment	56,233	2,846	1,101	(1,837)	58,343
Lease land	3,901				3,901
Lease equipment	837	334			1,171
Subscription assets	822	2,380		(109)	3,093
Total	<u>3,531,981</u>	<u>10,689</u>	<u>103,828</u>	<u>(5,569)</u>	<u>3,640,929</u>
Total assets	<u>3,848,714</u>	<u>172,866</u>		<u>(6,160)</u>	<u>4,015,420</u>
Less accumulated depreciation for:					
Buildings, structures, and improvements	(420,168)	(20,830)		6	(440,992)
Utility plant	(1,006,402)	(75,530)		3,617	(1,078,315)
Machinery and equipment	(40,472)	(3,625)		1,829	(42,268)
Lease land	(796)	(298)			(1,094)
Lease equipment	(256)	(77)			(333)
Subscription assets	(340)	(301)		109	(532)
Total accumulated depreciation	<u>(1,468,434)</u>	<u>(100,661)</u>		<u>5,561</u>	<u>(1,563,534)</u>
Total business-type activities capital assets, net	<u>2,380,280</u>	<u>72,205</u>		<u>(599)</u>	<u>2,451,886</u>
<b>Government-wide total</b>	<u>\$ 3,913,978</u>	<u>\$ 178,503</u>		<u>\$ (1,390)</u>	<u>\$ 4,091,091</u>

Depreciation expense was charged to functions/programs of the City during fiscal year 2025 as follows:

Governmental activities:	
General government	\$ 314
Police	4,278
Fire	1,646
Housing & Community Development	887
Economic Development	1,266
Planning	60
Public Works	22,276
Community Services	6,039
Convention, Sports and Entertainment	6,668
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	9,880
Total depreciation expense - governmental activities	<u>\$ 53,314</u>
Business-type activities:	
Electric Utility	\$ 51,016
Water Utility	25,137
Sanitation Utility	3,073
Golf Courses	1,066
Convention, Sports & Entertainment Venues	20,369
Total depreciation expense - business-type activities	<u>\$ 100,661</u>

**Successor Agency**

Lease assets for the Successor Agency for the fiscal year ended June 30, 2025 were as follows:

	Beginning Balance	Addition	Deletion	Ending Balance
Lease land	\$ 19,613			\$ 19,613
Less accumulated depreciation	(2,467)	\$ (723)		(3,190)
Lease assets, net	<u>\$ 17,146</u>	<u>\$ (723)</u>		<u>\$ 16,423</u>

**NOTE 8 – SELF-INSURANCE**

The Insurance Fund (a function of the General Benefits and Insurance Fund), an internal service fund, is used to account for self-funded workers' compensation-related benefits, self-funded general liability claims, commercial insurance purchases, and alternative risk financing vehicles. Revenues of the Insurance Fund are derived from

cost-allocation charges to City departments using cost of insurance, and actuarial loss data for self-funded claims, which includes payments on existing claims, and analysis of reserve development. In addition, the Insurance Fund receives interest income from reserve funds.

At June 30, 2025, the City was funded at an actuarially acceptable level for self-funded retention for workers' compensation and general liability claim exposures (with retention levels of \$2,000 per occurrence for workers' compensation claims and \$1,000 per occurrence for general liability claims). Above these retained levels, the City's potential liability is covered through commercial insurance and intergovernmental risk pooling (collectively, "Insurance"). Settled claims have not exceeded total Insurance in any of the past three (3) years, nor does management believe that there are any pending claims that will exceed total Insurance coverage.

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

Changes in claims liability of the Self-Insurance portion of the General Benefits and Insurance Fund related to the governmental funds that are reported in the governmental activities in the government-wide Statement of Net Position in fiscal years 2025 and 2024 were as follows:

	2025	2024
Claims liability at beginning of year	\$ 60,911	\$ 59,088
Current year claims and changes in estimates	13,213	18,092
Claims payments	(11,016)	(16,269)
Claims liability at end of year	<u>\$ 63,108</u>	<u>\$ 60,911</u>

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

Above the retained limit of \$1,000 per occurrence for liability losses, the City maintains excess coverage for all City operations to \$60,000 per occurrence, excluding helicopter operations for which the City purchases

\$50,000, per occurrence, of commercial aviation liability insurance (on a first-dollar basis). The first layer of excess liability loss coverage is procured through the Authority for California Cities Excess Liability (ACCEL), a joint powers insurance authority, formed in 1986, pooling catastrophic general liability, and public officials errors and omissions liability losses among thirteen (13) California cities, through risk-sharing and commercial insurance procurement. The City, therefore, continues to maintain some limited excess liability risk sharing exposure, above \$1,000 per occurrence, directly with ACCEL. This pooled coverage has exposure from the run-out periods from prior years in the ACCEL retained layer of \$4,000 or \$9,000 in excess of \$1,000. Each ACCEL member's share of pooled losses is based on a retrospectively-rated risk-sharing formula which includes exposure and loss experience factors.

In order to provide funds to pay claims, ACCEL collects an annual deposit from each member. The deposits are credited with investment income at the rate earned on ACCEL's investments. As of June 30, 2025, ACCEL's cash and investments totaled \$115,325. The City has no specific equity interest in ACCEL. Deposits provided to ACCEL by the City are expensed when paid by the General Benefits and Insurance Fund.

ACCEL is responsible for deciding the risks it will underwrite, the monitoring, and handling of claims within its layer of coverage, and

arranging excess risk- financing programs. ACCEL does not have any debt outstanding. For a copy of ACCEL's separate financial statements, contact the Finance Director of the City.

#### **NOTE 9 – REVOLVING LINE OF CREDIT**

On December 7, 2023, the Public Utility Department renewed the Revolving Credit Agreement (Agreement) with Wells Fargo Bank, National Association for a maximum note amount not to exceed \$100,000, of which \$86,000 is made available for the Electric Utility and \$14,000 for the Water Utility. The note was renewed with a five-year term with a maturity date of December 6, 2028, at variable interest rates based on 80% of SOFR plus 0.64%. The annual commitment fee is 0.27% of the total note amount of \$100,000.

The purpose of the Agreement is to provide temporary financing for the costs of acquisition and construction to capital improvements of the Utility's electric and water systems. There was no draw from the Agreement during fiscal year 2025. On August 1, 2024, the Water Utility used a portion of the 2024-A bond proceeds to repay the outstanding balance of \$10,380 of the Agreement.

**NOTE 10 – LONG-TERM DEBTS**

The following is a summary of changes in long-term debts reported in the government-wide financial statements for the year ended June 30, 2025:

	Beginning Balance	Additions/ Proceeds	Refunded	Reductions/ Payments	Ending Balance	Due Within One Year
<b>Governmental activities:</b>						
Bonds payable:						
City lease revenue	\$ 382,122			\$ (21,476)	\$ 360,646	\$ 22,222
Accretion	219,272	\$ 15,999		(21,711)	213,560	22,985
Unamortized bond discount/premium, net	20,184			(2,787)	17,397	
Total	621,578	15,999		(45,974)	591,603	45,207
Notes and loans payable from direct borrowing:						
City	9,075	688		(2,053)	7,710	2,025
Internal Service Funds	4,021			(1,311)	2,710	1,342
Total	13,096	688		(3,364)	10,420	3,367
Leases (note 12):						
City	2,871	133		(67)	2,937	73
Internal Service Funds	2,338	2,817		(1,825)	3,330	1,297
Total	5,209	2,950		(1,892)	6,267	1,370
Subscription payable (note 13):						
City	8,617	1,476		(2,391)	7,702	2,385
Internal Service Funds	10,015	4,200		(2,947)	11,268	2,932
Total	18,632	5,676		(5,338)	18,970	5,317
<b>Governmental activities total</b>	<b>658,515</b>	<b>25,313</b>		<b>(56,568)</b>	<b>627,260</b>	<b>55,261</b>
<b>Business-type activities:</b>						
Bonds payable:						
Electric Utility	641,505	109,380	\$ (127,140)	(44,510)	579,235	45,695
Water Utility	222,395	65,000		(7,270)	280,125	8,615
Sanitation	38,145			(1,495)	36,650	1,575
Convention, Sports, and Entertainment Venues	215,731			(7,003)	208,728	7,102
Unamortized bond discount/premium, net	60,051	12,360		(14,087)	58,324	
Total	1,177,827	186,740	(127,140)	(74,365)	1,163,062	62,987
Notes and loans payable from direct borrowing:						
Electric Utility	84			(33)	51	34
Sanitation Utility	55			(22)	33	22
Golf Courses	71			(37)	34	28
Convention, Sports, and Entertainment Venues	7			(4)	3	3
Total	217			(96)	121	87
Leases (note 12):						
Electric Utility	3,090	334		(299)	3,125	294
Golf Courses	174			(49)	125	51
Total	3,264	334		(348)	3,250	345
Subscription payable (note 13):						
Electric Utility	391	2,104		(337)	2,158	277
Water Utility	97	276		(57)	316	50
Total	488	2,380		(394)	2,474	327
Interest payable						
Convention, Sports and Entertainment Venues	1,883			(1,883)		
Total	1,883			(1,883)		
<b>Business-type activities total</b>	<b>1,183,679</b>	<b>189,454</b>	<b>(127,140)</b>	<b>(77,086)</b>	<b>1,168,907</b>	<b>63,746</b>
<b>Government-wide total</b>	<b>\$ 1,842,194</b>	<b>\$ 214,767</b>	<b>\$ (127,140)</b>	<b>\$ (133,654)</b>	<b>\$ 1,796,167</b>	<b>\$ 119,007</b>

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

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

## GOVERNMENTAL ACTIVITIES:

### BONDS PAYABLE

At June 30, 2025, bonds payable consisted of the followings:

	Date Issued	Final Maturity	Range of Interest Rates at Issue Date	Authorized and Issued	Outstanding 6/30/2025
1997 Anaheim Lease Revenue Bonds Accretion	2/1/1997	3/1/2037	4.5% - 6.1%	\$ 251,182	\$ 49,454 213,560
2019 A Anaheim Senior Lease Revenue Refunding Bonds	4/30/2019	9/1/2036	5.0% - 5.0%	169,065	154,110
2021 Lease Revenue Refunding Bonds	12/14/2021	7/1/2046	0.9% - 3.3%	23,546	21,977
2021A Lease Revenue Bonds (Working Capital Financing)	6/22/2021	7/1/2051	0.6% - 3.1%	138,755	135,105
Total					574,206
Unamortized bond premium/discounts, net					17,397
Total governmental activities bonds				\$ 582,548	\$ 591,603

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

### Bonds Payable - City

#### Lease payment measurement revenues (LPMR)

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

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

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

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

LPMR began on January 1, 2001, with the first payment made to the trustee on July 7, 2001, for the LPMR generated during the period January through June 2001. Subsequent to that date, LPMR is collected and

remitted to the trustee monthly. During the fiscal year ended June 30, 2025, \$111,769 was remitted to the trustee.

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

Fiscal Year Ending 6/30	Principal	Interest	Total
2026	\$ 17,800	\$ 30,376	\$ 48,176
2027	18,405	31,045	49,450
2028	17,649	31,797	49,446
2029	16,867	32,579	49,446
2030	15,973	33,469	49,442
2031-2035	63,555	183,665	247,220
2036-2037	53,315	20,388	73,703
<b>Total</b>	<b>203,564</b>	<b>363,319</b>	<b>566,883</b>
Unamortized bond premiums	17,397		17,397
<b>Total bonds</b>	<b>\$ 220,961</b>	<b>\$ 363,319</b>	<b>\$ 584,280</b>

Included in interest is \$213,560 related to accretion on capital appreciation bonds.

Lease revenue bonds – City

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

Fiscal Year Ending 6/30	Principal	Interest	Total
2026	\$ 747	\$ 641	\$ 1,388
2027	760	628	1,388
2028	775	612	1,387
2029	791	596	1,387
2030	809	577	1,386
2031-2035	4,372	2,548	6,920
2036-2037	5,084	1,823	6,907
2041-2045	5,964	934	6,898
2046-2047	2,675	88	2,763
<b>Total Bonds</b>	<b>\$ 21,977</b>	<b>\$ 8,447</b>	<b>\$ 30,425</b>

Lease Revenue Bonds - Working Capital Financing

On June 10, 2021, the Anaheim Public Financing Authority sold \$135,105 of Lease Revenue Bonds (Working Capital Financing), Series 2021 A, at par. Proceeds of the bonds provide financing for projected cash flow deficits attributable to significant declines in General Fund revenues

impacted by the COVID-19 pandemic for fiscal year 2020-2021 through 2023-2024. The bonds will be repaid from unrestricted general fund revenues. Balance of the unspent bonds at June 30, 2025 was \$33,600.

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

Debt service requirements to maturity for the 2021 Anaheim Lease Revenue Bonds to be paid from unrestricted general fund revenues as follows:

Fiscal Year Ending 6/30	Principal	Interest	Total
2026	\$ 3,675	\$ 3,615	\$ 7,290
2027	3,710	3,576	7,286
2028	3,755	3,527	7,282
2029	3,810	3,468	7,278
2030	3,875	3,399	7,274
2031-2035	20,615	15,714	36,329
2036-2040	23,335	12,913	36,248
2041-2045	26,955	9,222	36,177
2046-2050	31,400	4,691	36,091
2051-2052	13,975	440	14,415
<b>Total</b>	<b>\$ 135,105</b>	<b>\$ 60,564</b>	<b>\$ 195,669</b>

**NOTES AND LOANS PAYABLE**

Notes and loans payable from direct borrowing contain a provision that in the event of default, the entire outstanding principal amount is due and payable.

**Notes and Loan Payable - City**

In March 2010, the City entered into an agreement with HUD, making available \$15,000 to fund the acquisitions of the Orange County Family Justice Center and Miraloma Park site, construction of the Thornton Brady storm drain and the rehabilitation of the historic Packing House site. The loan is payable from the Community Development Block Grant yearly entitlement and from the receipts of the Successor Agency receivable. Additionally, the City had pledged certain real properties, park land, and a portion of its annual Community Development Block Grants entitlement as securities interest for the HUD Section 108 guaranteed loans.

The outstanding balance of the loan at June 30, 2025 was \$4,935. The loan bears interest ranging from 1.74% to 3.97% and is payable over 20 years beginning on February 1, 2011 through August 1, 2030. Loan debt service requirements to maturity are as follows:

<u>Fiscal Year Ending 6/30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 865	\$ 194	\$ 1,059
2027	900	157	1,057
2028	930	118	1,048
2029	970	77	1,047
2030	1,010	34	1,044
2031	260	6	266
Total notes and loans	<u>\$ 4,935</u>	<u>\$ 586</u>	<u>\$ 5,521</u>

**800 Megahertz Communication Equipment**

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

On November 30, 2015, the Agreement provided \$1,100 financing for the acquisition of a portion of the mobile radio equipment payable over 10 years and bears interest of 1.98% per annum, Principal and interest payments of \$61 are due semi-annually beginning on May 30, 2016, until November 30, 2025. The outstanding balance at June 30, 2025 was \$60 .

On November 30, 2016, the Agreement provided \$6,840 financing for the acquisition of the remaining radio equipment payable over 10 years and bears interest of 1.87% per annum. Principal and interest of \$377 are due semi-annually beginning on May 30, 2017, until November 30, 2026. The amount of this financing allocated to governmental activities totaled \$6,235. The outstanding balance at June 30, 2025 was \$1,020 .

Loan debt service requirements to maturity are as follows:

<u>Fiscal Year Ending 6/30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 737	\$ 17	\$ 754
2027	343	3	346
Total notes and loans	<u>\$ 1,080</u>	<u>\$ 20</u>	<u>\$ 1,100</u>

**Ambulance Loan Payable**

On January 15, 2020, the Agreement with Banc of America Public Capital Corp. provided \$799 financing for the acquisition of five (5) ambulances, payable over 7 years and bearing interest at 1.69% per annum. Principal and interest payment of \$98 are due annually beginning on January 15, 2022 until January 15, 2028.

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

On December 2, 2024, the Agreement provided \$688 financing for the acquisition of three Emergency Transport Ambulances. payable over 5 years and bears interest at 3.91% per annum. Principal and interest payment of \$149 are due annually beginning on January 15, 2025 until January 15, 2029.

Debt services of the ambulance loans will be funded from the unrestricted revenue sources of the Fire & Rescue Department’s in-house Emergency Medical Transportation Program revenues. The outstanding balance of the loans at June 30, 2025 was \$1,713. Loan debt service requirement to maturity are as follows:

<u>Fiscal Year Ending 6/30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 435	\$ 46	\$ 481
2027	447	35	482
2028	459	22	481
2029	372	10	382
Total notes and loans	<u>\$ 1,713</u>	<u>\$ 113</u>	<u>\$ 1,826</u>

**Technology Equipment Loan**

On March 4, 2022, the Agreement with Banc of America provided \$6,500 financing for the acquisition of various Technology Equipment. The loan has a term of 5 years and bears interest at 2.36% per annum. Principal and interest of \$693 are due semi-annually beginning on September 4, 2022 until March 4, 2027. Debt services of the loan will be funded from the unrestricted revenue sources of the Information and Communication Services internal service funds. The outstanding balance of the loan at June 30, 2025 was \$2,692. Total debt services to maturity are as follows:

<u>Fiscal Year Ending 6/30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,330	\$ 56	\$ 1,386
2027	1,362	24	1,386
Total notes and loans	<u>\$ 2,692</u>	<u>\$ 80</u>	<u>\$ 2,772</u>

**BUSINESS-TYPE ACTIVITIES:**

**BONDS PAYABLE**

At June 30, 2025, bonds payable consisted of the following:

	Date Issued	Maturity	Range of Interest Rates at Issue Date	Authorized and Issued	Outstanding 6/30/2025
<b>Electric Utility</b>					
2014 Revenue Bonds	10/8/2014	10/1/2025	2.0% - 5.0%	\$ 109,350	\$ 8,825
2015B Revenue Bonds	10/1/2016	10/1/2035	3.0% - 5.0%	87,765	37,155
2017A Revenue Bonds	12/21/2017	10/1/2028	5.0% - 5.0%	42,955	25,230
2020A Revenue Bonds	3/4/2020	10/1/2050	5.0% - 5.0%	59,215	38,865
2020B Revenue Bonds	3/4/2020	10/1/2034	1.6% - 3.0%	121,795	46,105
2020C Revenue Bonds	3/4/2020	10/1/2044	5.0% - 5.0%	42,340	21,955
2022A Revenue Bonds	4/28/2022	10/1/2052	5.0% - 5.0%	156,530	155,145
2022B Revenue Bonds	4/28/2022	10/1/2034	5.0% - 5.0%	74,255	69,065
2022D Revenue Bonds	4/28/2022	10/1/2033	2.3% - 4.1%	79,855	33,415
2022E Revenue Bonds	7/6/2022	10/1/2030	5.0% - 5.0%	34,095	34,095
2024A Revenue Refunding Bonds	8/20/2024	10/1/2039	5.00%	109,380	109,380
<b>Total</b>					<u>579,235</u>
Unamortized bond premiums/discounts, net					<u>42,952</u>
<b>Total Electric Utility</b>					<u>622,187</u>
<b>Water Utility</b>					
2015 Revenue Bonds	4/21/2015	10/1/2040	4.0% - 5.0%	\$ 44,725	\$ 36,510
2020A Revenue Bonds	3/4/2020	10/1/2025	5.0% - 5.0%	2,680	720
2020B Revenue Bonds	3/4/2020	10/1/2038	1.6% - 3.0%	32,445	26,265
2022A Revenue Bonds	4/12/2022	10/1/2052	5.0% - 5.0%	44,955	43,600
2022B Revenue Bonds	4/12/2022	10/1/2049	2.5% - 4.3%	79,260	78,135
2022C Revenue Bonds	4/12/2022	10/1/2040	5.0% - 5.0%	31,600	29,895
2024A Revenue Bonds	8/1/2024	10/1/2054	Variable	65,000	65,000
<b>Total</b>					<u>280,125</u>
Unamortized bond premiums/discounts, net					<u>10,564</u>
<b>Total Water Utility</b>					<u>290,689</u>
<b>Sanitation Utility</b>					
2018 Revenue Bonds	1/25/2018	2/1/2048	5.0% - 5.0%	\$ 45,705	\$ 36,650
Unamortized bond premium					<u>4,808</u>
<b>Total Sanitation Utility</b>					<u>41,458</u>
<b>Convention, Sports and Entertainment Venues</b>					
2021 Revenue Bonds					
Bonds	12/15/2021	2/1/2048	0.9% - 3.3%	\$ 226,704	\$ 208,728
<b>Total Convention, Sports and Entertainment Venues</b>					<u>208,728</u>
<b>Total business-type activities bonds</b>				<u>\$ 1,490,609</u>	<u>\$ 1,163,062</u>

**Bonds Payable - Electric Utility**

The City's Electric Utility has pledged future electric revenues, net of certain costs, to repay a total of \$789,239 outstanding long-term obligations, principal and interest. Proceeds from bonds provided financing for various capital improvements, primarily distribution assets. The Electric Utility's bonds are payable solely from electric customer net revenues and are payable through 2053. At June 30, 2025, the annual principal, and interest payments on the bonds were 49.42% of net revenues. Principal and interest paid for the current fiscal year and total net revenues were \$70,725 and \$143,120 respectively.

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

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

Fiscal Year Ending 6/30	Principal	Interest	Total
2026	\$ 45,695	\$ 26,326	\$ 72,021
2027	43,095	24,204	67,299
2028	45,180	22,115	67,295
2029	47,305	20,001	67,306
2030	49,520	17,779	67,299
2031-2035	230,925	56,375	287,300
2036-2040	45,535	22,441	67,976
2041-2045	36,225	13,736	49,961
2046-2050	24,370	6,318	30,688
2051-2053	<u>11,385</u>	<u>709</u>	<u>12,094</u>
<b>Total</b>	<u>579,235</u>	<u>210,004</u>	<u>789,239</u>
Unamortized bond premiums/discounts, net	<u>42,952</u>		<u>42,952</u>
<b>Total bonds</b>	<u>\$ 622,187</u>	<u>\$ 210,004</u>	<u>\$ 832,191</u>

**Bonds Payable - Water Utility**

The City's Water Utility has pledged future revenues from the sale of water, net of certain costs, to repay a total of \$444,725 for outstanding long-term obligations, principal, and interest. Proceeds from bonds provided financing for various capital improvements, primarily distribution assets. The bonds are payable solely from water net revenues and are payable through 2053. At June 30, 2025, the annual principal and interest payments on the bonds were 55.63% of net revenues. Principal

and interest paid for the current fiscal year and total net revenues were \$17,503 and \$31,465 respectively.

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

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

Fiscal Year Ending 6/30	Principal	Interest	Total
2026	\$ 8,615	\$ 11,514	\$ 20,129
2027	8,955	11,182	20,137
2028	9,260	10,876	20,136
2029	9,595	10,538	20,133
2030	9,940	10,197	20,137
2031-2035	55,595	45,080	100,675
2036-2040	66,230	32,711	98,941
2041-2045	47,300	19,704	67,004
2046-2050	38,840	10,245	49,085
2051-2053	<u>25,795</u>	<u>2,553</u>	<u>28,348</u>
Total	280,125	164,600	444,725
Unamortized bond premiums/discount, net	<u>10,564</u>		<u>10,564</u>
Total bonds	<u>\$ 290,689</u>	<u>\$ 164,600</u>	<u>\$ 455,289</u>

**Bonds Payable – Sanitation Utility**

The City's Sanitation Utility has pledged future sanitation system net revenues to pay a total of \$55,068 outstanding revenue bonds issued in January 2018. Proceeds from the bonds provided financing for capital improvements to the sanitation sewer collection system. The bonds are payable solely from system net revenues and are payable through February 2048. At June 30, 2025, total principal and interest payments on the bonds were 27.28% of net revenues. Total principal and interest paid and total system net revenues for the current fiscal year were \$3,402 and \$12,469, respectively.

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

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

Fiscal Year Ending 6/30	Principal	Interest	Total
2026	\$ 1,575	\$ 1,833	\$ 3,408
2027	1,645	1,754	3,399
2028	1,730	1,672	3,402
2029	1,820	1,585	3,405
2030	1,910	1,494	3,404
2031-2035	11,085	5,938	17,023
2036-2040	11,560	2,876	14,436
2041-2045	3,085	1,038	4,123
2046-2048	<u>2,240</u>	<u>228</u>	<u>2,468</u>
Total	36,650	18,418	55,068
Unamortized bond premium	<u>4,808</u>		<u>4,808</u>
Total bonds	<u>\$ 41,458</u>	<u>\$ 18,418</u>	<u>\$ 59,876</u>

**Bonds Payable – Convention, Sports and Entertainment Venues**

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

Fiscal Year Ending 6/30	Principal	Interest	Total
2026	\$ 7,102	\$ 6,091	\$ 13,193
2027	7,225	5,964	13,189
2028	7,360	5,818	13,178
2029	7,519	5,659	13,178
2030	7,686	5,485	13,171
2031-2035	41,533	24,207	65,740
2036-2040	48,292	17,316	65,608
2041-2045	56,661	8,872	65,533
2046-2048	<u>25,350</u>	<u>835</u>	<u>26,185</u>
Total bonds	<u>\$ 208,728</u>	<u>\$ 80,247</u>	<u>\$ 288,975</u>

**800 Megahertz Communication Equipment loan payable**

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

Electric Utility

Fiscal Year Ending 6/30	Principal	Interest	Total
2026	\$ 34	\$ 1	\$ 35
2027	<u>17</u>		<u>17</u>
Total notes and loans	<u>\$ 51</u>	<u>\$ 1</u>	<u>\$ 52</u>

Sanitation Utility

Fiscal Year Ending 6/30	Principal	Interest	Total
2026	\$ 22	\$ 1	\$ 23
2027	11		11
Total notes and loans	<u>\$ 33</u>	<u>\$ 1</u>	<u>\$ 34</u>

Convention, Sports, & Entertainment Venues

Fiscal Year Ending 6/30	Principal	Interest	Total
2026	\$ 3		\$ 3
Total notes and loans	<u>\$ 3</u>	<u></u>	<u>\$ 3</u>

**Golf Courses Equipment Loans**

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

An Agreement with DDL Finance on October 5, 2020 to provide financing of \$62 for the acquisition of golf carts at Dad Millers Golf Course. The interest rate for the loan is 4.58% per annum, payable monthly beginning on November 5, 2020 and ending on November 5, 2025. Total debt service to maturity is \$69. At June 30, 2025, the principal loan balance is \$4.

An Agreement with PNC Equipment Finance on September 15, 2021 to provide financing of \$50 for the acquisition of golf course equipment. The interest rate for the loan is 2.0% per annum, payable monthly beginning on September 15, 2021 and ending on August 15, 2026. Total debt service to maturity is \$53. At June 30, 2025, the principal loan balance is \$12.

An Agreement with PNC Equipment Finance on November 1, 2021 to provide financing of \$67 for the acquisition of golf course equipment. The interest rate for the loan is 2.0% per annum, payable monthly beginning on November 1, 2021 and ending on November 1, 2026. Total debt service to maturity is \$70. At June 30, 2025, the principal loan balance is \$18.

Loan debt service to maturity requirements are as follows:

Fiscal Year Ending 6/30	Principal	Interest	Total
2026	\$ 28	\$ 1	\$ 29
2027	6		6
Total notes and loans	<u>\$ 34</u>	<u>\$ 1</u>	<u>\$ 35</u>

**ARBITRAGE**

The Tax Reform Act of 1986 (Act) substantially revised the treatment to be afforded to earnings on the proceeds of tax-exempt debt, and requires the City to calculate and remit rebatable arbitrage earnings to the Internal Revenue Service. Certain of the City's debt and interest earned on the proceeds thereof are subject to the requirements of the Act. The City has accrued a liability for estimated rebatable arbitrage earnings and has set aside such earnings as restricted cash. On June 30, 2025, the arbitrage rebate liability for governmental and business-type activities was zero and \$2,394, respectively.

**LEGAL DEBT MARGIN**

The City of Anaheim has a general obligation debt limit that cannot exceed 3.75% of the total assessed valuation of all real and personal property within the City. Based on the fiscal year 2024-2025 gross assessed valuation for taxation purposes of \$63,328,820, the City has a debt limit of \$2,374,831 or 3.75%. Currently the City does not have any outstanding bonded indebtedness in the form of general obligation bonds. Since the outstanding bond principal is zero, the City has a net debt margin of \$2,374,831.

**COMPLIANCE WITH DEBT COVENANTS**

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

**DEBT ISSUANCES**

**City - Debt Issuance**

On December 2, 2024, the City executed a Schedule to the Master Equipment Lease/Purchase Agreement with Banc of America Public Capital Corp to finance the acquisition of three (3) Emergency Transport Ambulances in the amount of \$688, at the interest rate of 3.91%, payable annually beginning on January 15, 2025 and ending on January 15, 2029. Annual principal and interest payment is \$149. Total debt service to maturity is \$747 and will be repaid from the unrestricted General Fund Emergency Medical Service Transport cost recovery revenues generated by the Ambulance Program.

**Electric Utility - Debt Issuance**

On August 20, 2024, the Anaheim Housing and Public Improvements Authority issued the Electric Utility Revenue Refunding Bonds, Series 2024-A (Electric Utility Distribution System Refunding), in the principal amount of \$109,380 and at a premium of \$12,360 for a total of \$121,740. The true interest cost of the 2024-A bonds is 3.38%, payable semi-annually beginning from October 1, 2024 and ending on October 1, 2039. Annual principal payment ranges from \$405 to \$20,845. The total debt service to maturity is \$152,842. Proceeds of the bonds, net of underwriter discount (\$348) and cost of issuance (\$829) totalling \$120,563, along with \$4,185 from the refunded bond reserve funds, and \$1,799 accrued interest, were transferred to the refunding bond trustee to partially refund the outstanding principal balances totalling \$127,140 of the 2015-B (\$5,100), 2020-A (\$16,585), 2020-B (\$57,895), 2020-C (\$20,385) and 2022-D (\$27,175) Bonds. The Electric Utility reduced its total debt service payment over the life of the refunded bonds by \$24,167, along with the cash transferred from the refunded bond reserve funds, and obtained a net present value savings of \$18,188.

**Water Utility - Debt Issuance**

On August 1, 2024, the Anaheim Housing and Public Improvement Authority issued \$65,000 Water Revenue Bonds, Series 2024-A at par, Variable Rate Demand Bonds, Second Lien Qualified Obligations, for the purpose of financing the acquisition and construction of certain capital improvements to the Water system, to repay the \$10,380 of borrowed principal on the Revolving Credit Agreement with Wells Fargo Bank, and to fund the bond cost of issuance.

**DEBT RETIREMENTS**

Debt Defeased

The City defeased the following bonds prior to June 30, 2025:

	<u>Outstanding 6/30/2025</u>
<b>City</b>	
1997-C APFA Capital Appreciation Bonds	\$ 84,270
<b>Water Utility</b>	
2020- A Water Revenue Bonds	<u>34,305</u>
	<u>\$ 118,575</u>

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

**CONDUIT FINANCINGS**

**City**

The City has entered into conduit financing arrangement to fund certain capital improvement projects for the Honda Center (also referred to as the Anaheim Arena Improvement Project). In accordance with the applicable agreements, the City has no obligation for debt service payments and therefore, the debt is not reflected in the accompanying basic financial statements. Bonds payable and certificates of participation related to conduit financings outstanding at June 30, 2025, were as follows:

	<u>Date Issued</u>	<u>Final Maturity</u>	<u>Amount Issued</u>	<u>Outstanding 6/30/2025</u>
Anaheim Arena Improvement				
Project 2024 Series A	7/25/2024	7/2/2029	\$ 323,255	\$ 23,041

**CONDUIT FINANCINGS**

**Anaheim Housing Authority**

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

Authority revenue bonds related to conduit financings outstanding at June 30, 2025, were as follows:

	Date Issued	Final Maturity	Amount Issued	Outstanding 6/30/2025
Sage Park Project	11/1/1998	11/1/2028	\$ 5,500	\$ 5,500
Solara Court Apartments	11/28/2004	12/1/2034	8,200	3,377
Pradera Apartments (Lincoln Anaheim) Phase B	5/15/2009	4/15/2039	23,217	4,692
Crossings at Cherry Orchard Apartments Tranche A	8/23/2012	12/1/2044	9,365	901
Crossings at Cherry Orchard Apartments Tranche B	8/23/2012	12/1/2029	2,985	1,130
Paseo Village Apartments	2/28/2013	9/1/2045	19,750	11,011
Village Center Apartments	8/7/2014	3/1/2047	15,000	13,655
Pebble Cove Apartments Series A	8/19/2015	9/1/2031	13,000	11,208
Pebble Cove Apartments Taxable Subordinate Series 2015A	8/19/2015	8/1/2055	3,550	3,550
Hermosa Village Apartments Phase 1 Series A-1/A-2	12/28/2016	7/1/2049	41,028	24,675
Miracle Terrace Apartments Series B-1	1/10/2017	2/1/2050	26,555	24,450
Cobblestone Apartments Series A-1	3/14/2017	10/1/2054	6,185	5,685
Sea Wind Apartments Series B-1	3/14/2017	10/1/2054	11,015	10,054
Jamboree Anaheim PSH Apartments Series A	4/30/2020	5/1/2038	12,200	5,206
Hermosa Village Apartments Phase 2 Series A 1-3	10/30/2020	5/1/2038	20,798	9,727
The Salvation Army Anaheim Center of Hope Apts A-1	2/1/2022	2/1/2025	18,000	13,173
The Salvation Army Anaheim Center of Hope Apts A-2	2/1/2022	2/1/2025	850	706
<b>Total</b>			<u>\$ 237,198</u>	<u>\$ 148,700</u>

**FIDUCIARY FUNDS**

Successor Agency

The following is a summary of changes in long-term debts for the year ended June 30, 2025:

	Beginning Balance	Additions/ Proceeds	Reductions/ Payments	Ending Balance	Due Within One Year
Bonds payable	\$ 106,820		\$ (9,905)	\$ 96,915	\$ 12,120
Premium	7,533		(1,851)	5,682	
Lease payable	18,370		(443)	17,927	452
Due to City of Anaheim	2,572		(369)	2,203	375
	<u>\$ 135,295</u>		<u>\$ (12,568)</u>	<u>\$ 122,727</u>	<u>\$ 12,947</u>

**Bonds Payable**

2007 Tax Allocation Refunding Bonds

The Successor Agency will repay a total of \$33,136, principal and interest, for the outstanding 2007 tax allocation bonds issued in December 2007 from the semiannual Redevelopment Property Tax Trust Fund (RPTTF) revenue allocations. Proceeds from the bonds provided financing for public improvements related to the merged project areas, for the supply of low-and moderate-income housing within the City, to repay certain Redevelopment Agency loan obligations and to advance refund the 1992, 1997 and 2000 bonds. The bonds bear interest at rates ranging from 4.25% to 6.50% and are payable through February 2031. During the fiscal year ended June 30, 2025, total principal and interest paid was \$3,841.

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

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

Fiscal Year Ending 6/30	Principal	Interest	Total
2026	\$ 2,130	\$ 1,722	\$ 3,852
2027	4,270	1,583	5,853
2028	4,550	1,305	5,855
2029	4,850	1,009	5,859
2030	5,165	694	5,859
2031	5,500	358	5,858
<b>Total bonds</b>	<u>\$ 26,465</u>	<u>\$ 6,671</u>	<u>\$ 33,136</u>

2018 Tax Allocation Refunding Bonds

On January 25, 2018, the Successor Agency issued Tax Allocation Refunding Bonds, 2018 Series A and B. The bond proceeds together with the 2007 series A and C bond reserve funds were used to refund the 2007 Tax Allocation Bonds series A and C, and the 2010 Recovery Economic Zone Development Bonds. The Successor Agency will repay a total of \$83,424, principal and interest, from the semiannual RPTTF revenue allocations. The refunding bonds bear interest at rates ranging from 2.27% to 2.50% and are payable through February 2031.

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

Fiscal Year Ending 6/30	Principal	Interest	Total
2026	\$ 9,990	\$ 3,523	\$ 13,513
2027	10,255	3,023	13,278
2028	11,650	2,510	14,160
2029	12,230	1,928	14,158
2030	12,840	1,316	14,156
2031	13,485	674	14,159
Total bonds	70,450	12,974	83,424
Unamortized bond premium	5,682		5,682
Total bonds	\$ 76,132	\$ 12,974	\$ 89,106

The Successor Agency will repay a total of \$2,481 outstanding long-term obligations, principal and interest, from the semi-annual RPTTF revenue allocations for the \$7,000 Cooperation Agreement dated June 2010 between the former Redevelopment Agency and the City, whereby the City assisted the former Redevelopment Agency with the rehabilitation of the historic Packing House site utilizing proceeds from the HUD Section 108 loan. This Cooperation Agreement obligation (HUD 108 Section loan) bears interest ranging from 1.68% to 3.98% and is payable over 20 years beginning on February 1, 2011 through August 1, 2030. As of June 30, 2025, the outstanding principal due to the City for the Packing House site project obligation was \$2,203. Principal and interest paid for the current fiscal year were \$472.

Fiscal Year Ending 6/30	Principal	Interest	Total
2026	\$ 375	\$ 87	\$ 462
2027	382	71	453
2028	388	55	443
2029	395	38	433
2030	403	21	424
2031-2036	260	6	266
Total notes and loans	\$ 2,203	\$ 278	\$ 2,481

**Mello-Roos Community Facilities Districts**

The City issued special tax bonds to finance construction in various Community Facilities Districts (CFD). These bonds were authorized pursuant to the Mello-Roos Community Facilities Act of 1982. The bonds are payable from a special assessment tax and are non-recourse bonds secured by the properties. Neither the faith and credit nor the taxing power of the City, the State of California or any political subdivision of

either of the foregoing is pledged to the payment of the bonds. The bonds are not general or special obligations of the City, nor do they contain any credit enhancements that secondarily pledge existing or future resources of the City, accordingly they are not reflected in the accompanying basic financial statements. The City is acting as agent only for the property owners in collecting the special assessments and forwarding the collections to the fiscal agent. This activity is recorded in the Custodial fund of the Fiduciary Funds in the basic financial statements.

At June 30, 2025, the City has the following outstanding Mello-Roos special tax bonds:

	Outstanding 6/30/2025
CFD 06-02	\$ 5,050
CFD 08-01	44,935
	\$ 49,985

In February 2007, the City issued \$9,060 in special tax bonds to finance a portion of the cost of acquisition and construction of facilities in the Platinum Triangle of Anaheim, Community Facility District 06-2. Stadium Loft. On August 10, 2016, the outstanding balance of \$7,680 of the 2007 special tax bonds were refunded by Special Tax Refunding Bonds, Series 2016, CFD 06-02, in the principal amount of \$7,540 and at a premium of \$91. The City reduced the CFD 06-2 total debt service payments over the life of the refunded bonds by \$1,989 with a present value savings of \$1,352. The true interest cost is 2.89% payable semi-annually commencing from March 1, 2017 through September 1, 2037. Balance of total debt service is \$6,160 to maturity.

In August 2010, the City issued \$28,630 in special tax bonds, Series 2010 to finance a portion of the cost of acquisition and construction of facilities in the Platinum Triangle of Anaheim, Community Facility District 08-1 and to fund a reserve fund for the Series 2010 Bonds. On August 10, 2016, the City issued Special Tax Bonds, Series 2016, CFD 08-1 in the principal amount of \$60,000 and at a premium of \$5,923. The bonds are being used to provide financing for acquisition and construction of certain public facilities necessary for the continued development of the District, and to refund \$22,730 outstanding principal of the CFD 08-1, Special Tax Bonds, Series 2010. The City reduced the CFD 08-1 total debt service payments over the life of the refunded bonds by \$13,325 with a present value savings of \$8,649. The true interest cost is 3.38% payable semiannually commencing from March 1, 2017 through September 1, 2037. Balance of total debt service is \$70,206 to maturity.

**NOTE 11 – OTHER LONG-TERM LIABILITIES**

The following is a summary of other long-term liabilities reported in the government-wide financial statements for the fiscal year ended June 30, 2025:

	Beginning Balance	Additions	Reductions/ Payments	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Claims liabilities (note 8)	\$ 60,911	\$ 13,213	\$ (11,016)	\$ 63,108	\$ 14,411
Compensated absences (note 1)	28,976	33,360	(30,675)	31,661	26,704
Due to other governments	18,550			18,550	
Other Postemployment Benefits (OPEB) (note 15)					
Governmental Funds	82,365		(10,073)	72,292	
Internal Service Funds	5,553		(484)	5,069	
Total	87,918		(10,557)	77,361	
Pension (note 14):					
Governmental Funds	725,223		(42,142)	683,081	
Internal Service Funds	34,208		(2,334)	31,874	
Total	759,431		(44,476)	714,955	
Governmental activities total	955,786	46,573	(96,724)	905,635	41,115
<b>Business-type activities:</b>					
San Juan reclamation liability	2,847	2,371	(1,320)	3,898	
Provision for decommissioning liability (note 1)	80,706	8,110	(17,360)	71,456	
Other Postemployment Benefits (OPEB) (note 15)					
Electric Utility	13,800		(1,319)	12,481	
Water Utility	4,843		(427)	4,416	
Sanitation Utility	3,588		(298)	3,290	
Golf Courses	191		(41)	150	
Convention, Sports, and Entertainment Venues	4,529		(277)	4,252	
Total	26,951		(2,362)	24,589	
Pension (note 14)					
Electric Utility	102,420		(5,890)	96,530	
Water Utility	31,348		(2,137)	29,211	
Sanitation Utility	18,664		(468)	18,196	
Golf Courses	1,268		(260)	1,008	
Convention, Sports, and Entertainment Venues	34,270		(862)	33,408	
Total	187,970		(9,617)	178,353	
Business-type activities total	298,474	10,481	(30,659)	278,296	
<b>Government-wide total</b>	<b>\$ 1,254,260</b>	<b>\$ 57,054</b>	<b>\$ (127,383)</b>	<b>\$ 1,183,931</b>	<b>\$ 41,115</b>

**Governmental activities**

**Due to other governments**

The California Department of Finance (DOF) approved the Successor Agency’s Long Range Property Management Plan (LRPMP) on December 31, 2015; the LRPMP authorized the transfer of all of the properties formerly held by the Successor Agency to the City for either governmental use or future development. The California Redevelopment Agency Dissolution Law (ABx1 26, AB 1484, AB 471 and SB 107, as the same may be amended from time to time) addresses the distribution of land sale proceeds from the sale of those properties and suggests that such distribution be memorialized in agreements (Compensation Agreements) among the entities that receive the former redevelopment agency’s property tax increment. To date, no Compensation Agreements have been executed, but such distribution may involve the transfer of \$0 up to the estimated net total liability at June 30, 2020 of \$22,580 to those taxing entities. There was no payment made during fiscal year 2025. The balance of the estimated accrued liability at June 30, 2025 was \$18,550.

**Business-type activities**

**Other liability - San Juan reclamation obligation**

The Electric Utility is providing for the future reclamation costs allocation based on its former ownership share of Unit 4 of 10.04% of the San Juan (SJ) Generation Station. The Electric Utility has \$4,007 in an irrevocable trust as of June 30, 2025 for reclamation costs and with a reclamation obligation of \$3,898. During fiscal year 2025, the Electric Utility paid \$1,320 related to San Juan reclamation ligation. Additional funding of \$1,450 was transferred to the trust during the fiscal year and \$735 was transferred from deferred inflow of resources related to regulated business activities for the benefits of utility rate payers. Balance of the regulated business activities related to SJ reclamation was \$109 at June 30, 2025.

**Successor Agency**

**Other long-term liabilities**

The Successor Agency has the following other long-term liabilities at June 30, 2025:

	Beginning Balance	Additions/ Proceeds	Reductions/ Payments	Ending Balance	Within One Year
Notes and loans payable	\$ 2,707		\$ (110)	\$ 2,597	\$ 315
Pollution remediation liability	36,365	\$ 8,140	\$ (8,748)	35,757	4,235
	<u>\$ 39,072</u>	<u>\$ 8,140</u>	<u>\$ (8,858)</u>	<u>\$ 38,354</u>	<u>\$ 4,550</u>

**Savi Ranch Associates Note Payable**

In July 1989, the former Redevelopment Agency executed a note with Savi Ranch Associates, a California general partnership. The amount of the note totaled \$2,707 and bears interest at 9.5% per annum. The note is payable from net property tax increment as defined in the Redevelopment Agency note and \$2,597 was outstanding as of June 30, 2025. If there is insufficient RPTTF revenue to pay for principal and interest at the termination of the River Valley project area plan in November 2031, the note ceases to be an obligation of the Successor Agency.

**Westgate Pollution Remediation Obligation**

In June 2003, the former Redevelopment Agency acquired property located at 2951 West Lincoln Avenue as part of a redevelopment project named the Westgate project. Approximately 11 acres of the property were formerly known as the Sparks and Rains Landfills. The County of Orange was the operator of these landfills until 1960. In November 2008, the County paid the Redevelopment Agency \$5,176 in settlement of claims related to the pollution remediation for the Westgate project site prior to the development of a shopping center. The total costs of the pollution remediation work amounted to \$12,420 based on the actual contract received for the project. Subsequently in fiscal years 2015, 2021 and 2023, management identified potential additional pollution remediation costs including ongoing maintenance responsibilities required for the Westgate project amounting to \$49,850. In fiscal year 2025, management estimated additional engineering and construction contract costs of \$8,140 necessary to complete the pollution remediation project. The Successor Agency paid \$8,748 related to the Westgate pollution remediation cost during fiscal year 2025. The pollution remediation liability at June 30, 2025 is estimated to be \$35,757.

**NOTE 12 – LEASE PAYABLE**

The City is a lessee for noncancellable leases of land, building, and equipment. The City’s lease payable at June 30, 2025 were valued at \$6,267 for governmental activities and \$3,250 for business-type activities.

At June 30, 2025, lease assets, net of accumulated amortization, related to these leases were \$6,943 and \$3,645 for the governmental and business-type activities respectively. Lease equipment in the Business-type activities included upfront payments by the City of \$596 for the leasing of the golf carts. The lease asset balances and the related accumulated amortization are displayed on note 7 on page 87 of the notes to the financial statements.

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

Lease payable of the governmental activities totaling \$6,267 consist the following:

- Lease payable for lease building totaling \$218, the remaining lease terms are November 30, 2024 and March 31, 2028, Annual principal and interest payment range from \$51 to \$88.
- Lease payable for lease land totaling \$2,827 , the remaining lease terms are April 10, 2027 and January 31, 2065, annual principal and interest payments range from \$72 to \$140.
- Lease payable for lease equipment totaling \$3,222 for the City's computer leases, the remaining lease terms range from June 30, 2024 to October 16, 2034. Annual principal and interest payment ranges from \$245 to \$1,374.

Lease payable of the business-type activities totaling \$3,250 consist the following:

- Lease payable for lease equipment totaling \$424 range from 2.77% to 3.45% and the remaining lease terms range from September 30, 2027 to December 31, 2027, annual principal and interest payment ranges from \$36 to \$88
- Lease payable for lease land totaling \$2,826, the remaining lease terms range from March 18, 2024 to April 30, 2046; annual principal and interest payment ranges from \$61 to \$322.

The future principal and lease payment as of June 30, 2025, were as follows

Fiscal year	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 1,370	\$ 168	\$ 1,538	\$ 345	\$ 62	\$ 407
2027	1,099	121	1,220	353	55	408
2028	811	84	895	332	48	380
2029	261	56	317	173	42	215
2030	28	47	75	180	39	219
2031-2035	171	227	398	958	134	1,092
2036-2040	227	210	437	506	53	559
2041-2045	294	187	481	338	21	359
2046-2050	371	159	530	65	1	66
2051-2055	459	123	582			
Thereafter	1,176	104	1,280			
<b>Total</b>	<b>\$ 6,267</b>	<b>\$ 1,486</b>	<b>\$ 7,753</b>	<b>\$ 3,250</b>	<b>\$ 455</b>	<b>\$ 3,705</b>

The Fiduciary Fund - Successor Agency is a lessee for noncancellable leases of land. Lease payable at June 30, 2025 was \$17,927. The Successor Agency recorded the lease land of \$19,613 with an accumulated amortization of \$3,190, and the lease payable on the Statement of Fiduciary Fund net

position. The applied interest rate for the leases was 1.75%, the remaining lease term range from April 30, 2041 to January 29, 2078; annual principal and interest payment ranges from \$216 to \$1,026.

The future principal and interest lease payment as of June 30, 2025 were as follows:

Fiscal year	Fiduciary Fund		
	Principal	Interest	Total
2026	\$ 452	\$ 308	\$ 760
2027	478	300	778
2028	516	292	808
2029	529	283	812
2030	557	273	830
2031-2035	3,202	1,209	4,411
2036-2040	3,986	900	4,886
2041-2045	1,143	647	1,790
2046-2050	626	595	1,221
2051-2055	805	534	1,339
Thereafter	5,633	1,286	6,919
<b>Total</b>	<b>\$ 17,927</b>	<b>\$ 6,627</b>	<b>\$ 24,554</b>

**NOTE 13 – SUBSCRIPTION PAYABLE**

The City entered into various subscription-based information technology arrangements (SBITAs) with various technology providers for the noncancellable right to use the underlying IT assets. The City's subscription payable at June 30, 2025 were valued at \$18,970 for governmental activities and \$2,474 for business-type activities.

At June 30, 2025, subscription assets, net of accumulated amortization, related to these SBITAs were \$24,759 and \$2,561 for the governmental and business-type activities, respectively. The subscription assets of the governmental activities included implementation costs paid by the City in the amount of \$3,523 related to the Enterprise Resource Planning (ERP) and the Permit System cloud-based subscriptions. The subscription asset balances and the related accumulated amortization are displayed on note 7 on page 87 of the notes to the financial statements.

The City's incremental borrowing rate ranging from 2.02% to 3.67% was applied to those SBITAs that do not have a specific interest rate at implementation. The rates at the subscription inception were used to the new SBITAs added during the year.

- Subscription payable in the governmental activities totaling \$18,970, were applied at the interest rates range from 2.02% to 3.67%, the remaining subscription terms range from July 31, 2024

to June 30, 2031, annual principal and interest payment ranges from \$1,386 to \$5,901.

- Subscription payable of the business-type activities totaling \$2,474, were applied at the interest rates range from 2.02% to 3.67%, the remaining subscription terms range from April 14, 2024 to September 19, 2034, annual principal and interest payment ranges from \$247 to \$1,049.

The future principal and interest subscription payments as of June 30, 2025, were as follows:

Fiscal year	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 5,317	\$ 584	\$ 5,901	\$ 327	\$ 79	\$ 406
2027	4,600	433	5,033	339	69	408
2028	3,663	288	3,951	364	59	423
2029	2,751	173	2,924	273	49	322
2030	1,298	92	1,390	207	40	247
2031-2035	1,341	45	1,386	964	85	1,049
<b>Total</b>	<b>\$ 18,970</b>	<b>\$ 1,615</b>	<b>\$ 20,585</b>	<b>\$ 2,474</b>	<b>\$ 381</b>	<b>\$ 2,855</b>

**NOTE 14 – PENSIONS**

General information about the Pension Plans

Plan Description

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

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for nonduty disability benefits after 10 years of service. The death benefit is one of

the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employee's Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2025 are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire Date	2.7% @ 55	2.0% @ 62
Benefit formula	5 years' service monthly for life	5 years' service monthly for life
Benefit vesting schedule	50-55	52-65
Benefit payments	2.70%	2.00%
Retirement age	8.00%	8.00%
Monthly benefits, as a% of eligible compensation	12.61%	12.61%
Required employee contribution rates		
Required employer contribution rates		
Police Safety		
	Prior to January 1, 2013	On or after January 1, 2013
Hire Date	3.0% @ 50	2.7% @ 57
Benefit formula	5 years' service monthly for life	5 years' service monthly for life
Benefit vesting schedule	50	52-57
Benefit payments	3.00%	2.70%
Retirement age	9.00%	14.00%
Monthly benefits, as a % of eligible compensation	25.99%	25.99%
Required employee contribution rates		
Required employer contribution rates		
Fire Safety		
	Prior to January 1, 2013	On or after January 1, 2012; January 1, 2013
Hire Date	3.0% @ 50	2% @ 50; 2.7% @ 57
Benefit formula	5 years' service monthly for life	5 years' service monthly for life
Benefit vesting schedule	50	50; 57
Benefit payments	3.00%	2.0%; -2.7%
Retirement age	9.00%	9.00%; 12.00%
Monthly benefits, as a % of eligible compensation	20.21%	20.87%
Required employee contribution rates		
Required employer contribution rates		

Employees Covered

As of the June 30, 2024 actuarial valuation, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous	Police Safety	Fire Safety
Retired employees or beneficiaries currently receiving benefits	2,455	675	329
Separated / transferred employees entitled to but not yet receiving benefits	2,170	99	89
Active employees	1,822	431	234
<b>Total</b>	<b>6,447</b>	<b>1,205</b>	<b>652</b>

Contributions

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

The total required minimum employer contribution is the sum of the Employer Normal Cost Rate (Employer Rate, expressed as a percentage of payroll) plus the Employer Unfunded Accrued Liability (UAL) Contribution amount (in dollar). The following table summarizes the required contribution rates by employee and employer effective for fiscal year 2025. The contribution requirements of plan members and the City are established and may be amended by CalPERS.

<b>Employee Group</b>	<b>CalPERS Membership<sup>1</sup></b>	<b>Retirement Formula</b>	<b>Employee Rate</b>	<b>Employer Rate</b>		<b>Total Rate</b>		<b>Total Rate</b>	<b>FY 2025 UAL Contribution<sup>3</sup></b>
				<b>Employee<sup>2</sup></b>	<b>City</b>	<b>Employee</b>	<b>City</b>		
<b>Miscellaneous Employees</b>									
Management; confidential (AFSCME)	Classic	2.7% @ 55	8.00%	4.00%	8.61%	12.00%	8.61%	20.61%	\$ 44,046
Anaheim Municipal Employees Association (AMEA)	New	2% @ 62	8.00%	0.00%	12.61%	8.00%	12.61%	20.61%	
International Brotherhood of Electrical Workers (IBEW)									
Anaheim Police Association Trainees Unrepresented Management									
<b>Safety - Fire Employees</b>									
Fire Management	Classic	3% @ 50	9.00%	3.00%	17.21%	12.00%	17.21%	29.21%	\$ 12,849
Anaheim Fire Association (AFA)	Classic	2% @ 50	9.00%	3.00%	17.21%	12.00%	17.21%	29.21%	
	New	2.7% @ 57	12.00%	0.00%	20.21%	12.00%	20.21%	32.21%	
<b>Safety - Police Employees</b>									
Police Management	Classic	3% @ 50	9.00%	3.00%	22.99%	12.00%	22.99%	34.99%	\$ 23,106
Anaheim Police Management Association (APMA)	New	2.7% @ 57	14.00%	0.00%	25.99%	14.00%	25.99%	39.99%	
Anaheim Police Association (APA)									

<sup>1</sup> Definition of a 'New' PERS member:

A new hire who is brought in CalPERS membership for the first time on or after January 1, 2013, and who has no prior membership in any California public retirement system, and who is not eligible for reciprocity with another California public retirement system.

A member who first established CalPERS membership prior to January 1, 2013, and who is rehired by a different CalPERS employer after a break in service of greater than six months.

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

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

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

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

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

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

**Net Pension Liability**

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plan is measured as of June 30, 2024. Liabilities are based on the results of the actuarial valuations performed as of June 30, 2023 and were rolled forward to determine the June 30, 2024 total pension liability. Fiduciary net position is based on fair value of investments as of June 30, 2024.

Actuarial Assumptions:

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

Valuation Date (VD)	June 30, 2023
Measurement Date (MD)	June 30, 2024
Measurement Period	July 1, 2023 to June 30, 2024
Reporting Date (RD)	June 30, 2025
Actuarial Cost Method	Entry Age Actuarial Cost Method
Asset Valuation Method	Fair Value of Assets
<u>Actuarial Assumptions:</u>	
Discount Rate	6.90%
Inflation	2.30%
Salary Increase	Varies by Entry Age and Service
Payroll Growth	2.80%
Investment Rate of Return	6.80% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Mortality Rate Table	Derived using CalPERS' membership data for all funds. The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporates full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.
Postretirement Benefits Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.30% thereafter.

Change of Assumptions

There was no change of assumption for the measurement year.

Discount Rate

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

Long-term expected rate of return

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

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

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

<u>Asset Class</u> <sup>1</sup>	<u>Current Target Allocation</u>	<u>Real Return</u> <sup>1 2</sup>
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	<u>(5.00)</u>	<u>(0.59)</u>
	<u>100.00</u>	

<sup>1</sup> An expected inflation of 2.3% used for this period.

<sup>2</sup> Figures are based on the 2021 Asset Liability Management study.

**Recognition of Gains and Losses**

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

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

Ner Difference between projected and actual earnings on pension plan investments

5 year straight-line amortization

All other amounts

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

**Change in the Net Pension Liability**

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

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

	<u>Total Pension Liability</u> (a)	<u>Plan Fiduciary Net Position</u> (b)	<u>Net Pension Liability/ (Asset)</u> (c) = (a) - (b)
<u>Miscellaneous Plan:</u>			
Balance at June 30, 2023 (VD)	\$ 1,708,680	\$ 1,230,943	\$ 477,737
Changes recognized for the Measurement Period:			
Service Cost	27,013		27,013
Interest on Total Pension Liability	116,405		116,405
Changes of Assumptions			
Difference between Expected and Actual Experience	12,018		12,018
Contribution from Employer		57,389	(57,389)
Contributions from Employees		11,907	(11,907)
Net Investment Income		117,747	(117,747)
Benefit Payments, including Refunds of Employee Contributions	(94,336)	(94,336)	
Administrative Expenses		(1,002)	1,002
Net Changes	<u>61,100</u>	<u>91,705</u>	<u>(30,605)</u>
Balance at June 30, 2024 (MD)	<u>\$ 1,769,780</u>	<u>\$ 1,322,648</u>	<u>\$ 447,132</u>

<u>Police Safety Plan:</u>	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (c) = (a) - (b)
Balance at June 30, 2023 (VD)	\$ 1,008,190	\$ 706,632	\$ 301,558
Changes recognized for the Measurement Period:			
Service Cost	20,608		20,608
Interest on Total Pension Liability	68,435		68,435
Changes of Assumptions Difference between Expected and Actual Experience	(261)		(261)
Contributions from Employer		36,900	(36,900)
Contributions from Employees		6,669	(6,669)
Net Investment Income		67,909	(67,909)
Benefit Payments, including Refunds of Employee Contributions	(52,850)	(52,850)	
Administrative Expenses		(575)	575
Net Changes	35,932	58,053	(22,121)
Balance at June 30, 2024 (MD)	\$ 1,044,122	\$ 764,685	\$ 279,437

<u>Fire Safety Plan:</u>	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (c) = (a) - (b)
Balance at June 30, 2023 (VD)	\$ 537,907	\$ 369,801	\$ 168,106
Changes recognized for the Measurement Period:			
Service Cost	9,310		9,310
Interest on Total Pension Liability	37,019		37,019
Changes of Assumptions Difference between Expected and Actual Experience	8,778		8,778
Contributions from Employer		18,138	(18,138)
Contributions from Employees		3,388	(3,388)
Net Investment Income		35,249	(35,249)
Benefit Payments, including Refunds of Employee Contributions	(29,649)	(29,649)	
Administrative Expenses		(301)	301
Net Changes	25,458	26,825	(1,367)
Balance at June 30, 2024 (MD)	\$ 563,365	\$ 396,626	\$ 166,739

<u>Combined Total:</u>	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (c) = (a) - (b)
Balance at June 30, 2023 (VD)	\$ 3,254,777	\$ 2,307,376	\$ 947,401
Changes recognized for the Measurement Period:			
Service Cost	56,931		56,931
Interest on Total Pension Liability	221,859		221,859
Changes of Assumptions Difference between Expected and Actual Experience	20,535		20,535
Contribution from the Employer		112,427	(112,427)
Contributions from Employees		21,964	(21,964)
Net Investment Income		220,905	(220,905)
Benefit Payments, including Refunds of Employee Contributions	(176,835)	(176,835)	
Administrative Expenses		(1,878)	1,878
Net Changes	122,490	176,583	(54,093)
Balance at June 30, 2024 (MD)	\$ 3,377,267	\$ 2,483,959	\$ 893,308

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

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

<u>Plans' Net Pension Liability</u>	Discount Rate - 1% (5.90%)	Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
Miscellaneous	\$ 675,636	\$ 447,132	\$ 258,503
Police Safety	419,195	279,437	164,892
Fire Safety	239,773	166,739	106,434
Combine total	\$ 1,334,604	\$ 893,308	\$ 529,829

Pension Plan Fiduciary Net Position

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

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

Pension expense is the change in net pension liability from the previous fiscal year to the current fiscal year less adjustments. For the fiscal year ended June 30, 2025, the City recognized pension expenses of \$143,821,

which included \$71,012 from the Miscellaneous Plan, \$46,904 from the Police Safety Plan, and \$25,905 from the Fire Safety Plan.

At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>Miscellaneous Plan</u>		
Pension contributions subsequent to measurement date	\$ 64,200	
Changes of Assumptions		
Difference between Expected and Actual Experiences	13,817	
Net difference between projected and actual earnings on plan investments	18,960	
Change in proportions	3,771	\$ 3,771
Total	<u>\$ 100,748</u>	<u>\$ 3,771</u>

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>Police Safety Plan</u>		
Pension contributions subsequent to measurement date	\$ 39,918	
Changes of Assumptions	6,542	
Difference between Expected and Actual Experiences	2,374	\$ 777
Net difference between projected and actual earnings on plan investments	10,734	
Total	<u>\$ 59,568</u>	<u>\$ 777</u>

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>Fire Safety Plan</u>		
Pension contributions subsequent to measurement date	\$ 20,158	
Changes of Assumptions	4,471	
Difference between Expected and Actual Experiences	9,509	\$ 405
Net difference between projected and actual earnings on plan investments	5,926	
Total	<u>\$ 40,064</u>	<u>\$ 405</u>

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>Combined Total</u>		
Pension contributions subsequent to measurement date	\$ 124,276	
Changes of Assumptions	11,013	
Difference between Expected and Actual Experiences	25,700	\$ 1,182
Net difference between projected and actual earnings on plan investments	35,620	
Change in proportions	3,771	3,771
Total	<u>\$ 200,380</u>	<u>\$ 4,953</u>

The combined total \$124,276 (\$64,200 from the Miscellaneous Plan, \$39,918 from the Police Safety Plan and \$20,158 from Fire Safety Plan) reported as deferred outflows of resources related to contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year.

Other amount reported in deferred outflow of resources and inflows of resources related to pensions will be recognized as a component in pension expense (benefit) as follows:

Fiscal year Ended 6/30	Miscellaneous Plan	Police Safety Plan	Fire Safety Plan	Total
2026	\$ 8,152	\$ 6,584	\$ 5,608	\$ 20,344
2027	36,260	19,291	13,598	69,149
2028	(4,876)	(3,100)	994	(6,982)
2029	(6,759)	(3,902)	(699)	(11,360)
	<u>\$ 32,777</u>	<u>\$ 18,873</u>	<u>\$ 19,501</u>	<u>\$ 71,151</u>

**NOTE 15 – OTHER POSTEMPLOYMENT BENEFITS**

Plan Description

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

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

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

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

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

Benefits provided

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

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

Employees Covered

At the June 30, 2023 actuarial valuation, the following employees were covered by the benefit terms of the OPEB Plan:

Inactive employees or beneficiaries currently receiving benefit payments	1,337
Inactive employees entitled to but not yet receiving benefit payments	104
Active employees	<u>1,807</u>
Total	<u><u>3,248</u></u>

Contributions

The contribution requirements of plan members and the City are established in accordance with City Personnel Resolutions, Council Resolution and various Memoranda of Understanding. The retired plan members receiving benefits make varying contributions toward the cost of these benefits. The City contributes an amount not less than the annual Actuarially Determined Contribution (ADC) measured in accordance with the parameters of GASB Statement No. 75. The ADC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortization of any unfunded actuarial liabilities over a closed 30-year period. The remaining amortization at June 30, 2025 is 10 years.

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

For the fiscal year ended June 30, 2025, the City contributed the amount equal to the ADC of \$13,587 to the OPEB plan. This amount included insurance premiums of \$18,750, implicit subsidy of \$3,458, offset by retiree contributions of \$6,131 and reimbursement from the OPEB plan of \$2,490.

**Net OPEB Liability**

The City’s OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

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

Valuation Date (VD)	June 30, 2023
Measurement Date (MD)	June 30, 2024
Measurement Period	July 1, 2023 to June 30, 2024
Reporting Date (RD)	June 30, 2025
Actuarial Cost Method	Entry Age Normal Cost, level percent of pay
Asset Valuation Method	Fair Value of Assets
<b>Actuarial Assumptions:</b>	
Long Term Return on Assets	6.00% net of plan investment expenses and including inflation
Discount Rate	6.00% net of plan investment expenses and including inflation
General Inflation Rate	2.50% per year
Salary Increase	3.00% per year; since benefits do not depend on salary, this is used to allocate the cost of benefits between service years.
Participants Valued	Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in this valuation.
Participation Rates	Active employees expected to qualify for explicit City benefits in retirement: 90% of future retirees are assumed to elect coverage through the City in retirement; Active employees not eligible for explicit City benefits in retirement: 45% are assumed to continue their current medical plan elections in retirement.

	Current retirees: All currently participating retirees are assumed to continue their existing medical and dental plan elections for the remainder of their lifetime. 25% of retirees under age 70 and eligible for benefits but currently waiving coverage are assumed to rejoin the plan. 20% of retirees under age 70 eligible for paid dental benefits are assumed to reenroll. Retirees age 70 and older waiving coverage and eligible for coverage are assumed never to enroll.
Demographic	Based on the 2021 experience study of the CalPERS using data from 1997 to 2019, except for a different basis used to project future mortality improvements. The representative mortality rates were those published by CalPERS rates.
Mortality Improvement	Macleod Watts Scale 2022 applied generationally from 2017.
Healthcare Trend	Medical plan premiums and claims costs by age are assumed to increase once each year. Assumed to start at 6.50% in 2025 and grade down to 3.9% by year 2075 and later. This model was developed using the Getzen Model 2023-b published by the Society of Actuaries. Dental premiums are assumed to increase by 3.5% per year.
Employer Cost Sharing	Medicare Part B premiums (for a small closed group of retirees) are assumed to increase by 4% per year. The City’s contribution toward active employee’s health coverage is assumed to increase by the general inflation rate (2.5%) plus 75% of the healthcare trend rate in excess of the general inflation rate.
Life Insurance	Life insurance is valued by taking the present value of all future death benefits for future retirees, plus a “load” of 10% to reflect insurance company expenses and profit. A 4% interest rate was used for determining the single premium value of life insurance at retirement.

Change of Assumptions

There was no change of assumptions for the measurement year.

Discount Rate

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

investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

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

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

Recognition of Plan Changes and Gains and Losses

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

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

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

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

Changes in the OPEB Liability

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

	Increase (Decrease)		
	Total OPEB Liabilities	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balance at 06/30/2023	\$ 229,938	\$ 115,069	\$ 114,869
Changes for the year:			
Service cost	1,433		1,433
Interest on Total OPEB Liability	13,426		13,426
Expected investment income		6,903	(6,903)
Changes of Assumptions			
Differences between Expected and Actual Experience			
Contributions - Employer		15,214	(15,214)
Investment experience		5,698	(5,698)
Benefit payments	(15,214)	(15,214)	
Trust administrative expense		(37)	37
Net Change	(355)	12,564	(12,919)
Balance at 06/30/2024	\$ 229,583	\$ 127,633	\$ 101,950

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

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

	1% Decrease 5.00%	Discount Rate 6.00%	1% Increase 7.00%
Net OPEB Liability	\$ 126,602	\$ 101,950	\$ 81,178

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

The following presents the net OPEB liability of the City if it were calculated using healthcare cost trend rates assumed to start at 6.50% and grade down to 3.9% by year 2075. The impact of 1 percentage-point lower or 1 percentage point higher than the current rate:

	1% Decrease 5.50%	Current Trend Rate 6.50%	1% Increase 7.50%
Net OPEB Liability	\$ 80,709	\$ 101,950	\$ 126,966

**OPEB Plan fiduciary net position**

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

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

For the year ended June 30, 2025, the City recognized OPEB expense of (\$372). At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 13,588	
Changes of Assumptions	8,887	\$ 255
Difference between Expected and Actual Experiences		20,124
Net difference between projected and actual earnings on plan investments	755	
Change in proportion	3,449	3,449
Total	<u>\$ 26,679</u>	<u>\$ 23,828</u>

\$13,588 reported as deferred outflows of resources related to contribution made subsequent to measurement date will be recognized as a reduction in net OPEB liability in the next fiscal year. Other amount reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as a component in OPEB expense (benefit) as follows:

Fiscal Year Ended June 30	
2026	\$ (6,010)
2027	(1,147)
2028	(2,183)
2029	(1,315)
2030	(82)
Total	<u>\$ (10,737)</u>

**NOTE 16 – SEGMENT INFORMATION**

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

**Condensed Statement of Net Position**

<b>Assets</b>	
Cash & cash equivalents	\$ 4,214
Investments	39,759
Other current assets	2,588
Restricted cash & cash equivalents	1,267
Restricted investments	13,255
Capital assets, net	<u>129,083</u>
Total assets	<u>190,166</u>
Deferred outflows of resources	<u>1,705</u>
<b>Liabilities</b>	
Current liabilities	3,020
Long-term debt due within one year	941
Current liabilities payable from restricted assets	805
Long-term debt due within one year payable from restricted assets	
Long-term debt less current portion	39,893
Other long-term liabilities	<u>8,680</u>
Total liabilities	<u>53,339</u>
Deferred inflows of resources	<u>803</u>
<b>Net Position</b>	
Net investment in capital assets	84,866
Restricted for debt services	656
Restricted for capital projects	12,978
Unrestricted	<u>38,573</u>
Total net position	<u>\$ 137,073</u>

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

Waste water fees (pledged against bonds)	\$ 17,372
Other revenues	779
Operating expenses	(8,117)
Depreciation and amortization	<u>(2,768)</u>
Total operating income	<u>7,266</u>
Nonoperating income(expenses)	
Investment income	3,214
Interest expense	(1,327)
Loss on retirement of capital assets	(1)
Capital contribution	89
Transfer in	100
Transfer out	<u>(326)</u>
Total nonoperating expenses	<u>1,749</u>
Change in net position	9,015
Net position at beginning of year	<u>128,058</u>
Net position at end of year	<u>\$ 137,073</u>

### Condensed Statement of Cash Flows

Net cash provided (used for) by:	
Operating activities	\$ 9,649
Noncapital financing activities	(226)
Capital and related financing activities	(14,076)
Investing activities	<u>(9,083)</u>
Net decrease	(13,736)
Beginning cash and cash equivalents	<u>19,217</u>
Ending cash and cash equivalents	<u>\$ 5,481</u>
Reconciliation of cash and cash equivalent	
Cash and cash equivalent	\$ 4,214
Restricted cash and cash equivalent	<u>1,267</u>
Total cash and cash equivalent	<u>\$ 5,481</u>

### NOTE 17 – DEFERRED COMPENSATION PLAN

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

All amounts of annual deferred, all property and rights purchased with such amounts, and all income attributable to such amounts, property, or rights shall be held and invested in the Trust Fund for the exclusive benefit of participants and beneficiaries under the Plan. The Deferred Compensation Committee consisting of the Plan Administrator and City employees serve in the capacity of Trustee. While the Trustee administers the Plan and makes selection of investment options available to the participants, decisions for investment choices are the responsibilities of

Plan participants. Neither the City nor the Trustee shall be liable for any losses incurred by virtue of following a Plan participants' or beneficiary's directions regarding an investment option.

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

### NOTE 18 – RETIREMENT HEALTH SAVINGS PLAN AND TRUST

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

City employees, depending on the unit of representation, may be mandatorily required to participate in the RHS Plan. The mandatory salary contribution effective for the fiscal year ended June 30, 2025 was 0% - 3% of base salary for the City and 0% - 3% employee contribution based upon the employee group. The City's Deferred Compensation Committee also administers the RHS and makes selection of investment options available to the participants; but decisions for investment choices are the responsibilities of participants. Neither the City nor the Trustee shall be liable for any losses incurred by virtue of following a participants' or beneficiary's directions regarding an investment option.

Total employer contributions from the City amounted to \$6,021 for the fiscal year ended on June 30, 2025. The accumulated assets of the RHS are not required to be reported in the accompanying basic financial statements.

### NOTE 19 – JOINT VENTURES AND JOINTLY-OWNED PROPERTIES

#### Authority for Orange County - City Hazardous Materials Emergency Response

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

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

Members. The following cities were subscribing agencies: Brea, Costa Mesa, Fountain Valley, Fullerton, Placentia, Newport Beach, and Orange.

Public entities in Orange County may receive hazardous materials response services from the Hazmat by executing an agreement and paying a fair share contribution. Audited financial information for the joint powers authority as of and for the year ended June 30, 2025, was as follows:

Total assets	\$	316
Total liability		7
Members' equity		309
Total revenues		116
Total expenses		126
Change in net position		(10)

Hazmat does not have any debt outstanding as of June 30, 2025.

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

**Metro Cities Fire Authority**

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

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

Public entities in Orange County may receive services from the Fire Authority by executing an agreement and paying a fair share contribution. Audited financial information for the Fire Authority as of and for the year ended June 30, 2025, was as follows:

Total assets	\$	4,997
Total liability		1,700
Members' equity		3,297
Total revenues		8,978
Total expenses		8,182
Change in net position		796

The City has no significant equity interest in the Fire Authority, and accordingly neither assets nor liabilities of the Fire Authority have been

recorded in the City's basic financial statements. For a copy of the Fire Authority's separate financial statements, contact the Finance Director of the City.

**North Net Joint Training Authority**

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

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

Public entities in Orange County may receive training services from the Authority by executing a "subscription agreement" and by paying the annual fee and other costs. Audited financial information for the Authority as of and for the year ended June 30, 2025, was as follows:

Total assets	\$	4,312
Total liability		141
Members' equity		4,171
Total revenues		1,834
Total expenses		1,485
Change in net position		349

**SONGS**

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

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

**San Juan Generating Station**

On July 31, 2015, the Electric Utility and the other Parties involved with the San Juan (SJ) Generating Plants, agreed to a plan for the closure of two of the four units. As co-owner of one of the units that is not being

closed, on December 31, 2017, the Electric Utility relinquished its 10.04% ownership interest in the existing coal-fired SJ, Unit 4, located near Waterflow, New Mexico to the parties that will continue in the Plant. Other participants include Public Service of New Mexico, 45.485%; the City of Farmington, 8.475%; the County of Los Alamos, 7.200%; and M-S-R Public Power Agency, 28.800%. The Electric Utility's original purchase cost and cumulative share of ongoing construction costs included in the utility plant at December 31, 2017 amounted to \$84,616. All capital assets related to the San Juan unit were fully depreciated and retired as of June 30, 2018. There are no separate financial statements for this venture, as each participant's interest is reflected in its respective financial statements. As of June 30, 2025, the Electric Utility has recorded a provision for reclamation costs for SJ of \$3,898. The Electric Utility has \$4,007 in an irrevocable trust as of June 30, 2025, for the reclamation costs for the SJ Unit with excess funding of \$109 recorded in deferred inflow of resources related to the regulated business activities for the benefits of utility rate papers.

**NOTE 20 – COMMITMENTS AND CONTINGENCIES**

**Intermountain Power Agency**

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

	Entitlement	Expiration
Generation:		
Intermountain Power Project	13.225%	2027

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

**Southern California Public Power Authority**

The Electric Utility is a member of the Southern California Public Power Authority (SCPPA), a joint powers agency. SCPPA provides for

the financing and construction of electric generating and transmission projects for participation by some or all of its members. To the extent the Electric Utility participates in projects developed by SCPPA, it is obligated for its proportional share of the cost of the project. The City is obligated for the following percentage of electrical facilities owned by SCPPA:

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

Take or pay commitments

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

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

Fiscal Year Ending 6/30	IPA	STS	Magnolia	Natural Gas	Canyon	Total
2026	\$ 5,204	\$ 6,808	\$ 7,457	\$ 3,054	\$ 19,553	\$ 42,076
2027	8,352	7,673	7,524	2,831	18,862	45,242
2028	5,382	7,425	7,594	2,624	18,494	41,519
2029			7,665	2,441	19,016	29,122
2030			7,742	2,258	19,039	29,039
2031-2035			39,947	5,803	95,363	141,113
2036-2040			22,136		96,039	118,175
2041-2044					19,213	19,213
	<u>\$ 18,938</u>	<u>\$ 21,906</u>	<u>\$ 100,065</u>	<u>\$ 19,011</u>	<u>\$ 305,579</u>	<u>\$ 465,499</u>

The fiscal year 2025 expenses for fuel, O&M, A&G and other costs at these projects were as follows:

	Fiscal Year Ending 6/30/2025
IPA	\$ 51,499
STS	8,177
MAP	408
MPP	374
Magnolia	32,583
Natural Gas	633
Canyon	8,423
Total	<u>\$ 102,097</u>

**Cap-and-Trade Program**

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

The Cap-and-Trade program (Program) was implemented beginning January 1, 2013. This Program requires Electric Utilities to have GHG allowances on an annual basis to offset GHG emissions associated with generating electricity. CARB will provide a free allocation of GHG allowance to each electric utility to mitigate retail rate impacts. This free allocation of GHG allowance is expected to be sufficient to meet Electric Utility's GHG compliance obligations for retail sales. During this fiscal year, an unused portion of retail allowance was sold for \$9,879 to reduce future renewable energy costs for retail customers. The compliance obligation for the wholesale sales requires allowance to be obtained

through the auction or in the secondary market quarterly. As of June 30, 2025, the value of prepaid Cap and Trade allowance is \$14,681 and the value of the Cap and Trade obligation is \$5,548.

**The Honda Center**

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

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

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

### Angel Stadium of Anaheim

On May 15, 1996, the City and the California Angels, LP (Team), which was then managed by Disney Sports Enterprises, Inc. (subsequently known as Anaheim Sports, Inc.), entered into an agreement to provide for the operation and refurbishment of the Stadium. Pursuant to the agreement, the Team assumed responsibility for the operation of the Stadium on October 1, 1996. The agreement runs for 33 years (subject to a limited Team option to cancel at 20 years and the Team's right to extend the term). In September 2013, the agreement was modified extending the Team's right to terminate the agreement by three years to October 16, 2019. In January 2019, an amendment was signed to extend the Team's right to terminate the agreement at any time, without cause, to be effective no later than December 31, 2020. The Team did not provide notice to terminate, therefore, the term of the agreement will continue in full effect through December 31, 2029. Thereafter, and so long as the Team is not then in default under the Agreement. The Team has the right and option to extend the term for up to three (3) additional periods of three (3) years each. On February 4, 2025, the option to extend was exercised, which extends the Term for the first (1st) additional three-year period through December 31, 2032.

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

Additionally, under the amended management agreement, effective January 1, 2009, Nederlander no longer receives a management fee of \$150 and the City's share in the annual net profits and losses from operations increased from 50% to 60%. Nederlander is responsible for 100% of losses in excess of \$400, thereby limiting the City's share of net losses to a maximum of \$240 in any given year. The City may elect to terminate the

agreement prior to expiration of the term under certain conditions, and pay the unamortized balance of capital assets purchased during the term to Nederlander. Concurrent with the amendment to the management agreement, the parking license fee agreement was amended, wherein the parking license fees from Nederlander were reduced to \$176 and is subject to adjustment annually based on CPI increases. For the fiscal year ended June 30, 2025, Nederlander paid the City \$260 for parking license fees.

On September 24, 2024, the City granted OC Sports & Entertainment, LLC (OCSE) exclusive rights for booking and event operations at the City National Grove of Anaheim (Grove) with an initial base term of three years with up to two (2) one-year (1) renewals upon mutual consent. In addition, the City is entitled to an annual commission equal to the greater of (i) seventy-five percent (75%) of operating profits or (ii) a guaranteed minimum annual payment of \$750, with OCSE assuming responsibility for any operating losses. The City also approved a Parking License Agreement with OCSE for parking operations at the Grove for a term of three years with up to two (2) optional one (1)-year renewals with an annual parking license fee paid by OCSE to the City, in the amount of \$265 for the first year, subject to annual adjustments based on the Consumer Price Index (CPI).

### Anaheim Regional Transportation Intermodal Center - ARTIC

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

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

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

Under the terms of The Facility Management Agreement, ATCM assumes management of ARTIC through June 30, 2048, with the option to extend

its management obligations for five five-year extension terms; ATCM will be responsible for all operating losses up to \$2.5 million annually; AAM/ATCM will advance all expenses of a sign “Spectacular” at ARTIC, with all proceeds applied to operating expenses; AAM fully guarantees ATCM performance; and City and ATCM share in net profits, 60% to City and 40% to ATCM. For the fiscal year ended June 30, 2025, there was no revenue share distribution.

### **Muzeo**

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

In June 2019, The City and the Muzeo Foundation entered Amendment No. 4 to the Property Operating Agreement which includes the continuance of the annual LOC in the amount of \$250 per annum for a term of five years expiring June 30, 2024. Additionally, the Muzeo Foundation is also granted a Capital Working LOC (CWLOC) for up to \$150 each fiscal year. For the fiscal year ended June 30, 2025, there was no fund drawn from the CWLOC.

In May 2024, the City and Muzeo Foundation executed Amendment No. 5 to extend the maturity date of the LOC to align with the term of the Property Operating Agreement, extending it to June 30, 2029 with options to extend the Agreement by an additional one (1) five (5) year period, making the maturity date June 30, 2034, and an additional three (3) year extension to be matured June 30, 2037. Furthermore, Amendment No. 5 includes an adjustment to increase the LOC by the Consumer Price Index (CPI) starting June 30, 2029, and annually thereafter throughout the duration of the Agreement.

### **Participation Agreement – Construction of Regional Animal Care Shelter**

On April 12, 2016, the City Council approved a Participation Agreement between the County of Orange and City of Anaheim for the construction of a new regional animal shelter at the former Tustin Air Base. Participants

of this Participation Agreement are the County of Orange and fourteen Orange County Cities. The Shelter is a County public works project with a maximum construction amount of \$35 million of which the County funded \$7.2 million and contributed the land at no cost. The remaining \$27.3 million of the maximum construction amount is divided proportionately among the contract cities based on the percentage of actual shelter usage over the last five years. The City’s proportionate share is 28.28% or \$7.7 million for an estimated annual payment of \$798 payable quarterly over 10 years starting with fiscal year 2017. During fiscal year 2025, the City paid \$782 with an estimated committed balance of \$772.

### **Homeless Shelters and Homeless Prevention**

On November 10, 2020, the City approved the First Amendment of the Agreement (Shelter Reimbursement) between the City and the Salvation Army for the continuation of the 224 beds shelter services at the Salvation Army homeless shelter located at 1455 South Salvation Place to extend the funding termination to January 31, 2023 and approve a funding reimbursement amount of \$11 million for the period from February 1, 2021 through January 31, 2023. On February 1, 2023, the City approved the Second Amendment extending the contract term through June 30, 2023. On June 30, 2023, the City approved the Third Amendment extending the terms by an additional twelve (12) months through June 30, 2024, and approved an additional funding reimbursement amount up to \$6,768 to the total Agreement up to a maximum of \$17,768. On June 18, 2024, the City approved the Fourth Amendment extending the terms by an additional twelve (12) months through June 30, 2025, and approved an additional funding reimbursement amount up to \$24,268 to the total Agreement up to a maximum of \$42,036. The City paid \$5,288 for the fiscal year ended June 30, 2025.

On April 22, 2020, the City entered into an Agreement for the Homeless Shelter Expansion (Expansion Agreement) with the Salvation Army to obtain additional temporary shelter capacity. The City fully reimbursed the Salvation Army up to \$1,800 for its costs in constructing the Expansion with a minimum of 101 beds located in large trailers or similar structures with roof and four walls. The Expansion was completed in fiscal year 2021. Additionally, the City fully reimbursed the Salvation Army for its costs actually incurred in operating the Expansion up to \$1,726 annually. On September 21, 2023, the City approved the First Amendment to the Expansion Agreement by two years beginning on the commencement date with three successive one-year renewal periods. The Amendment also increased the reimbursable operating costs to \$2,432 annually. The City paid \$1,596 for the fiscal year ended June 30, 2025.

In June 2020, the State of California established the Homeless Housing Assistance, and Prevention Program Round 2 (HHAP-2), and in 2021 round

3. The City was awarded HHAP-2 and HHAP-3 grant funds for use in the City to address homelessness in order to achieve maximum impact. On January 1, 2024, the City entered into a Community Care Response Team (CCRT) Homeless Housing, Assistance and Prevention Program Subrecipient Agreement (“Agreement”) with Kingdom Causes, Inc, doing business as City Net (Subrecipient) to receive a subgrant provided by the State of California and perform the scope of work of the grant program. The term of the Agreement began on January 1, 2024 and shall terminate on December 31, 2025 at a total reimbursable amount not to exceed \$8,355. The City paid \$2,687 during fiscal year 2025 with a committed balance of \$3,974.

**Litigation**

A number of claims and suits are pending against the City for alleged damages to persons and/or property and for other alleged liabilities

**Construction and other significant commitments**

At June 30, 2025, the City had the following commitments with respect to unfinished capital projects, disposition and development agreements, reimbursement agreements and cooperation agreements:

<u>Capital Projects</u>	<u>Remaining Construction Commitment</u>	<u>Expected Completion Year</u>
Anaheim Colony (Sabina) Neighborhood Improvement Phase IV & V	\$ 1,616	2026
Anaheim Hills Underground Reliability Improvement Project	2,775	2026
Anaheim West Tower Heating, Ventilation, and Air Conditioning Rehabilitation	2,890	2026
Cable Replacement - Various locations	29,083	2026
Coronet Avenue Water Main Improvement Project	2,739	2026
Direct Buried Cable Replacement Project	4,138	2025
Electric Line Extension Wanda Circuit Phase 2	1,353	2026
Electric Vehicle Charging Stations	1,900	2025
Groundwater Treatment Plants Phase A	1,728	2025
Knollwood Circle Sanitary Sewer Improvement Project	3,347	2026
La Palma Avenue and Tustin Avenue Water Main Replacements	1,270	2026
Light Emitting Diode (LED) Street Light Improvement Project	3,190	2026
Lincoln Avenue Street Widening	4,513	2025
OCVibe Onsite Development	12,086	2026
Overhead Electric Reliability Improvement Project	13,524	2026
Perimeter Wall and Gate Upgrade Edwards Utility Center	2,451	2026
Perimeter Wall and Gate Upgrade Katella Substation	1,533	2026
Reliability Improvement Project	2,838	2026
Residential Street Improvement-Beth Jackson	1,803	2025
Serrano Ave Rehabilitation	1,209	2025
Sharp Substation Switchgear and Transformer Replacement	3,938	2027
Southwest Substation Improvement Project	29,536	2027
Transformers	13,742	2027
Underground District No. 65 Phase 2 Santa Ana Canyon Road	1,057	2025
Underground District No. 66 Beach Boulevard	11,830	2025
Underground District No. 69 Nutwood and Cerritos	8,414	2026
Underground District No. 70 Nohl Ranch Road and Canyon Hills	18,390	2026
Vehicle Acquisitions	16,525	2026
Village Center and Canyon Center Lookout Lane Water Main Replacement	1,679	2025
	<u>\$ 206,776</u>	

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

**Grants**

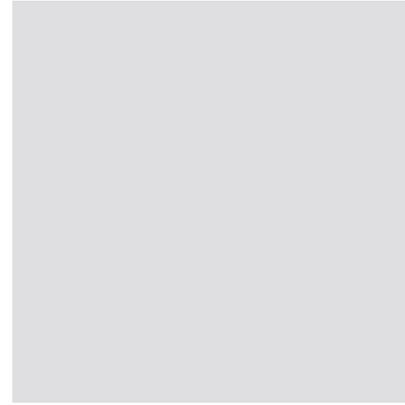
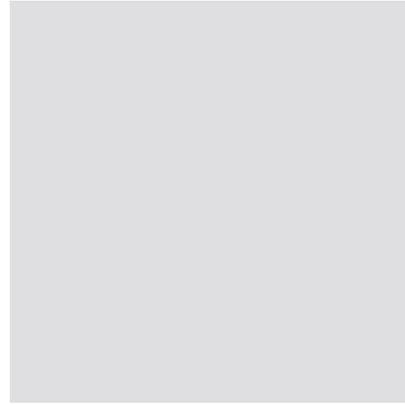
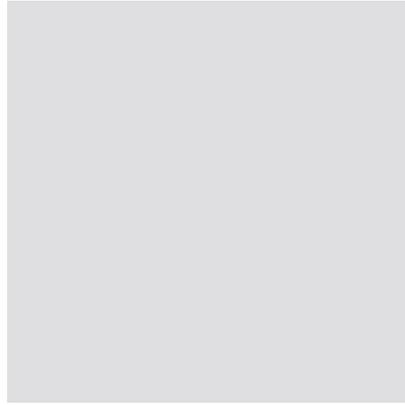
Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot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

**NOTE 21 – SUBSEQUENT EVENTS**

On September 10, 2025, the Electric Utility issued Anaheim Housing and Public Improvement Authority (AHPIA) Revenue Bonds Series 2025-A and 2025-B in the principal amount of \$96,905 and \$112,205, and at a premium of \$3,577 and \$7,313, respectively, for a total of \$220,000. The true interest costs for 2025-A and 2025-B is 4.96% and 4.16%, respectively.

For the 2025-A series, \$47,410 was issued as serial bonds at 5.00% rate, maturing from October 1, 2026 through October 1, 2045, in annual principal installments ranging from \$1,415 to \$3,66; \$49,495 was issued as term bonds at rates of 5.25% and 5.50%, maturing from October 1, 2046 to October 1, 2055 in annual principal installments ranging from \$3,850 to \$6,245. The proceeds from the bonds will be used for the purpose of financing the acquisition and construction of certain capital improvements to the electric system and to pay the cost of issuance of the bonds. The total debt service is \$195,348.

For the 2025-B series, \$108,380 was issued as serial bonds at 5.00% rate, maturing from October 1, 2026 through October 1, 2045, in annual principal installments ranging from \$510 to \$14,730; \$3,825 as term bonds at 5.25% rate, maturing from October 1, 2046 to October 1, 2047 in annual principal installments ranging from \$145 to \$3,680. The proceeds from the bonds will be used to refund a portion of the remaining outstanding balances of the 2015-B, 2020-A, 2020-C, and 2022-D bonds; and pay the costs of issuance of the bonds. The total debt service is \$166,257. The 2025-B bonds will reduce the Electric Utility's total debt service payments by \$14,641 over the life of the refunded revenues bonds plus funds on hand of \$1 with net present value savings of \$14,642.



# Required Supplementary Information





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

(In thousands)

Measurement Period:	Miscellaneous	Police Safety	Fire Safety	Total	Miscellaneous	Police Safety	Fire Safety	Total
	2023-2024	2023-2024	2023-2024	2023-2024	2022-2023	2022-2023	2022-2023	2022-2023
<b>TOTAL PENSION LIABILITY</b>								
Service cost	\$ 27,013	\$ 20,608	\$ 9,310	\$ 56,931	\$ 24,756	\$ 19,525	\$ 8,513	\$ 52,794
Interest on the Total Pension Liability	116,405	68,435	37,019	221,859	112,407	66,075	35,388	213,870
Changes of Assumptions <sup>1</sup>								
Difference between Expected and Actual Experience	12,018	(261)	8,778	20,535	17,025	5,166	4,470	26,661
Benefit Payments, including Refunds of Employee Contributions	(94,336)	(52,850)	(29,649)	(176,835)	(90,383)	(50,524)	(29,171)	(170,078)
<b>Net Change in Total Pension Liability</b>	61,100	35,932	25,458	122,490	63,805	40,242	19,200	123,247
<b>Total Pension Liability - Beginning</b>	1,708,680	1,008,190	537,907	3,254,777	1,644,875	967,948	518,707	\$ 3,131,530
<b>Total Pension Liability - Ending (a)</b>	\$ 1,769,780	\$ 1,044,122	\$ 563,365	\$ 3,377,267	\$ 1,708,680	\$ 1,008,190	\$ 537,907	\$ 3,254,777
<b>PLAN FIDUCIARY NET POSITION</b>								
Contributions - Employer	\$ 57,389	\$ 36,900	\$ 18,138	\$ 112,427	\$ 55,621	\$ 34,015	\$ 17,530	\$ 107,166
Contributions - Employees	11,907	6,669	3,388	21,964	9,995	6,058	3,122	19,175
Net Investment Income	117,747	67,909	35,249	220,905	73,187	41,894	21,959	137,040
Benefit Payments, including Refunds of Employee Contributions	(94,336)	(52,850)	(29,649)	(176,835)	(90,383)	(50,524)	(29,171)	(170,078)
Administrative Expense	(1,002)	(575)	(301)	(1,878)	(870)	(497)	(262)	(1,629)
Other Miscellaneous Income (Expense) <sup>1</sup>								
<b>Net Change in Fiduciary Net Position</b>	91,705	58,053	26,825	176,583	47,550	30,946	13,178	91,674
<b>Plan Fiduciary Net Position - Beginning<sup>2</sup></b>	1,230,943	706,632	369,801	2,307,376	1,183,393	675,686	356,623	2,215,702
<b>Plan Fiduciary Net Position - Ending (b)</b>	1,322,648	764,685	396,626	2,483,959	1,230,943	706,632	369,801	2,307,376
<b>Plan Net Pension Liability (Asset) - Ending (a) - (b)</b>	\$ 447,132	\$ 279,437	\$ 166,739	\$ 893,308	\$ 477,737	\$ 301,558	\$ 168,106	\$ 947,401
<b>Plan Fiduciary Net Position as a percentage of the Total Pension Liability</b>	74.74%	73.24%	70.40%	73.55%	72.04%	70.09%	68.75%	70.89%
<b>Covered Payroll<sup>3</sup></b>	\$ 137,190	\$ 59,099	\$ 32,114	\$ 228,403	\$ 123,041	\$ 55,015	\$ 28,916	\$ 206,972
<b>Plan Net Pension Liability (Asset) as a Percentage of Covered Payroll</b>	325.92%	472.83%	519.21%	391.11%	388.27%	548.14%	581.36%	457.74%

**Notes:**

<sup>1</sup> During fiscal year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participants in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75. Additionally, CalPERS employees participate in various State of California agent pension plans and during fiscal year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting Pension (GASB 68).

<sup>2</sup> Includes any beginning of year adjustment.

<sup>3</sup> Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal years ended June 30, 2022 through 2024; 2.75% payroll growth assumption for fiscal years ended June 30, 2018 through 2021; 3.00% payroll growth assumption for fiscal years ended June 30, 2014 through 2017.

(Continued)

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

(In thousands) (continued)

Measurement Period:	Miscellaneous 2021-2022	Police Safety 2021-2022	Fire Safety 2021-2022	Total 2021-2022	Miscellaneous 2020-2021	Police Safety 2020-2021	Fire Safety 2020-2021	Total 2020-2021
<b>TOTAL PENSION LIABILITY</b>								
Service cost	\$ 23,628	\$ 19,460	\$ 8,115	\$ 51,203	\$ 24,229	\$ 17,747	\$ 7,330	\$ 49,306
Interest on the Total Pension Liability	108,220	63,365	34,121	205,706	106,426	60,990	33,408	200,824
Changes of Assumptions <sup>1</sup>	47,281	34,577	14,788	96,646				
Difference between Expected and Actual Experience	(13,322)	(3,076)	(1,340)	(17,738)	(10,970)	3,081	337	(7,552)
Benefit Payments, including Refunds of Employee Contributions	(87,125)	(46,959)	(27,945)	(162,029)	(81,651)	(44,591)	(26,689)	(152,931)
<b>Net Change in Total Pension Liability</b>	<b>78,682</b>	<b>67,367</b>	<b>27,739</b>	<b>173,788</b>	<b>38,034</b>	<b>37,227</b>	<b>14,386</b>	<b>89,647</b>
<b>Total Pension Liability - Beginning</b>	<b>1,566,193</b>	<b>900,581</b>	<b>490,968</b>	<b>2,957,742</b>	<b>1,528,159</b>	<b>863,354</b>	<b>476,582</b>	<b>2,868,095</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 1,644,875</b>	<b>\$ 967,948</b>	<b>\$ 518,707</b>	<b>\$ 3,131,530</b>	<b>\$ 1,566,193</b>	<b>\$ 900,581</b>	<b>\$ 490,968</b>	<b>\$ 2,957,742</b>
<b>PLAN FIDUCIARY NET POSITION</b>								
Contributions - Employer	\$ 51,643	\$ 31,090	\$ 15,990	\$ 98,723	\$ 49,044	\$ 29,138	\$ 14,317	\$ 92,499
Contributions - Employees	9,681	5,482	2,823	17,986	9,589	5,525	2,745	17,859
Net Investment Income	(98,954)	(56,217)	(29,918)	(185,089)	245,656	138,954	74,381	458,991
Benefit Payments, including Refunds of Employee Contributions	(87,125)	(46,959)	(27,945)	(162,029)	(81,651)	(44,591)	(26,689)	(152,931)
Administrative Expense	(815)	(463)	(247)	(1,525)	(1,086)	(614)	(331)	(2,031)
Other Miscellaneous Income (Expense) <sup>1</sup>								
<b>Net Change in Fiduciary Net Position</b>	<b>(125,570)</b>	<b>(67,067)</b>	<b>(39,297)</b>	<b>(231,934)</b>	<b>221,552</b>	<b>128,412</b>	<b>64,423</b>	<b>414,387</b>
<b>Plan Fiduciary Net Position - Beginning<sup>2</sup></b>	<b>1,308,963</b>	<b>742,753</b>	<b>395,920</b>	<b>2,447,636</b>	<b>1,087,411</b>	<b>614,341</b>	<b>331,497</b>	<b>2,033,249</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>1,183,393</b>	<b>675,686</b>	<b>356,623</b>	<b>2,215,702</b>	<b>1,308,963</b>	<b>742,753</b>	<b>395,920</b>	<b>2,447,636</b>
<b>Plan Net Pension Liability (Asset) - Ending (a) - (b)</b>	<b>\$ 461,482</b>	<b>\$ 292,262</b>	<b>\$ 162,084</b>	<b>\$ 915,828</b>	<b>\$ 257,230</b>	<b>\$ 157,828</b>	<b>\$ 95,048</b>	<b>\$ 510,106</b>
<b>Plan Fiduciary Net Position as a percentage of the Total Pension Liability</b>	71.94%	69.81%	68.75%	70.75%	83.58%	82.47%	80.64%	82.75%
<b>Covered Payroll<sup>3</sup></b>	\$ 114,862	\$ 54,341	\$ 27,132	\$ 196,335	\$ 128,129	\$ 54,707	\$ 26,771	\$ 209,607
<b>Plan Net Pension Liability (Asset) as a Percentage of Covered Payroll</b>	401.77%	537.83%	597.39%	466.46%	200.76%	288.50%	355.04%	243.36%

**Notes:**

<sup>1</sup> During fiscal year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participants in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75. Additionally, CalPERS employees participate in various State of California agent pension plans and during fiscal year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting Pension (GASB 68).

<sup>2</sup> Includes any beginning of year adjustment.

<sup>3</sup> Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal years ended June 30, 2022 through 2024; 2.75% payroll growth assumption for fiscal years ended June 30, 2018 through 2021; 3.00% payroll growth assumption for fiscal years ended June 30, 2015 through 2017.

(Continued)

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

(In thousands) (continued)

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

**Notes:**

<sup>1</sup> During fiscal year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participants in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75. Additionally, CalPERS employees participate in various State of California agent pension plans and during fiscal year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting Pension (GASB 68).

<sup>2</sup> Includes any beginning of year adjustment.

<sup>3</sup> Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal years ended June 30, 2022 through 2024; 2.75% payroll growth assumption for fiscal years ended June 30, 2018 through 2021; 3.00% payroll growth assumption for fiscal years ended June 30, 2014 through 2017.

(Continued)

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

(In thousands) (continued)

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

**Notes:**

<sup>1</sup> During fiscal year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participants in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75. Additionally, CalPERS employees participate in various State of California agent pension plans and during fiscal year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting Pension (GASB 68).

<sup>2</sup> Includes any beginning of year adjustment.

<sup>3</sup> Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal years ended June 30, 2022 through 2024; 2.75% payroll growth assumption for fiscal years ended June 30, 2018 through 2021; 3.00% payroll growth assumption for fiscal years ended June 30, 2014 through 2017.

(Continued)

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

(In thousands) (continued)

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

**Notes:**

<sup>1</sup> During fiscal year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participants in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75. Additionally, CalPERS employees participate in various State of California agent pension plans and during fiscal year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting Pension (GASB 68).

<sup>2</sup> Includes any beginning of year adjustment.

<sup>3</sup> Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal years ended June 30, 2022 through 2024; 2.75% payroll growth assumption for fiscal years ended June 30, 2018 through 2021; 3.00% payroll growth assumption for fiscal years ended June 30, 2014 through 2017.

(Continued)

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

(In thousands) (continued)

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

**Changes of Benefit Terms:** The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

**Changes of Assumptions:** There were no assumption changes in 2023 or 2024. Effective with the June 30, 2021, valuation date (June 30, 2022, measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation assumptions were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017, through June 30, 2021, and 7.65% for measurement dates June 30, 2015 through June 30, 2016.

## Schedule of Pension Plan Contributions Last Ten Fiscal Years

(In thousands)

Fiscal Year	Pension Plan	Actuarially Determined Contribution <sup>1</sup>	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll <sup>2</sup>	Contributions as a Percentage of Covered Payroll <sup>2</sup>
2024-2025	Miscellaneous	\$ 64,200	\$ 64,200		\$ 158,770	40.44%
	Police Safety	39,918	39,918		36,135	110.47%
	Fire Safety	20,158	20,158		64,686	31.16%
	Total	<u>\$ 124,276</u>	<u>\$ 124,276</u>		<u>\$ 259,591</u>	47.87%
2023-2024	Miscellaneous	\$ 57,389	\$ 57,389		\$ 137,190	41.83%
	Police Safety	36,900	36,900		59,099	62.44%
	Fire Safety	18,138	18,138		32,114	56.48%
	Total	<u>\$ 112,427</u>	<u>\$ 112,427</u>		<u>\$ 228,403</u>	49.22%
2022-2023	Miscellaneous	\$ 55,621	\$ 55,621		\$ 123,041	45.21%
	Police Safety	34,015	34,015		55,015	61.83%
	Fire Safety	17,530	17,530		28,916	60.62%
	Total	<u>\$ 107,166</u>	<u>\$ 107,166</u>		<u>\$ 206,972</u>	51.78%
2021-2022	Miscellaneous	\$ 51,643	\$ 51,643		\$ 114,862	44.96%
	Police Safety	31,090	31,090		54,341	57.21%
	Fire Safety	15,990	15,990		27,132	58.93%
	Total	<u>\$ 98,723</u>	<u>\$ 98,723</u>		<u>\$ 196,335</u>	50.28%
2020-2021	Miscellaneous	\$ 49,044	\$ 49,044		\$ 128,129	38.28%
	Police Safety	29,139	29,139		54,707	53.26%
	Fire Safety	14,317	14,317		26,771	53.48%
	Total	<u>\$ 92,500</u>	<u>\$ 92,500</u>		<u>\$ 209,607</u>	44.13%
2019-2020	Miscellaneous	\$ 46,238	\$ 46,238		\$ 127,786	36.18%
	Police Safety	26,639	26,639		52,999	50.26%
	Fire Safety	13,174	13,174		25,092	52.50%
	Total	<u>\$ 86,051</u>	<u>\$ 86,051</u>		<u>\$ 205,877</u>	41.80%
2018-2019	Miscellaneous	\$ 40,546	\$ 40,546		\$ 123,499	32.83%
	Police Safety	23,375	23,375		52,491	44.53%
	Fire Safety	11,654	11,654		23,383	49.84%
	Total	<u>\$ 75,575</u>	<u>\$ 75,575</u>		<u>\$ 199,373</u>	37.91%
2017-2018	Miscellaneous	\$ 35,753	\$ 35,753		\$ 124,068	28.82%
	Police Safety	20,412	20,412		50,771	40.20%
	Fire Safety	10,600	10,600		23,214	45.66%
	Total	<u>\$ 66,765</u>	<u>\$ 66,765</u>		<u>\$ 198,053</u>	33.71%

(continued)

# Schedule of Pension Plan Contributions Last Ten Fiscal Years

(In thousands)

Fiscal Year	Pension Plan	Actuarially Determined Contribution <sup>1</sup>	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll <sup>2</sup>	Contributions as a Percentage of Covered Payroll <sup>2</sup>
2016-2017	Miscellaneous	\$ 33,275	\$ 33,275		\$ 120,653	27.58%
	Police Safety	19,615	19,615		48,294	40.62%
	Fire Safety	10,350	10,350		22,688	45.62%
	Total	<u>\$ 63,240</u>	<u>\$ 63,240</u>		<u>\$ 191,635</u>	33.00%
2015-2016	Miscellaneous	\$ 31,171	\$ 31,595	\$ (454)	\$ 111,398	28.36%
	Police Safety	17,527	17,527		46,479	37.71%
	Fire Safety	9,483	9,483		21,600	43.90%
	Total	<u>\$ 58,181</u>	<u>\$ 58,605</u>		<u>\$ 179,477</u>	32.65%

<sup>1</sup> Employers are assumed to make contributions equal to the actuarially determined contributions. However, employers may choose to make additional contributions toward the unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

<sup>2</sup> Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal years ended June 30, 2022 through 2024; 2.75% payroll growth assumption for fiscal years ended June 30, 2018 through 2021; 3% payroll growth assumption for fiscal years ended June 30, 2015 through 2017.

### Notes to Schedules of Plan Contributions:

The actuarial methods and assumptions used to set the actuarially determined contributions for fiscal years 2024-25, 2023-24, 2022-23, and 2021-22 were derived from the June 30, 2022, 2021, 2020 and 2019 funding valuation reports, respectively.

Actuarial Cost Method	Entry Age Actuarial Cost Method
Amortization Method/Period	For details see June 30, 2021, funding valuation report.
Asset Valuation Method	Fair Value of Assets. For details. see June 30, 2021 funding valuation report.
Inflation	2.30%
Salary Increases	Varies by entry age and service
Payroll Growth	2.80%
Investment Rate of Return	6.80% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Retirement Age	The probabilities of retirement are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.
Mortality	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.
Mortality Improvement	MaCleod Watts Scale 2022

## Schedule of Changes in the Net Other Postemployment Benefits (OPEB) Liability and Related Ratios Last Ten Fiscal Years<sup>1</sup>

(Amounts in Thousands)

Measurement Period:	2023-2024	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
<b>TOTAL OPEB LIABILITY</b>								
Service cost	\$ 1,433	\$ 1,461	\$ 1,418	\$ 1,714	\$ 1,667	\$ 1,900	\$ 1,840	\$ 2,032
Interest on the Total OPEB Liability	13,426	13,491	13,510	16,840	16,741	19,577	19,229	19,550
Difference Between Expected and Actual Experience		(5,249)		(45,405)		(15,626)		(14,382)
Changes of Assumptions		4,109		17,191		(7,583)		4,617
Benefit Payments, including Refunds of Employee Contributions	(15,214)	(14,519)	(16,065)	(16,393)	(17,541)	(16,629)	(16,061)	(16,016)
<b>Net Change in Total OPEB Liability</b>	(355)	(707)	(1,137)	(26,053)	867	(18,361)	5,008	(4,199)
<b>Total OPEB Liability - Beginning</b>	229,938	230,645	231,782	257,835	256,968	275,329	270,321	274,520
<b>Total OPEB Liability - Ending (a)</b>	229,583	229,938	230,645	231,782	257,835	256,968	275,329	270,321
<b>PLAN FIDUCIARY NET POSITION</b>								
Contributions - Employer	15,214	14,764	16,065	16,393	16,488	16,049	16,367	16,016
Net investment income	12,601	6,933	(16,678)	26,935	3,374	5,582	6,658	8,010
Benefit payments	(15,214)	(14,519)	(16,065)	(16,393)	(17,541)	(16,629)	(16,061)	(16,016)
Administrative Expense	(37)	(32)	(32)	(37)	(47)	(19)	(44)	(41)
Other Expense							(111)	
<b>Net Change in Fiduciary Net Position</b>	12,564	7,146	(16,710)	26,898	2,274	4,983	6,809	7,969
<b>Plan Fiduciary Net Position - Beginning</b>	115,069	107,923	124,633	97,735	95,461	90,478	83,669	75,700
<b>Plan Fiduciary Net Position - Ending (b)</b>	127,633	115,069	107,923	124,633	97,735	95,461	90,478	83,669
<b>Plan Net OPEB Liability - Ending (a) - (b)</b>	<u>\$ 101,950</u>	<u>\$ 114,869</u>	<u>\$ 122,722</u>	<u>\$ 107,149</u>	<u>\$ 160,100</u>	<u>\$ 161,507</u>	<u>\$ 184,851</u>	<u>\$ 186,652</u>
<b>Plan Fiduciary Net Position as a percentage of the Total OPEB Liability</b>	55.59%	50.04%	46.79%	53.77%	37.91%	37.15%	32.86%	30.95%
<b>Covered-Employee Payroll<sup>2</sup></b>	\$ 249,880	\$ 227,873	\$ 211,176	\$ 203,773	\$ 209,656	\$ 209,942	\$ 209,435	\$ 203,473
<b>Plan Net OPEB Liability as a Percentage of Covered-Employee Payroll</b>	40.80%	50.41%	58.11%	52.58%	76.36%	76.93%	88.26%	91.73%

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

<sup>2</sup> OPEB provided and contributions made by the City are not dependent on payroll.

## Schedule of Other Postemployment Benefits (OPEB) Plan Contributions Last Ten Fiscal Years<sup>1</sup>

(In thousands)

Fiscal Year	2024-2025	2023-2024	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Actuarially Determined Contribution (ADC)	\$ 13,588	\$ 15,208	\$ 14,765	\$ 14,523	\$ 14,180	\$ 16,488	\$ 16,049	\$ 16,367	\$ 15,937
Contributions in relation to ADC	\$ 13,588	\$ 15,215	\$ 14,765	\$ 16,065	\$ 16,393	\$ 16,488	\$ 16,049	\$ 16,367	\$ 16,016
Contribution deficiency (excess)		(7)	\$	\$ (1,542)	(2,213)			\$	(79)
Covered-Employee Payroll <sup>2</sup>	\$ 272,574	\$ 249,880	\$ 227,873	\$ 211,176	\$ 203,733	\$ 209,656	\$ 209,942	\$ 209,435	\$ 203,473
Contributions as a Percentage of Covered-employee Payroll	4.99%	6.09%	6.48%	7.61%	8.05%	7.86%	7.64%	7.82%	7.87%

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

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

### Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for fiscal years ended June 30, 2025 was from the June 30, 2023 Actuarial Valuation Report; for June 30, 2023, and 2024 were from the June 30, 2021 Actuarial Valuation Report, for fiscal year ended June 30, 2021, and 2022 were from the June 30, 2019 Actuarial Valuation Report, for June 30, 2019 and 2020 were from the July 1, 2017 Actuarial Valuation Report, and for fiscal years ended June 30, 2017 and 2018 were from the July 1, 2015 Actuarial Valuation Report.

### Methods and assumptions used to determine contributions:

Actuarial Cost Method	Entry Age Normal Cost, level percent of pay
Amortization Method/Period	Level % of Pay; 10 years remaining
Asset Valuation Method	5-year smoothed value
General Inflation Rate	2.5% for 2019-2024, and 2.75% for 2015-2018
Salary Increase	3.0% for 2019-2024, and 3.25 for 2015-2018
Long-Term Return on Assets	6.0% for 2021-2024, 6.6% for 2019-2020, and 7.28% for 2015-2018
Healthcare Trend	Assumed to start at 6.5% in January 2025, fluctuating down to 3.9% by 2075 & thereafter
Retirement Age	From 50 to 75
Mortality Improvement	MacLeod Watts Scale 2022 applied generationally for 2023 and 2024, MacLeod Watts Scale 2020 for 2021-2022, MacLeod Watts Scale 2017 for 2019-2020, and MacLeod Watts Scale 2014 for 2017-2018.



# Nonmajor Governmental Funds



# Nonmajor Governmental Funds

**Special Revenue Funds** are used to account for revenues derived from specific taxes or other earmarked revenue sources (other than for major capital projects) that are restricted by law or administrative action to expenditures for specified purposes.

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**Gas Tax Fund**—Established to account for the construction and maintenance of the road network system of the city. Financing is provided primarily by the city's share of State and local gasoline taxes. Federal, State, and local regulations require that these gasoline taxes be used to improve and maintain streets, and includes programs intended to improve the air quality of the region.

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**Workforce Development Fund**—Established to account for the city's involvement in Federal, State, and local programs to create jobs and provide the unemployed citizens in the Anaheim area with job training opportunities.

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**Community Development Block Grant Fund**—Established to account for financing of the development of viable urban communities through the provision of decent housing, suitable living environments and economic opportunity, principally for persons of low and moderate income. Financing is provided by the Federal Housing and Urban Development (HUD) grants.

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**Grants Fund**—Established to account for various grants requiring segregated fund accounting. Financing is provided by Federal, State, and local agencies.

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**Anaheim Resort Maintenance District Fund**—Established to account for the levy and collection of special assessments to pay the cost of annual maintenance and improvements within the district against those parcels that specifically benefit from the enhanced maintenance and improvement.

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**Anaheim Tourism Improvement District Fund**—Established to account for the collection of a special assessment supporting marketing, promotion and transit project costs in support of the city's tourism and convention industry.

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**Narcotic Asset Forfeiture Fund**—Established to account for funds received from Federal and State agencies that are derived from monies and property seized by the Police Department in drug related incidents. These funds are used to supplement existing resources of the city's law enforcement activities.

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

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**Housing Development Fund**—Established to account for the financing of the Anaheim Local Housing Trust Fund created to provide assistance in developing and maintaining affordable housing in the city. Funding is provided primarily from voluntary developer contributions and grants.

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**Debt Service Funds** are used to account for the accumulation of resources and the payment of principal and interest on general debt of the city and related entities.

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**Municipal Facilities Fund**—Established to accumulate resources for payment of the principal and interest on the lease revenue bonds for the Fire Facilities and other various acquisitions and capital improvements.

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**Capital Projects Funds** are used to account for resources used for the acquisition and construction of capital assets by the city, except for those financed by proprietary funds.

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**Street Construction Fund**—Established to account for transportation improvement construction in the city's right-of-way. Financing is provided primarily by Federal, State and local grants, and Measure M2 allocations by the County of Orange.

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**Transportation Improvement Project Fund**—Established to account for transportation improvement projects in the city. Financing is provided by Federal, State and local agencies.

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**Development Impact Projects Fund**—Established to account for infrastructure improvements, primarily in the Platinum Triangle area, which provide development opportunities for high density, mixed use, office, restaurant, and residential projects. Financing is provided primarily by development impact fees.

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**Community Services Facilities Fund**—Established to account for the development of new park sites, playgrounds and library facilities. Financing is provided by Federal and State grant programs, in conjunction with fees charged to residential and commercial developers. Much of this revenue is used to support the capital construction of parks and other recreational facilities throughout the city.

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**Storm Drain Construction Fund**—Established to account for the city's storm drain construction. Financing is provided by drainage assessment fees charged to residential and commercial developers.

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**Other Capital Improvements Fund**—Established to account for various capital projects as determined by the City Council. Currently, financing for these projects is provided by bond proceeds and subsidies from the General Fund.

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**Mello-Roos Projects Fund**—Established to account for road, sewer and water improvements in the community facility districts. Financing is provided by the sale of special tax bonds that are secured by and payable from the proceeds of an annual special assessment on the properties within the district.

# Combining Balance Sheet

## Nonmajor Governmental Funds by Fund Type

### June 30, 2025 (In thousands)

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 10,678	\$ 179	\$ 7,162	\$ 18,019
Investments	107,203	1,874	75,355	184,432
Restricted cash and cash equivalents	84	44	25,325	25,453
Accounts receivable, net	2,501			2,501
Accrued interest receivable	704	21	779	1,504
Interfund receivable	386		6,397	6,783
Due from other governments	8,232		16,452	24,684
Land held for resale	15,091			15,091
Prepaid and other assets	201			201
Due from Successor Agency	2,203			2,203
Lease receivable	9,630			9,630
Notes receivable, net	17,617			17,617
Total assets	<u>\$ 174,530</u>	<u>\$ 2,118</u>	<u>\$ 131,470</u>	<u>\$ 308,118</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 22,976		\$ 9,897	\$ 32,873
Wages payable	194		19	213
Deposits	273		1,278	1,551
Unearned revenues			224	224
Interfund payable	180		7,500	7,680
Total liabilities	<u>23,623</u>		<u>18,918</u>	<u>42,541</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	3,343		9,340	12,683
Unearned lease revenues	8,953			8,953
Unavailable resources- long-term notes receivable	19,820			19,820
Total deferred inflows of resources	<u>32,116</u>		<u>9,340</u>	<u>41,456</u>
<b>FUND BALANCES</b>				
Nonspendable prepaid and other assets	151			151
Restricted:				
Anaheim Resort maintenance and improvement	6,577			6,577
Capital projects			606	606
Community and economic development projects	18,461			18,461
Debt service		\$ 44		44
Development impact projects			91,170	91,170
Grant purposes	5,473			5,473
Homebuyer assistance program	16,070			16,070
Housing development	15,630			15,630
Streets, roads and transportation improvement projects	57,467			57,467
Committed for neighborhood and community projects			1,348	1,348
Assigned:				
Debt service		2,074		2,074
Capital projects			13,786	13,786
Unassigned	(1,038)		(3,698)	(4,736)
Total fund balances	<u>118,791</u>	<u>2,118</u>	<u>103,212</u>	<u>224,121</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 174,530</u>	<u>\$ 2,118</u>	<u>\$ 131,470</u>	<u>\$ 308,118</u>

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

### Nonmajor Governmental Funds by Fund Type

#### Year Ended June 30, 2025 (In thousands)

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Licenses, fees, and permits	\$ 6		\$ 5,157	\$ 5,163
Intergovernmental revenues	58,037		18,762	76,799
Charges for services	35,049			35,049
Use of money and property	9,925	\$ 67	6,428	16,420
Lease revenues	403			403
Contribution from developers	15,050		10,394	25,444
Others	711			711
Total revenues	<u>119,181</u>	<u>67</u>	<u>40,741</u>	<u>159,989</u>
Expenditures:				
Current:				
City Attorney	106			106
Human Resources			225	225
Finance		5	10	15
Police	6,699		33	6,732
Fire & Rescue	352		82	434
Housing & Community Development	11,263		92	11,355
Economic Development	4,162		1	4,163
Planning & Building	1,246		363	1,609
Public Works	17,078		2,919	19,997
Community Services	644		879	1,523
Convention, Sports, & Entertainment	21,642			21,642
Capital outlay	39,548		31,068	70,616
Debt service:				
Principal retirement	1,214	4,387	772	6,373
Interest charges	250	4,297	31	4,578
Total expenditures	<u>104,204</u>	<u>8,689</u>	<u>36,475</u>	<u>149,368</u>
Excess (deficiency) of revenues over (under) expenditures	<u>14,977</u>	<u>(8,622)</u>	<u>4,266</u>	<u>10,621</u>
Other financing sources (uses):				
Transfers in	4,807	8,684	9,387	22,878
Transfers out	(17,871)		(7,604)	(25,475)
SBITA financing	295			295
Total other financing sources (uses)	<u>(12,769)</u>	<u>8,684</u>	<u>1,783</u>	<u>(2,302)</u>
Net change in fund balances	2,208	62	6,049	8,319
Fund balances at beginning of year	116,583	2,056	97,163	215,802
Fund balances at end of year	<u>\$ 118,791</u>	<u>\$ 2,118</u>	<u>\$ 103,212</u>	<u>\$ 224,121</u>

# Combining Balance Sheet

## Nonmajor Special Revenue Funds

### June 30, 2025 (In thousands)

	Gas Tax	Workforce	Community Development Block Grant	Grants	Anaheim Resort Maintenance District	Anaheim Tourism Improvement District	Narcotic Asset Forfeiture	Long Range Property Management Plan	Housing Development	Total
<b>ASSETS</b>										
Cash and cash equivalents	\$ 2,893	\$ 4	\$ 380	\$ 1,684	\$ 658	\$ 2,924	\$ 165	\$ 610	\$ 1,360	\$ 10,678
Investments	30,242	37	2,523	17,600	6,875	30,572	1,730	3,405	14,219	107,203
Restricted cash and cash equivalents							84			84
Accounts receivable, net				28	17	2,456				2,501
Accrued interest receivable	222		1	161	43	187	13	24	53	704
Due from other funds	204	65	55	16	29	2		12	3	386
Due from other governments	4,874	1,019		2,339						8,232
Prepaid and other assets	42	49	11	85				14		201
Land held for resale								15,091		15,091
Due from Successor Agency			2,203							2,203
Lease receivable		1,041						8,589		9,630
Notes receivable, net			1,981	15,636						17,617
Total assets	<u>\$ 38,477</u>	<u>\$ 2,215</u>	<u>\$ 7,154</u>	<u>\$ 37,549</u>	<u>\$ 7,622</u>	<u>\$ 36,141</u>	<u>\$ 1,992</u>	<u>\$ 27,745</u>	<u>\$ 15,635</u>	<u>\$ 174,530</u>
<b>LIABILITIES</b>										
Accounts payable	\$ 13,281	\$ 600	\$ 2,112	\$ 1,590	\$ 1,019	\$ 3,739	\$ 230	\$ 405		\$ 22,976
Wages payable	85	30	33	17	16	4		4	5	194
Due to other Funds		180								180
Deposits								273		273
Total liabilities	<u>13,366</u>	<u>810</u>	<u>2,145</u>	<u>1,607</u>	<u>1,035</u>	<u>3,743</u>	<u>230</u>	<u>682</u>	<u>5</u>	<u>23,623</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>										
Unavailable revenues		826		1,868	10			639		3,343
Unearned leases revenues		1,003						7,950		8,953
Unavailable resources- long-term notes and loans receivable			4,184	15,636						19,820
Total deferred inflows of resources		<u>1,829</u>	<u>4,184</u>	<u>17,504</u>	<u>10</u>			<u>8,589</u>		<u>32,116</u>
<b>FUND BALANCES</b>										
Nonspendable prepaid and other assets	42		11	85				13		151
Restricted:										
Anaheim Resort maintenance and improvement					6,577					6,577
Economic development projects								18,461		18,461
Grant purposes			814	2,897			1,762			5,473
Homebuyer assistance program				16,070						16,070
Housing development									15,630	15,630
Streets, roads and transportation improvement projects	25,069					32,398				57,467
Unassigned		(424)		(614)						(1,038)
Total fund balances	<u>25,111</u>	<u>(424)</u>	<u>825</u>	<u>18,438</u>	<u>6,577</u>	<u>32,398</u>	<u>1,762</u>	<u>18,474</u>	<u>15,630</u>	<u>118,791</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 38,477</u>	<u>\$ 2,215</u>	<u>\$ 7,154</u>	<u>\$ 37,549</u>	<u>\$ 7,622</u>	<u>\$ 36,141</u>	<u>\$ 1,992</u>	<u>\$ 27,745</u>	<u>\$ 15,635</u>	<u>\$ 174,530</u>

# Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)

## Nonmajor Special Revenue Funds

### Year Ended June 30, 2025 (In thousands)

	Gas Tax	Workforce Development	Community Development Block Grant	Grants	Anaheim Resort Maintenance District	Anaheim Tourism Improvement District	Narcotic Asset Forfeiture	Long Range Property Management Plan	Housing Development	Total
Revenues:										
Licenses, fees, and permits	\$ 6									\$ 6
Intergovernmental revenues	27,803	\$ 4,937	\$ 7,057	\$ 17,025			\$ 58		\$ 1,157	58,037
Charges for services	66				\$ 5,931	\$ 29,052				35,049
Use of money and property	1,893	145	594	1,416	385	1,699	118	\$ 3,624	51	9,925
Lease revenues		114						289		403
Contribution from developers									15,050	15,050
Other	4	522		1	26			158		711
Total revenues	29,772	5,718	7,651	18,442	6,342	30,751	176	4,071	16,258	119,181
Expenditures:										
Current:										
City Attorney			106							106
Police				5,070			1,629			6,699
Fire & Rescue				352						352
Housing & Community Development		5,445	1,371	4,217				20	210	11,263
Economic Development Planning & Building			1,181		65			4,162		4,162
Public Works	9,252		28		5,758	2,040				17,078
Community Services			579	65						644
Convention, Sports, & Entertainment						21,642				21,642
Capital outlay	33,130		3,234	941	823	480	13	927		39,548
Debt service:										
Principal retirement			835	379						1,214
Interest charges			229	21						250
Total expenditures	42,382	5,445	7,563	11,045	6,646	24,162	1,642	5,109	210	104,204
Excess (deficiency) of revenues over (under) expenditures	(12,610)	273	88	7,397	(304)	6,589	(1,466)	(1,038)	16,048	14,977
Other financing sources (uses):										
Transfers in	4,025				200				582	4,807
Transfers out	(1,976)			(14,604)		(291)			(1,000)	(17,871)
SBITA financing				295						295
Total other financing sources (uses)	2,049			(14,309)	200	(291)			(418)	(12,769)
Net change in fund balances	(10,561)	273	88	(6,912)	(104)	6,298	(1,466)	(1,038)	15,630	2,208
Fund balances (deficit) at beginning of year	35,672	(697)	737	25,350	6,681	26,100	3,228	19,512		116,583
Fund balances (deficit) at end of year	\$ 25,111	\$ (424)	\$ 825	\$ 18,438	\$ 6,577	\$ 32,398	\$ 1,762	\$ 18,474	\$ 15,630	\$ 118,791

See accompanied independent auditors' report

**Schedule of Revenues, Expenditures, and Changes in Fund Balances (Deficit)**  
**Budget and Budgetary Basis Actual – All Nonmajor Special Revenue Funds**  
**Year Ended June 30, 2025** (In thousands)

	Gas Tax			Workforce Development		
	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget
Revenues:						
Licenses, fees, and permits	\$ 3	\$ 6	\$ 3			
Intergovernmental revenues	27,478	27,803	325	\$ 8,225	\$ 4,937	\$ (3,288)
Charges for services	67	66	(1)			
Use of money and property	1	1,284	1,283	225	145	(80)
Lease revenues				114	114	
Other	1	4	3	520	522	2
Total revenues	<u>27,550</u>	<u>29,163</u>	<u>1,613</u>	<u>9,084</u>	<u>5,718</u>	<u>(3,366)</u>
Expenditures:						
Housing & Community Development				7,786	5,448	(2,338)
Economic Development						
Planning & Building						
Public Works	<u>62,575</u>	<u>51,718</u>	<u>(10,857)</u>			
Total expenditures	<u>62,575</u>	<u>51,718</u>	<u>(10,857)</u>	<u>7,786</u>	<u>5,448</u>	<u>(2,338)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(35,025)</u>	<u>(22,555)</u>	<u>12,470</u>	<u>1,298</u>	<u>270</u>	<u>(1,028)</u>
Other financing sources (uses):						
Transfers in	4,000	4,025	25	142		(142)
Transfers out	<u>(1,883)</u>	<u>(1,976)</u>	<u>(93)</u>	<u>(142)</u>		<u>142</u>
Total other financing sources (uses)	<u>2,117</u>	<u>2,049</u>	<u>(68)</u>			
Net change in fund balances	<u>(32,908)</u>	<u>(20,506)</u>	<u>12,402</u>	<u>1,298</u>	<u>270</u>	<u>(1,028)</u>
Fund balances at beginning of year	<u>35,672</u>	<u>35,672</u>		<u>(697)</u>	<u>(697)</u>	
Fund balance (deficit) at end of year	<u>\$ 2,764</u>	<u>15,166</u>	<u>\$ 12,402</u>	<u>\$ 601</u>	<u>(427)</u>	<u>\$ (1,028)</u>
Adjustment to reconcile to GAAP:						
Unrealized investment gain		609				
Encumbrance		<u>9,336</u>			<u>3</u>	
Ending fund balance (deficit) - GAAP basis		<u>\$ 25,111</u>			<u>\$ (424)</u>	

(continued)

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Budgetary Basis Actual – All Nonmajor Special Revenue Funds**  
**Year Ended June 30, 2025** (In thousands)

	Community Development Block Grant			Grants		
	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget
Revenues:						
Intergovernmental revenues	\$ 10,897	\$ 7,057	\$ (3,840)	\$ 39,650	\$ 17,025	\$ (22,625)
Use of money and property	542	594	52	1,547	1,416	(131)
Other					1	1
Total revenues	<u>11,439</u>	<u>7,651</u>	<u>(3,788)</u>	<u>41,197</u>	<u>18,442</u>	<u>(22,755)</u>
Expenditures:						
City Attorney	106	106				
Police				11,147	5,940	(5,207)
Fire & Rescue				567	561	(6)
Housing & Community Development	5,581	2,133	(3,448)	18,373	4,217	(14,156)
Economic Development	487	472	(15)			
Planning & Building	1,221	1,181	(40)			
Public Works	1,518	1,200	(318)			
Community Services	<u>3,086</u>	<u>2,471</u>	<u>(615)</u>	<u>1,058</u>	<u>78</u>	<u>(980)</u>
Total expenditures	<u>11,999</u>	<u>7,563</u>	<u>(4,436)</u>	<u>31,145</u>	<u>10,796</u>	<u>(20,349)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(560)</u>	<u>88</u>	<u>648</u>	<u>10,052</u>	<u>7,646</u>	<u>(2,406)</u>
Other financing sources (uses):						
Transfers in						
Transfers out				<u>(5,957)</u>	<u>(14,604)</u>	<u>(8,647)</u>
Total other financing sources (uses)				<u>(5,957)</u>	<u>(14,604)</u>	<u>(8,647)</u>
Net change in fund balances	<u>(560)</u>	<u>88</u>	<u>648</u>	<u>4,095</u>	<u>(6,958)</u>	<u>(11,053)</u>
Fund balances at beginning of year	<u>737</u>	<u>737</u>		<u>25,350</u>	<u>25,350</u>	
Fund balances at end of year	<u>\$ 177</u>	<u>825</u>	<u>\$ 648</u>	<u>\$ 29,445</u>	<u>18,392</u>	<u>\$ (11,053)</u>
Adjustment to reconcile to GAAP:						
Encumbrance					46	
Capital outlay - SBITA					(295)	
Other financing sources - SBITA financing					295	
Ending fund balance - GAAP basis		<u>\$ 825</u>			<u>\$ 18,438</u>	

(continued)

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Budgetary Basis Actual – All Nonmajor Special Revenue Funds**  
**Year Ended June 30, 2025** (In thousands)

	Anaheim Resort Maintenance District			Anaheim Tourism Improvement District		
	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget
Revenues:						
Charges for services	\$ 5,949	\$ 5,931	\$ (18)	\$ 33,244	\$ 29,052	\$ (4,192)
Use of money and property	106	239	133	200	1,109	909
Other	14	26	12			
Total revenues	<u>6,069</u>	<u>6,196</u>	<u>127</u>	<u>33,444</u>	<u>30,161</u>	<u>(3,283)</u>
Expenditures:						
Planning & Building	77	65	(12)			
Public Works	7,313	6,729	(584)	9,714	4,164	(5,550)
Convention, Sports, & Entertainment				24,933	21,642	(3,291)
Total expenditures	<u>7,390</u>	<u>6,794</u>	<u>(596)</u>	<u>34,647</u>	<u>25,806</u>	<u>(8,841)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,321)</u>	<u>(598)</u>	<u>723</u>	<u>(1,203)</u>	<u>4,355</u>	<u>5,558</u>
Other financing sources (uses):						
Transfers in	200	200				
Transfers out				(332)	(291)	41
Total other financing sources (uses)	<u>200</u>	<u>200</u>		<u>(332)</u>	<u>(291)</u>	<u>41</u>
Net change in fund balances	(1,121)	(398)	723	(1,535)	4,064	5,599
Fund balances at beginning of year	<u>6,681</u>	<u>6,681</u>		<u>26,100</u>	<u>26,100</u>	
Fund balances at end of year	<u>\$ 5,560</u>	<u>6,283</u>	<u>\$ 723</u>	<u>\$ 24,565</u>	<u>30,164</u>	<u>\$ 5,599</u>
Adjustment to reconcile to GAAP basis:						
Unrealized investment gain		146			590	
Encumbrance		148			1,644	
Ending fund balance - GAAP basis		<u>\$ 6,577</u>			<u>\$ 32,398</u>	

(continued)

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Budgetary Basis Actual – All Nonmajor Special Revenue Funds**  
**Year Ended June 30, 2025** (In thousands)

	Narcotic Asset Forfeiture			Long Range Property Management Plan		
	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget
Revenues:						
Intergovernmental revenues	\$ 369	\$ 58	\$ (311)			
Use of money and property	39	118	79	\$ 2,973	\$ 3,500	\$ 527
Lease revenues					289	289
Other					158	158
Total revenues	<u>408</u>	<u>176</u>	<u>(232)</u>	<u>2,973</u>	<u>3,947</u>	<u>974</u>
Expenditures:						
Police	2,059	1,744	(315)			
Housing & Community Development				21	20	(1)
Economic Development				7,216	5,435	(1,781)
Total expenditures	<u>2,059</u>	<u>1,744</u>	<u>(315)</u>	<u>7,237</u>	<u>5,455</u>	<u>(1,782)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,651)</u>	<u>(1,568)</u>	<u>83</u>	<u>(4,264)</u>	<u>(1,508)</u>	<u>2,756</u>
Other financing sources (uses):						
Transfers in						
Transfers out						
Total other financing sources (uses)						
Net change in fund balance	(1,651)	(1,568)	83	(4,264)	(1,508)	2,756
Fund balances at beginning of year	<u>3,228</u>	<u>3,228</u>		<u>19,512</u>	<u>19,512</u>	
Fund balances at end of year	<u>\$ 1,577</u>	<u>1,660</u>	<u>\$ 83</u>	<u>\$ 15,248</u>	<u>18,004</u>	<u>\$ 2,756</u>
Adjustment to reconcile to GAAP basis:						
Unrealized investment gain					124	
Encumbrance		102			346	
Ending fund balance - GAAP basis		<u>\$ 1,762</u>			<u>\$ 18,474</u>	

(continued)

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Budgetary Basis Actual – All Nonmajor Special Revenue Funds**  
**Year Ended June 30, 2025** (In thousands)

	Housing Development		
	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget
Revenues:			
Intergovernmental revenues	\$ 3,497	\$ 1,157	(2,340)
Use of money and property	5	74	69
Contribution from developers		15,050	15,050
Total revenues	<u>3,502</u>	<u>16,281</u>	<u>12,779</u>
Expenditures:			
Housing & Community Development	<u>3,747</u>	<u>210</u>	<u>(3,537)</u>
Total expenditures	<u>3,747</u>	<u>210</u>	<u>(3,537)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(245)</u>	<u>16,071</u>	<u>16,316</u>
Other financing sources (uses):			
Transfers in	\$ 1,234	\$ 582	(652)
Transfers out		<u>(1,000)</u>	<u>(1,000)</u>
Total other financing sources (uses)	<u>1,234</u>	<u>(418)</u>	<u>(1,652)</u>
Net change in fund balances	989	15,653	14,664
Fund balances at beginning of year			
Fund balances at end of year	<u>\$ 989</u>	15,653	<u>\$ 14,664</u>
Adjustment to reconcile to GAAP basis:			
Unrealized investment loss		<u>(23)</u>	
Ending fund balance - GAAP basis		<u>\$ 15,630</u>	

**Balance Sheet**  
**Nonmajor Debt Service Fund**  
**Year Ended June 30, 2025** (In thousands)

	<u>Municipal Facilities</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 179
Investments	1,874
Accrued interest receivable	21
Restricted cash and cash equivalents	<u>44</u>
Total assets	<u>\$ 2,118</u>
<b>Fund balances:</b>	
Restricted for debt service	\$ 44
Assigned for debt service	<u>2,074</u>
Total fund balances	<u>2,118</u>
Total liabilities and fund balances	<u>\$ 2,118</u>

**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Debt Service Fund**  
**Year Ended June 30, 2025** (In thousands)

	<u>Municipal Facilities</u>
Revenues:	
Use of money and property	\$ 67
Total revenues	<u>67</u>
Expenditures:	
Current:	
Finance	5
Debt service:	
Principal retirement	4,387
Interest charges	<u>4,297</u>
Total expenditures	<u>8,689</u>
Deficiency of revenues under expenditures	<u>(8,622)</u>
Other financing sources:	
Transfers in	8,684
Transfers out	
Total other financing sources	<u>8,684</u>
Net change in fund balances	62
Fund balances at beginning of year	<u>2,056</u>
Fund balances at end of year	<u>\$ 2,118</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual - Nonmajor Debt Service Fund  
Year Ended June 30, 2025** (In thousands)

	Municipal Facilities		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Use of money and property		\$ 67	\$ 67
Total revenues		67	67
Expenditures:			
Finance	\$ 8,689	8,689	
Total expenditures	8,689	8,689	
Excess (deficiency) of revenues over (under) expenditures	(8,689)	(8,622)	67
Other financing sources:			
Transfers in	8,684	8,684	
Transfers out			
Total other financing sources	8,684	8,684	
Net change in fund balance	(5)	62	67
Fund balance at beginning of year	2,056	2,056	
Fund balance at end of year	\$ 2,051	\$ 2,118	\$ 67

# Combining Balance Sheet

## Nonmajor Capital Projects Funds

### June 30, 2025 (In thousands)

	Streets Construction	Transportation Improvement Projects	Development Impact Projects	Community Services Facilities	Storm Drain Construction	Other Capital Improvements	Mello-Roos Projects	Total
<b>ASSETS</b>								
Cash and cash equivalents	\$ 8	\$ 5	\$ 3,579	\$ 1,520	\$ 357	\$ 729	\$ 964	\$ 7,162
Investments	87	52	37,420	15,895	3,733	8,087	10,081	75,355
Restricted cash and cash equivalents						146	25,179	25,325
Accrued interest receivable			299	90	24	220	146	779
Interfund receivable	19		6			6,367	5	6,397
Due from other governments	13,034	45	261	2,838		274		16,452
Due from the Successor Agency								
Total assets	<u>\$ 13,148</u>	<u>\$ 102</u>	<u>\$ 41,565</u>	<u>\$ 20,343</u>	<u>\$ 4,114</u>	<u>\$ 15,823</u>	<u>\$ 36,375</u>	<u>\$ 131,470</u>
<b>LIABILITIES</b>								
Accounts payable	\$ 2,244	\$ 19	\$ 4,127	\$ 1,216	\$ 942	\$ 40	\$ 1,309	\$ 9,897
Wages payable	12		3	2			2	19
Deposits					1,278			1,278
Unearned revenues	224							224
Due to other funds	<u>6,286</u>	<u>81</u>		<u>1,133</u>				<u>7,500</u>
Total liabilities	<u>8,766</u>	<u>100</u>	<u>4,130</u>	<u>2,351</u>	<u>2,220</u>	<u>40</u>	<u>1,311</u>	<u>18,918</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable revenues	<u>8,037</u>	<u>45</u>		<u>984</u>		<u>274</u>		<u>9,340</u>
Total deferred inflows of resources	<u>8,037</u>	<u>45</u>		<u>984</u>		<u>274</u>		<u>9,340</u>
<b>FUND BALANCES</b>								
Restricted:								
Capital projects						606		606
Development impact projects			37,435	16,777	1,894		35,064	91,170
Committed for neighborhood and community projects						1,348		1,348
Assigned for Capital projects				231		13,555		13,786
Unassigned	<u>(3,655)</u>	<u>(43)</u>						<u>(3,698)</u>
Total fund balances (deficits)	<u>(3,655)</u>	<u>(43)</u>	<u>37,435</u>	<u>17,008</u>	<u>1,894</u>	<u>15,509</u>	<u>35,064</u>	<u>103,212</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 13,148</u>	<u>\$ 102</u>	<u>\$ 41,565</u>	<u>\$ 20,343</u>	<u>\$ 4,114</u>	<u>\$ 15,823</u>	<u>\$ 36,375</u>	<u>\$ 131,470</u>

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)

### Nonmajor Capital Projects Funds

#### Year Ended June 30, 2025 (In thousands)

	Streets Construction	Transportation Improvement Projects	Development Impact Projects	Community Services Facilities	Storm Drain Construction	Other Capital Improvements	Mello-Roos Projects	Total
Revenues:								
Licenses, fees and permits	\$ 242		\$ 2,273	\$ 2,642				\$ 5,157
Intergovernmental revenues	13,778	\$ 145	1,285	3,369		\$ 185		18,762
Charges for services								
Use of money and property	(326)	(3)	2,111	448	\$ 167	2,272	\$ 1,759	6,428
Contribution from developers			978	8,000			1,416	10,394
<b>Total revenues</b>	<u>13,694</u>	<u>142</u>	<u>6,647</u>	<u>14,459</u>	<u>167</u>	<u>2,457</u>	<u>3,175</u>	<u>40,741</u>
Expenditures:								
Current:								
Finance						10		10
Human Resources						225		225
Police			33					33
Fire & Rescue						82		82
Housing & Community Development						92		92
Economic Development						1		1
Planning & Building						363		363
Public Works	2,396	141	148				234	2,919
Community Services			380	307		192		879
Capital outlay	6,382		5,645	7,162		9,269	2,610	31,068
Debt service:								
Principal retirement						772		772
Interest charges						31		31
<b>Total expenditures</b>	<u>8,778</u>	<u>141</u>	<u>6,206</u>	<u>7,469</u>		<u>11,037</u>	<u>2,844</u>	<u>36,475</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,916</u>	<u>1</u>	<u>441</u>	<u>6,990</u>	<u>167</u>	<u>(8,580)</u>	<u>331</u>	<u>4,266</u>
Other financing sources (uses):								
Transfers in	458	54	2	1,000		7,873		9,387
Transfers out	(27)					(4,746)	(2,831)	(7,604)
<b>Total other financing sources</b>	<u>431</u>	<u>54</u>	<u>2</u>	<u>1,000</u>		<u>3,127</u>	<u>(2,831)</u>	<u>1,783</u>
Net change in fund balances	5,347	55	443	7,990	167	(5,453)	(2,500)	6,049
Fund balances (deficits) at beginning of year	(9,002)	(98)	36,992	9,018	1,727	20,962	37,564	97,163
<b>Fund balances (deficits) at end of year</b>	<u>\$ (3,655)</u>	<u>\$ (43)</u>	<u>\$ 37,435</u>	<u>\$ 17,008</u>	<u>\$ 1,894</u>	<u>\$ 15,509</u>	<u>\$ 35,064</u>	<u>\$ 103,212</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances (Deficits)**  
**Budget and Budgetary Basis Actual - All Nonmajor Capital Projects Funds**  
**Year Ended June 30, 2025** (In thousands)

	Streets Construction			Transportation Improvement Projects		
	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget
Revenues:						
Licenses, fees, and permits		\$ 242	\$ 242			
Intergovernmental revenues	\$ 39,261	13,778	(25,483)	\$ 624	\$ 145	\$ (479)
Charges for services						
Use of money and property		(187)	(187)		(2)	(2)
Other	105		(105)			
Total revenues	39,366	13,833	(25,533)	624	143	(481)
Expenditures:						
Public Works	29,148	11,349	(17,799)	521	141	(380)
Total expenditures	29,148	11,349	(17,799)	521	141	(380)
Excess (deficiency) of revenues over (under) expenditures	10,218	2,484	(7,734)	103	2	(101)
Other financing sources (uses):						
Transfers in		458	458		54	54
Transfers out		(27)	(27)			
Total other financing sources		431	431		54	54
Net change in fund balances	10,218	2,915	(7,303)	103	56	(47)
Fund balances (deficits) at beginning of year	(9,002)	(9,002)		(98)	(98)	
Fund balances (deficits) at end of year	\$ 1,216	(6,087)	\$ (7,303)	\$ 5	(42)	\$ (47)
Adjustment to reconcile to GAAP:						
Unrealized investment gain (loss)		(139)			(1)	
Encumbrance		2,571				
Ending fund balances (deficits) - GAAP basis		\$ (3,655)			\$ (43)	

(continued)

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Budgetary Basis Actual - All Nonmajor Capital Projects Funds**  
**Year Ended June 30, 2025** (In thousands)

	Development Impact Projects			Community Services Facilities		
	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget
Revenues:						
Licenses, fees, and permits	\$ 7,420	\$ 2,273	\$ (5,147)	\$ 3,338	\$ 2,642	\$ (696)
Intergovernmental revenues	1,573	1,285	(288)	10,156	3,369	(6,787)
Use of money and property	209	1,420	1,211	221	448	227
Contribution from developers		978	978		8,000	8,000
Total revenues	<u>9,202</u>	<u>5,956</u>	<u>(3,246)</u>	<u>13,715</u>	<u>14,459</u>	<u>744</u>
Expenditures:						
Police	584	116	(468)			
Fire & Rescue	4,249	4,249				
Public Works	888	886	(2)			
Community Services	<u>3,777</u>	<u>1,102</u>	<u>(2,675)</u>	<u>17,601</u>	<u>8,732</u>	<u>(8,869)</u>
Total expenditures	<u>9,498</u>	<u>6,353</u>	<u>(3,145)</u>	<u>17,601</u>	<u>8,732</u>	<u>(8,869)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(296)</u>	<u>(397)</u>	<u>(101)</u>	<u>(3,886)</u>	<u>5,727</u>	<u>9,613</u>
Other financing sources (uses):						
Transfers in		2			1,000	1,000
Transfers out						
Total other financing sources (uses)		<u>2</u>			<u>1,000</u>	<u>1,000</u>
Net change in fund balances	(296)	(395)	(101)	(3,886)	6,727	10,613
Fund balances at beginning of year	<u>36,992</u>	<u>36,992</u>		<u>9,018</u>	<u>9,018</u>	
Fund balances at end of year	<u>\$ 36,696</u>	<u>36,597</u>	<u>\$ (101)</u>	<u>\$ 5,132</u>	<u>15,745</u>	<u>\$ 10,613</u>
Adjustment to reconcile to GAAP:						
Unrealized investment gain (loss)		691				
Encumbrance		<u>147</u>			<u>1,263</u>	
Ending fund balance - GAAP basis		<u>\$ 37,435</u>			<u>\$ 17,008</u>	

(continued)

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Budgetary Basis Actual - All Nonmajor Capital Projects Funds**  
**Year Ended June 30, 2025** (In thousands)

	Storm Drain Construction			Other Capital Improvements		
	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget
Revenues:						
Intergovernmental revenues				\$ 483	\$ 185	\$ (298)
Use of money and property	\$ 70	\$ 167	\$ 97	10	2,032	2,022
Total revenues	<u>70</u>	<u>167</u>	<u>97</u>	<u>493</u>	<u>2,217</u>	<u>1,724</u>
Expenditures:						
Police				517	517	
Fire & rescue				1,183	339	(844)
Housing & Community Development				4,079	4,032	(47)
Economic Development				105	23	(82)
Planning & Building				499	378	(121)
Community Services				5,285	4,873	(412)
Total expenditures				<u>13,097</u>	<u>11,094</u>	<u>(2,003)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>70</u>	<u>167</u>	<u>97</u>	<u>(12,604)</u>	<u>(8,877)</u>	<u>3,727</u>
Other financing sources (uses):						
Transfers in				940	7,873	6,933
Transfers out					(4,746)	(4,746)
Total other financing sources (uses)				<u>940</u>	<u>3,127</u>	<u>2,187</u>
Net change in fund balances	70	167	97	(11,664)	(5,750)	5,914
Fund balances at beginning of year	<u>1,727</u>	<u>1,727</u>		<u>20,962</u>	<u>20,962</u>	
Fund balances at end of year	<u>\$ 1,797</u>	<u>1,894</u>	<u>\$ 97</u>	<u>\$ 9,298</u>	<u>15,212</u>	<u>\$ 5,914</u>
Adjustment to reconcile to GAAP:						
Unrealized investment gain (loss)					240	
Encumbrance					57	
Ending fund balance - GAAP basis		<u>\$ 1,894</u>			<u>\$ 15,509</u>	

(continued)

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Budgetary Basis Actual - All Nonmajor Capital Projects Funds**  
**Year Ended June 30, 2025** (In thousands)

	Mello-Roos Projects		
	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget
Revenues:			
Use of money and property		\$ 1,635	\$ 1,635
Contribution from developers		1,416	1,416
Total revenues		<u>3,051</u>	<u>3,051</u>
Expenditures:			
Public Works	\$ 28,404	<u>3,182</u>	<u>(25,222)</u>
Total expenditures	<u>28,404</u>	<u>3,182</u>	<u>(25,222)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(28,404)</u>	<u>(131)</u>	<u>28,273</u>
Other financing sources (uses):			
Transfers in			
Transfers out		<u>(2,831)</u>	<u>(2,831)</u>
Total other financing sources (uses)		<u>(2,831)</u>	<u>(2,831)</u>
Net change in fund balances	(28,404)	(2,962)	25,442
Fund balances at beginning of year	<u>37,564</u>	<u>37,564</u>	
Fund balances at end of year	<u>\$ 9,160</u>	<u>34,602</u>	<u>\$ 25,442</u>
Adjustment to reconcile to GAAP:			
Unrealized investment gain (loss)		124	
Encumbrance		<u>338</u>	
Ending fund balance - GAAP basis		<u>\$ 35,064</u>	



# Other Budgetary Schedule



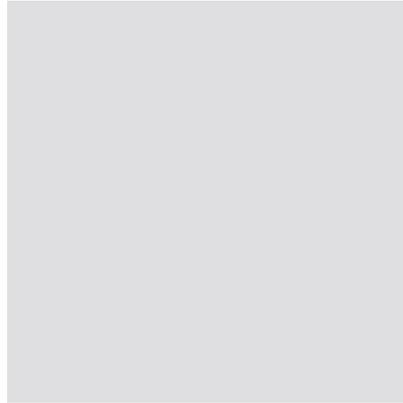
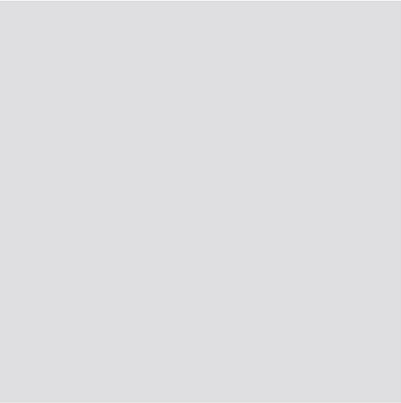


**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - Major Debt Service Fund**  
**Year Ended June 30, 2025** (In thousands)

	<u>Anaheim Resort Improvements</u>		
	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:			
Use of money and property	\$ 100	\$ 11,388	\$ 11,288
Total revenues	<u>100</u>	<u>11,388</u>	<u>11,288</u>
Expenditures:			
Finance	<u>46,883</u>	<u>46,870</u>	<u>(13)</u>
Total expenditures	<u>46,883</u>	<u>46,870</u>	<u>(13)</u>
Deficiency of revenues under expenditures	<u>(46,783)</u>	<u>(35,482)</u>	<u>11,301</u>
Other financing sources:			
Transfers in	126,028	112,694	(13,334)
Transfers out	<u>          </u>	<u>          </u>	<u>          </u>
Total other financing sources	<u>126,028</u>	<u>112,694</u>	<u>(13,334)</u>
Net change in fund balance	79,245	77,212	(2,033)
Fund balance at beginning of year	<u>247,612</u>	<u>247,612</u>	<u>          </u>
Fund balance at end of year	<u>\$ 326,857</u>	<u>\$ 324,824</u>	<u>\$ (2,033)</u>



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# Internal Service Funds



# Internal Service Funds

**Internal Service Funds** are used to account for the financing of centralized services to city departments on a cost-reimbursement basis (including depreciation).

---

**General Benefits And Insurance Fund**— Established to account for employee compensated absences, retirement and health benefits, and self-insurance programs.

---

**Motorized Equipment Fund**— Established to account for motorized equipment used by city departments.

---

**Information And Communication Services Fund**— Established to account for data processing and communication services to city departments.

---

**Municipal Facilities Maintenance Fund**— Established to account for city building maintenance services and equipment used by city departments.



# Combining Statement of Net Position

## Internal Service Funds

### June 30, 2025 (In thousands)

	General Benefits and Insurance	Motorized Equipment	Information and Communication Services	Municipal Facilities Maintenance	Total
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 7,984	\$ 1,090	\$ 7	\$ 260	\$ 9,341
Investments	83,470	11,388	68	2,719	97,645
Restricted cash and cash equivalents			355		355
Accounts receivable, net	5,223	54			5,277
Accrued interest receivable	440	76		9	525
Interfund receivable	1,004	223	96	199	1,522
Inventories		1,961		284	2,245
Prepaid and other assets	253	44	1,285	7	1,589
Total current assets	<u>98,374</u>	<u>14,836</u>	<u>1,811</u>	<u>3,478</u>	<u>118,499</u>
Noncurrent assets:					
Interfund receivable, less current portion	29,018				29,018
Capital assets:					
Buildings, structures and improvements		3,296		10,477	13,773
Machinery and equipment	111	56,867	17,374	7,879	82,231
Lease building			185		185
Lease equipment			7,045		7,045
Subscription assets	283	181	22,174		22,638
Construction in progress				2,674	2,674
Less accumulated depreciation	(121)	(34,422)	(20,676)	(8,634)	(63,853)
Capital assets, net	<u>273</u>	<u>25,922</u>	<u>26,102</u>	<u>12,396</u>	<u>64,693</u>
Total noncurrent assets	<u>29,291</u>	<u>25,922</u>	<u>26,102</u>	<u>12,396</u>	<u>93,711</u>
Total assets	<u>127,665</u>	<u>40,758</u>	<u>27,913</u>	<u>15,874</u>	<u>212,210</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>					
Deferred OPEB-related items	404	461	216	392	1,473
Deferred pension-related items	1,953	1,768	1,309	2,442	7,472
Total deferred outflow of resources	<u>2,357</u>	<u>2,229</u>	<u>1,525</u>	<u>2,834</u>	<u>8,945</u>

(continued)

# Combining Statement of Net Position Internal Service Funds June 30, 2025 (In thousands)(continued)

	General Benefits and Insurance	Motorized Equipment	Information and Communication Services	Municipal Facilities Maintenance	Total
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	2,631	2,549	2,742	3,346	11,268
Wages payable	2,260	73	56	103	2,492
Interest payable	4		389		393
Due to other Funds	13,281		3,102		16,383
Lease payable, current portion			1,297		1,297
Subscription payable, current portion	52	32	2,848		2,932
Compensated absences, current portion	26,704				26,704
Self-insurance liability, current portion	14,411				14,411
Long-term debts, current portion		12	1,330		1,342
Unearned revenues	2,828				2,828
Total current liabilities	<u>62,171</u>	<u>2,666</u>	<u>11,764</u>	<u>3,449</u>	<u>80,050</u>
Noncurrent liabilities:					
Lease payable, less current portion			2,033		2,033
Subscription payable, less current portion	172	112	8,052		8,336
Compensated absences, less current portion	4,957				4,957
Self-insurance liability, less current portion	48,697				48,697
Long-term debts, less current portion		6	1,362		1,368
Net OPEB liability	1,238	1,598	811	1,422	5,069
Net pension liability	8,463	7,802	6,249	9,360	31,874
Total noncurrent liabilities	<u>63,527</u>	<u>9,518</u>	<u>18,507</u>	<u>10,782</u>	<u>102,334</u>
Total liabilities	<u>125,698</u>	<u>12,184</u>	<u>30,271</u>	<u>14,231</u>	<u>182,384</u>
<b>DEFERRED INFLOW OF RESOURCES</b>					
Deferred OPEB-related items	436	488	338	531	1,793
Deferred pension-related items	223	404	179	23	829
Total deferred inflow of resources	<u>659</u>	<u>892</u>	<u>517</u>	<u>554</u>	<u>2,622</u>
<b>NET POSITION</b>					
Net investment in capital assets	49	23,786	9,535	11,822	45,192
Unrestricted	3,616	6,125	(10,885)	(7,899)	(9,043)
Total net position (deficits)	<u>\$ 3,665</u>	<u>\$ 29,911</u>	<u>\$ (1,350)</u>	<u>\$ 3,923</u>	<u>\$ 36,149</u>

**Combining Statement of Revenues, Expenses, and Changes in Net Position (Deficit)**  
**Internal Service Funds**  
**Year Ended June 30, 2025** (In thousands)

	General Benefits and Insurance	Motorized Equipment	Information and Communication Services	Municipal Facilities Maintenance	Total
Operating revenues:					
Charges for services	\$ 136,734	\$ 22,330	\$ 31,109	\$ 29,636	\$ 219,809
Other	398	28		186	612
Total operating revenues	<u>137,132</u>	<u>22,358</u>	<u>31,109</u>	<u>29,822</u>	<u>220,421</u>
Operating expenses:					
Salaries and wages	6,725	5,109	3,216	6,562	21,612
Maintenance and operations	2,721	8,933	20,196	22,069	53,919
Insurance premiums and claims	32,017				32,017
Compensated absences and other benefits	92,656				92,656
Depreciation	33	2,788	6,370	689	9,880
Total operating expenses	<u>134,152</u>	<u>16,830</u>	<u>29,782</u>	<u>29,320</u>	<u>210,084</u>
Operating income	<u>2,980</u>	<u>5,528</u>	<u>1,327</u>	<u>502</u>	<u>10,337</u>
Nonoperating income (expenses):					
Investment income	3,678	815	(29)	184	4,648
Interest expense	(4)		(512)		(516)
Gain (loss) from disposal of capital assets		174	(117)		57
Total nonoperating income (loss)	<u>3,674</u>	<u>989</u>	<u>(658)</u>	<u>184</u>	<u>4,189</u>
Income	<u>6,654</u>	<u>6,517</u>	<u>669</u>	<u>686</u>	<u>14,526</u>
Transfer in				500	500
Transfer out		(322)		(400)	(722)
Change in net position	6,654	6,195	669	786	14,304
Net position (deficit) at beginning of year	(2,989)	23,716	(2,019)	3,137	21,845
Net position (deficit) at end of year	<u>\$ 3,665</u>	<u>\$ 29,911</u>	<u>\$ (1,350)</u>	<u>\$ 3,923</u>	<u>\$ 36,149</u>

# Combining Statement of Cash Flows

## Internal Service Funds

### Year Ended June 30, 2025 (In thousands)

	General Benefits and Insurance	Motorized Equipment	Information and Communication Services	Municipal Facilities Maintenance	Total
Cash flows from operating activities:					
Receipts from interfund services provided	\$ 150,177	\$ 22,330	\$ 31,109	\$ 29,636	\$ 233,252
Payments to suppliers	(986)	(8,745)	(19,649)	(19,742)	(49,122)
Payments for salaries and wages to employees	(8,296)	(5,579)	(3,666)	(6,878)	(24,419)
Payments for interfund services used	(1,877)	(1,275)	(1,180)	(2,106)	(6,438)
Payments for insurance premiums and claims	(31,104)				(31,104)
Payments for compensated absences and other benefits	(92,314)				(92,314)
Other receipts	398	60		186	644
Net cash provided by operating activities	<u>15,998</u>	<u>6,791</u>	<u>6,614</u>	<u>1,096</u>	<u>30,499</u>
Cash flows from noncapital financing activities:					
Receipt of interfund balances	1,003		3,102		4,105
Payment of interfund balances	(10)		(3,010)		(3,020)
Transfer in				500	500
Transfer out		(322)		(400)	(722)
Net cash provided by (used for) noncapital financing activities	<u>993</u>	<u>(322)</u>	<u>92</u>	<u>100</u>	<u>863</u>
Cash flows from capital and related financing activities:					
Proceeds from sale of capital assets		253			253
Capital purchases		(10,121)	(377)	(3,754)	(14,252)
Principal payments on long-term debt		(12)	(1,299)		(1,311)
Principal payments on leases			(1,825)		(1,825)
Principal payments on subscription payable	(59)	(37)	(2,851)		(2,947)
Interest payments			(475)		(475)
Net cash (used for) capital and related financing activities	<u>(59)</u>	<u>(9,917)</u>	<u>(6,827)</u>	<u>(3,754)</u>	<u>(20,557)</u>
Cash flows from investing activities:					
Purchase of investment securities	(26,971)	(3,680)	(166)	(878)	(31,695)
Proceeds from sale and maturity of investment securities	1,125	4,560	73	2,491	8,249
Interest received	2,327	558	30	109	3,024
Net cash provided by (used for) investing activities	<u>(23,519)</u>	<u>1,438</u>	<u>(63)</u>	<u>1,722</u>	<u>(20,422)</u>
Increase (decrease) in cash and cash equivalents	(6,587)	(2,010)	(184)	(836)	(9,617)
Cash and cash equivalents at beginning of the year	<u>14,571</u>	<u>3,100</u>	<u>546</u>	<u>1,096</u>	<u>19,313</u>
Cash and cash equivalents at end of the year	<u>\$ 7,984</u>	<u>\$ 1,090</u>	<u>\$ 362</u>	<u>\$ 260</u>	<u>\$ 9,696</u>

(continued)

## Combining Statement of Cash Flows

### Internal Service Funds

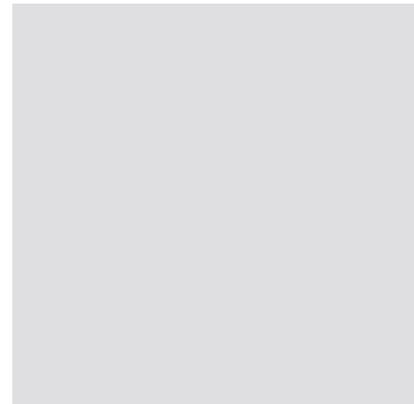
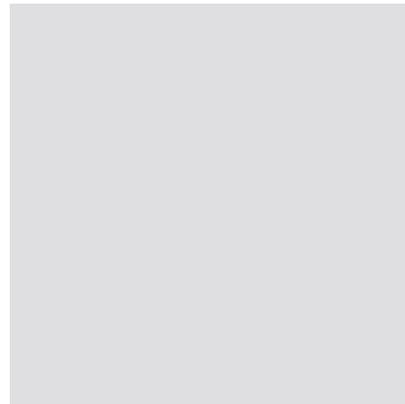
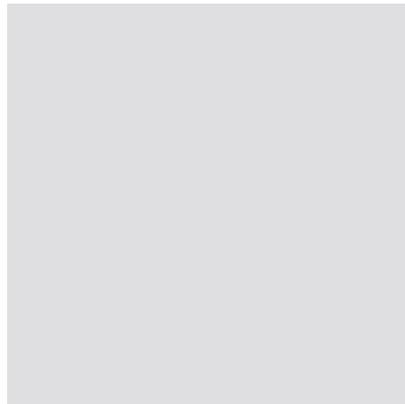
### Year Ended June 30, 2025 (In thousands) (continued)

	General Benefits and Insurance	Motorized Equipment	Information and Communication Services	Municipal Facilities Maintenance	Total
Reconciliation of operating income to net cash provided by operating activities:					
Operating income	\$ 2,980	\$ 5,528	\$ 1,327	\$ 502	\$ 10,337
Adjustment to reconcile operating income to net cash provided by operating activities:					
Depreciation	33	2,788	6,370	689	9,880
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:					
Accounts receivable	(2,803)	32			(2,771)
Inventories		(720)		(14)	(734)
Prepaid and other assets	(118)	25	(92)	109	(76)
Interfund receivable		(223)	(96)	(199)	(518)
Interfund payable	13,281				13,281
Accounts payable	(1,072)	(329)	(529)	174	(1,756)
Wages and benefit payable	(1,280)	(310)	(366)	(165)	(2,121)
Unearned revenues	95				95
Compensated absences	2,685				2,685
Self-insurance liability	2,197				2,197
Total adjustments	<u>13,018</u>	<u>1,263</u>	<u>5,287</u>	<u>594</u>	<u>20,162</u>
Net cash provided by operating activities	<u>\$ 15,998</u>	<u>\$ 6,791</u>	<u>\$ 6,614</u>	<u>\$ 1,096</u>	<u>\$ 30,499</u>
Schedule of noncash financing and investing activities:					
Lease assets financing			\$ 2,817		\$ 2,817
SBITA financing	\$ 283	\$ 181	3,736		4,200
Increase in fair value of investments	1,395	306	(59)	\$ 102	1,744
Increase (decrease) in accounts payable related to capital asset purchases		1,067		(149)	918
Increase in accrued interest payable	4		37		41
Increase (decrease) in accrued interest receivable	(44)	(49)		(27)	(120)
Reconciliation of cash and cash equivalents:					
Cash and cash equivalents	\$ 7,984	\$ 1,090	\$ 7	\$ 260	\$ 9,341
Restricted cash and cash equivalents			355		355
Total cash and cash equivalents	<u>\$ 7,984</u>	<u>\$ 1,090</u>	<u>\$ 362</u>	<u>\$ 260</u>	<u>\$ 9,696</u>

See accompanied independent auditors' report



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# Fiduciary Funds





**Combining Statement of Fiduciary Net Position**  
**Custodial Funds - Others**  
**June 30, 2025** (In thousands)

	Custodial Funds - Others			
	Community Facility Districts	Unclaimed Money Seized	Miscellaneous	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 8,814	\$ 37	\$ 44	\$ 8,895
Investments		390	6	396
Special assessment receivable	11			11
Accrued interest receivable	30	7		37
Total assets	<u>8,855</u>	<u>434</u>	<u>50</u>	<u>9,339</u>
<b>LIABILITIES</b>				
Accounts payable	2	260		262
Total liabilities	<u>2</u>	<u>260</u>		<u>262</u>
<b>NET POSITION</b>				
Net position for individuals, organizations, and other governments	<u>8,853</u>	<u>174</u>	<u>50</u>	<u>9,077</u>
Total net position	<u>\$ 8,853</u>	<u>\$ 174</u>	<u>\$ 50</u>	<u>\$ 9,077</u>

**Combining Statement of Changes in Fiduciary Net Position**  
**Custodial Funds - Others**  
**Year Ended June 30, 2025** (In thousands)

	Custodial - Others				Total
	Community Facility Districts	Unclaimed Money Seized	Bail Bond Deposits	Miscellaneous	
<b>ADDITIONS</b>					
Special assessment collections from Community Facility Districts	\$ 4,441				\$ 4,441
Deposits		\$ 427	\$ 138		565
Donation collections					
Interest income	350	7			357
Total additions	<u>4,791</u>	<u>434</u>	<u>138</u>		<u>5,363</u>
<b>DEDUCTIONS</b>					
Debt service payments for Community Facility Districts	2,963				2,963
Payments	1,416	260	138		1,814
Payments - Charity distributions					
Administration	67				67
Total deductions	<u>4,446</u>	<u>260</u>	<u>\$ 138</u>		<u>4,844</u>
Change in net position	345	174			519
Net position at beginning of year	<u>8,508</u>			\$ 50	<u>8,558</u>
Net position at end of year	<u>\$ 8,853</u>	<u>\$ 174</u>		<u>\$ 50</u>	<u>\$ 9,077</u>



# Statistical Section



# Statistical Section

The **Statistical Section** is included to provide detailed data on the physical, economic, social and political characteristics of the reporting government. It is intended to provide the user with a broader and more complete understanding of the government and its financial affairs than is possible from the basic financial statements and supplementary information included in the Financial Section.



# STATISTICAL INFORMATION

(Unaudited)

The Statistical Section is included to provide financial statement users with additional historical perspective, context, and detail for them to use in evaluating the information contained within the financial statements, notes to the financial statements, and required supplementary information with the goal of providing the user a better understanding of the City's economic condition.

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## Net Position by Component

### Last Ten Fiscal Years (In thousands)

(Accrual basis of accounting)

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 1,340,657	\$ 1,232,369	\$ 1,198,057	\$ 1,147,895	\$ 1,138,182	\$ 1,112,914	\$ 1,040,595	\$ 1,008,489	\$ 974,071	\$ 968,473
Restricted	472,303	349,859	281,382	277,443	260,160	251,942	266,447	266,983	274,830	211,338
Unrestricted <sup>1 2 3</sup>	(458,884)	(420,015)	(465,127)	(553,852)	(720,573)	(629,091)	(554,529)	(551,607)	(557,245)	(417,976)
Total Governmental Activities	1,354,076	1,162,213	1,014,312	871,486	677,769	735,765	752,513	723,865	691,656	761,835
<b>Business-type Activities</b>										
Net investment in capital assets	1,320,385	1,238,121	1,173,010	1,091,868	1,074,102	1,074,006	1,058,213	1,009,302	1,016,113	997,292
Restricted	74,102	100,603	96,062	81,344	70,372	66,069	61,808	86,863	83,811	76,749
Unrestricted <sup>1 2</sup>	108,602	94,277	91,466	74,944	35,842	22,284	51,630	15,661	(26,767)	36,644
Total Business-type Activities	1,503,089	1,433,001	1,360,538	1,248,156	1,180,316	1,162,359	1,171,651	1,111,826	1,073,157	1,110,685
<b>Total Government</b>										
Net investment in capital assets	2,661,042	2,470,490	2,371,067	2,239,763	2,212,284	2,186,920	2,098,808	2,017,791	1,990,184	1,965,765
Restricted	546,405	450,462	377,444	358,787	330,532	318,011	355,181	353,846	358,641	288,087
Unrestricted	(350,282)	(325,738)	(373,661)	(478,908)	(684,731)	(606,807)	(529,825)	(535,946)	(584,012)	(381,332)
Total Government	\$ 2,857,165	\$ 2,595,214	\$ 2,374,850	\$ 2,119,642	\$ 1,858,085	\$ 1,898,124	\$ 1,924,164	\$ 1,835,691	\$ 1,764,813	\$ 1,872,520

Note: <sup>1</sup> The City implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Other Postemployment Benefits Other Than Pension*, for the fiscal year ended June 30, 2018. Implementation of this Statements required the City to restate prior period net positions and are reflected in the fiscal year 2017 unrestricted net position. Information prior to the implementation of this Statement is not available.

<sup>2</sup> The City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Accounting for Leases*, for the fiscal year ended June 30, 2022. Implementation of this Statements required the City to restate prior period net position and are reflected in the fiscal year 2021, Net Investment in capital assets and unrestricted net position. Information prior to the implementation of this Statement is not available.

<sup>3</sup> The City implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, for the fiscal year ended June 30, 2024. Implementation of this Statements required the City to restate prior period net position and is reflected in the fiscal year 2023 unrestricted net position of the governmental activities. Information prior to the implementation of this Statement is not available.

Certain reclassifications have been made to prior year data to conform to the current presentation.

Source: Finance Department, City of Anaheim

## Changes in Net Position

### Last Ten Fiscal Years (In thousands)

(Accrual basis of accounting)

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Program Revenues</b>										
Governmental activities:										
Charges for services										
General government	\$ 1,433	\$ 1,427	\$ 1,560	\$ 1,477	\$ 2,115	\$ 1,796	\$ 1,742	\$ 1,749	\$ 1,903	\$ 2,034
Police	19,063	18,356	14,861	13,279	9,040	13,595	15,901	15,361	15,441	11,775
Fire & Rescue	38,411	31,381	27,211	23,338	18,819	21,024	10,949	11,621	10,582	9,814
Housing & Community Development <sup>1</sup>	10,461	12,882	8,891	13,033	14,625	6,796	5,441	5,438	17,171	9,295
Economic Development <sup>1</sup>	4,292	4,203	5,949	2,867	3,003	3,110	2,090	1,983	1,875	915
Planning & Building	13,226	11,764	13,761	11,198	12,178	11,059	11,715	16,573	11,357	11,515
Public Works	26,490	24,329	22,695	20,846	17,422	20,123	21,075	17,378	16,140	15,817
Community Services	3,121	3,230	3,089	3,153	1,573	2,491	3,174	3,227	11,190	3,430
Convention, Sports & Entertainment	24,888	22,197	20,858	16,560	2,195	11,075	14,802	14,231	13,672	12,528
Total charges for services	141,385	129,769	118,875	105,751	80,970	91,069	86,889	87,561	99,331	77,123
Operating grants and contributions	237,672	199,403	189,010	247,271	226,525	158,750	130,335	115,520	109,989	108,131
Capital grants and contributions	76,604	32,669	40,512	30,090	36,376	43,191	21,335	39,340	65,937	85,782
Governmental activities program revenues	455,661	361,841	348,397	383,112	343,871	293,010	238,559	242,421	275,257	271,036
Business-type activities:										
Charges for services										
Electric Utility	471,072	442,584	481,991	448,286	433,734	417,912	459,182	443,755	433,561	430,485
Water Utility	104,583	97,431	96,331	102,239	96,351	84,943	79,649	79,074	70,777	60,509
Sanitation Utility	91,072	88,695	82,626	74,574	69,482	70,812	68,036	65,138	63,893	61,006
Golf Courses	15,010	13,856	12,986	10,709	6,978	4,282	4,306	4,273	4,062	4,114
Convention, Sports & Entertainment	48,824	58,564	47,916	32,253	4,410	35,950	52,102	46,327	38,065	36,241
Total charges for services	730,561	701,130	721,850	668,061	610,955	613,899	663,275	638,567	610,358	592,355
Operating grants and contributions	85	941	85	603	88	143	231	88	425	776
Capital grants and contributions	10,811	56,692	56,022	31,363	9,751	12,339	28,408	8,353	4,381	11,743
Business-type activities program revenues	741,457	758,763	777,957	700,027	620,794	626,381	691,914	647,008	615,164	604,874
Total government program revenues	1,197,118	1,120,604	1,126,354	1,083,139	964,665	919,391	930,473	889,429	890,421	875,910
<b>Expenses</b>										
Governmental activities:										
General government	22,691	24,073	27,444	20,418	25,415	31,866	22,005	15,645	11,825	10,331
Police	233,976	233,467	199,328	147,972	182,509	202,064	175,409	173,921	151,559	132,889
Fire & Rescue	124,249	121,544	107,320	79,516	103,696	96,803	82,948	81,528	70,365	62,520
Housing & Community Development <sup>1</sup>	173,824	165,831	135,971	149,709	122,411	104,153	87,443	90,475	95,472	90,081
Economic Development <sup>1</sup>	8,827	9,232	6,560	3,806	5,928	6,659	11,375	5,592	5,248	20,537
Planning & Building	32,791	32,208	26,883	22,419	25,695	27,929	26,248	25,376	21,944	19,862
Public Works	76,896	73,146	62,687	56,366	60,664	60,693	53,742	55,981	61,806	48,719
Community Services	57,334	54,326	45,984	38,547	39,721	50,513	43,218	39,020	34,799	34,212
Public Utilities	2,078	2,152	2,128	2,075	2,171	2,381	2,476	2,346	2,530	2,687
Convention, Sports & Entertainment	28,785	29,539	28,469	23,879	8,071	17,713	27,663	19,930	19,238	18,503
Interest on long-term debt	30,304	31,701	32,403	33,093	31,527	29,734	35,149	34,938	34,876	35,185
Governmental Activities Expenses	791,755	777,219	675,177	577,800	607,808	630,508	567,676	544,752	509,662	475,526

(Continued)

## Changes in Net Position

### Last Ten Fiscal Years (In thousands)

(Accrual basis of accounting) (continued)

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Expenses</b>										
Business-type Activities:										
Electric Utility	405,241	390,022	426,491	389,898	378,087	404,272	425,072	394,574	412,424	390,732
Water Utility	112,460	100,013	91,864	95,407	96,920	88,554	76,484	75,755	72,715	61,620
Sanitation Utility	84,100	81,357	71,663	64,186	66,022	67,375	64,659	61,145	58,218	56,564
Golf Courses	13,065	11,930	11,456	8,432	6,046	5,017	4,954	4,898	4,465	4,405
Convention, Sports & Entertainment Venues	76,507	69,268	59,598	54,301	53,787	78,570	74,735	72,276	53,695	50,520
Business-type activities expense	691,373	652,590	661,072	612,224	600,862	643,788	645,904	608,648	601,517	563,841
Total government expenses	1,483,128	1,429,809	1,336,249	1,190,024	1,208,670	1,274,296	1,213,580	1,153,400	1,111,179	1,039,367
<b>Net (Expense)Revenue</b>										
Governmental activities	(336,094)	(415,378)	(326,780)	(194,688)	(263,937)	(337,498)	(329,117)	(302,331)	(234,405)	(204,490)
Business-type activities	50,084	106,173	116,885	87,803	19,932	(17,407)	46,010	38,360	13,647	41,033
Total government, net (expense) revenue	(286,010)	(309,205)	(209,895)	(106,885)	(244,005)	(354,905)	(283,107)	(263,971)	(220,758)	(163,457)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes:										
Property taxes	112,095	106,399	99,439	94,554	90,222	86,256	80,822	76,547	72,909	70,646
Sales and use taxes <sup>2</sup>	113,198	107,811	108,171	103,374	76,811	76,851	84,982	80,732	77,732	76,975
Transient occupancy taxes <sup>2</sup>	243,757	247,584	224,352	177,057	29,797	122,735	161,948	154,925	149,566	137,570
Other taxes	10,140	10,457	9,952	9,592	8,902	8,796	8,893	9,076	8,946	8,731
Gain on sale on capital assets								6,258		
Unrestricted investment earnings	42,546	33,353	14,978	(9,228)	1,470	15,371	15,654	2,783	2,116	3,692
Other					762	100	98	105	106	87
Transfers	6,221	57,675	15,122	13,056	4,270	10,641	5,368	4,114	7,701	10,856
Special item									(8,218)	
Governmental activities	527,957	563,279	472,014	388,405	212,234	320,750	357,765	334,540	310,858	308,557
Business-type activities:										
Unrestricted investment earnings (losses)	26,225	23,965	10,619	(6,907)	2,295	18,756	19,183	4,423	4,001	5,710
Transfers	(6,221)	(57,675)	(15,122)	(13,056)	(4,270)	(10,641)	(5,368)	(4,114)	(7,701)	(10,856)
Business-type activities	20,004	(33,710)	(4,503)	(19,963)	(1,975)	8,115	13,815	309	(3,700)	(5,146)
Total government	547,961	529,569	467,511	368,442	210,259	328,865	371,580	334,849	307,158	303,411
<b>Change in Net Position</b>										
Governmental activities	191,863	147,901	145,234	193,717	(51,703)	(16,748)	28,648	32,209	76,453	104,067
Business-type activities	70,088	72,463	112,382	67,840	17,957	(9,292)	59,825	38,669	9,947	35,887
Total government change in net position	\$ 261,951	\$ 220,364	\$ 257,616	\$ 261,557	\$ (33,746)	\$ (26,040)	\$ 88,473	\$ 70,878	\$ 86,400	\$ 139,954

<sup>1</sup> The previously Community & Economic development was reorganized to Housing & Community Development and Economic Department in fiscal year 2022.

<sup>2</sup> Decreases in Sales and use taxes, and Transient Occupancy taxes in fiscal years 2020 and 2021 are due to impacts of COVID-19 Pandemic and California Stay-At-Home Order.

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

Source: Finance Department, City of Anaheim

See accompanied independent auditors' report

## Governmental Activities Tax Revenues By Source

**Last Ten Fiscal Years** (In thousands)

(Accrual basis of accounting)

Fiscal Year	Amounts					Total
	Property Taxes	Sales and Use Taxes	Transient Occupancy Taxes	Other Taxes		
2025	\$ 112,095	\$ 113,198	\$ 243,757	\$ 10,140	\$ 479,190	
2024	106,399	107,811	247,584	10,457	472,251	
2023	99,439	108,171	224,352	9,952	441,914	
2022	94,554	103,374	177,057	9,592	384,577	
2021	90,222	76,811	29,797	8,902	205,732	
2020	86,256	76,851	122,735	8,796	294,638	
2019	80,822	84,982	161,948	8,893	336,645	
2018	76,547	80,732	154,925	9,076	321,280	
2017	72,909	77,732	149,566	8,946	309,153	
2016	70,646	76,975	137,570	8,731	293,922	

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

Source: Finance Department, City of Anaheim

## Fund Balances of Governmental Funds

### Last Ten Fiscal Years (In thousands)

(Modified accrual basis of accounting)

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>General Fund</b>										
Nonspendable	\$ 815	\$ 728	\$ 646	\$ 601	\$ 402	\$ 308	\$ 756	\$ 519	\$ 819	\$ 958
Restricted	15,481	17,281	13,810	10,030	13,538	12,547	4,627	5,194	6,238	7,730
Committed						2,250				
Assigned <sup>1</sup>	90,307	120,382	115,434	114,039	104,212	6,752	15,221	11,008	2,056	7,442
Unassigned	85,909	92,678	61,254	52,351	17,975	10,954	43,455	41,556	42,336	39,850
Total General fund	<u>192,512</u>	<u>231,069</u>	<u>191,144</u>	<u>177,021</u>	<u>136,127</u>	<u>32,811</u>	<u>64,059</u>	<u>58,277</u>	<u>51,449</u>	<u>55,980</u>
<b>Housing Authority Fund</b>										
Nonspendable	9	49	47	42	41	39	36	34		2
Restricted	37,932	33,324	33,450	44,143	51,320	48,285	61,641	60,180	62,338	48,974
Assigned	57,391	51,683	44,809	41,475	35,840	31,579	28,434	26,574	22,904	16,129
Total Housing Authority Fund	<u>95,332</u>	<u>85,056</u>	<u>78,306</u>	<u>85,660</u>	<u>87,201</u>	<u>79,903</u>	<u>90,111</u>	<u>86,788</u>	<u>85,242</u>	<u>65,105</u>
<b>Anaheim Resort Improvements</b>										
Restricted <sup>2</sup>	324,824	247,612	175,848	115,044	78,832	110,303	156,286	147,270	124,915	104,091
Total Anaheim Resort Improvements	<u>324,824</u>	<u>247,612</u>	<u>175,848</u>	<u>115,044</u>	<u>78,832</u>	<u>110,303</u>	<u>156,286</u>	<u>147,270</u>	<u>124,915</u>	<u>104,091</u>
<b>Nonmajor Governmental Funds</b>										
Nonspendable	151	178	93	186	155	252	11,503	9,091	8,713	6,000
Restricted	211,498	205,456	192,977	190,034	175,775	166,301	163,126	172,764	178,121	133,839
Committed	1,348	4,186	4,007	3,943	4,057	4,039	3,812	4,063		
Assigned	15,860	15,779	18,487	19,641	8,288	7,475	6,696	6,797	9,612	5,875
Unassigned	(4,736)	(9,797)	(11,856)	(13,069)	(13,146)	(15,080)	(9,217)	(11,535)	(12,202)	(17,991)
Total nonmajor governmental funds	<u>224,121</u>	<u>215,802</u>	<u>203,708</u>	<u>200,735</u>	<u>175,129</u>	<u>162,987</u>	<u>175,920</u>	<u>181,180</u>	<u>184,244</u>	<u>127,723</u>
Total governmental funds	<u>\$ 836,789</u>	<u>\$ 779,539</u>	<u>\$ 649,006</u>	<u>\$ 578,460</u>	<u>\$ 477,289</u>	<u>\$ 386,004</u>	<u>\$ 486,376</u>	<u>\$ 473,515</u>	<u>\$ 445,850</u>	<u>\$ 352,899</u>

<sup>1</sup> Increase in assigned fund balance in fiscal year 2021 is due to unspent bond proceeds from the 2021 APFA Lease Revenue Bonds (Working Capital Financing) issued in June 2021.

<sup>2</sup> Increase in restricted fund balance in fiscal year 2023 is due to increased amount of LPMR transferred in for the Resort debt services resulting from higher TOT and sales tax revenues. Decrease in restricted fund balance in fiscal year 2020 is due to \$59 million used for the partially defeasance of the 1996 APFA Series C Capital Appreciation Bonds.

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

Source: Finance Department, City of Anaheim

# Changes in Fund Balances of Governmental Funds

## Last Ten Fiscal Years (In thousands)

(Modified accrual basis of accounting)

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Revenues</b>										
Property taxes	\$ 112,095	\$ 106,399	\$ 99,439	\$ 94,554	\$ 90,222	\$ 86,256	\$ 80,822	\$ 76,547	\$ 72,909	\$ 70,646
Sales and use taxes <sup>1</sup>	113,198	107,811	108,171	103,421	76,907	76,898	84,792	81,680	80,500	81,844
Transient occupancy taxes <sup>2</sup>	243,757	247,584	224,352	177,057	30,180	122,351	161,948	154,925	149,566	137,570
Other taxes	9,129	9,027	8,729	8,689	8,139	8,024	8,175	8,311	8,287	8,024
Licenses, fees, and permits	28,384	28,374	31,794	26,460	29,451	26,627	24,397	38,258	30,365	24,851
Intergovernmental revenues <sup>2</sup>	236,677	215,075	188,278	252,796	234,891	167,085	139,776	124,696	123,797	121,055
Charges for services	93,643	91,108	78,562	60,109	35,199	50,927	51,308	50,771	48,186	41,949
Fines, forfeits, and penalties	3,455	2,862	2,875	3,257	3,096	2,658	2,937	2,988	2,756	2,875
Use of money and property	48,157	40,613	32,121	12,770	31,798	29,323	37,459	26,801	47,505	67,204
Contribution from developers <sup>3</sup>	25,444	1,240	298	1,534	5,175	3,124			36,864	
Lease revenues	6,406	7,514	5,102	1,195						
Others	3,052	1,277	2,997	1,379	2,029	1,597	1,086	1,178	2,127	1,368
Total revenues	<u>923,397</u>	<u>858,884</u>	<u>782,718</u>	<u>743,221</u>	<u>547,087</u>	<u>574,870</u>	<u>592,700</u>	<u>566,155</u>	<u>602,862</u>	<u>557,386</u>
<b>Expenditures</b>										
General government	30,395	38,090	37,532	32,927	32,660	33,715	26,936	21,358	19,447	18,679
Police	224,129	211,538	194,467	169,922	161,633	170,308	160,355	156,338	148,801	139,775
Fire & Rescue	120,969	112,361	106,641	91,310	92,793	85,677	76,604	74,888	70,164	66,399
Housing & Community Development	185,150	162,911	136,147	159,591	120,165	105,386	92,699	88,263	86,841	87,007
Economic Development	7,660	8,397	6,804	7,625	5,928	6,659	11,375	5,592	5,248	20,537
Planning & Building	32,149	30,116	27,262	24,595	24,662	24,498	24,196	23,649	21,997	19,935
Public Works	53,962	51,486	43,062	36,681	39,606	37,022	32,329	34,331	30,886	30,388
Community Services	51,064	47,213	41,669	36,241	33,306	40,690	36,339	34,042	32,258	31,980
Public Utilities	2,123	2,104	2,126	2,121	2,187	2,397	2,448	2,341	2,496	2,727
Convention, Sports & Entertainment	22,123	22,460	21,033	16,871	2,484	11,774	15,575	14,639	14,023	13,089
Capital outlay	83,453	42,556	66,870	22,318	29,250	71,117	43,191	46,366	44,532	32,589
Debt service:										
Principal	25,987	21,758	21,144	18,632	17,409	18,575	32,128	14,749	26,123	28,448
Interest charges	35,723	35,244	34,287	31,700	29,694	78,065	30,943	28,412	15,571	16,930
Bond issuance costs				198	1,411		1,748			
Total expenditures	<u>874,887</u>	<u>786,234</u>	<u>739,044</u>	<u>650,732</u>	<u>593,188</u>	<u>685,883</u>	<u>586,866</u>	<u>544,968</u>	<u>518,387</u>	<u>508,483</u>
Revenues over (under) expenditures	<u>48,510</u>	<u>72,650</u>	<u>43,674</u>	<u>92,489</u>	<u>(46,101)</u>	<u>(111,013)</u>	<u>5,834</u>	<u>21,187</u>	<u>84,475</u>	<u>48,903</u>
<b>Other Financing Sources (Uses)</b>										
Transfers in	182,656	209,268	140,271	134,280	42,141	78,434	107,804	97,513	103,797	95,920
Transfers out	(176,213)	(152,032)	(125,627)	(127,296)	(44,309)	(67,793)	(102,556)	(93,285)	(101,446)	(85,403)
Premium on long-term debt							35,279			
Issuance of long-term debt				25,046	139,554		175,565	2,250	6,125	1,100
Payments to refunded bond escrow agent				(23,348)			(209,065)			
Issuance of loan payable	688									
Lease financing	133		80							
SBITAs Financing	1,476	647	12,148							
Total other financing sources	<u>8,740</u>	<u>57,883</u>	<u>26,872</u>	<u>8,682</u>	<u>137,386</u>	<u>10,641</u>	<u>7,027</u>	<u>6,478</u>	<u>8,476</u>	<u>11,617</u>
Net change in fund balances	<u>\$ 57,250</u>	<u>\$ 130,533</u>	<u>\$ 70,546</u>	<u>\$ 101,171</u>	<u>\$ 91,285</u>	<u>\$ (100,372)</u>	<u>\$ 12,861</u>	<u>\$ 27,665</u>	<u>\$ 92,951</u>	<u>\$ 60,520</u>
Debt service as a percentage of non capital expenditures	7.80%	7.66%	8.25%	8.01%	8.35%	15.72%	11.60%	8.66%	8.80%	9.54%

<sup>1</sup> Decreases in Sales and Use Taxes and Transient Occupancy Taxes in fiscal years 2020 and 2021 are due to COVID-19 pandemic and California Stay-At-Home Order

<sup>2</sup> Increases in Intergovernmental revenues in fiscal years 2020, 2021, and 2022 are due to CARES and ARP fundings.

<sup>3</sup> Including contribution from the DisneyForward project and contribution from property owners pursuant to the issuances of Community Facility District 08-1 Platinum Triangle Series 2010 Special Tax Bonds.

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

Source: Finance Department, City of Anaheim

## General Government Tax Revenues By Source

**Last Ten Fiscal Years** (In thousands)

(Modified accrual basis of accounting)

Amounts in Dollars											
Fiscal Year	Property Taxes			Residual	Property Taxes in-lieu of VLF <sup>1</sup>	Sales and Use Taxes <sup>2</sup>	Transient Occupancy Taxes <sup>2</sup>	Other Taxes	Total		
	Secured Property Taxes	Unsecured Property Taxes	Supplemental Property Taxes								
2025	\$ 56,385	\$ 1,819	\$ 1,418	\$ 6,033	\$ 46,440	\$ 113,198	\$ 243,757	\$ 9,129	\$ 478,179		
2024	54,471	1,641	1,415	4,397	44,475	107,811	247,584	9,027	470,821		
2023	50,857	1,492	2,160	3,473	41,457	108,171	224,352	8,729	440,691		
2022	48,113	1,499	1,107	4,943	38,892	103,421	177,057	8,689	383,721		
2021	46,499	1,371	933	3,949	37,470	76,907	30,180	8,139	205,448		
2020	44,285	1,378	920	3,850	35,823	76,898	122,351	8,024	293,529		
2019	41,529	1,263	1,173	3,322	33,535	84,792	161,948	8,175	335,737		
2018	39,396	1,265	1,259	2,892	31,735	81,680	154,925	8,311	321,463		
2017	37,771	1,214	1,108	2,484	30,332	80,500	149,566	8,287	311,262		
2016	37,000	1,256	991	2,203	29,196	81,844	137,570	8,024	298,084		

<sup>1</sup> Collection of property taxes in-lieu of VLF starting in fiscal year 2005 is due to the shifting of revenue from motor vehicle license fees category to the property tax category. This was part of the State of California 2004 Budget Act.

<sup>2</sup> Decreases in Sales and Use Taxes and Transient Occupancy Taxes in fiscal years 2020 and 2021 are due to impacts of COVID-19 and the California Stay-At-Home order.

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

Source: Finance Department, City of Anaheim

## Assessed Value and Estimated Actual Value of Taxable Property

**Last Ten Fiscal Years** (In thousands)

(Modified Accrual Basis of Accounting)

	Fiscal Year				
	2025	2024	2023	2022	2021
<b>City of Anaheim</b>					
Secured property	\$ 51,966,642	\$ 50,011,023	\$ 46,640,449	\$ 43,892,712	\$ 42,491,830
Unsecured property	<u>1,539,554</u>	<u>1,528,056</u>	<u>1,422,066</u>	<u>1,679,279</u>	<u>1,315,829</u>
Total City of Anaheim	<u>53,506,196</u>	<u>51,539,079</u>	<u>48,062,515</u>	<u>45,571,991</u>	<u>43,807,659</u>
<b>Redevelopment Project Areas</b>					
Secured property	8,535,671	8,008,853	7,351,216	6,565,882	6,333,408
Unsecured property	<u>1,286,953</u>	<u>1,102,289</u>	<u>1,121,686</u>	<u>898,924</u>	<u>957,529</u>
Total Anaheim Redevelopment Agency	<u>9,822,624</u>	<u>9,111,142</u>	<u>8,472,902</u>	<u>7,464,806</u>	<u>7,290,937</u>
<b>Total Taxable Assessed Value</b>	<u>\$ 63,328,820</u>	<u>\$ 60,650,221</u>	<u>\$ 56,535,417</u>	<u>\$ 53,036,797</u>	<u>\$ 51,098,596</u>
<b>Total Direct Tax Rate</b>	1.00000%	1.00000%	1.00000%	1.00000%	1.00000%
	Fiscal Year				
	2020	2019	2018	2017	2016
<b>City of Anaheim</b>					
Secured property	\$ 40,745,451	\$ 38,098,867	\$ 36,199,163	\$ 34,732,460	\$ 33,338,748
Unsecured property	<u>1,273,871</u>	<u>1,302,121</u>	<u>1,175,627</u>	<u>1,172,650</u>	<u>1,243,307</u>
Total City of Anaheim	<u>42,019,322</u>	<u>39,400,988</u>	<u>37,374,790</u>	<u>35,905,110</u>	<u>34,582,055</u>
<b>Redevelopment Agency Project Areas</b>					
Secured property	5,938,225	5,593,018	5,182,683	4,773,715	4,479,386
Unsecured property	<u>893,906</u>	<u>737,385</u>	<u>720,305</u>	<u>684,544</u>	<u>753,736</u>
Total Anaheim Redevelopment Agency	<u>6,832,131</u>	<u>6,330,403</u>	<u>5,902,988</u>	<u>5,458,259</u>	<u>5,233,122</u>
<b>Total Taxable Assessed Value</b>	<u>\$ 48,851,453</u>	<u>\$ 45,731,391</u>	<u>\$ 43,277,778</u>	<u>\$ 41,363,369</u>	<u>\$ 39,815,177</u>
<b>Total Direct Tax Rate</b>	1.00000%	1.00000%	1.00000%	1.00000%	1.00000%

Note: In 1978, the voters of the State of California passed Proposition 13, which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source: Auditor-Controller, County of Orange; California Municipal Statistics, Inc.

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

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Direct Rate										
Basic Levy <sup>1</sup>	<u>1.00000</u>									
Overlapping Rates <sup>2</sup> :										
Anaheim General Obligation Bond Fund								0.00173	0.00173	0.00173
Anaheim City School Districts	0.04223	0.04644	0.04667	0.06321	0.06595	0.05943	0.05059	0.04502	0.04461	0.04227
Anaheim Union High School Districts	0.03256	0.03164	0.03016	0.03804	0.03971	0.03968	0.04244	0.02211	0.04259	0.04948
North Orange County Community College	0.01735	0.01715	0.02778	0.02877	0.03198	0.02409	0.02829	0.02927	0.02885	0.03043
Water District Rate	<u>0.00700</u>	<u>0.00350</u>								
	<u>0.09914</u>	<u>0.09873</u>	<u>0.10811</u>	<u>0.13352</u>	<u>0.14114</u>	<u>0.12670</u>	<u>0.12482</u>	<u>0.10163</u>	<u>0.12128</u>	<u>0.12741</u>
Total Direct and Overlapping Rates	<u>1.09914</u>	<u>1.09873</u>	<u>1.10811</u>	<u>1.13352</u>	<u>1.14114</u>	<u>1.12670</u>	<u>1.12482</u>	<u>1.10163</u>	<u>1.12128</u>	<u>1.12741</u>
City's share of 1% Basic Levy per Prop 13 <sup>3</sup>	0.10851	0.10851	0.10851	0.10851	0.10851	0.10851	0.10851	0.10851	0.10851	0.10851

<sup>1</sup> In 1978, California voters passed Proposition 13, which sets the property tax rate at a 1% fixed amount. This 1% is shared by all taxing agencies for which the subject property resides. In 1986, the State Constitution was amended to allow rates over the 1% base rate for voter approved general obligation debt. Valuations of real property are frozen at the value of the property in 1975, with an allowable adjustment up to 2% per year for inflation. However, property is assessed to its current value when a change of ownership occurs. New construction, including tenant improvements, is assessed at its current value.

<sup>2</sup> 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.

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

Source: Auditor Controller, Orange County

## Principal Property Tax Payers

### Current Year and Nine Years Ago (In thousands)

Tax Payer	Fiscal year					
	2025			2016		
	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value
Walt Disney World Company	1	10.60%	\$ 6,413,570	1	11.65%	\$ 4,407,003
Taylor Anaheim Partners	2	0.65%	391,165			
Waterford Property Company	3	0.52%	316,583			
Bridge WF II CA Madison Park LLC	4	0.48%	288,767			
C3J LP	5	0.39%	237,629			
HHC HA Investment II Inc.	6	0.39%	236,198	2	0.53%	200,459
FJS Inc.	7	0.37%	221,535			
Anaheim Concourse ILP LLC	8	0.35%	214,161			
PR 1910 Union LLC	9	0.33%	201,827			
PR 1921 Union LLC	10	0.32%	193,514			
US REIF MG Madison Park CA LLC				3	0.31%	115,715
Irvine Company LLC				4	0.30%	112,863
Teachers Insurance & Annuity Association				5	0.27%	102,871
Prologis California I LLC				6	0.25%	95,329
Angeli LLC				7	0.24%	90,721
OTR				8	0.24%	89,666
Mary Susan Samia Trust				9	0.24%	89,007
Essex Anavia LP				10	0.22%	84,900
<b>Total</b>		<u>14.40%</u>	<u>\$ 8,714,949</u>		<u>14.25%</u>	<u>\$ 5,388,534</u>

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

## Property Tax Levies and Collections

### Last Ten Fiscal Years (In thousands)

Fiscal Year	Total Taxes Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount <sup>1</sup>	Percentage of Levy		Amount	Percentage of Levy
2025	\$ 60,395	\$ 59,009	97.71%	\$ 348	\$ 59,357	98.28%
2024	58,260	56,971	97.79%	634	57,605	98.26%
2023	55,336	54,065	97.70%	557	54,622	98.71%
2022	51,577	50,270	97.47%	378	50,648	98.20%
2021	49,162	48,306	98.26%	489	48,795	99.25%
2020	47,082	46,223	98.18%	497	46,720	99.23%
2019	44,588	43,630	97.85%	360	43,990	98.66%
2018	42,432	41,578	97.99%	336	41,914	98.78%
2017	40,787	39,710	97.36%	342	40,052	98.20%
2016	40,026	38,832	97.02%	382	39,214	97.97%

<sup>1</sup> Excludes property taxes in lieu of vehicle license fees.

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

Source: Auditor-Controller, County of Orange

## Ratios of Outstanding Debt by Type Last Ten Fiscal Years

(In thousands, except per capita amount)

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Governmental Activities</b>										
Bonds	\$ 591,603	\$ 597,795	\$ 645,361	\$ 666,167	\$ 684,157	\$ 562,005	\$ 600,444	\$ 621,675	\$ 627,589	\$ 632,321
Notes and loans	10,420	9,114	17,077	21,473	16,466	19,681	23,796	28,008	29,577	20,820
Leases	6,267	5,691	4,727	4,375	4,828	2,297	1,988	1,550	1,738	2,088
Subscription payable <sup>1</sup>	18,970	15,003	22,261	3,432						
Total governmental activities	627,260	627,603	689,426	695,447	705,451	583,983	626,228	651,233	658,904	655,229
<b>Business-Type Activities</b>										
Bonds	1,163,062	1,124,726	1,238,884	1,304,522	1,173,008	1,220,797	1,172,354	1,214,339	1,235,400	1,124,159
Notes and loans	121	125	310	2,402	6,366	9,866	13,418	16,972	20,523	36,200
Leases	3,250	3,648	2,880	2,997	3,337	198				
Subscription payable <sup>1</sup>	2,474	321	655	822						
Total business-type activities	1,168,907	1,128,820	1,242,729	1,310,743	1,182,711	1,230,861	1,185,772	1,231,311	1,255,923	1,160,359
<b>Total Government</b>	<b>\$1,796,167</b>	<b>\$1,756,423</b>	<b>\$1,932,155</b>	<b>\$2,006,190</b>	<b>\$1,888,162</b>	<b>\$1,814,844</b>	<b>\$1,812,000</b>	<b>\$1,882,544</b>	<b>\$1,914,827</b>	<b>\$1,815,588</b>
<b>Percentage of Personal Income Per Capita</b>	13.34%	14.51%	17.31%	17.87%	16.69%	16.87%	16.20%	18.06%	20.12%	20.18%
	\$ 5,410	\$ 5,164	\$ 5,880	\$ 5,867	\$ 5,479	\$ 5,083	\$ 5,080	\$ 5,272	\$ 5,341	\$ 5,070

**Notes:**

<sup>1</sup> Implementation of GASB No. 96 in fiscal year 2023.

Per capita personal income for 2025 is unavailable. The Per Capita personal income for fiscal year 2025 used the 2024 Per Capita Income personal income.

Certain reclassifications have been made to prior year data to conform to the current presentation.

Sources: California Department of Finance, Demographic Research Unit, E-1 City/County Population Estimates with Annual Percent Change; US Census Yearly American Community Survey; and Finance Department/City of Anaheim

US Census Yearly American Community Survey

## Ratios of Net General Bonded Debt Outstanding Last Ten Fiscal Years

(In thousands, except per capita amount)

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Bonds</b>										
General Obligation										\$ 700
Lease Revenue <sup>1</sup>	\$ 591,603	\$ 621,578	\$ 645,361	\$ 666,167	\$ 684,157	562,005	600,444	621,675	627,589	631,621
	591,603	621,578	\$ 645,361	666,167	684,157	562,005	600,444	621,675	627,589	632,321
Less amount available for principal	108,674	42,674								700
Total net obligation bonds outstanding	\$ 482,929	\$ 578,904	\$ 645,361	\$ 666,167	\$ 684,157	\$ 562,005	\$ 600,444	\$ 621,675	\$ 627,589	\$ 631,621
Percentage of Assessed Value of Property	0.76%	0.95%	1.14%	1.26%	1.34%	1.15%	1.31%	1.44%	1.52%	1.59%
Per capita	\$ 1,413	\$ 1,702	\$ 1,964	\$ 1,952	\$ 1,985	\$ 1,574	\$ 1,683	\$ 1,741	\$ 1,750	\$ 1,764

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

<sup>1</sup> Include Accretion on revenue bonds.

Certain reclassifications have been made to prior years' data to conform to current presentation.

Source: Finance Department, City of Anaheim

# Direct and Overlapping Governmental Activities Debt

## As of June 30, 2025 (In thousands)

2024-25 Assessed Valuation	\$ 63,328,820		
	<u>Debt Outstanding June 30, 2025</u>	<u>% Applicable<sup>1</sup></u>	<u>Estimated City's Share of Overlapping Debt</u>
<b>DIRECT DEBT:</b>			
<u>City of Anaheim <sup>2</sup></u>			
Lease Revenue Bonds	\$ 591,603	100%	\$ 591,603
Notes and Loans from direct borrowing	10,420	100	10,420
Leases	6,267	100	6,267
Subscription payable	18,970	100	18,970
<b>TOTAL CITY OF ANAHEIM DIRECT DEBT <sup>2</sup></b>	<b>\$ 627,260</b>		<b>\$ 627,260</b>
<b>OVERLAPPING TAX AND ASSESSMENT DEBT:</b>			
Metropolitan Water District	\$ 17,155	1.554%	\$ 267
North Orange Joint Community College District	275,135	28.277	77,800
Rancho Santiago Community College District	132,146	11.889	15,711
Rancho Santiago Community College District School Facilities Improvement District No 1	138,730	0.356	494
Anaheim Union High School District	424,314	68.442	290,409
Fullerton Joint Union High School District	292,130	0.238	695
Garden Grove Unified School District	509,370	0.535	2,725
Orange Unified School District	275,950	25.192	69,427
Placentia - Yorba Linda Unified School District	189,367	19.785	37,466
Anaheim School District	339,870	99.357	337,684
Magnolia School District	16,898	65.916	11,139
Other School Districts	222,931	Various	22,174
City of Anaheim Community Facilities Districts	49,985	100	49,985
California Statewide Community Development Authority Assessment Districts	2,860	100	2,860
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>	<b>\$ 2,886,841</b>		<b>\$ 918,836</b>
<b>OVERLAPPING GENERAL FUND DEBT:</b>			
Orange County General Fund Obligations	\$ 429,065	7.878%	\$ 33,519
Orange County Board of Education General Fund Obligations	9,120	7.878	712
North Orange County Regional Occupation Program Certificates of Participation	6,880	29.379	2,001
Orange Unified School District Certificates of Participation	8,175	25.389	2,059
Orange Unified School District Benefit Obligations	53,905	25.389	13,580
Placentia-Yorba Linda Unified School District Certificates of Participation	75,175	19.855	14,873
Anaheim Union High School District Certificates of Participation	26,880	68.754	18,397
Fullerton Joint Union High School District Certificates of Participation	36,895	0.249	88
Fullerton School District General Fund Obligations	1,960	0.171	3
Magnolia School District General Fund Obligations	11,182	65.814	7,371
<b>TOTAL GROSS OVERLAPPING GENERAL FUND OBLIGATION DEBT</b>	<b>\$ 659,237</b>		<b>\$ 92,603</b>
<b>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</b>			
City of Anaheim Tax Allocation Bonds	\$ 96,915	100%	\$ 96,915
<b>TOTAL OVERLAPPING TAX INCREMENT DEBT</b>			<b>96,915</b>
<b>TOTAL GROSS OVERLAPPING DEBT</b>			<b>1,108,354</b>
<b>TOTAL NET OVERLAPPING DEBT</b>			<b>1,108,354</b>
<b>TOTAL DIRECT AND OVERLAPPING DEBT</b>			<b>\$ 1,735,614</b>

<sup>1</sup> 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.

<sup>2</sup> Includes all long-term debt instruments of the governmental activities, including bonds, notes, loans, leases, and SBITA payable.

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

## Legal Debt Margin Last Ten Fiscal Years (In thousands)

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Debt limit	\$ 2,374,831	\$ 2,274,383	\$ 2,120,078	\$ 1,988,880	\$ 1,916,197	\$ 1,831,929	\$ 1,714,927	\$ 1,622,917	\$ 1,551,126	\$ 1,493,069
Total net debt applicable to limit										(700)
Legal debt margin	<u>\$ 2,374,831</u>	<u>\$ 2,274,383</u>	<u>\$ 2,120,078</u>	<u>\$ 1,988,880</u>	<u>\$ 1,916,197</u>	<u>\$ 1,831,929</u>	<u>\$ 1,714,927</u>	<u>\$ 1,622,917</u>	<u>\$ 1,551,126</u>	<u>\$ 1,492,369</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.05%
<b>Legal Debt Margin</b>										
Assessed value	\$ 63,328,820	\$ 60,650,221	\$ 56,535,417	\$ 53,036,797	\$ 51,098,596	\$ 48,851,453	\$ 45,731,391	\$ 43,277,778	\$ 41,363,369	\$ 39,815,177
Debt limit (3.75% of total assessed value) <sup>1</sup>	\$ 2,374,831	\$ 2,274,383	\$ 2,120,078	\$ 1,988,880	\$ 1,916,197	\$ 1,831,929	\$ 1,714,927	\$ 1,622,917	\$ 1,551,126	\$ 1,493,069

**Note:**  
<sup>1</sup> California Government Code sets the debt limit at 15%. The Code section was enacted when assessed valuation were based on 25% of full market value. This has since changed to 100% of full market value. Thus the limit shown is 3.75% (one-fourth the limit of 15%).  
 By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.  
 Certain reclassifications have been made to prior fiscal years' data to conform to the current presentation.

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

## Pledged-Revenue Coverage

### Last Ten Fiscal Years (In thousands)

Electric Utility Revenue Bonds										
Fiscal Year	Electric Revenue	Less Operating Expenses <sup>1</sup>	Net Available Revenue	Debt Service			Coverage			
				Principal	Interest	Total				
2025	\$ 481,662	\$ 338,542	\$ 143,120	\$ 44,510	\$ 26,215	\$ 70,725	2.0236			
2024	456,931	322,905	134,026	37,755	29,258	67,013	2.0000			
2023	489,147	363,411	125,736	35,090	29,324	64,414	1.9520			
2022	445,184	322,786	122,398	33,065	27,775	60,840	2.0118			
2021	435,231	314,374	120,857	29,010	29,755	58,765	2.0566			
2020	426,746	339,624	87,122	25,005	26,145	51,150	1.7033			
2019	469,076	365,983	103,093	20,975	30,386	51,361	2.0072			
2018	446,156	330,376	115,780	21,305	30,613	51,918	2.2301			
2017	435,805	338,888	96,917	18,950	28,948	47,898	2.0234			
2016	433,744	319,169	114,575	14,040	27,995	42,035	2.7257			

<sup>1</sup> Operating expenses include transfer for right of way and exclude amortization and depreciation.

## Pledged-Revenue Coverage

### Last Ten Fiscal Years (In thousands) (continued)

Water Utility Revenue Bonds							
Fiscal Year	Water Revenue	Less Operating Expenses <sup>1</sup>	Net Available Revenue	Debt Service		Total	Coverage
				Principal	Interest		
2025	\$108,783	\$77,318	\$31,465	\$7,270	\$10,233	\$17,503	1.7977
2024	100,126	71,702	28,424	6,990	9,202	16,192	1.7554
2023	97,972	72,804	25,168	4,745	9,217	13,962	1.8026
2022	101,191	74,755	26,436	5,375	8,100	13,475	1.9619
2021	97,096	78,210	18,886	4,970	8,511	13,481	1.4009
2020	88,549	69,479	19,070	3,640	7,242	10,882	1.7524
2019	83,079	59,273	23,806	3,490	7,519	11,009	2.1624
2018	80,131	59,975	20,156	3,370	7,638	11,008	1.8310
2017	71,790	56,487	15,303	3,380	6,815	10,195	1.5010
2016	61,721	46,383	15,338	5,885	1,775	7,660	2.0023

<sup>1</sup> Operating expenses include transfer for right of way (up to fiscal year 2023) and exclude amortization and depreciation.

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

Source: Finance Department, City of Anaheim

Sanitation Revenue Bonds							
Fiscal Year	Wastewater Revenue <sup>2</sup>	Less Operating Expenses <sup>3</sup>	Net Available Revenue	Debt Service		Total	Coverage
				Principal	Interest		
2025	\$20,586	\$8,117	\$12,469	\$1,495	\$1,907	\$3,402	3.6652
2024	19,967	10,397	9,570	1,430	1,979	3,409	2.8073
2023	17,373	10,154	7,219	1,355	2,047	3,402	2.1220
2022	13,869	7,042	6,827	1,295	2,111	3,406	2.0044
2021	14,669	7,047	7,622	1,230	2,173	3,403	2.2398
2020	17,044	8,012	9,032	1,170	2,231	3,401	2.6557
2019	16,740	7,767	8,973	1,080	2,323	3,403	2.6368
2018	13,963	6,779	7,184	1,095	1,902	2,997	2.3971
2017	13,771	6,252	7,519	1,045	1,954	2,999	2.5072
2016	13,291	5,733	7,558	1,005	1,994	2,999	2.5202

<sup>2</sup> Amounts based on the notes to the basic financial statement, segment reporting.

<sup>3</sup> Operating expenses exclude amortization and depreciation.

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

Source: Finance Department, City of Anaheim

## Demographic and Economic Statistics Last Ten Fiscal Years

Fiscal Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income <sup>1</sup>	Median Age <sup>1</sup>	Education Level in Years of Schooling	School Enrollment <sup>1 2</sup>	Orange County Unemployment Rate
2025	341,773	\$13,864,364	\$40,566	36.1	12.2	49,748	4.50%
2024	340,160	13,798,931	40,566	37.1	12.2	48,041	4.00%
2023	328,580	11,159,563	35,590	36.0	12.2	50,303	3.70%
2022	341,245	11,589,704	33,963	36.0	12.2	50,303	2.90%
2021	344,604	11,312,316	32,827	37.2	12.2	53,135	6.00%
2020	357,059	10,755,331	30,122	35.2	12.2	51,110	9.00%
2019	356,669	11,187,993	31,368	35.2	12.2	51,110	2.80%
2018	357,084	10,422,568	29,188	34.4	12.2	59,580	3.00%
2017	358,546	9,515,094	26,538	34.3	12.2	58,761	3.50%
2016	358,136	8,998,883	25,127	34.1	12.2	58,972	4.10%

<sup>1</sup> Per capita personal income, median age, and school enrollment for year 2025 data not readily available.

<sup>2</sup> Public school district, Kindergarten to 12th grade.

Sources: California State Department of Finance  
State of California, Employment Development Department  
State Department of Commerce and Labor  
US Census Yearly American Community Survey

## Principal Employers Current Year and Nine Years Ago

Employer	Fiscal Year					
	2025			2016		
	Rank	Employees	Percentage of Total City Employment	Rank	Employees	Percentage of Total City Employment
Disneyland Resort	1	35,900	20.85%	1	30,550	18.70%
Kaiser Permanente Anaheim Medical Center	2	4,050	2.35%	2	6,040	3.70%
OC Sports & Entertainment*	3	3,000	1.74%			
Northgate Market	4	1,000	0.58%			
Extron	5	950	0.55%			
Hilton Anaheim	6	900	0.52%	6	975	0.60%
Anaheim Regional Medical Center	7	886	0.51%	3	1,300	0.80%
West Anaheim Medical Center	8	740	0.43%			
Angels Baseball LP	9	700	0.41%	4	1,139	0.70%
Anaheim Global Medical Center	10	560	0.33%	7	900	0.50%
L3Harris Technologies Inc.				5	1,070	0.70%
Time Warner Cable Business Class				8	900	0.50%
St. Joseph Health				9	800	0.50%
Carrington Mortgage Services LLC (CMS)				10	800	0.50%
Total		<u>48,686</u>	<u>28.27%</u>		<u>44,474</u>	<u>27.20%</u>

\*includes Honda Center, Anaheim Ducks, OCVibe, other operations

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

Function/Program	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City Council	9	9	9	9	9	9	9	9	9	6
City Administration	19	19	19	19	18	19	19	19	19	19
City Attorney	38	36	35	33	30	33	33	33	33	33
City Clerk	10	8	8	8	7	8	8	8	8	8
Human Resources	44	43	40	39	39	40	40	40	40	39
Finance <sup>1</sup>	56	56	54	52	50	55	55	55	55	54
Police	616	603	587	584	557	591	590	590	576	569
Fire & Rescue	355	349	331	327	273	276	276	276	276	274
Housing & Community Development	82	80	76	70	73	73	73	73	73	73
Economic Development <sup>2</sup>	10	10	7	7						
Planning & Building	93	86	77	74	72	76	76	76	76	76
Public Works	245	243	240	236	236	236	236	236	236	235
Community Services	103	103	94	84	84	93	93	93	92	92
Public Utilities	353	353	353	352	352	352	352	352	352	352
Convention, Sports & Entertainment	86	86	85	85	74	85	85	85	85	85
<b>Total</b>	<u>2,119</u>	<u>2,084</u>	<u>2,015</u>	<u>1,979</u>	<u>1,874</u>	<u>1,946</u>	<u>1,945</u>	<u>1,945</u>	<u>1,930</u>	<u>1,915</u>

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

<sup>2</sup> Economic Development Department was created in FY 2021/22 and included the transfer of three positions from Housing & Community Development

Source: City of Anaheim

# Operating Indicators by Function

## Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Police Department</b>										
Number of calls for service	194,167	202,578	195,719	202,134	192,471	193,998	192,422	200,934	200,695	208,710
Number of 911 calls received	168,024	149,071	161,896	164,859	138,985	148,895	163,445	146,770	150,555	155,371
Number of Part I Crimes per 100,000 population <sup>1</sup>	N/A	N/A	N/A	1,598	3,008	2,719	2,731	2,925	2,917	3,279
Group A Offenses Rate <sup>1</sup>	5,970	6,097	6,700	3,200						
Number of Arrest	10,168	8,484	8,063	8,057	10,491	10,576	12,575	11,865	11,010	11,604
Number of Field Reports processed by Records Bureau	34,452	34,884	37,713	36,745	34,268	35,971	39,373	45,402	41,208	41,655
Number of traffic collisions	2,776	5,575	3,635	4,454	3,399	4,276	4,378	4,757	4,817	5,179
Number of Hours of Volunteer service	10,208	12,329	11,278	11,099	4,018	11,435	18,380	19,270	21,132	21,647
<b>Fire Department</b>										
Fire responses	1,892	708	699	1,323	1,129	996	1,025	1,057	1,035	1,082
False alarm responses	2,087	1,524	1,473	1,266	1,184	2,432	2,038	1,803	1,903	1,848
Mutual aid responses	4,558	2,431	3,193	3,514	3,018	3,596	3,906	4,069	5,450	5,506
Medical responses	39,096	27,097	31,777	30,489	26,759	29,195	29,232	29,385	28,437	28,858
Hazardous condition responses	225	269	293	158	173	180	204	190	222	211
<b>Public Works</b>										
Centerline miles of arterial highway pavement improved	9.25	6.60	0.60	4.60	9.93	3.40	9.15	1.29	1.2	4.7
Square feet of deteriorated pavement replaced	3,227,364	2,426,933	2,515,513	3,739,337	4,000,210	2,746,130	3,389,786	2,960,600	4,017,828	2,487,188
Square feet of deteriorated pavement slurry sealed	-	59,544	1,096,200	84,295	708,860	2,017,000	3,003,023	4,704,400	5,519,982	1,941,187
Number of traffic intersections maintained	345	340	339	339	395	394	376	360	335	333
Number of traffic control hubs maintained	19	19	19	18	20	20	18	18	18	18
Square feet of deteriorated sidewalk replaced	130,955	174,451	126,318	127,323	244,043	93,243	194,674	162,774	102,305	232,922
Linear feet of damaged curb/gutter replaced	27,610	19,188	58,737	27,284	34,275	29,311	78,147	65,569	6,797	33,373
Square feet of medians/parkways maintained	6,360,215	6,305,775	6,305,775	6,301,655	6,301,655	6,297,655	6,297,655	6,101,098	6,063,299	6,063,299
Square feet of landscape maintained in the Anaheim Resort	1,674,600	1,674,600	1,674,600	1,674,600	1,656,500	1,656,500	1,656,500	1,605,958	1,554,886	1,554,886
Square feet of hardscape maintained in the Anaheim Resort	991,860	991,860	991,860	991,860	991,860	991,360	991,360	991,350	991,360	991,360
Number of vehicles maintained	1,047	914	858	868	887	887	1,059	1,050	1,036	1,025
Number of vehicles per mechanic	52	46	73	45	44	44	46	52	49	49
Square feet of interior space maintained	2,508,220	2,409,427	2,409,427	2,409,427	2,409,427	2,409,427	2,408,734	2,399,337	2,379,100	2,379,100
Square feet of exterior space maintained	38,460,309	37,746,100	37,746,100	37,746,100	37,746,100	37,746,100	37,746,100	37,698,184	37,662,184	37,662,184
Number of facility square feet (interior) per worker	125,411	114,735	120,471	120,471	120,471	120,471	120,437	126,281	125,215	1,459,000
Number of construction projects	1,267	1,101	1,164	1,411	1,072	708	590	180	80	120
Number of permit inspections	8,813	7,689	7,294	8,212	9,426	1,007	1,691	900	650	510
<b>Parks</b>										
Number of park acres maintained per full-time equivalent employee	78	78	78	78	78	78	77	77	77	77
Number of sports fields prepared	66	66	66	66	66	66	66	66	66	66
Cost per acre of parks maintained	\$ 12,109	\$ 11,756	\$ 11,196	\$ 10,663	\$ 9,873	\$ 9,585	\$ 9,325	\$ 9,497	\$ 9,221	\$ 8,952
Cost per sports field maintained	\$ 6,618	\$ 6,400	\$ 6,095	\$ 5,805	\$ 5,375	\$ 5,219	\$ 5,082	\$ 4,934	\$ 4,791	\$ 4,655
<b>Golf Courses</b>										
Cost per acre of golf course maintained	\$ 25,813	\$ 19,769	\$ 14,651	\$ 18,328	\$ 15,176	\$ 9,712	\$ 10,906	\$ 11,147	\$ 10,434	\$ 10,076
Number of rounds played	174,933	169,300	154,623	169,037	145,025	94,746	105,952	102,498	102,542	102,234
Number of acres maintained	200	200	200	200	200	200	200	200	200	200

(continued)

# Operating Indicators by Function

## Last Ten Fiscal Years

(Continued)

Function/Program	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>City Libraries</b>										
Hours open	17,449	17,661	15,574	11,310	9,992	14,668	16,965	17,065	16,023	15,461
Total circulation of materials, including eBooks	1,083,062	1,067,329	1,015,939	901,499	783,392	1,012,328	1,006,276	1,026,997	1,117,096	1,169,829
Patron assistance (reference, information, computer)	184,301	161,861	155,308	154,148	132,623	225,468	191,269	207,724	226,429	185,436
Patron visits	5,009,950	5,094,788	2,380,345	3,013,726	4,045,310	1,184,487	1,382,433	1,460,551	981,637	1,098,146
Library cardholders	328,319	317,524	280,047	269,532	260,441	254,093	297,256	233,312	230,951	217,661
Programs offered	5,748	5,335	4,025	2,495	1,570	3,585	4,449	4,770	4,507	3,900
Program attendance	157,201	176,113	134,306	96,403	367,901	196,521	141,504	144,660	142,098	125,609
Hours of public internet usage	63,995	57,295	40,733	36,385	16,289	89,344	136,671	151,709	144,364	150,712
<b>Community Services Programs</b>										
Number of youth program participants	169,112	158,002	155,127	103,655	52,284	152,791	165,264	197,228	181,697	183,967
Number of youth program participants in recreation classes	8,108	9,279	7,636	7,134	6,088	9,894	8,291	7,957	8,500	13,026
Number of adult program sports teams	465	759	405	203	112	343	537	588	679	725
Number of park ranger contacts	241,447	343,211	404,217	442,111	530,361	547,707	781,176	641,320	382,310	278,599
<b>Public Utilities Department</b>										
Electric Utility:										
Number of meters	125,064	123,725	123,333	104,561	121,526	121,227	120,400	119,564	118,248	117,593
Megawatt-hours - sales	2,786,879	2,535,799	2,191,488	2,682,392	2,652,150	2,687,030	3,109,157	3,217,353	3,298,340	3,229,569
Megawatt-hours - purchased power	3,052,764	2,621,754	2,721,712	2,781,257	2,745,977	2,760,933	3,120,824	2,985,962	2,990,931	3,050,657
Megawatt-hours - owned generation <sup>1</sup>							<sup>2</sup> 60,890	231,391	398,068	318,921
Water Utility:										
Number of meters	64,897	64,814	64,751	64,698	64,592	64,421	64,188	64,001	63,489	63,775
Millions of gallons sold	17,148	15,738	16,046	17,968	17,733	17,861	17,760	19,308	17,422	16,607
Millions of gallons purchased from Metropolitan Water District	3,222	6,349	11,916	13,715	13,673	7,877	3,581	8,767	4,170	4,373
Millions of gallons pumped from water system wells	14,916	10,764	4,925	5,470	4,921	10,947	14,603	10,742	14,217	13,213
<b>Anaheim Convention Center</b>										
Number of events serviced	133	117	115	101	13	135	168	171	179	181
Number of attendees	909,000	1,100,000	866,000	641,000	377,000	916,000	1,083,000	960,000	925,000	954,000
Percentage of occupancy	58.00%	65.00%	59.00%	42.00%	19.00%	46.00%	55.00%	68.00%	72.00%	59.00%

<sup>1</sup> Data collection for the Anaheim Police Department transitioned from Part 1 Crime reporting to the National Incident-Based Reporting System (NIBRS) effective November 1, 2021.

<sup>2</sup> The City sold its shares of SONGS and SJ.

Sources: Various City departments

## Capital Assets Statistics by Function Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Police Department</b>										
Police Facilities	9	9	9	9	9	9	10	10	10	10
Motorized Equipment	288	278	277	277	277	277	256	256	260	260
Police Helicopters	3	3	3	3	3	3	3	3	3	2
Shooting Range	1	1	1	1	1	1	1	1	1	1
Communication/Radio Tower	1	1	1	1	1	1	1	1	1	1
Fixed Wing	1	1	1	1	1	1	1	1	1	1
<b>Fire Department</b>										
Fire stations	12	11	11	11	11	11	11	11	11	11
Training center	1	1	1	1	1	1	1	1	1	1
Fire trucks, engines, and other vehicles	120	95	93	91	88	85	79	76	75	75
<b>Public Works</b>										
Streets (center lane miles)	583	582	584	584	584	584	584	584	585	584
Traffic signals	345	340	339	392	395	394	376	360	335	321
Sewers (miles)	579.40	578.70	578.43	578.43	578.43	578.43	578.43	578.43	578.17	578.13
Storm Drains (miles)	151.82	151.82	151.82	151.82	151.82	151.82	151.82	151.82	151.82	151.30
<b>Parks</b>										
Community parks	9	9	9	9	9	9	9	9	11	11
Mini parks	12	12	11	11	10	10	10	10	15	15
Neighborhood parks	23	23	23	23	23	23	23	23	23	23
Special use parks	3	5	3	3	3	3	3	3	8	8
<b>Golf Courses</b>										
	2	2	2	2	2	2	2	2	2	2
<b>City Libraries</b>										
Branch libraries	8	8	8	8	8	8	8	8	8	8
Book mobiles	2	2	2	2	2	1	1	1	1	1
Museums/Historic properties	5	5	5	5	5	5	5	5	5	5

(continued)

## Capital Assets Statistics by Function Last Ten Fiscal Years

(continued)

Function/Program	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Public Utilities Department</b>										
Electric Utility:										
Transmission, 69 kV, circuit miles	89	89	89	89	89	88	90	90	88	87
Distribution, 12 kV and lower, circuit miles										
Overhead	383	384	389	389	391	393	401	402	408	414
Underground	791	783	769	769	764	742	709	708	693	680
Water Utility:										
Active Wells	16	15	4 <sup>1</sup>	4 <sup>1</sup>	17	19	15	18	17	18
Reservoirs	13	13	13	13	13	13	13	14	14	14
Water Mains (miles)	759	758	758	757	757	758	754	753	753	753
Fire Hydrants	7,923	7,945	7,953	7,946	7,943	7,912	7,835	7,842	7,832	7,840
<b>Anaheim Convention Center</b>										
Square footage available	1,370,000	1,370,000	1,370,000	1,370,000	1,370,000	1,370,000	1,370,000	1,130,000	1,130,000	1,130,000
Number of exhibit halls	7	7	7	7	7	7	7	5	5	5

Source: Various City Departments

<sup>1</sup> Fourteen (14) groundwater wells were offline during the Groundwater Treatment Project Construction.



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# Other Information





## Summary of Pension Liability Funding Progress

(in thousands)

June 30, 2024 Actuarial Valuation Date	Fair Value of Assets (FVA)	Accrued Liability (AL)	Unfunded Accrued Liability (UAL)	Funded Ratio	Annual Covered Payroll	UAL as a % of Payroll
Miscellaneous	\$ 1,322,020	\$ 1,815,111	\$ 493,091	72.8%	\$ 147,681	333.9%
Police Safety	764,322	1,062,033	297,711	72.0%	61,902	480.9%
Fire Safety	396,435	564,451	168,016	70.2%	32,937	510.1%
Total	<u>\$ 2,482,777</u>	<u>\$ 3,441,595</u>	<u>\$ 958,818</u>	72.1%	<u>\$ 242,520</u>	395.4%

June 30, 2023 Actuarial Valuation Date	Fair Value of Assets (FVA)	Accrued Liability (AL)	Unfunded Accrued Liability (UAL)	Funded Ratio	Annual Covered Payroll	UAL as a % of Payroll
Miscellaneous	\$ 1,230,615	\$ 1,741,021	\$ 510,406	70.7%	\$ 133,453	382.5%
Police Safety	706,442	1,020,219	313,777	69.2%	57,489	545.8%
Fire Safety	369,700	553,163	183,463	66.8%	31,239	587.3%
Total	<u>\$ 2,306,757</u>	<u>\$ 3,314,403</u>	<u>\$ 1,007,646</u>	69.6%	<u>\$ 222,181</u>	453.5%

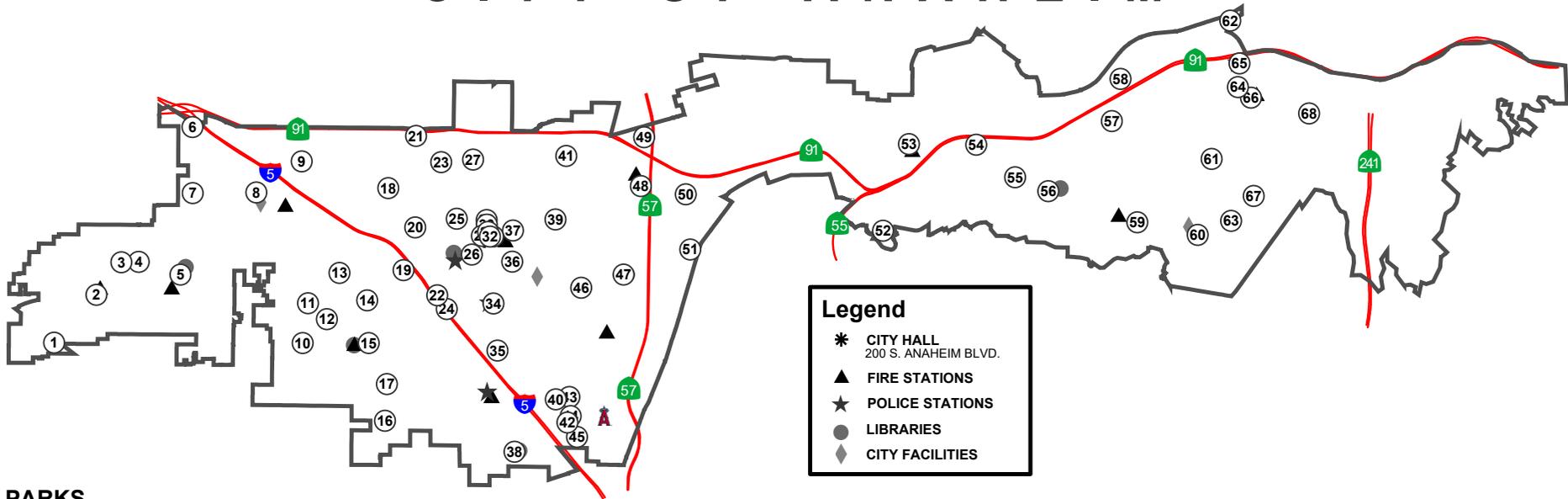
June 30, 2022 Actuarial Valuation Date	Fair Value of Assets (FVA)	Accrued Liability (AL)	Unfunded Accrued Liability (UAL)	Funded Ratio	Annual Covered Payroll	UAL as a % of Payroll
Miscellaneous	\$ 1,183,362	\$ 1,681,617	\$ 498,255	70.4%	\$ 119,690	416.3%
Police Safety	675,666	985,062	309,396	68.6%	53,517	578.1%
Fire Safety	356,612	529,357	172,745	67.4%	28,129	614.1%
Total	<u>\$ 2,215,640</u>	<u>\$ 3,196,036</u>	<u>\$ 980,396</u>	69.3%	<u>\$ 201,336</u>	486.9%

## Schedule of Other Post Employment Benefits Funding Progress

(Amounts in Thousands)

Actuarial Valuation Date	Fair Value of Assets (FVA)	Accrued Liability (AL)	Unfunded Accrued Liability (UAL)	Funded Ratios	Annual Covered-Employee Payroll	UAL as a % of Covered-Employee Payroll
June 30, 2023	122,112	229,938	107,826	53.1%	227,873	47.3%
June 30, 2021	110,402	231,781	121,379	47.6%	203,733	59.6%
June 30, 2019	10,232	262,908	160,576	38.9%	209,942	76.5%

# CITY OF ANAHEIM



## PARKS

1 HANSEN PARK	3347 W Thornton Ave	28 FRIENDSHIP PLAZA	200 S Anaheim Blvd	55 PELANCONI PARK	222 S Avenida Margarita
2 TWILA REID PARK	3100 W Orange Ave	29 GEORGE WASHINGTON PARK	250 E Cypress St	56 IMPERIAL PARK	450 S Imperial Hwy
3 WEST ANAHEIM YOUTH CENTER	320 S Beach Blvd	30 COLONY SQUARE	210 E Lincoln Ave	57 EUCALYPTUS PARK	100 N Quintana Dr
4 SCHWEITZER PARK	238 S Bel Air St	31 DOWNTOWN COMMUNITY CENTER & GYMNASIUM	250 E Center St	58 YORBA PARK	7400 E La Palma Ave
5 MAXWELL PARK	2655 W Orange Ave	32 DOWNTOWN ANAHEIM YOUTH CENTER	225 S Philadelphia St	59 OAK PARK	6400 E Nohl Ranch Rd
6 DELPHI PARK	1211 N Magnolia Ave	33 CENTER GREENS	311 E Broadway	60 OAK CANYON NATURE CENTER	6700 E Walnut Canyon Rd
7 PETER MARSHALL PARK	801 N Magnolia Ave	34 WALNUT GROVE PARK	905 S Anaheim Blvd	61 DEER CANYON PARK	7502 E Hollow Oak Rd
8 BROOKHURST PARK	2271 W Crescent Ave	35 PAUL REVERE PARK	160 Guinida Ln	62 WETLANDS PARK	8500 E La Palma Ave
9 JOHN MARSHALL PARK	2001 W La Palma Ave	36 COLONY PARK	501 E Water St	63 WALNUT CANYON RESERVOIR	7097 E Shorecrest Dr
10 MODJESKA PARK	1331 S Nutwood St	37 CITRUS PARK	104 S Atchison St	64 ROOSEVELT PARK	8160 E Bauer Rd
11 BARTON PARK	800 S Agate St	38 PONDEROSA PARK	2100 S Haster St	65 EAST ANAHEIM COMMUNITY CENTER & GYMNASIUM	8201 E Santa Ana Canyon Rd
12 CIRCLE PARK	924 S Park Cir	39 LINCOLN PARK	1535 E Broadway Ave	66 SYCAMORE PARK	8268 E Monte Vista Rd
13 CHAPARRAL PARK	1770 W Broadway	40 CORAL TREE PARK	1711 S Betmor Ln	67 CANYON RIM PARK	7305 E Canyon Rim Road
14 WILLOW PARK	1625 W Crone Ave	41 EDISON PARK	1145 N Baxter St	68 RONALD REAGAN PARK	945 S Weir Canyon Rd
15 PALM LANE PARK	1595 W Palais Rd	42 ALOE PROMENADE	1402 E Meridian St		
16 STODDARD PARK	1901 S Ninth St	43 MAGNOLIA PARK	1515 Wright Cir		
17 ENERGY FIELD PARK	1625 S Ninth St	44 ALOE GREENS	1400 E Park St		
18 SAGE PARK	1313 W Lido Pl	45 JACARANDA PARK	1955 S Jacaranda Way		
19 BETSY ROSS PARK	1280 W Santa Ana St	46 BOYSEN PARK	951 S State College Blvd		
20 FOUNDERS' PARK	400 N West St	47 JUAREZ PARK	841 S Sunkist St		
21 MANZANITA PARK	1260 N Riviera St	48 PIONEER PARK	2565 E Underhill Ave		
22 LITTLE PINE PARK	884 W Bellevue Dr	49 MIRALOMA PARK	2600 E Miraloma Way		
23 LA PALMA PARK	1151 N La Palma Parkway	50 RIO VISTA PARK	201 N Park Vista St		
24 COTTONWOOD PARK	835 W Cottonwood Cir	51 ANAHEIM COVES	962 Rio Vista St		
25 PEARSON PARK	400 N Harbor Blvd	52 OLIVE HILLS PARK	700 S Nohl Canyon Rd		
26 LITTLE PEOPLE'S PARK	220 W Elm St	53 RIVERDALE PARK	4545 E Riverdale Ave		
27 JULIANNA PARK	309 E Julianna Ave	54 PERALTA CANYON PARK	115 N Pinney Dr		

Date: 12/2/2025  
3754



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