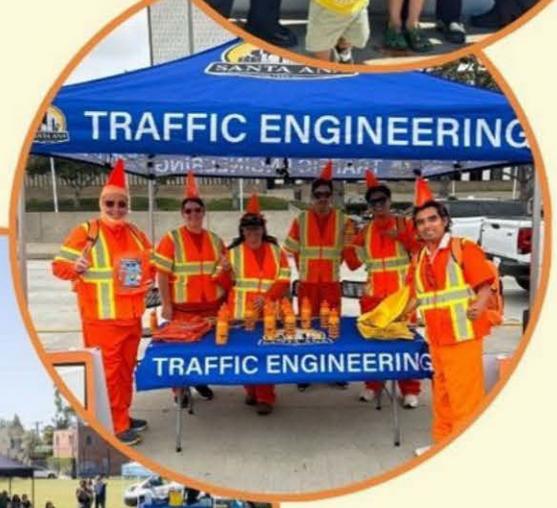




CITY OF SANTA ANA, CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2025



2024-2025

CITY OF SANTA ANA CALIFORNIA

2025

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

**Prepared by
Finance & Management Services Agency**

**CITY OF SANTA ANA
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2025**

INTRODUCTORY SECTION

LETTER OF TRANSMITTAL	1
GFOA CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING	11
DIRECTORY OF CITY OFFICIALS	12
TABLE OF ORGANIZATION	14

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT	17
MANAGEMENT'S DISCUSSION AND ANALYSIS	21

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	41
STATEMENT OF ACTIVITIES	44

FUND FINANCIAL STATEMENTS

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

BALANCE SHEET	50
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION	53
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES	55
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES	

**CITY OF SANTA ANA
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2025**

OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	57
PROPRIETARY FUNDS	
STATEMENT OF NET POSITION	59
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	63
STATEMENT OF CASH FLOWS	65
FIDUCIARY FUNDS	
STATEMENT OF FIDUCIARY NET POSITION	69
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION	70
NOTES TO THE BASIC FINANCIAL STATEMENTS	
NOTES TO FINANCIAL STATEMENTS	74
REQUIRED SUPPLEMENTARY INFORMATION	
BUDGETARY COMPARISON SCHEDULE	
GENERAL FUND	144
SPECIAL REVENUE HOUSING AUTHORITY FUND	145
SPECIAL REVENUE AMERICAN RESCUE PLAN ACT	146
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	147
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS – MISCELLANEOUS PLAN	149
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS – SAFETY PLAN	151
SCHEDULE OF PLAN CONTRIBUTIONS – MISCELLANEOUS PLAN	153
SCHEDULE OF PLAN CONTRIBUTIONS – SAFETY PLAN	155
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS – SUPPLEMENTARY RETIREMENT PLAN	157
SCHEDULE OF EMPLOYER CONTRIBUTIONS – SUPPLEMENTARY RETIREMENT PLAN	159
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS – OTHER POSTEMPLOYMENT BENEFIT PLAN	161

**CITY OF SANTA ANA
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2025**

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENT FUNDS

COMBINING BALANCE SHEET	166
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES	167

NONMAJOR SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET	169
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES	171

**BUDGETARY COMPARISON SCHEDULES FOR CERTAIN
SPECIAL REVENUE FUNDS**

SEWER CONNECTION FEE	173
CIVIC CENTER MAINTENANCE	174
INMATE WELFARE	175
AIR QUALITY IMPROVEMENT	176
GAS TAX	177
RENT STABILIZATION	178

NONMAJOR DEBT SERVICE FUNDS

COMBINING BALANCE SHEET	180
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES	181

NONMAJOR CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEET	183
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES	185

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF NET POSITION	189
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION	193
COMBINING STATEMENT OF CASH FLOWS	195

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF NET POSITION	201
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**CITY OF SANTA ANA
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2025**

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION	205
COMBINING STATEMENT OF CASH FLOWS	207
CUSTODIAL FUNDS	
COMBINING STATEMENT OF FIDUCIARY NET POSITION	212
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION	213

STATISTICAL SECTION

	TABLE NO	
FINANCIAL TRENDS		
NET POSITION BY COMPONENT	1	217
CHANGES IN NET POSITION	2	219
FUND BALANCES – GOVERNMENTAL FUNDS	3	225
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	4	227
REVENUE CAPACITY		
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY	5	229
DIRECT AND OVERLAPPING PROPERTY TAX RATES	6	231
PROPERTY TAX LEVIES AND COLLECTIONS	7	233
TAXABLE SALES BY CATEGORY	8	235
PRINCIPAL PROPERTY TAX REMITTERS	9	237
WATER SOLD BY TYPE OF CUSTOMER	10	239
WATER RATES	11	241
PRINCIPAL WATER CUSTOMERS	12	242
DEBT CAPACITY		
RATIOS OF OUTSTANDING DEBT BY TYPE	13	243
RATIOS OF GENERAL BONDED DEBT OUTSTANDING	14	245
LEGAL DEBT MARGIN INFORMATION	15	247
DIRECT AND OVERLAPPING DEBT	16	249

**CITY OF SANTA ANA
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2025**

PLEDGED-REVENUE COVERAGE	17	250
DEMOGRAPHIC AND ECONOMIC STATISTICS		
DEMOGRAPHIC AND ECONOMIC STATISTICS	18	251
OPERATING INFORMATION		
PRINCIPAL EMPLOYERS	19	252
FULL-TIME AND PART-TIME CITY EMPLOYEES BY FUNCTION	20	253
OPERATING INDICATORS BY FUNCTION	21	255
CAPITAL ASSETS STATISTICS BY FUNCTION	22	257



CITY OF SANTA ANA, CALIFORNIA

Annual
Comprehensive Financial
Report

INTRODUCTORY SECTION

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



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

CITY OF SANTA ANA

20 Civic Center Plaza • P.O. Box 1988
Santa Ana, California 92702
www.santa-ana.org

December 12, 2025

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

In accordance with California State law and City Charter requirements, it is our pleasure to present the Annual Comprehensive Financial Report (ACFR) for the City of Santa Ana (the City) for the fiscal year ending June 30, 2025. State law requires that all general-purpose local governments publish, within six months of the close of each fiscal year, a complete set of financial statements prepared in accordance with Generally Accepted Accounting Principles in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed independent certified public accountants.

The purpose of the independent audit is to provide reasonable assurance that the City's financial statements for the fiscal year ending June 30, 2025, are free of material misstatement. The audit involved testing evidence supporting the amounts and disclosures in the financial statements, evaluating the accounting principles used and significant estimates made by management, and assessing the overall presentation of the financial statements. CliftonLarsonAllen LLP (CLA), a certified public accounting firm, has audited the City's financial statements. Based on the audit, CLA concluded that there was a reasonable basis for issuing an unmodified opinion that the City's financial statements for the fiscal year ending June 30, 2025, are fairly presented in accordance with GAAP. The independent auditor's report is included as the first part of the financial section of this report.

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

GAAP requires management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the Management's Discussion and Analysis (MD&A). This transmittal letter is intended to complement the MD&A and should be read together with it. The City's MD&A is located immediately after the independent auditor's report.

If over \$750,000 is spent on Federal Financial grant programs, the City must also conduct an annual "Single Audit" in accordance with the Single Audit Act of 1996 and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, which covers Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). For the year ending June 30, 2025, the City spent over \$123.5 million in federal grant funds and is therefore required to perform a Single Audit. The standards for Single Audit engagements require auditors to review internal control over compliance with requirements that could have a direct and significant impact on each major federal program. This helps determine the appropriate audit procedures for expressing an opinion on compliance for each program and involves testing and reporting on internal control over compliance in line with the Uniform Guidance. However, the audit does not assess the effectiveness of internal control over compliance. Due to the size and complexity of the City's financial systems and the timing of the audit, the Single Audit report is issued separately from the audited financial statements. The Single Audit Report should be completed by March 31, 2026, and will be available upon request from the City's Finance & Management Services Agency.

City Profile

Founded in 1869, Santa Ana is located in Southern California along the Santa Ana River, less than 10 miles from the California coast. Santa Ana is part of the Greater Los Angeles Area, which, according to the U.S. Census Bureau, is the second-largest metropolitan area in the United States. It is centrally located in Orange County. Santa Ana covers 27.2 square miles and serves as its county seat. As of the 2020 census, the city has a population of 310,227, making it the second-largest city in Orange County and the 13th largest in California. Its civic center complex houses various government offices, including state and federal agencies, county administrative buildings, court facilities, and the Ronald Reagan Federal Courthouse.

Santa Ana offers a variety of attractions and amenities, including the world-renowned Bowers Museum, the Discovery Cube OC, and the Santa Ana Zoo at Prentice Park, which features a range of animal exhibits such as River's Edge and the 50 Monkeys Ferris Wheel. Historic Downtown Santa Ana is home to many unique shops, top-tier restaurants, and art galleries. The city's diverse culinary scene reflects its rich cultural heritage, with a focus on Mexican and Latin American cuisine.

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

Santa Ana serves as the headquarters for several prominent companies, including Behr Paint, Collector's Universe, First American Corporation, Rickenbacker Guitars, Suavecito, Overair Inc., KPC Healthcare, Aluminum Precision Products, and SchoolsFirst Federal Credit Union, a leading Credit Union serving the educational community in the region. The city houses major regional headquarters for the Xerox Corporation, Ultimate Software, and Yokohama Tire Corporation. In recent years, Santa Ana has approved commercial projects in the South Coast Metro area and the Metro East development, strategically located at the intersection of the Santa Ana Freeway and the Costa Mesa Freeway.

Governing Board

Established as a charter city in 1952, Santa Ana operates under a council-manager form of government. Policymaking and legislative authority are vested in a City Council, which consists of the Mayor and six Councilmembers. The City Council is responsible for enacting ordinances, adopting the budget, appointing committees, and selecting the City Manager, City Attorney, and City Clerk. The City's voters elect

Councilmembers by ward on a non-partisan basis. Councilmembers serve four-year terms and are limited to three consecutive terms. The Mayor, elected at large, serves two-year terms with a limit of four terms.

The City Manager plays a key role in implementing City Council policies and ordinances and managing daily operations. Additionally, the City Manager is responsible for developing and recommending the City's annual operating budget, which is then submitted to City Council for approval. The annual budget serves as the foundation for the City's financial planning and operational oversight. The legal level of budgetary control is by functional department and fund. The City Council can amend the budget at any time with a two-thirds vote.

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

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

Local Economy

Santa Ana is located within the Los Angeles-Long Beach-Anaheim Metropolitan area, recognized as the second-highest-producing metro area in the United States based on Gross Metropolitan Product. As the heart of Orange County, the city serves as a central hub for government, commerce, and transportation. The city is home to more than 30,000 businesses, with the top 25 accounting for 31% of total sales tax revenue. Santa Ana's economy is supported by a diverse financial foundation, with revenues primarily generated through taxes and charges for services. Among tax revenues, the most significant contributors are Property Tax and Sales Tax, which include the standard Bradley-Burns tax and an additional 1.5% local add-on sales tax.

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

Overall, fiscal year 2024-25 sales tax revenue continued to decline, though at a slower rate, suggesting a potential leveling off of the decline. Strong online sales and continued growth in business and industry sectors helped prevent a more significant decline. Recent cuts in the federal funds rate indicate cautious optimism about future growth. Persistent inflation continues to erode spending power, and growth in fiscal year 2025-26 is expected to remain limited, with only modest expansion projected.

Local Economy (continued)

These challenges highlight the varying effects of economic conditions across industries and their implications for the City's fiscal health.

The City continues to invest in strategies that strengthen its economy, particularly in light of the challenges discussed above. Fiscal Year 2024-25 saw record-breaking private investments and a citywide effort to become more business-friendly. The City streamlined business services, introduced an expedited permitting system, established a Business Assistance Office, and employs a Business Concierge approach to quickly and efficiently approve major developments that support economic growth. Key economic drivers include:

- **Housing Stability:** Santa Ana leads Orange County in providing affordable homes for local workers. With award-winning projects like The Crossroads at Washington (86 units), new construction such as Archways, and supportive housing conversions like Estrella Springs and WISEPlace now all completed, it is much easier for people who work here to find stable housing.
- **Record Development:** Landmark projects like Related Bristol (3,750 homes and 350,000 sq. ft of commercial) and The Village Santa Ana (1,583 new homes, 380,000 sq. ft of commercial/retail) have approved plans. These developments will create thousands of jobs and generate millions of dollars in annual city taxes for decades to come.

By continuing to expand housing opportunities and encourage responsible development, the City is positioning itself for sustained economic resilience and long-term fiscal stability.

Economic Condition and Outlook

The City successfully closed fiscal year 2024-25 with a balanced budget, supported by a diversified economic base and adherence to fiscal policies that promote fiscal stability. While several revenue streams exceeded estimates, challenges in other areas required adjustments to maintain a balanced budget.

Overall revenues exceeded revised estimates by approximately \$1.9 million following downward revisions to revenue estimates during the year. Sales tax revenue estimates were reduced during the fiscal year due to changes in consumer spending associated with broader economic conditions, including persistent inflation that constrained discretionary spending. Revised estimates also reflected lower jail revenues, planning and building charges and fees, and cannabis-related revenues, while approximately \$8 million in cost savings were realized across several departments, largely driven by vacancy-related savings and operational efficiencies.

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

Economic Condition and Outlook (Continued)

Residential & Housing Sector

Housing market conditions in Orange County and Santa Ana remained relatively stable during the fiscal year 2024–25. The median home price in Santa Ana was approximately \$813,000 as of late 2025. Building permit activity in California declined overall; however, residential development activity within Santa Ana remained consistent with recent prior years. Some factors observed for residential and housing sector growth include:

- Strong supply of new units; moderate price growth
- Affordable housing pipeline
- Market-rate units

Commercial Development

Commercial development activity in Santa Ana remained active during the fiscal year 2024–25, with multiple large-scale private projects underway within the City. Santa Ana continues to experience commercial and mixed-use development activity relative to the broader Orange County market. The City's economy includes a mix of government, healthcare, and professional services, along with private-sector commercial investment. The key drivers in the commercial development are:

- Massive mixed-use projects
- Commercial construction
- Revitalization of focus areas

The Tax Cuts and Jobs Act of 2017 established Santa Ana's Opportunity Zone, which encompasses approximately 25% of the City and provides federal tax incentives for investment in designated census tracts. The Opportunity Zone designation remains in effect through December 31, 2028.

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

Long-term Financial Planning

The City's Ten-Year Outlook forecasts a General Fund deficit if current spending patterns continue, mainly due to inflationary pressures that have increased the City's costs. Like many other municipalities, the City faces rising expenses for public safety, road maintenance, infrastructure, and long-term pension obligations. Expenses are expected to grow faster than the City's revenues. The outlook indicates that the General Fund budget structure will need future adjustments to remain balanced.

Sales tax revenue is a major funding source for the City. In addition to the standard Bradley-Burns sales tax, City voters approved a local add-on of 1.5% in April 2019. A key factor in the projected revenue shortfall is the scheduled reduction in Measure X revenue, as this add-on sales tax will decline from 1.5% to 1.0% in April 2029, potentially resulting in an estimated \$30 million reduction in funding for City services. In response to this anticipated revenue decrease, the City will continue to strategically, carefully, and proactively plan its spending priorities to maintain a stable long-term financial outlook.

Long-term Financial Planning (Continued)

One of the City's main costs is its pension obligations, managed through contracts with the California Public Employees' Retirement System (CalPERS), which provides defined benefit pensions for City workers. Unfunded liabilities occur when investment returns fall short of CalPERS assumptions, creating a gap between future pension commitments and the cash in the plan. Market fluctuations significantly affect annual funding needs, further increasing the unpredictability of pension costs. The City has taken active measures to control pension expenses.

These include prepaying CalPERS contributions to reduce unfunded liabilities, establishing a Section 115 trust to help manage pension cost variability, and issuing Pension Obligation Bonds (POBs) to refinance the Unfunded Accrued Liability (UAL) at a lower interest rate, saving the City millions.

To establish long-term fiscal stability, the City is also focusing on several strategic initiatives: investing in economic development, modernizing operations for greater efficiency, and reviewing fees to improve cost recovery.

The City remains committed to pursuing both federal and state grant opportunities to expand community services and help alleviate financial pressures on the City. Through careful planning and ongoing financial discipline, the City is working toward long-term fiscal sustainability despite ongoing economic uncertainties.

Relevant Financial Policies

The City adheres to the budget reserve policy and an Unfunded Employee Pension Liability Cost Reduction Policy (Pension policy). These policies guide maintaining a balanced budget, utilizing one-time funds, establishing appropriate reserve levels as recommended by the Government Finance Officers Association (GFOA), and developing strategies to manage rising employee pension costs.

The Budget and Reserve policy specifies how and when to use the reserve, as well as the amount to be maintained in the operating reserve. The policy mandates that the City keep an operating reserve of at least

18% of the City's annual recurring General Fund revenue from the unrestricted fund balance. In the fiscal year 2024-25, the City had a General Fund reserve of approximately \$73.9 million.

Major Initiatives

The City has embarked on many initiatives, including fostering community engagement, enhancing transparency, supporting future development, and improving the City's overall fiscal environment. The following are some of the key objectives achieved during the fiscal year 2024-25:

Community Development

- Hosted the 3rd Annual Vietnamese Business Forum at Bowers Museum with over 150 attendees to promote the City's welcoming business environment and connect Vietnamese business owners with key City staff and resource organizations for their needs.
- Completed five multifamily affordable housing projects, totaling 323 units, including WISEPlace, FX Residences, Archways, Estrella Springs, and The Crossroads at Washington.

Major Initiatives (Continued)

Finance and Management Services

- Since the California Franchise Tax Board Abatement Program launched in June 2024, the City has registered over 2,400 new business license tax accounts, generating more than \$1 million in new recurring revenue.
- Updated the Grant Management Policy to enhance the management of grant awards and ensure compliance with grant guidelines.
- Continued overseeing the management of the American Rescue Plan Act (ARPA) funds and ensured all dollars were obligated by the deadline, preventing any return of funds.

Human Resources

- On track to collect over \$150,000 in subrogation claims.
- Launched an internal mentoring program, including a leadership speaker series to support succession planning and cross-departmental growth.
- Expanded training program to include risk management awareness and financial wellness/literacy.

Information Technology

- Upgraded firewall equipment at City Hall and the Police Department.
- Upgraded QMatic City Hall queuing system to support English, Spanish, and Vietnamese.
- Completed the City's wireless communication technology upgrade.
- Upgraded all City fiber circuit hardware.
- Implemented new mySantaAna app that supports English, Spanish, and Vietnamese.
- Completed the following City application enhancements:
 - Human resource/payroll system
 - Financial system
 - iNovah cashiering EMV upgrade
 - ProjectDox-Laserfiche interface

Library

- Completed bidding and achieved significant construction progress at the following locations:
 - Main Library Transformation Project
 - Delhi Library Branch
 - Outdoor Library at Jerome Park
 - Newhope Library Renovation

Parks, Recreation & Community Services

- Santa Ana Aquatics offered over 3,800 swim lessons for summer 2024. The program was highlighted in Parks and Recreation Business Magazine's April issue.
- New Gerardo Mouet Park debuted to the public.
- Grand re-opening of the George Upton All-Access Playground at Carl Thornton Park.
- Produced 13 citywide events.
- Successfully established partnership and sponsorship agreements with the Anaheim Ducks, Los Angeles Clippers, Asian American Senior Citizens Service Center, Telemundo, Nissan of Tustin, Orange County Soccer Club, Northgate Markets, Vinfast, Polly's Pies, and Disneyland.

Major Initiatives (continued)

Planning & Building

- Implemented Planning and Building Express (PBx), which enables customers to receive same-day permits to enhance customer service and simplify the development approval process. The program received the Turning Red Tape into Red Carpet Awards from the Orange County Business Council (OCBC).
- Adopted the Related Bristol Specific Plan.
- The Neighborhood Initiatives and Environmental Services (NIES) team secured \$250,000 in grant funding for cool pavement and air quality initiatives. The team also engaged businesses and community members on the Transit Zoning Code (S-84) industrial uses moratorium and proposed permanent zoning regulations.
- Implemented electronic plan review for all permit submissions, including solar, architectural, structural, mechanical, plumbing, and electrical project plans.

Police Department

- Reduced response times for Priority 1 calls from 5 minutes and 37 seconds in 2023 to 5 minutes and 20 seconds in 2024.
- Established a Narcotics Unit to fill gaps in enforcement and investigation of street-level drug trafficking, with a noticeable impact in areas like the East First Street corridor.
- Solved 88% of homicide cases.
- Launched the new citizen engagement system to automatically send text message notifications and updates to residents after non-emergency calls for service.

Public Works

- Installed over 44,00 meters for the Automated Meter Infrastructure (AMI) Program.
- Invested \$50 million in water and sewer improvements.
- Pruned 13,000 trees and handled 3,750 tree service requests to safeguard the urban forest, property, and community well-being.
- Maintained safe and serviceable streets by restriping 70 miles of road and completing over 1,400 pothole service requests.
- Provided rapid roadway cleaning and sanitation inspection services to the public by handling over 30,000 cleaning requests and 3,600 inspection service requests within 48 hours.

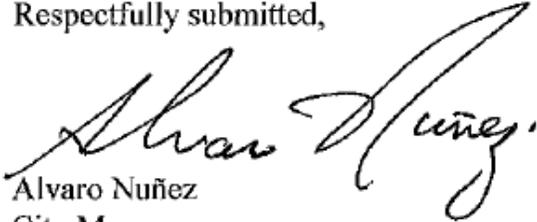
Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. The City has received this prestigious award for 47 consecutive years. To earn this certificate, the City published an easily understandable and well-organized Annual Comprehensive Financial Report that complies with both GAAP and legal requirements. A Certificate of Achievement is valid for only one year. We believe our current financial report still meets the program's criteria and are submitting it to the GFOA to determine whether it qualifies for another certification.

Awards and Acknowledgements (Continued)

The preparation of this report would not have been possible without the dedicated and efficient services of the Finance staff, especially the Accounting Division. We want to thank everyone who helped and contributed to this report. Credit should also go to the Mayor and the City Council for their strategic leadership and support in upholding the highest standards of professionalism in managing the City's finances.

Respectfully submitted,



Alvaro Nuñez
City Manager



Alexander Trinidad, CPA
Executive Director
Finance & Management Services



CITY OF SANTA ANA, CALIFORNIA

Annual
Comprehensive Financial
Report

CITY OF SANTA ANA
GFOA CERTIFICATE OF ACHIEVEMENT
EXCELLENCE IN FINANCIAL REPORTING FOR THE FISCAL YEAR ENDED JUNE 30, 2025



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Santa Ana
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

CITY OF SANTA ANA
DIRECTORY OF CITY OFFICIALS
JUNE 30, 2025



Mayor
Valerie Amezcua
vamezcua@santa-ana.org



Ward 1
Councilmember
Thai Viet Phan
tphan@santa-ana.org



Ward 2
Mayor Pro Tem
Benjamin Vazquez
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Ward 3
Councilmember
Jessie Lopez
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Ward 4
Councilmember
Phil Bacerra
pbacerra@santa-ana.org



Ward 5
Councilmember
Johnathan R. Hernandez
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Ward 6
Councilmember
David Penaloza
dpenaloza@santa-ana.org

**CITY OF SANTA ANA
DIRECTORY OF CITY OFFICIALS (CONTINUED)
JUNE 30, 2025**

ALVARO NUÑEZ

CITY MANAGER

KATHRYN DOWNS

ASSISTANT CITY MANAGER

MINH THAI

ASSISTANT CITY MANAGER

SYLVIA VAZQUEA

DEPUTY CITY MANAGER

SONIA CARVALHO

CITY ATTORNEY

JENNIFER HALL

CITY CLERK

COMMUNITY DEVELOPMENT

MICHAEL GARCIA

EXECUTIVE DIRECTOR

FINANCE & MANAGEMENT SERVICES

ALEXANDER TRINIDAD

EXECUTIVE DIRECTOR

HUMAN RESOURCES

LORI SCHNAIDER

EXECUTIVE DIRECTOR

INFORMATION TECHNOLOGY

JACK CIULLA

CHIEF TECHNOLOGY INNOVATIONS OFFICER

LIBRARY

BRIAN STERNBERG

LIBRARY SERVICES DIRECTOR

PARKS, RECREATION & COMMUNITY SERVICES

HAWK SCOTT

EXECUTIVE DIRECTOR

PLANNING & BUILDING

ALI PEZESHKPOUR

EXECUTIVE DIRECTOR

POLICE DEPARTMENT

ROBERT RODRIGUEZ

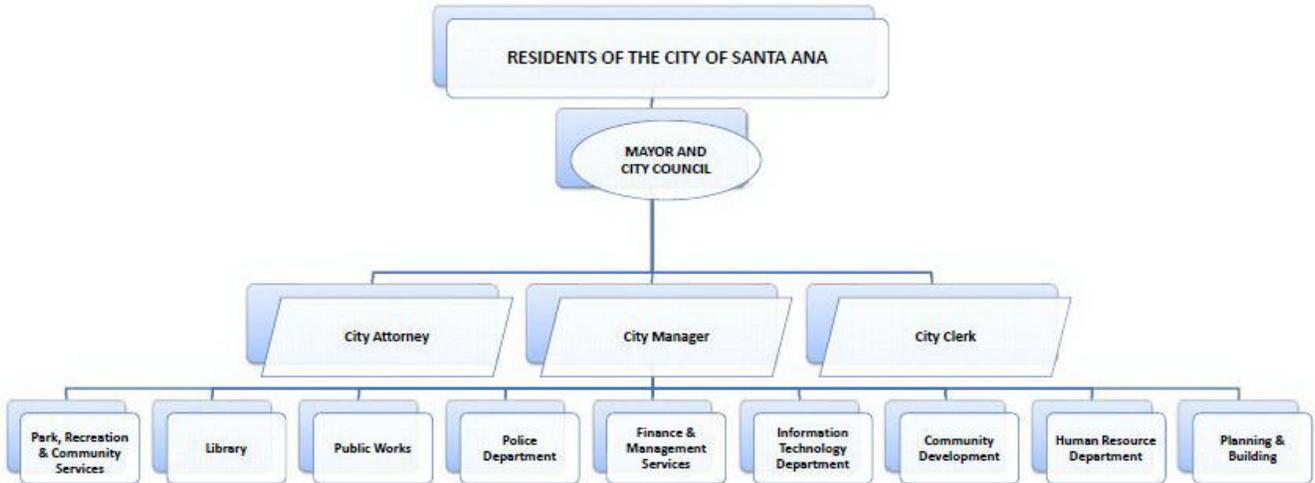
POLICE CHIEF

PUBLIC WORKS

RUDY ROSAS

ACTING EXECUTIVE DIRECTOR

**CITY OF SANTA ANA
TABLE OF ORGANIZATION
JUNE 30, 2025**



FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Emphasis of Matter - Change in Accounting Principle

During the fiscal year ended June 30, 2025, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. As described in Note 1D, 3E, and 5 to the financial statements, the net position as of July 1, 2024 was adjusted and restated to reflect the change in the accounting principle. Our opinions are not modified with respect to this matter.

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules - general and major special revenue funds, notes to the required supplementary information, schedule of changes in net pension liability and related ratios and schedule of plan contributions for the miscellaneous, safety, and supplementary retirement plans, and schedule of changes in the total OPEB liability and related ratios be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 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.



CliftonLarsonAllen LLP

Irvine, California
December 12, 2025

**CITY OF SANTA ANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025**

As management of the City of Santa Ana (City), we offer the readers of the City's financial statements this narrative overview and analysis of financial activities for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information furnished in our letter of transmittal, which can be found on pages 1-9 of this report, and the City's basic financial statements in the financial section of this report. **All amounts, unless otherwise indicated, are expressed in millions of dollars.**

Overview of the Financial Statements

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

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

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

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

The government-wide financial statements include not only the City itself (known as the *primary government*), but also blended component units. Certain blended component units, although legally separate entities are, in substance, part of the primary government's operations for which there is a benefit/burden relationship and are included as part of the primary government. Accordingly, the Housing Authority, the Santa Ana Financing Authority (SAFA), and the Santa Ana Public Financing Authority (SAPFA) are reported as part of the primary government. After the date of dissolution, the Successor Agency activities are reported in the Santa Ana Redevelopment Agency Private-Purpose Trust Fund, a fiduciary fund. Fiduciary funds are not presented in the government-wide financial statements, as the resources are not available to support the City programs. The government-wide financial statements can be found on pages 41-46 of this report.

**CITY OF SANTA ANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025**

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

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

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

The City maintains nineteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Special Revenue Grants, Special Revenue Housing Authority, Special Revenue American Rescue Plan Act, Capital Projects Capital Grants, and Capital Projects Street Construction, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* in the Supplementary Information.

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

The basic governmental fund financial statements can be found on pages 50-56 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City's enterprise funds account for Water, Sewer, Refuse Collections, Sanitation, Parking, Transportation Center, and Federal Clean Water Protection. *Internal service funds* are utilized to accumulate and allocate costs internally among the City's various functions. The City's internal service funds account for, amongst others, its self-insurance, equipment maintenance & replacement, and information & communications services. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities*, in the government-wide financial statements.

**CITY OF SANTA ANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025**

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer, which are considered major funds of the City. Remaining nonmajor enterprise funds and all internal service funds are aggregated in a single column in the proprietary fund financial statements, respectively. Individual fund data for the nonmajor enterprise and all internal service funds are provided in the form of *combining statements* in the Supplementary Schedules.

The basic proprietary fund financial statements can be found on pages 58-67 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. The City maintains two different types of fiduciary funds. The Private-Purpose Trust Fund is used to account for the assets and liabilities for the Successor Agency to the Santa Ana Redevelopment Agency; the Custodial Fund is used to account for those assets for which the City acts solely in a custodial capacity.

The basic fiduciary funds financial statements can be found on pages 68-69 and 211-212 of this report.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 73-140 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's budgetary information and compliance; Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of Plan Contributions, Schedule of Changes in the Total OPEB Liability and Related Ratios. Required supplementary information can be found on pages 143-161 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds, enterprise funds, internal service funds, and fiduciary funds are presented immediately following the required supplementary information captioned supplementary schedules. Combining and individual fund statements and schedules can be found on pages 165-209 of this report.

Government-wide Financial Analysis

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

**CITY OF SANTA ANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025**

Financial Highlights

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2025 by \$1.1 billion (net position). The net position consisted of the following amounts: \$1,346.1 million is net investment in capital assets, \$289.1 million is restricted for various programs and a deficit of \$(553.7) million is unrestricted. Similar to other cities in California, the City's unrestricted net position was negatively impacted with unfunded liabilities for pension plans and other postemployment benefits (OPEB) plan in which it participates. The City's total net pension liability and OPEB liability were \$385.8 million and \$36.7 million respectively at the close of the current fiscal year. More information on the City's pension and OPEB plans can be found in Note 4 on pages 120-137 of this report.
- The City's total capital assets increased \$98.1 million (7.2%) from the prior fiscal year. Capital assets in the governmental activities increased \$78.3 million (6.8%) and business-type activities capital assets increased \$19.8 million (9.0%) during the current fiscal year largely as a result of improvements and infrastructure related to capital projects such as street rehabilitation, sewer main, library renovations, and park renovations.
- The City's current and other assets increased \$4.2 million (1.7%) primarily due to \$2.9 million increase in cell tower lease receivable and \$2.7 million increase in loans and notes receivable related to residential loan programs such as HOME Investment Partnership and CalHome programs.
- The City's total long-term liabilities including net pension liability, total OPEB liability, compensated absences, claims payable, lease, and subscription liability decreased by \$58.9 million (4.9%) during the current fiscal year which was largely attributable to the net effect of the \$47.1 million decrease in actuarially determined net pension liability, \$11.5 million increase in accounts payable, and \$42.5 million decrease in the unearned revenue as a result of recognizing \$40.2 million revenue related to the American Rescues Plan Act (ARPA) fund.
- The City's total deferred outflows of resources on pension plans decreased \$84.0 million (84.3%) from the prior year, primarily due to the decrease in the outflows related to net difference between projected and actual earnings on pension plan. The total deferred inflows of resources on pension plans decreased by \$4.4 million (488.9%) as a result of the decrease in the net differences between projected and actual experience.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$383.5 million, an increase of \$28.2 million (7.9%) as compared to the prior fiscal year. Of this amount, \$168.1 million or approximately 43.8% of total fund balances is available for spending at the City's discretion (assigned and unassigned fund balance). The fund balances available for spending are primarily comprised of General Fund operating reserves and amounts available for carryover appropriations. The restricted fund balance of \$215.3 million (56.1%) represents amounts available for ongoing programs with external restrictions.

**CITY OF SANTA ANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025**

- At the end of the current fiscal year, the combined nonspendable, restricted, and assigned fund balance for the General Fund was \$140.6 million or 59.2% of the total fund balance. The remaining fund balance designated as unassigned was \$97.1 million or 40.8% of the total fund balance, which consisted of \$73.9 million of operating reserves and \$23.2 million of unallocated balance. The reserves were 18% of General Fund operating recurring revenues as required by City Council policy.

Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets:						
Cash and Investments	\$ 461.3	\$ 452.0	\$ 75.0	\$ 87.3	\$ 536.3	\$ 539.3
Current and Other Assets	222.0	219.1	27.8	26.5	249.8	245.6
Capital Assets	1,229.4	1,151.1	240.6	220.8	1,470.0	1,371.9
Total Assets	1,912.7	1,822.2	343.4	334.6	2,256.1	2,156.8
Deferred Outflows of Resources	98.6	180.7	5.3	8.8	103.9	189.5
Liabilities:						
Long-Term Liabilities	557.0	557.4	82.9	70.4	639.9	627.8
Net Pension Liability	369.5	414.8	16.3	18.1	385.8	432.9
Total OPEB Liability	31.4	30.9	5.3	5.2	36.7	36.1
Other Liabilities	170.2	190.6	20.8	24.9	191.0	215.5
Total Liabilities	1,128.1	1,193.7	125.3	118.6	1,253.4	1,312.3
Deferred Inflows of Resources	21.3	28.3	3.8	5.2	25.1	33.5
Net Position:						
Net Investment in Capital Assets	1,148.7	1,076.0	197.4	199.0	1,346.1	1,275.0
Restricted	281.1	253.1	8.0	7.7	289.1	260.8
Unrestricted	(567.9)	(548.2)	14.2	12.9	(553.7)	(535.3)
Total Net Position	\$ 861.9	\$ 780.9	\$ 219.6	\$ 219.6	\$ 1,081.5	\$ 1,000.5

**CITY OF SANTA ANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025**

Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program Revenues:						
Charges for Services	\$ 70.6	\$ 80.1	\$ 118.1	\$ 114.5	\$ 188.7	\$ 194.6
Operating Grants and Contributions	166.2	157.6	0.6	-	166.8	157.6
Capital Grants and Contributions	47.2	47.5	2.1	9.5	49.3	57.0
General Revenues:						
Property Taxes	107.1	103.5	-	-	107.1	103.5
Hotels Visitors Taxes	9.5	9.5	-	-	9.5	9.5
Utility Users Taxes	29.9	28.5	-	-	29.9	28.5
Business Taxes	31.9	33.0	-	-	31.9	33.0
Franchise Taxes	13.8	13.3	-	-	13.8	13.3
Other Taxes	1.4	1.4	-	-	1.4	1.4
Intergovernmental, Unrestricted:						
Motor Vehicle Licenses	0.5	0.5	-	-	0.5	0.5
State Mandated Costs and Reimbursements	1.1	0.7	-	-	1.1	0.7
Sales Tax Shared Revenue	61.4	62.3	-	-	61.4	62.3
Sales Tax Measure X	82.6	83.6	-	-	82.6	83.6
Investment Income (Loss)	16.7	16.0	1.9	2.7	18.6	18.7
Total Revenues	639.9	637.5	122.7	126.7	762.6	764.2
Expenses:						
General Government	56.5	56.4	-	-	56.5	56.4
Human Resources	3.4	3.9	-	-	3.4	3.9
Finance and Management Services	12.8	23.0	-	-	12.8	23.0
Museum	1.8	1.8	-	-	1.8	1.8
Library	8.2	7.8	-	-	8.2	7.8
Recreation and Community Services	24.0	22.6	-	-	24.0	22.6
Police Department	187.1	204.3	-	-	187.1	204.3
Fire and Ambulance Services	57.2	47.0	-	-	57.2	47.0
Information Technology	0.5	0.1	-	-	0.5	0.1
Planning and Building	20.0	23.5	-	-	20.0	23.5
Public Works	74.1	78.7	-	-	74.1	78.7
Community Development	98.2	91.0	-	-	98.2	91.0
Interest on Long-Term Debt	12.5	13.7	-	-	12.5	13.7
Water	-	-	73.6	69.4	73.6	69.4
Sewer	-	-	9.6	9.1	9.6	9.1
Refuse Collections	-	-	17.4	16.6	17.4	16.6
Sanitation	-	-	8.3	7.2	8.3	7.2
Parking	-	-	4.6	4.8	4.6	4.8
Transportation Center	-	-	1.7	2.1	1.7	2.1
Federal Clean Water Protection	-	-	3.8	3.6	3.8	3.6
Total Expenses	556.3	573.8	119.0	112.8	675.5	686.6
Increase in Net Position Before Transfers and Contributions	83.6	63.7	3.7	13.9	87.3	77.6
Transfers	3.1	0.4	(3.1)	(0.4)	-	-
Change in Net Position	86.7	64.1	0.6	13.5	87.3	77.6
Net Position - Beginning of Year, as Restated	775.2	716.8	219.0	206.1	994.2	922.9
Net Position - End of Year	\$ 861.9	\$ 780.9	\$ 219.6	\$ 219.6	\$ 1,081.5	\$ 1,000.5

**CITY OF SANTA ANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources of the City's government-wide activities exceeded liabilities and deferred inflows of resources by \$1,081.5 million at the close of fiscal year 2024-25 reflecting a positive net position.

The largest portion of the City's net position totaling \$1,346.1 million represents its investment in capital assets (e.g. land, right of way, street trees, construction in progress, buildings, improvements, equipment, infrastructure, computer software, lease, and subscription assets), less any related debt used to acquire those assets that are still outstanding. The City utilizes these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, due to the fact capital assets themselves cannot be used to liquidate these liabilities.

The second largest portion of the City's net position totaling \$289.1 million represents resources that are subject to external restrictions on how they may be used. The remaining portion of the City's net position is unrestricted. Significant liabilities recorded for both the pensions and OPEB, as well as the pension bond debt contributed to a negative unrestricted net position of \$ (553.7) million.

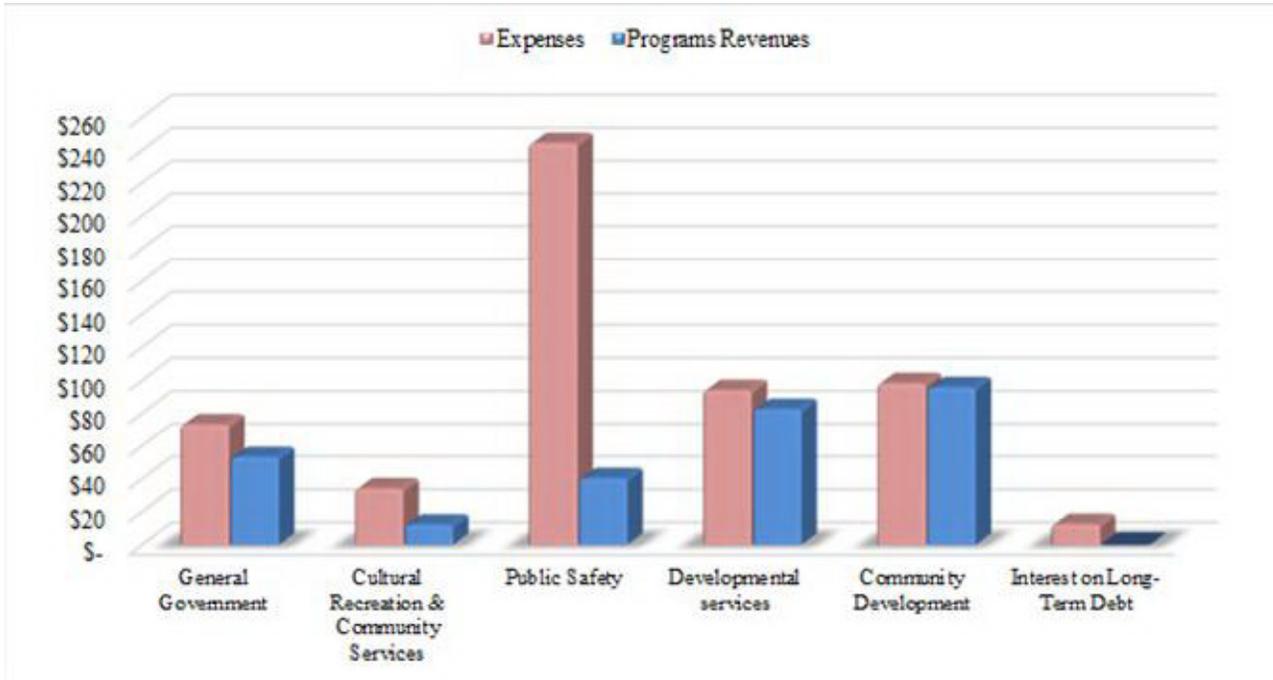
Governmental activities. Governmental activities overall increased the City's net position by \$86.7 million compared to the prior fiscal year.

Governmental revenues increased \$2.4 million (0.4%) during the current fiscal year. Key elements related to the increase was increases of \$8.6 million for Operating grants and contributions and \$3.6 million for Property Taxes, offset by a decrease of \$9.5 million for Charges for Services. Operating grants and contributions is primarily linked to the recognition of grant revenue related to the ARPA funded infrastructure improvements. Charges for Services decreased primarily due to Recreation and community services receiving \$5.2 million less in acquisition and development fees from the prior year. The City also received \$2.8 million less in revenues related to jail facility rental fees than it did in the prior year.

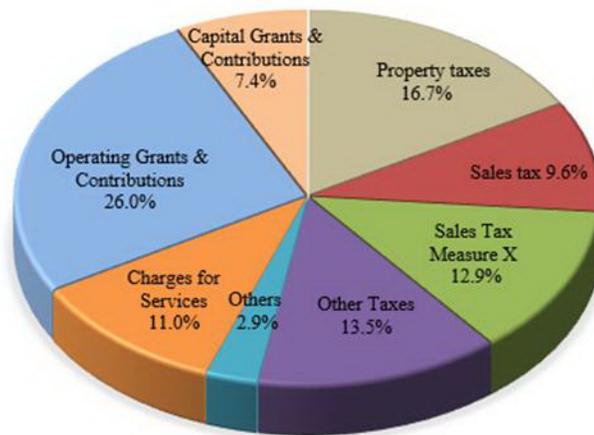
Governmental activities expenses decreased \$17.5 million (3.0%) from the prior fiscal year. The Finance and Management Services expenses decreased \$10.2 million because the prior year expenses included a one-time \$10.0 million payment related to ARPA grant programs. The ARPA guidelines allowed cities to use their allocations for a standard \$10.0 million backfill of lost tax revenue during the pandemic. The City used the allocation to pay for a portion of fire services costs in the prior year. The increase in Fire & Ambulance services expenses this fiscal year was also largely attributable to the allocation. Police Department expenses decreased \$17.2 million, primarily due to a reduction in net pension liability as a result of the increase in California Public Employees' Retirement System (CalPERS)'s earnings on plan investments.

**CITY OF SANTA ANA
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025**

Expenses and Program Revenues – Governmental Activities



Revenue by Source – Governmental Activities



Business-type activities. Business-type activities increased the City’s net position by \$0.6 million in comparison to the prior fiscal year. The increase is mainly due to the following:

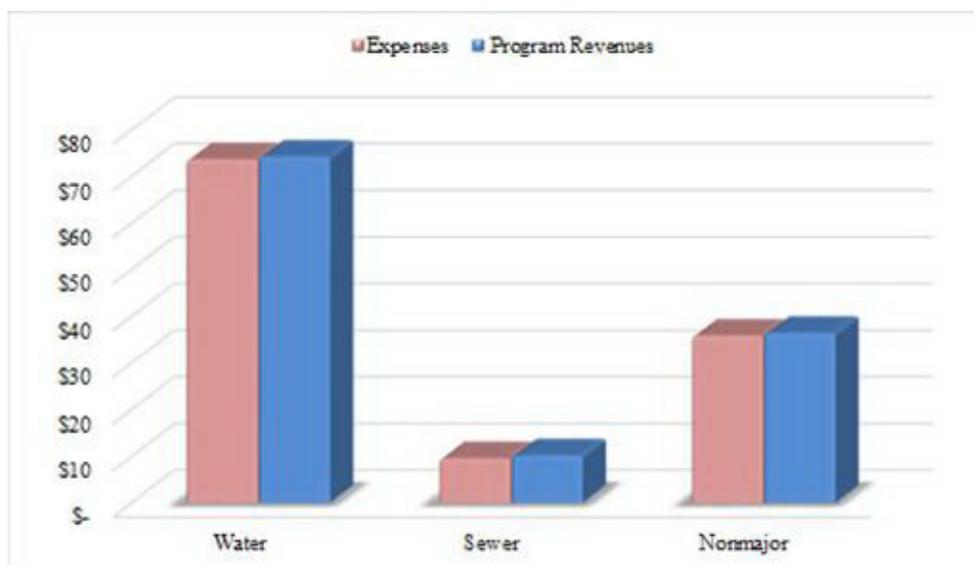
- The Water Fund net position increased by \$0.4 million primarily due to consistent income before capital contributions and transfers of \$1.2 million coupled with \$0.6 million capital contributions received from other funds, offset by \$1.4 million transfers out to other funds related to normal operation of the fund.
- The Sewer Fund did not experience a significant overall change in net position during the current fiscal year, as income before capital contributions and transfers increased by \$0.9 million, which was largely offset by \$0.5 million in capital contributions to other funds and a \$0.5 million interfund transfer to the Non-major Federal Clean Water Protection Fund.

**CITY OF SANTA ANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025**

- The Non-major Refuse Collections Fund net position increased by \$2.2 million primarily due to increase in operating revenues of \$1.6 million from an annual increase in rates charged for curbside service and additional optional services such as residential extra pick-up, steam cleaning of curbside carts, and bulky item pick-up fee.
- The Non-major Sanitation Fund net position decreased by \$1.4 million primarily due to flat revenues compared to prior fiscal year, combined with a \$0.8 million increase in contractual services for street sweeping and landscaping and a \$0.2 million increase in administrative operating costs.
- The Non-major Parking Fund net position decreased by \$1.0 million primarily due to expenses remaining consistent with the prior fiscal year, while no interfund transfer was received during the current year, unlike in prior fiscal years.
- The Non-major Transportation Fund net position increased by \$1.6 million primarily due to \$1.4 million of capital contributions from other funds.
- The Non-major Federal Clean Water Protection Fund net position decreased by \$1.3 million primarily due to \$1.2 million of capital contribution made to other funds.
- The \$6.2 million increase of business-type expenses was primarily due to increased operating costs across all enterprise funds, primarily for contractual services and labor costs. The largest increase of \$4.2 million was seen in the Water Fund where expenses for personnel services, materials and supplies, and administrative charges increased primarily due to increased costs related to on-call services for maintenance and repair of water mains, indirect cost rate updates, and other general related costs. This was coupled with slight increase in contractual services primarily due to increased spending for ground water pumped from various water districts.

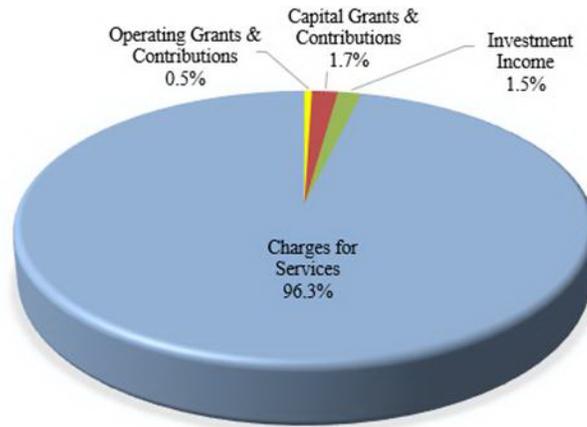
Unrestricted net position related to business-type activities increased \$1.3 million for a total amount of \$14.2 million. The increase was mainly attributable to the significant decrease in capital asset investments primarily in the Water Fund, coupled with relatively consistent operating income compared to prior year.

Expenses and Program Revenues – Business-Type Activities



**CITY OF SANTA ANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025**

Revenue by Source – Business-Type Activities



Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending total fund balances of \$383.5 million of which \$71.1 million constitutes the *unassigned fund balance*. The Special Revenue Grants Fund, Special Revenue American Rescue Plan Act Fund, Capital Projects Capital Grants Fund, and the Non-Major Governmental Funds, specifically Special Revenue Civic Center Maintenance Fund reported negative unassigned fund balances due to timing of receipts, which did not meet the revenue recognition criteria for governmental funds and an adjustment to reflect a decrease in fair value of investments at year-end. The remainder of the total governmental fund balance is allocated as follows: 1) \$97.0 million assigned to both contractual obligations and continuing projects; 2) \$215.3 million is restricted by law or contractual agreements with other agencies for specific spending; and 3) \$0.1 million is for non-spendable items, such as inventory of supplies and prepaid expenses.

- The Special Revenue Grants' ending fund balance increased \$0.9 million during the current fiscal year. The increase was primarily due to recognition of revenues related to Community Development housing assistance programs funded by federal and state grants.
- The Special Revenue Housing Authority ending fund balance increased \$0.2 million during the current fiscal year resulting from an increase in revenue associated with growth of the Housing Choice Vouchers Program.

**CITY OF SANTA ANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025**

- The Special Revenue American Rescue Plan Act fund balance increased \$1.1 million due to an adjustment of investments to fair market value as of the close of the fiscal year.
- The Capital Projects Capital Grants fund balance decreased by \$0.8 million during the current fiscal year, primarily due to delays in receiving grant reimbursements.
- The Capital Projects Street Construction fund balance increased by \$6.7 million during the current fiscal year, primarily due to a reduction in construction expenditures compared to the prior year. The most notable capital improvement projects are discussed in the government-wide financial analysis of governmental activities.

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

General Fund Financial Highlights

The General Fund is the chief operating fund for the City, which is presented as a group of funds. At the end of the current fiscal year, the fund balance of the General Fund was \$237.7 million (\$0.03 million is nonspendable; \$43.6 million is restricted; \$97.0 million is assigned for various programs and services; and the unassigned amount of \$97.1 million which includes the City's Operating Reserve and the balance available for one-time spending).

As a measure of General Fund liquidity, it may be useful to compare unassigned fund balance to total General Fund expenditures. The Government Finance Officers Association (GFOA) recommends, at a minimum, that general-purpose governments, regardless of size, maintain unrestricted fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures, roughly a 16% to 17% reserve level. The City's unassigned fund balance in the General Fund is approximately \$97.1 million, or 23.7% of total fiscal year 2024-25 General Fund expenditures and transfers out.

The General Fund's total revenues increased \$4.7 million (1.1%) as compared to the prior fiscal year. Property Taxes increased by \$3.6 million mainly due to ongoing growth in assessed valuations and reassessment of tax basis to its current value when a change of ownership occurs. Investment income increased by \$1.8 million due to the City's ongoing restructuring of its investment portfolio, including locking in longer-term yields prior to recent federal rate cuts, as well as an \$8.0 million fair market value adjustment and earnings generated from ARPA cash balances. The City also received additional cannabis revenue due to a correction in the prior calculation.

The General Fund's total expenditures increased \$18.9 million (5.1%) as compared to the prior fiscal year. Full-time represented employees received pay increases of 3%. An increase of \$5.7 million in Police Department is mainly due to increases in salary & benefits and the Animal Services program being returned to the Police Department. The expenditures for Fire Services increased \$12.8 million due to higher contract services costs related to the Orange County Fire Authority agreement. Capital outlay decreased \$6.9 million due to completion of various street and road improvement projects throughout the City, as well as facility and park improvement projects, such as alley improvement program, Santa Ana Delhi channel fencing, street light poles replacement, and fire station fuel storage tank station.

**CITY OF SANTA ANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025**

General Fund Budgetary Highlights

During the year, General Fund budgeted revenues increased by a net total of \$8.3 million between the original and final amended budget. Sales tax revenues were adjusted downward due to persistent inflation, which slowed discretionary spending in key sectors. The Bradley-Burns sales tax estimate was reduced by \$2.7 million, and the Measure X local sales tax estimate was reduced by \$2.8 million, reflecting declines in autos and transportation, business and industry, and fuel and service stations.

Plan check and permit revenues were decreased by \$3.2 million to account for a continued slowdown in development activity, as higher interest rates prompted many projects to be delayed or paused. Paramedic Service Charge revenues were increased by \$3.5 million due to higher reimbursement rates under the Public Provider Ground Emergency Medical Transportation program.

Business Tax revenues were increased by \$1.8 million, reflecting continued growth in compliance and licensing activity within the City. The Utility Users Tax estimate for electric services increased by \$2.0 million to reflect higher electricity rates and elevated demand during periods of extreme heat and increased adoption of electric-powered technologies.

Jail revenue estimates were reduced by \$3.8 million due to ongoing staffing challenges and deferred maintenance, which limited capacity and operations during the fiscal year.

Actual General Fund revenues exceeded the final budget by \$6.5 million, primarily due to investment income outperforming budget by \$11.1 million, including an \$8.0 million year-end fair market value adjustment. This gain was partially offset by charges for services, which fell \$4.8 million below budget. Overall operating revenue was higher than the final amended budget.

There was an increase of \$95.8 million between the original and final amended budgeted expenditures. The increase was largely due to \$88.1 million of unspent budget carried over from the prior fiscal year to provide for incomplete and multi-year projects, including \$16.9 million for Parks & Recreation facilities improvement projects, \$11.6 million for street improvement projects, \$19.9 million for the youth services programs implemented through the Parks, Recreation and the Library, and \$10.4 million for city facility improvements. Major projects included construction of new aquatic facilities at Memorial Park, Third & Broadway development, construction of a new dog park at Centennial Park, Newhope Library renovation, Main Library renovation, alley improvement program, streetlight acquisition and upgrade, and installation of splash pads at various parks. In response to lower revenue estimates and to balance the General Fund budget in accordance with the City's Budget and Reserve Policy, there was a \$1.0 million reduction in the salary budget, using vacancy savings in select departments.

**CITY OF SANTA ANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025**

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities was \$1,470.0 million (net of accumulated depreciation & amortization) as of June 30, 2025. The investment in capital assets includes land, right of way, street trees, construction in progress, buildings, improvements, equipment, infrastructure, computer software, lease, and subscription assets.

**Summary of Changes in Capital Assets
(Net of Accumulated Depreciation and Amortization)**

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 20.3	\$ 20.3	\$ 20.1	\$ 20.1	\$ 40.4	\$ 40.4
Right-of-Way	498.5	498.2	-	-	498.5	498.2
Street Trees	8.0	8.0	-	-	8.0	8.0
Construction in Progress	242.7	209.2	70.6	50.3	313.3	259.5
Buildings	51.1	54.5	-	0.2	51.1	54.7
Improvements	108.8	91.7	129.5	128.6	238.3	220.3
Equipment	13.2	10.3	12.2	12.9	25.4	23.2
Infrastructure	277.3	247.1	7.3	7.7	284.6	254.8
Computer Software	1.2	1.5	0.2	0.2	1.4	1.7
Lease Asset	5.3	6.1	-	-	5.3	6.1
Subscription Asset	3.0	4.2	0.7	0.8	3.7	5.0
Total	<u>\$ 1,229.4</u>	<u>\$ 1,151.1</u>	<u>\$ 240.6</u>	<u>\$ 220.8</u>	<u>\$ 1,470.0</u>	<u>\$ 1,371.9</u>

At the end of the current fiscal year, the City's total capital assets increased by \$98.7 million (7.2%). The increase was primarily due to the following:

- Construction in progress had a net increase of \$53.8 million, consisting of \$126.9 million in project additions and \$73.1 million in completions. Major projects during the year included Main Library renovation, Memorial Park & Aquatics facility renovation, and Santa Anita Park Community Center renovation.
- Improvements had a net increase of \$18.0 million. Major projects included completion of First Street Slope Stabilization, Gerardo Mouet Park, and playground at Thornton Park.
- Infrastructure had a net increase of \$29.8 million. Major projects included completion of Segerstrom/San Lorenzo sewer lift station, Downtown Flood Reduction & Stormwater Infiltration Project, Safe Route to School pavement project, and alley improvement projects.

Additional information on the City's capital assets can be found in Note 3C on pages 94-96 of this report.

**CITY OF SANTA ANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025**

Long-term debt. At the end of the current fiscal year, the City's total outstanding long-term liability was \$640.0 million. Of this amount, \$419.9 million comprised of debt backed by the full faith and credit of the City, \$106.3 million represented compensated absences and claims payable, \$89.3 million in bonds secured solely by specified revenue sources, and \$24.5 million in lease obligations, subscription liability, and long-term loans.

Summary of Changes in Long-Term Liabilities

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Lease Obligations	\$ 5.5	\$ 6.2	\$ -	\$ -	\$ 5.5	\$ 6.2
Subscription Liability	2.9	4.0	0.7	0.8	3.6	4.8
Gas Tax Refunding Bonds	34.8	36.4	-	-	34.8	36.4
Lease Revenue Bonds	-	-	43.1	44.2	43.1	44.2
Pension Obligation Bonds	398.0	401.2	16.3	16.4	414.3	417.6
Long-Term Loans and Other Payables	0.5	0.8	14.9	0.7	15.4	1.5
Net Bond Discounts and Premiums	6.4	6.8	5.0	5.2	11.4	12.0
Notes from Direct Borrowings	5.6	8.2	-	-	5.6	8.2
Compensated Absences Payable	42.8	34.2	2.9	3.1	45.7	37.3
Claims Payable	60.6	59.6	-	-	60.6	59.6
Total	<u>\$ 557.1</u>	<u>\$ 557.4</u>	<u>\$ 82.9</u>	<u>\$ 70.4</u>	<u>\$ 640.0</u>	<u>\$ 627.8</u>

At the end of the current fiscal year, the City's total long-term liabilities increased by \$12.2 million (1.9%). In addition to making scheduled principal payments, the City had the following key changes:

- Long-term loans and other payables increased by \$13.9 million due to State Revolving Fund loan balance drawdown related to certain capital improvement projects.
- Compensated absences increased by \$8.4 million due to implementation of the Government Accounting Standards Board Statement 101 during the current fiscal year.
- Claims payable was adjusted based on the results of updated actuarial studies.

Additional information on the City's long-term debt may also be found in Note 3E and 4A on pages 100-112 and 117-118 of this report.

Economic Factors and Next Year's Budget and Rates

The City of Santa Ana approved a balanced budget for fiscal year 2025-26 that introduces new community-oriented programs while making substantial investments in roads, infrastructure, and public facilities. The total budget, including funds restricted for specific uses, reaches \$778.4 million. This includes \$424.2 million for the General Fund, which will fund essential services such as police and fire protection, libraries, park programs, planning and building services, code enforcement, public works, and economic development. Additionally, a \$58 million capital improvement plan will support ongoing road and traffic safety projects, athletic improvements, and other infrastructure upgrades.

**CITY OF SANTA ANA
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025**

A key challenge for fiscal year 2025-26 is balancing rising service costs with slow revenue growth. The projected General Fund revenue for the year is \$413.8 million, a \$7.3 million or 1.5% increase over fiscal year 2024-25. Jail revenue estimates have decreased due to staffing issues and deferred maintenance, which restrict the jail’s operational capacity. Sales tax revenue also dropped, as both Bradley-Burns and the Measure X local add-on tax were affected by consumer adjustments to higher prices and financing costs. Conversely, property tax, one of the City’s primary revenue sources, is expected to generate \$95.9 million in fiscal year 2025-26. This indicates a 3.3% increase from the previous year, which is slower than the prior year’s growth, which has consistently averaged about 4.6%. The slower growth is mainly due to higher interest rates and fewer home sales.

One of the City’s most significant financial obligations is its pension commitments, managed through CalPERS. Unfunded liabilities occur when investment returns fall short of CalPERS’ assumptions, creating a gap between future obligations and available funds. Market fluctuations make pension funding even more uncertain. While fiscal year 2024–25 returns showed a significant improvement, with an estimated 11.6% return, these gains will not be reflected in the City’s contribution requirements until approximately two years later. As a result, the City will still be paying for prior years of underperformance in fiscal year 2026–27 and beyond, and the recent market rebound will provide limited near-term relief, making careful financial planning necessary.

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

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

The City will continue to build upon its budget and financial policies to ensure future fiscal sustainability. The City’s unassigned account balances as of June 30, 2025, are as follows:

<u>Account Name</u>	<u>Amount</u>
• Operating Reserve	\$ 73.9 million
• Unallocated (available for one-time spending)	\$ 23.2 million

Requests for Information

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



CITY OF SANTA ANA, CALIFORNIA

Annual
Comprehensive Financial
Report

CITY OF SANTA ANA, CALIFORNIA

**BASIC FINANCIAL
STATEMENTS**

CITY OF SANTA ANA, CALIFORNIA

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

**CITY OF SANTA ANA
STATEMENT OF NET POSITION
JUNE 30, 2025**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 409,451,125	\$ 46,408,128	\$ 455,859,253
Receivables:			
Taxes	5,288,329	-	5,288,329
Interest	2,251,777	311,833	2,563,610
Accounts, Net of Allowances	6,606,385	25,967,307	32,573,692
Intergovernmental	96,586,259	985,720	97,571,979
Leases (Current)	7,888,324	277,060	8,165,384
Leases (Noncurrent)	-	237,952	237,952
Loans and Notes	101,058,754	-	101,058,754
Deposits	10,300	-	10,300
Prepaid Items	97,909	-	97,909
Restricted Assets:			
Cash and Investments	3,957,926	26,171,764	30,129,690
Cash and Investments with Fiscal Agents	2,311,989	1,001	2,312,990
Pension Stability Fund	45,615,238	2,430,118	48,045,356
Land Held for Resale	2,222,633	-	2,222,633
Capital Assets, Not Being Depreciated	769,467,596	90,710,452	860,178,048
Capital Assets, Being Depreciated, Net of Accumulated Depreciation/Amortization	459,946,763	149,919,059	609,865,822
Total Assets	1,912,761,307	343,420,394	2,256,181,701
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized Loss on Bond Defeasance	482,314	-	482,314
Deferred Amounts on Pension Plans	95,225,856	4,390,172	99,616,028
Deferred Amounts on OPEB Plan	2,849,630	915,409	3,765,039
Total Deferred Outflows of Resources	98,557,800	5,305,581	103,863,381

See accompanying Notes to Financial Statements.

**CITY OF SANTA ANA
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2025**

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts Payable	\$ 38,552,204	\$ 16,290,426	\$ 54,842,630
Interest Payable	4,788,783	897,852	5,686,635
Retention Payable	4,955,519	1,430,031	6,385,550
Due to City Employees	8,605,071	-	8,605,071
Due to Other Governmental Agencies	70,755,141	-	70,755,141
Deposits	8,534,729	1,319,484	9,854,213
Unearned Revenue	34,023,144	899,935	34,923,079
Long-Term Liabilities - Due Within One Year	14,596,817	1,550,570	16,147,387
Total OPEB Liability - Due Within One Year	1,405,653	239,368	1,645,021
Claims Payable - Due Within One Year	11,570,990	-	11,570,990
Due in More Than One Year:			
Long-Term Liabilities	481,890,034	81,352,117	563,242,151
Net Pension Liability	369,507,006	16,246,588	385,753,594
Total OPEB Liability	30,005,981	5,085,914	35,091,895
Claims Payable	49,019,612	-	49,019,612
Total Liabilities	1,128,210,684	125,312,285	1,253,522,969
DEFERRED INFLOWS OF RESOURCES			
Unamortized Gain on Bond Defeasance	-	796,845	796,845
Deferred Amounts on Pension Plans	935,896	-	935,896
Deferred Amounts on OPEB Plan	12,814,135	2,555,756	15,369,891
Deferred Amounts on Leases	7,468,597	490,607	7,959,204
Total Deferred Inflows of Resources	21,218,628	3,843,208	25,061,836
NET POSITION			
Net Investment in Capital Assets	1,148,746,190	197,398,717	1,346,144,907
Restricted for:			
Debt Service	6,542	-	6,542
Capital Projects	61,054,090	-	61,054,090
National Pollution Discharge Elimination System	-	5,559,125	5,559,125
Community Development	11,794,064	-	11,794,064
Recreation and Community Services	1,256,331	-	1,256,331
Public Safety	11,018,817	-	11,018,817
Public Works	116,518,530	-	116,518,530
Special Revenue Housing Authority Projects	33,811,798	-	33,811,798
Pension Stability	45,615,238	2,430,118	48,045,356
Unrestricted	(567,931,805)	14,182,522	(553,749,283)
Total Net Position	\$ 861,889,795	\$ 219,570,482	\$ 1,081,460,277

See accompanying Notes to Financial Statements.



CITY OF SANTA ANA, CALIFORNIA

Annual Comprehensive Financial Report

**CITY OF SANTA ANA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025**

Function/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General Government	\$ 56,404,961	\$ 10,320,862	\$ 41,930,055	\$ 280,024
Human Resources	3,446,316	-	-	-
Finance and Management Services	12,770,229	519,000	-	-
Museum	1,821,814	-	-	-
Library	8,210,356	33,672	1,499,065	-
Recreation and Community Services	23,955,092	4,581,437	341,030	5,758,585
Police Department	187,084,199	16,863,676	6,438,075	881,612
Fire and Ambulance Services	57,230,679	16,096,581	-	-
Information Technology	495,574	-	-	-
Planning and Building	19,999,497	11,857,177	592,160	-
Public Works	74,018,292	10,114,387	22,332,230	37,750,312
Community Development	98,277,685	177,756	93,091,255	2,509,050
Interest on Long-Term Debt	12,542,338	-	-	-
Total Governmental Activities	556,257,032	70,564,548	166,223,870	47,179,583
BUSINESS-TYPE ACTIVITIES				
Water	73,582,632	73,567,055	-	624,476
Sewer	9,622,423	10,210,233	-	42,555
Refuse Collections	17,417,658	22,476,355	631,588	-
Sanitation	8,247,998	6,564,732	-	-
Parking	4,629,516	3,555,392	-	-
Transportation Center	1,748,407	866,945	-	1,406,145
Federal Clean Water Projection	3,793,946	863,833	-	-
Total Business-Type Activities	119,042,580	118,104,545	631,588	2,073,176
Total	\$ 675,299,612	\$ 188,669,093	\$ 166,855,458	\$ 49,252,759

GENERAL REVENUES

Property Taxes
Hotels Visitors Taxes
Utility Users Taxes
Business Taxes
Franchise Taxes
Other Taxes
Intergovernmental, Unrestricted:
Motor Vehicle Licenses
State Mandated Costs and Reimbursements
Sales Tax Shared Revenue
Sales Tax Measure X
Investment Income (Loss)
Transfers
Total General Revenues and Transfers

CHANGES IN NET POSITION

Net Position - Beginning of Year, as Originally Reported

Restatement, GASB Implementation, Note 5

Net Position - Beginning of Year, as Restated

NET POSITION - END OF YEAR

See accompanying Notes to Financial Statements.

Net Revenue (Expense) and
Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (3,874,020)	\$ -	\$ (3,874,020)
(3,446,316)	-	(3,446,316)
(12,251,229)	-	(12,251,229)
(1,821,814)	-	(1,821,814)
(6,677,619)	-	(6,677,619)
(13,274,040)	-	(13,274,040)
(162,900,836)	-	(162,900,836)
(41,134,098)	-	(41,134,098)
(495,574)	-	(495,574)
(7,550,160)	-	(7,550,160)
(3,821,363)	-	(3,821,363)
(2,499,624)	-	(2,499,624)
(12,542,338)	-	(12,542,338)
<u>(272,289,031)</u>	<u>-</u>	<u>(272,289,031)</u>
-	608,899	608,899
-	630,365	630,365
-	5,690,285	5,690,285
-	(1,683,266)	(1,683,266)
-	(1,074,124)	(1,074,124)
-	524,683	524,683
-	(2,930,113)	(2,930,113)
<u>-</u>	<u>1,766,729</u>	<u>1,766,729</u>
(272,289,031)	1,766,729	(270,522,302)
107,158,434	-	107,158,434
9,475,393	-	9,475,393
29,854,416	-	29,854,416
31,892,166	-	31,892,166
13,768,720	-	13,768,720
1,387,259	-	1,387,259
490,036	-	490,036
1,051,118	-	1,051,118
61,370,953	-	61,370,953
82,628,202	-	82,628,202
16,712,405	1,898,993	18,611,398
3,145,356	(3,145,356)	-
<u>358,934,458</u>	<u>(1,246,363)</u>	<u>357,688,095</u>
86,645,427	520,366	87,165,793
<u>780,921,964</u>	<u>219,620,349</u>	<u>1,000,542,313</u>
<u>(5,677,596)</u>	<u>(570,233)</u>	<u>(6,247,829)</u>
<u>775,244,368</u>	<u>219,050,116</u>	<u>994,294,484</u>
<u>\$ 861,889,795</u>	<u>\$ 219,570,482</u>	<u>\$ 1,081,460,277</u>



CITY OF SANTA ANA, CALIFORNIA

Annual Comprehensive Financial Report

CITY OF SANTA ANA, CALIFORNIA

**FUND
FINANCIAL STATEMENTS**

**CITY OF SANTA ANA
GOVERNMENTAL FUNDS
JUNE 30, 2025**

MAJOR GOVERNMENTAL FUNDS

General Fund

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

Special Revenue Funds

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

Grants Fund

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

Housing Authority Fund

Accounts for the receipts and disbursements of funds received from the U.S. Department of Housing and Urban Development to provide rental assistance programs for low-income residents and senior citizens under Section 8 of the Federal Housing Act of 1937 as amended.

American Rescue Plan Act Fund

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

Capital Projects Funds

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

Capital Grants

Accounts for various capital grants awarded to the City by the federal, state, and local governments not otherwise accounted for in the General Fund and Special Revenue Funds.

Street Construction Fund

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

NONMAJOR GOVERNMENTAL FUNDS

Other Governmental Funds

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

**CITY OF SANTA ANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025**

ASSETS	Special Revenue			
	General	Grants	Housing Authority	American Rescue Plan Act
Cash and Investments	\$ 186,522,950	\$ 19,215,267	\$ 7,005,762	\$ 31,450,066
Receivables, Net of Allowances:				
Taxes	5,288,329	-	-	-
Interest	1,058,274	130,111	12,735	-
Accounts	5,782,033	761,700	-	-
Intergovernmental	24,983,381	6,396,824	34,889	-
Leases	6,344,230	1,544,094	-	-
Loans and Notes	-	68,623,254	-	-
Due from Other Funds	10,000	-	-	-
Deposits	10,300	-	-	-
Prepaid Items	32,513	-	62,721	-
Restricted Assets:				
Cash and Investments	-	107,865	1,267,447	-
Cash and Investments with Fiscal Agents	1,268,870	163,104	-	-
Pension Stability Fund	42,264,185	-	-	-
Land Held for Resale	-	-	-	-
Total Assets	\$ 273,565,065	\$ 96,942,219	\$ 8,383,554	\$ 31,450,066
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 11,028,601	\$ 3,499,418	\$ 59,365	\$ 7,731,512
Retention Payable	386,084	121,278	-	1,547,582
Due to Other Funds	-	-	-	-
Due to City Employees	8,605,071	-	-	-
Due to Other Governmental Agencies	1,846,468	66,651,333	-	-
Unearned Revenue	141,167	11,266,361	-	22,260,996
Deposits	7,233,542	-	1,301,187	-
Total Liabilities	29,240,933	81,538,390	1,360,552	31,540,090
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	612,788	3,887,996	2,890	-
Deferred Amounts on Leases	6,022,594	1,446,003	-	-
Total Deferred Inflows of Resources	6,635,382	5,333,999	2,890	-
FUND BALANCES				
Nonspendable	32,513	-	62,721	-
Restricted	43,533,055	13,256,177	6,957,391	-
Assigned	97,006,785	-	-	-
Unassigned	97,116,397	(3,186,347)	-	(90,024)
Total Fund Balances	237,688,750	10,069,830	7,020,112	(90,024)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 273,565,065	\$ 96,942,219	\$ 8,383,554	\$ 31,450,066

See accompanying Notes to Financial Statements.

Capital Projects		Nonmajor Governmental Funds		Total
Capital Grants	Street Construction			
\$ 2,618,687	\$ 44,563,405	\$ 74,434,156		\$ 365,810,293
-	-	-		5,288,329
-	269,008	438,844		1,908,972
-	-	62,652		6,606,385
23,797,575	35,596,321	5,777,269		96,586,259
-	-	-		7,888,324
-	-	32,435,500		101,058,754
-	-	-		10,000
-	-	-		10,300
-	-	2,675		97,909
-	2,108,592	148,834		3,632,738
-	687,525	192,490		2,311,989
-	-	-		42,264,185
-	2,147,633	75,000		2,222,633
<u>\$ 26,416,262</u>	<u>\$ 85,372,484</u>	<u>\$ 113,567,420</u>		<u>\$ 635,697,070</u>
\$ 6,597,289	\$ 4,179,574	\$ 2,532,847		\$ 35,628,606
1,350,747	933,603	534,466		4,873,760
18,151,209	-	1,369,824		19,521,033
-	-	-		8,605,071
-	2,257,340	-		70,755,141
-	354,620	-		34,023,144
-	-	-		8,534,729
26,099,245	7,725,137	4,437,137		181,941,484
22,591,016	34,044,572	1,689,742		62,829,004
-	-	-		7,468,597
22,591,016	34,044,572	1,689,742		70,297,601
-	-	2,675		97,909
-	43,602,775	107,911,063		215,260,461
-	-	-		97,006,785
(22,273,999)	-	(473,197)		71,092,830
<u>(22,273,999)</u>	<u>43,602,775</u>	<u>107,440,541</u>		<u>383,457,985</u>
<u>\$ 26,416,262</u>	<u>\$ 85,372,484</u>	<u>\$ 113,567,420</u>		<u>\$ 635,697,070</u>



CITY OF SANTA ANA, CALIFORNIA

Annual Comprehensive Financial Report

**CITY OF SANTA ANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025**

Total Fund Balances - Governmental Funds		\$ 383,457,985
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets, net of depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds. This amount does not include the net capital assets of the internal service funds of \$10,966,810 which are reported below.</p>		
Capital Assets	\$ 1,815,074,935	
Accumulated Depreciation/Amortization	<u>(596,627,387)</u>	
Total Capital Assets Used in Governmental Activities		1,218,447,548
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds. This amount does not include the long-term liabilities of the internal service funds which are reported below.</p>		
Lease Obligations	(5,477,084)	
Subscription Liability	(2,679,945)	
Revenue Refunding Bonds	(34,835,000)	
Pension Obligation Bonds	(379,338,440)	
Notes from Direct Borrowings	(5,630,332)	
Long-Term Loans and Other Payables	(543,994)	
Compensated Absences Payable	(40,105,115)	
Bond Premium	(6,352,160)	
Unamortized Loss on Bond Defeasance	<u>482,314</u>	
Total Governmental Activities Long-Term Debt		(474,479,756)
<p>Pension related debt applicable to the City governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to pensions are only reported in the statement of net position as the changes in these amounts affects only the government-wide statement for governmental activities.</p>		
Deferred Outflows of Resources from Pension	90,200,500	
Deferred Inflows of Resources from Pension	(935,896)	
Net Pension Liability	<u>(349,190,870)</u>	
Total		(259,926,266)
<p>OPEB related debt applicable to the City governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to postemployment benefits are only reported in the statement of net position as the changes in these amounts affects only the government-wide statement for governmental activities.</p>		
Deferred Outflows of Resources from OPEB	2,480,574	
Deferred Inflows of Resources from OPEB	(10,737,808)	
Total OPEB Liability	<u>(27,600,760)</u>	
Total		(35,857,994)
<p>Accrued interest payable for the current portion of interest due on long-term liabilities has not been reported in the governmental funds.</p>		
		(4,583,329)
<p>Long-term receivables are not available to pay for current period expenditures and, therefore, are deferred on the modified accrual basis in governmental fund.</p>		
		62,829,004
<p>Internal Service Funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.</p>		
		<u>(27,997,397)</u>
Net Position of Governmental Activities as Reported on the Statement of Net Position		<u>\$ 861,889,795</u>

CITY OF SANTA ANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025

	Special Revenue			
	General	Grants	Housing Authority	American Rescue Plan Act
REVENUES				
Taxes	\$ 193,536,387	\$ -	\$ -	\$ -
License and Permits	8,184,949	-	-	-
Intergovernmental	145,823,037	28,908,048	66,614,898	40,192,159
Charges for Services	30,526,271	6,706	-	-
Fines and Forfeits	5,450,652	-	-	-
Investment Income	14,307,108	760,803	36,350	1,107,383
Cost Recoveries	16,346,609	-	25	-
Rental Income	12,001,000	553,418	-	-
Miscellaneous	1,366,196	952,817	215,411	-
Total Revenues	<u>427,542,209</u>	<u>31,181,792</u>	<u>66,866,684</u>	<u>41,299,542</u>
EXPENDITURES				
Current:				
General Government	36,012,130	428,177	-	32,619
Human Resources	3,413,622	-	-	-
Finance and Management Services	12,254,798	-	-	194,702
Museum	1,715,614	-	-	-
Library	7,807,521	5,654	-	-
Recreation and Community Services	18,541,458	435,752	-	-
Police Department	158,745,944	3,039,495	-	223,323
Fire and Ambulance Services	58,413,386	-	-	-
Information Technology	-	-	-	273,576
Planning and Building	19,029,273	136,101	-	-
Public Works	45,026,475	83,700	-	1,964,612
Community Development	4,107,590	20,840,227	66,400,725	852,620
Pass-Through Payments to Districts and Other Agencies	-	699,691	-	-
Capital Outlay	17,235,701	3,965,751	168,407	36,650,708
Debt Service:				
Principal Retirement	3,564,353	625,021	63,144	-
Interest and Fiscal Charges	414,648	69,145	326	-
Total Expenditures	<u>386,282,513</u>	<u>30,328,714</u>	<u>66,632,602</u>	<u>40,192,160</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	41,259,696	853,078	234,082	1,107,382
OTHER FINANCING SOURCES (USES)				
Transfers In	118,755	-	-	-
Transfers Out	(23,886,669)	(146,553)	(78,626)	-
Loss on Termination of Lease and Sale of Land Held for Resale	(23,081)	-	-	-
Issuance of Debt Related to Subscriptions	200,394	191,396	-	-
Total Other Financing Sources (Uses)	<u>(23,590,601)</u>	<u>44,843</u>	<u>(78,626)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	17,669,095	897,921	155,456	1,107,382
Fund Balances - Beginning of Year	<u>220,019,655</u>	<u>9,171,909</u>	<u>6,864,656</u>	<u>(1,197,406)</u>
FUND BALANCES - END OF YEAR	<u>\$ 237,688,750</u>	<u>\$ 10,069,830</u>	<u>\$ 7,020,112</u>	<u>\$ (90,024)</u>

Capital Projects			
Capital Grants	Street Construction	Nonmajor Governmental Funds	Total
\$ -	\$ 48,574	\$ 155,866	\$ 193,740,827
-	16,649	-	8,201,598
22,848,047	14,240,100	21,198,354	339,824,643
-	872,400	3,384,637	34,790,014
-	-	-	5,450,652
-	2,720,709	3,540,492	22,472,845
-	112,487	1,142,407	17,601,528
-	159,822	-	12,714,240
-	13,268	-	2,547,692
<u>22,848,047</u>	<u>18,184,009</u>	<u>29,421,756</u>	<u>637,344,039</u>
-	-	-	36,472,926
-	-	149,618	3,563,240
-	-	-	12,449,500
-	-	-	1,715,614
-	-	-	7,813,175
-	-	-	18,977,210
-	-	161,632	162,170,394
-	-	-	58,413,386
-	-	-	273,576
-	-	174,165	19,339,539
-	275,354	7,119,812	54,469,953
-	-	4,341,166	96,542,328
-	-	-	699,691
23,624,552	19,645,724	6,703,364	107,994,207
-	-	5,257,988	9,510,506
-	-	11,670,527	12,154,646
<u>23,624,552</u>	<u>19,921,078</u>	<u>35,578,272</u>	<u>602,559,891</u>
(776,505)	(1,737,069)	(6,156,516)	34,784,148
-	8,597,749	14,860,575	23,577,079
-	-	(6,315,668)	(30,427,516)
-	(123,567)	-	(146,648)
-	-	-	391,790
<u>-</u>	<u>8,474,182</u>	<u>8,544,907</u>	<u>(6,605,295)</u>
(776,505)	6,737,113	2,388,391	28,178,853
<u>(21,497,494)</u>	<u>36,865,662</u>	<u>105,052,150</u>	<u>355,279,132</u>
<u>\$ (22,273,999)</u>	<u>\$ 43,602,775</u>	<u>\$ 107,440,541</u>	<u>\$ 383,457,985</u>

CITY OF SANTA ANA
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

Net Change in Fund Balances - Governmental Funds \$ 28,178,853

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation in the current period. This does not include internal service fund activity of \$4,194,043 in additions, \$82,693 in deletions, and \$1,385,264 in depreciation/amortization expense.

Capital Outlay	\$ 105,152,827	
Depreciation/Amortization Expense	(30,706,828)	
Capital Contributions and Adjustments	1,659,255	
Gain on Disposal of Capital Assets	<u>(495,019)</u>	75,610,235

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental fund. 23,656

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

Principal Payments Made:

Lease Obligations	\$ 695,873	
Subscription Liability	1,431,262	
Revenue Refunding Bond	1,545,000	
Pension Obligation Bonds	3,014,255	
Notes from Direct Borrowings	2,544,240	
Long-Term Loans and Other Payables	<u>279,876</u>	
Total Principal Repayments		9,510,506

Movement of Previous Internal Service Fund Pension Obligation Bond to General Fund After Closure of Fund	(5,917,722)	
Proceeds from Subscription Agreements	(391,790)	
Amortization of Bond Premium and Discount	438,080	
Amortization of Deferred Charges on Refunding	(33,263)	
Net Change in Compensated Absences	<u>(2,935,938)</u>	669,873

Accrued interest for long-term liabilities including bonds payable. This is the net change in accrued interest for the current period. (292,449)

Pension expense reported in the governmental funds includes the annual required contributions. In the statement of activities, pension expense includes the change in the net pension liability, and related change in pension amounts for deferred outflows of resources and deferred inflows of resources. (33,798,424)

OPEB expense reported in the governmental funds includes the insurance premiums paid. In the statement of activities, OPEB expense includes the change in the OPEB liability, and related change in OPEB amounts for deferred outflows of resources and deferred inflows of resources. 206,707

Internal Service Funds are used by management to charge the cost of certain activities to individual funds. The net revenues (expenses) of the Internal Service Funds are reported with governmental activities. 16,046,976

Change in Net Position of Governmental Activities as Reported on the Statement of Activities \$ 86,645,427

See accompanying Notes to Financial Statements.

**CITY OF SANTA ANA
MAJOR ENTERPRISE FUNDS
JUNE 30, 2025**

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

Water

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

Sewer

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

**CITY OF SANTA ANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025**

	Business-Type Activities Enterprise Funds	
	Water	Sewer
	ASSETS	
Current Assets:		
Cash and Investments	\$ 8,351,946	\$ 18,171,682
Receivables:		
Interest	90,780	102,139
Accounts, Net of Allowances	17,118,698	2,609,939
Intergovernmental	-	-
Leases	-	-
Due from Other Funds	-	-
Total Current Assets	25,561,424	20,883,760
Noncurrent Assets:		
Restricted Cash and Investments	26,171,764	-
Cash and Investments with Fiscal Agents	1,001	-
Leases Receivable	-	-
Pension Stability Fund	1,204,445	287,898
Capital Assets, Not Being Depreciated	81,070,933	420,661
Capital Assets, Net of Accumulated Depreciation/Amortization	95,611,425	35,077,913
Total Noncurrent Assets	204,059,568	35,786,472
Total Assets	229,620,992	56,670,232
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Amounts on Pension Plans	2,171,709	778,104
Deferred Amounts on OPEB Plan	514,659	150,888
Total Deferred Outflows of Resources	2,686,368	928,992

See accompanying Notes to Financial Statements.

Business-Type Activities Enterprise Funds		Governmental Activities
Nonmajor	Total	Internal Service Funds
\$ 19,884,500	\$ 46,408,128	\$ 43,640,832
118,914	311,833	342,805
6,238,670	25,967,307	-
985,720	985,720	-
277,060	277,060	-
-	-	20,254,120
<u>27,504,864</u>	<u>73,950,048</u>	<u>64,237,757</u>
-	26,171,764	325,188
-	1,001	-
237,952	237,952	-
937,775	2,430,118	3,351,053
9,218,858	90,710,452	5,422,155
<u>19,229,721</u>	<u>149,919,059</u>	<u>5,544,656</u>
<u>29,624,306</u>	<u>269,470,346</u>	<u>14,643,052</u>
57,129,170	343,420,394	78,880,809
1,440,359	4,390,172	5,025,356
<u>249,862</u>	<u>915,409</u>	<u>369,056</u>
<u>1,690,221</u>	<u>5,305,581</u>	<u>5,394,412</u>

**CITY OF SANTA ANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS (CONTINUED)
JUNE 30, 2025**

	Business-Type Activities Enterprise Funds	
	Water	Sewer
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 13,514,042	\$ 1,162,854
Interest Payable	807,095	31,832
Retention Payable	1,266,958	62,577
Due to Other Funds	-	-
Deposits Payable	1,308,484	-
Subscription Liability	79,484	36,411
Compensated Absences Payable	178,790	44,375
Claims Payable	-	-
Total OPEB Liability	116,903	40,339
Grant Advances (Unearned Revenue)	-	-
Revenue Bonds Payable	910,000	-
Pension Obligation Bonds Payable	116,129	41,608
Total Current Liabilities	18,297,885	1,419,996
Noncurrent Liabilities:		
Subscription Liability	517,459	81,432
Compensated Absences Payable	1,577,196	464,127
Notes Payable	14,844,613	-
Claims Payable	-	-
Total OPEB Liability	2,483,852	857,111
Net Pension Liability	8,036,803	2,879,504
Revenue Bonds Payable	47,195,797	-
Pension Obligation Bonds Payable	7,944,705	2,846,507
Total Noncurrent Liabilities	82,600,425	7,128,681
Total Liabilities	100,898,310	8,548,677
DEFERRED INFLOWS OF RESOURCES		
Unamortized Gain on Bond Defeasance	796,845	-
Deferred Amounts on OPEB Plan	1,011,797	349,147
Deferred Amounts on Leases	-	-
Total Deferred Inflows of Resources	1,808,642	349,147
NET POSITION		
Net Investment in Capital Assets	134,462,792	34,823,867
Restricted for:		
National Pollution Discharge Elimination System	-	-
Pension Stability	1,204,445	287,898
Unrestricted	(6,066,829)	13,589,635
Total Net Position	\$ 129,600,408	\$ 48,701,400

See accompanying Notes to Financial Statements.

Business-Type Activities Enterprise Funds		Governmental Activities
Nonmajor	Total	Internal Service Funds
\$ 1,613,530	\$ 16,290,426	\$ 2,923,598
58,925	897,852	205,454
100,496	1,430,031	81,759
-	-	743,087
11,000	1,319,484	-
-	115,895	59,653
66,752	289,917	233,428
-	-	11,570,990
82,126	239,368	171,298
899,935	899,935	-
-	910,000	-
77,021	234,758	268,547
<u>2,909,785</u>	<u>22,627,666</u>	<u>16,257,814</u>
-	598,891	151,214
611,083	2,652,406	2,439,903
-	14,844,613	-
-	-	49,019,612
1,744,951	5,085,914	3,639,576
5,330,281	16,246,588	20,316,136
-	47,195,797	-
5,269,198	16,060,410	18,372,036
<u>12,955,513</u>	<u>102,684,619</u>	<u>93,938,477</u>
15,865,298	125,312,285	110,196,291
-	796,845	-
1,194,812	2,555,756	2,076,327
490,607	490,607	-
<u>1,685,419</u>	<u>3,843,208</u>	<u>2,076,327</u>
28,112,058	197,398,717	10,344,966
5,559,125	5,559,125	-
937,775	2,430,118	3,351,053
6,659,716	14,182,522	(41,693,416)
<u>\$ 41,268,674</u>	<u>\$ 219,570,482</u>	<u>\$ (27,997,397)</u>

**CITY OF SANTA ANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2025**

	Business-Type Activities Enterprise Funds	
	Water	Sewer
OPERATING REVENUES		
Charges for Services	\$ 72,816,530	\$ 10,174,710
Lease Revenues	366,866	-
Miscellaneous	383,659	35,523
Total Operating Revenues	73,567,055	10,210,233
OPERATING EXPENSES		
Personnel Services	11,612,079	2,971,340
Contractual Services	33,346,650	2,254,806
Materials and Supplies	10,512,391	702,359
Administrative Charges	12,344,505	2,347,287
Insurance	-	-
Provision for Self-Insured Losses	-	-
Depreciation and Amortization	3,654,802	1,167,559
Total Operating Expenses	71,470,427	9,443,351
OPERATING INCOME (LOSS)	2,096,628	766,882
NONOPERATING REVENUES (EXPENSES)		
Intergovernmental	-	-
Net Increase in the Fair Value of Investment	-	-
Investment Earnings	1,203,862	294,321
Interest Expense	(2,112,205)	(76,411)
Gain (Loss) on Disposal of Capital Assets	-	(102,661)
Total Nonoperating Revenues (Expenses)	(908,343)	115,249
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	1,188,285	882,131
Capital Contributions	624,476	42,555
Capital Contribution to Governmental Funds	-	(500,000)
Transfers In	-	-
Transfers Out	(1,375,658)	(459,755)
CHANGE IN NET POSITION	437,103	(35,069)
Net Position (Deficit) - Beginning of Year, as Originally Reported	129,355,134	48,882,286
Restatement	(191,829)	(145,817)
Net Position (Deficit) - Beginning of Year, as Restated	129,163,305	48,736,469
NET POSITION (DEFICIT) - END OF YEAR	\$ 129,600,408	\$ 48,701,400

See accompanying Notes to Financial Statements.

Business-Type Activities Enterprise Funds		Governmental Activities
Nonmajor	Total	Internal Service Funds
\$ 33,680,889	\$ 116,672,129	\$ 89,219,895
312,303	679,169	-
334,065	753,247	12,468,064
<u>34,327,257</u>	<u>118,104,545</u>	<u>101,687,959</u>
5,613,157	20,196,576	13,019,290
24,036,856	59,638,312	9,137,433
412,627	11,627,377	3,521,523
4,065,679	18,757,471	12,613,428
-	-	39,956,285
-	-	16,256,258
1,567,761	6,390,122	1,385,264
<u>35,696,080</u>	<u>116,609,858</u>	<u>95,889,481</u>
(1,368,823)	1,494,687	5,798,478
631,588	631,588	-
-	-	1,329,291
400,810	1,898,993	1,060,117
(141,445)	(2,330,061)	(500,060)
-	(102,661)	22,612
<u>890,953</u>	<u>97,859</u>	<u>1,911,960</u>
(477,870)	1,592,546	7,710,438
1,406,145	2,073,176	-
(1,159,255)	(1,659,255)	-
4,205,039	4,205,039	8,439,400
<u>(3,855,727)</u>	<u>(5,691,140)</u>	<u>(102,862)</u>
118,332	520,366	16,046,976
41,382,929	219,620,349	(43,684,086)
<u>(232,587)</u>	<u>(570,233)</u>	<u>(360,287)</u>
<u>41,150,342</u>	<u>219,050,116</u>	<u>(44,044,373)</u>
<u>\$ 41,268,674</u>	<u>\$ 219,570,482</u>	<u>\$ (27,997,397)</u>

**CITY OF SANTA ANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2025**

	Business-Type Activities Enterprise Funds	
	Water	Sewer
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 72,341,309	\$ 9,882,043
Receipts from Interfund Services Provided	-	-
Receipts from Other Operating Sources	383,659	35,523
Payments to Suppliers for Goods and Services	(61,156,220)	(4,969,230)
Payments from Interfund Services Used	-	-
Payments to Employees	(11,019,909)	(3,310,663)
Net Cash Provided (Used) by Operating Activities	548,839	1,637,673
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers In	-	-
Transfers Out	(1,375,658)	(459,755)
Interest Paid	(213,265)	(76,475)
Receipt of Interfund Balances	-	-
Payment of Interfund Balances	-	-
Receipt of Operating Grants	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	(1,588,923)	(536,230)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Contributions	624,476	42,555
Capital Contributions to Governmental Funds	-	(500,000)
Acquisition of Capital Assets	(23,816,593)	(733,694)
Proceeds from Sale of Capital Assets	-	-
Receipt from Notes Payable	14,182,256	-
Retirement of Long-Term Liabilities	(1,265,436)	-
Payments on Subscription Liability	(229,058)	(37,315)
Interest Paid	(1,312,818)	-
Net Cash Used by Capital and Related Financing Activities	(11,817,173)	(1,228,454)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	1,148,707	267,978
Net Increase in the Fair Value of Investment	-	-
Net Cash Provided by Investing Activities	1,148,707	267,978
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(11,708,550)	140,967
Cash and Cash Equivalents - Beginning of Year	47,437,706	18,318,613
CASH AND CASH EQUIVALENTS - END OF YEAR (Includes Restricted Assets)	\$ 35,729,156	\$ 18,459,580

See accompanying Notes to Financial Statements.

Business-Type Activities Enterprise Funds		Governmental Activities
Nonmajor	Total	Internal Service Funds
\$ 33,879,808	\$ 116,103,160	\$ 6,350,570
-	-	82,896,825
334,065	753,247	12,465,594
(28,642,296)	(94,767,746)	(68,758,139)
-	-	(5,348,562)
<u>(5,888,452)</u>	<u>(20,219,024)</u>	<u>(28,984,198)</u>
(316,875)	1,869,637	(1,377,910)
4,205,039	4,205,039	8,439,400
(3,855,727)	(5,691,140)	(102,862)
(141,564)	(431,304)	(565,829)
89,343	89,343	1,231,613
(289,848)	(289,848)	(203,730)
<u>588,099</u>	<u>588,099</u>	<u>-</u>
595,342	(1,529,811)	8,798,592
1,406,145	2,073,176	-
(1,159,255)	(1,659,255)	-
(1,569,996)	(26,120,283)	(4,131,963)
-	-	105,304
-	14,182,256	-
-	(1,265,436)	-
-	(266,373)	(121,054)
<u>-</u>	<u>(1,312,818)</u>	<u>-</u>
(1,323,106)	(14,368,733)	(4,147,713)
372,000	1,788,685	968,775
<u>-</u>	<u>-</u>	<u>1,329,291</u>
<u>372,000</u>	<u>1,788,685</u>	<u>2,298,066</u>
(672,639)	(12,240,222)	5,571,035
<u>21,494,914</u>	<u>87,251,233</u>	<u>41,746,038</u>
<u>\$ 20,822,275</u>	<u>\$ 75,011,011</u>	<u>\$ 47,317,073</u>

**CITY OF SANTA ANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND (CONTINUED)
YEAR ENDED JUNE 30, 2025**

	Business-Type Activities Enterprise Funds	
	Water	Sewer
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ 2,096,628	\$ 766,882
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization Expense	3,654,802	1,167,559
Change in Assets and Liabilities:		
(Increase) Decrease in:		
Accounts Receivable	(919,344)	(292,667)
Leases Receivable	-	-
Intergovernmental Receivable	-	-
Inventory of Supplies	60,159	-
Prepaid Items	-	-
Deferred Outflows from Pension	1,585,135	567,937
Deferred Outflows from OPEB	150,640	43,634
Increase (Decrease) in:		
Accounts Payable	(5,068,017)	384,948
Retentions Payable	55,184	(49,726)
Compensated Absences Payable	122,366	(500,762)
Deposits Payable	77,257	-
Claims Payable	-	-
Pension Obligation Bonds Payable	(65,067)	(23,313)
Grant Advances	-	-
Net Pension Liability	(900,621)	(322,685)
Total OPEB Liability	45,482	15,695
Deferred Inflows from Pension	(38,956)	(13,957)
Deferred Inflows from OPEB	(306,809)	(105,872)
Deferred Inflows from Leases	-	-
Net Cash Provided (Used) by Operating Activities	\$ 548,839	\$ 1,637,673
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Increase in Fair Value of Investments	\$ -	\$ -
Accounts Payable Related to Capital Assets	1,902,270	494,287
Retentions Payable Related to Capital Assets	1,266,958	62,577
Noncash Capital Contributions	310,000	42,555
Amortization of Premium and Unamortized Loss on Bond Defeasance	(314,268)	-
Issuance of SBITAs	\$ -	\$ 155,158

See accompanying Notes to Financial Statements.

Business-Type Activities Enterprise Funds		Governmental Activities
Nonmajor	Total	Internal Service Funds
\$ (1,368,823)	\$ 1,494,687	\$ 5,798,478
1,567,761	6,390,122	1,385,264
(152,621)	(1,364,632)	25,030
296,036	296,036	-
55,503	55,503	-
-	60,159	150,634
-	-	76,476
1,051,311	3,204,383	6,424,303
70,924	265,198	185,019
352,892	(4,330,177)	1,403,837
31,217	36,675	20,535
(396,378)	(774,774)	7,109
-	77,257	-
-	-	883,208
(43,156)	(131,536)	(6,115,960)
(511,241)	(511,241)	-
(597,325)	(1,820,631)	(8,950,414)
31,952	93,129	(871,135)
(25,834)	(78,747)	(118,676)
(366,791)	(779,472)	(1,681,618)
(312,302)	(312,302)	-
<u>\$ (316,875)</u>	<u>\$ 1,869,637</u>	<u>\$ (1,377,910)</u>
\$ -	\$ -	\$ 1,329,291
236,025	2,632,582	329,219
100,496	1,430,031	81,759
42,707	395,262	-
-	(314,268)	-
<u>\$ -</u>	<u>\$ 155,158</u>	<u>\$ 62,080</u>

**CITY OF SANTA ANA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2025**

	Successor Agency to the Santa Ana Redevelopment Agency Private-Purpose Trust Fund	<u>Custodial Funds</u>
ASSETS		
Cash and Investments	\$ 12,515,434	\$ 4,294,942
Restricted Assets:		
Cash and Investments with Fiscal Agents	37,130	105,348
Receivables, Net of Allowances:		
Interest	70,733	13,573
Taxes	-	4,750
Leases (Current)	204,617	-
Leases (Noncurrent)	310,137	-
Lease Assets, Net of Accumulated Amortization	<u>551,319</u>	<u>-</u>
Total Assets	<u>13,689,370</u>	<u>4,418,613</u>
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized Loss on Bond Defeasance	1,531,382	-
Deferred Amounts on Pension Plans	32,548	-
Deferred Amounts on OPEB Plan	609	-
Total Deferred Outflows of Resources	<u>1,564,539</u>	<u>-</u>
LIABILITIES		
Accounts Payable	-	644,286
Interest Payable	503,887	-
Deposits Payable	-	245,931
Due to Other Governmental Agencies	-	610,376
Long-Term Liabilities - Due Within One Year	11,109,394	-
Total OPEB Liability - Due Within One Year	385	-
Due in More Than One Year:		
Long-Term Liabilities	27,233,858	-
Net Pension Liability	120,448	-
Total OPEB Liability	<u>8,192</u>	<u>-</u>
Total Liabilities	<u>38,976,164</u>	<u>1,500,593</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Amounts on OPEB Plan	99,071	-
Deferred Amounts on Leases	506,656	-
Total Deferred Inflows of Resources	<u>605,727</u>	<u>-</u>
NET POSITION		
Held in Trust for Other Purposes	(24,327,982)	-
Individuals, Organizations, and Other Governments	<u>-</u>	<u>2,918,020</u>
Total Net Position	<u>\$ (24,327,982)</u>	<u>\$ 2,918,020</u>

See accompanying Notes to Financial Statements.

**CITY OF SANTA ANA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2025**

	Successor Agency to the Santa Ana Redevelopment Agency Private-Purpose Trust Fund	<u>Custodial Funds</u>
ADDITIONS		
Property Taxes	\$ 12,436,495	\$ 134,238
Investment Earnings	669,629	37,396
Rental Income	202,662	-
Police Seized Assets	-	333,641
Commissary	-	1,223,573
Taxes and Fees for Other Agency	190,000	3,196,805
Miscellaneous	-	12,381
Total Additions	<u>13,498,786</u>	<u>4,938,034</u>
DEDUCTIONS		
Program Expenses	196,038	-
Administrative Expenses	50,272	105,090
Interest and Fiscal Agency Expenses	1,950,726	-
Police Seized Assets	-	120,749
Bond Payment	-	102,888
Payments to Other Agency	-	3,003,768
Commissary	-	1,241,331
Miscellaneous	-	562
Amortization	220,527	-
Total Deductions	<u>2,417,563</u>	<u>4,574,388</u>
CHANGE IN NET POSITION	11,081,223	363,646
Net Position (Deficit) - Beginning of Year	<u>(35,409,205)</u>	<u>2,554,374</u>
NET POSITION (DEFICIT) - END OF YEAR	<u><u>\$ (24,327,982)</u></u>	<u><u>\$ 2,918,020</u></u>

See accompanying Notes to Financial Statements.



CITY OF SANTA ANA, CALIFORNIA

Annual Comprehensive Financial Report

CITY OF SANTA ANA, CALIFORNIA

**NOTES TO THE BASIC
FINANCIAL STATEMENTS**

CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

Blended Component Units

Housing Authority of the City of Santa Ana

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

Santa Ana Financing Authority

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

CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Blended Component Units (Continued)

Santa Ana Public Financing Authority

The Santa Ana Public Financing Authority (SAPFA) was organized in June 2024, for the primary purpose of providing for the financing or refinancing of Public Capital Improvements for and Working Capital Requirements and insurance programs of the City and the Housing Authority. The City is legally obligated to provide resources in case there are deficiencies in debt service payment and resources are not available from any other remedies. The SAPFA is administered by a board whose members shall be the members of the City Council. The SAPFA's board has the responsibility for the general management of the affairs, property, and business of the SAPFA. The SAPFA's financial data and transactions are included within the Water Enterprise Fund. There is no separate Component Unit Financial Report (CUFR) prepared for SAPFA.

B. Government-Wide and Fund Financial Statements

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

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

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

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

CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred, all other grant requirements have been met, and the susceptible to accrual criteria have been met. Grant funds received before the revenue recognition criteria have been met are reported as unearned revenue.

The City reports the following major governmental funds:

General Fund

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

Special Revenue Grants Fund

This fund accounts for revenue sources awarded to the City by the federal, state and local governments not otherwise accounted for in the General Fund or capital projects funds.

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Special Revenue Housing Authority Fund

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

Special Revenue American Rescue Plan Act Fund

This fund accounts for the receipt and disbursement of funds received from the U.S. Department of the Treasury to respond to the economic and public health impacts of COVID-19 pandemic.

Capital Projects Capital Grants Fund

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

Capital Projects Street Construction Fund

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

The City reports the following major proprietary funds:

Water Enterprise Fund

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

Sewer Fund

This fund is used to account for the provision of the cost of cleaning, rehabilitation, repair of sanitary sewer facilities, and removal of sewer main blockages.

Additionally, the City reports the following fund types:

Internal Service Funds

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

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

**Successor Agency to the Santa Ana Redevelopment Agency Private-Purpose
Trust Fund**

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

Custodial Funds

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

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

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

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

Cash and Investments

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

CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Cash and Investments (Continued)

Investments are reported in the accompanying financial statements at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Changes in fair value that occur during the fiscal year are recognized as revenue from investment income (governmental funds) and net change in the fair value of investment (proprietary funds). These revenues include interest earnings, changes in fair value, leases and any gains or losses realized upon liquidation, maturity, or sale of investments.

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

Cash and Investments with Fiscal Agents

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

Pension Stability Fund

In June 2016, the City Council adopted a resolution establishing an irrevocable, tax-exempt Section 115 Trust to accumulate resources to help offset future pension costs. The trust's assets may be used exclusively for the payment of pension liabilities. Assets held in the trust are reported as restricted cash and investments.

Interagency Receivables, Payables, Transfers, and Advances

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

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amount as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Interagency Receivables, Payables, Transfers, and Advances (Continued)

Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Property Taxes

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

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

Inventories and Prepaid Items

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

Land Held for Resale

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

Restricted Assets

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

CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Capital Assets

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

Lease and subscription assets are amortized in a systematic and rational manner over the shorter of the lease or subscription term or the useful life of the underlying lease and subscription assets. Capital assets are depreciated and amortized using the straight-line method over the following estimated useful lives:

Buildings and Building Improvements	10 to 40 Years
Improvements Other Than Buildings	20 Years
Infrastructure	10 to 75 Years
Equipment	3 to 15 Years
Computer Software	10 to 20 Years

CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense) until that time. The category of deferred outflows of resources reported in the government-wide statement of net position and the proprietary and fiduciary funds financial statements is related to a loss on refunding, pension and other postemployment benefits. A deferred loss on refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows on pension and other postemployment benefits are more fully discussed in Notes 4E, 4F and 4H, respectively.

In addition to liabilities, the statement of net position and the Governmental Funds Balance Sheet reports a separate section for *deferred inflows of resources*. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

The City's deferred inflows of resources reported on the government-wide statement of net position and the proprietary and fiduciary funds financial statements include pension other postemployment benefits. A deferred gain on refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred inflows on pension and other postemployment benefits are more fully discussed in Notes 4E, 4F, and 4H, respectively.

The City's deferred inflows of resources reported on the government-wide statement of net position and the proprietary fund financial statements also include a gain on refunding. A deferred gain on refunding results from the difference in the carrying value of the refunded 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's deferred inflows of resources reported on the government-wide statement of net position and the governmental, proprietary, and fiduciary funds financial statements also include balances related to leases for amounts not yet received. These amounts relate to the value of the lease receivable and any payments received at or before the commencement of the lease term that relate to future periods. These amounts are deferred and recognized as an inflow of resources in future periods over the term of the lease.

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Deferred Outflows/Inflows of Resources (Continued)

Deferred inflows from *unavailable revenues*, which arise only under a modified accrual basis of accounting, are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues that are not collected during the “availability period”. The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The governmental funds report unavailable revenues from two sources, which are intergovernmental revenues for grants and cost recoveries.

Arbitrage Liability

Any liability for arbitrated interest is recorded in the fund incurring the liability and interest income is reduced by the amount of liability incurred during the year. The City had no arbitrage liability as of June 30, 2025.

Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

Long-Term Obligations

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

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

CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Pensions

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

Fund Balances

Governmental funds report fund balances in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2025, fund balances for government funds are made up of the following:

- **Nonspendable fund balance.** Amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories and prepaid amounts.
- **Restricted fund balance.** Amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- **Committed fund balance.** Amounts that can only be used for the specific purposes determined by a formal action of the City's highest level of decision-making authority, the City Council. The City Council adopts a motion to this effect by the affirmative votes of at least two-thirds of the members of the city council to commit fund balance by an ordinance prior to the end of the fiscal year. Commitments may be changed or lifted only by the City taking the same formal action that imposed the constraint originally.
- **Assigned fund balance.** Amounts intended to be used by the City for specific purposes that are neither restricted nor committed. The City Council has by resolution authorized the City Manager to assign fund balance. The Council may also assign fund balance through the annual adopted budget and as amended per the approved budget policy. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balances (Continued)

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

Net Position Classifications

- **Net Investment in Capital Assets.** This category groups all capital assets into one component of net position. Accumulated depreciation and amortization on these assets and related long-term debt and capital related payables used to acquire the assets reduces this category.
- **Restricted Net Position.** This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position.** This category represents the net position of the City that is not restricted for any project or other purpose.

E. Change in Accounting Principle

Effective July 1, 2024, the City implemented GASB Statement No. 101, *Compensated Absences*. See Notes 1D, 3E, and 5 for more information.

NOTE 2 FUND DEFICITS

At June 30, 2025, the deficit of \$0.09 million in the major American Rescue Plan Act Special Revenue Fund is primarily due to the effect of previous fair market value adjustments of cash and investments.

The deficits of \$22.3 million in the major Capital Grants Capital Projects Fund, \$0.5 million in the nonmajor Civic Center Maintenance Special Revenue Fund, and \$0.8 million in the nonmajor Community Development Capital Projects Fund are primarily due to the timing of receipt which did not meet the revenue recognition criteria for governmental funds. Subsequent collection of the receivable will reduce the deficits.

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 FUND DEFICITS (CONTINUED)

The deficits of \$5.3 million in the Internal Service Building Maintenance Fund, \$28.4 million in the Internal Service Self Insurance Fund, and \$7.0 million in the Internal Service Engineering and Administrative Services Fund are primarily due to the net pension liability, OPEB liability, and claims liability. In order to address pension obligations and future benefit contributions, the City established the pension stability fund shown as a restricted asset and issued Taxable Pension Obligation Bonds in September 2021. Please see Note 4, section E for further details. The City Yard Operations Fund experienced a deficit of \$0.8 million as operating costs outpaced internal charges. The City is addressing this through a multi-faceted strategy that includes revising internal charges, improving cost allocation methods, and strengthening financial oversight to restore the fund's long-term stability.

The deficit of \$24.3 million in the Successor Agency Private-Purpose Trust Fund is primarily due to long-term liabilities that are only funded through annual property tax assessments.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

Cash and investments as of June 30, 2025, were classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments	\$ 455,859,253
Restricted Assets:	
Cash and Investments	30,129,690
Cash and Investments with Fiscal Agents	2,312,990
Pension Stability Fund	<u>48,045,356</u>
Subtotal	<u>536,347,289</u>
Statement of Fiduciary Net Position:	
Cash and Investments	16,810,376
Restricted Assets:	
Cash and Investments with Fiscal Agents	<u>142,478</u>
Subtotal	<u>16,952,854</u>
Total Cash and Investments	<u><u>\$ 553,300,143</u></u>

Cash and investments as of June 30, 2025, consisted of the following:

Cash on Hand	\$ 79,625
Deposits with Financial Institutions	58,422,293
Investments	<u>494,798,225</u>
Total Cash and Investments	<u><u>\$ 553,300,143</u></u>

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

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

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

Authorized Investment Type	Authorized by Policy	*Maximum Maturity	*Maximum Percentage of Portfolio	*Maximum Investment in One Issuer
U.S. Treasury Notes	Yes	5 Years	None	None
Federal Agency Securities	Yes	5 Years	None	None
Local Agency Bonds	Yes	5 Years	None	None
Banker's Acceptances	Yes	180 Days	40%	30%
California Cooperative Liquid Assets Securities (CLASS)	Yes	None	None	None
Commercial Paper	Yes	270 Days	25%	10%
Negotiable Certificates of Deposit	Yes	5 Years	50%	None
Medium-Term Notes	Yes	5 Years	30%	5%
Money Market Mutual Funds	Yes	None	20%	10%
Local Agency Investment Fund (LAIF)	Yes	None	75 Million**	None
Repurchase Agreements	Yes	1 Year	20%	None
Supranational Obligations	Yes	5 Years	30%	None
City of Santa Ana Bonds	Yes	5 Years	None	None

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

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

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Investments Authorized by Debt Agreements

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

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>
U.S. Treasury Notes	None
Federal Agency Securities	None
Local Agency Bonds	None
Banker's Acceptances	180 Days
Certificates of Deposit	None
Commercial Paper	270 Days
Municipal Obligations	None
Money Market Mutual Funds	None
State of California Investment Pool	None
Savings Accounts	None
Medium Term Notes	5 Years
Mortgage Pass-Through and Asset-Backed Securities	5 Years
Money Market Deposit Accounts	None
Deposit Accounts	None
Investment Contracts	None
Repurchase Agreements	1 Year

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value change in market interest rates. In accordance with the City's investment policy that was established by a resolution on June 18, 2024, interest rate risk may be mitigated by: 1) structuring the fund so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, 2) purchasing investments with the intent to hold until maturity, and 3) investing operating funds primarily in shorter-term securities. The cash flow is updated on a daily basis and will be considered prior to the investment of securities, which will reduce the necessity to sell investments for liquidity purposes.

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Disclosures Relating to Interest Rate Risk (Continued)

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

Investment Type	Total	Remaining Maturity (in Months)		
		12 Months or Less	13 to 24 Months	25 to 60 Months
Federal Agency Securities	\$ 165,827,445	\$ 73,650,400	\$ 81,511,238	\$ 10,665,807
U.S. Treasury Securities	15,473,095	-	-	15,473,095
Local Agency Bonds	14,873,125	-	-	14,873,125
Medium Term Notes	60,535,147	-	-	60,535,147
Mortgage Pass-Through and Asset-Backed	50,260,659	-	-	50,260,659
Negotiable Certificates of Deposit	11,542,332	7,491,939	4,050,393	-
Money Market Funds	957,298	957,298	-	-
Local Agency Investment Fund	120,958,361	120,958,361	-	-
California CLASS	6,176,401	6,176,401	-	-
Held by Fiscal Agent:				
Money Market Funds	149,006	149,006	-	-
Pension Trust - PARS Pooled Trust	48,045,356	48,045,356	-	-
Total	<u>\$ 494,798,225</u>	<u>\$ 257,428,761</u>	<u>\$ 85,561,631</u>	<u>\$ 151,807,833</u>

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

Highly Sensitive Investments	Fair Value at Year-End
Callable Agency Securities with Interest Rates that Increase in Ranges from 2% to 7%	<u>\$ 153,861,108</u>

Disclosures Relating to Credit Risk

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

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Disclosures Relating to Credit Risk (Continued)

Investment Type	Total	Minimum Legal Rating	Rating as of Year-End	
			Aaa	Aa
Federal Agency Securities	\$ 165,827,445	AAA	\$ -	\$ 165,827,445
U.S. Treasury Securities	15,473,095	N/A	-	-
Local Agency Bonds	14,873,125		-	14,873,125
Medium Term Notes	60,535,147		15,034,045	5,630,962
Mortgage Pass-Through and Asset-Backed	50,260,659		22,030,463	-
Negotiable Certificates of Deposit	11,542,332	N/A	-	-
Money Market Funds	957,298		-	-
Local Agency Investment Fund	120,958,361	N/A	-	-
California CLASS	6,176,401	N/A	-	-
Held by Fiscal Agent:				
Money Market Funds	149,006	AAA	149,006	-
Pension Trust - PARS Pooled Trust	48,045,356	N/A	-	-
Total	<u>\$ 494,798,225</u>		<u>\$ 37,213,514</u>	<u>\$ 186,331,532</u>

Investment Type	Rating as of Year-End		
	A	Not Rated	Not Required to be Rated
Federal Agency Securities	\$ -	\$ -	\$ -
U.S. Treasury Securities	-	-	15,473,095
Local Agency Bonds	-	-	-
Medium Term Notes	39,870,140	-	-
Mortgage Pass-Through and Asset-Backed	-	28,230,196	-
Negotiable Certificates of Deposit	-	-	11,542,332
Money Market Funds	-	-	957,298
Local Agency Investment Fund	-	-	120,958,361
California CLASS	-	-	6,176,401
Held by Fiscal Agent:			
Money Market Funds	-	-	-
Pension Trust - PARS Pooled Trust	-	48,045,356	-
Total	<u>\$ 39,870,140</u>	<u>\$ 76,275,552</u>	<u>\$ 155,107,487</u>

Concentration of Credit Risk

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

Issuer	Investment Type	Amount
Federal Farm Credit Bank	Federal Agency Securities	\$ 29,651,052
Federal Home Loan Bank	Federal Agency Securities	113,434,472
Federal National Mortgage Association	Federal Agency Securities	20,909,400

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2025, none of the City's deposits with financial institutions in excess of federal depository insurance limits was held in uncollateralized accounts.

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

Investments in State Investment Pool

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

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

California Cooperative Liquid Assets Securities System (California CLASS)

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

Investments in Public Agencies Retirement Trust

The \$48.0 million of pension stability funds represents assets restricted to the defined benefit pension plan. The Plan assets are subject to the investment selections stipulated in the Plan document rather than the general provisions of the California Government Code or the City's investment policy.

Fair Value Measurements

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

Level 1 – Inputs are unadjusted, quoted prices in active markets for identical assets at the measurement date.

Level 2 – Inputs are observable for the assets and liabilities through corroboration with market data at the measurement date. Matrix pricing is used to value investments based on the securities' relationship to benchmark quoted prices.

Level 3 – Are unobservable inputs for the assets or liabilities. This valuation is accomplished using management's best estimate of fair value, with inputs into the determination of fair value that require significant management judgment or estimation. The City did not have any investments in this category as of June 30, 2025.

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Fair Value Measurements (Continued)

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

	Total	Quoted Prices in Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Federal Agency Securities	\$ 165,827,445	\$ -	\$ 165,827,445	\$ -
U.S. Treasury Securities	15,473,095	-	15,473,095	-
Local Agency Bonds	14,873,125		14,873,125	
Medium Term Notes	60,535,147		60,535,147	
Mortgage Pass-Through and Asset-Backed Negotiable Certificates of Deposit	50,260,659 11,542,332	-	50,260,659 11,542,332	-
Total Leveled Investments	318,511,803	\$ -	\$ 318,511,803	\$ -
Local Agency Investment Fund	120,958,361			
California CLASS	6,176,401			
Pension Trust - PARS Pooled Trust	48,045,356			
Money Market Funds*	1,106,304			
Total	<u>\$ 494,798,225</u>			

* Not subject to fair value hierarchy.

B. Leases Receivable

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

Governmental Activities

- **Building and office space leases.** The value of the lease receivable is \$1.8 million plus interest at rates ranging from 0.22% to 3.02% with due dates ranging from July 2025 to April 2035.
- **Land leases.** The value of the lease receivable is \$6.1 million plus interest rates ranging from 0.46% to 1.64%, due dates ranging from July 2025 to October 2045.

Business-Type Activities

- **Building and office space leases.** The value of the lease receivable is \$0.5 million plus interest at rates ranging from 0.32% to 2.33% due dates ranging from July 2025 to May 2028.

Fiduciary Activities

- **Land leases.** The value of the lease receivable is \$0.5 million plus interest rate of 0.83% and due date from July 2025 to December 2027.

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Leases Receivable (Continued)

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

<u>Year Ending June 30,</u>	Governmental Activities		
	Principal	Interest	Total
2026	\$ 690,000	\$ 152,758	\$ 842,758
2027	617,389	144,932	762,321
2028	588,594	136,808	725,402
2029	607,056	128,504	735,560
2030	481,279	120,413	601,692
2031 - 2035	2,341,355	480,958	2,822,313
2036 - 2040	860,098	323,416	1,183,514
2041 - 2045	1,000,571	195,908	1,196,479
2046	701,982	55,934	757,916
Total Minimum Lease Payments	<u>\$ 7,888,324</u>	<u>\$ 1,739,631</u>	<u>\$ 9,627,955</u>

<u>Year Ending June 30,</u>	Business-Type Activities		
	Principal	Interest	Total
2026	\$ 277,060	\$ 10,032	\$ 287,092
2027	149,216	4,523	153,739
2028	88,736	1,214	89,950
Total Minimum Lease Payments	<u>\$ 515,012</u>	<u>\$ 15,769</u>	<u>\$ 530,781</u>

<u>Year Ending June 30,</u>	Fiduciary Activities		
	Principal	Interest	Total
2026	\$ 204,617	\$ 3,508	\$ 208,125
2027	206,328	1,797	208,125
2028	103,809	252	104,061
Total Minimum Lease Payments	<u>\$ 514,754</u>	<u>\$ 5,557</u>	<u>\$ 520,311</u>

Certain leases provide for increases in future minimum annual rental payments based on defined increases in the Consumer Price Index, subject to certain minimum increases. Some leases require variable payments based on future performance of the lessee or usage of the underlying asset and are not included in the measurement of the lease receivable. Those variable payments are recognized as inflows of resources in the periods in which the payments are received. During the year ended June 30, 2025, the City received variable payments as required by lease agreements totaling \$10.5 million.

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Leases Receivable (Continued)

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

	<u>Principal</u>	<u>Interest</u>
Governmental Activities	\$ 1,236,637	\$ -
Business-Type Activities	296,036	5,205
Fiduciary Activities	202,920	18,135
Total	<u>\$ 1,735,593</u>	<u>\$ 23,340</u>

C. Capital Assets

A summary of changes in the governmental activities capital assets at June 30, 2025 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 20,274,022	\$ 21,278	\$ -	\$ 20,295,300
Right-of-Way	498,209,987	274,531	-	498,484,518
Street Trees	8,026,612	-	(174)	8,026,438
Construction in Progress	209,174,552	101,428,719	(67,941,931)	242,661,340
Total Capital Assets Not Being Depreciated	735,685,173	101,724,528	(67,942,105)	769,467,596
Capital Assets Being Depreciated and Amortized:				
Buildings and Improvements	238,394,581	2,649,327	-	241,043,908
Improvements Other Than Buildings	175,308,481	23,624,100	(200,588)	198,731,993
Equipment	41,569,116	6,137,058	(3,152,021)	44,554,153
Infrastructure	525,929,377	44,359,171	(1,561,574)	568,726,974
Computer Software	9,209,026	-	-	9,209,026
Lease Buildings	7,811,841	-	-	7,811,841
Subscription Assets	6,490,993	453,872	(237,065)	6,707,800
Subtotal	1,004,713,415	77,223,528	(5,151,248)	1,076,785,695
Less: Accumulated Depreciation/ Amortization for:				
Buildings and Improvements	(183,921,298)	(6,023,921)	-	(189,945,219)
Improvements Other Than Buildings	(83,558,657)	(6,520,406)	144,204	(89,934,859)
Equipment	(31,203,788)	(2,955,972)	2,826,129	(31,333,631)
Infrastructure	(278,844,611)	(13,942,133)	1,366,315	(291,420,429)
Computer Software	(7,710,002)	(284,001)	-	(7,994,003)
Lease Buildings	(1,750,093)	(792,955)	-	(2,543,048)
Subscription Assets	(2,332,104)	(1,572,704)	237,065	(3,667,743)
Subtotal	(589,320,553)	(32,092,092)	4,573,713	(616,838,932)
Total Capital Assets Being Depreciated, Net	415,392,862	45,131,436	(577,535)	459,946,763
Governmental Activities Capital Assets, Net	<u>\$ 1,151,078,035</u>	<u>\$ 146,855,964</u>	<u>\$ (68,519,640)</u>	<u>\$ 1,229,414,359</u>

Construction in Progress decreases are reflected in the increase in buildings and building improvements, improvements other than buildings, equipment, and infrastructure.

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

A summary of changes in the business-type activities capital assets at June 30, 2025 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 20,075,897	\$ -	\$ -	\$ 20,075,897
Construction in Progress	50,319,696	25,435,456	(5,120,597)	70,634,555
Total Capital Assets Not Being Depreciated	70,395,593	25,435,456	(5,120,597)	90,710,452
Capital Assets Being Depreciated and Amortized:				
Buildings and Improvements	8,831,492	-	-	8,831,492
Improvements Other Than Buildings	243,025,533	5,047,124	(188,575)	247,884,082
Equipment	27,314,372	758,301	(16,470)	28,056,203
Parking Structures	18,678,699	-	-	18,678,699
Computer Software	491,949	-	-	491,949
Subscription Assets	1,212,682	155,158	(496,905)	870,935
Subtotal	299,554,727	5,960,583	(701,950)	304,813,360
Less: Accumulated Depreciation/ Amortization for:				
Buildings and Improvements	(8,673,964)	(157,528)	-	(8,831,492)
Improvements Other Than Buildings	(114,383,880)	(4,127,076)	85,914	(118,425,042)
Equipment	(14,423,702)	(1,417,534)	16,470	(15,824,766)
Parking Structures	(10,997,331)	(409,807)	-	(11,407,138)
Computer Software	(251,903)	(35,265)	-	(287,168)
Subscription Assets	(372,688)	(242,912)	496,905	(118,695)
Subtotal	(149,103,468)	(6,390,122)	599,289	(154,894,301)
Total Capital Assets Being Depreciated, Net	150,451,259	(429,539)	(102,661)	149,919,059
Business-Type Activities Capital Assets, Net	<u>\$ 220,846,852</u>	<u>\$ 25,005,917</u>	<u>\$ (5,223,258)</u>	<u>\$ 240,629,511</u>

A summary of changes in the fiduciary activities capital asset activities at June 30, 2025 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Private-Purpose Trust Activities:				
Lease Buildings	\$ 1,433,428	\$ -	\$ -	\$ 1,433,428
Less: Accumulated Amortization	(661,582)	(220,527)	-	(882,109)
Private-Purpose Trust Capital Assets, Net	<u>\$ 771,846</u>	<u>\$ (220,527)</u>	<u>\$ -</u>	<u>\$ 551,319</u>

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

Governmental Activities:

General Government	\$	715,593
Human Resources		92,806
Finance and Management Services		647,632
Museum		127,267
Library		330,386
Recreation and Community Services		3,778,250
Police Department		4,842,311
Fire and Ambulance Services		256,552
Planning and Building		142,566
Public Works		18,642,248
Community Development		2,292,693
Information Technology		223,788
Total Depreciation/Amortization Expense - Governmental Activities		\$ 32,092,092

Business-Type Activities:

Water	\$	3,654,802
Parking		295,547
Sanitation		401,808
Sewer		1,167,559
Refuse Collections		12,126
Transportation Center		356,002
Federal Clean Water Protection		502,278
Total Depreciation/Amortization Expense - Business-Type Activities		\$ 6,390,122

Construction Commitments

The City has active construction projects as of June 30, 2025. The projects include street widening and improvements, various park improvements, improvements to the water system, sewer improvements, and storm drain improvements:

Projects	Spent-to-Date	Remaining Commitment	Total Project Budget
Street Widening and Improvements	\$ 168,473,726	\$ 191,754,955	\$ 360,228,681
Park Improvements	69,601,478	49,494,683	119,096,161
Water System Improvements	82,252,900	17,452,024	99,704,924
Sewer Improvements	14,640,225	10,456,092	25,096,317
Other Improvements	7,034,096	15,368,082	22,402,178

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Receivables, Payables, Transfers, and Advances

The composition of interfund balances as of and for the year ended June 30, 2025, is as follows:

Due To/From Other Funds

Due to Other Funds (Payable)	Due from Other Funds (Receivable)		
	Internal Service Self-Insurance Fund	General Fund	Total
Major Capital Projects Funds:			
Capital Grants	\$ 18,151,209	\$ -	\$ 18,151,209
Nonmajor Special Revenue Funds:			
Civic Center and Maintenance	467,459	-	467,459
Gas Tax	-	10,000	10,000
Nonmajor Capital Projects Funds:			
Community Development	892,365	-	892,365
Internal Service Funds:			
City Yard	743,087	-	743,087
Total	<u>\$ 20,254,120</u>	<u>\$ 10,000</u>	<u>\$ 20,264,120</u>

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

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

The nonmajor Special Revenue Gas Tax Fund accrued \$10,000 of gas tax revenue at year-end, which will be transferred to the General Fund to cover street-related engineering and administrative costs.

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

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

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

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

Interfund Transfers

Transfers Out	Transfers In						Total
	General Fund	Capital Projects Street Construction	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Enterprise Funds	Internal Service Funds	
General Fund	\$ -	\$ 1,153,976	\$ 13,211,423	\$ -	\$ 1,081,870	\$ 8,439,400	\$ 23,886,669
Major Special Revenue:							
Grants	-	-	146,553	-	-	-	146,553
Housing Authority	-	-	78,626	-	-	-	78,626
Nonmajor Special Revenue Funds	9,999	4,922,697	41,292	1,267,705	-	-	6,241,693
Nonmajor Debt Service Funds	53,469	-	-	-	-	-	53,469
Nonmajor Capital Projects Funds	-	-	20,506	-	-	-	20,506
Water	35,606	-	-	-	1,340,052	-	1,375,658
Sewer	-	-	-	-	459,755	-	459,755
Nonmajor Enterprises Funds	11,289	2,521,076	-	-	1,323,362	-	3,855,727
Internal Service Funds	8,392	-	94,470	-	-	-	102,862
Total	\$ 118,755	\$ 8,597,749	\$ 13,592,870	\$ 1,267,705	\$ 4,205,039	\$ 8,439,400	\$ 36,221,518

The General Fund received transfers of \$55,287 for capital lease and loan payments for the 800 MHz Radio System. The transfers consisted of \$35,606 from the Water major Enterprise Fund, \$449 from the Parking nonmajor Enterprise Fund, \$10,840 from the Sanitation nonmajor Enterprise Fund, \$6,518 from the Equipment Maintenance and Replacement Internal Service Fund, and \$1,874 from the Engineering and Administrative Services Internal Service Fund. There was a transfer in of \$9,999 from the Gas Tax nonmajor Special Revenue Fund for street-related engineering costs. The General Fund received \$53,469 from the Santa Ana Financing Authority nonmajor Debt Service Fund for interest earned from the Police Lease Revenue Bonds which were fully defeased as of prior fiscal year.

The Street Construction major Capital Projects Fund received \$4,922,697 from the Gas Tax nonmajor Special Revenue Fund for street construction and maintenance projects and \$2,521,076 from the Refuse Collections nonmajor Enterprise Fund to provide funding for improvements to the City's streets to offset the wear and tear impact of heavy waste collection trucks. There was a transfer in of \$1,153,976 from the General Fund to fund the Bristol Street Widening Project.

The Pension Obligation Bond nonmajor Debt Service Fund received transfers of \$12,857,768 for debt service payments of the 2021 Taxable Pension Obligation Bonds. The transfers consisted of \$12,570,793 from the General Fund, \$146,553 from the Grants major Special Revenue Fund, \$24,269 from the Gas Tax nonmajor Special Revenue Fund, \$78,626 from the Housing Authority major Special Revenue Fund, \$5,928 from the Air Quality Improvement nonmajor Special Revenue Fund, \$11,097 from the Civic Center Maintenance nonmajor Special Revenue Fund, \$10,132 from the Housing Successor Agency nonmajor Capital Projects Fund, and \$10,374 from the Inclusionary Housing Fee nonmajor Capital Projects fund.

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

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

Interfund Transfers (Continued)

The nonmajor Santa Ana Financing Authority Debt Service Fund received transfers of \$735,100 for debt service payments of the 2014 Private Placement Financing. The transfers consisted of \$640,630 from the General Fund and \$94,470 from the Engineering and Administrative Services Internal Service Fund.

The Inclusionary Housing Fee nonmajor Capital Projects Fund received \$1,267,705 from the Rent Stabilization nonmajor Special Revenue Fund for expenses related to the implementation of the Rent Stabilization Program.

The Sanitation nonmajor Enterprise Fund received transfer of \$200,000 from the Federal Clean Water Protection nonmajor Enterprise Fund for street sweeping services. The Transportation Center nonmajor Enterprise Fund received \$1,081,870 from the General Fund to address the negative fund balance. The Federal Clean Water Protection nonmajor Enterprise Fund received a total of \$2,923,169: \$1,340,052 from the Water major Enterprise Fund, \$459,755 from the Sewer major Enterprise Fund, and \$1,123,362 from the Refuse Collections nonmajor Enterprise Fund for surcharges that fund the various activities of the storm water management program.

The Self Insurance Internal Service Fund received \$8,439,400 from the General Fund to address estimated negative fund balance.

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Liabilities

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

	Beginning Balance, Restated (1)	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Other Debt:					
Lease Obligations	\$ 6,172,957	\$ -	\$ 695,873	\$ 5,477,084	\$ 724,540
Subscription Liability	3,989,254	453,871	1,552,313	2,890,812	1,345,128
Revenue Refunding Bonds	36,380,000	-	1,545,000	34,835,000	1,615,000
Pension Obligation Bonds	401,191,512	-	3,212,489	397,979,023	5,733,503
Long-Term Loans and Other Payables	823,870	-	279,876	543,994	181,765
Unamortized Bond Discount/ Premium, Net	6,790,240	-	438,080	6,352,160	-
Direct Borrowings and Placements:					
Notes from Direct Borrowings	8,174,572	-	2,544,240	5,630,332	1,329,324
Other Long-Term Liabilities:					
Compensated Absences Payable (2)	39,835,402	2,943,044	-	42,778,446	3,667,557
Claims Payable - Workers' Compensation	38,162,408	16,793,476	12,600,523	42,355,361	6,491,530
Claims Payable - Liability Insurance	21,544,986	2,961,453	6,271,198	18,235,241	5,079,460
Total Governmental Activities	\$ 563,065,201	\$ 23,151,844	\$ 29,139,592	\$ 557,077,453	\$ 26,167,807

	Beginning Balance, Restated (1)	Additions	Reductions	Ending Balance	Due Within One Year
Business-Type Activities:					
Other Debt:					
Revenue Bonds Payable	\$ 44,160,000	\$ -	\$ 1,065,000	\$ 43,095,000	\$ 910,000
Subscription Liability	826,001	155,158	266,373	714,786	115,895
Pension Obligation Bonds	16,426,704	-	131,536	16,295,168	234,758
Add: Bond Premium	5,211,233	-	200,436	5,010,797	-
Long-Term Loans and Other Payables	662,357	14,182,256	-	14,844,613	-
Other Long-Term Liabilities:					
Compensated Absences Payable (2)	3,717,091	-	774,768	2,942,323	289,917
Total Business-Type Activities	\$ 71,003,386	\$ 14,337,414	\$ 2,438,113	\$ 82,902,687	\$ 1,550,570

- (1) The beginning balance was restated due to the implementation of GASB Statement No. 101, *Compensated Absences*, see Notes 1D, 1E, and 5.
(2) The change in the compensated absence liability is presented as a net change.

Compensated Absences

The City's policies relating to employee leave benefits are described in Note 1D. At year-end, \$2.7 million of Internal Service Funds compensated absences are included in the above amounts.

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Liabilities (Continued)

The following is a summary of changes in long-term liabilities of the Private-Purpose Trust Fund for the year ended June 30, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Private-Purpose Trust Activities:					
Other Debt:					
Lease Obligations	\$ 780,937	\$ -	\$ 220,807	\$ 560,130	\$ 222,654
2018A Tax Allocation Refunding Bonds	8,365,000	-	875,000	7,490,000	915,000
2018B Tax Allocation Refunding Bonds	38,625,000	-	9,285,000	29,340,000	9,970,000
Pension Obligation Bonds	121,784	-	975	120,809	1,739
Add: Bond Premium	967,282	-	134,969	832,313	-
Total Private-Purpose Trust Activities	<u>\$ 48,860,003</u>	<u>\$ -</u>	<u>\$ 10,516,751</u>	<u>\$ 38,343,252</u>	<u>\$ 11,109,393</u>

The City's legal debt margin is 10% of the total assessed valuation, which is \$897.1 million for the fiscal year ended June 30, 2025.

A description of each long-term debt obligation follows:

Lease Obligations

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

Governmental Activities

- **Building and office space leases.** The value of the lease liability is \$5.5 million plus interest at rates ranging from 0.46% to 2.71% with due dates ranging from July 2025 to July 2033.

Fiduciary Activities

- **Building and office space leases.** The value of the lease liability is \$0.6 million plus interest rate of 0.83% and due dates ranging from July 2025 to December 2027.

Certain facility leases provide for increases in future minimum annual rental payments based on defined increases in the Consumer Price Index, subject to certain minimum increases.

As of June 30, 2025, lease assets and the related accumulated amortization totaled \$7.8 million and \$2.5 million, respectively, in governmental activities and \$1.4 million and \$0.9 million, respectively, in private-purpose trust activities.

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Liabilities (Continued)

Lease Obligations (Continued)

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

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>		<u>Fiduciary Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2026	\$ 724,540	\$ 71,894	\$ 222,654	\$ 3,817	\$ 1,022,905
2027	754,759	59,615	224,515	1,955	1,040,844
2028	751,377	46,859	112,961	275	911,472
2029	594,331	37,302	-	-	631,633
2030	620,885	29,697	-	-	-
2030 - 2033	2,031,192	40,019	-	-	2,071,211
Total	<u>\$ 5,477,084</u>	<u>\$ 285,386</u>	<u>\$ 560,130</u>	<u>\$ 6,047</u>	<u>\$ 5,678,065</u>

Subscription-Based Information Technology Arrangements

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

As of June 30, 2025, SBITA assets and the related accumulated amortization totaled \$6.7 million and \$3.7 million, respectively, in governmental activities and \$0.9 million and \$0.1 million, respectively, in business-type activities.

The future subscription payments under SBITA agreements are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2026	\$ 1,345,128	\$ 76,221	\$ 115,895	\$ 21,347	\$ 1,558,591
2027	1,138,680	41,886	84,200	17,846	1,282,612
2028	265,453	12,696	88,564	15,539	382,252
2029	90,430	4,361	47,786	13,120	155,697
2030	51,121	1,743	49,258	11,649	113,771
2031 - 2035	-	-	269,994	34,540	304,534
2036	-	-	59,089	1,819	60,908
Total	<u>\$ 2,890,812</u>	<u>\$ 136,907</u>	<u>\$ 714,786</u>	<u>\$ 115,860</u>	<u>\$ 3,858,365</u>

Some SBITA agreements require variable payments based on future performance of the government, usage of the underlying IT assets, or number of user seats and are not included in the measurement of the SBITA liability. Those variable payments are recognized as outflows of resources in the periods in which the obligation for those payments is incurred. During the year ended June 30, 2025, the City made variable payments as required by SBITA agreements totaling \$875,226.

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Liabilities (Continued)

Revenue Refunding Bonds

Gas Tax Revenue Refunding Bonds, Series 2019

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

The Bonds are payable from and secured by the City's pledge of Gas Tax Revenues and certain funds and accounts held under the Indenture. Gas Tax Revenues consist of all amounts received by the City under Streets and Highways Code Sections 2103, 2105, 2106, and 2107. Pledged revenue recognized during the fiscal year ended June 30, 2025 was \$8.7 million against total debt payment of \$3.2 million. The unpaid balance as of June 30, 2025, was \$34.8 million.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 1,615,000	\$ 1,610,625
2027	1,700,000	1,527,750
2028	1,785,000	1,440,625
2029	1,875,000	1,349,125
2030	1,970,000	1,253,000
2031 - 2035	11,410,000	4,647,750
2036 - 2040	14,480,000	1,553,726
Total	<u>\$ 34,835,000</u>	<u>\$ 13,382,601</u>

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Liabilities (Continued)

Pension Obligation Bonds

2021 Taxable Pension Obligation Bonds, Series A

On September 8, 2021, the City issued \$425.8 million Taxable Pension Obligation Bonds, Series A. The proceeds of the bonds were used to (i) pay all or a portion of the City's currently amortized, unfunded accrued actuarial liability to the California Public Employees' Retirement System with respect to the City's defined benefit retirement plans for City employees, and (ii) pay costs of issuance of the Bonds. Taxable Pension Obligation Bonds, Series A mature serially on August 1 beginning 2022 through 2045 in amounts ranging from \$6.0 million to \$34.3 million and pay interest at rates varying from 0.25% to 3.1%. The unpaid balance as of June 30, 2025, was \$414.4 million.

The annual debt service requirements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 5,970,000	\$ 10,932,631
2027	8,790,000	10,851,812
2028	12,890,000	10,705,708
2029	22,810,000	10,421,395
2030	15,220,000	10,089,271
2031 - 2035	124,090,000	43,833,746
2036 - 2040	157,395,000	22,122,895
2041 - 2045	67,230,000	3,631,321
Total	<u>\$ 414,395,000</u>	<u>\$ 122,588,779</u>

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Liabilities (Continued)

Long-Term and Loans and Other Payables

Southern California Edison On-Bill Financing Program

On August 2011, the Council approved the installation of energy-efficient LED streetlights on Main Street and Edinger Avenue. The project was funded through Southern California Edison's On-Bill Financing Program. Since the inception of this program, the Council has approved the installation of streetlights at various other city locations. The costs are repaid from energy savings over a period of up to 10 years. The unpaid balance as of June 30, 2025, was \$0.5 million. The annual debt service requirements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>
2026	\$ 181,765
2027	129,600
2028	75,951
2029	70,076
2030 - 2031	86,602
Total	<u><u>\$ 543,994</u></u>

Notes from Direct Borrowings

Private Placement Financing

On June 18, 2014, the Santa Ana Financing Authority executed the 2014 Private Lease Financing in the amount of \$45.1 million with three private placement providers: TPB Investment, Inc. (\$22.0 million), Compass Mortgage Corporation (\$10.0 million), and Capital One Public Funding, LLC (\$13.1 million). Of the proceeds received, the City used \$8.0 million to refinance the outstanding 1998 Certificate of Participation (City Hall Expansion Project). These issues will mature serially on January 1, beginning 2017 through 2028, in amounts ranging from \$0.4 million to \$0.7 million and bear interest at 3.75%. The remaining \$37.0 million of the proceeds was used to partially advance refund the 1994 Police Administration and Holding Facility Lease Revenue Bonds. These issues will mature serially on July 1, beginning 2015 through 2024, in amounts ranging from \$3.1 million to \$4.3 million and bear interest at 3.32%. The unpaid balance as of June 30, 2025, was \$2.1 million.

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Liabilities (Continued)

Notes from Direct Borrowings (Continued)

Private Placement Financing (Continued)

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

<u>Year Ending June 30,</u>	Capital One Public Fundings, LLC	
	Principal	Interest
2026	\$ 665,000	\$ 65,531
2027	695,000	40,031
2028	720,000	13,500
Total	\$ 2,080,000	\$ 119,062

800 MHz Radio System

On May 22, 2015, the City entered into a financing agreement with Holman Capital Corporation to fund the City's partnership cost for participating in the Next Generation Systems for 800 MHz CCCS, which requires the replacement of the backbone radio infrastructure equipment. On June 5, 2015, Homan Capital Corporation assigned its right, title, and interest in and to the agreement to Community Business Bank (now known as Suncrest Bank). The City's partnership costs totaling \$2.3 million were payable over three fiscal years. Community Business Bank provided the funding necessary to fulfill the City's commitment for the first two years in the amount of \$1.0 million at interest rate of 3% per annum. The debt was fully repaid as of June 30, 2025.

On June 15, 2017, the City entered into a financing agreement with Holman Capital Corporation to fund the City's commitment to fulfill the third and final year (fiscal year 2017-18) partnership cost for this project. The total amount financed was \$1.5 million at interest rate of 3.1% per annum. On June 15, 2017, Homan Capital Corporation assigned its right, title, and interest in and to the agreement to Santa Cruz County Bank. The debt was fully repaid as of June 30, 2025.

CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Liabilities (Continued)

Notes from Direct Borrowings (Continued)

800 MHz Radio System (Continued)

On November 23, 2004, the City and 37 other cities in the Orange County executed a Joint Agreement for the Operation Maintenance and Financial Management of the Orange County 800 Megahertz Countywide Coordinated Communications System, which provides for the management and governance of the 800MHz Countywide Coordinated Communication System (800 MHz CCCS). On May 5, 2015, the City entered into an agreement amendment with the County of Orange for the operation, maintenance and financial management of the 800 MHz CCCS, which consisted of the replacement of the backbone infrastructure equipment, along with agency owned equipment and dispatch consoles with the radio equipment. The City financed the purchase of equipment necessary to implement the 800 MHz system upgrade by entering into an equipment lease-purchase agreement with Motorola Credit Corporation and Motorola Solutions, Inc. The minimum payments required during the ten-year term of the agreement are \$4.9 million. The payment discounted at an estimated interest rate of 3.12% provides a present value of \$4.3 million, which is capitalized as equipment in the City's capital assets with a cost of \$4.2 million and accumulated depreciation of \$3.7 million as of June 30, 2025. Since the agreement transfers ownership of the equipment to the City at the end of the term, the City is reporting this arrangement as a long-term other payable.

The debt was fully repaid during the fiscal year ended of June 30, 2025.

Streetlights Acquisition and Upgrade Project Financing

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

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Liabilities (Continued)

Notes from Direct Borrowings (Continued)

Streetlights Acquisition and Upgrade Project Financing (Continued)

The annual debt service requirements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 664,324	\$ 118,226
2027	686,446	96,104
2028	709,305	73,245
2029	732,925	49,626
2030	757,332	25,219
Total	<u>\$ 3,550,332</u>	<u>\$ 362,420</u>

Compensated Absences Payable

The City's policies relating to compensated absences are described in Note 1D. The outstanding balance at June 30, 2025 was \$42.8 million and \$2.9 million for the governmental activities and business-type activities, respectively.

Revenue Bonds Payable

Water Revenue Bonds, Series 2024

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

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Liabilities (Continued)

Revenue Bonds Payable (Continued)

Water Revenue Bonds, Series 2024 (Continued)

The 2024 Bonds are payable from revenues of SAPFA, consisting principally of installment payments by the City pursuant to a Master Installment Purchase Agreement between the City and SAPFA. The installment payments are special limited obligation of the City, payable from and secured by on all Net System Revenues. The total debt service amount for the bonds is \$77.8 million. Pledged revenue recognized during the fiscal year ended June 30, 2025 was \$2.7 million as against total debt payment of \$2.5 million. There is no requirement for establishing a reserve fund as security for the Bonds. The unpaid balance as of June 30, 2025, was \$43.1 million.

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 910,000	\$ 2,132,000
2027	960,000	2,085,250
2028	1,005,000	2,036,125
2029	1,055,000	1,984,625
2030	1,110,000	1,930,500
2031 - 2035	6,390,000	8,743,750
2036 - 2040	8,110,000	6,942,500
2041 - 2045	10,350,000	4,645,250
2046 - 2050	13,205,000	1,714,875
Total	<u>\$ 43,095,000</u>	<u>\$ 32,214,875</u>

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

	<u>June 30, 2025</u>
Operating Revenue	\$ 73,567,055
Operating Expenses (Net of Depreciation and Amortization Expense of \$3,654,802)	<u>67,815,625</u>
Net Revenue	5,751,430
Amount Required for Payment of Principal and Interest Payable for the Year Ended June 30, 2025 (\$2,534,908 x 1.20)	<u>3,041,890</u>
Excess of Net Revenue Over Amount Required	<u>\$ 2,709,540</u>

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Liabilities (Continued)

Water Loan Notes

The City has entered into various loan arrangements with the California State Water Resources Control Board (SWRCB) for the purpose of financing the expansion of sewer system and water system infrastructure improvements and maintenance. The City has two loans outstanding for certain well rehabilitation project and automated metering infrastructure project funded through SWRCB's Drinking Water State Revolving Fund (SRF). The SRF assists public water systems in financing the cost of drinking water infrastructure projects needed to achieve or maintain compliance with Safe Drinking Water Act (SDWA) requirements. Principal and interest are payable commencing no later than one year after completion of the project, at interest rates ranging from 1.1% to 2.6% per annum, with maturity dates ranging from July 1, 2045, to June 30, 2056. In the event of default, the City may be required, upon demand, to immediately return to the SWRCB any grant or principal owed, all of which shall be immediately due and payable; the City may also be required to pay interest at the highest legal rate on all of the foregoing and pay any additional fees. The unpaid balance as of June 30, 2025, was \$14.8 million.

Tax Allocation Bonds

The proceeds of the Tax Allocation Bonds and Tax Allocation Refunding Bonds were used to fund certain redevelopment activities of benefit to public properties within the Agency's Santa Ana South Main Street Redevelopment Project Area.

2018A Tax Allocation Refunding Bonds

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

The bonds are special obligations of the Successor Agency and are payable solely from and secured by a pledge of certain Tax Revenues. The bonds do not constitute a debt or liability of the City of Santa Ana or of any of its political subdivisions, other than the Successor Agency. The payment of principal and interest on the bonds is covered by a municipal bond insurance policy. The 2018A Tax Allocation Refunding Bonds debt service to maturity is as follows:

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Liabilities (Continued)

Tax Allocation Bonds (Continued)

2018A Tax Allocation Refunding Bonds (Continued)

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 915,000	\$ 351,625
2027	965,000	304,625
2028	1,015,000	255,125
2029	1,065,000	203,125
2030	1,120,000	148,500
2031 - 2032	2,410,000	122,000
Total	<u>\$ 7,490,000</u>	<u>\$ 1,385,000</u>

2018B Tax Allocation Refunding Bonds

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

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

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 9,970,000	\$ 946,080
2027	11,315,000	540,217
2028	4,255,000	237,044
2029	3,800,000	76,323
Total	<u>\$ 29,340,000</u>	<u>\$ 1,799,664</u>

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Liabilities (Continued)

Tax Allocation Bonds (Continued)

2018B Tax Allocation Refunding Bonds (Continued)

ABx1 26 (the Dissolution Act) was enacted in late June 2011 as part of the fiscal year 2011-12 state budget package and was held by the California Supreme Court to be largely constitutional on December 29, 2011. Under the Dissolution Act, each of California's redevelopment agencies was dissolved as of February 1, 2012. On January 9, 2012, the City adopted a resolution declaring its intent to serve as the Successor Agency and designating the Housing Authority of the City to serve as the Successor Housing Agency. Pursuant to ABx1 26, prior to the dissolution, on August 24, 2011, the Dissolved Redevelopment Agency prepared the initial Enforceable Obligation Payment Schedule (the "EOPS") subject to update by the Successor Agency. Subsequent legislation further amended the Dissolution Act and the Successor Agency is currently required to submit an annual Oversight Board approved

Recognized Obligation Payment Schedule (ROPS) to the County Auditor Controller (CAC) and the Department of Finance (DOF) by February 1st of each year (Section 34177(o)). Distributions from the Redevelopment Property Tax Trust Fund (RPTTF) are made semi-annually on June 1st and January 2nd. The Successor Agency issued the 2018 Series A and B Bonds to refund the 2003A and 2011 Tax Allocation Bonds and the 2003B Tax Allocation Refunding Bonds on November 8, 2018. The RPTTF distribution revenues have been pledged until the year 2031 for the 2018 Series A bonds and 2028 for 2018 Series B Bonds in accordance with ROPS.

The information of EOPS and ROPS are found on the City's website at: <https://www.santa-ana.org/successor-agency-oversight-board/>.

F. Special Assessment Debt with No City Commitment

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

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

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

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

Non-committal debt amount issued and outstanding at June 30, 2025 for the bonds was as follows:

Number	Fixed Rate Issues	Bonds Issued	Bonds Outstanding
2015-01	Warner Industrial Community	\$ 1,585,000	\$ 1,020,000

G. Other Bonds and Loan Programs

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

Residential Mortgage Revenue Bond Programs

Through June 30, 2025, the City and the Housing Authority of the City has issued residential mortgage revenue bonds totaling \$30.9 million. The proceeds of these bonds were used to purchase mortgage loans made to homeowners and developers for the purpose of financing construction of single-family and multi-family housing. At June 30, 2025, the bonds have an aggregate outstanding principal amount payable of \$10.2 million. The bonds, secured by first trust deeds and private mortgage insurance, are as follows:

Issue Date	Interest Rate	Original Principal	Outstanding Principal
May 1, 2006	5.88%	\$ 7,343,904	\$ 1,309,850
May 2, 2007	5.21%	8,858,276	5,380,549
July 1, 2009	Variable	4,055,000	1,246,900
October 31, 2011	5.85%	10,615,700	2,235,663
Total		\$ 30,872,880	\$ 10,172,962

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

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Bonds and Loan Programs (Continued)

Residential Loan Programs

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

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

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

The City Council also approved a down payment assistance loan program for first time homebuyers. The program offers 0% interest, deferred payment loans up to \$80,000 to \$120,000 depending on the household income level of the qualifying person. All loans are deferred for 30 to 45 years or are due upon sale with the loan secured by a deed of trust. A student incentive is provided to a college graduate who lived in Santa Ana while attending high school in which \$10,000 may be forgiven every five years up to \$40,000 in total forgiveness. U.S. Military personnel and Veterans can also receive an incentive in which \$10,000 may be forgiven every five years up to \$40,000 with proof of owner occupancy.

In addition, the City provides residual receipt loans with up to 3% interest to developers of multi-family affordable housing projects for new construction or acquisition/rehabilitation. For example, in 2012, the Successor Agency to the Community Redevelopment Agency of the City of Santa Ana provided a one-time forgivable loan of \$2.9 million for the development of a 41-unit new construction project that shall be forgiven in March 2067.

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Bonds and Loan Programs (Continued)

Residential Loan Programs (Continued)

The various loan programs described above are funded by the HOME Investment Partnerships Program, Community Development Block Grant, CalHome Program, Low- and Moderate-Income Housing Asset Fund, Inclusionary Housing Fund, Neighborhood Stabilization Program, Rental Rehabilitation Program, and other grant funds that are available to create affordable housing and rehabilitate existing housing. The forgivable loans are offset by allowance for uncollectible accounts and the long-term loans are discounted based on the historical prime rate, which was 5.50% as of June 30, 2025. At year-end, loans and notes receivable were reported as follows:

<u>Program/Fund</u>	<u>Loans Receivable</u>	<u>Allowance for Uncollectibles</u>	<u>Net Loans Receivable</u>
Special Revenue Grants:			
HOME Investment Partnership Program	\$ 45,554,524	\$ (245,875)	\$ 45,308,649
HOME - American Rescue Plan Program	5,256,327	-	5,256,327
Community Development Block Grants	5,557,293	(80,000)	5,477,293
Neighborhood Stabilization Program	10,609,065	-	10,609,065
CalHome Program	1,585,397	-	1,585,397
Rental Rehabilitation Program	386,523	-	386,523
Total Special Revenue Grants	<u>68,949,129</u>	<u>(325,875)</u>	<u>68,623,254</u>
Capital Projects:			
Inclusionary Housing Fee	13,954,754	(4,085,641)	9,869,113
Housing Successor Agency	73,472,544	(50,906,157)	22,566,387
Total Capital Projects	<u>87,427,298</u>	<u>(54,991,798)</u>	<u>32,435,500</u>
Total	<u>\$ 156,376,427</u>	<u>\$ (55,317,673)</u>	<u>\$ 101,058,754</u>

H. Commitments

Appellate Court Garage Lease Agreement

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

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Commitments (Continued)

Appellate Court Garage Lease Agreement (Continued)

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

On June 1, 2014, the Assigned Agreement was amended to give the City a prepayment option and revised the lease payment schedule. The amended lease term is scheduled to end on May 1, 2026. The amended lease payment schedule was computed at 3.6% per annum. The future minimum lease payments required under the term of the lease at June 30, 2025 totaled \$0.6 million.

<u>Year Ending June 30,</u>	<u>Principal Component</u>	<u>Interest Component</u>	<u>Total Lease Payment</u>
2026	<u>\$ 620,223</u>	<u>\$ 16,796</u>	<u>\$ 637,019</u>

Encumbrances

Encumbrances represent commitments related to contracts not yet performed, and orders not yet filled and they are used to control expenditure commitments for the year and to enhance cash management. While all appropriations and encumbrances lapse at year-end, valid outstanding encumbrances (those for which performance under executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget. The encumbrances balance at June 30, 2025 was \$13.6 million. These amounts are reported as assigned fund balance in the governmental funds.

<u>Encumbrances</u>	<u>June 30, 2025</u>
General Fund	\$ 3,821,062
Special Revenue Grants	2,249,085
Housing Authority	4,595
American Rescue Plan Act	3,175,957
Street Construction	372,503
Capital Grants	1,862,203
Water	143,813
Sewer	652,482
Nonmajor Special Revenue Funds	38,438
Nonmajor Capital Projects Funds	122,317
Nonmajor Enterprise Funds	73,450
Internal Service Funds	1,078,648
Total	<u>\$ 13,594,553</u>

CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 4 OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to employee injury or illness; torts; theft of, damage to and destruction of assets; errors and omissions; employer liability; and natural disasters. In July 1975, the City established Self Insurance Internal Service Funds for the administration of the City's self-insurance programs, to include workers' compensation, property, and liability, and associated risk management programs. The City contracts with a Third Party Administrator, AdminSure, Inc. for claims handling and administration of liability and workers' compensation claims. AdminSure claims adjusters estimate total losses for each claim and determines reserve requirements for the General Liability and Workers' Compensation claims as well as maintain required reporting and on-going communication with risk pool personnel including the Liability and Workers' Compensation Program Managers, and applicable gap, excess, and reinsurance carriers, City Attorney's staff, outside legal counsel and City Risk Management staff.

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

Effective July 1, 2019, the City was accepted as a member of Independent Cities Risk Management Authority (ICRMA), a qualified risk pool, currently with 11 other southern California cities, for both general liability and workers' compensation excess coverage and reinsurance for all claims with dates of incident of July 1, 2019 going forward. Under these programs, the City is permissibly self-insured for workers' compensation claims up to \$2 million each occurrence with Statutory Coverage. ICRMA also provides numerous other risk control services for member cities.

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

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Risk Management (Continued)

Claims expenses, benefits and liabilities are reported in accordance with each applicable Memorandum of Coverage and associated reporting procedures with BICEP, CSAC-EIA/PRISM and ICRMA, including, when it is probable that a loss has occurred and the amount of loss can be reasonably estimated. The losses include an estimate of claims that have been incurred but not reported (IBNR). The effects of specific incremental claim adjustment expenditures/expenses, salvage, and subrogation, and other allocated and unallocated claim adjustment expenditures/expenses are included. At June 30, 2025, the outstanding losses for the workers' compensation and general liability programs are reported at their discounted present value. The outstanding losses are discounted at a 2.0% annual interest rate to reflect future investment earnings. The present value computations were performed by an independent casualty actuary, in connection with their actuarial study of the City's self-insured workers' compensation and liability programs undertaken as of June 30, 2025.

Changes in the balances of claims liabilities since July 1, 2023 resulted from the following:

	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Total</u>
Net Unpaid Claims - July 1, 2023	\$ 38,659,042	\$ 19,651,291	\$ 58,310,333
Claims and Changes in Estimate	8,467,586	8,475,636	16,943,222
Claims Payments	<u>(4,633,882)</u>	<u>(6,008,792)</u>	<u>(10,642,674)</u>
Unpaid Claims - June 30, 2024	42,492,746	22,118,135	64,610,881
Less: Discount Taken	<u>(4,330,338)</u>	<u>(573,149)</u>	<u>(4,903,487)</u>
Net Unpaid Claims - June 30, 2024	<u>\$ 38,162,408</u>	<u>\$ 21,544,986</u>	<u>\$ 59,707,394</u>

	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Total</u>
Net Unpaid Claims - July 1, 2024	\$ 38,162,408	\$ 21,544,986	\$ 59,707,394
Claims and Changes in Estimate	15,611,963	3,498,014	19,109,977
Claims Payments	<u>(6,824,640)</u>	<u>(6,271,198)</u>	<u>(13,095,838)</u>
Unpaid Claims - June 30, 2025	46,949,731	18,771,802	65,721,533
Less: Discount Taken	<u>(4,594,370)</u>	<u>(536,561)</u>	<u>(5,130,931)</u>
Net Unpaid Claims - June 30, 2025	<u>\$ 42,355,361</u>	<u>\$ 18,235,241</u>	<u>\$ 60,590,602</u>

Internal service funds predominantly serve the governmental funds. Accordingly, the total for the internal service funds claims payable is included as part of the \$60.6 million of claims payable for governmental activities.

CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Related Party Transactions

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

C. Contingent Liabilities

Commitments and Contingencies

Numerous claims and suits have been filed against the City in the normal course of business. To the extent that information available indicates that it is probable, a liability has been incurred as of June 30, 2025, and where the amount of loss could be reasonably estimated, the obligation has been accrued as an expense of the City's self-insurance program (see Note 4A).

Federally Assisted Programs

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

D. Joint Venture

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

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Joint Venture (Continued)

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

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

E. Defined Benefit Pension Plan

1. General Information about the Pension Plans

Plan Description

All qualified permanent and probationary employees are eligible to participate in the City's separate Safety (police and fire) and Miscellaneous (all other) Plans, agent multiemployer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (CONTINUED)

E. Defined Benefit Pension Plan (Continued)

1. General Information about the Pension Plans (Continued)

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 to 62 with statutorily reduced benefits. PEPRA miscellaneous members become eligible for service retirement upon attainment of age 52 with at least five years of service. All members are eligible for non-duty disability benefits after five years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. Safety members can receive a special death benefit if the member dies while actively employed and the death is job-related. Fire members may receive the alternate death benefit in lieu of the Basic Death Benefit or the 1957 Survivor Benefit if the member dies while actively employed and has at least 20 years of total CalPERS service. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan's provisions and benefits in effect at the measurement date ended June 30, 2024, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or After January 1, 2013
Hire Date		
Benefit Formula	2.7% @ 55	2% @ 62
Benefit Vesting Schedule	5 Years Service	5 Years Service
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	50	52 - 67
Monthly Benefits as a Percentage of Eligible Compensation	2.0% to 2.7%	1% to 2.5%
Required Employee Contribution Rates	8.00%	7.75%
Required Employer Contribution (Normal Cost Rate)	12.22%	12.22%
Required Employer Contribution (Unfunded Liability)	\$ 12,018,763	Included in Tier 1

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (CONTINUED)

E. Defined Benefit Pension Plan (Continued)

1. General Information about the Pension Plans (Continued)

Benefits Provided (Continued)

	Safety	
	Prior to January 1, 2013	On or After January 1, 2013
Hire Date	3% @ 50	2.7% @ 57
Benefit Formula	5 Years Service	5 Years Service
Benefit Vesting Schedule	Monthly for Life	Monthly for Life
Benefit Payments	50	50
Retirement Age	Monthly Benefits as a Percentage of Eligible Compensation	
	3.0%	2.0% to 2.7%
Required Employee Contribution Rates	9.00%	12.75%
Required Employer Contribution (Normal Cost Rate)	23.43%	23.43%
Required Employer Contribution (Unfunded Liability)	\$ 16,062,765	Included in Tier 1

Employees Covered

At the measurement date ended June 30, 2024, the following employees were covered by the benefit terms of each Plan:

	Miscellaneous	Safety
Inactive Employees or Beneficiaries Currently Receiving Benefits	1,676	1,002
Inactive Employees Entitled to But Not Yet Receiving Benefits	1,037	167
Active Employees	912	326
Total	<u>3,625</u>	<u>1,495</u>

Contributions

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

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (CONTINUED)

E. Defined Benefit Pension Plan (Continued)

1. General Information about the Pension Plans (Continued)

Contributions (Continued)

Participants are required to contribute 8% (9% for safety employees) of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. On January 1, 2013, the Public Employees' Pension Reform Act of 2013 (PEPRA) took effect. Participants who joined CalPERS on or after January 1, 2013 (new members) are required to contribute at least 50% of the normal cost rate. In the fiscal year 2024-2025, the rate is 7.75% (12.75% for safety employees) of the new members' annual covered salary. As an employer, the City is required to contribute an actuarially determined percentage rate of annual covered payroll. For the fiscal year 2024-2025, the Employer Normal Cost Rate was 23.43% for safety employees and 12.22% for non-safety employees. The City's total employer contributions based on the rates were \$12.6 million for safety employees and \$11.1 million for non-safety employees. The City also contributed Employer Payment of Unfunded Liability of \$16.1 million for safety employees and \$12.0 million for non-safety employees. The contribution requirements of plan members and the City are established and may be amended by CalPERS.

2. Net Pension Liability

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2024, using an annual actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions

The total pension liabilities in the June 30, 2023 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2023	June 30, 2023
Measurement Date	June 30, 2024	June 30, 2024
Actuarial Cost Method	Entry-Age Normal	Entry-Age Normal
Actuarial Assumptions:		
Discount Rate	6.90%	6.90%
Inflation	2.30%	2.30%
Projected Salary Increase	(1)	(1)
Mortality Rate Table	(2)	(2)
Post Retirement Benefit Increase	(3)	(3)

CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 4 OTHER INFORMATION (CONTINUED)

E. Defined Benefit Pension Plan (Continued)

2. Net Pension Liability (Continued)

- (1) Varies by entry age and service.
- (2) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.
- (3) The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter.

Change of Assumptions

There were no changes to assumptions from the measurement date June 30, 2023 to June 30, 2024.

Discount Rate

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

Long-Term Expected Rate of Return

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

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

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (CONTINUED)

E. Defined Benefit Pension Plan (Continued)

2. Net Pension Liability (Continued)

Long-Term Expected Rate of Return (Continued)

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

Asset Class (a)	New Strategic Allocation	Real Return (a) (b)
Global Equity - Cap-Weighted	30.00 %	4.54 %
Global Equity - Non-Cap-Weighted	12.00	3.84
Private Equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-Backed Securities	5.00	0.50
Investment Grade Corporates	10.00	1.56
High Yield	5.00	2.27
Emerging Market Debt	5.00	2.48
Private Debt	5.00	3.57
Real Assets	15.00	3.21
Leverage	(5.00)	(0.59)
Total	<u>100.00 %</u>	

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

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

3. Changes in the Net Pension Liability

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

	Miscellaneous Plan		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balances - June 30, 2023 (VD) ⁽¹⁾	\$ 1,088,514,139	\$ 902,660,934	\$ 185,853,205
Changes in the Year:			
Service Cost	15,266,217	-	15,266,217
Interest on the Total Pension Liability	73,839,019	-	73,839,019
Differences Between Expected and Actual Experience	4,609,706	-	4,609,706
Contribution from the Employer	-	20,801,243	(20,801,243)
Contribution from the Employees	-	7,309,099	(7,309,099)
Net Investment Income	-	85,067,505	(85,067,505)
Benefit Payments, Including Refunds of Employee Contributions	(61,252,488)	(61,252,488)	-
Administrative Expense	-	(734,498)	734,498
Net Changes	<u>32,462,454</u>	<u>51,190,861</u>	<u>(18,728,407)</u>
Balances - June 30, 2024 (MD) ⁽¹⁾	<u>\$ 1,120,976,593</u>	<u>\$ 953,851,795</u>	<u>\$ 167,124,798</u>

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (CONTINUED)

E. Defined Benefit Pension Plan (Continued)

3. Changes in the Net Pension Liability (Continued)

	Safety Plan		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balances - June 30, 2023 (VD) ⁽¹⁾	\$ 1,342,504,911	\$ 1,097,359,732	\$ 245,145,179
Changes in the Year:			
Service Cost	17,361,715	-	17,361,715
Interest on the Total Pension Liability	90,340,542	-	90,340,542
Differences Between Expected and Actual Experience	(1,428,473)	-	(1,428,473)
Contribution from the Employer	-	26,253,148	(26,253,148)
Contribution from the Employees	-	5,978,838	(5,978,838)
Net Investment Income	-	103,061,781	(103,061,781)
Benefit Payments, Including Refunds of Employee Contributions	(80,948,148)	(80,948,148)	-
Administrative Expense	-	(892,925)	892,925
Net Changes	<u>25,325,636</u>	<u>53,452,694</u>	<u>(28,127,058)</u>
Balances - June 30, 2024 (MD) ⁽¹⁾	<u>\$ 1,367,830,547</u>	<u>\$ 1,150,812,426</u>	<u>\$ 217,018,121</u>

⁽¹⁾ The tables above are based on the Valuation Date (VD) June 30, 2023 and the Measurement Date (MD) of June 30, 2024.

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

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

Plan	1% Decrease	Current	1% Increase
	5.90%	Discount Rate 6.90%	7.90%
Miscellaneous	\$ 311,898,750	\$ 167,124,798	\$ 47,676,915
Safety	389,824,727	217,018,121	74,657,500

Pension Plan Fiduciary Net Position

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

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (CONTINUED)

E. Defined Benefit Pension Plan (Continued)

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

For the year ended June 30, 2025, the City recognized pension expense of \$48.6 million for safety plan and \$37.0 million for non-safety employees. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contribution Subsequent to Measurement Date	\$ 23,069,456	\$ -
Differences Between Expected and Actual Experience	6,104,456	-
Net Differences Between Projected and Actual Earnings on Pension Plan	15,986,795	-
Total	\$ 45,160,707	\$ -
	Safety Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contribution Subsequent to Measurement Date	\$ 28,715,211	\$ -
Differences Between Expected and Actual Experience	5,414,380	935,896
Net Differences Between Projected and Actual Earnings on Pension Plan	20,354,998	-
Total	\$ 54,484,589	\$ 935,896

The \$51.8 million reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (CONTINUED)

E. Defined Benefit Pension Plan (Continued)

4. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

<u>Year Ending June 30,</u>	<u>Deferred Outflows (Inflows) of Resources</u>		
	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
2026	\$ 6,621,577	\$ 7,877,187	\$ 14,498,764
2027	23,788,929	26,926,805	50,715,734
2028	(3,513,258)	(4,149,622)	(7,662,880)
2029	(4,805,997)	(5,820,888)	(10,626,885)
Total	<u>\$ 22,091,251</u>	<u>\$ 24,833,482</u>	<u>\$ 46,924,733</u>

5. Payable to the Pension Plan

As of June 30, 2025, the City had \$1.8 million of contributions payable to the pension plan required for the fiscal year ended June 30, 2025.

F. Supplementary Retirement Plan

1. Plan Description

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

2. Eligibility

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

3. Funding Policy

The City made available an original annual amount of \$119,768 to the plan in accordance with the payment terms defined by the plan. This amount has increased annually due to an annual compounding cost of living adjustment of 2% per year. For the fiscal year 2024-2025, the City's annual PARS contribution was \$150,391.

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (CONTINUED)

F. Supplementary Retirement Plan (Continued)

4. Net Pension Liability

The City's net pension liability for the supplementary plan is measured as the total pension liability, less the pension plan's fiduciary net position (unfunded accrued liability). The net pension liability of the Plan is measured as of June 30, 2025, using an annual actuarial valuation as of June 30, 2025. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions

The actuarial assumptions for the Supplementary Retirement Plan for 25 POA retirees included:

Valuation Timing	Actuarially determined contribution rates are calculated as of June 30, for the fiscal year ending that June 30th.
Valuation Date	June 30, 2025
Measurement Date	June 30, 2025
Actuarial Cost Method	Entry-Age Normal
Amortization Method:	
Level Percent or Level Dollar	Level Dollar
Closed, Open, or Layered Periods	Closed
Amortization Period at June 30, 2025	7 Years
Amortization Growth Rate	0.00%
Asset Valuation Method:	
Smoothing Period	None
Recognition Method	None
Corridor	None
Actuarial Assumptions:	
Inflation	N/A
Projected Salary Increase	N/A
Investment Rate of Return	6.00%
Cost-of-Living	2.00%
Mortality	Males: RP-2000 Male Table projected to 2030 using Scale BB (as prescribed by PARS). Females: RP-2000 Female Table projected to 2030 using Scale BB (as prescribed by PARS).

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (CONTINUED)

F. Supplementary Retirement Plan (Continued)

4. Net Pension Liability (Continued)

Discount Rate

The discount rate is based on the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments to the extent that the plan's fiduciary net position is not projected to be sufficient. As of June 30, 2025, the plan's fiduciary net position is not projected to be sufficient in the first year of the projection.

The primary assumption in determining the sufficiency of a plan's fiduciary net position relates to expected employer contributions. As of June 30, 2025, the supplementary plan is currently not prefunded, in other words the level of contributions made are sufficient only to make current benefit payments.

Since a date of depletion is determined, the discount rate is much lower than the current 6.00% investment return assumption. After assets are expected to be depleted, projected benefit payments are discounted using the municipal bond index. The City has chosen the Bond Buyer Go 20-Bond Municipal Bond Index. The bond index increased from 3.93% as of June 30, 2024 to 5.20% as of June 30, 2025, resulting in an increase in the single equivalent rate from 3.93% as of June 30, 2024 to 5.20% as of June 30, 2025.

The unfunded liability, referred to as the net pension liability, is \$1.7 million for a funded ratio of 6.38% as of June 30, 2025.

Asset Class	Index	Estimated Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
US Cash	BAML 3-Month Tbill	100 %	0.83 %	0.80 %
Assumed Inflation - Mean			2.28	2.28
Assumed Inflation - Standard Deviation			1.47	1.47
Portfolio Real Mean Return			0.83	0.80
Portfolio Nominal Mean Return			3.11	3.10
Portfolio Standard Deviation			-	1.14
Long-Term Expected Rate of Return			-	6.00

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (CONTINUED)

F. Supplementary Retirement Plan (Continued)

4. Net Pension Liability (Continued)

Changes in the Net Pension Liability

The changes in the net pension liability for the POA retirees plan are as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances - June 30, 2024	\$ 2,143,081	\$ 105,487	\$ 2,037,594
Changes in the Year:			
Interest on the Total Pension Liability	81,590	-	81,590
Effect of Economic/Demographic Gains or Losses	(1,042)	-	(1,042)
Effect of Assumption Changes or Inputs	(239,262)	-	(239,262)
Benefit Payments	(135,318)	(135,318)	-
Employer Contributions	-	150,391	(150,391)
Net Investment Income	-	5,377	(5,377)
Administrative Expenses	-	(8,011)	8,011
Net Changes	<u>(294,032)</u>	<u>12,439</u>	<u>(306,471)</u>
Balances - June 30, 2025	<u>\$ 1,849,049</u>	<u>\$ 117,926</u>	<u>\$ 1,731,123</u>

Sensitivity Analysis

The following presents the net pension liability of the City of Santa Ana PARS Supplementary Retirement Plan, calculated using the discount rate of 5.20%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.20%) or 1-percentage-point higher (6.20%) than the current rate.

	1% Decrease 4.20%	Current Discount Rate 5.20%	1% Increase 6.20%
	Net Pension Liability	\$ 1,915,398	\$ 1,731,123

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (CONTINUED)

F. Supplementary Retirement Plan (Continued)

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

For the year ended June 30, 2025, the City recognized pension income of \$0.2 million. As of June 30, 2025, the deferred inflows and outflows of resources were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Differences Between Projected and Actual Earnings on Pension Plan	\$ 3,280	\$ -

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

Year Ending June 30,	Deferred Outflows (Inflows) of Resources
2026	\$ 1,702
2027	773
2028	429
2029	376
Total	\$ 3,280

The following is a summary of the City's total fiscal year 2024-2025 deferred amounts on pension plans, net pension liability, and pension expense:

Plan	Government- Wide	Fiduciary Funds	Total
Deferred Outflows on Pension Plans:			
CalPERS	\$ 99,612,748	\$ 32,548	\$ 99,645,296
Supplementary Retirement Plan	3,280	-	3,280
Total	\$ 99,616,028	\$ 32,548	\$ 99,648,576
Deferred Inflows on Pension Plans:			
CalPERS	\$ 935,896	\$ -	\$ 935,896
Net Pension Liability:			
CalPERS	384,022,471	120,448	384,142,919
Supplementary Retirement Plan	1,731,123	-	1,731,123
Total	\$ 385,753,594	\$ 120,448	\$ 385,874,042

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (CONTINUED)

F. Supplementary Retirement Plan (Continued)

5. Supplementary Retirement Plan Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Plan	Pension Expense
Defined Benefit Pension Plan:	
Miscellaneous	\$ 37,003,308
Safety	48,554,870
Supplementary Retirement Plan	(155,399)
Total	\$ 85,402,779

The City's net pension liability is primarily comprised of two numbers: the net pension liability of \$384.0 million with CalPERS and the \$414.4 million of outstanding pension obligation bonds at June 30, 2025. The pension obligation bonds were issued in September 2021 and the proceeds of those bonds were used to reduce the net liability with CalPERS.

G. Section 457 Deferred Compensation Plan

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

H. Other Postemployment Benefits (OPEB) Plan

1. Plan Description

The City provides a single-employer defined benefit healthcare plan to retirees through CalPERS under the California Public Employees Medical & Hospital Care Act (PEMHCA). The PEMHCA benefits are applied to all employee groups other than POA. Firefighters (FBA, FMA) joined PEMHCA on January 1, 1998. All other employee represented groups (excluding POA) joined PEMHCA on January 1, 1999. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. The plan does not issue a separate report. The CalPERS Board of Administration consists of thirteen members who are elected, appointed, or hold office ex officio. The board composition is mandated by law and can only be changed by a majority of the registered voters in the state.

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (CONTINUED)

H. Other Postemployment Benefits (OPEB) Plan (Continued)

2. Eligibility

Employees are eligible for PEMHCA benefits if they retire from the City on or after age 50 for all Classic Members and PEPRA Safety members and age 52 for PEPRA Miscellaneous members with at least five years of CalPERS service credit or an approved disability retirement, and are eligible for a PERS pension. Employees must retire with CalPERS within 120 days from the date of separation from employment.

3. Funding Method and Funded Status

The City initially selected “unequal” PEMHCA method for the contribution. Under this method, the City offered a lesser contribution for retirees than for active employees. Beginning 2008, Assembly Bill 2544 changed the computation for annual increases to annuitant health care under the unequal method. Under the new provisions, the City increased annuitant health care contribution equal to an amount not less than 5% of active employees’ contribution times number of years in the PEMHCA. The annual increase in minimum PEMHCA contribution to CalPERS continued until December 31, 2018 when the City contribution for retirees equaled the City contribution paid for active employees. The City began contributing the equal method for both active and retired members on January 1, 2019. The City paid \$158 for calendar year 2025 per active safety and miscellaneous employee and retirees for PEMHCA minimum. The CalPERS Board of Administration approves the employer contribution rate and plan changes annually based on Government Code section 22892. During the fiscal year 2024-2025 (measurement period 2023-2024), the total City’s PEMHCA benefit payment was \$0.8 million and the implicit subsidy was \$0.8 million for a total of \$1.6 million.

4. Employees Covered

As of the June 30, 2024 measurement date, the following current and former employees were covered by the benefit terms under the plan:

Inactive Employees Currently Receiving Benefits	437
Inactive Employees Entitled to But Not Yet Receiving Benefits	81
Active Employees	719
Total	1,237

5. Total OPEB Liability

The City’s total OPEB liability of \$36.7 million was measured as of June 30, 2024, and was determined by an actuarial valuation as of June 30, 2023.

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (CONTINUED)

H. Other Postemployment Benefits (OPEB) Plan (Continued)

5. Total OPEB Liability (Continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability as of June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry-Age Normal
Actuarial Assumptions:	
Discount Rate	4.21%
Inflation	2.50%
Projected Salary Increase	2.75% per annum, in aggregate. Non-Medicare - 8.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076.
Healthcare Cost Trend Rates	Medicare - 7.50% (Non-Kaiser) and 6.25% (Kaiser) for 2025, decreasing to an ultimate rate of 3.45% in 2076.
Pre-Retirement Turnover	Derived from CalPERS pension plan.
Mortality, Retirement, Disability, and Termination	CalPERS 2000-2019 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2021

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

Change of Assumptions

Changes of assumptions since June 30, 2023 measurement date included updated discount rate based on municipal bond rate as of the measurement date from 4.13% to 4.21%.

Discount Rate

The discount rate was based on the S&P Municipal Bond 20 Year High Grade Index. As of the beginning and end of Measurement period, use of this index results in discount rates of 4.13% as of June 30, 2023 and 4.21% as of June 30, 2024.

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (CONTINUED)

H. Other Postemployment Benefits (OPEB) Plan (Continued)

5. Total OPEB Liability (Continued)

Changes in Total OPEB Liability

The changes in total OPEB liability are as follows:

	Total OPEB Liability
Balance - June 30, 2024	\$ 36,102,886
Changes in the Year:	
Service Cost	1,137,211
Interest on the Total OPEB Liability	1,504,285
Changes of Assumptions	(365,446)
Benefit Payments	(1,633,443)
Net Changes	642,607
 Balance - June 30, 2025 ⁽¹⁾	 \$ 36,745,493

⁽¹⁾ The table above is based on the Valuation Date of June 30, 2023 and the Measurement Date of June 30, 2024.

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

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

	1% Decrease 3.21%	Current Discount Rate 4.21%	1% Increase 5.21%
Total OPEB Liability	\$ 41,758,382	\$ 36,745,493	\$ 32,619,673

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

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

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	\$ 31,956,838	\$ 36,745,493	\$ 42,669,215

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (CONTINUED)

H. Other Postemployment Benefits (OPEB) Plan (Continued)

5. Total OPEB Liability (Continued)

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

For the year ended June 30, 2025, the City recognized OPEB income of \$1.4 million. 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
Contributions Made Subsequent to Measurement Date	\$ 1,651,699	\$ -
Change of Assumptions	41,535	11,246,028
Differences Between Expected and Actual Experience	898,927	3,049,447
Changes in Proportionate Share	1,173,487	1,173,487
Total	<u>\$ 3,765,648</u>	<u>\$ 15,468,962</u>

\$1.7 million reported as deferred outflows of resources related to contributions made subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Year Ending June 30,</u>	Deferred Outflows (Inflows) of Resources
2026	\$ (3,736,257)
2027	(3,695,356)
2028	(3,365,616)
2029	(1,639,842)
2030	(861,322)
Thereafter	(56,620)
Total	<u>\$ (13,355,013)</u>

The following is a summary of the City's total fiscal year 2024-2025 deferred amounts on OPEB plan, and total OPEB liability:

Plan	Government- Wide	Fiduciary Funds	Total
Deferred Outflows on OPEB Plan	\$ 3,765,039	\$ 609	\$ 3,765,648
Deferred Inflows on OPEB Plan	15,369,891	99,071	15,468,962
Total OPEB Liability	36,736,916	8,577	36,745,493

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (CONTINUED)

I. Classification of Fund Balances

The City's fund balances at June 30, 2025, consisted of the following:

	Special Revenue Funds			Capital Projects		Nonmajor Governmental Funds	Total
	General	Grants	Housing Authority	American Rescue Plan Act	Grants		
Nonspendable:							
Prepaid Items	\$ 32,513	\$ -	\$ 62,721	\$ -	\$ -	\$ 2,675	\$ 97,909
Inventory of Supplies	-	-	-	-	-	-	-
Total Nonspendable	32,513	-	62,721	-	-	2,675	97,909
Restricted:							
Public Works Streetlight Project	1,268,870	-	-	-	-	-	1,268,870
Public Safety Grants	-	5,877,036	-	-	-	-	5,877,036
Housing and Urban Development	-	6,650,423	6,957,391	-	-	44,538,105	58,145,919
Recreation Services	-	728,718	-	-	-	-	728,718
Library Services	-	-	-	-	-	-	-
Street Capital Improvement Projects	-	-	-	-	43,602,775	32,358,334	75,961,109
Drainage Construction	-	-	-	-	-	4,551,948	4,551,948
Inmate Welfare	-	-	-	-	-	2,965,338	2,965,338
Sewer System Maintenance	-	-	-	-	-	4,629,919	4,629,919
Air Quality Improvements	-	-	-	-	-	527,613	527,613
Park Acquisition and Development	-	-	-	-	-	19,106,995	19,106,995
Community Development Capital Projects	-	-	-	-	-	(773,731)	(773,731)
Debt Service	-	-	-	-	-	6,542	6,542
Pension Stability Fund	42,264,185	-	-	-	-	-	42,264,185
Total Restricted	43,533,055	13,256,177	6,957,391	-	43,602,775	107,911,063	215,260,461
Assigned:							
Contractual Obligations	3,821,062	-	-	-	-	-	3,821,062
City Services	2,003,328	-	-	-	-	-	2,003,328
City Public Safety and Community Benefit Programs	1,872,083	-	-	-	-	-	1,872,083
Fire Facilities Fund	2,910,507	-	-	-	-	-	2,910,507
Cable TV (PEG)	1,829,749	-	-	-	-	-	1,829,749
Continuing Projects:							
Cannabis Public Benefit	20,541,171	-	-	-	-	-	20,541,171
Citywide Strategic Plan	102,000	-	-	-	-	-	102,000
Artist Grant Program	160,820	-	-	-	-	-	160,820
City Facility Improvements	20,382,704	-	-	-	-	-	20,382,704
Community and Business Assistance Programs	97,500	-	-	-	-	-	97,500
Compliance Reporting	110,000	-	-	-	-	-	110,000
Community and Neighborhood Preservation	131,000	-	-	-	-	-	131,000
Equipment and Related Supplies	11,650	-	-	-	-	-	11,650
General Plan Implementation	1,000,000	-	-	-	-	-	1,000,000
Library Improvements and Programs	4,107,630	-	-	-	-	-	4,107,630

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (CONTINUED)

I. Classification of Fund Balances (Continued)

	Special Revenue Funds				Capital Projects		Nonmajor Governmental Funds	Total
	General	Grants	Housing Authority	American Rescue Plan Act	Grants	Street Construction		
Assigned (Continued):								
Parking Study and Parking Lot Purchase	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000
Parks and Recreation Facilities Improvements	13,000,945	-	-	-	-	-	-	13,000,945
Police Oversight and Programs	435,283	-	-	-	-	-	-	435,283
Police Facilities and Equipment	1,723,426	-	-	-	-	-	-	1,723,426
Public Works Projects and Equipment	20,953,153	-	-	-	-	-	-	20,953,153
Technology Improvements and Upgrades	61,000	-	-	-	-	-	-	61,000
Treasury Administration and System Upgrades	47,165	-	-	-	-	-	-	47,165
Vehicle Purchase and Related Equipment	1,604,609	-	-	-	-	-	-	1,604,609
Total Assigned	<u>97,006,785</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>97,006,785</u>
Unassigned:								
General Fund:								
Operating Reserve	73,892,465	-	-	-	-	-	-	73,892,465
Unallocated Amount	23,223,932	-	-	-	-	-	-	23,223,932
Special Revenue Funds	-	(3,186,347)	-	(90,024)	-	-	(473,197)	(3,749,568)
Capital Projects Funds	-	-	-	-	(22,273,999)	-	-	(22,273,999)
Total Unassigned	<u>97,116,397</u>	<u>(3,186,347)</u>	<u>-</u>	<u>(90,024)</u>	<u>(22,273,999)</u>	<u>-</u>	<u>(473,197)</u>	<u>71,092,830</u>
Total	<u>\$ 237,688,750</u>	<u>\$ 10,069,830</u>	<u>\$ 7,020,112</u>	<u>\$ (90,024)</u>	<u>\$ (22,273,999)</u>	<u>\$ 43,602,775</u>	<u>\$ 107,440,541</u>	<u>\$ 383,457,985</u>

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

NOTE 5 RESTATEMENT OF BEGINNING NET POSITION

A. Change in Accounting Principle

Effective July 1, 2024, the Entity implemented GASB Statement No. 101, *Compensated Absences*. This statement updated the recognition and measurement guidance for compensated absences and associated salary-related payments and amended certain previously required disclosures. As a result of the implementation of this standard, the compensated absences liability as of July 1, 2024, was understated by \$5.7 million in the governmental activities and \$0.6 million in the business-type activities. The effect of the implementation of this standard is in the table below.

**CITY OF SANTA ANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 RESTATEMENT OF BEGINNING NET POSITION (CONTINUED)

A. Change in Accounting Principle (Continued)

	June 30, 2024 as Previously Reported	Implementation of GASB 101, Compensated Absences	June 30, 2024 as Restated
Governmental Activities	\$ 780,921,964	\$ (5,677,596)	\$ 775,244,368
Business-Type Activities	219,620,349	(570,233)	219,050,116
Total	<u>\$ 1,000,542,313</u>	<u>\$ (6,247,829)</u>	<u>\$ 994,294,484</u>
Enterprise Funds:			
Major Funds:			
Water Fund	\$ 129,355,134	\$ (191,829)	\$ 129,163,305
Sewer Fund	48,882,286	(145,817)	48,736,469
Nonmajor Funds	41,382,929	(232,587)	41,150,342
Total Proprietary Funds	<u>\$ 219,620,349</u>	<u>\$ (570,233)</u>	<u>\$ 219,050,116</u>
Internal Service Funds	<u>\$ (43,684,086)</u>	<u>\$ (360,287)</u>	<u>\$ (44,044,373)</u>

CITY OF SANTA ANA, CALIFORNIA

**REQUIRED SUPPLEMENTARY
INFORMATION**

**CITY OF SANTA ANA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Taxes	\$ 187,199,150	\$ 190,713,615	\$ 193,536,387	\$ 2,822,772
License and Permits	9,163,200	7,745,826	8,184,949	439,123
Intergovernmental	151,266,680	145,861,389	145,823,037	(38,352)
Charges for Services	25,362,760	35,359,650	30,526,271	(4,833,379)
Fines and Forfeits	5,650,100	5,650,100	5,450,652	(199,448)
Investment Income	2,187,280	3,189,280	14,307,108	11,117,828
Cost Recoveries and Donations	16,076,180	14,798,880	16,346,609	1,547,729
Rental Income	15,672,000	11,863,000	12,001,000	138,000
Miscellaneous	250,400	5,907,992	1,366,196	(4,541,796)
Total Revenues	<u>412,827,750</u>	<u>421,089,732</u>	<u>427,542,209</u>	<u>6,452,477</u>
EXPENDITURES				
Current:				
General Government:				
City Council	1,043,970	1,043,970	967,238	76,732
Clerk of the Council	1,933,680	1,933,680	1,586,910	346,770
City Attorney	4,705,960	5,002,405	4,040,502	961,903
City Manager	4,153,160	4,173,160	3,411,910	761,250
Nondepartmental	25,903,280	40,203,280	26,005,570	14,197,710
Total General Government	<u>37,740,050</u>	<u>52,356,495</u>	<u>36,012,130</u>	<u>16,344,365</u>
Human Resources	4,303,870	4,408,870	3,413,622	995,248
Finance and Management Services	13,320,850	13,392,300	12,254,798	1,137,502
Museum	1,715,320	1,715,320	1,715,614	(294)
Library	8,370,600	8,935,004	7,807,521	1,127,483
Recreation and Community Services	18,365,860	19,178,191	18,541,458	636,733
Police Department	164,292,180	164,791,759	158,745,944	6,045,815
Fire and Ambulance Services	58,600,220	63,160,267	58,413,386	4,746,881
Planning and Building	21,875,010	24,507,309	19,029,273	5,478,036
Public Works	43,345,950	51,645,669	45,026,475	6,619,194
Community Development	4,314,870	6,170,612	4,107,590	2,063,022
Capital Outlay	12,860,190	74,524,191	17,235,701	57,288,490
Debt Service:				
Principal Retirement	2,540,520	2,406,324	3,564,353	(1,158,029)
Interest and Fiscal Charges	42,480	338,826	414,648	(75,822)
Total Expenditures	<u>391,687,970</u>	<u>487,531,137</u>	<u>386,282,513</u>	<u>101,248,624</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	21,139,780	(66,441,405)	41,259,696	107,701,101
OTHER FINANCING SOURCES (USES)				
Transfers In	10,780	64,250	118,755	54,505
Transfers Out	(21,413,590)	(23,930,997)	(23,886,669)	44,328
Sale of Capital Assets	-	-	(23,081)	(23,081)
Subscription Proceeds	-	-	200,394	200,394
Total Other Financing Sources (Uses)	<u>(21,402,810)</u>	<u>(23,866,747)</u>	<u>(23,590,601)</u>	<u>276,146</u>
NET CHANGE IN FUND BALANCES	(263,030)	(90,308,152)	17,669,095	107,977,247
Fund Balances - Beginning of Year	<u>220,019,655</u>	<u>220,019,655</u>	<u>220,019,655</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 219,756,625</u>	<u>\$ 129,711,503</u>	<u>\$ 237,688,750</u>	<u>\$ 107,977,247</u>

See accompanying Notes to Required Supplementary Information.

**CITY OF SANTA ANA
SPECIAL REVENUE HOUSING AUTHORITY FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 65,374,010	\$ 71,199,010	\$ 66,614,898	\$ (4,584,112)
Investment Income	23,560	23,560	36,350	12,790
Cost Recoveries	10,000	10,000	25	(9,975)
Miscellaneous	156,380	302,020	215,411	(86,609)
Total Revenues	<u>65,563,950</u>	<u>71,534,590</u>	<u>66,866,684</u>	<u>(4,667,906)</u>
EXPENDITURES				
Current:				
Community Development	67,580,000	73,382,940	66,400,725	6,982,215
Capital Outlay	55,000	352,274	168,407	183,867
Debt Service:				
Principal Retirement	-	-	63,144	(63,144)
Interest and Fiscal Charges	-	-	326	(326)
Total Expenditures	<u>67,635,000</u>	<u>73,735,214</u>	<u>66,632,602</u>	<u>7,102,612</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,071,050)	(2,200,624)	234,082	2,434,706
OTHER FINANCING USES				
Transfers Out	<u>(78,630)</u>	<u>(78,630)</u>	<u>(78,626)</u>	<u>4</u>
NET CHANGE IN FUND BALANCES	(2,149,680)	(2,279,254)	155,456	2,434,710
Fund Balances - Beginning of Year	<u>6,864,656</u>	<u>6,864,656</u>	<u>6,864,656</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 4,714,976</u>	<u>\$ 4,585,402</u>	<u>\$ 7,020,112</u>	<u>\$ 2,434,710</u>

See accompanying Notes to Required Supplementary Information.

**CITY OF SANTA ANA
SPECIAL REVENUE AMERICAN RESCUE PLAN ACT
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 58,904,609	\$ 40,192,159	\$ (18,712,450)
Investment Income	-	-	1,107,383	1,107,383
Total Revenues	-	58,904,609	41,299,542	(17,605,067)
EXPENDITURES				
Current:				
General Government	132,400	59,161	32,619	26,542
Finance and Management Services	372,520	596,492	194,702	401,790
Police Department	135,280	347,514	223,323	124,191
Information Technology	-	1,577,705	273,576	1,304,129
Public Works	2,667,990	3,647,852	1,964,612	1,683,240
Community Development	356,190	1,350,270	852,620	497,650
Capital Outlay	-	54,989,995	36,650,708	18,339,287
Total Expenditures	3,664,380	62,568,989	40,192,160	22,376,829
NET CHANGE IN FUND BALANCES	(3,664,380)	(3,664,380)	1,107,382	4,771,762
Fund Balances - Beginning of Year	(1,197,406)	(1,197,406)	(1,197,406)	-
FUND BALANCES - END OF YEAR	<u>\$ (4,861,786)</u>	<u>\$ (4,861,786)</u>	<u>\$ (90,024)</u>	<u>\$ 4,771,762</u>

See accompanying Notes to Required Supplementary Information.

CITY OF SANTA ANA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025

BUDGETARY INFORMATION

The City and its component units operate on a fiscal year that begins on July 1 and ends on June 30 of the following year. On or before June 15 of each year, the City Manager recommends and submits to the City Council a proposed budget for the ensuing fiscal year. This recommendation is based on a comprehensive financial plan prepared by the heads of the various offices, departments, agencies, and component units of the City. The proposed budget is presented to the City Council during a public meeting, typically held in early June. Before this meeting, a notice of public hearing is published in a local newspaper in May and/or June to inform residents of the opportunity to participate in the budget process. During the public hearing, members of the public are allowed to comment on the proposed budget. Following public testimony, the City Council may modify the proposed budget by the affirmative vote of at least five (5) Council members. After the conclusion of the public hearing, the City Council may continue its deliberations on the proposed budget and make such revisions as it deems necessary. On or before June 30, the City Council meets to adopt the budget, as amended, by a supermajority vote of five (5) of the seven Council members. Pursuant to the City Charter, the budget must be adopted no later than July 31 of each year. Upon adoption, the budget serves as the legal authority for the various departments and agencies to expend funds in accordance with the appropriations approved by the City Council and subject to financial controls established by the City Charter.

During the fiscal year, the budget may be amended through an appropriation adjustment. Such amendments require a supermajority vote of at least five (5) members of the City Council. When appropriations are allocated to offices, departments, or agencies for more than one activity or program, the appropriations are considered in the aggregate with respect to the total expenditures authorized for that office, department, or agency within each fund. They are limited to purposes consistent with the revenue sources of such funds. The City Manager is authorized to amend City Council–approved appropriations when such revisions are necessary and proper, provided that the revisions do not increase the overall appropriations approved by the City Council. The City Manager does not have the authority to increase the total budget or appropriations without Council approval.

The legal standard for budgetary control is set at the department and fund levels. Throughout the fiscal year, all budget actions and amendments are carried out in accordance with the City Charter, relevant laws, and best financial management practices.

The City legally adopts annual budgets for the General Fund, Capital Project Funds, Proprietary Funds, and certain Special Revenue Funds, such as those for the Housing Authority, the American Rescue Plan Act (ARPA), the Gas Tax, the Sewer Connection Fee, Civic Center Maintenance, Inmate Welfare, Air Quality Improvement, and Rent Stabilization. Budget control for the Special Revenue Funds is under the responsible department. The Public Works Agency manages the Air Quality Improvement, Civic Center Maintenance, Gas Tax, and Sewer Connection Fee funds. The Community Development Agency oversees the Housing Authority and Rent Stabilization funds. The Police Department handles the Inmate Welfare Fund, and the Finance and Management Services Agency manages the ARPA funds. Monthly budget reports are prepared to support fiscal management. Although budgets for the City’s Proprietary Funds are legally adopted, there is no legal requirement for the fiscal year results to be reported to the City Council. Therefore, no budgetary reports for the Proprietary Funds are included in the accompanying financial statements.

**CITY OF SANTA ANA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
JUNE 30, 2025**

BUDGETARY INFORMATION (CONTINUED)

Budgets are prepared using a modified accrual basis. Encumbrances, such as purchase orders and contracts, that remain outstanding at year-end are reported as restricted or assigned fund balances since they are not considered expenditures or liabilities. All other annual appropriations expire at the end of the fiscal year if they have not been spent or legally encumbered. Expenditures are not legally allowed to exceed appropriations at the departmental level in the governmental funds, except for certain Special Revenue Funds and Capital Projects Funds, which are managed at the project level.

Budgetary Compliance

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

**CITY OF SANTA ANA
DEFINED BENEFIT PENSION PLAN – MISCELLANEOUS PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS**

Fiscal Year Ended Measurement Period	2025 June 30, 2024	2024 June 30, 2023	2023 June 30, 2022	2022 June 30, 2021
Total Pension Liability:				
Service Cost	\$ 15,266,217	\$ 14,778,401	\$ 13,958,963	\$ 12,289,589
Interest on Total Pension Liability	73,839,019	71,689,862	68,941,567	67,697,532
Changes of Benefit Terms	-	927,937	-	-
Differences Between Expected and Actual Experience	4,609,706	12,115,570	(4,050,191)	6,495,016
Changes in Assumptions	-	-	27,977,970	-
Benefit Payments, Including Refunds of Employee Contributions	(61,252,488)	(59,096,862)	(53,949,934)	(50,880,185)
Net Change in Total Pension Liability	32,462,454	40,414,908	52,878,375	35,601,952
Total Pension Liability - Beginning	1,088,514,139	1,048,099,231	995,220,856	959,618,904
Total Pension Liability - Ending (a)	1,120,976,593	1,088,514,139	1,048,099,231	995,220,856
Plan Fiduciary Net Position:				
Contribution from the Employer	20,801,243	20,140,233	205,101,430	30,811,367
Contribution from the Employee	7,309,099	5,674,243	5,670,222	5,303,654
Net Investment Income	85,067,505	53,233,106	(69,655,899)	149,879,386
Benefit Payments, Including Refunds of Employee Contributions	(61,252,488)	(59,096,862)	(53,949,934)	(50,880,185)
Net Plan to Plan Resource Movement	-	-	-	-
Administrative Expenses	(734,498)	(649,581)	(496,290)	(661,535)
Other Miscellaneous Income (Expense)	-	-	-	-
Net Change in Fiduciary Net Position	51,190,861	19,301,139	86,669,529	134,452,687
Plan Fiduciary Net Position - Beginning	902,660,934	883,359,795	796,690,266	662,237,579
Plan Fiduciary Net Position - Ending (b)	953,851,795	902,660,934	883,359,795	796,690,266
Plan Net Pension Liability (Asset) - Ending (a) - (b)	\$ 167,124,798	\$ 185,853,205	\$ 164,739,436	\$ 198,530,590
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.09%	82.93%	84.28%	80.05%
Covered Payroll	\$ 85,807,928	\$ 76,476,622	\$ 72,831,624	\$ 68,085,845
Plan Net Position Liability (Asset) as a Percentage of Covered Payroll	194.77%	243.02%	226.19%	291.59%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes of Assumptions:

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

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

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

There were no changes of assumptions.

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

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

From Fiscal Year June 30, 2018 to June 30, 2022:

There were no significant changes of assumptions.

From Fiscal Year June 30, 2022 to June 30, 2023:

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

From Fiscal Year June 30, 2023 to June 30, 2025:

There were no significant changes of assumptions.

2021	2020	2019	2018	2017	2016
June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
\$ 11,318,820	\$ 11,557,539	\$ 11,348,737	\$ 11,036,864	\$ 9,746,396	\$ 9,672,344
65,271,458	63,170,975	61,037,490	59,176,108	58,091,618	56,329,663
-	-	-	-	-	-
1,913,494	1,887,415	1,935,068	(10,220,370)	(5,558,589)	(900,398)
-	-	(4,549,188)	49,432,900	-	(13,889,017)
(48,398,964)	(45,891,602)	(43,186,575)	(40,256,356)	(38,594,541)	(36,302,165)
30,104,808	30,724,327	26,585,532	69,169,146	23,684,884	14,910,427
929,514,096	898,789,769	872,204,237	803,035,091	779,350,207	764,439,780
959,618,904	929,514,096	898,789,769	872,204,237	803,035,091	779,350,207
28,544,599	23,585,463	21,163,207	18,415,225	16,951,369	14,336,768
5,560,258	4,649,932	5,111,516	4,850,487	4,876,243	4,982,824
31,736,275	40,383,805	49,494,120	60,753,784	2,859,074	12,722,834
(48,398,964)	(45,891,602)	(43,186,575)	(40,256,356)	(38,594,541)	(36,302,165)
-	-	(1,444)	-	497	63
(910,287)	(444,887)	(924,871)	(812,882)	(344,230)	(635,613)
-	1,444	(1,756,345)	-	-	-
16,531,881	22,284,155	29,899,608	42,950,258	(14,251,588)	(4,895,289)
645,705,698	623,421,543	593,521,935	550,571,677	564,823,265	569,718,554
662,237,579	645,705,698	623,421,543	593,521,935	550,571,677	564,823,265
<u>\$ 297,381,325</u>	<u>\$ 283,808,398</u>	<u>\$ 275,368,226</u>	<u>\$ 278,682,302</u>	<u>\$ 252,463,414</u>	<u>\$ 214,526,942</u>
69.01%	69.47%	69.36%	68.05%	68.56%	72.47%
\$ 64,563,229	\$ 59,686,019	\$ 60,481,440	\$ 59,794,476	\$ 59,115,644	\$ 58,022,457
460.60%	475.50%	455.29%	466.07%	427.07%	369.73%

**CITY OF SANTA ANA
DEFINED BENEFIT PENSION PLAN – SAFETY PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS**

Fiscal Year Ended Measurement Period	2025 June 30, 2024	2024 June 30, 2023	2023 June 30, 2022	2022 June 30, 2021
Total Pension Liability:				
Service Cost	\$ 17,361,715	\$ 17,487,810	\$ 17,497,323	\$ 15,315,133
Interest on Total Pension Liability	90,340,542	88,584,738	85,463,316	84,643,047
Changes of Benefit Terms	-	491,763	-	-
Differences Between Expected and Actual Experience	(1,428,473)	17,446,334	(14,607,231)	14,791,099
Changes in Assumptions	-	-	40,822,417	-
Benefit Payments, Including Refunds of Employee Contributions	(80,948,148)	(77,321,020)	(73,990,935)	(70,978,097)
Net Change in Total Pension Liability	25,325,636	46,689,625	55,184,890	43,771,182
Total Pension Liability - Beginning	1,342,504,911	1,295,815,286	1,240,630,396	1,196,859,214
Total Pension Liability - Ending (a)	1,367,830,547	1,342,504,911	1,295,815,286	1,240,630,396
Plan Fiduciary Net Position:				
Contribution from the Employer	26,253,148	26,984,286	290,235,652	37,372,233
Contribution from the Employee	5,978,838	5,255,312	5,739,104	5,660,954
Net Investment Income	103,061,781	64,432,709	(85,016,524)	177,678,941
Benefit Payments, Including Refunds of Employee Contributions	(80,948,148)	(77,321,020)	(73,990,935)	(70,978,097)
Net Plan to Plan Resource Movement	-	-	-	-
Administrative Expenses	(892,925)	(793,300)	(587,072)	(792,638)
Other Miscellaneous Income (Expense)	-	-	-	-
Net Change in Fiduciary Net Position	53,452,694	18,557,987	136,380,225	148,941,393
Plan Fiduciary Net Position - Beginning	1,097,359,732	1,078,801,745	942,421,520	793,480,127
Plan Fiduciary Net Position - Ending (b)	1,150,812,426	1,097,359,732	1,078,801,745	942,421,520
Plan Net Pension Liability (Asset) - Ending (a) - (b)	\$ 217,018,121	\$ 245,145,179	\$ 217,013,541	\$ 298,208,876
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.13%	81.74%	83.25%	75.96%
Covered Payroll	\$ 53,726,215	\$ 52,428,811	\$ 52,421,641	\$ 50,955,466
Plan Net Position Liability (Asset) as a Percentage of Covered Payroll	403.93%	467.58%	413.98%	585.23%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes of Assumptions:

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

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

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

There were no changes of assumptions.

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

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

From Fiscal Year June 30, 2018 to June 30, 2022:

There were no significant changes of assumptions.

From Fiscal Year June 30, 2022 to June 30, 2023:

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

From Fiscal Year June 30, 2023 to June 30, 2025:

There were no significant changes of assumptions.

2021	2020	2019	2018	2017	2016
June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
\$ 13,297,013	\$ 13,194,125	\$ 12,192,473	\$ 11,809,664	\$ 10,455,350	\$ 10,747,904
81,740,251	79,725,420	77,086,590	75,330,724	74,975,420	72,730,571
-	-	-	-	-	-
3,506,542	12,947,427	4,973,371	(12,297,897)	4,319,662	(955,751)
-	-	(4,470,521)	60,902,020	-	(17,407,256)
(69,499,682)	(67,096,452)	(64,544,773)	(62,009,422)	(60,403,213)	(56,211,627)
29,044,124	38,770,520	25,237,140	73,735,089	29,347,219	8,903,841
1,167,815,090	1,129,044,570	1,103,807,430	1,030,072,341	1,000,725,122	991,821,281
1,196,859,214	1,167,815,090	1,129,044,570	1,103,807,430	1,030,072,341	1,000,725,122
33,643,966	27,159,274	24,277,484	20,329,015	17,021,875	15,096,410
5,008,789	3,973,090	4,155,374	3,670,011	3,625,596	3,829,695
38,593,656	49,864,238	61,839,581	77,563,585	3,667,781	17,008,914
(69,499,682)	(67,096,452)	(64,544,773)	(62,009,422)	(60,403,213)	(56,211,627)
-	-	(1,796)	-	(497)	-
(1,109,255)	(551,981)	(1,170,514)	(1,052,193)	(456,601)	(843,530)
-	1,796	(2,222,827)	-	-	-
6,637,474	13,349,965	22,332,529	38,500,996	(36,545,059)	(21,120,138)
786,842,653	773,492,688	751,160,159	712,659,163	749,204,222	770,324,360
793,480,127	786,842,653	773,492,688	751,160,159	712,659,163	749,204,222
<u>\$ 403,379,087</u>	<u>\$ 380,972,437</u>	<u>\$ 355,551,882</u>	<u>\$ 352,647,271</u>	<u>\$ 317,413,178</u>	<u>\$ 251,520,900</u>
66.30%	67.38%	68.51%	68.05%	69.19%	74.87%
\$ 47,789,799	\$ 41,120,637	\$ 38,001,725	\$ 36,014,956	\$ 35,670,399	\$ 36,512,787
844.07%	926.48%	935.62%	979.17%	889.85%	688.86%

**CITY OF SANTA ANA
DEFINED BENEFIT PENSION PLAN – MISCELLANEOUS PLAN
SCHEDULE OF PLAN CONTRIBUTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended	2025	2024	2023	2022
Actuarially Determined Contribution	\$ 23,069,456	\$ 20,291,645	\$ 20,512,425	\$ 33,286,592
Contributions in Relation to the Actuarially Determined Contribution	<u>(23,069,456)</u>	<u>(20,291,645)</u>	<u>(20,512,425)</u>	<u>(33,286,592)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 90,421,730	\$ 85,807,928	\$ 76,476,622	\$ 72,831,624
Contributions as a Percentage of Covered Payroll	25.51%	23.65%	26.82%	45.70%

Notes to Schedule:

Fiscal Year Ended	2025	2024	2023	2022
Valuation Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Amortization Method	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value
Actuarial Assumptions:				
Discount Rate	6.90%	6.90%	7.00%	7.00%
Inflation	2.3%	2.3%	2.5%	2.5%
Projected Salary Increase	(2)	(2)	(2)	(2)
Investment Rate of Return	6.9% ⁽³⁾	6.9% ⁽³⁾	7% ⁽³⁾	7% ⁽³⁾
Mortality	(4)	(4)	(4)	(4)

Notes to Schedule:

- (1) Level percentage of payroll, closed.
- (2) Varies by entry age, service, and type of employment.
- (3) Net of Pension Plan Investment and Administrative Expense, including inflation.
- (4) The probabilities of mortality are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

2021	2020	2019	2018	2017	2016
\$ 30,817,795	\$ 28,459,807	\$ 24,143,358	\$ 21,182,283	\$ 18,407,185	\$ 16,941,372
(30,817,795)	(28,459,807)	(24,143,358)	(21,182,283)	(18,407,185)	(16,941,372)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 68,085,845	\$ 64,563,229	\$ 59,686,019	\$ 60,481,440	\$ 59,794,476	\$ 59,115,644
45.26%	44.08%	40.45%	35.02%	30.78%	28.66%

2021	2020	2019	2018	2017	2016
June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Entry-Age Normal Cost Method (1) Fair Value					
7.15%	7.15%	7.15%	7.15%	7.65%	7.65%
2.625%	2.63%	2.75%	2.75%	2.75%	2.75%
(2) 7.25% ⁽³⁾ (4)	(2) 7.25% ⁽³⁾ (4)	(2) 7.375% ⁽³⁾ (4)	(2) 7.5% ⁽³⁾ (4)	3.3%-24.2% ⁽²⁾ 7.5% ⁽³⁾ (4)	Varies by Entry Age and Service 7.5% ⁽³⁾ (4)

**CITY OF SANTA ANA
DEFINED BENEFIT PENSION PLAN – SAFETY PLAN
SCHEDULE OF PLAN CONTRIBUTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended	2025	2024	2023	2022
Actuarially Determined Contribution	\$ 28,715,211	\$ 25,763,340	\$ 27,558,234	\$ 37,339,147
Contributions in Relation to the Actuarially Determined Contribution	<u>(28,715,211)</u>	<u>(25,763,340)</u>	<u>(27,558,234)</u>	<u>(37,339,147)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 54,001,482	\$ 53,726,215	\$ 52,428,811	\$ 52,421,641
Contributions as a Percentage of Covered Payroll	53.17%	47.95%	52.56%	71.23%

Notes to Schedule:

Fiscal Year Ended	2025	2024	2023	2022
Valuation Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Amortization Method	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value
Actuarial Assumptions:				
Discount Rate	6.90%	6.90%	7.00%	7.00%
Inflation	2.3%	2.3%	2.5%	2.5%
Projected Salary Increase	(2)	(2)	(2)	(2)
Investment Rate of Return	6.9% ⁽³⁾	6.9% ⁽³⁾	7% ⁽³⁾	7% ⁽³⁾
Mortality	(4)	(4)	(4)	(4)

Notes to Schedule:

- (1) Level percentage of payroll, closed.
- (2) Varies by entry age, service, and type of employment.
- (3) Net of Pension Plan Investment and Administrative Expense, including inflation.
- (4) The probabilities of mortality are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

2021	2020	2019	2018	2017	2016
\$ 37,379,534	\$ 33,630,219	\$ 27,718,529	\$ 24,212,791	\$ 20,199,997	\$ 17,016,579
(37,379,534)	(33,630,219)	(27,718,529)	(24,212,791)	(20,199,997)	(17,016,579)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 50,955,466	\$ 47,789,799	\$ 41,120,637	\$ 38,001,725	\$ 36,014,956	\$ 35,670,399
73.36%	70.37%	67.41%	63.71%	56.09%	47.71%

2021	2020	2019	2018	2017	2016
June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Entry-Age Normal Cost Method (1) Fair Value					
7.15%	7.15%	7.15%	7.15%	7.65%	7.65%
2.625%	2.63%	2.75%	2.75%	2.75%	2.75%
(2) 7.25% ⁽³⁾ (4)	(2) 7.25% ⁽³⁾ (4)	(2) 7.375% ⁽³⁾ (4)	(2) 7.5% ⁽³⁾ (4)	3.3%-24.2% ⁽²⁾ 7.5% ⁽³⁾ (4)	Varies by Entry Age and Service 7.5% ⁽³⁾ (4)

**CITY OF SANTA ANA
SUPPLEMENTARY RETIREMENT PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS**

Fiscal Year Ended	2025	2024	2023	2022
Total Pension Liability:				
Service Cost	\$ -	\$ -	\$ -	\$ -
Interest on Total Pension Liability	81,590	79,292	78,999	54,881
Effect of Plan Changes	-	-	-	-
Effect of Economic/Demographic				
Gains or Losses	(1,042)	21,350	19,901	22,232
Effect of Assumption Changes or Inputs	(239,262)	(63,010)	(26,789)	(281,709)
Benefit Payments	(135,318)	(132,664)	(130,063)	(127,079)
Net Change in Total Pension Liability	(294,032)	(95,032)	(57,952)	(331,675)
Total Pension Liability - Beginning	2,143,081	2,238,113	2,296,065	2,627,740
Total Pension Liability - Ending (a)	1,849,049	2,143,081	2,238,113	2,296,065
Plan Fiduciary Net Position:				
Employer Contributions	150,391	147,442	144,551	141,716
Member Contributions	-	-	-	-
Net Investment Income Net of				
Investment Expenses	5,377	5,526	3,441	115
Benefit Payments	(135,318)	(132,664)	(130,063)	(127,079)
Administrative Expenses	(8,011)	(7,854)	(7,700)	(7,549)
Net Change in Fiduciary Net Position	12,439	12,450	10,229	7,203
Plan Fiduciary Net Position - Beginning	105,487	93,037	82,808	75,605
Plan Fiduciary Net Position - Ending (b)	117,926	105,487	93,037	82,808
Plan Net Pension Liability (Asset) - Ending (a) - (b)	<u>\$ 1,731,123</u>	<u>\$ 2,037,594</u>	<u>\$ 2,145,076</u>	<u>\$ 2,213,257</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	6.38%	4.92%	4.16%	3.61%
Covered Payroll	N/A	N/A	N/A	N/A
Plan Net Position Liability (Asset) as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A

2021	2020	2019	2018	2017	2016
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
57,246	81,361	87,013	84,322	74,777	74,810
-	-	-	-	-	-
20,620	(70,232)	15,006	14,150	14,037	20,818
22,358	381,181	100,758	(81,490)	(235,753)	558,088
(125,012)	(127,739)	(125,234)	(122,778)	(120,371)	(118,011)
(24,788)	264,571	77,543	(105,796)	(267,310)	535,705
<u>2,652,528</u>	<u>2,387,957</u>	<u>2,310,414</u>	<u>2,416,210</u>	<u>2,683,520</u>	<u>2,147,815</u>
2,627,740	2,652,528	2,387,957	2,310,414	2,416,210	2,683,520
138,938	136,213	133,543	130,924	128,357	125,840
-	-	-	-	-	-
17	820	1,543	671	198	42
(125,012)	(127,739)	(125,234)	(122,778)	(120,371)	(118,011)
(7,401)	(7,256)	(7,114)	(6,976)	(6,838)	(13,132)
6,542	2,038	2,738	1,841	1,346	(5,261)
<u>69,063</u>	<u>67,025</u>	<u>64,287</u>	<u>62,446</u>	<u>61,100</u>	<u>66,361</u>
<u>75,605</u>	<u>69,063</u>	<u>67,025</u>	<u>64,287</u>	<u>62,446</u>	<u>61,100</u>
<u>\$ 2,552,135</u>	<u>\$ 2,583,465</u>	<u>\$ 2,320,932</u>	<u>\$ 2,246,127</u>	<u>\$ 2,353,764</u>	<u>\$ 2,622,420</u>
2.88%	2.60%	2.81%	2.78%	2.58%	2.28%
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A

**CITY OF SANTA ANA
SUPPLEMENTARY RETIREMENT PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended	2025	2024	2023	2022
Actuarially Determined Contribution	\$ 270,882	\$ 250,831	\$ 232,567	\$ 217,689
Contributions in Relation to the Actuarially Determined Contribution	<u>(150,391)</u>	<u>(147,442)</u>	<u>(144,551)</u>	<u>(141,716)</u>
Contribution Deficiency (Excess)	<u>\$ 120,491</u>	<u>\$ 103,389</u>	<u>\$ 88,016</u>	<u>\$ 75,973</u>
Covered Payroll	N/A	N/A	N/A	N/A
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A

Notes to Schedule:

Fiscal Year Ended	2025	2024	2023	2022
Valuation Date	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022
Measurement Date	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022
Actuarial Cost Method	Entry-Age Normal	Entry-Age Normal	Entry-Age Normal	Entry-Age Normal
Amortization Method:				
Level Percent or Level Dollar	Level Dollar	Level Dollar	Level Dollar	Level Dollar
Closed, Open, or Layered Periods	Closed	Closed	Closed	Closed
Amortization Period	7 Years	8 Years	9 Years	10 Years
Amortization Growth Rate	0.00%	0.00%	0.00%	0.00%
Asset Valuation Method:				
Smoothing Period	None	None	None	None
Recognition Method	None	None	None	None
Corridor	None	None	None	None
Actuarial Assumptions:				
Inflation	0.00%	0.00%	0.00%	0.00%
Salary Increases, Including Inflation	None	None	None	None
Long-Term Investment Rate of Return	6.00%	6.00%	6.00%	6.00%
Cost-of-Living	2.00%	2.00%	2.00%	2.00%
Mortality	(A)	(A)	(A)	(A)

(A) Males: RP-2000 Male Table projected to 2030 using Scale BB (as prescribed by PARS).

Females: RP-2000 Female Table projected to 2030 using Scale BB (as prescribed by PARS).

(B) Males: RP-2000 Male Table projected to 2020 using Scale BB (as prescribed by PARS).

Females: RP-2000 Female Table projected to 2020 using Scale BB (as prescribed by PARS).

2021	2020	2019	2018	2017	2016
\$ 198,327	\$ 188,446	\$ 186,950	\$ 179,062	\$ 172,079	\$ 165,862
(138,938)	(136,213)	(133,543)	(130,924)	(128,357)	(125,840)
<u>\$ 59,389</u>	<u>\$ 52,233</u>	<u>\$ 53,407</u>	<u>\$ 48,138</u>	<u>\$ 43,722</u>	<u>\$ 40,022</u>
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A

2021	2020	2019	2018	2017	2016
June 30, 2021 June 30, 2021	June 30, 2020 June 30, 2020	June 30, 2019 June 30, 2019	June 30, 2018 June 30, 2018	June 30, 2017 June 30, 2017	June 30, 2016 June 30, 2016
Entry-Age Normal	Entry-Age Normal	Entry-Age Normal	Entry-Age Normal	Entry-Age Normal	Entry-Age Normal
Level Dollar Closed 11 Years 0.00%	Level Dollar Closed 12 Years 0.00%	Level Dollar Closed 13 Years 0.00%	Level Dollar Closed 14 Years 0.00%	Level Dollar Closed 15 Years 0.00%	Level Dollar Closed 16 Years 0.00%
None None None	None None None	None None None	None None None	None None None	None None None
0.00% None 6.00% 2.00% (B)	0.00% None 6.00% 2.00% (B)	0.00% None 6.00% 2.00% (B)	0.00% None 6.00% 2.00% (B)	0.00% None 6.00% 2.00% (B)	0.00% None 6.00% 2.00% (B)

**CITY OF SANTA ANA
OTHER POSTEMPLOYMENT BENEFIT PLAN
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS⁽¹⁾⁽²⁾⁽³⁾**

Fiscal Year Ended Measurement Period	2025 June 30, 2024	2024 June 30, 2023	2023 June 30, 2022	2022 June 30, 2021
Total OPEB Liability:				
Service Cost	\$ 1,137,211	\$ 1,184,322	\$ 1,862,985	\$ 1,854,139
Interest on Total OPEB Liability	1,504,285	1,758,565	1,215,190	1,501,484
Actual vs. Expected Experience	-	(4,347,085)	-	2,896,547
Changes in Assumptions	(365,446)	(3,404,352)	(13,374,724)	(5,287,167)
Benefit Payments, Including Refunds of Employee Contributions	(1,633,443)	(1,801,863)	(1,739,641)	(1,616,248)
Net Change in Total OPEB Liability (b)	642,607	(6,610,413)	(12,036,190)	(651,245)
Total OPEB Liability - Beginning (a)	36,102,886	42,713,299	54,749,489	55,400,734
Total OPEB Liability - Ending (a) - (b)	<u>\$ 36,745,493</u>	<u>\$ 36,102,886</u>	<u>\$ 42,713,299</u>	<u>\$ 54,749,489</u>
Covered-Employee Payroll	\$ 63,996,651	\$ 56,699,925	\$ 51,711,700	\$ 48,788,506
Total OPEB Liability as a Percentage of Covered-Employee Payroll	57.42%	63.67%	82.60%	112.22%

Notes to Schedule:

- ⁽¹⁾ Historical information is required only for measurement period for which GASB 75 is applicable. Fiscal year 2018 was the first year of implementation, therefore, only eight years are shown. Additional years' information will be displayed as it becomes available.
- ⁽²⁾ No assets are accumulated in a trust to pay related benefits.
- ⁽³⁾ There were no changes in benefits.

Fiscal Year Ended	2025	2024	2023	2022
Valuation Date	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022
Measurement Date	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022
Funding Method	Entry-Age Normal	Entry-Age Normal	Entry-Age Normal	Entry-Age Normal
Discount Rate	4.21%	4.13%	4.09%	2.18%
Participants Valued	(A)	(A)	(A)	(A)
Salary Increase	2.75%	2.75%	2.75%	2.75%
	per Year	per Year	per Year	per Year
General Inflation Rate	2.50%	2.50%	2.50%	2.50%
	per Year	per Year	per Year	per Year
Mortality	(B)	(B)	(B)	(B)

(A) Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in this valuation.

(B) Demographic assumptions are based on the California Public Employees Retirement System 2000-2019.

(C) Demographic assumptions are based on the California Public Employees Retirement System 1997-2015.

(D) Demographic assumptions are based on the 2014 experience study of the California Public Employees Retirement System using data from 1997 to 2011, except for a different basis used to project future mortality improvements.

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

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



CITY OF SANTA ANA, CALIFORNIA

Annual Comprehensive Financial Report

CITY OF SANTA ANA, CALIFORNIA

**SUPPLEMENTARY
SCHEDULES**

**CITY OF SANTA ANA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2025**

ASSETS	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
Cash and Investments	\$ 40,513,619	\$ 14	\$ 33,920,523	\$ 74,434,156
Receivables:				
Interest	246,528	-	192,316	438,844
Accounts	62,652	-	-	62,652
Intergovernmental	3,963,079	-	1,814,190	5,777,269
Loans and Notes	-	-	32,435,500	32,435,500
Prepaid Items	2,675	-	-	2,675
Restricted Assets:				
Cash and Investments	-	-	148,834	148,834
Cash and Investments with Fiscal Agents	-	6,528	185,962	192,490
Land Held for Resale	-	-	75,000	75,000
Total Assets	\$ 44,788,553	\$ 6,542	\$ 68,772,325	\$ 113,567,420
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 1,377,462	\$ -	\$ 1,155,385	\$ 2,532,847
Retention Payable	25,000	-	509,466	534,466
Due to Other Funds	477,459	-	892,365	1,369,824
Total Liabilities	1,879,921	-	2,557,216	4,437,137
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	729,392	-	960,350	1,689,742
FUND BALANCES				
Nonspendable	2,675	-	-	2,675
Restricted	42,649,762	6,542	65,254,759	107,911,063
Unassigned	(473,197)	-	-	(473,197)
Total Fund Balances	42,179,240	6,542	65,254,759	107,440,541
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 44,788,553	\$ 6,542	\$ 68,772,325	\$ 113,567,420

**CITY OF SANTA ANA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2025**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
REVENUES				
Taxes	\$ -	\$ -	\$ 155,866	\$ 155,866
Intergovernmental	19,997,670	-	1,200,684	21,198,354
Charges for Services	3,384,637	-	-	3,384,637
Investment Income	1,975,072	31,880	1,533,540	3,540,492
Cost Recoveries	576,861	-	565,546	1,142,407
Total Revenues	<u>25,934,240</u>	<u>31,880</u>	<u>3,455,636</u>	<u>29,421,756</u>
EXPENDITURES				
Current:				
Human Resources	149,618	-	-	149,618
Police Department	161,632	-	-	161,632
Planning and Building	174,165	-	-	174,165
Public Works	7,119,812	-	-	7,119,812
Community Development	1,498,595	-	2,842,571	4,341,166
Capital Outlay	1,208,162	-	5,495,202	6,703,364
Debt Service:				
Principal Retirement	1,598,733	3,659,255	-	5,257,988
Interest and Fiscal Charges	1,692,592	9,977,935	-	11,670,527
Total Expenditures	<u>13,603,309</u>	<u>13,637,190</u>	<u>8,337,773</u>	<u>35,578,272</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	12,330,931	(13,605,310)	(4,882,137)	(6,156,516)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	13,592,870	1,267,705	14,860,575
Transfers Out	(6,241,693)	(53,469)	(20,506)	(6,315,668)
Total Other Financing Sources (Uses)	<u>(6,241,693)</u>	<u>13,539,401</u>	<u>1,247,199</u>	<u>8,544,907</u>
NET CHANGE IN FUND BALANCES	6,089,238	(65,909)	(3,634,938)	2,388,391
Fund Balances - Beginning of Year	<u>36,090,002</u>	<u>72,451</u>	<u>68,889,697</u>	<u>105,052,150</u>
FUND BALANCES - END OF YEAR	<u>\$ 42,179,240</u>	<u>\$ 6,542</u>	<u>\$ 65,254,759</u>	<u>\$ 107,440,541</u>

**CITY OF SANTA ANA
NONMAJOR SPECIAL REVENUE FUNDS**

The following Special Revenue Funds have been classified as nonmajor funds in the accompanying financial statements:

Sewer Connection Fee – This fund is used to account for the receipts and expenditures of sewer connection fees and the replacement and repair of existing undersized sewer system.

Civic Center Maintenance – This fund is used to account for the receipts and disbursement of funds for the cost of cleaning and maintaining the common areas in the Civic Center, Centennial Park, and the City's downtown area. Funding is provided jointly by the City and the County of Orange, except downtown which is provided exclusively by the City.

Inmate Welfare – This fund is used to account for the receipts and disbursement of funds received through donations, profits on the sale of commissary items, and commissions for personal items purchased or services used by inmates of the Santa Ana Jail, as authorized by the state of California Penal Code Section 4025.

Air Quality Improvement – This fund is used to account for the receipt and disbursement of funds received under AB 2766 (Health and Safety Code Sections 44220 and 44247).

Gas Tax – Accounts for the receipts and expenditures of money apportioned under Streets and Highway Code Sections 2103, 2105, 2106, and 2107 of the state of California.

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

**CITY OF SANTA ANA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2025**

	Sewer Connection Fee	Civic Center Maintenance	Inmate Welfare
ASSETS			
Cash and Investments	\$ 4,867,333	\$ -	\$ 2,892,381
Receivables:			
Interest	27,253	-	16,238
Accounts	-	-	62,652
Intergovernmental	-	772,600	-
Prepaid Items	-	-	-
Total Assets	<u>\$ 4,894,586</u>	<u>\$ 772,600</u>	<u>\$ 2,971,271</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 258,482	\$ 188,078	\$ 2,248
Retention Payable	-	25,000	-
Due to Other Funds	-	467,459	-
Total Liabilities	258,482	680,537	2,248
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenues	6,185	565,260	3,685
FUND BALANCES			
Nonspendable	-	-	-
Restricted	4,629,919	-	2,965,338
Unassigned	-	(473,197)	-
Total Fund Balances	<u>4,629,919</u>	<u>(473,197)</u>	<u>2,965,338</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,894,586</u>	<u>\$ 772,600</u>	<u>\$ 2,971,271</u>

<u>Air Quality Improvements</u>	<u>Gas Tax</u>	<u>Rent Stabilization</u>	<u>Total</u>
\$ 423,648	\$ 30,158,914	\$ 2,171,343	\$ 40,513,619
2,549	190,736	9,752	246,528
-	-	-	62,652
210,177	2,980,302	-	3,963,079
-	-	2,675	2,675
<u>\$ 636,374</u>	<u>\$ 33,329,952</u>	<u>\$ 2,183,770</u>	<u>\$ 44,788,553</u>
\$ -	\$ 918,330	\$ 10,324	\$ 1,377,462
-	-	-	25,000
-	10,000	-	477,459
<u>-</u>	<u>928,330</u>	<u>10,324</u>	<u>1,879,921</u>
108,761	43,288	2,213	729,392
-	-	2,675	2,675
527,613	32,358,334	2,168,558	42,649,762
-	-	-	(473,197)
<u>527,613</u>	<u>32,358,334</u>	<u>2,171,233</u>	<u>42,179,240</u>
<u>\$ 636,374</u>	<u>\$ 33,329,952</u>	<u>\$ 2,183,770</u>	<u>\$ 44,788,553</u>

**CITY OF SANTA ANA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2025**

	Sewer Connection Fee	Civic Center Maintenance	Inmate Welfare
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Intergovernmental	\$ -	\$ 2,444,526	\$ -
Charges for Services	358,136	-	-
Investment Income	74,563	-	45,052
Cost Recoveries	-	-	576,571
Total Revenues	<u>432,699</u>	<u>2,444,526</u>	<u>621,623</u>
EXPENDITURES			
Current:			
Human Resources	-	-	-
Police Department	-	-	161,632
Planning and Building	-	-	-
Public Works	-	2,266,347	-
Community Development	-	-	-
Capital Outlay	324,307	500,300	-
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Total Expenditures	<u>324,307</u>	<u>2,766,647</u>	<u>161,632</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	108,392	(322,121)	459,991
OTHER FINANCING USES			
Transfers Out	<u>-</u>	<u>(11,097)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	108,392	(333,218)	459,991
Fund Balances (Deficit) - Beginning of Year	<u>4,521,527</u>	<u>(139,979)</u>	<u>2,505,347</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 4,629,919</u>	<u>\$ (473,197)</u>	<u>\$ 2,965,338</u>

<u>Air Quality Improvements</u>	<u>Gas Tax</u>	<u>Rent Stabilization</u>	<u>Total</u>
\$ 406,894	\$ 17,146,250	\$ -	\$ 19,997,670
-	-	3,026,501	3,384,637
7,229	1,819,548	28,680	1,975,072
-	-	290	576,861
<u>414,123</u>	<u>18,965,798</u>	<u>3,055,471</u>	<u>25,934,240</u>
149,618	-	-	149,618
-	-	-	161,632
174,165	-	-	174,165
-	4,853,465	-	7,119,812
-	-	1,498,595	1,498,595
342,412	-	41,143	1,208,162
-	1,545,000	53,733	1,598,733
-	1,689,625	2,967	1,692,592
<u>666,195</u>	<u>8,088,090</u>	<u>1,596,438</u>	<u>13,603,309</u>
(252,072)	10,877,708	1,459,033	12,330,931
<u>(5,928)</u>	<u>(4,956,963)</u>	<u>(1,267,705)</u>	<u>(6,241,693)</u>
(258,000)	5,920,745	191,328	6,089,238
<u>785,613</u>	<u>26,437,589</u>	<u>1,979,905</u>	<u>36,090,002</u>
<u>\$ 527,613</u>	<u>\$ 32,358,334</u>	<u>\$ 2,171,233</u>	<u>\$ 42,179,240</u>

**CITY OF SANTA ANA
SEWER CONNECTION FEE
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 1,530,000	\$ 1,530,000	\$ 358,136	\$ (1,171,864)
Investment Income	50,000	50,000	74,563	24,563
Total Revenues	<u>1,580,000</u>	<u>1,580,000</u>	<u>432,699</u>	<u>(1,147,301)</u>
EXPENDITURES				
Capital Outlay	-	3,155,702	324,307	2,831,395
NET CHANGE IN FUND BALANCES	1,580,000	(1,575,702)	108,392	1,684,094
Fund Balances - Beginning of Year	<u>4,521,527</u>	<u>4,521,527</u>	<u>4,521,527</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 6,101,527</u></u>	<u><u>\$ 2,945,825</u></u>	<u><u>\$ 4,629,919</u></u>	<u><u>\$ 1,684,094</u></u>

**CITY OF SANTA ANA
CIVIC CENTER MAINTENANCE
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 2,143,500	\$ 3,051,100	\$ 2,444,526	\$ (606,574)
EXPENDITURES				
Current:				
Public Works	2,032,400	2,440,000	2,266,347	173,653
Capital Outlay	100,000	600,000	500,300	99,700
Total Expenditures	<u>2,132,400</u>	<u>3,040,000</u>	<u>2,766,647</u>	<u>273,353</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	11,100	11,100	(322,121)	(333,221)
OTHER FINANCING USES				
Transfers Out	<u>(11,100)</u>	<u>(11,100)</u>	<u>(11,097)</u>	<u>3</u>
NET CHANGE IN FUND BALANCES	-	-	(333,218)	(333,218)
Fund Balances (Deficit) - Beginning of Year	<u>(139,979)</u>	<u>(139,979)</u>	<u>(139,979)</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ (139,979)</u>	<u>\$ (139,979)</u>	<u>\$ (473,197)</u>	<u>\$ (333,218)</u>

**CITY OF SANTA ANA
INMATE WELFARE
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Income	\$ 20,000	\$ 20,000	\$ 45,052	\$ 25,052
Cost Recoveries	525,000	525,000	576,571	51,571
Total Revenues	<u>545,000</u>	<u>545,000</u>	<u>621,623</u>	<u>76,623</u>
EXPENDITURES				
Current:				
Police Department	456,500	456,500	161,632	294,868
Capital Outlay	1,000,000	1,000,000	-	1,000,000
Total Expenditures	<u>1,456,500</u>	<u>1,456,500</u>	<u>161,632</u>	<u>1,294,868</u>
NET CHANGE IN FUND BALANCES	(911,500)	(911,500)	459,991	1,371,491
Fund Balances - Beginning of Year	<u>2,505,347</u>	<u>2,505,347</u>	<u>2,505,347</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,593,847</u>	<u>\$ 1,593,847</u>	<u>\$ 2,965,338</u>	<u>\$ 1,371,491</u>

**CITY OF SANTA ANA
AIR QUALITY IMPROVEMENT
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 407,200	\$ 407,200	\$ 406,894	\$ (306)
Investment Income	10,000	10,000	7,229	(2,771)
Total Revenues	<u>417,200</u>	<u>417,200</u>	<u>414,123</u>	<u>(3,077)</u>
EXPENDITURES				
Current:				
Human Resources	155,070	155,070	149,618	5,452
Planning and Building	244,550	210,550	174,165	36,385
Capital Outlay	70,000	603,956	342,412	261,544
Total Expenditures	<u>469,620</u>	<u>969,576</u>	<u>666,195</u>	<u>303,381</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(52,420)	(552,376)	(252,072)	300,304
OTHER FINANCING USES				
Transfers Out	<u>(5,930)</u>	<u>(5,930)</u>	<u>(5,928)</u>	<u>2</u>
NET CHANGE IN FUND BALANCES	(58,350)	(558,306)	(258,000)	300,306
Fund Balances - Beginning of Year	<u>785,613</u>	<u>785,613</u>	<u>785,613</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 727,263</u>	<u>\$ 227,307</u>	<u>\$ 527,613</u>	<u>\$ 300,306</u>

**CITY OF SANTA ANA
GAS TAX
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 15,696,070	\$ 16,624,250	\$ 17,146,250	\$ 522,000
Investment Income	-	-	1,819,548	1,819,548
Total Revenues	<u>15,696,070</u>	<u>16,624,250</u>	<u>18,965,798</u>	<u>2,341,548</u>
EXPENDITURES				
Current:				
Public Works	4,868,610	5,097,716	4,853,465	244,251
Capital Outlay	-	43,732	-	43,732
Debt Service:				
Principal Retirement	1,545,000	1,545,000	1,545,000	-
Interest and Fiscal Charges	1,689,630	1,689,630	1,689,625	5
Total Expenditures	<u>8,103,240</u>	<u>8,376,078</u>	<u>8,088,090</u>	<u>287,988</u>
EXCESS OF REVENUES OVER EXPENDITURES	7,592,830	8,248,172	10,877,708	2,629,536
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(8,073,750)</u>	<u>(31,019,320)</u>	<u>(4,956,963)</u>	<u>26,062,357</u>
NET CHANGE IN FUND BALANCES	(480,920)	(22,771,148)	5,920,745	28,691,893
Fund Balances (Deficit) - Beginning of Year	<u>26,437,589</u>	<u>26,437,589</u>	<u>26,437,589</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 25,956,669</u></u>	<u><u>\$ 3,666,441</u></u>	<u><u>\$ 32,358,334</u></u>	<u><u>\$ 28,691,893</u></u>

**CITY OF SANTA ANA
RENT STABILIZATION
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 1,452,700	\$ 1,452,700	\$ 3,026,501	\$ 1,573,801
Investment Income	-	-	28,680	28,680
Cost Recoveries	-	-	290	290
Total Revenues	<u>1,452,700</u>	<u>1,452,700</u>	<u>3,055,471</u>	<u>1,602,771</u>
EXPENDITURES				
Current:				
Community Development	2,951,380	2,861,380	1,498,595	1,362,785
Capital Outlay	-	90,000	41,143	48,857
Debt Service:				
Principal Retirement	-	-	53,733	(53,733)
Interest and Fiscal Charges	-	-	2,967	(2,967)
Total Expenditures	<u>2,951,380</u>	<u>2,951,380</u>	<u>1,596,438</u>	<u>1,354,942</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,498,680)	(1,498,680)	1,459,033	247,829
OTHER FINANCING USES				
Transfers Out	-	(1,267,705)	(1,267,705)	-
NET CHANGE IN FUND BALANCES	(1,498,680)	(2,766,385)	191,328	247,829
Fund Balances - Beginning of Year	<u>1,979,905</u>	<u>1,979,905</u>	<u>1,979,905</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 481,225</u>	<u>\$ (786,480)</u>	<u>\$ 2,171,233</u>	<u>\$ 247,829</u>

**CITY OF SANTA ANA
NONMAJOR DEBT SERVICE FUNDS**

The Debt Service Funds account for the servicing of the long-term debt not being financed by proprietary or nonexpendable trust funds. The following Debt Service Funds have been classified as nonmajor in the accompanying financial statements:

Santa Ana Financing Authority (SAFA) – This fund accounts for the receipts of revenues and payments of debt service related to the 2014 Private Placement Financing.

Pension Obligation Bonds (POB) – This fund accounts for the receipts of revenues and payments of debt service related to the Pension Obligation Bonds.

**CITY OF SANTA ANA
NONMAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2025**

	SAFA	POB	Total
ASSETS			
Cash and Investments	\$ 14	\$ -	\$ 14
Restricted Assets:			
Cash and Investments with Fiscal Agents	-	6,528	6,528
Total Assets	\$ 14	\$ 6,528	\$ 6,542
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
FUND BALANCES			
Restricted	\$ 14	\$ 6,528	\$ 6,542
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 14	\$ 6,528	\$ 6,542

**CITY OF SANTA ANA
NONMAJOR DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2025**

	SAFA	POB	Total
REVENUES			
Investment Income	\$ 13,498	\$ 18,382	\$ 31,880
EXPENDITURES			
Debt Service:			
Principal Retirement	645,000	3,014,255	3,659,255
Interest and Fiscal Charges	90,094	9,887,841	9,977,935
Total Expenditures	735,094	12,902,096	13,637,190
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(721,596)	(12,883,714)	(13,605,310)
OTHER FINANCING SOURCES (USES)			
Transfers In	735,100	12,857,770	13,592,870
Transfers Out	(53,469)	-	(53,469)
Total Other Financing Sources (Uses)	681,631	12,857,770	13,539,401
NET CHANGE IN FUND BALANCES	(39,965)	(25,944)	(65,909)
Fund Balances - Beginning of Year	39,979	32,472	72,451
FUND BALANCES - END OF YEAR	\$ 14	\$ 6,528	\$ 6,542

**CITY OF SANTA ANA
NONMAJOR CAPITAL PROJECTS FUNDS**

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

Drainage Construction – This fund is used to account for the receipt and disbursements of funds received from developers in the form of drainage assessment fees to be used for storm drain construction.

Park Acquisitions and Development – This fund is used to account for the receipt and disbursements of funds received from developers in the form of development fees for use in park land acquisition and development.

Community Development – This fund accounts for the receipts and expenditures related to various Community Development capital improvement projects funded through one-time revenue sources.

Housing Success Agency – This fund accounts for the receipts and expenditures related to the Housing Successor Agency in accordance with the California Health and Safety Code.

Inclusionary Housing Fee – This fund is used to account for receipts from Developer fees and disbursements for planning (including but not limited to preparation of one of more elements of its general plan or for zoning improvements), conceptual design, final design, bid preparation, award of bid, property appraisal, property acquisition, relocation, lost goodwill, and/or construction of new or substantially rehabilitated existing affordable housing in the City.

**CITY OF SANTA ANA
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2025**

	<u>Drainage Construction</u>	<u>Park Acquisitions and Development</u>
ASSETS		
Cash and Investments	\$ 4,534,759	\$ 19,733,225
Receivables:		
Interest	25,447	112,063
Intergovernmental	-	-
Loans and Notes	-	-
Restricted Assets:		
Cash and Investments	-	-
Cash and Investments with Fiscal Agents	-	-
Land Held for Sale	-	-
	<u> </u>	<u> </u>
Total Assets	<u><u>\$ 4,560,206</u></u>	<u><u>\$ 19,845,288</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
LIABILITIES		
Accounts Payable	\$ -	\$ 283,181
Retention Payable	2,483	429,679
Due to Other Funds	-	-
Total Liabilities	<u>2,483</u>	<u>712,860</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenues	<u>5,775</u>	<u>25,433</u>
FUND BALANCES		
Restricted	<u>4,551,948</u>	<u>19,106,995</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u><u>\$ 4,560,206</u></u>	<u><u>\$ 19,845,288</u></u>

<u>Community Development</u>	<u>Housing Successor Agency</u>	<u>Inclusionary Housing Fee</u>	<u>Total</u>
\$ -	\$ 3,948,909	\$ 5,703,630	\$ 33,920,523
836	22,069	31,901	192,316
1,814,190	-	-	1,814,190
-	22,566,387	9,869,113	32,435,500
148,834	-	-	148,834
-	185,962	-	185,962
-	75,000	-	75,000
<u>\$ 1,963,860</u>	<u>\$ 26,798,327</u>	<u>\$ 15,604,644</u>	<u>\$ 68,772,325</u>
\$ 851,029	\$ 1,632	\$ 19,543	\$ 1,155,385
77,304	-	-	509,466
892,365	-	-	892,365
<u>1,820,698</u>	<u>1,632</u>	<u>19,543</u>	<u>2,557,216</u>
<u>916,893</u>	<u>5,009</u>	<u>7,240</u>	<u>960,350</u>
<u>(773,731)</u>	<u>26,791,686</u>	<u>15,577,861</u>	<u>65,254,759</u>
<u>\$ 1,963,860</u>	<u>\$ 26,798,327</u>	<u>\$ 15,604,644</u>	<u>\$ 68,772,325</u>

**CITY OF SANTA ANA
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES
YEAR ENDED JUNE 30, 2025**

	Drainage Construction	Park Acquisitions and Development
REVENUES		
Taxes	\$ 155,866	\$ -
Intergovernmental	-	-
Investment Income	71,483	1,073,752
Cost Recoveries	-	396,871
Total Revenues	227,349	1,470,623
 EXPENDITURES		
Current:		
Community Development	-	-
Capital Outlay	29,146	3,305,636
Total Expenditures	29,146	3,305,636
 EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	198,203	(1,835,013)
 OTHER FINANCING SOURCES (USES)		
Transfers In	-	-
Transfers Out	-	-
Total Other Financing Sources (Uses)	-	-
 NET CHANGE IN FUND BALANCES	198,203	(1,835,013)
 Fund Balances - Beginning of Year	4,353,745	20,942,008
 FUND BALANCES - END OF YEAR	\$ 4,551,948	\$ 19,106,995

<u>Community Development</u>	<u>Housing Successor Agency</u>	<u>Inclusionary Housing Fee</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 155,866
1,200,684	-	-	1,200,684
2,331	305,762	80,212	1,533,540
-	10	168,665	565,546
<u>1,203,015</u>	<u>305,772</u>	<u>248,877</u>	<u>3,455,636</u>
34,935	240,239	2,567,397	2,842,571
2,159,217	1,003	200	5,495,202
<u>2,194,152</u>	<u>241,242</u>	<u>2,567,597</u>	<u>8,337,773</u>
(991,137)	64,530	(2,318,720)	(4,882,137)
-	-	1,267,705	1,267,705
-	(10,132)	(10,374)	(20,506)
<u>-</u>	<u>(10,132)</u>	<u>1,257,331</u>	<u>1,247,199</u>
(991,137)	54,398	(1,061,389)	(3,634,938)
217,406	26,737,288	16,639,250	68,889,697
<u>\$ (773,731)</u>	<u>\$ 26,791,686</u>	<u>\$ 15,577,861</u>	<u>\$ 65,254,759</u>



CITY OF SANTA ANA, CALIFORNIA

Annual Comprehensive Financial Report

**CITY OF SANTA ANA
NONMAJOR ENTERPRISE FUNDS**

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

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

Refuse Collections – For the provision of refuse collection services to the residential, commercial, and industrial segments of the City.

Sanitation – For the provision of motorized sweeping of all improved streets in the City and weed control.

Parking – For the provision of the parking meter program and the downtown parking structures operations.

Transportation Center – For the provision of a concentrated commuter-oriented transportation center for the region.

Federal Clean Water Protection – For the provision of storm drain systems operation and maintenance and pollution reduction under the National Pollutant Discharge Elimination permits issued by the Santa Ana Region of Water Quality Control Board.

**CITY OF SANTA ANA
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2025**

	<u>Refuse Collections</u>	<u>Sanitation</u>
ASSETS		
Current Assets:		
Cash and Investments	\$ 6,502,204	\$ 1,756,571
Receivables:		
Interest	43,555	11,390
Accounts, Net of Allowances	4,289,520	1,697,863
Intergovernmental	902,530	-
Leases	-	-
Total Current Assets	<u>11,737,809</u>	<u>3,465,824</u>
Noncurrent Assets:		
Leases Receivable	-	-
Pension Stability Fund	42,000	494,948
Capital Assets, Not Being Depreciated	81,655	422,596
Capital Assets, Net of Accumulated Depreciation/Amortization	<u>77,639</u>	<u>3,409,536</u>
Total Noncurrent Assets	<u>201,294</u>	<u>4,327,080</u>
 Total Assets	 11,939,103	 7,792,904
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Amounts on Pension Plans	152,777	688,079
Deferred Amounts on OPEB Plan	<u>122,445</u>	<u>65,046</u>
Total Deferred Outflows of Resources	275,222	753,125

<u>Parking</u>	<u>Transportation Center</u>	<u>Federal Clean Water Protection</u>	<u>Total</u>
\$ 3,364,698	\$ 975,051	\$ 7,285,976	\$ 19,884,500
19,674	5,028	39,267	118,914
-	63,933	187,354	6,238,670
-	83,190	-	985,720
-	277,060	-	277,060
<u>3,384,372</u>	<u>1,404,262</u>	<u>7,512,597</u>	<u>27,504,864</u>
-	237,952	-	237,952
277,835	17,732	105,260	937,775
3,073,316	4,707,094	934,197	9,218,858
<u>5,747,913</u>	<u>2,449,755</u>	<u>7,544,878</u>	<u>19,229,721</u>
<u>9,099,064</u>	<u>7,412,533</u>	<u>8,584,335</u>	<u>29,624,306</u>
12,483,436	8,816,795	16,096,932	57,129,170
331,132	32,745	235,626	1,440,359
<u>43,447</u>	<u>8,968</u>	<u>9,956</u>	<u>249,862</u>
<u>374,579</u>	<u>41,713</u>	<u>245,582</u>	<u>1,690,221</u>

**CITY OF SANTA ANA
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2025**

	Refuse Collections	Sanitation
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 714,110	\$ 243,299
Interest Payable	6,250	28,149
Retention Payable	-	-
Deposits Payable	-	-
Compensated Absences Payable	6,907	39,301
Total OPEB Liability	18,164	41,445
Grant Advances (Unearned Revenue)	899,935	-
Pension Obligation Bonds Payable	8,169	36,794
Total Current Liabilities	1,653,535	388,988
Noncurrent Liabilities:		
Compensated Absences Payable	103,977	330,283
Total OPEB Liability	385,931	880,595
Net Pension Liability	565,375	2,546,352
Pension Obligation Bonds Payable	558,896	2,517,174
Total Noncurrent Liabilities	1,614,179	6,274,404
Total Liabilities	3,267,714	6,663,392
DEFERRED INFLOWS OF RESOURCES		
Deferred Amounts on OPEB Plan	157,207	712,909
Deferred Amounts on Leases	-	-
Total Deferred Inflows of Resources	157,207	712,909
NET POSITION		
Net Investment in Capital Assets	159,294	3,832,132
Restricted for:		
National Pollution Discharge Elimination System	-	-
Pension Stability	42,000	494,948
Unrestricted	8,588,110	(3,157,352)
Total Net Position	\$ 8,789,404	\$ 1,169,728

<u>Parking</u>	<u>Transportation Center</u>	<u>Federal Clean Water Protection</u>	<u>Total</u>
\$ 298,981	\$ 47,174	\$ 309,966	\$ 1,613,530
13,547	1,340	9,639	58,925
-	42,665	57,831	100,496
-	11,000	-	11,000
17,372	17	3,155	66,752
14,585	1,587	6,345	82,126
-	-	-	899,935
17,707	1,751	12,600	77,021
<u>362,192</u>	<u>105,534</u>	<u>399,536</u>	<u>2,909,785</u>
136,838	94	39,891	611,083
309,891	33,718	134,816	1,744,951
1,225,405	121,181	871,968	5,330,281
1,211,360	119,793	861,975	5,269,198
<u>2,883,494</u>	<u>274,786</u>	<u>1,908,650</u>	<u>12,955,513</u>
3,245,686	380,320	2,308,186	15,865,298
126,236	13,736	184,724	1,194,812
-	490,607	-	490,607
<u>126,236</u>	<u>504,343</u>	<u>184,724</u>	<u>1,685,419</u>
8,821,229	7,114,184	8,185,219	28,112,058
-	-	5,559,125	5,559,125
277,835	17,732	105,260	937,775
387,029	841,929	-	6,659,716
<u>\$ 9,486,093</u>	<u>\$ 7,973,845</u>	<u>\$ 13,849,604</u>	<u>\$ 41,268,674</u>

**CITY OF SANTA ANA
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
YEAR ENDED JUNE 30, 2025**

	Refuse Collections	Sanitation
OPERATING REVENUES		
Charges for Services	\$ 22,476,355	\$ 6,564,732
Lease Revenues	-	-
Miscellaneous	-	-
Total Operating Revenues	<u>22,476,355</u>	<u>6,564,732</u>
OPERATING EXPENSES		
Personnel Services	1,211,522	2,727,097
Contractual Services	15,083,344	2,603,834
Materials and Supplies	80,519	234,823
Administrative Charges	1,015,144	2,212,866
Depreciation and Amortization	12,126	401,808
Total Operating Expenses	<u>17,402,655</u>	<u>8,180,428</u>
OPERATING INCOME (LOSS)	5,073,700	(1,615,696)
NONOPERATING REVENUES (EXPENSES)		
Intergovernmental	631,588	-
Investment Earnings	126,754	58,279
Interest Expense	(15,003)	(67,570)
Total Nonoperating Revenues (Expenses)	<u>743,339</u>	<u>(9,291)</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	5,817,039	(1,624,987)
Capital Contributions	-	-
Capital Contribution to Governmental Funds	-	-
Transfers In	-	200,000
Transfers Out	<u>(3,644,438)</u>	<u>(10,840)</u>
CHANGE IN NET POSITION	2,172,601	(1,435,827)
Net Position - Beginning of Year, as Originally Reported	6,654,553	2,741,522
Restatement	<u>(37,750)</u>	<u>(135,967)</u>
Net Position - Beginning of Year, as Restated	<u>6,616,803</u>	<u>2,605,555</u>
NET POSITION - END OF YEAR	<u>\$ 8,789,404</u>	<u>\$ 1,169,728</u>

<u>Parking</u>	<u>Transportation Center</u>	<u>Federal Clean Water Protection</u>	<u>Total</u>
\$ 3,230,269	\$ 554,391	\$ 855,142	\$ 33,680,889
-	312,303	-	312,303
325,123	251	8,691	334,065
<u>3,555,392</u>	<u>866,945</u>	<u>863,833</u>	<u>34,327,257</u>
1,091,942	(76,789)	659,385	5,613,157
2,835,061	1,289,490	2,225,127	24,036,856
79,933	12,149	5,203	412,627
294,516	164,339	378,814	4,065,679
295,547	356,002	502,278	1,567,761
<u>4,596,999</u>	<u>1,745,191</u>	<u>3,770,807</u>	<u>35,696,080</u>
(1,041,607)	(878,246)	(2,906,974)	(1,368,823)
-	-	-	631,588
70,898	28,562	116,317	400,810
<u>(32,517)</u>	<u>(3,216)</u>	<u>(23,139)</u>	<u>(141,445)</u>
<u>38,381</u>	<u>25,346</u>	<u>93,178</u>	<u>890,953</u>
(1,003,226)	(852,900)	(2,813,796)	(477,870)
-	1,406,145	-	1,406,145
-	-	(1,159,255)	(1,159,255)
-	1,081,870	2,923,169	4,205,039
<u>(449)</u>	<u>-</u>	<u>(200,000)</u>	<u>(3,855,727)</u>
(1,003,675)	1,635,115	(1,249,882)	118,332
10,499,645	6,367,370	15,119,839	41,382,929
<u>(9,877)</u>	<u>(28,640)</u>	<u>(20,353)</u>	<u>(232,587)</u>
<u>10,489,768</u>	<u>6,338,730</u>	<u>15,099,486</u>	<u>41,150,342</u>
<u>\$ 9,486,093</u>	<u>\$ 7,973,845</u>	<u>\$ 13,849,604</u>	<u>\$ 41,268,674</u>

**CITY OF SANTA ANA
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2025**

	Refuse Collections	Sanitation
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 22,510,691	\$ 6,353,010
Receipts from Other Operating Sources	-	-
Payments to Suppliers for Goods and Services	(16,708,532)	(4,917,153)
Payments to Employees	(1,225,095)	(2,970,721)
Net Cash Provided (Used) by Operating Activities	4,577,064	(1,534,864)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers In	-	200,000
Transfers Out	(3,644,438)	(10,840)
Interest Paid	(15,016)	(67,627)
Receipt of Interfund Balances	-	-
Payment of Interfund Balances	(289,848)	-
Receipt of Operating Grants	588,099	-
Net Cash Provided (Used) by Noncapital Financing Activities	(3,361,203)	121,533
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Contributions	-	-
Capital Contributions to Governmental Funds	-	-
Acquisition of Capital Assets	(57,632)	(32,142)
Net Cash Used by Capital and Related Financing Activities	(57,632)	(32,142)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	108,764	61,252
Net Cash Provided by Investing Activities	108,764	61,252
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,266,993	(1,384,221)
Cash and Cash Equivalents - Beginning of Year	5,277,211	3,635,740
CASH AND CASH EQUIVALENTS - END OF YEAR (Includes Restricted Assets)	\$ 6,544,204	\$ 2,251,519

<u>Parking</u>	<u>Transportation Center</u>	<u>Federal Clean Water Protection</u>	<u>Total</u>
\$ 3,291,233	\$ 877,150	\$ 847,724	\$ 33,879,808
325,123	251	8,691	334,065
(2,993,231)	(1,454,002)	(2,569,378)	(28,642,296)
(996,929)	(54,194)	(641,513)	(5,888,452)
<u>(373,804)</u>	<u>(630,795)</u>	<u>(2,354,476)</u>	<u>(316,875)</u>
-	1,081,870	2,923,169	4,205,039
(449)	-	(200,000)	(3,855,727)
(32,544)	(3,218)	(23,159)	(141,564)
-	-	89,343	89,343
-	-	-	(289,848)
-	-	-	588,099
<u>(32,993)</u>	<u>1,078,652</u>	<u>2,789,353</u>	<u>595,342</u>
-	1,406,145	-	1,406,145
-	-	(1,159,255)	(1,159,255)
<u>(269,880)</u>	<u>(1,448,810)</u>	<u>238,468</u>	<u>(1,569,996)</u>
(269,880)	(42,665)	(920,787)	(1,323,106)
<u>68,207</u>	<u>25,782</u>	<u>107,995</u>	<u>372,000</u>
<u>68,207</u>	<u>25,782</u>	<u>107,995</u>	<u>372,000</u>
(608,470)	430,974	(377,915)	(672,639)
<u>4,251,003</u>	<u>561,809</u>	<u>7,769,151</u>	<u>21,494,914</u>
<u>\$ 3,642,533</u>	<u>\$ 992,783</u>	<u>\$ 7,391,236</u>	<u>\$ 20,822,275</u>

**CITY OF SANTA ANA
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

	Refuse Collections	Sanitation
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ 5,073,700	\$ (1,615,696)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization Expense	12,126	401,808
Change in Assets and Liabilities:		
(Increase) Decrease in:		
Accounts Receivable	34,336	(211,722)
Leases Receivable	-	-
Intergovernmental Receivable	-	-
Deferred Outflows from Pension	111,512	502,227
Deferred Outflows from OPEB	36,681	16,712
Increase (Decrease) in:		
Accounts Payable	(18,283)	134,370
Retentions Payable	-	-
Compensated Absences Payable	(50,487)	(240,920)
Pension Obligation Bonds Payable	(4,578)	(20,616)
Grant Advances	(511,241)	-
Net Pension Liability	(63,358)	(285,351)
Total OPEB Liability	7,067	16,125
Deferred Inflows from Pension	(2,740)	(12,342)
Deferred Inflows from OPEB	(47,671)	(219,459)
Deferred Inflows from Leases	-	-
Net Cash Provided (Used) by Operating Activities	\$ 4,577,064	\$ (1,534,864)
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Accounts Payable Related to Capital Assets	\$ -	\$ -
Retentions Payable Related to Capital Assets	-	-
Noncash Capital Contributions	\$ -	\$ -

<u>Parking</u>	<u>Transportation Center</u>	<u>Federal Clean Water Protection</u>	<u>Total</u>
\$ (1,041,607)	\$ (878,246)	\$ (2,906,974)	\$ (1,368,823)
295,547	356,002	502,278	1,567,761
60,964	(28,781)	(7,418)	(152,621)
-	296,036	-	296,036
-	55,503	-	55,503
241,691	23,900	171,981	1,051,311
12,307	2,665	2,559	70,924
216,278	(30,688)	51,215	352,892
-	42,665	(11,448)	31,217
26,801	(138,853)	7,081	(396,378)
(9,921)	(981)	(7,060)	(43,156)
-	-	-	(511,241)
(137,321)	(13,580)	(97,715)	(597,325)
5,674	617	2,469	31,952
(5,939)	(587)	(4,226)	(25,834)
(38,278)	(4,165)	(57,218)	(366,791)
-	(312,302)	-	(312,302)
<u>\$ (373,804)</u>	<u>\$ (630,795)</u>	<u>\$ (2,354,476)</u>	<u>\$ (316,875)</u>
\$ -	\$ -	\$ 236,025	\$ 236,025
-	42,665	57,831	100,496
<u>\$ -</u>	<u>\$ 42,707</u>	<u>\$ -</u>	<u>\$ 42,707</u>



CITY OF SANTA ANA, CALIFORNIA

Annual
Comprehensive Financial
Report

**CITY OF SANTA ANA
INTERNAL SERVICE FUNDS**

To account for the financing of goods or services provided by one department or agency of the City to other departments or agencies on a cost-reimbursement basis.

Building Maintenance – For the provision of building maintenance, janitorial services, and utilities to the City departments.

Equipment Maintenance and Replacement – For the provision of maintenance on, materials and supplies for, and replacement of, City vehicles and other gasoline or diesel-powered equipment.

Self-Insurance Fund – For the administration of the City's self-insurance programs and the payment of health and dental benefits, City's workers' compensation and payment of liability claims.

Information and Communications Services – For the design, installation, and maintenance of all data networking, voice, radio, and facsimile services of the City's operating departments.

City Yard Operations – For the maintenance and security services at the City's Corporate Yard and Fleet Maintenance Facility.

Engineering and Administrative Services – For the provision of engineering, design, and project management for public facilities and infrastructure, and the development and administration of transportation policy and the City's capital improvement program.

Quality Service Training – For the provision of training and support services, through the use and application of total quality improvement tools, for the continuous improvement of City services.

**CITY OF SANTA ANA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2025**

	Building Maintenance	Equipment Maintenance and Replacement	Self- Insurance
ASSETS			
Current Assets:			
Cash and Investments	\$ 1,137,239	\$ 7,463,067	\$ 17,229,348
Receivables:			
Interest	8,193	42,631	190,375
Due from Other Funds	-	-	20,254,120
Total Current Assets	1,145,432	7,505,698	37,673,843
Noncurrent Assets:			
Restricted Cash and Investments	-	-	325,188
Pension Stability Fund	593,413	366,312	1,015,618
Capital Assets, Not Being Depreciated	-	2,700,842	2,675,358
Capital Assets, Being Depreciation, Net of Accumulated Depreciation/Amortization	-	2,372,686	719,554
Total Noncurrent Assets	593,413	5,439,840	4,735,718
Total Assets	1,738,845	12,945,538	42,409,561
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Pension Plans	850,543	918,412	895,719
Deferred Amounts on OPEB Plan	103,418	46,203	46,489
Total Deferred Outflows of Resources	953,961	964,615	942,208

<u>Information and Communications Services</u>	<u>City Yard Operations</u>	<u>Engineering and Administrative Services</u>	<u>Quality Service Training</u>	<u>Total</u>
\$ 14,781,786	\$ -	\$ 3,029,392	\$ -	\$ 43,640,832
85,209	-	16,397	-	342,805
-	-	-	-	20,254,120
<u>14,866,995</u>	<u>-</u>	<u>3,045,789</u>	<u>-</u>	<u>64,237,757</u>
-	-	-	-	325,188
729,221	-	646,489	-	3,351,053
45,955	-	-	-	5,422,155
1,955,242	116,860	380,314	-	5,544,656
<u>2,730,418</u>	<u>116,860</u>	<u>1,026,803</u>	<u>-</u>	<u>14,643,052</u>
17,597,413	116,860	4,072,592	-	78,880,809
1,076,475	10,653	1,273,554	-	5,025,356
43,226	1,214	128,506	-	369,056
<u>1,119,701</u>	<u>11,867</u>	<u>1,402,060</u>	<u>-</u>	<u>5,394,412</u>

**CITY OF SANTA ANA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2025**

	Building Maintenance	Equipment Maintenance and Replacement	Self- Insurance
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 188,164	\$ 558,651	\$ 1,622,947
Interest Payable	34,796	37,572	36,510
Retention Payable	-	-	44,372
Due to Other Funds	-	-	-
Subscription Liability	-	-	-
Compensated Absences Payable	24,012	39,144	14,545
Claims Payable	-	-	11,570,990
Total OPEB Liability	35,532	29,440	23,158
Pension Obligation Bonds Payable	45,481	49,111	47,721
Total Current Liabilities	327,985	713,918	13,360,243
Noncurrent Liabilities:			
Subscription Liability	-	-	-
Compensated Absences Payable	294,742	420,308	227,392
Claims Payable	-	-	49,019,612
Total OPEB Liability	754,944	625,525	492,044
Net Pension Liability	3,147,566	3,398,740	5,033,729
Pension Obligation Bonds Payable	3,111,497	3,359,792	3,264,759
Total Noncurrent Liabilities	7,308,749	7,804,365	58,037,536
Total Liabilities	7,636,734	8,518,283	71,397,779
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on OPEB Plan	307,525	525,278	361,124
NET POSITION			
Net Investment in Capital Assets	-	4,744,309	3,350,540
Restricted for:			
Pension Stability	593,413	366,312	1,015,618
Unrestricted	(5,844,866)	(244,029)	(32,773,292)
Total Net Position	\$ (5,251,453)	\$ 4,866,592	\$ (28,407,134)

Information and Communications Services	City Yard Operations	Engineering and Administrative Services	Quality Service Training	Total
\$ 447,017	\$ 67,493	\$ 39,326	\$ -	\$ 2,923,598
44,039	436	52,101	-	205,454
37,387	-	-	-	81,759
-	743,087	-	-	743,087
-	-	59,653	-	59,653
52,750	-	102,977	-	233,428
-	-	-	-	11,570,990
27,543	774	54,851	-	171,298
57,563	570	68,101	-	268,547
<u>666,299</u>	<u>812,360</u>	<u>377,009</u>	-	<u>16,257,814</u>
-	-	151,214	-	151,214
560,810	-	936,651	-	2,439,903
-	-	-	-	49,019,612
585,198	16,441	1,165,424	-	3,639,576
3,983,680	39,416	4,713,005	-	20,316,136
3,938,029	38,964	4,658,995	-	18,372,036
<u>9,067,717</u>	<u>94,821</u>	<u>11,625,289</u>	-	<u>93,938,477</u>
<u>9,734,016</u>	<u>907,181</u>	<u>12,002,298</u>	-	<u>110,196,291</u>
<u>395,083</u>	<u>12,579</u>	<u>474,738</u>	-	<u>2,076,327</u>
1,963,810	116,860	169,447	-	10,344,966
729,221	-	646,489	-	3,351,053
<u>5,894,984</u>	<u>(907,893)</u>	<u>(7,818,320)</u>	-	<u>(41,693,416)</u>
<u>\$ 8,588,015</u>	<u>\$ (791,033)</u>	<u>\$ (7,002,384)</u>	<u>\$ -</u>	<u>\$ (27,997,397)</u>

**CITY OF SANTA ANA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
YEAR ENDED JUNE 30, 2025**

	<u>Building Maintenance</u>	<u>Equipment Maintenance and Replacement</u>	<u>Self- Insurance</u>
OPERATING REVENUES			
Charges for Services	\$ 6,323,070	\$ 8,390,143	\$ 52,566,855
Miscellaneous	27,500	71,763	404,665
Total Operating Revenues	<u>6,350,570</u>	<u>8,461,906</u>	<u>52,971,520</u>
OPERATING EXPENSES			
Personnel Services	2,379,716	2,933,337	-
Contractual Services	2,826,982	684,370	-
Materials and Supplies	77,279	1,246,157	-
Administrative Charges	1,133,906	2,053,851	4,843,534
Insurance	-	-	39,956,285
Provision for Self-Insured Losses	-	-	16,256,258
Depreciation and Amortization	-	1,054,490	26,087
Total Operating Expenses	<u>6,417,883</u>	<u>7,972,205</u>	<u>61,082,164</u>
OPERATING INCOME (LOSS)	(67,313)	489,701	(8,110,644)
NONOPERATING REVENUES (EXPENSES)			
Net Increase in the Fair Value of Investment	-	-	655,227
Investment Earnings	55,226	141,122	506,974
Interest Expense	(83,524)	(90,189)	(87,638)
Gain on Disposal of Capital Assets	-	22,612	-
Total Nonoperating Revenues (Expenses)	<u>(28,298)</u>	<u>73,545</u>	<u>1,074,563</u>
INCOME (LOSS) BEFORE TRANSFERS	(95,611)	563,246	(7,036,081)
Transfers In	-	-	7,189,400
Transfers Out	-	(6,518)	-
CHANGE IN NET POSITION	(95,611)	556,728	153,319
Net Position (Deficit) - Beginning of Year, as Originally Reported	(5,110,383)	4,378,518	(28,521,367)
Restatement	<u>(45,459)</u>	<u>(68,654)</u>	<u>(39,086)</u>
Net Position (Deficit) - Beginning of Year, as Restated	<u>(5,155,842)</u>	<u>4,309,864</u>	<u>(28,560,453)</u>
NET POSITION (DEFICIT) - END OF YEAR	<u>\$ (5,251,453)</u>	<u>\$ 4,866,592</u>	<u>\$ (28,407,134)</u>

Information and Communications Services	City Yard Operations	Engineering and Administrative Services	Quality Service Training	Total
\$ 10,219,694	\$ 3,063,271	\$ 8,656,862	\$ -	\$ 89,219,895
-	-	11,964,136	-	12,468,064
<u>10,219,694</u>	<u>3,063,271</u>	<u>20,620,998</u>	<u>-</u>	<u>101,687,959</u>
3,172,856	10,606	4,522,775	-	13,019,290
3,974,641	201,177	1,388,863	61,400	9,137,433
377,338	1,480,874	339,875	-	3,521,523
825,434	1,335,371	2,421,332	-	12,613,428
-	-	-	-	39,956,285
-	-	-	-	16,256,258
199,762	6,403	98,522	-	1,385,264
<u>8,550,031</u>	<u>3,034,431</u>	<u>8,771,367</u>	<u>61,400</u>	<u>95,889,481</u>
1,669,663	28,840	11,849,631	(61,400)	5,798,478
674,064	-	-	-	1,329,291
281,036	-	75,759	-	1,060,117
(107,080)	(1,046)	(130,583)	-	(500,060)
-	-	-	-	22,612
<u>848,020</u>	<u>(1,046)</u>	<u>(54,824)</u>	<u>-</u>	<u>1,911,960</u>
2,517,683	27,794	11,794,807	(61,400)	7,710,438
-	-	1,250,000	-	8,439,400
-	-	(96,344)	-	(102,862)
<u>2,517,683</u>	<u>27,794</u>	<u>12,948,463</u>	<u>(61,400)</u>	<u>16,046,976</u>
6,153,146	(818,827)	(19,826,573)	61,400	(43,684,086)
<u>(82,814)</u>	<u>-</u>	<u>(124,274)</u>	<u>-</u>	<u>(360,287)</u>
<u>6,070,332</u>	<u>(818,827)</u>	<u>(19,950,847)</u>	<u>61,400</u>	<u>(44,044,373)</u>
<u>\$ 8,588,015</u>	<u>\$ (791,033)</u>	<u>\$ (7,002,384)</u>	<u>\$ -</u>	<u>\$ (27,997,397)</u>

**CITY OF SANTA ANA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2025**

	<u>Building Maintenance</u>	<u>Equipment Maintenance and Replacement</u>	<u>Self- Insurance</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 6,350,570	\$ -	\$ -
Receipts from Interfund Services Provided	-	8,390,143	52,566,855
Receipts from Other Operating Sources	-	96,793	404,665
Payments to Suppliers for Goods and Services	(2,977,558)	(1,344,799)	(54,539,326)
Payments from Interfund Services Used	(1,133,906)	(2,053,851)	-
Payments to Employees	<u>(2,134,601)</u>	<u>(2,806,009)</u>	<u>(4,883,726)</u>
Net Cash Provided (Used) by Operating Activities	104,505	2,282,277	(6,451,532)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers In	-	-	7,189,400
Transfers Out	-	(6,518)	-
Interest Paid	(83,594)	(90,265)	(87,711)
Receipt of Interfund Balances	-	-	1,231,613
Payment of Interfund Balances	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Provided (Used) by Noncapital Financing Activities	(83,594)	(96,783)	8,333,302
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	-	(3,288,146)	(550,279)
Proceeds from Sale of Capital Assets	-	105,304	-
Payments on Subscription Liability	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Used by Capital and Related Financing Activities	-	(3,182,842)	(550,279)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	51,981	132,388	459,808
Net Increase in the Fair Value of Investment	<u>-</u>	<u>-</u>	<u>655,227</u>
Net Cash Provided by Investing Activities	<u>51,981</u>	<u>132,388</u>	<u>1,115,035</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	72,892	(864,960)	2,446,526
Cash and Cash Equivalents - Beginning of Year	<u>1,657,760</u>	<u>8,694,339</u>	<u>16,123,628</u>
CASH AND CASH EQUIVALENTS - END OF YEAR (Includes Restricted Assets)	<u><u>\$ 1,730,652</u></u>	<u><u>\$ 7,829,379</u></u>	<u><u>\$ 18,570,154</u></u>

Information and Communications Services	City Yard Operations	Engineering and Administrative Services	Quality Service Training	Total
\$ -	\$ -	\$ -	\$ -	\$ 6,350,570
10,219,694	3,063,271	8,656,862	-	82,896,825
-	-	11,964,136	-	12,465,594
(4,197,488)	(1,512,107)	(4,155,823)	(31,038)	(68,758,139)
(825,434)	(1,335,371)	-	-	(5,348,562)
<u>(2,940,877)</u>	<u>(11,017)</u>	<u>(16,207,968)</u>	<u>-</u>	<u>(28,984,198)</u>
2,255,895	204,776	257,207	(31,038)	(1,377,910)
-	-	1,250,000	-	8,439,400
-	-	(96,344)	-	(102,862)
(107,169)	(1,046)	(196,044)	-	(565,829)
-	-	-	-	1,231,613
<u>-</u>	<u>(203,730)</u>	<u>-</u>	<u>-</u>	<u>(203,730)</u>
(107,169)	(204,776)	957,612	-	8,798,592
(293,538)	-	-	-	(4,131,963)
-	-	-	-	105,304
<u>(57,939)</u>	<u>-</u>	<u>(63,115)</u>	<u>-</u>	<u>(121,054)</u>
(351,477)	-	(63,115)	-	(4,147,713)
252,172	-	72,426	-	968,775
674,064	-	-	-	1,329,291
<u>926,236</u>	<u>-</u>	<u>72,426</u>	<u>-</u>	<u>2,298,066</u>
2,723,485	-	1,224,130	(31,038)	5,571,035
<u>12,787,522</u>	<u>-</u>	<u>2,451,751</u>	<u>31,038</u>	<u>41,746,038</u>
<u>\$ 15,511,007</u>	<u>\$ -</u>	<u>\$ 3,675,881</u>	<u>\$ -</u>	<u>\$ 47,317,073</u>

**CITY OF SANTA ANA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

	Building Maintenance	Equipment Maintenance and Replacement	Self- Insurance
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (67,313)	\$ 489,701	\$ (8,110,644)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization Expense	-	1,054,490	26,087
Change in Assets and Liabilities:			
(Increase) Decrease in:			
Accounts Receivable	-	25,030	-
Inventory of Supplies	-	44,725	-
Prepaid Items	-	-	46,114
Deferred Outflows from Pension	620,806	670,347	652,066
Deferred Outflows from OPEB	29,219	11,872	12,509
Increase (Decrease) in:			
Accounts Payable	(73,297)	541,002	723,359
Retentions Payable	-	-	20,535
Compensated Absences Payable	67,981	20,303	116,535
Claims Payable	-	-	883,208
Pension Obligation Bonds Payable	(25,483)	(27,516)	(26,739)
Net Pension Liability	(352,724)	(380,871)	(676,569)
Total OPEB Liability	13,824	11,454	9,008
Deferred Inflows from Pension	(15,256)	(16,473)	(16,007)
Deferred Inflows from OPEB	(93,252)	(161,787)	(110,994)
Net Cash Provided (Used) by Operating Activities	\$ 104,505	\$ 2,282,277	\$ (6,451,532)
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Increase in Fair Value of Investments	\$ -	\$ -	\$ 655,227
Accounts Payable Related to Capital Assets	-	329,219	-
Retentions Payable Related to Capital Assets	-	-	44,372
Issuance of SBITAs	\$ -	\$ -	\$ -

<u>Information and Communications Services</u>	<u>City Yard Operations</u>	<u>Engineering and Administrative Services</u>	<u>Quality Service Training</u>	<u>Total</u>
\$ 1,669,663	\$ 28,840	\$ 11,849,631	\$ (61,400)	\$ 5,798,478
199,762	6,403	98,522	-	1,385,264
-	-	-	-	25,030
-	105,909	-	-	150,634
-	-	-	30,362	76,476
785,718	7,774	3,687,592	-	6,424,303
11,104	312	120,003	-	185,019
154,491	64,035	(5,753)	-	1,403,837
-	-	-	-	20,535
43,676	-	(241,386)	-	7,109
-	-	-	-	883,208
(32,251)	(320)	(6,003,651)	-	(6,115,960)
(446,421)	(4,417)	(7,089,412)	-	(8,950,414)
10,717	301	(916,439)	-	(871,135)
(19,309)	(191)	(51,440)	-	(118,676)
<u>(121,255)</u>	<u>(3,870)</u>	<u>(1,190,460)</u>	<u>-</u>	<u>(1,681,618)</u>
<u>\$ 2,255,895</u>	<u>\$ 204,776</u>	<u>\$ 257,207</u>	<u>\$ (31,038)</u>	<u>\$ (1,377,910)</u>
\$ 674,064	\$ -	\$ -	\$ -	\$ 1,329,291
-	-	-	-	329,219
37,387	-	-	-	81,759
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,080</u>	<u>\$ -</u>	<u>\$ 62,080</u>

CITY OF SANTA ANA CUSTODIAL FUNDS

Custodial Funds are used to account for assets held by the City as a custodian for individuals, private organizations, and other governmental units. Custodial Funds include the following:

Treasurer's Trust – For deposits made by developers, governmental agencies, and others for disposition under the terms of the agreements for which deposits were made.

Transportation Corridor – For the collection of fees until their disbursements to transportation corridor agencies under the terms of joint exercise of powers agreement.

Warner Industrial Community Assessment District – For amounts collected and remitted under the terms of the assessment district.

**CITY OF SANTA ANA
CUSTODIAL FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2025**

	Treasurer's Trust	Transportation Corridor	Warner Industrial Community Assessment District	Total
ASSETS				
Cash and Investments	\$ 3,814,681	\$ 100,533	\$ 379,728	\$ 4,294,942
Restricted Assets:				
Cash and Investments with Fiscal Agents	-	-	105,348	105,348
Receivables:				
Interest	13,573	-	-	13,573
Taxes	-	-	4,750	4,750
Total Assets	<u>3,828,254</u>	<u>100,533</u>	<u>489,826</u>	<u>4,418,613</u>
LIABILITIES				
Accounts Payable	543,753	100,533	-	644,286
Deposits Payable	245,931	-	-	245,931
Due to Governmental Agencies	610,376	-	-	610,376
Total Liabilities	<u>1,400,060</u>	<u>100,533</u>	<u>-</u>	<u>1,500,593</u>
 Total Net Position	 <u>\$ 2,428,194</u>	 <u>\$ -</u>	 <u>\$ 489,826</u>	 <u>\$ 2,918,020</u>

**CITY OF SANTA ANA
CUSTODIAL FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2025**

	Treasurer's Trust	Transportation Corridor	Warner Industrial Community Assessment District	Total
ADDITIONS				
Property Tax Collections for Bondholder	\$ -	\$ -	\$ 134,238	\$ 134,238
Investment Earnings	37,390	-	6	37,396
Police Seized Assets	333,641	-	-	333,641
Commissary	1,223,573	-	-	1,223,573
Other Taxes and Fees for Other Agency	2,260,934	935,871	-	3,196,805
Miscellaneous	12,381	-	-	12,381
Total Additions	<u>3,867,919</u>	<u>935,871</u>	<u>134,244</u>	<u>4,938,034</u>
DEDUCTIONS				
Administrative Expenses	105,090	-	-	105,090
Police Seized Assets	120,749	-	-	120,749
Bond Payment	-	-	102,888	102,888
Payments to Other Agency	2,067,897	935,871	-	3,003,768
Commissary	1,241,331	-	-	1,241,331
Miscellaneous	562	-	-	562
Total Deductions	<u>3,535,629</u>	<u>935,871</u>	<u>102,888</u>	<u>4,574,388</u>
CHANGES IN NET POSITION	332,290	-	31,356	363,646
Net Position - Beginning of Year	<u>2,095,904</u>	<u>-</u>	<u>458,470</u>	<u>2,554,374</u>
NET POSITION - END OF YEAR	<u>\$ 2,428,194</u>	<u>\$ -</u>	<u>\$ 489,826</u>	<u>\$ 2,918,020</u>

CITY OF SANTA ANA, CALIFORNIA

**STATISTICAL
SECTION**

STATISTICAL SECTION INFORMATION

This part of the City of Santa Ana's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the government's overall financial health.

Contents

Page

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Schedule 1 – Net Position by Component	216
Schedule 2 – Changes in Net Position	218
Schedule 3 – Fund Balances of Governmental Funds	224
Schedule 4 – Changes in Fund Balances of Governmental Funds	226

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Schedule 5 – Assessed Value and Estimated Actual Value of Taxable Property	228
Schedule 6 – Direct and Overlapping Property Tax Rates	230
Schedule 7 – Property Tax Levies and Collections	232
Schedule 8 – Taxable Sales by Category	234
Schedule 9 – Principal Property Tax Remitters	236
Schedule 10 – Water Sold by Type of Customer	238
Schedule 11 – Water Rates	240
Schedule 12 – Principal Water Customers	241

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Schedule 13 – Ratios of Outstanding Debt by Type	242
Schedule 14 – Ratio of General Bonded Debt Outstanding	244
Schedule 15 – Legal Debt Margin Information	246
Schedule 16 – Direct and Overlapping Debt	248
Schedule 17 – Pledged-Revenue Coverage	249

Demographic and Economic Information

This schedule offers demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Schedule 18 – Demographic and Economic Statistics	250
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Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Schedule 19 – Principal Employers	251
Schedule 20 – Full-time and Part-time City Employees by Function	252
Schedule 21 – Operating Indicators by Function	254
Schedule 22 – Capital Assets Statistics by Function	256

CITY OF SANTA ANA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(IN THOUSANDS)

	Fiscal Year			
	2025	2024	2023	2022
Governmental Activities:				
Net Investment in Capital Assets	\$ 1,148,746	\$ 1,075,975	\$ 992,746	\$ 941,901
Restricted	281,075	253,095	222,366	211,632
Unrestricted	(567,932)	(548,148)	(498,311)	(468,389)
Total Governmental Activities				
Net Position	861,889	780,922	716,801	685,144
Business-Type Activities:				
Net Investment in Capital Assets	197,399	198,989	169,719	141,332
Restricted	7,989	7,694	7,053	2,454
Unrestricted	14,183	12,937	29,376	52,900
Total Business-Type Activities				
Net Position	219,571	219,620	206,148	196,686
Primary Government:				
Net Investment in Capital Assets	1,346,145	1,274,964	1,162,465	1,083,233
Restricted	289,064	260,789	229,419	214,086
Unrestricted	(553,749)	(535,211)	(468,935)	(415,489)
Total Primary Government				
Net Position	<u>\$ 1,081,460</u>	<u>\$ 1,000,542</u>	<u>\$ 922,949</u>	<u>\$ 881,830</u>

Notes to Schedule:

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

Source: City of Santa Ana

Fiscal Year					
2021	2020	2019	2018	2017**	2016
\$ 909,573	\$ 881,919	\$ 877,188	\$ 867,360	\$ 842,333	\$ 823,975
208,355	189,944	189,135	175,986	176,377	156,204
<u>(533,455)</u>	<u>(535,086)</u>	<u>(533,495)</u>	<u>(501,404)</u>	<u>(387,032)</u>	<u>(362,557)</u>
584,473	536,777	532,828	541,942	631,678	617,622
129,341	116,854	113,665	109,752	101,972	96,563
1,857	2,216	2,507	2,332	2,908	2,859
<u>56,657</u>	<u>57,883</u>	<u>62,336</u>	<u>33,072</u>	<u>41,547</u>	<u>38,804</u>
<u>187,855</u>	<u>176,953</u>	<u>178,508</u>	<u>145,156</u>	<u>146,427</u>	<u>138,226</u>
1,038,914	998,773	990,853	977,112	944,305	920,538
210,212	192,160	191,642	178,318	179,285	159,063
<u>(476,798)</u>	<u>(477,203)</u>	<u>(471,159)</u>	<u>(468,332)</u>	<u>(345,485)</u>	<u>(323,753)</u>
<u>\$ 772,328</u>	<u>\$ 713,730</u>	<u>\$ 711,336</u>	<u>\$ 687,098</u>	<u>\$ 778,105</u>	<u>\$ 755,848</u>

CITY OF SANTA ANA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(IN THOUSANDS)

	Fiscal Year			
	2025	2024	2023	2022
EXPENSES				
Governmental Activities:				
General Government (1)	\$ 73,117	\$ 83,346	\$ 71,480	\$ 54,389
Cultural Recreation and Community Services (2)	33,987	32,307	29,559	39,785
Public Safety (3) (5)	244,315	251,256	240,552	186,227
Development Services (4)	94,018	102,219	101,008	63,285
Community Development	98,278	91,043	98,998	98,486
Interest on Long-Term Debt	12,542	13,686	17,601	15,215
Total Governmental Activities Expenses	<u>556,257</u>	<u>573,857</u>	<u>559,198</u>	<u>457,387</u>
Business-Type Activities:				
Water	73,583	69,373	65,207	57,963
Sewer Operations	9,622	9,099	8,866	6,748
Sanitation	17,418	16,592	4,991	3,537
Refuse Collections	8,248	7,237	16,108	13,501
Parking	4,630	4,861	6,503	3,651
Transportation Center	1,748	2,172	2,166	1,893
Federal Clean Water Protection	3,794	3,589	4,267	3,134
Total Business-Type Activities Expenses	<u>119,043</u>	<u>112,923</u>	<u>108,108</u>	<u>90,427</u>
Total Primary Government Expenses	675,300	686,780	667,306	547,814
PROGRAM REVENUES				
Governmental Activities:				
Charges for Services:				
General Government (1)	10,840	11,078	10,397	8,770
Cultural Recreation and Community Services (2)	4,615	9,497	3,578	10,544
Public Safety (3) (5)	32,960	36,496	32,979	33,101
Development Services (4)	21,972	20,055	26,823	24,048
Community Development	178	3,001	1,042	1,996
Operating Grants and Contributions	166,224	157,587	138,246	128,272
Capital Grants and Contributions	47,180	47,529	42,168	32,200
Total Governmental Activities Program Revenues	<u>283,968</u>	<u>285,243</u>	<u>255,233</u>	<u>238,931</u>

Fiscal Year						
2021	2020	2019	2018	2017	2016	
\$ 81,384	\$ 62,108	\$ 24,444	\$ 23,916	\$ 22,965	\$ 16,266	
38,088	33,409	33,961	36,666	30,689	26,252	
217,320	223,748	238,760	232,167	185,803	156,989	
59,440	48,657	45,089	43,308	44,831	29,369	
84,729	59,293	55,312	55,119	47,427	43,778	
5,247	5,517	6,334	6,627	6,944	7,208	
<u>486,208</u>	<u>432,732</u>	<u>403,900</u>	<u>397,803</u>	<u>338,659</u>	<u>279,862</u>	
55,861	51,763	48,886	49,800	45,040	41,947	
6,915	7,120	6,347	5,588	4,916	4,685	
5,194	4,651	6,596	7,082	6,695	6,675	
11,915	20,475	18,004	18,028	16,853	16,463	
3,467	5,537	6,503	5,636	5,276	4,296	
1,923	1,525	1,417	1,474	1,197	1,245	
3,179	3,071	2,766	2,816	2,373	2,878	
<u>88,454</u>	<u>94,142</u>	<u>90,519</u>	<u>90,424</u>	<u>82,350</u>	<u>78,189</u>	
574,662	526,874	494,419	488,227	421,009	358,051	
8,171	6,932	10,715	7,575	5,379	4,584	
6,522	3,456	8,977	3,100	3,100	3,245	
29,914	29,554	30,113	22,607	22,596	23,370	
19,351	22,176	23,290	17,672	18,595	17,410	
874	1,149	1,110	854	1,168	1,721	
126,748	83,373	74,230	66,388	62,814	65,518	
35,492	19,595	32,156	44,259	58,350	19,882	
<u>227,072</u>	<u>166,235</u>	<u>180,591</u>	<u>162,455</u>	<u>172,002</u>	<u>135,730</u>	

CITY OF SANTA ANA
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(IN THOUSANDS)

	Fiscal Year			
	2025	2024	2023	2022
PROGRAM REVENUES (CONTINUED)				
Business-Type Activities:				
Charges for Services:				
Water	\$ 73,567	\$ 72,206	\$ 66,479	\$ 66,661
Sewer Operations	10,210	10,172	9,041	8,034
Sanitation	22,476	20,830	19,139	13,361
Refuse Collections	6,565	6,363	6,197	5,801
Parking	3,555	3,324	3,732	3,733
Transportation Center	867	666	577	556
Federal Clean Water Protection	864	980	4,506	1,024
Operating Grants and Contributions	632	-	-	125
Capital Grants and Contributions	2,073	9,520	2,971	55
Total Business-Type Activities	<u>120,809</u>	<u>124,061</u>	<u>112,642</u>	<u>99,350</u>
Program Revenues				
Total Primary Government	<u>404,778</u>	<u>409,304</u>	<u>367,875</u>	<u>338,281</u>
Program Revenues				
NET REVENUE (EXPENSE)				
Governmental Activities	(272,289)	(288,614)	(303,965)	(218,456)
Business-Type Activities	1,767	11,138	4,534	8,923
Total Primary Government Revenue	<u>(270,522)</u>	<u>(277,476)</u>	<u>(299,431)</u>	<u>(209,533)</u>
(Expense), Net				
GENERAL REVENUES AND OTHER				
CHANGES IN NET POSITION				
Governmental Activities:				
Net Program Revenue (Expense):				
General Government (1)	(20,067)	(34,470)	(39,132)	(37,392)
Cultural Recreation and				
Community Services (2)	(21,773)	(16,689)	(17,763)	(24,836)
Public Safety (3) (5)	(204,035)	(206,841)	(198,158)	(148,173)
Development Services (4)	(11,372)	(22,354)	(22,702)	(2,660)
Community Development	(2,500)	5,427	(8,608)	9,820
Interest on Long-Term Debt	(12,542)	(13,687)	(17,601)	(15,215)
General Revenues:				
Property Taxes	107,158	103,452	98,405	92,740
Hotels Visitors' Taxes	9,475	9,507	10,478	7,495
Utility Users Taxes	29,854	28,489	28,544	24,844
Business Taxes	31,892	32,965	33,832	39,536
Franchise Taxes	13,769	13,343	12,618	12,311
Other Taxes	1,387	1,431	1,186	1,707
Intergovernmental, Unrestricted	145,540	147,151	151,772	152,346
Investment Income	16,712	16,045	450	(8,107)
Other Revenues	-	-	-	-
Transfers	3,145	352	(1,663)	(3,746)
Total Governmental Activities	<u>86,645</u>	<u>64,121</u>	<u>31,658</u>	<u>100,670</u>

Fiscal Year					
2021	2020	2019	2018	2017	2016
\$ 64,045	\$ 57,062	\$ 56,227	\$ 55,560	\$ 51,657	\$ 48,289
7,349	6,947	6,702	6,381	5,620	5,125
13,211	21,590	21,634	19,480	18,985	18,230
5,746	5,784	6,978	7,020	7,384	7,973
3,289	3,476	4,067	4,172	4,410	4,472
464	642	398	524	602	593
964	689	864	657	1,725	365
197	210	194	419	-	-
2,900	170	23,828	981	-	-
98,165	96,570	120,892	95,194	90,383	85,047
325,237	262,805	301,483	257,649	262,385	220,777
(259,136)	(266,497)	(223,309)	(235,348)	(166,657)	(144,132)
9,711	2,428	30,373	4,770	8,033	6,858
(249,425)	(264,069)	(192,936)	(230,578)	(158,624)	(137,274)
(37,296)	(54,506)	(13,387)	(15,498)	(16,528)	(11,141)
(26,144)	(23,896)	(18,762)	(23,304)	(20,912)	(15,765)
(183,138)	(185,946)	(202,293)	(203,383)	(155,869)	(125,726)
895	6,240	15,983	18,655	31,293	8,255
(8,206)	(2,872)	1,484	(5,191)	2,303	7,453
(5,247)	(5,517)	(6,334)	(6,627)	(6,944)	(7,208)
88,054	85,935	81,619	76,616	72,572	67,902
4,350	7,740	9,415	9,246	9,768	8,882
22,651	21,710	22,656	23,943	24,413	25,102
34,918	25,435	18,815	14,903	13,774	12,384
11,833	9,171	8,278	8,339	7,866	8,449
1,400	1,199	1,219	1,263	1,371	1,520
133,452	109,455	67,955	48,572	50,609	50,747
1,014	3,177	4,212	344	302	2,452
-	-	-	-	11	871
(1,334)	6,625	25	-	27	168
37,202	3,950	(9,115)	(52,122)	14,056	34,345

**CITY OF SANTA ANA
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(IN THOUSANDS)**

	Fiscal Year			
	2025	2024	2023	2022
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION (CONTINUED)				
Business-Type Activities:				
Water	\$ 609	\$ 10,520	\$ 3,244	\$ 8,753
Sewer Operations	630	2,904	175	1,286
Sanitation	(1,683)	(874)	1,207	2,264
Refuse Collections	5,690	4,238	3,031	(15)
Parking	(1,074)	(1,536)	(2,772)	81
Transportation Center	525	(1,506)	(1,589)	(1,337)
Federal Clean Water Protection	(2,930)	(2,608)	1,239	(2,110)
General Revenues:				
Investment Income (Loss)	1,899	2,686	3,264	(3,837)
Transfers	(3,145)	(352)	1,663	3,746
Total Business-Type Activities	<u>520</u>	<u>13,472</u>	<u>9,462</u>	<u>8,831</u>
Total Primary Government	<u>87,166</u>	<u>77,593</u>	<u>41,120</u>	<u>109,501</u>
CHANGES IN NET POSITION				
Governmental Activities	86,645	64,121	31,658	100,670
Business-Type Activities	<u>520</u>	<u>13,472</u>	<u>9,462</u>	<u>8,831</u>
Total Primary Government	<u>\$ 87,166</u>	<u>\$ 77,593</u>	<u>\$ 41,120</u>	<u>\$ 109,501</u>

Notes to Schedule:

- (1) Includes Human Resources, Finance and Management Services, and Information Technology.
- (2) Includes Museum and Library.
- (3) Includes Police, and Fire and Ambulance Services.
- (4) Includes Planning and Building, and Public Works.
- (5) As of April 2012, the City contracted with OCFA for fire services.

* Sales Taxes are presented as part of Intergovernmental, unrestricted revenue starting from FY14-15 based on GFOA recommendations.

Source: City of Santa Ana

Fiscal Year					
2021	2020	2019	2018	2017	2016
\$ 8,184	\$ 5,299	\$ 7,341	\$ 5,760	\$ 6,617	\$ 6,342
434	(173)	23,584	794	704	440
552	1,133	382	(62)	689	1,298
1,493	1,326	3,824	1,871	2,132	1,767
(178)	(2,061)	(2,436)	(1,465)	(866)	176
(1,459)	(884)	(1,019)	(950)	(595)	(653)
686	(2,212)	(1,302)	(1,178)	(647)	(2,512)
(144)	2,642	3,003	102	194	895
1,334	(6,625)	(25)	-	(27)	(167)
<u>10,902</u>	<u>(1,555)</u>	<u>33,352</u>	<u>4,872</u>	<u>8,201</u>	<u>7,586</u>
<u>48,104</u>	<u>2,395</u>	<u>24,237</u>	<u>(47,250)</u>	<u>22,257</u>	<u>41,931</u>
37,202	3,950	(9,115)	(52,122)	14,056	34,345
<u>10,902</u>	<u>(1,555)</u>	<u>33,352</u>	<u>4,872</u>	<u>8,201</u>	<u>7,586</u>
<u>\$ 48,104</u>	<u>\$ 2,395</u>	<u>\$ 24,237</u>	<u>\$ (47,250)</u>	<u>\$ 22,257</u>	<u>\$ 41,931</u>

CITY OF SANTA ANA
FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(IN THOUSANDS)

	Fiscal Year			
	2025	2024	2023	2022
General Fund:				
Nonspendable	\$ 33	\$ 46	\$ 52	\$ -
Restricted	43,533	27,212	10,266	1,792
Assigned	97,007	95,531	82,029	55,406
Unassigned	97,116	97,231	106,298	113,530
Total General Fund	<u>\$ 237,689</u>	<u>\$ 220,020</u>	<u>\$ 198,645</u>	<u>\$ 170,728</u>
All Other Governmental Funds:				
Nonspendable	\$ 65	\$ -	\$ 267	\$ 265
Restricted	171,727	161,052	157,709	168,550
Unassigned				
Special Revenue	(3,750)	(4,296)	(8,459)	(7,141)
Capital Projects	(22,274)	(21,497)	(9,741)	(10,150)
Total All Other Governmental Funds	<u>\$ 145,769</u>	<u>\$ 135,259</u>	<u>\$ 139,776</u>	<u>\$ 151,524</u>

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

CITY OF SANTA ANA
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(IN THOUSANDS)

	Fiscal Year			
	2025	2024	2013	2022
REVENUES				
Taxes	\$ 193,741	\$ 190,947	\$ 186,287	\$ 180,519
License and Permits	8,202	9,495	9,003	6,859
Intergovernmental	339,825	323,166	300,698	303,735
Charges for Services	34,790	30,517	25,142	22,629
Fines and Forfeits	5,451	6,558	5,763	6,471
Investment Income	22,473	19,646	395	(15,816)
Cost Recoveries	17,602	24,351	22,816	28,834
Rental Income	12,714	15,422	17,895	19,473
Miscellaneous	2,548	2,981	7,155	2,916
Contributions from Property Owner - Special Assessments	-	-	-	-
Payment of Bond Proceeds from Successor Agency	-	-	-	-
Total Revenues	<u>637,344</u>	<u>623,083</u>	<u>575,154</u>	<u>555,620</u>
EXPENDITURES				
General Government (1)	52,759	58,522	51,714	185,109
Cultural Recreation and Community Services (2)	28,506	27,572	25,309	36,962
Public Safety (3) (5)	221,283	206,371	200,049	450,395
Development Services (4)	73,809	83,688	76,609	46,136
Community Development	96,542	85,546	95,343	105,287
Capital Outlay	107,994	106,265	78,693	52,654
Debt Service:				
Principal	9,511	16,202	19,649	12,565
Interest	12,155	12,719	13,370	8,986
Total Expenditures	<u>602,560</u>	<u>596,885</u>	<u>560,736</u>	<u>898,094</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	34,784	26,198	14,418	(342,474)
OTHER FINANCING SOURCES (USES)				
Loss on Sale of Land Held for Resale	-	-	-	-
Sales of Capital Assets	(147)	(8)	129	617
Transfers In	23,577	36,132	32,497	19,203
Transfers Out	(30,428)	(47,469)	(41,129)	(32,059)
Lease Agreement	-	832	5,851	1,625
Issuance of Debt Related to Subscriptions	392	1,173	4,403	-
Issuance of Debt	-	-	-	383,502
Payment to Refunded Bond Escrow Agent	-	-	-	-
Proceeds from Issuance of Bonds	-	-	-	-
Total Other Financing Sources (Uses)	<u>(6,605)</u>	<u>(9,340)</u>	<u>1,751</u>	<u>372,888</u>
NET CHANGE IN FUND BALANCES	<u>\$ 28,179</u>	<u>\$ 16,858</u>	<u>\$ 16,169</u>	<u>\$ 30,414</u>
Debt Service as a Percentage of Noncapital Expenditures	4.4%	5.9%	6.8%	2.5%

Notes to Schedule:

(1) Includes Human Resources, Finance and Management Services, and Information Technology.

(2) Includes Museum and Library.

(3) Includes Police, and Fire and Ambulance Services.

(4) Includes Planning and Building, and Public Works.

(5) As of April 2012, the City contracted with OCFA for fire services.

Source: City of Santa Ana

Fiscal Year						
2021	2020	2019	2018	2017	2016	
\$ 165,424	\$ 151,598	\$ 142,812	\$ 134,812	\$ 131,308	\$ 125,255	
6,132	5,233	9,965	7,994	5,804	4,744	
276,534	198,341	150,716	145,520	145,682	129,823	
17,354	19,774	20,169	15,399	16,016	12,756	
5,125	5,917	5,651	5,713	5,096	5,450	
2,016	5,898	5,018	1,601	517	2,992	
18,447	16,861	26,317	14,353	-	-	
18,628	17,272	17,269	11,880	30,278	35,688	
4,707	1,798	3,208	5,627	947	-	
-	-	-	-	1,252	-	
-	-	-	-	2,515	-	
514,367	422,692	381,125	342,899	339,415	316,708	
74,452	56,737	19,758	18,477	18,999	15,261	
33,172	29,114	28,327	30,366	26,512	23,934	
191,540	189,936	192,511	180,276	171,486	162,047	
45,984	29,446	24,657	24,876	18,532	18,892	
81,915	57,820	51,989	52,073	48,928	42,827	
45,131	35,312	31,855	41,418	45,109	30,367	
11,101	68,278	10,248	9,787	9,181	8,242	
4,241	4,975	5,334	5,741	6,020	6,342	
487,536	471,618	364,679	363,014	344,767	307,912	
26,831	(48,926)	16,446	(20,115)	(5,352)	8,796	
-	-	-	-	-	(1,267)	
561	3,138	-	-	2,000	-	
12,179	22,368	12,713	11,763	11,645	17,826	
(13,293)	(15,525)	(12,470)	(11,551)	(11,398)	(17,624)	
9,404	-	-	-	-	-	
-	-	-	-	-	-	
354	-	-	7,297	2,052	-	
-	8,798	-	-	-	-	
-	44,650	-	-	-	-	
9,205	63,429	243	7,509	4,299	(1,065)	
\$ 36,036	\$ 14,503	\$ 16,689	\$ (12,606)	\$ (1,053)	\$ 7,731	
3.5%	16.8%	4.7%	4.8%	5.1%	5.3%	

CITY OF SANTA ANA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(IN THOUSANDS)

Fiscal Year Ended June 30,	City			Taxable Assessed Value
	Secured	Unsecured	Less: Exemptions ⁽¹⁾	
2025	\$ 33,782,544	\$ 2,101,326	\$ (147,454)	\$ 35,736,416
2024	32,637,583	1,866,783	(145,419)	34,358,947
2023	30,723,826	1,748,007	(146,478)	32,325,355
2022	28,865,226	1,676,091	(148,167)	30,393,150
2021	27,590,592	1,489,607	(149,395)	28,930,804
2020	26,373,249	1,570,712	(152,527)	27,791,434
2019	25,027,024	1,493,217	(153,329)	26,366,912
2018	23,719,049	1,513,465	(155,807)	25,076,707
2017	22,436,846	1,449,280	(157,732)	23,728,394
2016	21,528,909	1,484,318	(159,727)	22,853,500

Notes to Schedule:

⁽¹⁾ Includes tax-exempt property.

⁽²⁾ Basic levy (Prop. 13) for county, city, schools, and districts (apportioned by County Auditor). Proposition 13 in effect eliminated the property rates for cities, exclusive of voted authorizations for which a rate may be established for debt service on debt authorized by the voters prior to July 1, 1978.

Source: County of Orange Auditor-Controller's Office

City	Dissolved Redevelopment Agency				
Total Direct Tax Rate ²	Secured	Unsecured	Less: Exemptions ⁽¹⁾	Taxable Assessed Value	Total Direct Tax Rate ⁽²⁾
-	\$ 10,119,030	\$ 1,426,194	\$ (6,464)	\$ 11,538,760	1.1195
-	9,974,913	1,241,199	(6,239)	11,209,873	1.1129
-	9,265,050	1,141,956	(5,990)	10,401,016	1.1080
-	8,653,039	1,057,339	(6,128)	9,704,250	1.1202
-	8,181,829	994,473	(6,112)	9,170,190	1.1150
-	7,818,215	986,961	(6,197)	8,798,979	1.1300
-	7,356,533	941,861	(5,745)	8,292,649	1.1283
-	6,937,988	991,258	(5,547)	7,923,699	1.1045
-	652,889	944,728	(5,677)	1,591,940	1.1177
-	6,292,184	980,400	(5,723)	7,266,861	1.1167

**CITY OF SANTA ANA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(RATE PER \$100 OF ASSESSED VALUE)**

	2025	2024	2023	2022
Direct Rate:				
Basic Levy ⁽¹⁾	1.00000	1.00000	1.00000	1.00000
Overlapping Rates:				
Coast Community College District	0.02837	0.02850	0.03102	0.03119
Garden Grove Unified School District	0.00000	0.00000	0.00000	0.00000
Garden Grove USD	0.06127	0.06719	0.06329	0.06929
Garden Grove USD 2016 Series 2021	0.00000	0.00000	0.00000	0.00479
Metropolitan Water District	0.00700	0.00350	0.00350	0.00350
Orange USD	0.02443	0.02533	0.00000	0.00000
Orange USD Elem 2016 Series 2022	0.00000	0.00000	0.00946	0.00000
Orange USD Series 2018 2016	0.00000	0.00000	0.01609	0.01656
Rancho Santiago Community College	0.04509	0.04555	0.04691	0.04289
Santa Ana Unified	0.06076	0.05893	0.06976	0.06858
Tustin Unified	0.05761	0.05856	0.06647	0.06523
Total Overlapping Rates	<u>0.28453</u>	<u>0.28756</u>	<u>0.30650</u>	<u>0.30203</u>
Total Direct and Overlapping Rates ⁽²⁾	<u><u>1.28453</u></u>	<u><u>1.28756</u></u>	<u><u>1.30650</u></u>	<u><u>1.30203</u></u>
City's Share of 1% Basic Levy per Prop 13 ⁽³⁾	0.19026	0.19026	0.19026	0.19026
Redevelopment Rate ⁽⁴⁾	0.00000	0.00000	0.00000	0.00000
Total Direct Rate ⁽⁵⁾	0.18645	0.18658	0.18661	0.18693

Notes to Schedule:

- (1) In 1978, California voters passed Proposition 13 which sets the property tax rate at 1.00% fixed amount. This 1.00% is shared by all taxing agencies in which the subject property resides. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of various voter-approved bonds.
- (2) Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all City property owners.
- (3) City's share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the City. The ERAF portion of the City's Levy has been subtracted where known.
- (4) Redevelopment Rate is based on the largest RDA tax rate area and only includes rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year 2012/13 and years thereafter.
- (5) Total Direct Rate is the weighted average of all individual direct rates applied by the City preparing the statistical section information and excludes revenues derived from aircraft. Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City in the same proportions as general fund revenue.

Source: Orange County Assessor 2015/16 - 2024-25 Tax Rate Table

2021	2020	2019	2018	2017	2016
1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
0.03181	0.03100	0.03052	0.03145	0.03116	0.03092
0.06956	0.06922	0.06848	0.07454	0.04487	0.04656
0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
0.00350	0.00350	0.00350	0.00350	0.00350	0.00350
0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
0.01664	0.02288	0.02685	0.00000	0.00000	0.00000
0.04520	0.05178	0.04537	0.05088	0.04945	0.05039
0.08127	0.07300	0.05561	0.06327	0.06377	0.06604
0.07102	0.06376	0.06687	0.06873	0.07001	0.07751
<u>0.31900</u>	<u>0.31514</u>	<u>0.29720</u>	<u>0.29237</u>	<u>0.26276</u>	<u>0.27492</u>
<u>1.31900</u>	<u>1.31514</u>	<u>1.29720</u>	<u>1.29237</u>	<u>1.26276</u>	<u>1.27492</u>
0.19026	0.19026	0.19026	0.19026	0.19026	0.19026
0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
0.18608	0.18628	0.18623	0.18618	0.18624	0.18624

**CITY OF SANTA ANA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2025	\$ 49,624,275	\$ 48,670,615	98.1 %	\$ 494,064	\$ 49,164,679	99.1 %
2024	47,682,780	46,900,502	98.4	414,013	47,314,515	99.2
2023	46,157,584	45,279,986	98.1	319,121	45,599,107	98.8
2022	43,017,260	42,119,561	97.9	325,256	42,444,817	98.7
2021	40,871,237	40,296,066	98.6	299,950	40,596,016	99.3
2020	39,363,777	38,776,771	98.5	338,857	39,115,628	99.4
2019	37,972,488	37,415,786	98.5	510,214	37,926,000	99.9
2018	36,331,948	35,786,397	98.5	432,373	36,218,770	99.7
2017	34,625,379	33,948,629	98.0	217,366	34,165,995	98.7
2016	33,366,315	32,609,752	97.7	228,462	32,838,214	98.4

Source: County of Orange Auditor-Controller's Office



CITY OF SANTA ANA, CALIFORNIA

Annual
Comprehensive Financial
Report

**CITY OF SANTA ANA
TAXABLE SALES BY CATEGORY
LAST TEN FISCAL YEARS
(IN THOUSANDS)**

Category	Fiscal Year			
	2025	2024	2023	2022
General Retail	\$ 946,498	\$ 1,024,620	\$ 1,125,656	\$ 1,198,512
Food Products	954,744	943,260	951,935	899,763
Transportation	1,157,976	1,223,947	1,334,415	1,292,315
Construction	663,813	665,125	633,543	567,508
Business to Business	1,154,426	1,160,540	1,055,587	1,109,496
Miscellaneous ⁽¹⁾	25,673	21,351	59,509	50,144
Total	\$ 4,903,130	\$ 5,038,843	\$ 5,160,645	\$ 5,117,738

Notes to Schedule:

⁽¹⁾ Miscellaneous category includes Health and Government

- The County of Orange has a 7.75% tax rate.
- The Santa Ana residents approved Measure X, the City's Transactions and Use Tax, on November 6, 2018. The measure increased the City's sales tax by 1.5 cents until 2029, then reduced to 1 cent until 2039.

FY 2016 to 2023 provided via MBIA Muniservices
 FY 2024, 2025 data provided by HdL Companies.

Source: State Board of Equalizations, California Department of Tax and Fee Administration, State Controller's Office, MBIA Muniservices, HdL Companies

Note: Due to confidentiality standards, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's sales tax revenue.

Fiscal Year					
2021	2020	2019	2018	2017	2016
\$ 1,053,321	\$ 892,136	\$ 987,259	\$ 963,193	\$ 946,321	\$ 966,874
748,869	749,169	811,103	805,433	761,998	733,732
979,352	890,337	982,554	967,443	928,206	949,296
508,109	445,367	466,522	524,397	524,692	528,337
1,005,516	926,200	1,148,295	997,471	910,681	845,233
41,171	29,665	38,693	46,764	53,777	46,086
<u>\$ 4,336,338</u>	<u>\$ 3,932,874</u>	<u>\$ 4,434,426</u>	<u>\$ 4,304,701</u>	<u>\$ 4,125,675</u>	<u>\$ 4,069,558</u>

**CITY OF SANTA ANA
PRINCIPAL PROPERTY TAX REMITTERS
CURRENT AND NINE FISCAL YEARS AGO**

Principal Property Tax Remitters	2025		Percentage of Total City Taxable Assessed Value
	Taxable Assessed Value	Rank	
Main Place Shoppingtown LLC	\$ 357,856,147	1	1.00 %
PR Broadstone Heritage LLC	288,553,953	2	0.80
Robinson Pharma Inc	186,652,906	3	0.52
9 MacArthur Place Property	159,199,977	4	0.44
First American Title	151,828,896	5	0.42
Johanna Energy Center LLC	127,814,923	6	0.36
MDC Coastal 13 LLC	125,637,475	7	0.35
Rexford Industrial LLC	125,541,757	8	0.35
APG OCIC LLC	123,182,163	9	0.34
Santa Ana California III SGF LLC	122,200,000	10	0.34
Bre Properties Inc	-	-	-
RP Essex Skyline Holdings LLC	-	-	-
PAG Santa Ana BI Inc	-	-	-
Freedom Newspapers Inc	-	-	-
Marke at South Coast Metro LLC	-	-	-
Fund IX VT Santa Ana LLC	-	-	-
Bel Santa Ana LLC	-	-	-
Total	\$ 1,768,468,197		4.92 %

Note to Schedule:

Presented in order of highest to lowest estimated property tax revenue paid to the City and dissolved Redevelopment Agency.

Source: Orange County Assessor 2024/25 Combined Tax Rolls and the SBE Non Unitary Tax Roll

2016

<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
\$ 243,193,804	2	1.06 %
-	-	-
-	-	-
-	-	-
135,719,507	4	0.59
-	-	-
-	-	-
-	-	-
103,107,851	5	0.45
-	-	-
318,532,300	1	1.39
135,981,592	3	0.59
98,433,883	6	0.43
92,750,077	7	0.41
75,365,178	8	0.33
73,328,757	9	0.32
70,000,000	10	0.31
<u>\$ 1,346,412,949</u>		<u>5.88 %</u>

**CITY OF SANTA ANA
WATER SOLD BY TYPE OF CUSTOMER
LAST TEN FISCAL YEARS
(IN THOUSANDS OF GALLONS)**

Type of Customer:	Fiscal Year			
	2025	2024	2023	2022
Residential	6,866,545.0	6,425,495.8	6,433,512.8	7,012,001.8
Commercial	1,899,495.1	1,800,252.7	1,832,659.8	1,945,509.1
Industrial	606,363.2	504,411.6	525,102.7	655,057.3
Wholesale Food	109,334.4	112,434.1	16,764.3	118,849.7
Government	270,644.4	223,079.0	221,737.1	257,119.8
Others ⁽¹⁾	467,345.9	411,802.4	440,272.8	497,282.4
Total	<u>10,219,728.0</u>	<u>9,477,475.6</u>	<u>9,470,049.5</u>	<u>10,485,820.1</u>
Total Direct Rate per 44 Units ⁽²⁾	\$ 2.600	\$ 2.600	\$ 2.360	\$ 2.310

Notes to Schedule:

⁽¹⁾ Others include: churches, construction use, medical, schools, vacant lots, and reclaim water.

⁽²⁾ A unit is 748 gallons.

Source: City of Santa Ana

Fiscal Year					
2021	2020	2019	2018	2017	2016
7,299,518.8	6,928,365.0	7,004,926.5	7,228,201.5	6,892,323.3	6,903,687.7
1,868,058.2	1,933,951.0	2,084,082.8	2,151,678.1	2,042,209.0	2,031,311.4
653,152.1	599,309.6	620,519.9	694,821.7	611,536.4	619,406.1
124,643.0	126,488.3	111,505.1	113,598.8	109,407.0	108,499.6
260,122.2	200,024.2	212,388.6	236,191.5	200,476.0	209,123.6
470,696.2	407,120.7	478,703.5	496,808.1	453,205.0	450,398.5
<u>10,676,190.5</u>	<u>10,195,258.8</u>	<u>10,512,126.4</u>	<u>10,921,299.7</u>	<u>10,309,156.7</u>	<u>10,322,426.9</u>
\$ 2.170	\$ 3.090	\$ 3.020	\$ 2.950	\$ 2.950	\$ 2.790

**CITY OF SANTA ANA
WATER RATES
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Monthly Base Rate ⁽¹⁾	Rate per 44 Units ⁽²⁾
2025	\$48.62	2.60
2024	48.62	2.60
2023	47.68	2.36
2022	46.74	2.31
2021	43.88	2.17
2020	13.90	3.09
2019	13.90	3.02
2018	12.35	2.95
2017	10.70	2.95
2016	9.05	2.79

Notes to Schedule:

⁽¹⁾ Monthly rates are based on 5/8" meter, which is the standard household meter size.

⁽²⁾ A unit is 748 gallons.

Source: City of Santa Ana

**CITY OF SANTA ANA
PRINCIPAL WATER CUSTOMERS
CURRENT AND NINE YEARS AGO**

Water Customer	2025		2016	
	Taxable Water Charges	Percentage of Total Water Revenues	Taxable Water Charges	Percentage of Total Water Revenues
Adohr Farms Inc.	\$ 590,857	0.83 %	\$ 263,593	0.59 %
Chroma Systems	516,989	0.73	511,839	1.14
Fairview Villas	171,169	0.24	197,992	0.44
Warwick Square Assoc. Inc.	175,245	0.25	133,800	0.30
Far West Management Corp	147,386	0.21	128,782	0.29
Power Circuits Inc.	306,759	0.43	182,295	0.41
Western Medical Center	189,479	0.27	-	-
Mac Arthur Village	111,059	0.16	123,087	0.27
County of Orange	208,756	0.29	164,896	0.37
Santa Ana Pacific Associates II	172,049	0.24	-	-
County of Orange	-	-	161,838	0.36
Centennial Park	-	-	114,275	0.23
Total	<u>\$ 2,589,748</u>	<u>3.65 %</u>	<u>\$ 1,982,397</u>	<u>4.40 %</u>

Source: City of Santa Ana

CITY OF SANTA ANA
RATIOS OF OUTSTANDING DEBT BY TYPE¹
LAST TEN FISCAL YEARS
(NET OF BOND DISCOUNT/PREMIUM)

Fiscal Year Ended June 30,	Governmental Activities		
	Leases	Subscription Liability	Refunding Revenue Bonds
2025	\$ 5,477,084	\$ 2,890,812	\$ 41,187,160
2024	6,172,957	3,989,254	43,170,240
2023	14,475,906	5,067,756	45,073,320
2022	9,779,554	-	46,911,400
2021	11,488,671	-	48,694,480
2020	2,628,034	-	50,427,560
2019	3,020,229	-	-
2018	3,455,990	-	-
2017	3,999,230	-	-
2016	4,627,103	-	-

Fiscal Year Ended June 30,	Business-Type Activities		
	Revenue Bonds Payable	Subscription Liability	Long-Term Loans
2025	\$ 48,105,797	\$ 714,786	\$ 14,844,613
2024	49,371,233	826,001	662,357
2023	11,000,579	975,531	-
2022	12,012,868	-	-
2021	12,980,157	-	-
2020	13,912,446	-	-
2019	14,804,735	-	-
2018	15,662,024	-	-
2017	16,494,413	-	98,216
2016	17,306,602	-	289,609

Notes to Schedule:

- ⁽¹⁾ Details regarding the City's Outstanding debt can be found in the notes to the financial statements.
- ⁽²⁾ Population and personal income data can be found in Schedule 18 of the Statistical Section.
- ⁽³⁾ The City implemented GASB 88 in fiscal year 2018-19.

Source: City of Santa Ana

Governmental Activities

Lease Revenue Bonds	Certificates of Participation	Pension Obligation Bonds	Long-Term Loans	Private Placement Financing	Direct Borrowings and Placements ⁽³⁾
\$ -	\$ -	\$ 397,979,023	\$ 543,994	\$ -	\$ 5,630,332
-	-	401,191,512	823,870	-	8,174,572
4,342,500	-	403,659,325	1,144,908	-	14,451,443
8,427,500	-	409,452,604	1,518,692	-	20,530,157
12,272,500	-	-	1,901,664	-	24,188,635
15,892,500	-	-	1,898,200	-	29,480,440
19,300,000	55,257,535	-	1,120,874	-	34,537,993
22,505,000	56,825,037	-	10,519,142	29,820,000	-
25,522,500	58,317,539	-	3,750,566	33,835,000	-
28,362,500	59,735,041	-	1,999,507	37,720,000	-
Business- Type Activities	Total				
Pension Obligation Bonds	Total Primary Government	Percentage of Personal Income ⁽²⁾	Debt Per Capita ⁽²⁾		
\$ 16,295,168	\$ 533,668,769	5.93 %	\$ 1,692		
16,426,704	530,808,700	6.24	1,708		
16,023,293	516,214,561	6.64	1,723		
16,253,254	524,886,029	6.90	1,702		
-	111,526,107	1.61	337		
-	114,239,180	1.76	341		
-	128,041,366	2.11	379		
-	138,787,193	2.44	410		
-	142,017,464	2.61	416		
-	150,040,362	2.77	438		

**CITY OF SANTA ANA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

General Bonded Debt	Fiscal Year			
	2025	2024	2023	2022
Notes from Direct Borrowings	\$ 6,174	\$ 8,998	\$ 15,596	\$ 22,049
Pension Obligation Bonds	397,979	401,192	403,659	409,453
Total General Bonded Debt Outstanding	<u>\$ 404,153</u>	<u>\$ 410,190</u>	<u>\$ 419,255</u>	<u>\$ 431,502</u>
Percentage of Assessed Value	1.13%	1.19%	1.30%	1.42%
Per Capita	\$ 1,282	\$ 1,320	\$ 1,399	\$ 1,399

Source: City of Santa Ana

Fiscal Year					
2021	2020	2019	2018	2017	2016
\$ 26,090	\$ 31,379	\$ 35,659	\$ 40,339	\$ 37,586	\$ 39,720
-	-	-	-	-	-
<u>\$ 26,090</u>	<u>\$ 31,379</u>	<u>\$ 35,659</u>	<u>\$ 40,339</u>	<u>\$ 37,586</u>	<u>\$ 39,720</u>
0.09%	0.11%	0.14%	0.16%	0.16%	0.17%
\$ 79	\$ 94	\$ 106	\$ 119	\$ 110	\$ 116

**CITY OF SANTA ANA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	Fiscal Year			
	2025	2024	2023	2022
Assessed Valuation	\$ 35,883,870,592	\$ 34,504,366,076	\$ 32,471,833,021	\$ 30,541,316,852
Conversion Percentage	25 %	25 %	25 %	25 %
Adjusted Assessed Valuation	8,970,967,648	8,626,091,519	8,117,958,255	7,635,329,213
Debt Limit Percentage ⁽¹⁾	10 %	10 %	10 %	10 %
Debt Limit	897,096,765	862,609,152	811,795,826	763,532,921
Total Net Debt Applicable to Limit:				
General Obligation Bonds	-	-	-	-
Legal Debt Margin	<u>\$ 897,096,765</u>	<u>\$ 862,609,152</u>	<u>\$ 811,795,826</u>	<u>\$ 763,532,921</u>
Total Debt Applicable to the Limit as a Percentage of Debt Limit	-	-	-	-

Notes to Schedule:

⁽¹⁾ This equates to be the 10% authorized by the Santa Ana Charter (Section 602) prior to the Assessor's change in assessed value basis from to 100% of full cash value in fiscal year 1982.

Source: County of Orange Auditor-Controller's Office

Fiscal Year					
2021	2020	2019	2018	2017	2016
\$ 29,080,199,582	\$ 27,943,960,825	\$ 26,520,241,206	\$ 25,232,415,520	\$ 23,886,126,355	\$ 23,013,226,208
25 %	25 %	25 %	25 %	25 %	25 %
7,270,049,896	6,985,990,206	6,630,060,302	6,308,103,880	5,971,531,589	5,753,306,552
10 %	10 %	10 %	10 %	10 %	10 %
727,004,990	698,599,021	663,006,030	630,810,388	597,153,159	575,330,655
-	-	-	-	-	-
<u>\$ 727,004,990</u>	<u>\$ 698,599,021</u>	<u>\$ 663,006,030</u>	<u>\$ 630,810,388</u>	<u>\$ 597,153,159</u>	<u>\$ 575,330,655</u>
- %	- %	- %	- %	- %	- %

25%

**CITY OF SANTA ANA
DIRECT AND OVERLAPPING DEBT
JUNE 30, 2025**

2024-25 Assessed Valuation	\$ 35,883,870,592		
	Total Debt		City's Share of Debt
	June 30, 2025	% Applicable ⁽¹⁾	June 30, 2025
Overlapping tax and Assessment Debt:			
Metropolitan Water District	\$ 17,155,000	0.880 %	\$ 150,964
Coast Community College District	854,816,084	0.237	2,025,914
Rancho Santiago Community College District	132,145,756	31.497	41,621,949
Rancho Santiago Community College District SFID No. 1	138,730,000	56.653	78,594,707
Garden Grove Unified School District	509,370,000	11.757	59,886,631
Orange Unified School District	275,590,000	3.005	8,281,480
Santa ana Unified School District	401,142,561	61.216	245,563,430
Tustin Unified School District	87,000,000	7.757	6,748,590
Tustin Unified School District Facilities Improvement District No. 2002-1	32,340,000	11.865	3,837,141
Tustin Unified School District Facilities Improvement District No. 2008-1	69,670,000	12.175	8,482,323
Tustin Unified School District Facilities Improvement District No. 2012-1	42,090,000	8.807	3,706,866
City of Santa Ana 1915 Act Bonds	1,020,000	100.000	1,020,000
Total Overlapping Tax and Assessment Debt			459,919,994
Overlapping General Fund Debt:			
Orange County General Fund Obligations	\$ 429,065,000	4.426 %	\$ 18,990,417
Orange County Board of Education Certificate of Participation	9,120,000	4.426	403,651
Coast Community College District General Fund Obligations	660,000	0.237	1,564
Coast Community College District Pension Obligations Bonds	465,000	0.237	1,102
Orange Unified School District Benefit Obligations	53,905,000	3.005	1,619,845
Orange Unified School District Certificates of Participation	8,175,000	3.005	245,659
Santa Ana Unified School District Certificates of Participation	38,301,736	61.216	23,446,791
Total Overlapping General Fund Debt			44,709,029
Direct Governmental General Fund Debt (Net of Bond Discount/Premium):			
City of Santa Ana Governmental Fund Obligations:			
Lease Obligations	\$ 5,477,084	100 %	\$ 5,477,084
Subscription Liability	2,890,812	100	2,890,812
Gas Tax Revenue Refunding Bonds	41,187,160	100	41,187,160
Direct Borrowings, Loans, and Other Payables	6,174,326	100	6,174,326
City of Santa Ana Pension Obligation Bonds	397,979,023	100	397,979,023
Total Direct Governmental General Fund Debt			453,708,405
Overlapping Tax Increment Debt (Successor Agency):	\$ 36,830,000	99.999 %	\$ 36,829,632
Total Direct Debt			\$ 453,708,405
Total Overlapping Debt			\$ 541,458,655
Combined Total Debt			\$ 995,167,060 ⁽²⁾

Notes to Schedule:

⁽¹⁾ The percentage of overlapping debt applicable to the City is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the City divided by the District's total taxable assessed value.

⁽²⁾ Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue bonds, and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

Ratios to 2024-25 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	1.28 %
Total Direct Debt	1.26 %
Combined Total Debt	2.77 %

Ratios to Redevelopment Incremental Valuation
(\$10,276,559,207):

Total Overlapping Tax Increment Debt	0.36 %
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Source: California Municipal Statistics, Inc. and City of Santa Ana

**CITY OF SANTA ANA
PLEDGED-REVENUE COVERAGE¹
LAST TEN FISCAL YEARS
(IN THOUSANDS)**

Fiscal Year Ended June 30,	Water Revenue	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2025	\$ 73,567	\$ 67,816	\$ 5,751	\$ 1,065	\$ 1,470	2.27
2024	72,197	64,813	7,384	905	451	5.45
2023	66,478	60,388	6,090	865	488	4.50
2022	66,661	54,308	12,353	820	530	9.15
2021	64,045	52,250	11,795	785	570	8.70
2020	57,062	48,415	8,647	745	609	6.39
2019	56,227	45,808	10,419	710	645	7.69
2018	55,560	46,758	8,802	685	677	6.46
2017	51,658	41,892	9,766	665	700	7.15
2016	48,289	38,994	9,295	605	716	7.04

Notes to Schedule:

⁽¹⁾ Pursuant to the Indenture, all Revenues (all Installment Payments paid by the City to the Trust) and amounts on deposits in the funds and accounts established under the Indenture (other than amount on deposit in the Rebate Fund) has irrevocably pledged to the payments of principal and interest on the Bonds. In addition, the City covenants that revenue from the water utility operation will be sufficient to provide net revenues of at least 1.20 times the principal and interest (or minimum term bond payment of the bonds as they become due and payable).

Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include depreciation/amortization.

Source: City of Santa Ana

**CITY OF SANTA ANA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

Fiscal Year Ended June 30,	Population	Personal Income (in Thousands)	Per Capita Personal Income	Unemployment Rate
2024	315,325	\$ 8,993,458	\$ 28,521	3.8 %
2023	310,797	8,509,248	27,378	3.5
2022	299,630	7,772,142	25,939	3.3
2021	308,459	7,605,960	24,657	6.2
2020	331,369	6,944,535	20,957	9.1
2019	335,052	6,508,995	19,426	2.9
2018	337,716	6,061,369	17,948	3.0
2017	338,247	5,684,522	16,805	3.7
2016	341,341	5,444,099	15,949	4.6
2015	342,930	5,414,705	15,789	5.2

Source: HdL Coren & Cone, LLC

**CITY OF SANTA ANA
PRINCIPAL EMPLOYERS
CURRENT AND NINE YEARS AGO**

Employer	2025		2016	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
County of Orange	17,713	10.95 %	18,039	11.30 %
Santa Ana Unified School District	6,360	3.93	4,665	2.90
Santa Ana College (Includes Centennial and Rancho Santiago)	3,701	2.29	3,175	2.00
Orange County Global Medical Center (KPC Healthcare Hospitals)	1,781	1.10	1,130	0.70
City of Santa Ana	1,670	1.03	1,424	0.90
United States Postal Service (3 Locations)	1,395	0.86	-	-
Allied Universal	1,400	0.87	-	-
First American Title	659	0.41	1,770	1.10
Superior Court of CA-County of Orange	745	0.46	742	0.50
Amazon Delivery Station	141	0.09	-	-
Orange County Register (Freedom Communications)	-	-	601	0.40
Abbott Medical Optics Inc	-	-	600	0.40

Source: MuniServices, LLC / Neumo

Source: FY2016, City of Santa Ana - FYE 2016 ACFR Publication Report

**CITY OF SANTA ANA
FULL-TIME AND PART-TIME CITY EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

Function	2025	2024	2023	2022
General Government (1)	155	156	173	160
Cultural Recreation and Community Services (2)	410	408	309	239
Public Safety (3) (5)	610	611	629	626
Developmental Services (4)	420	427	444	377
Community Development	<u>75</u>	<u>73</u>	<u>68</u>	<u>65</u>
Total	<u><u>1,670</u></u>	<u><u>1,675</u></u>	<u><u>1,623</u></u>	<u><u>1,467</u></u>

Notes to Schedule:

- (1) Includes Human Resources, and Finance and Management Services.
- (2) Includes Library.
- (3) Includes Police, and Fire and Ambulance Services.
- (4) Includes Planning and Building, and Public Works.
- (5) As of April 2012, the City contracted with OCFA for fire services.

Source: City of Santa Ana

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
176	219	219	197	193	200
217	392	392	376	353	380
646	623	621	592	604	597
373	278	278	242	246	229
<u>57</u>	<u>62</u>	<u>62</u>	<u>49</u>	<u>48</u>	<u>51</u>
<u><u>1,469</u></u>	<u><u>1,574</u></u>	<u><u>1,572</u></u>	<u><u>1,456</u></u>	<u><u>1,444</u></u>	<u><u>1,457</u></u>

**CITY OF SANTA ANA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	2025	2024	2023	2022
Police:				
Physical Arrests	6,312	6,133	7,781	8,043
Parking Citations Issued	101,170	108,129	105,957	96,001
Traffic Citations Issued	4,686	5,752	8,235	9,668
Responses to 911 Calls	128,506	126,804	124,453	169,890
Fire:				
Number of Emergency Calls - SAFD	-	-	-	-
Number of Emergency Calls - OCFA	32,216	32,243	31,274	29,340
Inspections - SAFD	N/A	N/A	N/A	N/A
Inspections - OCFA	4,094	3,803	3,265	3,290
Public Works:				
Streets:				
Street Resurfacing (Miles)	15	19	16	14
Potholes Repaired	1,630	1,854	2,868	1,787
Refuse Collected (Tons/Year):				
Goal: Max Pounds Refuse Disposed/Person	8	8	8	8
Actual: Pounds Refuse Disposed/Person	6	6	7	7
Water:				
New Connections	187	170	249	119
Water Mains Breaks	18	21	32	17
Average Daily Consumption (Thousands of Gallons)	29,140	27,258	27,289	28,728
Parks, Recreation, and Community Services:				
Athletic Field Permits Issued *	-	-	-	-
Number of Recreation Classes (Subjects) *	1,640	1,294	632	131
Number of Facility Rentals *	12,083	9,831	8,575	7,976
Planning and Building:				
Number of Building Permits Issued	3,197	3,151	3,937	2,574
Number of Plan Checks	1,704	2,775	2,916	2,413
Number of Inspections	34,511	36,500	37,592	32,229
Number of Demolition Building Permits	155	148	86	69
Value of Construction (in Thousands):				
Commercial and Industrial Construction	181,903	223,071	91,344	114,530
Residential Construction	66,408	338,960	294,489	172,598
Other Additions and Alterations	26,260	74,924	86,837	78,248

Notes to Schedule:

* Beginning in 2019, new software combines athletic field permits issued and facility rentals; recreational classes count is by class session not by subject.

Source: City of Santa Ana

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

**CITY OF SANTA ANA
CAPITAL ASSETS STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	2025	2024	2023	2022
Police:				
Stations	2	2	3	3
Fire:				
Stations	10	10	10	10
Public Works:				
Streets (miles)	454	454	437	81
Streetlights	12,122	12,067	12,229	792
Traffic signals	325	308	307	13
Parks, Recreation, and Community Services:				
Number of Parks	49	48	47	13
Number of Libraries	2	2	2	13
Number of Recreation Facilities	18	18	18	10
Number of Municipal Swimming Pools	5	5	5	5
Number of Municipal Tennis Centers	2 with 25 Courts	2 with 25 Courts	2 with 25 Courts	2 with 25 Courts
Number of Miles of Bike Trails	13	13	13	13
Water:				
Water Mains (Miles)	481	480	480	480
Maximum Daily Capacity (Thousands of Gallons)	146,000	146,600	146,600	146,600
Number of Water Wells	21	21	20	20
Number of Reservoirs	8	8	10	10
Number of Hydrants	6,400	6,310	6,296	6,273
Sewer:				
Sewer Mains (Miles)	391	390	398	398

Source: City of Santa Ana

2021	2020	2019	2018	2017	2016
3	3	4	4	4	4
10	10	10	10	10	10
424	424	422	422	422	422
792	12,178	12,015	3,515	2,909	2,871
13	303	303	303	299	297
13	45	44	44	44	44
13	2	2	2	2	2
10	18	18	18	17	17
5	5	5	5	5	5
2 with 25 Courts					
13	13	13	13	13	13
480	480	480	480	480	480
146,600	146,600	146,600	146,600	146,600	146,600
20	20	20	20	20	20
10	10	10	10	10	10
5,027	5,042	5,008	5,002	4,955	4,899
398	398	398	390	390	390



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