

Year Ended ▪ June 30, 2020

2020

20

COMPREHENSIVE
ANNUAL FINANCIAL REPORT



ANAHEIM, CALIFORNIA

Year Ended ▪ June 30, 2020



COMPREHENSIVE
ANNUAL FINANCIAL REPORT

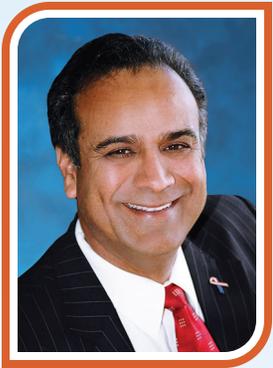
Prepared by the Finance Department



ANAHEIM, CALIFORNIA



CITY COUNCIL



Harry S. Sidhu
Mayor



Stephen Faessel
Mayor Pro Tem
District 5



Denise Barnes
Council Member
District 1



Jordan Brandman
Council Member
District 2



Jose F. Moreno
Council Member
District 3



Lucille Kring
Council Member
District 4



Trevor O'Neil
Council Member
District 6

Comprehensive Annual Financial Report

Table of Contents

June 30, 2020

	Page
INTRODUCTORY SECTION (Unaudited)	
Letter of Transmittal	1
GFOA Certificate of Achievement for Excellence in Financial Reporting	7
Organization Chart	9
Administrative Personnel	10
FINANCIAL SECTION	
Independent Auditor's Report	13
Management's Discussion and Analysis (Unaudited)	17
Basic Financial Statements	
Government-wide Statements	
Statement of Net Position	35
Statement of Activities	37
Fund Financial Statements	
Balance Sheet - Governmental Funds	39
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	40
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	41
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	42
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Budgetary Basis Actual - General Fund	43
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Budgetary Basis Actual - Housing Authority	44
Statement of Net Position - Proprietary Funds	45
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	47
Statement of Cash Flows - Proprietary Funds	48
Statement of Fiduciary Net Position (Deficit) - Fiduciary Funds	50
Statement of Changes in Fiduciary Net Position (Deficit) - Fiduciary Funds	51
Notes to Financial Statements	53
Required Supplementary Information (Unaudited)	
Schedule of Changes in the Net Pension Liability and Related Ratios	109
Schedule of Pension Plan Contributions	112
Schedule of Changes in the Net Other Postemployment Benefits (OPEB) Liability and Related Ratios	113
Schedule of Other Postemployment Benefits (OPEB) Plan Contributions	114
Combining Individual Fund Statements and Schedules	
Governmental Funds	
Combining Balance Sheet - Nonmajor Governmental Funds by Fund Type	117
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds by Fund Type	118
Combining Balance Sheet - Nonmajor Special Revenue Funds	119
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit) - Nonmajor Special Revenue Funds	120
Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficits) - Budget and Actual - All Nonmajor Special Revenue Funds	121
Balance Sheet - Nonmajor Debt Service Fund	125
Statement of Revenues, Expenditures and Change in Fund Balance - Nonmajor Debt Service Fund	126
Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual - Debt Service Fund	127

Comprehensive Annual Financial Report

Table of Contents

June 30, 2020

	Page
Combining Balance Sheet - Nonmajor Capital Projects Funds	128
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) - Nonmajor Capital Projects Funds	129
Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficits) - Budget and Actual - All Capital Projects Funds	130
Internal Service Funds	
Combining Statement of Net Position - Internal Service Funds	137
Combining Statement of Revenues, Expenses and Changes in Net Position - Internal Service Funds	138
Combining Statement of Cash Flows - Internal Service Funds	139
Fiduciary Fund	
Statement of Changes in Fiduciary Assets and Liabilities - Agency Fund - Mello-Roos	143
STATISTICAL INFORMATION (Unaudited)	
Net Position by Component - Last Ten Fiscal Years	148
Changes in Net Position - Last Ten Fiscal Years	149
Governmental Activities Tax Revenues By Source - Last Ten Fiscal Years	151
Fund Balances of Governmental Funds - Last Ten Fiscal Years	152
Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years	153
General Government Tax Revenues By Source - Last Ten Fiscal Years	154
Assessed Value and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years	155
Property Tax Rates - Direct and Overlapping Governments - Last Ten Fiscal Years	156
Principal Property Tax Payers - Current Year and Nine Years Ago	157
Property Tax Levies and Collections - Last Ten Fiscal Years	158
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	159
Ratios of Net General Bonded Debt Outstanding - Last Ten Fiscal Years	160
Direct and Overlapping Governmental Activities Debt - As of June 30, 2020	161
Legal Debt Margin - Last Ten Fiscal Years	163
Pledged-Revenue Coverage - Last Ten Fiscal Years	164
Demographic and Economic Statistics - Last Ten Fiscal Years	166
Principal Employers - Current Year and Nine Years Ago	167
Full-time Equivalent City Government Employees by Function/Program - Last Ten Fiscal Years	168
Operating Indicators by Function - Last Ten Fiscal Years	169
Capital Assets Statistics by Function - Last Ten Fiscal Years	171
OTHER INFORMATION (Unaudited)	
Summary of Pension Obligation Funding Progress	175
Summary of Other Postemployment Benefits (OPEB) Funding Progress	176
City of Anaheim Map	177



INTRODUCTORY SECTION



City of Anaheim, California Finance Department

December 21, 2020

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

In accordance with the Charter of the City of Anaheim (City), please accept submission of the Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2020. Responsibility for the accuracy of the data, completeness, and fairness of the presentation, including all disclosures, rests with the City. We believe the data included is accurate in all material aspects, and is presented in a manner designed to fairly set forth the financial position and operational achievements of the City, as measured by the financial activity of its various funds. In addition, all disclosures necessary to enable the reader to gain maximum understanding of the City's financial activities have been included.

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

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

CITY OF ANAHEIM PROFILE

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

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

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

City full-time employees numbered 1,946 in 2020, of whom 591 were assigned to the Police Department and 276 to the Fire & Rescue. The latter has twelve stations; the City enjoys a Class One fire insurance rating, the highest rating possible.

Anaheim, with a population of 357,325 in 2019, is a significant contributor to the diverse Orange County economy, which is home to more than 8,500 manufacturing plants. Product manufacturers include notable manufacturing businesses focused on defense and aerospace, biomedical, electronics, machinery, and computer products. The City has over 24,000 active business licenses, of which over 17,000 are businesses operating within the City's boundaries.

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

ECONOMIC CONDITION AND OUTLOOK

Since March 2020, the public health emergency associated with the coronavirus disease 2019 (COVID-19) pandemic has created significant challenges for our residents, businesses, and visitors. The effect of COVID-19 to the economy has been sudden, with an immediate effect to revenues that the City of Anaheim relies on to support its core services. However, unlike past declines to the global economy, we hope that the significant impacts of COVID-19 will be of limited duration due to the importance of tourism to our local economy.

After several years of slow to moderate growth after the Great Recession, the economy has been shocked due to the current Coronavirus disease (COVID-19) pandemic. This recession is unlike any other that we have seen and there is much uncertainty to what the recovery will look like. When COVID-19 hit the US, in March 2020, the fundamentals of the US economy were strong. Unemployment was at historically low levels; savings rates were at a 30 year high; and consumer debt markets had very low delinquency rates.

With the Stay-At-Home order impacting closure of all nonessential businesses, the unemployment rate in Anaheim in June 2020 was 13.6%, while the national average was at 11.1% and the state average at 15.1%.

The City of Anaheim, like most other municipalities, has experienced significant revenue shortfalls due to COVID-19, which we anticipate will remain throughout fiscal year 2020/2021 and a large portion of fiscal year 2021/2022 as tourism and sales slowly return to pre-pandemic levels. Unfortunately, the City of Anaheim is a destination city that has been particularly hard hit by the Stay-At-Home orders that have essentially halted all revenues from Transient Occupancy Taxes (TOT) and also reduced revenues from Sales and Use Taxes. Since mid-March, sporting events, concerts, plays, conventions and conferences have been cancelled and Disneyland has been closed. Aside from direct revenue losses from these closures, hotels, restaurants, and retail businesses have also been closed to comply with public health orders, further impacting the City's finances. The City has also been subject to substantial pandemic expenditures, and while we will continue to apply for applicable State and Federal funds, any potential funds and reimbursements remain uncertain. If this shock to the economy is short enough, we expect that the economy will catch up and this will be the "Great Disruption". Economists expect a sharp drop in employment and a commensurate rise in employment in the near term, with the vast majority of workers that have lost their jobs being laid off temporarily, unlike in the Great Recession when jobs were permanently lost.

When the City adopted the fiscal year 2020/2021 budget, it was expected that revenues for the last quarter of fiscal year 2019/2020 would be down drastically, but a huge bounce-back would occur in the first quarter of fiscal year 2020/2021 which would contribute to a V-shaped recovery. While there was a strong economic rebound in the first quarter of fiscal year 2021, we are now dealing with a second wave of the virus and the Anaheim Resort looks to remain closed throughout fiscal year 2021. While recovery is expected to resume in fits and starts, and may take a while, we are hopeful that pent up demand for purchases, travel and entertainment will help to push the economy forward after the Stay-At-Home orders are lifted. However, as long as social distancing remains, revenues will continue to be impacted.

In order to immediately address shortfalls for the current fiscal year, the City has stopped all non-essential spending, instituted a hiring freeze, deferred vehicle purchases fully utilized our reserves. While these reductions are both helpful and prudent, they will not close the significant gaps for fiscal years 2020/2021 and 2021/2022. Unlike other municipalities, the City of Anaheim has intentionally tried to delay certain impacts to our employees. The City took quick action to provide employees with a temporary leave program for COVID-19 related needs and also implemented telecommuting arrangements for a significant portion of the City workforce, preceding the Federal Families First Coronavirus Response Act (FFCRA) that was later introduced.

With continued economic uncertainty, the City adopted the fiscal year 2020/2021 budget which is intended to be a temporary budget. We are showing a 20%, or approximately \$75 million, reduction to departments as placeholders while we work through the problem and assess how we can use all the tools in our toolbox. The development of a reduced financial plan will require departments to make tough decisions. City Staff is analyzing areas in which expenditures can be reduced while minimizing impacts to services as much as possible. The City's commitment to serving the homeless population in Anaheim remains with continued funding in fiscal year 2020/2021 for the operation of the Salvation Army Shelter and La Mesa Shelter, while we await the opening of the Center of Hope. The City will continue to pursue grants to help support the operation of the shelters. In addition to any potential grants to address the City's homeless shelters, we will also continue to explore new revenue opportunities and limit any strategic borrowing, while working with City stakeholders, including seeking concessions from our labor groups, in an effort to minimize service level impacts. This plan will bridge the gap as we continue to work together to assess the economic situation and will need to be revisited in the coming months to ensure that the City remains fiscally sound in the years ahead.

MAJOR INITIATIVES

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

IMPROVING OUR INFRASTRUCTURE

Despite the aforementioned challenges, the City adopted the fiscal year 2020/2021 Capital Improvement Program (CIP) that will invest more than \$177 million in our community with new or enhanced parks and public spaces, continued street and transportation improvements, and utility system upgrades. These enhancements are able to continue because the CIP is funded through various restricted sources outside of the General Fund, such as the Community Development Block Grant, transportation grants, and utility fees. The five-year CIP prioritizes neighborhood investment projects to address the recreational needs of residents. The CIP also provides for streetlight additions, upgrades to improve roadway visibility, energy generation projects to engage and benefit the community, and the replacement of aged or substandard substation equipment, electric distribution infrastructure, and water mains to increase service reliability. Numerous transportation system upgrades are also planned, including the rehabilitation and reconstruction of roadways, and sidewalk gap closures to improve safety for pedestrians. These improvements will ensure that Anaheim's transportation network continues to be efficient and safe.

ENSURING PUBLIC SAFETY

Anaheim has taken the lead and done more than any city in Orange County to address coronavirus. Since the onset of the pandemic, the city has provided regular, timely updates to the community on case numbers, testing, state restrictions on businesses and community and economic relief on social media and on our dedicated coronavirus webpage at Anaheim.net/coronavirus. City staff also provides regular updates at every City Council meeting.

Anaheim has stepped up to host COVID-19 testing sites at the Anaheim Convention Center and Anaheim City Hall, as well as partnered with the county and testing site operator 360 Clinic to provide mobile testing in Anaheim's hardest hit neighborhoods. The city has also partnered with nonprofit Latino Health Access to provide weekly testing in impacted neighborhoods and distribute information in Spanish.

The city has also stepped up to provide relief to struggling residents and businesses through the Anaheim Community and Economic Recovery Plan. Through Federal and State funds, Anaheim has dedicated \$36 million to help families, seniors, essential workers, restaurants, homeless, renters and others in need. The plan has included the Rental Assistance Program, Internet Access Rebate Program, Outdoor Dining Grant Program, small business loans and more. We've also provided meals for seniors and distributed disposable face masks to the community through drive-thru giveaways and at our testing and food distribution sites.

Moving forward, Anaheim stands ready to help OC Health administer vaccines using our established testing sites and mobile outreach to neighborhoods.

INVESTING IN OUR NEIGHBORHOODS

The Anaheim City Council, in votes on September 30, 2020 and on October 6, 2020, approved keeping Angels Baseball in the city through at least 2050, selling the city's stadium and surrounding land for \$320 million and seeing development of an urban village with homes, hotels, offices, jobs and public transit.

The approval calls for:

- The Angels to play in Anaheim through at least 2050 with five five-year extensions or through 2075;
- Selling 150 acres of land and Angel Stadium of Anaheim for an appraised market value of \$320 million;
- Payment to city of \$50 million in cash due at close at the closing from escrowed deposit, and a promissory note of \$100 million, payable in five annual installments;
- \$170 million in 466 affordable apartments for working families and a 7-acre flagship public park;
- Development of stadium land as homes, offices, hotels, restaurants, shops, entertainment and parks and open spaces, driving new city revenue from property, sales and hotel taxes.

Approval of the agreement comes after nearly a year of discussions, negotiations and formulation between the city and SRB Management

Company LLC (SRB), made up of Angels owner Arte Moreno and family, and Angels Baseball LP, the operating company for the baseball team. The approval follows unsuccessful attempts in 2013/2014 and in 2016 to secure baseball's long-term future in Anaheim as well as development around the stadium.

The City of Anaheim, which built what is today Angel Stadium of Anaheim in 1966 and has owned it since, is selling the stadium and 150 acres of land for \$320 million to SRB. The land around the stadium is set to see development while the stadium is expected to be renovated or replaced by a new one. The sale will end 50-plus years of city stadium ownership and put any future maintenance, renovation or stadium construction costs solely in the hands of SRB.

The agreement calls for closure of a sale in late 2021 or early 2022 with city review and approval of what is known as a vesting tentative tract map, which divides the land up for development.

FINANCIAL INFORMATION

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

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

BUDGETARY CONTROLS:

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

budgetary control. Encumbrances generally are re-appropriated as part of the following year's budget.

RELEVANT FINANCIAL POLICIES:

Through sound fiscal management, the City of Anaheim positions itself to provide a positive atmosphere for economic development and the flexibility to strategically address budgetary challenges that result from fluctuations in the local, national, and global markets. As of June 30, 2020, the City's General Fund has a spendable, unassigned fund balance of \$11 million, which represents 3% of the General Fund total fiscal year 2019-2020 expenditures. Traditionally, the policy has been to maintain General Fund reserves at a minimum of 7 to 10% of expenditures. To augment the reduction in reserves deficit due to COVID-19, the General Fund borrowed \$33 million from the General Benefits and Insurance Fund, an Internal Service Fund of the City, to be repaid over ten years. This internal borrowing allows for General Fund available reserves of \$44 million and at 12% of the General Fund fiscal year 2019-2020 expenditures. Further, these funds were available because the City has a long-standing practice of recognizing and reserving for known and anticipated liabilities. The City has fully funded its compensated absences and self-insurance liabilities. Additionally, the City has established an irrevocable trust for other postemployment benefits (OPEB) and continues to make the annual required actuarial determined contribution (ADC) to ensure this future obligation is fully funded.

LONG-TERM FINANCIAL PLANNING:

On June 23, 2020, the City Council adopted the fiscal year 2020/2021 budget. Additionally, as a companion to approving the budget plan, a five-year Capital Improvement Plan was presented to the City Council. The five-year plan links anticipated expenditures for infrastructure development with community needs and desires, and provides a citywide perspective of recommended projects and proposed funding sources. The Capital Improvement Plan was finalized in June 2020, and totaled \$696 million for the five-year fiscal period ending June 30, 2025. The five-year Capital Improvement Plan has been submitted and annually updated, in its present form, since 1982, for effective long-range planning purposes. It is City Management's belief that these two plans give City Council members an expanded opportunity to set policy and provide direction for implementation, resulting in improved management efficiency and improved financial results.

AWARD

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

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Anaheim, California, for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This was the 44th consecutive year that the City has achieved this prestigious award (fiscal years ended June 30, 1976 through 2019). In order to be awarded the Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both U.S. generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to conform to the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENTS

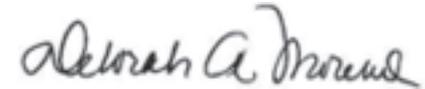
The preparation of this report on a timely basis is a team effort involving many dedicated people across the entire organization. I would like to extend a special thanks to the talented finance professionals throughout the City, led by Peggy Au, Financial Accounting Manager. Appreciation is

also expressed to Mayor Harry S. Sidhu, Former Council Member Lucille Kring, City Manager James Vanderpool, and Assistant City Manager Gregory A. Garcia for their significant contributions as members of the Audit Committee. In closing, without the leadership and support of the City Council, preparation and results of this report would not have been possible. Its leadership has made possible the implementation of these important and innovative concepts in fiscal management by the City.

Respectfully submitted,



James Vanderpool
City Manager



Deborah A. Moreno
Finance Director/City Treasurer



(This page was intentionally left blank)



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Anaheim
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

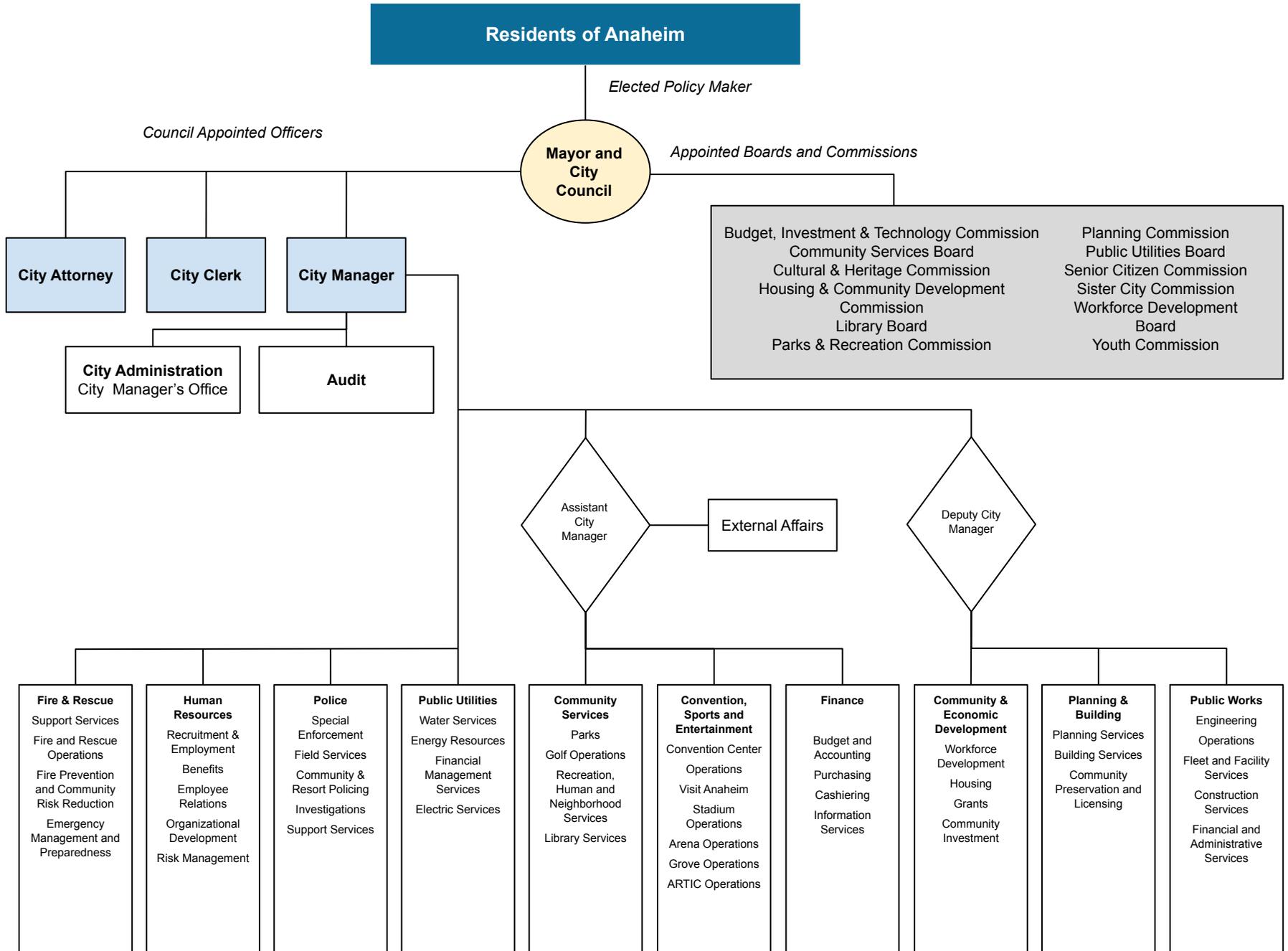
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Anaheim, California for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

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



(This page was intentionally left blank)



**Administrative Personnel
As of December 21, 2020**

City Manager	James Vanderpool
Assistant City Manager	Gregory A. Garcia
Deputy City Manager	David Belmer
Chief of Police	Jorge Cisneros
City Attorney	Robert Fabela
City Clerk	Theresa Bass
Community & Economic Development Director	John E. Woodhead IV
Community Services Director	Larry Pasco
Convention, Sports & Entertainment Executive Director	Thomas Morton
Finance Director/City Treasurer	Deborah A. Moreno
Fire Chief	Patrick Russell
Human Resources Director	Linda N. Andal
Public Utilities General Manager	Dukku Lee
Public Works Director	Rudy Emami



FINANCIAL SECTION



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

Independent Auditors' Report

Honorable Mayor and City Council
City of Anaheim, California:

Report on the Financial Statements

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 Anaheim, California (the City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to

obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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 of Anaheim, California, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Housing Authority



Fund for the year then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management’s discussion and analysis and the required supplementary information as listed in the accompanying table of contents (collectively referred to as RSI) be presented to supplement the basic financial statements. Such information, 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 RSI in accordance with auditing standards generally accepted in the United States of America, 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 and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The accompanying introductory section, the combining individual fund statements and schedules, the statistical information, and other information sections as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relates

directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory, statistical information, and other information sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2020 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City’s internal control over financial reporting and compliance.

KPMG LLP

Los Angeles, California
December 21, 2020



MANAGEMENT'S DISCUSSION AND ANALYSIS

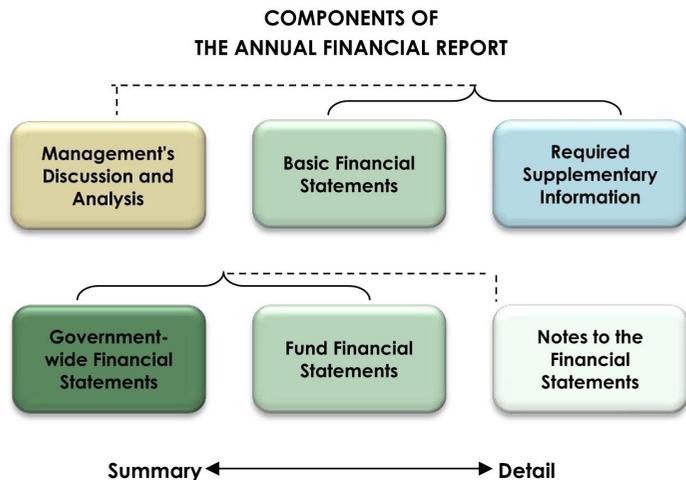
Management’s Discussion and Analysis

(Unaudited)

As management of the City of Anaheim (City), we offer readers of the City’s basic financial statements this narrative overview and analysis of the financial activities of the City as of and for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report, and the City’s basic financial statements in the financial section of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

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



Government-wide financial statements. The government-wide financial statements are comprised of the Statement of Net Position and the Statement of Activities. These two statements are designed to provide readers with a broad overview of the City’s finances utilizing the full accrual method of accounting, in a manner similar to a private-sector business. Under the full accrual method of accounting, transactions are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, assets, liabilities,

revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods (e.g. uncollected revenues and accrued but unpaid interest expense).

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

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

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

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

The government-wide financial statements can be found on pages 35-37 of this report.

Fund financial statements. The fund financial statements focus on current available resources and are organized and operated on the basis of funds, each of which is defined as a fiscal and accounting entity with a self-balancing set of accounts, established for the purpose of carrying on specific activities or attaining certain objectives in accordance with

special regulations, restrictions or limitations. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The City maintains 19 individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, the Housing Authority Special Revenue Fund and the Anaheim Resort Improvements Debt Service Fund, which are considered to be major funds and can be found on pages 39 and 41 of this report. Data for the remaining 16 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of supplementary combining statements on pages 117-120, 125-126, and 128-129 of this report.

The City adopts an annually appropriated budget for all governmental and proprietary funds. Budgetary comparison statements for the General Fund and the major special revenue fund (Housing Authority) are required to be presented; these schedules are included in the basic financial statements on pages 43-44 of this report. Additionally, budgetary schedules for the other nonmajor governmental funds have been provided to demonstrate compliance with the budget and can be found as part of other supplementary schedules on pages 121-124, 127, and 130-133 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 uses its enterprise funds to account for its electric, water and sanitation utilities, golf courses, convention, sports and entertainment venues and ARTIC operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its general benefits and insurance, motorized equipment, information services, and municipal facilities maintenance functions. Because these services predominantly benefit governmental rather than business-type functions, they have been included with governmental activities in the government-wide financial statements.

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

The proprietary funds financial statements can be found on pages 45-49 of this report.

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

The City maintains three different types of fiduciary funds. The Investment Trust Fund is used to account for the external portion of the City's investment pool; the Private-Purpose Trust Fund is used to account for the assets and liabilities held in trust for the Successor Agency to the Redevelopment Agency (Successor Agency); the Agency Fund is used to account for monies collected and disbursed in a custodial capacity for the Mello-Roos districts in the City.

The fiduciary fund financial statements can be found on pages 50-51 of this report.

Notes to the 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 financial statements can be found on pages 53-106 of this report.

Other supplementary information. In addition to the basic financial statements and accompanying notes, this report also presents combining individual fund statements referred to earlier in connection with nonmajor governmental funds and internal service funds. Also included are the budgetary comparison Schedules of Revenues, Expenditures and Changes in Fund Balances for all nonmajor special revenue funds, all debt service funds, and all capital projects funds. These statements and schedules can be found on pages 117-143 of this report.

Required Supplementary Information. The required supplementary information for pension and its related ratios, the Other Postemployment Benefits (OPEB) and its related ratios can be found on page 109-114 of this report.

FINANCIAL HIGHLIGHTS (Amounts in thousands)

- The City's total assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the end of the current fiscal year by \$1,898,124.
 - The City's governmental activities represent \$735,765 (39%) and the business-type activities represent \$1,162,359 (61%) of the City's total net position.
 - The City's net position has a net decrease of \$26,040 (1%) as a result of the current fiscal year's operations. The net position of the City's governmental activities decreased the City's net position by \$16,748 (2%) and the business-type activities net position decreased by \$9,292 (less than 1%)
 - The City's restricted net position of \$318,011 represents amounts available for ongoing programs and obligations with external restrictions.
- The City's total capital assets, net of accumulated depreciation, increased by \$63,520 . Capital assets in the City's governmental activities increased by \$51,465 (4%) and business-type activities capital assets increased by \$12,055 (less than 1%) during the current fiscal year.
 - The City's total long-term liabilities, less current portion, increased by \$4,218 (less than 1%) during the current fiscal year; of this amount, long-term liabilities in the City's governmental activities decreased by \$42,582 (3%), and business-type activities increased by \$46,800 (3%).
 - At the close of the current fiscal year, the City's governmental funds reported a combined fund balance of \$386,004, a decrease of \$100,372 in comparison with the prior fiscal year. Approximately 12% of this amount or \$47,969 is available for spending at the City's discretion (total of committed, assigned and unassigned fund balances).
 - At the end of the current fiscal year, unrestricted fund balance (total of committed, assigned and unassigned fund balance) for the General Fund was \$19,956 or 5% of total General Fund expenditures. Unassigned fund balance was \$10,954 or 3% of total General Fund expenditures. Excluding the long-term interfund payable of \$33 million, reserves were \$43,954 or 12% of General Fund expenditures.

NET POSITION
JUNE 30, 2020 AND 2019

	Governmental Activities		Business-type Activities		Total Government	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 666,882	\$ 740,887	\$ 767,599	\$ 727,105	\$ 1,434,481	\$ 1,467,992
Capital assets, net	1,456,841	1,405,376	2,160,955	2,148,900	3,617,796	3,554,276
Total assets	2,123,723	2,146,263	2,928,554	2,876,005	5,052,277	5,022,268
Deferred outflows of resources	141,123	142,263	40,493	51,360	181,616	193,623
Total assets and deferred outflows of resources	2,264,846	2,288,526	2,969,047	2,927,365	5,233,893	5,215,891
Current liabilities	131,871	111,714	146,404	164,612	278,275	276,326
Long-term liabilities less current portion	1,358,751	1,401,333	1,501,227	1,454,427	2,859,978	2,855,760
Total liabilities	1,490,622	1,513,047	1,647,631	1,619,039	3,138,253	3,132,086
Deferred inflows of resources	38,459	22,966	159,057	136,675	197,516	159,641
Total liabilities and deferred inflows of resources	1,529,081	1,536,013	1,806,688	1,755,714	3,335,769	3,291,727
Net position:						
Net investment in capital assets	1,112,914	1,040,595	1,074,006	1,058,213	2,186,920	2,098,808
Restricted	251,942	266,447	66,069	61,808	318,011	328,255
Unrestricted	(629,091)	(554,529)	22,284	51,630	(606,807)	(502,899)
Total net position	\$ 735,765	\$ 752,513	\$ 1,162,359	\$ 1,171,651	\$ 1,898,124	\$ 1,924,164

*Certain reclassifications have been made to prior year's number to conform with the current year presentation

At the end of fiscal year 2020, the City's net position totaled \$1,898,124 which reflects a net decrease of \$26,040 or 1% from prior fiscal year.

Current and other assets, including cash, cash equivalents and investments, restricted cash equivalents and investments, receivables, prepaid items, land held for resale, and notes receivable, totaled \$1,434,481 a decrease of \$33,511 (2%) as compared to the prior fiscal year; of this amount governmental activities decreased by \$74,005 and business-type activities increased by \$40,494. The worldwide Coronavirus disease (COVID-19) pandemic and the California Stay-At-Home order had an immediate impact on Anaheim revenues resulting in lower cash received to support City operations in both governmental and business-type activities. Cash, cash equivalents and investment (including restricted) in governmental activities decreased by \$75,963. Of this decrease, \$59,000 is attributable to restricted resources used in the partial defeasance of the 1997 Series C Anaheim Public Financing Authority (APFA) Capital Appreciation Bonds (CABs); higher cash payments for the homeless shelter operating costs and COVID-19 related expenses; accounts receivable and due from other

governments have a net increase of \$2,938, the increase is primarily consisted of \$14,683 (earned portion of the total \$30,480 award) federal CARES fund allocation distributed by the State of California, and \$245 (earned portion of the total \$4,966 award) distributed by the County of Orange; and an increase of \$4,764 related to street construction grant reimbursements, offset by a decrease of \$17,028 in receivables from transient occupancy taxes (\$11,591) and sales and use tax (\$5,437) primarily due to revenue losses impacted by the Stay-At-Home order resulting in lower accrued receivable at year end; a decrease of \$8,118 in prepaid and other assets which includes a decrease of \$12,840 for capital asset acquisitions that were received and capitalized as capital assets during the fiscal year, offset by an increase of \$5,000 from the Stadium sale deposit. Cash equivalents and investments (including restricted) increased by \$25,071 in business-type activities. The increase is primarily due to unspent bond proceeds of \$69,054 from the issuance of the Anaheim Housing and Public Improvement Authority (AHPIA) 2020 Series A, B and C Electric and Water Revenue Bonds; an increase in prepaid power cost of \$10,620; offset by cash paid for capital asset acquisitions of \$99,668 and lower cash received due to revenue losses

from the Electric Utility and the Convention, Sports and Entertainment Venues.

The City's capital assets, net of accumulated depreciation, increased by \$63,520 (2%). Additional information about changes to the City's capital assets can be found on pages 28-29.

Deferred outflows of resources, including deferred charges on refunding bonds, deferred items related to pension and Other Postemployment Benefits (OPEB), totaling \$181,616 decreased by \$12,007 (6%). This decrease is primarily due to a decrease of \$34,790 in deferred items related to pension resulting from current year amortization of \$59,084, offset by an increase of \$10,473 in pension contributions subsequent to measurement date, and \$13,821 in current year addition to deferred pension related items from plan valuation; deferred charge on refunding bonds increased by \$22,263 resulting from partial defeasance of the accreted value of the 1997 Series C APFA Capital Appreciation Bonds.

Current liabilities, including accounts payable, wages payable, interest payable, current portion of long-term debt, current portion of other long-term liabilities, deposits and unearned revenues, totaled \$278,275 increased by \$1,949 (1%) primarily due to increases of \$9,121 in current portion of the long-term debt, an increase of \$4,229 in current portion of long-term liabilities primarily related to the current portions of compensated absences and claims liabilities, and an increase of \$4,872 in deposit primarily from the Stadium sale deposit of \$5,000; offset by a decrease of \$20,535 in accounts payable due to suppliers and construction contractors.

The City's long-term liabilities, less current portion, increased by \$4,218 (less than 1%). Additional information about changes to the City's long-term liabilities can be found on pages 77-100.

Deferred inflows of resources, totaling \$197,516 increased by \$37,875 (24%) including increases in deferred regulatory credits of \$5,502 from utility customer receipts, deferred regulated business activities of \$4,016 from investment earnings, deferred items on refunding bonds of \$8,408 from current year Electric and Water Utility bond refunding, deferred OPEB related items of \$16,427 primarily due to differences between actual and expected plan experience; and an increase of \$3,522 in current year amortization and deferred pension related items from plan valuation due to differences between expected and actual results.

The largest portion of the City's net position of \$2,186,920 reflects its investment in capital assets (e.g. land, buildings, utility plant, machinery, equipment, and infrastructure), net of any related outstanding debt that was used to acquire those assets. The City uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Net investment in capital assets increased by \$88,112 (4%) primarily due to additions of capital asset funded by restricted and unrestricted resources and grants, offset by a reduction of the related outstanding debt due to current year principal payments.

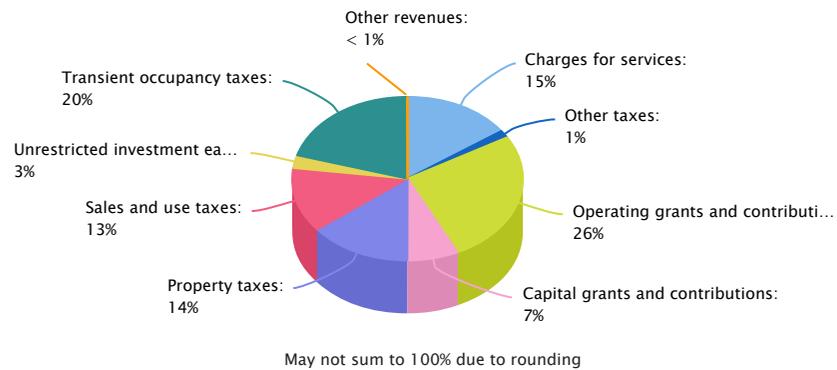
An additional portion of the City's net position of \$318,011 represents resources that are subject to external restrictions on how they may be used. This amount decreased by \$10,244 from prior fiscal year. Restricted net position of the governmental activities decreased \$14,505 primarily due to restricted resources of \$22,080 in capital spending related to housing development projects, \$6,800 in Platinum Triangle Mello-Roos construction projects, \$4,637 in park development; offset by a restricted State of California Homeless Shelter Grant of \$8,422, receipt of reimbursement for Avon Dakota project cost of \$8,702, and Mello Roos project property owner contribution of \$3,124. Net position in the business-type activities increased by \$4,261 primarily due to increase in resources restricted for capital projects.

The remaining balance deficit of \$606,807 is the unrestricted net position, of which the unfunded OPEB, net pension liabilities and the related deferred inflows and outflows of resources account for \$866,360. The unrestricted net position deficit increased by \$103,908 from prior fiscal year reflecting results from current year operations. The unfunded net OPEB and pension liabilities are long-term obligations that will be funded annually in accordance with actuarially determined contribution amounts and rates. The positive component of the unrestricted net position, excluding the effects of OPEB and pension liabilities, is \$259,553 and may be used to meet the City's ongoing obligations to citizens and creditors.

**CHANGE IN NET POSITION
YEAR ENDED JUNE 30, 2020 AND 2019**

	Governmental Activities		Business-type Activities		Total Government	
	2020	2019	2020	2019	2020	2019
REVENUES						
Program revenues:						
Charges for services	\$ 91,069	\$ 86,889	\$ 613,899	\$ 663,275	\$ 704,968	\$ 750,164
Operating grants and contributions	158,750	130,335	143	231	158,893	130,566
Capital grants and contributions	43,191	21,335	12,339	28,408	55,530	49,743
General revenues:						
Taxes:						
Property taxes	86,256	80,822			86,256	80,822
Sales and use taxes	76,851	84,982			76,851	84,982
Transient occupancy taxes	122,735	161,948			122,735	161,948
Other taxes	8,796	8,893			8,796	8,893
Unrestricted investment earnings	15,371	15,654	18,756	19,183	34,127	34,837
Other	100	98			100	98
Total revenues	603,119	590,956	645,137	711,097	1,248,256	1,302,053
EXPENSES						
Program activities:						
Governmental activities:						
General government	31,866	22,005			31,866	22,005
Police	202,064	175,409			202,064	175,409
Fire & Rescue	96,803	82,948			96,803	82,948
Community & Economic Development	110,812	98,818			110,812	98,818
Planning & Building	27,929	26,248			27,929	26,248
Public Works	60,693	53,742			60,693	53,742
Community Services	50,513	43,218			50,513	43,218
Public Utilities	2,381	2,476			2,381	2,476
Convention, Sports & Entertainment	17,713	27,663			17,713	27,663
Interest on long-term debt	29,734	35,149			29,734	35,149
Business-type activities:						
Electric Utility			404,272	425,072	404,272	425,072
Water Utility			88,554	76,484	88,554	76,484
Sanitation Utility			67,375	64,659	67,375	64,659
Golf Courses			5,017	4,954	5,017	4,954
Convention, Sports & Entertainment Venues			75,621	68,187	75,621	68,187
ARTIC Management			2,949	6,548	2,949	6,548
Total expenses	630,508	567,676	643,788	645,904	1,274,296	1,213,580
Excess (deficiency) before transfers	(27,389)	23,280	1,349	65,193	(26,040)	88,473
Transfers in (out)	10,641	5,368	(10,641)	(5,368)		
Increase (decrease) in net position	(16,748)	28,648	(9,292)	59,825	(26,040)	88,473
Net position at beginning of year	752,513	723,865	1,171,651	1,111,826	1,924,164	1,835,691
Net position at end of year	\$ 735,765	\$ 752,513	\$ 1,162,359	\$ 1,171,651	\$ 1,898,124	\$ 1,924,164

REVENUES BY SOURCE – GOVERNMENTAL ACTIVITIES



Governmental activities. Governmental activities decreased the City's net position by \$16,748. Key elements of this decrease are as follows:

The most significant revenues of the governmental activities are general taxes (49%), which include transient occupancy taxes (20%), property taxes (14%), sales and use taxes (13%), and other taxes (1%). Program revenues are 49% of the total revenues of the governmental activities, which include operating grants and contributions (26%), capital grants and contributions (7%), and charges for services (15%); other revenues (less than 1%), and unrestricted investment earnings less than 3% of the total revenues.

Public safety (Police and Fire & Rescue) expenses are the most significant (47%) of all governmental activities' expenses, followed by Community & Economic Development (18%), Public Works (10%), Community Services (8%), interest on long-term debt (5%), and various other programs (13%). Included in these amounts is depreciation expense, which is 6% of the total expenses for governmental activities.

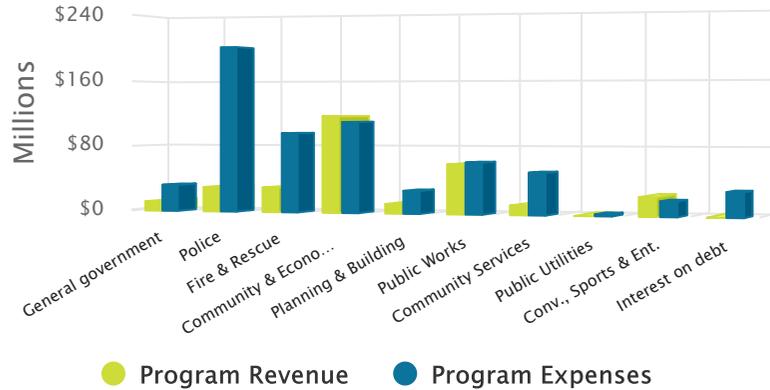
Governmental activities revenues increased by \$12,163 (2%) as compared to the prior fiscal year due to the followings:

- Taxes decreased by \$42,007 (12%). The COVID-19 pandemic and California's Stay-At-Home order had an immediate impact on the City's tax revenues resulting from the Anaheim Resort, hotels, restaurants, and business closures during the last three months of the fiscal year. Transient occupancy taxes (TOT) decreased by \$39,213 (24%); sales and use tax decreased by \$8,131 (10%); offset by an increase in property taxes of \$5,434 (7%) primarily due to increases in property assessed valuations.

- Charges for services increased by \$4,180 (5%) primarily due to an increase of \$11,134 in paramedic response revenues resulting from the Fire Department implementing a new model in providing Emergency Medical Services cost recovery during the fiscal year. This new model enables the Fire Department to be eligible to participate in state and federal programs such as the Ground Emergency Transport Program, as well as receive the State Quality Assurance Fee for MediCal transports. Offsetting this increase is a decrease of \$4,837 from the Anaheim Tourism special assessment, and a \$1,713 decrease in police and paramedic services provided to Disneyland and other special events resulting from business closures during the pandemic.
- Operating grants increased by \$28,415 (22%) primarily attributable to increases in federal funding of \$8,089 from HUD for Housing Choice Voucher rental assistance, an increase of \$6,117 from the State of California for a homeless shelter grant, a one-time Fire Fighter Grant of \$1,467, a portion of the federal CARES fund distributed by the County of Orange of \$305, and a portion of the one-time federal CARES funding of \$14,683 distributed by the State of California. Offsetting the increases are decreases of \$2,178 in federal funding of HOME grant, a decrease of \$513 in Community Development Block Grant (CDBG) due to lower CDBG spending, and a decrease of \$747 in Narcotic Asset Forfeiture revenue distribution.
- Capital grants and contributions increased by \$21,856 (102%) due to an increase of \$8,702 in Avon Dakota project costs reimbursement distributed from the Successor Agency Redevelopment Property Tax Fund (RPTTF); an increase of \$5,204 in capital asset contribution for the Jacaranda Park development from developers, and an increase of \$5,903 of capital asset contributions in the Honda Center.
- Unrestricted interest earnings decreased by \$283 (2%). There were no significant changes to note.
- Governmental activities net transfer in increased by \$5,273. This increase is primarily due to lesser amount of transfer out to business-type activities. Transfers out to the Convention, Sports and Entertainment Venues Fund, based on debt service requirements, decreased by \$1,726; and there was no transfer out to the ARTIC Management Fund (\$2,609 in the prior fiscal year). This decrease of operating subsidy transfer to the ARTIC Management Fund is a General Fund saving resulting from the new management agreement and terms. Additional information

about the ARTIC Management agreement can be found in note 14 of the notes to the financial statement on page 104 of this report.

**EXPENSES AND PROGRAM REVENUES –
GOVERNMENTAL ACTIVITIES**



Governmental activities expenses increased by \$62,832 (11%) as compared to the prior fiscal year.

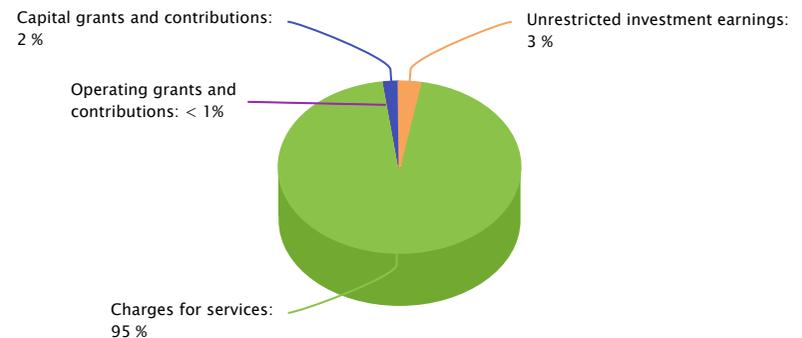
Key elements of the change are as follows:

- The increase in General government expenses of \$9,861 (45%) is primarily due to an increase of \$6,809 operating costs in the Salvation Army and La Mesa Homeless Shelters and an increase of \$2,547 in accrued pension expense.
- The increase in Public safety expenses of \$40,510 (16%) is primarily due to an increase of \$16,422 in accrued pension and OPEB expenses, \$11,218 increase in labor costs and employee benefits, and an increase of \$5,747 in Fire safety contract payments related to ambulance services and paramedic billing services.
- The increase in Community & Economic Development expenses of \$11,994 (12%) is mainly due to an increase of \$8,730 in Section 8 rental assistance, as rents and average assistance per participant increase; and an increase of \$810 in accrued pension expense.
- The increase in Community Services expenses of \$7,295 (17%) is due to a \$1,716 increase in accrued pension expense, and a \$665 increase in depreciation expense. As part of the \$15 million City Council approved Economic Recovery Plan during the COVID-19 pandemic, \$3,250 was spent to provide local assistance of which \$3,000 was awarded to Anaheim Community Foundation to

assist with COVID-19 emergency operation in providing Anaheim residents with food, meals, basic necessities and other materials or services to overcome barriers due to the pandemics; \$250 was awarded to Orange County United Way to assist with providing Anaheim families in need of rent and groceries. Additionally, \$120 was spent for food distribution with CARES funds distributed by the County of Orange.

- The decrease in Convention, Sports & Entertainment expenses of \$9,950 (36%) is primarily due to a decrease of \$3,597 paid to Visit Anaheim resulting from decreased Anaheim Tourism special assessment during the pandemic closure of hotels; and a one-time \$6,276 realized loss on the sale of property in the prior fiscal year.
- The increase in Public Works expenses of \$6,951 (13%) is primarily due to an increase in infrastructure maintenance of \$1,748, an increase in accrued pension expense of \$2,159; and a total of \$2,673 in Anaheim Tourism Improvements District (ATID) fundings provided to Anaheim Transportation Network (ATN) in support of ATN's acquisition of buses (\$500) for the Anaheim Resort Transportation (ART), and to support the cost to operate the the ART bus service (\$2,173). These ATID funds allow ATN to use its own operating and capital resources to provide funding towards the development of an energy storage system and charging system to charge a new fleet.
- The decrease in interest on long-term debt of \$5,415 (15%) is primarily due to interest payment savings resulting from the refunding of the 2007 APFA in the prior fiscal year, the decrease of \$1,967 is due to amortization of bond premium and a one-time debt issuance cost of \$1,748 in the prior fiscal year.

REVENUES BY SOURCE – BUSINESS-TYPE ACTIVITIES



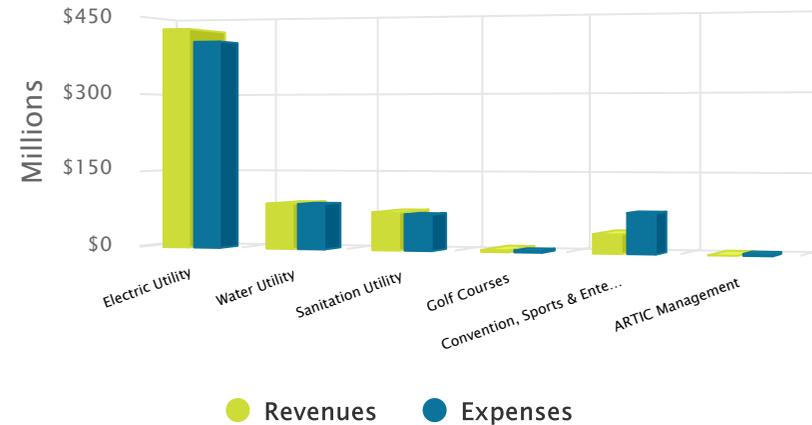
Business-type activities. Business-type activities decreased the City's net position by \$9,292. Key elements of this change are as follows:

Charges for services of \$613,899 decreased by \$49,376 (7%) due to the followings:

- The decrease of \$41,270 (9%) in Electric Utilities charges for services is primarily attributable to the following: a) wholesale revenues totaled \$14,498 and decreased by \$23,640 (62%). The prior fiscal year experienced higher than usual gas prices due to major pipeline maintenance - higher gas prices typically contribute to higher energy prices. This drop in gas prices coupled with less power available to sell due to the closure of the Kraemer Combustion Turbine drove this decrease in total wholesale revenues; b) Retail sales of electricity totaled \$351,448 and decreased by \$11,425 (3%). This decrease is mainly attributed to moderate weather during the year coupled with shelter at home restrictions from the pandemic, with hotels, theme parks, and other entertainment venues shuttered, retail demand slowed by approximately 3% in fiscal year 2020; and partially offset by c) an increase of \$2,250 in Rate Stabilization Account (RSA). Additional information about the RSA can be found in note 1 of the notes to the financial statement on pages 59-60 of this report.
- The increase of \$5,294 (7%) in Water Utilities charges for services is primarily due to a rate increase charged to its customers.
- The increase of \$2,776 (4%) in Sanitation Utility charges for services is attributable to rate increases charged to users. Solid waste and collection fees increased by \$1,242 resulting from a 2.3% rate increase, wastewater fees increased by \$633 resulting from a 3.0% rate increase, and a \$1,027 increase in developer fees.
- The decrease of \$15,163 (30%) in the Convention, Sports and Entertainment Venues Fund is primarily due to revenue losses of \$7,303 during the COVID-19 closure, and a decrease of \$7,860 of one-time realized gain on the sale of the Convention Center Car Park 7 in the prior fiscal year.
- The decrease of \$989 (96%) in ARTIC Management is mainly due to change of management contract effective the current fiscal year. Additional information about the ARTIC Management can be found in note 14 of the notes to the financial statement on page 104 of this report.

Business-type activities net transfer out increased by \$5,273. There were no significant changes to note.

EXPENSES AND PROGRAM REVENUES – GOVERNMENTAL ACTIVITIES



Total expenses of \$643,788 decreased \$2,116 (less than 1%). Key elements of the changes are due to the following:

- The decrease in Electric Utility expenses of \$20,800 (5%) is due to the following: a) a decrease in power costs of 29,914 (10%). Lower gas prices and lower local demand for electricity led to lower electric prices in general; b) fuel and generation decreased by \$7,808 (91%) due to the permanent closure of the Kraemer Combustion Turbine plant in fiscal year 2020 and decreases in other expenses related to generation of power; and c) operation, maintenance and administration increased by \$12,592 (22%) primarily due to an increase of \$7,418 in accrued pension expense; depreciation expense increased \$3,945 (10%) mainly due to accelerated depreciation of \$2,733 for the Kraemer Combustion Turbine generator taken out of service.
- The increase in Water Utility expenses of \$12,070 (16%) is due to the following: a) an increase of \$6,253 (15%) in purchased water and treatment and pumping costs. The Water Utility changed its water supply mixture from primarily cheaper water pumped from local groundwater through the Orange County Water District to primarily more expensive imported water through the Metropolitan Water District due to elevated Per-and-Polyfluoroalkyl Substances (PFAS) in the local groundwater; b) operations, maintenance and administration costs increased by \$4,356 (26%) mainly because the amount of overhead capitalized during the year decreased as a result of a decrease in capital spending; and c) interest expense

increased by \$600 (9%) primarily because of the issuance of the \$38,000 AHPIA Water Revenue Bonds, Series 2020-A.

- The increase in Sanitation Utility expenses of \$2,716 (4%) is primarily due to rate and volume increases of waste disposal services and gate fees and the timing of infrastructure maintenance.
- Golf Courses expenses increased by \$63 (1%). There were no significant increase to note.
- The increase in Convention, Sports & Entertainment Venues expenses of \$7,434 (11%) is mainly due to a one-time \$6,500 payment to Visit Anaheim, part of the \$15 million Council approved Anaheim Economic Recovery Plan, to relaunch the tourism marketing so that Anaheim will be among the first destinations to emerge from the economic slowdown in the interest of all of Anaheim.
- The decrease in ARTIC Management expenses of \$3,599 (55%) is primarily due to change of management and terms.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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 spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported total ending fund balances of \$386,004, a decrease of \$100,372 in comparison with the prior fiscal year; \$59,000 of this decrease is attributable to a partial defeasance of the 1997-C CABs. Of the total fund balance of \$386,004, restricted fund balance totaled \$337,436 (87%) and indicates the use of resources are constrained by external parties, resource providers, constitutions or enabling legislations. Unassigned fund balance had a deficit of \$4,126 (1%) which is due to pending grant funded project reimbursements of \$21,132, primarily for street construction, and other revenue collection of \$4,733 that were unavailable for revenue recognition. The deficits in unassigned fund balance will be eliminated in future years with the grant receipts. The remaining fund balance is \$52,694 (14%), of which \$599 is not in spendable form, \$6,289 was committed to neighborhoods (\$4,039) and COVID-19 Anaheim Economic Recovery projects (\$2,250), and \$45,806 that was assigned for particular purposes.

Governmental revenues totaled \$574,870 while expenditures were \$685,883.

The General Fund is the general operating fund of the City. At June 30, 2020, the General Fund reported a total ending fund balance of \$32,811 and consisted of the following:

- \$308 was nonspendable for inventory, prepaid and other assets;
- \$12,547 was restricted for grants projects, claims and judgments;
- \$2,250 was committed for providing rental assistance to Anaheim residents, part of the Anaheim Economic Recovery Plan;
- \$6,752 was assigned for encumbrances and other purposes; and
- \$10,954 was unassigned

General Fund total revenues decreased \$33,790 as compared to the prior fiscal year primarily attributable to the following:

- Total taxes decreased by \$42,208 (13%) key elements of the changes as previously discussed in the government-wide financial analysis of the governmental activities. Taxes are the largest revenue sources of the General Fund and they accounted for \$293,529 of the total General Fund revenues. During fiscal year 2020, transient occupancy taxes (TOT) decreased by \$39,597 (24%), property taxes increased by \$5,434 (7%), sales and use taxes decreased by \$7,894 (9%); and other taxes decreased by \$151 (2%).
- Intergovernmental revenues increased by \$16,556 (197%) primarily due to a portion of the available federal CARES funding allocation of \$10,160, and an increase of \$6,117 from the State of California Homeless Shelter grants.
- Charges for services increased by \$4,657 (17%) key elements of the changes as previously discussed.
- Use of money and property decreased by \$12,188 (73%) mainly due to one-time land sale proceeds of \$11,991 in the prior fiscal year.

General Fund expenditures increased by \$29,475 (9%). An increase of \$15,486 (53%) was due to increases in labor and employee benefit costs as required from various labor contracts, an increase of \$6,809 was due to an increase in the emergency homeless shelters operating costs, an increase of \$3,555 was to provide various local assistance during the COVID-19 pandemic as previously discussed; and offset by a decrease of \$4,543 in capital outlay for property acquisition and building renovations for the La Mesa Street Shelter in the prior fiscal year. Other key elements of the changes are discussed in the government-wide financial analysis of the governmental-activities.

General Fund transfers out decreased by \$25,223 (29%) primarily due to a decrease of \$21,517 in transfers out to the Anaheim Resort Improvements

Major Debt Service Fund. This decrease is due to decreased Lease Payment Measurement Revenues (LPMR) resulting from the Anaheim Resort and business closures during the pandemic. Additional information about LPMR can be found in note 9 on page 78 of the notes to the financial statements of this report; other decreases as previously discussed in the governmental activities financial analysis.

The Housing Authority Fund revenues increased by \$21,942 (25%) primarily due to an increase of \$8,089 of Housing Choice Voucher rental assistance, a one-time project reimbursement of \$8,702 from the State of California approved RPTTF funding for Avon Dakota project costs, an increase of \$3,597 from borrower loan payoff, and an increase of \$757 from the housing projects lease revenues.

The Housing Authority expenditures increased by \$32,954 (38%). Capital outlay increased \$21,011 due to housing development properties purchased at the southeast corner of Beach Boulevard/Lincoln Avenue and 331 West Carl Karcher Way; Housing Choice Vouchers increased \$8,977; and the housing development loan disbursements increased \$2,037 primarily for the Manchester/Orangewood and Econolodge projects.

The Anaheim Resort Improvements Fund expenditures increased by \$32,080 (54%) of which interest payment increased \$47,259 offset by a decrease of principal payment of \$13,538 and a one-time bond issuance cost of \$1,748 in the prior fiscal year. The increase in interest is due to partial defeasance of the bonds accreted value.

The Anaheim Resort Improvements Fund total other financing sources decreased by \$23,296 (34%). Transfer in decreased by \$21,517 as previously discussed in the General Fund Transfer Out; other financing sources decreased by \$1,779 due to bond premium from prior year refunding of the 2007 APFA.

Total nonmajor governmental funds revenues decreased by \$6,359 (7%). The most significant factors of the changes are discussed in the government-wide financial analysis of the governmental-activities.

Intergovernmental revenues decreased by \$6,499 (13%) primarily due to an increase of \$4,756 of street construction project cost reimbursements being unavailable for revenue recognition; decreases of \$1,020 in CDBG of which \$507 due to reimbursement being unavailable for revenue recognition and \$513 due to lower CDBG spending; and \$747 in Narcotic Asset Forfeiture as previously discussed.

Charges for services decreased by \$5,038 (20%) mainly due to decreased Anaheim Tourism Improvement assessment as previously discussed.

Contribution from property owners included a one-time contribution of \$3,124 from developers for the Mello Roos projects.

Total nonmajor governmental funds expenditures increased by \$4,508 (5%). Capital outlay increased \$11,458 primarily due to the Gene Autry Way capital spending of \$11,500, partially offset by a decrease of \$5,565 for the decline in land held for resale in the prior fiscal year; and a decrease of \$3,597 payment to Visit Anaheim as previously discussed.

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 significant factors of the changes in fund net position of each proprietary fund are discussed in the government-wide financial analysis of business-type activities.

- The Electric Utility net position increased by \$8,689 (2%) in the current fiscal year.
- The Water Utility fund net position increased by \$1,238 (less than 1%) in the current fiscal year.
- The Sanitation fund net position increased by \$4,347 (4%) in the current fiscal year.
- The Golf Courses fund net position decreased by \$761 (15%) in the current fiscal year.
- The Convention, Sports and Entertainment Venues fund net position decreased by \$21,918 (8%) in the current fiscal year.
- The ARTIC Management fund net position increased by \$1,118 (1%).

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, the original budget was amended to increase appropriations by \$19,731 (5%). The increase in appropriations was primarily the result of the carryover of prior year appropriations and amendments amounting to \$14,475 and the reallocation of appropriations from other funds of \$5,256. These amendments were funded from savings in other programs of the General Fund during the year and from reserves.

General Fund revenues of \$379,206 were lower than budgeted revenues of \$416,772 by \$37,566 (9%). The unfavorable variance compared to budget is primarily due to revenue losses in sales and use taxes and transient occupancy taxes resulting from the Anaheim Resort and business closures during the pandemic.

General Fund expenditures were less than budgeted. Of the total appropriations of \$384,175, approximately 2%, or \$7,895, went unspent. There were no other significant variances.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS
(net of accumulated depreciation)
JUNE 30, 2020 AND 2019

	Governmental Activities		Business-type Activities		Total Government	
	2020	2019	2020	2019	2020	2019
Land	\$ 674,159	\$ 653,769	\$ 92,700	\$ 92,700	\$ 766,859	\$ 746,469
Construction in Progress	68,958	48,848	263,165	278,200	332,123	327,048
Building, structures, and improvements	220,323	220,141	693,162	706,271	913,485	926,412
Utility plant			1,087,426	1,044,461	1,087,426	1,044,461
Machinery and equipment	48,383	45,703	24,502	27,268	72,885	72,971
Infrastructure	<u>445,018</u>	<u>436,915</u>			<u>445,018</u>	<u>436,915</u>
Total	<u>\$ 1,456,841</u>	<u>\$ 1,405,376</u>	<u>\$ 2,160,955</u>	<u>\$ 2,148,900</u>	<u>\$ 3,617,796</u>	<u>\$ 3,554,276</u>

Capital assets. The City's investment in capital assets for its governmental and business-type activities at June 30, 2020 amounted to \$3,617,796 (net of accumulated depreciation). This investment in capital assets included land, construction in progress, buildings, structures and improvements, utility plant, machinery and equipment, and infrastructure. The total increase over the prior fiscal year was \$63,520 (2%), of which governmental activities increased by \$51,465 (4%) and business-type activities increased by \$12,055 (less than 1%).

Governmental activities capital asset additions totaled \$95,131, offset by current year depreciation of \$42,414. Major capital asset activities during the current fiscal year include the followings:

- Additions of \$54,532 in construction work in progress which consist of various street improvements and street widening totaled \$39,100 including Gene Autry Way right of way acquisition and street improvement (\$13,478), Anaheim/Ball Intersection (\$4,039), Modjeska Park underground stormwater (\$2,860), Acacia Neighborhood Improvements (\$2,761), Riverdale/Lakeview Avenue to Tustin Street Improvement (\$1,001), and Richfield Storm Drain improvement (\$1,486). Park and Community Services developments totaled \$6,023 including Barton Park development (\$1,680), the Anaheim Tennis Center (\$1,427) and Julianna Park development (\$631). Building and structure improvements totaled \$10,135 including the Honda Center arena seating (\$2,839) and remodeling (\$7,292).
- Completions of \$34,409 of construction in progress which includes major project completions in King Court Neighborhood street improvement (\$3,117), Blue Gum Street/Miraloma Avenue

Street improvement (\$3,741), Cerritos Avenue sidewalk (\$1,183) Sabina Neighborhood improvement street (\$4,573), La Palma/State College Street widening (\$4,824), Richfield Storm Drain improvement (\$1,708), Manzanita Skate Park construction (\$1,740), and Honda Center lower level arena seating (\$1,705).

- Acquisitions of various vehicles totaled \$5,604; office and field equipment totaled \$5,378.
- Public right-of-way and land and building additions of \$29,543, which include \$1,431 for street widening purposes, \$22,070 for housing development purposes, \$5,099 of park development and \$943 for other general improvements.

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

- The Electric Utility increase of \$17,610 (2%) is comprised of capital asset additions of \$63,280, and offset by \$45,670 for the current year addition to accumulated depreciation. Construction in progress increased by \$2,075 mainly due to \$58,043 in additions of capital projects offset by work completed of \$55,968. Construction work in progress of the Electric Utility mainly includes replacement of aging overhead electrical lines with state-of-the-art underground projects such as continued improvements related to Underground District #50 on Euclid Street, Underground District #64 on Orangewood Avenue along with the ongoing replacement of aging circuit breakers, poles, transformers and switches throughout the City. Increase in Utility Plant is primarily due to completion of the Harbor Substation as

well as the installation and replacement of aging direct buried cable. The Electric Utility also replaced approximately 5,510 street lights with more efficient LED lights, installation of fiber optic equipment, upgrading communication equipment, and improvements to other general facilities.

- The Water Utility increase of \$12,694 (3%) is comprised of capital asset additions of \$25,168 and offset by current year accumulated depreciation addition of \$12,474. Construction in progress decreased by \$14,743 primarily due to work in progress additions of \$23,369 offset by works completed of \$38,106 during the fiscal year. Project completions include \$10,621 for the Katella 12" Water Main Replacement between West Street and Harbor Boulevard. These improvements will increase the service reliability and reduce maintenance expenses of the water system; \$10,275 for the La Palma Complex Reservoir to serve the residences and businesses of Central and West Anaheim providing water supply and peak pumping capacity to fight fires and meet maximum day water demands; and \$2,145 for the upgrade of pressure regulating stations (PRS) throughout the City (PRS 1 through 6-220 zone). The purpose of the PRS is to provide for the transfer of water from high-elevation service area to lower one in order to maintain adequate system pressures and flows.

- The Sanitation Utility decrease of \$145 (0%) is comprised of capital asset additions of \$2,967, and partially offset by the current year additions to accumulated depreciation of \$3,082. Construction work in progress decreased by \$2,790 primarily due to completion of the Cerritos Avenue Sanitary Improvements of \$4,734.
- The Golf Courses decrease of \$107 (1%) is due to current year additions of \$447 in equipment acquisitions offset by current year accumulated depreciation of \$554.
- The Convention, Sports and Entertainment Venues decrease of \$15,852 (3%) is primarily comprised of capital asset additions of \$3,481 offset by the current year additions to accumulated depreciation of \$19,311 and retirement of capital assets.
- The ARTIC Management decrease of \$2,145 (1%) is mainly due to current year addition to accumulated depreciation \$2,328 offset by equipment addition of \$183.

Additional information on the City' Capital Assets can be found in notes 1 and 6 of the notes to the financial statements, on page 57 and page 74-75 of this report.

LONG-TERM LIABILITIES
JUNE 30, 2020 AND 2019

	Governmental		Business-type		Total	
	Activities		Activities		Government	
	2020	2019	2020	2019	2020	2019
Long-term debts from direct borrowings and direct placements:						
Interest payable			\$ 3,516	\$ 3,292	\$ 3,516	\$ 3,292
Notes and loans payable	\$ 19,681	\$ 23,796	9,866	13,418	29,547	37,214
Revenue bonds	562,005	600,444	1,220,797	1,172,354	1,782,802	1,772,798
Total	581,686	624,240	1,234,179	1,189,064	1,815,865	1,813,304
Other long-term liabilities:						
Capital lease obligations	2,297	1,988	198		2,495	1,988
Due to other governments	22,580	22,580			22,580	22,580
Self-insurance	58,548	53,247			58,548	53,247
Compensated absences	24,248	21,822			24,248	21,822
San Juan reclamation obligation			6,391	6,377	6,391	6,377
Provision for decommissioning liability			87,235	86,409	87,235	86,409
Net OPEB liability	120,245	138,177	41,262	46,674	161,507	184,851
Net pension liability	617,116	595,400	173,187	165,626	790,303	761,026
Total	845,034	833,214	308,273	305,086	1,153,307	1,138,300
Total long-term liabilities	\$ 1,426,720	\$ 1,457,454	\$ 1,542,452	\$ 1,494,150	\$ 2,969,172	\$ 2,951,604

Long-term liabilities. At June 30, 2020, The City's outstanding long-term liabilities totaled \$2,969,172 increased by \$17,568 (less than 1%) in which long-term debts from direct borrowings and direct placements increased by \$2,561, and other long-term liabilities increased by \$15,007.

Long-term debts from direct borrowings and direct placements including revenue bonds, notes and loans payable, and interest payable due in more than one year totaled \$1,815,865 at June 30, 2020. Key changes include the followings:

- Long-term debts in Governmental activities totaled \$581,686, decreased by \$42,554 (7%). The decrease is primarily due to principal payments of \$19,797, payment made on the accretion of capital appreciation bonds of \$39,486, offset by additions of accrued accretion payable of \$19,842 and the annual amortization of discounts/premium of \$3,113. On January 13, 2020, the APFA transferred \$59,000 to the Escrow bank to partially defease \$84,270 (\$7,910 in principal and \$76,360 in accretion of which \$23,692 was previously accrued in accretion payable) of the accreted value of the 1997-C Capital Appreciation Bonds maturing on March 1, 2037, September 1, 2036 and September 1, 2035.

- Long-term debt in the business-type activities totaled \$1,234,179, increased by \$45,115 (4%). The increase is primarily due to the issuance of Electric and Water Utility revenue bonds offset by current year principal payments of \$39,772. On March 4, 2020, the Electric Utility issued AHPIA 2020 Series A, B, and C for a principal amount of \$223,350 and at a premium of \$18,940 to provide new money project fund of \$70,000 and to refund the outstanding principal balance of the APFA 2016-A and CMFA 2015-A totaled \$173,880. The Water Utility issued AHPIA 2020 Series A and B for a principal amount of \$70,445 and at a premium of \$7,322 to provide new money project fund of \$45,000 and to partially refund the outstanding 2016-A Water Revenue Bonds of \$30,495.

Other long-term liabilities include self-insurance, compensated absences, provision for decommissioning liability, net OPEB liability, and net pension liability totaling \$1,153,307 increased by \$15,007 at June 30, 2020. Key changes include the following:

- Other long-term liabilities in the governmental activities totaled \$845,034 increased by \$11,820 (1%). Capital lease payable increased \$309, self-insurance liability, based on actuarial valuation,

increased by \$5,301, compensated absences increased by \$2,426. Net pension obligations increased by \$21,716 primarily due to increases from services costs and interest on the total pension liability. Offset by the increases is a decrease of \$17,932 in net OPEB obligation resulting primarily from a difference between expected and actual experiences primarily due to the repeal of excise tax liability as that provision of the Affordable Care Act was repealed in December 2019. The amount was moved to deferred inflow of resources related to OPEB and systematically amortize in future years.

- Other long-term liabilities in the business-type activities totaled \$308,273 increased by \$3,187. Provision for decommissioning liability increased by \$826 due to an addition of \$6,030 for asset retirement obligation for the Kraemer Combustion Turbine offset by a payment of \$5,204 for the SONG decommissioning costs; net OPEB liabilities decreased by \$5,412 as previously discussed above; offset by increases of \$198 in capital lease payable, an increase in San Juan reclamation obligation of \$14 and an increase in net pension obligations of \$7,561.

Additional information on the City's long-term liabilities can be found in notes 7, 8, 9, 10, 11, 12 and 13 of the notes to the financial statements, on pages 75-100 of this report.

ECONOMIC FACTORS

Tourism plays a significant role in the economies of California, Orange County and the City of Anaheim (City). While Anaheim has been able to compete for and capture a significant portion of tourism revenues, the COVID-19 pandemic and the California Stay-At-Home order beginning in mid-March 2020 had resulted in significant revenue losses from TOT, sales and use taxes, entertainment and event revenues, as the Anaheim Resort, hotels, sports and entertainment venues were closed to comply with public health orders.

There is much uncertainty as to what the economic recovery will be. The City adopted a temporary fiscal year 2020/2021 budget including a 20% placeholder reduction of expenditures to all City departments. The City continues monitoring of the expenditures to determine which expenditures can be reduced while minimizing impacts to services as much as possible.

For the 2021 fiscal year, the City appropriated \$321,323 (including 20% placeholder reduction) in estimated available resources of \$370,219 (included the fiscal year 2020 revenue budget, the General Fund spendable fund balance and the long-term internal borrowing from the Internal Service Fund of \$33 million to be repaid over ten years.) for General Fund spending. This leaves \$48,896 in estimated available reserves, which is 15% of General Fund appropriations. The City's long-standing policy is to maintain General Fund reserves of at least 7% to 10% of annual appropriations.

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

California Senate Bill 100 (SB 100) signed into law in September 2018 and adjusted the Renewable Portfolio Standard (RPS) that all California utilities are required to reach. The new RPS mandate is that California utilities, at a minimum, must use renewal resources to serve 33% of their retail load by 2020, 50% by 2026, and 60% by 2030. SB 100 also set a state policy goal to have 100% of retail sales be served by carbon-free resources by 2045. The Electric Utility uses a number of strategies to mitigate potential cost impacts while striving to meet and/or exceed state energy targets.

The Orange County Water District (OCWD) set the Basin Production Percentage (BPP) for all cities and water districts they serve at 77% for fiscal year 2020. The Water Utility's Water Rates, Rules, and Regulations provide for an automatic adjustment of its commodity adjustment when OCWD and Municipal Water District (MWD) increase or decrease the cost per acre foot of water. Elevated water costs will continue until the Water Utility, in partnership with OCWD, builds local groundwater treatment to eliminate or mitigate the PFAS levels found in the local groundwater.

REQUESTS FOR INFORMATION

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



(This page was intentionally left blank)



BASIC FINANCIAL STATEMENTS

Statement of Net Position

June 30, 2020 (In thousands)

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 59,906	\$ 44,816	\$ 104,722
Investments	244,039	184,689	428,728
Restricted cash and cash equivalents	65,203	29,088	94,291
Restricted Investments	28,854	63,733	92,587
Accounts receivable, net	12,856	62,148	75,004
Accrued interest receivable	1,628	2,662	4,290
Internal balances, net	16,814	(16,814)	
Due from other governments	51,810		51,810
Inventories	1,569	23,872	25,441
Land held for resale, net	22,035		22,035
Prepaid and other assets	6,284	38,470	44,754
Total current assets	<u>510,998</u>	<u>432,664</u>	<u>943,662</u>
Noncurrent assets:			
Restricted cash and cash equivalents	34,881	72,332	107,213
Restricted investments	33,675	181,907	215,582
Prepaid and other assets		80,696	80,696
Unamortized prepaid bond insurance	461		461
Notes receivable, net	79,416		79,416
Due from Successor Agency	7,451		7,451
Capital assets, net:			
Nondepreciable	743,117	355,865	1,098,982
Depreciable	713,724	1,805,090	2,518,814
Total noncurrent assets	<u>1,612,725</u>	<u>2,495,890</u>	<u>4,108,615</u>
Total assets	<u>2,123,723</u>	<u>2,928,554</u>	<u>5,052,277</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding bonds	30,981	12,532	43,513
Deferred OPEB related items	15,392	5,660	21,052
Deferred pension related items	94,750	22,301	117,051
Total deferred outflows of resources	<u>141,123</u>	<u>40,493</u>	<u>181,616</u>

(Continued)

Statement of Net Position

June 30, 2020 (In thousands)

	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 30,892	\$ 75,815	\$ 106,707
Wages payable	10,001	1,773	11,774
Interest payable	4,008	12,622	16,630
Deposits	12,595	13,332	25,927
Unearned revenues	6,406	1,637	8,043
Other long-term liabilities due within one year	32,610	61	32,671
Long-term debts due within one year	35,359	41,164	76,523
Total current liabilities	<u>131,871</u>	<u>146,404</u>	<u>278,275</u>
Noncurrent liabilities:			
Interest payable due in more than one year		3,516	3,516
Other long-term liabilities due in more than one year	75,063	93,763	168,826
Long-term debts due in more than one year	546,327	1,189,499	1,735,826
Net OPEB liability	120,245	41,262	161,507
Net pension liability	617,116	173,187	790,303
Total noncurrent liabilities	<u>1,358,751</u>	<u>1,501,227</u>	<u>2,859,978</u>
Total liabilities	<u>1,490,622</u>	<u>1,647,631</u>	<u>3,138,253</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Regulatory credits		109,002	109,002
Deferred Regulated business activities		26,862	26,862
Deferred item on refunding bonds		8,999	8,999
Deferred OPEB related items	20,976	8,192	29,168
Deferred pension related items	17,483	6,002	23,485
Total deferred inflows of resources	<u>38,459</u>	<u>159,057</u>	<u>197,516</u>
NET POSITION			
Net investment in capital assets	1,112,914	1,074,006	2,186,920
Restricted for:			
Debt service	63	25,014	25,077
Capital projects	84,739	33,343	118,082
Community and economic development	94,883		94,883
Streets, roads and transportation improvement projects	46,651		46,651
Other purposes	25,606	7,712	33,318
Unrestricted	(629,091)	22,284	(606,807)
Total net position	<u>\$ 735,765</u>	<u>\$ 1,162,359</u>	<u>\$ 1,898,124</u>

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

Statement of Activities

Year Ended June 30, 2020 (In thousands)

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:								
General government	\$ 48,214	\$ (16,348)	\$ 1,796	\$ 10,722	\$	\$ (19,348)		\$ (19,348)
Police	197,957	4,107	13,595	16,469	29	(171,971)		(171,971)
Fire & Rescue	96,320	483	21,024	8,495	51	(67,233)		(67,233)
Community & Economic Development	109,963	849	9,906	97,658	8,702	5,454		5,454
Planning & Building	26,926	1,003	11,059	1,396		(15,474)		(15,474)
Public Works	60,640	53	20,123	22,577	15,703	(2,290)		(2,290)
Community Services	49,632	881	2,491	1,433	7,808	(38,781)		(38,781)
Public Utilities	2,381					(2,381)		(2,381)
Convention, Sports & Entertainment	17,378	335	11,075		10,898	4,260		4,260
Interest on long-term debt	29,734					(29,734)		(29,734)
Total governmental activities	<u>639,145</u>	<u>(8,637)</u>	<u>91,069</u>	<u>158,750</u>	<u>43,191</u>	<u>(337,498)</u>		<u>(337,498)</u>
Business-type activities:								
Electric Utility	399,190	5,082	417,912		8,844		\$ 22,484	22,484
Water Utility	87,284	1,270	84,943		1,763		(1,848)	(1,848)
Sanitation Utility	66,831	544	70,812	143			3,580	3,580
Golf Courses	4,899	118	4,282				(735)	(735)
Convention, Sports and Entertainment Venues	73,998	1,623	35,909		1,558		(38,154)	(38,154)
ARTIC Management	2,949		41		174		(2,734)	(2,734)
Total business-type activities	<u>635,151</u>	<u>8,637</u>	<u>613,899</u>	<u>143</u>	<u>12,339</u>		<u>(17,407)</u>	<u>(17,407)</u>
Total government	<u>\$ 1,274,296</u>	<u>\$</u>	<u>\$ 704,968</u>	<u>\$ 158,893</u>	<u>\$ 55,530</u>	<u>(337,498)</u>	<u>(17,407)</u>	<u>(354,905)</u>
General revenues:								
Taxes:								
Property taxes						86,256		86,256
Sales and use taxes						76,851		76,851
Transient occupancy taxes						122,735		122,735
Other taxes						8,796		8,796
Unrestricted investment earnings						15,371	18,756	34,127
Other						100		100
Transfers						<u>10,641</u>	<u>(10,641)</u>	
Total general revenues and transfers						<u>320,750</u>	<u>8,115</u>	<u>328,865</u>
Change in net position						(16,748)	(9,292)	(26,040)
Net position at beginning of year						<u>752,513</u>	<u>1,171,651</u>	<u>1,924,164</u>
Net position at end of year						<u>\$ 735,765</u>	<u>\$ 1,162,359</u>	<u>\$ 1,898,124</u>

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



(This page was intentionally left blank)

Balance Sheet

Governmental Funds

June 30, 2020 (In thousands)

	General	Housing Authority	Anaheim Resort Improvements	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 9,521	\$ 13,204		\$ 22,591	\$ 45,316
Investments	36,956	54,053		92,777	183,786
Accounts receivable, net	9,377	53		118	9,548
Accrued interest receivable	157	345	\$ 7	659	1,168
Due from other funds	5,836	9,024		14,776	29,636
Due from other governments	28,089	27		23,694	51,810
Inventories	176				176
Land held for resale, net		6,032		16,003	22,035
Prepaid and other assets	5,132	39		252	5,423
Restricted cash and cash equivalents	1,981	579	80,346	16,984	99,890
Restricted investments	8,183		33,675	20,671	62,529
Notes receivable, net	7,470	50,303		21,643	79,416
Due from Successor Agency				7,451	7,451
Total assets	<u>\$ 112,878</u>	<u>\$ 133,659</u>	<u>\$ 114,028</u>	<u>\$ 237,619</u>	<u>\$ 598,184</u>
LIABILITIES					
Accounts payable	\$ 11,902	\$ 764		\$ 10,730	\$ 23,396
Wages payable	4,848	127		287	5,262
Deposits	10,736	342		1,517	12,595
Due to other funds	41,147		\$ 3,725	16,674	61,546
Unearned revenue	1,942	2,177			4,119
Total liabilities	<u>70,575</u>	<u>3,410</u>	<u>3,725</u>	<u>29,208</u>	<u>106,918</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	9,492	43		16,330	25,865
Unavailable resources- long-term notes receivable		50,303		21,643	71,946
Unavailable resources - due from Successor Agency				7,451	7,451
Total deferred inflows of resources	<u>9,492</u>	<u>50,346</u>		<u>45,424</u>	<u>105,262</u>
FUND BALANCES:					
Nonspendable :					
Inventory	176				176
Prepaid and other assets	132	39		252	423
Restricted:					
Anaheim Resort maintenance and improvement				5,769	5,769
Capital projects				4,303	4,303
Claims and judgments	4,125				4,125
Community and economic development projects				19,184	19,184
Debt service			110,303	935	111,238
Development impact projects				83,005	83,005
Grant purposes	8,422			2,496	10,918
Homebuyer assistance programs		1,748		9,500	11,248
Low and moderate income housing		43,763			43,763
Rental assistance		2,774			2,774
Streets, roads and transportation improvement projects				41,109	41,109
Committed for neighborhood and community projects	2,250			4,039	6,289
Assigned:					
Capital projects				5,787	5,787
Debt service				1,662	1,662
Housing projects		31,579			31,579
Other purposes	6,752			26	6,778
Unassigned	10,954			(15,080)	(4,126)
Total fund balances	<u>32,811</u>	<u>79,903</u>	<u>110,303</u>	<u>162,987</u>	<u>386,004</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 112,878</u>	<u>\$ 133,659</u>	<u>\$ 114,028</u>	<u>\$ 237,619</u>	<u>\$ 598,184</u>

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

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

June 30, 2020 (In thousands)

Total fund balances - governmental funds	\$	386,004
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in the operation of governmental funds are not current financial resources and, therefore, are not reported in the funds. These assets consist of:		
Land	\$	674,159
Construction in progress		66,040
Buildings, structures and improvements		398,943
Machinery and equipment		72,090
Infrastructure		925,184
Accumulated depreciation		<u>(712,860)</u>
Total capital assets, net		1,423,556
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the funds.		105,262
Unamortized prepaid bond insurance (\$461) and deferred charge on refunding bonds (\$30,981) are not current financial resources, and, therefore, are not reported in the funds.		31,442
Internal service funds are used by management to charge the costs of certain activities, such as insurance, employee benefits, and fleet services, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.		24,806
Compensated absences, not otherwise included in the internal service funds, are not due and payable in the current period and, therefore, are not reported in the funds.		(677)
Certain liabilities are not due and payable in the current period, and therefore, are not reported in the funds.		(22,580)
Effects of net pension obligation and other post employment benefits (OPEB) obligations are not due and payable in the current period, and therefore, are not reported in the funds.		
Deferred outflows of resources	104,239	
Net OPEB obligation	(111,128)	
Net pension obligation	(585,331)	
Deferred inflows of resources	<u>(35,291)</u>	(627,511)
Long-term liabilities of governmental funds, including bonds (\$562,005), notes and loans payable (\$18,544), and accrued interest payable (\$3,988) are not due and payable in the current period and, therefore, are not reported in the funds.		<u>(584,537)</u>
Net position of governmental activities	\$	<u>735,765</u>

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2020 (In thousands)

	General	Housing Authority	Anaheim Resort Improvements	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 86,256				\$ 86,256
Sales and use taxes	76,898				76,898
Transient occupancy taxes	122,351				122,351
Other taxes	8,024				8,024
Licenses, fees and permits	21,234	\$ 65		\$ 5,328	26,627
Intergovernmental revenues	24,946	96,971		45,168	167,085
Charges for services	31,279			19,648	50,927
Fines, forfeits and penalties	2,658				2,658
Use of money and property	4,438	11,762	\$ 730	12,393	29,323
Other	1,122	329		146	1,597
Contribution from property owners				3,124	3,124
Total revenues	379,206	109,127	730	85,807	574,870
Expenditures:					
Current:					
City Council	871				871
City Administration	15,979				15,979
City Attorney	7,603			115	7,718
City Clerk	985			1	986
Human Resources	2,048				2,048
Finance	5,978		135		6,113
Police	163,939			6,369	170,308
Fire & Rescue	85,164			513	85,677
Community & Economic Development	2,571	97,778		11,696	112,045
Planning & Building	23,134			1,364	24,498
Public Works	22,941			14,081	37,022
Community Services	39,554			1,136	40,690
Public Utilities	2,397				2,397
Convention, Sports & Entertainment	816			10,958	11,774
Capital outlay	2,132	22,080		46,905	71,117
Debt service:					
Principal retirement			15,127	3,448	18,575
Interest charges			76,164	1,901	78,065
Total expenditures	376,112	119,858	91,426	98,487	685,883
Excess (deficiency) of revenues over (under) expenditures	3,094	(10,731)	(90,696)	(12,680)	(111,013)
Other financing sources (uses):					
Transfers in	28,755	523	44,713	4,443	78,434
Transfers out	(63,097)			(4,696)	(67,793)
Total other financing sources (uses)	(34,342)	523	44,713	(253)	10,641
Net change in fund balances	(31,248)	(10,208)	(45,983)	(12,933)	(100,372)
Fund balances at beginning of year	64,059	90,111	156,286	175,920	486,376
Fund balances at end of year	\$ 32,811	\$ 79,903	\$ 110,303	\$ 162,987	\$ 386,004

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

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

Year Ended June 30, 2020 (In thousands)

Net change in fund balances - total governmental funds	\$ (100,372)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$71,117) exceeded depreciation (\$37,198) in the current period.	33,919
The net effect of other miscellaneous transactions involving capital assets (i.e., sales, trade-in, retirements and contributions) is to increase net position.	15,415
Certain revenues in the Statement of Activities do not provide current financial resources and therefore, are not reported as revenues in the governmental funds.	13,780
Collections of notes and long-term receivables provide current financial resources to governmental funds but reduce receivables in the Statement of Net Position.	(6,466)
Partial defeasance of capital appreciation bond principal and accretion uses current financial resources in the governmental funds but decreases long-term liabilities (\$23,692) and increase in deferred expenses (\$27,398) in the Statement of Net Position.	51,090
Loan disbursements in the governmental funds use current financial resources but increase receivables in the Statement of Activities	5,110
Certain expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	(2,557)
Payments of principal on long-term debt use current financial resources in the governmental funds, but the repayments reduce long-term liabilities in the Statement of Net Position.	18,575
Net effect of accrued net pension and OPEB liabilities and the related deferred outflows and deferred inflows of resources are not reported as expenditures in the funds.	(43,665)
Internal service funds are used by management to charge the costs of certain activities, such as insurance, employee benefits, and fleet services, to individual funds. The net expense of the internal service funds is reported with governmental activities.	<u>(1,577)</u>
Change in net position of governmental activities	<u>\$ (16,748)</u>

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Budgetary Basis Actual - General Fund

Year Ended June 30, 2020 (In thousands)

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:				
Property taxes	\$ 87,558	\$ 83,944	\$ 86,256	\$ 2,312
Sales and use taxes	88,693	88,693	76,898	(11,795)
Transient occupancy taxes	173,372	173,372	122,351	(51,021)
Other taxes	8,302	8,302	8,024	(278)
Licenses, fees and permits	20,789	20,789	21,234	445
Intergovernmental revenues	3,442	3,442	24,946	21,504
Charges for services	31,635	31,635	31,279	(356)
Fines, forfeits and penalties	2,900	2,900	2,658	(242)
Use of money and property	2,705	2,705	4,438	1,733
Other	(2,624)	990	1,122	132
Total revenues	<u>416,772</u>	<u>416,772</u>	<u>379,206</u>	<u>(37,566)</u>
Expenditures:				
City Council	999	1,034	871	(163)
City Administration	10,786	15,979	15,979	
City Attorney	7,638	7,638	7,620	(18)
City Clerk	1,265	1,271	985	(286)
Human Resources	2,187	2,187	2,048	(139)
Finance	6,138	6,182	5,982	(200)
Police	165,343	168,365	164,011	(4,354)
Fire & Rescue	82,213	85,917	85,344	(573)
Community and Economic Development	2,761	3,761	2,699	(1,062)
Planning & Building	23,785	23,943	23,134	(809)
Public Works	20,956	24,236	24,236	
Community Services	36,869	40,158	40,158	
Public Utilities	2,606	2,606	2,397	(209)
Convention, Sports and Entertainment	898	898	816	(82)
Total expenditures	<u>364,444</u>	<u>384,175</u>	<u>376,280</u>	<u>(7,895)</u>
Excess of revenues over expenditures	<u>52,328</u>	<u>32,597</u>	<u>2,926</u>	<u>(29,671)</u>
Other financing sources (uses):				
Transfers in	28,714	28,714	29,206	492
Transfers out	(89,624)	(89,624)	(63,097)	26,527
Total other financing uses	<u>(60,910)</u>	<u>(60,910)</u>	<u>(33,891)</u>	<u>27,019</u>
Net change in fund balance	(8,582)	(28,313)	(30,965)	(2,652)
Fund balance at beginning of year	<u>64,059</u>	<u>64,059</u>	<u>64,059</u>	
Fund balance at end of year	<u>\$ 55,477</u>	<u>\$ 35,746</u>	<u>33,094</u>	<u>\$ (2,652)</u>
Adjustment to reconcile to GAAP:				
Receipt of interfund loan			(451)	
Payment of interfund loan			151	
Prepaid maintenance			17	
Ending fund balance - GAAP basis			<u>\$ 32,811</u>	

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

Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Budgetary Basis Actual - Housing Authority Year Ended June 30, 2020 (In thousands)

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:				
Licenses, fees and permits	\$ 60	\$ 60	\$ 65	\$ 5
Intergovernmental revenues	100,620	100,620	96,971	(3,649)
Use of money and property	2,488	2,488	11,762	9,274
Other			329	329
Total revenues	<u>103,168</u>	<u>103,168</u>	<u>109,127</u>	<u>5,959</u>
Expenditures:				
Community and Economic Development	122,569	146,733	126,579	(20,154)
Total expenditures	<u>122,569</u>	<u>146,733</u>	<u>126,579</u>	<u>(20,154)</u>
Deficiency of revenues under expenditures	<u>(19,401)</u>	<u>(43,565)</u>	<u>(17,452)</u>	<u>26,113</u>
Other financing sources (uses):				
Transfers in		523	523	
Transfers out	(98)	(98)	(155)	(57)
Total other financing sources	<u>(98)</u>	<u>425</u>	<u>368</u>	<u>(57)</u>
Net change in fund balance	(19,499)	(43,140)	(17,084)	26,056
Fund balance at beginning of year	<u>90,111</u>	<u>90,111</u>	<u>90,111</u>	
Fund balance at end of year	<u>\$ 70,612</u>	<u>\$ 46,971</u>	<u>73,027</u>	<u>\$ 26,056</u>
Adjustments to reconcile to GAAP:				
Park fee credits used for development loans			(552)	
Purchase of land held for resale, subsequently exchange for an interfund loan			7,270	
Prepaid maintenance			3	
Payment for an interfund loan			155	
Ending fund balance - GAAP basis			<u>\$ 79,903</u>	

Statement of Net Position Proprietary Funds June 30, 2020 (In thousands)

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service	
	Electric Utility	Water Utility	Sanitation Utility	Golf Courses	Convention, Sports and Entertainment Venues	ARTIC Management		Total
ASSETS								
Current assets:								
Cash and cash equivalents	\$ 13,923	\$ 10,511	\$ 9,812	\$ 40	\$ 10,530		\$ 44,816	\$ 14,590
Investments	57,490	43,405	40,515		43,279		184,689	60,253
Restricted cash and cash equivalents	16,058	6,523	2,316		4,191		29,088	194
Restricted investments	47,705	7,223	8,805				63,733	
Accounts receivable, net	46,267	6,734	8,748	54	232	\$ 113	62,148	3,308
Accrued interest receivable	1,650	311	381		320		2,662	460
Interfund receivable	567				15		582	1,417
Inventories	23,156	669		47			23,872	1,393
Prepaid and other assets	36,877	1,553	2	26	12		38,470	861
Total current assets	<u>243,693</u>	<u>76,929</u>	<u>70,579</u>	<u>167</u>	<u>58,579</u>	<u>113</u>	<u>450,060</u>	<u>82,476</u>
Noncurrent assets:								
Restricted cash and cash equivalents, less current portion	48,654	14,936	2,954		5,788		72,332	
Restricted investments, less current portion	152,783	9,994	12,034		7,096		181,907	
Accounts receivable, less current portion								
Interfund receivable, less current portion	1,951						1,951	33,047
Prepaid and other assets	80,696						80,696	
Capital assets:								
Land	34,243	2,339	316	1,949	21,330	32,523	92,700	
Buildings, structures and improvements			131,986	18,858	709,586	171,041	1,031,471	11,309
Utility plant	1,365,370	503,877					1,869,247	
Machinery and equipment			8,506	1,266	39,932	2,686	52,390	72,219
Construction in progress	210,135	47,261	4,841		928		263,165	2,918
Total capital assets	1,609,748	553,477	145,649	22,073	771,776	206,250	3,308,973	86,446
Less accumulated depreciation	(607,682)	(174,139)	(30,552)	(13,915)	(308,968)	(12,762)	(1,148,018)	(53,161)
Capital assets, net	<u>1,002,066</u>	<u>379,338</u>	<u>115,097</u>	<u>8,158</u>	<u>462,808</u>	<u>193,488</u>	<u>2,160,955</u>	<u>33,285</u>
Total noncurrent assets	<u>1,286,150</u>	<u>404,268</u>	<u>130,085</u>	<u>8,158</u>	<u>475,692</u>	<u>193,488</u>	<u>2,497,841</u>	<u>66,332</u>
Total assets	<u>1,529,843</u>	<u>481,197</u>	<u>200,664</u>	<u>8,325</u>	<u>534,271</u>	<u>193,601</u>	<u>2,947,901</u>	<u>148,808</u>
DEFERRED OUTFLOWS OF RESOURCES:								
Deferred charges on refunding bonds	8,315	4,203			14		12,532	
Deferred OPEB related items	3,240	883	624	34	879		5,660	1,549
Deferred pension related items	13,253	3,465	1,767	125	3,691		22,301	4,354
Total deferred outflows of resources	<u>24,808</u>	<u>8,551</u>	<u>2,391</u>	<u>159</u>	<u>4,584</u>		<u>40,493</u>	<u>5,903</u>

(continued)

Statement of Net Position

Proprietary Funds

June 30, 2020 (In thousands)(continued)

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service	
	Electric Utility	Water Utility	Sanitation Utility	Golf Courses	Convention, Sports and Entertainment Venues	ARTIC Management		Total
LIABILITIES								
Current liabilities (payable from current assets):								
Accounts payable	\$ 42,286	\$ 13,966	\$ 4,478	\$ 321	\$ 1,301	\$ 29	\$ 62,381	\$ 7,496
Wages payable	815	331	149	8	238		1,541	4,739
Interest payable					1,771		1,771	20
Other long-term liabilities				61			61	31,933
Long-term debts	7,992		737		2,403	3,500	14,632	1,074
Unearned revenues					1,637		1,637	2,287
Deposits	7,642	527	782	106	4,269	6	13,332	
Interfund payable		344		1,811		15	2,170	1,541
Total current liabilities (payable from current assets)	<u>58,735</u>	<u>15,168</u>	<u>6,146</u>	<u>2,307</u>	<u>11,619</u>	<u>3,550</u>	<u>97,525</u>	<u>49,090</u>
Current liabilities (payable from restricted assets):								
Accounts payable	4,285	4,774	184		4,191		13,434	
Wages payable	221		11				232	
Interest payable	7,742	2,204	905				10,851	
Long-term debts	21,049	4,970	513				26,532	
Total current liabilities (payable from restricted assets)	<u>33,297</u>	<u>11,948</u>	<u>1,613</u>		<u>4,191</u>		<u>51,049</u>	
Total current liabilities	<u>92,032</u>	<u>27,116</u>	<u>7,759</u>	<u>2,307</u>	<u>15,810</u>	<u>3,550</u>	<u>148,574</u>	<u>49,090</u>
Noncurrent liabilities:								
Interfund payable, less current portion		1,376					1,376	
Interest payable, less current portion						3,516	3,516	
Other long-term liabilities, less current portion	6,391			137			6,528	52,483
Long-term debts, less current portion	707,339	203,144	49,892		223,124	6,000	1,189,499	63
Net OPEB liability	21,224	7,667	5,118	275	6,978		41,262	9,117
Net pension liabilities	94,322	29,458	15,516	1,032	32,859		173,187	31,785
Provision for decommissioning costs	87,235						87,235	
Total noncurrent liabilities	<u>916,511</u>	<u>241,645</u>	<u>70,526</u>	<u>1,444</u>	<u>262,961</u>	<u>9,516</u>	<u>1,502,603</u>	<u>93,448</u>
Total liabilities	<u>1,008,543</u>	<u>268,761</u>	<u>78,285</u>	<u>3,751</u>	<u>278,771</u>	<u>13,066</u>	<u>1,651,177</u>	<u>142,538</u>
DEFERRED INFLOWS OF RESOURCES								
Regulatory credits	106,501	2,501					109,002	
Regulated business activities	26,862						26,862	
Deferred item on refunding bonds	5,955	2,499	545				8,999	
Deferred OPEB related items	4,119	1,479	1,075	135	1,384		8,192	1,925
Deferred pension related items	2,518	683	1,082	143	1,576		6,002	1,243
Total deferred inflows of resources	<u>145,955</u>	<u>7,162</u>	<u>2,702</u>	<u>278</u>	<u>2,960</u>		<u>159,057</u>	<u>3,168</u>
NET POSITION								
Net investment in capital assets	361,934	197,859	73,511	7,943	248,771	183,988	1,074,006	30,044
Restricted for:								
Debt service	21,053	3,448	513				25,014	
Capital projects	15,839	3,321	14,183				33,343	
Other purposes	7,712						7,712	
Unrestricted	(6,385)	9,197	33,861	(3,488)	8,353	(3,453)	38,085	(21,039)
Total net position	<u>\$ 400,153</u>	<u>\$ 213,825</u>	<u>\$ 122,068</u>	<u>\$ 4,455</u>	<u>\$ 257,124</u>	<u>\$ 180,535</u>	<u>1,178,160</u>	<u>\$ 9,005</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.							(15,801)	
Net position of business-type activities							<u>\$ 1,162,359</u>	

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

Statement of Revenues, Expenses and Changes in Net Position

Proprietary Funds

Year Ended June 30, 2020 (In thousands)

	Business-type Activities - Enterprise Funds							Governmental Activities - Internal Service Funds
	Electric Utility	Water Utility	Sanitation Utility	Golf Courses	Convention, Sports and Entertainment Venues	ARTIC Management	Total	
Operating revenues:								
Sales of retail and wholesale electricity, net	\$ 383,856						\$ 383,856	
Transmission revenues	30,189						30,189	
Sales of water, net		\$ 83,908					83,908	
Solid waste collection fees			\$ 49,846				49,846	
Wastewater fees			14,543				14,543	
Street cleaning fees			3,247				3,247	
Green fees and cart rentals				\$ 3,964			3,964	
Facilities rental					\$ 28,549	\$ 17	28,566	
Concession fees				216	5,597		5,813	
Charges for services								\$ 158,698
Other	3,867	1,035	3,176	102	1,763	24	9,967	481
Total operating revenues	417,912	84,943	70,812	4,282	35,909	41	613,899	159,179
Operating expenses:								
Cost of purchased power	265,626						265,626	
Fuel and generation of power	805						805	
Cost of purchased water		40,952					40,952	
Treatment and pumping of water		6,712					6,712	
Maintenance, operations and administration	67,525	20,620	62,479	4,446	46,205	397	201,672	62,704
Insurance premiums and claims								26,262
Compensated absences and other benefits								72,979
Depreciation	45,670	12,474	3,082	554	19,311	2,328	83,419	5,216
Total operating expenses	379,626	80,758	65,561	5,000	65,516	2,725	599,186	167,161
Operating income (loss)	38,286	4,185	5,251	(718)	(29,607)	(2,684)	14,713	(7,982)
Nonoperating income (expenses):								
Intergovernmental revenues			143				143	
Investment income	8,834	3,606	3,386	(39)	2,969		18,756	4,451
Interest expense	(23,561)	(7,444)	(1,563)	(4)	(9,750)	(224)	(42,546)	(100)
Gain (loss) from disposal of capital assets			(29)		(22)		(51)	49
Total nonoperating income (expenses)	(14,727)	(3,838)	1,937	(43)	(6,803)	(224)	(23,698)	4,400
Income (loss) before contributions and transfers	23,559	347	7,188	(761)	(36,410)	(2,908)	(8,985)	(3,582)
Capital contributions	8,844	1,763			1,558	174	12,339	
Transfers in	277	600			13,865	3,852	18,594	
Transfers out	(23,991)	(1,472)	(2,841)		(931)		(29,235)	
Change in net position	8,689	1,238	4,347	(761)	(21,918)	1,118	(7,287)	(3,582)
Net position at beginning of year	391,464	212,587	117,721	5,216	279,042	179,417		12,587
Net position at end of year	\$ 400,153	\$ 213,825	\$ 122,068	\$ 4,455	\$ 257,124	\$ 180,535		\$ 9,005
							(2,005)	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.								
Change in net position of business-type activities							\$ (9,292)	

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

Statement of Cash Flows

Proprietary Funds

Year Ended June 30, 2020 (In thousands)

	Business-type Activities - Enterprise Funds						Total	Governmental Activities - Internal Service Funds
	Electric Utility	Water Utility	Sanitation Utility	Golf Courses	Convention, Sports & Entertainment Venues	ARTIC Management		
Cash flows from operating activities:								
Receipts from customers and users	\$ 417,090	\$ 84,049	\$ 67,113	\$ 4,114	\$ 36,743	\$ 73	\$ 609,182	
Receipts from interfund services provided	2,355	340	69				2,764	\$ 158,698
Payments to suppliers	(267,331)	(50,053)	(48,640)	(3,723)	(19,273)	(352)	(389,372)	(35,774)
Payment of decommissioning costs	(5,204)						(5,204)	
Payments for salaries, wages and other benefits	(51,488)	(16,840)	(8,775)	(563)	(21,785)		(99,451)	(89,608)
Payments for interfund services used	(15,302)	(5,785)	(4,461)	(274)	(4,072)	(60)	(29,954)	(5,315)
Payments for insurance premiums and claims								(18,303)
Other receipts	4,016		3,087	406		119	7,628	492
Net cash provided by (used for) operating activities	84,136	11,711	8,393	(40)	(8,387)	(220)	95,593	10,190
Cash flows from noncapital financing activities:								
Receipt of interfund balances	542			1,811		15	2,368	1,651
Payment of interfund balances	(296)	(344)		(1,439)	(15)	(147)	(2,241)	(34,643)
Transfers in	277	600				352	1,229	
Transfers out	(23,991)	(1,472)	(2,841)		(931)		(29,235)	
Draw from line of credit	100,000						100,000	
Repayment of line of credit	(100,000)						(100,000)	
Operating grant receipts			223				223	
Net cash provided by (used for) noncapital financing activities	(23,468)	(1,216)	(2,618)	372	(946)	220	(27,656)	(32,992)
Cash flows from capital and related financing activities:								
Proceeds from sale of capital assets								141
Capital contributions	4,600	18					4,618	
Capital purchases	(64,308)	(25,326)	(2,898)	(199)	(6,937)		(99,668)	(4,188)
Proceeds from issuance of bonds	70,465	45,364					115,829	
Bond reserve fund transferred to refunded bond escrow	(9,414)						(9,414)	
Bond issuance costs	(444)	(358)					(802)	
Principal payments on long-term debt	(25,035)	(3,640)	(1,190)	(50)	(6,357)	(3,500)	(39,772)	(2,444)
Interest payments	(29,361)	(7,275)	(2,234)	(4)	(10,815)		(49,689)	(120)
Receipts of capital grant								256
Transfer in for capital purpose					13,865	3,500	17,365	
Interfund payment for capital purpose								(46)
Net cash provided by (used for) capital and related financing activities	(53,497)	8,783	(6,322)	(253)	(10,244)		(61,533)	(6,401)
Cash flows from investing activities:								
Purchase of investment securities	(53,903)	(19,807)	(27,489)		(14,741)		(115,940)	(11,607)
Proceeds from sale and maturity of investment securities	67,265	8,586	29,494		22,753		128,098	36,258
Interest received	3,926	1,797	1,776		1,696		9,195	1,550
Interest paid				(39)			(39)	(41)
Net cash provided by (used for) investing activities	17,288	(9,424)	3,781	(39)	9,708		21,314	26,160
Increase (decrease) in cash and cash equivalents	24,459	9,854	3,234	40	(9,869)		27,718	(3,043)
Cash and cash equivalents at beginning of the year	54,176	22,116	11,848		30,378		118,518	17,827
Cash and cash equivalents at end of the year	\$ 78,635	\$ 31,970	\$ 15,082	\$ 40	\$ 20,509	\$	\$ 146,236	\$ 14,784

(continued)

Statement of Cash Flows

Proprietary Funds

Year Ended June 30, 2020 (In thousands)

	Business-type Activities - Enterprise Funds							Governmental Activities - Internal Service Funds
	Electric Utility	Water Utility	Sanitation Utility	Golf Courses	Convention, Sports & Entertainment Venues	ARTIC Management	Total	
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:								
Operating income (loss)	\$ 38,286	\$ 4,185	\$ 5,251	\$ (718)	\$ (29,607)	\$ (2,684)	\$ 14,713	\$ (7,982)
Adjustment to reconcile operating income (loss) to net cash provided by (used for) operating activities:								
Depreciation and amortization	45,670	12,474	3,082	554	19,311	2,328	83,419	5,216
Contributed small equipments						62	62	
Changes in assets, deferred outflows of resources, liabilities, and deferred outflows of resources:								
Accounts receivable	(4,463)	(667)	(658)	135	1,809	231	(3,613)	1,055
Inventories	(3,415)	(1,026)		(48)			(4,489)	(375)
Prepays and other assets	(9,657)		1	(26)	3	149	(9,530)	227
Accounts payable and other accrued liability	4,503	(5,324)	(248)	(34)	(439)	(299)	(1,841)	589
Wages and benefits payable	8,404	1,956	850	(6)	1,511		12,715	3,928
Unearned revenues					4	(1)	3	(122)
Deposits	527	80	115	103	(979)	(6)	(160)	
Compensated absences and self-insurance liability								7,654
Provision for decommissioning liabilities	(5,204)						(5,204)	
Regulated business activities	4,016						4,016	
Regulatory credits	5,469	33					5,502	
Total adjustments	45,850	7,526	3,142	678	21,220	2,464	80,880	18,172
Net cash provided by (used for) operating activities	\$ 84,136	\$ 11,711	\$ 8,393	\$ (40)	\$ (8,387)	\$ (220)	\$ 95,593	\$ 10,190
Schedule of noncash investing, capital and noncapital financing activities:								
Increase in fair value of investments	\$ 4,876	\$ 1,789	\$ 1,537		\$ 1,309		\$ 9,511	\$ 2,926
Capital assets financed through capital leases				\$ 248			248	1,705
Capital contributions	4,244	1,745			1,558	\$ 112	7,659	
Refunded bond proceeds deposited in escrow to defease the outstanding revenue bond principal	184,498	32,201					216,699	
Defeasance of outstanding revenue bond principal	(173,880)	(30,495)					(204,375)	
Changes in accounts payable related to capital assets	(5,272)	(1,903)	68		(4,173)		(11,280)	
Amortization of bond premium (discount), deferred outflow/inflow, net	(7,044)	(731)	(646)		(944)		(9,365)	
Change in accrued interest payable	420	341	(25)		(120)		616	
Reconciliation of cash and cash equivalents:								
Cash and cash equivalents	\$ 13,923	\$ 10,511	\$ 9,812	\$ 40	\$ 10,530		\$ 44,816	\$ 14,590
Restricted cash and cash equivalents, current portion	16,058	6,523	2,316		4,191		29,088	194
Restricted cash and cash equivalents, noncurrent portion	48,654	14,936	2,954		5,788		72,332	
Total cash and cash equivalents	\$ 78,635	\$ 31,970	\$ 15,082	\$ 40	\$ 20,509		\$ 146,236	\$ 14,784

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

Statement of Fiduciary Net Position (Deficit)
Fiduciary Funds
June 30, 2020 (In thousands)

	Investment Trust Fund	Successor Agency Private Purpose Trust Fund	Agency Funds
ASSETS			
Restricted cash and cash equivalents	\$ 718	\$ 27,651	\$ 6,875
Restricted investments	2,963	1,580	4,812
Accrued interest receivable	24	66	
Accounts receivable, net		1	13
Notes receivable, net		210	
Prepaid and other assets		544	
Unamortized prepaid bond insurance		539	
Total assets	3,705	30,591	11,700
LIABILITIES			
Accounts payable		4	
Wages payable		6	
Interest payable		4,172	
Due to bond holders			11,700
Long-term liabilities:			
Long-term debts due within one year		9,205	
Other long-term liabilities due within one year		2,168	
Other long-term liabilities due in more than one year		18,893	
Long-term debts due in more than one year		156,534	
Total liabilities		190,982	\$ 11,700
DEFERRED INFLOWS OF RESOURCES			
Deferred gain on refunding bonds		414	
Total deferred outflows of resources		414	
NET POSITION			
Held in trust for pool participants	3,705		
Held in trust for other purposes (deficit)		(160,805)	
Total net position (deficit)	\$ 3,705	\$ (160,805)	

Statement of Changes in Fiduciary Net Position (Deficit)
Fiduciary Funds
Year Ended June 30, 2020 (In thousands)

	Investment Trust Funds	Successor Agency Private Purpose Trust Fund
ADDITIONS		
Property tax		\$ 20,743
Contributions to pooled investments	\$ 8,091	
Interest and investment income	198	1,003
Rental income		456
Other		
Total additions	<u>8,289</u>	<u>22,202</u>
DEDUCTIONS		
Distributions from pool investments	7,758	
Salaries and administration		447
Program expenses		9,399
Interest expense		6,139
Total deductions	<u>7,758</u>	<u>15,985</u>
Change in net position	531	6,217
Net position (deficit) held in trust at beginning of year	<u>3,174</u>	<u>(167,022)</u>
Net position (deficit) held in trust at end of year	<u>\$ 3,705</u>	<u>\$ (160,805)</u>



(This page was intentionally left blank)

Notes to Financial Statements

(Amounts in thousands)

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial reporting entity

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

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

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

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

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

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

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

The City is a participant in four joint ventures and jointly-owned properties (see note 14), which are not considered part of the financial reporting entity, as the City does not have significant equity interests in the joint ventures and jointly-owned properties.

The City is a participant in the California Municipal Finance Authority (CMFA), a non-profit Joint Power Authority created to strengthen local communities by assisting with the financing of economic development and charitable activities throughout the State of California. The CMFA acts as conduit issuer by assisting local governments, non-profits and businesses with the issuance of taxable and tax-exempt financing aimed at improving the quality of life in California. The City has no financial, budgeting and operational obligations and responsibilities of the CMFA. The CMFA is a jointly governed organization. The City has recorded assets and liabilities from the City's debt issuances through the CMFA in the business-type activities and funds of the City as applicable (see note 9).

Basic financial statements

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

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

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

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

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

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

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

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

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

The City reports the following major governmental funds:

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

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

Anaheim Resort Improvements Debt Service Fund accounts for the accumulation of resources for payment of the principal and interest on the lease revenue bonds for the Anaheim Resort Improvements. Financing is provided by Lease Payment Measurement Revenues (LPMR).

The City reports the following major enterprise funds:

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

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

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

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

The Convention, Sports & Entertainment Venues Fund accounts for the operations of the Anaheim Convention Center, Angel Stadium of Anaheim, and The City National Grove of Anaheim. See note 14 for further discussions of the Angel Stadium of Anaheim and The City National Grove of Anaheim.

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

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

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

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

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

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

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

The Investment Trust Fund is used to account for the external portion of the City's investment pool, which commingles resources of legally separate entities administered by the City in an investment portfolio for the benefit of all participants. The entities include three Joint Powers Authorities (JPA) governed by local boards. The City separately maintains these entities' money in three individual funds; these funds represent the assets, primarily cash and investment, and the related net position held in trust by the City to disburse these monies on demand.

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

The Agency Funds are used to account for the monies collected and paid on behalf of the Mello-Roos Districts located in the City.

Measurement focus and basis of accounting

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

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

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

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

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

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

debt service, must legally be recovered through fees and charges, or it is the policy of the City to establish activity fees or charges to recover the cost of providing services, including capital costs.

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

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

The reporting focus for the investment trust fund and the private-purpose trust fund is upon net position and changes in net position and employs accounting principles similar to proprietary funds. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

Cash and investments

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

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

in the City's cash and investments pool and in accounts held by fiscal agents.

Notes receivable

In the government-wide financial statements, notes receivable of \$79,416 includes accrued interest receivable of \$24,646, ranging from 3% to 10% interest per annum, and is net of allowances of \$35,269 for uncollectible accounts at June 30, 2020. Allowances for uncollectible accounts were estimated based on certain assumptions; therefore, actual results could differ from the estimates.

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

Inventories

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

Prepaid and other assets

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

Land held for resale

The Housing Authority has recorded parcels of land held for resale in their financial records. The properties held for resale are for the primary purpose of developing low and moderate income housing and are recorded at the lower of cost or estimated net realizable value. At June 30, 2020, land held for resale with an original cost of \$10,454 was recorded net of the allowance for decline in value of \$4,422 and totaled \$6,032, with this amount offset by a restriction of fund balance for low and moderate income housing in the Housing Authority major governmental fund financial statement.

The Long Range Property Management Plan nonmajor Special Revenue Fund records parcels of land held for resale transferred from the Successor Agency to the former Anaheim Redevelopment Agency on January 1, 2016 under the authorization of the approved Long Range Property Management Plan of the State of California Health and Safety Code Section 34191.5. The parcels are approved for future developments. The City has recorded the land held for resale equal to the net realizable value of these assets as recorded in the Successor Agency's financial records in the amount of \$16,003 net of allowance for decline in value of \$5,566 with a corresponding restriction in fund balance for future economic development.

Restricted assets

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

Capital assets

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

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

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

The costs of normal maintenance and repairs that do not add to the value of the capital asset or materially extend capital assets lives are not

capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

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

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

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

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

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

Debt issuance costs

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

Bond refunding costs

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

Accretion

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

Deferred outflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents

consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In the government-wide statement of net position, the City reported the following in this category:

1. Deferred charges on refunding bonds - A deferred charge on refunding bonds results from the difference in the carrying value of debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The City reported \$3,583 in governmental activities and \$12,532 in business-type activities in this category. The City also reported \$27,398 in deferred outflows of resources resulting from partial defeasance of future accreted value on bonds in governmental activities.
2. Deferred outflows of OPEB related items - these balances represent current fiscal year contribution to the OPEB Trust that will be applied as a reduction in net OPEB liability in the next fiscal year; or other items arising from changes in actuarial assumptions, difference between actual and projected experience, difference between actual and projected investment gains/losses or changes in a fund's proportionate share of the net OPEB liability; the amount will be amortized and reported as a component in OPEB expense in future fiscal years (refer to discussion of OPEB Plan). The City reported \$15,392 in governmental activities and \$5,660 in business-type activities in this category.
3. Deferred outflows of resources of pension related items - these balances represent current fiscal year contribution to the pension plans that will be applied as a reduction in net pension liability in the next fiscal year; or other items arising from changes in actuarial assumptions, difference between actual and projected experience, difference between actual and projected investment gains/losses or changes in a fund's proportionate share of the net pension liability; the amount will be amortized and reported as a component in pension expense in future fiscal years (refer to discussion of Pension Plans). The City reported \$94,750 in governmental activities and \$22,301 in business-type activities in this category.

Deferred inflows of resources

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

- Deferred inflow related to unavailable resources, which include revenues, notes and long-term receivable, measured under the modified accrual basis of accounting reported in governmental funds.

	General Fund	Housing Authority	Nonmajor Governmental Funds	Total
Governmental Funds:				
Grants	\$ 4,759	\$ 43	\$ 16,330	\$ 21,132
Other revenues	4,733			4,733
Long-term notes receivable		50,303	21,643	71,946
Due from successor agency			7,451	7,451
Total	<u>\$ 9,492</u>	<u>\$ 50,346</u>	<u>\$ 45,424</u>	<u>\$ 105,262</u>

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

	Business-type activities
Enterprise Funds:	
Electric Utility	\$ 106,501
Water Utility	2,501
Total	<u>\$ 109,002</u>

- Deferred inflow from regulated business activities related to amounts accumulated from collections from the Electric Utility customers reported in the business-type activities. These amount totaled \$26,862 represented the excess funding of asset retirement obligations primarily resulting from the accumulation of investment earnings from the decommissioning irrevocable trust account. Refer to note 1 on page 60 of the notes to the financial statements of this report.
- Deferred inflow related to refunding bonds includes gains from debt refunding. The City reports \$8,999 in business-type activities in this category.
- Deferred inflows of resources related to OPEB presents changes in total OPEB liability arising from changes in actuarial assumptions; difference between actual and projected plan experiences; difference between actual and projected investment gains/losses or changes of the Fund's proportionate share of the net OPEB liability. Refer to discussion of the OPEB Plan in note 13 of the notes to the financial statements on pages 96-100 of this report. The City reported \$20,976 in governmental activities and \$8,192 in business-type activities in this category.

These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available.

- Deferred inflows of resources related to pension are certain changes in total pension liability and fiduciary net position that are to be recognized as an increase in pension expenses in future fiscal years. These are the balances arise from changes in actuarial assumptions; difference between actual and projected experience; difference between actual and projected investment gains/losses or changes in the Fund's proportionate share of the Plan's net pension liability. Refer to discussion of Pension Plans in note 12 of the notes to the financial statements on pages 91-96 of this report. The City reported \$17,483 in governmental activities and \$6,002 in business-type activities in this category.

Regulatory credits

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

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

During fiscal year 2020 the Electric Utility recognized \$17,250 in RSA revenues. This amount is included in the operating revenues Sales of retail and wholesale electricity of the Electric Utility Enterprise Fund.

As of June 30, 2020, the PCA rates were \$0.100 per kWh for residential, general commercial, industrial and municipal customers and \$0.0048 for large commercial customers. The Electric Utility recorded deferred

inflows of resources for regulatory credits related to PCA totaled \$53,115. The EMA rates were \$0.0055 per kWh for residential, general commercial, industrial and municipal customers and \$0.0105 per kWh for large commercial customers. The deferred inflows of resources recorded for regulatory credits related to EMA totaled \$53,386.

The Water Utility’s rates, rules and regulations provide for a water regulatory credit account to reflect variations in the cost of water to the Water Utility and provide more stable retail water rates to the customers of the City’s Water Utility. This rate stabilization account (RSA) provides increased flexibility by allowing the Water Utility to maintain financial performance indicators and goals specified in bond covenants. The account is funded through expense reimbursements such as water supply cost refunds received from the Metropolitan Water District and Orange County Water District and other miscellaneous credits and revenue. At June 30, 2020 the deferred inflows of resources recorded for regulatory credits totaled \$2,501 for the Water Utility. During fiscal year 2020, there was no RSA revenues recognized.

Compensated absences

Compensated absences, vacation and sick pay, for all City employees are generally paid by the General Benefits and Insurance Fund, an internal service fund. The General Benefits and Insurance Fund is reimbursed through payroll charges to all other funds based on estimates of benefits to be earned and used during the fiscal year. It is the policy of the City to pay all accumulated vacation pay when an employee retires or terminates. Accumulated sick pay in excess of 175 hours per employee is paid to employees at their then current rate of pay in January each year or upon termination from the City. Employees are paid for all accumulated sick pay when they retire from the City. Vested vacation and sick pay benefits are accrued when incurred in the General Benefits and Insurance Fund and at June 30, 2020, totaled \$23,571 and is included in other long-term liabilities in the Statement of Net Position. Also included in long-term liabilities in the Statement of Net Position at June 30, 2020, is compensatory time liability of \$677.

Changes in the City’s compensated absences liability in fiscal year 2020 were as follows:

Estimated compensated liability at beginning of year	\$ 21,822
Estimated compensated absence benefits earned	25,741
Compensated absences used	<u>(23,315)</u>
Compensated absences liability end of year	<u>\$ 24,248</u>

Asset Retirement Obligations (ARO)-Provision for decommissioning costs

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

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

On June 7, 2013, Southern California Edison (SCE) announced the permanent retirement of the SONGS plant. The Electric Utility’s minority interest in SONGS units 2 and 3 is approximately 2.4681% of the total decommissioning costs estimated at \$4,702,264 at June 30, 2020. SCE has decommissioning responsibility as well as majority interest of 75.7419%. Other minority owners are San Diego Gas and Electric 20.0%, and the City of Riverside Public Utilities 1.79%. The Electric Utility’s minority share interest in SONGS of 2.4681% of the total decommissioning liability, net of payments already made by the Electric Utility, is \$75,807 at June 30, 2020. The Electric Utility currently has assets of \$101,988 including accrued interest of \$715 in an irrevocable trust for the decommissioning costs. The overfunding amounts of \$26,181, recorded in the deferred inflows from regulated business activities at June 30, 2020, are held in trust that will be used to reduce rates in the future or return to Electric rate customers if there are any funds remaining at the completion of

decommissioning which is expected to take approximately 30 to 40 years. During fiscal year 2020, the Electric Utility paid \$5,204 related to SONGS decommissioning costs.

The Electric Utility was also previously a minority owner of the San Juan Generation Station (SJ) located in San Juan, New Mexico and is responsible for the future decommission costs related to its former ownership share in Units 2 and 3. The Electric Utility's minority share interest in SJ is 3.1% of the total estimated decommissioning liability of \$174,130. PNM Resources, Inc. has decommissioning responsibility as well as majority interest of 46.297%. Other minority owners are Texas-New Mexico Power Company 19.8%; Southern California Public Power Authority 12.71%; M-S-R Public Power Agency 8.7%; the City of Farmington, New Mexico 2.559%; Tri State Generation and Transmission Associates, Inc. 2.49%; the Incorporated County of Los Alamos, New Mexico 2.175%; and Utah Associated Municipal Power Systems 2.169%. By fiscal year 2022, it is estimated that the Electric's Utility percentage liability will decrease from 3.1% to an estimated 2.7% as the plant continues to operate after the Electric Utility transferred its ownership rights on December 31, 2017. As of June 30, 2020, the Electric Utility has recorded a provision for decommissioning costs for SJ of \$5,398 with assets of \$6,079 in the City's restricted cash account for the decommissioning costs. The overfunding amount of \$681, recorded in the deferred inflows from regulated business activities at June 30, 2020, will be returned to Electric rate customers if there are any funds remaining at the completion of the decommissioning which is expected to take approximately 20 to 40 years. The Electric Utility recorded its proportionate share of the asset retirement obligations based on its former ownership percentages of estimates made by the primary owners of the assets which measured their respective liability under standards set by the GASB.

During fiscal year 2020, the Kraemer Combustion Turbine plant (CT) located in the northeast part of the City was taken out of service and will be decommissioned as part of the Electric Utility's responsibility to provide for the repurposing of the site for use for future needs of our customers. The Electricity Utility owns 100% of the plant. The Electric Utility has recorded a provision for decommissioning costs for the CT of \$6,030.

The Electric Utility had the following asset retirement obligations as of June 30, 2020:

Asset	Obligating Event	Beginning	Additions	Payments	Ending
SONG	Ownership Agreement	\$ 81,011		\$ (5,204)	\$ 75,807
SJ	Ownership Agreement	5,398			5,398
CT	Ownership		\$ 6,030		6,030
		<u>\$ 86,409</u>	<u>\$ 6,030</u>	<u>\$ (5,204)</u>	<u>\$ 87,235</u>

Pension plan

Full-time City employees are members of the State of California Public Employees' Retirement System (CalPERS). The City's policy is to fund all annual required actuarially determined contribution (ADC); such costs to be funded are determined annually as of July 1 by the CalPERS's actuary. The City maintains three Pension Plans with CalPERS - Miscellaneous Plan, Police Safety Plan and Fire Safety Plan. See note 12 for further discussion.

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

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

Postemployment benefits other than pension (OPEB)

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

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

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

with the benefit terms. Investments are reported at fair value. See note 13 for further discussion.

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

Net position restricted by enabling legislation

The government-wide Statement of Net Position reports \$251,942 of governmental activities restricted net position, of which \$66,339 is restricted by enabling legislation.

Fund balances

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

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

imposed by the ordinance remains in place until a similar action by the City Council to remove or revise the limitation.

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

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

In all governmental funds, encumbered amounts have been restricted or assigned for specific purposes for which resources have already been allocated. At June 30, 2020, encumbrances totaled \$303, \$48 and \$5,471 in the General Fund, Housing Authority Special Revenue Fund, and other nonmajor governmental funds, respectively.

The accumulated deficit fund balances at June 30, 2020 of \$101 in the Workforce Development, \$201 in the Community Development Development Block Grant nonmajor Special Revenue Funds, \$13,674 in the Streets Construction, and \$760 in the Transportation Improvement Projects nonmajor Capital Project Funds, will be eliminated in future years by the receipt of reimbursements for grant expenditures.

Budgetary principles

The City is required by its charter to adopt an annual budget on or before June 30 for the ensuing fiscal year. The General, special revenue, debt service, and capital projects governmental fund types and proprietary fund types have legally adopted budgets approved by City Council. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the department level. From the effective date of the budget, the amounts stated herein as proposed expenditures/expenses become appropriations to the various City departments. Throughout the fiscal year the budget was amended to add supplemental

appropriations. All amendments to the budget which change the total appropriation amount for any department require City Council approval and all increases in appropriations in operating expenditures must be accompanied by an increase in revenue sources of a like amount to maintain a balanced budget. The City Manager has the authority to change individual budget line items within a department as long as the total department's appropriation amount is not changed.

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

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

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

Property taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on July 1 and are payable in two installments due on November 1 and February 1 and become delinquent after December 10 and April 10. The County of Orange, California (County) bills and collects the property taxes and remits them to the City in installments during the year. City property tax revenues are recognized when levied in the governmental funds to the extent that they result in current receivables collectible within 60 days after year-end. See note 8 for discussion of pledged property tax revenues.

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

Entitlements, shared revenues and grants

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

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

Revenue, net of uncollectible amount, is recorded in the period in which services are provided. Most residential and smaller commercial customers are billed bimonthly and all other customers monthly. At June 30, 2020 unbilled but earned service charges recorded in accounts receivable for the Electric Utility, Water Utility, and Sanitation Utility Funds amounted to \$23,770, \$1,611, and \$4,132, respectively. See note 9 for discussion of pledged revenues.

Use of estimates

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

NOTE 2 – NEW ACCOUNTING PRONOUNCEMENTS

The City adopted the following new accounting pronouncements issued by the GASB during the current fiscal year ended June 30, 2020:

- *Statement No. 95, Postponement of the Effective dates of Certain Authoritative Guidance.* The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective for periods beginning after June 15, 2018, and later. This statement is effective immediately.
- *Implementation Guide No. 2018-1, Implementation Guide Update - 2018.* The objective of this Statement is to provide guidance that clarifies, explains, or elaborates on GASB Statements. The requirements of this Implementation Guide are effective for reporting periods beginning the fiscal year that ends June 30, 2020.

The City had implemented Statements No 83, 88, and 89 in the prior fiscal year. Implementations of the above GASB Statements have no material effect on amounts reported in the City's financial statements.

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

- Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how these activities should be reported. The requirements of this Statement are effective beginning with the fiscal year ends June 30, 2021.
- Statement No. 87, *Leases*. This statement establishes accounting and financial reporting standards focused on certain lease liabilities that currently are not reported. Comparability of financial statements among governments will be enhanced by requiring lessees and lessors to report leases under a single model. Decision-usefulness will also be enhanced by requiring notes to financial statements related to the timing, significance, and purpose of leasing arrangements. The requirements of this Statement are effective for reporting periods with the fiscal year that ends June 30, 2022.
- Statement No. 90, *Majority Equity Interests – An amendment of GASB Statement No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. The requirements of this Statement will take effect for financial statements with the fiscal year that ends June 30, 2021.
- Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement is effective for reporting periods beginning after June 30, 2023.

- Statement No. 92, *Omnibus 2020*. The Statement addresses a variety of practice issues that have been identified during implementation and application of certain GASB Statements including specific provisions in the effective date of Statement No. 87, *Leases*, and implementation Guide No 2019-3, *Leases*; accounting and financial reporting for pension and other postemployment benefits, reporting for intra-entity transfers of assets, fiduciary activities, measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition, reporting by public entity risk pools for amounts that are recoverable for reinsurers or excess insurers, nonrecurring fair value measurements of assets or liabilities and terminology used to refer to derivative instruments. The requirements of this Statement are effective as follows:

The effective date of Statement No. 87, and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments. The requirements are effective upon issuance.

The requirements related to intra-entity transfers of assets and those related to the applicability of Statement 73 and 74 are effective for fiscal years beginning after June 15, 2020.

The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2020.

The requirements related to the measurement of liabilities (and assets, if any) associated with AROS in a government acquisitions are effective for government acquisitions occurring in reporting periods beginning after June 15, 2020.

- Statement No. 93, *Replacement of Interbank Offered Rates*. The Statement establishes accounting and financial reporting requirements related to the replacement of Interbank Offered Rate (IBOR) in hedging derivative instruments and leases. It also identifies benchmark interest rates for hedging derivative instruments. The requirements of the Statement, except for paragraph 11b, are effective for reporting periods beginning after June 15, 2020. The requirement in paragraph 11b is effective for reporting periods ending after December 31, 2021 and all reporting periods thereafter.
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. A Public-Private and Public-Public Partnership (PPP) is an arrangement in which a

government (the transferor) contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital assets (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Availability payment arrangements (APS) have also been used in practice to procure governmental services. This Statement establishes standards of accounting and financial reporting for PPPs and APAs for governments. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter

- Statement No. 96, *Subscription-Based Information Technology Arrangements*. Subscription-Based Information Technology Arrangements (SBITAS) are arrangements that governments enter into vendor-provided information technology, software and associated tangible capital assets for subscription payments without granting governments perpetual license or title to the IT software and associated tangible capital assets. This Statement establishes accounting and financial reporting for SBITAS and the requirements for this Statement are effective for the fiscal year beginning after June 15, 2022, and all reporting periods thereafter.
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. An amendment of GASB Statement No. 14 and No. 84 and a supersession of GASB Statement No. 32*. This Statement requires that a Section 457 Plan be classified as either a pension plan or an other employee benefit plan depending on whether the plan meets the definition of a pension plan and clarifies that Statement 84, as amended, should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities. The requirements of this Statement are effective for fiscal years beginning after June 15, 2021.
- Implementation Guide No. 2019-1, *Implementation Guide Update-2019*. The requirements of this Implementation Guide will take effect for financial statements starting with the fiscal year that ends June 30, 2021.
- Implementation Guide No. 2019-3, *Leases*. The requirements of this Implementation Guide will take effect for financial statements starting with the fiscal year that ends June 30, 2022.

NOTE 3 – DEPOSITS AND INVESTMENTS:

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

The City's pooled investment fund has been reviewed by Standard and Poor's Corporation (S&P) and received a credit rating of AA+f/S1 in December 2017.

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

Deposits and investments are comprised of the following at June 30, 2020:

	Cash and Cash Equivalents	Investments	Restricted Cash and Cash Equivalents	Restricted Investments	Total
Governmental activities:					
General Fund	\$ 9,521	\$ 36,956	\$ 1,981	\$ 8,183	\$ 56,641
Housing Authority	13,204	54,053	579		67,836
Anaheim Resort Improvements			80,346	33,675	114,021
Nonmajor governmental funds	22,591	92,777	16,984	20,671	153,023
Internal service funds	14,590	60,253	194		75,037
Total governmental activities	59,906	244,039	100,084	62,529	466,558
Business-type activities:					
Electric Utility	13,923	57,490	64,712	200,488	336,613
Water Utility	10,511	43,405	21,459	17,217	92,592
Sanitation Utility	9,812	40,515	5,270	20,839	76,436
Golf Courses	40				40
Convention, Sports & Entertainment Venues	10,530	43,279	9,979	7,096	70,884
Total business-type activities	44,816	184,689	101,420	245,640	576,565
Government- wide totals	104,722	428,728	201,504	308,169	1,043,123
Fiduciary funds			35,244	9,355	44,599
Total cash and investments	\$ 104,722	\$ 428,728	\$ 236,748	\$ 317,524	\$ 1,087,722

Deposits and investments are comprised of the following at June 30, 2020:

Deposits	\$ 12,812
Investments	1,074,910
Total deposits and investments	<u>\$ 1,087,722</u>

At June 30, 2020, deposits of \$12,812 with a corresponding bank balance of \$21,088, were maintained in various federally regulated financial institutions. The difference of \$8,276 represents deposits in transit, outstanding checks, and other reconciling items. Deposits with bank balances of \$1,288 are insured by the Federal Depository Insurance Corporation. For deposits with bank balances totaling \$19,800, California state statutes require federally regulated financial institutions to secure a city's deposits by pledging collateral consisting of either government securities with a value of 110% of a city's total deposits or by pledging first trust deed mortgage notes having a value of 150% of a city's total deposits. The collateral is required by regulation to be held by the counterparty's agent in the name of the City.

Investments

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

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

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

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer	(S&P/ Moody's / Fitch)
U.S. Treasury obligations	5 Years	100%	None	None
U.S. agency securities	5 Years	100%	40%	None
Banker's acceptances	180 days	40%	5%	None
Commercial paper	270 days	25%	5%	A-1;P-1;F-1
Negotiable certificates of deposit	365 days	25%	5%	None
Repurchase agreements	1 Year	30%	None	None
Reverse repurchase agreements	90 days	20%	None	None
Medium-term corporate notes	5 Years	30%	5%	A-
Money market mutual funds	N/A	20%	10%	AAA
LAIF	N/A	\$50 million per account	\$50 million per account	None
Time Certificate of Deposit (TCD)	1 year	20%	5%	None
Supranationals	5 Years	20%	10%	AA

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

The City's pooled investments comply with the requirements of the investment policy. GAAP requires disclosure of certain investments in any one issuer that exceeds five percent concentration of the total investments. At June 30, 2020, the following investments represent five percent or more of the City's total pooled investments.

Issuer	Investment Type	Fair Value	%
Federal Farm Credit Bank	U.S. agency securities	\$ 124,603	20%
U.S. Treasury obligations	Treasury securities	113,779	18%
LAIF	Local Agency Investment Fund	70,757	11%
Federal Home Loan Bank	U.S. agency securities	64,447	10%
Wells Fargo Government Institution	Money Market Mutual Funds	44,368	7%
Federal Home Loan Mortgage Corporation	U.S. agency securities	31,012	5%
Fannie Mae	U.S. agency securities	30,972	5%

Investments authorized by debt agreements

Investment of debt proceeds held by bond trustees is governed by provisions of the debt agreements, rather than the general provisions of the Government Code or the City's investment policy. The table below

identifies the investment types that are authorized for investments held by bond trustees. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

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

At June 30, 2020, the following investments represent five percent or more of the City's total investments controlled by bond trustees:

Issuer	Investment Type	Fair Value	%
U.S. Treasury obligations	Treasury securities	\$114,269	25%
First American Treasury Obligations	Money market mutual fund	83,675	19%
Dreyfus Treasury	Money market mutual fund	80,508	18%
Federal Farm Credit Bank	U.S. agency securities	30,680	7%
Morgan Stanley	Flexible Repurchase Agreement	33,818	7%
Federal Home Loan Bank	U.S. agency securities	28,367	6%

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

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

The City is a voluntary participant in LAIF that is regulated by the California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City's investment in LAIF is carried at fair value in the accompanying financial statement based

on the pro-rata share of the fair value of each participating dollar as provided by LAIF. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

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

Custodial credit risk

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

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

Interest rate risk

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

Investments held by bond trustees are typically long-term securities which are not adversely affected by interest rate changes. Guaranteed investment contracts for construction funds are usually limited to three years or less. Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity at June 30, 2020.

City's investments (including investments held by bond trustees) to market interest rate fluctuations and the distribution of the City's investments by maturity at June 30, 2020:

Cash Equivalents & Investments	Credit Rating (S&P/Moody's)	Fair Value 6/30/2020	12 months or less	13 to 24 Months	25 to 36 Months	37 to 60 Months	More than 60 Months
Cash equivalents & investments controlled by City Treasurer:							
U.S. treasury obligations	AA+, Aaa	\$ 113,779	\$ 20,069	\$ 30,609	\$ 31,007	\$ 32,094	
U.S. agency securities	AA+, Aaa	251,034	10,054	46,015	63,418	131,547	
Medium term notes	AAA, Aaa	9,176	4,016	5,160			
Medium term notes	AA+, Aa1	15,905			15,905		
Medium term notes	AA+, Aaa	5,389				5,389	
Medium term notes	AA, Aa2	5,295			5,295		
Medium term notes	AA-, A1	5,089		5,089			
Medium term notes	AA-, Aa3	26,600	2,013		13,649	10,938	
Medium term notes	A+, A1	10,173	5,008	5,165			
Medium term notes	A+, Aa2	9,341		9,341			
Medium term notes	A+, Aa3	5,019	5,019				
Medium term notes	A, A1	3,161				3,161	
Medium term notes	A, A2	17,744		7,228		10,516	
Medium term notes	A- A2	11,682	6,019			5,663	
Medium term notes	A-, A3	10,245	5,022			5,223	
Supranationals	AAA, Aaa	5,110		5,110			
Money market mutual funds	AAA, Aaa	47,529	47,529				
LAIF	Unrated	70,757	70,757				
Total cash equivalents & investments controlled by City Treasurer		623,028	175,506	113,717	129,274	204,531	
Cash equivalents & investment controlled by bond trustees:							
U.S. treasury obligations	AA+, Aaa	85,585	54,038	10,761	20,786		
U.S. treasury obligations	P-1	28,684	28,684				
U.S. agency securities	AA+, Aaa	49,638	7,039	12,128	8,523	21,948	
U.S. agency securities	P-1	19,779	19,779				
Guaranteed investment agreements	Unrated	9,113	8,353			760	
Flexible repurchase agreements	Unrated	48,400					\$ 48,400
Money market mutual funds	Aaa	191,069	191,069				
Money market mutual funds	A1	76	76				
LAIF	Unrated	19,538	19,538				
Total cash equivalents & investments controlled by bond trustees		451,882	328,576	22,889	29,309	22,708	48,400
Total cash equivalents & Investments		\$ 1,074,910	\$ 504,082	\$ 136,606	\$ 158,583	\$ 227,239	\$ 48,400

Fair Value Measurement:

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

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

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

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

in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The City has the following recurring measurements as of June 30, 2020:

	6/30/2020	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant other Observable Inputs (Level 2)	Not Required to be leveled
Investment by fair value level				
Debt securities:				
U.S. Treasury Obligations	\$ 228,048	\$ 228,048		
U.S. Agency Securities	320,451	19,779	\$ 300,672	
Commercial Paper	5,110		5,110	
Medium Term Corporate Notes	134,819		134,819	
LAIF	90,295			\$ 90,295
Total investment measured at fair value	<u>778,723</u>	<u>\$ 247,827</u>	<u>\$ 440,601</u>	<u>\$ 90,295</u>
Investments measured at cost-based:				
Guaranteed investment contracts	9,113			
Flexible repurchase agreements	48,400			
Money Market Mutual Funds	238,674			
Total investment measured at cost-based	<u>296,187</u>			
Total pooled and bond trustee investments	<u>\$1,074,910</u>			

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

Accounts receivable

Accounts receivable for the City’s governmental and business-type activities, including the applicable allowance for uncollectible accounts at June 30, 2020, are as follows:

	Accounts Receivable	Less Allowance for Uncollectibles	Total
Governmental activities:			
General Fund	\$ 15,305	\$ (5,928)	\$ 9,377
Housing Authority	184	(131)	53
Nonmajor governmental funds	129	(11)	118
Internal service funds	3,308		3,308
Total governmental activities	<u>18,926</u>	<u>(6,070)</u>	<u>12,856</u>
Business-type activities:			
Electric Utility	48,888	(2,621)	46,267
Water Utility	7,286	(552)	6,734
Sanitation Utility	9,188	(440)	8,748
Golf Courses	54		54
Convention, Sports & Entertainment Venues	313	(81)	232
ARTIC Management	113		113
Total business-type activities	<u>65,842</u>	<u>(3,694)</u>	<u>62,148</u>
Total accounts receivable	<u>\$ 84,768</u>	<u>\$ (9,764)</u>	<u>\$ 75,004</u>

Due from other governments

Due from other governments for the City’s governmental activities at June 30, 2020, are as follows:

	Taxes	Grants	Other	Total
Governmental activities:				
General Fund	\$ 11,228	\$ 16,210	\$ 651	\$ 28,089
Housing Authority		27		27
Nonmajor governmental funds		23,685	9	23,694
Total due from other governments	<u>\$ 11,228</u>	<u>\$ 39,922</u>	<u>\$ 660</u>	<u>\$ 51,810</u>

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

General fund	\$ 3,136
Electric Utility	2,007
Water Utility	344
Sanitation Utility	476
Convention, Sports & Entertainment Venues	30
ARTIC Management	231
Total	<u>\$ 6,224</u>

Due from the Successor Agency

At June 30, 2020, the amount due from the Successor Agency is \$7,451. Due to the extended period of time over which the receivables for the HUD loan agreements are to be collected, the City has recorded expenditures at the time the loans were provided and deferred inflows of resources equal to the amount due in the nonmajor special revenues funds (\$3,998) and the nonmajor capital project fund (\$3,453).

- On April 1, 2003 the City and the former Anaheim Redevelopment Agency entered into a Cooperation Agreement whereby the City assisted the Redevelopment Agency with the development of Westgate utilizing \$10,000 of funds from the HUD Section 108 loan program. The amount is due to the City by annual installment through June 2024. At June 30, 2020, the amount due is \$3,453.
- On June 1, 2010, the City and the former Anaheim Redevelopment Agency entered into a Cooperation Agreement whereby the City assisted the Redevelopment Agency with the rehabilitation of the historic Packing House site utilizing \$7,000 of funds from the HUD Section 108 \$15,000 loan proceeds. The amount is due to the City by annual installment through June 2031. At June 30, 2020, the amount due is \$3,998.

Interfund receivable and payable balances

Net internal balances between governmental activities and business-type activities of \$16,814 are included in the government-wide financial statements at June 30, 2020.

Interfund receivables and payables that are included in the fund financial statements at June 30, 2020, are as follows:

	Interfund Receivable:						Total
	General Fund	Housing Authority	Nonmajor governmental funds	Internal service funds	Electric Utility	Convention, Sports and Entertainment	
Interfund Payable:							
Governmental Funds:							
General Fund		\$ 7,426		\$ 33,055	\$ 666		\$ 41,147
Anaheim Resort Improvements	\$ 3,725						3,725
Nonmajor governmental funds	300	1,598	\$ 14,776				16,674
Enterprise Funds:							
Water Utility					1,720		1,720
Golf Courses	1,811						1,811
ARTIC Management						\$ 15	15
Internal Service Funds							
				1,409	132		1,541
Total	\$ 5,836	\$ 9,024	\$ 14,776	\$ 34,464	\$ 2,518	\$ 15	\$ 66,633

All interfund balances at June 30, 2020 are generally short-term loans to relieve temporary cash deficits in various funds, except the following interfund balances that are expected to be repaid in more than one year:

General Fund

Due to general tax revenue shortfall resulting from the COVID-19 pandemic and the California Stay-At-Home order, during fiscal year 2020, the General Fund borrowed \$33 million from the General Benefits and Insurance Fund, an internal service fund of the City, to provide cash relieve for General Fund operations. The fund will be repaid over ten years at the City of Anaheim Treasury Investment Portfolio earning rate.

Electric Utility

- In 2015, the Public Utility Customer Service Information System Project was completed and placed in service. The Electric Utility paid for the total cost of the project. The Water Utility portion of the total cost is \$3,484, payable in annual amounts of not less than \$344 beginning July 2016 until July 2024. The outstanding balance at June 30, 2020 is \$1,720.
- The Public Utility, Public Works and Community Services Departments entered in various Memorandum of Understanding (MOU) whereby the Public Utility agreed to provide low-interest financial assistance to fund project costs in implementing

resource efficiency measures in various City facilities, City Parks and City libraries. The funds will be repaid over five years.

1. In October 2016, \$309 was provided to fund the costs of the security light and photocell replacement resource efficiency upgrading projects in various City parks. Interest rate is 0.65% per annum. Monthly principal and interest payment is \$5 payable from unrestricted general fund resources. At June 30, 2020, the balance is 176.
2. In November 2016, \$231 was provided to fund the costs of the general office lighting and parking garage structure resource efficiency upgrading projects. Interest rate is 0.65% per annum. Monthly principal and interest payment is \$4 payable from unrestricted resources of the Municipal Facility Maintenance internal service fund. At June 30, 2020, the balance is \$132.
3. In February 2019, \$295 was provided for the security lighting upgrade projects in various City parks. The interest rate is 2.11% per annum, principal and interest payment is \$5 payable from unrestricted general fund resources. At June 30, 2020, the balance is \$227.
4. In August 2019, \$296 was provided for the replacing, upgrading, retrofitting, and construction project materials, contract labor, and design services in various City-owned libraries. Interest rate is 2.35% per annum. Monthly principal and interest payment is \$5 payable from unrestricted general fund resources. At June 30, 2020, the balance is \$263.

Housing Authority

- In February 2018, the City and the Anaheim Housing Authority (Authority) entered into a Cooperation Agreement whereby the City and Housing Authority exchanged real property for the purpose of developing affordable housing. The market value of the Housing Authority property exceeded that of the City property by \$2,150; hence, the City agreed to provide \$2,150 in future Park Fee Credits to the Housing Authority for the benefit of affordable housing development. At June 30, 2020, the park fee credit due to the Housing Authority is \$1,598 from the Community Services Facilities nonmajor special revenue fund.
- On July 30, 2019, the Authority purchased 1213 & 1227 South Claudina Street ("Properties") from B&AINV 1 & 2 LLC at a purchase price of \$7,250. The Authority wishes to exchange the Properties for property owned by the City (yet to be determined) of equal value and suitable for low and moderate income housing purposes. Concurrently, the City entered into a Purchase & Sale Agreement

dated July 30, 2019 with ATN Asset Holding Co. LLC (ATN) for the sale of Properties for \$7,405 secured by a note and deed of trust for the entire amount. To facilitate the sale, the Properties were transferred from the Authority to the City. The City and the Authority entered into an Agreement and Escrow Instructions for

Delayed Exchange of Real Property for a replacement property, yet to be determined. Interfund due from and to in the amount of \$7,426 were reported in the Housing Authority and General Fund respectively with the General Fund reported a note receivable from ATN in the amount of \$7,405.

Certain interfund transactions

The following interfund transfers are reflected in the fund financial statements at June 30, 2020:

					Transfer In:				
	General Fund	Housing Authority	Anaheim Resort Improvements	Nonmajor governmental funds	Electric Utility	Water Utility	Enterprise Funds Convention, Sports & Entertainment Venues	ARTIC Management	Total
Transfer Out:									
General Fund			\$ 44,713	\$ 3,919		\$ 600	\$ 13,865		\$ 63,097
Nonmajor governmental funds	\$ 149	\$ 523		524				\$ 3,500	4,696
Electric Utility	23,991								23,991
Water Utility	1,195				\$ 277				1,472
Sanitation Utility	2,841								2,841
Convention, Sports & Entertainment Venues	579							352	931
Total	\$ 28,755	\$ 523	\$ 44,713	\$ 4,443	\$ 277	\$ 600	\$ 13,865	\$ 3,852	\$ 97,028

The net transfers between governmental funds and proprietary funds is \$10,641 which are primarily comprised of operational subsidies from enterprise funds to the General Fund and are offset by debt service subsidies to the ARTIC Management and Convention, Sports & Entertainment Venues Funds.

The City made the following major transfers during fiscal year ended June 30, 2020:

- Transfer of \$44,713 represents Lease Payment Measurement Revenues (LPMR) from the General Fund to the Anaheim Resort Improvements major Debt Service Fund which is held by the Trustee, see discussion on note 9 of the notes to the financial statements on page 78 of this report.
- Transfer of \$13,865 from the General Fund to the Convention, Sports & Entertainment Venues Enterprise Fund for debt service.
- Transfer of \$1,258 from the General Fund to the Municipal Facilities nonmajor Debt Service Fund for debt services.
- Transfer of \$2,395 from the General Fund to the Other Capital Improvements nonmajor Capital Project Fund for Public Safety 800 Megahertz (mHz) communication debt service (\$803);

Community Learning Center capital project (\$893), various Community Services and Public Works projects (\$449); and various neighborhood capital improvement projects (\$250).

- Transfer of \$517 from the Gas Tax nonmajor Special Revenue Fund to Street Construction nonmajor Capital Project Fund for street construction projects.
- Transfer of \$523 from the Grants nonmajor Special Revenue Fund to the Housing Authority major Special Revenue to provide funding for HOME grant eligible expenditures of the Manchester Orangewood housing projects.
- Transfer of \$600 from the General Fund to the Water Utility Enterprise Fund per the result of Measure N in the November 2014 election.
- Transfer of \$3,500 from the Gas Tax nonmajor Special Revenue Fund to the ARTIC Management Enterprise Fund for debt services on the ARTIC land acquisition loan as discussed on note 9 of the notes to the financial statements on page 83 of this report.
- Transfers of \$18,323 from the Electric Utility Enterprise Fund and \$2,841 from the Sanitation Utility Enterprise Fund to the General

Fund. As defined by City Charter, the transfer is equal to the maximum of 4% of total operating revenues of the current fiscal year.

- Transfer of \$5,668 from the Electric Utility Enterprise Fund and \$1,195 from the Water Utility Enterprise Fund to the General Fund. The amount represents the City Council approved transfer of 1.5% retail electric revenue and net water revenue of the prior fiscal year.

The net transfer of \$10,641 from the business-type activities to governmental activities in the government-wide Statement of Activities consisted of the net transfers described above.

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

NOTE 5: ECONOMIC ASSISTANCE AGREEMENTS - TAX ABATEMENTS (as defined by GASB Statement No. 77)

As of June 30, 2020, the City Council approved two Economic Assistance Agreements (Agreements) to developers. These Agreements related to constructions of a Hotel and retail spaces (Projects) within the City of Anaheim. There has been analysis of the feasibility gap between the costs of developing and operating the Projects and the costs that the Projects can finance and viably support. The feasibility gap for the Projects is the economic assistance that the City has committed to partially provide.

- In July 2002, the City entered into a Development and Economic Assistance Agreement (Agreement) with a developer to provide certain economic assistance to the developer in connection with the development of a seven story all-suites hotel (DoubleTree Hotel) on certain real property owned by developer and located in the City. The feasibility gap of the economic assistance is capped at \$12,908 in total for a period over 15 years expiring in fiscal year 2021 payable semi-annually calculated from the Transient Occupancy Tax (TOT), ranging from 5% to 40% in accordance to the Adjustment table of the Agreement. During fiscal year 2020, the developer received \$679 in economic assistance.
- In April 2006, the City entered into a Disposition and Development Agreement with a developer to construct and operate retail space (Garden-Walk) in Anaheim. Upon completion of the construction, the developer receives economic assistance equal to a portion of the sales tax that Garden-Walk generated for a period of 25 years expiring at the earlier of 1) December 2038 or 2) maximum

amount of \$15,600 in total which increases 8% annually starting on July 1, 2013. During fiscal year 2020, the developer received \$236 in economic assistance.

In addition, the City entered into several economic assistance agreements to provide assistance to partially fill the feasibility gap of the four-diamond hotel developments within the City. Provision of economic assistance is contingent upon completion of construction of the hotels, the commencement of and continued operations as a four-diamond quality hotel, and the generation of and payment to the City of TOT. The contemplated hotels have yet to be built, and therefore cannot operate, generate nor pay TOT, and as such no economic assistance is required by the City at this time. Once the hotels are constructed and operated at the required quality level, the City will use an amount equal to 70% of the TOT generated and paid to the City to fund the corresponding economic assistance of the following projects:

- In May 2013, the City entered into two economic assistance agreements for up to 866 hotel rooms, of a four-diamond quality, in two phases at the Garden-Walk. These agreements provide for City assistance in an amount equal to 70% of the TOT for the development of a Convention Hotel (of not less than 466 rooms) and a Resort Hotel (of not less than 350 rooms). The City's economic assistance obligation ends on the earlier of twenty years from completion of construction or, provision of assistance up to a not to exceed amount of approximately \$158 million.
- Further, in June 2015, the City established the Hotel Incentive Program to bring other four-diamond quality hotels to Anaheim. In accordance with the Hotel Incentive Program, the City entered into two additional economic assistance agreements in July 2016 with similar terms for 580 rooms at 1700 South Harbor with an estimated economic assistance from the City in an amount of \$145 million, and 634 rooms at 1030 West Katella Avenue with an estimated economic assistance from the City in an amount of \$148 million; thereby, creating the desired number of luxury rooms within the City. As such the program was rescinded for terminated for future developments in December 2016.

The following is a summary of economic assistance agreements:

Project	Expiration Date	Years Remaining	Tax Base for Calculation of Economic Assistance	% of Tax for Calculation of Economic Assistance	Maximum Economic Assistance Amount	Total Economic Assistance Paid in Fiscal Year 2020	Total Economic Assistance Paid to Date	Total Maximum Economic Assistance Remaining
DoubleTree Hotel	6/30/2021	1	TOT	5%-40%	\$ 12,908	\$ 679	\$ 11,565	\$ 1,343
GardenWalk Retail	12/31/2038	19	Sales	40%-50%	15,600	236	1,699	13,901
GardenWalk Hotel - 466+ Rooms	20 Years from Completion	20	TOT	70%	81,100			81,100
GardenWalk Resort Hotel - 350+ Rooms	20 Years from Completion	20	TOT	70%	76,900			76,900
1700 South Harbor - 580 Rooms	20 Years from Completion	20	TOT	70%	145,000			145,000
1030 West Katella Avenue - 634 Rooms	20 Years from Completion	20	TOT	70%	148,000			148,000

NOTE 6 - CAPITAL ASSETS

Capital asset activities for the year ended June 30, 2020, were as follows:

	Beginning Balance	Additions	Transfer In (Out)	Deletions	Ending Balance
Governmental activities:					
Nondepreciable assets:					
Land	\$ 653,769	\$ 21,137		\$ (747)	\$ 674,159
Construction in progress	48,848	54,532	\$ (34,409)	(13)	68,958
Total	702,617	75,669	(34,409)	(760)	743,117
Depreciable assets:					
Buildings, structures and improvements	398,971	8,406	6,591	(3,716)	410,252
Machinery and equipment	149,223	10,982	179	(16,075)	144,309
Infrastructure	897,787	74	27,639	(316)	925,184
Total	1,445,981	19,462	34,409	(20,107)	1,479,745
Total assets	2,148,598	95,131		(20,867)	2,222,862
Less accumulated depreciation for:					
Buildings, structures and improvements	(178,830)	(14,518)		3,419	(189,929)
Machinery and equipment	(103,520)	(8,291)		15,885	(95,926)
Infrastructure	(460,872)	(19,605)		311	(480,166)
Total accumulated depreciation	(743,222)	(42,414)		19,615	(766,021)
Total governmental activities capital assets, net	\$ 1,405,376	\$ 52,717	\$	\$ (1,252)	\$ 1,456,841
Business-type activities:					
Nondepreciable assets:					
Land	\$ 92,700				\$ 92,700
Construction in progress	278,200	\$ 85,717	\$ (100,726)	\$ (26)	263,165
Total	370,900	85,717	(100,726)	(26)	355,865
Depreciable assets:					
Buildings, structures and improvements	1,023,616	1,375	6,652	(172)	1,031,471
Utility plant	1,776,085	7,035	94,074	(7,947)	1,869,247
Machinery and equipment	51,048	1,397		(55)	52,390
Total	2,850,749	9,807	100,726	(8,174)	2,953,108
Total assets	3,221,649	95,524		(8,200)	3,308,973
Less accumulated depreciation for:					
Buildings, structures and improvements	(317,345)	(21,112)		148	(338,309)
Utility plant	(731,624)	(58,144)		7,947	(781,821)
Machinery and equipment	(23,780)	(4,163)		55	(27,888)
Total accumulated depreciation	(1,072,749)	(83,419)		8,150	(1,148,018)
Total business-type activities capital assets, net	\$ 2,148,900	\$ 12,105	\$	\$ (50)	\$ 2,160,955

Depreciation expense was charged to functions/programs of the City during fiscal year 2020 as follows:

Governmental activities:	
General government	\$ 116
Police	2,192
Fire	1,527
Community and Economic Development	2,172
Planning	47
Public Works	20,475
Community Services	5,042
Convention, Sports and Entertainment	5,627
Capital assets held by the City's internal service funds are charged	
to the various functions based on their usage of the assets	<u>5,216</u>
Total depreciation expense - governmental activities	<u>\$ 42,414</u>
Business-type activities:	
Electric Utility	\$ 45,670
Water Utility	12,474
Sanitation Utility	3,082
Golf Courses	554
Convention, Sports & Entertainment Venues	19,311
ARTIC Management	<u>2,328</u>
Total depreciation expense - business-type activities	<u>\$ 83,419</u>

Capitalized leases

Included in the capital assets amounts listed above are the following capitalized leased assets:

	Governmental Activities	Business-type Activities
Machinery and equipment	\$ 4,318	\$ 266
Less accumulated amortization	<u>(2,001)</u>	<u>(51)</u>
Capitalized leased assets, net	<u>\$ 2,317</u>	<u>\$ 215</u>

Operating leases

Housing Authority

At June 30, 2020, the Housing Authority earned revenues as the lessor of land, carried at cost of \$76,920 in the government-wide financial statements, under thirteen operating ground leases. These leases to developers are noncancelable. Terms of the leases range from 55 years to 65 years with lease expiration dates from 2060 to 2080. The total base rent to be collected over the terms of the leases are \$90,017 with simple interest accruing on unpaid portions at a rate ranging from 1% to 6%. Minimum lease payments are calculated annually, based on residual receipts, as defined in the lease agreements. At June 30, 2020, the Housing Authority has recorded lease receivables due from developers related to these transactions of \$7,794, net of allowances of \$14,159 for uncollected accounts in the government-wide financial statements. In the governmental fund financial statements, this amount is included in the \$50,303 notes receivable balance of the Housing Authority.

NOTE 7 – SELF INSURANCE:

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

At June 30, 2020, the City was funded at an actuarially acceptable level for self-funded retention for workers' compensation and general liability claim exposures (with retention levels of \$2,000 per occurrence for workers' compensation claims and \$1,000 per occurrence for general liability claims). Above these retained levels, the City's potential liability is covered through various commercial insurance and intergovernmental risk pooling programs (collectively, "Insurance"). Settled claims have not exceeded total Insurance in any of the past three years, nor does management believe that there are any pending claims that will exceed total Insurance coverage.

The unpaid claims liability included in the Insurance Fund is based on the results of actuarial studies and includes amounts for claims incurred-but-not-reported, known-claim development, and allocated loss adjustment expenses. Claims liabilities are calculated using a discount rate of 2.25% and consider the effects of inflation, multi-year

loss development trends, and other economic and social factors. It is the City's practice to obtain full actuarial studies annually for its retained levels for general liability and workers' compensation exposures. "Premiums" are charged by the Insurance Fund using allocation methods that include actual costs, trends in claims experience and applicable exposure bases.

Changes in claims liability of the General Benefits and Insurance Fund and that relates to the governmental funds and reported in the governmental activities in the government-wide Statement of Net Position in fiscal years 2020 and 2019 were as follows:

	<u>2020</u>	<u>2019</u>
Claims liability at beginning of year	\$ 53,247	\$ 54,312
Current year claims and changes in estimates	19,223	11,149
Claims payments	<u>(13,922)</u>	<u>(12,214)</u>
Claims liability at end of year	<u>\$ 58,548</u>	<u>\$ 53,247</u>

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

Above the retained limit of \$1,000 per occurrence for liability losses, the City maintains excess coverage for all City operations to \$200,000 per occurrence, excluding helicopter operations for which the City purchases \$50,000, per occurrence, of commercial aviation liability insurance (on a first-dollar basis). The first layer of excess liability loss coverage is procured through the Authority for California Cities Excess Liability (ACCEL), a joint powers insurance authority, formed in 1986, pooling catastrophic general, automobile, personal injury, and public officials errors and omissions liability losses among twelve California cities, through both risk-sharing and commercial insurance joint-purchase arrangements. The City, therefore, continues to maintain some limited excess liability risk sharing exposure, above \$1,000 per occurrence, directly with ACCEL. This pooled coverage has exposure from the run-out periods from prior years in the ACCEL retained layer of \$4,000 in excess of \$1,000. Each ACCEL member's share of pooled losses is based on a retrospectively-rated risk-sharing formula which includes, but is not limited to, exposure and loss experience factors.

In order to provide funds to pay claims, ACCEL collects an annual deposit from each member. The deposits are credited with investment income at the rate earned on ACCEL's investments. At June 30, 2020, ACCEL's cash and investments totaled \$34,700, of which \$1,708 consists of deposits and interest on deposits provided by the City. The City has no specific equity

interest in ACCEL. Deposits provided to ACCEL by the City are expensed when paid by the General Benefits and Insurance Fund.

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

NOTE 8 – SHORT-TERM BORROWING

On March 1, 2013, the Public Utility Department entered into a Revolving Credit Agreement (Agreement) with Wells Fargo Bank, National Association for a note amount not to exceed \$100,000, of which \$86,000 is made available for the Electric Utility and \$14,000 for the Water Utility. The note has a three year term at variable interest rate based on the LIBOR Daily Index Rate and a spread. The annual commitment fee is 0.175% of the total note amount of \$100,000.

On January 1, 2016, upon expiration of the Agreement, the Public Utility Department and Wells Fargo Bank National Association entered into a new revolving credit Agreement for the same term with a maturity date of January 28, 2021.

On March 19, 2020, the Utility Department drew \$100 million from the line of credit to augment the Department's liquidity. The entire amount was repaid in full on May 5, 2020.

Line of credit liability at beginning of year	
Current year addition	\$ 100,000
Current year repayment	<u>(100,000)</u>
Line of credit liability at end of year	<u>\$</u>

NOTE 9 – LONG-TERM DEBTS:

The following is a summary of changes in long-term debts from direct borrowings and direct placements reported in the government-wide financial statements for the year ended June 30, 2020:

	Beginning Balance	Additions/ Proceeds	Refunded	Reductions/ Payments	Ending Balance	Dune Within One Year
Governmental activities:						
Bonds payable:						
City lease revenue	\$ 319,639			\$ (15,682)	\$ 303,957	\$ 14,469
Accretion	244,621	\$ 19,842		(39,486)	224,977	16,876
Unamortized bond discount/premium, net	36,184			(3,113)	33,071	
Total	600,444	19,842		(58,281)	562,005	31,345
Notes and loans payable:						
City	21,611			(3,067)	18,544	2,940
Internal Service Funds	2,185			(1,048)	1,137	1,074
Total	23,796			(4,115)	19,681	4,014
Governmental activities total	624,240	19,842		(62,396)	581,686	35,359
Business-type activities:						
Bonds payable:						
Electric Utility	649,970	223,350	\$ (173,880)	(25,005)	674,435	29,010
Water Utility	155,410	70,445	(30,495)	(3,640)	191,720	4,970
Sanitation	44,625			(1,170)	43,455	1,230
Convention, Sports & Entertainment Venues	218,921			(6,355)	212,566	2,400
Unamortized bond discount/premium, net	103,428	26,259		(31,066)	98,621	
Total	1,172,354	320,054	(204,375)	(67,236)	1,220,797	37,610
Notes and loans payable:						
Electric Utility	241			(30)	211	31
Sanitation Utility	157			(20)	137	20
Convention, Sports and Entertainment Venues	20			(2)	18	3
ARTIC Management	13,000			(3,500)	9,500	3,500
Total	13,418			(3,552)	9,866	3,554
Interest payable						
ARTIC Management	3,292	224			3,516	
Total	3,292	224			3,516	
Business-type activities total	1,189,064	320,278	(204,375)	(70,788)	1,234,179	41,164
Government-wide total	\$ 1,813,304	\$ 340,120	\$ (204,375)	\$ (133,184)	\$ 1,815,865	\$ 76,523

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

	Standard & Poor's	Fitch Ratings	Moody's
1997 Lease Revenue Bonds	AA	Unrated	A2
2014 Lease Revenue Bonds	AA-	AA	Unrated
2019 Senior Lease Revenue Bonds	A-	AA-	A1
Electric Revenue Bonds	AA-	AA-	Aa3
Water Revenue Bonds	AA+	AAA	Unrated
Sewer Revenue Bonds	AA+	Unrated	Unrated

GOVERNMENTAL ACTIVITIES:

BONDS PAYABLE

At June 30, 2020, bonds payable from direct placements consisted of the followings:

	Date Issued	Final Maturity	Range of Interest Rates at Issue Date	Authorized and Issued	Outstanding 6/30/2020
1997 Anaheim Lease Revenue Bonds	02/01/1997	3/1/2037	4.5%-6.0%	\$ 510,427	\$ 114,528
Accretion					224,977
2014 Anaheim Lease Revenue Bonds	11/14/2014	5/1/2046	0.4%-5.0%	27,954	21,754
2019 A Anaheim Senior Lease Revenue Refunding Bonds	04/30/2019	9/1/2036	5%	169,065	<u>167,675</u>
Total					528,934
Unamortized bond premium/discounts, net					<u>33,071</u>
Total governmental activities bonds				<u>\$ 707,446</u>	<u>\$ 562,005</u>

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

Bonds Payable - City

Lease payment measurement revenues (LPMR)

In February 1997, the Anaheim Public Financing Authority sold \$510,427 of lease revenue bonds to construct public improvements in The Anaheim Resort. In June 2007, the Authority sold \$256,320 of lease revenue bonds to defease \$248,335 of the 1997 lease revenue bonds. In April 2019, the Authority sold \$175,565 of Senior Lease Revenue Refunding Bonds to defease the \$209,065 outstanding balance of the 2007 A1 and A2 bonds. On January 13, 2020, the Authority transferred \$58,600 from the LPMR

Special Reserve Fund to the escrow bank to defease a portion of the outstanding lease revenue Capital Appreciation Bonds 1997 series C with the maturity value at defeasance of \$84,270 maturing on September 1, 2035, September 1, 2036 and March 1, 2037.

The bonds are special obligations of the Authority payable solely from lease payments to be made by the City to the Authority for the use and occupancy of the leased premises. Debt service requirements to maturity for these lease revenue bonds are paid from lease payment measurement revenues (LPMR) defined as amounts equal to: 1) 3% of the 15% transient occupancy taxes (TOT) (i.e. 20% of the total transient occupancy taxes) for all hotel properties in the City, excluding Disney properties, and 2) 100% of the incremental TOT, sales, and property tax revenues from all Disney properties over the 1995 base, adjusted each year by the CPI change, with a minimum 2% increase annually. The City is not required to pay any additional sums should the LPMR fall short of the amount required to pay debt service on the bonds. The Walt Disney Company provided a guarantee to the bond insurer to enable the issuer to obtain municipal bond insurance.

LPMR began on January 1, 2001, with the first payment made to the trustee on July 7, 2001, for the LPMR generated during the period January through June 2001. Subsequent to that date, LPMR is collected and remitted to the trustee monthly. During the fiscal year ended June 30, 2020, \$61,089 was remitted to the trustee. This amount includes \$3,725 in excess remittance due to the total LPMR collected being lower than the base resulting from the Anaheim Resort closure during the last three months of the fiscal year.

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

Fiscal Year Ending 6/30	Principal	Interest	Total
2021	\$ 14,469	\$ 27,271	\$ 41,740
2022	15,027	27,948	42,975
2023	15,693	28,356	44,049
2024	16,361	29,161	45,522
2025	17,089	29,759	46,848
2026-2030	86,694	159,266	245,960
2031-2035	63,555	183,665	247,220
2036-2037	<u>53,315</u>	<u>20,388</u>	<u>73,703</u>
Total	282,203	505,814	788,017
Unamortized bond premiums	<u>31,735</u>		<u>31,735</u>
Total bonds	<u>\$ 313,938</u>	<u>\$ 505,814</u>	<u>\$ 819,752</u>

Included in interest is \$224,977 related to accretion on capital appreciation bonds.

Lease revenue bonds – City

Debt service requirements to maturity for the City's lease revenue bonds to be paid from unrestricted revenues of the Municipal Facilities Debt Service Fund are as follows:

Fiscal Year Ending 6/30	Principal	Interest	Total
2021		\$ 1,088	\$ 1,088
2022	\$ 40	1,088	1,128
2023	488	1,086	1,574
2024	512	1,061	1,573
2025	538	1,036	1,574
2026-2030	3,121	4,747	7,868
2031-2035	3,983	3,885	7,868
2036-2040	5,084	2,784	7,868
2041-2045	6,489	1,380	7,869
2046	1,499	75	1,574
Total	21,754	18,230	39,984
Unamortized bond premium	1,336		1,336
Total Bonds	\$ 23,090	\$ 18,230	\$ 41,320

NOTES AND LOANS PAYABLE

Notes and loan payable from direct borrowing contain provision that in the event of default, the entire outstanding principal amount are due and payable. Additionally, the City had pledged certain real properties and park land as securities interest for the HUD Section 108 guaranteed loans. At June 30, 2020, notes and loans payable are as follows:

Notes and Loans Payable – City

HUD Section 108 guaranteed loans payable

In May 2003, the City entered into an agreement with HUD, making available \$10,000 to provide financial assistance related to the development of Westgate on a former landfill site located at the northeast corner of Beach Boulevard and Lincoln Avenue. The loan is payable from the receipts of the Successor Agency receivable. The outstanding balance at June 30, 2020 was \$3,453. The loan bears interest ranging from 1.74% to 5.97% and is payable over 20 years beginning on February 1, 2005, until August 1, 2023. Loan debt service requirements to maturity are as follows:

Fiscal Year Ending 6/30	Principal	Interest	Total
2021	\$ 841	\$ 177	\$ 1,018
2022	907	127	1,034
2023	975	72	1,047
2024	730	22	752
Total notes and loans	\$ 3,453	\$ 398	\$ 3,851

In March 2010, the City entered into an agreement with HUD, making available \$15,000 to fund the acquisitions of the Orange County Family Justice Center and Miraloma Park site, construction of the Thornton Brady storm drain and the rehabilitation of the historic Packing House site. The loan is payable from the Community Development Block Grant yearly entitlement and from the receipts of the Successor Agency receivable. The outstanding balance of the loan at June 30, 2020, was \$8,840. The loan bears interest ranging from 1.74% to 3.97% and is payable over 20 years beginning on February 1, 2011 through August 1, 2030. Loan debt service requirements to maturity are as follows:

Fiscal Year Ending 6/30	Principal	Interest	Total
2021	\$ 730	\$ 348	\$ 1,078
2022	755	321	1,076
2023	780	292	1,072
2024	805	262	1,067
2025	835	229	1,064
2026-2030	4,675	581	5,256
2031	260	6	266
Total notes and loans	\$ 8,840	\$ 2,039	\$ 10,879

Helicopter loan payable

In January 2009, the City entered into an agreement with Government Capital Corporation to finance the acquisition of a police helicopter. The amount of the loan totaled \$1,799 and bears interest at 5.391% per annum for a term of 12 years. On January 29, 2009, Government Capital Corporation assigned this agreement to Bank of America which subsequently assigned it to Western Alliance Equipment Finance on March 21, 2012. Principal and interest payments of \$206 are due annually beginning on December 16, 2009, until December 16, 2020. The outstanding balance at June 30, 2020 was \$196. Loan debt service requirements to maturity are as follows:

Fiscal Year Ending 6/30	Principal	Interest	Total
2021	\$ 196	\$ 10	\$ 206

800 Megahertz Communication Equipment

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

On November 30, 2015, the Agreement provided \$1,100 financing for acquisition of a portion of the mobile radio equipment payable over 10 years and bears interest of 1.98% per annum, Principal and interest

payments of \$61 are due semi-annually beginning on May 30, 2016, until November 30, 2025. The outstanding balance at June 30, 2020 was \$632.

On November 30, 2016, the Agreement provided \$6,840 financing for acquisition of the remaining radio equipment payable over 10 years and bears interest of 1.87% per annum. Principal and interest of \$377 are due semi-annually beginning on May 30, 2017, until November 30, 2026. Amount of this financing allocated to the governmental activities totaled \$6,235. The outstanding balance at June 30, 2020 was \$4,222.

Loan debt service requirements to maturity are as follows:

Fiscal Year Ending 6/30	Principal	Interest	Total
2021	\$ 727	\$ 88	\$ 815
2022	740	75	815
2023	754	61	815
2024	769	46	815
2025	783	32	815
2026-2027	1,081	20	1,101
Total notes and loans	\$ 4,854	\$ 322	\$ 5,176

ACCELA Enterprise permit tracking and land management software system loan payable

On September 13, 2016, the City entered into a Technology Lease- Purchase Agreement with Government Capital Corporation to provide \$5,190 financing for the procurement of the Accela, Inc. software, programming, maintenance, support, licenses and project implementation services for the replacement of the Citywide enterprise permit tracking and land management system. The loan bears interest at 2.48% per annum for a term of 5 years. Principal and interest payments of \$1,090 are due annually beginning on September 22, 2016, until September 22, 2020. The outstanding balance at June 30, 2020 was \$1,063. Loan debt service requirements to maturity are as follows:

Fiscal Year Ending 6/30	Principal	Interest	Total
2021	\$ 1,063	\$ 26	\$ 1,089

Community Learning Center property acquisition loan payable

On September 1, 2017, the City entered into an Agreement with Los Altos V. LP (Seller) for the purchase and sale of the former Northgate Market site located at 718-744 N. Anaheim Boulevard for the development of a Community Learning Center. The purchase price of the property is \$4,750 of which \$2,500 was paid in cash from resources of the Community Development Block Grant with the balance of \$2,250 will be payable to Seller over five years at an annual interest rate of 5%. Principal

and interest of \$43 are due on the first of each month commencing on March 1, 2018 until February 1, 2023. The annual loan payment will be funded from the restricted resources of the Community Development Block Grant yearly entitlement. The outstanding balance of the loan at June 30, 2020 was \$1,275. Total debt service to maturity are as follows:

Fiscal Year Ending 6/30	Principal	Interest	Total
2021	\$ 457	\$ 59	\$ 516
2022	483	33	516
2023	335	7	342
Total notes and loans	\$ 1,275	\$ 99	\$ 1,374

BUSINESS-TYPE ACTIVITIES:

BONDS PAYABLE

At June 30, 2020, bonds payable from direct placements consisted of the following:

	Date Issued	Maturity	Range of Interest Rates at Issue Date	Authorized and Issued	Outstanding 6/30/2020
Electric Utility					
2011 Revenue Bonds	5/11/2011	10/1/2036	3.0%-5.375%	\$ 90,390	\$ 3,375
2012 Revenue Bonds	9/19/2012	10/1/2031	3.125%-5%	92,130	62,990
2014 Revenue Bonds	10/8/2014	10/1/2035	2.0%-5.0%	109,350	68,125
2015B Revenue Bonds	7/21/2015	10/1/2035	3.0%-5.0%	92,865	73,350
2016A Revenue Bonds	10/19/2016	10/1/2041	3.0%-5.0%	219,285	1,630
2016B Revenue Bonds	10/19/2016	10/1/2028	0.80%-2.71%	69,780	4,330
2017A Revenue Refunding Bonds	12/21/2017	10/1/2028	1.57%-2.21%	42,955	42,955
2017B Revenue Refunding Bonds	12/21/2017	10/1/2036	1.14%-2.50%	194,790	194,330
2020A Revenue Bonds	3/4/2020	10/1/2050	5%	59,215	59,215
2020B Revenue Refunding Bonds	3/4/2020	10/1/2034	1.597%-2.992%	121,795	121,795
2020C Revenue Refunding Bonds	3/4/2020	10/1/2045	5%	42,340	42,340
Total					674,435
Unamortized bond premiums/discounts, net					61,734
Total Electric Utility					736,169
Water Utility					
2010 Revenue Bonds	10/28/2010	10/1/2040	2.0%-4.75%	34,525	31,290
2015 Revenue Bonds	4/21/2015	10/1/2045	2.0%-5.0%	95,885	88,195
2016-A Revenue Bonds	10/19/2016	10/1/2046	2.0%-5.0%	35,225	1,790
2020A Revenue Bonds	3/4/2020	10/1/2049	5%	38,000	38,000
2020B Revenue Refunding Bonds	3/4/2020	10/1/2038	1.567%-3.033%	32,445	32,445
Total					191,720
Unamortized bond premiums/discounts, net					16,394
Total Water Utility					208,114
Sanitation Utility					
2018 Revenue Bonds	1/25/2018	2/1/2048	5%	45,705	43,455
Unamortized bond premium					7,550
Total Sanitation Utility					51,005
Convention, Sports and Entertainment Venues					
2014 Lease Revenue Bonds	11/14/2014	5/1/2046	0.4%-5.0%	230,971	212,566
Total					212,566
Unamortized bond premiums/discounts, net					12,943
Total Convention, Sports and Entertainment Venues					225,509
Total business-type activities bonds				\$ 1,647,651	\$ 1,220,797

¹ The interest is calculated weekly based on SIFMA index rate and a base SIFMA spread of 0.35%. On December 1, 2020, these bonds are subject to mandatory tender for purchase.

Bonds Payable - Electric Utility

The City's Electric Utility has pledged future electric revenues, net of certain costs, to repay a total of \$975,158 outstanding long-term obligations, principal and interest. Proceeds from bonds provided financing for various capital improvements, primarily distribution assets. The Electric Utility's bonds are payable solely from electric customer net revenues and are payable through 2051. At June 30, 2020, the annual principal and interest payments on the bonds, were 58.71% of net revenues. Principal and interest paid for the current fiscal year and total net revenues were \$51,150 and \$87,122 respectively.

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

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

Fiscal Year Ending 6/30	Principal	Interest	Total
2021	\$ 29,010	\$ 29,755	\$ 58,765
2022	33,065	27,775	60,840
2023	34,345	26,209	60,554
2024	35,955	24,580	60,535
2025	37,620	22,869	60,489
2026-2030	194,985	88,544	283,529
2031-2035	194,955	47,469	242,424
2036-2040	55,085	19,636	74,721
2041-2045	34,720	10,655	45,375
2046-2050	20,975	3,138	24,113
2051	3,720	93	3,813
Total	674,435	300,723	975,158
Unamortized bond premiums/discounts, net	61,734		61,734
Total bonds	\$ 736,169	\$ 300,723	\$ 1,036,892

Bonds Payable - Water Utility

The City's Water Utility has pledged future revenues from the sale of water, net of certain costs, to repay a total of \$313,262 for outstanding long-term obligations, principal and interest. Proceeds from bonds provided financing for various capital improvements, primarily

distribution assets. The bonds are payable solely from water net revenues and are payable through 2047. At June 30, 2020, the annual principal and interest payments on the bonds were 57.1% of net revenues. Principal and interest paid for current fiscal year and total net revenues were \$10,882 and \$19,070 respectively.

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

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

Fiscal Year Ending 6/30	Principal	Interest	Total
2021	\$ 4,970	\$ 8,512	\$ 13,482
2022	5,375	8,101	13,476
2023	5,585	7,882	13,467
2024	5,790	7,669	13,459
2025	6,000	7,444	13,444
2026-2030	33,880	33,104	66,984
2031-2035	41,395	25,122	66,517
2036-2040	48,365	15,789	64,154
2041-2045	26,590	6,431	33,021
2046-2050	13,770	1,488	15,258
Total	191,720	121,542	313,262
Unamortized bond premiums/discount, net	16,394		16,394
Total bonds	\$ 208,114	\$ 121,542	\$ 329,656

Bonds Payable – Sanitation Utility

The City's Sanitation Utility has pledged future sanitation system net revenues to pay a total of \$72,089 outstanding revenue bonds issued in January 2018. Proceeds from the bonds provided financing for capital improvements to the sanitation sewer collection system. The bonds are payable solely from system net revenues and are payable through February 2048. At June 30, 2020, total principal and interest payments on the bonds were less than 37.66% of net revenues. Total principal and interest paid and total system net revenues for the current fiscal year were \$3,401 and \$9,032 respectively.

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

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

Fiscal Year Ending 6/30	Principal	Interest	Total
2021	\$ 1,230	\$ 2,173	\$ 3,403
2022	1,295	2,111	3,406
2023	1,355	2,047	3,402
2024	1,430	1,979	3,409
2025	1,495	1,907	3,402
2026-2030	8,680	8,337	17,017
2031-2035	11,085	5,938	17,023
2036-2040	11,560	2,876	14,436
2041-2045	3,085	1,038	4,123
2046-2048	2,240	228	2,468
Total	43,455	28,634	72,089
Unamortized bond premium	7,550		7,550
Total bonds	\$ 51,005	\$ 28,634	\$ 79,639

Bonds Payable – Convention, Sports and Entertainment Venues

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

Fiscal Year Ending 6/30	Principal	Interest	Total
2021	\$ 2,400	\$ 10,628	\$ 13,028
2022	3,890	10,508	14,398
2023	4,637	10,314	14,951
2024	4,868	10,082	14,950
2025	5,112	9,839	14,951
2026-2030	29,649	45,095	74,744
2031-2035	37,837	36,903	74,740
2036-2040	48,296	26,449	74,745
2041-2045	61,641	13,106	74,747
2046	14,236	712	14,948
Total	212,566	173,636	386,202
Unamortized bond premium/discounts, net	12,943		12,943
Total bonds	\$ 225,509	\$ 173,636	\$ 399,145

NOTES AND LOANS PAYABLE

Note Payable – ARTIC Management

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

In July 2012, the City entered into an agreement with the Orange County Transportation Authority (OCTA) for the Purchase and Sale of a 13.58 acres real property located at 1750 South Douglass Road in Anaheim. The purchase price for the site is \$32,500. The City paid \$1,000 at the close of escrow and the remaining \$31,500 will be payable to OCTA over 13 years and bears 2% simple interest per annum. Annual principal payments are due on or before July 10th each year commencing 2012. The payment of accrued interest is deferred until equal payments of \$1,883 are due and payable on or before July 10, 2024 and July 10, 2025. The loan is payable with the Anaheim Tourism Improvement Special District (ATID) special assessments and Measure M2 Local Fair Share funds. OCTA will retain payments from Anaheim’s “Local Fair Share” funds allocated by OCTA under Measure M2 each year until the final payment is made on July 10, 2025. At June 30, 2020, accrued interest payable for the ARTIC loan was \$3,516. The City may elect to provide alternative funding from other City funds for transportation related purposes. At June 30, 2020, the outstanding balance of the ARTIC loan was \$9,500. Loan debt service requirements to maturity are as follows:

<u>Fiscal Year Ending 6/30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 3,500		\$ 3,500
2022	4,000		4,000
2023	2,000		2,000
2024		\$ 1,883	1,883
2025		1,883	1,883
Total notes and loans	\$ 9,500	\$ 3,766	\$ 13,266

800 Megahertz Communication Equipment loan payable

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

Electric Utility

<u>Fiscal Year Ending 6/30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 31	\$ 4	\$ 35
2022	31	4	35
2023	32	3	35
2024	33	2	35
2025-2026	33	2	35
2025-2027	51	1	52
Total notes and loans	\$ 211	\$ 16	\$ 227

Sanitation Utility

<u>Fiscal Year Ending 6/30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 20	\$ 3	\$ 23
2022	20	3	23
2023	21	2	23
2024	21	2	23
2025-2026	22	1	23
2025-2027	33	1	34
Total notes and loans	\$ 137	\$ 12	\$ 149

Convention, Sports and Entertainment Venues

<u>Fiscal Year Ending 6/30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 3		\$ 3
2022	3		3
2023	3		3
2024	2		2
2025-2026	3		3
2025-2027	4		4
Total notes and loans	\$ 18	\$ -	\$ 18

ARBITRAGE

The Tax Reform Act of 1986 (Act) substantially revised the treatment to be afforded to earnings on the proceeds of tax-exempt debt, and requires the City to calculate and remit rebatable arbitrage earnings to the Internal Revenue Service. Certain of the City's debt and interest earned on the proceeds thereof are subject to the requirements of the Act. The City has accrued a liability for estimated rebatable arbitrage earnings and has set aside such earnings as restricted cash. At June 30, 2020, there was no arbitrage rebate liability for both governmental and business-type activities.

LEGAL DEBT MARGIN

The City of Anaheim has a general obligation debt limit that cannot exceed 3.75% of the total assessed valuation of all real and personal property within the City. Based on fiscal year 2019-2020 gross assessed valuation for taxation purposes of \$48,851,453, the City has a debt limit of \$1,831,929 or 3.75%. Currently the City does not have any outstanding bonded indebtedness in the form of general obligation bonds. Since the outstanding bond principal is zero, the City has a net debt margin of \$1,831,929.

COMPLIANCE WITH DEBT COVENANTS

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

DEBT ISSUANCES**City - Debt Issuances****Electric Utility - Debt Issuances**

On March 4, 2020, the Electric Utility issued Anaheim Housing and Public Improvements Authority (AHPIA), Revenue Bonds 2020 Series A, B and C as follows:

- 2020-A Revenue Bonds in the principal amount of \$59,215, at a premium of \$11,071 totaled \$70,286 provides financing for the construction of improvement to the Electric System Project and cost of issuance of \$282. Interest rate for the 2020-A bonds is 5%.

- 2020-B Revenue Refunding Bonds in the principal amount of \$121,795 partially refunded the outstanding principal balance of the AHPIA 2016-A Revenue Refunding Bonds. Interest rates for the 2020-B bonds range from 1.597% to 2.992%. The 2020-B bond proceeds together with the 2016-A bond reserve funds of \$9,414 and accrued interest of \$2,581 from the Electric Utility, totaled \$133,790 were deposited with refunding bond escrow agent to defease the 2016-A \$123,880 outstanding principal, paid accrued interest of \$2,581 and \$532 cost of issuance. The refunded bonds reduced total debt service over the life of the refunded bonds by \$57,615 at a net present value savings of \$22,347.
- 2020-C Revenue Refunding Bonds in the principal amount of \$42,340, at a premium of \$7,866, and with an interest rate of 5%, refunded the CMFA 2015-A outstanding principal balance of \$50,000. The bond proceeds together with accrued interest of \$1,243 from the Electric Utility were deposited with the refunding bond escrow agent to defease the 2015-A outstanding bonds, paid the accrued interest of \$1,243 and \$202 of cost of issuance.

Water Utility - Debt Issuance

On March 4, 2020, the Water Utility issued Anaheim Housing and Public Improvement Authority (AHPIA) Revenue Bonds 2020 Series A and B as follows:

- 2020-A Revenue Bonds in the principal amount of \$38,000, at a premium of \$7,322 totaled \$45,322 provides financing for the construction of improvements to the Water System Project and cost of issuance of \$322. Interest rate for the 2020-A bonds is 5%.
- 2020-B Refunding Bonds in the principal amount of \$32,445 partially refunded the outstanding principal balance of the AHPIA 2016-A Revenue Bonds. Interest rates for the 2020-B bonds range from 1.567% to 3.033%. The bond proceeds, together with the \$635 from the Water Utility for accrued interest totaled \$33,080 were deposited with the refunding bond escrow agent to defease the 2016-A outstanding principal of \$30,495, paid the accrued interest of \$635 and \$244 cost of issuance. The refunded bonds reduced total debt service over the life of the refunded bonds by \$13,721 at a net present value savings of \$7,529.

DEBT RETIREMENTS

Debt Defeased

The City defeased the following bonds prior to June 30, 2020:

	Outstanding 6/30/2020
City	
1997-C APFA Capital Appreciation Bonds	\$ 84,270
Electric Utility	
2011-A Electric Revenue Bonds	78,110
2012-A Electric Revenue Bonds	29,140
2016-A Electric Revenue Bonds	91,610
2016-A Electric Revenue Bonds	123,880
Water Utility	
2016-A Water Revenue Bonds	30,495
	<u>\$ 437,505</u>

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

CONDUIT FINANCINGS

City

The City has entered into a conduit financings to facilitate the management agreement for the Honda Center (formerly the Arrowhead Pond) of Anaheim. In accordance with applicable agreements, the City has no obligation for debt service payments and therefore, the debt is not reflected in the accompanying basic financial statements. Bonds payable and certificates of participation related to conduit financings outstanding at June 30, 2020, were as follows:

	Date Issued	Final Maturity	Amount Issued	Outstanding 6/30/2020
2003 Anaheim Arena Financing Project	12/11/2003	6/1/2023	\$ 42,600	\$ 13,000

Anaheim Housing Authority

The Anaheim Housing Authority has entered into conduit debt financings on behalf of various developers to assist with the acquisition,

construction, equipping, rehabilitation and refinancing of multifamily residential rental projects within the City of Anaheim. In accordance with the bond documents, neither the City nor the Housing Authority has an obligation for debt service payments and therefore, the debt is not reflected in the accompanying basic financial statements. Housing Authority revenue bonds related to conduit financings outstanding at June 30, 2020, were as follows:

	Date Issued	Final Maturity	Amount Issued	Outstanding 6/30/2020
Heritage Village Apartments	11/12/1992	7/15/2033	\$ 8,485	\$ 5,485
Sage Park Project	11/1/1998	11/1/2028	5,500	5,500
Solara Court Apartments	11/28/2004	12/1/1934	8,200	4,476
Bel Age Manor Apartments	2/1/2008	2/1/1944	22,350	8,517
Pradera Apartments (Lincoln Anaheim) Phase B	5/15/2009	4/15/1939	23,217	6,762
Anton Monaco Apartments	12/14/2012	1/1/2046	35,460	32,930
Crossings at Cherry Orchard Apartments Tranche A	8/23/2012	12/1/2044	9,365	1,020
Crossings at Cherry Orchard Apartments Tranche B	8/23/2012	12/1/2029	2,985	2,130
Paseo Village Apartments	2/28/2013	9/1/2045	19,750	12,082
Village Center Apartments	8/7/2014	3/1/2047	15,000	14,860
Pebble Cove Apartments Series A	8/19/2015	9/1/2031	13,000	12,293
Pebble Cove Apartments Taxable Subordinate Series 2015A	8/19/2015	8/1/2055	3,550	3,550
Hermosa Village Apartments Phase 1 Series A-1/A-2	12/28/2016	7/1/2049	41,028	26,134
Miracle Terrace Apartments Series B-1	1/10/2017	2/1/2050	26,555	26,409
Cobblestone Apartments Series A-1	3/14/2017	10/1/2054	6,185	6,101
Sea Wind Apartments Series B-1	3/14/2017	10/1/2054	11,015	10,765
Jamboree AageunPSH Apartments Series A	4/30/2020	5/1/2038	12,200	2,667
Total			<u>\$ 263,845</u>	<u>\$ 181,681</u>

FIDUCIARY FUNDS

Successor Agency

The following is a summary of changes in long-term debts from direct borrowings and direct placements for the year ended June 30, 2020:

	Beginning Balance	Additions/ Proceeds	Reductions/ Payments	Ending Balance	Due Within One Year
Bonds payable	\$ 149,230		\$ (7,595)	\$ 141,635	\$ 8,015
premium/(discount), net	19,258		(2,605)	16,653	
Due to City of Anaheim	8,582		(1,131)	7,451	1,190
	<u>\$ 177,070</u>		<u>\$ (11,331)</u>	<u>\$ 165,739</u>	<u>\$ 9,205</u>

Bonds Payable**2007 Tax Allocation Refunding Bonds**

The Successor Agency will repay a total of \$55,970, principal and interest, for the outstanding 2007 tax allocation bonds issued in December 2007 from the semi-annual Redevelopment Property Tax Trust Fund (RPTTF) revenue allocations. Proceeds from the bonds provided financing for public improvements related to the merged project areas, for the supply of low-and moderate-income housing within the City, to repay certain Redevelopment Agency loan obligations and to advance refund the 1992, 1997 and 2000 bonds. The bonds bear interest at rates ranging from 4.25% to 6.50% and are payable through February 2031. During the fiscal year ended June 30, 2020, total principal and interest paid was \$5,635.

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

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

<u>Fiscal Year Ending 6/30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 3,130	\$ 2,509	\$ 5,639
2022	3,330	2,306	5,636
2023	1,780	2,089	3,869
2024	1,875	1,973	3,848
2025	1,990	1,851	3,841
2026-2030	20,965	6,314	27,279
2031	5,500	358	5,858
Total bonds	<u>\$ 38,570</u>	<u>\$ 17,400</u>	<u>\$ 55,970</u>

2018 Tax Allocation Refunding Bonds

On January 25, 2018, the Successor Agency issued Tax Allocation Refunding Bonds, 2018 Series A and B. The bond proceeds together with the 2007 series A and C bond reserve funds were used to refund the 2007 Tax Allocation Bonds series A and C, and the 2010 Recovery Economic Zone Development Bonds. The Successor Agency will repay a total of \$138,967, principal and interest, from the semi-annual RPTTF revenue allocations. The refunding bonds bear interest at rates ranging from 2.27% to 2.50% and are payable through February 2031.

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

<u>Fiscal Year Ending 6/30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 4,885	\$ 5,153	\$ 10,038
2022	5,130	4,909	10,039
2023	7,155	4,653	11,808
2024	7,530	4,295	11,825
2025	7,915	3,918	11,833
2026-2030	56,965	12,300	69,265
2031	13,485	674	14,159
Total bonds	103,065	35,902	138,967
Unamortized bond premium/ discounts, net	16,653		16,653
Total bonds	<u>\$ 119,718</u>	<u>\$ 35,902</u>	<u>\$ 155,620</u>

Due to the City of Anaheim

The Successor Agency will repay a total of \$3,851 outstanding long-term obligations, principal and interest, from the semi-annual RPTTF revenue allocations for the \$10,000 Cooperation Agreement dated April 1, 2003, between the former Redevelopment Agency and the City, whereby the City assisted the former Agency with the development of the Anaheim Westgate Center (Westgate project) utilizing \$10,000 of funds from the HUD Section 108 loan. This Cooperation Agreement obligation (HUD Section 108 loan) bears interest ranging from 1.74% to 5.97% and is payable semi-annually through August 2023. At June 30, 2020, outstanding principal due to the City for the Westgate project obligation was \$3,453. Principal and interest paid for the current fiscal year were \$1,008.

<u>Fiscal Year Ending 6/30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 841	\$ 177	\$ 1,018
2022	907	127	1,034
2023	975	72	1,047
2024	730	22	752
Total notes and loans	<u>\$ 3,453</u>	<u>\$ 398</u>	<u>\$ 3,851</u>

The Successor Agency will repay a total of \$4,927 outstanding long-term obligations, principal and interest, from the semi-annual RPTTF revenue allocations for the \$7,000 Cooperation Agreement dated June 2010 between the former Redevelopment Agency and the City, whereby the City assisted the former Redevelopment Agency with the rehabilitation of the historic Packing House site utilizing proceeds from the HUD Section 108 loan. This Cooperation Agreement obligation (HUD 108 Section loan) bears interest ranging from 1.68% to 3.98% and is payable over 20 years beginning on February 1, 2011 through August 1, 2030. As of June 2020, the outstanding principal due to the City for the Packing

House site project obligation was \$3,998. Principal and interest paid for the current fiscal year were \$515.

Fiscal Year Ending 6/30	Principal	Interest	Total
2021	\$ 349	\$ 157	\$ 506
2022	354	144	498
2023	359	131	490
2024	364	117	481
2025	369	102	471
2026-2030	1,943	272	2,215
2031	260	6	266
Total notes and loans	\$ 3,998	\$ 929	\$ 4,927

Mello-Roos Community Facilities Districts

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

At June 30, 2020, the City has the following outstanding Mello-Roos special tax bonds:

	Outstanding 6/30/2020
CFD 06-02	\$ 6,680
CFD 08-01	58,850
	<u>\$ 65,530</u>

In February 2007, the City issued \$9,060 in special tax bonds to finance a portion of the cost of acquisition and construction of facilities in the Platinum Triangle of Anaheim, Community Facility District 06-2. Stadium Loft. On August 10, 2016, the outstanding balance of \$7,680 of the 2007 special tax bonds were refunded by Special Tax Refunding Bonds, Series 2016, CFD 06-02, in the principal amount of \$7,540 and at a premium of \$91. The City reduced the CFD 06-2 total debt service payments over the life of the refunded bonds by \$1,989 with a present value savings of \$1,352. The true interest cost is 2.89% payable semi-annually commencing from March 1, 2017 through September 1, 2037. Balance of total debt service is \$8,637 to maturity.

In August 2010, the City issued \$28,630 in special tax bonds, Series 2010 to finance a portion of the cost of acquisition and construction of facilities in the Platinum Triangle of Anaheim, Community Facility District 08-1 and to fund a reserve fund for the Series 2010 Bonds. On August 10, 2016 the City issued Special Tax Bonds, Series 2016, CFD 08-1 in the principal amount of \$60,000 and at a premium of \$5,923. The bonds are being used to provide financing for acquisition and construction of certain public facilities necessary for the continued development of the District, and to refund \$22,730 outstanding principal of the CFD 08-1, Special Tax Bonds, Series 2010. The City reduced the CFD 08-1 total debt service payments over the life of the refunded bonds by \$13,325 with a present value savings of \$8,649. The true interest cost is 3.38% payable semiannually commencing from March 1, 2017 through September 1, 2037. Balance of total debt service is \$100,779 to maturity.

NOTE 10 - OTHER LONG-TERM LIABILITIES:

The following is a summary of other long-term liabilities reported in the government-wide financial statements for the year ended June 30, 2020:

	Beginning Balance	Additions	Reductions/ Payments	Ending Balance	Due Within One Year
Governmental activities:					
Capital lease payable	\$ 1,988	\$ 1,705	\$ (1,396)	\$ 2,297	\$ 1,201
Claims liabilities (note 7)	53,247	19,223	(13,922)	58,548	14,190
Compensated absences (note 1)	21,822	25,741	(23,315)	24,248	17,219
Due to other governments	22,580			22,580	
Other Postemployment Benefits (OPEB) (note 13)					
Governmental Funds	127,910	15,467	(32,249)	111,128	
Internal Service Funds	10,267	1,437	(2,587)	9,117	
Total	138,177	16,904	(34,836)	120,245	
Pension (note 12):					
Governmental Funds	564,448	173,486	(152,603)	585,331	
Internal Service Funds	30,952	9,350	(8,517)	31,785	
Total	595,400	182,836	(161,120)	617,116	
Governmental activities total	833,214	246,409	(234,589)	845,034	32,610
Business-type activities:					
Capital lease payable - Golf Courses		248	(50)	198	61
San Juan reclamation obligation	6,377	300	(286)	6,391	
Provision for decommissioning liability (note 1)	86,409	6,030	(5,204)	87,235	
Other Postemployment Benefits (OPEB) (note 13)					
Electric Utility	23,376	3,870	(6,022)	21,224	
Water Utility	8,889	1,067	(2,289)	7,667	
Sanitation Utility	6,117	712	(1,711)	5,118	
Golf Courses	401	38	(164)	275	
Convention, Sports and Entertainment Venues	7,891	1,067	(1,980)	6,978	
Total	46,674	6,754	(12,166)	41,262	
Pension (note 12)					
Electric Utility	87,747	27,803	(21,228)	94,322	
Water Utility	28,553	8,684	(7,779)	29,458	
Sanitation Utility	16,253	3,421	(4,158)	15,516	
Golf Courses	1,193	305	(466)	1,032	
Convention, Sports and Entertainment Venues	31,880	9,686	(8,707)	32,859	
Total	165,626	49,899	(42,338)	173,187	
Business-type activities total	305,086	63,231	(60,044)	308,273	61
Government-wide total	\$ 1,138,300	\$ 309,640	\$ (294,633)	\$ 1,153,307	\$ 32,671

Governmental activities

Due to other governments

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

Capital lease obligation

The City has a long-term noncancellable agreement with HP Financial Services to finance the acquisition of the City’s server, desktop, and portable computer equipment. The agreement qualifies as a capital lease for accounting purposes as defined under the Financial Accounting Standards Board (FASB) Statement No. 13, Accounting for Leases, and therefore has been recorded at the present value of future minimum lease payments at the date of inception of the lease. Future minimum lease payments to be made from unrestricted revenues of the Information and Communication Services internal service fund under the capital lease are as follows:

<u>Fiscal Year Ending 6/30</u>	
2021	\$ 1,201
2022	744
2023	343
2024	9
Total	<u>\$ 2,297</u>

Business-type activities

Other liability - San Juan reclamation obligation

The Electric Utility is providing for the future reclamation costs allocation based on its former ownership share of Unit 4 of 10.04% of the San Juan Generation Station. The Electric Utility has \$6,391 in an irrevocable trust as of June 30, 2020 for reclamation costs. During fiscal year 2020, the Utility contributed \$300 to the trust and paid \$286 related to San Juan reclamation obligation.

Capital lease

The City has a long-term noncancellation agreement with DDL Finance, LLC to provide financing for the lease of Golf carts at Dad Millers Golf Course. The agreement qualifies as capital lease for accounting purposes under FASB No. 13, Accounting for Leases. The net present value of future minimum lease payments at the date of inception of the lease was recorded at the Golf Courses Enterprise Fund. Future minimum lease payments to be made from unrestricted revenues of the Golf Courses Enterprise Fund under the capital lease are as follows:

<u>Fiscal Year Ending 6/30</u>	
2021	\$ 61
2022	62
2023	64
2024	<u>11</u>
Total	<u>\$ 198</u>

SUCCESSOR AGENCY

Other long-term liabilities

The Successor Agency has the following other long-term liabilities at June 30, 2020:

	<u>Beginning Balance</u>	<u>Additions/ Proceeds</u>	<u>Reductions/ Payments</u>	<u>Ending Balance</u>	<u>Within One Year</u>
Notes and loans payable	\$ 4,971		\$ (571)	\$ 4,400	\$ 1,693
Due to City of Anaheim	884		(884)		
Pollution remediation liability	<u>17,139</u>		<u>(478)</u>	<u>16,661</u>	<u>475</u>
	<u>\$ 22,994</u>		<u>\$ (1,933)</u>	<u>\$ 21,061</u>	<u>\$ 2,168</u>

Savi Ranch Associates note payable

In July 1989, the former Redevelopment Agency executed a note with Savi Ranch Associates, a California general partnership. The amount of the note totaled \$2,707 and bears interest at 9.5% per annum. The note is payable from net property tax increment as defined in the Redevelopment Agency note. If there is insufficient RPTTF revenue to pay for principal and interest at the termination of the River Valley project area plan in November 2031, the note ceases to be an obligation of the Successor Agency. For the fiscal year ended June 30, 2020, total interest paid was \$406.

Contractual obligations

In December 1992, the former Redevelopment Agency has entered into an agreement with California State Teachers Retirement System (CALSTRS), to share in the development costs of the Plaza Redevelopment Project. In March 2004, CALSTRS assigned the agreement to the new owners, Pan Pacific Retail Properties, Inc. (PPRP). In October 2006, Kimco Realty Corporation (KRC) acquired PPRP including the assumption of the assigned plaza project agreement. The KRC participation note bears 7% simple interest rate, and has a maximum term of 25 years. The Successor Agency's obligation to repay the note is entirely contingent on the revenues generated by the project. The note will be forgiven at the end of the term whether or not the entire amount has been repaid. At June 30, 2020, the outstanding balance of the participation note was \$1,693.

Westgate Pollution Remediation Obligation

In June 2003, the former Redevelopment Agency acquired property located at 2951 West Lincoln Avenue as part of a redevelopment project named the Westgate project. Approximately 11 acres of the property were formerly known as the Sparks and Rains Landfills. The County of Orange was the operator of these landfills until 1960. In November 2008, the County paid the Redevelopment Agency \$5,176 in settlement of claims related to the pollution remediation for the Westgate project site prior to the development of a shopping center. The total costs of the pollution remediation work amounted to \$12,420 based on actual contract received for the project. During the year ended June 30, 2015, management identified potential additional pollution remediation costs including ongoing maintenance responsibilities required for the Westgate project amounting to \$18,576. At June 30, 2020, the pollution remediation liability is estimated to be \$16,661

NOTE 11 – SEGMENT INFORMATION:

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

Condensed Statement of Net Position

Assets	
Cash & cash equivalents	\$ 6,560
Investments	27,089
Other current assets	2,196
Restricted cash & cash equivalents	5,270
Restricted investments	20,839
Capital Assets, net	<u>112,877</u>
Total assets	<u>174,831</u>
Deferred outflows of resources	<u>1,082</u>
Liabilities	
Current liabilities	617
Long-term debt due within one year	738
Current liabilities payable from restricted assets	1,100
Long-term debt due within one year payable from restricted assets	513
Long-term debt less current portion	49,891
Other long-term liabilities	<u>8,975</u>
Total liabilities	<u>61,834</u>
Deferred inflows of resources	<u>1,461</u>
Net Position	
Net investment in capital assets	71,289
Restricted for debt services	513
Restricted for capital projects	14,183
Unrestricted	<u>26,633</u>
Total net position	<u>\$ 112,618</u>

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

Waste water fees (pledged against bonds)	\$ 14,543
Other revenues	1,763
Depreciation and amortization	(2,508)
Other operating expenses	<u>(8,012)</u>
Total operating Income	<u>5,786</u>
Nonoperating income(expenses)	
Intergovernmental revenues	19
Interest income	2,501
Interest expense	(1,563)
Loss on disposal of capital assets	(29)
Transfer out	<u>(628)</u>
Total nonoperating expenses	<u>300</u>
Change in net position	6,086
Net position at beginning of year	<u>106,532</u>
Net position at end of year	<u>\$ 112,618</u>

Condensed Statement of Cash Flows

Net cash provided (used for) by:	
Operating activities	\$ 7,936
Noncapital financing activities	(609)
Capital and related financing activities	(6,323)
Investing activities	<u>2,043</u>
Net decrease	3,047
Beginning cash and cash equivalents	8,783
Ending cash and cash equivalents	<u>\$ 11,830</u>
Reconciliation of cash & cash equivalent	
Cash & cash equivalent	\$ 6,560
Restricted cash & cash equivalent	5,270
Total cash & cash equivalent	<u>\$ 11,830</u>

NOTE 12 - PENSIONS:

General information about the Pension Plans

Plan Description

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

Benefits Provided

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

The Plans' provisions and benefits in effect at June 30, 2020 are summarized as follows:

	<u>Miscellaneous</u>	
	Prior to	On or after
Hire Date	January 1, 2013	January 1, 2013
Benefit formula	2.7% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-55	52-65
Monthly benefits, as a% of eligible compensation	2.70%	2.00%
Required employee contribution rates	8.00%	6.75%
Required employer contribution rates	11.679%	11.679%
	<u>Police Safety</u>	
	Prior to	On or after
Hire Date	January 1, 2013	January 1, 2013
Benefit formula	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	52-57
Monthly benefits, as a % of eligible compensation	3.00%	2.70%
Required employee contribution rates	9.00%	12.75%
Required employer contribution rates	23.199%	23.199%
	<u>Fire Safety</u>	
	Prior to	On or after
Hire Date	January 1, 2013	January 1, 2013
Benefit formula	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50-57
Monthly benefits, as a % of eligible compensation	3.00%	2.0%-2.7%
Required employee contribution rates	9.00%	11.50%
Required employer contribution rates	19.071%	19.071%

Employees Covered

As of the June 30, 2019 actuarial valuation, the following employees were covered by the benefit terms for each Plan:

	<u>Miscellaneous</u>	<u>Police Safety</u>	<u>Fire Safety</u>
Inactive employees or beneficiaries currently receiving benefits	2,191	579	317
Inactive employees entitled to but not yet receiving benefits	1,619	87	67
Active employees	<u>1,772</u>	<u>413</u>	<u>204</u>
Total	<u>5,582</u>	<u>1,079</u>	<u>588</u>

Contributions

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

The total required minimum employer contribution is the sum of the Employer Normal Cost Rate (Employer Rate, expressed as a percentage of payroll) plus the Employer Unfunded Accrued Liability (UAL) Contribution amount (in dollar). The following table summarizes the required contribution rates by employee and employer effective for fiscal year 2020. The contribution requirements of plan members and the City are established and may be amended by CalPERS.

Employee Group	CalPERS Membership ¹	Retirement Formula	Employee Rate	Employer Rate		Total Rate		Total Rate	FY 2020 UAL Contribution ³
				Employee ²	City	Employee	City		
Miscellaneous Employees									
Management; confidential Anaheim Municipal Employees Association (AMEA) General	Classic	2.7% @ 55	8.000%	4.000%	7.679%	12.000%	7.679%	19.679%	
Anaheim Municipal Employees Association (AMEA) Clerical	New	2% @ 62	6.750%	0.000%	11.679%	6.750%	11.679%	18.429%	\$ 31,537
International Brotherhood of Electrical Workers (IBEW)									
Anaheim Police Association Trainees									
Safety Employees									
Fire Management	Classic	3% @ 50	9.000%	3.000%	16.071%	12.000%	16.071%	28.071%	
Anaheim Fire Association (AFA)	Classic	2% @ 50	9.000%	3.000%	16.071%	12.000%	16.071%	28.071%	
	New	2.7% @ 57	11.500%	0.000%	19.071%	11.500%	19.071%	30.571%	\$ 8,071
Police Management	Classic	3% @ 50	9.000%	3.000%	20.199%	12.000%	20.199%	32.199%	
Anaheim Police Management Association (APMA)	New	2.7% @ 57	12.750%	0.000%	23.199%	12.750%	23.199%	35.949%	\$ 14,089
Anaheim Police Association (APA)									

¹ Definition of a 'New' PERS member

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

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

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

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

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

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

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

Net Pension Liability

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plan is measured as of June 30, 2019. Liabilities are based on the results of the actuarial calculations performed as of June 30, 2018 and were rolled forward to determine the June 30, 2019 total pension liability. Fiduciary net position is based on fair value of investments as of June 30, 2019.

Actuarial Assumptions:

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

Valuation Date (VD)	June 30, 2018
Measurement Date (MD)	June 30, 2019
Measurement Period	July 1, 2018 to June 30, 2019
Reporting Date (RD)	June 30, 2020
Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB 68
Asset Valuation Method	Fair Value of Assets
<u>Actuarial Assumptions:</u>	
Discount Rate	7.15%
Inflation	2.50%
Salary Increase	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment Rate of Return	7.15% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Retirement Age	The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.
Post Retirement Benefits Increase	Contract COLA up to 2.0% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.5% thereafter

Change of Assumptions

There was no change of assumptions for the measurement year.

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefits payments to determine the total pension liability.

Long-term expected rate of return

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for the assumed administrative expenses.

<u>Asset Class¹</u>	<u>Current Target Allocation</u>	<u>Real Return Years 1-10²</u>	<u>Real Return Years 11+³</u>
Global Equity	50.00%	4.80%	5.98%
Global Fixed Income	28.00%	1.00%	2.62%
Inflation Assets		0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	<u>1.00%</u>		-0.92%
	<u>100.00%</u>		

¹ CalPERS' CAFR, Fixed income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities

² An expected inflation of 2.0% used for this period

³ An expected inflation of 2.92% used for this period

Recognition of Gains and Losses

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

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

Difference between projected and actual earnings on investments 5 year straight-line amortization

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

Change in the Net Pension Liability

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

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

	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability/ (Asset) (c) = (a) - (b)</u>
<u>Miscellaneous Plan:</u>			
Balance at June 30, 2018 (VD)	\$ 1,426,545	\$ 1,013,223	\$ 413,322
Changes recognized for the Measurement Period:			
Service Cost	23,998		23,998
Interest on the Total Pension Liability	100,471		100,471
Difference between Expected and Actual Experience	2,789		2,789
Contribution from the Employer		40,546	(40,546)
Contributions from Employees		9,653	(9,653)
Net Investment Income		66,398	(66,398)
Benefit Payments, including Refunds of Employee Contributions	(72,294)	(72,294)	
Administrative Expenses		(723)	723
Other miscellaneous income (Expense)		<u>1</u>	<u>(1)</u>
Net Changes during 2018-2019	<u>54,964</u>	<u>43,581</u>	<u>11,383</u>
Balance at 6/30/2019 (MD)	<u>\$ 1,481,509</u>	<u>\$ 1,056,804</u>	<u>\$ 424,705</u>

Police Safety Plan:	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (c) = (a) - (b)
Balance at June 30, 2018 (VD)	\$ 790,929	\$ 567,438	\$ 223,491
Changes recognized for the Measurement Period:			
Service Cost	17,241		17,241
Interest on the Total Pension Liability	56,054		56,054
Difference between Expected and Actual Experience	3,458		3,458
Contributions from Employer		23,375	(23,375)
Contributions from Employees		5,003	(5,003)
Net Investment Income		37,234	(37,234)
Benefit Payments, including Refunds of Employee Contributions	(38,058)	(38,058)	
Administrative Expenses		(405)	405
Other miscellaneous income (Expense)		1	(1)
Net Changes during 2018-2019	38,695	27,150	11,545
Balance at 6/30/2019 (MD)	\$ 829,624	\$ 594,588	\$ 235,036

Fire Safety Plan:	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (c) = (a) - (b)
Balance at June 30, 2018 (VD)	\$ 440,672	\$ 316,459	\$ 124,213
Changes recognized for the Measurement Period:			
Service Cost	6,617		6,617
Interest on the Total Pension Liability	31,074		31,074
Difference between Expected and Actual Experience	3,076		3,076
Contributions from Employer		11,654	(11,654)
Contributions from Employees		2,436	(2,436)
Net Investment Income		20,553	(20,553)
Benefit Payments, including Refunds of Employee Contributions	(24,915)	(24,915)	
Administrative Expenses		(226)	226
Other miscellaneous income (Expense)		1	(1)
Net Changes during 2018-2019	15,852	9,503	6,349
Balance at 6/30/2019 (MD)	\$ 456,524	\$ 325,962	\$ 130,562

Combined Total:	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (c) = (a) - (b)
Balance at June 30, 2018 (VD)	\$ 2,658,146	\$ 1,897,120	\$ 761,026
Changes recognized for the Measurement Period:			
Service Cost	47,856		47,856
Interest on the Total Pension Liability	187,599		187,599
Difference between Expected and Actual Experience	9,323		9,323
Contribution from the Employer		75,575	(75,575)
Contributions from Employees		17,092	(17,092)
Net Investment Income		124,185	(124,185)
Benefit Payments, including Refunds of Employee Contributions	(135,267)	(135,267)	
Administrative Expenses		(1,354)	1,354
Other miscellaneous income (Expense)		3	(3)
Net Changes during 2018-2019	109,511	80,234	29,277
Balance at 6/30/2019 (MD)	\$ 2,767,657	\$ 1,977,354	\$ 790,303

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

The following presents the net pension liability of the City's three Plans of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

Plans' Net Pension Liability	Discount Rate - 1% (6.15%)	Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Miscellaneous	\$ 617,778	\$ 424,705	\$ 265,019
Police Safety	347,454	235,036	142,678
Fire Safety	189,295	130,562	81,994
Combine total	\$ 1,154,527	\$ 790,303	\$ 489,691

Pension Plan Fiduciary Net Position

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

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

Pension expense is the change in net pension liability from the previous fiscal year to the current fiscal year less adjustments. For the fiscal year ended June 30, 2020, the City recognized pension expense of \$153,638

which included \$83,535 from the Miscellaneous Plan, \$47,954 from the Police Safety Plan, and \$22,149 from the Fire Safety Plan.

At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>Miscellaneous Plan</u>		
Pension contributions subsequent to measurement date	\$ 46,260	
Changes of Assumptions		\$ 2,798
Difference between Expected and Actual Experiences	1,917	1,300
Net difference between projected and actual earnings on plan investments		5,683
Change in proportions	4,349	4,349
Total	<u>\$ 52,526</u>	<u>\$ 14,130</u>
<u>Police Safety Plan</u>		
Pension contributions subsequent to measurement date	\$ 26,637	
Changes of Assumptions	11,670	\$ 1,604
Difference between Expected and Actual Experiences	2,823	1,161
Net difference between projected and actual earnings on plan investments		2,814
Total	<u>\$ 41,130</u>	<u>\$ 5,579</u>
<u>Fire Safety Plan</u>		
Pension contributions subsequent to measurement date	\$ 13,174	
Changes of Assumptions	7,124	\$ 1,034
Difference between Expected and Actual Experiences	3,097	1,090
Net difference between projected and actual earnings on plan investments		1,652
Total	<u>\$ 23,395</u>	<u>\$ 3,776</u>

The combined total \$86,071 (\$46,260 from the Miscellaneous Plan, \$26,637 from the Police Safety Plan and \$13,174 from Fire Safety Plan) reported as deferred outflows of resources related to contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year. Other amount reported in deferred outflow of resources and inflows of resources related to pensions will be recognized as a component in pension expense as follows:

Fiscal year Ended 6/30	Miscellaneous Plan	Police Safety Plan	Fire Safety Plan
2021	\$ 1,269	\$ 12,559	\$ 6,450
2022	(8,634)	(4,230)	(776)
2023	(1,508)	(2)	101
2024	1,009	587	670
	<u>\$ (7,864)</u>	<u>\$ 8,914</u>	<u>\$ 6,445</u>

Payable to the Pension Plans

At June 30, 2020, the City reported a payable of \$1,023 for the outstanding amount of contributions to the pension plan required for the fiscal year ended June 30, 2020.

NOTE 13 - Other Postemployment Benefits

Plan Description

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

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

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

¹ The maximum City contribution for the retiree's OPEB is 95% of the annual contribution amount for active employees

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

Benefits provided

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

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

Employees Covered

At the June 30, 2019 actuarial valuation, the following employees were covered by the benefit terms of the OPEB Plan:

Inactive employees or beneficiaries currently receiving benefit payments	1,329
Inactive employees entitled to but not yet receiving benefit payments	107
Active employees	<u>1,871</u>
Total	<u><u>3,307</u></u>

Contributions

The contribution requirements of plan members and the City are established in accordance with City Personnel Resolutions, Council Resolution and various Memoranda of Understanding. The retired plan members receiving benefits make varying contributions toward the cost of these benefits. The City contributes an amount not less than the annual Actuarially Determined Contribution (ADC) measured in accordance to the parameters of GASB Statement No. 75. The ADC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortization of any unfunded actuarial liabilities over a closed 30-year period. The remaining amortization at June 30, 2020 is eighteen years.

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

For the fiscal year ended June 30, 2020, the City contributed the full amount of the ADC totaled \$16,487 of which included insurance premiums of \$19,950, implicit subsidy of \$3,266, offsetting by cash reimbursement from CERBT of \$1,054 and retiree contributions of \$5,675.

Net OPEB Liability

The City's OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

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

Valuation Date (VD)	June 30, 2019
Measurement Date (MD)	June 30, 2019
Measurement Period	July 1, 2018 to June 30, 2019
Reporting Date (RD)	June 30, 2020
Actuarial Cost Method	Entry Age Normal Cost, level percent of pay
Asset Valuation Method	Market Value of Assets
<u>Actuarial Assumptions:</u>	
Long Term Return on Assets	6.70% net of plan investment expenses and including inflation
Discount Rate	6.70% net of plan investment expenses and including inflation
General Inflation Rate	2.50%
Salary Increase	3.00% per year, used only to allocate the cost of benefits between service years.
Participants Valued	Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in this valuation.
Participation Rates	Active employees expected to qualify for explicit City benefits in retirement: 90% of future retirees are assumed to elect coverage through the City in retirement; Active employees not eligible for explicit City benefits in retirement: 45% are assumed to continue their current medical plan elections in retirement. Current retirees: All currently participating retirees are assumed to continue their existing medical and dental plan elections for the remainder of their lifetime. 50% of retirees eligible for benefits but currently waiving coverage are assumed to rejoin the plan.
Demographic	Based on the 2017 experience study of the CalPERS using data from 1997 to 2015, except for a different basis used to project future mortality improvements. The representative mortality rates were those published by CalPERS rates, adjusted to back out 15 years of Scale MP 2016 to central year 2015.
Mortality Improvement	MacLeod Watts Scale 2020 applied generationally.
Healthcare Trend	Medical plan premiums and claims costs by age are assumed to increase once each year. Assumed to start at 6.5% in 2021 and then fluctuate to an ultimate increase rate of 4.0% for year 2076 and later.

Change of Assumptions

The June 30, 2019 actuarial valuation has the following changes since the prior valuation:

Trust rate of return and discount rate	Decreased from 7.28% to 6.70%, reflecting updated projections of long term return on trust assets.
Demographic Assumptions	Assumed mortality, termination, and retirement rates were updated from those provided in the 2014 experience study report to those provided in the 2017 experience report of CalPERS.
Mortality Improvement	The mortality improvement scale was updated from MacLeod Watts Scale 2017 to MacLeod Watts Scale 2020.
Participation Rate	The assumed participation percentage of active employees eligible to continue City coverage in retirement but with no City-payment toward their premiums was increased from 22.5% to 45%, based on a review of recent retiree elections.
Dependent Coverage	(1) The percentage of active employees assumed to cover a dependent child in a City medical plan in retirement was increased from 25% to 30% and (2) the age at which the coverage for dependent children of future retirees is assumed to end was reduced from 65 to 62.
General Inflation Rate	Decreased from 2.75% to 2.50% per year
Salary Increase	Decreased from 3.25% to 3.00% per year
Medical Trend	Updated to use the Getzen healthcare trend model by the Society of Actuaries
Excise tax on High-cost Coverage	Given the December 2019 repeal of this provision of the Affordable Care Act, the assumption regarding the percentage of any such future tax expected to be paid by the City on behalf of retirees was changed from 100% to 0%.

Discount Rate

The discount rate used to measure the total OPEB liability was 6.70%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The expected long-term return on trust assets was derived from information published by CalPERS for CERBT Strategy 1. CalPERS

determined its returns using a building-block method and best-estimate ranges of expected future real rates of return for each major asset class (expected returns, net of OPEB plan investment expense and inflation). CalPERS' expected returns are split for years 1-10 and years 11 and thereafter. To derive the single equivalent long-term expected return specific to the City's OPEB Plan, the actuarial valuation projected plan benefits in each future year, then applied the plan specific benefit payments to CalPERS' bifurcated return expectations. The City's OPEB Plan participates in CERBT portfolio investment Strategy 1. The target allocation and best estimates of arithmetic real rates of return for each major asset class of Strategy 1 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return ¹
Global Equity	59%	5.98%
Fixed Income	25%	2.62%
Treasury Inflation-Protected Securities	5%	1.46%
Real Estate Investment Trusts	8%	5.00%
Commodities	3%	2.87%
Cash	-	

¹Geometric representation; inflation 2.92%

Recognition of Plan Changes and Gains and Losses

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

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

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

Changes in the OPEB Liability

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

	Increase (Decrease)		
	Total OPEB Liabilities	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balance at 06/30/2018	\$ 275,329	\$ 90,478	\$ 184,851
Changes for the year:			
Service cost	1,900		1,900
Interest on Total OPEB Liability	19,577		19,577
Expected investment income		6,565	(6,565)
Changes of Assumptions	(7,583)		(7,583)
Differences between Expected and Actual Experience	(15,626)		(15,626)
Contributions - Employer		16,049	(16,049)
Investment experience		(983)	983
Benefit payments	(16,629)	(16,629)	
Trust administrative expense		(19)	19
Net Change	(18,361)	4,983	(23,344)
Balance at: 06/30/2019	\$ 256,968	\$ 95,461	\$ 161,507

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

The following presents the net OPEB liability of the City if it were calculated using a discount rate that is 1 percentage-point lower (6.28%) or 1 percentage-point higher (8.28%) than the current rate:

	1% Decrease	Discount Rate	1% Increase
	5.7%	6.7%	7.7%
Net OPEB Liability	\$ 192,138	\$ 161,507	\$ 135,988

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

The following presents the net OPEB liability of the City if it were calculated using health care cost trend rates that are 1 percentage-point lower or 1 percentage point higher than the current rate, for measurement period ended June 30, 2019:

	1% Decrease 5.5%	Current Trend Rate 6.5%	1% Increase 7.5%
Net OPEB Liability	\$ 135,642	\$ 161,507	\$ 192,321

OPEB Plan fiduciary net position

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

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

For the year ended June 30, 2020, the City recognized OPEB expense of \$9,051. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 16,488	
Changes of Assumptions	2,167	\$ 6,362
Difference between Expected and Actual Experiences		19,858
Net difference between projected and actual earnings on plan investments		551
Change in proportion	2,397	2,397
Total	<u>\$ 21,052</u>	<u>\$ 29,168</u>

\$16,488 reported as deferred outflows of resources related to contribution made subsequent to measurement date will be recognized as a reduction in net OPEB liability in the next fiscal year. Other amount reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as a component in OPEB expense as follows:

Fiscal Year Ended June 30	
2021	\$ (5,881)
2022	(5,881)
2023	(4,780)
2024	(3,541)
2025	(3,737)
Thereafter	(784)
Total	<u>\$ (24,604)</u>

NOTE 14 – JOINT VENTURES AND JOINTLY-OWNED PROPERTIES

Authority for Orange County - City Hazardous Materials Emergency Response

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

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

Public entities in Orange County may receive hazardous materials response services from the Hazmat by executing an agreement and paying a fair share contribution. Audited financial information for the joint powers authority as of and for the year ended June 30, 2020, was as follows:

Total assets	\$ 331
Total liability	0
Members' equity	331
Total revenues	89
Total expenses	61
Change in net position	28

Hazmat does not have any debt outstanding at June 30, 2020.

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

Metro Cities Fire Authority

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

The following entities are members of the Fire Authority: City of Anaheim, City of Brea, City of Fountain Valley, City of Fullerton, City of Huntington Beach, City of Newport Beach, and the City of Orange. Members of the

Board of Directors (the “Board”) consist of one voting Board member and an alternate appointed by their governing body.

Public entities in Orange County may receive services from the Fire Authority by executing an agreement and paying a fair share contribution. Audited financial information for the Fire Authority as of and for the year ended June 30, 2020, was as follows:

Total assets	\$	3,976
Total liability		1,782
Members' equity		2,194
Total revenues		6,988
Total expenses		6,708
Change in net position		280

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

North Net Joint Training Authority

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

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

Public entities in Orange County may receive training services from the Authority by executing a “subscription agreement” and by paying the annual fee and other costs. Audited financial information for the Authority as of and for the year ended June 30, 2020, was as follows:

Total assets	\$	3,051
Total liability		199
Members' equity		2,852
Total revenues		1,195
Total expenses		998
Change in net position		197

SONGS

On December 29, 2006, The Electric Utility sold its 3.16% ownership interest of SONGS to SCE. As such, the Electric Utility ceased recording all related operating expenses, except marine mitigation costs, and spent fuel storage charges. Based on the SONGS settlement agreement, the

Electric Utility is responsible for the City's share of marine mitigation costs up to \$2,300, and SCE is responsible for costs approximately \$2,300 to \$7,300. The Electric Utility is responsible for spent fuel storage charges until the federal government takes possession. The Decommissioning Trust Fund will continue to pay for spent fuel storage charges.

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

San Juan Generating Station

On July 31, 2015, the Electric Utility and the other Parties involved with the San Juan Generating Plants, agreed to a plan for the closure of two of the four units. As co-owner of one of the units that is not being closed, on December 31, 2017, the Electric Utility relinquished its 10.04% ownership interest in the existing coal-fired SJ, Unit 4, located near Waterflow, New Mexico to the parties that will continue in the Plant. Other participants include Public Service of New Mexico, 45.485%; the City of Farmington, 8.475%; the County of Los Alamos, 7.200%; and M-S-R Public Power Agency, 28.800%. The Electric Utility's original purchase cost and cumulative share of ongoing construction costs included in utility plant at December 31, 2017 amounted to \$84,616. All capital assets related to the San Juan unit were fully depreciated and retired as of June 30, 2018. There are no separate financial statements for this venture, as each participant's interest is reflected in its respective financial statements. Refer to note 1 on page 60 Provision for decommissioning costs related to the decommissioning trust fund set-aside for the future decommissioning of the Plant.

NOTE 15 – COMMITMENTS AND CONTINGENCIES:

Intermountain Power Agency

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

	<u>Entitlement</u>	<u>Expiration</u>
Generation:		
Intermountain Power Project	13.23%	2027

The contract constitutes an obligation of the Electric Utility to make payments from revenues and requires payment of certain minimum charges. These minimum charges include debt service requirements on

the financial obligations used to construct the plant. These requirements are considered a cost of purchased power.

Southern California Public Power Authority

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

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

Take or pay commitments

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

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

Fiscal Year Ending 6/30	IPA	STS	MAP	MPP	Magnolia	Natural gas	Canyon	Total
2021	\$ 28,022	\$ 13,434	\$ 2,135	\$ 1,142	\$ 4,657	\$ 4,514	\$ 16,638	\$ 70,542
2022	7,062	16,223			5,545	4,169	16,628	49,627
2023	9,742	12,266			8,962	3,854	16,618	51,442
2024	69	12,337			7,671	3,563	16,605	40,245
2025	55	5,648			7,734	3,299	16,600	33,336
2026-2030		16,909			39,661	13,207	86,328	156,105
2031-2035					41,619	5,803	103,256	150,678
2036-2040					23,620		102,180	125,800
2041-2045							20,313	20,313
	<u>\$ 44,950</u>	<u>\$ 76,817</u>	<u>\$ 2,135</u>	<u>\$ 1,142</u>	<u>\$ 139,469</u>	<u>\$ 38,409</u>	<u>\$ 395,166</u>	<u>\$ 698,088</u>

The fiscal year 2020 expenses for fuel, O&M, A&G and other costs at these projects were as follows:

Fiscal Year Ending 6/30	IPA	STS	MAP	MPP	Magnolia	Natural gas	Canyon	Total
2020	\$ 36,558	\$ 4,773	\$ 459	\$ 140	\$ 24,587	\$ 716	\$ 4,455	\$ 71,688

Cap-and-Trade Program

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

The Cap-and-Trade program (Program) was implemented beginning January 1, 2013. This Program requires Electric Utilities to have GHG allowances on an annual basis to offset GHG emissions associated with generating electricity. CARB will provide a free allocation of GHG allowance to each electric utility to mitigate retail rate impacts. This free allocation of GHG allowance is expected to be sufficient to meet Electric Utility's GHG compliance obligations for retail sales. During this fiscal year, an unused portion of retail allowance was sold for \$10,252 to reduce future renewable energy costs for retail customers. The compliance obligation for the wholesale sales requires allowance to be obtained through the auction or in the secondary market quarterly. At June 30, 2020, the value of prepaid Cap and Trade allowance is \$23,269, and the value of the Cap and Trade obligation is \$11,525.

Operating Leases

In January 2005, the City entered into a long-term noncancelable ground lease with City of Fullerton, for an approximately 1.56 acre site at the Fullerton Municipal Airport for the operation of the Anaheim Police Department Heliport. The term of the lease is 40 years with two 10-year extensions commencing from January 2005 and ending December 2044. The base rent is adjusted every five years by ten percent (10%). The City constructed a building of approximately 30,000 square feet that includes offices, aircraft maintenance and storage facilities and other infrastructure supporting such facilities on the leased premise. Future minimum lease payments to be made from unrestricted revenues of the General Fund are as follows:

<u>Fiscal Year Ending 6/30</u>		
2021	\$	65
2022		65
2023		65
2024		65
2025		68
2026-2030		362
2031-2035		398
2036-2040		438
2041-2045		429
Total minimum future rentals	\$	<u>1,955</u>

The Honda Center

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

In November 2018, an amendment was signed to extend the term of agreement from June 30, 2023 to June 30, 2048, with five 5-year extension options. Under the amendment, AAM assumed responsibility to provide 3,900 parking spaces for Honda Center, relieving the City of this long-term obligation. Annual distributions to the City, AAM and the County of Orange are required for their respective share of adjusted net revenues, as defined in the FMA. In the event that cash on hand is insufficient to pay operating expenses, debt service, distributions to the City, the County of Orange, or other amounts payable, AAM shall make or cause an affiliate or third-party lending institution to make loans for such purposes, as defined in the FMA. Such funds will be repaid from gross revenues or adjusted net revenues, if any, as defined in and in accordance with disbursement priorities established in the FMA. At June 30, 2020, the outstanding conduit debt on the Honda Center totaled \$13,000. The debt is non-recourse, payable from revenues generated by the facility. Neither the faith and credit nor the taxing power of the City is pledged to the payment of the debt. The debt is not a general or special obligation of the City, nor does it contain any credit enhancements that secondarily pledge existing or future resources of the City (other than revenues generated by the facility), and accordingly it is not reflected in the accompanying basic financial statements.

Angel Stadium of Anaheim

On May 15, 1996, the City and the California Angels, LP (Team), which was then managed by Disney Sports Enterprises, Inc. (subsequently known as Anaheim Sports, Inc.), entered into an agreement to provide for the operation and refurbishment of the Stadium. Pursuant to the agreement, the Team assumed responsibility for the operation of the Stadium on October 1, 1996. The agreement runs for 33 years (subject to a limited Team option to cancel at 20 years and the Team's right to extend the term). In September 2013, the agreement was modified extending the Team's right to terminate the agreement by three years to October 16, 2019. In January 2019, an amendment was signed to extend the Team's right to terminate the agreement by fourteen months to December 31, 2020.

On December 19, 2019, the Anaheim City Council adopted a resolution approving the Purchase and Sale Agreement between the City and SRB Management Company, LLC (SRB) for the sale of approximately 153 acres of City-owned property generally located at 2000 E. Gene Autry Way and 2200 East Katella Avenue, including improvements commonly referred to as Angel Stadium of Anaheim, the City National Grove, and surrounding parking areas. Key transaction terms included a purchase price of \$325 million, a commitment by the Angels to play home games in Anaheim through at least 2050, waiver of Angels Baseball's right to terminate the existing lease, \$70 million in periodic deposits to be made by SRB and credited against the purchase price, and a milestone schedule for establishing development entitlements. On May 12, 2020, the City entered into a letter of understanding (LOU) with SRB extending the inspection deadline by ninety (90) days from June 30, 2020 to September 30, 2020, and accelerating the time required for making the third deposit.

Until the sale is finalized and under the terms of the agreement, the Team assumed full responsibility for all Stadium operations and maintenance, including capital maintenance. The Team books all Stadium and parking lot events (except for ten annual City events), pays all expenses, and retains all revenue (subject to the City's rights to share in certain net revenues) except that the City credits the Team up to \$500 per year adjusted annually for CPI as a capital reserve contribution, calculated on the basis of property taxes. The City's participation in net revenues includes amounts received by the Team above certain thresholds including paid admissions (\$2.00 per paid admission in excess of 2.6 million admissions per year), net income from nongame events (in excess of \$2,000 per year adjusted annually for CPI), and parking lot net income (25% in excess of \$4,000 per year adjusted annually for CPI). Additionally, as indicated above, the City retained the right to book and retain all revenue from ten parking lot events per year. Major League Baseball consented to the transfer of the Team in fiscal year 2003 to interests controlled by Arte Moreno. No changes in the terms of the agreement with the Team were made in connection with that transfer.

The May 14, 1996 Agreement also provided the City the right to develop approximately 42 acres of the parking lot development site. In 1998 a land sale of \$1,000 for a 1.25 acre site was approved for the construction of a 1,100-seat theatre called "Tinseltown Studios" (now known as "City National Grove of Anaheim"). In November 2002, the City purchased the facility and the land for \$6,700 from its then owner, SMG. Concurrent with the purchase, the City granted to Nederlander-Grove LLC (Nederlander) a license to operate the facility for three years with the right to extend another five years. In May 2009, the management agreement was amended extending the term to December 31, 2015 with the right to

extend another five year period. In June 2015, the option to extend was exercised, which extends the term to December 31, 2020. Additionally, under the amended management agreement, effective January 1, 2009, Nederlander no longer receives a management fee of \$150 and the City's share in the annual net profits and losses from operations increased from 50% to 60%. Nederlander is responsible for 100% of losses in excess of \$400, thereby limiting the City's share of net losses to a maximum of \$240 in any given year. The City may elect to terminate the agreement prior to expiration of the term under certain conditions, and pay the unamortized balance of capital assets purchased during the term to Nederlander. Concurrent with the amendment to the management agreement, the parking license fee agreement was amended, wherein the parking license fees from Nederlander were reduced to \$176 and is subject to adjustment annually based on CPI increases. Nederlander paid the City \$217 for the year ended June 30, 2020, for parking and common area maintenance. Under the Stadium Sale and Purchase Agreement, development rights and any right to levy income, will pass to SRB, the new owner.

Anaheim Regional Transportation Intermodal Center - ARTIC

In December 2014, the City opened ARTIC, a transit hub in the Platinum Triangle, a growing and dynamic mixed use area, and within walking distance of both the Angel Stadium and the Honda Center. ARTIC serves as a transit hub for Orange County and the entire Southern California region with bus and rail services that include: Amtrak Metrolink, Orange County Transportation Authority Anaheim Resort Transportation, Tres Estrellas De Oro bus service to Mexico, Greyhound Megabus.com, Flixbus, shuttles, taxis, and outdoor bicycle racks and lockers.

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

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

Under the terms of The Facility Management Agreement, ATCM assumes management of ARTIC through June 30, 2048, with the option to extend its management obligations for five five-year extension terms; ATCM will be responsible for all operating losses up to \$2.5 million annually; AAM/ATCM will advance all expenses of a sign “Spectacular” at ARTIC, with all proceeds applied to operating expenses; AAM fully guarantees ATCM performance; and City and ATCM share in net profits, 60% to City and 40% to ATCM. For the fiscal year ending June 30, 2020, there was no revenue sharing, with ATCM assuming 100% of operating losses totaling \$1.8 million.

Muzeo

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

In June 2019, The City and the Muzeo Foundation entered Amendment No. 4 to the Property Operating Agreement which includes the continuance of the annual LOC in the amount of \$250 per annum for a term of five years expiring June 30, 2024. Additionally, the Muzeo Foundation is also granted a Capital Working LOC (CWLOC) for up to \$150 each fiscal year. During fiscal year 2020, the Muzeo Foundation has drawn \$30 from the CWLOC.

Participation Agreement – Construction of Regional Animal Care Shelter

On April 12, 2016 the City Council approved a Participation Agreement between the County of Orange and City of Anaheim for the construction of a new regional animal shelter at the former Tustin Air Base. Participants of this Participation Agreement is among the County of Orange and fourteen Orange County Cities. The Shelter will be a County public works project with a maximum construction amount of \$35 million of which the County will fund \$7.2 million and contribute the land at no cost. The remaining \$27.3 million of the maximum construction amount

will be divided proportionately among the contract cities based on the percentage of actual shelter usage over the last five years. The City's proportionate share is 28.28% or \$7.7 million for an estimate annual payment of \$798 payable quarterly over 10 years starting with fiscal year 2017.

During fiscal year 2020, the City has paid \$815 with an estimated committed balance of \$4,833.

Litigation

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

Grants

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

Construction and other significant commitments

At June 30, 2020, the City had the following commitments with respect to unfinished capital projects, disposition and development agreements, reimbursement agreements and cooperation agreements:

Capital Projects	Remaining Construction Commitment	Expected Completion Date
Anaheim Convention Center Hall "D" Cooling Tower	\$ 389	2020
Anaheim Resort Electric Line Extension	1,448	2020
Changeable Message Signs	677	2020
Electric Reliability Improvement	608	2020
Julianna Park Improvement	296	2020
Linda Vista Complex Pump Station	7,403	2021
Manchester Electric Line Extension Electric Reliability	2,659	2020
Olive Street 16-inch Water Main - Phase 2 Project	1,071	2020
Outdoor Metal Clad Switchgear 15KV	1,643	2020
Platinum Triangle Electric Line Extension	6,993	2020
Pressure Regulating Stations No. 30&31	1,991	2020
Rehabilitation and Expansion of Lenain Water	296	2020
Street Improvement - Acacia Phase II	1,762	2020
Street Improvement - Ball Road and Anaheim Boulevard Intersection	610	2020
Street Improvement - Gene Autry Way	595	2020
Street Improvement - Weir Canyon Road	452	2020
Street Improvement - West Street & Citron Street	207	2020
Transformers	1,325	2020
Underground District No 50 Euclid Street	4,134	2020
Underground District No 64 Orangewood Ave	788	2020
Underground District No 65 Phase I	8,733	2021
Vehicle Acquisitions	1,817	2020
Wagner House Voluntary Accessibility	113	2020
Wanda 12 KV Circuit Electric Line Extension	1,726	2020
	\$47,736	



REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in the Net Pension Liability and Related Ratios

Last Ten Fiscal Years¹

(In thousands)

Measurement Period:	Miscellaneous 2018-2019	Police Safety 2018-2019	Fire Safety 2018-2019	Total 2018-2019	Miscellaneous 2017-2018	Police Safety 2017-2018	Fire Safety 2017-2018	Total 2017-2018
TOTAL PENSION LIABILITY								
Service cost	\$ 23,998	\$ 17,241	\$ 6,617	\$ 47,856	\$ 24,265	\$ 16,628	\$ 6,625	\$ 47,518
Interest on the Total Pension Liability	100,471	56,054	31,074	187,599	96,660	53,413	29,971	180,044
Changes of Assumptions ⁵					(7,462)	(3,208)	(1,830)	(12,500)
Difference Between Expected and Actual Experience	2,789	3,458	3,076	9,323	(3,467)	(2,322)	1,245	(4,544)
Benefit Payments, including Refunds of Employee Contributions	(72,294)	(38,058)	(24,915)	(135,267)	(68,285)	(35,675)	(23,587)	(127,547)
Net Change in Total Pension Liability	54,964	38,695	15,852	109,511	41,711	28,836	12,424	82,971
Total Pension Liability - Beginning	1,426,545	790,929	440,672	2,658,146	1,384,834	762,093	428,248	2,575,175
Total Pension Liability - Ending (a)	<u>\$ 1,481,509</u>	<u>\$ 829,624</u>	<u>\$ 456,524</u>	<u>\$ 2,767,657</u>	<u>\$ 1,426,545</u>	<u>\$ 790,929</u>	<u>\$ 440,672</u>	<u>\$ 2,658,146</u>
PLAN FIDUCIARY NET POSITION								
Contributions - Employer	\$ 40,546	\$ 23,375	\$ 11,654	\$ 75,575	\$ 35,753	\$ 20,412	\$ 10,600	\$ 66,765
Contributions - Employees	9,653	5,003	2,436	17,092	9,985	4,869	2,487	17,341
Net Investment Income	66,398	37,234	20,553	124,185	80,859	45,025	25,372	151,256
Benefit Payments, including Refunds of Employee Contributions	(72,294)	(38,058)	(24,915)	(135,267)	(68,285)	(35,675)	(23,587)	(127,547)
Plan to Plan Resource Movement					(2)	(1)	(1)	(4)
Administration Expense	(723)	(405)	(226)	(1,354)	(1,495)	(834)	(472)	(2,801)
Other Miscellaneous Income (Expense) ²	1	1	1	3	(2,839)	(1,584)	(897)	(5,320)
Net Change in Fiduciary Net Position	43,581	27,150	9,503	80,234	53,976	32,212	13,502	99,690
Plan Fiduciary Net Position - Beginning³	1,013,223	567,438	316,459	1,897,120	959,247	535,226	302,957	1,797,430
Plan Fiduciary Net Position - Ending (b)	1,056,804	594,588	325,962	1,977,354	1,013,223	567,438	316,459	1,897,120
Plan Net Pension Liability (Asset) - Ending (a) - (b)	<u>\$ 424,705</u>	<u>\$ 235,036</u>	<u>\$ 130,562</u>	<u>\$ 790,303</u>	<u>\$ 413,322</u>	<u>\$ 223,491</u>	<u>\$ 124,213</u>	<u>\$ 761,026</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	71.33%	71.67%	71.40%	71.45%	71.03%	71.74%	71.81%	71.37%
Covered Payroll⁴	\$ 123,499	\$ 52,491	\$ 23,383	\$ 199,373	\$ 124,068	\$ 50,771	\$ 23,214	\$ 198,053
Plan Net Pension Liability (Asset) as a Percentage of Covered Payroll	343.89%	447.76%	558.36%	396.39%	333.14%	440.19%	535.08%	384.25%

Notes:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2018 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

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

² During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participants in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75. Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting Pension (GASB 68).

³ Includes any beginning of year adjustment

⁴ Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-19; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

⁵ Changes of Assumptions: None in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Assumptions December 2017. There were no changes in the discount rate.

(Continued)

Schedule of Changes in the Net Pension Liability and Related Ratios Last Ten Fiscal Years¹

(In thousands) (continued)

Measurement Period:	Miscellaneous 2016-2017	Police Safety 2016-2017	Fire Safety 2016-2017	Total 2016-2017	Miscellaneous 2015-2016	Police Safety 2015-2016	Fire Safety 2015-2016	Total 2015-2016
TOTAL PENSION LIABILITY								
Service cost	\$ 23,736	\$ 15,914	\$ 6,600	\$ 46,250	\$ 19,841	\$ 13,551	\$ 5,572	\$ 38,964
Interest on the Total Pension Liability	93,754	51,464	29,093	174,311	89,941	49,349	28,550	167,840
Changes of Assumptions	76,961	43,497	23,564	144,022				
Difference Between Expected and Actual Experience	8,902	225	(3,028)	6,099	(28,822)	6,919	(2,504)	(24,407)
Benefit Payments, including Refunds of Employee Contributions	(64,059)	(34,195)	(22,071)	(120,325)	(60,039)	(32,039)	(20,907)	(112,985)
Net Change in Total Pension Liability	139,294	76,905	34,158	250,357	20,921	37,780	10,711	69,412
Total Pension Liability - Beginning	1,245,540	685,188	394,090	2,324,818	1,224,619	647,408	383,379	2,255,406
Total Pension Liability - Ending (a)	\$ 1,384,834	\$ 762,093	\$ 428,248	\$ 2,575,175	\$ 1,245,540	\$ 685,188	\$ 394,090	\$ 2,324,818
PLAN FIDUCIARY NET POSITION								
Contributions - Employer	\$ 33,275	\$ 19,615	\$ 10,350	\$ 63,240	\$ 31,595	\$ 17,527	\$ 9,483	\$ 58,605
Contributions - Employees	9,744	4,741	2,316	16,801	9,812	4,726	2,328	16,866
Net Investment Income	97,855	54,262	31,036	183,153	4,556	2,607	1,449	8,612
Benefit Payments, including Refunds of Employee Contributions	(64,059)	(34,195)	(22,071)	(120,325)	(60,039)	(32,039)	(20,907)	(112,985)
Plan to Plan Resource Movement	2			2	(34)			(34)
Administrative Expense	(1,305)	(725)	(416)	(2,446)	(548)	(304)	(177)	(1,029)
Net Change in Fiduciary Net Position	75,512	43,698	21,215	140,425	(14,658)	(7,483)	(7,824)	(29,965)
Plan Fiduciary Net Position - Beginning	883,735	491,528	281,742	1,657,005	898,393	499,011	289,566	1,686,970
Plan Fiduciary Net Position - Ending (b)	959,247	535,226	302,957	1,797,430	883,735	491,528	281,742	1,657,005
Plan Net Pension Liability (Asset) - Ending (a) - (b)	\$ 425,587	\$ 226,867	\$ 125,291	\$ 777,745	\$ 361,805	\$ 193,660	\$ 112,348	\$ 667,813
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	69.27%	70.23%	70.74%	69.80%	70.95%	71.74%	71.49%	71.27%
Covered Payroll	\$ 120,653	\$ 48,294	\$ 22,688	\$ 191,635	\$ 111,398	\$ 46,479	\$ 21,600	\$ 179,477
Plan Net Pension Liability (Asset) as a Percentage of Covered Payroll	352.74%	469.76%	552.23%	405.85%	324.79%	416.66%	520.13%	372.09%

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

Notes:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2016 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Cred (a.k.a. Golden Handshakes).

Changes of Assumptions: In 2017, the accounting discount rate reduced from 7.65% to 7.15%. In 2016, there were no changes.

(Continued)

Schedule of Changes in the Net Pension Liability and Related Ratios Last Ten Fiscal Years¹

(In thousands) (continued)

Measurement Period:	Miscellaneous 2014-2015	Police Safety 2014-2015	Fire Safety 2014-2015	Total 2014-2015	Miscellaneous 2013-2014	Police Safety 2013-2014	Fire Safety 2013-2014	Total 2013-2014
TOTAL PENSION LIABILITY								
Service cost	\$ 20,334	\$ 12,193	\$ 5,419	\$ 37,946	\$ 21,254	\$ 13,088	\$ 5,961	\$ 40,303
Interest on the Total Pension Liability	88,334	46,658	27,760	162,752	85,591	45,898	27,044	158,533
Changes of Assumptions	(21,249)	(11,546)	(6,582)	(39,377)				
Difference Between Expected and Actual Experience	(16,296)	(19,370)	(4,549)	(40,215)				
Benefit Payments, including Refunds of Employee Contributions	(57,158)	(30,517)	(19,944)	(107,619)	(53,552)	(28,845)	(18,657)	(101,054)
Net Change in Total Pension Liability	13,965	(2,582)	2,104	13,487	53,293	30,141	14,348	97,782
Total Pension Liability - Beginning	1,210,654	649,990	381,275	2,241,919	1,157,361	619,849	366,927	2,144,137
Total Pension Liability - Ending (a)	\$ 1,224,619	\$ 647,408	\$ 383,379	\$ 2,255,406	\$ 1,210,654	\$ 649,990	\$ 381,275	\$ 2,241,919
PLAN FIDUCIARY NET POSITION								
Contributions - Employer	\$ 25,375	\$ 14,663	\$ 7,622	\$ 47,660	\$ 23,841	\$ 13,505	\$ 7,723	\$ 45,069
Contributions - Employees	8,877	4,192	2,075	15,144	8,893	4,064	2,337	15,294
Net Investment Income	20,081	10,967	6,515	37,563	135,468	75,115	44,305	254,888
Benefit Payments, including Refunds of Employee Contributions	(57,158)	(30,517)	(19,944)	(107,619)	(53,552)	(28,845)	(18,657)	(101,054)
Plan to Plan Resource Movement	(5)	5						
Administrative Expense	(1,011)	(562)	(326)	(1,899)				
Net Change in Fiduciary Net Position	(3,841)	(1,252)	(4,058)	(9,151)	114,650	63,839	35,708	214,197
Plan Fiduciary Net Position - Beginning	902,234	500,263	293,624	1,696,121	787,584	436,424	257,916	1,481,924
Plan Fiduciary Net Position - Ending (b)	898,393	499,011	289,566	1,686,970	902,234	500,263	293,624	1,696,121
Plan Net Pension Liability (Asset) - Ending (a) - (b)	\$ 326,226	\$ 148,397	\$ 93,813	\$ 568,436	\$ 308,420	\$ 149,727	\$ 87,651	\$ 545,798
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	73.36%	77.08%	75.53%	74.80%	74.52%	76.96%	77.01%	75.65%
Covered Payroll	\$ 112,039	\$ 41,800	\$ 20,935	\$ 174,774	\$ 110,815	\$ 43,204	\$ 22,107	\$ 176,126
Plan Net Pension Liability (Asset) as a Percentage of Covered Payroll	291.17%	355.02%	448.12%	325.24%	278.32%	346.56%	396.49%	309.89%

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

Notes:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2015 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Cred (a.k.a. Golden Handshakes).

Changes of Assumptions: In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense.) In 2014, amount reported were based on the 7.5% discount rate.

See accompanied independent auditors' report

Schedule of Pension Plan Contributions Last Ten Fiscal Years¹

(In thousands)

Fiscal Year	Pension Plan	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll ²	Contributions as a Percentage of Covered Payroll ²
2019-2020	Miscellaneous	\$ 46,260	\$ 46,260		\$ 125,901	36.74%
	Police Safety	26,637	26,637		54,097	49.24%
	Fire Safety	13,174	13,174		26,785	49.18%
	Total	\$ 86,071	\$ 86,071		\$ 206,783	41.62%
2018-2019	Miscellaneous	\$ 40,546	\$ 40,546		\$ 123,499	32.83%
	Police Safety	23,375	23,375		52,491	44.53%
	Fire Safety	11,654	11,654		23,383	49.84%
	Total	\$ 75,575	\$ 75,575		\$ 199,373	37.91%
2017-2018	Miscellaneous	\$ 35,753	\$ 35,753		\$ 124,068	28.82%
	Police Safety	20,412	20,412		50,771	40.20%
	Fire Safety	10,600	10,600		23,214	45.66%
	Total	\$ 66,765	\$ 66,765		\$ 198,053	33.71%
2016-2017	Miscellaneous	\$ 33,275	\$ 33,275		\$ 120,653	27.58%
	Police Safety	19,615	19,615		48,294	40.62%
	Fire Safety	10,350	10,350		22,688	45.62%
	Total	\$ 63,240	\$ 63,240		\$ 191,635	33.00%
2015-2016	Miscellaneous	\$ 31,141	\$ 31,595	\$ (454)	\$ 111,398	28.36%
	Police Safety	17,527	17,527		46,479	37.71%
	Fire Safety	9,483	9,483		21,600	43.90%
	Total	\$ 58,151	\$ 58,605	\$ (454)	\$ 179,477	32.65%
2014-2015	Miscellaneous	\$ 25,375	\$ 25,375		\$ 112,039	22.65%
	Police Safety	14,663	14,663		41,800	35.08%
	Fire Safety	7,622	7,622		20,935	36.41%
	Total	\$ 47,660	\$ 47,660		\$ 174,774	27.27%
2013-2014	Miscellaneous	\$ 23,841	\$ 23,841		\$ 110,815	21.51%
	Police Safety	13,505	13,505		43,204	31.26%
	Fire Safety	7,723	7,723		22,107	34.93%
	Total	\$ 45,069	\$ 45,069		\$ 176,126	25.59%

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2019-2020 were derived from the June 30, 2017 Valuation reports, and for Fiscal Year 2018-2019 from the June 30, 2016 Valuation reports.

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

² Includes one year's payroll growth using 2.75% payroll assumption for fiscal year ended June 30, 2018 and 2019; 3% payroll assumption for fiscal years ended June 30, 2014-2017.

Schedule of Changes in the Net Other OPEB Liability and Related Ratios Last Ten Fiscal Years¹

(Amounts in Thousands)

Measurement Period:	2018-2019	2017-2018	2016-2017
TOTAL OPEB LIABILITY			
Service cost	\$ 1,900	\$ 1,840	\$ 2,032
Interest on the Total OPEB Liability	19,577	19,229	19,550
Difference Between Expected and Actual Experience	(15,626)		(14,382)
Changes of Assumptions	(7,583)		4,617
Benefit Payments, including Refunds of Employee Contributions	(16,629)	(16,061)	(16,016)
Net Change in Total OPEB Liability	(18,361)	5,008	(4,199)
Total OPEB Liability - Beginning	275,329	270,321	274,520
Total OPEB Liability - Ending (a)	256,968	275,329	270,321
PLAN FIDUCIARY NET POSITION			
Contributions - Employer	16,049	16,367	16,016
Expected investment income	6,565	6,097	5,509
Investment experience	(983)	561	2,501
Benefit payments	(16,629)	(16,061)	(16,016)
Administrative Expense	(19)	(44)	(41)
Other Expense		(111)	
Net Change in Fiduciary Net Position	4,983	6,809	7,969
Plan Fiduciary Net Position - Beginning	90,478	83,669	75,700
Plan Fiduciary Net Position - Ending (b)	95,461	90,478	83,669
Plan Net OPEB Liability - Ending (a) - (b)	\$ 161,507	\$ 184,851	\$ 186,652
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	37.15%	32.86%	30.95%
Covered-Employee Payroll²	\$ 209,942	\$ 209,435	203,473
Plan Net OPEB Liability as a Percentage of Covered Employee Payroll	76.93%	88.26%	91.73%

¹ Historical information is required only for measurement periods for which GASB 75 is applicable, Additional years will be presented as they become available.

² OPEB provided and contributions made by the City are not dependent on payroll.

Schedule of OPEB Plan Contributions Last Ten Fiscal Years¹

(In thousands)

Measurement Period	2019-2020	2018-2019	2017-2018	2016-2017
Actuarially Determined Contribution (ADC)	\$ 16,488	\$ 16,049	\$ 16,367	\$ 15,937
Contributions in relation to ADC	\$ 16,488	\$ 16,049	\$ 16,367	\$ 16,016
Contribution deficiency (excess)				\$ (79)
Covered-Employee Payroll ²	\$ 209,656	\$ 209,942	\$ 209,435	\$ 203,473
Contributions as a Percentage of Covered-employee Payroll	7.86%	7.64%	7.82%	7.87%

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

² OPEB provided and contribution to the OPEB plan by the City are not dependent on payroll.

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal years ending June 30, 2019 and June 30, 2020 were from the July 1, 2017 Actuarial Valuation Report. and for Fiscal Year ending June 30, 2017 and 2018 were from the July 1, 2015 Actuarial Valuation Report.

Methods and assumptions used to determine contributions:

Actuarial Cost Method	Entry Age Normal Close Group Level Dollar Basis.
Amortization Method/Period	Level percent of payroll over a closed 30-year period initially beginning July 1, 2007
Asset Valuation Method	Smoothed asset value
General Inflation Rate	2.75%
Salary Increase	3.25%
Long Term Return on Assets	7.28%
Healthcare Trend	Assumed to start at 6.5% in 2021, and then fluctuates to to an ultimate increase rate of 4% per year for year 2076 & thereafter
Retirement Age	The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.
Mortality Improvement	McCleod Watts Scale applied generationally



NONMAJOR GOVERNMENTAL FUNDS

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS are used to account for revenues derived from specific taxes or other earmarked revenue sources (other than for major capital projects) that are restricted by law or administrative action to expenditures for specified purposes.

GAS TAX FUND — Established to account for the construction and maintenance of the road network system of the City. Financing is provided primarily by the City's share of State and local gasoline taxes. Federal, State, and local regulations require that these gasoline taxes be used to improve and maintain streets, and includes programs intended to improve the air quality of the region.

WORKFORCE DEVELOPMENT FUND — Established to account for the City's involvement in Federal, State, and local programs to create jobs and provide the unemployed citizens in the Anaheim area with job training opportunities.

COMMUNITY DEVELOPMENT BLOCK GRANT FUND — Established to account for financing of the development of viable urban communities through the provision of decent housing, suitable living environments and economic opportunity, principally for persons of low and moderate income. Financing is provided by the Federal Housing and Urban Development (HUD) grants.

GRANTS FUND — Established to account for various grants requiring segregated fund accounting. Financing is provided by Federal, State, and local agencies.

ANAHEIM RESORT MAINTENANCE DISTRICT FUND — Established to account for the levy and collection of special assessments to pay the cost of annual maintenance and improvements within the district against those parcels that specifically benefit from the enhanced maintenance and improvement.

ANAHEIM TOURISM IMPROVEMENT DISTRICT FUND — Established to account for the collection of a special assessment supporting marketing, promotion and transit project costs in support of the City's tourism and convention industry.

NARCOTIC ASSET FORFEITURE FUND — Established to account for funds received from Federal and State agencies that are derived from monies and property seized by the Police Department in drug related incidents. These funds are used to supplement existing resources of the City's law enforcement activities.

LONG RANGE PROPERTY MANAGEMENT PLAN FUND — Established to account for future development and property management activities of the assets that were transferred from the Successor Agency to the Former Anaheim Redevelopment Agency's approved Long Range Property Management Plan.

DEBT SERVICE FUND is used to account for the accumulation of resources and the payment of principal and interest on general debt of the City and related entities.

MUNICIPAL FACILITIES FUND — Established to accumulate resources for payment of the principal and interest on the lease revenue bonds for the Fire Facilities and other various acquisitions and capital improvements.

CAPITAL PROJECTS FUNDS are used to account for resources used for the acquisition and construction of capital assets by the City, except for those financed by proprietary funds.

STREET CONSTRUCTION FUND — Established to account for transportation improvement construction in the City's right-of-way. Financing is provided primarily by Federal, State and local grants, and Measure M2 allocations by the County of Orange.

TRANSPORTATION IMPROVEMENT PROJECT FUND — Established to account for transportation improvement projects in the City. Financing is provided by Federal, State and local agencies.

DEVELOPMENT IMPACT PROJECTS FUND — Established to account for infrastructure improvements, primarily in the Platinum Triangle area, which provide development opportunities for high density, mixed use, office, restaurant, and residential projects. Financing is provided primarily by development impact fees.

COMMUNITY SERVICES FACILITIES FUND — Established to account for the development of new park sites, playgrounds and library facilities. Financing is provided by Federal and State grant programs, in conjunction with fees charged to residential and commercial developers. Much of this revenue is used to support the capital construction of parks and other recreational facilities throughout the City.

STORM DRAIN CONSTRUCTION FUND — Established to account for the City's storm drain construction. Financing is provided by drainage assessment fees charged to residential and commercial developers.

OTHER CAPITAL IMPROVEMENTS FUND — Established to account for various capital projects as determined by the City Council. Currently, financing for these projects is provided by bond proceeds and subsidies from the General Fund.

MELLO-ROOS PROJECTS FUND — Established to account for road, sewer and water improvements in the community facility districts. Financing is provided by the sale of special tax bonds that are secured by and payable from the proceeds of an annual special assessment on the properties within the district.

Combining Balance Sheet Nonmajor Governmental Funds by Fund Type June 30, 2020 (In thousands)

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 12,012	\$ 322	\$ 10,257	\$ 22,591
Investments	49,086	1,331	42,360	92,777
Accounts receivable, net	118			118
Accrued interest receivable	314	9	336	659
Due from other funds			14,776	14,776
Due from other governments	7,794		15,900	23,694
Land held for resale	16,003			16,003
Prepaid and other assets	251		1	252
Restricted cash and cash equivalents	2,267	272	14,445	16,984
Restricted investments		663	20,008	20,671
Notes receivable, net	21,643			21,643
Due from Successor Agency	3,998		3,453	7,451
Total assets	<u>\$ 113,486</u>	<u>\$ 2,597</u>	<u>\$ 121,536</u>	<u>\$ 237,619</u>
LIABILITIES				
Accounts payable	\$ 7,219		\$ 3,511	\$ 10,730
Wages payable	249		38	287
Deposits	320		1,197	1,517
Due to other funds	300		16,374	16,674
Total liabilities	<u>8,088</u>		<u>21,120</u>	<u>29,208</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	2,068		14,262	16,330
Unavailable resources- long-term notes receivable	21,643			21,643
Unavailable resources - due from Successor Agency	3,998		3,453	7,451
Total deferred inflows of resources	<u>27,709</u>		<u>17,715</u>	<u>45,424</u>
FUND BALANCES				
Nonspendable:				
Prepaid and other assets	251		1	252
Restricted:				
Anaheim Resort maintenance and improvement	5,769			5,769
Capital projects			4,303	4,303
Community and economic development projects	19,184			19,184
Debt service		\$ 935		935
Development impact projects			83,005	83,005
Grant purposes	2,496			2,496
Homebuyer assistance program	9,500			9,500
Streets, roads and transportation improvement projects	41,109			41,109
Committed for neighborhood and community projects			4,039	4,039
Assigned:				
Debt service		1,662		1,662
Capital projects			5,787	5,787
Other purposes	26			26
Unassigned	(646)		(14,434)	(15,080)
Total fund balances	<u>77,689</u>	<u>2,597</u>	<u>82,701</u>	<u>162,987</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 113,486</u>	<u>\$ 2,597</u>	<u>\$ 121,536</u>	<u>\$ 237,619</u>

See accompanied independent auditors' report

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds by Fund Type

Year Ended June 30, 2020 (In thousands)

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Licenses, fees and permits	\$ 12		\$ 5,316	\$ 5,328
Intergovernmental revenues	39,410		5,758	45,168
Charges for services	19,639		9	19,648
Use of money and property	8,427	\$ 91	3,875	12,393
Other	113		33	146
Contribution from property owners			3,124	3,124
Total revenues	<u>67,601</u>	<u>91</u>	<u>18,115</u>	<u>85,807</u>
Expenditures:				
Current:				
City Administration				
City Attorney	115			115
City Clerk			1	1
Finance				
Police	6,013		356	6,369
Fire & Rescue	432		81	513
Community & Economic Development	11,690		6	11,696
Planning & Building	1,185		179	1,364
Public Works	13,555		526	14,081
Community Services	483		653	1,136
Convention, Sports and Entertainment	10,958			10,958
Capital outlay	14,953		31,952	46,905
Debt service:				
Principal retirement	1,405	555	1,488	3,448
Interest charges	476	1,102	323	1,901
Bond issuance costs				
Total expenditures	<u>61,265</u>	<u>1,657</u>	<u>35,565</u>	<u>98,487</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,336</u>	<u>(1,566)</u>	<u>(17,450)</u>	<u>(12,680)</u>
Other financing sources (uses):				
Transfers in	266	1,258	2,919	4,443
Transfers out	(4,687)		(9)	(4,696)
Total other financing sources	<u>(4,421)</u>	<u>1,258</u>	<u>2,910</u>	<u>(253)</u>
Net change in fund balances	1,915	(308)	(14,540)	(12,933)
Fund balances at beginning of year	75,774	2,905	97,241	175,920
Fund balances at end of year	<u>\$ 77,689</u>	<u>\$ 2,597</u>	<u>\$ 82,701</u>	<u>\$ 162,987</u>

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2020 (In thousands)

	Gas Tax	Workforce Development	Community Development Block Grant	Grants	Anaheim Resort Maintenance District	Anaheim Tourism Improvement District	Narcotic Asset Forfeiture	Long Range Property Management Plan	Total
ASSETS									
Cash and cash equivalents	\$ 3,985	\$ 5	\$ 79	\$ 1,990	\$ 1,176	\$ 3,922	\$ 9	\$ 846	\$ 12,012
Investments	16,456	20	261	8,217	4,858	16,196	39	3,039	49,086
Accounts receivable, net		1				72		45	118
Accrued interest receivable	101			52	31	106	2	22	314
Notes receivable, net			2,561	19,082					21,643
Due from other governments	2,494	495	763	4,033	9				7,794
Prepaid and other assets				147				104	251
Land held for resale								16,003	16,003
Restricted cash and cash equivalents							2,267		2,267
Due from Successor Agency			3,998						3,998
Total assets	<u>\$ 23,036</u>	<u>\$ 521</u>	<u>\$ 7,662</u>	<u>\$ 33,521</u>	<u>\$ 6,074</u>	<u>\$ 20,296</u>	<u>\$ 2,317</u>	<u>\$ 20,059</u>	<u>\$ 113,486</u>
LIABILITIES									
Accounts payable	948	213	754	2,032	289	1,163	1,381	439	7,219
Wages payable	107	31	43	35	16	5		12	249
Due to other Funds		300							300
Deposits								320	320
Total liabilities	<u>1,055</u>	<u>544</u>	<u>797</u>	<u>2,067</u>	<u>305</u>	<u>1,168</u>	<u>1,381</u>	<u>771</u>	<u>8,088</u>
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenues		78	507	1,483					2,068
Unavailable resources- long-term notes receivable			2,561	19,082					21,643
Unavailable resources - due from Successor Agency			3,998						3,998
Total deferred inflows of resources		<u>78</u>	<u>7,066</u>	<u>20,565</u>					<u>27,709</u>
FUND BALANCES									
Nonspendable:									
Prepaid and other assets				147				104	251
Restricted:									
Anaheim Resort maintenance and improvement					5,769				5,769
Community and economic development projects								19,184	19,184
Grant purposes			344	1,216			936		2,496
Homebuyer assistance program				9,500					9,500
Streets, roads and transportation improvement projects	21,981					19,128			41,109
Assigned for other purposes				26					26
Unassigned		(101)	(545)						(646)
Total fund balances (deficit)	<u>21,981</u>	<u>(101)</u>	<u>(201)</u>	<u>10,889</u>	<u>5,769</u>	<u>19,128</u>	<u>936</u>	<u>19,288</u>	<u>77,689</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 23,036</u>	<u>\$ 521</u>	<u>\$ 7,662</u>	<u>\$ 33,521</u>	<u>\$ 6,074</u>	<u>\$ 20,296</u>	<u>\$ 2,317</u>	<u>\$ 20,059</u>	<u>\$ 113,486</u>

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit) Nonmajor Special Revenue Funds Year Ended June 30, 2020 (In thousands)

	Gas Tax	Workforce Development	Community Development Block Grant	Grants	Anaheim Resort Maintenance District	Anaheim Tourism Improvement District	Narcotic Asset Forfeiture	Long Range Property Management Plan	Total
Revenues:									
Licenses, fees and permits	\$ 12								\$ 12
Intergovernmental revenues	21,319	\$ 3,024	\$ 4,075	\$ 10,195			\$ 797		39,410
Charges for services	97				\$ 4,776	\$ 14,766			19,639
Use of money and property	938		733	2,219	271	971	41	\$ 3,254	8,427
Other	2	22	1		42			46	113
Total revenues	22,368	3,046	4,809	12,414	5,089	15,737	838	3,300	67,601
Expenditures:									
Current:									
City Attorney			115						115
Police				3,712			2,301		6,013
Fire & Rescue				432					432
Community & Economic Development		3,098	1,876	3,292				3,424	11,690
Planning & Building			1,185						1,185
Public Works	5,887				4,464	3,204			13,555
Community Services			281	202					483
Convention, Sports & Entertainment						10,958			10,958
Capital outlay	10,128		309	2,602	74	1,093	734	13	14,953
Debt service:									
Principal retirement	76		1,143				186		1,405
Interest charges			455				21		476
Total expenditures	16,091	3,098	5,364	10,240	4,538	15,255	3,242	3,437	61,265
Excess (deficiency) of revenues over (under) expenditures	6,277	(52)	(555)	2,174	551	482	(2,404)	(137)	6,336
Other financing sources (uses):									
Transfers in	66				200				266
Transfers out	(4,016)			(523)		(148)			(4,687)
Total other financing sources (uses)	(3,950)			(523)	200	(148)			(4,421)
Net change in fund balances	2,327	(52)	(555)	1,651	751	334	(2,404)	(137)	1,915
Fund balances at beginning of year	19,654	(49)	354	9,238	5,018	18,794	3,340	19,425	75,774
Fund balances at end of year	\$ 21,981	\$ (101)	\$ (201)	\$ 10,889	\$ 5,769	\$ 19,128	\$ 936	\$ 19,288	\$ 77,689

Schedule of Revenues, Expenditures and Changes in Fund Balances (deficit)
Budget and Actual – All Nonmajor Special Revenue Funds
Year Ended June 30, 2020 (In thousands)

	Gas Tax			Workforce Development		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:						
Licenses, fees and permits	\$ 24	\$ 12	\$ (12)			
Intergovernmental revenues	22,012	21,319	(693)	\$ 3,717	\$ 3,024	\$ (693)
Charges for services	144	97	(47)			
Use of money and property		938	938			
Other	2	2			22	22
Total revenues	<u>22,182</u>	<u>22,368</u>	<u>186</u>	<u>3,717</u>	<u>3,046</u>	<u>(671)</u>
Expenditures:						
City Attorney						
Police						
Fire & Rescue						
Community & Economic Development				3,992	3,098	(894)
Planning & Building						
Public Works	35,190	16,091	(19,099)			
Community Services						
Convention, Sports & Entertainment						
Total expenditures	<u>35,190</u>	<u>16,091</u>	<u>(19,099)</u>	<u>3,992</u>	<u>3,098</u>	<u>(894)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(13,008)</u>	<u>6,277</u>	<u>19,285</u>	<u>(275)</u>	<u>(52)</u>	<u>223</u>
Other financing sources (uses):						
Transfers in	66	66		248		(248)
Transfers out	(3,500)	(4,016)	(516)			
Total other financing sources (uses)	<u>(3,434)</u>	<u>(3,950)</u>	<u>(516)</u>	<u>248</u>		<u>(248)</u>
Net change in fund balances	(16,442)	2,327	18,769	(27)	(52)	(25)
Fund balances at beginning of year	19,654	19,654		(49)	(49)	
Fund balance at end of year	<u>\$ 3,212</u>	<u>\$ 21,981</u>	<u>\$ 18,769</u>	<u>\$ (76)</u>	<u>\$ (101)</u>	<u>\$ (25)</u>

(continued)

Schedule of Revenues, Expenditures and Changes in Fund Balances (deficit)
Budget and Actual – All Nonmajor Special Revenue Funds
Year Ended June 30, 2020 (In thousands)

	Community Development Block Grant			Grants		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:						
Licenses, fees and permits				\$ 30	\$	\$ (30)
Intergovernmental revenues	\$ 7,416	\$ 4,075	\$ (3,341)	22,110	10,195	(11,915)
Charges for services						
Use of money and property	584	733	149	409	2,219	1,810
Other		1	1			
Total revenues	<u>8,000</u>	<u>4,809</u>	<u>(3,191)</u>	<u>22,549</u>	<u>12,414</u>	<u>(10,135)</u>
Expenditures:						
City Attorney	115	115				
Police				10,677	5,067	(5,610)
Fire & Rescue	15		(15)	2,545	1,666	(879)
Community & Economic Development	5,724	3,474	(2,250)	11,675	3,292	(8,383)
Planning & Building	1,360	1,185	(175)			
Public Works						
Community Services	1,051	590	(461)	384	215	(169)
Convention, Sports & Entertainment						
Total expenditures	<u>8,265</u>	<u>5,364</u>	<u>(2,901)</u>	<u>25,281</u>	<u>10,240</u>	<u>(15,041)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(265)</u>	<u>(555)</u>	<u>(290)</u>	<u>(2,732)</u>	<u>2,174</u>	<u>4,906</u>
Other financing sources (uses):						
Transfers in						
Transfers out				(523)	(523)	
Total other financing sources (uses)				<u>(523)</u>	<u>(523)</u>	
Net change in fund balances	(265)	(555)	(290)	(3,255)	1,651	4,906
Fund balances at beginning of year	354	354		9,238	9,238	
Fund balances at end of year	<u>\$ 89</u>	<u>\$ (201)</u>	<u>\$ (290)</u>	<u>\$ 5,983</u>	<u>\$ 10,889</u>	<u>\$ 4,906</u>

(continued)

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – All Nonmajor Special Revenue Funds
Year Ended June 30, 2020 (In thousands)

	Anaheim Resort Maintenance District			Anaheim Tourism Improvement District		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:						
Licenses, fees and permits						
Charges for services	\$ 4,868	\$ 4,776	\$ (92)	\$ 21,028	\$ 14,766	\$ (6,262)
Use of money and property	53	271	218	200	971	771
Other	14	42	28			
Total revenues	<u>4,935</u>	<u>5,089</u>	<u>154</u>	<u>21,228</u>	<u>15,737</u>	<u>(5,491)</u>
Expenditures:						
Public Works	5,277	4,538	(739)	16,600	4,297	(12,303)
Convention, Sports & Entertainment				15,599	10,958	(4,641)
Total expenditures	<u>5,277</u>	<u>4,538</u>	<u>(739)</u>	<u>32,199</u>	<u>15,255</u>	<u>(16,944)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(342)</u>	<u>551</u>	<u>893</u>	<u>(10,971)</u>	<u>482</u>	<u>11,453</u>
Other financing sources (uses):						
Transfers in	200	200				
Transfers out				(210)	(148)	62
Total other financing sources (uses)	<u>200</u>	<u>200</u>		<u>(210)</u>	<u>(148)</u>	<u>62</u>
Net change in fund balances	(142)	751	893	(11,181)	334	11,515
Fund balances at beginning of year	5,018	5,018		18,794	18,794	
Fund balances at end of year	<u>\$ 4,876</u>	<u>\$ 5,769</u>	<u>\$ 893</u>	<u>\$ 7,613</u>	<u>\$ 19,128</u>	<u>\$ 11,515</u>

(Continued)

Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual – All Nonmajor Special Revenue Funds Year Ended June 30, 2020 (In thousands)

	Narcotic Asset Forfeiture			Long Range Property Management Plan		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:						
Licenses, fees and permits						
Intergovernmental revenues	\$ 1,678	\$ 797	\$ (881)			
Use of money and property	22	41	19	\$ 3,916	\$ 3,254	\$ (662)
Other					46	46
Total revenues	<u>1,700</u>	<u>838</u>	<u>(862)</u>	<u>3,916</u>	<u>3,300</u>	<u>(616)</u>
Expenditures:						
City Attorney						
Police	3,242	3,242				
Fire & Rescue						
Community & Economic Development Planning & Building				5,163	3,437	(1,726)
Public Works						
Community Services						
Convention, Sports & Entertainment						
Total expenditures	<u>3,242</u>	<u>3,242</u>		<u>5,163</u>	<u>3,437</u>	<u>(1,726)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,542)</u>	<u>(2,404)</u>	<u>(862)</u>	<u>(1,247)</u>	<u>(137)</u>	<u>1,110</u>
Other financing sources (uses):						
Transfers in						
Transfers out						
Total other financing sources (uses)						
Net change in fund balance (deficits)	(1,542)	(2,404)	(862)	(1,247)	(137)	1,110
Fund balances (deficits) at beginning of year	3,340	3,340		19,425	19,425	
Fund balances at end of year	<u>\$ 1,798</u>	<u>\$ 936</u>	<u>\$ (862)</u>	<u>\$ 18,178</u>	<u>\$ 19,288</u>	<u>\$ 1,110</u>

Balance Sheet
Nonmajor Debt Service Fund
June 30, 2020 (In thousands)

	<u>Municipal Facilities</u>
ASSETS	
Cash and cash equivalents	\$ 322
Investments	1,331
Accrued interest receivable	9
Restricted cash and cash equivalents	272
Restricted investments	<u>663</u>
Total assets	<u>\$ 2,597</u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	<u> </u>
Total liabilities	<u> </u>
Fund balances:	
Restricted for debt service	\$ 935
Assigned for debt service	<u>1,662</u>
Total fund balances	<u>2,597</u>
Total liabilities and fund balances	<u>\$ 2,597</u>

Statement of Revenues, Expenditures and Change in Fund Balance
Nonmajor Debt Service Fund
Year Ended June 30, 2020 (In thousands)

	<u>Municipal Facilities</u>
Revenues:	
Use of money and property	\$ 91
Total revenues	<u>91</u>
Expenditures:	
Current:	
Finance	
Debt service:	
Principal retirement	555
Interest charges	<u>1,102</u>
Total expenditures	<u>1,657</u>
Deficiency of revenues under expenditures	<u>(1,566)</u>
Other financing sources:	
Transfers in	<u>1,258</u>
Transfers out	
Total other financing sources	<u>1,258</u>
Net change in fund balances	(308)
Fund balances at beginning of year	<u>2,905</u>
Fund balances at end of year	<u>\$ 2,597</u>

Schedule of Revenues, Expenditures and Change in Fund Balance
Budget and Actual - Debt Service Fund
Year Ended June 30, 2020 (In thousands)

	Municipal Facilities		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Use of money and property		\$ 91	\$ 91
Total revenues		91	91
Expenditures:			
Finance	\$ 1,088	1,088	
Public Works	569	569	
Total expenditures	1,657	1,657	
Excess (deficiency) of revenues over (under) expenditures	(1,657)	(1,566)	91
Other financing sources:			
Transfers in	1,657	1,258	(399)
Total other financing sources	1,657	1,258	(399)
Net change in fund balances		(308)	(308)
Fund balances at beginning of year	2,905	2,905	
Fund balances at end of year	\$ 2,905	\$ 2,597	\$ (308)

Combining Balance Sheet

Nonmajor Capital Projects Funds

June 30, 2020 (In thousands)

	Streets Construction	Transportation Improvement Projects	Development Impact Projects	Community Services Facilities	Storm Drain Construction	Other Capital Improvements	Mello-Roos Projects	Total
ASSETS								
Cash and cash equivalents	\$ 52	\$ 140	\$ 4,532	\$ 1,674	\$ 425	\$ 1,980	\$ 1,454	\$ 10,257
Investments	217	576	18,717	6,914	1,755	8,175	6,006	42,360
Accrued interest receivable			114	48	17	37	120	336
Due from other funds			10,058		1,000	1,218	2,500	14,776
Due from other governments	14,207	1,282		411				15,900
Prepaid and other assets						1		1
Restricted cash and cash equivalents						2,624	11,821	14,445
Restricted investment							20,008	20,008
Due from the Successor Agency						3,453		3,453
Total assets	<u>\$ 14,476</u>	<u>\$ 1,998</u>	<u>\$ 33,421</u>	<u>\$ 9,047</u>	<u>\$ 3,197</u>	<u>\$ 17,488</u>	<u>\$ 41,909</u>	<u>\$ 121,536</u>
LIABILITIES								
Accounts payable	\$ 1,023	\$ 884	\$ 201	\$ 366	\$ 589	\$ 113	\$ 335	\$ 3,511
Wages payable	16	2	6	2		1	11	38
Deposits					1,197			1,197
Due to other funds	<u>13,558</u>	<u>1,218</u>		<u>1,598</u>				<u>16,374</u>
Total liabilities	<u>14,597</u>	<u>2,104</u>	<u>207</u>	<u>1,966</u>	<u>1,786</u>	<u>114</u>	<u>346</u>	<u>21,120</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenues	13,553	654		55				14,262
Unavailable resources- due from Successor Agency						3,453		3,453
Total deferred inflows of resources	<u>13,553</u>	<u>654</u>		<u>55</u>		<u>3,453</u>		<u>17,715</u>
FUND BALANCES								
Nonspendable:								
Prepaid and other assets						1		1
Restricted:								
Capital projects						4,303		4,303
Development impact projects			33,214	6,817	1,411		41,563	83,005
Committed for neighborhood and community projects						4,039		4,039
Assigned for Capital projects				209		5,578		5,787
Unassigned	<u>(13,674)</u>	<u>(760)</u>						<u>(14,434)</u>
Total fund balances (deficits)	<u>(13,674)</u>	<u>(760)</u>	<u>33,214</u>	<u>7,026</u>	<u>1,411</u>	<u>13,921</u>	<u>41,563</u>	<u>82,701</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 14,476</u>	<u>\$ 1,998</u>	<u>\$ 33,421</u>	<u>\$ 9,047</u>	<u>\$ 3,197</u>	<u>\$ 17,488</u>	<u>\$ 41,909</u>	<u>\$ 121,536</u>

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)

Nonmajor Capital Projects Funds

Year Ended June 30, 2020 (In thousands)

	Streets Construction	Transportation Improvement Projects	Development Impact Projects	Community Services Facilities	Storm Drain Construction	Other Capital Improvements	Mello-Roos Projects	Total
Revenues:								
Licenses, fees and permits			\$ 2,936	\$ 2,264	\$ 116			\$ 5,316
Intergovernmental revenues	\$ 2,664	\$ 1,832	691	360		\$ 211		5,758
Charges for services	9							9
Use of money and property	(639)	(87)	1,702	261	69	1,527	\$ 1,042	3,875
Other	16		2	15				33
Contribution from property owners							3,124	3,124
Total revenues	<u>2,050</u>	<u>1,745</u>	<u>5,331</u>	<u>2,900</u>	<u>185</u>	<u>1,738</u>	<u>4,166</u>	<u>18,115</u>
Expenditures:								
Current:								
City Administration								
City clerk						1		1
Finance								
Police			356					356
Fire & Rescue			32			49		81
Community & Economic Development						6		6
Planning & Building						179		179
Public Works	342	59	88		3	3	31	526
Community Services			344	76		233		653
Capital outlay	14,598	2,212	1,801	4,637	29	1,875	6,800	31,952
Debt service:								
Principal retirement						1,488		1,488
Interest charges						323		323
Total expenditures	<u>14,940</u>	<u>2,271</u>	<u>2,621</u>	<u>4,713</u>	<u>32</u>	<u>4,157</u>	<u>6,831</u>	<u>35,565</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,890)</u>	<u>(526)</u>	<u>2,710</u>	<u>(1,813)</u>	<u>153</u>	<u>(2,419)</u>	<u>(2,665)</u>	<u>(17,450)</u>
Other financing sources (uses):								
Transfers in	517	7				2,395		2,919
Transfers out	(5)		(4)					(9)
Total other financing sources (uses)	<u>512</u>	<u>7</u>	<u>(4)</u>			<u>2,395</u>		<u>2,910</u>
Net change in fund balances	(12,378)	(519)	2,706	(1,813)	153	(24)	(2,665)	(14,540)
Fund balances at beginning of year	(1,296)	(241)	30,508	8,839	1,258	13,945	44,228	97,241
Fund balances (deficit) at end of year	<u>\$ (13,674)</u>	<u>\$ (760)</u>	<u>\$ 33,214</u>	<u>\$ 7,026</u>	<u>\$ 1,411</u>	<u>\$ 13,921</u>	<u>\$ 41,563</u>	<u>\$ 82,701</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Budget and Actual - All Capital Projects Funds
Year Ended June 30, 2020 (In thousands)

	Streets Construction			Transportation Improvement Projects		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:						
Licenses, fees and permits						
Intergovernmental revenues	\$ 33,153	\$ 2,664	\$ (30,489)	\$ 8,372	\$ 1,832	\$ (6,540)
Charges for services		9	9			
Use of money and property		(639)	(639)		(87)	(87)
Other		16	16			
Total revenues	<u>33,153</u>	<u>2,050</u>	<u>(31,103)</u>	<u>8,372</u>	<u>1,745</u>	<u>(6,627)</u>
Expenditures:						
City clerk						
Finance						
Police						
Fire & Rescue						
Community & Economic Development						
Planning & Building						
Public Works	22,726	14,940	(7,786)	7,799	2,271	(5,528)
Community Services						
Total expenditures	<u>22,726</u>	<u>14,940</u>	<u>(7,786)</u>	<u>7,799</u>	<u>2,271</u>	<u>(5,528)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,427</u>	<u>(12,890)</u>	<u>(23,317)</u>	<u>573</u>	<u>(526)</u>	<u>(1,099)</u>
Other financing sources (uses):						
Transfers in		517	517		7	7
Transfers out		(5)	(5)			
Total other financing sources		<u>512</u>	<u>512</u>		<u>7</u>	<u>7</u>
Net change in fund balances	<u>10,427</u>	<u>(12,378)</u>	<u>(22,805)</u>	<u>573</u>	<u>(519)</u>	<u>(1,092)</u>
Fund balances at beginning of year	<u>(1,296)</u>	<u>(1,296)</u>		<u>(241)</u>	<u>(241)</u>	
Fund balances at end of year	<u>\$ 9,131</u>	<u>\$ (13,674)</u>	<u>\$ (22,805)</u>	<u>\$ 332</u>	<u>\$ (760)</u>	<u>\$ (1,092)</u>

(continued)

Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Budget and Budgetary Basis Actual - All Capital Projects Funds
Year Ended June 30, 2020 (In thousands)

	Development Impact Projects			Community Services Facilities		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:						
Licenses, fees and permits	\$ 5,326	\$ 2,936	\$ (2,390)	\$ 2,100	\$ 1,712	\$ (388)
Intergovernmental revenues		691	691	364	360	(4)
Charges for services						
Use of money and property	209	1,702	1,493	37	261	224
Other		2	2		15	15
Total revenues	<u>5,535</u>	<u>5,331</u>	<u>(204)</u>	<u>2,501</u>	<u>2,348</u>	<u>(153)</u>
Expenditures:						
City clerk						
Finance						
Police	777	505	(272)			
Fire & Rescue	6,200	32	(6,168)			
Community & Economic Development						
Planning & Building						
Public Works	3,353	674	(2,679)			
Community Services	2,734	1,410	(1,324)	5,423	4,713	(710)
Total expenditures	<u>13,064</u>	<u>2,621</u>	<u>(10,443)</u>	<u>5,423</u>	<u>4,713</u>	<u>(710)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,529)</u>	<u>2,710</u>	<u>10,239</u>	<u>(2,922)</u>	<u>(2,365)</u>	<u>557</u>
Other financing sources (uses):						
Transfers in						
Transfers out		(4)	(4)			
Total other financing sources (uses)		<u>(4)</u>	<u>(4)</u>			
Net change in fund balances	(7,529)	2,706	10,235	(2,922)	(2,365)	557
Fund balances at beginning of year	30,508	30,508		8,839	8,839	
Fund balances at end of year	<u>\$ 22,979</u>	<u>\$ 33,214</u>	<u>\$ 10,235</u>	<u>\$ 5,917</u>	<u>6,474</u>	<u>\$ 557</u>
Adjustment to reconcile to GAAP:						
Park fee credits provided					552	
Total other financing sources (uses)					<u>\$ 7,026</u>	

(continued)

Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Budget and Actual - All Capital Projects Funds
Year Ended June 30, 2020 (In thousands)

	Storm Drain Construction			Other Capital Improvements		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:						
Licenses, fees and permits	\$ 5	\$ 116	\$ 111			
Intergovernmental revenues				\$ 225	\$ 211	\$ (14)
Charges for services						
Use of money and property		69	69	1,008	1,527	519
Other						
Total revenues	<u>5</u>	<u>185</u>	<u>180</u>	<u>1,233</u>	<u>1,738</u>	<u>505</u>
Expenditures:						
City Administration						
City clerk				250	1	(249)
Finance						
Police				527	517	(10)
Fire & rescue				753	306	(447)
Community & Economic Development				3,562	2,058	(1,504)
Planning & Building				194	194	
Public Works	35	32	(3)	834	834	
Community Services				460	247	(213)
Total expenditures	<u>35</u>	<u>32</u>	<u>(3)</u>	<u>6,580</u>	<u>4,157</u>	<u>(2,423)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(30)</u>	<u>153</u>	<u>183</u>	<u>(5,347)</u>	<u>(2,419)</u>	<u>2,928</u>
Other financing sources (uses):						
Transfers in				1,303	2,395	1,092
Transfers out						
Total other financing sources (uses)				<u>1,303</u>	<u>2,395</u>	<u>1,092</u>
Net change in fund balances	(30)	153	183	(4,044)	(24)	4,020
Fund balances at beginning of year	<u>1,258</u>	<u>1,258</u>		<u>13,945</u>	<u>13,945</u>	
Fund balances at end of year	<u>\$ 1,228</u>	<u>\$ 1,411</u>	<u>\$ 183</u>	<u>\$ 9,901</u>	<u>\$ 13,921</u>	<u>\$ 4,020</u>

(continued)

Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Budget and Actual - All Capital Projects Funds
Year Ended June 30, 2020 (In thousands)

	Mello-Roos Projects		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Licenses, fees and permits			
Intergovernmental revenues			
Charges for services			
Use of money and property		\$ 1,042	\$ 1,042
Contribution from property owners		3,124	3,124
Total revenues		<u>4,166</u>	<u>4,166</u>
Expenditures:			
City clerk			
Finance			
Police			
Fire & Rescue			
Community & Economic Development			
Planning & Building			
Public Works	\$ 27,882	6,831	(21,051)
Community Services			
Total expenditures	<u>27,882</u>	<u>6,831</u>	<u>(21,051)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(27,882)</u>	<u>(2,665)</u>	<u>25,217</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Net change in fund balances	(27,882)	(2,665)	25,217
Fund balances at beginning of year	44,228	44,228	
Fund balances at end of year	<u>\$ 16,346</u>	<u>\$ 41,563</u>	<u>\$ 25,217</u>



(This page was intentionally left blank)



INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS are used to account for the financing of centralized services to City departments on a cost-reimbursement basis (including depreciation)

GENERAL BENEFITS AND INSURANCE FUND – Established to account for employee compensated absences, retirement and health benefits, and self-insurance programs.

MOTORIZED EQUIPMENT FUND – Established to account for motorized equipment used by City departments.

INFORMATION AND COMMUNICATION SERVICES FUND – Established to account for data processing and communication services to City departments.

MUNICIPAL FACILITIES MAINTENANCE FUND – Established to account for City building maintenance services and equipment used by City departments.

Combining Statement of Net Position

Internal Service Funds

June 30, 2020 (In thousands)

	General Benefits and Insurance	Motorized Equipment	Information and Communication Services	Municipal Facilities Maintenance	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 12,683	\$ 1,238	\$ 629	\$ 40	\$ 14,590
Investments	52,376	5,112	2,598	167	60,253
Restricted cash and cash equivalent			194		194
Accounts receivable, net	3,195	113			3,308
Accrued interest receivable	410	25	25		460
Interfund receivable	8	1,409			1,417
Inventories		1,022		371	1,393
Prepaid and other assets	102	43	716		861
Total current assets	<u>68,774</u>	<u>8,962</u>	<u>4,162</u>	<u>578</u>	<u>82,476</u>
Noncurrent assets:					
Interfund receivable, less current portion	33,047				33,047
Capital assets:					
Buildings, structures and improvements		3,230		8,079	11,309
Machinery and equipment	93	46,166	21,436	4,524	72,219
Construction in progress			2,918		2,918
Less accumulated depreciation	(81)	(30,006)	(16,968)	(6,106)	(53,161)
Capital assets, net	12	19,390	7,386	6,497	33,285
Total noncurrent assets	<u>33,059</u>	<u>19,390</u>	<u>7,386</u>	<u>6,497</u>	<u>66,332</u>
Total assets	<u>101,833</u>	<u>28,352</u>	<u>11,548</u>	<u>7,075</u>	<u>148,808</u>
DEFERRED OUTFLOW OF RESOURCES					
Deferred OPEB related items	236	401	220	692	1,549
Deferred pension related items	959	923	987	1,485	4,354
Total deferred outflow of resources	<u>1,195</u>	<u>1,324</u>	<u>1,207</u>	<u>2,177</u>	<u>5,903</u>
LIABILITIES					
Current liabilities:					
Accounts payable	2,753	356	3,185	1,202	7,496
Wages payable	4,485	89	72	93	4,739
Interest payable			20		20
Due to other Funds				1,541	1,541
Compensated absences	16,542				16,542
Self-insurance liability	14,190				14,190
Capital lease payable			1,201		1,201
Long-term debts		11	1,063		1,074
Unearned revenues	2,287				2,287
Total current liabilities	<u>40,257</u>	<u>456</u>	<u>5,541</u>	<u>2,836</u>	<u>49,090</u>
Noncurrent liabilities:					
Due to other Funds, less current portion					
Capital lease payable, less current portion			1,096		1,096
Compensated absences, less current portion	7,029				7,029
Self-insurance liability, less current portion	44,358				44,358
Long-term debts, less current portion		63			63
Net OPEB liability	2,075	2,778	1,543	2,721	9,117
Net pension liability	8,660	7,651	7,079	8,395	31,785
Total noncurrent liabilities	<u>62,122</u>	<u>10,492</u>	<u>9,718</u>	<u>11,116</u>	<u>93,448</u>
Total liabilities	<u>102,379</u>	<u>10,948</u>	<u>15,259</u>	<u>13,952</u>	<u>142,538</u>
DEFERRED INFLOW OF RESOURCES					
Deferred OPEB related items	531	605	338	451	1,925
Deferred pension related items	199	517	334	193	1,243
Total deferred inflow of resources	<u>730</u>	<u>1,122</u>	<u>672</u>	<u>644</u>	<u>3,168</u>
NET POSITION					
Net investment in capital assets	12	19,316	4,219	6,497	30,044
Unrestricted	(93)	(1,710)	(7,395)	(11,841)	(21,039)
Total net position	<u>\$ (81)</u>	<u>\$ 17,606</u>	<u>\$ (3,176)</u>	<u>\$ (5,344)</u>	<u>\$ 9,005</u>

Combining Statement of Revenues, Expenses and Changes in Net Position

Internal Service Funds

Year Ended June 30, 2020 (In thousands)

	General Benefits and Insurance	Motorized Equipment	Information and Communication Services	Municipal Facilities Maintenance	Total
Operating revenues:					
Charges for services	\$ 102,072	\$ 15,653	\$ 25,190	\$ 15,783	\$ 158,698
Other		441		40	481
Total operating revenues	<u>102,072</u>	<u>16,094</u>	<u>25,190</u>	<u>15,823</u>	<u>159,179</u>
Operating expenses:					
Salaries and wages	5,840	4,676	5,718	6,145	22,379
Maintenance and operations	2,962	5,980	22,277	9,106	40,325
Insurance premiums and claims	26,262				26,262
Compensated absences and other benefits	72,979				72,979
Depreciation	1	2,450	2,266	499	5,216
Total operating expenses	<u>108,044</u>	<u>13,106</u>	<u>30,261</u>	<u>15,750</u>	<u>167,161</u>
Operating income (loss)	<u>(5,972)</u>	<u>2,988</u>	<u>(5,071)</u>	<u>73</u>	<u>(7,982)</u>
Nonoperating income (expenses):					
Investment income	4,005	368	170	(92)	4,451
Interest expense		(2)	(98)		(100)
Gain (loss) from disposal of capital assets		106	(57)		49
Total nonoperating income (loss)	<u>4,005</u>	<u>472</u>	<u>15</u>	<u>(92)</u>	<u>4,400</u>
Income (Loss)	<u>(1,967)</u>	<u>3,460</u>	<u>(5,056)</u>	<u>(19)</u>	<u>(3,582)</u>
Change in net position	(1,967)	3,460	(5,056)	(19)	(3,582)
Net position at beginning of year	1,886	14,146	1,880	(5,325)	12,587
Net position at end of year	<u>\$ (81)</u>	<u>\$ 17,606</u>	<u>\$ (3,176)</u>	<u>\$ (5,344)</u>	<u>\$ 9,005</u>

Combining Statement of Cash Flows

Internal Service Funds

Year Ended June 30, 2020 (In thousands)

	General Benefits and Insurance	Motorized Equipment	Information and Communication Services	Municipal Facilities Maintenance	Total
Cash flows from operating activities:					
Receipts from interfund services provided	\$ 102,072	\$ 15,653	\$ 25,190	\$ 15,783	\$ 158,698
Payments to suppliers	(843)	(5,452)	(19,608)	(9,871)	(35,774)
Payments for salaries and wages to employees	(5,196)	(4,610)	(3,713)	(5,052)	(18,571)
Payments for interfund services used	(2,304)	(775)	(1,014)	(1,222)	(5,315)
Payments for insurance premiums and claims	(18,303)				(18,303)
Payments for compensated absences and other benefits	(71,037)				(71,037)
Other receipts	43	409		40	492
Net cash provided by operating activities	<u>4,432</u>	<u>5,225</u>	<u>855</u>	<u>(322)</u>	<u>10,190</u>
Cash flows from noncapital financing activities:					
Receipt of interfund balances	18	224		1,409	1,651
Payment of interfund balances	(33,010)	(1,409)		(224)	(34,643)
Net cash provided by (used for) noncapital financing activities	<u>(32,992)</u>	<u>(1,185)</u>		<u>1,185</u>	<u>(32,992)</u>
Cash flows from capital and related financing activities:					
Proceeds from sale of capital assets		141			141
Capital purchases		(3,381)	(288)	(519)	(4,188)
Principal payments on long-term debt		(11)	(2,433)		(2,444)
Interest payments		(2)	(118)		(120)
Capital grant receipt		256			256
Interfund payment for capital purpose				(46)	(46)
Net cash used for capital and related financing activities		<u>(2,997)</u>	<u>(2,839)</u>	<u>(565)</u>	<u>(6,401)</u>
Cash flows from investing activities:					
Purchase of investment securities	(9,904)	(981)	(504)	(218)	(11,607)
Proceeds from sale and maturity of investment securities	33,996	183	2,079		36,258
Interest received	1,313	118	119		1,550
Interest paid				(41)	(41)
Net cash provided by (used for) investing activities	<u>25,405</u>	<u>(680)</u>	<u>1,694</u>	<u>(259)</u>	<u>26,160</u>
Increase (decrease) in cash and cash equivalents	(3,155)	363	(290)	39	(3,043)
Cash and cash equivalents at beginning of the year	<u>15,838</u>	<u>875</u>	<u>1,113</u>	<u>1</u>	<u>17,827</u>
Cash and cash equivalents at end of the year	<u>\$ 12,683</u>	<u>\$ 1,238</u>	<u>\$ 823</u>	<u>\$ 40</u>	<u>\$ 14,784</u>

(continued)

Combining Statement of Cash Flows Internal Service Funds Year Ended June 30, 2020 (In thousands) (continued)

	General Benefits and Insurance	Motorized Equipment	Information and Communication Services	Municipal Facilities Maintenance	Total
Reconciliation of operating income to net cash provided by operating activities:					
Operating income (loss)	\$ (5,972)	\$ 2,988	\$ (5,071)	\$ 73	\$ (7,982)
Adjustment to reconcile operating income to net cash provided by operating activities:					
Depreciation	1	2,450	2,266	499	5,216
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:					
Accounts receivable	1,087	(32)			1,055
Inventories		(4)		(371)	(375)
Prepaid and other assets	(7)	(43)	277		227
Accounts payable	1,027	(200)	1,378	(1,616)	589
Wages and benefit payable	764	66	2,005	1,093	3,928
Unearned revenues	(122)				(122)
Compensated absences	2,353				2,353
Self-insurance liability	5,301				5,301
Total adjustments	10,404	2,237	5,926	(395)	18,172
Net cash provided by operating activities	<u>\$ 4,432</u>	<u>\$ 5,225</u>	<u>\$ 855</u>	<u>\$ (322)</u>	<u>\$ 10,190</u>
Schedule of noncash financing and investing activities:					
Capital assets financed through capital leases			\$ 1,705		\$ 1,705
Increase in fair value of investments	\$ 2,676	\$ 240	61	\$ (51)	2,926
Reconciliation of cash and cash equivalents:					
Cash and cash equivalents	\$ 12,683	\$ 1,238	\$ 629	\$ 40	\$ 14,590
Restricted cash and cash equivalents, current portion			194		194
Total cash and cash equivalents	<u>\$ 12,683</u>	<u>\$ 1,238</u>	<u>\$ 823</u>	<u>\$ 40</u>	<u>\$ 14,784</u>



FIDUCIARY FUNDS

Statement of Changes in Fiduciary Assets and Liabilities
Agency Fund - Mello-Roos
Year Ended June 30, 2020 (In thousands)

	Beginning Balance	Additions	Deductions	Ending Balance
ASSETS				
Restricted cash and cash equivalents	\$ 3,041	\$ 7,467	\$ (3,633)	\$ 6,875
Restricted investment	4,594	218		4,812
Due from other governments	5	4,022	(4,014)	13
Total assets	<u>\$ 7,640</u>	<u>\$ 11,707</u>	<u>\$ (7,647)</u>	<u>\$ 11,700</u>
LIABILITIES				
Due to bond holders	<u>\$ 7,640</u>	<u>\$ 7,692</u>	<u>\$ (3,632)</u>	<u>\$ 11,700</u>



(This page was intentionally left blank)



STATISTICAL SECTION

STATISTICAL SECTION

The **STATISTICAL SECTION** is included to provide detailed data on the physical, economic, social and political characteristics of the reporting government. It is intended to provide the user with a broader and more complete understanding of the government and its financial affairs than is possible from the basic financial statements and supplementary information included in the Financial Section.

STATISTICAL INFORMATION

(Unaudited)

The Statistical Section is included to provide financial statement users with additional historical perspective, context, and detail for them to use in evaluating the information contained within the financial statements, notes to the financial statements, and required supplementary information with the goal of providing the user a better understanding of the City's economic condition.

	Page
Contents	
Financial trends	
These schedules contain information to help the reader understand how the City's financial performance and well-being have changed over time.	148
Net Position by Component - Last Ten Fiscal Years	148
Changes in Net Position - Last Ten Fiscal Years	149
Governmental Activities Tax Revenues by Source - Last Ten Fiscal Years	151
Fund Balances of Governmental Funds - Last Ten Fiscal Years	152
Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years	153
Revenue capacity	
These schedules contain information to help the reader assess the City's most significant local revenue sources.	154
General Government Tax Revenues by Source - Last Ten Fiscal Years	154
Assessed Value and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years	155
Property Tax Rates - Direct and Overlapping Governments - Last Ten Fiscal Years	156
Principal Property Tax Payers - Current Year and Nine Years Ago	157
Property Tax Levies and Collections - Last Ten Fiscal Years	158
Debt capacity	
These schedules contain information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the	159
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	159
Ratios of Net General Bonded Debt Outstanding - Last Ten Fiscal Years	160
Direct and Overlapping Governmental Activities Debt - As of June 30, 2020	161
Legal Debt Margin - Last Ten Fiscal Years	163
Pledged-Revenue Coverage - Last Ten Fiscal Years	164
Demographic and economic information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	166
Demographic and Economic Statistics - Last Ten Fiscal Years	166
Principal Employers - Current Year and Nine Years Ago	167
Operating information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and	168
Full-Time Equivalent City government Employees by Function / Program - Last Ten Fiscal Years	168
Operating Indicators by Function - Last Ten Fiscal Years	169
Capital Assets Statistics by Function - Last Ten Fiscal Years	171

Net Position by Component

Last Ten Fiscal Years (In thousands)

(Accrual basis of accounting)

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental Activities										
Net investment in capital assets	\$ 1,112,914	\$ 1,040,595	\$ 1,008,489	\$ 974,071	\$ 968,473	\$ 894,651	\$ 1,016,259	\$ 894,625	\$ 831,430	\$ 832,951
Restricted	251,942	266,447	266,983	274,830	211,338	210,934	205,998	196,853	190,868	182,011
Unrestricted	(629,091)	(554,529)	(551,607) ²	(557,245)	(417,976)	(447,817) ¹	(455,863)	30,341	16,760	(124,422)
Total Governmental Activities	<u>735,765</u>	<u>752,513</u>	<u>723,865</u>	<u>691,656</u>	<u>761,835</u>	<u>657,768</u>	<u>766,394</u>	<u>1,121,819</u>	<u>1,039,058</u>	<u>890,540</u>
Business-type Activities										
Net investment in capital assets	1,074,006	1,058,213	1,009,302	1,016,113	997,292	993,075	823,505	787,459	780,093	779,224
Restricted	66,069	61,808	86,863	83,811	76,749	83,448	77,311	71,131	61,235	54,626
Unrestricted	22,284	51,630	15,661 ²	(26,767)	36,644	(1,725) ¹	(37,696)	121,083	112,159	115,445
Total Business-type Activities	<u>1,162,359</u>	<u>1,171,651</u>	<u>1,111,826</u>	<u>1,073,157</u>	<u>1,110,685</u>	<u>1,074,798</u>	<u>863,120</u>	<u>979,673</u>	<u>953,487</u>	<u>949,295</u>
Total Government										
Net investment in capital assets	2,186,920	2,098,808	2,017,791	1,990,184	1,965,765	1,887,726	1,839,764	1,682,084	1,611,523	1,612,175
Restricted	318,011	355,181	353,846	358,641	288,087	294,382	283,309	267,984	252,103	236,637
Unrestricted	(606,807)	(529,825)	(535,946)	(584,012)	(381,332)	(449,542)	(493,559)	151,424	128,919	(8,977)
Total Government	<u>\$ 1,898,124</u>	<u>\$ 1,924,164</u>	<u>\$ 1,835,691</u>	<u>\$ 1,764,813</u>	<u>\$ 1,872,520</u>	<u>\$ 1,732,566</u>	<u>\$ 1,629,514</u>	<u>\$ 2,101,492</u>	<u>\$ 1,992,545</u>	<u>\$ 1,839,835</u>

Note: ¹ The City implemented Governmental Accounting Standards Board (GASB) Statement No. 68 Accounting and Financial Reporting for Pension, and Statement No. 71 Pension Transition for Contributions Made Subsequent to the Measurement Date, for the fiscal year ended June 30, 2015. Implementation of these Statements require the City to restate prior period net position and are reflected in the fiscal year 2014 Unrestricted net position. Information prior to the implementation of these Statements is not available.

² The City implemented Governmental Accounting Standards Board (GASB) Statement No. 75 Accounting and Financial Reporting for Other Postemployment benefits Other Than Pension for the fiscal year ended June 30, 2018. Implementation of this Statements requires the City to restate prior period net positions and are reflected in the fiscal year 2017 Unrestricted net position. Information prior to the implementation of these Statements is not available.

Certain reclassifications have been made to prior year data to conform to the current presentation.

Source: Finance Department, City of Anaheim

Changes in Net Position

Last Ten Fiscal Years (In thousands)

(Accrual basis of accounting)

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Program Revenues										
Governmental activities:										
Charges for services										
General government	\$ 1,796	\$ 1,742	\$ 1,749	\$ 1,903	\$ 2,034	\$ 2,398	\$ 1,779	\$ 2,001	\$ 1,872	\$ 1,872
Police	13,595	15,901	15,361	15,441	11,775	10,001	9,927	9,859	10,122	10,435
Fire & Rescue	21,024	10,949	11,621	10,582	9,814	9,024	10,166	9,912	9,431	9,518
Community & Economic Development	9,906	7,531	7,421	19,046	10,210	14,023	17,305	9,151	7,281	8,143
Planning & Building	11,059	11,715	16,573	11,357	11,515	9,800	7,746	6,404	5,327	6,263
Public Works	20,123	21,075	17,378	16,140	15,817	13,309	13,037	14,012	11,401	9,837
Community Services	2,491	3,174	3,227	11,190	3,430	3,408	3,479	3,556	3,386	4,024
Convention, Sports & Entertainment	11,075	14,802	14,231	13,672	12,528	11,124	10,236	9,574	9,142	4,356
Total charges for services	91,069	86,889	87,561	99,331	77,123	73,087	73,675	64,469	57,962	54,448
Operating grants and contributions	158,750	130,335	115,520	109,989	108,131	109,968	114,584	112,507	108,620	124,358
Capital grants and contributions	43,191	21,335	39,340	65,937	85,782	67,014	110,295	71,472	44,184	70,080
Governmental activities program revenues	293,010	238,559	242,421	275,257	271,036	250,069	298,554	248,448	210,766	248,886
Business-type activities:										
Charges for services										
Electric Utility	417,912	459,182	443,755	433,561	430,485	453,697	426,051	451,958	397,931	381,496
Water Utility	84,943	79,649	79,074	70,777	60,509	63,495	65,946	60,785	57,748	55,598
Sanitation Utility	70,812	68,036	65,138	63,893	61,006	60,076	57,843	57,230	56,630	56,359
Golf Courses	4,282	4,306	4,273	4,062	4,114	4,435	4,667	4,759	4,802	4,711
Convention, Sports & Entertainment	35,909	51,072	44,984	37,015	35,363	34,742	32,084	29,656	29,389	27,981
ARTIC Management	41	1,030	1,343	1,050	878	448				
Total charges for services	613,899	663,275	638,567	610,358	592,355	616,893	586,591	604,388	546,500	526,145
Operating grants and contributions	143	231	88	425	776	287	452	952	1,101	746
Capital grants and contributions	12,339	28,408	8,353	4,381	11,743	8,734	8,441	6,698	8,954	12,667
Business-type activities program revenues	626,381	691,914	647,008	615,164	604,874	625,914	595,484	612,038	556,555	539,558
Total government program revenues	919,391	930,473	889,429	890,421	875,910	875,983	894,038	860,486	767,321	788,444
Expenses										
Governmental activities:										
General government	31,866	22,005	15,645	11,825	10,331	12,370	15,790	13,275	11,617	10,911
Police	202,064	175,409	173,921	151,559	132,889	135,161	127,037	124,556	117,840	119,504
Fire & Rescue	96,803	82,948	81,528	70,365	62,520	61,794	59,510	58,508	58,027	56,393
Community & Economic Development	110,812	98,818	96,067	100,720	110,618	80,976	80,043	82,769	95,683	105,937
Planning & Building	27,929	26,248	25,376	21,944	19,862	18,303	17,030	16,917	15,648	15,627
Public Works	60,693	53,742	55,981	61,806	48,719	66,023	60,262	44,740	41,228	44,109
Community Services	50,513	43,218	39,020	34,799	34,212	31,587	34,130	28,925	28,282	30,958
Public Utilities	2,381	2,476	2,346	2,530	2,687	2,599	2,514	2,405	2,315	2,218
Convention, Sports & Entertainment	17,713	27,663	19,930	19,238	18,503	17,026	15,586	13,935	13,584	13,633
Interest on long-term debt	29,734	35,149	34,938	34,876	35,185	35,340	35,514	35,880	42,824	47,985
Governmental Activities Expenses	630,508	567,676	544,752	509,662	475,526	461,179	447,416	421,910	427,048	447,275

(Continued)

Changes in Net Position

Last Ten Fiscal Years (In thousands)

(Accrual basis of accounting) (continued)

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses										
Business-type Activities:										
Electric Utility	404,272	425,072	394,574	412,424	390,732	401,243	411,246	417,008	386,358	372,129
Water Utility	88,554	76,484	75,755	72,715	61,620	68,011	62,996	57,056	58,319	56,608
Sanitation Utility	67,375	64,659	61,145	58,218	56,564	55,979	53,508	52,813	55,939	49,845
Golf Courses	5,017	4,954	4,898	4,465	4,405	4,418	4,399	4,473	4,114	4,256
Convention, Sports & Entertainment Venues	75,621	68,187	66,058	47,321	44,285	56,715	46,385	45,001	45,278	44,662
ARTIC Management	2,949	6,548	6,218	6,374	6,235	5,075				
Business-type activities expense	643,788	645,904	608,648	601,517	563,841	591,441	578,534	576,351	550,008	527,500
Total government expenses	1,274,296	1,213,580	1,153,400	1,111,179	1,039,367	1,052,620	1,025,950	998,261	977,056	974,775
Net (Expense)/Revenue										
Governmental activities	(337,498)	(329,117)	(302,331)	(234,405)	(204,490)	(211,110)	(148,862)	(173,462)	(216,282)	(198,389)
Business-type activities	(17,407)	46,010	38,360	13,647	41,033	34,473	16,950	35,687	6,547	12,058
Total government, net (expense) revenue	(354,905)	(283,107)	(263,971)	(220,758)	(163,457)	(176,637)	(131,912)	(137,775)	(209,735)	(186,331)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	86,256	80,822	76,547	72,909	70,646	68,405	66,282	64,311	58,896	59,053
Property tax increments									28,678	47,040
Sales tax and use tax	76,851	84,982	80,732	77,732	76,975	72,356	67,505	65,445	59,654	54,711
Transient occupancy taxes	122,735	161,948	154,925	149,566	137,570	119,744	110,134	102,936	90,376	82,605
Motor vehicle license fees										1,783
Other taxes	8,796	8,893	9,076	8,946	8,731	8,318	7,780	7,756	7,272	7,288
Gain on sale on capital assets			6,258							
Unrestricted investment earnings	15,371	15,654	2,783	2,116	3,692	2,725	2,930	1,094	3,598	3,667
Other	100	98	105	106	87	55	49	1,857	873	614
Transfers	10,641	5,368	4,114	7,701	10,856	(169,119)	7,288	12,824	12,571	8,537
Special item				(8,218)						
Extraordinary gain									102,882	
Governmental activities	320,750	357,765	334,540	310,858	308,557	102,484	261,968	256,223	364,800	265,298
Business-type activities:										
Unrestricted investment earnings	18,756	19,183	4,423	4,001	5,710	8,086	6,986	3,323	10,216	9,617
Transfers	(10,641)	(5,368)	(4,114)	(7,701)	(10,856)	169,119	(7,288)	(12,824)	(12,571)	(8,537)
Business-type activities	8,115	13,815	309	(3,700)	(5,146)	177,205	(302)	(9,501)	(2,355)	1,080
Total government	328,865	371,580	334,849	307,158	303,411	279,689	261,666	246,722	362,445	266,378
Change in Net Position										
Governmental activities	(16,748)	28,648	32,209	76,453	104,067	(108,626)	113,106	82,761	148,518	66,909
Business-type activities	(9,292)	59,825	38,669	9,947	35,887	211,678	16,648	26,186	4,192	13,138
Total government change in net position	\$ (26,040)	\$ 88,473	\$ 70,878	\$ 86,400	\$ 139,954	\$ 103,052	\$ 129,754	\$ 108,947	\$ 152,710	\$ 80,047

Note: Certain reclassifications have been made to prior fiscal years' data to conform to the current presentation.

Source: Finance Department, City of Anaheim

See accompanied independent auditors' report

Governmental Activities Tax Revenues By Source

Last Ten Fiscal Years (In thousands)

(Accrual basis of accounting)

Fiscal Year	Amounts						Total
	Property Taxes	Property Tax Increments	Sales and Use Taxes	Transient Occupancy Taxes	Motor Vehicle License Fees	Other Taxes	
2020	\$ 86,256		\$ 76,851	\$ 122,735		\$ 8,796	\$ 294,638
2019	80,822		84,982	161,948		8,893	336,645
2018	76,547		80,732	154,925		9,076	321,280
2017	72,909		77,732	149,566		8,946	309,153
2016	70,646		76,975	137,570		8,731	293,922
2015	68,405		72,356	119,744		8,318	268,823
2014	66,282		67,505	110,134		7,780	251,701
2013	64,311		65,445	102,936		7,756	240,448
2012	58,896	\$ 28,678 ¹	59,654	90,376		7,272	244,876
2011	59,053	47,040	54,711	82,605	\$ 1,783	7,288	252,480

¹ The decrease in Property tax increments from fiscal year 2012 was due to the dissolution of Redevelopment Agency on February 1, 2012.

² Motor Vehicle License Fees allocation was eliminated per the fiscal year 2012 State Budget.

Note: Certain reclassifications have been made to prior fiscal years' data to conform to the current presentation.

Source: Finance Department, City of Anaheim

Fund Balances of Governmental Funds

Last Ten Fiscal Years (In thousands)

(Modified accrual basis of accounting)

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund										
Nonspendable	\$ 308	\$ 756	\$ 519	\$ 819	\$ 958	\$ 1,538	\$ 2,099	\$ 2,531	\$ 3,082	\$ 3,626
Restricted	12,547	4,627	5,194	6,238	7,730	6,124	6,449	1,766	982	582
Committed	2,250							788		
Assigned	6,752	15,221	11,008	2,056	7,442	513	4,073	6,879	320	141
Unassigned	10,954	43,455	41,556	42,336	39,850	39,615	30,394	26,920	22,636	22,139
Total General fund	<u>32,811</u>	<u>64,059</u>	<u>58,277</u>	<u>51,449</u>	<u>55,980</u>	<u>47,790</u>	<u>43,015</u>	<u>38,884</u>	<u>27,020</u>	<u>26,488</u>
Housing Authority Fund										
Nonspendable	39	36	34		2	4	7	38		42
Restricted	48,285	61,641	60,180	62,338	48,974	43,703	41,134	32,234	29,935	7,778
Assigned	31,579	28,434	26,574	22,904	16,129	14,283	11,664	11,823	11,237	9,922
Total Housing Authority Fund	<u>79,903</u>	<u>90,111</u>	<u>86,788</u>	<u>85,242</u>	<u>65,105</u>	<u>57,990</u>	<u>52,805</u>	<u>44,095</u>	<u>41,172</u>	<u>17,742</u>
Anaheim Resort Improvements¹										
Restricted ²	110,303	156,286	147,270	124,915	104,091	83,812	70,418	58,568	50,342	48,087
Total Anaheim Resort Improvements	<u>110,303</u>	<u>156,286</u>	<u>147,270</u>	<u>124,915</u>	<u>104,091</u>	<u>83,812</u>	<u>70,418</u>	<u>58,568</u>	<u>50,342</u>	<u>48,087</u>
Nonmajor Governmental Funds										
Nonspendable	252	11,503	9,091	8,713	6,000	6,270	3,542	4,619	1	631
Restricted	166,301	163,126	172,764	178,121	133,839	113,548	100,532	106,302	108,591	193,587
Committed	4,039	3,812	4,063							
Assigned	7,475	6,696	6,797	9,612	5,875	3,040	3,291	8,055	7,400	7,761
Unassigned	(15,080)	(9,217)	(11,535)	(12,202)	(17,991)	(20,071)	(19,005)	(11,231)	(32,448)	(34,293)
Total nonmajor governmental funds	<u>162,987</u>	<u>175,920</u>	<u>181,180</u>	<u>184,244</u>	<u>127,723</u>	<u>102,787</u>	<u>88,360</u>	<u>107,745</u>	<u>83,544</u>	<u>167,686</u>
Total governmental funds	<u>\$ 386,004</u>	<u>\$ 486,376</u>	<u>\$ 473,515</u>	<u>\$ 445,850</u>	<u>\$ 352,899</u>	<u>\$ 292,379</u>	<u>\$ 254,598</u>	<u>\$ 249,292</u>	<u>\$ 202,078</u>	<u>\$ 260,003</u>

¹The Anaheim Resort Improvements Debt Service Fund became a Major Fund in fiscal year 2020.

² Decrease in restricted fund balance in Fiscal Year 2020 is due to \$59 million used for the partial defeasance of the 1996 APFA series C CABs. Certain reclassifications have been made to prior fiscal years data to conform to the current presentation.

Source: Finance Department, City of Anaheim

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years (In thousands)

(Modified accrual basis of accounting)

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues										
Property taxes	\$ 86,256	\$ 80,822	\$ 76,547	\$ 72,909	\$ 70,646	\$ 68,405	\$ 66,282	\$ 64,311	\$ 58,896	\$ 59,053
Property tax increments									28,678	47,040
Sales and use taxes	76,898 ³	84,792	81,680	80,500	81,844	71,977	68,581	62,793	58,589	55,034
Transient occupancy taxes	122,351 ³	161,948	154,925	149,566	137,570	119,744	110,134	102,936	90,376	82,605
Other taxes	8,024	8,175	8,311	8,287	8,024	7,478	7,012	7,078	6,401	6,486
Licenses, fees, and permits	26,627	24,397	38,258	30,365	24,851	23,893	16,653	17,835	12,957	14,827
Intergovernmental revenues	167,085	139,776	124,696	123,797	121,055	155,314	215,755	186,018	143,348	150,394
Charges for services	50,927	51,308	50,771	48,186	41,949	37,975	37,269	35,353	33,782	28,353
Fines, forfeits, and penalties	2,658	2,937	2,988	2,756	2,875	2,823	2,656	2,907	3,515	3,304
Use of money and property	29,323	37,459	26,801	47,505	67,204 ²	20,068	22,427	12,141	10,582	12,423
Contribution from property owners ¹	3,124			36,864						41,007
Others	1,597	1,086	1,178	2,127	1,368	9,738	809	4,843	3,692	374
Total revenues	574,870	592,700	566,155	602,862	557,386	517,415	547,578	496,215	450,816	500,900
Expenditures										
General government	33,715	26,936	21,358	19,447	18,679	19,052	21,070	18,270	16,502	16,055
Police	170,308	160,355	156,338	148,801	139,775	127,226	120,962	117,702	112,656	114,678
Fire & Rescue	85,677	76,604	74,888	70,164	66,399	61,483	57,529	56,127	55,886	55,802
Community & Economic Development	112,045	104,074	93,855	92,089	107,544	89,446	83,658	86,282	95,352	110,138
Planning & Building	24,498	24,196	23,649	21,997	19,935	17,667	16,086	15,785	14,408	14,560
Public Works	37,022	32,329	34,331	30,886	30,388	29,814	29,737	25,387	22,861	27,087
Community Services	40,690	36,339	34,042	32,258	31,980	28,394	30,602	25,268	24,618	27,813
Public Utilities	2,397	2,448	2,341	2,496	2,727	2,622	2,510	2,398	2,313	2,220
Convention, Sports & Entertainment	11,774	15,575	14,639	14,023	13,089	11,608	10,714	10,002	9,725	9,917
Capital outlay	71,117	43,191	46,366	44,532	32,589	79,710	136,597	98,601	55,505	70,918
Debt service:										
Principal	18,575	32,128	14,749	26,123	28,448	25,289	24,220	18,948	16,294	12,219
Interest charges	78,065	30,943	28,412	15,571	16,930	18,085	18,797	19,808	26,927	33,032
Debt issuance costs		1,748				127				227
Total expenditures	685,883	586,866	544,968	518,387	508,483	510,523	552,482	494,578	453,047	494,666
Revenues over (under) expenditures	(111,013)	5,834	21,187	84,475	48,903	6,892	(4,904)	1,637	(2,231)	6,234
Other Financing Sources (Uses)										
Transfers in	78,434	107,804	97,513	103,797	95,920	85,818	84,813	73,470	131,093	99,571
Transfers out	(67,793)	(102,556)	(93,285)	(101,446)	(85,403)	(79,373)	(75,953)	(59,393)	(119,552)	(86,621)
Issuance of refunding bonds		175,565				6,200				
Payments to refunded bond escrow agent		(209,065)				(6,200)				
Premium on long term debt		35,279				1,790				
Issuance of long-term debt			2,250	6,125	1,100	22,654	1,350	31,500		13,570
Extraordinary loss									(67,235)	
Total other financing sources	10,641	7,027	6,478	8,476	11,617	30,889	10,210	45,577	(55,694)	26,520
Net change in fund balances	\$ (100,372)	\$ 12,861	\$ 27,665	\$ 92,951	\$ 60,520	\$ 37,781	\$ 5,306	\$ 47,214	\$ (57,925)	\$ 32,754
Debt service as a percentage of non-capital expenditures	15.72%	11.60%	8.66%	8.80%	9.54%	10.07%	10.34%	9.79%	10.87%	10.68%

¹ Contribution from property owners pursuant to the issuances of Community Facility District 08-1 Platinum Triangle Series 2010 (Fiscal Year 2011), and Series 2016 (Fiscal year 2017) Special Tax Bonds.

² Increase in Use of money and property is due to one-time land held for resale transferred from the Successor Agency

³ Decreases in Sales and Use Taxes and Transient Occupancy Taxes are due to COVID-19 pandemic and California Stay-At-Home Order

Note: Certain reclassifications have been made to prior fiscal years' data to conform to the current presentation.

Source: Finance Department, City of Anaheim

General Government Tax Revenues By Source

Last Ten Fiscal Years (In thousands)

(Modified accrual basis of accounting)

Amounts in Dollars												
Fiscal Year	Property Taxes				Property Tax Increments			Property Taxes in-lieu of VLF ³	Sales and Use Taxes	Transient Occupancy Taxes	Other Taxes	Total
	Secured Property Taxes	Unsecured Property Taxes	Supplemental Property Taxes	Residual	Secured Property Taxes	Unsecured Property Taxes	Supplemental Property Taxes					
2020	\$ 44,285	\$ 1,378	\$ 920	\$ 3,850				\$ 35,823	\$ 76,898 ⁴	\$ 122,351 ⁴	\$ 8,024	\$ 293,529
2019	41,529	1,263	1,173	3,322				33,535	84,792	161,948	8,175	335,737
2018	39,396	1,265	1,259	2,892				31,735	81,680	154,925	8,311	321,463
2017	37,771	1,214	1,108	2,484				30,332	80,500	149,566	8,287	311,262
2016	37,000	1,256	991	2,203				29,196	81,844 ²	137,570	8,024	298,084
2015	35,624	1,358	1,001	2,262				28,160	71,977	119,744	7,478	267,604
2014	33,976	1,243	832	2,873				27,358	68,581	110,134	7,012	252,009
2013	33,114	1,194	806	2,834				26,363	62,793	102,936	7,078	237,118
2012	31,770	1,289	207		\$ 21,576 ¹	\$ 6,884 ¹	\$ 218 ¹	25,630	58,589	90,376	6,401	242,940
2011	31,848	1,300	373		36,824	8,859	1,357	25,532	55,034	82,605	6,486	250,218

¹ Decrease in property tax increments revenues in fiscal year 2012 was due to dissolution of the Redevelopment Agency on February 1, 2012. Property tax increments were received up to January 31, 2012.

² Increase in sales and use taxes in fiscal year 2016 was due to the sales tax triple flip final distribution.

³ Collection of property taxes in-lieu of VLF starting in fiscal year 2005 is due to the shifting of revenue from motor vehicle license fees category to the property tax category. This was part of the State of California 2004 Budget Act.

⁴ Decreases in Sales and Use Taxes and Transient Occupancy Taxes in Fiscal Year 2020 are due to impacts of COVID-19 and the California Stay-At-Home order.

Note: Certain reclassifications have been made to prior fiscal years' data to conform to the current presentation.

Source: Finance Department, City of Anaheim

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years (In thousands)

(Modified Accrual Basis of Accounting)

	Fiscal Year				
	2020	2019	2018	2017	2016
City of Anaheim					
Secured property	\$ 40,745,451	\$ 38,098,867	\$ 36,199,163	\$ 34,732,460	\$ 33,338,748
Unsecured property	<u>1,273,871</u>	<u>1,302,121</u>	<u>1,175,627</u>	<u>1,172,650</u>	<u>1,243,307</u>
Total City of Anaheim	<u>42,019,322</u>	<u>39,400,988</u>	<u>37,374,790</u>	<u>35,905,110</u>	<u>34,582,055</u>
Redevelopment Agency Project Areas					
Secured property	5,938,225	5,593,018	5,182,683	4,773,715	4,479,386
Unsecured property	<u>893,906</u>	<u>737,385</u>	<u>720,305</u>	<u>684,544</u>	<u>753,736</u>
Total Anaheim Redevelopment Agency	<u>6,832,131</u>	<u>6,330,403</u>	<u>5,902,988</u>	<u>5,458,259</u>	<u>5,233,122</u>
Total Taxable Assessed Value	<u>\$ 48,851,453</u>	<u>\$ 45,731,391</u>	<u>\$ 43,277,778</u>	<u>\$ 41,363,369</u>	<u>\$ 39,815,177</u>
Total Direct Tax Rate	1.00000%	1.00000%	1.00000%	1.00000%	1.00000%
	Fiscal Year				
	2015	2014	2013	2012	2011
City of Anaheim					
Secured property	\$ 32,023,757	\$ 30,548,214	\$ 29,608,967	\$ 28,808,849	\$ 28,600,152
Unsecured property	<u>1,515,905</u>	<u>1,266,403</u>	<u>1,265,519</u>	<u>1,232,825</u>	<u>1,278,062</u>
Total City of Anaheim	<u>33,539,662</u>	<u>31,814,617</u>	<u>30,874,486</u>	<u>30,041,674</u>	<u>29,878,214</u>
Redevelopment Agency Project Areas					
Secured property	4,102,931	3,916,169	4,338,935	3,977,843	3,751,227
Unsecured property	<u>759,729</u>	<u>654,982</u>	<u>683,237</u>	<u>656,505</u>	<u>743,403</u>
Total Anaheim Redevelopment Agency	<u>4,862,660</u>	<u>4,571,151</u>	<u>5,022,172</u>	<u>4,634,348</u>	<u>4,494,630</u>
Total Taxable Assessed Value	<u>\$ 38,402,322</u>	<u>\$ 36,385,768</u>	<u>\$ 35,896,658</u>	<u>\$ 34,676,022</u>	<u>\$ 34,372,844</u>
Total Direct Tax Rate	1.00000%	1.00000%	1.00000%	1.00000%	1.00000%

Note: In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source: Auditor-Controller, County of Orange; California Municipal Statistics, Inc.

Property Tax Rates Direct and Overlapping Governments

Last Ten Fiscal Years (Rate per \$100 assessed value)

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Direct Rate										
Basic Levy ¹	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Overlapping Rates ² :										
Anaheim General Obligation Bond Fund					0.00173	0.00198	0.00211	0.00227	0.00224	0.00224
Anaheim Elementary School Districts	0.05943	0.05059	0.04502	0.04461	0.04227	0.02867	0.05848	0.05382	0.05371	0.03363
Anaheim High School Districts	0.03968	0.04244	0.02211	0.04259	0.04948	0.02412	0.02620	0.02858	0.02678	0.02745
North Orange County Community College	0.02409	0.02829	0.02927	0.02885	0.03043	0.01704	0.01704	0.01902	0.01742	0.01758
Water District Rate	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00370	0.00370
	<u>0.12670</u>	<u>0.12482</u>	<u>0.09990</u>	<u>0.11955</u>	<u>0.12741</u>	<u>0.07531</u>	<u>0.10733</u>	<u>0.10719</u>	<u>0.10385</u>	<u>0.0846</u>
Total Direct and Overlapping Rates	<u>1.12670</u>	<u>1.12482</u>	<u>1.09990</u>	<u>1.11955</u>	<u>1.12741</u>	<u>1.07531</u>	<u>1.10733</u>	<u>1.10719</u>	<u>1.10385</u>	<u>1.08460</u>
City's share of 1% Basic Levy per Prop 13 ³	0.10851	0.10851	0.10851	0.10851	0.10851	0.10851	0.10851	0.10851	0.10851	0.10851
Total Direct Rate ⁴	0.11000	0.11073	0.11125	0.11233	0.11402	0.11365	0.11388	0.11277	0.11062	0.11107

¹ In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1% fixed amount. This 1% is shared by all taxing agencies for which the subject property resides. In 1986, the State Constitution was amended to allow rates over the 1% base rate for voter approved general obligation debt. Valuations of real property are frozen at the value of the property in 1975, with an allowable adjustment up to 2% per year for inflation. However, property is assessed to its current value when a change of ownership occurs. New construction, including tenant improvements, is assessed at its current value.

² Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.

³ City's share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the City.

⁴ Total Direct Rate is the weighted average of all individual direct rates applied by the City.

Source: Auditor Controller, Orange County

Principal Property Tax Payers

Current Year and Nine Years Ago (In thousands)

Tax Payer	Fiscal year					
	2020			2011		
	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value
Walt Disney World Company	1	11.73%	\$ 5,473,423	1	11.87%	\$ 3,840,600
HHC HA Investment II Inc.	2	0.46%	215,973			
Anaheim Concourse ILP LLC	3	0.42%	195,823			
US REIF MG Madison Park CA LLC	4	0.28%	131,442			
ACC LLC	5	0.27%	125,500			
Irvine Company LLC	6	0.26%	121,276			
Advance Group 18-116	7	0.24%	113,832			
Teachers Insurance & Annuity Association	8	0.24%	111,072			
CH Realty VIII-Redhill MF	9	0.23%	107,961			
Prologis California I LLC	10	0.22%	102,767			
Makar Anaheim LLC				2	0.40%	129,692
Kilroy Realty LP				3	0.39%	126,099
Anaheim GW II LLC				4	0.39%	125,571
Lennar Platinum Triangle				5	0.38%	123,998
PPC Anaheim Apartments				6	0.33%	107,780
Angeli LLC				7	0.26%	84,468
Worldmark Club				8	0.25%	81,407
John MTR Schlund				9	0.24%	79,032
Avalon Anaheim Stadium				10	0.24%	76,509
Total		<u>14.35%</u>	<u>\$ 6,699,069</u>		<u>14.76%</u>	<u>\$ 4,775,156</u>

Source: Finance Department, City of Anaheim, California Municipal Statistics, Inc.

Property Tax Levies and Collections

Last Ten Fiscal Years (In thousands)

Fiscal Year	Total Taxes Levy	Collected within the Fiscal Year of the Levy			Collections in Subsequent Years	Total Collections to Date		Total Tax Increments Levy ²	Collected within the Fiscal Year of the Levy			Collections in Subsequent Years	Total Collections to Date	
		Amount ¹	Percentage of Levy	Percentage of Levy		Amount	Percentage of Levy		Amount ²	Percentage of Levy	Amount		Percentage of Levy	
2020	\$ 47,082	\$ 46,223	98.18%	\$ 243	\$ 46,466	98.69%								
2019	44,588	43,630	97.85%	360	43,989	98.66%								
2018	42,432	41,578	97.99%	336	41,740	98.37%								
2017	40,787	39,710	97.36%	342	40,052	98.20%								
2016	40,026	38,832	97.02%	382	39,214	97.97%								
2015	38,365	37,456	97.63%	414	37,870	98.71%								
2014	36,293	35,558	97.97%	460	36,018	99.24%								
2013	34,813	34,116	98.00%	384	34,500	99.10%								
2012	33,598	32,560	96.91%	512	33,072	98.43%	\$ 49,004	\$ 28,327	57.81%		\$ 28,327	57.81%		
2011	33,512	32,517	97.03%	558	33,075	98.70%	49,294	45,906	93.13%	\$ 282	46,188	93.70%		

¹ Excludes property taxes in-lieu of vehicle license fees

² Decrease in property tax collection is due to the dissolution of the Redevelopment Agency on February 1, 2012. Property tax increments were received up to January 31, 2012.

Note: Certain reclassifications have been made to prior fiscal years' data to conform to the current presentation.

Source: Auditor-Controller, County of Orange

Ratios of Outstanding Debt by Type Last Ten Fiscal Years

(In thousands, except per capita amount)

	Fiscal Year				
	2020	2019	2018	2017	2016
Governmental Activities					
Bonds	\$ 562,005	\$ 600,444	\$ 621,675	\$ 627,589	\$ 632,321
Notes and loans	19,681	23,796	28,008	29,577	20,820
Capital leases	2,297	1,988	1,550	1,738	2,088
Total governmental activities	583,983	626,228	651,233	658,904	655,229
Business-Type Activities					
Bonds	1,220,797	1,172,354	1,214,339	1,235,400	1,124,159
Notes and loans	9,866	13,418	16,972	20,523	36,200
Capital leases	198				
Total business-type activities	1,230,861	1,185,772	1,231,311	1,255,923	1,160,359
Total Government	\$ 1,814,844	\$ 1,812,000	\$ 1,882,544	\$ 1,914,827	\$ 1,815,588
Percentage of Personal Income	16.19%	16.20%	18.06%	20.12%	20.18%
Per Capita	\$ 5,079	\$ 5,080	\$ 5,272	\$ 5,341	\$ 5,070
	Fiscal Year				
	2015	2014	2013	2012	2011
Governmental Activities					
Bonds	\$ 640,891	\$ 614,757	\$ 616,086	\$ 616,444	\$ 821,587
Certificates of participation		8,880	10,020	11,085	12,070
Notes and loans	21,372	50,757	54,877	25,546	34,566
Capital leases	2,346	1,325	1,369	1,694	2,341
Total governmental activities	664,609	675,719	682,352	654,769	870,564
Business-Type Activities					
Bonds	1,116,443	780,553	863,987	889,581	908,683
Certificates of participation		38,000	38,000	38,000	38,000
Notes and loans	57,399	48,271	62,722	24,652	30,519
Total business-type activities	1,173,842	866,824	964,709	952,233	977,202
Total Government	\$ 1,838,451	\$ 1,542,543	\$ 1,647,061	\$ 1,607,002	\$ 1,847,766
Percentage of Personal Income	21.26%	17.22%	19.74%	20.95%	24.57%
Per Capita	\$ 5,231	\$ 4,429	\$ 4,758	\$ 4,674	\$ 5,418

Note: Per capita amounts are estimates

Certain reclassifications have been made to prior year data to conform to the current presentation

Sources: California State Department of Finance and Finance Department, City of Anaheim

US Census Yearly American Community Survey

Ratios of Net General Bonded Debt Outstanding Last Ten Fiscal Years

(In thousands, except per capita amount)

	Fiscal Year				
	2020	2019	2018	2017	2016
Bonds					
General Obligation					\$ 700
Lease Revenue	\$ 562,005	\$ 600,444	\$ 621,675	627,589	631,621
	<u>562,005</u>	<u>600,444</u>	<u>621,675</u>	<u>627,589</u>	<u>632,321</u>
Less amounts available for principal					700
Total net obligation bonds outstanding	<u>\$ 562,005</u>	<u>\$ 441,253</u>	<u>\$ 471,623</u>	<u>\$ 500,008</u>	<u>\$ 523,839</u>
Percentage of Assessed Value of Property	1.15%	1.31%	1.44%	1.52%	1.59%
Per capita	\$ 1,573	\$ 1,683	\$ 1,741	\$ 1,750	\$ 1,764
	Fiscal Year				
	2015	2014	2013	2012	2011
Bonds					
General Obligation	\$ 1,360	\$ 1,995	\$ 2,605	\$ 3,185	\$ 3,735
Lease Revenue ¹	639,531	612,762	613,481	616,444	609,683
Tax Allocation					208,169
	<u>640,891</u>	<u>614,757</u>	<u>616,086</u>	<u>619,629</u>	<u>821,587</u>
Less amounts available for principal	813	725	703	662	667
Total net obligation bonds outstanding	<u>\$ 552,717</u>	<u>\$ 541,257</u>	<u>\$ 554,461</u>	<u>\$ 566,231</u>	<u>\$ 754,224</u>
Percentage of Assessed Value of Property	1.67%	1.69%	1.71%	1.79%	2.39%
Per capita	\$ 1,821	\$ 1,763	\$ 1,778	\$ 1,800	\$ 2,407

Note: Details regarding the City's outstanding debt can be found in the notes to the basic financial statements

¹ Include Accretion on revenue bonds

Certain reclassifications have been made to prior year data to conform to current presentation.

Source: Finance Department, City of Anaheim

Direct and Overlapping Governmental Activities Debt

As of June 30, 2020 (In thousands)

2019-20 Assessed Valuation		\$ 48,851,453	
			<u>Outstanding</u>
<u>DIRECT TAX AND ASSESSMENT DEBT:</u>			\$ -
City of Anaheim			
<u>DIRECT GENERAL FUND DEBT:</u>			
City of Anaheim General Fund Obligations			583,983
TOTAL GROSS DIRECT DEBT			583,983
Less: City of Anaheim Public Financing Authority (100% self-supporting)			562,005
City of Anaheim various revenue funds (100% self-supporting)			21,978
TOTAL NET DIRECT DEBT			\$ -
			<u>City's Share</u>
			<u>of Debt</u>
			<u>6/30/2020</u>
	<u>Total Debt</u>	<u>% Applicable¹</u>	
	<u>6/30/2020</u>		
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Metropolitan Water District	\$ 37,300	1.578%	\$ 589
North Orange Joint Community College District	284,769	28.026	79,809
Rancho Santiago Community College District	220,164	12.173	26,801
Rancho Santiago Community College District School Facilities Improvement District No 1	166,020	0.370	614
Anaheim Union High School District	283,474	68.246	193,460
Fullerton Joint Union High School District	198,270	0.247	490
Garden Grove Unified School District	403,257	0.566	2,282
Orange Unified School District	180,385	25.659	46,285
Placentia - Yorba Linda Unified School District	221,547	19.513	43,230
Anaheim School District	275,781	99.090	273,272
Magnolia School District	20,788	67.440	14,020
Other School Districts	134,886	Various	22,828
City of Anaheim Community Facilities Districts	65,530	100	65,530
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT	<u>2,492,171</u>		<u>769,210</u>
<u>OVERLAPPING GENERAL FUND DEBT:</u>			
Orange County General Fund Obligations	386,745	7.807%	30,193
Orange County Pension Obligation Bonds	466,864	7.807	36,448
Orange County Board of Education Certificates of Participation	12,930	7.807	1,009
North Orange County Regional Occupation Program Certificates of Participation	8,950	28.831	2,580
Orange Unified School District Certificates of Participation	24,951	25.659	6,402
Orange Unified School District Benefit Obligations	63,565	25.659	16,310
Placentia-Yorba Linda Unified School District Certificates of Participation	90,450	19.513	17,650
Anaheim Union High School District Certificates of Participation	32,400	68.246	22,112
Fullerton Joint Union High School District Certificates of Participation	17,980	0.247	44
Fullerton School District Certificates of Participation	4,065	0.171	7
Magnoliad School District Certificates of Participation	14,143	67.440	9,538
TOTAL GROSS OVERLAPPING GENERAL FUND OBLIGATION DEBT	<u>1,123,043</u>		<u>142,293</u>
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>			
City of Anaheim Tax Allocation Bonds	146,095	0.084-100%	141,639
TOTAL OVERLAPPING TAX INCREMENT DEBT			<u>141,639</u>
TOTAL GROSS OVERLAPPING DEBT			1,053,142
TOTAL NET OVERLAPPING DEBT			<u>1,053,142</u>
GROSS COMBINED TOTAL DEBT			\$ 1,637,125 ²
NET COMBINED TOTAL DEBT			\$ 1,053,142

¹ Percentage of overlapping agency's assessed valuation located within boundaries of the city.

² Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue, and tax allocation bonds and non-bonded capital lease obligations.

Direct and Overlapping Governmental Activities Debt

As of June 30, 2020 (In thousands) (continued)

Ratios to 2019-20 Assessed Valuation:

Direct Debt (\$0)	0.00%
Total Overlapping Tax and Assessment Debt	1.57%

Ratios to Adjusted Assessed Valuation:

Gross Combined Direct Debt (\$583,983)	1.20%
Net Combined Direct Debt(\$0)	0.00%
Gross Combined Total Debt	3.35%
Net Combined Total Debt	2.16%

Ratios to Redevelopment Increment Valuation (\$6,835,920)

Total Overlapping Tax Increment Debt	2.07%
--------------------------------------	-------

Source:California Municipal Statistics, Inc.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City.This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City.This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account.However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Legal Debt Margin

Last Ten Fiscal Years (In thousands)

	Fiscal Year				
	2020	2019	2018	2017	2016
Debt limit	\$ 1,831,929	\$ 1,714,927	\$ 1,622,917	\$ 1,551,126	\$ 1,493,069
Total net debt applicable to limit					(700)
Legal debt margin	<u>\$ 1,831,929</u>	<u>\$ 1,714,927</u>	<u>\$ 1,622,917</u>	<u>\$ 1,551,126</u>	<u>\$ 1,492,369</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.05%
Legal Debt Margin					
Assessed value	\$ 48,851,453	\$ 45,731,391	\$ 43,277,778	\$ 41,363,369	\$ 39,815,177
Debt limit (3.75% of total assessed value) ¹	\$ 1,831,929	\$ 1,714,927	\$ 1,622,917	\$ 1,551,126	\$ 1,493,069
	Fiscal Year				
	2015	2014	2013	2012	2011
Debt limit	\$ 1,440,087	\$ 1,364,466	\$ 1,346,125	\$ 1,300,351	\$ 1,288,982
Total net debt applicable to limit	(1,360)	(1,995)	(2,605)	(3,185)	(3,735)
Legal debt margin	<u>\$ 1,438,727</u>	<u>\$ 1,362,471</u>	<u>\$ 1,343,520</u>	<u>\$ 1,297,166</u>	<u>\$ 1,285,247</u>
Total net debt applicable to the limit as a percentage of debt limit	0.09%	0.15%	0.19%	0.24%	0.29%
Legal Debt Margin					
Assessed value	\$ 38,402,322	\$ 36,385,768	\$ 35,896,658	\$ 34,676,022	\$ 34,372,844
Debt limit (3.75% of total assessed value) ¹	\$ 1,440,087	\$ 1,364,466	\$ 1,346,125	\$ 1,300,351	\$ 1,288,982

Note:

¹ California Government Code sets the debt limit at 15%. The Code section was enacted when assessed valuation were based on 25% of full market value. This has since changed to 100% of full market value. Thus the limit shown is 3.75% (one-fourth the limit of 15%).

By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Note: Certain reclassifications have been made to prior fiscal years' data to conform to the current presentation.

Source: Finance Department, City of Anaheim, California Municipal Statistics, Inc

Pledged-Revenue Coverage

Last Ten Fiscal Years (In thousands)

Electric Utility Revenue Bonds										
Fiscal Year	Electric Revenue	Less Operating Expenses ¹	Net Available Revenue	Debt Service			Coverage			
				Principal	Interest	Total				
2020	\$ 426,746	\$ 339,624	\$ 87,122	\$ 25,005	\$ 26,145	\$ 51,150	1.7033			
2019	469,076	365,983	103,093	20,975	30,386	51,361	2.0072			
2018	446,156	330,376	115,780	21,305	30,613	51,918	2.2301			
2017	435,805	338,888	96,917	18,950	28,948	47,898	2.0234			
2016	433,744	319,169	114,575	14,040	27,995	42,035	2.7257			
2015	458,211	341,206	117,005	12,950	27,878	40,828	2.8658			
2014	430,782	347,290	83,492	11,590	30,039	41,629	2.0056			
2013	453,949	349,835	104,114	18,995	33,335	52,330	1.9896			
2012	407,787	314,231	93,556	18,175	34,104	52,279	1.7896			
2011	391,218	309,274	81,944	17,825	30,825	48,650	1.6844			

¹ Operating expenses includes transfer for right of way and excludes amortization and depreciation.

Pledged-Revenue Coverage

Last Ten Fiscal Years (In thousands) (continued)

Water Utility Revenue Bonds							
Fiscal Year	Water Revenue	Less Operating Expenses ¹	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2020	\$88,549	\$69,479	\$19,070	\$3,640	\$7,242	\$10,882	1.7524
2019	83,079	59,273	23,806	3,490	7,519	11,009	2.1624
2018	80,131	59,975	20,156	3,370	7,638	11,008	1.8310
2017	71,790	56,487	15,303	3,380	6,815	10,195	1.5010
2016	61,721	46,383	15,338	5,885	1,775	7,660	2.0023
2015	65,518	52,883	12,635	960	4,178	5,138	2.4591
2014	66,979	50,046	16,933	920	4,217	5,137	3.2963
2013	61,849	44,838	17,011	950	4,255	5,205	3.2682
2012	59,330	44,615	14,715	915	4,292	5,207	2.8260
2011	56,935	45,293	11,642	880	3,275	4,155	2.8019

¹ Operating expenses include transfer for right of way and excludes amortization and depreciation.

Note: Details regarding the City's outstanding debt can be found in the notes to the basic financial statements.

Source: Finance Department, City of Anaheim

Sanitation Revenue Bonds							
Fiscal Year	Wastewater Revenue ²	Less Operating Expenses ³	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2020	\$17,044	\$8,012	\$9,032	\$1,170	\$2,231	\$3,401	2.6557
2019	16,740	7,767	8,973	1,080	2,323	3,403	2.6368
2018	13,963	6,779	7,184	1,095	1,902	2,997	2.3971
2017	13,771	6,252	7,519	1,045	1,954	2,999	2.5072
2016	13,291	5,733	7,558	1,005	1,994	2,999	2.5202
2015	13,373	6,103	7,270	955	2,042	2,997	2.4258
2014	12,572	5,594	6,978	920	2,079	2,999	2.3268
2013	12,106	5,477	6,629	880	2,118	2,998	2.2111
2012	11,933	4,832	7,101	835	2,161	2,996	2.3702
2011	11,813	4,030	7,783	805	2,193	2,998	2.5961

² Amounts based on the notes to the basic financial statement, segment reporting

³ Operating expenses excludes amortization and depreciation.

Note: Details regarding the City's outstanding debt can be found in the notes to the basic financial statements.

Source: Finance Department, City of Anaheim

Demographic and Economic Statistics Last Ten Fiscal Years

Fiscal Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income ¹	Median Age	Education Level in Years of Schooling	School Enrollment	Orange County Unemployment Rate
2020	357,325	\$11,208,571	31,368	34.3	12.2	61,086	13.60%
2019	356,669	11,187,993	31,368	34.3	12.2	62,269	3.00%
2018	357,084	10,422,568	29,188	33.7	12.2	63,727	3.30%
2017	358,546	9,515,094	26,538	33.6	12.2	64,870	3.80%
2016	358,136	8,998,883	25,127	33.6	12.2	65,692	4.40%
2015	351,433	8,649,469	24,612	33.6	12.2	66,439	4.10%
2014	348,305	8,955,966	25,713	33.8	12.2	66,982	6.20%
2013	346,161	8,344,211	24,105	32.8	12.2	67,014	6.10%
2012	343,793	7,669,678	22,309	32.4	12.2	67,760	7.90%
2011	341,034	7,519,459	22,049	32.1	12.2	67,884	9.20%

¹ Per capital peronsonal income for year 2020 data not readily available.

Sources: California State Department of Finance
 Anaheim City Superintendent of Schools
 State of California, Employment Development Department
 State Department of Commerce and Labor
 State Department of Education
 US Census Yearly American Community Survey

Principal Employers Current Year and Nine Years Ago

	Fiscal Year					
	2020			2011		
Employer	Rank	Employees	Percentage of Total City Employment	Rank	Employees	Percentage of Total City Employment
Disneyland Resort	1	32,000	18.40%	1	22,710	13.15%
Kaiser Permanente	2	3,057	1.76%	2	3,660	2.12%
L-3 Communications	3	2,113	1.22%			
Anaheim Regional Medical Center	4	1,201	0.69%	4	1,200	0.69%
Hilton Anaheim	5	1,200	0.69%	6	905	0.52%
Northgate Gonzalez Supermarkets	6	1,150	0.66%	3	1,900	1.10%
Advantage-Crown Sales & Marketing LLC	7	1,100	0.63%			
Angels Baseball	8	1,000	0.58%			
Anaheim Global Medical Center	9	975	0.56%			
West Anaheim Medical Center	10	800	0.46%	9	796	0.46%
Honda Center				5	950	0.55%
Western Medical Center				7	800	0.46%
Times Warner Cable				8	800	0.46%
Anaheim Marriott Hotel				10	730	0.42%
Total		<u>44,596</u>	<u>25.64%</u>		<u>34,451</u>	<u>19.93%</u>

Source: Inside Prospects Database; InfoGroup, Inc

Full-time Equivalent City Government Employees by Function/Program Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
City Council	9	9	9	9	6	7	7	7	7	7
City Administration	19	19	19	19	19	20	20	20	21	21
City Attorney	33	33	33	33	33	33	31	30	30	30
City Clerk	8	8	8	8	8	7	7	7	6	6
Human Resources	40	40	40	40	39	37	37	38	36	36
Finance	55	55	55	55	54 ¹	44	44	44	46	47
Police	591	590	590	576	569	561	549	536	530	554
Fire & Rescue	276	276	276	276	274	267	262	262	275	277
Community & Economic Development	73	73	73	73	73	71	68	78	102	105
Planning & Building	76	76	76	76	76	75	71	69	73	75
Public Works	236	236	236	236	235	237	236	234	235	252
Community Services	93	93	93	92	92	91	87	87	115	123
Public Utilities	352	352	352	352	352	354	353	352	355	377
Convention, Sports & Entertainment	85	85	85	85	85	85	84	83	91	91
Total	<u>1,946</u>	<u>1,945</u>	<u>1,945</u>	<u>1,930</u>	<u>1,915</u>	<u>1,889</u>	<u>1,856</u>	<u>1,847</u>	<u>1,922</u>	<u>2,001</u>

¹ Increase is due to reorganization of the Citywide Geographic Information System (GIS) and Police Information System into Finance.

Source: City of Anaheim

Operating Indicators by Function

Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Police Department										
Number of calls for service	193,998	192,422	200,934	200,695	208,710	195,305	186,042	186,461	189,751	195,587
Number of 911 calls received	148,895	163,445	146,770	150,555	155,371	158,447	145,813	182,856	179,313	165,698
Number of Part I Crimes per 100,000 population	2,719	2,731	2,925	2,917	3,279	2,950	2,883	3,326	3,057	2,886
Number of Arrest	10,576	12,575	11,865	11,010	11,604	11,405	11,846	11,617	11,494	13,345
Number of Field Reports processed by Records Bureau	35,971	39,373	45,402	41,208	41,655	39,191	38,362	39,066	33,050	35,807
Number of traffic collisions	4,276	4,378	4,757	4,817	5,179	4,833	4,686	4,414	4,044	4,046
Number of Hours of Volunteer service	11,435	18,380	19,270	21,132	21,647	22,885	24,124	23,470	25,309	20,335
Fire Department										
Fire responses	996	1,025	1,057	1,035	1,082	952	885	902	923	983
False alarm responses	2,432	2,038	1,803	1,903	1,848	3,910	1,735	1,424	1,390	1,487
Mutual aid responses	3,596	3,906	4,069	5,450	5,506	4,322	3,001	2,860	2,744	2,707
Medical responses	29,195	29,232	29,385	28,437	28,858	27,158	24,912	24,735	23,061	22,202
Hazardous condition responses	180	204	190	222	211	213	211	207	201	199
Public Works										
Centerline miles of arterial highway pavement improved	3.40	9.15	1.29	1.2	4.70	3.55	7.1	5.9	8.7	5.8
Square feet of deteriorated pavement replaced	2,746,130	3,389,786	2,960,600	4,017,828	2,487,188	2,101,231	4,345,480	4,029,806	2,977,482	4,274,463
Square feet of deteriorated pavement slurry sealed	2,017,000	3,003,023	4,704,400	5,519,982	1,941,187	7,253,633	4,422,148	2,850,939	4,208,194	4,167,569
Number of traffic intersections maintained	394	376	360	335	333	321	327	318	318	319
Number of traffic control hubs maintained	20	18	18	18	18	18	19	18	18	18
Square feet of deteriorated sidewalk replaced	93,243	194,674	162,774	102,305	232,922	153,531	96,399	77,590	74,780	62,940
Linear feet of damaged curb/gutter replaced	29,311	78,147	65,569	6,797	33,373	30,152	29,996	25,187	27,661	24,755
Square feet of medians/parkways maintained	6,297,655	6,297,655	6,101,098	6,063,299	6,063,299	5,721,764	5,644,799	5,644,818	5,511,065	5,460,655
Square feet of landscape maintained in the Anaheim Resort	1,656,500	1,656,500	1,605,958	1,554,886	1,554,886	1,542,442	1,542,442	1,430,486	1,430,486	1,430,486
Square feet of hardscape maintained in the Anaheim Resort	991,360	991,360	991,350	991,360	991,360	991,370	991,360	858,828	858,828	1,001,743
Number of vehicles maintained	887	1,059	1,050	1,036	1,025	1,097	1,144	1,106	1,152	1,162
Number of vehicles per mechanic	44	46	52	49	49	57	58	58	50	47
Square feet of interior space maintained	2,409,427	2,408,734	2,399,337	2,379,100	2,379,100	2,379,100	2,700,000	2,362,992	2,176,265	2,176,265
Square feet of exterior space maintained	37,746,100	37,746,100	37,698,184	37,662,184	37,662,184	37,662,184	37,655,278	37,645,278	39,138,187	39,138,187
Number of facility square feet (interior) per worker	120,471	120,437	126,281	125,215	1,459,000	1,459,000	150,000	139,000	120,904	114,540
Number of construction projects	708	590	180	80	120	100	165	120	100	136
Number of permit inspections	1,007	1,691	900	650	510	429	486	380	404	355
Parks										
Number of park acres maintained per full-time equivalent employee	78	77	77	77	77	76	75	75	75	75.00
Number of sports fields prepared	66	66	66	66	66	66	66	66	66	66
Cost per acre of parks maintained.	\$ 9,585	\$ 9,325	\$ 9,497	\$ 9,221	\$ 8,952	\$ 8,691	\$ 8,438	\$ 8,192	\$ 8,031	\$ 8,333
Cost per sports field maintained.	\$ 5,219	\$ 5,082	\$ 4,934	\$ 4,791	\$ 4,655	\$ 4,519	\$ 4,387	\$ 4,260	\$ 4,133	\$ 4,261
Golf Courses										
Cost per acre of golf course maintained	\$ 9,712	\$ 10,906	\$ 11,147	\$ 10,434	\$ 10,076	\$ 9,455	\$ 9,931	\$ 9,595	\$ 9,010	\$ 9,569
Number of rounds played	94,746	105,952	102,498	102,542	102,234	110,855	117,652	118,879	120,675	116,287
Number of acres maintained	200	200	200	200	200	200	200	200	200	200

Operating Indicators by Function

Last Ten Fiscal Years

(Continued)

Function/Program	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
City Libraries										
Hours open	14,668	16,965	17,065	16,023	15,461	16,929	16,820	16,243	15,530	15,364
Total circulation of materials, includingeBooks	1,012,328	1,006,276	1,026,997	1,117,096	1,169,829	1,257,127	1,397,239	1,520,841	1,635,627	1,700,104
Patron assistance (reference, information, computer)	225,468	191,269	207,724	226,429	185,436	207,305	240,287	291,960	347,085	397,287
Patron visits	1,184,487	1,382,433	1,460,551	981,637	1,098,146	1,221,982	1,264,972	1,317,689	1,321,309	1,403,995
Library cardholders	254,093	297,256	233,312	230,951	217,661	201,194	186,891	158,396	157,278	156,444
Programs offered	3,585	4,449	4,770	4,507	3,900	3,800	3,397	3,097	3,235	3,927
Program attendance	196,521	141,504	144,660	142,098	125,609	117,226	111,380	102,728	101,696	124,401
Hours of public internet usage	89,344	136,671	151,709	144,364	150,712	184,851	209,953	237,340	220,930	209,673
Community Services Programs										
Number of youth program participants	152,791	165,264	197,228	181,697	183,967	177,746	126,429	136,345	129,215	110,013
Number of youth program participants in recreation classes	9,894	8,291	7,957	8,500	13,026	10,136	13,897	10,906	9,213	10,231
Number of adult program sports teams	343	537	588	679	725	750	791	841	845	908
Number of park ranger contacts	547,707	781,176	641,320	382,310	278,599	327,893	263,765	233,308	275,014	232,132
Public Utilities Department										
Electric Utility:										
Number of meters	121,227	120,400	119,564	118,248	117,593	115,682	115,474	115,418	115,113	114,662
Megawatt-hours - sales	2,687,030	3,109,157	3,217,353	3,298,340	3,229,569	3,725,386	4,065,552	3,312,018	2,966,119	2,976,014
Megawatt-hours - purchased power	2,760,933	3,120,824	2,985,962	2,990,931	3,050,657	3,417,459	3,751,220	3,029,766	2,707,466	2,737,174
Megawatt-hours - owned generation	2	60,890	231,391	398,068	318,921	371,657	467,348	410,601	430,323	431,027
Water Utility:										
Number of meters	64,421	64,188	64,001	63,489	63,775	63,145	63,002	62,917	62,793	62,717
Millions of gallons sold	17,361	17,760	19,308	17,422	16,607	19,804	20,743	20,464	19,672	19,526
Millions of gallons purchased from Metropolitan Water District	7,877	3,581	8,767	4,170	4,373	4,717	5,286	6,878	7,023	7,398
Millions of gallons pumped from water system wells	10,947	14,603	10,742	14,217	13,213	15,180	16,749	14,659	14,100	13,399
Anaheim Convention Center										
Number of events serviced	135	168	171	179	181	197	221	263	222	200
Number of attendees	816,000	1,083,000	960,000	925,000	954,000	986,000	1,020,000	1,070,000	1,059,000	935,000
Percentage of occupancy	46.00%	55.00%	68.00%	72.00%	59.0%	63.0%	63.0%	58.0%	62.0%	56.0%

Sources: Various City departments

Capital Assets Statistics by Function Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Police Department										
Police Facilities	9	10	10	10	10	10	10	10	10	10
Motorized Equipment	277	256	256	260	260	250	247	247	242	242
Police Helicopters	3	3	3	3	2	2	2	3	3	3
Shooting Range	1	1	1	1	1	1	1	1	1	1
Communication/Radio Tower	1	1	1	1	1	1	1	1	1	1
Fixed Wing	1	1	1	1	1	1	1	1	1	1
Fire Department										
Fire stations	11	11	11	11	11	11	11	11	11	11
Training center	1	1	1	1	1	1	1	1	1	1
Fire trucks, engines, and other vehicles	85	79	76	75	75	74	74	79	74	69
Public Works										
Streets (center lane miles)	584	584	584	585	584	584	578	578	578	578
Traffic signals	394	376	360	335	321	321	321	318	318	318
Sewers (miles)	578.43	578.43	578.43	578.17	578.13	577.60	575.52	575.52	573.63	570.44
Storm Drains (miles)	151.82	151.82	151.82	151.82	151.30	151.30	151.30	151.30	151.24	151.24
Parks										
Community parks	11	11	11	11	11	11	11	11	11	11
Mini parks	15	15	15	15	15	9	7	7	7	7
Neighborhood parks	23	23	23	23	23	21	21	21	21	21
Special use parks	11	10	9	8	8	7	7	7	7	7
Golf Courses										
	2	2	2	2	2	2	2	2	2	2
City Libraries										
Branch libraries	8	8	8	8	8	8	7	7	7	7
Book mobiles	1	1	1	1	1	1	1	1	1	1
Museums/Historic properties	5	5	5	5	5	5	5	5	5	5

Capital Assets Statistics by Function Last Ten Fiscal Years

(continued)

Function/Program	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Public Utilities Department										
Electric Utility:										
Transmission, 69 kV, circuit miles	88	90	90	88	87	86	87	86	90	80
Distribution, 12 kV and lower, circuit miles										
Overhead	393	401	402	408	414	420	426	428	440	446
Underground	742	709	708	693	680	666	662	656	658	617
Water Utility:										
Active Wells	19	15	18	17	18	17	18	18	18	18
Reservoirs	13	13	14	14	14	14	14	14	14	13
Water Mains (miles)	758	754	753	753	753	753	753	753	752	753
Fire Hydrants	7,912	7,835	7,842	7,832	7,840	7,832	7,816	7,812	7,802	7,805
Anaheim Convention Center										
Square footage available	1,370,000	1,370,000	1,130,000	1,130,000	1,130,000	1,130,000	1,130,000	1,130,000	1,130,000	1,130,000
Number of exhibit halls	7	7	5	5	5	5	5	5	5	5
ARTIC Management ¹										
Terminal square footage	67,000	67,000	67,000							
Parking stalls	1,059	1,059	1,059							
Bus bays	18	18	18							
Bike lockers	24	24	24							

¹ The ARTIC management started operation on December 6, 2014.

Source: Various City Departments



OTHER INFORMATION

Summary of Pension Obligation Funding Progress

(in thousands)

June 30, 2019 Actuarial Valuation Date	Market Value of Assets (MVA)	Accrued Liability	Unfunded Liability	Funded Ratio	Annual Covered Payroll	UL as a % of Payroll
Miscellaneous	\$ 1,057,123	\$ 1,502,706	\$ 445,583	70.3%	\$ 124,366	358.3%
Police Safety	594,766	843,974	249,208	70.5%	51,581	483.1%
Fire Safety	326,062	471,152	145,090	69.2%	24,421	594.1%
Total	<u>\$ 1,977,951</u>	<u>\$ 2,817,832</u>	<u>\$ 839,881</u>	70.2%	<u>\$ 200,368</u>	419.2%

June 30, 2018 Actuarial Valuation Date	Market Value of Assets (MVA)	Accrued Liability	Unfunded Liability	Funded Ratio	Annual Covered Payroll	UL as a % of Payroll
Miscellaneous	\$ 1,014,034	\$ 1,455,035	\$ 441,001	69.7%	\$ 120,194	366.9%
Police Safety	567,890	809,188	241,298	70.2%	51,086	472.3%
Fire Safety	316,715	451,623	134,908	70.1%	22,758	592.8%
Total	<u>\$ 1,898,639</u>	<u>\$ 2,715,846</u>	<u>\$ 817,207</u>	69.9%	<u>\$ 194,038</u>	421.2%

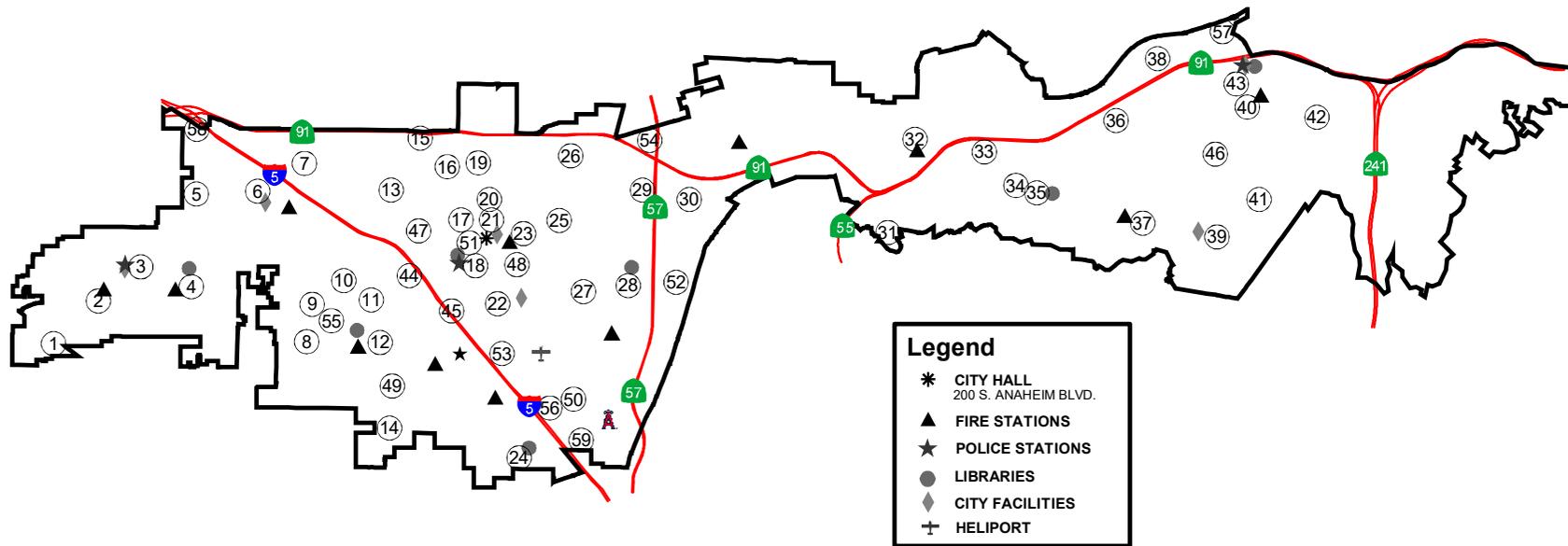
June 30, 2017 Actuarial Valuation Date	Market Value of Assets (MVA)	Accrued Liability	Unfunded Liability	Funded Ratio	Annual Covered Payroll	UL as a % of Payroll
Miscellaneous	\$ 957,141	\$ 1,361,536	\$ 404,395	70.3%	\$ 120,748	334.9%
Police Safety	534,056	749,345	215,289	71.3%	49,413	435.7%
Fire Safety	302,285	423,670	121,385	71.3%	22,593	537.3%
Total	<u>\$ 1,793,482</u>	<u>\$ 2,534,551</u>	<u>\$ 741,069</u>	70.8%	<u>\$ 192,754</u>	384.5%

Schedule of Funding Progress for Other Post-Employment Benefits

(Amounts in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Accrued Liability	Unfunded Liability - AVA	Funded Ratios - AVA	Annual Covered Employee Payroll	UL as a % of Covered- Employee Payroll
June 30, 2019	\$ 102,332	\$ 262,907	\$ 160,575	38.9%	\$ 209,656	76.6%
July 1, 2017	89,953	273,950	183,997	32.8%	203,473	90.4%
July 1, 2015	79,787	271,243	191,456	29.4%	178,721	107.1%

CITY OF ANAHEIM



PARKS

- | | | | | |
|---|---|--|--|--|
| 1. HANSEN PARK
1300 S. Knott St. | 13. SAGE PARK
1313 Lido Pl. | 25. LINCOLN PARK
1440 E. Lincoln Ave. | 37. OAK PARK
6400 E. Nohl Ranch Rd. | 49. ENERGY FIELD
1625 S. Ninth St. |
| 2. REID PARK
3100 W. Orange Ave. | 14. STODDARD PARK
901 S. Ninth St. | 26. EDISON PARK
1145 Baxter St. | 38. YORBA REGIONAL PARK
7600 E. La Palma Ave. | 50. MAGNOLIA PARK
1515 Wright Cir. |
| 3. SCHWEITZER PARK
238 S. Bel Air St. | 15. MANZANITA PARK
1260 Riviera St. | 27. BOYSEN PARK
951 State College Blvd. | 39. OAK CANYON NATURE CENTER
6700 Walnut Canyon Rd. | 51. FRIENDSHIP PLAZA PARK
200 S. Anaheim Blvd. |
| 4. MAXWELL PARK
2660 W. Orange Ave. | 16. LA PALMA PARK & STADIUM
1151 La Palma Park Way | 28. JUAREZ PARK
841 S. Sunkist St. | 40. SYCAMORE PARK
8268 Monte Vista Rd. | 52. ANAHEIM COVES
962 S. Rio Vista St. |
| 5. PETER MARSHALL PARK
801 N. Magnolia Ave. | 17. PEARSON PARK
400 N. Harbor Blvd. | 29. PIONEER PARK
2565 E. Underhill Ave. | 41. CANYON RIM PARK
7305 E. Canyon Rim Rd. | 53. PAUL REVERE PARK
160 Guinida Ln. |
| 6. BROOKHURST COMMUNITY PARK
2271 W. Crescent Ave. | 18. LITTLE PEOPLES PARK
220 W. Elm St. | 30. RIO VISTA PARK
201 N. Park Vista St. | 42. RONALD REAGAN PARK
945 S. Weir Canyon Rd. | 54. MIRALOMA PARK
2600 E. Miraloma Way |
| 7. JOHN MARSHALL PARK
2066 Falmouth Ave. | 19. JULIANNA PARK
309 E. Juliana St. | 31. OLIVE HILLS PARK
4200 Nohl Ranch Rd. | 43. ROOSEVELT PARK
8160 E. Bauer Rd. | 55. CIRCLE PARK
924 S. Park Cir. |
| 8. MODJESKA PARK
1331 S. Nutwood St. | 20. GEORGE WASHINGTON PARK
250 E. Cypress St. | 32. RIVERDALE PARK
4545 E. Riverdale Ave. | 44. ROSS PARK
1280 W. Santa Ana St. | 56. CORAL TREE PARK
1711 S. Betmor Ln. |
| 9. CLARA BARTON PARK
1926 Clearbrook Ln. | 21. COLONY SQUARE
210 E. Lincoln Ave. | 33. PERALTA CANYON PARK
115 N. Pinney Dr. | 45. COTTONWOOD PARK
853 W. Cottonwood Cir. | 57. ANAHEIM WETLANDS PARK
8500 E. La Palma Ave. |
| 10. CHAPARRAL PARK
1770 E. Broadway | 22. WALNUT GROVE PARK
905 S. Anaheim Blvd. | 34. PELANCONI PARK
222 S. Avenida Margarita | 46. DEER CANYON PARK
Mohler & Santa Ana Rd. | 58. DELPHI PARK
1211 N. Magnolia Ave. |
| 11. WILLOW PARK
1625 W. Crone Ave. | 23. CITRUS PARK
104 S. Atchison St. | 35. IMPERIAL PARK
450 S. Imperial Hwy. | 47. FOUNDERS PARK
400 N. West St. | 59. JACARANDA PARK
1955 Jacaranda Way |
| 12. PALM LANE PARK
1595 Palais Rd. | 24. PONDEROSA PARK
2100 S. Haster St. | 36. EUCALYPTUS PARK
100 N. Quintana Dr. | | |



(This page was intentionally left blank)



ANAHEIM, CALIFORNIA