



CITY OF FULLERTON, CA

An aerial photograph of the City of Fullerton, California, showing a mix of residential and commercial buildings, streets, and green spaces. The prominent white building with a large, ornate dome is the City Hall. The dome is decorated with blue and yellow geometric patterns. The building has multiple arched windows and a classical architectural style. In the background, there are more buildings, trees, and a clear blue sky.

ANNUAL COMPREHENSIVE FINANCIAL REPORT FISCAL YEAR ENDING JUNE 30, 2024

303 W. Commonwealth Ave.
Fullerton, CA 92832
www.cityoffullerton.com/financialreports

CITY OF FULLERTON, CALIFORNIA
Annual Comprehensive Financial Report
For the Year Ended June 30, 2024

PREPARED BY THE ADMINISTRATIVE SERVICES DEPARTMENT

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CITY OF FULLERTON

City Manager's Office

December 20, 2024

To the Honorable Mayor, City Council, and Citizens of Fullerton
Fullerton, California

On behalf of the City of Fullerton, we are pleased to present the Fiscal Year (FY) 2023-24 Annual Comprehensive Financial Report (ACFR). This report serves to verify that all financial data has been prepared in accordance with all compliance requirements of the Governmental Accounting Standards Board (GASB), as well as provide an update to City Council and the citizens of Fullerton on the status of the City's financial position.

The City of Fullerton's financial statements were audited by Lance, Soll, & Lunghard, LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Fullerton for the fiscal year ended June 30, 2024, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation.

The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Fullerton's financial statements for the fiscal year ended June 30, 2024, are fairly presented in conformity with generally accepted accounting principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

GAAP also requires that management deliver a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). The City of Fullerton's MD&A immediately follows the report of the independent auditors.

The independent audit of the financial statements of the City of Fullerton is also part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies as required by the Federal Single Audit Act. The standards governing single audit engagements require the independent auditor to report not only on the fair presentation of the financial statements but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City of Fullerton's separately issued single audit report.

ECONOMIC CONDITION AND OUTLOOK

Fullerton is in northwestern Orange County, approximately 25 miles southeast of downtown Los Angeles. The City is ideally located for transportation, bounded by 3 major highways, and located 15 miles northwest of John Wayne Airport. Fullerton's Transportation Center served an average of 3,000 commuters on the Metrolink and Amtrak trains. Encompassing 22.4 square miles, the City has a population of 140,311, ranking it the 41st largest in the State and the 6th largest in Orange County.

Founded in 1887 and incorporated in 1904, Fullerton operates as a "general law" city governed by a non-partisan, five-member City Council elected to serve staggered four-year terms. As of November 2018, City Council members began to be elected by district within five electoral districts in the city. In April 2022, the Fullerton City Council completed its redistricting process and adopted a new district boundary map, which established a new election sequencing. The City operates as a "Council-Manager" form of government, in which the City Council appoints a City Manager to oversee the day-to-day operations of the City. Services provided by the City include police and fire protection, community & economic development, water and sanitation services, construction and maintenance of streets and infrastructure, recreational and cultural services, library services, general governmental support, and a general aviation airport.

THE EDUCATION COMMUNITY

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Major employers in Fullerton include California State University, Fullerton, Providence St. Jude Medical Center, Raytheon Systems Company, Fullerton College, and the City of Fullerton. The City has over 10,730 active business licenses which allows businesses to operate within the City and form the basis of our local economy. The City's unemployment rate was 4.0% in FY 2023-24, below the state average of 5.1%, and positive indicator of the City's economic health.

Named "The Education Community", the City of Fullerton is home to many educational institutions, award-winning schools, and is a center of higher education in Orange County. California State University, Fullerton, and Fullerton Community College are located within the City, as well as two private colleges/universities for a total enrollment of 62,050 students. The City's local economy is boosted as many students, families, and frequent visitors shop within the City."

Fullerton maintains a diversified tax base consisting of residential, commercial, and industrial properties. Increasing assessed valuations have enabled property tax revenue to remain resilient exceeding the adopted budget levels. Sales tax revenue experienced a slight decline in FY 2023-24. Increasing interest rates have also affected sales tax, which influences consumer and spending habits, particularly in the automotive and transportation sectors. Franchise fees, which are a percentage of gross receipts received from electrical, gas, refuse, cable TV, and internet service providers for doing business within the City have demonstrated positive growth in FY 2023-24, primarily due to an increase in electric and gas receipts.

The Federal government provided states and local agencies across the nation with economic relief from the COVID pandemic through the American Rescue Plan Act (ARPA). The City was allocated \$32.7 million and has been actively applying ARPA funds toward various City Council approved projects and priorities. The City obligated funds toward improvements of the City's street infrastructure, water main replacements, and revenue replacement funds to stabilize government finances. ARPA funds also provided other forms of assistance to the community, by assisting residents through a utility subsidy grant program and other various initiatives including addressing homelessness issues and aid to non-profit organizations. The City has fully obligated its ARPA allocation in compliance with US Treasury deadline of December 31, 2024. In FY 2023-24, the City spent a total of \$13.0 million on ARPA related projects. \$3.7 million was spent on street rehabilitation projects, \$6.9 million on revenue replacement for budgeted services, 1.4 million on water infrastructure projects, and \$1.0 million on various city-wide programs and services. The City must fully expend all obligated ARPA funds by December 31, 2026.

The City is committed to further development of its long-range strategic and financial planning efforts, as well as continual assessment and identification of further revenue enhancement and operational efficiency opportunities to support financial stability in the fiscal years to come.

FINANCIAL INFORMATION

Management of the City is responsible for establishing and maintaining internal controls designed to ensure that the assets of the government are protected from loss, theft, or misuse, and for compiling sufficient reliable information for the preparation of the City of Fullerton's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Fullerton's framework of internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. Management is responsible for both the accuracy of the financial report and the completeness and fairness of the presentation. As management, we assert that, to the best of our 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 budget approved by the City Council. Activities of the general fund, special revenue funds, debt service funds, capital projects funds, proprietary funds, and fiduciary 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 both the fund and departmental level.

To ensure diligent fiscal monitoring and provide fiscal transparency, staff presents quarterly financial reports to City Council. These financial reports demonstrate the City's revenues and expenditures progress throughout the year and may also include additional budget appropriation requests and amendments, in which the City Council can amend the operating budget during the fiscal year. The City also maintains an encumbrance accounting system as another method of accomplishing budgetary control. Encumbrances set aside and reserve funds for a specific

purpose or contractual obligation to help ensure appropriated budgets are not overspent and aid departments in budget monitoring efforts. Budgetary control is the responsibility of each respective department, which is supported by Administrative Services Department oversight and monitoring of citywide and departmental budgets throughout the year.

Financial Policies

General Fund Balanced Budget

It is the City's policy to adopt a balanced budget in the General Fund, where operating revenues are equal to, or exceed operating expenditures. In FY 2023-24, the City adopted a budget with a \$9.4 million deficit supported by excess reserves. Unassigned General Fund balance is \$10.1 million as discussed below. With future economic uncertainty, reserves may be applied in future fiscal years to support municipal operations.

General Fund Reserve

To ensure that adequate funds be reserved for potential contingencies such as economic uncertainties or emergencies that might threaten the health, safety, and welfare of the community, the City Council established a policy requiring a minimum of ten percent (10%) and a goal of seventeen percent (17%) of annual General Fund expenditures be set aside as contingency reserves.

As of June 30, 2024, the City's General Fund balance, comprised of non-spendable, restricted, committed, assigned, and unassigned balances totaled \$38.7 million, of which \$10.1 million is considered unassigned pending future City Council direction. Of the \$38.7 million, the assigned fund balance for contingency reserves is approximately \$21.1 million which is at the City's goal of 17% contingency reserve level of General Fund expenditures in FY 2023-24. While the City has met its goal for a 17% contingency reserve, going forward it is unlikely that it will be able to sustain the 17% contingency reserve level as reserves are applied to cover annual operating deficits. The increase in overall fund balance over the prior year is primarily due to revenue growth in FY 2023-24, the application of critical ARPA funds to stabilize government finances under the Revenue Replacement category, and ongoing cost containment and recovery efforts.

Debt Management

To ensure that City debt is issued and prudently managed to maintain a sound fiscal position and assist the City in its financial flexibility to meet fiscal challenges and finance projects that promote and foster economic growth, a debt management policy was implemented in July 2020. It is considered sound fiscal practice and prudent financial management for the City to adopt a formal debt management policy that sets parameters for issuing debt, managing the City's debt portfolio, and provides guidance to City staff and decision makers to issue debt with respect to the City's overall fiscal condition.

Purchasing

The City's purchasing policy regulates its centralized purchasing system for the City to achieve the procurement of goods and services from the lowest responsible bidders based on price, specifications, product evaluation, and delivery. The purchasing policy of the City is developed to comply with state and federal procurement laws, promotes an open and competitive process to purchase / procure goods and services without prejudice, and is geared to ensure accountability and establish strong internal controls to ensure purchases are made appropriately and within budget. A review of the City's Purchasing policy and related procedures are done every few years, with the goals of implementing best purchasing practices to achieve improved efficiency, greater transparency, and ease of understanding.

Long-Term Financial Planning

As part of the City's financial planning efforts, the City develops and employs financial planning tools such as financial forecasts, which include a five-year General Fund financial plan. The City also employs a five-year Capital Improvement Plan (CIP) for its capital project planning efforts. Financial forecasts are sound, financial planning tools that provide the City's financial outlook over a number of fiscal years to project the City's fiscal condition in its efforts to address and manage fiscal sustainability and transparency.

Five-Year Financial Plan

Staff presents a Five-Year Financial Plan or Forecast for the General Fund to the City Council during the annual Budget Adoption process to aid the City Council in decision making for the new fiscal year. The financial planning model incorporates several economic factors such as (but not limited to): standard revenue inflators for its major revenues of property and sales taxes as well as other revenues, employee growth and CalPERS retirement factors, salary increases from negotiated and approved MOAs, and recession years and inflationary factors along with positive or negative financial trends which allows staff to reprioritize goals to stay within financial resources (revenues).

The General Fund Five-Year Financial Forecast was presented to the City Council on April 23, 2024, at the FY 2024-25 Budget Study Session. In FY 2024-25, the budget was adopted and General Fund projected to maintain its 17% contingency reserve goal with the use of prior year's excess unassigned reserves. The financial forecast factors in labor increases from approved labor agreements, funds set aside for the Infrastructure Fund, and a one-time \$1.0 million General Fund contribution to the Capital Improvement Projects Fund towards street rehabilitation projects. Beginning in FY 2025-26, due to expenditures outpacing revenues, the City will face significant challenges to meet its 17% reserves' goal and will struggle to meet its 10% minimum reserves in the years thereafter. The City will continue to explore cost-containment strategies and revenue-generating opportunities to support / generate long-term fiscal sustainability.

Five-Year Capital Improvement Plan (CIP)

The Five-Year Capital Improvement Plan (CIP) is the City's capital projects planning vehicle for infrastructure improvements throughout the City. The CIP Budget is adopted annually with the adopted budget, and capital projects are appropriated for the current year with a five-year projected funding plan for each project. The CIP identifies anticipated expenditures for infrastructure development with recommended projects and proposed funding sources. The City's Infrastructure and Natural Resources Advisory Committee (INRAC) contributes to the City's capital project efforts by reviewing the City's deferred maintenance, infrastructure, and street needs and makes recommendations to the City Council. Additionally, the City established a dedicated Infrastructure Fund to address these ongoing challenges.

The General Fund Financial Forecast and CIP financial plans are both utilized as critical financial planning and mid-term, decision-making tools for City Management and City Council.

115 Pension and 115 OPEB Trusts

The City established Pension and OPEB Trusts to set aside funds to be used for specific benefit plan purposes, such as CalPERS contributions and post-employment benefits. In FY 2020-21, \$487,000 was transferred into the City's IRS Section 115 Pension Trust using one-time savings from the Police Department salaries and benefits. In FY 2018-19, \$50,000 was transferred into the City's IRS Section 115 OPEB Trust. The use of a 115 Trust helps the City segregate funds for essential functions. These funds, as they accumulate, can be utilized to help ease budgetary pressures from spikes in unfunded actuarial liabilities in the future.

Dedicated Infrastructure Fund

In addition, the City Council authorized the establishment of a dedicated Infrastructure Fund, effective in FY 2020-21, to allocate any supplemental or additional revenue from specific tax sources to prioritize local infrastructure improvement. In FY 2023-24, \$2.7 million was transferred to the Infrastructure Fund for vital American Disabilities Act improvement projects. It is anticipated that \$2 million to \$3 million will be allocated to this new fund annually. The Infrastructure Fund will enable the City to set aside funding dedicated for infrastructure to better meet the service needs of the community and support transparency. The fund was adopted as Ordinance No. 3284 and is codified in the Fullerton Municipal Code as Chapter 2.48.380.

MAJOR INITIATIVES

Overarching financial planning, is the establishment and adherence to the City's overall strategic priorities. These priorities were developed during the 2017-18 fiscal year with the establishment of three strategic priority policy statements: Fiscal and Organizational Stability, Public Safety, and Infrastructure and City Assets. These strategic priority policy statements were more specifically defined through tactical goals and objectives that help ensure focus on established priorities.

In FY 2023-24 and with adoption of the FY 2024-25 Budget, the City's major policy priorities were revisited and taken back to the City Council to reaffirm and/or identify new priorities for the City. The three top priorities of Fiscal and Organizational Stability, Public Safety, Infrastructure continue to be identified as the top priorities for the City Council. In addition, community development and preservation, community engagement, organizational efficiencies and community events were identified as other important priorities for the City.

Notwithstanding, these current policy statements, which are listed on every City Council agenda item, include:

Fiscal and Organizational Stability

Fiscal and organizational stability objectives and goals include implementing financial stability and making sound financial decisions for the General Fund. Organizational stability initiatives include organizational reviews, fostering a positive and productive workplace, a fair and equitable collective bargaining process with all employee labor groups, and improvement of the employee performance review process. In FY 2023-24, the City Council implemented budget reductions measures to adjust the City's operating budget within anticipated revenue levels. In efforts to stabilize the work force, City Council approved agreements for all bargaining groups in FY 2023-24, resulting in and improved employee recruitments and retention and conversely lower vacancy rates. Lastly, the City's revenues base continue to increase year over year, led by stable increases in Property Tax revenue, the largest General Fund revenue. Sales Tax revenue continue to be steady, with revenue stabilizing after strong growth and inflation restoring to lower levels post-pandemic. In FY 2023-24, the City achieved the City Council's goal of setting aside 17% General Fund contingency reserves for the 2nd consecutive year.

Public Safety

Public Safety is one of the top priorities for the City and constitutes over 70% of the General Fund budget. The City operates a full-service Fire Department dedicated to all the Fullerton residents and community. Further, the City bolstered its Fire operations with the hiring of key personnel, purchase of new equipment and vehicles to better serve the community. The Fire Department also conformed operations to optimize departmental efficiencies and implemented cost recovery efforts.

The Fullerton Police Department (FPD), along with the regional North Orange County Collaborative, have continued to work together over the last year to operate the Homeless Outreach and Proactive Engagement Center (HOPE Center). The HOPE Center serves as a command center for case workers, healthcare, and outreach providers who will work together to assist the unhoused population in the North Orange County region. The HOPE Center will also dispatch mobile homeless outreach units with healthcare professionals and homeless liaisons to bring resources to the community. The FPD has also continued to expand community engagement through various events like Coffee with A Cop, and Citizen's Academy which help to promote a safe community and increase community trust and collaboration.

Infrastructure and City Assets

The City's Infrastructure (e.g., roads, flood and sewer control, city buildings, information technology systems) is another top priority and readily acknowledged as needing significant repairs/upgrades requiring investment through additional funding. The City has already begun addressing this and have implemented several initiatives including: the establishment of an Infrastructure Fund that redirects 50% of all sales and secured property taxes above an annually established baseline level and allocates approximately \$1M-\$3M per year to infrastructure improvements, an assessment of building and maintenance and improvement needs, pavement management plan, water and sewer master plans and fee studies, and approved user fee increases to 100% cost recovery to ensure development/engineering and fire user fees are adequately charged for full cost recovery, as well as amended local zoning to apply transient occupancy taxes to short-term rental properties in the city.

In FY 2023-24, the City spent \$47.9 million on Citywide projects, including \$10.4 million on street projects. Street projects in FY 2023-24 were supported by ongoing County Measure M2, State gas tax funds, \$3.7 million of ARPA funds and \$.2 million from the General Fund. The City also invested \$1 million of Infrastructure funds towards City facility repairs and projects. Despite the regular investment of special revenue funds and General Fund contributions, a greater amount of investment is needed to fully address the City's infrastructure needs on a long-term basis.

AWARD

Fullerton's financial reporting efforts have been recognized by the Government Finance Officers Association (GFOA) with a Certificate of Achievement for Excellence Award for Financial Reporting in our annual comprehensive financial report for the fiscal year ended June 30, 2023. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report 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 that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we will be submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENTS

The preparation of this annual financial report would not have been possible without the efficient and dedicated services of the City's Management team, accounting, and finance staff, led by Deputy Director Toni Smart and Fiscal Services Manager John Ji. Appreciation is also extended to each City department for their cooperation and assistance throughout the fiscal year in the efficient administration of the City's finances. We also wish to extend our appreciation to the City Council for their leadership and support in providing sound financial guidance to the Fullerton Community.

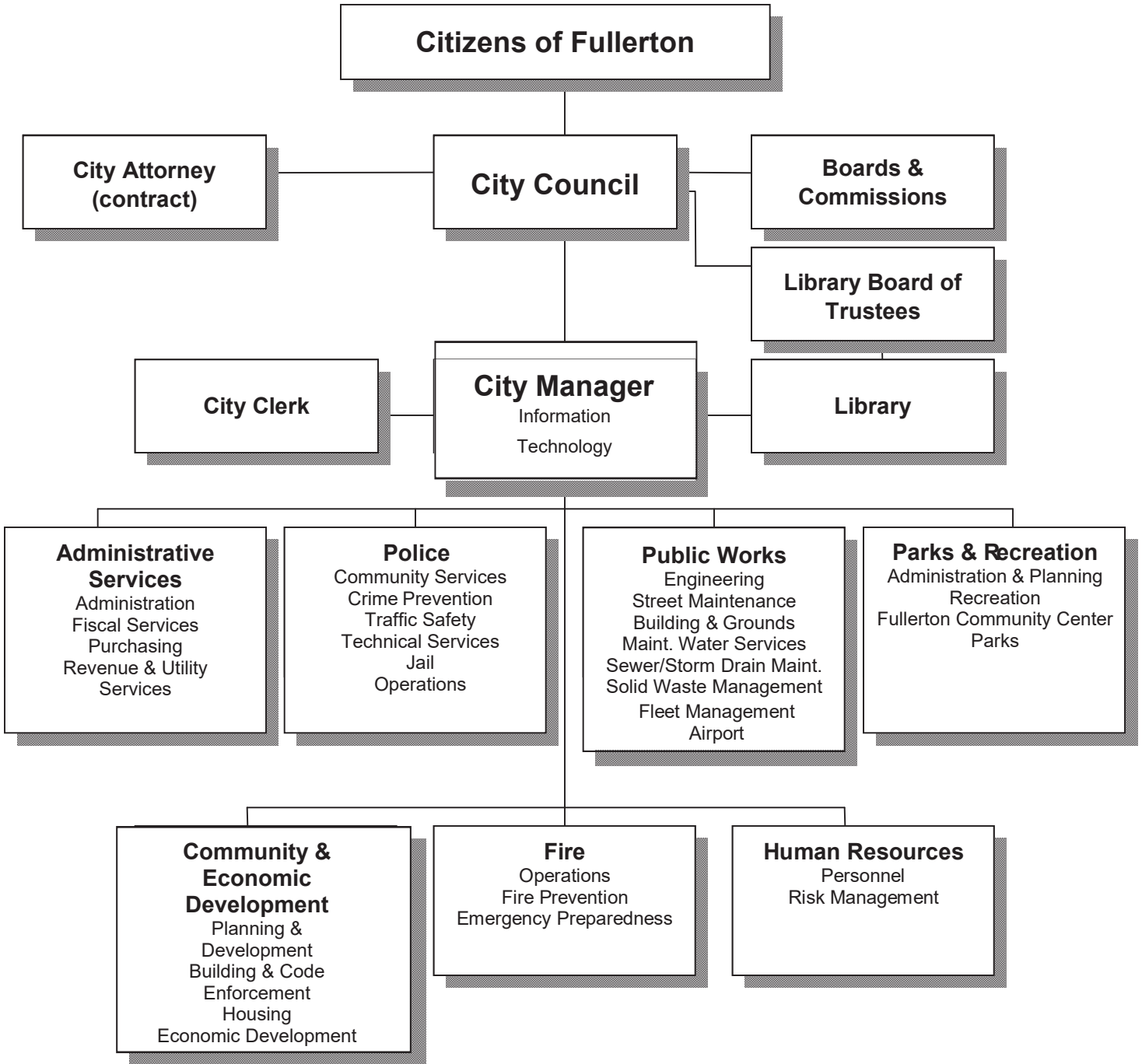
Respectfully submitted,



Eric J. Levitt
City Manager



Ellis Chang
Director of Administrative Services



CITY OF FULLERTON CITY OFFICIALS

ELECTED OFFICIALS



MAYOR
NICHOLAS DUNLAP
DISTRICT 2



MAYOR PRO TEM
FRED JUNG
DISTRICT 1



COUNCIL MEMBER
BRUCE WHITAKER
DISTRICT 4



COUNCIL MEMBER
SHANA CHARLES
DISTRICT 3



COUNCIL MEMBER
AHMAD ZAHRA
DISTRICT 5

EXECUTIVE TEAM

CITY MANAGER
ERIC J. LEVITT

POLICE CHIEF
JONATHAN RADUS

LIBRARY DIRECTOR
JUDY BOOTH

FIRE CHIEF
ADAM LOESER

DIRECTOR OF HUMAN RESOURCES
EDDIE MANFRO

DIRECTOR OF ADMINISTRATIVE SERVICES
ELLIS CHANG

DIRECTOR OF PUBLIC WORKS
STEPHEN BISE

DIRECTOR OF COMMUNITY & ECONOMIC DEVELOPMENT
SUNAYANA THOMAS



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Fullerton
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrill

Executive Director/CEO

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Fullerton, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fullerton, California (the "City"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing*



To the Honorable Mayor and Members of the City Council
City of Fullerton, California

Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and required pension and other postemployment benefits schedules, as listed on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.



To the Honorable Mayor and Members of the City Council
City of Fullerton, California

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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Irvine, California
December 20, 2024

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CITY OF FULLERTON

Management's Discussion and Analysis

The City of Fullerton offers readers of its financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2024. The City encourages readers to consider the information presented here in conjunction with additional information furnished in the letter of transmittal.

Financial Highlights

- The City's total assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2024, by \$626.1 million (net position).
- The City's net position totaled \$626.1 million at June 30, 2024, representing an increase of \$34.6 million over the previous fiscal year primarily due to income from water sales, property tax revenue growth, and investment earnings offset by increases in labor and pension plan expenses. Of the total net position, \$682.8 million is the City's net investment in capital assets, while \$43.9 million is restricted for specific governmental operations, leaving a \$100.6 million negative unrestricted balance.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$67.3 million, a decrease of \$2.6 million in comparison with the prior year. The decrease is primarily attributable to an increase in salaries and benefits and the cost of goods and services. The General Fund reflects assigned fund balance of \$23.0 million, a restricted fund balance of \$1.9 million, a committed fund balance of \$3.3 million, a nonspendable balance of \$0.4 million, and an unassigned fund balance of \$10.1 million, which compares to unassigned fund balance the previous year of \$10.3 million, for a combined total of \$38.7 million, representing an increase of \$5.2 million over the previous fiscal year. The increase of \$5.2 million in fund balance is primarily due to a transfer of \$7.0 million from the American Rescue Plan Act Fund for revenue replacement. The \$3.2 million increase in assigned fund balance is due to City Council designation to maintain contingency reserves at the city's goal of a 17% reserve level of general fund expenditures and an additional \$1.4 million assigned for street projects.
- Long-term debt increased by \$5.2 million in fiscal year 2023-24 primarily due to an increase in subscription liabilities for the utility billing and cashing system, and Airport loan from Caltrans.
- Capital assets increased by \$40.0 million due to the purchase of land and building to support homeless services and various street/road infrastructure projects, and the purchase of vehicles.

Overview of the Financial Statements

This annual report consists of four parts: (1) management's discussion and analysis (this section), (2) the basic financial statements, (3) required supplementary information, and (4) an optional section that presents combining statements for other government funds.

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

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, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all the City's assets, deferred outflows of resources, liabilities, and deferred inflow of resources, with the differences reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). Both 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, public safety, public works, community development, human and leisure services, and refuse collection. The business-type activities of the City include the water utility, sewer enterprise operations, airport, parking facilities, Brea Dam recreational facilities, and CNG station.

The government-wide financial statements include the City, Fullerton Public Financing Authority, and Housing Authority. Although these entities are legally separate, they function for all practical purposes as part of the City and, therefore, have been included as blended component units as an integral part of the primary government.

Fund financial statements. The statements focus on current available resources and are organized 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. The funds of the City are 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 fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund; the Grants Administration Special Revenue Fund; American Rescue Plan Act (ARPA) Fund, and the City Capital Projects Fund, all of which are considered major funds. The remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these other governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds. The City of Fullerton maintains two 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 enterprise funds to account for its airport, water utility, sewer enterprise, Brea Dam recreational facility operations, parking facilities, and Compressed Natural Gas (CNG) station. Internal Service funds are used to report any activities that provide goods or services to other funds or departments on a cost-reimbursement basis. The City uses internal service funds to account for its liability insurance, vehicle replacement, workers' compensation insurance, group insurance, equipment maintenance, information technology, building maintenance services, and facility capital repair. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the airport, water utility and sewer enterprise, all of which are considered major funds of the City. Individual fund data for the other enterprise funds is provided in the form of combining statements elsewhere in 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 government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's budgetary comparison schedules for the General Fund and each major special revenue fund.

The combining statements referred to earlier in connection with other governmental funds and enterprise funds are presented immediately following the notes to the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Fullerton, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$626.4 million at the close of the most recent fiscal year. The City's net position increased by \$35.0 million from the previous year due to income from water sales, property tax revenue growth, and investment earnings offset by increases in labor and pension plan expenses and the cost of goods and services.

Net Position

(\$ in thousands)

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$218,438	\$229,865	\$101,870	\$96,669	\$320,308	\$326,534
Capital assets	535,593	515,201	169,089	149,394	704,681	664,595
Total assets	754,031	745,066	270,959	246,063	1,024,989	991,129
Deferred Outflows	72,896	77,024	5,095	6,741	77,992	83,765
Long-term liabilities	361,342	347,276	30,070	29,063	391,412	376,339
Other liabilities	38,409	57,143	17,161	13,625	55,569	70,768
Total liabilities	399,751	404,419	47,231	42,688	446,982	447,107
Deferred Inflows	18,058	22,594	11,893	13,728	29,951	36,322
Net position:						
Net investment in capital assets	519,129	499,394	163,657	143,202	682,787	642,596
Restricted	43,545	45,654	279	286	43,824	45,940
Unrestricted	(153,556)	(149,971)	52,993	52,900	(100,563)	(97,071)
Total net position	\$ 409,118	\$395,077	\$216,929	\$196,388	\$ 626,047	\$591,465

Changes in Net Position

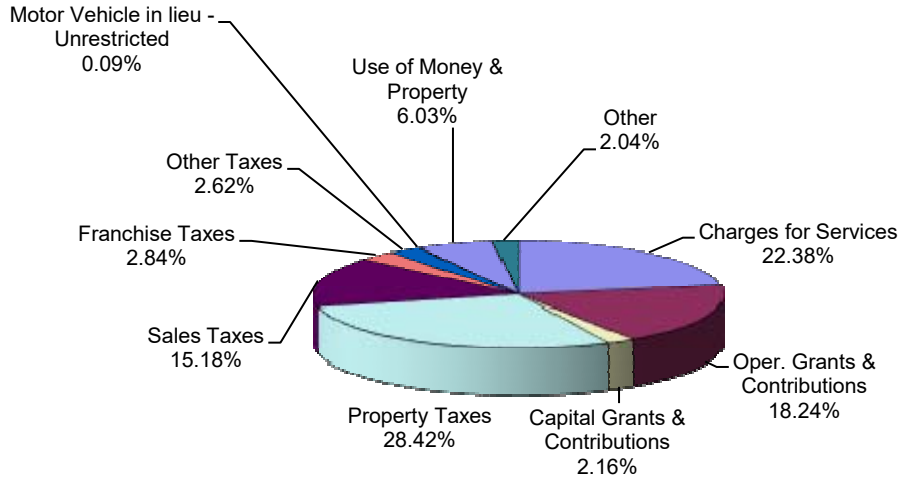
(\$ in thousands)

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>activities</u>		<u>activities</u>			
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenues:						
Program revenues:						
Charges for services	\$ 44,962	\$ 45,011	\$ 62,274	\$ 59,744	\$ 107,235	\$ 104,755
Operating grants and contributions	36,640	23,760	-	-	36,640	23,760
Capital grants and contributions	4,348	6,925	668	339	5,015	7,264
General revenues:						
Property taxes	57,095	53,871	124	227	57,219	54,098
Sales taxes	30,508	31,876	-	-	30,508	31,876
Franchise taxes	5,716	4,996	-	-	5,716	4,996
Other taxes	5,257	5,217	-	-	5,257	5,217
Motor vehicle in lieu – unrestricted	178	148	-	-	178	148
Use of Money & Property	12,118	6,414	3,296	991	15,413	7,405
Other	4,106	1,797	(359)	110	3,747	1,907
Total revenues	200,927	180,015	66,002	61,411	266,929	241,426
Expenses:						
General government	15,603	15,532	-	-	15,603	15,532
Public safety	100,595	82,072	-	-	100,595	82,072
Public works	30,258	27,870	-	-	30,258	27,870
Community development	10,688	7,413	-	-	10,688	7,413
Human and leisure	13,399	11,447	-	-	13,399	11,447
Refuse collection	15,649	13,504	-	-	15,649	13,504
Interest on long-term debt	244	247	-	-	244	247
Water utility	-	-	32,755	29,345	32,755	29,345
Airport	-	-	4,198	2,125	4,198	2,125
Parking facilities	-	-	13	76	13	76
Brea Dam recreational facilities	-	-	4,163	3,730	4,163	3,730
Sewer enterprises	-	-	4,719	5,559	4,719	5,559
CNG	-	-	62	106	62	106
Total expenses	186,436	158,085	45,910	40,941	232,346	199,026
Excess (Deficiency) of Revenues Over	14,491	21,930	20,092	20,470	34,583	42,400
Transfers	(450)	187	450	(187)	-	-
Change in net position	14,041	22,117	20,541	20,283	34,583	42,400
Net position - beginning	395,077	372,960	196,388	176,105	591,465	549,065
Net position - ending	\$ 409,118	\$ 395,077	\$ 216,929	\$ 196,388	\$ 626,047	\$ 591,465

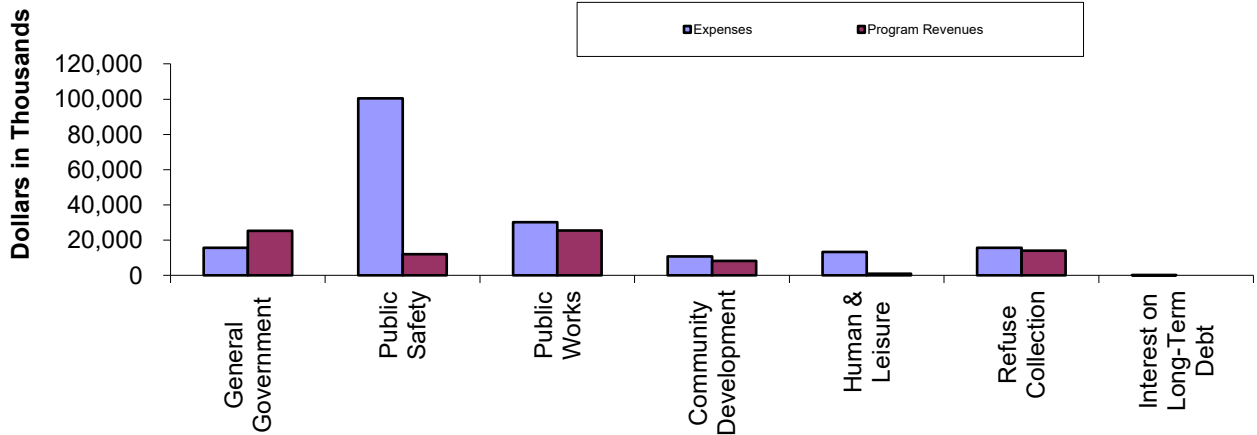
Governmental activities. The net position for governmental activities increased by \$14.0 million over the prior year. Total revenues reflect an increase of \$20.9 million from the prior year. This increase is related to \$10.0 million in funding received from the State of California to purchase a property to provide shelter solutions for the homeless population and an increase in property tax revenue growth as property value in the City of Fullerton increased 7.28% from FY 2022-23 due to an increase in prior year transfers of ownership and increase in property base year value of 2%, and investment earnings.

Total expenses increased by \$28.4 million from the prior year. The increase was primarily attributed to the purchase of property to provide shelter solutions for the homeless population and increases in negotiated labor bargaining agreements, and an increase in pension plan costs due to a decrease in earnings on pension plan investments.

**REVENUES BY SOURCE -
GOVERNMENTAL ACTIVITIES
FISCAL YEAR 2023-24**

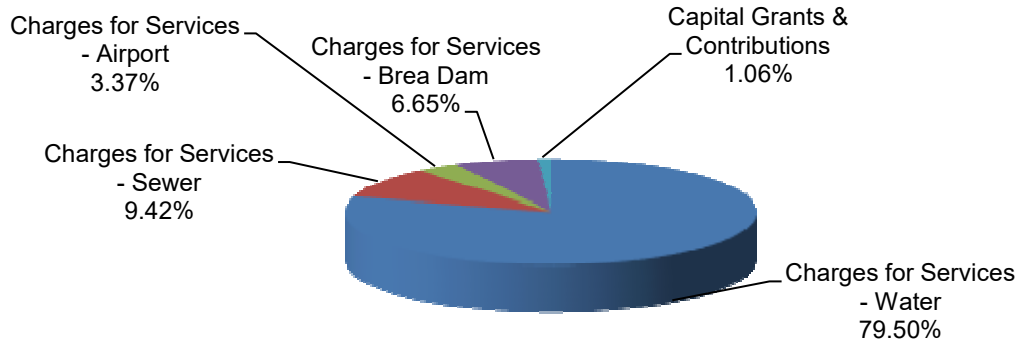


**EXPENSES & PROGRAM REVENUES -
GOVERNMENTAL ACTIVITIES
FISCAL YEAR 2023-24**

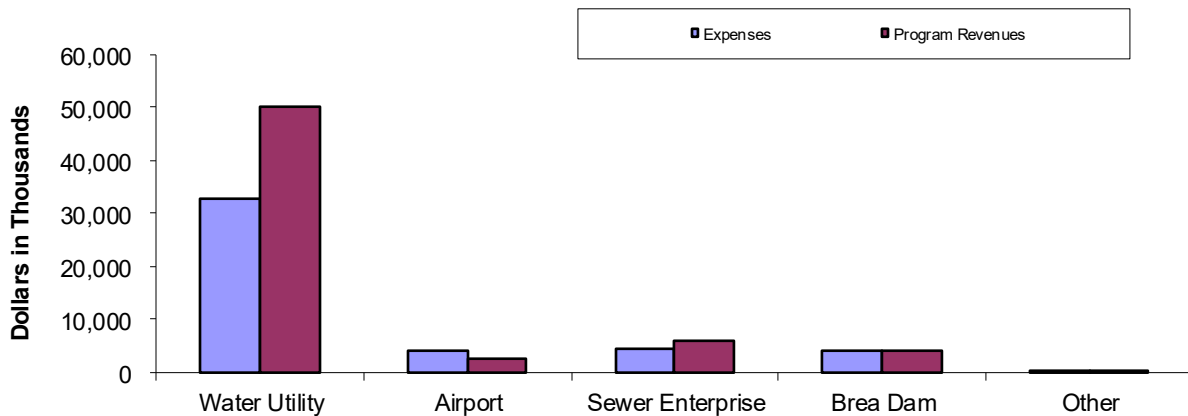


Business-type activities. The Business-type activities reported an increase in net position of \$20.6 million. Revenues reflect an increase of \$4.6 million, and expenses show an increase of \$5.0 million. The primary factor for increased revenue is due to increases in water sales. Expenses primarily increased for water costs and a \$2.2 million settlement agreement from a lawsuit arising from a lease at the Fullerton airport.

**REVENUES BY SOURCE -
BUSINESS-TYPE ACTIVITIES
FISCAL YEAR 2023-24**



**EXPENSES & PROGRAM REVENUES -
BUSINESS-TYPE ACTIVITIES
FISCAL YEAR 2023-24**



Financial Analysis of the City's Funds

As noted earlier, the City of Fullerton uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. 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.

As mentioned previously in this discussion, the City's governmental funds reported combined ending fund balances of \$67.3 million, a decrease of \$2.6 million in comparison with the prior year. Of that total, \$0.4 million is nonspendable which represents inventory and prepaid costs; \$43.3 million represents monies

legally restricted by external agencies for debt service and specific programs or projects, \$3.3 million is committed to city infrastructure projects, and \$23.0 million represents funds assigned by the City Council for a contingency reserve, street and road improvements, and building permits. The remaining balance of negative \$(2.6) million is unassigned.

The City reports four major governmental funds:

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, this fund balance totaled \$38.7 million. Of that amount, \$21.1 million was assigned to a contingency reserve, which is 17% of total General Fund expenditures. The General Fund's reserve policy is to maintain a minimum reserve equal to 10% and strive to reach a level of 17% of total General Fund expenditures each year. The City maintains the 17% General Fund reserve with unassigned fund balance of \$10.1 million. Revenues totaled \$123.6 million, while expenditures totaled \$124.0 million. The increase in fund balance was primarily attributed to an \$7.0 million transfer from the American Rescue Plan Act Fund for revenue replacement and an increase in property tax revenue growth as property value in the City of Fullerton increased 7.28% from FY 2022-23 due to an increase in prior year transfers of ownership and increase in property base year value of 2%, and investment earnings.

The Grants Administration Fund reflected a deficit fund balance of \$(1.9) million due to uncollected receivables as of June 30, 2024. This total represents an increase in the deficit of \$0.8 million from the previous fiscal year. The increase is attributed to grant funds available 60 days after the end of the fiscal year for grant related expenditures. The timing of reimbursable grant monies resulted in the deficit fund balance of \$(1.9) million.

The American Rescue Plan Act Fund (ARPA) reflected a fund balance of \$1.4 million. The purpose of this fund is to account for the federal funds received to address the COVID-19 public health crisis. The City was awarded \$32.7 million and received the first \$16.3 million in FY 2020-21 and the remaining \$16.4 million in May 2022. \$10.2 million is recorded as unearned revenue on the balance sheet pending use for eligible expenditures.

The Capital Projects Fund reported a deficit fund balance of \$(8.4) million, a decrease of \$2.6 million from the prior year. The purpose of the fund is for the construction, acquisition, and/or improvements of the City's capital assets. Funding for many of the projects comes from grants that operate on a reimbursement basis and timing of receipt of the funds can often overlap fiscal years.

Another fifteen non-major governmental funds are combined for reporting purposes in the government-wide statements and include the Gas Tax; Drainage Capital Outlay; Traffic Safety; Park Dwelling, Asset Seizure; Refuse Collection; Air Quality Improvement; Sanitation; Measure M2; Housing; FTV Cable – PEG Access; SB2/PLHA, West Coyote Hills Endowment; Opioid Litigation Settlement Fund; and Debt Service Reserve Funds.

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 City's proprietary funds contain six enterprise funds: water utility, airport, sewer, parking facilities, CNG station, and Brea Dam recreational facilities. The eight internal service funds are also proprietary funds and include: liability insurance, vehicle replacement, workers' comp, group insurance, equipment maintenance, information technology, building maintenance, and facility capital repair.

Unrestricted net position of the enterprise funds totaled \$45.6 million at the end of the year: \$43.0 million for the Water Utility Fund, (\$.3) million for the Airport Fund, \$3.9 million for the Sewer Fund, (\$0.4) million for the Brea Dam Fund, (\$0.4) million for Parking Facilities Fund, and (\$.1) million for the CNG Fund. The total increase in net position for these enterprise funds was \$20.6 million from the prior fiscal year.

Unrestricted net position of the internal service funds totaled \$35.1 million at the end of the year: \$9.5 million for Liability Insurance Fund, \$7.2 million for Vehicle Replacement Fund, \$15.9 million for Workers' Comp Fund, \$1.4 million for Group Insurance Fund, \$2.7 million for Equipment Maintenance Fund, (\$4.2) million for Information Technology Fund, \$0.4 million for Building Maintenance Fund, and \$2.2 million for Facility Capital Repair Fund.

Fiduciary funds. The City reports three fiduciary funds consisting of three custodial funds and two trust funds. The custodial funds include Collections for Other Governments, Community Facilities District, and Assessment District Funds which account for amounts received for other governments and transactions associated with various Districts. These custodial funds have a net position of \$0.1 million. One trust fund Pension (and Other Employee Benefit) Trust Fund includes the OPEB Trust Fund, which accounts for the

post-employment benefits, net position of \$0.08 million. The Successor Agency Trust Fund accounts for all transactions associated with the Successor Agency to the Redevelopment Agency and has a net position of \$31.3 million. The Other Trust Fund is for reimbursements for the Frontier parking structure costs, net position of \$5.8 million.

General Fund Budgetary Highlights

The General Fund ended the fiscal year with a fund balance of \$38.7 million, reflecting an increase of \$5.2 million from the prior year. Total revenues increased by \$3.0 million, and expenditures increased by \$9.6 million over the prior year. The increase in revenue in comparison to the prior year is due to an increase in property tax growth. Expenditure increases were primarily due to the City Council approved labor agreements for Public Safety bargaining units, filling positions, and high inflation costs for goods and services.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business type activities as of June 30, 2024, totaled \$704.7 million (net of accumulated depreciation), an increase of \$40.0 million due to the purchase of property for a shelter for the homeless population, park improvements, purchase of new vehicles, and street infrastructure projects. Additional information on the City's capital assets can be found in Note 6 of the Notes to the Financial Statements.

Capital Assets (net of depreciation)

(\$ in thousands)

	<u>Governmental</u> <u>activities</u>		<u>Business-type</u> <u>activities</u>		<u>Total</u>	
	2024	2023	2024	2023	2024	2023
Land	\$ 74,167	\$ 72,182	\$ 9,535	\$ 9,535	\$ 83,702	\$ 81,717
Buildings	65,720	63,062	6,006	6,292	71,726	69,354
Improvements other than buildings	42,252	33,330	67,269	55,314	109,521	88,644
Machinery and equipment	16,336	15,231	907	1,037	17,243	16,268
Leasehold improvements	54	82	-	-	54	82
Lease assets	596	442	-	-	596	442
Subscriptions asset	6,391	3,490	21	28	6,412	3,518
Infrastructure	203,765	108,709	57,160	56,626	260,925	165,335
Construction in progress	126,312	218,673	28,191	20,562	154,503	239,235
Total	\$ 535,593	\$ 515,201	\$ 169,089	\$ 149,394	\$ 704,682	\$ 664,595

Long-term debt. At the end of the current fiscal year, the City has total long-term debt outstanding of \$25.8 million, an increase of \$5.2 million due to the full go-live of the utility billing and cashing system increasing the subscription liability, and loan from Caltrans for Airport infrastructure projects. Additional information on the City's long-term debt can be found in Note 14 of the Notes to the Financial Statements.

Long-term Debt

(\$ in thousands)

	<u>Governmental</u> <u>activities</u>		<u>Business-type</u> <u>activities</u>		<u>Total</u>	
	2024	2023	2024	2023	2024	2023
Revenue bonds	\$ -	\$ -	\$ 5,257	\$ 5,723	\$ 5,257	\$ 5,723
Judgement obligation bonds	4,355	4,800	-	-	4,355	4,800
Notes, leases, and subscriptions payable	14,735	10,082	1,474	-	16,209	10,082
Total	\$ 19,090	\$ 14,882	\$ 6,731	\$ 5,723	\$ 25,821	\$ 20,605

Economic Factors and Next Year's Budget

The City of Fullerton's local economy has rebounded since the COVID-19 pandemic as General Fund revenues, led by its stable property tax base, have grown year over year. Sales tax revenues will stabilize in FY 2024-25 as spending appears to be normalizing after strong growth in prior years. Expenditures continue to increase due to inflation, impacts of labor negotiations with the City's various bargaining units, increasing pension costs, and aging infrastructure needs. However, the fiscal year 2024-25 General Fund budget is balanced with the use of excess reserves due to the City's fiscal condition which has improved over the past few years with the support of the American Rescue Plan Act Fund (ARPA) revenue replacement provision. In addition, the fiscal year 2024-25 General Fund budget incorporates ongoing community programming and enhanced service levels for Public Safety, investment in Street Infrastructure and continues to promote cost recovery efforts. FY 2024-25 is anticipated to achieve its 17% reserves goal for third consecutive year but will face financial challenges to meet its financial goals thereafter beginning in FY 2025-26. The City Manager, in conjunction with the City Council, continues to explore cost recovery and containment strategies as well as revenue generating opportunities to move the Fullerton towards a path to fiscal and organizational sustainability.

Requests for Information

This financial report is designed to provide a general overview of the City of Fullerton'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 financial information should be addressed to the office of the Director of Administrative Services, 303 W. Commonwealth Avenue, Fullerton, California 92832.

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CITY OF FULLERTON, CALIFORNIA
Statement of Net Position
June 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 160,173,752	\$ 71,115,157	\$ 231,288,909
Receivables:			
Accounts	28,434,366	11,944,354	40,378,720
Taxes	415,641	-	415,641
Accrued interest	807,969	298,536	1,106,505
Leases	6,154,327	11,267,851	17,422,178
Notes and loans	26,308,634	-	26,308,634
Internal balances	(6,907,085)	6,907,085	-
Restricted assets:			
Cash held with fiscal agent	1,896,483	279,525	2,176,008
Inventories	263,312	57,032	320,344
Prepaid costs	890,504	-	890,504
Capital assets (not being depreciated)	200,479,629	37,726,257	238,205,886
Capital assets (net of accumulated depreciation/amortization)	335,112,874	131,362,316	466,475,190
Total assets	754,030,406	270,958,113	1,024,988,519
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	357,955	81,813	439,768
Pension deferrals	67,293,202	4,311,443	71,604,645
Other post-employment benefits deferrals	5,245,101	702,022	5,947,123
Total deferred outflows of resources	72,896,258	5,095,278	77,991,536
LIABILITIES			
Accounts payable	10,483,484	14,532,188	25,015,672
Accrued liabilities	2,749,633	140,283	2,889,916
Accrued interest	134,122	82,662	216,784
Unearned revenue	13,515,895	-	13,515,895
Deposits payable	8,128,352	2,405,569	10,533,921
Due to other governments	3,397,249	-	3,397,249
Noncurrent liabilities:			
Due within one year: bonds, loans, leases, SBITAs, claims, and compensated absences	8,546,813	2,816,385	11,363,198
Net OPEB liability	1,790,912	-	1,790,912
Due in more than one year:			
Net pension liability	285,531,599	17,668,670	303,200,269
Net OPEB liability	21,233,810	3,081,707	24,315,517
Bonds, loans, leases, SBITAs, claims, and compensated absences	44,238,856	6,503,438	50,742,294
Total liabilities	399,750,725	47,230,902	446,981,627
DEFERRED INFLOWS OF RESOURCES			
Leases	5,754,899	10,386,669	16,141,568
Pension deferrals	1,662,918	82,299	1,745,217
Other post-employment benefits deferrals	10,639,806	1,424,068	12,063,874
Total deferred inflows of resources	18,057,623	11,893,036	29,950,659
NET POSITION			
Net investment in capital assets	519,129,183	163,657,338	682,786,521
Restricted:			
Community development projects	2,468,618	-	2,468,618
Public safety	633,757	-	633,757
Parks and recreation	1,608,626	-	1,608,626
Public works	21,319,452	-	21,319,452
Capital projects	553,316	-	553,316
Debt service	205,907	279,525	485,432
Housing	12,545,793	-	12,545,793
Refuse collection	1,473,160	-	1,473,160
Opioid settlement	156,146	-	156,146
Library	1,155,311	-	1,155,311
Pension stabilization	637,739	-	637,739
Donations	786,837	-	786,837
Unrestricted	(153,555,529)	52,992,590	(100,562,939)
Total net position	\$ 409,118,316	\$ 216,929,453	\$ 626,047,769

CITY OF FULLERTON, CALIFORNIA
Statement of Activities
For the Year Ended June 30, 2024

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Contributions and Grants</u>	<u>Capital Contributions and Grants</u>
Functions/Programs:				
Primary government:				
Governmental activities:				
General government	\$ 15,602,418	\$ 521,807	\$ 24,697,361	\$ -
Public safety	100,594,910	11,111,481	953,556	-
Community development	10,688,124	4,612,583	3,660,235	-
Human and leisure	13,398,760	874,047	27,210	-
Public works	30,258,343	13,754,132	7,301,325	4,347,887
Refuse collection	15,649,157	14,087,483	-	-
Interest on long-term debt	244,237	-	-	-
Total governmental activities	186,435,949	44,961,533	36,639,687	4,347,887
Business-type activities:				
Airport	4,197,996	2,122,988	-	559,046
Brea Dam Facilities Recreational	4,163,204	4,183,613	-	-
Water Utility	32,754,725	50,035,155	-	108,527
Parking Facilities	12,726	-	-	-
Sewer Enterprise	4,718,716	5,931,907	-	-
Compressed Natural Gas Facility	62,372	-	-	-
Total business-type activities	45,909,739	62,273,663	-	667,573
Total primary government	\$ 232,345,688	\$ 107,235,196	\$ 36,639,687	\$ 5,015,460

General revenues and transfers:

General revenues:
Property taxes
Sales taxes
Franchise taxes
Other taxes
Motor vehicle in lieu - unrestricted
Use of money and property
Other
Transfers

Total general revenues and transfers

Change in net position

Net position-beginning

Net position-ending

**Net (Expenses) Revenues and
Changes in Net Position**

Primary Government

Governmental Activities	Business-Type Activities	Total
\$ 9,616,750	\$ -	\$ 9,616,750
(88,529,873)	-	(88,529,873)
(2,415,306)	-	(2,415,306)
(12,497,503)	-	(12,497,503)
(4,854,999)	-	(4,854,999)
(1,561,674)	-	(1,561,674)
(244,237)	-	(244,237)
(100,486,842)	-	(100,486,842)
-	(1,515,962)	(1,515,962)
-	20,409	20,409
-	17,388,957	17,388,957
-	(12,726)	(12,726)
-	1,213,191	1,213,191
-	(62,372)	(62,372)
-	17,031,497	17,031,497
(100,486,842)	17,031,497	(83,455,345)
57,094,753	123,987	57,218,740
30,507,858	-	30,507,858
5,715,912	-	5,715,912
5,257,297	-	5,257,297
178,344	-	178,344
12,117,693	3,295,731	15,413,424
4,106,240	(359,157)	3,747,083
(449,565)	449,565	-
114,528,532	3,510,126	118,038,658
14,041,690	20,541,623	34,583,313
395,076,626	196,387,830	591,464,456
\$ 409,118,316	\$ 216,929,453	\$ 626,047,769

CITY OF FULLERTON, CALIFORNIA
Balance Sheet
Governmental Funds
June 30, 2024

	Special Revenue Funds			Capital Projects Fund
	General	Grants Administration	American Rescue Plan Act	Capital Projects
ASSETS				
Cash and investments	\$ 34,447,871	\$ -	\$ 11,413,536	\$ -
Receivables:				
Accounts	14,883,212	2,189,155	-	5,185,041
Taxes	415,641	-	-	-
Accrued interest	91,264	-	247,407	-
Leases	6,154,327	-	-	-
Notes and loans	-	14,557,243	-	-
Due from other funds	9,020,074	-	-	-
Inventories	6,528	-	-	-
Prepaid costs	396,115	3,721	-	-
Restricted assets:				
Cash held with fiscal agents	754,387	354,300	-	-
Total assets	\$ 66,169,419	\$ 17,104,419	\$ 11,660,943	\$ 5,185,041
LIABILITIES				
Accounts payable	\$ 2,174,246	\$ 190,877	\$ -	\$ 1,923,171
Accrued liabilities	2,570,287	5,799	2,062	14,656
Deposits payable	8,123,917	36,936	-	10,450
Due to other funds	-	199,010	-	5,296,329
Due to other governments	3,042,629	354,620	-	-
Unearned revenue	36,833	1,763,072	10,233,054	1,254,551
Total liabilities	15,947,912	2,550,314	10,235,116	8,499,157
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	5,809,773	16,414,692	-	5,127,690
Leases	5,754,899	-	-	-
Total deferred inflows of resources	11,564,672	16,414,692	-	5,127,690
FUND BALANCES (DEFICITS)				
Nonspendable	402,643	-	-	-
Restricted	1,892,325	-	1,425,827	-
Committed	3,277,873	-	-	-
Assigned	22,962,550	-	-	-
Unassigned (deficit)	10,121,444	(1,860,587)	-	(8,441,806)
Total fund balances (deficits)	38,656,835	(1,860,587)	1,425,827	(8,441,806)
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 66,169,419	\$ 17,104,419	\$ 11,660,943	\$ 5,185,041

CITY OF FULLERTON, CALIFORNIA
Balance Sheet
Governmental Funds
June 30, 2024

	Total Nonmajor Funds	Total Governmental Funds
ASSETS		
Cash and investments	\$ 25,871,612	\$ 71,733,019
Receivables:		
Accounts	6,102,128	28,359,536
Taxes	-	415,641
Accrued interest	128,038	466,709
Leases	-	6,154,327
Notes and loans	11,751,391	26,308,634
Due from other funds	-	9,020,074
Inventories	-	6,528
Prepaid costs	-	399,836
Restricted assets:		
Cash held with fiscal agents	-	1,108,687
Total assets	\$ 43,853,169	\$ 143,972,991
LIABILITIES		
Accounts payable	\$ 3,842,286	\$ 8,130,580
Accrued liabilities	87,656	2,680,460
Deposits payable	2,100	8,173,403
Due to other funds	783,630	6,278,969
Due to other governments	-	3,397,249
Unearned revenue	271,290	13,558,800
Total liabilities	4,986,962	42,219,461
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenues	1,348,875	28,701,030
Leases	-	5,754,899
Total deferred inflows of resources	1,348,875	34,455,929
FUND BALANCES (DEFICITS)		
Nonspendable	-	402,643
Restricted	39,952,291	43,270,443
Committed	-	3,277,873
Assigned	-	22,962,550
Unassigned (deficit)	(2,434,959)	(2,615,908)
Total fund balances (deficits)	37,517,332	67,297,601
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 43,853,169	\$ 143,972,991

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CITY OF FULLERTON, CALIFORNIA
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2024

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

Total fund balances - governmental funds		\$ 67,297,601
Capital assets, net of accumulated depreciation/amortization, used in governmental activities are not financial resources and, therefore, are not reported in the funds.		512,168,414
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings, and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the Statement of Net Position.		
Deferred outflows-pension related	\$ 65,287,540	
Deferred outflows-OPEB related	4,963,028	
Deferred inflows-pension related	(1,624,633)	
Deferred inflows-OPEB related	<u>(10,067,618)</u>	
Total deferred outflows and inflows related to postemployment benefits		58,558,317
Other long-term assets that are not available to pay for current period expenditures and, therefore, are either labeled unavailable or not reported in the funds.		28,753,132
Internal service funds provide services to other funds on a cost-reimbursement basis. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the Statement of Activities.		45,489,871
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.		
Long-term debt	(869,110)	
Leases and SBITA	(105,969)	
Compensated absences	(3,075,211)	
Net pension liability	(277,312,232)	
Net OPEB liability	<u>(21,786,497)</u>	
Total long-term liabilities		<u>(303,149,019)</u>
Net position of governmental activities		<u><u>\$ 409,118,316</u></u>

CITY OF FULLERTON, CALIFORNIA
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds			Capital Projects Fund
	General	Grants Administration	American Rescue Plan Act	Capital Projects
REVENUES				
Taxes	\$ 92,859,908	\$ -	\$ -	\$ -
Franchise taxes	5,534,009	-	-	-
Licenses and permits	2,292,622	-	-	-
Intergovernmental	650,572	14,090,638	12,788,866	2,834,203
Charges for services	13,181,721	-	-	122,825
Investment earnings	5,573,334	-	1,555,210	-
Fines and forfeitures	2,064,407	-	-	-
Miscellaneous	1,451,739	65,337	-	346,342
Total revenues	123,608,312	14,155,975	14,344,076	3,303,370
EXPENDITURES				
Current:				
General government	6,076,194	252,766	718,352	-
Public safety	91,357,962	1,498,567	-	-
Community development	5,500,596	2,271,167	-	-
Human and leisure	10,235,467	92,329	-	-
Public works	10,172,976	421,033	-	1,897,916
Refuse collection	-	-	-	-
Capital outlay	243,658	9,975,474	-	20,436,514
Debt service:				
Principal retirement	358,338	-	-	-
Interest and fiscal charges	32,809	-	-	-
Total expenditures	123,978,000	14,511,336	718,352	22,334,430
Excess (deficiency) of revenues over (under) expenditures	(369,688)	(355,361)	13,625,724	(19,031,060)
OTHER FINANCING SOURCES (USES)				
Transfers in	7,261,334	-	-	16,441,012
Transfer out	(1,872,125)	(400,213)	(12,070,512)	(1,740)
Subscriptions financing	150,115	-	-	-
Total other financing sources (uses)	5,539,324	(400,213)	(12,070,512)	16,439,272
Net change in fund balances	5,169,636	(755,574)	1,555,212	(2,591,788)
Fund balances (deficit)-beginning	33,487,199	(1,105,013)	(129,385)	(5,850,018)
Fund balances (deficit)-ending	\$ 38,656,835	\$ (1,860,587)	\$ 1,425,827	\$ (8,441,806)

CITY OF FULLERTON, CALIFORNIA
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	Total Nonmajor Funds	Total Governmental Funds
REVENUES		
Taxes	\$ 181,903	\$ 93,041,811
Franchise taxes	-	5,534,009
Licenses and permits	-	2,292,622
Intergovernmental	11,933,414	42,297,693
Charges for services	21,013,827	34,318,373
Investment earnings	1,619,058	8,747,602
Fines and forfeitures	272,442	2,336,849
Miscellaneous	4,750	1,868,168
Total revenues	35,025,394	190,437,127
EXPENDITURES		
Current:		
General government	206,992	7,254,304
Public safety	290,085	93,146,614
Community development	2,447,046	10,218,809
Human and leisure	228,081	10,555,877
Public works	11,689,540	24,181,465
Refuse collection	15,548,256	15,548,256
Capital outlay	327,619	30,983,265
Debt service:		
Principal retirement	-	358,338
Interest and fiscal charges	-	32,809
Total expenditures	30,737,619	192,279,737
Excess (deficiency) of revenues over (under) expenditures	4,287,775	(1,842,610)
OTHER FINANCING SOURCES (USES)		
Transfers in	614,398	24,316,744
Transfer out	(10,908,698)	(25,253,288)
Subscriptions financing	1,576	151,691
Total other financing sources (uses)	(10,292,724)	(784,853)
Net change in fund balances	(6,004,949)	(2,627,463)
Fund balances (deficit)-beginning	43,522,281	69,925,064
Fund balances (deficit)-ending	\$ 37,517,332	\$ 67,297,601

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CITY OF FULLERTON, CALIFORNIA
Reconciliation of the Statement of Revenues, Expenses and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2024

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

Net change in fund balances - total governmental funds:		\$ (2,627,463)
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization expense in the current period.</p>		
Capital outlay	\$ 31,158,663	
Depreciation/amortization expense	(11,473,704)	
Loss on disposal of capital assets	<u>(6,675,093)</u>	
Total adjustment		13,009,866
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		7,418,698
<p>Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.</p>		
Leases and subscriptions	(37,333)	
Principal payments	<u>612,900</u>	
Total adjustment		575,567
Internal service funds provide services to other funds on a cost-reimbursement basis. The net revenue of certain activities of internal service funds is reported with governmental activities.		9,307,877
Some 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.		
Compensated absences	(483,191)	
Changes in pension liabilities and related deferred outflows and inflows of resources	(13,529,660)	
Changes in OPEB liabilities and related deferred outflows and inflows of resources	<u>369,996</u>	
Total adjustment		<u>(13,642,855)</u>
Change in net position of governmental activities		<u>\$ 14,041,690</u>

CITY OF FULLERTON, CALIFORNIA
Statement of Net Position
Proprietary Funds
June 30, 2024

	Business-Type Activities		
	Airport	Water Utility	Sewer Enterprise
ASSETS			
Current assets:			
Cash and investments	\$ 3,750,646	\$ 57,915,877	\$ 6,746,271
Receivables:			
Accounts	702,938	9,406,203	1,787,833
Accrued interest	34,387	223,661	28,089
Leases	382,924	153,669	-
Prepaid costs	-	-	-
Inventory	-	-	-
Cash held with fiscal agent	-	-	-
Total current assets	<u>4,870,895</u>	<u>67,699,410</u>	<u>8,562,193</u>
Noncurrent:			
Leases	9,248,961	622,844	-
Capital assets - net of accumulated depreciation/amortization	19,008,471	92,852,054	54,125,094
Total noncurrent assets	<u>28,257,432</u>	<u>93,474,898</u>	<u>54,125,094</u>
Total assets	<u>33,128,327</u>	<u>161,174,308</u>	<u>62,687,287</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	-	81,813	-
Pension deferrals	391,196	2,785,981	974,888
Other post-employment benefits deferrals	56,876	444,707	180,590
Total deferred outflows of resources	<u>448,072</u>	<u>3,312,501</u>	<u>1,155,478</u>
LIABILITIES			
Current liabilities:			
Accounts payable	339,564	10,936,180	528,441
Accrued liabilities	12,762	89,919	30,421
Accrued interest payable	5,074	60,669	-
Unearned revenue	-	-	-
Deposits payable	150,437	2,215,330	34,778
Due to other funds	-	-	-
Claims and judgments - current	2,200,000	-	-
Compensated absences - current	1,388	14,491	2,774
Bonds, loans, leases, and subscriptions - current	62,022	376,322	-
Total current liabilities	<u>2,771,247</u>	<u>13,692,911</u>	<u>596,414</u>
Noncurrent liabilities:			
Claims and judgments - noncurrent	-	-	-
Compensated absences	17,810	250,364	81,154
Bonds, loans, leases, and subscriptions	1,249,432	3,864,599	-
Net pension liability	1,603,158	11,417,201	3,995,172
Net other post-employment benefits liability	249,671	1,952,157	792,747
Total noncurrent liabilities	<u>3,120,071</u>	<u>17,484,321</u>	<u>4,869,073</u>
Total liabilities	<u>5,891,318</u>	<u>31,177,232</u>	<u>5,465,487</u>
DEFERRED INFLOWS OF RESOURCES			
Leases	8,894,853	700,758	-
Pension deferrals	7,467	53,180	18,609
Other post-employment benefits deferrals	115,374	902,099	366,331
Total deferred inflows of resources	<u>9,017,694</u>	<u>1,656,037</u>	<u>384,940</u>
NET POSITION			
Net investment in capital assets	18,997,017	88,611,133	54,125,094
Restricted for debt service	-	-	-
Unrestricted	(329,630)	43,042,407	3,867,244
Total net position	<u>\$ 18,667,387</u>	<u>\$ 131,653,540</u>	<u>\$ 57,992,338</u>

Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time

Net position of business-type activities

CITY OF FULLERTON, CALIFORNIA
Statement of Net Position
Proprietary Funds
June 30, 2024

	Business-Type Activities		Governmental Activities
	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
ASSETS			
Current assets:			
Cash and investments	\$ 2,702,363	\$ 71,115,157	\$ 88,440,733
Receivables:			
Accounts	47,380	11,944,354	74,830
Accrued interest	12,399	298,536	343,699
Leases	29,594	566,187	-
Prepaid costs	-	-	490,668
Inventory	57,032	57,032	256,784
Cash held with fiscal agent	279,525	279,525	787,796
Total current assets	<u>3,128,293</u>	<u>84,260,791</u>	<u>90,394,510</u>
Noncurrent:			
Leases	829,859	10,701,664	-
Capital assets - net of accumulated depreciation/amortization	3,102,954	169,088,573	23,424,089
Total noncurrent assets	<u>3,932,813</u>	<u>179,790,237</u>	<u>23,424,089</u>
Total assets	<u>7,061,106</u>	<u>264,051,028</u>	<u>113,818,599</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	-	81,813	357,955
Pension deferrals	159,378	4,311,443	2,005,662
Other post-employment benefits deferrals	19,849	702,022	282,073
Total deferred outflows of resources	<u>179,227</u>	<u>5,095,278</u>	<u>2,645,690</u>
LIABILITIES			
Current liabilities:			
Accounts payable	2,728,003	14,532,188	2,307,853
Accrued liabilities	7,181	140,283	71,610
Accrued interest payable	16,919	82,662	134,122
Unearned revenue	-	-	9,197
Deposits payable	5,024	2,405,569	-
Due to other funds	473,195	473,195	2,267,910
Claims and judgments - current	-	2,200,000	6,095,000
Compensated absences - current	9,388	28,041	-
Bonds, loans, leases, and subscriptions - current	150,000	588,344	2,004,682
Total current liabilities	<u>3,389,710</u>	<u>20,450,282</u>	<u>12,890,374</u>
Noncurrent liabilities:			
Claims and judgments - noncurrent	-	-	24,525,000
Compensated absences	11,219	360,547	-
Bonds, loans, leases, and subscriptions	1,028,860	6,142,891	16,110,698
Net pension liability	653,139	17,668,670	8,219,367
Net other post-employment benefits liability	87,132	3,081,707	1,238,225
Total noncurrent liabilities	<u>1,780,350</u>	<u>27,253,815</u>	<u>50,093,290</u>
Total liabilities	<u>5,170,060</u>	<u>47,704,097</u>	<u>62,983,664</u>
DEFERRED INFLOWS OF RESOURCES			
Leases	791,058	10,386,669	-
Pension deferrals	3,043	82,299	38,285
Other post-employment benefits deferrals	40,264	1,424,068	572,188
Total deferred inflows of resources	<u>834,365</u>	<u>11,893,036</u>	<u>610,473</u>
NET POSITION			
Net investment in capital assets	1,924,094	163,657,338	17,746,094
Restricted for debt service	279,525	279,525	-
Unrestricted	(967,711)	45,612,310	35,124,058
Total net position	<u>\$ 1,235,908</u>	<u>209,549,173</u>	<u>\$ 52,870,152</u>
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time		7,380,280	
Net position of business-type activities		<u>\$ 216,929,453</u>	

CITY OF FULLERTON, CALIFORNIA
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2024

Business-Type Activities

	<u>Airport</u>	<u>Water Utility</u>	<u>Sewer Enterprise</u>
OPERATING REVENUES			
Sales and service charges	\$ 2,122,988	\$ 50,035,155	\$ 5,931,907
Interfund service charges	-	-	-
Miscellaneous	9,559	148,721	101
Total operating revenues	2,132,547	50,183,876	5,932,008
OPERATING EXPENSES			
Maintenance, operations, and administration	4,706,841	13,925,300	3,953,733
Cost of water	-	18,527,631	-
Claims expense	-	-	-
Depreciation/amortization expense	448,762	1,693,210	994,872
Total operating expenses	5,155,603	34,146,141	4,948,605
Operating income (loss)	(3,023,056)	16,037,735	983,403
NONOPERATING REVENUES (EXPENSES)			
Taxes	123,987	-	-
Intergovernmental	26,621	-	-
Investment earnings	381,465	2,403,074	363,177
Interest expense	(4,803)	(194,855)	-
Gain (loss) on disposal of capital assets	-	-	-
Total nonoperating revenues (expenses)	527,270	2,208,219	363,177
Income (loss) before capital contributions and transfers	(2,495,786)	18,245,954	1,346,580
Capital contributions	532,425	273,854	-
Transfers In	-	719,565	-
Transfers Out	-	(180,000)	(90,000)
Change in net position	(1,963,361)	19,059,373	1,256,580
Net position-beginning	20,630,748	112,594,167	56,735,758
Net position-ending	\$ 18,667,387	\$ 131,653,540	\$ 57,992,338

Adjustment for the net effect of the current year activity between
the internal service funds and the enterprise funds

Changes in net position of business-type activities

CITY OF FULLERTON, CALIFORNIA
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2024

	Business-Type Activities		Governmental Activities
	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES			
Sales and service charges	\$ 4,183,613	\$ 62,273,663	\$ -
Interfund service charges	-	-	41,868,170
Miscellaneous	40,040	198,421	1,074,752
Total operating revenues	4,223,653	62,472,084	42,942,922
OPERATING EXPENSES			
Maintenance, operations, and administration	4,296,003	26,881,877	30,331,700
Cost of water	-	18,527,631	-
Claims expense	-	-	2,224,017
Depreciation/amortization expense	85,646	3,222,490	2,407,950
Total operating expenses	4,381,649	48,631,998	34,963,667
Operating income (loss)	(157,996)	13,840,086	7,979,255
NONOPERATING REVENUES (EXPENSES)			
Taxes	-	123,987	-
Intergovernmental	-	26,621	-
Investment earnings	148,015	3,295,731	3,411,854
Interest expense	(60,204)	(259,862)	(211,428)
Gain (loss) on disposal of capital assets	-	-	(99,566)
Total nonoperating revenues (expenses)	87,811	3,186,477	3,100,860
Income (loss) before capital contributions and transfers	(70,185)	17,026,563	11,080,115
Capital contributions	-	806,279	-
Transfers In	-	719,565	1,437,685
Transfers Out	-	(270,000)	(950,706)
Change in net position	(70,185)	18,282,407	11,567,094
Net position-beginning	1,306,093		41,303,058
Net position-ending	\$ 1,235,908		\$ 52,870,152
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds		2,259,216	
Changes in net position of business-type activities		\$ 20,541,623	

CITY OF FULLERTON, CALIFORNIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

Business-Type Activities

	Airport	Water Utility	Sewer Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 1,402,771	\$ 49,047,521	\$ 5,198,568
Receipts from interfund charges	-	-	-
Payments to suppliers and service providers	(3,845,695)	(24,426,868)	(2,376,454)
Payments to employees for salaries and benefits	(788,397)	(5,065,072)	(1,905,217)
Payments of insurance claims	-	-	-
Other receipts (payments)	2,209,559	148,721	101
Net cash provided by (used for) operating activities	(1,021,762)	19,704,302	916,998
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	-	719,565	-
Transfers to other funds	-	(180,000)	(90,000)
Principal paid on non-capital debt	-	-	-
Interest paid on on-capital debt	-	-	-
Payments from other funds on interfund borrowings	-	-	-
Taxes	123,987	-	-
Operating grants and contributions	26,621	-	-
Net cash provided by (used for) noncapital financing activities	150,608	539,565	(90,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from capital debt	1,300,000	-	-
Capital contributions	532,425	-	-
Acquisition and construction of capital assets	(1,263,031)	(18,161,144)	(3,046,878)
Principal paid on capital debt	(3,643)	(404,937)	-
Interest paid on capital debt	-	(190,212)	-
Proceeds from sales of assets	-	-	-
Net cash provided by (used for) capital and related financing activities	565,751	(18,756,293)	(3,046,878)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	366,538	2,429,757	377,192
Net cash provided by (used for) investing activities	366,538	2,429,757	377,192
Net increase (decrease) in cash and cash equivalents	61,135	3,917,331	(1,842,688)
Cash and cash equivalents-beginning	3,689,511	53,998,546	8,588,959
Cash and cash equivalents-ending	\$ 3,750,646	\$ 57,915,877	\$ 6,746,271

CITY OF FULLERTON, CALIFORNIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

	Business-Type Activities		Governmental Activities
	Other Enterprise Funds	Totals	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 4,126,052	\$ 59,774,912	\$ -
Receipts from interfund charges	-	-	41,833,404
Payments to suppliers and service providers	(4,084,778)	(34,733,795)	(25,498,981)
Payments to employees for salaries and benefits	(365,723)	(8,124,409)	(3,514,246)
Payments of insurance claims	-	-	(3,147,017)
Other receipts (payments)	40,040	2,398,421	1,074,752
Net cash provided by (used for) operating activities	(284,409)	19,315,129	10,747,912
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	-	719,565	1,437,685
Transfers to other funds	-	(270,000)	(950,706)
Principal paid on non-capital debt	-	-	(876,102)
Interest paid on on-capital debt	(1,832)	(1,832)	(96,749)
Payments from other funds on interfund borrowings	154,525	154,525	2,267,910
Taxes	-	123,987	-
Operating grants and contributions	-	26,621	-
Net cash provided by (used for) noncapital financing activities	152,693	752,866	1,782,038
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from capital debt	-	1,300,000	-
Capital contributions	-	532,425	-
Acquisition and construction of capital assets	(164,750)	(22,635,803)	(5,619,050)
Principal paid on capital debt	(170,918)	(579,498)	(1,458,937)
Interest paid on capital debt	(57,721)	(247,933)	(71,501)
Proceeds from sales of assets	26,323	26,323	(362,473)
Net cash provided by (used for) capital and related financing activities	(367,066)	(21,604,486)	(7,511,961)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	153,156	3,326,643	3,419,336
Net cash provided by (used for) investing activities	153,156	3,326,643	3,419,336
Net increase (decrease) in cash and cash equivalents	(345,626)	1,790,152	8,437,325
Cash and cash equivalents-beginning	3,327,514	69,604,530	80,791,204
Cash and cash equivalents-ending	\$ 2,981,888	\$ 71,394,682	\$ 89,228,529

CITY OF FULLERTON, CALIFORNIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

Business-Type Activities

	<u>Airport</u>	<u>Water Utility</u>	<u>Sewer Enterprise</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION			
Cash and investments	\$ 3,750,646	\$ 57,915,877	\$ 6,746,271
Cash held with fiscal agent	-	-	-
Total cash and cash equivalents	<u>\$ 3,750,646</u>	<u>\$ 57,915,877</u>	<u>\$ 6,746,271</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Operating income (loss)	<u>\$ (3,023,056)</u>	<u>\$ 16,037,735</u>	<u>\$ 983,403</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation/amortization expense	448,762	1,693,210	994,872
(Increase) decrease in accounts receivable	(577,832)	(521,489)	(767,287)
(Increase) decrease in leases receivable	(221,861)	(15,876)	-
(Increase) decrease in inventories	-	-	-
(Increase) decrease in prepaid items	-	-	-
Increase (decrease) in accounts payable	316,409	3,636,390	36,792
Increase (decrease) in accrued liabilities	3,240	8,982	7,090
Increase (decrease) in deposits payable	79,476	(450,269)	33,948
Increase (decrease) in unearned revenue	-	-	-
Increase (decrease) in compensated absences	(3,658)	302	(4,978)
Increase (decrease) in claims and judgments	2,200,000	-	-
Increase (decrease) in pension items	(95,487)	(159,766)	(205,227)
Increase (decrease) in other post-employment benefits items	(147,755)	(524,917)	(161,615)
Total adjustments	<u>2,001,294</u>	<u>3,666,567</u>	<u>(66,405)</u>
Net cash provided by (used for) operating activities	<u>\$ (1,021,762)</u>	<u>\$ 19,704,302</u>	<u>\$ 916,998</u>
SCHEDULE OF NON-CASH NONCAPITAL, CAPITAL, AND INVESTING ACTIVITIES			
Unrealized gain/(loss) on fair value of investments	\$ (16,060)	\$ (246,785)	\$ (31,252)
Amortization of deferred charge on refunding	-	(8,391)	-
Contributions of capital assets	532,425	-	-
Amortization on bond discount/(premium)	-	38,615	-

CITY OF FULLERTON, CALIFORNIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

	Business-Type Activities		Governmental Activities
	Other Enterprise Funds	Totals	Internal Service Funds
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION			
Cash and investments	\$ 2,702,363	\$ 71,115,157	\$ 88,440,733
Cash held with fiscal agent	279,525	279,525	787,796
Total cash and cash equivalents	<u>\$ 2,981,888</u>	<u>\$ 71,394,682</u>	<u>\$ 89,228,529</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Operating income (loss)	\$ (157,996)	\$ 13,840,086	\$ 7,979,255
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation/amortization expense	85,646	3,222,490	2,407,950
(Increase) decrease in accounts receivable	(40,094)	(1,906,702)	(32,810)
(Increase) decrease in leases receivable	(21,501)	(259,238)	-
(Increase) decrease in inventories	28,042	28,042	(19,493)
(Increase) decrease in prepaid items	-	-	(490,668)
Increase (decrease) in accounts payable	(140,889)	3,848,702	1,253,096
Increase (decrease) in accrued liabilities	1,740	21,052	7,086
Increase (decrease) in deposits payable	4,034	(332,811)	-
Increase (decrease) in unearned revenue	-	-	(1,956)
Increase (decrease) in compensated absences	2,003	(6,331)	-
Increase (decrease) in claims and judgments	-	2,200,000	(923,000)
Increase (decrease) in pension items	46,779	(413,701)	698,778
Increase (decrease) in other post-employment benefits items	(92,173)	(926,460)	(130,326)
Total adjustments	<u>(126,413)</u>	<u>5,475,043</u>	<u>2,768,657</u>
Net cash provided by (used for) operating activities	<u>\$ (284,409)</u>	<u>\$ 19,315,129</u>	<u>\$ 10,747,912</u>
SCHEDULE OF NON-CASH NONCAPITAL, CAPITAL, AND INVESTING ACTIVITIES			
Unrealized gain/(loss) on fair value of investments	\$ (9,490)	\$ (303,587)	\$ (380,040)
Amortization of deferred charge on refunding	-	(8,391)	-
Contributions of capital assets	-	532,425	-
Amortization on bond discount/(premium)	-	38,615	39,772

CITY OF FULLERTON, CALIFORNIA
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024

	Pension (and Other Employee Benefit) Trust Fund		
	Retiree Health Insurance Program	Private Purpose Trust Funds	Custodial Funds
ASSETS			
Cash and cash equivalents	\$ -	\$ 9,168,898	\$ 597,393
Restricted assets - cash and cash equivalents	-	5,848,806	-
Investments:			
Mutual funds	-	3	-
Equity securities	80,662	-	-
Receivables:			
Taxes	-	-	24,078
Interest	-	54,182	-
Leases	-	32,683	-
Notes and loans	-	49,176,003	-
Prepaid costs	-	54,549	-
Land held for resale	-	2,900,768	-
Total assets	80,662	67,235,892	621,471
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	-	31,015	-
Total deferred outflows of resources	-	31,015	-
LIABILITIES			
Accounts payable	-	91,945	22,200
Accrued liabilities	-	1,427	-
Accrued interest	-	326,305	-
Due to bondholders	-	-	496,175
Noncurrent:			
Bonds payable - due within one year	-	8,940,000	-
Bonds payable - due in more than one year	-	20,808,359	-
Total liabilities	-	30,168,036	518,375
DEFERRED INFLOWS OF RESOURCES			
Leases	-	30,645	-
Total deferred inflows of resources	-	30,645	-
NET POSITION			
Restricted for:			
Restricted for post-employment benefits other than pensions	80,662	-	-
Restricted for individuals, organizations, and other governments	-	37,068,226	103,096
Total net position	\$ 80,662	\$ 37,068,226	\$ 103,096

CITY OF FULLERTON, CALIFORNIA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2024

	Pension (and Other Employee Benefit) Trust Fund	Retiree Health Insurance Program	Private Purpose Trust Funds	Custodial Funds
ADDITIONS				
Contributions:				
Contributions from other funds	\$ -	\$ 6,228,325	\$ -	-
Total contributions	-	6,228,325	-	-
Investment earnings:				
Investment earnings	10,833	1,077,403	18,174	-
Total investment earnings	10,833	1,077,403	18,174	-
Taxes	-	11,403,609	-	-
Sale of property	-	10,700,000	-	-
Miscellaneous	-	-	25,796	-
Total additions	10,833	29,409,337	43,970	-
DEDUCTIONS				
Administrative expenses	424	141,435	-	-
Contractual services	-	647,095	-	-
Contributions to other funds	-	6,228,325	-	-
Miscellaneous	-	-	25,796	-
Interest expense	-	123,428	-	-
Total deductions	424	7,140,283	25,796	-
Net increase (decrease) in fiduciary net position	10,409	22,269,054	18,174	-
Net position-beginning	70,253	14,799,172	84,922	-
Net position-ending	\$ 80,662	\$ 37,068,226	\$ 103,096	-

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The City of Fullerton (the City) is a general law city governed by an elected five-member city council. As required by generally accepted accounting principles, these financial statements present the City (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationship with the City. These entities are legally separate from each other. However, the City's elected officials have a continuing full or partial accountability for fiscal matters of the other entities. The financial reporting City consists of: (1) the City, (2) organizations for which the City is financially accountable, and (3) organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete.

An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes or set rates or charges, or issue bonded debt without approval by the primary government. In a blended presentation, component units' balances and transactions are reported in a manner similar to the balances and transactions of the City. Component units are presented on a blended basis when the component unit's governing body is substantially the same as the City's or the component unit provides services almost entirely to the City.

1. *Blended Component Units*

City of Fullerton Public Financing Authority

The City of Fullerton Public Financing Authority (the PFA) was created on June 2, 1998, through a joint exercise of powers agreement between the City and the former Fullerton Redevelopment Agency for the purposes of (1) financing the acquisition and construction of various public capital improvements relating to the three Redevelopment Project Areas, and (2) refinancing various outstanding obligations of the former Fullerton Redevelopment Agency. The City's Council Members serve as the board of directors for the Authority. The Authority's financial data and transactions have been blended into the City's ACFR in the government-wide governmental activities and funds of the City as applicable.

City of Fullerton Housing Authority

The City of Fullerton Housing Authority (the Housing Authority) was established on February 15, 2011. The Housing Authority was activated pursuant to State Law Section 34290 of the California Health and Safety Code, which allows for every City to establish a housing authority. The Housing Authority is designed to help protect local housing funds and programs, provide new revenue opportunities for affordable housing programs, serve the public interest, promote public safety and welfare, and ensure decent, safe, sanitary, and affordable housing accommodations to persons of low income. The Fullerton City Council serves as the Housing Authority's Commissioners. The City has operational responsibility for the Housing Authority. The Authority's financial data and transactions are included with the City under the Housing Special Revenue Fund.

Separate financial statements are not prepared for the PFA and the Housing Authority.

2. *Jointly Governed Organization*

North Orange County Cities Joint Power Authority

The City of and the City of Brea are members of the North Orange County Cities Joint Powers Authority, these activities are reported as a fiduciary fund. For more information on this Joint Exercise of Powers Agreement see Note 19.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basic Financial Statements - Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units as a whole. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are payments where the amounts are reasonably equivalent in value to the interfund services provided between the government's water, airport, parking facilities, recreational facilities and sewer functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The interfund activities and balances between governmental activities and business-type activities are shown in the government-wide financial statements.

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

The underlying accounting system of the City is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Separate financial statements for the government's governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and other governmental funds in the aggregate for governmental funds.

Fiduciary statements, even though excluded from the government-wide financial statements, include financial information that primarily represent assets held by the City in a custodial capacity for other individuals or organizations.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. The City's fiduciary funds consists of a pension (and other employee benefits) trust fund, a private-purpose trust fund, and custodial funds. Under the economic resources measurement focus, all assets and liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the current financial resources measurement focus, only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered to be a measure of "available expendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period. Noncurrent portions of long-term receivables due to governmental

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

funds are reported on their balance sheets in spite of their spending measurement focus. However, special reporting treatments are used to indicate that they should not be considered "available spendable resources" since they do not represent net current assets. Recognition of governmental fund type revenue represented by noncurrent receivables is unavailable until they become current receivables. Noncurrent portions of other long-term receivables are offset by nonspendable fund balance. Governmental fund revenues are recognized when they become measurable and available as net current assets. The primary revenue sources susceptible to accrual are taxpayer assessed taxes, grant revenues, investment income and capital project financing sources. Revenues are recognized when they are measurable at the end of the year and available within 60 days after the end of the fiscal year. Grant revenues have been recorded according to the provisions of GASB Statement 33, whereby grant funds earned but not received are recorded as a receivable, and grants received or receivable before the related revenue recognition criteria have been met are reported as unavailable revenue. Primary revenue sources not susceptible to accrual are court fines, and charges for services. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

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 Grants Administration Special Revenue Fund accounts for receipts and expenditures of various federal, state, and local grant programs.
- The American Rescue Plan Act Fund accounts for receipts and expenditures of the federal funding received from the American Rescue Plan Act of 2021 for the purposes of emergency response expenditures and economic recovery costs associated with the coronavirus pandemic.
- The Capital Projects Fund accounts for financial resources segregated for the acquisition or construction of major capital facilities and equipment, and the maintenance and construction of the City's major infrastructure.

The City reports the following major enterprise funds:

- The Airport Fund accounts for the operation and maintenance of the Fullerton Airport.
- The Water Utility Fund accounts for the operation and maintenance of the City's water production, transmission, and distribution system.
- The Sewer Enterprise Fund accounts for the operation and maintenance of the City's sewer system.

Additionally, the City reports the following fund types:

- Debt Service Fund accounts for the principal and interest payments of long-term liabilities for the city.
- Internal Service Funds account for the activity that provides goods and services to other funds or departments on a cost-reimbursement basis, such as, liability insurance, equipment replacement, workers' compensation, group insurance, equipment maintenance, information technology, building maintenance services and facility capital repair.
- The Pension (and Other Employee Benefit) Trust Fund accounts for the assets held in trust to pay for future benefits related to the City's post-employment healthcare plan.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- The Private Purpose Trust Funds account for the assets and liabilities of the former redevelopment agency and are allocated revenue to pay estimated installment payments of enforceable obligations until obligations of the former redevelopment agency are paid in full and assets have been liquidated, and for the assets and liabilities held by the City in a fiduciary capacity that do not meet the criteria of the former redevelopment agency.
- The Custodial Funds account for fiduciary activities not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. Some of these fiduciary activities of the City include collections to be remitted to other governments, assessment districts, and community facilities districts, and the North Orange County Cities Joint Powers Authority.

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 space rentals. 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) if 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.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the Water Utility Fund, the Airport Fund, the Sewer Fund, the Parking Facilities Fund, and the Brea Dam Recreation Facilities Fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position

1. Cash and Investments

The City pools all available cash from all funds for the purpose of increasing income through investment activities. The City's cash and cash equivalents for the proprietary funds represents cash and investments, cash and investments with fiscal agents, and customer deposits with original maturities of three months or less held by the funds at fiscal year-end.

All investments are reported at fair value (the value at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale), except for investments which have a remaining maturity of less than one year when purchased, which are stated at amortized cost. Those investments are short-term, highly liquid debt instruments including commercial paper, certificates of deposit, and agency obligations.

In accordance with GASB 72, Fair Value Measurement and Application, the City's investments are stated at fair value.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances to other funds are offset by a fund balance nonspendable or restricted account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles.

3. Property Tax Calendar

Property taxes are assessed and collected each fiscal year according to the following property tax calendar:

Lien date	January 1
Levy date	July 1 to June 30
Due date	November 1, 1st Installment and March 1, 2nd installment
Collection date	December 10, 1st installment and April 10, 2nd installment

Under California law, property taxes are assessed and collected by the counties up to 1 percent of assessed value, plus other increases approved by the voters. The property taxes go into a pool and are then allocated to the cities based on complex formulas prescribed by state statutes. Accordingly, the City accrues only those taxes which are received from the county within 60 days after year-end.

4. Inventory, Prepaid Items, and Land Held for Resale

The City uses the consumption method to account for automotive parts and fuels inventory. Inventory is capitalized when purchased and is thereafter recorded as expenditure at the time the inventory item is consumed. Inventory assets are classified as nonspendable fund balance. The City used the purchases method for miscellaneous materials, supplies, utility department meters, pipe, valves, and fittings.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements using the purchases method.

Land held for resale is carried at the lower of cost or estimated realizable value. Fund balances are nonspendable or restricted in amounts equal to the carrying value of the land held for resale because such assets are not available to finance the City's current operations.

5. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), lease assets, and subscription assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with initial, individual cost of more than \$5,000 (\$150,000 for certain groups of items in aggregate) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value when received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

CITY OF FULLERTON, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant, equipment, infrastructure, lease assets, and subscription assets are depreciated/amortized using the straight-line method over the following estimated useful lives:

Assets	Years
Building and improvements	20-50
Water system lines and mains	50-100
Vehicles, furniture, and equipment	3-20
Public domain infrastructure:	
Streets, highways, and alleys	30-50
Bridges	50
Storm drains	50
Sewers	75
Traffic signals	20
Lease Assets	Shorter of underlying asset's useful
Subscription Assets	life or term of agreement

6. Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the Statement of Net Position and the Governmental Funds' Balance Sheet will sometimes report separate sections for deferred outflows of resources and for deferred inflows of resources.

The separate financial statement element of deferred outflows of resources represent a consumption of net assets that applies to future periods which will not be recognized as an outflow of resources (expense/expenditure) until that time. The City has items that qualify for reporting in this category: the deferred charge on refunding of long-term liabilities and components of the calculations for the net pension and other post-employment benefits liabilities.

The separate financial statement element of deferred inflows of resources represent an acquisition of net assets that applies to future periods which will not be recognized as an inflow of resources (revenue) until that time. The City has items that qualify for reporting in this category: unavailable revenue, leases, and components of the calculations for the net pension and OPEB liabilities. Unavailable revenue exists only under the modified accrual basis of accounting and, accordingly, is reported only in the governmental funds' balance sheet. The governmental funds typically report unavailable revenues for grant receipts which have been earned, but which are not received within the City's defined availability period (60 days); these amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The recognition period differs depending on the source of the gain or loss.

7. Leases

Lessee: The City is a lessee for a noncancellable lease of equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

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

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

Lessor: The City is a lessor for a noncancellable lease of a building. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

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

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

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

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

8. Subscription-Based Information Technology Arrangements

The City is a subscriber for a noncancellable subscription of information technology services. The City recognizes a subscription liability and an intangible right-to-use subscription asset (subscription asset) in the government-wide financial statements.

At the commencement of a subscription, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to subscriptions include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) lease term, and (3) subscription payments.

- The City uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for subscriptions.
- The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments that the City is reasonably certain to exercise.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

9. Claims and Judgments

The City records a liability for litigation, judgments and claims when it is probable that an asset has been impaired, or a liability has been incurred prior to year-end and the probable amount of loss (net of any insurance coverage) can be reasonably estimated. This liability is recorded in the Internal Service Fund that accounts for the City's self-insurance activities. It is the City's policy that all insurance claims outstanding at June 30, 2024, will be liquidated from expendable available financial resources at June 30, 2024.

10. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Unused vacation and sick pay are accrued in the government-wide and proprietary fund financial statements. Only the current portion of the unused sick pay is recorded in the governmental fund statements. The current portion of the unpaid sick pay is the accumulation, as described below, for those employees that have reached retirement age.

Employees may accumulate sick leave without limitation as to the number of hours of accumulation. However, the maximum accumulation of vacation leave is limited to the total number of hours accruable for two years. Employees are paid 100 percent of their accumulated vacation pay when they terminate their employment for any reason. Accumulated sick pay is paid to eligible safety employees and non-safety employees, who were hired before June 30, 1984, and August 31, 1983, respectively, only under the following conditions: (1) 50 percent or 55 percent (depending on employee's classification) of the total accumulation is paid upon retirement or death; (2) 50 percent of the accumulation in excess of 120 days is paid for full-time employees terminated for any other reason after ten full years of continuous service. Only 50 percent or 55 percent of unpaid sick pay for eligible employees was recorded as a City liability. The portion for those eligible employees who reached their retirement ages at the end of the fiscal year were recorded as the current portion of unpaid sick pay. The remaining portion was recorded as a long-term liability.

11. Net Pension Liability

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

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Date (VD)	June 30, 2022
Measurement Date (MD)	June 30, 2023
Measurement Period (MP)	July 1, 2022, to June 30, 2023

12. Other Post-Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and the OPEB expense have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022, to June 30, 2023

13. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds for all the bonds issued after June 30, 2002.

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

14. Fund Equity

In the fund financial statements, government funds report the following fund balance classification:

- Nonspendable include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted include amounts that are constrained on the use of resources by either (a) external creditors, grantors, contributors, or laws of regulations of other governments or (b) by law through constitutional provisions or enabling legislation.
- Committed include amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest authority, City Council. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is by the adoption of an ordinance.
- Assigned include amounts that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed. The Director of Administrative Services is authorized to assign amounts to a specific purpose, which was established by the governing body in resolution.
- Unassigned includes the residual amounts that have not been restricted, committed, or assigned to specific purposes. The General Fund is the only City fund that is able to report a positive unassigned fund balance.

Pursuant to the City's fund balance policy, the City Council's goal is to achieve a minimum of 10% of the annual General Fund appropriation, as assigned fund balance in the General Fund. This is intended to be used to provide for temporary financing of unanticipated extraordinary needs of an emergency nature, such as economic uncertainties or a local disaster.

15. Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

CITY OF FULLERTON, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

16. Fund Balance Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Violations of Legal or Contractual Provisions

The notes to the required supplementary information, on the Excess of expenditures over appropriations, describes budgetary violations that occurred for the year ended June 30, 2024.

B. Deficit Fund Equity

At June 30, 2024, The City reported deficit fund equities in the following funds:

<u>Fund Name</u>	<u>Fund Type</u>	<u>Deficit</u>	<u>Cause</u>
Sanitation	Non-major special revenue fund	(312,433)	(a)
Grants Administration	Non-major special revenue fund	(1,860,587)	(a)
SB2 / PLHA	Non-major special revenue fund	(2,122,526)	(a)
Capital Projects	Major capital projects fund	(8,441,806)	(a)
Compressed Natural Gas Facility	Non-major enterprise fund	(147,535)	(b)

(a) Deficit due to timing differences between grants or other receipts and disbursements, and is expected to be eliminated through future grant or operational revenues.

(a) Deficit due to the costs of maintenance and operations. The deficit is expected to be eliminated through future operational revenues.

NOTE 3: CASH AND INVESTMENTS

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

Statement of Net Position:	
Cash and investments	\$ 231,288,909
Restricted cash and investments	2,176,008
Fiduciary Funds:	
Cash and investments	9,846,956
Restricted cash and investments	<u>5,848,806</u>
Total cash and investments	<u>\$ 249,160,679</u>

CITY OF FULLERTON, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

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

Demand deposits	\$ 12,589,214
Cash on hand	51,495
Investments	234,734,241
Investments with fiscal agents	<u>1,785,728</u>
 Total cash and investments	 <u>\$ 249,160,679</u>

At June 30, 2024, the carrying amount of the City's deposits was \$6,089,557 and the bank balance was \$6,815,826. The \$726,269 difference represents outstanding deposits, checks, and other reconciling items.

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

The table below identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	40%
U.S. Federal instrumentalities	5 years	None	40%
Banker's Acceptances	180 days	40%	5%
Commercial Paper	270 days	25%	5%
Negotiable Certificates of Deposit	5 years	30%	5%
Collateralized Certificates of Deposit	5 years	25%	10%
Repurchase Agreements	1 year	25%	20%
Medium-Term Notes	5 years	30%	5%
Orange County Investment Pool	None	0%	0%
Asset Back Securities	5 years	20%	5%
Municipal Bonds	5 years	20%	5%
Supranational Debt	5 years	30%	5%
Money Market Funds	5 years	2%	10%
Local Agency Investment Fund (LAIF)	None	Lesser of \$50M or 60%	None

B. Investments Authorized by Debt Agreements

The above investments do not address investments of debt proceeds held by a bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

CITY OF FULLERTON, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The City monitors the interest rate inherent in its portfolio by measuring the weighted average maturity of its portfolio.

The investment maturities of the City's portfolio as of June 30, 2024, are as follows:

	Remaining Investment Maturities			Fair Value
	12 months or less	1 to 3 years	3 to 5 years	
Investments				
Local Agency Investment Fund	\$ 52,461,826	\$ -	\$ -	\$ 52,461,826
California CLASS	72,824,885	-	-	72,824,885
US Government Treasury Notes	-	50,604,107	39,124,955	89,729,062
Corporate Notes	1,155,599	5,826,472	5,015,440	11,997,512
Municipal Issuances	783,536	4,050,693	1,098,075	5,932,304
Federal Agency Securities:				
FNMA	286,992	777,442	-	1,064,434
Money Market Mutual Funds	724,218	-	-	724,218
Total Investments	<u>128,237,057</u>	<u>61,258,714</u>	<u>45,238,470</u>	<u>234,734,241</u>
Investments with Fiscal Agents:				
PARS OPEB Trust Fund:				
Equity Securities	80,662	-	-	80,662
PARS Section 115 Pension Trust Fund:				
Equity Securities	637,739	-	-	637,739
Money Market Mutual Funds	1,067,327	-	-	1,067,327
Total Investments with Fiscal Agents	<u>1,785,728</u>	<u>-</u>	<u>-</u>	<u>1,785,728</u>
Total	<u>\$ 130,022,786</u>	<u>\$ 61,258,714</u>	<u>\$ 45,238,470</u>	<u>\$ 236,519,970</u>

D. Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City has no investments that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above).

E. Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfil its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

CITY OF FULLERTON, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

Presented below is the minimum rating as required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating, as reported by Standard and Poor's, as of year-end for each investment type:

	Total as of June 30, 2024	Minimum Legal Rating	AAA	AA- to AA+	A- to A+	Not Subject to Credit Risk Disclosure
Investments:						
Local Agency Investment Fund	\$ 52,461,826	N/A	\$ -	\$ -	\$ -	\$ 52,461,826
California CLASS	72,824,885	N/A	-	-	-	72,824,885
US Government Treasury Notes	89,729,062	N/A	89,729,062	-	-	-
Corporate Notes	11,997,512	A	2,099,235	2,656,516	6,257,611	984,150
Municipal Issuances	5,932,304	N/A	4,493,833	814,803	-	623,668
Federal Agency Securities:						
FNMA	1,064,434	N/A	1,064,434	-	-	-
Money Market Mutual Funds	724,218	AAA	724,218	-	-	-
Total Investments	234,734,241		98,110,782	3,471,319	6,257,611	126,894,529
Investments with Fiscal Agents:						
PARS OPEB Trust Fund:						
Equity Securities	80,662	N/A	-	-	-	80,662
PARS Section 115 Pension Trust Fund:						
Equity Securities	637,739	N/A	-	-	-	637,739
Money Market Mutual Funds	1,067,327	AAA	1,067,327	-	-	-
Total Investments with Fiscal Agents	1,785,728		1,067,327	-	-	718,401
Total	\$ 236,519,970		\$ 99,178,109	\$ 3,471,319	\$ 6,257,611	\$ 127,612,931

F. Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There were no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represented 5% or more of total City investments in FY 2024.

G. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2024, none of the City's deposits or investments were exposed to custodial credit risk. As of June 30, 2024, \$2,256,677 in investments are purchased and held by the bond trustee.

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

H. Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata shares of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawals is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. LAIF does not impose limits or restrictions on participant withdrawals, and the entire balance of the City's investment in the portfolio is available for withdrawal at any time. LAIF is not registered with the Securities and Exchange Commission and is not rated. Deposits and withdrawals in LAIF are made on the basis of \$1 and not fair value. Accordingly, the City's investment in this pool is measured on uncategorized inputs not defined as Level 1, 2, or 3.

I. Allocation of interest income among funds

Interest income from pooled investments is allocated to those funds which are required by law or administrative action to receive interest. Interest is allocated on a monthly basis based on the weighted average cash balances in each fund receiving interest. Interest income from cash and investments with fiscal agent is credited directly to the related fund.

J. Restricted cash and investments

The restricted cash and investments account include various cash amounts retained in debt service reserves required by the revenue bond covenants, customer deposits held by utility, bond current debt service account and bond future debt service reserve account. Cash and investments for CDBG loan program accounts are also included in the restricted cash and investments since their use is restricted by legal requirements.

K. Fair Value Measurement and Application

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are quoted prices for similar assets in active markets; Level 3 inputs are significant unobservable inputs.

CITY OF FULLERTON, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

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

	Total as of June 30, 2024	Not Measured at Fair Value	Level 1	Level 2
Investments:				
Local Agency Investment Fund	\$ 52,461,826	\$ 52,461,826	\$ -	\$ -
California CLASS	72,824,885	72,824,885	-	-
US Government Treasury Notes	89,729,062	-	-	89,729,062
Corporate Notes	11,997,512	-	-	11,997,512
Municipal Issuances	5,932,304	-	-	5,932,304
Federal Agency Securities:				
FNMA	1,064,434	-	-	1,064,434
Money Market Mutual Funds	724,218	-	724,218	-
Total Investments	234,734,241	125,286,711	724,218	108,723,312
Investments with Fiscal Agents:				
PARS OPEB Trust Fund:				
Equity Securities	80,662	-	-	80,662
PARS Section 115 Pension Trust Fund:				
Equity Securities	637,739	-	-	637,739
Money Market Mutual Funds	1,067,327	-	1,067,327	-
Total Investments with Fiscal Agents	1,785,728	-	1,067,327	718,401
Total	\$ 236,519,970	\$ 125,286,711	\$ 1,791,546	\$ 109,441,713

NOTE 4: ACCOUNTS RECEIVABLE

Receivables as of year-end for the government's individual major funds and aggregate nonmajor, internal service, and fiduciary funds, including applicable allowances for uncollectible accounts, are as follows:

Component	Governmental Activities					
	General Fund	Grants		Nonmajor Governmental Funds	Internal Service Funds	Total
		Administration	Capital Projects			
Accounts	\$ 1,113,062	\$ 565,956	\$ 545,541	\$ 40,431	\$ 74,830	\$ 2,339,820
Unbilled accounts	13,404,052	1,623,199	4,639,500	4,932,545	-	24,599,296
Water, sanitation, and trash	31,427	-	-	1,129,152	-	1,160,579
Parks and recreation	69,316	-	-	-	-	69,316
Bank return items	265,355	-	-	-	-	265,355
Total	\$ 14,883,212	\$ 2,189,155	\$ 5,185,041	\$ 6,102,128	\$ 74,830	\$ 28,434,366
Component	Business-Type Activities					
	Airport	Water Utility	Sewer Enterprise	Nonmajor Enterprise Funds	Total	
Accounts	\$ 674,799	\$ 21,545	\$ 99,509	\$ 47,063	\$ 842,916	
Unbilled accounts	28,139	7,553,256	1,262,396	-	8,843,791	
Water, sanitation, and trash	-	1,831,402	425,928	317	2,257,647	
Total	\$ 702,938	\$ 9,406,203	\$ 1,787,833	\$ 47,380	\$ 11,944,354	

NOTE 5: NOTES AND LOANS RECEIVABLE

Housing Fund

A. Affordable Housing Loan Program

The former Redevelopment Agency Low and Moderate Housing fund offered low interest loans to owners and developers providing affordable housing to low- and moderate-income tenants. The loans have various interest rates and terms of repayment. These activities have been transferred to the City and are accounted for in the Housing Fund. The outstanding balance at June 30, 2024, is \$11,265,238

B. DAP – Down Payment Assistance Program

The loans are given in amounts not to exceed \$45,000 per applicant. The loans are payable after 15 years' interest free. The outstanding balance at June 30, 2024, is \$486,153

The Housing Fund notes and loans receivable total \$11,751,391.

Grants Administration Fund

C. Housing and Community Development Loan Program (CDBG Loans)

The City uses Community Development Block Grant (CDBG) funding to provide loans to eligible applicants. Two types of loans are available: below market interest rate loans and deferred loans.

Below market interest rate loans are offered to low and moderate-income owner/occupants and to owner/investors whose tenants have low and moderate income. Pacific Premier Bank acts as the lender for this program, with the City providing interest subsidies. The maximum term of the loans is fifteen years.

Interest-free deferred loans are offered to low and moderate-income owner/occupants. The City lends CDBG funding directly to eligible households through this program. Deferred loans are payable upon the sale or transfer of the property.

The rehabilitation loans are recorded in the Grants Administration Fund as Notes Receivable and Deferred Revenue. Since the Department of Housing and Urban Development has a claim to any funds remaining when the program is terminated, these funds are reported as liabilities. The outstanding balance at June 30, 2024, is \$1,164,880.

D. Civic Center Barrio Housing (HOME Fund – Notes Receivable)

On July 19, 1994, an Owner Participation Agreement was issued for the acquisition and rehabilitation of affordable rental housing projects located at Garnet Lane Apartments at a simple interest rate of 3%. These loans are due in 30 years commencing July 19, 2024. Repayments are due in installment amounts, starting December 14, 2001. The installments are equal to the percentage of the "net operating income after debt service," if any, for the period from the Note Date through the end of the full calendar year preceding the first installment payment that is equal to the percentage of the total costs of acquiring the site and developing the project, that is financed by the City. The outstanding principal balance is \$844,944 with accrued interest of \$749,498, totaling \$1,594,442 at June 30, 2024.

On December 14, 2000, a 30-year loan was granted for the acquisition and rehabilitation of an affordable rental housing project serving very low-income households through funds the City received from the HOME Investment Partnerships Program for the project located at 436 & 442 W. Valencia Drive. The original amount loaned was \$444,281 at a simple interest rate of 3%. Repayments are due in installment amounts, starting December 14, 2001. The installments are equal to the percentage of the "net operating income after debt service," if any, for the period from the note date through the end of the full calendar year preceding the first installment payment that is equal to the percentage of the total costs of acquiring the site and developing the project, that is financed by the City. The outstanding principal balance is \$444,281 with accrued interest of \$303,582, totaling \$747,863 at June 30, 2024.

NOTE 5: NOTES AND LOANS RECEIVABLE (CONTINUED)

On February 22, 2001, a 30-year loan was granted for the acquisition and rehabilitation of an affordable rental housing project serving very low-income households through funds the City received from the HOME Investment Partnerships Program for the project located at 461 West Avenue for \$308,065 at a simple interest rate of 3%. Repayments are due in installment amounts, starting December 14, 2001. The installments are equal to the percentage of the "net operating income after debt service," if any, for the period from the note date through the end of the full calendar year preceding the first installment payment that is equal to the percentage of the total costs of acquiring the site and developing the project, that is financed by the City. The outstanding principal balance is \$308,065 with accrued interest of \$211,596 totaling \$519,661 at June 30, 2024.

E. Fullerton Interfaith Housing (HOME Fund – Notes Receivable)

On October 28, 1994, the disposition and development agreement/Home program participation agreement was entered into between Interfaith Housing Development Corporation and the City. A 30-year loan was granted for the acquisition and rehabilitation of the East Fullerton Villas up to \$165,000 at a compounded interest rate of 6.25%. Repayments are due in installments every August 1, starting August 1, 1998. The installments are equal to the percentage of the "net operating income after debt service," if any, for the period from the note date through the end of the full calendar year preceding the first installment payment that is equal to the percentage of the total costs of acquiring the site and developing the project, that is financed by the City. The outstanding principal balance is \$165,000 with accrued interest of \$698,951, totaling \$863,951 at June 30, 2024.

F. Neighborhood Services (HOME Fund – Notes Receivable)

On November 5, 1996, an owner participation and HOME Program Participation Agreement was entered into between the City and La Habra Neighborhood Housing Services, Inc., in which a loan was granted for the acquisition and rehabilitation of an affordable rental housing project serving very low-income households through funds the City received from HOME Investment Partnership Program for the project located at Garnet Lane Apartments "B" up to \$565,000 at a simple interest rate of 3%. Repayments are due in installments every August 1, starting August 1, 1998. The installments are equal to the percentage of the "net operating income after debt service," if any, for the period from the note date through the end of the full calendar year preceding the first installment payment that is equal to the percentage of the total costs of acquiring the site and developing the project, that is financed by the City. The note matures on November 27, 2026, at which time the loan will become due in full. The outstanding principal balance is \$577,504 with accrued interest of \$609,244 totaling \$1,186,748 at June 30, 2024.

G. Richman Court, LP (HOME Fund – Notes Receivable)

On November 23, 2010, the City agreed to loan \$1,750,000 as a purchase assistance loan for the Roberta Apartments, which was later amended to an additional \$269,560 for a rehabilitation loan. The loan matures over 55 years at a simple interest of 1.5%. Annual payments equal to 50% of project cash flow will begin on November 23, 2030. The outstanding principal balance is \$2,019,560 with accrued interest of \$404,455, totaling \$2,424,015 at June 30, 2024.

On August 16, 2010, the City agreed to loan \$1,985,000 as a purchase assistance loan for the Home Apartments. An additional construction loan was granted on April 30, 2012, for \$176,416. The loan matures over 45 years at a simple interest rate of 3%. The loan will begin to receive loan reductions of \$48,032 annually starting one year after the release of the construction covenants which occurred on April 11, 2012. The outstanding principal balance is \$1,585,039 with accrued interest of \$778,254, totaling \$2,363,293 at June 30, 2024.

H. Neighborhood Housing Services (HOME Fund – Notes Receivable)

On February 17, 2004, the City agreed to loan \$550,000 as a purchase assistance loan for the 3810 and 3830 Franklin Avenue Apartments. An additional loan was granted for \$953,337 on July 31, 2006. The loan matures over 30 years with a simple interest rate of 3% annually. The loan began loan reductions as forgiveness starting September 19, 2007, of \$55,000 annually. Any unpaid portion will be payable on the Maturity Date. The outstanding principal balance is \$577,504 with accrued interest of \$609,244 totaling \$1,186,748 at June 30, 2024.

NOTE 5: NOTES AND LOANS RECEIVABLE (CONTINUED)

On November 5, 2004, the City agreed to loan \$146,663 as a development assistance loan for 3810 and 3830 Franklin Avenue Apartments. \$50,000 was issued on November 5, 2004, and \$96,663 was issued on September 14, 2007. The loan matures over 30 years with a simple interest rate of 3% annually. The outstanding principal is \$146,663 with accrued interest of \$78,194, totaling \$224,857 at June 30, 2024.

I. Orange County Community Housing Corporation (HOME Fund – Notes Receivable)

On July 23, 2014, the City agreed to loan \$185,136 as a purchase assistance loan for the 2007 Oxford Avenue Apartments. The loan matures over 15 years with no interest. The loan is subject to loan reductions should the borrower be following various Affordable Housing requirements. The outstanding balance at June 30, 2024 is \$185,136.

J. HOME Rehabilitation program

The City uses HOME grant funding to offer interest free deferred loans to low- and moderate-income owner/occupants. Deferred loans are payable upon the sale or transfer of the property and are reviewed every fifteen years to ensure that income qualifications are met. The outstanding balance at June 30, 2024, is \$861,019.

K. DAP – Down Payment Assistance Program

The down payment assistance program is funded by HOME Grants. The loans are given in amounts not to exceed \$45,000 per applicant. The loans are payable after 15 years interest free. The outstanding balance at June 30, 2024, is \$182,598.

L. NSP – Neighborhood Stabilization Program

The neighborhood stabilization program is funded by HOME Grants. The loans are issued for the acquisition and rehabilitation of property. No interest shall accrue on the loans. Repayment of the loan will concurrently occur upon the transfer of the property to an eligible homebuyer following the completion of the rehabilitation project and in compliance with the NSP Agreement. The amount paid shall be equal to the resale price of the property. Any outstanding balance, if any, shall be forgiven. The outstanding balance at June 30, 2024, was \$206,074.

M. 1600 Commonwealth L.P. (HOME Loan)

On May 31, 2024, the City agreed to loan \$1,000,000 for the 1650 W Commonwealth Ave & 203 S Basque Ave construction project. The loan matures in 55 years from the date of recordation of the Certificate of Occupancy (COO) for the project and carries an interest rate of 3%. Annual payments of 50% of the residual receipts will commence once both the City Land and Bonds Loans are paid in full. At the end of the term, the outstanding balance will be due and payable. The loan is secured with a third trust deed and includes affordability restrictions associated with the HOME Loan for 20 years from the COO. As of June 30, 2024, the outstanding balance of the loan is \$1,000,000.

The Grants Administration Fund notes and loans receivable total \$14,557,243.

CITY OF FULLERTON, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 6: CAPITAL ASSETS

A. The following is summary of capital assets for governmental activities:

	Beginning Balance	Transfers of CIP	Increases	Decreases	Ending Balance
Capital assets, not being depreciated/ amortized:					
Land	\$ 72,181,848	\$ -	\$ 6,484,171	\$ (4,498,832)	\$ 74,167,187
Construction in progress	218,672,680	(114,209,016)	23,434,182	(1,585,404)	126,312,442
Total capital assets, not being depreciated/amortized	<u>290,854,528</u>	<u>(114,209,016)</u>	<u>29,918,353</u>	<u>(6,084,236)</u>	<u>200,479,629</u>
Capital assets, being depreciated/ amortized:					
Buildings	92,067,793	1,306,309	3,100,051	(117,586)	96,356,567
Improvements other than buildings	75,495,852	11,886,486	204,706	(168,172)	87,418,872
Machinery and equipment	42,176,609	290,117	3,385,818	(1,329,829)	44,522,715
Leasehold improvements	1,837,445	-	-	-	1,837,445
Lease assets	582,880	-	423,246	-	1,006,126
Subscription assets	3,740,120	-	4,114,510	(561,376)	7,293,254
Infrastructure	308,038,208	100,726,104	1,879	(5,723,631)	403,042,560
Total capital assets, being depreciated/ amortized	<u>523,938,907</u>	<u>114,209,016</u>	<u>11,230,210</u>	<u>(7,900,594)</u>	<u>641,477,539</u>
Less accumulated depreciation/ amortization for:					
Buildings	(29,005,931)	-	(1,748,645)	117,586	(30,636,990)
Improvements other than buildings	(42,165,028)	-	(3,170,281)	168,172	(45,167,137)
Machinery and equipment	(26,946,160)	-	(2,402,677)	1,162,200	(28,186,637)
Leasehold improvements	(1,755,470)	-	(27,325)	-	(1,782,795)
Lease assets	(140,333)	-	(269,847)	-	(410,180)
Subscription assets	(249,905)	-	(721,512)	68,983	(902,434)
Infrastructure	(199,329,279)	-	(5,541,367)	5,592,154	(199,278,492)
Total accumulated depreciation/ amortization	<u>(299,592,106)</u>	<u>-</u>	<u>(13,881,654)</u>	<u>7,109,095</u>	<u>(306,364,665)</u>
Total capital assets being depreciated/ amortized, net	<u>224,346,801</u>	<u>114,209,016</u>	<u>(2,651,444)</u>	<u>(791,499)</u>	<u>335,112,874</u>
Governmental activities capital assets, net	<u>\$ 515,201,329</u>	<u>\$ -</u>	<u>\$ 27,266,909</u>	<u>\$ (6,875,735)</u>	<u>\$ 535,592,503</u>

Governmental activities depreciation/amortization expense for capital assets for the year ended June 30, 2024, is as follows:

General government	\$ 233,521
Public safety	1,199,161
Public works	7,151,064
Community development	161,491
Human and leisure	2,728,467
Liability insurance	228
Vehicle replacement	1,404,640
Equipment maintenance	2,463
Information technology	35,557
Building maintenance	3,429
Worker's Compensation	944,966
Group Insurance	4,919
Facility capital repair	11,748
Total depreciation/amortization expense - governmental activities	<u>\$ 13,881,654</u>

CITY OF FULLERTON, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 6: CAPITAL ASSETS (CONTINUED)

B. The following is summary of capital assets for business-type activities:

	Beginning Balance	Transfers of CIP	Increases	Decreases	Ending Balance
Capital assets, not being depreciated/ amortized:					
Land	\$ 9,535,034	\$ -	\$ -	\$ -	\$ 9,535,034
Construction in progress	20,562,397	(15,076,080)	22,704,906	-	28,191,223
Total capital assets, not being depreciated/amortized	<u>30,097,431</u>	<u>(15,076,080)</u>	<u>22,704,906</u>	<u>-</u>	<u>37,726,257</u>
Capital assets, being depreciated/ amortized:					
Buildings	9,894,685	-	-	-	9,894,685
Improvements other than buildings	96,611,082	13,322,175	104,075	-	110,037,332
Machinery and equipment	14,399,664	-	100,674	-	14,500,338
Subscription assets	28,948	-	33,697	(28,948)	33,697
Infrastructure	64,474,080	1,753,905	-	-	66,227,985
Total capital assets, being depreciated/amortized	<u>185,408,459</u>	<u>15,076,080</u>	<u>238,446</u>	<u>(28,948)</u>	<u>200,694,037</u>
Less accumulated depreciation/ amortization for:					
Buildings	(3,601,781)	-	(287,019)	-	(3,888,800)
Improvements other than buildings	(41,297,168)	-	(1,471,254)	-	(42,768,422)
Machinery and equipment	(13,362,888)	-	(230,128)	-	(13,593,016)
Subscription assets	(1,316)	-	(14,788)	2,625	(13,479)
Infrastructure	(7,848,703)	-	(1,219,301)	-	(9,068,004)
Total accumulated depreciation/ amortization	<u>(66,111,856)</u>	<u>-</u>	<u>(3,222,490)</u>	<u>2,625</u>	<u>(69,331,721)</u>
Total capital assets being depreciated/amortized, net	<u>119,296,603</u>	<u>15,076,080</u>	<u>(2,984,044)</u>	<u>(26,323)</u>	<u>131,362,316</u>
Business-type activities capital assets, net	<u>\$ 149,394,034</u>	<u>\$ -</u>	<u>\$ 19,720,862</u>	<u>\$ (26,323)</u>	<u>\$ 169,088,573</u>

Business-type activities depreciation/amortization expense for capital assets for the year ended June 30, 2024, is as follows:

Airport	\$ 448,762
Water Utility	1,693,210
Sewer Enterprise	994,872
Compressed Natural Gas	1,309
Brea Dam Facilities Recreational	<u>84,337</u>
Total depreciation/amortization expense - business-type activities	<u>\$ 3,222,490</u>

CITY OF FULLERTON, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 7: DEFINED BENEFIT PENSION PLANS

A. General Information about the Pension Plans

Plan Description, Benefits Provided, and Employees Covered

The Miscellaneous and Safety Plans (the Plans) are agent multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). 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 Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2024, are summarized as follows

	<u>Miscellaneous</u>	
	<u>Prior to</u>	<u>On or after</u>
	<u>January 1, 2013*</u>	<u>January 1, 2013</u>
Hire date		
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50	52
Monthly benefits, as a % of eligible compensation	1.426% - 2.418%	1.0% - 2.5%
Required employee contribution rates	6.790%	7.390%
Required employer contribution rates	26.498%	26.498%

* Closed to new entrants

	<u>Safety</u>	
	<u>Prior to</u>	<u>On or after</u>
	<u>January 1, 2013*</u>	<u>January 1, 2013</u>
Hire date		
Benefit formula	3% @ 50	3% @ 57
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50	52
Monthly benefits, as a % of eligible compensation	2.0% - 3.0%	2.0% - 2.7%
Required employee contribution rates	9.671%	12.500%
Required employer contribution rates	51.769%	51.769%

* Closed to new entrants

CITY OF FULLERTON, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 7: DEFINED BENEFIT PENSION PLANS (CONTINUED)

At June 30, 2024, the following employees were covered by the benefit terms of the Plans:

Description	Number of Members	
	Miscellaneous Plan	Safety Plan
Active members	294	180
Transferred members	381	77
Terminated members	260	54
Retired members and beneficiaries	700	451
Total	1,635	762

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer 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. Miscellaneous Plan contributions for the year equaled \$7,986,451 and Safety Plan contributions for the year equaled \$19,995,561.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2022, valuation was rolled forward to determine the June 30, 2023, total pension liability, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions	
Discount rate	6.90%
Inflation	2.30%
Salary increases	Varies by entry age and services
Mortality rate table	Derived using CalPERS' membership data for all funds
Post-retirement benefit increase	The lesser of contract COLA or 2.30% until purchasing power protection allowance floor on purchasing power applies, 2.30% thereafter

The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the *2021 CalPERS Experience Study and Review of Actuarial Assumptions*. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

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.

CITY OF FULLERTON, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 7: DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

Asset Class	Assumed Asset Allocation	Real Return ^{1, 2}
Global equity-cap-weighted	30.00%	4.54%
Global equity-non-cap-weighted	12.00%	3.84%
Private equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed securities	5.00%	0.50%
Investment grade corporates	10.00%	1.56%
High yield	5.00%	2.27%
Emerging market debt	5.00%	2.48%
Private debt	5.00%	3.57%
Real assets	15.00%	3.21%
Leverage	-5.00%	-0.59%

¹ An expected inflation of 2.30% used for this period.

² Figures are based on the 2021 Asset Liability Management study

Discount Rate

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

Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB Statement No. 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.

The amortization period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on pension plan 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.

CITY OF FULLERTON, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 7: DEFINED BENEFIT PENSION PLANS (CONTINUED)

The EARSL for the plan for the measurement period ending June 30, 2023 is 2.0 years, which was obtained by dividing the total service years of 3,197 (the sum of remaining service lifetimes of the active employees) by 1,635 (the total number of participants: active, inactive, and retired). Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

B. Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

Changes in the Net Pension Liabilities

Changes in the City's net pension liabilities for the year ended June 30, 2024, were as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Assets)
Miscellaneous Plan:			
Balance at: 6/30/2023 (Measurement Date of 6/30/2022)	\$ 325,337,555	\$ 242,949,913	\$ 82,387,642
Changes recognized for the Measurement Period:			
Service Cost	3,386,609	-	3,386,609
Interest on the Total Pension Liability	22,005,969	-	22,005,969
Changes of Benefit Terms	429,739	-	429,739
Difference between Expected and Actual Experience	1,245,548	-	1,245,548
Contribution from the Employer	-	8,225,656	(8,225,656)
Contributions from Employees	-	1,689,621	(1,689,621)
Net Investment Income	-	14,895,695	(14,895,695)
Benefit Payments including Refunds of Employee Contributions	(19,558,103)	(19,558,103)	-
Administrative Expense	-	(178,654)	178,654
Net changes during 2022-2023	7,509,762	5,074,215	2,435,547
Balance at: 6/30/2024 (Measurement Date of 6/30/2023)	332,847,317	248,024,128	84,823,189
Safety Plan:			
Balance at: 6/30/2023 (Measurement Date of 6/30/2022)	564,056,423	355,181,739	208,874,684
Changes recognized for the Measurement Period:			
Service Cost	6,837,489	-	6,837,489
Interest on the Total Pension Liability	38,518,042	-	38,518,042
Changes of Benefit Terms	230,662	-	230,662
Difference between Expected and Actual Experience	7,481,421	-	7,481,421
Contribution from the Employer	-	19,372,239	(19,372,239)
Contributions from Employees	-	2,550,442	(2,550,442)
Net Investment Income	-	21,903,721	(21,903,721)
Benefit Payments including Refunds of Employee Contributions	(33,909,499)	(33,909,499)	-
Administrative expense	-	(261,184)	261,184
Net changes during 2022-2023	19,158,115	9,655,719	9,502,396
Balance at: 6/30/2024 (Measurement Date of 6/30/2023)	583,214,538	364,837,458	218,377,080
Total Plans:	\$ 916,061,855	\$ 612,861,586	\$ 303,200,269

CITY OF FULLERTON, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 7: DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

The following presents the net pension liabilities calculated using the discount rate of 6.90 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 (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	Discount Rate -1% 5.90%	Current Discount Rate 6.90%	Discount Rate +1% 7.90%
Miscellaneous Plan	\$ 126,685,163	\$ 84,823,189	\$ 50,309,315
Safety Plan	296,018,043	218,377,080	154,891,912
Total	\$ 422,703,206	\$ 303,200,269	\$ 205,201,227

Pension Plan Fiduciary Net Position

Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports. See CalPERS website for additional information.

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

For the year ended June 30, 2024, the City recognized pension expense of \$12,319,069 for the Miscellaneous Plan, and \$30,011,538 for the Safety Plan for a combined total pension expense recognized during the year of \$42,330,607. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>Miscellaneous Plan:</u>		
Contributions Subsequent to the Measurement Date	\$ 7,986,451	\$ -
Changes of Assumptions	752,155	-
Differences Between Expected and Actual Experience	622,774	(395,097)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	11,336,852	-
Subtotal - Miscellaneous Plan	20,698,232	(395,097)
<u>Safety Plan:</u>		
Contributions Subsequent to the Measurement Date	19,995,561	-
Changes of Assumptions	8,468,848	-
Differences Between Expected and Actual Experience	5,854,131	(1,350,120)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	16,587,873	-
Subtotal - Safety Plan	50,906,413	(1,350,120)
Total - Both Plans	\$ 71,604,645	\$ (1,745,217)

CITY OF FULLERTON, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 7: DEFINED BENEFIT PENSION PLANS (CONTINUED)

The \$7,986,451 and \$19,995,561 reported as deferred outflows of resources related to contributions subsequent to the measurement date for the Miscellaneous and Safety Plans, respectively, and will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,	Miscellaneous	Safety	Total
	Deferred Outflows/(Inflows) of Resources	Deferred Outflows/(Inflows) of Resources	Deferred Outflows/(Inflows) of Resources
2025	\$ 2,936,733	\$ 9,938,901	\$ 12,875,634
2026	1,017,773	6,293,677	7,311,450
2027	8,062,748	12,900,113	20,962,861
2028	299,430	428,041	727,471
Total	<u>\$ 12,316,684</u>	<u>\$ 29,560,732</u>	<u>\$ 41,877,416</u>

NOTE 8: DEFINED CONTRIBUTION PENSION PLAN

The City provides pension benefits for all of its non-regular employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The plan is administered as part of the City's 457 plan. All non-regular employees are eligible to participate from the date of employment. Federal legislation requires contributions of at least 7.50% to a retirement plan, and City Council resolved to match the employees' contributions of 3.75%. The City's contributions for each employee (and interest earned by the accounts) are fully vested immediately.

For the year ended June 30, 2024, the City's payroll covered by the plan was \$1,182,323. The City made employer contributions of \$44,337 (3.75% of current covered payroll), and employees contributed \$44,337 (3.75% of current covered payroll). These amounts are now held in trust for the exclusive benefit of the participants and their beneficiaries.

NOTE 9: POST-EMPLOYMENT HEALTHCARE PLAN

Plan Description

The City administers a single employer defined benefit healthcare plan which provides medical insurance benefits to eligible retirees and their spouses in accordance with various labor agreements. Employees are eligible for retiree health benefits if they retire from the City on or after age 50 with at least 10 years of service (5 years for Executive, Management and Confidential employees) or with a disability at any age with any service and are eligible for a PERS pension.

Miscellaneous and Police retirees and their spouses are covered either under the Kaiser plan or the Cigna HMO and PPO health plans. Fire and Fire Management retirees and their spouses are covered in the health plans available through California PERS.

The City's contribution for retiree health benefits is \$200 for participants that retire with 20 or more years of service and \$100 for participants that retire with more than 10 but less than 20 years of service at retirement for all non-Fire bargaining unit employees hired after January 1, 2012.

After age 65, the City's contribution towards retiree health insurance stops except that the City will pay the minimum required contribution for Fire and Fire Management retirees enrolled in the California PERS health plans.

NOTE 9: POST-EMPLOYMENT HEALTHCARE PLAN (CONTINUED)

Employees Covered

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

Active	466
Inactive employees or beneficiaries currently receiving benefits	187
Inactive employees entitled to, but not yet receiving benefits	<u>71</u>
Total	<u><u>724</u></u>

Contributions

The contribution requirements of plan members and the City are established and may be amended by the City Council and/or the employee associations. The required contribution is based on projected pay-as-you-go premiums. The City pays 100 percent of the amount provided to active employees (single party) of the premium for the retirees employed by the City for 20 years and 25 percent for Management employees employed by the City more than five years but less than 10 years. The City's obligation under the resolution will be discontinued at the earlier of the retiree reaching the age of 65 or receipt of health insurance coverage from another employer. For the measurement date ended June 30, 2023, the City recognized contributions, including the implicit subsidy, in the amount of \$730,089 as a reduction to the net OPEB liability.

Net OPEB Liability

The City's net OPEB liability was based on an actuarial valuation as of June 30, 2023. This is the date as of which the actuarial valuation was performed. The City's measurement date was as of June 30, 2023, and to develop the net OPEB liability at the beginning of the measurement period on July 1, 2021, the results of the June 30, 2023, valuation were rolled back, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age, Level Percent of Pay
Actuarial Assumptions	
Discount Rate	3.86%
Long-term expected investment return	6.50%
Inflation Rate	2.30%
Mortality	Based on assumptions for Public Agency Miscellaneous, Police, and Fire members published in the 2021 CalPERS Experience Study. These tables include 15 years of static mortality improvement using 80% of Scale MP-2020.
Healthcare Cost-trade Rate	Based on 2022 Getzen model that reflects actual premium changes from 2022 to 2023 followed by 6.50% in 2023 decreasing gradually to an ultimate rate of 3.73% by 2075.

Discount Rate

The discount rate used to measure the net OPEB liability was 3.86 percent. It reflects the long-term expected rate of return on OPEB plan investments that are expected to be used to finance the payment of benefits. To the extent that OPEB plan assets are insufficient to finance all OPEB benefits, the discount rate is based on 20-year tax exempt AA or higher Municipal Bonds.

CITY OF FULLERTON, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 9: POST-EMPLOYMENT HEALTHCARE PLAN (CONTINUED)

Changes in the Net OPEB Liability

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

Miscellaneous Plan	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (c) = (a) - (b)
Balance at June 30, 2023 (measured 6/30/2022)	\$26,488,642	\$ 63,432	\$26,425,210
Changes Recognized from the Measurement Period			
Service Cost	1,083,117	-	1,083,117
Interest	983,060	-	983,060
Difference between Expected and Actual Experience	62,188	-	62,188
Changes of Assumptions	(579,160)	-	(579,160)
Difference between Projected and Actual Earnings on Investments	-	3,087	(3,087)
Projected Earnings on OPEB Plan Investments	-	4,111	(4,111)
Contribution - Employer	-	(1,861,165)	1,861,165
Benefit Payments	(1,861,165)	1,861,165	(3,722,330)
Administrative Expense	-	(377)	377
Net Changes	<u>(311,960)</u>	<u>6,821</u>	<u>(305,139)</u>
Balance at June 30, 2024 (measured 6/30/2023)	<u>\$26,176,682</u>	<u>\$ 70,253</u>	<u>\$26,106,429</u>

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 one percentage point lower or one percentage point higher than the current discount rate, for measurement period ended June 30, 2023:

	1% Decrease (2.86%)	Current Discount Rate (3.86%)	1% Increase (4.86%)
Net OPEB Liability	\$28,736,440	\$26,106,429	\$23,846,701

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 one percentage point lower or one percentage point higher than the current healthcare cost trend rate, for measurement period ended June 30, 2023:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability	\$23,846,666	\$26,106,429	\$28,916,442

CITY OF FULLERTON, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 9: POST-EMPLOYMENT HEALTHCARE PLAN (CONTINUED)

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

For the fiscal year ended June 30, 2024, the City recognized net OPEB income of \$1,426,780. As of fiscal year ended June 30, 2024, the City reported deferred outflows and deferred inflows of resources related to net OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contribution subsequent to measurement date	\$1,832,299	\$ -
Difference between projected actual experience	1,624	(4,918,039)
Difference between expected and actual earnings on investments	152,323	-
Change in Assumptions	3,960,877	(7,145,835)
Total	<u>\$5,947,123</u>	<u>\$ (12,063,874)</u>

The \$1,832,299 was reported as deferred outflows of resources related to contributions made subsequent to the measurement date for the net OPEB liability but before the end of the City's reporting period and will be recognized as a reduction of the net OPEB liability in the subsequent fiscal period rather than in the current fiscal period.

Other amounts reported as deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year ended June 30:	Deferred (Inflows) of Resources
2025	\$ (1,721,299)
2026	(1,445,413)
2027	(986,971)
2028	(1,067,723)
2029	(1,035,132)
Thereafter	(1,692,512)
Total	<u>\$ (7,949,050)</u>

NOTE 10: COMMITMENTS AND CONTINGENCIES

As of June 30, 2024, there are certain personal injury lawsuits, which have been denied by the City Council. The outcome and eventual liability to the City, if any, in these cases are not known at this time. After reviewing these lawsuits with legal counsel, management estimates that the potential claims against the City, not covered by insurance, resulting from such litigation would not materially affect the financial statements of the City.

The City is party to certain ongoing litigation, which would not be covered by the City's insurance and payable out of the Airport enterprise fund should an unfavorable outcome occur. As of this time, the outcome and likely liability to the City is not known.

CITY OF FULLERTON, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 10: COMMITMENTS AND CONTINGENCIES (CONTINUED)

The following material construction commitments existed at June 30, 2024:

Project Name	Current Amount	Expenditures to date as of June 30, 2024	Remaining Commitments
Harbor Signal Synchronization	\$ 526,302	\$ 87,725	\$ 438,577
Fullerton Safe Streets and Road	246,570	12,019	234,551
Water Rate Study	164,233	8,883	155,350
City Wide Tree Removals	554,593	33,780	520,813
Sewer Master Plan	249,450	132,302	117,148
Water Well Replacement Program	385,527	189,536	195,992
PFAS Management	552,524	103,457	449,067
Skyline-Raymond Area Water Main	393,150	206,178	186,973
Lindendale Area Water Main Rep	127,145	-	127,145
Union Pacific Trail "Phase	182,545	36,090	146,455
Nutwood-Yale St. Improvements	100,105	-	100,105
Valencia Mesa Drive Rehabilitation	745,299	-	745,299
Hermosa Area Street Rehabilitation	2,878,222	-	2,878,222
Orangethorpe Signal Synchronization	1,520,130	1,356,779	163,351
AFI Building Renovation	2,360,527	664,320	1,696,207
Marion Area Infrastructure Improvement	1,824,533	1,288,885	535,648
Glenwood Area Water Main Replacement	3,492,991	3,372,799	120,192
Crown Area Water Main Replacement	770,560	464,350	306,210
Hollydale Area Water Main Replacement	1,770,100	984,320	785,780
Orangethorpe Acacia to Sta	152,327	-	152,327
Rancho-Verona Area Water Main	1,850,900	1,003,875	847,025
Firethorne Area Water Main Replacement	1,748,596	459,906	1,288,690
Euclid and Rosecrans Water Main	3,353,050	776,500	2,576,550
Candlewood Area Water Main Replacement	1,298,246	-	1,298,246
Energy Infrastructure Modernization	695,012	152,793	542,219
CNG Station Compressor Equipment	550,549	117,953	432,596
PFAS Management	243,967	81,322	162,644
Airport Runway 6 Precision App	388,389	-	388,389
Electrical Generator Upgrades	338,139	-	338,139

NOTE 11: RISK MANAGEMENT

A. Self-Insurance Program

The City is exposed to various risks of loss related to its operations, including losses associated with errors and omissions, injuries to employees and members of the public; and natural disasters for which the City carries commercial insurance.

On September 3, 1991, the City Council approved the City's membership in the Independent Cities Risk Management Authority (ICRMA). For Fiscal Year 2023-24, the City's Self-Insured Retention (SIR) is \$4M. The City purchased two separate excess liability coverage; \$1M excess of \$4M and \$3M excess of \$5M. The City attached at \$8M with ICRMA; \$35M losses above \$35M are self-insured.

CITY OF FULLERTON, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 11: RISK MANAGEMENT (CONTINUED)

Additionally, the City purchases commercial workers' compensation insurance with limits equal to statutory limits in excess of \$750,000 for non-safety personnel and \$1,000,000 for safety personnel per claim self-insured retention level.

The City utilizes the services of a contract claims administrator for the administration of the Workers' Compensation and Liability programs.

On February 15, 1978, the City initiated a program of self-insurance for unemployment liability claims. By this action, the City will pay all claims based on the individual reimbursement account method as provided by the State of California. Expenditures are recognized when reimbursements are made to the State of California.

The total insurance claims liability as of June 30, 2024, is \$30,620,000 as established by the City's contract insurance administrator, and the City's Risk Manager. An estimate for incurred but not reported (IBNR) claims has been recorded as a liability as of June 30, 2024.

Settlements have not exceeded coverages for each of the past three fiscal years. Changes in the balances of claims liabilities during the past two years are as follows:

	<u>Public Liability</u>	<u>Workers' Compensation</u>	<u>Total</u>
Unpaid claims, June 30, 2022	\$ 15,794,000	\$ 16,385,000	\$ 32,179,000
Incurred claims (including IBNRs)	2,037,922	952,053	2,989,975
Claim payments	<u>(2,190,922)</u>	<u>(1,435,053)</u>	<u>(3,625,975)</u>
Unpaid claims, June 30, 2023	15,641,000	15,902,000	31,543,000
Incurred claims (including IBNRs)	-	2,483,125	2,483,125
Claim payments	<u>(1,407,000)</u>	<u>(1,999,125)</u>	<u>(3,406,125)</u>
Unpaid claims, June 30, 2024	<u>\$ 14,234,000</u>	<u>\$ 16,386,000</u>	<u>\$ 30,620,000</u>

NOTE 12: LEASES

A lessee is required to recognize a lease liability and lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

A. Leases Receivable and Deferred Inflows of Resources

The City leases land and buildings to various companies. The terms by lease type are listed in the table below. Some leases have extension options of ranging from five to 20 years. As of June 30, 2024, the value of the lease receivable is \$17,454,861 which includes \$32,683 in leases receivable reported in the fiduciary funds. The value of the deferred inflow of resources as of June 30, 2024 was \$16,172,213, and the amortization of the deferred inflow during the year totaled \$1,599,472.

	<u>Term Range</u>			<u>Lease Receivable as of Commencement Date</u>	<u>Lease Receivable as of June 30, 2024</u>
Land - Cell Towers	2.08	to	20.76	\$ 6,311,444	\$ 5,563,729
Buildings	3.17	to	16.25	3,869,489	2,017,125
Golf Course	20.26	to	20.26	273,545	242,122
Airport Hangar Rent	6.50	to	29.02	10,745,031	9,631,885
				<u>\$ 21,199,509</u>	<u>\$ 17,454,861</u>

CITY OF FULLERTON, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 12: LEASES (CONTINUED)

The principal and interest payments that are expected to maturity are as follows:

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2025	\$ 495,099	\$ 176,512	\$ 671,611
2026	495,821	161,791	657,612
2027	468,403	147,277	615,680
2028	474,343	133,474	607,817
2029	466,615	118,786	585,401
2030-2034	1,666,270	424,772	2,091,042
2035-2039	1,486,607	195,108	1,681,715
2040-2043	601,169	21,630	622,799
Total	<u>\$ 6,154,327</u>	<u>\$ 1,379,350</u>	<u>\$ 7,533,677</u>

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2025	\$ 566,187	\$ 292,268	\$ 858,455
2026	563,175	277,097	840,272
2027	576,230	262,143	838,373
2028	581,146	247,494	828,640
2029	565,738	231,820	797,558
2030-2034	3,044,079	930,243	3,974,322
2035-2039	3,039,184	534,617	3,573,801
2040-2044	1,310,003	238,004	1,548,007
2045-2049	835,075	89,154	924,229
2050-2053	187,034	2,612	189,646
Total	<u>\$ 11,267,851</u>	<u>\$ 3,105,452</u>	<u>\$ 14,373,303</u>

Fiscal Year	Fiduciary Funds		
	Principal Payments	Interest Payments	Total Payments
2025	\$ 32,683	\$ 78	\$ 32,761
Total	<u>\$ 32,683</u>	<u>\$ 78</u>	<u>\$ 32,761</u>

B. Leases Payable and Lease Assets

The City entered into various interest-bearing lease agreements to obtain equipment and vehicles for use by various City departments. The lease terms range from two to seven years, with total base monthly payments of \$22,023 per month and interest rates ranging from 0.29% to 1.33%. As of June 30, 2024, the total value of the lease liabilities was \$561,356.

Fiscal Year	Principal Payments	Interest Payments	Total
2024	\$ 314,262	\$ 2,426	\$ 316,688
2025	151,569	1,155	152,724
2026	84,043	370	84,413
2027	11,482	14	11,496
Total	<u>\$ 561,356</u>	<u>\$ 3,965</u>	<u>\$ 565,321</u>

CITY OF FULLERTON, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 12: LEASES (CONTINUED)

The value of the right to use assets as of June 30, 2024 was \$1,006,126 with total accumulated amortization of \$410,179.

Governmental Activities		
Asset Class	Lease Asset Value	Accumulated Amortization
Equipment	\$ 1,006,126	\$ 410,179

NOTE 13: SUBSCRIPTIONS PAYABLE

The City has entered into various subscription agreements. As of June 30, 2024, the total value of the subscription liabilities was \$5,018,580. The subscriptions have varying interest rates ranging from 2.184% and 3.331%. The value of the right to use assets as of June 30, 2024 was \$7,326,951, with total accumulated amortization of \$915,913.

Governmental Activities		
Asset Class	Subscription Asset Value	Accumulated Amortization
Software	\$ 7,293,254	\$ 902,434

Business-type Activities		
Asset Class	Subscription Asset Value	Accumulated Amortization
Software	\$ 33,697	\$ 13,479

Governmental Activities			
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2025	\$ 633,379	\$ 129,522	\$ 762,901
2026	656,033	112,778	768,811
2027	584,979	95,618	680,597
2028	597,944	80,550	678,494
2029	545,340	65,163	610,503
2030-2034	1,967,405	125,229	2,092,634
2035-2036	22,046	994	23,040
Total	\$ 5,007,126	\$ 609,854	\$ 5,616,980

Business-Type Activities			
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2025	\$ 3,729	\$ 271	\$ 4,000
2026	3,817	183	4,000
2027	3,908	92	4,000
Total	\$ 11,454	\$ 546	\$ 12,000

CITY OF FULLERTON, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 14: LONG-TERM LIABILITIES

The table below summarizes the City’s outstanding bond issuances, direct borrowing, and direct placement debts for both governmental and business-type activities:

	Original Borrowing	Interest Rates	Final Maturity	Outstanding at Year-End
Governmental Activities:				
Judgment Obligation Bonds:				
Taxable Judgment Obligation Refunding Bonds, Series 2021	\$ 5,010,000	0.359% - 2.702%	April 1, 2033	\$ 4,355,000
Total Judgment Obligation Bonds				4,355,000
Total Governmental Activities				<u>\$ 4,355,000</u>
Business-Type Activities:				
Revenue Bonds:				
2010 Lease Revenue Bonds, Series A	\$ 2,705,000	6.500% - 7.750%	May 1, 2031	\$ 1,195,000
2014 Water Revenue Refunding Bonds	6,810,000	3.000% - 5.000%	September 1, 2033	3,705,000
Total Revenue Bonds				4,900,000
Total Business-Type Activities				<u>\$ 4,900,000</u>

A. Judgment Obligation Bonds

Taxable Judgment Obligation Refunding Bonds, Series 2021 (Debt Serviced by the Liability Insurance Fund)

On March 9, 2021, the City issued the Taxable Judgment Obligation Refunding Bonds in the amount of \$5,010,000. The Bonds are being issued to (a) refund, on an advance basis, the City’s 2013 Taxable Judgment Obligation Bonds that matured on April 1, 2023, and (b) pay the costs of issuance of the Bonds. Interest and principal payments are due semiannually and annually, respectively, under the terms of the bond agreement.

B. Revenue Bonds

2010 Lease Revenue Bond, Series A (Debt Serviced by the Brea Dam Facilities Recreational Fund)

On December 22, 2010, the City issued 2010 Lease Revenue Bonds, Series A in the amount of \$2,705,000. The bonds were issued as “Taxable Recovery Zone Economic Development Bonds” for purposes of the American Recovery and Reinvestment Act of 2009 signed into law on February 17, 2009 (the “Recovery Act”). Pursuant to the Recovery Act, the City expects to receive a cash subsidy payment from the United States Treasury equal to 45% of the interest payable on or about each interest payment date. The subsidy payment is pledged under the indenture to payment of interest. Issuance of the debt was for the purpose of financing the acquisition and construction of certain capital improvements for the City and refinancing certain outstanding obligations of the City. Interest and principal payments are due semiannually and annually, respectively, under the terms of the bond agreement.

2014 Water Revenue Refunding Bonds (Debt Serviced by the Water Utility Fund)

On February 26, 2014, the City issued the 2014 Water Revenue Refunding Bonds in the amount of \$6,810,000. The bonds were issued by the City, together with other available funds of the City, to prepay the 2004 Water Revenue Certificates of Participation and the City’s obligation with the Orange County Water District. The 2014 Water Revenue Refunding Bonds are secured by a pledge of net revenues of the City’s water system. Interest and principal payments are due semiannually and annually, respectively, under the terms of the bond agreement.

C. Advance Refunding

The City issued \$5,010,000 of judgment obligation refunding bonds to provide resources to purchase securities that were placed in an irrevocable trust for the purpose of generating resources for future debt service payments of \$4,370,000 of the 2013 Taxable Judgment Obligation Bonds. As a result, the refunded bonds are considered to be

NOTE 14: LONG-TERM LIABILITIES (CONTINUED)

partially defeased and the portion of the defeased liability has been removed from the financial statements. The reacquisition price exceeded the net carrying amount of the old debt by \$477,273. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the remaining life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next ten years by \$542,063 and resulted in an economic gain of \$456,024.

D. Event of Default, Acceleration Clauses, and Termination Events

The outstanding bonds contain a provision that if any event of default should occur and is continuing, the Trustee at the written direction of the Owners of a majority in aggregate principal amount of the bonds then outstanding the Trustee shall, (a) declare the principal of the bonds, together with the accrued interest thereon, to be due and payable immediately, and upon any such declaration the same will become immediately due and payable, anything in the Indenture or in the bonds to the contrary notwithstanding, and (b) exercise any other remedies available in law or at equity.

E. Loans Payable

In July 2016, the City entered into a financed purchase agreement with Motorola Solutions, Inc., for the acquisition of 800 MHz Radio Equipment at a cost of \$2,472,439. The interest rate on the loan is 0.0% for the first two years and 2.81% for the remainder of the loan. The term of the loan is ten years. Payments are due annually under the terms of the financing agreement. At June 30, 2024, the outstanding balance was \$869,110.

In September 2017, the City entered into a tax-exempt financed purchase agreement with U.S. Bancorp Government Leasing and Finance, Inc. for the acquisition of street lighting equipment, at a cost of \$1,400,000. The interest rate on the loan is 2.56%. The term of the loan is seven years. Payments are due annually under the terms of the financing agreement. At June 30, 2024, the outstanding balance was \$215,481.

In December 2021, the City entered into a financed purchase agreement with Banc of America Public Capital Corp. for the acquisition of various equipment and fixtures including lighting system upgrades, solar system installation, HVAC replacements, electric vehicle charging stations, and various other energy efficient equipment, at a cost of up to \$8,894,000. The interest rate on the loan is 1.84%. The term of the loan is eighteen years. Payments are due semi-annually under the terms of the financing agreement. At June 30, 2024, the outstanding balance was \$8,082,385

In January 2024, the City entered into an agreement with Goodman Logistics Center Fullerton, LLC., for use of an easement at a cost of \$406,611. The interest rate on the loan is 0.0%. The term of the agreement is five years. Payments are due annually under the terms of the agreement. At June 30, 2024, the outstanding balance was \$162,645.

In April 2024, the City entered into an agreement with the Department of Transportation for the Building Renovation and Expansion Project at the Fullerton Airport. The interest rate on the loan is 3.29%. The term of the agreement is seventeen years. Payments are due annually under the terms of the agreement. At June 30, 2024, the outstanding balance was \$1,300,000.

CITY OF FULLERTON, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 14: LONG-TERM LIABILITIES (CONTINUED)

The debt service requirements for the City's loans/financed purchases are as follows:

June 30	Governmental Activities		Business-Type Activities		Total Primary Government	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 936,228	\$ 174,615	\$ 139,615	\$ 42,758	\$ 1,075,843	\$ 217,373
2026	736,742	153,030	141,532	40,841	878,274	193,871
2027	753,108	136,589	62,190	38,861	815,298	175,450
2028	463,718	119,766	64,236	36,815	527,954	156,581
2029	472,250	111,155	66,349	34,702	538,599	145,857
2030-2034	2,494,835	420,965	365,949	139,306	2,860,784	560,271
2035-2039	2,732,964	180,646	430,222	75,034	3,163,186	255,680
2040-2044	577,132	5,310	192,551	9,551	769,683	14,861
	<u>\$ 9,166,977</u>	<u>\$ 1,302,076</u>	<u>\$ 1,462,644</u>	<u>\$ 417,868</u>	<u>\$ 10,629,621</u>	<u>\$ 1,719,944</u>

F. Changes in Long-Term Liabilities

Changes in the City's long-term liabilities for the year ended June 30, 2024, are as follows:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year	Amount Due Within One Year
Governmental Activities:					
Bonds Payable:					
Judgment obligation bonds	\$ 4,800,000	\$ -	\$ 445,000	\$ 4,355,000	\$ 450,000
Total Bonds Payable	4,800,000	-	445,000	4,355,000	450,000
Financed purchases	10,082,195	-	915,218	9,166,977	936,228
Subscription liability	2,824,761	3,193,597	1,011,232	5,007,126	633,379
Lease liability	421,601	423,246	283,491	561,356	314,262
Compensated absences	2,592,020	3,058,169	2,574,979	3,075,210	117,944
Claims	31,543,000	2,483,125	3,406,125	30,620,000	6,095,000
Total Governmental Activities	<u>\$ 52,263,577</u>	<u>\$ 9,158,137</u>	<u>\$ 8,636,045</u>	<u>\$ 52,785,669</u>	<u>\$ 8,546,813</u>
Business-Type Activities:					
Bonds payable:					
Revenue bonds	\$ 5,330,000	\$ -	\$ 430,000	\$ 4,900,000	\$ 445,000
Premium	411,893	-	38,616	373,277	-
Discount	(18,623)	-	(2,483)	(16,140)	-
Total bonds payable	5,723,270	-	466,133	5,257,137	445,000
Loans payable	243,966	1,300,000	81,322	1,462,644	139,615
Compensated absences	349,919	323,568	284,899	388,588	28,041
Claims	-	2,200,000	-	2,200,000	2,200,000
Subscription liability	25,918	15,097	29,561	11,454	3,729
Total Business-Type Activities	<u>\$ 6,343,073</u>	<u>\$ 3,838,665</u>	<u>\$ 861,915</u>	<u>\$ 9,319,823</u>	<u>\$ 2,816,385</u>

CITY OF FULLERTON, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 14: LONG-TERM LIABILITIES (CONTINUED)

For compensated absences, the General Fund normally liquidates 90%, and the Airport Fund, Water Fund, Sewer Fund, and the Brea Dam Facilities Recreational Fund liquidate the remaining 10%. For claims, the Liability Insurance Fund normally liquidates approximately 40%, and the Workers' Compensation Fund normally liquidates approximately 55%; the remaining 5% is liquidated by the General Fund. The General Fund normally liquidates 65% of the Miscellaneous Plan net pension liability, while the Water Fund liquidates 15%. The remaining Miscellaneous Plan net pension liability is liquidated among the various other enterprise and internal service funds. The net pension liability for the Safety Plan is wholly liquidated by the General Fund. For net OPEB, the General Fund normally liquidates 80%, and the Water Fund liquidates 10%. The remaining 10% is liquidated among the various other enterprise and internal service funds.

The debt service requirements for the City's bonds are as follows:

June 30	Governmental Activities		Business-Type Activities		Total Primary Government	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 450,000	\$ 92,216	\$ 445,000	\$ 270,119	\$ 895,000	\$ 362,335
2026	455,000	86,969	465,000	243,738	920,000	330,707
2027	460,000	80,526	490,000	215,850	950,000	296,376
2028	470,000	72,140	510,000	186,438	980,000	258,578
2029	480,000	62,632	530,000	155,888	1,010,000	218,520
2030-2034	2,040,000	133,871	2,460,000	315,063	4,500,000	448,934
	<u>\$ 4,355,000</u>	<u>\$ 528,354</u>	<u>\$ 4,900,000</u>	<u>\$ 1,387,096</u>	<u>\$ 9,255,000</u>	<u>\$ 1,915,450</u>

NOTE 15: FUND BALANCE CLASSIFICATIONS

The fund balances of the City's governmental funds as of June 30, 2024, are presented below:

Classification	General Fund	Grants Administration	American Rescue Plan Act	Capital Projects	Other Governmental Funds	Total Governmental Funds
Nonspendable:						
Inventories	\$ 6,528	\$ -	\$ -	\$ -	\$ -	\$ 6,528
Prepaid costs	396,115	-	-	-	-	396,115
Subtotal - nonspendable	<u>402,643</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>402,643</u>
Restricted:						
Community development	-	-	1,425,827	-	1,042,791	2,468,618
Public safety	-	-	-	-	633,757	633,757
Parks and recreation	-	-	-	-	1,608,626	1,608,626
Public works	-	-	-	-	21,319,452	21,319,452
Capital projects	-	-	-	-	553,316	553,316
Debt service	-	-	-	-	205,907	205,907
Refuse collection	-	-	-	-	1,473,160	1,473,160
Housing	-	-	-	-	12,545,793	12,545,793
Opioid settlement	-	-	-	-	156,146	156,146
Library	881,092	-	-	-	-	881,092
Pension stabilization	637,739	-	-	-	-	637,739
Donations	373,494	-	-	-	413,343	786,837
Subtotal - restricted	<u>1,892,325</u>	<u>-</u>	<u>1,425,827</u>	<u>-</u>	<u>39,952,291</u>	<u>43,270,443</u>
Committed:						
Capital projects	3,277,873	-	-	-	-	3,277,873
Subtotal - restricted	<u>3,277,873</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,277,873</u>
Assigned:						
Contingency reserve	21,075,598	-	-	-	-	21,075,598
Street projects	1,627,126	-	-	-	-	1,627,126
Building permits	70,041	-	-	-	-	70,041
Subsequent year Police Department Retention	189,785	-	-	-	-	189,785
Subtotal - assigned	<u>22,962,550</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,962,550</u>
Unassigned	<u>10,121,144</u>	<u>(1,860,587)</u>	<u>-</u>	<u>(8,441,806)</u>	<u>(2,434,959)</u>	<u>(2,616,208)</u>
Total Fund Balance	<u>\$ 38,656,535</u>	<u>\$ (1,860,587)</u>	<u>\$ 1,425,827</u>	<u>\$ (8,441,806)</u>	<u>\$ 37,517,332</u>	<u>\$ 67,297,301</u>

CITY OF FULLERTON, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 16: INTERFUND TRANSACTIONS

The composition of interfund balances as of June 30, 2024, is as follows:

A. Transfers to and From Other Funds

Transfers In	Transfers Out								Total
	General Fund	Grants Administration	American Rescue Plan Act	Capital Projects	Other Governmental Funds	Water Utility	Sewer Enterprise	Internal Service Funds	
General Fund	\$ -	\$ -	\$ 6,950,000	\$ -	\$ 311,334	\$ -	\$ -	\$ -	\$ 7,261,334
Capital Projects	1,663,908	400,213	4,400,947	-	9,025,238	-	-	950,706	16,441,012
Other Governmental Funds	-	-	-	1,740	612,658	-	-	-	614,398
Water Utility	-	-	719,565	-	-	-	-	-	719,565
Internal Service Funds	208,217	-	-	-	959,468	180,000	90,000	-	1,437,685
Total	\$ 1,872,125	\$ 400,213	\$ 12,070,512	\$ 1,740	\$ 10,908,698	\$ 180,000	\$ 90,000	\$ 950,706	\$ 26,473,994

In the fund financial statements, the interfund transfers generally are made for the purpose of debt service payments made from a debt service fund but funded from an operating fund, capital improvement project expenditures paid by a capital projects fund but funded from other funds, or subsidy transfers. Additionally, during fiscal year 2023-24, the American Rescue Plan Act Fund transferred funds to the General Fund for revenue replacement. The General Fund also transferred funds to Internal Service Funds for the CCTV Network and Security Upgrade and the EnerGov ERP Implementation projects.

NOTE 17: SPECIAL ASSESSMENT DEBT WITH NO CITY COMMITMENT

The City issued special tax and assessment bonds on behalf of the property owners, pursuant to the Municipal Improvement Bond Acts of 1911, 1913, and 1915 and the Mello-Roos Community Facilities Act of 1982, to finance the acquisition and construction of certain infrastructure improvements within the assessment districts and community facilities districts.

The City acts solely as an agent for those paying special tax and assessments and remits the amounts collected to the bondholders of these Municipal Improvement Bond Acts and Mello-Roos Community Facilities Act issues. The City is acting as an agent and is in no way liable for the Special Assessment debt.

The bonds are not general obligations of the City but are limited obligations, payable solely from special tax and assessments. The City has no obligation beyond the balances in the designated custodial funds for any delinquent assessment district bond payments. If delinquencies occur beyond the amounts held in the reserve funds created from the bond proceeds, the City has no duty to pay the delinquency out of the available funds of the City. Neither the faith and credit nor the taxing power of the City, or the State of California, or any political subdivision thereof is pledged to the payment of these bonds.

At June 30, 2024, non-committal debt amounts issued and outstanding are as follows:

Non-committal Debt Issues:		Amount of Issue	Outstanding June 30, 2024
CFD No. 1	2021 Special Tax Refunding Bonds	\$12,565,000	\$ 10,330,000
CFD No. 2	2014 Special Tax Bonds	7,570,000	7,060,000
Total Non-committal Debt Issues:		<u>\$20,135,000</u>	<u>\$ 17,390,000</u>

NOTE 18: SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

The California Supreme Court upheld Assembly Bill 1X 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government would agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government. On January 10, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City resolution number 2012-04.

After the enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California could not enter into new projects, obligations, or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

Successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

A. Cash and investments

Cash and investments reported in the accompanying financial statements consisted of the following:

Cash and investments pooled with the City	\$ 9,168,898
Cash and investments with fiscal agent	<u>3</u>
	<u>\$ 9,168,901</u>

B. Loans Receivable

Rehabilitation Loan:

On October 19, 2004, the former Redevelopment Agency entered into a developer disposition agreement with the Fullerton Historic Theatre Foundation to renovate the FOX Theatre and adjacent condominium units. The agreement was later amended on September 19, 2006. The original amount loaned of \$2,665,722 was increased in prior fiscal years by \$3,078,278 totaling \$5,744,000. Based on the 2nd Amendment dated August 3, 2009, the maximum loan amount could not exceed \$6,000,000. A repayment account was established in the Successor Agency’s name for the repayment of the loan once tenants begin paying rent. Deposits shall be made into the repayment account by the allocation and deposit from the aggregate monthly rental payments from all tenants in the Firestone Building Condominium Unit and/or Tea Room Building. The allocation and deposits shall include subleases rental payments pursuant to any master lease agreements. Following the completion of the Fox Theatre two dollars per ticket surcharge, per ticket sold for an event shall be deposited one month after the event occurred. Payments to the Successor Agency from the repayment account shall commence on the sufficient fund date. The outstanding balance at June 30, 2024, is \$5,450,604.

The former Redevelopment Agency issued additional various rehabilitation loans from \$5,000 - \$180,000 to assist in the acquisition and rehabilitation within the redevelopment project areas. The loans were issued at no interest. The outstanding balance at June 30, 2024 is \$864,028.

**NOTE 18: SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY
(CONTINUED)**

Seismic Loans:

The former Redevelopment Agency issued 10-year loans for \$25,000 - \$50,000 for the purpose of seismically retrofitting historic buildings in the downtown area. There is no interest accrued on these loans. The deferred loans are payable upon sale or transfer of property. The outstanding balance at June 30, 2024, is \$816,483.

School Expansion Loans:

The Fullerton School District (Maple) was issued a 25-year loan for \$440,442 for the purpose of assisting in the expansion cost of the school. This loan is a noninterest bearing loan. The outstanding balance at June 30, 2024, is \$31,460.

Tenant Rehab Loans:

The former Redevelopment Agency entered into various Owner Participation Agreements for the purpose of providing loan assistance to participants of the Tenant Improvement Loan Program. This program assisted the tenants in the construction of certain properties. These loans are non-interest-bearing loans. The loan shall be repaid in 10 equal annual payments beginning 18 months after the effective date or 1 year after the recording of the Notice of Completion for the improvements. The outstanding balance at June 30, 2024, is \$23,750.

Fullerton Interfaith Housing Services (dba Pathways of Hope):

On May 20, 2013, the Successor Agency agreed to loan \$630,000 from the \$28.9M 2010 Tax Allocation Housing Bonds for assistance in the development of eight (8) very-low-income units located at 504 West Amerige Avenue and 117 North Richman Avenue. According to the Promissory Note the loan matures over 55 years at a simple interest rate of 3% annually. If the borrower does not default per the Affordable Housing Agreement by and between the City and Fullerton Interfaith Emergency Services, then upon the expiration of the 55-year term the loan and all interest accrued shall be forgiven and the Note shall automatically be cancelled. The outstanding principal balance is \$630,000 with accrued interest of \$196,098, totaling \$826,098 at June 30, 2024.

TRG Fullerton Affordable LLC:

On December 19, 2013, the Successor Agency agreed to loan \$8,972,000 for the acquisition of real property located at 345 East Commonwealth Avenue and the construction of affordable apartment units. According to the Promissory Note the Term of the loan shall terminate on the fifty-eighth (58th) anniversary of the first date on which at least 75% of the units restricted for rental to and occupancy by eligible tenants have been leased to and are occupied by eligible tenants. Interest and principal payments are payable annually on April 1 of each year during the Term at a simple interest rate of 3% annually. The outstanding principal balance is \$8,972,000 with accrued interest of \$2,590,639 totaling \$11,562,639 at June 30, 2024.

Fullerton Family Housing Partners, LP:

On October 13, 2016, the Successor Agency agreed to loan \$7,200,000 for the acquisition of real property located at 336 East Santa Fe Avenue and the construction of affordable apartment units. According to the Promissory Note the Term of the loan matures over 55 years at a simple interest rate of 3% annually. If the borrower does not default per the Affordable Housing Agreement by and between the City and Fullerton Family Housing Partners, LP, then upon the expiration of the 55-year term the loan and all interest accrued shall be forgiven and the Note shall automatically be cancelled. The outstanding principal balance is \$7,200,000 with accrued interest of \$1,324,965 totaling \$8,524,965 at June 30, 2024.

**NOTE 18: SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY
(CONTINUED)**

Richman Park Housing Partners LP (Jamboree):

On October 31, 2016, the Successor Agency agreed to loan \$4,402,564 for the acquisition of real property located at multiple addresses and the construction of affordable apartment units. According to the Promissory Note the Term of the loan matures over 55 years at a simple interest rate of 3% annually. If the borrower does not default per the Affordable Housing Agreement by and between the City and Richman Park Housing Partners LP, then upon the expiration of the 55-year term the loan and all interest accrued shall be forgiven and the Note shall automatically be cancelled. The outstanding principal balance is \$4,402,564 with accrued interest of \$768,176 totaling \$5,170,740 at June 30, 2024.

Fullerton Supportive Housing, LP:

On November 28, 2016, the Successor Agency agreed to loan \$3,000,001 for the acquisition of real property located at 1220 East Orangethorpe Avenue and the construction of affordable apartment units. According to the Promissory Note the Term the loan matures over 55 years at a simple interest rate of 3% annually. If the borrower does not default per the Affordable Housing Agreement by and between the City and Fullerton Supportive Housing, LP, then upon the expiration of the 55-year term the loan and all interest accrued shall be forgiven and the Note shall automatically be cancelled. The outstanding principal balance is \$3,000,001 with accrued interest of \$615,496, totaling \$3,615,497 at June 30, 2024.

Affordable Housing Apartment Loans:

In June 2018, the Successor Agency agreed to loan \$872,000 for the acquisition of real property located at 418 & 424 Valencia Dr. and 437, 443, 455 & 467 West Ave and the construction of affordable apartment units. The loan is payable by the apartment buyers. According to the Promissory Note no interest shall accrue unless the borrower is required to repay all or any portion of the note, in which case interest shall accrue at a rate of 6% compounded annually. The site must be used for affordable housing for 60 years. The loan is repayable only in the event of a default by the borrower. The outstanding balance is \$872,000 at June 30, 2024.

1600 Commonwealth LP (Low & Moderate Housing Loan)

On May 31, 2024, the Successor Agency agreed to loan \$717,738 for the 1650 W Commonwealth Ave & 203 S Basque Ave construction project. The loan matures in 55 years from the date of recordation of the Certificate of Occupancy (COO) for the project and carries a simple interest rate of 3%. Once the City Land Loan is paid in full, the City's LMIHAF will receive 50% of the residual receipts. At the end of the term, the outstanding balance will be due and payable. The loan is secured with a third trust deed and includes affordability restrictions associated with the Taxable Housing Bonds for 55 years from the COO. As of June 30, 2024, the outstanding balance of the loan is \$717,738.

1600 Commonwealth LP (City Land Loan)

On May 31, 2024, the City agreed to loan \$10,700,000 for the 1650 W Commonwealth Ave and 203 S Basque Ave construction project. The loan matures in 55 years from the date of recordation of the Certificate of Occupancy (COO) for the project and carries a simple interest rate of 3%. Annual payments of 50% of the residual receipts will be required. At the end of the term, the outstanding balance will be due and payable. The loan is secured with a third trust deed and includes 55-year affordability restrictions associated with the City Land Loan. As of June 30, 2024, the outstanding balance of the loan is \$10,700,000.

Total Loans Receivable is \$49,176,003.

**NOTE 18: SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY
(CONTINUED)**

C. Long-Term Liabilities

2015 Tax Allocation Refunding Bonds

On January 28, 2015, the former Fullerton Redevelopment Agency issued 2015 Tax Allocation Refunding Bonds in the amount of \$11,975,000. Issuance of the debt was for the purpose of prepaying a financing agreement entered into by the former Fullerton Redevelopment Agency (the "1998 Financing Agreement") and to refund on a current basis certain outstanding bonds issued by the PFA, which bonds are secured by the 1998 Financing Agreement, to purchase municipal bond debt service reserve insurance policy for the bonds, and to provide for the costs of issuing the Bonds. The 2015 Tax Allocation Refunding Bonds are secured by the tax increment revenues. Bond repayment commenced on March 1, 2016, with interest rates ranging from 3.00% to 5.00%. The final maturity date is March 1, 2025. Interest and principal payments are due semiannually and annually, respectively, under terms of the bond agreement. At June 30, 2024, the outstanding balance was \$2,210,000.

2020A and 2020B Tax Allocation Refunding Bonds

On August 19, 2020, the former Fullerton Redevelopment Agency issued 2020A and 2020B Tax Allocation Refunding Bonds in the amount of \$33,965,000 and \$10,730,000, respectively. Issuance of the debt was for the purpose of refunding, on a current basis, the 2005 Tax Allocation Revenue Bond and the 2010 Tax Allocation Housing Bond. The 2020A and 2020B Tax Allocation Refunding Bonds are secured by the tax increment revenues. Bond repayment commenced on September 1, 2021, with interest rates ranging from 0.591% to 4.000%. The final maturity date is September 1, 2027. Interest and principal payments are due semiannually and annually, respectively, under the terms of the bond agreement. At June 30, 2024, the outstanding balances of the 2020A and 2020B were \$20,390,000 and \$5,270,000, respectively.

Events of Default, Acceleration Clauses, and Termination Events

The outstanding bonds contain a provision that if any event of default occurs, then, and in each and every such case during the continuance of such event of default, with the prior written consent of the Bond Insurer the Trustee may, and at the written direction of the Bond Insurer or (with the prior written consent of the Bond Insurer) at the written direction of the Owners of a majority in aggregate principal amount of the Bonds at the time outstanding, the Trustee will, upon notice in writing to the Authority and the Agency, declare the principal of all of the Bonds then outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same will become immediately due and payable, anything in the Indenture or in the Bonds contained to the contrary notwithstanding.

Pledged Revenues

The City pledged, as security for bonds issued, either directly or through the Financing Authority, a portion of tax increment revenue (including Low- and Moderate-Income Housing set-aside and pass-through allocations) that it receives. The bonds issued were to provide financing for various capital projects, accomplish Low- and Moderate-Income Housing projects and defease previously issued bonds. Assembly Bill 1X 26 provided that upon dissolution of the Redevelopment Agency, property taxes allocated to redevelopment agencies no longer are deemed tax increments but rather property tax revenues and will be allocated first to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agency. The total principal and interest remaining on the debt is \$29,807,791 with annual debt service requirements as indicated on the following pages. For the current year, the total property tax revenue recognized by the City and Successor Agency for the payment of indebtedness incurred by the dissolved redevelopment agency was \$11,403,609 and the debt service obligation on the bonds was \$8,782,616.

CITY OF FULLERTON, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 18: SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)

Changes in Long-term Liabilities

Changes in the Successor Agency’s long-term liabilities for the year ended June 30, 2024, are as follows:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year	Amount Due Within One Year
Bonds Payable:					
2015 Tax Allocation Refunding Bond	\$ 3,335,000	\$ -	\$ 1,125,000	\$ 2,210,000	\$ 2,210,000
2020A Tax Allocation Refunding Bond	25,090,000	-	4,700,000	20,390,000	4,880,000
2020B Tax Allocation Refunding Bond	7,105,000	-	1,835,000	5,270,000	1,850,000
Premiums	2,870,373	-	992,014	1,878,359	-
Total Bonds Payable	<u>\$ 38,400,373</u>	<u>\$ -</u>	<u>\$ 8,652,014</u>	<u>\$ 29,748,359</u>	<u>\$ 8,940,000</u>

All of the above liabilities are liquidated by the Successor Agency private-purpose trust fund. The City paid the next debt service payment on the bonds prior to June 30, 2024, resulting in no amount of principal and only a portion of interest due within one year as of June 30, 2024.

The debt service requirements for the City’s bonds are as follows:

June 30	Principal	Interest
2025	\$ 8,940,000	\$ 855,174
2026	5,045,000	591,783
2027	8,075,000	374,634
2028	5,810,000	116,200
	<u>\$ 27,870,000</u>	<u>\$ 1,937,791</u>

D. Insurance

The Successor Agency is covered under the City’s insurance policies. Therefore, the limitation and self-insured retentions applicable to the City also apply to the Successor Agency. Additional information as to coverage and self-insured retentions can be found in Note 11.

NOTE 19: JOINT POWERS AGREEMENT – NORTH ORANGE COUNTY CITIES JOINT POWERS AUTHORITY

On November 21, 2016, the North Orange County Cities Joint Powers Authority (NOCCJPA) was created by a Joint Exercise of Powers Agreement (the JPA) for the purpose of providing quality municipal services to the cities of Fullerton and Brea and their residents while increasing cost-effectiveness by pooling the cities’ resources when it is most efficient. The City of Fullerton and the City of Brea are members of NOCCJPA. Members of the Board of Directors consist of four Directors, two appointed from each member’s respective City Council. Annually, the Board adopts a budget and determines the activities for the year. NOCCJPA commenced operations on January 15, 2017. Funding of the JPA’s budgeted amounts is derived from grants and other sources, as well as contributions made by the members to carry out purposes and powers of the JPA, consistent with all joint

CITY OF FULLERTON, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 19: JOINT POWERS AGREEMENT – NORTH ORANGE COUNTY CITIES JOINT POWERS AUTHORITY (CONTINUED)

resolutions, the JPA’s budget, and any cost-sharing agreements between the members. The assets and activity is reported as a custodial fund in the City financial statements. Separate financial statements for NOCCJPA are not available, however financial information for the NOCCJPA is as follows:

Condensed Statement of Net Position

Assets:	
Cash and cash equivalents	\$ 28,641
Net Position:	
Restricted	\$ 28,641

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

Revenues:	\$ -
Expenses	-
Change in Net Position	-
Net Position - Beginning	28,641
Net Position - Ending	\$ 28,641

NOTE 20: SUBSEQUENT EVENTS

The City evaluated subsequent events for recognition and disclosure through December 20, 2024, the date on which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2024, that required recognition or disclosure in these financial statements.

CITY OF FULLERTON, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
General Fund
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes	\$ 92,018,298	\$ 92,018,298	\$ 92,859,908	\$ 841,610
Franchise taxes	4,300,000	4,300,000	5,534,009	1,234,009
Licenses and permits	2,464,846	2,464,846	2,292,622	(172,224)
Intergovernmental	581,725	641,725	650,572	8,847
Charges for services	12,888,523	12,888,523	13,181,721	293,198
Investment earnings	4,362,145	4,687,145	5,573,334	886,189
Fines and forfeitures	1,634,300	1,634,300	2,064,407	430,107
Miscellaneous	2,422,020	2,537,020	1,451,739	(1,085,281)
Total revenues	<u>120,671,857</u>	<u>121,171,857</u>	<u>123,608,312</u>	<u>2,436,455</u>
EXPENDITURES				
Current:				
General government:				
Council	438,995	543,995	541,280	2,715
City Manager	2,927,504	2,927,504	2,746,512	180,992
City Clerk	725,282	725,282	609,972	115,310
Administrative Services Finance	3,347,304	3,347,304	3,098,227	249,077
Human Resources	717,258	717,258	558,234	159,024
Non-departmental	210,180	210,180	(1,478,031)	1,688,211
Public safety:				
Fire	25,465,742	27,612,082	27,604,430	7,652
Police	60,040,816	63,723,748	63,753,532	(29,784)
Community development	6,155,593	6,155,593	5,500,596	654,997
Human and leisure:				
Parks and Recreation	5,924,622	6,325,802	5,924,888	400,914
Library	4,123,406	4,416,163	4,310,579	105,584
Public works	10,251,604	10,331,604	10,172,976	158,628
Capital outlay	100,000	100,000	243,658	(143,658)
Debt service:				
Principal retirement	266,748	266,748	358,338	(91,590)
Interest and fiscal charges	189,386	189,386	32,809	156,577
Total expenditures	<u>120,884,440</u>	<u>127,592,649</u>	<u>123,978,000</u>	<u>3,614,649</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(212,583)</u>	<u>(6,420,792)</u>	<u>(369,688)</u>	<u>6,051,104</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	7,150,000	7,150,000	7,261,334	111,334
Transfers out	(4,584,587)	(10,694,131)	(1,872,125)	8,822,006
Subscriptions financing	-	-	150,115	150,115
Total other financing sources (uses)	<u>2,565,413</u>	<u>(3,544,131)</u>	<u>5,539,324</u>	<u>9,083,455</u>
Net change in fund balances	<u>\$ 2,352,830</u>	<u>\$ (9,964,923)</u>	<u>5,169,636</u>	<u>\$ 15,134,559</u>
Fund balances (deficit)-beginning			33,487,199	
Fund balances (deficit)-ending			<u>\$ 38,656,835</u>	

CITY OF FULLERTON, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Grants Administration
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 3,875,062	\$ 18,353,470	\$ 14,090,638	\$ (4,262,832)
Miscellaneous	-	-	65,337	65,337
Total revenues	<u>3,875,062</u>	<u>18,353,470</u>	<u>14,155,975</u>	<u>(4,197,495)</u>
EXPENDITURES				
Current:				
General government	-	310,000	252,766	57,234
Public safety	852,654	3,956,847	1,498,567	2,458,280
Community development	1,945,991	2,326,974	2,271,167	55,807
Human and leisure	270,905	434,858	92,329	342,529
Public works	-	422,882	421,033	1,849
Capital outlay	-	10,201,397	9,975,474	225,923
Total expenditures	<u>3,069,550</u>	<u>17,652,958</u>	<u>14,511,336</u>	<u>3,141,622</u>
Excess (deficiency) of revenues over (under) expenditures	<u>805,512</u>	<u>700,512</u>	<u>(355,361)</u>	<u>(1,055,873)</u>
OTHER FINANCING SOURCES (USES)				
Transfer out	(675,000)	(1,109,818)	(400,213)	709,605
Total other financing sources (uses)	<u>(675,000)</u>	<u>(1,109,818)</u>	<u>(400,213)</u>	<u>709,605</u>
Net change in fund balances	<u>\$ 130,512</u>	<u>\$ (409,306)</u>	<u>(755,574)</u>	<u>\$ (346,268)</u>
Fund balances (deficit)-beginning			(1,105,013)	
Fund balances (deficit)-ending			<u>\$ (1,860,587)</u>	

CITY OF FULLERTON, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
American Rescue Plan Act
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 12,788,866	\$ 12,788,866
Investment earnings	-	-	1,555,210	1,555,210
Total revenues	<u>-</u>	<u>-</u>	<u>14,344,076</u>	<u>14,344,076</u>
EXPENDITURES				
Current:				
General government	181,852	1,107,631	718,352	389,279
Total expenditures	<u>181,852</u>	<u>1,107,631</u>	<u>718,352</u>	<u>389,279</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(181,852)</u>	<u>(1,107,631)</u>	<u>13,625,724</u>	<u>14,733,355</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(12,450,000)	(18,703,657)	(12,070,512)	6,633,145
Bond Discount	-	-	-	-
Total other financing sources (uses)	<u>(12,450,000)</u>	<u>(18,703,657)</u>	<u>(12,070,512)</u>	<u>6,633,145</u>
Net change in fund balances	<u>\$ (12,631,852)</u>	<u>\$ (19,811,288)</u>	<u>1,555,212</u>	<u>\$ 21,366,500</u>
Fund balances (deficit)-beginning			(129,385)	
Fund balances (deficit)-ending			<u>\$ 1,425,827</u>	

CITY OF FULLERTON, CALIFORNIA
Schedule of Changes in Net Pension Liability and Related Ratios
Miscellaneous Plan
As of June 30, for the Last Ten Fiscal Years

	2024	2023	2022	2021
Measurement Date	6/30/2023	6/30/2022	6/30/2021	6/30/2020
TOTAL PENSION LIABILITY				
Service cost	\$ 3,386,609	\$ 3,627,562	\$ 3,548,169	\$ 3,775,731
Interest on total pension liability	22,005,969	21,493,649	21,513,474	21,144,370
Changes of benefit terms	429,739	-	-	-
Changes of assumptions	-	8,273,705	-	-
Difference between expected and actual experience	1,245,548	(4,346,059)	(2,050,727)	394,873
Benefit payments, including refunds of employee contributions	(19,558,103)	(18,944,042)	(17,885,130)	(17,301,500)
Net change in total pension liability	7,509,762	10,104,815	5,125,786	8,013,474
Total pension liability-beginning	325,337,555	315,232,740	310,106,954	302,093,480
Total pension liability-ending (a)	332,847,317	325,337,555	315,232,740	310,106,954
PLAN FIDUCIARY NET POSITION				
Contributions-employer	8,225,656	7,585,752	7,017,542	6,036,525
Contributions-employee	1,689,621	1,639,319	1,811,572	2,274,075
Net investment income	14,895,695	(20,344,557)	51,372,978	11,301,839
Benefit payments, including refunds of employee contributions	(19,558,103)	(18,944,042)	(17,885,130)	(17,301,500)
Net plan to plan resource movement	-	-	-	-
Administrative expense	(178,654)	(170,177)	(230,852)	(322,988)
Other miscellaneous income/(expense)	-	-	-	-
Net change in fiduciary net position	5,074,215	(30,233,705)	42,086,110	1,987,951
Plan fiduciary net position-beginning	242,949,913	273,183,618	231,097,508	229,109,557
Plan fiduciary net position-ending (b)	248,024,128	242,949,913	273,183,618	231,097,508
Net pension liability/(asset) (a) - (b)	\$ 84,823,189	\$ 82,387,642	\$ 42,049,122	\$ 79,009,446
Plan fiduciary net position as a percentage of the total pension liability	74.5%	74.7%	86.7%	74.5%
Covered payroll	\$ 20,826,179	\$ 21,004,994	\$ 22,456,766	\$ 23,791,627
Plan net pension liability/(asset) as a percentage of covered payroll	407.3%	392.2%	187.2%	332.1%

Notes to Schedule of Changes in the Net Pension Liability and Related Ratios:

Benefit Changes: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the measurement date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the valuation date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions: None in 2020-2022. In 2019, 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. In 2018, the discount rate was reduced from 7.65% to 7.15%. In 2017, there were no changes. In 2016, amounts reported reflect an adjustment of the discount rate from 7.50% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2015, amounts reported were based on the 7.50% discount rate.

2020	2019	2018	2017	2016
<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
\$ 3,774,798	\$ 4,018,130	\$ 4,028,019	\$ 3,436,150	\$ 3,434,664
20,552,464	19,980,940	19,457,971	19,021,926	18,544,020
-	-	-	-	-
-	(1,127,539)	15,777,516	-	(4,406,198)
(669,374)	(817,761)	(1,691,562)	(2,713,807)	(3,523,723)
<u>(15,586,850)</u>	<u>(14,842,526)</u>	<u>(13,600,494)</u>	<u>(13,105,760)</u>	<u>(12,931,194)</u>
8,071,038	7,211,244	23,971,450	6,638,509	1,117,569
294,022,442	286,811,198	262,839,748	256,201,239	255,083,670
302,093,480	294,022,442	286,811,198	262,839,748	256,201,239
4,809,655	3,880,635	3,455,877	2,831,939	2,087,882
2,852,167	2,857,654	3,207,458	2,961,557	2,852,024
14,470,021	17,972,220	21,919,922	994,336	4,617,716
(15,586,850)	(14,842,526)	(13,600,494)	(13,105,760)	(12,931,194)
(650)	(518)	-	-	(715)
(158,940)	(333,194)	(294,007)	(125,288)	(231,434)
518	(632,741)	-	-	-
6,385,921	8,901,530	14,688,756	(6,443,216)	(3,605,721)
222,723,636	213,822,106	199,133,350	205,576,566	209,182,287
229,109,557	222,723,636	213,822,106	199,133,350	205,576,566
\$ 72,983,923	\$ 71,298,806	\$ 72,989,092	\$ 63,706,398	\$ 50,624,673
75.8%	75.8%	74.6%	75.8%	80.2%
\$ 23,492,645	\$ 25,445,697	\$ 25,506,709	\$ 24,160,809	\$ 24,121,530
310.7%	280.2%	286.2%	263.7%	209.9%

CITY OF FULLERTON, CALIFORNIA
Schedule of Changes in Net Pension Liability and Related Ratios
Safety Plan
As of June 30, for the Last Ten Fiscal Years

	2024	2023	2022	2021
Measurement Date	6/30/2023	6/30/2022	6/30/2021	6/30/2020
TOTAL PENSION LIABILITY				
Service cost	\$ 6,837,489	\$ 6,727,723	\$ 6,193,673	\$ 5,929,528
Interest on total pension liability	38,518,042	37,241,475	36,643,567	35,667,102
Changes of benefit terms	230,662	-	-	-
Changes of assumptions	-	19,054,908	-	-
Difference between expected and actual experience	7,481,421	(3,037,772)	2,697,088	1,835,234
Benefit payments, including refunds of employee contributions	(33,909,499)	(32,560,850)	(31,213,796)	(30,324,105)
Net change in total pension liability	19,158,115	27,425,484	14,320,532	13,107,759
Total pension liability-beginning	564,056,423	536,630,939	522,310,407	509,202,648
Total pension liability-ending (a)	583,214,538	564,056,423	536,630,939	522,310,407
PLAN FIDUCIARY NET POSITION				
Contributions-employer	19,372,239	16,849,633	15,515,050	14,081,827
Contributions-employee	2,550,442	3,293,443	3,261,576	3,622,586
Net investment income	21,903,721	(30,042,048)	75,203,654	16,454,572
Benefit payments, including refunds of employee contributions	(33,909,499)	(32,560,850)	(31,213,796)	(30,324,105)
Net plan to plan resource movement	-	-	-	-
Administrative expense	(261,184)	(247,861)	(335,102)	(468,167)
Other miscellaneous income/(expense)	-	-	-	-
Net change in fiduciary net position	9,655,719	(42,707,683)	62,431,382	3,366,713
Plan fiduciary net position-beginning	355,181,739	397,889,422	335,458,040	332,091,327
Plan fiduciary net position-ending (b)	364,837,458	355,181,739	397,889,422	335,458,040
Net pension liability/(asset) (a) - (b)	\$ 218,377,080	\$ 208,874,684	\$ 138,741,517	\$ 186,852,367
Plan fiduciary net position as a percentage of the total pension liability	62.6%	63.0%	74.1%	64.2%
Covered payroll	\$ 23,225,598	\$ 21,632,551	\$ 21,947,814	\$ 20,747,123
Plan net pension liability/(asset) as a percentage of covered payroll	940.2%	965.6%	632.1%	900.6%

Notes to Schedule of Changes in the Net Pension Liability and Related Ratios:

Benefit Changes: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the measurement date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the valuation date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions: None in 2020-2022. In 2019, 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. In 2018, the discount rate was reduced from 7.65% to 7.15%. In 2017, there were no changes. In 2016, amounts reported reflect an adjustment of the discount rate from 7.50% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2015, amounts reported were based on the 7.50% discount rate.

2020	2019	2018	2017	2016
<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
\$ 6,713,029	\$ 7,276,694	\$ 7,137,610	\$ 6,139,343	\$ 6,159,575
34,715,015	33,741,761	32,652,041	31,849,067	30,783,877
-	-	-	-	-
-	(1,878,673)	27,036,186	-	(7,450,669)
406,378	2,515,633	(1,625,395)	(590,872)	(3,274,488)
<u>(28,787,130)</u>	<u>(26,274,949)</u>	<u>(24,235,721)</u>	<u>(22,872,497)</u>	<u>(21,964,313)</u>
13,047,292	15,380,466	40,964,721	14,525,041	4,253,982
496,155,356	480,774,890	439,810,169	425,285,128	421,031,146
509,202,648	496,155,356	480,774,890	439,810,169	425,285,128
12,127,485	10,730,240	10,074,802	8,358,879	7,227,836
3,161,725	3,605,789	3,864,941	3,747,337	3,711,794
21,203,073	26,311,505	32,030,653	1,497,136	6,738,820
<u>(28,787,130)</u>	<u>(26,274,949)</u>	<u>(24,235,721)</u>	<u>(22,872,497)</u>	<u>(21,964,313)</u>
650	(757)	-	-	-
(231,653)	(485,640)	(428,677)	(182,711)	(341,647)
<u>757</u>	<u>(922,239)</u>	<u>-</u>	<u>-</u>	<u>90</u>
7,474,907	12,963,949	21,305,998	(9,451,856)	(4,627,420)
324,616,420	311,652,471	290,346,473	299,798,329	304,425,749
332,091,327	324,616,420	311,652,471	290,346,473	299,798,329
\$ 177,111,321	\$ 171,538,936	\$ 169,122,419	\$ 149,463,696	\$ 125,486,799
65.2%	65.4%	64.8%	66.0%	70.5%
\$ 22,649,309	\$ 24,764,981	\$ 23,799,967	\$ 22,949,957	\$ 23,105,917
782.0%	692.7%	710.6%	651.3%	543.1%

CITY OF FULLERTON, CALIFORNIA
Schedule of Changes in Net OPEB Liability and Related Ratios
As of June 30, for the Last Ten Fiscal Years ¹

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Measurement Date	6/30/2023	6/30/2022	6/30/2021	6/30/2020
TOTAL OPEB LIABILITY				
Service cost	\$ 1,083,117	\$ 1,908,946	\$ 1,673,868	\$ 1,349,773
Interest on total pension liability	983,060	674,684	784,439	1,049,606
Changes of assumptions	(579,160)	(6,552,244)	1,853,345	3,881,547
Difference between expected and actual experience	62,188	(1,560,876)	148,817	(6,727,717)
Benefit payments, including refunds of employee contributions	(1,861,165)	(1,692,781)	(1,668,735)	(1,635,980)
Net change in total OPEB liability	(311,960)	(7,222,271)	2,791,734	(2,082,771)
Total OPEB liability-beginning	26,488,642	33,710,913	30,919,179	33,001,950
Total OPEB liability-ending (a)	26,176,682	26,488,642	33,710,913	30,919,179
PLAN FIDUCIARY NET POSITION				
Contributions-employer	1,861,165	1,692,781	1,668,735	1,635,980
Net investment income	7,198	(10,755)	18,630	(94)
Benefit payments, including refunds of employee contributions	(1,861,165)	(1,692,781)	(1,668,735)	(1,635,980)
Administrative expense	(377)	(433)	(370)	(300)
Net change in fiduciary net position	6,821	(11,188)	18,260	(394)
Plan fiduciary net position-beginning	63,432	74,620	56,360	56,754
Plan fiduciary net position-ending (b)	70,253	63,432	74,620	56,360
Net OPEB liability/(asset) (a) - (b)	\$ 26,106,429	\$ 26,425,210	\$ 33,636,293	\$ 30,862,819
Plan fiduciary net position as a percentage of the total OPEB liability	0.3%	0.2%	0.2%	0.2%
Covered-employee payroll	\$ 53,938,658	\$ 49,278,492	\$ 55,369,789	\$ 51,823,148
Plan net OPEB liability/(asset) as a percentage of covered-employee payroll	48.4%	53.6%	60.7%	59.6%

Notes to Schedule of Changes in the Net OPEB Liability and Related Ratios:

Benefit Changes: None

Changes of Assumptions: None

¹ Fiscal year 2018 was the first year of GASB Statement No. 75 implementation; therefore only seven years are shown.

2020	2019	2018
<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
\$ 1,287,092	\$ 1,184,811	\$ 1,913,643
1,103,389	1,324,045	1,288,253
1,889,194	-	-
-	(7,029,124)	-
<u>(1,390,063)</u>	<u>(1,338,227)</u>	<u>(1,584,473)</u>
2,889,612	(5,858,495)	1,617,423
<u>30,112,338</u>	<u>35,970,833</u>	<u>34,353,410</u>
<u>33,001,950</u>	<u>30,112,338</u>	<u>35,970,833</u>
1,390,063	1,388,227	-
3,203	3,686	-
<u>(1,390,063)</u>	<u>(1,338,227)</u>	<u>-</u>
(135)	-	-
3,068	53,686	-
<u>53,686</u>	<u>-</u>	<u>-</u>
56,754	53,686	-
<u>\$ 32,945,196</u>	<u>\$ 30,058,652</u>	<u>\$ 35,970,833</u>
0.2%	0.2%	0.0%
\$ 55,541,742	\$ 53,294,857	\$ 47,763,989
59.3%	56.4%	75.3%

CITY OF FULLERTON, CALIFORNIA
Schedules of Plan Contributions
As of June 30, for the Last Ten Fiscal Years ¹

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Employer Contributions	Contribution Deficiency (Excess)	Covered/ Covered- Employee Payroll	Contribution as a % of Covered/ Covered Employee Payroll
<u>Miscellaneous Agent, Multiple-Employer Pension Plan</u>					
2024	\$ 7,986,451	\$ 7,986,451	\$ -	\$ 24,311,542	32.9%
2023	6,711,592	8,218,595	(1,507,003)	20,826,179	39.5%
2022	7,585,485	7,585,485	-	21,004,994	36.1%
2021	7,018,243	7,018,243	-	22,456,766	31.3%
2020	6,036,168	6,036,168	-	23,791,627	25.4%
2019	4,809,655	4,809,655	-	23,492,645	20.5%
2018	3,880,635	3,880,635	-	25,445,697	15.3%
2017	3,455,877	3,455,877	-	25,506,709	13.5%
2016	2,831,939	2,831,939	-	24,160,809	11.7%
2015	2,087,882	2,087,882	-	24,121,530	8.7%
<u>Safety Agent, Multiple-Employer Pension Plan</u>					
2024	\$ 19,995,561	\$ 19,995,561	\$ -	\$ 25,835,458	77.4%
2023	15,619,397	18,845,445	(3,226,048)	23,225,598	81.1%
2022	16,849,576	16,849,576	-	21,632,551	77.9%
2021	15,515,569	15,515,569	-	21,947,814	70.7%
2020	14,081,945	14,081,945	-	20,747,123	67.9%
2019	12,127,485	12,127,485	-	22,649,309	53.5%
2018	10,730,240	10,730,240	-	24,764,981	43.3%
2017	10,074,802	10,074,802	-	23,799,967	42.3%
2016	8,358,879	8,358,879	-	22,949,957	36.4%
2015	7,227,836	7,227,836	-	23,105,917	31.3%
<u>Single Employer OPEB Plan</u>					
2024	\$ 1,820,569	\$ 1,832,299	\$ (11,730)	\$ 37,167,877	4.9%
2023	1,771,061	1,810,481	(39,420)	53,938,658	3.4%
2022	2,073,368	1,692,781	380,587	49,278,492	3.4%
2021	2,017,876	1,668,735	349,141	55,369,789	3.0%
2020	2,286,732	1,635,980	650,752	51,823,148	3.2%
2019	2,181,997	1,390,063	791,934	55,541,742	2.5%
2018	1,388,227	1,388,227	-	53,294,857	2.6%

¹ Historical information is required only for measurement for which GASB 68 and GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation for GASB 75, therefore only six years are shown.

CITY OF FULLERTON, CALIFORNIA
Notes to the Required Supplementary Information
For the Year Ended June 30, 2024

NOTE 1: BUDGETARY COMPARISON INFORMATION

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. The budget is presented by fund, program, and department and includes proposed appropriations and the means to finance them. The City Council approves the budget prior to July 1 by resolution and amends the budget throughout the year.

The City Manager is authorized to transfer budgeted amounts within departments, within funds. Transfers of appropriations between departments and between funds may be made only by authority of the City Council. Total fund and department expenditures in excess of the total budgeted amounts are prohibited. Expenditures may not legally exceed budgeted appropriations at the department level. Formal budgetary information is employed as a management control device. Commitments for materials and services, such as purchase orders and contracts, are recorded during the year as encumbrances to assist in controlling expenditures. Appropriations lapse at fiscal year-end unless carried over by approval by the City Council.

A. Budgetary Compliance

The Debt Service Reserve, West Coyote Hills Endowment and Opioid Litigation Settlement special revenue funds did not adopt budgets for the year ended June 30, 2024.

During the year, the City's General Fund incurred excesses of expenditures over appropriations as follows:

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
General fund:			
Capital outlay	\$ 100,000	\$ 243,658	\$ 143,658
Debt Service:			
Principal	266,748	358,338	91,590

NOTE 2: ACTUARIAL ASSUMPTIONS UNDERLYING THE SCHEDULES OF PLAN CONTRIBUTIONS

A. CalPERS Miscellaneous and Safety Pension Plans

The collective total pension liability for the June 30, 2023 measurement period was determined by an actuarial valuation as of June 30, 2022, with update procedures used to roll forward the total pension liability to June 30, 2023. The collective total pension liability was based on the following assumptions:

Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions	
Discount rate	6.90%
Inflation	2.30%
Salary increases	Varies by entry age and services
Mortality rate table	Derived using CalPERS' membership data for all funds
Post-retirement benefit increase	The lesser of contract COLA or 2.30% until purchasing power protection allowance floor on purchasing power applies, 2.30% thereafter

The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

CITY OF FULLERTON, CALIFORNIA
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2024

Special Revenue Funds

	State Gas Tax	Drainage Capital Outlay	Traffic Safety	Park Dwelling
ASSETS				
Cash and investments	\$ 8,203,213	\$ 5,314,840	\$ -	\$ 1,600,270
Receivables:				
Accounts	746,881	120,884	-	-
Accrued interest	40,066	24,057	-	8,356
Notes and loans	-	-	-	-
Total assets	8,990,160	5,459,781	-	1,608,626
LIABILITIES				
Accounts payable	95,999	-	-	-
Accrued liabilities	22,474	4,099	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	118,473	4,099	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	16,749	51,122	-	-
Total deferred inflows of resources	16,749	51,122	-	-
FUND BALANCES (DEFICITS)				
Restricted	8,854,938	5,404,560	-	1,608,626
Unassigned (deficit)	-	-	-	-
Total fund balances (deficits)	8,854,938	5,404,560	-	1,608,626
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 8,990,160	\$ 5,459,781	\$ -	\$ 1,608,626

	Special Revenue Funds			
	Asset Seizure	Refuse Collection	Air Quality Improvement	Sanitation
ASSETS				
Cash and investments	\$ 637,663	\$ 389,744	\$ 1,037,907	\$ -
Receivables:				
Accounts	24,243	3,203,566	-	1,430,219
Accrued interest	2,356	3,147	4,884	-
Notes and loans	-	-	-	-
Total assets	664,262	3,596,457	1,042,791	1,430,219
LIABILITIES				
Accounts payable	18,301	1,246,142	-	238,239
Accrued liabilities	-	7,753	-	50,095
Deposits payable	-	-	-	-
Due to other funds	-	-	-	783,630
Unearned revenue	7,455	55,578	-	208,257
Total liabilities	25,756	1,309,473	-	1,280,221
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	4,749	813,824	-	462,431
Total deferred inflows of resources	4,749	813,824	-	462,431
FUND BALANCES (DEFICITS)				
Restricted	633,757	1,473,160	1,042,791	-
Unassigned (deficit)	-	-	-	(312,433)
Total fund balances (deficits)	633,757	1,473,160	1,042,791	(312,433)
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 664,262	\$ 3,596,457	\$ 1,042,791	\$ 1,430,219

CITY OF FULLERTON, CALIFORNIA
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2024

	Special Revenue Funds			
	Measure M2	Housing	FTV Cable - PEG Access Fund	SB2 / PLHA
ASSETS				
Cash and investments	\$ 6,566,621	\$ 827,572	\$ 520,417	\$ 14
Receivables:				
Accounts	532,950	-	43,385	-
Accrued interest	35,054	3,183	4,759	-
Notes and loans	-	11,751,391	-	-
Total assets	7,134,625	12,582,146	568,561	14
LIABILITIES				
Accounts payable	74,671	31,018	15,245	2,122,540
Accrued liabilities	-	3,235	-	-
Deposits payable	-	2,100	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	74,671	36,353	15,245	2,122,540
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES (DEFICITS)				
Restricted	7,059,954	12,545,793	553,316	-
Unassigned (deficit)	-	-	-	(2,122,526)
Total fund balances (deficits)	7,059,954	12,545,793	553,316	(2,122,526)
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 7,134,625	\$ 12,582,146	\$ 568,561	\$ 14

CITY OF FULLERTON, CALIFORNIA
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2024

	Special Revenue Funds		Debt Service Fund	Total Nonmajor Funds
	West Coyote Hills Endowment	Opioid Litigation Settlement Fund	Debt Service Reserve	
ASSETS				
Cash and investments	\$ 411,760	\$ 155,684	\$ 205,907	\$ 25,871,612
Receivables:				
Accounts	-	-	-	6,102,128
Accrued interest	1,583	593	-	128,038
Notes and loans	-	-	-	11,751,391
Total assets	413,343	156,277	205,907	43,853,169
LIABILITIES				
Accounts payable	-	131	-	3,842,286
Accrued liabilities	-	-	-	87,656
Deposits payable	-	-	-	2,100
Due to other funds	-	-	-	783,630
Unearned revenue	-	-	-	271,290
Total liabilities	-	131	-	4,986,962
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	1,348,875
Total deferred inflows of resources	-	-	-	1,348,875
FUND BALANCES (DEFICITS)				
Restricted	413,343	156,146	205,907	39,952,291
Unassigned (deficit)	-	-	-	(2,434,959)
Total fund balances (deficits)	413,343	156,146	205,907	37,517,332
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 413,343	\$ 156,277	\$ 205,907	\$ 43,853,169

CITY OF FULLERTON, CALIFORNIA
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds			
	State Gas Tax	Drainage Capital Outlay	Traffic Safety	Park Dwelling
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	7,608,836	-	-	-
Charges for services	68,874	665,728	-	84,140
Investment earnings	344,058	274,538	-	101,767
Fines and forfeitures	-	-	272,442	-
Miscellaneous	-	-	-	-
Total revenues	8,021,768	940,266	272,442	185,907
EXPENDITURES				
Current:				
General government	838	-	-	53
Public safety	-	-	-	-
Community development	-	-	-	-
Human and leisure	-	-	-	-
Public works	3,423,722	220,189	-	-
Refuse collection	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	3,424,560	220,189	-	53
Excess (deficiency) of revenues over (under) expenditures	4,597,208	720,077	272,442	185,854
OTHER FINANCING SOURCES (USES)				
Transfers in	-	1,740	-	-
Transfers out	(2,685,098)	(1,516,353)	(311,334)	(1,536,282)
Subscriptions financing	-	-	-	-
Total other financing sources (uses)	(2,685,098)	(1,514,613)	(311,334)	(1,536,282)
Net change in fund balances	1,912,110	(794,536)	(38,892)	(1,350,428)
Fund balances (deficit)-beginning	6,942,828	6,199,096	38,892	2,959,054
Fund balances (deficit)-ending	\$ 8,854,938	\$ 5,404,560	\$ -	\$ 1,608,626

CITY OF FULLERTON, CALIFORNIA
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2024

(CONTINUED)

	Special Revenue Funds			
	Asset Seizure	Refuse Collection	Air Quality Improvement	Sanitation
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	541,480	145,426	240,444	-
Charges for services	-	14,087,483	-	6,003,775
Investment earnings	67,080	68,708	50,426	14,184
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	608,560	14,301,617	290,870	6,017,959
EXPENDITURES				
Current:				
General government	-	-	-	81,139
Public safety	242,349	-	-	-
Community development	-	-	5,505	-
Human and leisure	-	-	-	-
Public works	-	-	-	7,761,462
Refuse collection	-	15,548,256	-	-
Capital outlay	327,619	-	-	-
Total expenditures	569,968	15,548,256	5,505	7,842,601
Excess (deficiency) of revenues over (under) expenditures	38,592	(1,246,639)	285,365	(1,824,642)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	(145,000)	(232,287)	(60,000)
Subscriptions financing	-	-	-	-
Total other financing sources (uses)	-	(145,000)	(232,287)	(60,000)
Net change in fund balances	38,592	(1,391,639)	53,078	(1,884,642)
Fund balances (deficit)-beginning	595,165	2,864,799	989,713	1,572,209
Fund balances (deficit)-ending	\$ 633,757	\$ 1,473,160	\$ 1,042,791	\$ (312,433)

CITY OF FULLERTON, CALIFORNIA
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds			
	Measure M2	Housing	FTV Cable - PEG Access Fund	SB2 / PLHA
REVENUES				
Taxes	\$ -	\$ -	\$ 181,903	\$ -
Intergovernmental	3,345,093	-	-	-
Charges for services	-	-	-	-
Investment earnings	329,620	297,959	51,697	8
Fines and forfeitures	-	-	-	-
Miscellaneous	-	4,750	-	-
Total revenues	3,674,713	302,709	233,600	8
EXPENDITURES				
Current:				
General government	-	-	123,494	-
Public safety	-	-	47,736	-
Community development	-	319,001	-	2,122,540
Human and leisure	228,081	-	-	-
Public works	284,157	-	-	-
Refuse collection	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	512,238	319,001	171,230	2,122,540
Excess (deficiency) of revenues over (under) expenditures	3,162,475	(16,292)	62,370	(2,122,532)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	612,658
Transfers out	(3,092,418)	(612,658)	(717,268)	-
Subscriptions financing	-	-	1,576	-
Total other financing sources (uses)	(3,092,418)	(612,658)	(715,692)	612,658
Net change in fund balances	70,057	(628,950)	(653,322)	(1,509,874)
Fund balances (deficit)-beginning	6,989,897	13,174,743	1,206,638	(612,652)
Fund balances (deficit)-ending	\$ 7,059,954	\$ 12,545,793	\$ 553,316	\$ (2,122,526)

CITY OF FULLERTON, CALIFORNIA
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds		Debt Service Fund	Total Nonmajor Funds
	West Coyote Hills Endowment	Opioid Litigation Settlement Fund	Debt Service Reserve	
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 181,903
Intergovernmental	-	52,135	-	11,933,414
Charges for services	-	103,827	-	21,013,827
Investment earnings	17,361	1,652	-	1,619,058
Fines and forfeitures	-	-	-	272,442
Miscellaneous	-	-	-	4,750
Total revenues	17,361	157,614	-	35,025,394
EXPENDITURES				
Current:				
General government	-	1,468	-	206,992
Public safety	-	-	-	290,085
Community development	-	-	-	2,447,046
Human and leisure	-	-	-	228,081
Public works	10	-	-	11,689,540
Refuse collection	-	-	-	15,548,256
Capital outlay	-	-	-	327,619
Total expenditures	10	1,468	-	30,737,619
Excess (deficiency) of revenues over (under) expenditures	17,351	156,146	-	4,287,775
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	614,398
Transfers out	-	-	-	(10,908,698)
Subscriptions financing	-	-	-	1,576
Total other financing sources (uses)	-	-	-	(10,292,724)
Net change in fund balances	17,351	156,146	-	(6,004,949)
Fund balances (deficit)-beginning	395,992	-	205,907	43,522,281
Fund balances (deficit)-ending	\$ 413,343	\$ 156,146	\$ 205,907	\$ 37,517,332

CITY OF FULLERTON, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
State Gas Tax
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 7,686,092	\$ 7,686,092	\$ 7,608,836	\$ (77,256)
Charges for services	15,000	15,000	68,874	53,874
Investment income	142,836	142,836	344,058	201,222
Total revenues	7,843,928	7,843,928	8,021,768	177,840
EXPENDITURES				
Current:				
General government	62,639	62,639	838	61,801
Public works	3,720,500	3,720,500	3,423,722	296,778
Capital outlay	7,000	7,000	-	7,000
Total expenditures	3,790,139	3,790,139	3,424,560	365,579
Excess (deficiency) of revenues over (under) expenditures	4,053,789	4,053,789	4,597,208	543,419
OTHER FINANCING SOURCES (USES)				
Transfers out	(3,820,000)	(10,893,055)	(2,685,098)	8,207,957
Total other financing sources (uses)	(3,820,000)	(10,893,055)	(2,685,098)	8,207,957
Net change in fund balances	\$ 233,789	\$ (6,839,266)	1,912,110	\$ 8,751,376
Fund balances (deficit)-beginning			6,942,828	
Fund balances (deficit)-ending			\$ 8,854,938	

CITY OF FULLERTON, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Drainage Capital Outlay
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Charges for services	\$ 800,000	\$ 800,000	\$ 665,728	\$ (134,272)
Investment income	93,795	93,795	274,538	180,743
Total revenues	893,795	893,795	940,266	46,471
EXPENDITURES				
Current:				
Public works	276,657	276,657	220,189	56,468
Total expenditures	276,657	276,657	220,189	56,468
Excess (deficiency) of revenues over (under) expenditures	617,138	617,138	720,077	102,939
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,740	1,740
Transfers out	(2,025,000)	(6,362,402)	(1,516,353)	4,846,049
Total other financing sources (uses)	(2,025,000)	(6,362,402)	(1,514,613)	4,847,789
Net change in fund balances	\$ (1,407,862)	\$ (5,745,264)	(794,536)	\$ 4,950,728
Fund balances (deficit)-beginning			6,199,096	
Fund balances (deficit)-ending			\$ 5,404,560	

CITY OF FULLERTON, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Traffic Safety
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Fines and forfeitures	\$ 200,000	\$ 200,000	\$ 272,442	\$ 72,442
Total revenues	<u>200,000</u>	<u>200,000</u>	<u>272,442</u>	<u>72,442</u>
Excess (deficiency) of revenues over (under) expenditures	<u>200,000</u>	<u>200,000</u>	<u>272,442</u>	<u>72,442</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(200,000)	(200,000)	(311,334)	(111,334)
Total other financing sources (uses)	<u>(200,000)</u>	<u>(200,000)</u>	<u>(311,334)</u>	<u>(111,334)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(38,892)</u>	<u>\$ (38,892)</u>
Fund balances (deficit)-beginning			38,892	
Fund balances (deficit)-ending			<u>\$ -</u>	

CITY OF FULLERTON, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Park Dwelling
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Charges for services	\$ 3,161,260	\$ 3,161,260	\$ 84,140	\$ (3,077,120)
Investment income	94,928	94,928	101,767	6,839
Total revenues	<u>3,256,188</u>	<u>3,256,188</u>	<u>185,907</u>	<u>(3,070,281)</u>
EXPENDITURES				
Current:				
General government	-	-	53	(53)
Total expenditures	<u>-</u>	<u>-</u>	<u>53</u>	<u>(53)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,256,188</u>	<u>3,256,188</u>	<u>185,854</u>	<u>(3,070,334)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(835,000)	(4,806,086)	(1,536,282)	3,269,804
Total other financing sources (uses)	<u>(835,000)</u>	<u>(4,806,086)</u>	<u>(1,536,282)</u>	<u>3,269,804</u>
Net change in fund balances	<u>\$ 2,421,188</u>	<u>\$ (1,549,898)</u>	<u>(1,350,428)</u>	<u>\$ 199,470</u>
Fund balances (deficit)-beginning			2,959,054	
Fund balances (deficit)-ending			<u>\$ 1,608,626</u>	

CITY OF FULLERTON, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Asset Seizure
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 365,000	\$ 365,000	\$ 541,480	\$ 176,480
Investment earnings	10,679	10,679	67,080	56,401
Total revenues	<u>375,679</u>	<u>375,679</u>	<u>608,560</u>	<u>232,881</u>
EXPENDITURES				
Current:				
Public safety	158,254	158,254	242,349	(84,095)
Capital outlay	380,000	380,000	327,619	52,381
Total expenditures	<u>538,254</u>	<u>538,254</u>	<u>569,968</u>	<u>(31,714)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(162,575)</u>	<u>(162,575)</u>	<u>38,592</u>	<u>201,167</u>
Net change in fund balances	<u>\$ (162,575)</u>	<u>\$ (162,575)</u>	<u>38,592</u>	<u>\$ 201,167</u>
Fund balances (deficit)-beginning			<u>595,165</u>	
Fund balances (deficit)-ending			<u>\$ 633,757</u>	

CITY OF FULLERTON, CALIFORNIA
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
 Refuse Collection
 For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 145,426	\$ 145,426
Charges for services	15,074,764	15,074,764	14,087,483	(987,281)
Investment earnings	20,000	20,000	68,708	48,708
Total revenues	15,094,764	15,094,764	14,301,617	(793,147)
EXPENDITURES				
Current:				
Refuse collection	15,331,508	15,331,508	15,548,256	(216,748)
Total expenditures	15,331,508	15,331,508	15,548,256	(216,748)
Excess (deficiency) of revenues over (under) expenditures	(236,744)	(236,744)	(1,246,639)	(1,009,895)
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(145,000)	(145,000)	-
Total other financing sources (uses)	-	(145,000)	(145,000)	-
Net change in fund balances	\$ (236,744)	\$ (381,744)	(1,391,639)	\$ (1,009,895)
Fund balances (deficit)-beginning			2,864,799	
Fund balances (deficit)-ending			\$ 1,473,160	

CITY OF FULLERTON, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Air Quality Improvement
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 181,000	\$ 181,000	\$ 240,444	\$ 59,444
Investment earnings	15,600	15,600	50,426	34,826
Total revenues	<u>196,600</u>	<u>196,600</u>	<u>290,870</u>	<u>94,270</u>
EXPENDITURES				
Current:				
Community development	23,050	23,050	5,505	17,545
Capital outlay	265,000	265,000	-	265,000
Total expenditures	<u>288,050</u>	<u>288,050</u>	<u>5,505</u>	<u>282,545</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(91,450)</u>	<u>(91,450)</u>	<u>285,365</u>	<u>376,815</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(480,948)	(232,287)	248,661
Total other financing sources (uses)	<u>-</u>	<u>(480,948)</u>	<u>(232,287)</u>	<u>248,661</u>
Net change in fund balances	<u>\$ (91,450)</u>	<u>\$ (572,398)</u>	<u>53,078</u>	<u>\$ 625,476</u>
Fund balances (deficit)-beginning			<u>989,713</u>	
Fund balances (deficit)-ending			<u>\$ 1,042,791</u>	

CITY OF FULLERTON, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Sanitation
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Charges for services	\$ 7,200,000	\$ 7,200,000	\$ 6,003,775	\$ (1,196,225)
Investment earnings	51,636	51,636	14,184	(37,452)
Total revenues	<u>7,251,636</u>	<u>7,251,636</u>	<u>6,017,959</u>	<u>(1,233,677)</u>
EXPENDITURES				
Current:				
General government	202,140	202,140	81,139	121,001
Public works	8,553,522	8,553,522	7,761,462	792,060
Total expenditures	<u>8,755,662</u>	<u>8,755,662</u>	<u>7,842,601</u>	<u>913,061</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,504,026)</u>	<u>(1,504,026)</u>	<u>(1,824,642)</u>	<u>(320,616)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(60,000)	(60,000)	-
Total other financing sources (uses)	<u>-</u>	<u>(60,000)</u>	<u>(60,000)</u>	<u>-</u>
Net change in fund balances	<u>\$ (1,504,026)</u>	<u>\$ (1,564,026)</u>	<u>(1,884,642)</u>	<u>\$ (320,616)</u>
Fund balances (deficit)-beginning			1,572,209	
Fund balances (deficit)-ending			<u>\$ (312,433)</u>	

CITY OF FULLERTON, CALIFORNIA
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
 Measure M2
 For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 3,725,398	\$ 3,725,398	\$ 3,345,093	\$ (380,305)
Investment earnings	72,925	72,925	329,620	256,695
Total revenues	3,798,323	3,798,323	3,674,713	(123,610)
EXPENDITURES				
Current:				
Human and leisure	370,406	370,406	228,081	142,325
Public works	304,000	304,000	284,157	19,843
Total expenditures	674,406	674,406	512,238	162,168
Excess (deficiency) of revenues over (under) expenditures	3,123,917	3,123,917	3,162,475	38,558
OTHER FINANCING SOURCES (USES)				
Transfers out	(3,035,440)	(7,800,625)	(3,092,418)	4,708,207
Total other financing sources (uses)	(3,035,440)	(7,800,625)	(3,092,418)	4,708,207
Net change in fund balances	\$ 88,477	\$ (4,676,708)	70,057	\$ 4,746,765
Fund balances (deficit)-beginning			6,989,897	
Fund balances (deficit)-ending			\$ 7,059,954	

CITY OF FULLERTON, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Housing
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Investment earnings	\$ 275,350	\$ 275,350	\$ 297,959	\$ 22,609
Miscellaneous	-	-	4,750	4,750
Total revenues	<u>275,350</u>	<u>275,350</u>	<u>302,709</u>	<u>27,359</u>
EXPENDITURES				
Current:				
Community development	1,006,144	1,006,144	319,001	687,143
Capital outlay	-	-	-	-
Total expenditures	<u>1,006,144</u>	<u>1,006,144</u>	<u>319,001</u>	<u>687,143</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(730,794)</u>	<u>(730,794)</u>	<u>(16,292)</u>	<u>714,502</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(612,658)	(612,658)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(612,658)</u>	<u>(612,658)</u>
Net change in fund balances	<u>\$ (730,794)</u>	<u>\$ (730,794)</u>	<u>(628,950)</u>	<u>\$ 101,844</u>
Fund balances (deficit)-beginning			13,174,743	
Fund balances (deficit)-ending			<u>\$ 12,545,793</u>	

CITY OF FULLERTON, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
FTV Cable - PEG Access Fund
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes	\$ 200,000	\$ 200,000	\$ 181,903	\$ (18,097)
Investment earnings	16,015	16,015	51,697	35,682
Total revenues	<u>216,015</u>	<u>216,015</u>	<u>233,600</u>	<u>17,585</u>
EXPENDITURES				
Current:				
General government	194,856	194,856	123,494	71,362
Public safety	-	-	47,736	(47,736)
Capital outlay	-	-	-	-
Total expenditures	<u>194,856</u>	<u>194,856</u>	<u>171,230</u>	<u>23,626</u>
Excess (deficiency) of revenues over (under) expenditures	<u>21,159</u>	<u>21,159</u>	<u>62,370</u>	<u>41,211</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(717,268)	(717,268)	-
Subscriptions financing	-	-	1,576	1,576
Total other financing sources (uses)	<u>-</u>	<u>(717,268)</u>	<u>(715,692)</u>	<u>1,576</u>
Net change in fund balances	<u>\$ 21,159</u>	<u>\$ (696,109)</u>	<u>(653,322)</u>	<u>\$ 42,787</u>
Fund balances (deficit)-beginning			<u>1,206,638</u>	
Fund balances (deficit)-ending			<u>\$ 553,316</u>	

CITY OF FULLERTON, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
SB2 / PLHA
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 1,177,577	\$ 1,177,577	\$ -	\$ (1,177,577)
Investment earnings	-	-	8	8
Total revenues	<u>1,177,577</u>	<u>1,177,577</u>	<u>8</u>	<u>(1,177,569)</u>
EXPENDITURES				
Current:				
Community development	1,177,577	1,177,577	2,122,540	(944,963)
Total expenditures	<u>1,177,577</u>	<u>1,177,577</u>	<u>2,122,540</u>	<u>(944,963)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(2,122,532)</u>	<u>(2,122,532)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	612,658	612,658
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>612,658</u>	<u>612,658</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(1,509,874)</u>	<u>\$ (1,509,874)</u>
Fund balances (deficit)-beginning			(612,652)	
Fund balances (deficit)-ending			<u>\$ (2,122,526)</u>	

CITY OF FULLERTON, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Capital Projects
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 471,610	\$ 22,458,145	\$ 2,834,203	\$ (19,623,942)
Charges for services	100,000	630,558	122,825	(507,733)
Miscellaneous	-	320,998	346,342	25,344
Total revenues	<u>571,610</u>	<u>23,409,701</u>	<u>3,303,370</u>	<u>(20,106,331)</u>
EXPENDITURES				
Current:				
Public works	229,582	229,582	1,897,916	(1,668,334)
Capital outlay	21,412,468	76,148,788	20,436,514	55,712,274
Total expenditures	<u>21,642,050</u>	<u>76,378,370</u>	<u>22,334,430</u>	<u>54,043,940</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(21,070,440)</u>	<u>(52,968,669)</u>	<u>(19,031,060)</u>	<u>33,937,609</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	21,070,440	52,117,657	16,441,012	(35,676,645)
Transfers out	-	-	(1,740)	(1,740)
Bond proceeds	-	851,012	-	(851,012)
Total other financing sources (uses)	<u>21,070,440</u>	<u>52,968,669</u>	<u>16,439,272</u>	<u>(36,529,397)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(2,591,788)</u>	<u>\$ (2,591,788)</u>
Fund balances (deficit)-beginning			(5,850,018)	
Fund balances (deficit)-ending			<u>\$ (8,441,806)</u>	

CITY OF FULLERTON, CALIFORNIA
Combining Statement of Net Position
Other Enterprise Funds
June 30, 2024

	Brea Dam Facilities Recreational	Parking Facilities	Compressed Natural Gas Facility	Total Other Enterprise Funds
ASSETS				
Current assets:				
Cash and investments	\$ 2,702,363	\$ -	\$ -	\$ 2,702,363
Receivables:				
Accounts	47,380	-	-	47,380
Accrued interest	12,399	-	-	12,399
Leases	29,594	-	-	29,594
Inventory	57,032	-	-	57,032
Restricted:				
Cash held with fiscal agent	279,525	-	-	279,525
Total current assets	3,128,293	-	-	3,128,293
Noncurrent:				
Leases	829,859	-	-	829,859
Capital assets - net of accumulated depreciation/amortization	2,561,165	541,789	-	3,102,954
Total noncurrent assets	3,391,024	541,789	-	3,932,813
Total assets	6,519,317	541,789	-	7,061,106
DEFERRED OUTFLOWS OF RESOURCES				
Pension deferrals	140,749	8,280	10,349	159,378
Other post-employment benefits deferrals	15,945	2,124	1,780	19,849
Total deferred outflows of resources	156,694	10,404	12,129	179,227
LIABILITIES				
Current liabilities:				
Accounts payable	2,726,993	543	467	2,728,003
Accrued liabilities	6,724	203	254	7,181
Accrued interest payable	15,100	1,424	395	16,919
Deposits payable	5,024	-	-	5,024
Due to other funds	-	370,341	102,854	473,195
Compensated absences - current	9,388	-	-	9,388
Bonds, loans, leases, and subscriptions - current	150,000	-	-	150,000
Total current liabilities	2,913,229	372,511	103,970	3,389,710
Noncurrent liabilities:				
Compensated absences	8,345	1,212	1,662	11,219
Bonds, loans, leases, and subscriptions	1,028,860	-	-	1,028,860
Net pension liability	576,798	33,929	42,412	653,139
Net other post-employment benefits liability	69,996	9,324	7,812	87,132
Total noncurrent liabilities	1,683,999	44,465	51,886	1,780,350
Total liabilities	4,597,228	416,976	155,856	5,170,060
DEFERRED INFLOWS OF RESOURCES				
Leases	791,058	-	-	791,058
Pension deferrals	2,687	158	198	3,043
Other post-employment benefits deferrals	32,345	4,309	3,610	40,264
Total deferred inflows of resources	826,090	4,467	3,808	834,365
NET POSITION				
Net investment in capital assets	1,382,305	541,789	-	1,924,094
Restricted for debt service	279,525	-	-	279,525
Unrestricted	(409,137)	(411,039)	(147,535)	(967,711)
Total net position	\$ 1,252,693	\$ 130,750	\$ (147,535)	\$ 1,235,908

CITY OF FULLERTON, CALIFORNIA
Combining Statement of Revenues, Expenses and
Changes in Net Position
Other Enterprise Funds
For the Year Ended June 30, 2024

	Brea Dam Facilities Recreational	Parking Facilities	Compressed Natural Gas Facility	Total Other Enterprise Funds
OPERATING REVENUES				
Sales and service charges	\$ 4,183,613	\$ -	\$ -	\$ 4,183,613
Miscellaneous	40,040	-	-	40,040
Total operating revenues	4,223,653	-	-	4,223,653
OPERATING EXPENSES				
Maintenance, operations, and administration	4,218,555	13,346	64,102	4,296,003
Depreciation/amortization expense	84,337	-	1,309	85,646
Total operating expenses	4,302,892	13,346	65,411	4,381,649
Operating income (loss)	(79,239)	(13,346)	(65,411)	(157,996)
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	164,210	(13,855)	(2,340)	148,015
Interest expense	(60,204)	-	-	(60,204)
Total nonoperating revenues (expenses)	104,006	(13,855)	(2,340)	87,811
Change in net position	24,767	(27,201)	(67,751)	(70,185)
Net position-beginning	1,227,926	157,951	(79,784)	1,306,093
Net position-ending	\$ 1,252,693	\$ 130,750	\$ (147,535)	\$ 1,235,908

CITY OF FULLERTON, CALIFORNIA
Combining Statement of Cash Flows
Other Enterprise Funds
For the Year Ended June 30, 2024

	Business-Type Activities			
	Brea Dam Facilities Recreational	Parking Facilities	Compressed Natural Gas Facility	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 4,126,052	\$ -	\$ -	\$ 4,126,052
Payments to suppliers and service providers	(4,037,932)	(12,803)	(49,390)	(4,100,125)
Payments to employees for salaries and benefits	(273,879)	(52,770)	(23,727)	(350,376)
Other receipts (payments)	40,040	-	-	40,040
Net cash provided by (used for) operating activities	(145,719)	(65,573)	(73,117)	(284,409)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Interest paid on on-capital debt	(1,832)	-	-	(1,832)
Payments from other funds on interfund borrowings	-	79,357	75,168	154,525
Net cash provided by (used for) noncapital financing activities	(1,832)	79,357	75,168	152,693
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(164,750)	-	-	(164,750)
Principal paid on capital debt	(145,000)	-	(25,918)	(170,918)
Interest paid on capital debt	(57,721)	-	-	(57,721)
Proceeds from sales of assets	-	-	26,323	26,323
Net cash provided by (used for) capital and related financing activities	(367,471)	-	405	(367,066)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	169,396	(13,784)	(2,456)	153,156
Net cash provided by (used for) investing activities	169,396	(13,784)	(2,456)	153,156
Net increase (decrease) in cash and cash equivalents	(345,626)	-	-	(345,626)
Cash and cash equivalents-beginning	3,327,514	-	-	3,327,514
Cash and cash equivalents-ending	\$ 2,981,888	\$ -	\$ -	\$ 2,981,888
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION				
Cash and investments	\$ 2,702,363	\$ -	\$ -	\$ 2,702,363
Restricted cash and investments	279,525	-	-	279,525
Total cash and cash equivalents	\$ 2,981,888	\$ -	\$ -	\$ 2,981,888
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES				
Operating income (loss)	\$ (79,239)	\$ (13,346)	\$ (65,411)	\$ (157,996)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation/amortization expense	84,337	-	1,309	85,646
(Increase) decrease in accounts receivable	(40,094)	-	-	(40,094)
(Increase) decrease in leases receivable	(21,501)	-	-	(21,501)
(Increase) decrease in inventory	28,042	-	-	28,042
Increase (decrease) in accounts payable	(141,886)	543	454	(140,889)
Increase (decrease) in accrued liabilities	1,767	(69)	42	1,740
Increase (decrease) in deposits payable	4,034	-	-	4,034
Increase (decrease) in compensated absences	2,411	(570)	162	2,003
Increase (decrease) in pension items	71,261	(27,233)	2,751	46,779
Increase (decrease) in other post-employment benefits items	(54,851)	(24,898)	(12,424)	(92,173)
Total adjustments	(66,480)	(52,227)	(7,706)	(126,413)
Net cash provided by (used for) operating activities	\$ (145,719)	\$ (65,573)	\$ (73,117)	\$ (284,409)
SCHEDULE OF NON-CASH NONCAPITAL, CAPITAL, AND INVESTING ACTIVITIES				
Unrealized gain/(loss) on fair value of investments	\$ (11,516)	\$ 1,585	\$ 441	\$ (9,490)
Amortization on bond discount	(2,483)	-	-	(2,483)

CITY OF FULLERTON, CALIFORNIA
Combining Statement of Net Position
Internal Service Funds
June 30, 2024

	<u>Liability Insurance</u>	<u>Vehicle Replacement</u>	<u>Workers' Comp</u>
ASSETS			
Current assets:			
Cash and investments	\$ 28,244,596	\$ 7,581,224	\$ 32,877,969
Receivables:			
Accounts	-	-	-
Accrued interest	108,741	28,368	126,428
Prepaid costs	-	364,438	-
Inventory	-	-	-
Restricted:			
Cash held with fiscal agent	-	-	-
Total current assets	<u>28,353,337</u>	<u>7,974,030</u>	<u>33,004,397</u>
Noncurrent:			
Capital assets - net of accumulated depreciation/amortization	1,144	12,062,955	9,851
Total noncurrent assets	<u>1,144</u>	<u>12,062,955</u>	<u>9,851</u>
Total assets	<u>28,354,481</u>	<u>20,036,985</u>	<u>33,014,248</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	357,955	-	-
Pension deferrals	173,865	-	206,985
Other post-employment benefits deferrals	14,748	-	18,240
Total deferred outflows of resources	<u>546,568</u>	<u>-</u>	<u>225,225</u>
LIABILITIES			
Current liabilities:			
Accounts payable	5,176	762,854	2,759
Accrued liabilities	4,310	-	4,991
Accrued interest payable	22,676	2,083	-
Unearned revenue	-	-	-
Due to other funds	-	-	-
Claims and judgments - current	3,685,000	-	2,410,000
Bonds, loans, leases, and subscriptions - current	450,000	90,003	-
Total current liabilities	<u>4,167,162</u>	<u>854,940</u>	<u>2,417,750</u>
Noncurrent liabilities:			
Claims and judgments - noncurrent	10,549,000	-	13,976,000
Bonds, loans, leases, and subscriptions	3,905,000	186,127	-
Net pension liability	712,515	-	848,232
Net other post-employment benefits liability	64,738	-	80,067
Total noncurrent liabilities	<u>15,231,253</u>	<u>186,127</u>	<u>14,904,299</u>
Total liabilities	<u>19,398,415</u>	<u>1,041,067</u>	<u>17,322,049</u>
DEFERRED INFLOWS OF RESOURCES			
Pension deferrals	3,319	-	3,951
Other post-employment benefits deferrals	29,916	-	36,999
Total deferred inflows of resources	<u>33,235</u>	<u>-</u>	<u>40,950</u>
NET POSITION			
Net investment in capital assets	1,144	11,786,825	9,851
Unrestricted	9,468,255	7,209,093	15,866,623
Total net position	<u>\$ 9,469,399</u>	<u>\$ 18,995,918</u>	<u>\$ 15,876,474</u>

CITY OF FULLERTON, CALIFORNIA
Combining Statement of Net Position
Internal Service Funds
June 30, 2024

(CONTINUED)

	Group Insurance	Equipment Maintenance	Information Technology
ASSETS			
Current assets:			
Cash and investments	\$ 2,605,135	\$ 4,666,692	\$ -
Receivables:			
Accounts	-	46,990	27,840
Accrued interest	10,018	17,943	2,120
Prepaid costs	28,249	-	97,981
Inventory	-	256,784	-
Restricted:			
Cash held with fiscal agent	-	-	-
Total current assets	2,643,402	4,988,409	127,941
Noncurrent:			
Capital assets - net of accumulated depreciation/amortization	156,240	-	11,096,276
Total noncurrent assets	156,240	-	11,096,276
Total assets	2,799,642	4,988,409	11,224,217
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	-	-	-
Pension deferrals	327,032	521,596	198,704
Other post-employment benefits deferrals	33,527	80,290	24,927
Total deferred outflows of resources	360,559	601,886	223,631
LIABILITIES			
Current liabilities:			
Accounts payable	37,718	178,133	1,201,941
Accrued liabilities	27,250	15,146	5,873
Accrued interest payable	3,599	4,205	77,312
Unearned revenue	9,197	-	-
Due to other funds	-	-	2,267,910
Claims and judgments - current	-	-	-
Bonds, loans, leases, and subscriptions - current	15,031	215,481	795,133
Total current liabilities	92,795	412,965	4,348,169
Noncurrent liabilities:			
Claims and judgments - noncurrent	-	-	-
Bonds, loans, leases, and subscriptions	132,830	-	4,243,390
Net pension liability	1,340,206	2,137,544	814,303
Net other post-employment benefits liability	147,175	352,454	109,422
Total noncurrent liabilities	1,620,211	2,489,998	5,167,115
Total liabilities	1,713,006	2,902,963	9,515,284
DEFERRED INFLOWS OF RESOURCES			
Pension deferrals	6,243	9,956	3,793
Other post-employment benefits deferrals	68,010	162,870	50,564
Total deferred inflows of resources	74,253	172,826	54,357
NET POSITION			
Net investment in capital assets	8,379	(215,481)	6,057,753
Unrestricted	1,364,563	2,729,987	(4,179,546)
Total net position	\$ 1,372,942	\$ 2,514,506	\$ 1,878,207

CITY OF FULLERTON, CALIFORNIA
Combining Statement of Net Position
Internal Service Funds
June 30, 2024

	<u>Building Maintenance</u>	<u>Facility Capital Repair</u>	<u>Total Internal Service Funds</u>
ASSETS			
Current assets:			
Cash and investments	\$ 10,229,931	\$ 2,235,186	\$ 88,440,733
Receivables:			
Accounts	-	-	74,830
Accrued interest	39,338	10,743	343,699
Prepaid costs	-	-	490,668
Inventory	-	-	256,784
Restricted:			
Cash held with fiscal agent	787,796	-	787,796
Total current assets	<u>11,057,065</u>	<u>2,245,929</u>	<u>90,394,510</u>
Noncurrent:			
Capital assets - net of accumulated depreciation/amortization	40,741	56,882	23,424,089
Total noncurrent assets	<u>40,741</u>	<u>56,882</u>	<u>23,424,089</u>
Total assets	<u>11,097,806</u>	<u>2,302,811</u>	<u>113,818,599</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	-	-	357,955
Pension deferrals	577,480	-	2,005,662
Other post-employment benefits deferrals	110,341	-	282,073
Total deferred outflows of resources	<u>687,821</u>	<u>-</u>	<u>2,645,690</u>
LIABILITIES			
Current liabilities:			
Accounts payable	119,272	-	2,307,853
Accrued liabilities	14,040	-	71,610
Accrued interest payable	24,247	-	134,122
Unearned revenue	-	-	9,197
Due to other funds	-	-	2,267,910
Claims and judgments - current	-	-	6,095,000
Bonds, loans, leases, and subscriptions - current	439,034	-	2,004,682
Total current liabilities	<u>596,593</u>	<u>-</u>	<u>12,890,374</u>
Noncurrent liabilities:			
Claims and judgments - noncurrent	-	-	24,525,000
Bonds, loans, leases, and subscriptions	7,643,351	-	16,110,698
Net pension liability	2,366,567	-	8,219,367
Net other post-employment benefits liability	484,369	-	1,238,225
Total noncurrent liabilities	<u>10,494,287</u>	<u>-</u>	<u>50,093,290</u>
Total liabilities	<u>11,090,880</u>	<u>-</u>	<u>62,983,664</u>
DEFERRED INFLOWS OF RESOURCES			
Pension deferrals	11,023	-	38,285
Other post-employment benefits deferrals	223,829	-	572,188
Total deferred inflows of resources	<u>234,852</u>	<u>-</u>	<u>610,473</u>
NET POSITION			
Net investment in capital assets	40,741	56,882	17,746,094
Unrestricted	419,154	2,245,929	35,124,058
Total net position	<u>\$ 459,895</u>	<u>\$ 2,302,811</u>	<u>\$ 52,870,152</u>

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CITY OF FULLERTON, CALIFORNIA
Combining Statement of Revenues, Expenses and
Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2024

	<u>Liability Insurance</u>	<u>Vehicle Replacement</u>	<u>Workers' Comp</u>
OPERATING REVENUES			
Interfund service charges	\$ 11,353,111	\$ 2,963,067	\$ 3,332,146
Miscellaneous	400	252,955	159,280
Total operating revenues	<u>11,353,511</u>	<u>3,216,022</u>	<u>3,491,426</u>
OPERATING EXPENSES			
Maintenance, operations, and administration	5,838,400	283,887	1,161,634
Claims expense	224,892	-	1,999,125
Depreciation/amortization expense	228	1,404,640	2,463
Total operating expenses	<u>6,063,520</u>	<u>1,688,527</u>	<u>3,163,222</u>
Operating income (loss)	<u>5,289,991</u>	<u>1,527,495</u>	<u>328,204</u>
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	1,058,889	285,424	1,356,316
Interest expense	(134,431)	(1,897)	-
Gain (loss) on disposal of capital assets	-	(109,030)	-
Total nonoperating revenues (expenses)	<u>924,458</u>	<u>174,497</u>	<u>1,356,316</u>
Income (loss) before capital contributions and transfers	<u>6,214,449</u>	<u>1,701,992</u>	<u>1,684,520</u>
Transfers in	-	204,050	-
Transfers out	(33,780)	-	-
Change in net position	<u>6,180,669</u>	<u>1,906,042</u>	<u>1,684,520</u>
Net position-beginning	<u>3,288,730</u>	<u>17,089,876</u>	<u>14,191,954</u>
Net position-ending	<u>\$ 9,469,399</u>	<u>\$ 18,995,918</u>	<u>\$ 15,876,474</u>

CITY OF FULLERTON, CALIFORNIA
Combining Statement of Revenues, Expenses and
Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2024

(CONTINUED)

	Group Insurance	Equipment Maintenance	Information Technology
OPERATING REVENUES			
Interfund service charges	\$ 7,397,159	\$ 4,839,857	\$ 7,840,728
Miscellaneous	48,911	13,320	16,102
Total operating revenues	7,446,070	4,853,177	7,856,830
OPERATING EXPENSES			
Maintenance, operations, and administration	7,680,363	3,880,045	7,634,845
Claims expense	-	-	-
Depreciation/amortization expense	35,557	3,429	944,966
Total operating expenses	7,715,920	3,883,474	8,579,811
Operating income (loss)	(269,850)	969,703	(722,981)
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	113,012	180,075	(11,197)
Interest expense	(7,783)	(6,640)	(60,677)
Gain (loss) on disposal of capital assets	-	-	9,464
Total nonoperating revenues (expenses)	105,229	173,435	(62,410)
Income (loss) before capital contributions and transfers	(164,621)	1,143,138	(785,391)
Transfers in	-	-	1,233,635
Transfers out	-	-	-
Change in net position	(164,621)	1,143,138	448,244
Net position-beginning	1,537,563	1,371,368	1,429,963
Net position-ending	\$ 1,372,942	\$ 2,514,506	\$ 1,878,207

CITY OF FULLERTON, CALIFORNIA
Combining Statement of Revenues, Expenses and
Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2024

	Building Maintenance	Facility Capital Repair	Total Internal Service Funds
OPERATING REVENUES			
Interfund service charges	\$ 3,572,559	\$ 569,543	\$ 41,868,170
Miscellaneous	583,784	-	1,074,752
Total operating revenues	4,156,343	569,543	42,942,922
OPERATING EXPENSES			
Maintenance, operations, and administration	3,852,379	147	30,331,700
Claims expense	-	-	2,224,017
Depreciation/amortization expense	4,919	11,748	2,407,950
Total operating expenses	3,857,298	11,895	34,963,667
Operating income (loss)	299,045	557,648	7,979,255
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	309,212	120,123	3,411,854
Interest expense	-	-	(211,428)
Gain (loss) on disposal of capital assets	-	-	(99,566)
Total nonoperating revenues (expenses)	309,212	120,123	3,100,860
Income (loss) before capital contributions and transfers	608,257	677,771	11,080,115
Transfers in	-	-	1,437,685
Transfers out	-	(916,926)	(950,706)
Change in net position	608,257	(239,155)	11,567,094
Net position-beginning	(148,362)	2,541,966	41,303,058
Net position-ending	\$ 459,895	\$ 2,302,811	\$ 52,870,152

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CITY OF FULLERTON, CALIFORNIA
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2024

	<u>Liability Insurance</u>	<u>Vehicle Replacement</u>	<u>Workers' Comp</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund charges	\$ 11,353,111	\$ 2,963,067	\$ 3,332,146
Payments to suppliers and service providers	(5,643,158)	(648,325)	(946,019)
Payments to employees for salaries and benefits	(120,541)	-	(93,884)
Payments of insurance claims	(1,631,892)	-	(1,515,125)
Other receipts (payments)	400	1,007,001	159,280
Net cash provided by (used for) operating activities	<u>3,957,920</u>	<u>3,321,743</u>	<u>936,398</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	-	204,050	-
Transfers to other funds	(33,780)	-	-
Principal paid on noncapital debt	(445,000)	-	-
Interest paid on noncapital debt	(95,456)	-	-
Payments from other funds on interfund borrowings	-	-	-
Net cash provided by (used for) noncapital financing activities	<u>(574,236)</u>	<u>204,050</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	-	(2,616,652)	-
Principal paid on capital debt	-	(80,269)	-
Interest paid on capital debt	-	-	-
Proceeds from sales of assets	-	-	-
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>(2,696,921)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	1,060,814	283,498	1,372,031
Net cash provided by (used for) investing activities	<u>1,060,814</u>	<u>283,498</u>	<u>1,372,031</u>
Net increase (decrease) in cash and cash equivalents	<u>4,444,498</u>	<u>1,112,370</u>	<u>2,308,429</u>
Cash and cash equivalents-beginning	<u>23,800,098</u>	<u>6,468,854</u>	<u>30,569,540</u>
Cash and cash equivalents-ending	<u>\$ 28,244,596</u>	<u>\$ 7,581,224</u>	<u>\$ 32,877,969</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION			
Cash and investments	\$ 28,244,596	\$ 7,581,224	\$ 32,877,969
Cash held with fiscal agent	-	-	-
Total cash and cash equivalents	<u>\$ 28,244,596</u>	<u>\$ 7,581,224</u>	<u>\$ 32,877,969</u>

CITY OF FULLERTON, CALIFORNIA
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2024

	Group Insurance	Equipment Maintenance	Information Technology
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund charges	\$ 7,395,203	\$ 4,834,887	\$ 7,812,888
Payments to suppliers and service providers	(5,829,501)	(3,049,966)	(7,058,890)
Payments to employees for salaries and benefits	(1,500,367)	(1,039,062)	(510,777)
Payments of insurance claims	-	-	-
Other receipts (payments)	48,911	13,320	16,102
Net cash provided by (used for) operating activities	114,246	759,179	259,323
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	-	-	1,233,635
Transfers to other funds	-	-	-
Principal paid on noncapital debt	-	-	-
Interest paid on noncapital debt	-	-	-
Payments from other funds on interfund borrowings	-	-	2,267,910
Net cash provided by (used for) noncapital financing activities	-	-	3,501,545
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	-	-	(3,002,398)
Principal paid on capital debt	(14,087)	(217,067)	(1,147,514)
Interest paid on capital debt	(4,184)	(6,640)	(60,677)
Proceeds from sales of assets	(17,431)	-	(345,042)
Net cash provided by (used for) capital and related financing activities	(35,702)	(223,707)	(4,555,631)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	114,211	183,300	(13,585)
Net cash provided by (used for) investing activities	114,211	183,300	(13,585)
Net increase (decrease) in cash and cash equivalents	192,755	718,772	(808,348)
Cash and cash equivalents-beginning	2,412,380	3,947,920	808,348
Cash and cash equivalents-ending	\$ 2,605,135	\$ 4,666,692	\$ -
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION			
Cash and investments	\$ 2,605,135	\$ 4,666,692	\$ -
Cash held with fiscal agent	-	-	-
Total cash and cash equivalents	\$ 2,605,135	\$ 4,666,692	\$ -

CITY OF FULLERTON, CALIFORNIA
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2024

	Building Maintenance	Facility Capital Repair	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund charges	\$ 3,572,559	\$ 569,543	\$ 41,833,404
Payments to suppliers and service providers	(3,077,021)	(147)	(26,253,027)
Payments to employees for salaries and benefits	(249,615)	-	(3,514,246)
Payments of insurance claims	-	-	(3,147,017)
Other receipts (payments)	583,784	-	1,828,798
Net cash provided by (used for) operating activities	829,707	569,396	10,747,912
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	-	-	1,437,685
Transfers to other funds	-	(916,926)	(950,706)
Principal paid on noncapital debt	(431,102)	-	(876,102)
Interest paid on noncapital debt	(1,293)	-	(96,749)
Payments from other funds on interfund borrowings	-	-	2,267,910
Net cash provided by (used for) noncapital financing activities	(432,395)	(916,926)	1,782,038
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	-	-	(5,619,050)
Principal paid on capital debt	-	-	(1,458,937)
Interest paid on capital debt	-	-	(71,501)
Proceeds from sales of assets	-	-	(362,473)
Net cash provided by (used for) capital and related financing activities	-	-	(7,511,961)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	295,767	123,300	3,419,336
Net cash provided by (used for) investing activities	295,767	123,300	3,419,336
Net increase (decrease) in cash and cash equivalents	693,079	(224,230)	8,437,325
Cash and cash equivalents-beginning	10,324,648	2,459,416	80,791,204
Cash and cash equivalents-ending	\$ 11,017,727	\$ 2,235,186	\$ 89,228,529
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION			
Cash and investments	\$ 10,229,931	\$ 2,235,186	\$ 88,440,733
Cash held with fiscal agent	787,796	-	787,796
Total cash and cash equivalents	\$ 11,017,727	\$ 2,235,186	\$ 89,228,529

CITY OF FULLERTON, CALIFORNIA
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2024

	<u>Liability Insurance</u>	<u>Vehicle Replacement</u>	<u>Workers' Comp</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Operating income (loss)	\$ 5,289,991	\$ 1,527,495	\$ 328,204
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation/amortization expense	228	1,404,640	2,463
(Increase) decrease in accounts receivable	-	-	-
(Increase) decrease in inventories	-	-	-
(Increase) decrease in prepaid costs	-	(364,438)	-
Increase (decrease) in accounts payable	5,049	754,046	(7,604)
Increase (decrease) in accrued liabilities	1,088	-	1,206
Increase (decrease) in unearned revenue	-	-	-
Increase (decrease) in claims and judgments	(1,407,000)	-	484,000
Increase (decrease) in pension and related items	92,331	-	146,556
Increase (decrease) in OPEB and related items	(23,767)	-	(18,427)
Total adjustments	<u>(1,332,071)</u>	<u>1,794,248</u>	<u>608,194</u>
Net cash provided by (used for) operating activities	<u>\$ 3,957,920</u>	<u>\$ 3,321,743</u>	<u>\$ 936,398</u>
SCHEDULE OF NON-CASH NONCAPITAL, CAPITAL, AND INVESTING ACTIVITIES			
Unrealized gain/(loss) on fair value of investments	\$ (120,984)	\$ (31,562)	\$ (140,665)
Amortization on bond discount/(premium)	39,772	-	-

CITY OF FULLERTON, CALIFORNIA
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2024

	<u>Group Insurance</u>	<u>Equipment Maintenance</u>	<u>Information Technology</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Operating income (loss)	\$ (269,850)	\$ 969,703	\$ (722,981)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation/amortization expense	35,557	3,429	944,966
(Increase) decrease in accounts receivable	-	(4,970)	(27,840)
(Increase) decrease in inventories	-	(19,493)	-
(Increase) decrease in prepaid costs	(28,249)	-	(97,981)
Increase (decrease) in accounts payable	13,445	69,771	382,796
Increase (decrease) in accrued liabilities	1,931	3,190	(3,200)
Increase (decrease) in unearned revenue	(1,956)	-	-
Increase (decrease) in claims and judgments	-	-	-
Increase (decrease) in pension and related items	373,555	(145,994)	(150,636)
Increase (decrease) in OPEB and related items	(10,187)	(116,457)	(65,801)
Total adjustments	<u>384,096</u>	<u>(210,524)</u>	<u>982,304</u>
Net cash provided by (used for) operating activities	<u>\$ 114,246</u>	<u>\$ 759,179</u>	<u>\$ 259,323</u>
SCHEDULE OF NON-CASH NONCAPITAL, CAPITAL, AND INVESTING ACTIVITIES			
Unrealized gain/(loss) on fair value of investments	\$ (11,146)	\$ (19,964)	\$ -
Amortization on bond discount/(premium)	-	-	-

CITY OF FULLERTON, CALIFORNIA
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2024

	<u>Building Maintenance</u>	<u>Facility Capital Repair</u>	<u>Totals</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Operating income (loss)	\$ 299,045	\$ 557,648	\$ 7,979,255
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation/amortization expense	4,919	11,748	2,407,950
(Increase) decrease in accounts receivable	-	-	(32,810)
(Increase) decrease in inventories	-	-	(19,493)
(Increase) decrease in prepaid costs	-	-	(490,668)
Increase (decrease) in accounts payable	35,593	-	1,253,096
Increase (decrease) in accrued liabilities	2,871	-	7,086
Increase (decrease) in unearned revenue	-	-	(1,956)
Increase (decrease) in claims and judgments	-	-	(923,000)
Increase (decrease) in pension and related items	382,966	-	698,778
Increase (decrease) in OPEB and related items	104,313	-	(130,326)
Total adjustments	<u>530,662</u>	<u>11,748</u>	<u>\$ 2,768,657</u>
Net cash provided by (used for) operating activities	<u>\$ 829,707</u>	<u>\$ 569,396</u>	<u>\$ 10,747,912</u>
SCHEDULE OF NON-CASH NONCAPITAL, CAPITAL, AND INVESTING ACTIVITIES			
Unrealized gain/(loss) on fair value of investments	\$ (43,767)	\$ (11,952)	\$ (380,040)
Amortization on bond discount/(premium)	-	-	39,772

CITY OF FULLERTON, CALIFORNIA
Combining Statement of Fiduciary Net Position
Fiduciary Funds - Private Purpose Trust Funds
June 30, 2024

	Successor Agency of the Former RDA	Other	Total Private Purpose Trust Funds
ASSETS			
Cash and cash equivalents	\$ 9,168,898	\$ -	\$ 9,168,898
Restricted assets - cash and cash equivalents	-	5,848,806	5,848,806
Investments:			
Mutual funds	3	-	3
Receivables:			
Interest	54,182	-	54,182
Leases	32,683	-	32,683
Notes and loans	49,176,003	-	49,176,003
Prepaid costs	54,549	-	54,549
Land held for resale	2,900,768	-	2,900,768
Total assets	61,387,086	5,848,806	67,235,892
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	31,015	-	31,015
Total deferred outflows of resources	31,015	-	31,015
LIABILITIES			
Accounts payable	9,265	82,680	91,945
Accrued liabilities	1,427	-	1,427
Accrued interest	326,305	-	326,305
Noncurrent:			
Bonds payable - due within one year	8,940,000	-	8,940,000
Bonds payable - due in more than one year	20,808,359	-	20,808,359
Total liabilities	30,085,356	82,680	30,168,036
DEFERRED INFLOWS OF RESOURCES			
Leases	30,645	-	30,645
Total deferred inflows of resources	30,645	-	30,645
NET POSITION			
Restricted for:			
Restricted for individuals, organizations, and other governments	31,302,100	5,766,126	37,068,226
Total net position	\$ 31,302,100	\$ 5,766,126	\$ 37,068,226

CITY OF FULLERTON, CALIFORNIA
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Private Purpose Trust Funds
For the Year Ended June 30, 2024

	Successor Agency of the Former RDA	Other	Total Private Purpose Trust Funds
ADDITIONS			
Contributions:			
Contributions from other funds	\$ -	\$ 6,228,325	\$ 6,228,325
Total contributions	<u>-</u>	<u>6,228,325</u>	<u>6,228,325</u>
Investment earnings:			
Investment earnings	1,077,403	-	1,077,403
Total investment earnings	<u>1,077,403</u>	<u>-</u>	<u>1,077,403</u>
Taxes	11,403,609	-	11,403,609
Sale of property	10,700,000	-	10,700,000
Total additions	<u>23,181,012</u>	<u>6,228,325</u>	<u>29,409,337</u>
DEDUCTIONS			
Administrative expenses	141,435	-	141,435
Contractual services	184,896	462,199	647,095
Contributions to other funds	6,228,325	-	6,228,325
Interest expense	123,428	-	123,428
Total deductions	<u>6,678,084</u>	<u>462,199</u>	<u>7,140,283</u>
Net increase (decrease) in fiduciary net position	16,502,928	5,766,126	22,269,054
Net position-beginning	<u>14,799,172</u>	<u>-</u>	<u>14,799,172</u>
Net position-ending	<u>\$ 31,302,100</u>	<u>\$ 5,766,126</u>	<u>\$ 37,068,226</u>

CITY OF FULLERTON, CALIFORNIA
Combining Statement of Fiduciary Net Position
Fiduciary Funds - Custodial Funds
June 30, 2024

	Collections for Other Governments	Community Facilities Districts	Assessment Districts	Total Custodial Funds
ASSETS				
Cash and cash equivalents	\$ 125,296	\$ 56,819	\$ 415,278	\$ 597,393
Receivables:				
Taxes	-	24,078	-	24,078
Total assets	125,296	80,897	415,278	621,471
LIABILITIES				
Accounts payable	22,200	-	-	22,200
Due to bondholders	-	80,897	415,278	496,175
Total liabilities	22,200	80,897	415,278	518,375
NET POSITION				
Restricted for:				
Restricted for individuals, organizations, and other governments	103,096	-	-	103,096
Total net position	\$ 103,096	\$ -	\$ -	\$ 103,096

CITY OF FULLERTON, CALIFORNIA
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Custodial Funds
For the Year Ended June 30, 2024

	<u>Collections for Other Governments</u>	<u>Community Facilities Districts</u>	<u>Assessment Districts</u>	<u>Total Custodial Funds</u>
ADDITIONS				
Investment earnings:				
Investment earnings	\$ 18,174	\$ -	\$ -	\$ 18,174
Total investment earnings	<u>18,174</u>	<u>-</u>	<u>-</u>	<u>18,174</u>
Miscellaneous	-	25,796	-	25,796
Total additions	<u>18,174</u>	<u>25,796</u>	<u>-</u>	<u>43,970</u>
DEDUCTIONS				
Miscellaneous	-	25,796	-	25,796
Total deductions	<u>-</u>	<u>25,796</u>	<u>-</u>	<u>25,796</u>
Net increase (decrease) in fiduciary net position	18,174	-	-	18,174
Net position-beginning	<u>84,922</u>	<u>-</u>	<u>-</u>	<u>84,922</u>
Net position-ending	<u>\$ 103,096</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 103,096</u>

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**Statistical
Section**

This part of the City of Fullerton’s Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information says about the government’s overall financial health.

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Financial Trends.....	136
These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	
Revenue Capacity.....	146
These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.	
Debt Capacity.....	149
These schedules present 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 future.	
Demographic and Economic Information	157
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.	
Operating Information	160
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 the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the City’s Annual Comprehensive Financial Report for the relevant year.

City of Fullerton
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(in Thousands)

	Fiscal Year				
	2014-15	2015-16	2016-17	2017-18	2018-19
Governmental activities					
Net investment in capital assets	\$ 343,504	\$ 384,032	\$ 406,560	\$ 428,099	\$ 450,340
Restricted	28,620	26,427	27,704	39,316	42,006
Unrestricted	(128,432)	(122,478)	(123,501)	(169,976)	(170,220)
Total governmental activities net position	\$ 243,692	\$ 287,981	\$ 310,763	\$ 297,439	\$ 322,126
Business-type activities					
Net investment in capital assets	\$ 87,838	\$ 93,508	\$ 97,142	\$ 102,771	\$ 108,226
Restricted	308	279	276	298	300
Unrestricted	10,579	11,119	14,490	14,223	16,408
Total business-type activities net position	\$ 98,725	\$ 104,906	\$ 111,908	\$ 117,292	\$ 124,934
Primary government					
Net investment in capital assets	\$ 431,342	\$ 477,540	\$ 503,701	\$ 530,870	\$ 558,566
Restricted	28,928	26,706	27,980	39,614	42,306
Unrestricted	(117,853)	(111,358)	(109,010)	(155,753)	(153,812)
Total primary government net position	\$ 342,417	\$ 392,887	\$ 422,671	\$ 414,731	\$ 447,060

City of Fullerton
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(in Thousands)

	Fiscal Year				
	2019-20	2020-21	2021-22	2022-23	2023-24
Governmental activities					
Net investment in capital assets	\$ 469,893	\$ 473,537	\$ 486,642	\$ 499,394	\$ 519,129
Restricted	41,568	41,442	42,423	45,654	43,545
Unrestricted	(181,629)	(190,128)	(156,105)	(149,971)	(153,556)
Total governmental activities net position	<u>\$ 329,832</u>	<u>\$ 324,851</u>	<u>\$ 372,960</u>	<u>\$ 395,077</u>	<u>\$ 409,118</u>
Business-type activities					
Net investment in capital assets	\$ 114,443	\$ 122,811	\$ 134,468	\$ 143,202	\$ 163,657
Restricted	300	289	260	286	279
Unrestricted	18,156	27,727	41,377	52,900	52,993
Total business-type activities net position	<u>\$ 132,899</u>	<u>\$ 150,827</u>	<u>\$ 176,105</u>	<u>\$ 196,388</u>	<u>\$ 216,929</u>
Primary government					
Net investment in capital assets	\$ 584,336	\$ 596,348	\$ 621,110	\$ 642,596	\$ 682,786
Restricted	41,868	41,731	42,683	45,940	43,824
Unrestricted	(163,473)	(162,401)	(114,728)	(97,071)	(100,563)
Total primary government net position	<u>\$ 462,731</u>	<u>\$ 475,678</u>	<u>\$ 549,065</u>	<u>\$ 591,465</u>	<u>\$ 626,047</u>

City of Fullerton
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(in Thousands)

	Fiscal Year				
	2014-15	2015-16	2016-17	2017-18	2018-19
Expenses					
Governmental activities:					
General government	\$ 4,983	\$ 1,799	\$ 1,594	\$ 6,862	\$ 5,675
Public safety	55,089	57,569	65,249	75,773	76,743
Community development	8,583	5,539	6,687	8,761	10,645
Human and leisure	11,110	11,741	11,670	12,670	13,065
Public works	18,598	23,129	26,944	28,183	24,726
Refuse collection	10,077	10,181	10,384	10,394	10,878
Interest on long-term debt	554	431	378	358	391
Total governmental activities net expenses	<u>108,994</u>	<u>110,389</u>	<u>122,906</u>	<u>143,001</u>	<u>142,123</u>
Business-type activities:					
Airport	1,445	1,492	1,526	1,667	1,831
Brea Dam recreational facilities	2,745	2,764	2,857	2,770	2,945
Water utility	26,929	24,991	27,268	30,290	27,806
Parking facilities	29	28	28	45	23
Sewer enterprise	3,375	3,076	3,495	3,735	3,384
Compressed Natural Gas facility	522	458	396	274	140
Total business-type activities net expenses	<u>35,045</u>	<u>32,809</u>	<u>35,570</u>	<u>38,781</u>	<u>36,129</u>
Total primary government expenses	<u>\$ 144,039</u>	<u>\$ 143,198</u>	<u>\$ 158,476</u>	<u>\$ 181,782</u>	<u>\$ 178,252</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 1,553	\$ 820	\$ 778	\$ 1,305	\$ 1,222
Public safety	5,066	5,035	5,071	5,179	7,209
Community development	4,085	3,810	4,548	4,515	4,850
Human and leisure	8,400	1,547	4,399	1,809	5,387
Public works	7,691	7,300	8,195	9,717	11,587
Refuse collection	10,449	10,569	10,788	10,894	11,661
Operating grants and contributions	8,820	8,473	13,748	8,897	9,035
Capital grants and contributions	39,543	29,053	22,761	23,180	27,752
Total governmental activities program revenues	<u>85,607</u>	<u>66,607</u>	<u>70,288</u>	<u>65,496</u>	<u>78,703</u>

City of Fullerton
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(in Thousands)

	Fiscal Year				
	2019-20	2020-21	2021-22	2022-23	2023-24
Expenses					
Governmental activities:					
General government	\$ 6,368	\$ 7,814	\$ 7,941	\$ 15,532	\$ 15,603
Public safety	83,043	83,200	74,950	82,072	100,595
Community development	8,524	10,123	7,194	7,413	10,688
Human and leisure	13,574	11,058	11,134	11,447	13,399
Public works	26,077	24,617	24,819	27,870	30,258
Refuse collection	11,716	12,862	12,766	13,504	15,649
Interest on long-term debt	410	336	241	246	244
Total governmental activities net expenses	<u>149,712</u>	<u>150,010</u>	<u>139,044</u>	<u>158,085</u>	<u>186,436</u>
Business-type activities:					
Airport	2,493	1,953	2,227	2,125	4,198
Brea Dam recreational facilities	2,679	2,729	3,978	3,730	4,163
Water utility	32,315	32,167	31,070	29,345	32,755
Parking facilities	104	97	73	76	13
Sewer enterprise	4,831	3,412	3,579	5,559	4,719
Compressed Natural Gas facility	196	170	285	106	62
Total business-type activities net expenses	<u>42,618</u>	<u>40,528</u>	<u>41,212</u>	<u>40,941</u>	<u>45,910</u>
Total primary government expenses	<u>\$ 192,330</u>	<u>\$ 190,538</u>	<u>\$ 180,256</u>	<u>\$ 199,026</u>	<u>\$ 232,346</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 962	\$ 1,857	\$ 1,593	\$ 769	\$ 522
Public safety	7,945	7,095	8,284	10,173	11,111
Community development	3,936	4,359	5,977	6,525	4,613
Human and leisure	1,356	1,552	1,000	1,190	874
Public works	11,449	11,618	11,686	12,023	13,754
Refuse collection	12,059	13,107	13,728	14,332	14,087
Operating grants and contributions	10,538	13,978	12,589	23,760	36,640
Capital grants and contributions	4,796	3,725	20,434	6,924	4,348
Total governmental activities program revenues	<u>53,041</u>	<u>57,291</u>	<u>75,291</u>	<u>75,696</u>	<u>85,949</u>

City of Fullerton
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(in Thousands)

	Fiscal Year				
	2014-15	2015-16	2016-17	2017-18	2018-19
Business-type activities:					
Charges for services:					
Airport	1,650	1,885	1,823	1,775	1,884
Brea Dam recreational facilities	3,083	2,918	2,725	2,863	2,510
Water utility	28,715	27,041	30,021	33,095	32,715
Parking facilities	-	17	24	16	12
Sewer enterprise	6,418	5,844	5,948	6,390	6,044
Compressed Natural Gas facility	385	552	313	421	222
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	457	420	1,417	189	185
Total business-type activities program revenues	<u>40,708</u>	<u>38,677</u>	<u>42,271</u>	<u>44,749</u>	<u>43,572</u>
Primary government program revenues	<u>\$ 126,315</u>	<u>\$ 108,965</u>	<u>\$ 107,767</u>	<u>\$ 123,452</u>	<u>\$ 122,275</u>
Net (Expense)/Revenue					
Governmental activities	\$ (23,387)	\$ (43,783)	\$ (52,618)	\$ (77,505)	\$ (63,420)
Business-type activities	5,663	5,869	6,701	5,968	7,443
Total primary government net expense	<u>\$ (17,724)</u>	<u>\$ (37,914)</u>	<u>\$ (45,917)</u>	<u>\$ (71,537)</u>	<u>\$ (55,977)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Property taxes	\$ 35,723	\$ 37,840	\$ 39,738	\$ 42,146	\$ 44,204
Sales taxes	20,643	23,000	21,456	21,834	24,438
Franchise taxes	4,392	4,383	4,181	4,336	4,493
Other Taxes	-	-	-	-	-
Unrestricted motor vehicle in-lieu taxes	57	57	64	75	69
Use of money and property	3,858	4,615	3,976	4,594	8,444
Miscellaneous	4,699	4,823	6,024	5,558	6,459
Extraordinary item	-	13,667	-	-	-
Gain on sale of capital asset	-	-	-	3,150	-
Transfers	(36)	(36)	(36)	(290)	-
Total governmental activities	<u>69,336</u>	<u>88,349</u>	<u>75,403</u>	<u>81,403</u>	<u>88,107</u>
Business-type activities:					
Property taxes	105	104	110	98	87
Use of money and property	39	41	38	40	45
Miscellaneous	366	132	117	166	67
Gain on sale of capital asset	-	-	-	-	-
Transfers	36	36	36	290	-
Total business-type activities	<u>546</u>	<u>313</u>	<u>301</u>	<u>594</u>	<u>199</u>
Total primary government	<u>\$ 69,882</u>	<u>\$ 88,662</u>	<u>\$ 75,704</u>	<u>\$ 81,997</u>	<u>\$ 88,306</u>
Change in Net Position					
Governmental activities	\$ 45,948	\$ 44,566	\$ 22,782	\$ 3,898	\$ 24,687
Business-type activities	6,210	6,182	7,002	6,562	7,642
Total primary government	<u>\$ 52,158</u>	<u>\$ 50,748</u>	<u>\$ 29,784</u>	<u>\$ 10,460</u>	<u>\$ 32,329</u>

City of Fullerton
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(in Thousands)

	Fiscal Year				
	2019-20	2020-21	2021-22	2022-23	2023-24
Business-type activities:					
Charges for services:					
Airport	1,849	1,822	1,885	1,922	2,123
Brea Dam recreational facilities	2,448	3,958	4,256	4,223	4,184
Water utility	37,786	44,691	49,901	48,228	50,035
Parking facilities	8	-	-	-	-
Sewer enterprise	5,944	6,212	6,061	5,372	5,932
Compressed Natural Gas facility	190	170	150	-	-
Operating grants and contributions	-	-	108	-	-
Capital grants and contributions	567	1,302	4,930	339	667
Total business-type activities program revenues	<u>48,792</u>	<u>58,156</u>	<u>67,292</u>	<u>60,084</u>	<u>62,941</u>
Primary government program revenues	<u>\$ 106,083</u>	<u>\$ 133,447</u>	<u>\$ 142,988</u>	<u>\$ 135,780</u>	<u>\$ 148,890</u>
Net (Expense)/Revenue					
Governmental activities	\$ (96,671)	\$ (92,719)	\$ (82,389)	\$ (82,389)	\$ (100,487)
Business-type activities	6,174	17,628	26,351	19,143	17,031
Total primary government net expense	<u>\$ (90,497)</u>	<u>\$ (75,091)</u>	<u>\$ (56,038)</u>	<u>\$ (63,246)</u>	<u>\$ (83,456)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Property taxes	\$ 46,258	\$ 50,150	\$ 50,894	\$ 53,871	\$ 57,095
Sales taxes	23,095	25,571	30,494	31,876	30,508
Franchise taxes	4,358	4,382	4,468	4,996	5,716
Other Taxes	-	-	5,552	5,217	5,258
Unrestricted motor vehicle in-lieu taxes	113	104	161	148	178
Use of money and property	7,453	3,271	372	6,414	12,118
Miscellaneous	5,249	3,898	1,147	1,797	4,106
Extraordinary item	17,850	-	18,378	-	-
Gain on sale of capital asset	-	-	-	-	-
Transfers	-	186	396	187	(450)
Total governmental activities	<u>104,376</u>	<u>87,562</u>	<u>111,862</u>	<u>104,506</u>	<u>114,529</u>
Business-type activities:					
Property taxes	107	88	113	227	124
Use of money and property	1,612	227	(861)	991	3,295
Miscellaneous	71	172	798	101	(359)
Gain on sale of capital asset	-	-	-	8	-
Transfers	-	(186)	(396)	(187)	450
Total business-type activities	<u>1,790</u>	<u>301</u>	<u>(346)</u>	<u>1,140</u>	<u>3,510</u>
Total primary government	<u>\$ 106,166</u>	<u>\$ 87,863</u>	<u>\$ 111,516</u>	<u>\$ 105,646</u>	<u>\$ 118,039</u>
Change in Net Position					
Governmental activities	\$ 7,705	\$ (5,157)	\$ 29,473	\$ 22,117	\$ 14,042
Business-type activities	7,964	17,929	26,005	20,283	20,541
Total primary government	<u>\$ 15,669</u>	<u>\$ 12,772</u>	<u>\$ 55,478</u>	<u>\$ 42,400</u>	<u>\$ 34,583</u>

City of Fullerton
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(in Thousands)

	Fiscal Year				
	2014-15	2015-16	2016-17	2017-18	2018-19
General Fund					
Nonspendable	\$ 13	\$ 11	\$ 68	\$ 290	\$ 7
Restricted	-	-	-	-	1,386
Committed	7,967	8,743	9,139	-	-
Assigned	-	-	-	8,992	15,656
Unassigned	9,231	6,139	1,522	4,999	5,432
Total general fund	<u>\$ 17,211</u>	<u>\$ 14,893</u>	<u>\$ 10,729</u>	<u>\$ 14,281</u>	<u>\$ 22,481</u>
All Other Governmental Funds					
Nonspendable					
Capital projects funds	\$ -	\$ -	\$ -	\$ -	\$ -
Other governmental funds	-	-	-	-	-
Restricted					
Special revenue funds	17,943	17,769	17,921	21,355	-
Other governmental funds	10,677	8,658	9,783	17,962	40,620
Committed					
Special revenue funds	12,209	10,681	10,473	-	-
Other governmental funds	9,520	10,227	9,445	-	-
Assigned					
Capital projects funds	-	-	-	-	-
Unassigned					
Special revenue funds	(97)	(39)	(77)	(172)	(189)
Capital projects funds	(1,528)	(4,187)	(10,441)	(3,233)	(20,501)
Other governmental funds					
Total all other governmental funds	<u>\$ 48,724</u>	<u>\$ 43,109</u>	<u>\$ 37,104</u>	<u>\$ 35,912</u>	<u>\$ 19,930</u>

Beginning in 2011, the City started reporting fund balance in conformity with GASB Statement 54, which changed how fund balance is classified.

City of Fullerton
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(in Thousands)

		Fiscal Year				
2019-20	2020-21	2021-22	2022-23	2023-24		
\$ 3,214	\$ 2,908	\$ 713	\$ 313	\$ 403		
672	1,514	1,519	1,519	1,892		
-	-	439	1,536	3,278		
13,958	16,140	18,570	19,809	22,963		
217	-	4,034	10,311	10,121		
<u>\$ 18,061</u>	<u>\$ 20,562</u>	<u>\$ 25,275</u>	<u>\$ 33,488</u>	<u>\$ 38,657</u>		
\$ -	\$ 170	\$ 52	\$ -	\$ -		
-	1	-	-	-		
-	55	-	-	1,426		
40,897	39,873	40,903	44,135	39,953		
-	-	-	-	-		
-	-	-	-	-		
-	1,429	-	-	-		
(327)	(1,015)	(2,036)	(1,234)	(1,861)		
(1,391)	-	(446)	(5,850)	(8,442)		
	(847)	(1,473)	(613)	(2,435)		
<u>\$ 39,179</u>	<u>\$ 39,666</u>	<u>\$ 37,000</u>	<u>\$ 36,438</u>	<u>\$ 28,641</u>		

City of Fullerton
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(in Thousands)

	Fiscal Years				
	2014-15	2015-16	2016-17	2017-18	2018-19
Revenues					
Taxes	\$ 60,558	\$ 65,275	\$ 66,134	\$ 68,810	\$ 73,901
Franchise fees	4,392	4,383	4,181	4,335	4,493
Licenses and permits	2,283	1,877	2,037	2,284	2,784
Intergovernmental	68,498	34,616	31,140	42,575	20,611
Charges for services	31,870	24,449	28,913	26,383	33,008
Investment income	3,595	4,156	3,897	4,399	6,895
Fines and forfeitures	1,751	1,628	1,513	1,674	1,658
Other	1,284	948	1,820	1,624	1,958
Total revenues	<u>174,231</u>	<u>137,332</u>	<u>139,635</u>	<u>152,084</u>	<u>145,308</u>
Expenditures					
Current					
General government	5,396	5,197	5,230	4,466	4,922
Public safety	55,877	61,631	64,986	65,519	68,958
Community development	4,982	5,746	6,717	6,763	6,601
Human and leisure	9,400	10,047	9,876	9,980	10,480
Public works	13,209	14,337	17,927	15,428	16,590
Refuse collection	10,078	10,183	10,385	10,737	11,166
Capital outlay	47,912	37,338	37,012	38,426	33,636
Debt service					
Principal retirement	764	712	722	519	806
Interest and fiscal charges	180	103	29	18	13
Total expenditures	<u>147,798</u>	<u>145,294</u>	<u>152,884</u>	<u>151,856</u>	<u>153,172</u>
Excess (deficiency) of revenues over (under) expenditures	<u>26,433</u>	<u>(7,962)</u>	<u>(13,249)</u>	<u>228</u>	<u>(7,864)</u>
Other Financing Sources (Uses)					
Loss on disposition of assets				(1,395)	(3,406)
Proceeds from sale of capital asset	12	53		3,150	2,411
Transfers in	6,292	8,992	9,460	15,170	10,637
Transfers out	(6,040)	(8,739)	(8,853)	(14,793)	(9,560)
Lease Financing	-	-	2,473	-	-
Subscription Financing	-	-	-	-	-
Total other financing sources (uses)	<u>264</u>	<u>306</u>	<u>3,080</u>	<u>2,132</u>	<u>82</u>
Extraordinary item -					
Net change in fund balances	26,697	(7,656)	(10,169)	2,361	(7,782)
Fund balances - July 1	39,238	65,935	58,002	47,832	50,193
Restatements	-	(277)	-	-	-
Fund balances - June 30	<u>\$ 65,935</u>	<u>\$ 58,002</u>	<u>\$ 47,833</u>	<u>\$ 50,193</u>	<u>\$ 42,411</u>
Debt service as a percentage of noncapital expenditures					
	0.92%	0.75%	0.64%	0.47%	0.69%

City of Fullerton
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(in Thousands)

	Fiscal Years				
	2019-20	2020-21	2021-22	2022-23	2023-24
Revenues					
Taxes	\$ 73,850	\$ 79,279	\$ 87,136	\$ 91,173	\$ 93,042
Franchise fees	4,145	4,182	4,270	4,787	5,534
Licenses and permits	2,146	2,406	2,737	3,208	2,293
Intergovernmental	37,715	23,343	35,760	34,524	42,298
Charges for services	30,505	31,430	32,997	35,088	34,318
Investment income	5,185	3,013	1,868	5,566	8,747
Fines and forfeitures	1,239	1,014	1,692	2,074	2,337
Other	1,464	1,160	1,302	1,530	1,868
Total revenues	<u>156,249</u>	<u>145,827</u>	<u>167,762</u>	<u>177,950</u>	<u>190,437</u>
Expenditures					
Current					
General government	5,870	7,506	7,462	9,804	7,254
Public safety	72,921	72,970	76,740	84,500	93,147
Community development	7,940	9,780	7,219	7,565	10,219
Human and leisure	10,668	8,704	9,307	9,363	10,556
Public works	16,926	16,244	17,265	22,470	24,182
Refuse collection	11,899	12,714	13,208	13,966	15,548
Capital outlay	15,483	14,947	33,289	22,036	30,983
Debt service					
Principal retirement	745	252	259	295	358
Interest and fiscal charges	66	54	47	42	33
Total expenditures	<u>142,518</u>	<u>143,171</u>	<u>164,796</u>	<u>170,041</u>	<u>192,280</u>
Excess (deficiency) of revenues over (under) expenditures	<u>13,731</u>	<u>2,656</u>	<u>2,966</u>	<u>7,909</u>	<u>(1,843)</u>
Other Financing Sources (Uses)					
Loss on disposition of assets					
Proceeds from sale of capital asset					
Transfers in	13,711	15,573	12,438	14,365	24,317
Transfers out	(15,513)	(15,418)	(13,357)	(15,192)	(25,253)
Lease Financing	-	-	-	389	-
Subscription Financing	-	-	-	179	152
Total other financing sources (uses)	<u>(1,802)</u>	<u>155</u>	<u>(919)</u>	<u>(259)</u>	<u>(784)</u>
Extraordinary item -	<u>2,900</u>				
Net change in fund balances	<u>14,829</u>	<u>2,811</u>	<u>2,047</u>	<u>7,650</u>	<u>(2,627)</u>
Fund balances - July 1	42,411	57,240	60,228	62,275	69,925
Restatements	-	177	-	-	-
Fund balances - June 30	<u>\$ 57,240</u>	<u>\$ 60,228</u>	<u>\$ 62,275</u>	<u>\$ 69,925</u>	<u>\$ 67,298</u>
Debt service as a percentage of noncapital expenditures	0.64%	0.24%	0.23%	0.23%	0.24%

City of Fullerton
 Assessed Value and Actual Value of Taxable Property
 Last Ten Fiscal Years
 (in Thousands)

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Agricultural ² Property	Other ¹ Property	Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2014-15	12,261,966	1,744,831	1,395,924	-	6,320	-	15,409,041	1.0543
2015-16	13,055,598	1,778,875	1,474,548	-	6,443	-	16,315,464	1.0649
2016-17	13,709,472	1,841,370	1,453,964	-	6,539	-	17,011,345	1.0798
2017-18	14,398,621	1,927,864	1,603,068	-	6,666	-	17,936,219	1.0816
2018-19	15,200,869	2,089,736	1,697,146	-	516	-	18,988,267	1.0785
2019-20	15,955,232	2,253,396	1,792,068	-	1,518	-	20,002,214	1.0737
2020-21	16,628,149	2,844,107	1,990,344	-	1,520	-	21,464,120	1.0825
2021-22	17,250,541	2,538,472	2,033,533	6,975	1,422	-	21,830,943	1.0769
2022-23	18,366,489	2,593,936	2,022,255	6,711	1,300	-	22,990,691	1.0747
2023-24	19,441,720	2,809,192	2,479,838	-	3,907	-	24,734,657	1.0589

¹Other property includes water, mineral rights, rural, extensions, and unique miscellaneous. Values have changed due to reclassification.

²FY 21/22 Agricultural classification is added

Source: Orange County Assessor

City of Fullerton
Principal Property Tax Payers
Current Year and Nine Years Ago

Taxpayer	2023-24			2014-15		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
GLC Fullerton LLC	\$ 235,723,067	1	0.91 %			
Rexford Industrial Walnut LLP	182,677,879	2	0.71			
Trea Amplifi Apartments LLC	172,449,022	3	0.67			
Wilshire Lambert Road Owner LLC	156,000,000	4	0.61			
Aspect Acquisition LLC	144,206,914	5	0.56			
Prologis USLV Subreit 3 LLC	133,592,174	6	0.52			
FHF I Amerige Pointe LLC	129,275,561	7	0.50			
3503 RP Fullerton Metrocenter Land LLC	123,760,164	8	0.48			
Uptown Fullerton LLC	110,436,388	9	0.43			
WPI Nordahl LLC Pk Fullerton Town Corecare III	104,549,995	10	0.41			
Rreef America Reit II Corporation						
University House Fullerton LLC						
Realty Income Propertis 14 LLC						
Kimberly-Clark Worldwide Inc				\$ 186,283,698	1	1.13 %
Sommerville-Conzelman Company				106,257,202	2	0.64
Hughes Drive Acquisitions Partners LLC				99,482,338	3	0.60
University House Fullerton LLC				84,180,096	4	0.51
Corecare III				82,179,292	5	0.50
Rreef America Reit II Corporation				80,874,647	6	0.49
La Villita-La Costa Apartments LP				72,150,138	7	0.44
Fullerton LLC				61,569,080	8	0.37
Breitburn Energy Partners				60,550,324	9	0.37
Amerige Heights Apartments LLC				59,177,166	10	0.36
	<u>\$ 1,492,671,164</u>		<u>5.79%</u>	<u>\$ 892,703,981</u>		<u>5.41%</u>

Source: Orange County Assessor 2023/24 Combined Tax Rolls and the SBE Non Unitary Tax Roll
Excludes government and tax-exempt property owners

City of Fullerton
Secured Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year ended June 30	Collected within the Fiscal Year of the Levy			Collections in Subsequent Years	Total Collections to Date	
	Total Tax Levy	Amount	% of Levy		Amount	% of Levy
2015	\$ 21,759,590	\$ 21,412,516	98.40	\$ 162,109	\$ 21,574,625	99.15
2016	22,974,457	22,718,019	98.88	159,395	22,877,414	99.58
2017	23,839,526	23,583,249	98.92	141,968	23,725,217	99.52
2018	24,908,566	24,706,931	99.19	142,799	24,849,730	99.76
2019	26,273,796	25,981,413	98.89	157,559	26,138,972	99.49
2020	27,520,292	27,217,700	98.90	214,101	27,431,801	99.68
2021	29,380,451	29,133,624	99.16	207,733	29,341,357	99.87
2022	29,446,168	29,147,874	98.99	183,935	29,147,874	98.99
2023	31,163,950	30,846,432	98.98	216,723	30,846,432	98.98
2024	32,991,432	32,627,731	98.90	N/A	32,627,731	98.90

Source: Orange County Auditor/Controller
Property tax totals are net of 1915 act bond assessment district levies.

City of Fullerton
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita amounts)

Fiscal Year	Governmental Activities					Business-Type Activities				Total Primary Government	% of Personal Income ¹	Per Capita ¹
	Bonds	Loan Payable	Subscription Liability ³	Lease Liability ²	Section 108 Loans	Bonds	Loan Payable	Subscription Liability ³	Construction Loan			
2014-15	\$ 6,725	\$ 453	\$ -	\$ -	\$ 2,500	\$ 8,940	\$ -	\$ -	\$ 2,523	\$ 21,141	0.49%	150
2015-16	6,455	2,733	-	-	2,000	8,485	-	-	2,059	21,732	0.51%	154
2016-17	6,135	4,208	-	-	1,500	8,766	-	-	1,575	22,184	0.51%	157
2017-18	5,858	4,799	-	-	1,000	8,236	-	-	1,071	20,964	0.46%	145
2018-19	5,575	3,832	-	-	500	7,691	-	-	546	18,144	0.38%	126
2019-20	5,283	2,942	-	-	-	7,017	-	-	-	15,242	0.30%	107
2020-21	5,649	2,531	-	-	-	6,606	-	-	-	14,786	0.28%	106
2021-22	5,232	11,052	-	-	-	6,169	-	-	-	22,453	0.37%	157
2022-23	4,800	10,082	2,825	422	-	5,723	244	26	-	24,122	0.37%	169
2023-24	4,355	9,167	5,007	561	-	5,257	1,463	11	-	25,821	NYA	184

Note: Details regarding the outstanding debt can be found in the notes to the financial statements.

¹ See the Schedule of Demographic and Economic Statistics for personal income and population data.

² In the fiscal year ended June 30, 2022, the City implemented GASB 87.

³ In the fiscal year ended June 30, 2023, the City implemented GASB 96.

NYA = Not Yet Available

City of Fullerton
 Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
 (rate per \$1,000 of assessed value)

Fiscal Year	City Direct Rate	Overlapping Rates							
		Fullerton Schools	Anaheim Schools	Brea Schools	Olinda Schools	Buena Park Schools	La Habra Schools	N. OC Community College	Placentia Yorba Linda Schools
2014-15	1.0000	0.03721	0.05279	0.02528	0.04793	0.02612	0.01704	0.05822	0.00350
2015-16	1.0000	0.03447	0.09175	0.02292	0.01628	0.02546	0.03043	0.05665	0.00350
2016-17	1.0000	0.05091	0.08720	0.02298	0.03570	0.02719	0.02885	0.05475	0.00350
2017-18	1.0000	0.05237	0.06713	0.02325	0.03455	0.03058	0.02927	0.05529	0.00350
2018-19	1.0000	0.05025	0.09303	0.02370	0.03034	0.03084	0.02829	0.05261	0.00350
2019-20	1.0000	0.04960	0.09911	0.02291	0.03593	0.03353	0.02409	0.04848	0.00350
2020-21	1.0000	0.05055	0.10566	0.02489	0.03396	0.03617	0.03198	0.06032	0.00350
2021-22	1.0000	0.04812	0.10125	0.02376	0.04206	0.04090	0.02877	0.04849	0.00350
2022-23	1.0000	0.04687	0.07683	0.02412	0.02907	0.03848	0.02778	0.04641	0.00350
2023-24	1.0000	0.04177	0.07808	0.02198	0.03605	0.03862	0.01715	0.04236	0.00350

Total Direct Tax Rate

Fiscal Year	City Direct Rate	Fullerton Schools	N. OC Community College	Total Direct Tax Rate
2014-15	1.0000	0.03721	0.01704	1.0543
2015-16	1.0000	0.03447	0.03043	1.0649
2016-17	1.0000	0.05091	0.02885	1.0798
2017-18	1.0000	0.05237	0.02927	1.0816
2018-19	1.0000	0.05025	0.02829	1.0785
2019-20	1.0000	0.04960	0.02409	1.0737
2020-21	1.0000	0.05055	0.03198	1.0825
2021-22	1.0000	0.04812	0.02877	1.0769
2022-23	1.0000	0.04687	0.02778	1.0747
2023-24	1.0000	0.04177	0.01715	1.0589

Source: Orange County Assessor Tax Rate Table

City of Fullerton
Direct and Overlapping Governmental Activities Debt
As of June 30, 2024
(in Thousands)

2023-24 Assessed Valuation: \$25,741,192,951	Debt Outstanding	Estimated Percentage Applicable ¹	Estimated Share of Overlapping Debt
Direct Debt:			
City of Fullerton ²			
Bonds Payable	\$ 4,355	100%	\$ 4,355
Loans Payable	9,167	100	9,167
Subscription Payable	5,007	100	5,007
Lease Payable	561	100	561
Total City of Fullerton Direct Debt ²	19,090		19,090
Overlapping Tax and Assessment Debt:			
Metropolitan Water District	18,210	0.67%	121
North Orange County Joint Community College District	291,561	15.03	43,830
Brea-Olinda Unified School District	4,345	0.82	36
Placentia-Yorba Linda Unified School District	197,151	5.07	9,988
Anaheim Union High School District District	229,079	0.01	23
Fullerton Joint Union High School District	177,700	51.46	91,448
Anaheim School District	345,876	0.02	62
Buena Park School District	61,297	5.94	3,641
Fullerton School District	13,190	99.82	13,167
La Habra City School District	33,373	8.80	2,938
Fullerton School District Community Facilities District No. 2000-1	510	100	510
Fullerton School District Community Facilities District No. 2001-1	8,300	100	8,300
City of Fullerton Community Facilities District No. 1	10,330	100	10,330
City of Fullerton Community Facilities District No. 2	6,920	100	6,920
Total Overlapping Tax and Assessment Debt	1,397,842		191,314
Overlapping General Fund Debt			
Orange County General Fund Obligations	440,385	0.03%	147
Orange County Board of Education Certificates of Participation	10,030	3.34	335
North Orange County Regional Occupation Program Certificates of Participation	7,350	15.46	1,136
Brea-Olinda Unified School District Certificates of Participation	6,615	0.82	55
Placentia-Yorba Linda Unified School District Certificates of Participation	79,900	5.07	4,048
Anaheim Union High School District Certificates of Participation	28,320	0.01	3
Fullerton Joint Union High School District Certificates of Participation	14,940	51.46	7,688
Fullerton School District Certificates of Participation	2,410	99.82	2,406
Total Overlapping General Fund Debt	589,950		15,818
Overlapping Tax Increment Debt (Successor Agency)			
Successor Agency to Brea Redevelopment Agency	68,137	3.44%	2,347
Successor Agency to Fullerton Redevelopment Agency	27,870	100	27,870
Total Overlapping Tax Increment Debt	\$ 96,007		30,217
Total Overlapping Debt			237,349 ³
Total Direct and Overlapping Debt			\$ 256,439

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 born by the residents and businesses of the City of Fullerton. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden born 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.

¹ The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

² Includes all long-term debt instruments of the governmental activities, including bonds, notes, loans, leases and SBITA payable.

³ Overlapping debt excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Source for overlapping debt: California Municipal Statistics, Inc.
Source for City direct debt: City of Fullerton Administrative Services Department

City of Fullerton
 Legal Debt Margin Information
 Last Ten Fiscal Years
 (in Thousands)

	Fiscal Year				
	2015 (1)	2016 (1)	2017 (1)	2018 (1)	2019 (1)
Debt limit	<u>\$ 2,311,356</u>	<u>\$ 2,447,320</u>	<u>\$ 2,551,702</u>	<u>\$ 2,690,433</u>	<u>\$ 2,848,240</u>
Legal debt margin	<u>\$ 2,311,356</u>	<u>\$ 2,447,320</u>	<u>\$ 2,551,702</u>	<u>\$ 2,690,433</u>	<u>\$ 2,848,240</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

Legal Debt Margin Calculation for Fiscal Year 2023-24

Assessed value	<u>\$ 24,734,657</u>
Total Assessed Value	<u><u>\$ 24,734,657</u></u>
Debt limit (15% of total assessed value)	<u>\$ 3,710,199</u>
Legal debt margin	<u><u>\$ 3,710,199</u></u>

Note: Under state finance law, the City of Fullerton's outstanding general obligation debt should not exceed 15 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

(1) Net Taxable Value was used for the calculation rather than Assessed Value as in previous years.

City of Fullerton
 Legal Debt Margin Information
 Last Ten Fiscal Years
 (in Thousands)

Fiscal Year				
2020 (1)	2021 (1)	2022 (1)	2023 (1)	2024 (1)
\$ 3,219,618	\$ 3,219,618	\$ 3,274,641	\$ 3,448,604	\$ 3,710,199
\$ 3,219,618	\$ 3,219,618	\$ 3,274,641	\$ 3,448,604	\$ 3,710,199
0%	0%	0%	0%	0%

City of Fullerton
Revenue Bond Coverage
2014 Water Revenue Refunding Bonds
Last Nine Fiscal Years

Fiscal Year	Gross Revenue (1)	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2016	\$ 4,125,954	\$ 350,000	\$ 273,663	\$ 623,663	6.62
2017	4,826,465	360,000	263,013	623,013	7.75
2018	3,670,038	370,000	252,063	622,063	5.90
2019	6,036,975	380,000	240,813	620,813	9.72
2020	6,908,323	390,000	231,213	621,213	11.12
2021	14,593,816	250,000	222,313	472,313	30.90
2022	19,634,918	265,000	212,013	477,013	41.16
2023	19,660,261	270,000	201,313	471,313	41.71
2024	17,730,945	285,000	190,213	475,213	37.31

(1) All water system net available revenue (operating income adjusted by depreciation expenses)

2003 Refunding Certificates of Participation (2)
Last Ten Fiscal Years

Fiscal Year	Gross Revenue (1)	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2015	-	885,000	17,700	902,700	-
2016	N/A	-	-	-	N/A
2017	N/A	-	-	-	N/A
2018	N/A	-	-	-	N/A
2019	N/A	-	-	-	N/A
2020	N/A	-	-	-	N/A
2021	N/A	-	-	-	N/A
2022	N/A	-	-	-	N/A
2023	N/A	-	-	-	N/A
2024	N/A	-	-	-	N/A

(1) Total Debt Service Fund revenues for Central and East Fullerton Redevelopment Project Areas.

(2) The Redevelopment Agency was dissolved on February 1, 2012.

*2003 COP fully retired in FY 14/15

1998 Refunding Revenue Bonds (2)
Last Ten Fiscal Years

Fiscal Year	Gross Revenue (1)	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2015	-	592,167	1,323,221	1,915,388	0.00
2016	N/A	0	0	0	N/A
2017	N/A	0	0	0	N/A
2018	N/A	0	0	0	N/A
2019	N/A	0	0	0	N/A
2020	N/A	0	0	0	N/A
2021	N/A	0	0	0	N/A
2022	N/A	0	0	0	N/A
2023	N/A	0	0	0	N/A
2024	N/A	0	0	0	N/A

(1) Total Debt Service Fund revenues for Central and East Fullerton Redevelopment Project Areas.

(2) The Redevelopment Agency was dissolved on February 1, 2012.

* The bonds were retired in February of 2015.

Note- Gross Revenue comes from the ACFR financial statements not the GL

City of Fullerton
Revenue Bond Coverage
2005 Tax Allocation Revenue Bonds (2)
Last Ten Fiscal Years

Fiscal Year	Gross Revenue (1)	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2015	-	1,765,000	3,362,661	5,127,661	-
2016	-	3,245,000	3,371,173	6,616,173	-
2017	-	3,210,000	3,209,063	6,419,063	-
2018	-	3,285,000	3,046,688	6,331,688	-
2019	-	3,415,000	2,878,488	6,293,488	-
2020	-	3,765,000	2,698,953	6,463,953	-
2021	-	-	-	-	N/A
2022	-	-	-	-	N/A
2023	-	-	-	-	N/A
2024	-	-	-	-	N/A

(1) Total Debt Service Fund revenues for Orangefair, Central, and East Fullerton Redevelopment Project Areas.

(2) The Redevelopment Agency was dissolved on February 1, 2012.

*This bond is completely defeased with the issuance of the 2020A Tax Allocation Refunding Bonds as of June 30, 2021

2005 CRA/ERAF Taxable Revenue Bonds (2)
Last Ten Fiscal Years

Fiscal Year	Gross Revenue (1)	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2015	-	140,000	7,014	147,014	-
2016	N/A	-	-	-	N/A
2017	N/A	-	-	-	N/A
2018	N/A	-	-	-	N/A
2019	N/A	-	-	-	N/A
2020	N/A	-	-	-	N/A
2021	N/A	-	-	-	N/A
2022	N/A	-	-	-	N/A
2023	N/A	-	-	-	N/A
2024	N/A	-	-	-	N/A

(1) Total Debt Service Fund revenues for Orangefair, Central, and East Fullerton Redevelopment Project Areas.

(2) The Redevelopment Agency was dissolved on February 1, 2012.

* The bonds were retired in FY 14/15

2006 CRA/ERAF Taxable Revenue Bonds (2)
Last Ten Fiscal Years

Fiscal Year	Gross Revenue (1)	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2015	-	140,000	17,442	157,442	-
2016	-	150,000	9,540	159,540	-
2017	N/A	-	-	-	N/A
2018	N/A	-	-	-	N/A
2019	N/A	-	-	-	N/A
2020	N/A	-	-	-	N/A
2021	N/A	-	-	-	N/A
2022	N/A	-	-	-	N/A
2023	N/A	-	-	-	N/A
2024	N/A	-	-	-	N/A

(1) Total Debt Service Fund revenues for Orangefair, Central, and East Fullerton Redevelopment Project Areas.

(2) The Redevelopment Agency was dissolved on February 1, 2012.

*The bonds were retired in FY 15/16

City of Fullerton
Revenue Bond Coverage
2010 Tax Allocation Housing Revenue Bonds (2)
Last Ten Fiscal Years

Fiscal Year	Gross Revenue (1)	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2015	-	1,425,000	1,369,828	2,794,828	-
2016	-	1,485,000	1,310,707	2,795,707	-
2017	-	1,545,000	1,245,324	2,790,324	-
2018	-	1,615,000	1,170,453	2,785,453	-
2019	-	1,695,000	1,086,554	2,781,554	-
2020	-	1,780,000	994,045	2,774,045	-
2021	-	-	-	-	N/A
2022	-	-	-	-	N/A
2023	-	-	-	-	N/A
2024	-	-	-	-	N/A

(1) Total Debt Service Fund revenues for Orangefair and East Fullerton Redevelopment Project Areas.

(2) The Redevelopment Agency was dissolved on February 1, 2012.

*This bond was completely defeased with the issuance of the 2020B Tax Allocation Refunding Bonds as of June 30, 2021

2010 Lease Revenue Bonds - Series A (2)
Last Ten Fiscal Years

Fiscal Year	Gross Revenue (1)	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2015	-	105,000	179,050	284,050	-
2016	-	105,000	172,226	277,226	-
2017	-	110,000	165,400	275,400	-
2018	-	115,000	158,250	273,250	-
2019	-	120,000	150,776	270,776	-
2020	-	125,000	142,976	267,976	-
2021	-	125,000	134,850	259,850	-
2022	-	135,000	125,162	260,162	-
2023	-	140,000	114,700	254,700	-
2024	-	145,000	103,850	248,850	-

(1) Total Debt Service Fund revenues for Central and East Fullerton Redevelopment Project Areas.

(2) The Redevelopment Agency was dissolved on February 1, 2012.

Note: The information for the 2015, 2020A, 2020B Tax Allocation Refunding Bonds are not included in the statistical section of the City of Fullerton's Annual Comprehensive Financial Report. Effective February 1, 2012 the State of California dissolved all redevelopment agencies, including the Redevelopment Agency of the City of Fullerton. A Successor Agency was set up to handle the ongoing debt service obligations of the former redevelopment agency. The Successor Agency acts in a fiduciary capacity only and is therefore excluded from the government-wide financial statements because any resources of this Agency cannot be used to support the government's programs. Likewise, the liabilities, including the debt service are not included in the statistical sections.

City of Fullerton
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (in thousands)	Per Capita Personal Income (2)*	Unemployment Rate (3)
2015	142,457	4,101,586	28,791	5.1%
2016	142,234	4,228,814	29,731	4.6%
2017	144,214	4,311,756	29,898	4.5%
2018	142,824	4,533,852	31,744	3.0%
2019	141,863	4,796,794	33,812	2.9%
2020	139,431	5,058,288	36,278	9.6%
2021	142,732	5,369,372	37,618	8.5%
2022	142,873	6,023,146	42,157	4.3%
2023	140,311	6,570,771	46,830	3.3%
2024	140,311	NYA	NYA	4.0%

Sources:

- (1) State of California - Department of Finance
- (2) U.S. Dept. of Commerce - Bureau of Economic Analysis
- (3) U.S. Dept. of Labor - Bureau of Labor Statistics

*Based on Orange County personal income data.

NYA = Not Yet Available

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City of Fullerton
Principal Employers
Current Year and Nine Years Ago

Employer	2024			2015		
	Employees	Rank	% of Total City Employment ²	Employees	Rank	% of Total City Employment ¹
California State University, Fullerton	3,000	1	4.00%	3,450	1	5.34%
St. Jude Medical Center	1,797	2	2.40%	1,000	5	1.55%
Raytheon Systems Co.	1,200	3	1.60%	1,320	2	2.04%
Fullerton College	1,100	4	1.47%	1,235	4	1.91%
City of Fullerton	710	5	0.95%	631	9	0.98%
Chuze Fitness	700	6	0.93%			
AJ Kirkwood & Associates, Inc	600	7	0.80%			
Albertson's Regional Corporate	400	8	0.53%	950	6	1.47%
Morningside of Fullerton	350	9	0.47%			
RPM Transportation	300	10	0.40%			
Fullerton School District				1,300	3	2.01%
Fullerton Joint Union High School Dist.				870	7	1.35%
Alcoa Fastening Systems				750	8	1.16%
St. Jude Heritage Health				604	10	0.94%
Kraft Foods						
Total	10,157		13.54%	12,110		18.75%

¹Based upon U.S. Census Bureau's American Community Survey's estimate of 64,591 residents employed

²Based upon U.S. Census Bureau's American Community Survey's estimate of 75,000 residents employed

Source: A to Z Databases from Fullerton Public Library | Data Axle Reference Solutions

City of Fullerton and Fullerton Successor Agency
Full-Time Equivalent City Employees by Function (1)
Last Ten Fiscal Years

Department	2014-15 Total Positions	2015-16 Total Positions	2016-17 Total Positions	2017-18 Total Positions	2018-19 Total Positions
City Council	6.0	6.0	6.0	6.0	6.0
City Manager	6.5	7.0	7.0	6.5	6.5
Administrative Svcs.	33.0	33.0	33.0	33.0	33.0
Human Resources	8.9	8.9	8.9	8.9	8.9
Fire	92.0	92.0	92.0	92.0	89.0
Police	211.0	212.0	212.0	217.0	218.0
Community Dev.	29.0	28.0	28.0	28.0	28.0
Engineering					
Maintenance Svcs.					
Public Works	199.5	200.0	200.0	198.0	198.0
Parks & Recreation	22.0	22.0	22.0	21.0	21.0
Library	23.8	23.8	23.8	23.8	23.8
<i>Subtotal</i>	631.7	632.7	632.7	634.2	632.2
Part-Time Hours	177,389	165,840	165,920	165,255	159,639
Full-Time Equivalents	85.3	79.7	79.8	79.4	76.7
TOTAL POSITIONS	717.0	712.4	712.5	713.6	708.9

¹ Reductions in the non-regular positions due to COVID-19 in FY 20/21

² FY 22/23, City Council implemented budget reduction strategies, removing unfunded positions

(1) Source: City of Fullerton Final Budget

City of Fullerton and Fullerton Successor Agency
 Full-Time Equivalent City Employees by Function (1)
 Last Ten Fiscal Years

2019-20 Total Positions	2020-21 Total Positions	2021-22 Total Positions	2022-23 Total Positions ²	2023-24 Total Positions
6.0	6.0	6.0	5.0	5.0
7.0	7.0	7.0	8.0	8.0
35.0	29.0	30.0	32.0	31.0
8.9	9.0	11.0	11.0	11.0
87.0	86.0	87.0	87.0	88.0
203.0	209.0	209.0	197.0	192.0
30.0	31.0	31.0	31.0	32.5
194.0	195.0	192.0	185.0	196.5
21.0	17.0	21.0	14.0	14.0
23.8	21.8	23.8	20.3	21.3
615.7	610.8	617.8	590.3	599.3
160,159	68,410 ¹	109,127	71,925	114,488
77.0	32.9	52.5	34.6	55.0
<u>692.7</u>	<u>643.7</u>	<u>670.3</u>	<u>624.9</u>	<u>654.3</u>

City of Fullerton
 Elementary, High School, and University Enrollment Information (1)
 Last Ten Fiscal Years

	2014-15	2015-16	2016-17	2017-18	2018-19
Fullerton Elementary School District	13,730	13,544	13,700	13,700	13,700
Fullerton Joint Union High School District	13,910	13,773	13,664	13,649	13,695
Fullerton College	35,335	35,335	23,000	23,000	23,000
California State University - Fullerton	38,948	40,235	40,439	39,343	39,030
Western State University College of Law ²	376	-	-	-	-
Marshall B. Ketchum University ³	391	400	544	500	500 ¹
Hope International University	1,420	1,438	2,349	1,752	1,749
 Total enrollment in Fullerton's schools and universities	 104,110	 104,725	 93,696	 91,944	 91,674

¹ Based on average attendance (actual enrollment data is not available)

² Southern California College of Optometry became part of Marshall B. Ketchum University in 2013

³ Western State University College of Law moved to Irvine during fiscal year 2015-16

(1) Sources: California School Dashboard (CA Dept of Education)
 California Community Colleges Chancellor's Office
 California State University Office of the Chancellor
 Marshall B. Ketchum University - Registrar's Office
 Hope International University - Registrar's Office

City of Fullerton
 Elementary, High School, and University Enrollment Information (1)
 Last Ten Fiscal Years

<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
13,700	12,852	12,141	11,681	11,626
13,600	13,630	13,473	13,431	13,173
23,000	21,785	18,742	18,370	18,572
39,270	41,408	40,087	39,729	41,326
-	-	-	-	-
500 ¹	740 ¹	738 ¹	1,458 ¹	661
<u>1,784</u>	<u>1,531</u>	<u>1,623</u>	<u>1,442</u>	<u>1,491</u>
91,854	91,946	86,804	86,111	86,849

City of Fullerton
Operating Indicators by Function
Last Ten Fiscal Years

Function:	2014-15	2015-16	2016-17	2017-18	2018-19
Police					
Calls dispatched	48,637	50,628	52,527	52,332	49,647
Crime reports	16,925	17,635	18,059	16,346	15,363
Moving citations	5,212	7,573	3,878	4,078	2,394
Parking citations	35,551	37,613	36,658	27,993	28,980
Fire					
Unit responses	17,500	18,813	18,250	17,992	16,132
Medical calls	8,201	8,725	8,298	8,088	8,448
Annual fire inspections	4,205	4,437	3,806	3,717	2,678
Water					
Number of customer accounts	31,795	31,307	31,427	31,923	31,913
Average daily consumption (millions of gallons)	22.9	20.9	20.6	23.2	20.5
Water samples taken	4,439	4,597	4,657	4,604	4,607
Sewers					
Feet of sewer mains root cut/ chemically treated	209,009	215,312	236,257	*	*
Miles of sewer mains root cut/ hydro jetted				363	357
Number of chemically or mechanically treated sewer laterals ⁴	2,166	1,711	2,167	2,438	2,222
Traffic and General Engineering					
Traffic signals maintained	150	151	151	153	154
Infrastructure improvement projects administered	60	80	77	68	56
Private development plans reviewed	2,695	2,500	2,564	2,988	3,023
Maintenance					
Square ft. graffiti removal	344,120	316,667	348,336	327,223	365,246
Street sweeping miles	40,504	36,044	36,864	34,870	35,783
Trees pruned per year	13,500	14,975	14,005	8,436	9,587
Culture and Recreation					
Park event attendance	39,500	42,000	45,000	49,500	57,625
Independ/ Park /Comm. Ctr. participants	152,000	170,000	240,000	250,000	268,000
Fullerton Museum Center attendance	23,987	29,265	21,734	21,435	23,328

Sources: City of Fullerton Budget Division and various City departments

* Note - As of 7/1/17 sewer mains are root cut/hydro jetted rather than root cut/chemically treated

¹ Temporarily remain closed due to COVID-19 in FY 20/21

² As of FY 21/22 Fullerton Museum Center is no longer operated by the City

³ Independence gym has not reopened since COVID-19

⁴ Starting in FY 23-24, the City has discontinued chemical treatment and uses only mechanical cleaning for sewer laterals

City of Fullerton
Operating Indicators by Function
Last Ten Fiscal Years

2019-20	2020-21	2021-22	2022-23	2023-24
69,027	45,174	46,825	46,255	42,132
13,539	12,877	12,960	13,117	13,500
2,462	5,331	1,454	2,354	6,129
22,258	31,352	10,275	49,027	72,933
13,611	13,928	15,580	16,189	15,751
10,300	11,160	9,507	11,097	13,105
3,887	2,905	7,277	2,567	3,011
31,987	31,890	31,107	31,176	31,977
20.1	21.1	20.4	18.0	16.9
3,901	4,099	4,139	4,037	4,090
*	*	*	11,354	11,454
280	248	332	253	302
909	392	1,578	2,425	3,082
154	154	154	154	154
38	58	62	79	82
2,823	2,835	2,906	3,050	3,016
502,178	441,146	634,989	739,811	663,894
32,231	34,321	34,666	34,397	34,920
8,821	13,089	11,479	12,715	11,593
48,900	-	49,400 ¹	52,000	53,000
244,656	56,224	146,057 ¹	153,000 ³	180,000 ³
12,500	-	N/A ²	N/A ²	N/A ²

City of Fullerton
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
Public Safety					
Police stations	1	1	1	1	1
Number of patrol units	31	34	31	33	32
Fire stations	6	6	6	6	6
Number of ladder trucks	2	2	2	2	2
Number of fire engines	11	11	11	11	11
Highways and streets					
Miles of streets	290	285	285	285	285
Traffic Signals	150	151	151	153	154
Streetlights	7,275	6,900	6,900	6,700	6,700
Water					
Number of water wells	11	11	10	10	10
Number of reservoirs	15	15	15	15	15
Miles of lines & mains	423	423	423	423	423
Sewer					
Miles of sanitary sewers	322.40	323.30	320.00	325.00	325.00
Miles of storm drains	71.20	71.20	71.20	71.70	71.70
Culture and Recreation					
Number of recreation and cultural facilities	67	67	67	67	67
Number of acres for above	683	683	683	683	683
Number of libraries	2	2	2	2	2
Number of library books	210,597	210,597	210,597	179,914	212,665

Sources: City of Fullerton Budget Division and various City departments

¹ The Hunt Library underwent a major refurbishment and was unavailable to the public until FY2023.

City of Fullerton
 Capital Asset Statistics by Function
 Last Ten Fiscal Years

<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
1	1	1	1	1
31	34	35	44	57
6	6	6	6	6
1	1	1	2	2
9	9	9	10	10
294	294	298	298	298
154	154	154	154	154
6,700	6,700	6,700	6,700	6,700
10	9	9	9	9
15	15	15	15	15
423	423	423	423	423
320.00	320.00	320.00	320.00	320.00
71.70	71.70	71.70	71.70	71.70
67	61	61	61	61
683	683	683	683	683
1 ¹	1 ¹	1 ¹	1 ¹	2
199,196	132,039	168,280	152,924	163,346

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