

CITY OF FULLERTON, CALIFORNIA



ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ending June 30, 2023

**303 W. Commonwealth Ave.
Fullerton, CA 92832**

www.cityoffullerton.com/financialreports

CITY OF FULLERTON, CALIFORNIA
Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2023

PREPARED BY THE ADMINISTRATIVE SERVICES DEPARTMENT

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Fiscal Year Ended June 30, 2023

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CITY OF FULLERTON

City Manager's Office

December 19, 2023

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) 2022-23 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, 2023, 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, 2023, 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. On an average workday prior to the COVID-19 crisis, 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 142,873, ranking it the 41st largest in the State and the 6th largest in Orange County.

THE EDUCATION COMMUNITY

303 West Commonwealth Avenue, Fullerton, California 92832-1775
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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.

Major employers in Fullerton include California State University, Fullerton, Raytheon Systems Company, Providence St. Jude Medical Center, Chuze Fitness, and AJ Kirkwood & Associates Inc. The City has over 9,600 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 3.3% in FY 2022-23, below the state average of 4.6%, and positive indicator of the City’s economic health.

Fullerton is also a major 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 60,999 students. Educational institutions have modified instructional learning to accommodate traditional in-person classes, hybrid and online learning formats. As students return to in-person settings, the local economy is boosted as more people shop and reside within the City.

Fullerton maintains a diversified tax base consisting of residential, commercial, and industrial properties, which was impacted by the COVID-19 pandemic in previous years. However, the City’s major revenues such as property and sales tax have remained strong in FY 2022-23, as the City’s top 2 revenues have surpassed pre-pandemic growth levels. The City’s revenue growth is mainly due to increasing property values, low unemployment rates, and higher consumer spending. Sales tax has also been aided by new businesses coming to the City, increased County pool allocations from a state sales tax law enacted in 2019 for online point of sales taxes remitted by online marketplace vendors, and current inflationary environment. Development-related user fees have also increased as a result of cost recovery related fee increases approved and enacted in FY 2021-22 and continued development related activity and growth. 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. In FY 2022-23, the City spent \$3.1 million on street rehabilitation projects, \$2.7 million on revenue replacement for budgeted services, and \$1.6 million on various city-wide information technology improvement projects from ARPA funding.

While City revenues remained resilient post-pandemic in FY 2022-23, 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 the City's Administrative Services Department's 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 2022-23, the City achieved a balanced budget and will end the year with a \$8.2 million net operating surplus (revenues over expenditures including transfers ins and outs), primarily due to the City's budget reduction initiatives implemented in FY 2021-22 and the higher than anticipated vacancy rate resulting in greater than budgeted vacancy savings. Unassigned General Fund balance is \$10.3 million as discussed below. With future economic uncertainty, surplus 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, 2023, the City's General Fund balance, comprised of non-spendable, restricted, committed, assigned, and unassigned balances totaled \$33.5 million, of which \$10.3 million is considered unassigned pending future City Council direction. Of the \$33.5 million, the assigned fund balance for contingency reserves is approximately \$19.8 million which is at the City's goal of 17% contingency reserve level of General Fund expenditures in FY 2022-23. This will be the second year that the City has met its goal for a 17% contingency reserve. The increase in overall fund balance over the prior year is primarily due the City's continued revenue growth in FY 2022-23 & strong economic recovery from the pandemic, application of critical ARPA funds to stabilize government finances under the Revenue Replacement category, budget reduction initiatives implemented in FY 2021-22, and the City's ongoing vacancy rate and vacancy savings.

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 toward 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).

In FY 2022-23, the General Fund Five-Year Financial Forecast was presented to the City Council on April 18, 2023 at the FY 2023-24 Budget Study Session and at the FY 2023-24 Budget Adoption Meeting on June 6, 2023. The City is projected to meet its minimum 10% General Fund reserves requirement throughout the forecast. The financial forecast also included a Maintenance of Effort (MOE) Reserve to set aside funds to meet the City's MOE matching requirements for Measure M2 funding. In addition, a \$1.5 million transfer from the General Fund to the Capital Improvement Projects Fund was included in the forecast which will be applied towards street rehabilitation projects.

Five-Year Capital Improvement Plan (CIP)

The Five-Year Capital Improvement Plan (CIP) is the City's capital projects planning vehicle and plan for its proposed 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 fiscal year 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 fiscal year 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 2022-23, \$1,490,085 was transferred to the Infrastructure Fund for vital ADA improvement projects. It is anticipated that \$1 million to \$2 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 2022-23 and in preparation of the upcoming 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. At this meeting, the three priorities of Fiscal and Organizational Stability, Public Safety, Infrastructure were once again 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 2022-23, the City Council implemented budget reductions measures to adjust the City's operating budget within anticipated revenue levels. The City Council approved agreements for all bargaining groups in FY 2022-23 in its efforts towards organizational stability. Lastly, the City's revenue base improved significantly with property and sales tax revenue growth exceeding pre-pandemic levels. In FY 2022-23, the City achieved the City Council's goal of setting aside 17% General Fund contingency reserves.

Public Safety

Public Safety is one of the top priorities for the City and constitutes over 70% of the General Fund budget. In June 2022, Fullerton and City of Brea ended its "shared command" Fire structure and agreement, and the City implemented a new "in-house" Fire command staff in FY 2022-23. The City now 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-\$2M 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 addition, in FY 2021-22, \$13.1 million of federal ARPA funds were obligated towards street rehabilitation projects and \$3.0 million for water main replacements projects, which will assist in addressing critical needs in the City's infrastructure in the short-term. In FY 2022-23, the City spent \$4 million of ARPA funds on these critical projects and will continue apply obligated ARPA funds in FY 2023-24. Despite the one-time infusion of ARPA funds and ongoing initiatives, a greater amount of investment and additional revenue sources are needed to fully address the City's infrastructure needs on a long-term basis.

In addition, the Community & Economic Development Department continues to focus on attracting quality economic enterprises to the community and ensuring that all development occurs within proper zoning and safety standards. The department has also made strides in permit streamlining efforts. An example of this is the implementation of Solar App automated residential permits through a partnership with the national renewable energy lab (NREL). The department has also pursued digitization of permits allowing for over 30 online submittals. Additionally, live plan check sessions are being implemented for projects throughout the city utilizing Bluebeam software. In addition, new development projects such as Parkwest, Fox Block Development, Fullerton Hub, and many others are in critical development phases and should bring in significant value to the City. Economic development projects produce long-term value for the City's tax base which helps to retain and attract quality new businesses to the City.

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, 2022. 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 Fiscal Services Manager Toni Smart and Accounting Supervisor 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.

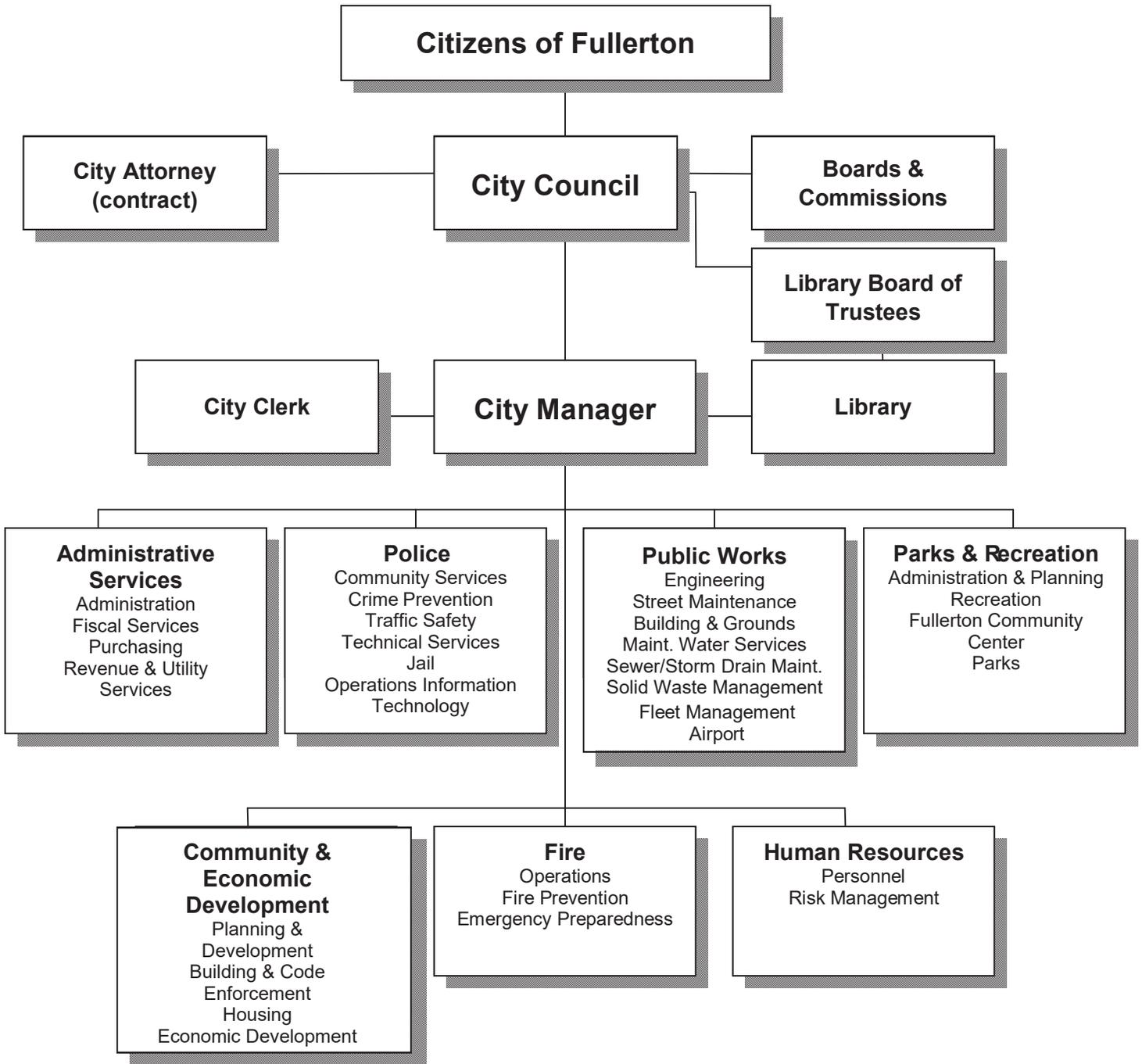
Respectfully submitted,



Eric J. Levitt
City Manager



Ellis Chang
Director of Administrative Services



CITY OF FULLERTON CITY OFFICIALS

ELECTED OFFICIALS



MAYOR
FRED JUNG
DISTRICT 1



MAYOR PRO TEM
BRUCE WHITAKER
DISTRICT 4



COUNCIL MEMBER
NICK DUNLAP
DISTRICT 2



COUNCIL MEMBER
SHANA CHARLES
DISTRICT 3



COUNCIL MEMBER
AHMAD ZAHRA
DISTRICT 5

EXECUTIVE TEAM

CITY MANAGER
ERIC J. LEVITT

INTERIM
POLICE CHIEF
JON RADUS

LIBRARY DIRECTOR
JUDY BOOTH

FIRE CHIEF
ADAM LOESER

DIRECTOR OF HUMAN RESOURCES
EDDIE MANFRO

DIRECTOR OF ADMINISTRATIVE SERVICES
ELLIS CHANG

DIRECTOR OF COMMUNITY & ECONOMIC DEVELOPMENT
SUNAYANA THOMAS

DIRECTOR OF PUBLIC WORKS
STEPHEN BISE



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, 2022

Christopher P. Morill

Executive Director/CEO



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, 2023, 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, 2023, 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.

Emphasis of Matter

As described in Note 1 to the financial statements, in 2023, the City adopted new accounting guidance, GASB Statement No. 96, *Subscription Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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



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

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 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 schedules for the General Fund and major special revenue funds, and the 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 19, 2023, 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 City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Lance, Solt & Lughard, LLP".

Brea, California
December 19, 2023

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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, 2023. 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, 2023, by \$591.5 million (net position).
- The City's net position totaled \$591.5 million at June 30, 2023, representing an increase of \$42.4 million over the previous fiscal year primarily due to income from water sales, property tax and sales tax revenue growth, and investment earnings offset by increases in pension plan expenses. Of the total net position, \$642.6 million is the City's net investment in capital assets, while \$45.9 million is restricted for specific governmental operations, leaving a \$97.1 million negative unrestricted balance.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$69.9 million, an increase of \$7.6 million in comparison with the prior year. The increase is primarily attributable to an increase in property tax and sales tax revenue growth, development fees and projects, and investment earnings offset by an increase in public safety salaries and benefits. The General Fund reflects assigned fund balance of \$19.8 million, which compares to assigned fund balance the previous year of \$18.6 million, a restricted fund balance of \$1.5 million, a committed fund balance of \$1.5 million, a nonspendable balance of \$0.3 million, and an unassigned fund balance of \$10.3 million, which compares to unassigned fund balance the previous year of \$4.0 million, for a combined total of \$33.5 million, representing an increase of \$8.2 million over the previous fiscal year. The increase of \$6.2 million in unassigned fund balance is primarily due to revenue growth from a strong economic recovery with property and sales tax revenue growth. The \$1.2 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.
- Long-term debt increased by \$1.1 million in fiscal year 2022-23 due to the implementation of GASB Statement No. 96, which requires the recognition of subscription liabilities.
- Capital assets increased by \$26.4 million due to various street, water, and 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 of 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 of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include 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 water utility, airport, sewer enterprise, parking facilities, Brea Dam recreational facility operations, and 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 \$591.5 million at the close of the most recent fiscal year. The City's net position increased by \$42.4 million from the previous year due to income from water sales, property tax and sales tax revenue growth, investment earnings, offset by increases in pension plan expenses.

Net Position

(\$ in thousands)	Governmental activities		Business-type activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$229,865	\$228,606	\$96,669	\$86,657	\$326,534	\$315,263
Capital assets	515,201	497,694	149,394	140,539	664,595	638,233
Total assets	745,066	726,300	246,063	227,196	991,129	953,496
Deferred Outflows	77,024	31,806	6,741	2,962	83,765	34,768
Long-term liabilities	347,276	250,391	29,063	21,687	376,339	272,078
Other liabilities	57,143	62,675	13,625	12,661	70,768	75,336
Total liabilities	404,419	313,066	42,688	34,348	447,107	347,414
Deferred Inflows	22,594	72,080	13,728	19,705	36,322	91,785
Net position:						
Net investment in capital assets	499,394	486,642	143,202	134,468	642,596	621,110
Restricted	45,654	42,423	286	260	45,940	42,683
Unrestricted	(149,971)	(156,105)	52,900	41,377	(97,071)	(114,728)
Total net position	\$395,077	\$372,960	\$196,388	\$176,105	\$591,465	\$549,065

Changes in Net Position

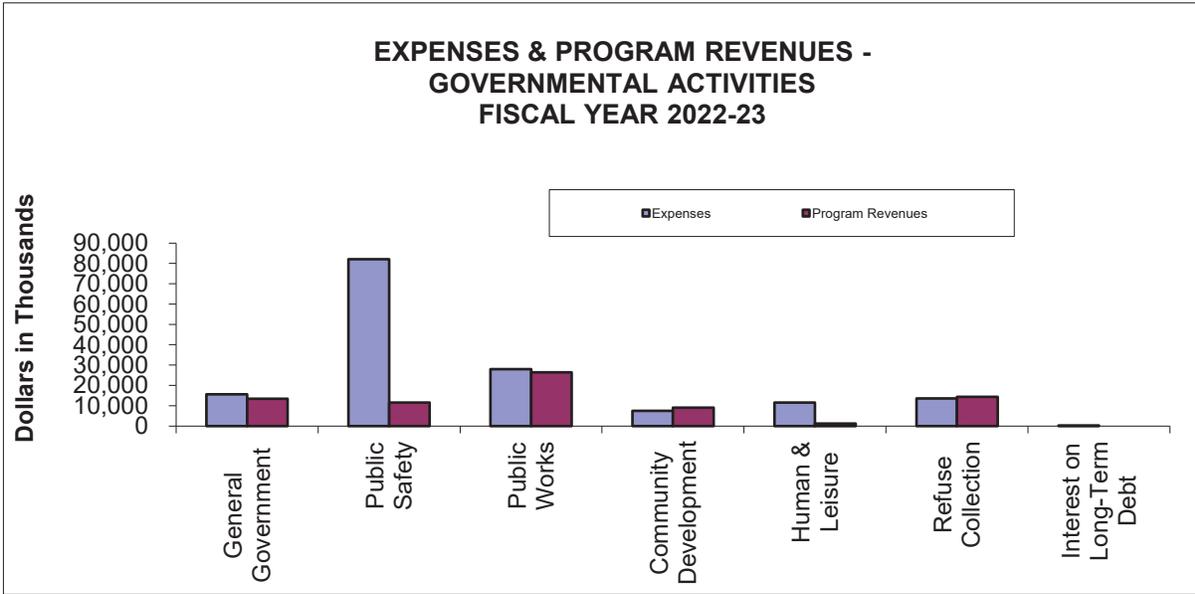
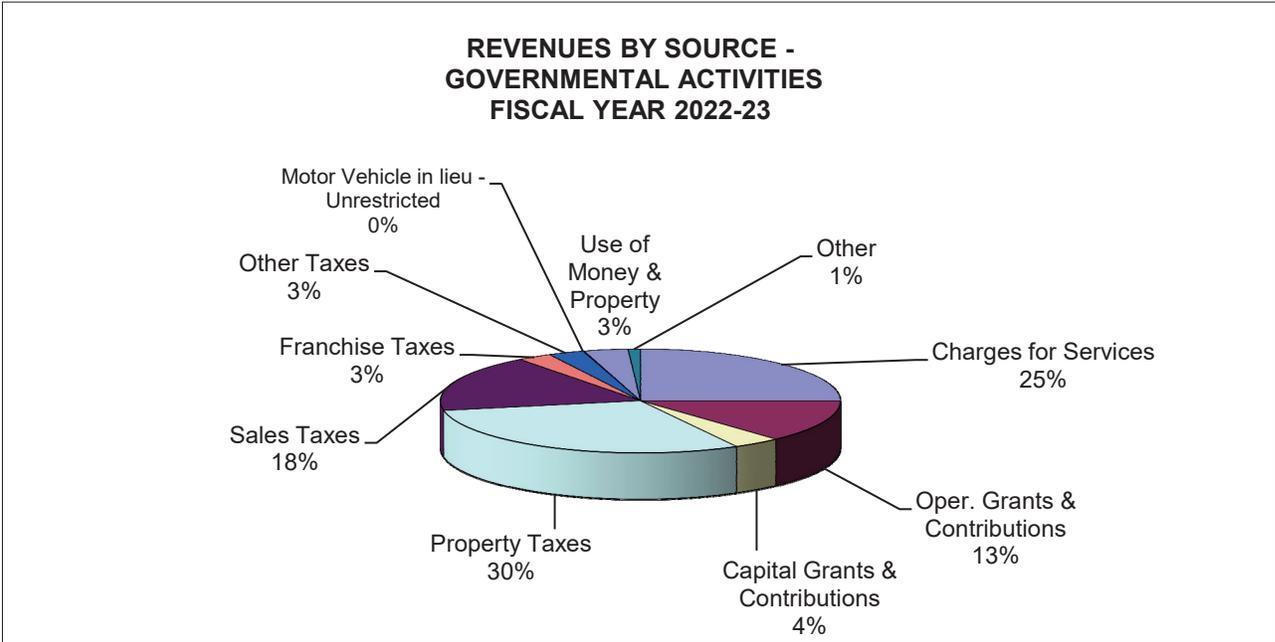
(\$ in thousands)

	<u>Governmental</u> <u>activities</u>		<u>Business-type</u> <u>activities</u>		<u>Total</u>	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 45,011	\$ 42,268	\$ 59,744	\$ 62,254	\$ 104,755	\$ 104,522
Operating grants and contributions	23,760	12,589	-	109	23,760	12,698
Capital grants and contributions	6,925	20,434	339	4,930	7,264	25,364
General revenues:						
Property taxes	53,871	50,894	227	114	54,098	51,008
Sales taxes	31,876	30,494	-	-	31,876	30,494
Franchise taxes	4,996	4,468	-	-	4,996	4,468
Other taxes	5,217	5,552	-	-	5,217	5,552
Motor vehicle in lieu – unrestricted	148	161	-	-	148	161
Use of Money & Property	6,414	372	991	(861)	7,405	(489)
Other	1,797	19,524	110	797	1,907	20,321
Total revenues	180,015	186,756	61,411	67,343	241,426	254,099
Expenses:						
General government	15,532	7,941	-	-	15,532	7,941
Public safety	82,072	74,950	-	-	82,072	74,950
Public works	27,870	24,819	-	-	27,870	24,819
Community development	7,413	7,194	-	-	7,413	7,194
Human and leisure	11,447	11,134	-	-	11,447	11,134
Refuse collection	13,504	12,766	-	-	13,504	12,766
Interest on long-term debt	247	240	-	-	247	240
Water utility	-	-	29,345	31,070	29,345	31,070
Airport	-	-	2,125	2,228	2,125	2,228
Parking facilities	-	-	76	72	76	72
Brea Dam recreational facilities	-	-	3,730	3,978	3,730	3,978
Sewer enterprises	-	-	5,559	3,579	5,559	3,579
CNG	-	-	106	285	106	285
Total expenses	158,085	139,044	40,941	41,212	199,026	180,256
Excess (Deficiency) of Revenues Over	21,930	47,712	20,470	26,131	42,400	73,843
Transfers	187	396	(187)	(396)	-	-
Change in net position	22,117	48,108	20,283	25,735	42,400	73,843
Net position - beginning	372,960	324,852	176,105	150,370	549,065	475,222
Net position - ending	\$ 395,077	\$ 372,960	\$ 196,388	\$ 176,105	\$ 591,465	\$ 549,065

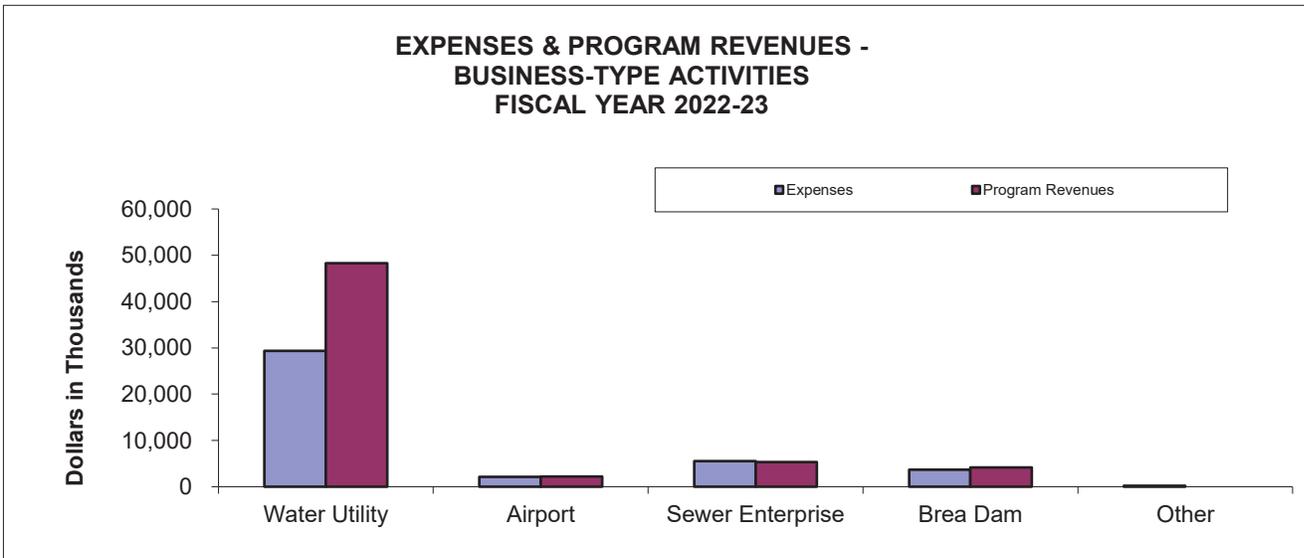
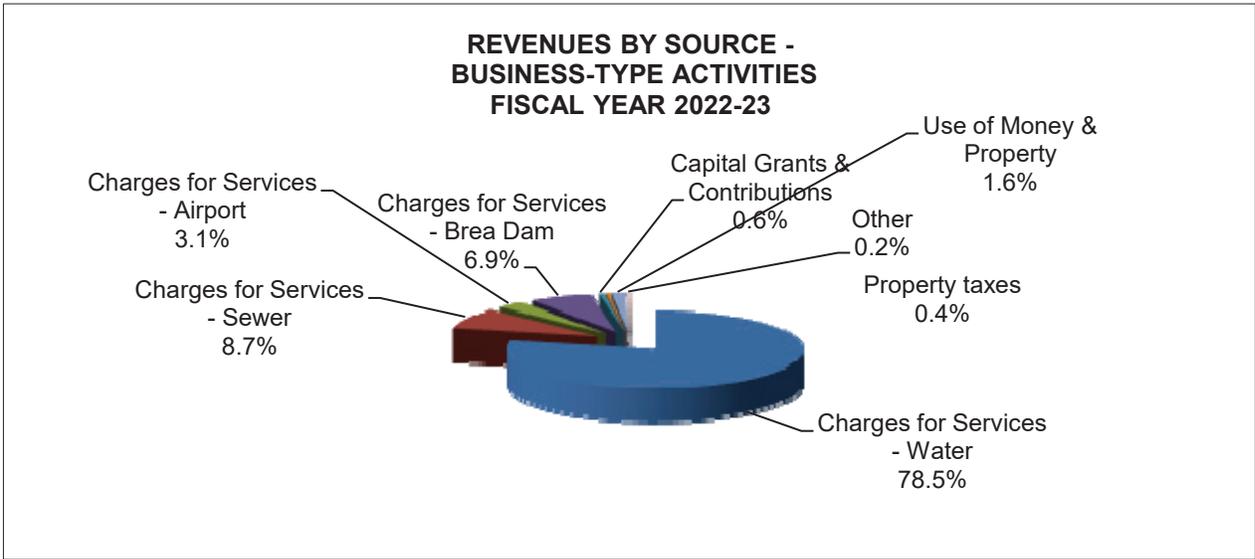
Governmental activities. The net position for governmental activities increased by \$22.1 million over the prior year.

Total revenues reflect a decrease of \$6.7 million from the prior year. This decrease is related to the difference between the FY 2021-22 CalPERS pension investment gains which were not experienced in fiscal year 2022-23. The pension investment decrease is offset by an increase in property tax revenue growth as property value in the City of Fullerton increased 5.96% from fiscal year 2021-22 due to an increase in prior year transfers of ownership and increase in property base year value of 2%, increase in sales tax revenue, increase in development fees to 100% cost recovery, increase in the number of development projects, and investment earnings.

Total expenses increased by \$19.0 million from the prior year. The increase was primarily attributed to an increase in pension expenses due to a decrease in earnings on pension plan investments and a change in pension plan assumptions as the accounting discount rate was reduced from 7.15% to 6.90% due to long-term market return expectations and cashflows.



Business-type activities. The Business-type activities reported an increase in net position of \$20.3 million. Revenues reflect a decrease of \$5.9 million, and expenses show a decrease of \$0.3 million. The primary factor for decreased revenues and expenses relates to water conservation efforts across the City.



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 \$69.9 million, an increase of \$7.6 million in comparison with the prior year. Of that total, \$0.3 million is nonspendable because it represents inventory and prepaid costs; \$45.7 million represents

monies legally restricted by external agencies for debt service and specific programs or projects, \$1.5 million is committed to city infrastructure projects, and \$19.8 million represents funds assigned by the City Council for a contingency reserve, street and road improvements, and building permits. The remaining balance of \$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 \$33.5 million. Of that amount, \$19.8 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 maintained the 17% General Fund reserve with unassigned fund balance of \$10.3 million. Revenues totaled \$120.6 million, while expenditures totaled \$114.3 million. The increase in fund balance was attributed to an increase in property tax and sales tax revenue as well as increases in development fees.

The Grants Administration Fund reflected a deficit fund balance of \$(1.1) million due to uncollected receivables as of June 30, 2023. This total represents a decrease in the deficit of \$0.3 million from the previous fiscal year. The decrease 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 \$(1.1) million.

The American Rescue Plan Act Fund (ARPA) reflected a deficit fund balance of \$(0.1) 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. \$23.0 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 \$(5.9) million, decrease of \$5.5 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 fourteen 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, 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 \$47.8 million at the end of the year: \$41.3 million for the Water Utility Fund, \$2.5 million for the Airport Fund, \$4.7 million for the Sewer Fund, (\$0.2) million for the Brea Dam Fund, (\$0.4) million for Parking Facilities Fund, and (\$81,498) for the CNG Fund. The total increase in net position for these enterprise funds was \$18.9 million from the prior fiscal year.

Unrestricted net position of the internal service funds totaled \$28.6 million at the end of the year: \$3.3 million for Liability Insurance Fund, \$6.5 million for Vehicle Replacement Fund, \$14.2 million for Workers' Comp Fund, \$1.5 million for Group Insurance Fund, \$1.8 million for Equipment Maintenance Fund, (\$1.0) million for Information Technology Fund, (\$0.1) million for Building Maintenance Fund, and \$2.5 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 \$84,836. One trust fund Pension (and Other Employee Benefit) Trust Fund includes both the OPEB Trust Fund, which accounts for the post-employment benefits, net position of \$70,253. The Successor Agency Trust Fund accounts for all transactions associated with the Successor Agency to the Redevelopment Agency. The Successor Agency Trust Fund accounts for all transactions associated with the Successor Agency to the Redevelopment Agency, net position of \$14.8 million.

General Fund Budgetary Highlights

The General Fund ended the fiscal year with a fund balance of \$33.5 million, reflecting an increase of \$8.2 million from the prior year. Total revenues increased by \$8.5 million, and expenditures increased by \$10.1 million over the prior year. The increase in revenue in comparison to the prior year is due to an increase in property tax and sales tax revenue growth, development fees and projects, and application of ARPA funds to stabilize government finances. 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, 2023, totaled \$664.6 million (net of accumulated depreciation), an increase of \$26.4 million due to park improvements, purchase of new vehicles, street and water rehabilitation, and audio/video upgrades in the Fullerton Community Center and Emergency Operation Center. Additional information on the City's capital assets can be found in Note 7 of the Notes to the Financial Statements.

Capital Assets (net of depreciation)

(\$ in thousands)

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	2023	2022	2023	2022	2023	2022
Land	\$ 72,182	\$ 72,182	\$ 9,535	\$ 9,129	\$ 81,717	\$ 81,311
Buildings	63,062	64,818	6,292	6,581	69,354	71,399
Improvements other than buildings	33,330	30,504	55,314	54,132	88,644	84,636
Machinery and equipment	15,231	11,444	1,037	1,193	16,268	12,637
Leasehold improvements	82	109	-	-	82	109
Lease assets	442	-	-	-	442	-
Subscription asset	3,490	-	28	-	3,518	-
Infrastructure	108,709	98,456	56,626	46,388	165,335	144,844
Construction in progress	218,673	220,181	20,562	23,116	239,235	243,297
Total	\$ 515,201	\$ 497,694	\$ 149,394	\$ 140,539	\$ 664,595	\$ 638,233

Long-term debt. At the end of the current fiscal year, the City has total long-term debt outstanding of \$24.1 million, an increase of \$1.1 million due to the implementation of GASB Statement No. 96, which requires the recognition of subscription liabilities. Additional information on the City's long-term debt can be found in Note 15 of the Notes to the Financial Statements.

Long-term Debt

(\$ in thousands)

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>activities</u>		<u>activities</u>			
	2023	2022	2023	2022	2023	2022
Revenue bonds	\$ -	\$ -	\$ 5,723	\$ 6,169	\$ 5,723	\$ 6,169
Judgement obligation bonds	4,800	5,232			4,800	5,232
Loans, leases, and subscriptions payable	13,329	11,635	270	-	13,599	11,635
Total	\$ 18,129	\$16,867	\$ 5,993	\$ 6,169	\$ 24,122	\$ 23,036

Economic Factors and Next Year's Budget

The City of Fullerton's local economy has rebounded since the onset of the COVID-19 pandemic and has mitigated risks to remain resilient during turbulent times. Expenditures continue to increase due to inflation, ongoing labor negotiations with the City's various bargaining units and becomes even more strained as pension costs continue to escalate, and aging infrastructure needs have to be addressed. However, the fiscal year 2023-24 General Fund budget is structurally balanced and includes transfers in from the American Rescue Plan Act Fund (ARPA) under the revenue replacement provision for budgeted services. In addition, the fiscal year 2023-24 General Fund budget incorporates improved programming and service levels and continues to promote cost recovery efforts to strengthen the City's financial position and services to the community. The City Manager, in conjunction with the City Council continue to move Fullerton forward to determine community priorities and identify revenue generating opportunities, striving for a viable path toward 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
Statement of Net Position
June 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments	\$ 172,408,367	\$ 69,318,868	\$ 241,727,235
Restricted assets - cash held with fiscal agent	5,642,288	285,662	5,927,950
Receivables:			
Accounts	22,834,436	10,037,652	32,872,088
Taxes	536,713	-	536,713
Accrued interest	826,584	347,821	1,174,405
Notes and loans	25,215,715	-	25,215,715
Leases	6,652,529	11,791,584	18,444,113
Internal balances	(4,802,394)	4,802,394	-
Inventories	243,819	85,074	328,893
Prepaid costs	306,182	-	306,182
Capital assets - not being depreciated	290,854,528	30,097,431	320,951,959
Capital assets - net of accumulated depreciation/amortization	224,346,801	119,296,603	343,643,404
Total Assets	745,065,568	246,063,089	991,128,657
Deferred Outflows of Resources:			
Deferred charge on refunding	397,727	90,204	487,931
Pension deferrals	70,791,148	5,696,027	76,487,175
Other post-employment benefits deferrals	5,835,433	954,464	6,789,897
Total Deferred Outflows of Resources	77,024,308	6,740,695	83,765,003
Liabilities:			
Accounts payable	8,231,819	10,683,486	18,915,305
Accrued liabilities	2,156,850	119,231	2,276,081
Accrued interest payable	94,329	83,213	177,542
Deposits payable	8,015,630	2,738,380	10,754,010
Intergovernmental payable	3,305,739	-	3,305,739
Unearned revenue	35,338,577	-	35,338,577
Noncurrent liabilities:			
Due within one year: bonds, loans, claims, compensated absences, leases, subscriptions	9,191,860	613,301	9,805,161
Due in more than one year:			
Bonds, loans, claims, compensated absences, leases, subscriptions	43,071,717	5,774,772	48,846,489
Net pension liability	272,301,544	18,960,782	291,262,326
Net other post-employment benefits liability	22,710,588	3,714,622	26,425,210
Total Liabilities	404,418,653	42,687,787	447,106,440
Deferred Inflows of Resources:			
Pension deferrals	4,162,481	588,472	4,750,953
Leases	6,387,522	11,169,640	17,557,162
Other post-employment benefits deferrals	12,044,594	1,970,055	14,014,649
Total Deferred Inflows of Resources	22,594,597	13,728,167	36,322,764
Net Position:			
Net investment in capital assets	499,394,120	143,201,745	642,595,865
Restricted:			
Community development projects	989,713	-	989,713
Public safety	634,057	-	634,057
Parks and recreation	2,959,054	-	2,959,054
Public works	21,704,030	-	21,704,030
Capital projects	1,206,638	-	1,206,638
Debt service	205,907	285,662	491,569
Housing	13,174,743	-	13,174,743
Refuse collection	2,864,799	-	2,864,799
Opioid settlement	64,081	-	64,081
Library	607,275	-	607,275
Pension stabilization	555,438	-	555,438
Donations	687,910	-	687,910
Unrestricted	(149,971,139)	52,900,423	(97,070,716)
Total Net Position	\$ 395,076,626	\$ 196,387,830	\$ 591,464,456

The notes to financial statements are an integral part of this statement.

CITY OF FULLERTON
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Primary Government:				
Governmental Activities:				
General government	\$ 15,531,712	\$ 768,687	\$ 12,668,387	\$ -
Public safety	82,072,098	10,173,689	1,265,265	-
Community development	7,413,424	6,524,669	2,414,035	-
Human and leisure	11,447,357	1,189,780	18,909	-
Public works	27,869,958	12,022,882	7,392,978	6,924,569
Refuse collection	13,504,437	14,331,680	-	-
Interest on long-term debt	245,485	-	-	-
Total Governmental Activities	158,084,471	45,011,387	23,759,574	6,924,569
Business-Type Activities:				
Airport	2,125,194	1,922,401	-	261,415
Brea Dam Facilities Recreational	3,730,108	4,222,986	-	-
Water Utility	29,344,751	48,227,451	-	77,390
Parking Facilities	75,896	-	-	-
Sewer Enterprise	5,558,803	5,371,295	-	-
Compressed Natural Gas Facility	105,968	285	-	-
Total Business-Type Activities	40,940,720	59,744,418	-	338,805
Total Primary Government	\$ 199,025,191	\$ 104,755,805	\$ 23,759,574	\$ 7,263,374

General Revenues:
Taxes:
Property taxes, levied for general purpose
Sales taxes
Franchise taxes
Other taxes
Motor vehicle in lieu - unrestricted
Use of money and property
Other
Gain on sale of capital asset
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
\$ (2,094,638)	\$ -	\$ (2,094,638)
(70,633,144)	-	(70,633,144)
1,525,280	-	1,525,280
(10,238,668)	-	(10,238,668)
(1,529,529)	-	(1,529,529)
827,243	-	827,243
(245,485)	-	(245,485)
(82,388,941)	-	(82,388,941)
-	58,622	58,622
-	492,878	492,878
-	18,960,090	18,960,090
-	(75,896)	(75,896)
-	(187,508)	(187,508)
-	(105,683)	(105,683)
-	19,142,503	19,142,503
(82,388,941)	19,142,503	(63,246,438)
53,871,006	226,853	54,097,859
31,875,914	-	31,875,914
4,996,232	-	4,996,232
5,217,069	-	5,217,069
147,996	-	147,996
6,414,364	991,494	7,405,858
1,796,848	100,739	1,897,587
-	7,500	7,500
186,593	(186,593)	-
104,506,022	1,139,993	105,646,015
22,117,081	20,282,496	42,399,577
372,959,545	176,105,334	549,064,879
\$ 395,076,626	\$ 196,387,830	\$ 591,464,456

The notes to financial statements are an integral part of this statement.

CITY OF FULLERTON
Balance Sheet
Governmental Funds
June 30, 2023

	<u>Special Revenue Funds</u>		
	<u>General</u>	<u>Grants Administration</u>	<u>American Rescue Plan Act</u>
Assets:			
Cash and investments	\$ 34,863,152	\$ 9,506,278	\$ 22,809,835
Restricted assets - cash held with fiscal agents	717,800	263,110	-
Receivables:			
Accounts	11,991,915	1,170,478	-
Taxes	536,713	-	-
Accrued interest	225,822	-	116,369
Leases	6,652,529	-	-
Notes and loans	-	13,506,343	-
Due from other funds	3,222,880	-	-
Inventories	6,528	-	-
Prepaid costs	306,182	-	-
Total Assets	\$ 58,523,521	\$ 24,446,209	\$ 22,926,204
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit):			
Liabilities:			
Accounts payable	\$ 2,490,000	\$ 104,518	\$ 31,785
Accrued liabilities	2,015,025	3,841	1,884
Deposits payable	7,999,648	3,432	-
Due to other funds	-	-	-
Due to other governments	3,042,629	263,110	-
Unearned revenues	456,181	10,579,035	23,021,920
Total Liabilities	16,003,483	10,953,936	23,055,589
Deferred Inflows of Resources:			
Unavailable revenues	2,645,317	14,597,286	-
Leases	6,387,522	-	-
Total Deferred Inflows of Resources	9,032,839	14,597,286	-
Fund Balances (Deficit):			
Nonspendable	312,710	-	-
Restricted	1,518,712	-	-
Committed	1,535,971	-	-
Assigned	19,808,804	-	-
Unassigned	10,311,002	(1,105,013)	(129,385)
Total Fund Balances (Deficit)	33,487,199	(1,105,013)	(129,385)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit)	\$ 58,523,521	\$ 24,446,209	\$ 22,926,204

The notes to financial statements are an integral part of this statement.

CITY OF FULLERTON
Balance Sheet
Governmental Funds
June 30, 2023

	Capital Projects Fund		
	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets:			
Cash and investments	\$ -	\$ 29,099,276	\$ 96,278,541
Restricted assets - cash held with fiscal agents	-	-	980,910
Receivables:			
Accounts	4,012,336	5,617,687	22,792,416
Taxes	-	-	536,713
Accrued interest	-	134,806	476,997
Leases	-	-	6,652,529
Notes and loans	-	11,709,372	25,215,715
Due from other funds	-	-	3,222,880
Inventories	-	-	6,528
Prepaid costs	-	-	306,182
Total Assets	\$ 4,012,336	\$ 46,561,141	\$ 156,469,411
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit):			
Liabilities:			
Accounts payable	\$ 2,478,652	\$ 2,072,107	\$ 7,177,062
Accrued liabilities	14,870	56,706	2,092,326
Deposits payable	10,450	2,100	8,015,630
Due to other funds	2,291,558	612,652	2,904,210
Due to other governments	-	-	3,305,739
Unearned revenues	1,267,212	3,076	35,327,424
Total Liabilities	6,062,742	2,746,641	58,822,391
Deferred Inflows of Resources:			
Unavailable revenues	3,799,612	292,219	21,334,434
Leases	-	-	6,387,522
Total Deferred Inflows of Resources	3,799,612	292,219	27,721,956
Fund Balances (Deficit):			
Nonspendable	-	-	312,710
Restricted	-	44,134,933	45,653,645
Committed	-	-	1,535,971
Assigned	-	-	19,808,804
Unassigned	(5,850,018)	(612,652)	2,613,934
Total Fund Balances (Deficit)	(5,850,018)	43,522,281	69,925,064
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit)	\$ 4,012,336	\$ 46,561,141	\$ 156,469,411

The notes to financial statements are an integral part of this statement.

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CITY OF FULLERTON
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
June 30, 2023

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

Total Fund Balances - Governmental Funds	\$ 69,925,064
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The details of this difference are as follows:	
Capital assets - not being depreciated/amortized	\$ 289,582,960
Capital assets - being depreciated/amortized, net	<u>209,575,588</u>
Net adjustment to increase <i>Fund Balance - Total Governmental Funds</i> to arrive at <i>Net Position - Governmental Activities</i>	499,158,548
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	
	21,334,434
Internal service funds are used by management to charge the costs of liability insurance, vehicle replacement, workers' compensation, group insurance, equipment maintenance, information technology, building maintenance, and facility capital repair to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position. The details of this difference are as follows:	
Net Position of the Internal Service Funds	41,303,058
Less: Internal payable representing charges in excess of cost to business-type activities - prior years	(1,383,770)
Add: Internal receivable representing charges in less than the cost to business-type activities - current year	<u>(3,737,294)</u>
Net adjustment to increase <i>Fund Balance - Total Governmental Funds</i> to arrive at <i>Net Position - Governmental Activities</i>	36,181,994
Deferred outflows and inflows of resources related to pensions and other post-employment benefits are only reported in the Statement of Net Position as the changes in these amounts only affect the government-wide statements for governmental activities. The details of this difference are as follows:	
Deferred outflows of resources for pensions	68,507,838
Deferred inflows of resources for pensions	(3,926,585)
Deferred outflows of resources for other post-employment benefits	5,500,747
Deferred inflows of resources for other post-employment benefits	<u>(11,353,787)</u>
Net adjustment to increase <i>Fund Balance - Total Governmental Funds</i> to arrive at <i>Net Position - Governmental Activities</i>	58,728,213
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. The details of this difference are as follows:	
Net pension liability	(264,700,918)
Compensated absences	(2,592,020)
Lease liabilities	(258,756)
SBITA liabilities	(148,766)
Long-term debt	(1,143,124)
Net other post-employment benefits liability	<u>(21,408,043)</u>
Net adjustment to decrease <i>Fund Balance - Total Governmental Funds</i> to arrive at <i>Net Position - Governmental Activities</i>	<u>(290,251,627)</u>
Net Position of Governmental Activities	<u>\$ 395,076,626</u>

CITY OF FULLERTON
Statement of Revenues, Expenditures, and
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds		
	General	Grants Administration	American Rescue Plan Act
Revenues:			
Taxes	\$ 90,963,989	\$ -	\$ -
Franchise taxes	4,787,544	-	-
Licenses and permits	3,207,838	-	-
Intergovernmental	909,964	5,971,417	8,636,769
Charges for services	13,113,830	-	-
Investment earnings	4,686,501	-	501,204
Fines and forfeitures	1,846,733	-	-
Miscellaneous	1,051,314	3,391	-
Total Revenues	120,567,713	5,974,808	9,137,973
Expenditures:			
Current:			
General government	6,419,537	2,227,585	1,073,243
Public safety	82,546,276	1,522,497	-
Community development	6,156,871	1,177,160	-
Human and leisure	9,138,302	100,335	-
Public works	8,999,374	2,500	-
Refuse collection	-	-	-
Capital outlay	690,575	382,293	876,685
Debt service:			
Principal retirement	295,094	-	-
Interest and fiscal charges	41,641	-	-
Total Expenditures	114,287,670	5,412,370	1,949,928
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,280,043	562,438	7,188,045
Other Financing Sources (Uses):			
Transfers in	3,165,245	-	-
Transfers out	(1,411,782)	(268,818)	(7,069,604)
Lease financing	-	-	388,732
Subscription financing	179,125	-	-
Total Other Financing Sources (Uses)	1,932,588	(268,818)	(6,680,872)
Net Change in Fund Balances	8,212,631	293,620	507,173
Fund Balances (Deficit) - Beginning	25,274,568	(1,398,633)	(636,558)
Fund Balances (Deficit) - Ending	\$ 33,487,199	\$ (1,105,013)	\$ (129,385)

The notes to financial statements are an integral part of this statement.

CITY OF FULLERTON
Statement of Revenues, Expenditures, and
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	<u>Capital Projects Fund</u>		
	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
Taxes	\$ -	\$ 208,688	\$ 91,172,677
Franchise taxes	-	-	4,787,544
Licenses and permits	-	-	3,207,838
Intergovernmental	6,753,049	12,252,999	34,524,198
Charges for services	128,560	21,845,549	35,087,939
Investment earnings	-	377,884	5,565,589
Fines and forfeitures	-	227,031	2,073,764
Miscellaneous	171,520	303,531	1,529,756
Total Revenues	<u>7,053,129</u>	<u>35,215,682</u>	<u>177,949,305</u>
Expenditures:			
Current:			
General government	-	83,824	9,804,189
Public safety	-	431,004	84,499,777
Community development	-	230,977	7,565,008
Human and leisure	-	124,022	9,362,659
Public works	2,340,531	11,127,412	22,469,817
Refuse collection	-	13,965,874	13,965,874
Capital outlay	19,908,590	178,334	22,036,477
Debt service:			
Principal retirement	-	-	295,094
Interest and fiscal charges	-	-	41,641
Total Expenditures	<u>22,249,121</u>	<u>26,141,447</u>	<u>170,040,536</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(15,195,992)</u>	<u>9,074,235</u>	<u>7,908,769</u>
Other Financing Sources (Uses):			
Transfers in	10,469,703	730,024	14,364,972
Transfers out	(730,024)	(5,711,880)	(15,192,108)
Lease financing	-	-	388,732
Subscription financing	-	-	179,125
Total Other Financing Sources (Uses)	<u>9,739,679</u>	<u>(4,981,856)</u>	<u>(259,279)</u>
Net Change in Fund Balances	(5,456,313)	4,092,379	7,649,490
Fund Balances (Deficit) - Beginning	<u>(393,705)</u>	<u>39,429,902</u>	<u>62,275,574</u>
Fund Balances (Deficit) - Ending	<u>\$ (5,850,018)</u>	<u>\$ 43,522,281</u>	<u>\$ 69,925,064</u>

The notes to financial statements are an integral part of this statement.

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CITY OF FULLERTON
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2023

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

Net Change in Fund Balances - Total Governmental Funds	\$	7,649,490
<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 expense. This is the amount by which capital outlays exceeded depreciation expense in the current period. The details of this difference are as follows:</p>		
Capital outlay	\$	22,568,729
Depreciation and amortization expense		(10,576,974)
Loss on disposal of capital assets		<u>(2,830,043)</u>
Net adjustment to increase <i>Net Changes in Fund Balances - Total Governmental Funds</i> to arrive at <i>Changes in Net Position of Governmental Activities</i>		9,161,712
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds.		1,422,065
<p>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. The details of this difference are as follows:</p>		
Compensated absences		14,800
Pensions		(3,281,549)
Principal payments on long-term debts		426,859
SBITAs		(179,125)
Other post-employment benefits		939,191
Leases		(388,732)
Claims and judgments		<u>42,708</u>
Net adjustment to decrease <i>Net Changes in Fund Balances - Total Governmental Funds</i> to arrive at <i>Changes in Net Position of Governmental Activities</i>		(2,425,848)
<p>The internal service funds are used by management to charge the costs of liability insurance, vehicle replacement, worker's compensation, group insurance, equipment maintenance, information technology, building maintenance, and facility capital repair to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities. The details of this difference are as follows:</p>		
Change in net position of internal service funds		7,693,432
Less: income from charges to business-type activities		<u>(1,383,770)</u>
Net adjustment to increase <i>Net Changes in Fund Balances - Total Governmental Funds</i> to arrive at <i>Changes in Net Position of Governmental Activities</i>		<u>6,309,662</u>
Change in Net Position of Governmental Activities	\$	<u>22,117,081</u>

CITY OF FULLERTON
Statement of Net Position
Proprietary Funds
June 30, 2023

Business-Type Activities - Enterprise Funds

	Airport	Water Utility	Sewer Enterprise
Assets:			
Current Assets:			
Cash and investments	\$ 3,689,511	\$ 53,998,546	\$ 8,588,959
Restricted assets - cash held with fiscal agent	-	-	-
Accounts receivable	125,106	8,884,714	1,020,546
Accrued interest receivable	37,790	250,344	42,104
Inventory	-	-	-
Lease receivable	23,642	10,502	-
Total Current Assets	3,876,049	63,144,106	9,651,609
Noncurrent Assets:			
Lease receivable	9,962,275	908,460	-
Capital assets - net of accumulated depreciation/amortization	18,160,504	76,110,267	52,073,088
Total Noncurrent Assets	28,122,779	77,018,727	52,073,088
Total Assets	31,998,828	140,162,833	61,724,697
Deferred Outflows of Resources:			
Deferred charge on refunding	-	90,204	-
Pension deferrals	540,654	3,636,453	1,333,884
Other post-employment benefits deferrals	91,997	592,117	230,050
Total Deferred Outflows of Resources	632,651	4,318,774	1,563,934
Liabilities:			
Current Liabilities:			
Accounts payable	23,155	7,299,790	491,649
Accrued liabilities	9,522	80,937	23,331
Accrued interest payable	-	64,417	-
Unearned revenues	-	-	-
Deposits payable	70,961	2,665,599	830
Due to other funds	-	-	-
Compensated absences - current	4,571	52,911	17,781
Claims and judgments - current	-	-	-
Bonds, loans, leases, and subscriptions - current	-	511,322	-
Total Current Liabilities	108,209	10,674,976	533,591
Noncurrent Liabilities:			
Compensated absences	18,285	211,642	71,125
Claims and judgments	-	-	-
Bonds, loans, leases, and subscriptions payable	-	4,134,537	-
Net pension liability	1,799,714	12,104,927	4,440,197
Net other post-employment benefits liability	358,036	2,304,427	895,319
Total Noncurrent Liabilities	2,176,035	18,755,533	5,406,641
Total Liabilities	2,284,244	29,430,509	5,940,232
Deferred Inflows of Resources:			
Leases	9,470,746	859,083	-
Pension deferrals	55,856	375,692	137,807
Other post-employment benefits deferrals	189,885	1,222,156	474,834
Total Deferred Inflows of Resources	9,716,487	2,456,931	612,641
Net Position:			
Net investment in capital assets	18,160,504	71,265,273	52,073,088
Restricted for debt service	-	-	-
Unrestricted	2,470,244	41,328,894	4,662,670
Total Net Position	\$ 20,630,748	\$ 112,594,167	\$ 56,735,758

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

The notes to financial statements are an integral part of this statement.

CITY OF FULLERTON
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-Type Activities - Enterprise Funds		Governmental Activities
	Other Enterprise Funds	Totals	Internal Service Funds
Assets:			
Current Assets:			
Cash and investments	\$ 3,041,852	\$ 69,318,868	\$ 76,129,826
Restricted assets - cash held with fiscal agent	285,662	285,662	4,661,378
Accounts receivable	7,286	10,037,652	42,020
Accrued interest receivable	17,583	347,821	349,587
Inventory	85,074	85,074	237,291
Lease receivable	2,080	36,224	-
Total Current Assets	3,439,537	80,111,301	81,420,102
Noncurrent Assets:			
Lease receivable	884,625	11,755,360	-
Capital assets - net of accumulated depreciation/amortization	3,050,175	149,394,034	16,042,781
Total Noncurrent Assets	3,934,800	161,149,394	16,042,781
Total Assets	7,374,337	241,260,695	97,462,883
Deferred Outflows of Resources:			
Deferred charge on refunding	-	90,204	397,727
Pension deferrals	185,036	5,696,027	2,283,310
Other post-employment benefits deferrals	40,300	954,464	334,686
Total Deferred Outflows of Resources	225,336	6,740,695	3,015,723
Liabilities:			
Current Liabilities:			
Accounts payable	2,868,892	10,683,486	1,054,757
Accrued liabilities	5,441	119,231	64,524
Accrued interest payable	18,796	83,213	94,329
Unearned revenues	-	-	11,153
Deposits payable	990	2,738,380	-
Due to other funds	318,670	318,670	-
Compensated absences - current	3,064	78,327	-
Claims and judgments - current	-	-	6,812,000
Bonds, loans, leases, and subscriptions - current	23,652	534,974	1,746,537
Total Current Liabilities	3,239,505	14,556,281	9,783,300
Noncurrent Liabilities:			
Compensated absences	15,540	316,592	-
Claims and judgments	-	-	24,731,000
Bonds, loans, leases, and subscriptions payable	1,323,643	5,458,180	14,831,374
Net pension liability	615,944	18,960,782	7,600,626
Net other post-employment benefits liability	156,840	3,714,622	1,302,545
Total Noncurrent Liabilities	2,111,967	28,450,176	48,465,545
Total Liabilities	5,351,472	43,006,457	58,248,845
Deferred Inflows of Resources:			
Leases	839,811	11,169,640	-
Pension deferrals	19,117	588,472	235,896
Other post-employment benefits deferrals	83,180	1,970,055	690,807
Total Deferred Inflows of Resources	942,108	13,728,167	926,703
Net Position:			
Net investment in capital assets	1,702,880	143,201,745	12,732,697
Restricted for debt service	285,662	285,662	-
Unrestricted	(682,449)	47,779,359	28,570,361
Total Net Position	\$ 1,306,093	191,266,766	\$ 41,303,058
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		5,121,064	
Net Position of Business-Type Activities		\$ 196,387,830	

The notes to financial statements are an integral part of this statement.

CITY OF FULLERTON
Statement of Revenues, Expenditures, and
Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2023

Business-Type Activities - Enterprise Funds

	Airport	Water Utility	Sewer Enterprise
Operating Revenues:			
Sales and service charges	\$ 1,922,401	\$ 48,227,451	\$ 5,371,295
Interfund service charges	-	-	-
Miscellaneous	1,723	29,041	-
Total Operating Revenues	1,924,124	48,256,492	5,371,295
Operating Expenses:			
Maintenance, operations, and administration	1,769,062	11,466,036	4,899,861
Cost of water	-	17,130,195	-
Claims expense	-	-	-
Depreciation/amortization expense	428,398	1,533,205	847,965
Total Operating Expenses	2,197,460	30,129,436	5,747,826
Operating Income (Loss)	(273,336)	18,127,056	(376,531)
Nonoperating Revenues (Expenses):			
Taxes	226,853	-	-
Investment earnings	277,834	563,613	101,303
Interest expense	-	(206,152)	-
Gain (loss) on disposal of capital assets	-	-	-
Total Nonoperating Revenues (Expenses)	504,687	357,461	101,303
Income (Loss) Before Transfers and Contributions	231,351	18,484,517	(275,228)
Capital contributions	261,415	117,365	-
Transfers in	-	708,631	-
Transfers out	-	(608,179)	-
Changes in Net Position	492,766	18,702,334	(275,228)
Net Position - Beginning	20,137,982	93,891,833	57,010,986
Net Position - Ending	\$ 20,630,748	\$ 112,594,167	\$ 56,735,758

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

The notes to financial statements are an integral part of this statement.

CITY OF FULLERTON
Statement of Revenues, Expenditures, and
Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds		Governmental Activities
	Other Enterprise Funds	Totals	Internal Service Funds
Operating Revenues:			
Sales and service charges	\$ 4,223,271	\$ 59,744,418	\$ -
Interfund service charges	-	-	39,441,677
Miscellaneous	30,000	60,764	1,187,000
Total Operating Revenues	4,253,271	59,805,182	40,628,677
Operating Expenses:			
Maintenance, operations, and administration	3,916,412	22,051,371	29,406,718
Cost of water	-	17,130,195	-
Claims expense	-	-	3,625,975
Depreciation/amortization expense	86,637	2,896,205	1,356,026
Total Operating Expenses	4,003,049	42,077,771	34,388,719
Operating Income (Loss)	250,222	17,727,411	6,239,958
Nonoperating Revenues (Expenses):			
Taxes	-	226,853	-
Investment earnings	48,744	991,494	848,775
Interest expense	(40,567)	(246,719)	(203,844)
Gain (loss) on disposal of capital assets	7,500	7,500	(205,186)
Total Nonoperating Revenues (Expenses)	15,677	979,128	439,745
Income (Loss) Before Transfers and Contributions	265,899	18,706,539	6,679,703
Capital contributions	-	378,780	-
Transfers in	-	708,631	1,731,333
Transfers out	(287,045)	(895,224)	(717,604)
Changes in Net Position	(21,146)	18,898,726	7,693,432
Net Position - Beginning	1,327,239		33,609,626
Net Position - Ending	\$ 1,306,093		\$ 41,303,058
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds		1,383,770	
Changes in Net Position of Business-Type Activities		\$ 20,282,496	

The notes to financial statements are an integral part of this statement.

CITY OF FULLERTON
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds		
	Airport	Water Utility	Sewer Enterprise
Cash Flows from Operating Activities:			
Receipts from customers	\$ 2,518,271	\$ 49,796,104	\$ 5,585,748
Receipts from interfund charges	-	-	-
Cash recovered from insurance claims	-	-	-
Other receipts	-	29,041	-
Payments to suppliers and service providers	(1,006,288)	(28,959,676)	(2,609,432)
Payments to employees for salaries and benefits	(691,506)	(2,311,107)	(1,299,286)
Payments of insurance claims	-	-	-
Net Cash Provided by (Used for) Operating Activities	820,477	18,554,362	1,677,030
Cash Flows from Noncapital Financing Activities:			
Transfers from other funds	-	708,631	-
Taxes received	226,853	-	-
Cash received on short-term interfund borrowings	-	-	-
Principal paid on noncapital debt	-	-	-
Interest paid on noncapital debt	-	-	-
Transfers out	-	(608,179)	-
Net Cash Provided by (Used for) Noncapital Financing Activities	226,853	100,452	-
Cash Flows from Capital and Related Financing Activities:			
Capital grants and contributions received	261,415	-	-
Acquisition and construction of capital assets	(870,844)	(9,264,162)	(1,253,763)
Principal paid on capital debt	-	(270,000)	-
Interest paid on capital debt	-	(239,926)	-
Advance refunding of old debt	-	-	-
Gain (loss) on disposal of capital assets	-	-	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	(609,429)	(9,774,088)	(1,253,763)
Cash Flows from Investing Activities:			
Interest on investments	264,653	405,907	68,235
Net Cash Provided by (Used for) Investing Activities	264,653	405,907	68,235
Net Increase (Decrease) in Cash and Cash Equivalents	702,554	9,286,633	491,502
Cash and Cash Equivalents, July 1	2,986,957	44,711,913	8,097,457
Cash and Cash Equivalents, June 30	\$ 3,689,511	\$ 53,998,546	\$ 8,588,959
Reconciliation of Cash and Cash Equivalents to Amounts Reported on the Statement of Net Position			
Cash and investments	\$ 3,689,511	\$ 53,998,546	\$ 8,588,959
Restricted assets - cash held with fiscal agent	-	-	-
Cash and Cash Equivalents, June 30	<u>\$ 3,689,511</u>	<u>\$ 53,998,546</u>	<u>\$ 8,588,959</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating income (loss)	\$ (273,336)	\$ 18,127,056	\$ (376,531)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation/amortization	428,398	1,533,205	847,965
Nonoperating miscellaneous revenues/(expenses)	-	-	-
(Increase) decrease in accounts receivable	1,171,898	1,069,675	214,263
(Increase) decrease in inventory	-	-	-
(Increase) decrease in prepaid items	-	18,119	1,500
Increase (decrease) in accounts payable	(24,934)	(381,564)	400,526
Increase (decrease) in accrued liabilities	(583,822)	(81,357)	(20,725)
Increase (decrease) in unearned revenue	-	-	-
Increase (decrease) in deposits payable	(1,653)	498,978	190
Increase (decrease) in claims and judgments	-	-	-
Increase (decrease) in compensated absences	(7,876)	(22,265)	1,879
Increase (decrease) in pension items	61,639	(1,767,389)	603,650
Increase (decrease) in other post-employment benefits items	50,163	(440,096)	4,313
Total Adjustments	1,093,813	427,306	2,053,561
Net Cash Provided by (Used for) Operating Activities	\$ 820,477	\$ 18,554,362	\$ 1,677,030
Schedule of Non-Cash Capital and Related Financing Activities and Investing Activities:			
Capital and Related Financing Activities:			
Capital contributions	\$ -	\$ 117,365	\$ -
Amortization of bond premiums/(discounts)	-	38,615	-
Gain/(loss) on disposal of capital assets	(426,961)	-	-
Amortization of deferred charge on refunding	-	(8,391)	-
Total Capital and Related Financing Activities	<u>\$ (426,961)</u>	<u>\$ 147,589</u>	<u>\$ -</u>
Investing Activities:			
Unrealized gain (loss) on investments	\$ (19,438)	\$ (19,438)	\$ 12,044

CITY OF FULLERTON
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds		Governmental Activities
	Other Enterprise Funds	Totals	Internal Service Funds
Cash Flows from Operating Activities:			
Receipts from customers	\$ 4,274,385	\$ 62,174,508	\$ -
Receipts from interfund charges	-	-	39,426,540
Cash recovered from insurance claims	-	-	-
Other receipts	-	29,041	2,627,964
Payments to suppliers and service providers	(2,772,647)	(35,348,043)	(28,271,020)
Payments to employees for salaries and benefits	(378,332)	(4,680,231)	(1,467,091)
Payments of insurance claims	-	-	(3,958,001)
Net Cash Provided by (Used for) Operating Activities	1,123,406	22,175,275	8,358,392
Cash Flows from Noncapital Financing Activities:			
Transfers from other funds	-	708,631	923,154
Taxes received	-	226,853	-
Cash received on short-term interfund borrowings	91,877	91,877	-
Principal paid on noncapital debt	-	-	(432,167)
Interest paid on noncapital debt	-	-	(112,797)
Transfers out	(287,045)	(895,224)	(717,605)
Net Cash Provided by (Used for) Noncapital Financing Activities	(195,168)	132,137	(339,415)
Cash Flows from Capital and Related Financing Activities:			
Capital grants and contributions received	-	261,415	-
Acquisition and construction of capital assets	(7,147)	(11,395,916)	(6,334,987)
Principal paid on capital debt	(140,000)	(410,000)	(578,406)
Interest paid on capital debt	(39,471)	(279,397)	(27,194)
Advance refunding of old debt	-	-	-
Gain (loss) on disposal of capital assets	7,500	7,500	(191,089)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(179,118)	(11,816,398)	(7,131,676)
Cash Flows from Investing Activities:			
Interest on investments	34,020	772,815	719,085
Net Cash Provided by (Used for) Investing Activities	34,020	772,815	719,085
Net Increase (Decrease) in Cash and Cash Equivalents	783,140	11,263,829	1,606,386
Cash and Cash Equivalents, July 1	2,544,374	58,340,701	79,184,818
Cash and Cash Equivalents, June 30	\$ 3,327,514	\$ 69,604,530	\$ 80,791,204
Reconciliation of Cash and Cash Equivalents to Amounts Reported on the Statement of Net Position			
Cash and investments	\$ 3,041,852	\$ 69,318,868	\$ 76,129,826
Restricted assets - cash held with fiscal agent	285,662	285,662	4,661,378
Cash and Cash Equivalents, June 30	\$ 3,327,514	\$ 69,604,530	\$ 80,791,204
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating income (loss)	\$ 250,222	\$ 17,727,411	\$ 6,239,958
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation/amortization	86,637	2,896,205	1,356,026
Nonoperating miscellaneous revenues/(expenses)	-	-	-
(Increase) decrease in accounts receivable	20,344	2,476,180	(1,681)
(Increase) decrease in inventory	(28,851)	(28,851)	71,965
(Increase) decrease in prepaid items	-	19,619	2,140,150
Increase (decrease) in accounts payable	709,574	703,602	(97,067)
Increase (decrease) in accrued liabilities	(4,063)	(689,967)	(35,447)
Increase (decrease) in unearned revenue	-	-	(13,456)
Increase (decrease) in deposits payable	770	498,285	-
Increase (decrease) in claims and judgments	-	-	(636,000)
Increase (decrease) in compensated absences	5,455	(22,807)	-
Increase (decrease) in pension items	(17,237)	(1,119,337)	(269,645)
Increase (decrease) in other post-employment benefits items	100,555	(285,065)	(396,411)
Total Adjustments	873,184	4,447,864	2,118,434
Net Cash Provided by (Used for) Operating Activities	\$ 1,123,406	\$ 22,175,275	\$ 8,358,392
Schedule of Non-Cash Capital and Related Financing Activities and Investing Activities:			
Capital and Related Financing Activities:			
Capital contributions	\$ -	\$ 117,365	\$ -
Amortization of bond premiums/(discounts)	(2,483)	36,132	31,160
Gain/(loss) on disposal of capital assets	-	(426,961)	(205,186)
Amortization of deferred charge on refunding	-	(8,391)	-
Total Capital and Related Financing Activities	\$ (2,483)	\$ (281,855)	\$ (174,026)
Investing Activities:			
Unrealized gain (loss) on investments	\$ (11,382)	\$ (38,214)	\$ 120,130

CITY OF FULLERTON
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

	Pension (and Other Employee Benefit) Trust Fund	Private- Purpose Trust Fund	
	Retiree Health Insurance Program	Successor Agency of the Former RDA	Custodial Funds
Assets:			
Cash and cash equivalents	\$ -	\$ 6,351,798	\$ 754,951
Restricted assets - cash and cash equivalents	-	6,228,325	-
Investments:			
Mutual funds	-	717,768	-
Equity securities	70,253	-	-
Receivables:			
Leases	-	224,735	-
Taxes	-	-	25,058
Accrued interest receivable	-	30,157	-
Notes and loans receivable	-	37,216,238	-
Prepaid costs	-	79,840	-
Land held for resale	-	2,900,768	-
Total Assets	70,253	53,749,629	780,009
Deferred Outflows of Resources:			
Deferred charges on refunding	-	84,184	-
Total Deferred Outflows of Resources	-	84,184	-
Liabilities:			
Accounts payable	-	6,932	41,943
Accrued liabilities	-	876	-
Accrued interest	-	411,937	-
Due to bondholders	-	-	653,230
Noncurrent:			
Bonds payable - due within one year	-	7,660,000	-
Bonds payable - due in more than one year	-	30,740,374	-
Total Liabilities	-	38,820,119	695,173
Deferred Inflows of Resources:			
Leases	-	214,522	-
Total Deferred Inflows of Resources	-	214,522	-
Net Position:			
Restricted for post-employment benefits other than pensions	70,253	-	-
Restricted for individuals, organizations, and other governments	-	14,799,172	84,836
Total Net Position	\$ 70,253	\$ 14,799,172	\$ 84,836

The notes to financial statements are an integral part of this statement.

CITY OF FULLERTON
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2023

	Pension (and Other Employee Benefit) Trust Fund	Private- Purpose Trust Fund	
	Retiree Health Insurance Program	Successor Agency of the Former RDA	Custodial Funds
Additions:			
Investment Earnings:			
Net increase (decrease) in fair value of investments	\$ -	\$ 10,891	\$ -
Interest, dividends, and other	6,858	763,195	-
Total Investment Earnings	6,858	774,086	-
Property taxes	-	9,270,595	-
Miscellaneous	-	-	2,643,830
Total Additions	6,858	10,044,681	2,643,830
Deductions:			
Administrative expenses	37	217,570	-
Contractual services	-	55,251	-
Miscellaneous	-	291,140	2,616,677
Interest expense	-	378,085	-
Total Deductions	37	942,046	2,616,677
Changes in Net Position	6,821	9,102,635	27,153
Net Position - Beginning, as Restated	63,432	5,696,537	57,683
Net Position - Ending	\$ 70,253	\$ 14,799,172	\$ 84,836

The notes to financial statements are an integral part of this statement.

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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 20.

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 Fund accounts for the assets and liabilities of the former redevelopment agency and is 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.
- 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.

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."

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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
Subscription Assets	useful 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. 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, 2023, will be liquidated from expendable available financial resources at June 30, 2023.

8. 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

9. 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, 2021
Measurement Date (MD)	June 30, 2022
Measurement Period (MP)	July 1, 2021, to June 30, 2022

10. 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.

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, 2022
Measurement Period	July 1, 2021, to June 30, 2022

11. 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

12. 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.

13. 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.

14. 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.

15. Changes in Accounting Principles and New GASB Pronouncements

The following Government Accounting Standards Board (GASB) pronouncements were effective for and/or early implemented for the fiscal year ended June 30, 2023:

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GASB Statement No. 91, Conduit Debt Obligations

The requirements of this Statement will improve financial reporting by eliminating the existing option for issuers to report conduit debt obligations as their own liabilities, thereby ending significant diversity in practice. The clarified definition will resolve stakeholders' uncertainty as to whether a given financing is, in fact, a conduit debt obligation. Requiring issuers to recognize liabilities associated with additional commitments extended by issuers and to recognize assets and deferred inflows of resources related to certain arrangements associated with conduit debt obligations also will eliminate diversity, thereby improving comparability in reporting by issuers. Revised disclosure requirements will provide financial statement users with better information regarding the commitment's issuers extend and the likelihood that they will fulfill those commitments. That information will inform users of the potential impact of such commitments on the financial resources of issuers and help users assess issuers' roles in conduit debt obligations.

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements

The requirements of this Statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. That uniform guidance will provide more relevant and reliable information for financial statement users and create greater consistency in practice. This Statement will enhance the decision usefulness of a government's financial statements by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs.

GASB Statement No. 96, Subscription-Based Information Technology Arrangements

The requirements of this Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.

GASB Statement No. 100, Accounting Changes and Error Corrections

The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

NOTE 2: DEFICIT FUND EQUITY

At June 30, 2023, the Grants Administration Fund, a major special revenue fund, has a deficit fund balance of \$1,105,013. The reason for the deficit in this case is due to the timing of grant receipts and reimbursements. The deficit is expected to be eliminated through future grant revenues.

At June 30, 2023, the American Rescue Plan Act Fund, a major special revenue fund, has a deficit fund balance of \$129,385. The reason for the deficit in this case is due to unrealized loss on investments due to adverse market conditions during fiscal year 2022-2023. The deficit is expected to be eliminated in future years as the markets stabilize.

CITY OF FULLERTON
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 2: DEFICIT FUND EQUITY (CONTINUED)

At June 30, 2023, the Capital Projects Fund, a major special revenue fund, has a deficit net position of \$5,850,018. The reason for the deficit in this case is due to the timing of grant receipts and reimbursements. The deficit is expected to be eliminated through future grant revenues.

At June 30, 2023, the SB2 / PLHA Fund, a nonmajor special revenue fund, has a deficit fund balance of \$612,652. The reason for the deficit in this case is due to the timing of receipts and reimbursements. The deficit is expected to be eliminated through future program revenues.

At June 30, 2023, the Compressed Natural Gas Facility Fund, a nonmajor proprietary fund, has a deficit fund balance of \$79,784. The reason for the deficit in this case is due to the costs of maintenance and operations. The deficit is expected to be eliminated through future revenues.

At June 30, 2023, the Building Maintenance Fund, an internal service fund, has a deficit fund balance of \$148,362. The reason for the deficit in this case is due to the timing of reimbursements. The deficit is expected to be eliminated through future reimbursements.

NOTE 3: BUDGETARY COMPLIANCE

The Debt Service Reserve and the West Coyote Hills Endowment special revenue funds did not adopt budgets for the year ended June 30, 2023.

NOTE 4: CASH AND INVESTMENTS

Cash and investments at June 30, 2023, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and investments	\$ 241,727,235
Restricted cash and investments	5,927,950

Fiduciary Funds:

Cash and investments	7,894,770
Restricted cash and investments	6,228,325

Total cash and investments	<u>\$ 261,778,280</u>
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Cash and investments as of June 30, 2023, consist of the following:

Demand deposits	\$ 14,849,714
Cash on hand	47,845
Investments	240,164,750
Investments with fiscal agents	6,715,971
Total cash and investments	<u>\$ 261,778,280</u>

At June 30, 2023, the carrying amount of the City's deposits was \$14,849,714 and the bank balance was \$12,788,908. The \$2,060,806 difference represents outstanding deposits, checks, and other reconciling items.

CITY OF FULLERTON
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 4: CASH AND INVESTMENTS (CONTINUED)

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.

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.

CITY OF FULLERTON
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 4: CASH AND INVESTMENTS (CONTINUED)

The investment maturities of the City's portfolio as of June 30, 2023, 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	\$ 104,175,371	\$ -	\$ -	\$ 104,175,371
Certificates of Deposit	-	-	-	-
US Government Treasury Notes	-	57,751,698	48,967,996	106,719,694
Taxable Bonds	-	-	796,749	796,749
Corporate Notes	-	15,714,561	2,781,533	18,496,094
Municipal Issuances	-	-	-	-
Federal Agency Securities:	-	-	-	-
FHLMC	-	778,775	-	778,775
FFCB	-	-	-	-
FHLB	-	416,340	-	416,340
FNMA	-	284,451	1,021,583	1,306,034
Money Market Mutual Funds	7,475,693	-	-	7,475,693
Total Investments	111,651,064	74,945,825	53,567,861	240,164,750
Investments with Fiscal Agents:				
PARS OPEB Trust Fund:				
Equity Securities	70,253	-	-	70,253
PARS Section 115 Pension Trust Fund:				
Equity Securities	555,438	-	-	555,438
Money Market Mutual Funds	6,090,280	-	-	6,090,280
Total Investments with Fiscal Agents	6,715,971	-	-	6,715,971
Total	\$ 118,367,035	\$ 74,945,825	\$ 53,567,861	\$ 246,880,721

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
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 4: 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, 2023	Minimum Legal Rating	AAA	AA- to AA+	A- to A+	Not Subject to Credit Risk Disclosure
Investments:						
Local Agency Investment Fund	\$ 104,175,371	N/A	\$ -	\$ -	\$ -	\$ 104,175,371
Certificates of Deposit	-	N/A	-	-	-	-
US Government Treasury Notes	106,719,694	N/A	-	-	-	106,719,694
Taxable Bonds	796,749	N/A	-	796,749	-	-
Corporate Notes	18,496,094	A	-	5,281,621	13,214,473	-
Municipal Issuances	-	N/A	-	-	-	-
Federal Agency Securities:						
FHLMC	778,775	N/A	-	-	-	778,775
FFCB	-	N/A	-	-	-	-
FHLB	416,340	N/A	-	-	-	416,340
FNMA	1,306,034	N/A	-	-	-	1,306,034
Money Market Mutual Funds	7,475,693	AAA	7,475,693	-	-	-
Total Investments	240,164,750		7,475,693	6,078,370	13,214,473	213,396,214
Investments with Fiscal Agents:						
PARS OPEB Trust Fund:						
Equity Securities	70,253	N/A	-	-	-	70,253
PARS Section 115 Pension Trust Fund:						
Equity Securities	555,438	N/A	-	-	-	555,438
Money Market Mutual Funds	6,090,280	AAA	6,090,280	-	-	-
Total Investments with Fiscal Agents	6,715,971		6,090,280	-	-	625,691
Total	\$ 246,880,721		\$ 13,565,973	\$ 6,078,370	\$ 13,214,473	\$ 214,021,905

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 2023.

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.

NOTE 4: CASH AND INVESTMENTS (CONTINUED)

As of June 30, 2023, none of the City's deposits or investments were exposed to custodial credit risk. As of June 30, 2023, \$6,715,971 in investments are purchased and held by the bond trustee.

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
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 4: CASH AND INVESTMENTS (CONTINUED)

The City has the following recurring fair value measurements as of June 30, 2023:

	Total as of June 30, 2022	Not Measured at Fair Value	Level 1	Level 2
Investments:				
Local Agency Investment Fund	\$ 104,175,371	\$ 104,175,371	\$ -	\$ -
Certificates of Deposit	-	-	-	-
US Government Treasury Notes	106,719,694	-	-	106,719,694
Taxable Bonds	796,749	-	-	796,749
Corporate Notes	18,496,094	-	-	18,496,094
Municipal Issuances	-	-	-	-
Federal Agency Securities:	-	-	-	-
FHLMC	778,775	-	-	778,775
FFCB	-	-	-	-
FHLB	416,340	-	-	416,340
FNMA	1,306,034	-	-	1,306,034
Money Market Mutual Funds	7,475,693	-	7,475,693	-
Total Investments	240,164,750	104,175,371	7,475,693	128,513,686
Investments with Fiscal Agents:				
PARS OPEB Trust Fund:				
Equity Securities	70,253	-	-	70,253
PARS Section 115 Pension Trust Fund:				
Equity Securities	555,438	-	-	555,438
Money Market Mutual Funds	6,090,280	-	6,090,280	-
Total Investments with Fiscal Agents	6,715,971	-	6,090,280	625,691
Total	\$ 246,880,721	\$ 104,175,371	\$ 13,565,973	\$ 129,139,377

NOTE 5: 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					Total
	General Fund	Grants Administration	Capital Projects	Nonmajor Governmental Funds	Internal Service Funds	
Accounts	\$ 674,094	\$ 41,470	\$ 1,169,239	\$ 116,548	\$ -	\$ 2,001,351
Unbilled accounts	10,487,517	1,129,008	2,843,097	3,551,318	42,020	18,052,960
Water, sanitation, and trash	523,028	-	-	1,949,821	-	2,472,849
Parks and recreation	69,316	-	-	-	-	69,316
Bank return items	237,960	-	-	-	-	237,960
Total	\$ 11,991,915	\$ 1,170,478	\$ 4,012,336	\$ 5,617,687	\$ 42,020	\$ 22,834,436
Component	Business-Type Activities				Total	
	Airport	Water Utility	Sewer Enterprise	Nonmajor Enterprise Funds		
Accounts	\$ 89,260	\$ 88,453	\$ 15,053	\$ 7,241	\$ 200,007	
Unbilled accounts	35,846	5,216,505	550,707	45	5,803,103	
Water, sanitation, and trash	-	3,579,756	454,786	-	4,034,542	
Total	\$ 125,106	\$ 8,884,714	\$ 1,020,546	\$ 7,286	\$ 10,037,652	

NOTE 6: 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, 2023, is \$11,110,993.

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, 2023, is \$598,379.

The Housing Fund notes and loans receivable total \$11,709,372.

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, 2023, is \$1,112,272.

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 \$724,150, totaling \$1,569,094 at June 30, 2023.

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 \$290,254, totaling \$734,535 at June 30, 2023.

NOTE 6: 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 \$202,354 totaling \$510,419 at June 30, 2023.

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 \$649,387, totaling \$814,387 at June 30, 2023.

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 \$565,000 with accrued interest of \$450,756, totaling \$1,015,756 at June 30, 2023.

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 \$374,162, totaling \$2,393,722 at June 30, 2023.

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 \$1,633,070 with accrued interest of \$730,703, totaling \$2,363,773 at June 30, 2023.

NOTE 6: NOTES AND LOANS RECEIVABLE (CONTINUED)

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 \$632,504 with accrued interest of \$590,260, totaling \$1,222,764 at June 30, 2023.

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 \$73,794, totaling \$220,457 at June 30, 2023.

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, 2023 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, 2023, is \$929,566.

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, 2023, is \$228,389.

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, 2023, was \$206,073.

The Grants Administration Fund notes and loans receivable total \$13,506,343.

CITY OF FULLERTON
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 7: CAPITAL ASSETS

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

	Beginning Balance	Transfers of CIP	Adjustments	Increases	Decreases	Ending Balance
Capital assets, not being depreciated/ amortized:						
Land	\$ 72,181,848	\$ -	\$ -	\$ -	\$ -	\$ 72,181,848
Construction in progress	220,180,983	(16,873,619)	-	17,414,268	(2,048,952)	218,672,680
Total capital assets, not being depreciated/amortized	292,362,831	(16,873,619)	-	17,414,268	(2,048,952)	290,854,528
Capital assets, being depreciated/ amortized:						
Buildings	92,067,793	-	-	-	-	92,067,793
Improvements other than buildings	69,761,280	5,271,470	-	463,102	-	75,495,852
Machinery and equipment	41,000,347	-	-	6,876,362	(5,700,100)	42,176,609
Leasehold improvements	1,837,445	-	-	-	-	1,837,445
Lease assets	-	-	-	582,880	-	582,880
Subscription assets	-	-	966,254	2,773,866	-	3,740,120
Infrastructure	294,845,845	11,602,149	-	3,665,792	(2,075,578)	308,038,208
Total capital assets, being depreciated/amortized	499,512,710	16,873,619	966,254	14,362,002	(7,775,678)	523,938,907
Less accumulated depreciation/ amortization for:						
Buildings	(27,250,307)	-	-	(1,755,624)	-	(29,005,931)
Improvements other than buildings	(39,257,102)	-	-	(2,907,926)	-	(42,165,028)
Machinery and equipment	(29,556,199)	-	-	(2,103,784)	4,713,823	(26,946,160)
Leasehold improvements	(1,728,145)	-	-	(27,325)	-	(1,755,470)
Lease assets	-	-	-	(140,333)	-	(140,333)
Subscription assets	-	-	-	(249,905)	-	(249,905)
Infrastructure	(196,390,054)	-	-	(5,014,803)	2,075,578	(199,329,279)
Total accumulated depreciation/ amortization	(294,181,807)	-	-	(12,199,700)	6,789,401	(299,592,106)
Total capital assets being depreciated/amortized, net	205,330,903	16,873,619	966,254	2,162,302	(986,277)	224,346,801
Governmental activities capital assets, net	\$ 497,693,734	\$ -	\$ 966,254	\$ 19,576,570	\$ (3,035,229)	\$ 515,201,329

CITY OF FULLERTON
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 7: CAPITAL ASSETS (CONTINUED)

Governmental activities depreciation/amortization expense for capital assets for the year ended June 30, 2023, is as follows:

General government	\$ 261,887
Public safety	966,830
Public works	7,028,916
Community development	144,899
Human and leisure	2,441,142
Liability insurance	229
Vehicle replacement	1,195,840
Equipment maintenance	8,399
Information technology	125,747
Building maintenance	7,706
Worker's Compensation	2,463
Group Insurance	2,484
Facility capital repair	13,158
Total depreciation expense - governmental activities	<u>\$ 12,199,700</u>

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	\$ 9,128,423	\$ -	\$ 406,611	\$ -	\$ 9,535,034
Construction in progress	23,115,989	(13,461,830)	11,205,844	(297,606)	20,562,397
Total capital assets, not being depreciated/amortized	<u>32,244,412</u>	<u>(13,461,830)</u>	<u>11,612,455</u>	<u>(297,606)</u>	<u>30,097,431</u>
Capital assets, being depreciated/ amortized:					
Buildings	9,894,685	-	-	-	9,894,685
Improvements other than buildings	93,919,218	2,309,718	394,310	(12,164)	96,611,082
Machinery and equipment	14,403,497	71,325	7,147	(82,305)	14,399,664
Subscription assets	-	-	28,948	-	28,948
Infrastructure	53,386,813	11,080,787	6,480	-	64,474,080
Total capital assets, being depreciated/amortized	<u>171,604,213</u>	<u>13,461,830</u>	<u>436,885</u>	<u>(94,469)</u>	<u>185,408,459</u>
Less accumulated depreciation/ amortization for:					
Buildings	(3,314,393)	-	(287,388)	-	(3,601,781)
Improvements other than buildings	(39,786,649)	-	(1,522,683)	12,164	(41,297,168)
Machinery and equipment	(13,210,101)	-	(235,092)	82,305	(13,362,888)
Subscription assets	-	-	(1,316)	-	(1,316)
Infrastructure	(6,998,977)	-	(849,726)	-	(7,848,703)
Total accumulated depreciation/ amortization	<u>(63,310,120)</u>	<u>-</u>	<u>(2,896,205)</u>	<u>94,469</u>	<u>(66,111,856)</u>
Total capital assets being depreciated/amortized, net	<u>108,294,093</u>	<u>13,461,830</u>	<u>(2,459,320)</u>	<u>-</u>	<u>119,296,603</u>
Business-type activities capital assets, net	<u>\$ 140,538,505</u>	<u>\$ -</u>	<u>\$ 9,153,135</u>	<u>\$ (297,606)</u>	<u>\$ 149,394,034</u>

CITY OF FULLERTON
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 7: CAPITAL ASSETS (CONTINUED)

Business-type activities depreciation expense for capital assets for the year ended June 30, 2023, is as follows:

Airport	\$ 428,398
Water Utility	1,533,205
Sewer Enterprise	847,965
Compressed Natural Gas	1,316
Brea Dam Facilities Recreational	85,321
	<hr/>
Total depreciation expense - business-type activities	<u><u>\$ 2,896,205</u></u>

NOTE 8: 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, 2023, are summarized as follows

	<u>Miscellaneous</u>	
	<u>Prior to January 1, 2013*</u>	<u>On or after 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%	7.000%
Required employer contribution rates	26.498%	26.498%

* Closed to new entrants

	<u>Safety</u>	
	<u>Prior to January 1, 2013*</u>	<u>On or after 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
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 8: DEFINED BENEFIT PENSION PLANS (CONTINUED)

At June 30, 2023, the following employees were covered by the benefit terms of the Plans:

Description	Number of Members	
	Miscellaneous Plan	Safety Plan
Active members	\$ 313	\$ 180
Transferred members	344	71
Terminated members	231	54
Retired members and beneficiaries	690	448
Total	\$ 1,578	\$ 753

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 \$8,218,595, and Safety Plan contributions for the year equaled \$18,845,445.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2021, valuation was rolled forward to determine the June 30, 2022, 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 for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include 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 CalPERS Experience Study and Review of Actuarial Assumptions 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
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 8: 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.

Changes in Assumptions

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

NOTE 8: DEFINED BENEFIT PENSION PLANS (CONTINUED)

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.

The EARSL for the plan for the measurement period ending June 30, 2022, is 2.2 years, which was obtained by dividing the total service years of 3,463 (the sum of remaining service lifetimes of the active employees) by 1,578 (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.

CITY OF FULLERTON
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 8: DEFINED BENEFIT PENSION PLANS (CONTINUED)

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, 2023, were as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Assets)
<u>Miscellaneous Plan:</u>			
Balance at: 6/30/2022 (Measurement Date of 6/30/2021)	\$ 315,232,740	\$ 273,183,618	\$ 42,049,122
Changes recognized for the Measurement Period:			
Service Cost	3,627,562	-	3,627,562
Interest on the Total Pension Liability	21,493,649	-	21,493,649
Difference between Expected and Actual Experience	(4,346,059)	-	(4,346,059)
Changes of Assumptions	8,273,705		8,273,705
Contribution from the Employer	-	7,585,752	(7,585,752)
Contributions from Employees	-	1,639,319	(1,639,319)
Net Investment Income	-	(20,344,557)	20,344,557
Benefit Payments including Refunds of Employee Contributions	(18,944,042)	(18,944,042)	-
Administrative Expense	-	(170,177)	170,177
Net changes during 2021-2022	10,104,815	(30,233,705)	40,338,520
Balance at: 6/30/2023 (Measurement Date of 6/30/2022)	325,337,555	242,949,913	82,387,642
<u>Safety Plan:</u>			
Balance at: 6/30/2022 (Measurement Date of 6/30/2021)	536,630,939	397,889,422	138,741,517
Changes recognized for the Measurement Period:			
Service Cost	6,727,723	-	6,727,723
Interest on the Total Pension Liability	37,241,475	-	37,241,475
Difference between Expected and Actual Experience	(3,037,722)	-	(3,037,722)
Changes of Assumptions	19,054,908		19,054,908
Contribution from the Employer	-	16,849,633	(16,849,633)
Contributions from Employees	-	3,293,443	(3,293,443)
Net Investment Income	-	(30,042,048)	30,042,048
Benefit Payments including Refunds of Employee Contributions	(32,560,850)	(32,560,850)	-
Administrative expense	-	(247,811)	247,811
Net changes during 2021-2022	27,425,534	(42,707,633)	70,133,167
Balance at: 6/30/2023 (Measurement Date of 6/30/2022)	564,056,473	355,181,789	208,874,684
Total Plans:	\$ 889,394,028	\$ 598,131,702	\$ 291,262,326

CITY OF FULLERTON
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 8: 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	\$ 123,701,945	\$ 82,387,642	\$ 48,317,071
Safety Plan	284,592,874	208,874,684	147,031,882
Total	\$ 408,294,819	\$ 291,262,326	\$ 195,348,953

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, 2023, the City recognized pension expense of \$9,072,007 for the Miscellaneous Plan, and \$16,170,147 for the Safety Plan for a combined total pension expense recognized during the year of \$25,242,154. At June 30, 2023, 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	\$ 8,218,595	\$ -
Changes of Assumptions	4,512,930	-
Differences Between Expected and Actual Experience	-	(2,557,007)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	12,018,627	-
Subtotal - Miscellaneous Plan	24,750,152	(2,557,007)
<u>Safety Plan:</u>		
Contributions Subsequent to the Measurement Date	18,845,445	-
Changes of Assumptions	13,761,878	-
Differences Between Expected and Actual Experience	1,545,075	(2,193,946)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	17,584,625	-
Subtotal - Safety Plan	51,737,023	(2,193,946)
Total - Both Plans	\$ 76,487,175	\$ (4,750,953)

CITY OF FULLERTON
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 8: DEFINED BENEFIT PENSION PLANS (CONTINUED)

The \$8,218,595 and \$18,845,445 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, 2024. 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
2024	\$ 3,478,354	\$ 8,192,930	\$ 11,671,284
2025	2,014,531	7,373,313	9,387,844
2026	718,345	3,728,089	4,446,434
2027	7,763,320	11,403,300	19,166,620

NOTE 9: 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, 2023, the City's payroll covered by the plan was \$1,016,158. The City made employer contributions of \$38,106 (3.75% of current covered payroll), and employees contributed \$38,106 (3.75% of current covered payroll). These amounts are now held in trust for the exclusive benefit of the participants and their beneficiaries.

NOTE 10: 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 10: POST-EMPLOYMENT HEALTHCARE PLAN (CONTINUED)

Employees Covered

As of the June 30, 2023, 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
Total	<u>653</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, 2022, 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, 2022. This is the date as of which the actuarial valuation was performed. The City's measurement date was as of June 30, 2022, and to develop the net OPEB liability at the beginning of the measurement period on July 1, 2021, the results of the June 30, 2022, 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	3.69%
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.
	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.
Healthcare Cost-trade Rate	

Discount Rate

The discount rate used to measure the net OPEB liability was 3.69 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
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 10: 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)		Net OPEB Liability (c) = (a) - (b)
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	
Balance at June 30, 2022 (measured 6/30/2021)	\$ 33,710,913	\$ 74,620	\$ 33,636,293
Changes Recognized from the Measurement Period			
Service Cost	1,908,946	-	1,908,946
Interest	674,864	-	674,864
Difference between Expected and Actual Experience	(1,560,876)	-	(1,560,876)
Changes of Assumptions	(6,552,244)	-	(6,552,244)
Contribution - Employer	-	1,692,781	(1,692,781)
Net Investment Income	-	(10,755)	10,755
Benefit Payments	(1,692,781)	(1,692,781)	-
Administrative Expense	-	(253)	253
Net Changes	(7,222,091)	(11,008)	(7,211,083)
Balance at June 30, 2023 (measured 6/30/2022)	\$ 26,488,822	\$ 63,612	\$ 26,425,210

The City has elected to use the GASB 75 “lookback” method where assets and liabilities are measured as of the prior fiscal year-end but applied to the current year.

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, 2022:

	1% Decrease (2.69%)	Current Discount Rate (3.69%)	1% Increase (4.69%)
Net OPEB Liability	\$ 29,099,656	\$ 26,425,210	\$ 24,133,349

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, 2022:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability	\$ 24,309,093	\$ 26,425,210	\$ 29,054,415

CITY OF FULLERTON
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 10: POST-EMPLOYMENT HEALTHCARE PLAN (CONTINUED)

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

For the fiscal year ended June 30, 2023, the City recognized net OPEB expense of \$184,814. As of fiscal year ended June 30, 2023, 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
	<u> </u>	<u> </u>
OPEB contribution subsequent to measurement date	\$ 1,810,481	\$ -
Difference between expected and actual experience	115,375	(5,847,393)
Difference between expected and actual return on assets	-	
Change in Assumptions	<u>4,864,041</u>	<u>(8,167,256)</u>
Total	<u>\$ 6,789,897</u>	<u>\$ (14,014,649)</u>

The \$1,810,481 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
	<u> </u>
2024	\$ (1,673,806)
2025	(1,673,863)
2026	(1,205,977)
2027	(915,535)
2028	(996,290)
Thereafter	<u>(2,569,762)</u>
	<u>\$ (9,035,233)</u>

NOTE 11: COMMITMENTS AND CONTINGENCIES

As of June 30, 2023, 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
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 11: COMMITMENTS AND CONTINGENCIES (CONTINUED)

The following material construction commitments existed at June 30, 2023:

Project Name	Current Amount	Expenditures to date as of June 30, 2023	Remaining Commitments
Orangethorpe Avenue – Harbor Blvd to Lemon St	\$ 1,774,023	\$ 707,865	\$ 1,066,158
Orangethorpe Avenue Traffic Signal Synchronization Program	2,056,032	714,249	1,341,783
Rapid Rectangular Flashing Beacon Pedestrian Warning System Project	367,316	-	367,316
Marion Area Infrastructure Improvements	2,883,907	1,059,374	1,824,533
Hidden Lakes Area Water Main Replacement	1,861,350	1,420,320	441,030
Hermosa Area Infrastructure Improvements	2,972,386	1,470,596	1,501,790
Christlieb Well 15A Rehabilitation	357,550	132,715	224,835
Orangethorpe Acacia to State College WMR	418,095	265,768	152,327
Associated Rd – Yorba Linda Blvd to Bastanchury Rd Water Main Replacement	1,339,100	1,209,300	129,800
Acacia Park & Fullerton Greenbelt Improvements	377,400	-	377,400
Energy Infrastructure Modernization	6,621,262	5,926,250	695,012

NOTE 12: 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 2022-23, 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.

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, 2023, is \$31,543,000 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, 2023.

CITY OF FULLERTON
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 12: RISK MANAGEMENT (CONTINUED)

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:

	Public Liability	Workers' Compensation	Total
Unpaid claims, June 30, 2021	\$ 13,924,000	\$ 18,531,000	\$ 32,455,000
Incurred claims (including IBNRs)	4,739,902	-	4,739,902
Claim payments	<u>(2,869,902)</u>	<u>(2,146,000)</u>	<u>(5,015,902)</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	<u>\$ 15,641,000</u>	<u>\$ 15,902,000</u>	<u>\$ 31,543,000</u>

NOTE 13: 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. An initial lease receivable was recorded in the amount of \$21,199,509. As of June 30, 2023, the value of the lease receivable is \$18,668,848, which includes \$224,735 in leases receivable reported in the fiduciary funds. The value of the deferred inflow of resources as of June 30, 2023 was \$17,771,685, and the amortization of the deferred inflow during the year totaled \$1,652,278. The City recognized lease revenue of \$2,886,726 during the fiscal year which included \$1,652,278 related to the amortization of the deferred inflow and \$1,234,448 for variable and other payments, including short term leases not included in the measurement of the lease receivable under GASB 87.

	Term Range	Lease Receivable as of Commencement Date	Lease Receivable as of June 30, 2023
Land - Cell Towers	2.08 to 20.76	\$ 6,311,444	\$ 5,484,450
Buildings	3.17 to 16.25	3,869,489	2,945,815
Golf Course	20.26 to 20.26	273,545	252,665
Airport Hangar Rent	6.50 to 29.02	10,745,031	9,985,918
		<u>\$ 21,199,509</u>	<u>\$ 18,668,848</u>

CITY OF FULLERTON
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 13: 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
2024	\$ 498,202	\$ 192,025	\$ 690,227
2025	495,099	176,467	671,566
2026	495,821	161,791	657,612
2027	468,403	147,277	615,680
2028	474,343	133,474	607,817
2029-2033	1,851,627	477,118	2,328,745
2034-2038	1,517,406	239,999	1,757,405
2039-2043	851,628	43,179	894,807
Total	\$ 6,652,529	\$ 1,571,330	\$ 8,223,859

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 523,733	\$ 307,587	\$ 831,320
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
2029-2033	2,972,226	1,007,662	3,979,888
2034-2038	3,181,022	613,137	3,794,159
2039-2043	1,585,507	280,053	1,865,560
2044-2048	879,261	114,915	994,176
2049-2053	363,097	10,683	373,780
Total	\$ 11,791,584	\$ 3,413,039	\$ 15,204,623

Fiscal Year	Fiduciary Funds		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 192,052	\$ 3,679	\$ 195,731
2025	32,683	44	32,727
Total	\$ 224,735	\$ 3,723	\$ 228,458

CITY OF FULLERTON
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 13: LEASES (CONTINUED)

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, 2023, the total value of the lease liabilities was \$421,602.

Fiscal Year	Principal Payments	Interest Payments	Total
2024	\$ 183,053	\$ 1,186	\$ 184,240
2025	183,717	253	183,970
2026	30,899	66	30,965
2027	23,932	66	23,998
Total	<u>\$ 421,602</u>	<u>\$ 1,571</u>	<u>\$ 423,173</u>

The value of the right to use assets as of June 30, 2023 was \$582,880, with total accumulated amortization of \$140,333.

Asset Class	Lease Asset Value	Accumulated Amortization
Equipment	\$ 582,880	\$ 140,333

NOTE 14: SUBSCRIPTIONS PAYABLE

For the year ended June 30, 2023, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

The City has entered into various subscription agreements. Initial subscription liabilities totaling \$3,232,781 were recorded. As of June 30, 2023, the total value of the subscription liabilities was \$2,850,679. 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, 2023 was \$3,769,067, with total accumulated amortization of \$251,221.

Asset Class	Subscription Asset Value	Accumulated Amortization
Software	\$ 3,769,067	\$ 251,221

CITY OF FULLERTON
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 14: SUBSCRIPTIONS PAYABLE (CONTINUED)

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 318,185	\$ 77,671	\$ 395,856
2025	328,287	69,220	397,507
2026	308,023	60,036	368,059
2027	319,044	51,569	370,613
2028	312,569	42,796	355,365
2029-2033	1,190,326	103,305	1,293,631
2034-2036	48,327	2,448	50,775
Total	\$ 2,824,761	\$ 407,045	\$ 3,231,806

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 2,266	\$ 764	\$ 3,030
2025	2,333	697	3,030
2026	2,402	628	3,030
2027	2,473	557	3,030
2028	2,546	484	3,030
2029-2033	13,898	1,252	15,150
Total	\$ 25,918	\$ 4,382	\$ 30,300

NOTE 15: 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:				
2013 Taxable Judgment Obligation Bonds	\$ 7,250,000	1.000% - 6.100%	April 1, 2023	\$ -
Taxable Judgment Obligation Refunding Bonds, Series 2021	5,010,000	0.359% - 2.702%	April 1, 2033	4,800,000
Total Judgment Obligation Bonds				4,800,000
Total Governmental Activities				\$ 4,800,000
Business-Type Activities:				
Revenue Bonds:				
2010 Lease Revenue Bonds, Series A	\$ 2,705,000	6.500% - 7.750%	May 1, 2031	\$ 1,340,000
2014 Water Revenue Refunding Bonds	6,810,000	3.000% - 5.000%	September 1, 2033	3,990,000
Total Revenue Bonds				5,330,000
Total Business-Type Activities				\$ 5,330,000

NOTE 15: LONG-TERM LIABILITIES (CONTINUED)

A. Judgment Obligation Bonds

2013 Taxable Judgment Obligation Bonds (Debt Serviced by the Liability Insurance Fund)

On August 23, 2013, the City issued the 2013 Taxable Judgment Obligation Bonds in the amount of \$7,250,000. In 2013, the City settled two large legal cases for a combined payout of \$7 million. The first case was an inverse condemnation lawsuit involving a slope failure, which was settled for \$6 million. The second was a settlement totaling \$1 million for a case involving a police incident. These payments were made from the Liability Insurance Fund, depleting its reserves. The issuance of these bonds replenished the Liability Insurance Fund reserves. On December 6, 2018, Standard & Poor's upgraded the rating on the bonds from "AA-" to "AA". Interest and principal payments are due semiannually and annually, respectively, under the terms of the bond agreement. These bonds were partially defeased by the issuance of the Taxable Judgment Obligation Refunding Bonds, Series 2021 (see Note 15c below).

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 maturing on and after April 1, 2033, 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.

NOTE 15: LONG-TERM LIABILITIES (CONTINUED)

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 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 \$465,024.

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, 2023, the outstanding balance was \$1,143,124.

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, 2023, the outstanding balance was \$425,584.

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, 2023, the outstanding balance was \$8,269,520.

In January 2023, 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, 2023, the outstanding balance was \$243,967.

CITY OF FULLERTON
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 15: LONG-TERM LIABILITIES (CONTINUED)

As of June 30, 2023, total future minimum loan obligations and the net present value of these minimum lease payments, are summarized as follows:

Year Ending June 30,	Total
2024	\$ 1,110,916
2025	1,110,843
2026	889,772
2027	889,697
2028	583,484
2029-2033	2,916,214
2034-2038	2,914,064
2039-2044	<u>1,164,978</u>
Total minimum loan payments	11,579,968
Less: amounts representing interest	<u>(1,497,773)</u>
Present value of minimum loan payments	<u>\$ 10,082,195</u>

F. Changes in Long-term Liabilities

Changes in the City's long-term liabilities for the year ended June 30, 2023, 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	\$ 5,235,000	\$ -	\$ 435,000	\$ 4,800,000	\$ 445,000
Discount	(2,833)	-	(2,833)	-	-
Total Bonds Payable	<u>5,232,167</u>	<u>-</u>	<u>432,167</u>	<u>4,800,000</u>	<u>445,000</u>
Loans payable	11,051,651	-	969,456	10,082,195	915,218
Subscription liability	-	3,203,833	379,072	2,824,761	318,185
Lease liability	-	582,880	161,279	421,601	183,053
Compensated absences	2,606,820	-	14,800	2,592,020	518,404
Claims	32,179,000	2,989,975	3,625,975	31,543,000	6,812,000
Net pension liability	170,429,021	101,872,523	-	272,301,544	-
Net OPEB liability	28,849,654	-	6,139,066	22,710,588	-
Total Governmental Activities	<u>\$ 250,348,313</u>	<u>\$ 108,649,211</u>	<u>\$ 11,721,815</u>	<u>\$ 347,275,709</u>	<u>\$ 9,191,860</u>
Business-Type Activities:					
Bonds payable:					
Revenue bonds	\$ 5,740,000	\$ -	\$ 410,000	\$ 5,330,000	\$ 430,000
Premium	450,507	-	38,614	411,893	-
Discount	(21,106)	-	(2,483)	(18,623)	-
Total bonds payable	<u>6,169,401</u>	<u>-</u>	<u>446,131</u>	<u>5,723,270</u>	<u>430,000</u>
Loans payable	-	406,611	162,645	243,966	81,322
Compensated absences	417,726	-	22,807	394,919	99,713
Subscription liability	-	28,948	3,030	25,918	2,266
Net pension liability	10,312,935	8,647,847	-	18,960,782	-
Net OPEB liability	4,786,639	-	1,072,017	3,714,622	-
Total Business-Type Activities	<u>\$ 21,686,701</u>	<u>\$ 9,083,406</u>	<u>\$ 1,706,630</u>	<u>\$ 29,063,477</u>	<u>\$ 613,301</u>

CITY OF FULLERTON
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 15: 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
2024	\$ 445,000	\$ 95,455	\$ 430,000	\$ 294,063	\$ 875,000	\$ 389,518
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
2029-2033	2,520,000	196,503	2,530,000	459,450	5,050,000	655,953
2034-2038	-	-	460,000	11,500	460,000	11,500
	<u>\$ 4,800,000</u>	<u>\$ 623,809</u>	<u>\$ 5,330,000</u>	<u>\$ 1,681,158</u>	<u>\$ 10,130,000</u>	<u>\$ 2,304,967</u>

CITY OF FULLERTON
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 16: FUND BALANCE CLASSIFICATIONS

The fund balances of the City's governmental funds as of June 30, 2023, 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
Property held for resale	-	-	-	-	-	-
Prepaid costs	306,182	-	-	-	-	306,182
Subtotal - nonspendable	312,710	-	-	-	-	312,710
Restricted:						
Community development	-	-	-	-	1,044,058	1,044,058
Public safety	-	-	-	-	297,973	297,973
Parks and recreation	-	-	-	-	2,229,184	2,229,184
Public works	-	-	-	-	23,771,946	23,771,946
Capital projects	-	-	-	-	1,020,065	1,020,065
Debt service	-	-	-	-	205,907	205,907
Refuse collection	-	-	-	-	2,651,870	2,651,870
Housing	-	-	-	-	12,913,930	12,913,930
Opioid settlement	64,081	-	-	-	-	64,081
Library	607,275	-	-	-	-	607,275
Pension stabilization	555,438	-	-	-	-	555,438
Donations	291,918	-	-	-	-	291,918
Subtotal - restricted	1,518,712	-	-	-	44,134,933	45,653,645
Committed:						
Capital projects	1,535,971	-	-	-	-	1,535,971
Subtotal - restricted	1,535,971	-	-	-	-	1,535,971
Assigned:						
Contingency reserve	19,406,405	-	-	-	-	19,406,405
Street projects	271,737	-	-	-	-	271,737
Building permits	130,662	-	-	-	-	130,662
Subtotal - assigned	19,808,804	-	-	-	-	19,808,804
Unassigned	10,311,002	(1,105,013)	(129,385)	(5,850,018)	(612,652)	2,613,934
Total Fund Balance	\$ 33,487,199	\$ (1,105,013)	\$ (129,385)	\$ (5,850,018)	\$ 43,522,281	\$ 69,925,064

NOTE 17: INTERFUND TRANSACTIONS

The composition of interfund balances as of June 30, 2023, 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	Other Enterprise Funds	Internal Service Funds	
General Fund	\$ -	\$ -	\$ 2,680,000	\$ -	\$ 198,200	\$ -	\$ 287,045	\$ -	\$ 3,165,245
Capital Projects	640,098	268,818	3,600,973	-	5,242,210	-	-	717,604	10,469,703
Other Governmental Funds	-	-	-	730,024	-	-	-	-	730,024
Water Utility	-	-	708,631	-	-	-	-	-	708,631
Internal Service Funds	771,684	-	80,000	-	271,470	608,179	-	-	1,731,333
Total	\$ 1,411,782	\$ 268,818	\$ 7,069,604	\$ 730,024	\$ 5,711,880	\$ 608,179	\$ 287,045	\$ 717,604	\$ 16,804,936

CITY OF FULLERTON
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 17: INTERFUND TRANSACTIONS (CONTINUED)

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 2022-23, 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 18: 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, 2023, non-committal debt amounts issued and outstanding are as follows:

<u>Non-committal Debt Issues:</u>	<u>Amount of Issue</u>	<u>Outstanding June 30, 2023</u>
CFD No. 1 2012 Special Tax Refunding Bonds	\$ 19,040,000	\$ 11,250,000
CFD No. 2 2014 Special Tax Bonds	7,570,000	7,020,000
Total Non-committal Debt Issues:	<u>\$ 26,610,000</u>	<u>\$ 18,270,000</u>

NOTE 19: 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).

CITY OF FULLERTON
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 19: SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED))

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	\$ 6,351,798
Restricted cash and investments	6,228,325
Cash and investments with fiscal agent	717,768
	<hr/>
	\$ 13,297,891

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, 2023, is \$5,618,917.

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, 2023 is \$901,528.

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, 2023, is \$841,483.

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, 2023, is \$62,920.

CITY OF FULLERTON
Notes to the Financial Statements
For the Year Ended June 30, 2023

**NOTE 19: SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY
(CONTINUED)**

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, 2023, 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 \$177,198, totaling \$807,198 at June 30, 2023.

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 \$2,321,479 totaling \$11,293,479 at June 30, 2023.

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 \$1,176,373, totaling \$8,376,373 at June 30, 2023.

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 \$636,099 totaling \$5,038,663 at June 30, 2023.

**NOTE 19: SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY
(CONTINUED)**

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 \$525,496, totaling \$3,525,497 at June 30, 2023.

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, 2023.

Total Loans Receivable is \$37,361,808.

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, 2023, the outstanding balance was \$3,335,000.

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.

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.

CITY OF FULLERTON
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 19: SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)

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 \$38,590,407 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 \$9,270,595 and the debt service obligation on the bonds was \$8,786,883.

Changes in Long-term Liabilities

Changes in the Successor Agency's long-term liabilities for the year ended June 30, 2023, 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	\$ 4,400,000	\$ -	\$ 1,065,000	\$ 3,335,000	\$ 1,125,000
2020A Tax Allocation Refunding Bond	29,615,000	-	4,525,000	25,090,000	4,700,000
2020B Tax Allocation Refunding Bond	8,925,000	-	1,820,000	7,105,000	1,835,000
Premiums	3,862,389	-	992,016	2,870,373	-
Total Bonds Payable	46,802,389	-	8,402,016	38,400,373	7,660,000
Net pension liability	49,683	-	49,683	-	-
Total long-term liabilities	\$ 46,852,072	\$ -	\$ 8,451,699	\$ 38,400,373	\$ 7,660,000

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, 2023, resulting in no amount of principal and only a portion of interest due within one year as of June 30, 2023.

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

June 30	Principal	Interest
2024	\$ 7,660,000	\$ 1,122,616
2025	8,940,000	855,174
2026	5,045,000	591,783
2027	8,075,000	374,634
2028	5,810,000	116,200
	\$ 35,530,000	\$ 3,060,407

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 12.

CITY OF FULLERTON
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 20: 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 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 21: PRIOR PERIOD ADJUSTMENT

For the fiscal year ended June 30, 2023, the city adjusted the liability balance of the custodial funds to reclassify the net assets held for the payment of future conduit debt service payments as a liability (due to bondholders). This adjustment was in accordance with new information provided to the city from the GASB during the fiscal year in response to a technical inquiry from the city's auditors. The effect of this change is shown in the table below.

	June 30, 2022 As Previously Reported	Change in Accounting Principle	June 30, 2022 As Restated
Custodial Funds	\$ 1,314,082	\$ (1,256,399)	\$ 57,683

CITY OF FULLERTON
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 92,304,674	\$ 92,304,674	\$ 95,751,533	\$ 3,446,859
Licenses and permits	2,344,725	2,344,725	3,207,838	863,113
Intergovernmental	922,725	922,725	909,964	(12,761)
Charges for services	10,569,742	10,569,742	13,113,830	2,544,088
Investment earnings	4,029,745	4,029,745	4,686,501	656,756
Fines and forfeitures	1,528,300	1,528,300	1,846,733	318,433
Miscellaneous	2,417,401	2,417,401	1,051,314	(1,366,087)
Total Revenues	114,117,312	114,117,312	120,567,713	6,450,401
Expenditures:				
Current:				
General government				
Council	431,730	516,980	513,655	3,325
City Manager	2,796,298	2,981,189	2,711,954	269,235
City Clerk	861,763	845,372	585,464	259,908
Administrative Services Finance	3,090,963	3,159,993	2,872,645	287,348
Human Resources	1,050,146	1,050,146	627,998	422,148
Non-departmental	(800,230)	(800,230)	(892,179)	91,949
Public safety				
Fire	29,001,884	29,081,884	28,549,705	532,179
Police	53,250,025	55,029,170	53,996,571	1,032,599
Community development	5,737,587	6,157,307	6,156,871	436
Human and leisure				
Parks and Recreation	5,422,413	5,513,663	5,512,270	1,393
Library	4,038,741	4,038,741	3,626,032	412,709
Public works	9,031,014	9,031,014	8,999,374	31,640
Capital outlay	100,000	266,000	690,575	(424,575)
Debt service:				
Principal retirement	266,524	266,524	295,094	(28,570)
Interest and fiscal charges	39,610	39,610	41,641	(2,031)
Total Expenditures:	114,318,468	117,177,363	114,287,670	2,889,693
Excess (Deficiency) of Revenues Over (Under) Expenditures	(201,156)	(3,060,051)	6,280,043	9,340,094
Other Financing Sources				
Transfers in	3,137,045	3,754,379	3,165,245	(589,134)
Transfers out	(1,500,000)	(3,694,827)	(1,411,782)	2,283,045
Subscription financing	-	-	179,125	179,125
Total Other Financing Sources (Uses):	1,637,045	59,552	1,932,588	1,873,036
Net Change in Fund Balances	\$ 1,435,889	\$ (3,000,499)	8,212,631	\$ 11,213,130
Fund Balances - Beginning			25,274,568	
Fund Balances - Ending			\$ 33,487,199	

The notes to required supplementary information are an integral part of this schedule.

CITY OF FULLERTON
Budgetary Comparison Schedule
Grants Administration
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 3,462,788	\$ 19,265,733	\$ 5,971,417	\$ (13,294,316)
Miscellaneous	-	(40,000)	3,391	43,391
Total Revenues	3,462,788	19,225,733	5,974,808	(13,250,925)
Expenditures:				
Current:				
General government	-	2,500,000	2,227,585	272,415
Public safety	852,654	2,782,085	1,522,497	1,259,588
Community development	1,693,020	2,228,521	1,177,160	1,051,361
Parks and recreation	80,753	180,600	100,335	80,265
Public works	-	355,510	2,500	353,010
Refuse collection	-	35,019	-	35,019
Capital outlay	-	10,378,538	382,293	9,996,245
Total Expenditures	2,626,427	18,460,273	5,412,370	13,047,903
Excess (Deficiency) of Revenues Over (Under) Expenditures	836,361	765,460	562,438	(203,022)
Other Financing Sources (Uses):				
Transfers out	-	(744,368)	(268,818)	475,550
Total Other Financing Sources (Uses)	-	(744,368)	(268,818)	475,550
Net Change in Fund Balances	\$ 836,361	\$ 21,092	293,620	\$ 272,528
Fund (Deficit) - Beginning			(1,398,633)	
Fund (Deficit) - Ending			\$ (1,105,013)	

The notes to required supplementary information are an integral part of this schedule.

CITY OF FULLERTON
Budgetary Comparison Schedule
American Rescue Plan Act
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 8,636,769	\$ 8,636,769
Investment income	-	-	501,204	501,204
Total Revenues	-	-	9,137,973	9,137,973
Expenditures:				
Current:				
General government	178,892	2,540,700	1,073,243	1,467,457
Capital outlay	-	-	876,685	(876,685)
Total Expenditures:	178,892	2,540,700	1,949,928	590,772
Excess (Deficiency) of Revenues Over (Under) Expenditures	(178,892)	(2,540,700)	7,188,045	8,547,201
Other Financing Sources				
Transfers out	-	(13,910,596)	(7,069,604)	6,840,992
Lease financing	-	-	388,732	388,732
Total Other Financing Sources (Uses):	-	(13,910,596)	(6,680,872)	7,229,724
Net Change in Fund Balances	\$ (178,892)	\$ (16,451,296)	507,173	\$ 15,776,925
Fund Balances - Beginning			(636,558)	
Fund Balances - Ending			\$ (129,385)	

The notes to required supplementary information are an integral part of this schedule.

CITY OF FULLERTON
Miscellaneous Plan
Schedule of Changes in the Net Pension Liability and Related Ratios
As of June 30, For The Last Ten Fiscal Years ⁽¹⁾

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Measurement Date	6/30/2014	6/30/2015	6/30/2016	6/30/2017
Total Pension Liability:				
Service Cost	\$ 3,583,900	\$ 3,434,664	\$ 3,436,150	\$ 4,028,019
Interest on total pension liability	18,104,876	18,544,020	19,021,926	19,457,971
Changes in assumptions	-	(4,406,198)	-	15,777,516
Differences between expected and actual experience	-	(3,523,723)	(2,713,807)	(1,691,562)
Benefit payments, including refunds of employee contributions	(12,422,994)	(12,931,194)	(13,105,760)	(13,600,494)
Net change in total pension liability	9,265,782	1,117,569	6,638,509	23,971,450
Total Pension Liability - Beginning	245,817,888	255,083,670	256,201,239	262,839,748
Total Pension Liability - Ending (a)	255,083,670	256,201,239	262,839,748	286,811,198
Plan Fiduciary Net Position:				
Contributions - employer	1,748,110	2,087,882	2,831,939	3,455,877
Contributions - employee	3,340,171	2,852,024	2,961,557	3,207,458
Net investment income	31,546,084	4,617,716	994,336	21,919,922
Benefit payments, including refunds of employee contributions	(12,422,994)	(12,931,194)	(13,105,760)	(13,600,494)
Net Plan to Plan Resource Movement	-	(715)	-	-
Administrative expense	-	(231,434)	(125,288)	(294,007)
Other miscellaneous income/(expense)	-	-	-	-
Net change in plan fiduciary net position	24,211,371	(3,605,721)	(6,443,216)	14,688,756
Plan Fiduciary Net Position - Beginning	184,970,916	209,182,287	205,576,566	199,133,350
Plan Fiduciary Net Position - Ending (b)	209,182,287	205,576,566	199,133,350	213,822,106
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	\$ 45,901,383	\$ 50,624,673	\$ 63,706,398	\$ 72,989,092
Plan fiduciary net position as a percentage of the total pension liability	82.01%	80.24%	75.76%	74.55%
Covered payroll	\$ 23,913,389	\$ 24,121,530	\$ 24,160,809	\$ 25,506,709
Plan Net Pension Liability as a Percentage of Covered	191.95%	209.87%	263.68%	286.16%

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

Benefit Changes:

The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2020 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions:

Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014

⁽¹⁾ Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only nine years are shown.

2019		2020		2021		2022		2023	
6/30/2018		6/30/2019		6/30/2020		6/30/2021		6/30/2022	
\$	4,018,130	\$	3,774,798	\$	3,775,731	\$	3,548,169	\$	3,627,562
	19,980,940		20,552,464		21,144,370		21,513,474		21,493,649
	(1,127,539)		-		-		-		8,273,705
	(817,761)		(669,374)		394,873		(2,050,727)		(4,346,059)
	(14,842,526)		(15,586,850)		(17,301,500)		(17,885,130)		(18,944,042)
	7,211,244		8,071,038		8,013,474		5,125,786		10,104,815
	286,811,198		294,022,442		302,093,480		310,106,954		315,232,740
	294,022,442		302,093,480		310,106,954		315,232,740		325,337,555
	3,880,635		4,809,655		6,036,525		7,017,542		7,585,752
	2,857,654		2,852,167		2,274,075		1,811,572		1,639,319
	17,972,220		14,470,021		11,301,839		51,372,978		(20,344,557)
	(14,842,526)		(15,586,850)		(17,301,500)		(17,885,130)		(18,944,042)
	(518)		(650)		-		-		-
	(333,194)		(158,940)		(322,988)		(230,852)		(170,177)
	(632,741)		518		-		-		-
	8,901,530		6,385,921		1,987,951		42,086,110		(30,233,705)
	213,822,106		222,723,636		229,109,557		231,097,508		273,183,618
	222,723,636		229,109,557		231,097,508		273,183,618		242,949,913
\$	71,298,806	\$	72,983,923	\$	79,009,446	\$	42,049,122	\$	82,387,642
	75.75%		75.84%		74.52%		86.66%		74.68%
\$	25,445,697	\$	23,492,645	\$	23,791,627	\$	22,456,766	\$	21,004,994
	280.20%		310.67%		332.09%		187.24%		392.23%

CITY OF FULLERTON
Safety Plan
Schedule of Changes In The Net Pension Liability and Related Ratios
As of June 30, For The Last Ten Fiscal Years ⁽¹⁾

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Measurement Date	6/30/2014	6/30/2015	6/30/2016	6/30/2017
Total Pension Liability:				
Service Cost	\$ 6,428,794	\$ 6,159,575	\$ 6,139,343	\$ 7,137,610
Interest on total pension liability	29,880,228	30,783,877	31,849,067	32,652,041
Changes in assumptions	-	(7,450,669)	-	27,036,186
Differences between expected and actual experience	-	(3,274,488)	(590,872)	(1,625,395)
Benefit payments, including refunds of employee contributions	(20,933,019)	(21,964,313)	(22,872,497)	(24,235,721)
Net change in total pension liability	15,376,003	4,253,982	14,525,041	40,964,721
Total Pension Liability - Beginning	405,655,143	421,031,146	425,285,128	439,810,169
Total Pension Liability - Ending (a)	421,031,146	425,285,128	439,810,169	480,774,890
Plan Fiduciary Net Position:				
Contributions - employer	6,363,818	7,227,836	8,358,879	10,074,802
Contributions - employee	3,664,440	3,711,794	3,747,337	3,864,941
Net investment income	46,137,412	6,738,820	1,497,136	32,030,653
Benefit payments, including refunds of employee contributions	(20,933,109)	(21,964,313)	(22,872,497)	(24,235,721)
Net Plan to Plan Resource Movement	-	-	-	-
Administrative expense	-	(341,647)	(182,711)	(428,677)
Other miscellaneous income/(expense)	-	90	-	-
Net change in plan fiduciary net position	35,232,561	(4,627,420)	(9,451,856)	21,305,998
Plan Fiduciary Net Position - Beginning	269,193,188	304,425,749	299,798,329	290,346,473
Plan Fiduciary Net Position - Ending (b)	304,425,749	299,798,329	290,346,473	311,652,471
Plan Net Pension Liability - Ending (a) - (b)	\$ 116,605,397	\$ 125,486,799	\$ 149,463,696	\$ 169,122,419
Plan fiduciary net position as a percentage of the total pension liability	72.30%	70.49%	66.02%	64.82%
Covered payroll	\$ 23,106,870	\$ 23,105,917	\$ 22,949,957	\$ 23,799,967
Plan Net Pension Liability as a Percentage of Covered Payroll	504.64%	543.09%	651.26%	710.60%

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

Benefit Changes:

valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions:

Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only nine years are shown.

	2019	2020	2021	2022	2023
	<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2020</u>	<u>6/30/2021</u>	<u>6/30/2022</u>
\$	7,276,694	\$ 6,713,029	\$ 5,929,528	\$ 6,193,673	\$ 6,727,723
	33,741,761	34,715,015	35,667,102	36,643,567	37,241,475
	(1,878,673)	-	-	-	19,054,908
	2,515,633	406,378	1,835,234	2,697,088	(3,037,772)
	<u>(26,274,949)</u>	<u>(28,787,130)</u>	<u>(30,324,105)</u>	<u>(31,213,796)</u>	<u>(32,560,850)</u>
	15,380,466	13,047,292	13,107,759	14,320,532	27,425,484
	<u>480,774,890</u>	<u>496,155,356</u>	<u>509,202,648</u>	<u>522,310,407</u>	<u>536,630,939</u>
	<u>496,155,356</u>	<u>509,202,648</u>	<u>522,310,407</u>	<u>536,630,939</u>	<u>564,056,423</u>
	10,730,240	12,127,485	14,081,827	15,515,050	16,849,633
	3,605,789	3,161,725	3,622,586	3,261,576	3,293,443
	26,311,505	21,203,073	16,454,572	75,203,654	(30,042,048)
	<u>(26,274,949)</u>	<u>(28,787,130)</u>	<u>(30,324,105)</u>	<u>(31,213,796)</u>	<u>(32,560,850)</u>
	(757)	650	-	-	-
	(485,640)	(231,653)	(468,167)	(335,102)	(247,861)
	<u>(922,239)</u>	<u>757</u>	<u>-</u>	<u>-</u>	<u>-</u>
	12,963,949	7,474,907	3,366,713	62,431,382	(42,707,683)
	<u>311,652,471</u>	<u>324,616,420</u>	<u>332,091,327</u>	<u>335,458,040</u>	<u>397,889,422</u>
	<u>324,616,420</u>	<u>332,091,327</u>	<u>335,458,040</u>	<u>397,889,422</u>	<u>355,181,739</u>
\$	<u>171,538,936</u>	<u>177,111,321</u>	<u>186,852,367</u>	<u>138,741,517</u>	<u>208,874,684</u>
	65.43%	65.22%	64.23%	74.15%	62.97%
\$	24,764,981	\$ 22,649,309	\$ 20,747,123	\$ 21,947,814	\$ 21,632,551
	692.67%	781.97%	900.62%	632.14%	965.56%

CITY OF FULLERTON
Retiree Health Insurance Program
Schedule of Changes in the Net OPEB Liability and Related Ratios
As Of June 30, For The Last Ten Fiscal Years ⁽¹⁾

	2018	2019	2020
Measurement Date	6/30/2017	6/30/2018	6/30/2019
Total OPEB Liability:			
Service Cost	\$ 1,913,643	\$ 1,184,811	\$ 1,287,092
Interest on total OPEB liability	1,288,253	1,324,045	1,103,389
Changes in assumptions	-	-	1,889,194
Differences between expected and actual experience	-	(7,029,124)	-
Benefit payments	(1,584,473)	(1,338,227)	(1,390,063)
Net change in total OPEB liability	1,617,423	(5,858,495)	2,889,612
Total OPEB Liability - Beginning	34,353,410	35,970,833	30,112,338
Total OPEB Liability - Ending (a)	35,970,833	30,112,338	33,001,950
Plan Fiduciary Net Position:			
Contributions - employer	-	1,388,227	1,390,063
Net investment income	-	3,686	3,203
Benefit payments	-	(1,338,227)	(1,390,063)
Administrative expense	-	-	(135)
Net change in plan fiduciary net position	-	53,686	3,068
Plan Fiduciary Net Position - Beginning	-	-	53,686
Plan Fiduciary Net Position - Ending (b)	-	53,686	56,754
Plan Net OPEB Liability - Ending (a) - (b)	\$ 35,970,833	\$ 30,058,652	\$ 32,945,196
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.18%	0.17%
Covered-employee payroll	\$ 47,763,989	\$ 53,294,857	\$ 55,541,742
Plan Net OPEB Liability as a Percentage of Covered-Employee Payroll	75.31%	56.40%	59.32%

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

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

	2021	2022	2023
	<u>6/30/2020</u>	<u>6/30/2021</u>	<u>6/30/2022</u>
\$	1,349,773	\$ 1,673,868	\$ 1,908,946
	1,049,606	784,439	674,684
	3,881,547	1,853,345	(6,552,244)
	(6,727,717)	148,817	(1,560,876)
	(1,635,980)	(1,668,735)	(1,692,781)
	(2,082,771)	2,791,734	(7,222,271)
	<u>33,001,950</u>	<u>30,919,179</u>	<u>33,710,913</u>
	<u>30,919,179</u>	<u>33,710,913</u>	<u>26,488,642</u>
	1,635,980	1,668,735	1,692,781
	(94)	18,630	(10,755)
	(1,635,980)	(1,668,735)	(1,692,781)
	(300)	(370)	(433)
	(394)	18,260	(11,188)
	<u>56,754</u>	<u>56,360</u>	<u>74,620</u>
	<u>56,360</u>	<u>74,620</u>	<u>63,432</u>
\$	<u>30,862,819</u>	<u>33,636,293</u>	<u>26,425,210</u>
	0.18%	0.22%	0.24%
\$	51,823,148	\$ 55,369,789	\$ 49,278,492
	59.55%	60.75%	53.62%

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CITY OF FULLERTON
Schedules of Plan Contributions
As of June 30, For The Last Ten Fiscal Years ¹

CalPERS Miscellaneous Employees Agent, Multiple-Employer Pension Plan:

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2014	\$ 1,748,110	\$ 1,748,110	\$ -	\$ 23,913,389	7.31%
2015	2,087,882	2,087,882	-	24,121,530	8.66%
2016	2,831,939	2,831,939	-	24,160,809	11.72%
2017	3,455,877	3,455,877	-	25,506,709	13.55%
2018	3,880,635	3,880,635	-	25,445,697	15.25%
2019	4,809,655	4,809,655	-	23,492,645	20.47%
2020	6,036,168	6,036,168	-	23,791,627	25.37%
2021	7,018,243	7,018,243	-	22,456,766	31.25%
2022	7,585,485	7,585,485	-	21,004,994	36.11%
2023	6,711,592	8,218,595	(1,507,003)	20,826,179 *	39.46%

CalPERS Safety Employees Agent, Multiple-Employer Pension Plan:

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2014	\$ 6,363,818	\$ 6,363,818	\$ -	\$ 23,106,870	27.54%
2015	7,227,836	7,227,836	-	23,105,917	31.28%
2016	8,358,879	8,358,879	-	22,949,957	36.42%
2017	10,074,802	10,074,802	-	23,799,967	42.33%
2018	10,730,240	10,730,240	-	24,764,981	43.33%
2019	12,127,485	12,127,485	-	22,649,309	53.54%
2020	14,081,945	14,081,945	-	20,747,123	67.87%
2021	15,515,569	15,515,569	-	21,947,814	70.69%
2022	16,849,576	16,849,576	-	21,632,551	77.89%
2023	15,619,397	18,845,445	(3,226,048)	23,225,598 *	81.14%

Retiree Health Insurance Program Single Employer OPEB Plan:

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contribution as a % of Covered-Employee Payroll
2018	\$ 1,388,227	\$ 1,388,227	\$ -	\$ 53,294,857	2.60%
2019	2,181,997	1,390,063	791,934	55,541,742	2.50%
2020	2,286,732	1,635,980	650,752	51,823,148	3.16%
2021	2,017,876	1,668,735	349,141	55,369,789	3.01%
2022	2,073,368	1,692,781	380,587	49,278,492	3.44%
2023	1,771,061	1,810,481	(39,420)	53,938,658 *	3.36%

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.

* Estimated amount

The notes to required supplementary information are an integral part of this schedule.

CITY OF FULLERTON
Notes to the Required Supplementary Information
For the Year Ended June 30, 2023

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.

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	\$ 266,000	\$ 690,575	\$ 424,575
Debt Service:			
Principal	266,524	295,094	28,570
Interest and fiscal charges	39,610	41,641	2,031

NOTE 2: ACTUARIAL ASSUMPTIONS UNDERLYING THE SCHEDULES OF PLAN CONTRIBUTIONS

A. CalPERS Miscellaneous and Safety Pension Plans

The actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year ended June 30, 2023 were derived from the June 30, 2020 funding valuation report.

Actuarial Cost Method:	Entry Age Normal
Amortization Method/Period:	For details, see the June 30, 2020 funding valuation report, available at CalPERS' website
Asset Valuation Method:	Market Value of Assets
Inflation:	2.50 percent
Salary Increases:	Varies by Entry Age and Service
Payroll Growth:	2.75 percent
Investment Rate of Return:	7.00 percent, net of investment and administrative expense
Retirement Age:	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period of 1997 to 2015.
Mortality:	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period of 1997 to 2015. Pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

**NOTE 2: ACTUARIAL ASSUMPTIONS UNDERLYING THE SCHEDULES OF PLAN CONTRIBUTIONS
(CONTINUED)**

B. Retiree Health Insurance Program OPEB Plan

The actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year ended June 30, 2023 were derived from the June 30, 2022 actuarial valuation report.

Actuarial Cost Method:	Entry Age
Amortization Method:	Level Percent of Pay
Remaining Amortization Period:	30 years
Asset Valuation Method:	Market Value
Inflation:	2.30%
Healthcare Cost Trend Rates:	6.5% for FY2023, gradually decreasing over several decades to an ultimate rate of 3.73% in FY2075 and later years
Salary Increases:	Varies by Enty Age and Service
Investment Rate of Return:	6.50%
Retirement Age:	Based on the November 2021 CalPERS Experience Study
Mortality:	Based on the November 2021 CalPERS Experience Study

CITY OF FULLERTON
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

Special Revenue Funds

	<u>State Gas Tax</u>	<u>Drainage Capital Outlay</u>	<u>Traffic Safety</u>	<u>Park Dwelling</u>
Assets:				
Cash and investments	\$ 6,259,280	\$ 6,095,692	\$ -	\$ 2,949,253
Receivables:				
Accounts	752,442	81,709	38,892	-
Notes and loans	-	-	-	-
Accrued interest	31,601	30,238	-	9,801
Total Assets	\$ 7,043,323	\$ 6,207,639	\$ 38,892	\$ 2,959,054
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 16,861	\$ 5,150	\$ -	\$ -
Accrued liabilities	19,774	3,393	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	36,635	8,543	-	-
Deferred Inflows of Resources:				
Unavailable revenues	63,860	-	-	-
Total Deferred Inflows of Resources	63,860	-	-	-
Fund Balances:				
Restricted	6,942,828	6,199,096	38,892	2,959,054
Unassigned	-	-	-	-
Total Fund Balances	6,942,828	6,199,096	38,892	2,959,054
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 7,043,323	\$ 6,207,639	\$ 38,892	\$ 2,959,054

	Special Revenue Funds			
	Asset Seizure	Refuse Collection	Air Quality Improvement	Sanitation
Assets:				
Cash and investments	\$ 574,543	\$ 1,446,301	\$ 984,207	\$ 676,681
Receivables:				
Accounts	53,779	2,779,039	-	1,318,096
Notes and loans	-	-	-	-
Accrued interest	2,541	6,973	5,506	3,088
Total Assets	\$ 630,863	\$ 4,232,313	\$ 989,713	\$ 1,997,865
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 4,636	\$ 1,166,667	\$ -	\$ 393,211
Accrued liabilities	2,984	3,319	-	26,616
Unearned revenues	3,076	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	10,696	1,169,986	-	419,827
Deferred Inflows of Resources:				
Unavailable revenues	25,002	197,528	-	5,829
Total Deferred Inflows of Resources	25,002	197,528	-	5,829
Fund Balances:				
Restricted	595,165	2,864,799	989,713	1,572,209
Unassigned	-	-	-	-
Total Fund Balances	595,165	2,864,799	989,713	1,572,209
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 630,863	\$ 4,232,313	\$ 989,713	\$ 1,997,865

CITY OF FULLERTON
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

Special Revenue Funds

	Measure M2	Housing	FTV Cable - PEG Access Fund	SB2 / PLHA
Assets:				
Cash and investments	\$ 6,493,115	\$ 1,865,633	\$ 1,154,505	\$ -
Receivables:				
Accounts	539,860	4,482	49,388	-
Notes and loans	-	11,709,372	-	-
Accrued interest	32,021	5,825	5,379	-
Total Assets	\$ 7,064,996	\$ 13,585,312	\$ 1,209,272	\$ -
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 75,099	\$ 407,849	\$ 2,634	\$ -
Accrued liabilities	-	620	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	2,100	-	-
Due to other funds	-	-	-	612,652
Total Liabilities	75,099	410,569	2,634	612,652
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted	6,989,897	13,174,743	1,206,638	-
Unassigned	-	-	-	(612,652)
Total Fund Balances	6,989,897	13,174,743	1,206,638	(612,652)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 7,064,996	\$ 13,585,312	\$ 1,209,272	\$ -

CITY OF FULLERTON
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	
	<u>West Coyote Hills Endowment</u>	<u>Debt Service Reserve</u>	<u>Total Nonmajor Governmental Funds</u>
Assets:			
Cash and investments	\$ 394,159	\$ 205,907	\$ 29,099,276
Receivables:			
Accounts	-	-	5,617,687
Notes and loans	-	-	11,709,372
Accrued interest	1,833	-	134,806
Total Assets	\$ 395,992	\$ 205,907	\$ 46,561,141
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 2,072,107
Accrued liabilities	-	-	56,706
Unearned revenues	-	-	3,076
Deposits payable	-	-	2,100
Due to other funds	-	-	612,652
Total Liabilities	-	-	2,746,641
Deferred Inflows of Resources:			
Unavailable revenues	-	-	292,219
Total Deferred Inflows of Resources	-	-	292,219
Fund Balances:			
Restricted	395,992	205,907	44,134,933
Unassigned	-	-	(612,652)
Total Fund Balances	395,992	205,907	43,522,281
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 395,992	\$ 205,907	\$ 46,561,141

CITY OF FULLERTON
Combining Statement of Revenues, Expenditures,
And Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

Special Revenue Funds				
	State Gas Tax	Drainage Capital Outlay	Traffic Safety	Park Dwelling
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	6,840,187	-	-	-
Charges for services	21,594	631,857	-	298,801
Investment income	17,464	38,605	-	(5,722)
Fines and forfeitures	-	-	227,031	-
Miscellaneous	-	-	-	-
Total Revenues	6,879,245	670,462	227,031	293,079
Expenditures:				
Current:				
General government	710	-	-	104
Public safety	-	-	-	-
Community development	-	-	-	-
Human and leisure	-	-	-	-
Public works	3,295,052	205,638	-	-
Refuse collection	-	-	-	-
Capital outlay	9,897	-	-	-
Total Expenditures	3,305,659	205,638	-	104
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,573,586	464,824	227,031	292,975
Other Financing Sources (Uses):				
Transfers in	1,190	-	-	728,834
Transfers out	(2,983,273)	(1,099,557)	(198,200)	(291,939)
Total Other Financing Sources (Uses)	(2,982,083)	(1,099,557)	(198,200)	436,895
Net Change in Fund Balances	591,503	(634,733)	28,831	729,870
Fund Balances - Beginning	6,351,325	6,833,829	10,061	2,229,184
Fund Balances - Ending	\$ 6,942,828	\$ 6,199,096	\$ 38,892	\$ 2,959,054

CITY OF FULLERTON
Combining Statement of Revenues, Expenditures,
And Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

(CONTINUED)

	Special Revenue Funds			
	Asset Seizure	Refuse Collection	Air Quality Improvement	Sanitation
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	905,396	4,349	137,942	-
Charges for services	-	14,331,680	-	6,561,617
Investment income	1,298	8,452	12,739	31,196
Fines and forfeitures	-	-	-	-
Miscellaneous	-	356	-	-
Total Revenues	906,694	14,344,837	150,681	6,592,813
Expenditures:				
Current:				
General government	-	-	-	52,382
Public safety	431,004	-	-	-
Community development	-	-	5,026	-
Human and leisure	-	-	-	-
Public works	-	-	-	7,360,123
Refuse collection	-	13,965,874	-	-
Capital outlay	168,437	-	-	-
Total Expenditures	599,441	13,965,874	5,026	7,412,505
Excess (Deficiency) of Revenues Over (Under) Expenditures	307,253	378,963	145,655	(819,692)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	(166,034)	(200,000)	-
Total Other Financing Sources (Uses)	-	(166,034)	(200,000)	-
Net Change in Fund Balances	307,253	212,929	(54,345)	(819,692)
Fund Balances - Beginning	287,912	2,651,870	1,044,058	2,391,901
Fund Balances - Ending	\$ 595,165	\$ 2,864,799	\$ 989,713	\$ 1,572,209

CITY OF FULLERTON
Combining Statement of Revenues, Expenditures,
And Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds			
	Measure M2	Housing	FTV Cable - PEG Access Fund	SB2 / PLHA
Revenues:				
Taxes	\$ -	\$ -	\$ 208,688	\$ -
Intergovernmental	3,295,057	-	-	1,070,068
Charges for services	-	-	-	-
Investment income	(6,429)	267,412	10,762	5,192
Fines and forfeitures	-	-	-	-
Miscellaneous	-	4,750	-	-
Total Revenues	3,288,628	272,162	219,450	1,075,260
Expenditures:				
Current:				
General government	-	-	30,628	-
Public safety	-	-	-	-
Community development	-	11,349	-	214,602
Human and leisure	124,022	-	-	-
Public works	266,580	-	-	-
Refuse collection	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	390,602	11,349	30,628	214,602
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,898,026	260,813	188,822	860,658
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(770,628)	-	(2,249)	-
Total Other Financing Sources (Uses)	(770,628)	-	(2,249)	-
Net Change in Fund Balances	2,127,398	260,813	186,573	860,658
Fund Balances - Beginning	4,862,499	12,913,930	1,020,065	(1,473,310)
Fund Balances - Ending	\$ 6,989,897	\$ 13,174,743	\$ 1,206,638	\$ (612,652)

CITY OF FULLERTON
Combining Statement of Revenues, Expenditures,
And Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	
	<u>West Coyote Hills Endowment</u>	<u>Debt Service Reserve</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:			
Taxes	\$ -	\$ -	\$ 208,688
Intergovernmental	-	-	12,252,999
Charges for services	-	-	21,845,549
Investment income	(3,085)	-	377,884
Fines and forfeitures	-	-	227,031
Miscellaneous	298,425	-	303,531
Total Revenues	295,340	-	35,215,682
Expenditures:			
Current:			
General government	-	-	83,824
Public safety	-	-	431,004
Community development	-	-	230,977
Human and leisure	-	-	124,022
Public works	19	-	11,127,412
Refuse collection	-	-	13,965,874
Capital outlay	-	-	178,334
Total Expenditures	19	-	26,141,447
Excess (Deficiency) of Revenues Over (Under) Expenditures	295,321	-	9,074,235
Other Financing Sources (Uses):			
Transfers in	-	-	730,024
Transfers out	-	-	(5,711,880)
Total Other Financing Sources (Uses)	-	-	(4,981,856)
Net Change in Fund Balances	295,321	-	4,092,379
Fund Balances - Beginning	100,671	205,907	39,429,902
Fund Balances - Ending	\$ 395,992	\$ 205,907	\$ 43,522,281

CITY OF FULLERTON
Budgetary Comparison Schedule
State Gas Tax
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 7,238,765	\$ 7,238,765	\$ 6,840,187	\$ (398,578)
Charges for services	15,000	15,000	21,594	6,594
Investment income	142,836	142,836	17,464	(125,372)
Total Revenues	7,396,601	7,396,601	6,879,245	(517,356)
Expenditures:				
Current:				
General government	439	439	710	(271)
Public works	3,493,605	3,493,605	3,295,052	198,553
Capital outlay	7,000	7,000	9,897	(2,897)
Total Expenditures	3,501,044	3,501,044	3,305,659	195,385
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,895,557	3,895,557	3,573,586	(321,971)
Other Financing Sources (Uses):				
Transfers out	(3,729,834)	(10,005,140)	(2,983,273)	7,021,867
Total Other Financing Sources (Uses)	(3,729,834)	(10,005,140)	(2,982,083)	7,023,057
Net Change in Fund Balances	\$ 165,723	\$ (6,109,583)	591,503	\$ 6,701,086
Fund Balances - Beginning			6,351,325	
Fund Balances - Ending			\$ 6,942,828	

CITY OF FULLERTON
Budgetary Comparison Schedule
Drainage Capital Outlay
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 800,000	\$ 800,000	\$ 631,857	\$ (168,143)
Investment income	93,795	93,795	38,605	(55,190)
Total Revenues	893,795	893,795	670,462	(223,333)
Expenditures:				
Current:				
Public works	265,366	265,366	205,638	59,728
Total Expenditures	265,366	265,366	205,638	59,728
Excess (Deficiency) of Revenues Over (Under) Expenditures	628,429	628,429	464,824	(163,605)
Other Financing Sources (Uses):				
Transfers out	(1,500,000)	(5,501,382)	(1,099,557)	4,401,825
Total Other Financing Sources (Uses)	(1,500,000)	(5,501,382)	(1,099,557)	4,401,825
Net Change in Fund Balances	\$ (871,571)	\$ (4,872,953)	(634,733)	\$ 4,238,220
Fund Balances - Beginning			6,833,829	
Fund Balances - Ending			\$ 6,199,096	

CITY OF FULLERTON
Budgetary Comparison Schedule
Traffic Safety
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 200,000	\$ 200,000	\$ 227,031	\$ 27,031
Total Revenues	200,000	200,000	227,031	27,031
Excess (Deficiency) of Revenues Over (Under) Expenditures	200,000	200,000	227,031	27,031
Other Financing Sources (Uses):				
Transfers out	(200,000)	(200,000)	(198,200)	1,800
Total Other Financing Sources (Uses)	(200,000)	(200,000)	(198,200)	1,800
Net Change in Fund Balances	\$ -	\$ -	28,831	\$ 28,831
Fund Balances - Beginning			10,061	
Fund Balances - Ending			\$ 38,892	

CITY OF FULLERTON
Budgetary Comparison Schedule
Park Dwelling
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 8,786,620	\$ 8,786,620	\$ 298,801	\$ (8,487,819)
Investment income	94,928	94,928	(5,722)	(100,650)
Total Revenues	8,881,548	8,881,548	293,079	(8,588,469)
Expenditures:				
Current:				
General government	-	-	104	(104)
Total Expenditures:	-	-	104	(104)
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,881,548	8,881,548	292,975	(8,588,573)
Other Financing Sources (Uses):				
Transfers in	-	532,750	728,834	196,084
Transfers out	(1,160,000)	(4,506,074)	(291,939)	4,214,135
Total Other Financing Sources (Uses)	(1,160,000)	(3,973,324)	436,895	4,410,219
Net Change in Fund Balances	\$ 7,721,548	\$ 4,908,224	729,870	\$ (4,178,354)
Fund Balances - Beginning			2,229,184	
Fund Balances - Ending			\$ 2,959,054	

CITY OF FULLERTON
Budgetary Comparison Schedule
Asset Seizure
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 365,000	\$ 905,731	\$ 905,396	\$ (335)
Investment income	10,679	10,679	1,298	(9,381)
Total Revenues	375,679	916,410	906,694	(9,716)
Expenditures:				
Current:				
Public safety	97,399	195,879	431,004	(235,125)
Capital outlay	404,337	404,337	168,437	235,900
Total Expenditures	501,736	600,216	599,441	775
Net Change in Fund Balances	\$ (126,057)	\$ 316,194	307,253	\$ (8,941)
Fund Balances - Beginning			287,912	
Fund Balances - Ending			\$ 595,165	

CITY OF FULLERTON
Budgetary Comparison Schedule
Refuse Collection
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 4,349	\$ 4,349
Charges for services	13,827,633	14,331,680	14,331,680	-
Investment income	30,000	30,000	8,452	(21,548)
Total Revenues	13,857,633	14,361,680	14,344,837	(16,843)
Expenditures:				
Current:				
Refuse collection	13,579,058	13,965,874	13,965,874	-
Total Expenditures	13,579,058	13,965,874	13,965,874	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	278,575	395,806	378,963	(16,843)
Other Financing Sources (Uses):				
Transfers out	-	(227,290)	(166,034)	61,256
Total Other Financing Sources (Uses)	-	(227,290)	(166,034)	61,256
Net Change in Fund Balances	\$ 278,575	\$ 168,516	212,929	\$ 44,413
Fund Balances - Beginning			2,651,870	
Fund Balances - Ending			\$ 2,864,799	

CITY OF FULLERTON
Budgetary Comparison Schedule
Air Quality Improvement
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 181,000	\$ 181,000	\$ 137,942	\$ (43,058)
Investment income	15,600	15,600	12,739	(2,861)
Total Revenues	196,600	196,600	150,681	(45,919)
Expenditures:				
Current:				
Community development	38,050	38,050	5,026	33,024
Capital outlay	265,000	265,000	-	265,000
Total Expenditures	303,050	303,050	5,026	298,024
Excess (Deficiency) of Revenues Over (Under) Expenditures	(106,450)	(106,450)	145,655	252,105
Other Financing Sources (Uses):				
Transfers out	-	(208,748)	(200,000)	8,748
Total Other Financing Sources (Uses)	-	(208,748)	(200,000)	8,748
Net Change in Fund Balances	\$ (106,450)	\$ (315,198)	(54,345)	\$ 260,853
Fund Balances - Beginning			1,044,058	
Fund Balances - Ending			\$ 989,713	

CITY OF FULLERTON
Budgetary Comparison Schedule
Sanitation
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 7,200,000	\$ 7,200,000	\$ 6,561,617	\$ (638,383)
Investment income	58,136	58,136	31,196	(26,940)
Total Revenues	7,258,136	7,258,136	6,592,813	(665,323)
Expenditures:				
Current:				
General government	51,257	52,457	52,382	75
Public works	7,894,680	7,893,480	7,360,123	533,357
Capital outlay	6,500	6,500	-	6,500
Total Expenditures	7,952,437	7,952,437	7,412,505	539,932
Excess (Deficiency) of Revenues Over (Under) Expenditures	(694,301)	(694,301)	(819,692)	(125,391)
Other Financing Sources (Uses):				
Transfers out	-	(20,352)	-	20,352
Total Other Financing Sources (Uses)	-	(20,352)	-	20,352
Net Change in Fund Balances	\$ (694,301)	\$ (714,653)	(819,692)	\$ (105,039)
Fund Balances - Beginning			2,391,901	
Fund Balances - Ending			\$ 1,572,209	

CITY OF FULLERTON
Budgetary Comparison Schedule
Measure M2
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,968,104	\$ 2,968,104	\$ 3,295,057	\$ 326,953
Investment income	72,925	72,925	(6,429)	(79,354)
Total Revenues	3,041,029	3,041,029	3,288,628	247,599
Expenditures:				
Current:				
Parks and recreation	276,000	276,000	124,022	151,978
Public works	404,000	404,000	266,580	137,420
Total Expenditures	680,000	680,000	390,602	289,398
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,361,029	2,361,029	2,898,026	536,997
Other Financing Sources (Uses):				
Transfers out	(2,259,834)	(5,535,813)	(770,628)	4,765,185
Total Other Financing Sources (Uses)	(2,259,834)	(5,535,813)	(770,628)	4,765,185
Net Change in Fund Balances	\$ 101,195	\$ (3,174,784)	2,127,398	\$ 5,302,182
Fund Balances - Beginning			4,862,499	
Fund Balances - Ending			\$ 6,989,897	

CITY OF FULLERTON
Budgetary Comparison Schedule
Housing
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 275,350	\$ 275,350	\$ 267,412	\$ (7,938)
Miscellaneous	-	-	4,750	4,750
Total Revenues	275,350	275,350	272,162	(3,188)
Expenditures:				
Current:				
Community development	998,599	998,599	11,349	987,250
Total Expenditures:	998,599	998,599	11,349	987,250
Net Change in Fund Balances	\$ (723,249)	\$ (723,249)	260,813	\$ 984,062
Fund Balances - Beginning			12,913,930	
Fund Balances - Ending			\$ 13,174,743	

CITY OF FULLERTON
Budgetary Comparison Schedule
FTV Cable - PEG Access Fund
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 200,000	\$ 200,000	\$ 208,688	\$ 8,688
Investment income	16,015	16,015	10,762	(5,253)
Total Revenues	216,015	216,015	219,450	3,435
Expenditures:				
Current:				
General government	194,856	194,856	30,628	164,228
Total Expenditures:	194,856	194,856	30,628	164,228
Net Change in Fund Balances	\$ 21,159	\$ (698,358)	186,573	\$ 556,475
Fund Balances - Beginning			1,020,065	
Fund Balances - Ending			\$ 1,206,638	

CITY OF FULLERTON
 Budgetary Comparison Schedule
 SB2 / PLHA
 For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,070,068	\$ 1,070,068	\$ 1,070,068	\$ -
Investment income	-	-	5,192	5,192
Total Revenues	1,070,068	1,070,068	1,075,260	5,192
Expenditures:				
Current:				
Community development	1,070,068	1,070,068	214,602	855,466
Total Expenditures:	1,070,068	1,070,068	214,602	855,466
Net Change in Fund Balances	\$ -	\$ -	860,658	\$ (850,274)
Fund Balances - Beginning			(1,473,310)	
Fund Balances - Ending			\$ (612,652)	

CITY OF FULLERTON
Budgetary Comparison Schedule
Capital Projects
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 5,197,672	\$ 30,339,579	\$ 6,753,049	\$ (23,586,530)
Charges for services	120,000	990,193	128,560	(861,633)
Miscellaneous	-	-	171,520	171,520
Total Revenues	5,317,672	31,329,772	7,053,129	(24,276,643)
Expenditures:				
Current:				
Public works	-	-	2,340,531	(2,340,531)
Capital outlay	22,692,340	78,913,080	19,908,590	59,004,490
Total Expenditures:	22,692,340	78,913,080	22,249,121	56,663,959
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,374,668)	(47,583,308)	(15,195,992)	32,387,316
Other Financing Sources				
Transfers in	17,374,668	40,739,157	10,469,703	(30,269,454)
Transfers out	-	(532,750)	(730,024)	(197,274)
Notes and loans issued	6,844,151	6,844,151	-	(6,844,151)
Total Other Financing Sources (Uses):	24,218,819	47,050,558	9,739,679	(37,310,879)
Net Change in Fund Balances	\$ 6,844,151	\$ (532,750)	(5,456,313)	\$ (4,923,563)
Fund Balances - Beginning			(393,705)	
Fund Balances - Ending			\$ (5,850,018)	

CITY OF FULLERTON
Combining Statement of Net Position
Nonmajor Proprietary Funds
June 30, 2023

	Business-Type Activities - Enterprise Funds			
	Brea Dam Facilities Recreational	Parking Facilities	Compressed Natural Gas Facility	Totals
Assets:				
Current Assets:				
Cash and investments	\$ 3,041,852	\$ -	\$ -	\$ 3,041,852
Restricted assets - cash held with fiscal agent	285,662	-	-	285,662
Accounts receivable	7,286	-	-	7,286
Accrued interest receivable	17,583	-	-	17,583
Lease receivable	2,080	-	-	2,080
Inventory	85,074	-	-	85,074
Total Current Assets	3,439,537	-	-	3,439,537
Noncurrent Assets:				
Lease receivable	884,625	-	-	884,625
Capital assets - net of accumulated depreciation	2,480,754	541,789	27,632	3,050,175
Total Noncurrent Assets	3,365,379	541,789	27,632	3,934,800
Total Assets	6,804,916	541,789	27,632	7,374,337
Deferred Outflows of Resources:				
Pension deferrals	151,094	21,808	12,134	185,036
Other post-employment benefits deferrals	28,501	7,346	4,453	40,300
Total Deferred Outflows of Resources	179,595	29,154	16,587	225,336
Liabilities:				
Current Liabilities:				
Accounts payable	2,868,879	-	13	2,868,892
Accrued liabilities	4,957	272	212	5,441
Accrued interest payable	16,932	1,353	511	18,796
Deposits payable	990	-	-	990
Due to other funds	-	290,984	27,686	318,670
Subscription liabilities	-	-	2,266	2,266
Compensated absences - current	3,064	-	-	3,064
Bonds payable - current	21,386	-	-	21,386
Total Current Liabilities	2,916,208	292,609	30,688	3,239,505
Noncurrent Liabilities:				
Compensated absences	12,258	1,782	1,500	15,540
Bonds payable	1,299,991	-	-	1,299,991
Subscription liabilities	-	-	23,652	23,652
Net pension liability	502,959	72,595	40,390	615,944
Net other post-employment benefits liability	110,921	28,590	17,329	156,840
Total Noncurrent Liabilities	1,926,129	102,967	82,871	2,111,967
Total Liabilities	4,842,337	395,576	113,559	5,351,472
Deferred Inflows of Resources:				
Leases	839,811	-	-	839,811
Pension deferrals	15,610	2,253	1,254	19,117
Other post-employment benefits deferrals	58,827	15,163	9,190	83,180
Total Deferred Inflows of Resources	914,248	17,416	10,444	942,108
Net Position:				
Net investment in capital assets	1,159,377	541,789	1,714	1,702,880
Restricted for debt service	285,662	-	-	285,662
Unrestricted	(217,113)	(383,838)	(81,498)	(682,449)
Total Net Position	\$ 1,227,926	\$ 157,951	\$ (79,784)	\$ 1,306,093

CITY OF FULLERTON
Combining Statement of Revenues, Expenses, and
Changes in Net Position
Nonmajor Proprietary Funds
For the Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds			
	Brea Dam Facilities Recreational	Parking Facilities	Compressed Natural Gas Facility	Totals
Operating Revenues:				
Sales and service charges	\$ 4,222,986	\$ -	\$ 285	\$ 4,223,271
Miscellaneous	30,000	-	-	30,000
Total Operating Revenues	4,252,986	-	285	4,253,271
Operating Expenses:				
Maintenance, operations, and administration	3,730,075	78,477	107,860	3,916,412
Depreciation/amortization expense	85,321	-	1,316	86,637
Total Operating Expenses	3,815,396	78,477	109,176	4,003,049
Operating Income (Loss)	437,590	(78,477)	(108,891)	250,222
Nonoperating Revenues (Expenses):				
Investment earnings	47,751	(1,582)	2,575	48,744
Interest expense	(40,185)	-	(382)	(40,567)
Gain (loss) on disposal of fixed assets	-	7,500	-	7,500
Total Nonoperating Revenues (Expenses)	7,566	5,918	2,193	15,677
Income (Loss) Before Transfers	445,156	(72,559)	(106,698)	265,899
Transfers out	(287,045)	-	-	(287,045)
Changes in Net Position	158,111	(72,559)	(106,698)	(21,146)
Net Position:				
Net Position - Beginning	1,069,815	230,510	26,914	1,327,239
Net Position - Ending	\$ 1,227,926	\$ 157,951	\$ (79,784)	\$ 1,306,093

CITY OF FULLERTON
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds			
	Brea Dam Facilities Recreational	Parking Facilities	Compressed Natural Gas Facility	Totals
Cash Flows from Operating Activities:				
Receipts from customers	\$ 4,274,100	\$ -	\$ 285	\$ 4,274,385
Payments to suppliers and service providers	(2,617,629)	(80,935)	(74,083)	(2,772,647)
Payments to employees for salaries and benefits	(340,334)	(17,996)	(20,002)	(378,332)
Net Cash Provided by (Used for) Operating Activities	1,316,137	(98,931)	(93,800)	1,123,406
Cash Flows from Noncapital Financing Activities:				
Cash received on short-term interfund borrowings	-	91,877	-	91,877
Cash transfers out	(287,045)	-	-	(287,045)
Net Cash Provided by (Used for) Non-Capital Financing Activities	(287,045)	91,877	-	(195,168)
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	(7,147)	-	-	(7,147)
Principal paid on capital debt	(140,000)	-	-	(140,000)
Interest paid on capital debt	(39,471)	-	-	(39,471)
Proceeds from sales of capital assets	-	7,500	-	7,500
Net Cash Provided by (Used for) Capital and Related Financing Activities	(186,618)	7,500	-	(179,118)
Cash Flows from Investing Activities:				
Interest on investments	34,688	(446)	(222)	34,020
Net Cash Provided by (Used for) Investing Activities	34,688	(446)	(222)	34,020
Net Increase (Decrease) in Cash and Cash Equivalents	877,162	-	(94,022)	783,140
Cash and Cash Equivalents, July 1	2,450,352	-	94,022	2,544,374
Cash and Cash Equivalents, June 30	\$ 3,327,514	\$ -	\$ -	\$ 3,327,514
Reconciliation of Cash and Cash Equivalents to Amounts Reported on the Combining Statement of Net Position:				
Cash and investments	\$ 3,041,852	\$ -	\$ -	\$ 3,041,852
Restricted assets - cash held with fiscal agent	285,662	-	-	285,662
Cash and Cash Equivalents, June 30	\$ 3,327,514	\$ -	\$ -	\$ 3,327,514
Reconciliation of Operating (Loss) to Net Cash Provided by (Used for) by Operating Activities:				
Operating Income (Loss)	\$ 437,590	\$ (78,477)	\$ (108,891)	\$ 250,222
Adjustments to Reconcile Operating (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation/amortization expense	85,321	-	1,316	86,637
(Increase) decrease in accounts receivable	20,344	-	-	20,344
(Increase) decrease in inventories	(28,851)	-	-	(28,851)
Increase (decrease) in accounts payable	716,646	(2,458)	(4,614)	709,574
Increase (decrease) in accrued liabilities	(3,133)	(716)	(214)	(4,063)
Increase (decrease) in deposits payable	770	-	-	770
Increase (decrease) in compensated absences	2,173	1,782	1,500	5,455
Increase (decrease) in pension liability and related items	4,306	(21,521)	(22)	(17,237)
Increase (decrease) in OPEB liability and related items	80,971	2,459	17,125	100,555
Total Adjustments	878,547	(20,454)	15,091	873,184
Net Cash Provided by (Used for) Operating Activities	\$ 1,316,137	\$ (98,931)	\$ (93,800)	\$ 1,123,406
Schedule of Non-Cash Capital and Related Financing Activities and Investing Activities:				
Unrealized gain/(loss) on investments	\$ (15,400)	\$ 1,200	\$ 2,818	\$ (11,382)
Amortization of bond discount	(2,483)	-	-	(2,483)

CITY OF FULLERTON
Combining Statement of Net Position
Internal Service Funds
June 30, 2023

	Governmental Activities - Internal Service Funds				
	Liability Insurance	Vehicle Replacement	Workers' Comp	Group Insurance	Equipment Maintenance
Assets:					
Current Assets:					
Cash and investments	\$ 23,800,098	\$ 6,468,854	\$ 30,569,540	\$ 2,412,380	\$ 3,947,920
Accounts receivable	-	-	-	-	42,020
Accrued interest receivable	110,666	26,440	142,143	11,217	18,366
Inventory	-	-	-	-	237,291
Restricted:					
Cash with fiscal agent	-	-	-	-	-
Total Current Assets	23,910,764	6,495,294	30,711,683	2,423,597	4,245,597
Noncurrent Assets:					
Capital assets - net of accumulated depreciation/amortization	1,372	10,719,621	12,314	12,418	10,487
Total Noncurrent Assets	1,372	10,719,621	12,314	12,418	10,487
Total Assets	23,912,136	17,214,915	30,723,997	2,436,015	4,256,084
Deferred Outflows of Resources:					
Deferred charges on refunding	397,727	-	-	-	-
Pension deferrals	184,877	-	205,026	265,559	728,550
Other post-employment benefits deferrals	20,919	-	23,659	38,710	111,280
Total Deferred Outflows of Resources	603,523	-	228,685	304,269	839,830
Liabilities:					
Current Liabilities:					
Accounts payable	127	8,808	10,363	24,273	108,362
Accrued liabilities	3,222	-	3,785	25,319	11,956
Accrued interest payable	23,473	185	-	-	8,460
Unearned revenues	-	-	-	11,153	-
Claims and judgments	4,313,000	-	2,499,000	-	-
Loans payable - current	-	-	-	-	-
Bonds, notes, leases, and subscriptions - current	445,000	30,510	-	-	432,549
Total Current Liabilities	4,784,822	39,503	2,513,148	60,745	561,327
Noncurrent Liabilities:					
Claims and judgments	11,328,000	-	13,403,000	-	-
Bonds, notes, leases, and subscriptions payable	4,355,000	85,536	-	-	-
Net pension liability	615,415	-	682,486	883,985	2,425,179
Net other post-employment benefits liability	81,414	-	92,078	150,655	433,084
Total Noncurrent Liabilities	16,379,829	85,536	14,177,564	1,034,640	2,858,263
Total Liabilities	21,164,651	125,039	16,690,712	1,095,385	3,419,590
Deferred Inflows of Resources:					
Pension deferrals	19,100	-	21,182	27,436	75,269
Other post-employment benefits deferrals	43,178	-	48,834	79,900	229,687
Total Deferred Inflows of Resources	62,278	-	70,016	107,336	304,956
Net Position:					
Net investment in capital assets	1,372	10,603,575	12,314	12,418	(422,062)
Unrestricted	3,287,358	6,486,301	14,179,640	1,525,145	1,793,430
Total Net Position	\$ 3,288,730	\$ 17,089,876	\$ 14,191,954	\$ 1,537,563	\$ 1,371,368

CITY OF FULLERTON
Combining Statement of Net Position
Internal Service Funds
June 30, 2023

	Governmental Activities - Internal Service Funds			
	Information Technology	Building Maintenance	Facility Capital Repair	Totals
Assets:				
Current Assets:				
Cash and investments	\$ 808,348	\$ 5,663,270	\$ 2,459,416	\$ 76,129,826
Accounts receivable	-	-	-	42,020
Accrued interest receivable	942	25,893	13,920	349,587
Inventory	-	-	-	237,291
Restricted:				
Cash with fiscal agent	-	4,661,378	-	4,661,378
Total Current Assets	809,290	10,350,541	2,473,336	81,420,102
Noncurrent Assets:				
Capital assets - net of accumulated depreciation/amortization	5,172,279	45,660	68,630	16,042,781
Total Noncurrent Assets	5,172,279	45,660	68,630	16,042,781
Total Assets	5,981,569	10,396,201	2,541,966	97,462,883
Deferred Outflows of Resources:				
Deferred charges on refunding	-	-	-	397,727
Pension deferrals	316,612	582,686	-	2,283,310
Other post-employment benefits deferrals	40,530	99,588	-	334,686
Total Deferred Outflows of Resources	357,142	682,274	-	3,015,723
Liabilities:				
Current Liabilities:				
Accounts payable	819,145	83,679	-	1,054,757
Accrued liabilities	9,073	11,169	-	64,524
Accrued interest payable	36,671	25,540	-	94,329
Unearned revenues	-	-	-	11,153
Claims and judgments	-	-	-	6,812,000
Loans payable - current	-	-	-	-
Bonds, notes, leases, and subscriptions - current	628,376	210,102	-	1,746,537
Total Current Liabilities	1,493,265	330,490	-	9,783,300
Noncurrent Liabilities:				
Claims and judgments	-	-	-	24,731,000
Bonds, notes, leases, and subscriptions payable	2,087,453	8,303,385	-	14,831,374
Net pension liability	1,053,930	1,939,631	-	7,600,626
Net other post-employment benefits liability	157,735	387,579	-	1,302,545
Total Noncurrent Liabilities	3,299,118	10,630,595	-	48,465,545
Total Liabilities	4,792,383	10,961,085	-	58,248,845
Deferred Inflows of Resources:				
Pension deferrals	32,710	60,199	-	235,896
Other post-employment benefits deferrals	83,655	205,553	-	690,807
Total Deferred Inflows of Resources	116,365	265,752	-	926,703
Net Position:				
Net investment in capital assets	2,456,450	-	68,630	12,732,697
Unrestricted	(1,026,487)	(148,362)	2,473,336	28,570,361
Total Net Position	\$ 1,429,963	\$ (148,362)	\$ 2,541,966	\$ 41,303,058

CITY OF FULLERTON
Combining Statement of Revenues
Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2023

	Governmental Activities - Internal Service Funds				
	Liability Insurance	Vehicle Replacement	Workers' Comp	Group Insurance	Equipment Maintenance
Operating Revenues:					
Interfund service charges	\$ 12,024,521	\$ 2,823,044	\$ 4,082,954	\$ 6,983,274	\$ 3,353,805
Miscellaneous	1,000	259,531	302,974	34,216	48,617
Total Operating Revenues	12,025,521	3,082,575	4,385,928	7,017,490	3,402,422
Operating Expenses:					
Maintenance, operations and administration	6,830,120	134,731	1,088,709	7,138,473	3,548,464
Claims expense	2,190,922	-	1,435,053	-	-
Depreciation/amortization expense	229	1,195,840	2,463	2,484	8,399
Total Operating Expenses	9,021,271	1,330,571	2,526,225	7,140,957	3,556,863
Operating Income (Loss)	3,004,250	1,752,004	1,859,703	(123,467)	(154,441)
Nonoperating Revenues (Expenses):					
Investment earnings	244,367	60,563	365,347	23,148	73,256
Interest expense	(149,003)	(1,552)	-	-	(12,145)
Gain (loss) on disposal of capital assets	-	(194,366)	-	-	(7,543)
Total Nonoperating Revenues (Expenses)	95,364	(135,355)	365,347	23,148	53,568
Income (Loss) Before Transfers	3,099,614	1,616,649	2,225,050	(100,319)	(100,873)
Transfers in	-	808,179	-	-	-
Transfers out	-	-	-	-	(1,972)
Changes in Net Position	3,099,614	2,424,828	2,225,050	(100,319)	(102,845)
Net Position - Beginning	189,116	14,665,048	11,966,904	1,637,882	1,474,213
Net Position - Ending	\$ 3,288,730	\$ 17,089,876	\$ 14,191,954	\$ 1,537,563	\$ 1,371,368

CITY OF FULLERTON
Combining Statement of Revenues
Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2023

	Governmental Activities - Internal Service Funds			
	Information Technology	Building Maintenance	Facility Capital Repair	Totals
Operating Revenues:				
Interfund service charges	\$ 6,818,577	\$ 2,788,130	\$ 567,372	\$ 39,441,677
Miscellaneous	-	540,662	-	1,187,000
Total Operating Revenues	6,818,577	3,328,792	567,372	40,628,677
Operating Expenses:				
Maintenance, operations and administration	7,942,608	2,723,387	226	29,406,718
Claims expense	-	-	-	3,625,975
Depreciation/amortization expense	125,747	7,706	13,158	1,356,026
Total Operating Expenses	8,068,355	2,731,093	13,384	34,388,719
Operating Income (Loss)	(1,249,778)	597,699	553,988	6,239,958
Nonoperating Revenues (Expenses):				
Investment earnings	76,883	(4,906)	10,117	848,775
Interest expense	(41,144)	-	-	(203,844)
Gain (loss) on disposal of capital assets	(3,277)	-	-	(205,186)
Total Nonoperating Revenues (Expenses)	32,462	(4,906)	10,117	439,745
Income (Loss) Before Transfers	(1,217,316)	592,793	564,105	6,679,703
Transfers in	853,933	69,221	-	1,731,333
Transfers out	-	-	(715,632)	(717,604)
Changes in Net Position	(363,383)	662,014	(151,527)	7,693,432
Net Position - Beginning	1,793,346	(810,376)	2,693,493	33,609,626
Net Position - Ending	\$ 1,429,963	\$ (148,362)	\$ 2,541,966	\$ 41,303,058

CITY OF FULLERTON
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2023

	Governmental Activities - Internal Service Funds				
	Liability Insurance	Vehicle Replacement	Workers' Comp	Group Insurance	Equipment Maintenance
Cash Flows from Operating Activities:					
Receipts from interfund charges	\$ 12,024,521	\$ 2,862,066	\$ 4,082,954	\$ 6,969,818	\$ 3,313,102
Other receipts	-	2,004,469	-	34,216	48,617
Payments to suppliers and service providers	(6,706,433)	(172,207)	(800,734)	(6,443,421)	(3,607,436)
Payments to employees for salaries and benefits	(155,595)	-	(184,446)	(161,495)	(487,205)
Payments of insurance claims	(2,342,922)	-	(1,615,079)	-	-
Net Cash Provided by (Used for) Operating Activities	2,819,571	4,694,328	1,482,695	399,118	(732,922)
Cash Flows from Noncapital Financing Activities:					
Transfers from other funds	-	-	-	-	-
Principal paid on noncapital debt	(432,167)	-	-	-	-
Interest paid on noncapital debt	(112,797)	-	-	-	-
Transfers to other funds	-	-	-	-	(1,972)
Net Cash Provided by (Used for) Noncapital Financing Activities	(544,964)	-	-	-	(1,972)
Cash Flows from Capital and Related Financing Activities:					
Acquisition and construction of capital assets	-	(4,003,206)	-	-	-
Principal paid on capital debt	-	-	-	-	(197,893)
Interest paid on capital debt	-	(3,108)	-	-	(22,944)
Gain (loss) on disposal of capital assets	-	(194,366)	-	-	-
Net Cash Provided by (Used for) Capital and Related Financing	-	(4,200,680)	-	-	(220,837)
Cash Flows from Investing Activities:					
Interest on investments	157,049	39,365	254,863	14,134	58,654
Net Cash Provided by (Used for) Investing Activities	157,049	39,365	254,863	14,134	58,654
Net Increase (Decrease) in Cash and Cash Equivalents	2,431,656	533,013	1,737,558	413,252	(897,077)
Cash and Cash Equivalents, July 1	21,368,442	5,935,841	28,831,982	1,999,128	4,844,997
Cash and Cash Equivalents, June 30	\$ 23,800,098	\$ 6,468,854	\$ 30,569,540	\$ 2,412,380	\$ 3,947,920
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Operating income (loss)	\$ 3,004,250	\$ 1,752,004	\$ 1,859,703	\$ (123,467)	\$ (154,441)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Depreciation/amortization expense	229	1,195,840	2,463	2,484	8,399
Nonoperating miscellaneous revenues/(expenses)	-	-	-	-	-
(Increase) decrease in accounts receivable	-	39,022	-	-	(40,703)
(Increase) decrease in inventories	-	-	-	-	71,965
(Increase) decrease in prepaid items	4,000	1,744,938	-	391,212	-
Increase (decrease) in accounts payable	(11,912)	(37,476)	(2,597)	(39,577)	(130,937)
Increase (decrease) in accrued liabilities	(3,806)	-	(3,644)	10,086	(22,381)
Increase (decrease) in unearned revenues	-	-	-	(13,456)	-
Increase (decrease) in claims and judgments	(153,000)	-	(483,000)	-	-
Increase (decrease) in pension liability and related items	38,917	-	52,576	124,324	(227,493)
Increase (decrease) in OPEB liability and related items	(59,107)	-	57,194	47,512	(237,331)
Total Adjustments	(184,679)	2,942,324	(377,008)	522,585	(578,481)
Net Cash Provided by (Used for) Operating Activities	\$ 2,819,571	\$ 4,694,328	\$ 1,482,695	\$ 399,118	\$ (732,922)
Schedule of Non-Cash Capital and Related Financing Activities and Investing Activities:					
Gain/(loss) on disposal of capital assets	\$ -	\$ (194,366)	\$ -	\$ -	\$ (7,543)
Amortization of bond discount	31,160	-	-	-	-
Unrealized gain/(loss) on investments	23,080	(1,792)	65,944	(1,200)	33,987

CITY OF FULLERTON
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2023

	Governmental Activities - Internal Service Funds			
	Information Technology	Building Maintenance	Facility Capital Repair	Totals
Cash Flows from Operating Activities:				
Receipts from interfund charges	\$ 6,818,577	\$ 2,788,130	\$ 567,372	\$ 39,426,540
Other receipts	-	540,662	-	2,627,964
Payments to suppliers and service providers	(7,772,275)	(2,768,288)	(226)	(28,271,020)
Payments to employees for salaries and benefits	(193,294)	(285,056)	-	(1,467,091)
Payments of insurance claims	-	-	-	(3,958,001)
Net Cash Provided by (Used for) Operating Activities	(1,146,992)	275,448	567,146	8,358,392
Cash Flows from Noncapital Financing Activities:				
Transfers from other funds	853,933	69,221	-	923,154
Principal paid on noncapital debt	-	-	-	(432,167)
Interest paid on noncapital debt	-	-	-	(112,797)
Transfers to other funds	-	-	(715,633)	(717,605)
Net Cash Provided by (Used for) Noncapital Financing Activities	853,933	69,221	(715,633)	(339,415)
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	(2,331,781)	-	-	(6,334,987)
Principal paid on capital debt	-	(380,513)	-	(578,406)
Interest paid on capital debt	-	(1,142)	-	(27,194)
Gain (loss) on disposal of capital assets	3,277	-	-	(191,089)
Net Cash Provided by (Used for) Capital and Related Financing	(2,328,504)	(381,655)	-	(7,131,676)
Cash Flows from Investing Activities:				
Interest on investments	224,907	(28,060)	(1,827)	719,085
Net Cash Provided by (Used for) Investing Activities	224,907	(28,060)	(1,827)	719,085
Net Increase (Decrease) in Cash and Cash Equivalents	(2,396,656)	(65,046)	(150,314)	1,606,386
Cash and Cash Equivalents, July 1	3,205,004	10,389,694	2,609,730	79,184,818
Cash and Cash Equivalents, June 30	\$ 808,348	\$ 10,324,648	\$ 2,459,416	\$ 80,791,204
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating income (loss)	\$ (1,249,778)	\$ 597,699	\$ 553,988	\$ 6,239,958
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation/amortization expense	125,747	7,706	13,158	1,356,026
Nonoperating miscellaneous revenues/(expenses)	-	-	-	-
(Increase) decrease in accounts receivable	-	-	-	(1,681)
(Increase) decrease in inventories	-	-	-	71,965
(Increase) decrease in prepaid items	-	-	-	2,140,150
Increase (decrease) in accounts payable	170,333	(44,901)	-	(97,067)
Increase (decrease) in accrued liabilities	(8,741)	(6,961)	-	(35,447)
Increase (decrease) in unearned revenues	-	-	-	(13,456)
Increase (decrease) in claims and judgments	-	-	-	(636,000)
Increase (decrease) in pension liability and related items	(135,657)	(122,312)	-	(269,645)
Increase (decrease) in OPEB liability and related items	(48,896)	(155,783)	-	(396,411)
Total Adjustments	102,786	(322,251)	13,158	2,118,434
Net Cash Provided by (Used for) Operating Activities	\$ (1,146,992)	\$ 275,448	\$ 567,146	\$ 8,358,392
Schedule of Non-Cash Capital and Related Financing Activities and Investing Activities:				
Gain/(loss) on disposal of capital assets	\$ (3,277)	\$ -	\$ -	\$ (205,186)
Amortization of bond discount	-	-	-	31,160
Unrealized gain/(loss) on investments	\$ 71,920	\$ (53,801)	\$ (18,008)	\$ 120,130

CITY OF FULLERTON
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2023

	Collections for Other Governments	Community Facilities Districts	Assessment Districts	Total
Assets:				
Cash and cash equivalents	\$ 126,779	\$ 228,598	\$ 399,574	\$ 754,951
Receivables:				
Taxes	-	25,058	-	25,058
Total Assets	126,779	253,656	399,574	780,009
Liabilities:				
Accounts payable	41,943	-	-	41,943
Due to bondholders	-	253,656	399,574	653,230
Total Liabilities	41,943	253,656	399,574	695,173
Net Position:				
Restricted for individuals, organizations, and other governments	84,836	-	-	84,836
Total Net Position	\$ 84,836	\$ -	\$ -	\$ 84,836

CITY OF FULLERTON
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2023

	Collections for Other Governments	Community Facilities Districts	Assessment Districts	Total
Additions:				
Miscellaneous	\$ 376,421	\$ 2,258,699	\$ 8,710	\$ 2,643,830
Total Additions	376,421	2,258,699	8,710	2,643,830
Deductions:				
Miscellaneous	349,268	2,258,699	8,710	2,616,677
Total Deductions	349,268	2,258,699	8,710	2,616,677
Changes in Net Position	27,153	-	-	27,153
Net Position - Beginning, as Restated	57,683	-	-	57,683
Net Position - Ending	\$ 84,836	\$ -	\$ -	\$ 84,836

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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.

Contents	Page
Financial Trends.....	128
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.....	138
These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.	
Debt Capacity.....	141
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	149
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	151
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				
	2013-14	2014-15	2015-16	2016-17	2017-18
Governmental activities					
Net investment in capital assets	\$ 306,424	\$ 343,504	\$ 384,032	\$ 406,560	\$ 428,099
Restricted	30,585	28,620	26,427	27,704	39,316
Unrestricted	33,585	(128,432)	(122,478)	(123,501)	(169,976)
Total governmental activities net position	<u>\$ 370,594</u>	<u>\$ 243,692</u>	<u>\$ 287,981</u>	<u>\$ 310,763</u>	<u>\$ 297,439</u>
Business-type activities					
Net investment in capital assets	\$ 80,109	\$ 87,838	\$ 93,508	\$ 97,142	\$ 102,771
Restricted	556	308	279	276	298
Unrestricted	24,948	10,579	11,119	14,490	14,223
Total business-type activities net position	<u>\$ 105,613</u>	<u>\$ 98,725</u>	<u>\$ 104,906</u>	<u>\$ 111,908</u>	<u>\$ 117,292</u>
Primary government					
Net investment in capital assets	\$ 386,533	\$ 431,342	\$ 477,540	\$ 503,701	\$ 530,870
Restricted	31,141	28,928	26,706	27,980	39,614
Unrestricted	58,533	(117,853)	(111,358)	(109,010)	(155,753)
Total primary government net position	<u>\$ 476,207</u>	<u>\$ 342,417</u>	<u>\$ 392,887</u>	<u>\$ 422,671</u>	<u>\$ 414,731</u>

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

	Fiscal Year				
	2018-19	2019-20	2020-21	2021-22	2022-23
Governmental activities					
Net investment in capital assets	\$ 450,340	\$ 469,893	\$ 473,537	\$ 486,642	\$ 499,394
Restricted	42,006	41,568	41,442	42,423	45,654
Unrestricted	(170,220)	(181,629)	(190,128)	(156,105)	(149,971)
Total governmental activities net position	<u>\$ 322,126</u>	<u>\$ 329,832</u>	<u>\$ 324,851</u>	<u>\$ 372,960</u>	<u>\$ 395,077</u>
Business-type activities					
Net investment in capital assets	\$ 108,226	\$ 114,443	\$ 122,811	\$ 134,468	\$ 143,202
Restricted	300	300	289	260	286
Unrestricted	16,408	18,156	27,727	41,377	52,900
Total business-type activities net position	<u>\$ 124,934</u>	<u>\$ 132,899</u>	<u>\$ 150,827</u>	<u>\$ 176,105</u>	<u>\$ 196,388</u>
Primary government					
Net investment in capital assets	\$ 558,566	\$ 584,336	\$ 596,348	\$ 621,110	\$ 642,596
Restricted	42,306	41,868	41,731	42,683	45,940
Unrestricted	(153,812)	(163,473)	(162,401)	(114,728)	(97,071)
Total primary government net position	<u>\$ 447,060</u>	<u>\$ 462,731</u>	<u>\$ 475,678</u>	<u>\$ 549,065</u>	<u>\$ 591,465</u>

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

	Fiscal Year				
	2013-14	2014-15	2015-16	2016-17	2017-18
Expenses					
Governmental activities:					
General government	\$ 3,607	\$ 4,983	\$ 1,799	\$ 1,594	\$ 6,862
Public safety	54,469	55,089	57,569	65,249	75,773
Community development	8,074	8,583	5,539	6,687	8,761
Human and leisure	10,661	11,110	11,741	11,670	12,670
Public works	17,039	18,598	23,129	26,944	28,183
Refuse collection	10,011	10,077	10,181	10,384	10,394
Interest on long-term debt	533	554	431	378	358
Total governmental activities net expenses	<u>104,394</u>	<u>108,994</u>	<u>110,389</u>	<u>122,906</u>	<u>143,001</u>
Business-type activities:					
Airport	1,517	1,445	1,492	1,526	1,667
Brea Dam recreational facilities	2,899	2,745	2,764	2,857	2,770
Water utility	27,929	26,929	24,991	27,268	30,290
Parking facilities	51	29	28	28	45
Sewer enterprise	2,384	3,375	3,076	3,495	3,735
Compressed Natural Gas facility	412	522	458	396	274
Total business-type activities net expenses	<u>35,192</u>	<u>35,045</u>	<u>32,809</u>	<u>35,570</u>	<u>38,781</u>
Total primary government expenses	<u>\$ 139,586</u>	<u>\$ 144,039</u>	<u>\$ 143,198</u>	<u>\$ 158,476</u>	<u>\$ 181,782</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 547	\$ 1,553	\$ 820	\$ 778	\$ 1,305
Public safety	5,140	5,066	5,035	5,071	5,179
Community development	4,529	4,085	3,810	4,548	4,515
Human and leisure	3,288	8,400	1,547	4,399	1,809
Public works	7,723	7,691	7,300	8,195	9,717
Refuse collection	10,255	10,449	10,569	10,788	10,894
Operating grants and contributions	8,990	8,820	8,473	13,748	8,897
Capital grants and contributions	35,283	39,543	29,053	22,761	23,180
Total governmental activities program revenues	<u>75,755</u>	<u>85,607</u>	<u>66,607</u>	<u>70,288</u>	<u>65,496</u>

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

	Fiscal Year				
	2018-19	2019-20	2020-21	2021-22	2022-23
Expenses					
Governmental activities:					
General government	\$ 5,675	\$ 6,368	\$ 7,814	\$ 7,941	\$ 15,532
Public safety	76,743	83,043	83,200	74,950	82,072
Community development	10,645	8,524	10,123	7,194	7,413
Human and leisure	13,065	13,574	11,058	11,134	11,447
Public works	24,726	26,077	24,617	24,819	27,870
Refuse collection	10,878	11,716	12,862	12,766	13,504
Interest on long-term debt	391	410	336	241	246
Total governmental activities net expenses	<u>142,123</u>	<u>149,712</u>	<u>150,010</u>	<u>139,044</u>	<u>158,084</u>
Business-type activities:					
Airport	1,831	2,493	1,953	2,227	2,125
Brea Dam recreational facilities	2,945	2,679	2,729	3,978	3,730
Water utility	27,806	32,315	32,167	31,070	29,345
Parking facilities	23	104	97	73	76
Sewer enterprise	3,384	4,831	3,412	3,579	5,559
Compressed Natural Gas facility	140	196	170	285	106
Total business-type activities net expenses	<u>36,129</u>	<u>42,618</u>	<u>40,528</u>	<u>41,212</u>	<u>40,941</u>
Total primary government expenses	<u>\$ 178,252</u>	<u>\$ 192,330</u>	<u>\$ 190,538</u>	<u>\$ 180,256</u>	<u>\$ 199,025</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 1,222	\$ 962	\$ 1,857	\$ 1,593	\$ 769
Public safety	7,209	7,945	7,095	8,284	10,174
Community development	4,850	3,936	4,359	5,977	6,524
Human and leisure	5,387	1,356	1,552	1,000	1,190
Public works	11,587	11,449	11,618	11,686	12,023
Refuse collection	11,661	12,059	13,107	13,728	14,332
Operating grants and contributions	9,035	10,538	13,978	12,589	23,760
Capital grants and contributions	27,752	4,796	3,725	20,434	6,924
Total governmental activities program revenues	<u>78,703</u>	<u>53,041</u>	<u>57,291</u>	<u>75,291</u>	<u>75,696</u>

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

	Fiscal Year				
	2013-14	2014-15	2015-16	2016-17	2017-18
Business-type activities:					
Charges for services:					
Airport	1,643	1,650	1,885	1,823	1,775
Brea Dam recreational facilities	3,017	3,083	2,918	2,725	2,863
Water utility	29,454	28,715	27,041	30,021	33,095
Parking facilities	-	-	17	24	16
Sewer enterprise	6,799	6,418	5,844	5,948	6,390
Compressed Natural Gas facility	510	385	552	313	421
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	79	457	420	1,417	189
Total business-type activities program revenues	<u>41,502</u>	<u>40,708</u>	<u>38,677</u>	<u>42,271</u>	<u>44,749</u>
Primary government program revenues	<u>\$ 117,257</u>	<u>\$ 126,315</u>	<u>\$ 108,965</u>	<u>\$ 107,767</u>	<u>\$ 123,452</u>
Net (Expense)/Revenue					
Governmental activities	\$ (28,638)	\$ (23,387)	\$ (43,783)	\$ (52,618)	\$ (77,505)
Business-type activities	6,309	5,663	5,869	6,701	5,968
Total primary government net expense	<u>\$ (22,329)</u>	<u>\$ (17,724)</u>	<u>\$ (37,914)</u>	<u>\$ (45,917)</u>	<u>\$ (71,537)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Property taxes	\$ 32,950	\$ 35,723	\$ 37,840	\$ 39,738	\$ 42,146
Sales taxes	20,582	20,643	23,000	21,456	21,834
Franchise taxes	3,971	4,392	4,383	4,181	4,336
Other Taxes	-	-	-	-	-
Unrestricted motor vehicle in-lieu taxes	-	57	57	64	75
Use of money and property	3,636	3,858	4,615	3,976	4,594
Miscellaneous	4,283	4,699	4,823	6,024	5,558
Extraordinary item	(22,359)	-	13,667	-	-
Gain on sale of capital asset	-	-	-	-	3,150
Transfers	(36)	(36)	(36)	(36)	(290)
Total governmental activities	<u>43,027</u>	<u>69,336</u>	<u>88,349</u>	<u>75,403</u>	<u>81,403</u>
Business-type activities:					
Property taxes	93	105	104	110	98
Use of money and property	80	39	41	38	40
Miscellaneous	244	366	132	117	166
Gain on sale of capital asset	-	-	-	-	-
Transfers	36	36	36	36	290
Total business-type activities	<u>453</u>	<u>546</u>	<u>313</u>	<u>301</u>	<u>594</u>
Total primary government	<u>\$ 43,480</u>	<u>\$ 69,882</u>	<u>\$ 88,662</u>	<u>\$ 75,704</u>	<u>\$ 81,997</u>
Change in Net Position					
Governmental activities	\$ 14,388	\$ 45,948	\$ 44,566	\$ 22,782	\$ 3,898
Business-type activities	6,763	6,210	6,182	7,002	6,562
Total primary government	<u>\$ 21,151</u>	<u>\$ 52,158</u>	<u>\$ 50,748</u>	<u>\$ 29,784</u>	<u>\$ 10,460</u>

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

	Fiscal Year				
	2018-19	2019-20	2020-21	2021-22	2022-23
Business-type activities:					
Charges for services:					
Airport	1,884	1,849	1,822	1,885	1,922
Brea Dam recreational facilities	2,510	2,448	3,958	4,256	4,223
Water utility	32,715	37,786	44,691	49,901	48,227
Parking facilities	12	8	-	-	-
Sewer enterprise	6,044	5,944	6,212	6,061	5,371
Compressed Natural Gas facility	222	190	170	150	1
Operating grants and contributions	-	-	-	108	-
Capital grants and contributions	185	567	1,302	4,930	339
Total business-type activities program revenues	<u>43,572</u>	<u>48,792</u>	<u>58,156</u>	<u>67,292</u>	<u>60,083</u>
Primary government program revenues	<u>\$ 122,275</u>	<u>\$ 101,833</u>	<u>\$ 115,447</u>	<u>\$ 142,583</u>	<u>\$ 135,779</u>
Net (Expense)/Revenue					
Governmental activities	\$ (63,420)	\$ (96,671)	\$ (92,719)	\$ (63,753)	\$ (82,388)
Business-type activities	7,443	6,174	17,628	26,080	19,142
Total primary government net expense	<u>\$ (55,977)</u>	<u>\$ (90,497)</u>	<u>\$ (75,091)</u>	<u>\$ (37,673)</u>	<u>\$ (63,246)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Property taxes	\$ 44,204	\$ 46,258	\$ 50,150	\$ 50,894	\$ 53,871
Sales taxes	24,438	23,095	25,571	30,494	31,876
Franchise taxes	4,493	4,358	4,382	4,468	4,996
Other Taxes	-	-	-	5,552	5,217
Unrestricted motor vehicle in-lieu taxes	69	113	104	161	148
Use of money and property	8,444	7,453	3,271	372	6,414
Miscellaneous	6,459	5,249	3,898	1,147	1,797
Extraordinary item	-	17,850	-	18,378	-
Gain on sale of capital asset	-	-	-	-	-
Transfers	-	-	186	396	187
Total governmental activities	<u>88,107</u>	<u>104,376</u>	<u>87,562</u>	<u>111,862</u>	<u>104,506</u>
Business-type activities:					
Property taxes	87	107	88	113	227
Use of money and property	45	1,612	227	(861)	991
Miscellaneous	67	71	172	798	101
Gain on sale of capital asset	-	-	-	-	8
Transfers	-	-	(186)	(396)	(187)
Total business-type activities	<u>199</u>	<u>1,790</u>	<u>301</u>	<u>(346)</u>	<u>1,140</u>
Total primary government	<u>\$ 88,306</u>	<u>\$ 106,166</u>	<u>\$ 87,863</u>	<u>\$ 111,516</u>	<u>\$ 105,646</u>
Change in Net Position					
Governmental activities	\$ 24,687	\$ 7,705	\$ (5,157)	\$ 48,109	\$ 22,118
Business-type activities	7,642	7,964	17,929	25,734	20,282
Total primary government	<u>\$ 32,329</u>	<u>\$ 15,669</u>	<u>\$ 12,772</u>	<u>\$ 73,843</u>	<u>\$ 42,400</u>

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

	Fiscal Year				
	2013-14	2014-15	2015-16	2016-17	2017-18
General Fund					
Nonspendable	\$ 11	\$ 13	\$ 11	\$ 68	\$ 290
Restricted	-	-	-	-	-
Committed	7,679	7,967	8,743	9,139	-
Assigned					8,992
Unassigned	7,888	9,231	6,139	1,522	4,999
Total general fund	<u>\$ 15,578</u>	<u>\$ 17,211</u>	<u>\$ 14,893</u>	<u>\$ 10,729</u>	<u>\$ 14,281</u>
All Other Governmental Funds					
Nonspendable					
Special revenue funds	17,821	-	-	-	-
Capital projects funds	-	-	-	-	-
Other governmental funds	-	-	-	-	-
Restricted					
Special revenue funds	147	17,943	17,769	17,921	21,355
Capital projects funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Other governmental funds	10,361	10,677	8,658	9,783	17,962
Committed					
Special revenue funds	-	12,209	10,681	10,473	-
Other governmental funds	13,849	9,520	10,227	9,445	-
Assigned					
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Unassigned					
Special revenue funds	(237)	(97)	(39)	(77)	(172)
Capital projects funds	(18,281)	(1,528)	(4,187)	(10,441)	(3,233)
Other governmental funds	-	-	-	-	-
Total all other governmental funds	<u>\$ 23,660</u>	<u>\$ 48,724</u>	<u>\$ 43,109</u>	<u>\$ 37,104</u>	<u>\$ 35,912</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				
	2018-19	2019-20	2020-21	2021-22	2022-23
General Fund					
Nonspendable	\$ 7	\$ 3,214	\$ 2,908	\$ 713	\$ 313
Restricted	1,386	672	1,514	1,519	1,519
Committed	-	-	-	439	1,536
Assigned	15,656	13,958	16,140	18,570	19,809
Unassigned	5,432	217	-	4,034	10,311
Total general fund	<u>\$ 22,481</u>	<u>\$ 18,061</u>	<u>\$ 20,562</u>	<u>\$ 25,275</u>	<u>\$ 33,488</u>
All Other Governmental Funds					
Nonspendable					
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	170	52	-
Other governmental funds	-	-	1	-	-
Restricted					
Special revenue funds	-	-	55	-	-
Capital projects funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Other governmental funds	40,620	40,897	39,873	40,903	44,135
Committed					
Special revenue funds	-	-	-	-	-
Other governmental funds	-	-	-	-	-
Assigned					
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	1,429	-	-
Unassigned					
Special revenue funds	(189)	(327)	(1,015)	(2,036)	(1,234)
Capital projects funds	(20,501)	(1,391)	-	(446)	(5,850)
Other governmental funds	-	-	(847)	(1,473)	(613)
Total all other governmental funds	<u>\$ 19,930</u>	<u>\$ 39,179</u>	<u>\$ 39,666</u>	<u>\$ 37,000</u>	<u>\$ 36,438</u>

Beginning in 2011, the City started reporting fund balance

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

	Fiscal Years				
	2013-14	2014-15	2015-16	2016-17	2017-18
Revenues					
Taxes	\$ 57,394	\$ 60,558	\$ 65,275	\$ 66,134	\$ 68,810
Franchise fees	3,971	4,392	4,383	4,181	4,335
Licenses and permits	1,766	2,283	1,877	2,037	2,284
Intergovernmental	24,948	68,498	34,616	31,140	42,575
Charges for services	27,237	31,870	24,449	28,913	26,383
Investment income	3,430	3,595	4,156	3,897	4,399
Fines and forfeitures	1,586	1,751	1,628	1,513	1,674
Other	1,448	1,284	948	1,820	1,624
Total revenues	<u>121,780</u>	<u>174,231</u>	<u>137,332</u>	<u>139,635</u>	<u>152,084</u>
Expenditures					
Current					
General government	4,577	5,396	5,197	5,230	4,466
Public safety	53,909	55,877	61,631	64,986	65,519
Community development	4,661	4,982	5,746	6,717	6,763
Human and leisure	9,205	9,400	10,047	9,876	9,980
Public works	12,935	13,209	14,337	17,927	15,428
Refuse collection	10,011	10,078	10,183	10,385	10,737
Debt service					
Principal retirement	753	764	712	722	519
Interest and fiscal charges	217	180	103	29	18
Capital outlay	39,276	47,912	37,338	37,012	38,426
Total expenditures	<u>135,544</u>	<u>147,798</u>	<u>145,294</u>	<u>152,884</u>	<u>151,856</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(13,764)</u>	<u>26,433</u>	<u>(7,962)</u>	<u>(13,249)</u>	<u>228</u>
Other Financing Sources (Uses)					
Loss on disposition of assets	-	-	-	-	(1,395)
Proceeds from sale of capital asset	7	12	53	-	3,150
Transfers in	6,845	6,292	8,992	9,460	15,170
Transfers out	(8,155)	(6,040)	(8,739)	(8,853)	(14,793)
Lease financing	-	-	-	2,473	-
Subscription financing	-	-	-	-	-
Total other financing sources (uses)	<u>(1,303)</u>	<u>264</u>	<u>306</u>	<u>3,080</u>	<u>2,132</u>
Extraordinary item -	-	-	-	-	-
Net change in fund balances	<u>(15,067)</u>	<u>26,697</u>	<u>(7,656)</u>	<u>(10,169)</u>	<u>2,361</u>
Fund balances - July 1	54,440	39,238	65,935	58,002	47,832
Restatements	(135)	-	(277)	-	-
Fund balances - June 30	<u>\$ 39,238</u>	<u>\$ 65,935</u>	<u>\$ 58,002</u>	<u>\$ 47,833</u>	<u>\$ 50,193</u>
Debt service as a percentage of noncapital expenditures	1.00%	0.92%	0.75%	0.64%	0.47%

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

	Fiscal Years				
	2018-19	2019-20	2020-21	2021-22	2022-23
Revenues					
Taxes	\$ 73,901	\$ 73,850	\$ 79,279	\$ 87,136	\$ 91,173
Franchise fees	4,493	4,145	4,182	4,270	4,788
Licenses and permits	2,784	2,146	2,406	2,737	3,208
Intergovernmental	20,611	37,715	23,343	35,760	34,524
Charges for services	33,008	30,505	31,430	32,997	35,088
Investment income	6,895	5,185	3,013	1,868	5,566
Fines and forfeitures	1,658	1,239	1,014	1,692	2,074
Other	1,958	1,464	1,160	1,302	1,529
Total revenues	<u>145,308</u>	<u>156,249</u>	<u>145,827</u>	<u>167,762</u>	<u>177,950</u>
Expenditures					
Current					
General government	4,922	5,870	7,506	7,462	9,804
Public safety	68,958	72,921	72,970	76,740	84,500
Community development	6,601	7,940	9,780	7,219	7,565
Human and leisure	10,480	10,668	8,704	9,307	9,363
Public works	16,590	16,926	16,244	17,265	22,470
Refuse collection	11,166	11,899	12,714	13,208	13,966
Debt service					
Principal retirement	806	745	252	259	295
Interest and fiscal charges	13	66	54	47	42
Capital outlay	33,636	15,483	14,947	33,289	22,036
Total expenditures	<u>153,172</u>	<u>142,518</u>	<u>143,171</u>	<u>164,796</u>	<u>170,041</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,864)</u>	<u>13,731</u>	<u>2,656</u>	<u>2,966</u>	<u>7,909</u>
Other Financing Sources (Uses)					
Loss on disposition of assets	(3,406)	-	-	-	-
Proceeds from sale of capital asset	2,411	-	-	-	-
Transfers in	10,637	13,711	15,573	12,438	14,365
Transfers out	(9,560)	(15,513)	(15,418)	(13,357)	(15,192)
Lease financing	-	-	-	-	389
Subscription financing	-	-	-	-	179
Total other financing sources (uses)	<u>82</u>	<u>(1,802)</u>	<u>155</u>	<u>(919)</u>	<u>(259)</u>
Extraordinary item -	<u>-</u>	<u>2,900</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(7,782)</u>	<u>14,829</u>	<u>2,811</u>	<u>2,047</u>	<u>7,650</u>
Fund balances - July 1	50,193	42,411	57,240	60,228	62,275
Restatements	-	-	177	-	-
Fund balances - June 30	<u>\$ 42,411</u>	<u>\$ 57,240</u>	<u>\$ 60,228</u>	<u>\$ 62,275</u>	<u>\$ 69,925</u>
Debt service as a percentage of noncapital expenditures	0.69%	0.64%	0.24%	0.23%	0.23%

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** Property	Other* Property	Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2013-14	11,479,863	1,694,648	1,381,108	-	6,368	-	14,561,987	1.0568
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

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

**FY 21/22 Agricultural classification is added

Source: Orange County Assessor

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

Taxpayer	2022-23			2013-14		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Aspect Acquisition LLC	\$ 141,397,745	1	0.59 %			
Prologis USLV Subreit 3 LLC	\$ 130,972,721	2	0.55			
FHF I Amerige Pointe LLC	\$ 126,630,750	3	0.53			
GLC Fullerton LLC	\$ 125,831,609	4	0.52			
3503 RP Fullerton Metrocenter Land LLC	\$ 121,333,498	5	0.51			
Uptown Fullerton LLC	\$ 108,270,969	6	0.45			
University House Fullerton LLC	\$ 98,811,240	7	0.41			
Trea Amplifi Apartments LLC	\$ 98,482,759	8	0.41			
Corecare III	\$ 96,490,639	9	0.40			
Rreef America Reit II Corporation	\$ 95,103,025	10	0.40			
Realty Income Propertis 14 LLC						
Kimberly-Clark Worldwide Inc				\$ 181,574,306	1	1.18 %
Corecare III				81,992,631	2	0.53
Rreef America Reit II Corporation				79,824,596	3	0.52
University House Fullerton LLC				73,667,834	4	0.48
Fullerton South LLC				61,290,822	5	0.40
Amerige Heights Apartments LLC				58,909,716	6	0.38
Breitburn Energy Partners				56,836,029	7	0.37
PK I Fullerton Town Center LP				56,053,832	8	0.36
CPT Parkside LP				55,705,393	9	0.36
Fullerton Metro Center LLC				51,677,032	10	0.34
	<u>\$ 1,143,324,955</u>		<u>4.76%</u>	<u>\$ 757,532,191</u>		<u>4.92%</u>

Source: Orange County Assessor 2022/23 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
2014	20,444,654	20,167,631	98.65	170,860	20,338,491	99.48
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	N/A	30,846,432	98.98

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	Loans Payable	Section 108 Loans	Bonds	Loans Payable	Construction Loan			
2013-14	6,990	717	3,000	9,230	-	2,969	22,906	0.55%	163
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	-	5,723	-	-	20,605	NYA	144

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.

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 Olinda Schools	Buena Park Schools	La Habra Schools	N. OC Community College	Placentia Yorba Linda Schools	Metro Water District
2013-14	1.0000	0.03971	0.08468	0.02470	0.01662	0.02746	0.01704	0.06525	0.00350
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

Total Direct Tax Rate

Fiscal Year	City Direct Rate	Fullerton Schools	N. OC Community College	Total Direct Tax Rate
2013-14	1.0000	0.03971	0.01704	1.0568
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

Source: Orange County Assessor Tax Rate Table

City of Fullerton
Direct and Overlapping Governmental Activities Debt
As of June 30, 2023
(in Thousands)

2022-23 Assessed Valuation: \$24,028,401	Debt Outstanding	Estimated Percentage Applicable ¹	Estimated Share of Overlapping Debt
<u>Direct Debt:</u>			
<u>City of Fullerton ²</u>			
Bonds Payable	\$4,800	100%	4,800
Loans Payable	\$10,082	100	10,082
Total City of Fullerton Direct Debt ²			\$ 14,882
<u>Overlapping Tax and Assessment Debt:</u>			
Metropolitan Water District	\$ 19,215	0.660%	\$ 127
North Orange County Joint Community College District	324,915	14.971	48,643
Brea-Olinda Unified School District	5,052	0.837	42
Placentia-Yorba Linda Unified School District	204,787	5.073	10,389
Anaheim Union High School District District	245,579	0.011	27
Fullerton Joint Union High School District	182,620	51.193	93,489
Anaheim School District	270,657	0.019	51
Buena Park School District	50,262	6.067	3,049
Fullerton School District	15,096	99.819	15,069
La Habra City School District	34,044	7.998	2,723
Fullerton School District Community Facilities District No. 2000-1	565	100	565
Fullerton School District Community Facilities District No. 2001-1	9,145	100	9,145
City of Fullerton Community Facilities District No. 1	11,250	100	11,250
City of Fullerton Community Facilities District No. 2	7,020	100	7,020
Total Overlapping Tax and Assessment Debt	<u>\$ 1,380,207</u>		<u>\$ 201,589</u>
<u>Overlapping General Fund Debt</u>			
Orange County General Fund Obligations	\$ 451,165	3.315%	\$ 14,956
Orange County Board of Education Certificates of Participation	10,860	3.315	360
North Orange County Regional Occupation Program Certificates of Participation	7,790	15.4	1,200
Brea-Olinda Unified School District Certificates of Participation	8,520	0.837	71
Placentia-Yorba Linda Unified School District Certificates of Participation	84,135	5.073	4,268
Anaheim Union High School District Certificates of Participation	29,580	0.011	3
Fullerton Joint Union High School District Certificates of Participation	15,755	51.193	8,065
Fullerton School District Certificates of Participation	2,845	99.819	2,840
Total Overlapping General Fund Debt	<u>\$ 610,650</u>		<u>\$ 31,764</u>
<u>Overlapping Tax Increment Debt (Successor Agency)</u>			
Successor Agency to Brea Redevelopment Agency	\$ 77,647	3.531%	\$ 2,742
Successor Agency to Fullerton Redevelopment Agency	38,400	100	38,400
Total Overlapping Tax Increment Debt	<u>\$ 116,047</u>		<u>\$ 41,142</u>
Total Overlapping Debt			<u>\$ 274,495</u>
Total Direct and Overlapping Debt			<u>\$ 289,377</u>

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, and leases

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

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									
	2014 (1)	2015 (1)	2016 (1)	2017 (1)	2018 (1)	2019 (1)	2020 (1)	2021 (1)	2022 (1)	2023 (1)
Debt limit	\$ 2,184,298	\$ 2,311,356	\$ 2,447,320	\$ 2,551,702	\$ 2,690,433	\$ 2,848,240	\$ 3,219,618	\$ 3,219,618	\$ 3,274,641	\$ 3,448,604
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 2,184,298</u>	<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>	<u>\$ 3,219,618</u>	<u>\$ 3,219,618</u>	<u>\$ 3,274,641</u>	<u>\$ 3,448,604</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Legal Debt Margin Calculation for Fiscal Year 2022-23

Assessed value	\$	22,990,691
Add back: exempt real property		-
Total Assessed Value	\$	22,990,691
Debt limit (15% of total assessed value)	\$	3,448,604
Debt applicable to limit:		-
Legal debt margin	\$	3,448,604

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
Revenue Bond Coverage

2014 Water Revenue Refunding Bonds
Last Eight 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

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

2004 Water Revenue Certificates of Participation
Last Ten Fiscal Years

Fiscal Year	Gross Revenue (1)	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2014	3,889,609	200,000	343,550	550,800	7.06
2015	N/A	-	-	-	N/A
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

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

*The bonds were retired in March of 2014

2003 Refunding Certificates of Participation (3)
Last Ten Fiscal Years

Fiscal Year	Gross Revenue (1)	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2014	-	850,000	52,400	902,400	0.00
2015	-	885,000	17,700	902,700	0.00
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

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

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

*2003 COP fully retired in FY 14/15

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

City of Fullerton
Revenue Bond Coverage

1998 Refunding Revenue Bonds (3)
Last Ten Fiscal Years

Fiscal Year	Gross Revenue (1)	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2014	N/A	597,421	1,285,716	1,883,137	N/A
2015	N/A	592,167	1,323,221	1,915,388	N/A
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

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

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

* The bonds were retired in February of 2015.

City of Fullerton
Revenue Bond Coverage

2005 Tax Allocation Revenue Bonds (3)
Last Ten Fiscal Years

Fiscal Year	Gross Revenue (1)	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2014	N/A	1,735,000	3,438,852	5,173,852	N/A
2015	N/A	1,765,000	3,362,661	5,127,661	N/A
2016	N/A	3,245,000	3,371,173	6,616,173	N/A
2017	N/A	3,210,000	3,209,063	6,419,063	N/A
2018	N/A	3,285,000	3,046,688	6,331,688	N/A
2019	N/A	3,415,000	2,878,488	6,293,488	N/A
2020	N/A	3,765,000	2,698,953	6,463,953	N/A
2021	N/A	-	-	-	N/A
2022	N/A	-	-	-	N/A
2023	N/A	-	-	-	N/A

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

(3) 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 (3)
Last Ten Fiscal Years

Fiscal Year	Gross Revenue (1)	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2014	N/A	135,000	13,710	148,710	N/A
2015	N/A	140,000	7,014	147,014	N/A
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

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

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

* The bonds were retired in FY 14/15

2006 CRA/ERAF Taxable Revenue Bonds (3)
Last Ten Fiscal Years

Fiscal Year	Gross Revenue (1)	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2014	N/A	135,000	25,034	160,034	N/A
2015	N/A	140,000	17,442	157,442	N/A
2016	N/A	150,000	9,540	159,540	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

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

(3) 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			
		Principal	Interest	Total	Coverage
2014	N/A	1,380,000	1,422,478	2,802,478	N/A
2015	N/A	1,425,000	1,369,828	2,794,828	N/A
2016	N/A	1,485,000	1,310,707	2,795,707	N/A
2017	N/A	1,545,000	1,245,324	2,790,324	N/A
2018	N/A	1,615,000	1,170,453	2,785,453	N/A
2019	N/A	1,695,000	1,086,554	2,781,554	N/A
2020	N/A	1,780,000	994,045	2,774,045	N/A
2021	N/A	-	-	-	N/A
2022	N/A	-	-	-	N/A
2023	N/A	-	-	-	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			
		Principal	Interest	Total	Coverage
2014	N/A	100,000	185,550	285,550	N/A
2015	N/A	105,000	179,050	284,050	N/A
2016	N/A	105,000	172,226	277,226	N/A
2017	N/A	110,000	165,400	275,400	N/A
2018	N/A	115,000	158,250	273,250	N/A
2019	N/A	120,000	150,776	270,776	N/A
2020	N/A	125,000	142,976	267,976	N/A
2021	N/A	125,000	134,850	259,850	N/A
2022	N/A	135,000	125,162	260,162	N/A
2023	N/A	140,000	114,700	254,700	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.

2010 Lease Revenue Bonds - Series B (3)
Last Ten Fiscal Years

Fiscal Year	Gross Revenue (1)	Debt Service Requirements			
		Principal	Interest	Total	Coverage
2014	N/A	460,000	18,400	478,400	#VALUE!
2015	N/A	-	-	-	N/A
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

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

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

* The bonds were fully retired in May of 2014.

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)
2014	140,120	4,089,122	29,183	6.2%
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	142,873	NYA	NYA	3.3%

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
- (4) 2010 Census

*Based on Orange County personal income data.

NYA = Not Yet Available

City of Fullerton
Principal Employers
Current Year and Nine Years Ago

Employer	2023			2014		
	Employees	Rank	% of Total City Employment ²	Employees	Rank	% of Total City Employment ¹
California State University, Fullerton	3,000	1	4.00%	3,901	1	6.04%
Raytheon Systems Co.	1,200	2	1.60%	1,600	3	2.48%
St. Jude Medical Center	1,000	3	1.33%	2,234	2	3.46%
Chuze Fitness	700	4	0.93%			
AJ Kirkwood & Associates, Inc	600	5	0.80%			
Albertson's Regional Corporate	400	6	0.53%			
Morningside of Fullerton	350	7	0.47%			
RPM Transportation	300	8	0.40%			
Maury Oglevie	300	8	0.40%			
Nordstrom Design Center	250	10	0.33%			
Fullerton School District				1,300	4	2.01%
Fullerton College				1,235	5	1.91%
Fullerton Joint Union High School Dist.				870	6	1.35%
Alcoa Fastening Systems				750	7	1.16%
City of Fullerton				631	8	0.98%
St. Jude Heritage Health				600	9	0.93%
Kraft Foods				550	10	0.85%
Total	8,100		10.80%	13,671		21.17%

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: Date Axle Reference Solutions © 2023

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

Department	2013-14 Total Positions	2014-15 Total Positions	2015-16 Total Positions	2016-17 Total Positions	2017-18 Total Positions	2018-19 Total Positions	2019-20 Total Positions	2020-21 Total Positions	2021-22 Total Positions	2022-23 Total Positions
City Council	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	5.0
City Manager	6.5	6.5	7.0	7.0	6.5	6.5	7.0	7.0	7.0	8.0
Administrative Svcs.	32.3	33.0	33.0	33.0	33.0	33.0	35.0	29.0	30.0	32.0
Human Resources	8.9	8.9	8.9	8.9	8.9	8.9	8.9	9.0	11.0	11.0
Fire	90.0	92.0	92.0	92.0	92.0	89.0	87.0	86.0	87.0	87.0
Police	210.0	211.0	212.0	212.0	217.0	218.0	203.0	209.0	209.0	197.0
Community Dev. Engineering	27.0	29.0	28.0	28.0	28.0	28.0	30.0	31.0	31.0	31.0
Maintenance Svcs.										
Public Works ¹	200.0	199.5	200.0	200.0	198.0	198.0	194.0	195.0	192.0	185.0
Parks & Recreation	21.0	22.0	22.0	22.0	21.0	21.0	21.0	17.0	21.0	14.0
Library	23.8	23.8	23.8	23.8	23.8	23.8	23.8	21.8	23.8	20.3
<i>Subtotal</i>	625.5	631.7	632.7	632.7	634.2	632.2	615.7	610.8	617.8	590.3
Part-Time Hours	177,294	177,389	165,840	165,920	165,255	159,639	160,159	68,410 ²	109,127	71,925
Full-Time Equivalents	85.2	85.3	79.7	79.8	79.4	76.7	77.0	32.9	52.5	34.6
TOTAL POSITIONS	710.7	717.0	712.4	712.5	713.6	708.9	692.7	643.7	670.3	624.9

¹ The Engineering and Maintenance Services Departments are now merged into the Public Works Department as of FY 13/14

² Reductions in the non-regular positions due to COVID in FY 20/21

³ FY 22/23, City Council implemented budget reduction strategies, removing unfunded positions

(1) Source: City of Fullerton Final Budget

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

	2013-14	2014-15	2015-16	2016-17
Fullerton Elementary School District	13,801	13,730	13,544	13,700
Fullerton Joint Union High School District	13,969	13,910	13,773	13,664
Fullerton College	18,890	35,335	35,335	23,000
California State University - Fullerton	38,128	38,948	40,235	40,439
Western State University College of Law ²	459	376	0	0
Southern California College of Optometry ³	391	391	400	544
Hope International University	2,011	1,420	1,438	2,349
Total enrollment in Fullerton's schools and universities	87,649	104,110	104,725	93,696

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

² Western State University College of Law moved to Irvine during fiscal year 2015-16

³ Southern California College of Optometry became part of Marshall B. Ketchum University in 2013

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

<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
13,700	13,700	13,700	12,852	12,141	11,681
13,649	13,695	13,600	13,630	13,473	13,431
23,000	23,000	23,000	21,785	18,742	18,370
39,343	39,030	39,270	41,408	40,087	39,729
0	0	0	0	0	0
500	500 ¹	500 ¹	740 ¹	738 ¹	1,458 ¹
<u>1,752</u>	<u>1,749</u>	<u>1,784</u>	<u>1,531</u>	<u>1,623</u>	<u>1,442</u>
91,944	91,674	91,854	91,946	86,804	86,111

City of Fullerton
Operating Indicators by Function
Last Ten Fiscal Years

Function:	2013-14	2014-15	2015-16	2016-17	2017-18
Police					
Calls dispatched	47,292	48,637	50,628	52,527	52,332
Crime reports	16,645	16,925	17,635	18,059	16,346
Moving citations	5,350	5,212	7,573	3,878	4,078
Parking citations	35,371	35,551	37,613	36,658	27,993
Fire					
Unit responses	11,646	17,500	18,813	18,250	17,992
Medical calls	9,494	8,201	8,725	8,298	8,088
Annual fire inspections	4,700	4,205	4,437	3,806	3,717
Water					
Number of customer accounts	31,544	31,795	31,307	31,427	31,923
Average daily consumption (millions of gallons)	25.4	22.9	20.9	20.6	23.2
Water samples taken	2,554	4,439	4,597	4,657	4,604
Sewers					
Feet of sewer mains root cut/ chemically treated	249,744	209,009	215,312	236,257	*
Miles of sewer mains root cut/ hydro jetted	-	-	-	-	363
Number of chemically or mechanically treated sewer laterals	2,600	2,166	1,711	2,167	2,438
Traffic and General Engineering					
Traffic signals maintained	151	150	151	151	153
Infrastructure improvement projects administered	96	60	80	77	68
Private development plans reviewed	1,038	2,695	2,500	2,564	2,988
Maintenance					
Square ft. graffiti removal	403,016	344,120	316,667	348,336	327,223
Street sweeping miles	38,399	40,504	36,044	36,864	34,870
Trees pruned per year	13,542	13,500	14,975	14,005	8,436
Culture and Recreation					
Park event attendance	29,500	39,500	42,000	45,000	49,500
Independ/ Park /Comm. Ctr. participants	152,000	152,000	170,000	240,000	250,000
Fullerton Museum Center attendance	23,987	23,987	29,265	21,734	21,435

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 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

2018-19	2019-20	2020-21	2021-22	2022-23
49,647	69,027	45,174	46,825	46,255
15,363	13,539	12,877	12,960	13,117
2,394	2,462	5,331	1,454	2,354
28,980	22,258	31,352	10,275	49,027
16,132	13,611	13,928	15,580	16,189
8,448	10,300	11,160	9,507	11,097
2,678	3,887	2,905	7,277	2,567
31,913	31,987	31,890	31,107	31,176
20.5	20.1	21.1	20.4	18.0
4,607	3,901	4,099	4,139	4,037
*	*	*	*	11,354
357	279.8	248.2	332.0	253.3
2,222	909	392	1,578	2,425
154	154	154	154	154
56	38	58	62	79
3,023	2,823	2,835	2,906	3,050
365,246	502,178	441,146	634,989	739,811
35,783	32,231	34,321	34,666	34,397
9,587	8,821	13,089	11,479	12,715
57,625	48,900	-	49,400 ¹	52,000
268,000	244,656	56,224	146,057 ¹	153,000 ³
23,328	12,500	-	N/A ¹	N/A ²

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

Function:	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
Public Safety					
Police stations	1	1	1	1	1
Number of patrol units	30	31	34	31	33
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	290	285	285	285
Traffic Signals	151	150	151	151	153
Streetlights	7,275	7,275	6,900	6,900	6,700
Water					
Number of water wells	11	11	11	10	10
Number of reservoirs	15	15	15	15	15
Miles of lines & mains	423	423	423	423	423
Sewer					
Miles of sanitary sewers	320.00	322.40	323.30	320.00	325.00
Miles of storm drains	71.20	71.20	71.20	71.20	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	241,058	210,597	210,597	210,597	179,914

Sources: City of Fullerton Budget Division and various City departments

*The Hunt Library is undergoing a major refurbishment and is currently unavailable to the public.

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

2018-19	2019-20	2020-21	2021-22	2022-23
1	1	1	1	1
32	31	34	35	44
6	6	6	6	6
2	1	1	1	2
11	9	9	9	10
285	294	294	298	298
154	154	154	154	154
6,700	6,700	6,700	6,700	6,700
10	10	9	9	9
15	15	15	15	15
423	423	423	423	423
325.00	320.00	320.00	320.00	320.00
71.70	71.70	71.70	71.70	71.70
67	67	61	61	61
683	683	683	683	683
2	1 *	1 *	1 *	1 *
212,665	199,196	132,039	168,280	152,924

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