



Annual Comprehensive Financial Report

Fiscal Year Ending June 30, 2021



City of Fullerton, California

303 W. Commonwealth Ave, Fullerton, CA 92832

www.cityoffullerton.com/financialreports

CITY OF FULLERTON, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2021

PREPARED BY THE ADMINISTRATIVE SERVICES DEPARTMENT

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CITY OF FULLERTON
 ANNUAL COMPREHENSIVE FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS

	<u>Page Number</u>
INTRODUCTORY SECTION	
Letter of Transmittal	i
Organization Chart	vii
City Officials	viii
Certificate of Achievement for Excellence in Financial Reporting	ix
FINANCIAL SECTION	
INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	5
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	15
Statement of Activities.....	16
Fund Financial Statements:	
Balance Sheet – Governmental Funds	18
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	21
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	25
Statement of Net Position – Proprietary Funds	26
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	27
Statement of Cash Flows – Proprietary Funds	28
Statement of Fiduciary Net Position – Fiduciary Funds.....	30
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	31
Notes to Basic Financial Statements.....	33

CITY OF FULLERTON
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS

	<u>Page Number</u>
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedules	
General Fund	80
Grants Administration Fund	81
Schedule of Changes in the Net Pension Liability and Related Ratios	
Miscellaneous Plan	82
Safety Plan	84
Schedule of Changes in the Net OPEB Liability and Related Ratios	86
Schedules of Plan Contributions	87
Notes to Required Supplementary Information	88
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES	
Combining Balance Sheet – Nonmajor Governmental Funds	90
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	94
Budgetary Comparison Schedules – Special Revenue Funds	
State Gas Tax	97
Drainage Capital Outlay	98
Traffic Safety	99
Park Dwelling Fund	100
Asset Seizure	101
Refuse Collection	102
Air Quality Improvement.....	103
Sanitation	104
Measure M2	105
Housing	106
FTV Cable – PEG Access Fund	107
Budgetary Comparison Schedules – Capital Projects Funds	
Capital Projects	108
Combining Statement of Net Position – Nonmajor Proprietary Funds	109
Combining Statement of Revenues, Expenses and Changes In Net Position – Nonmajor Proprietary Funds.....	111

CITY OF FULLERTON
 ANNUAL COMPREHENSIVE FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS

	<u>Page Number</u>
Combining Statement of Cash Flows – Nonmajor Proprietary Funds.....	112
Combining Statement of Net Position – Internal Service Funds	114
Combining Statement of Revenues, Expenses and Changes In Net Position – Internal Service Funds	116
Combining Statement of Cash Flows – Internal Service Funds.....	118
Combining Statement of Fiduciary Net Position – Custodial Funds.....	120
Combining Statement of Changes in Fiduciary Net Position – Custodial Funds	121
 STATISTICAL SECTION	
Financial Trends:	
Net Position by Component – Last Ten Fiscal Years.....	124
Changes in Net Position – Last Ten Fiscal Years	126
Fund Balances of Governmental Funds – Last Ten Fiscal Years.....	130
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years	132
Revenue Capacity:	
Assessed Value and Actual Value of Taxable Property – Last Ten Fiscal Years.....	134
Principal Property Tax Payers – Current Year and Nine Years Ago.....	135
Secured Property Tax Levies and Collections – Last Ten Fiscal Years	136
Debt Capacity:	
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	137
Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years.....	138
Direct and Overlapping Governmental Activities Debt – As of June 30, 2021	139
Legal Debt Margin Information – Last Ten Fiscal Years	140
Revenue Bond Coverage:	
2014 Water Revenue Refunding Bonds – Last Five Fiscal Years	142
2004 Water Revenue Certificates of Participation –Last Ten Fiscal Years.....	142
2003 Refunding Certificates of Participation – Last Ten Fiscal Years	142
1998 Refunding Revenue Bonds – Last Ten Fiscal Years	143
1996 Revenue Bonds – Last Ten Fiscal Years	143
2005 Tax Allocation Revenue Bonds – Last Ten Fiscal Years	144
2005 CRA/ERAF Taxable Revenue Bonds – Last Ten Fiscal Years	144
2006 CRA/ERAF Taxable Revenue Bonds – Last Ten Fiscal Years	144
2010 Tax Allocation Housing Revenue Bonds – Last Ten Fiscal Year.....	145
2010 Lease Revenue Bonds – Series A – Last Ten Fiscal Year	145
2010 Lease Revenue Bonds – Series B – Last Ten Fiscal Year	145

CITY OF FULLERTON
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS

	<u>Page Number</u>
Demographic and Economic Information:	
Demographic and Economic Statistics – Last Ten Fiscal Years	146
Principal Employers – Current Year and Nine Years Ago.....	147
Operating Information:	
Full-Time Equivalent City Employees by Function – Last Ten Fiscal Years	148
Elementary, High School, and University Enrollment Information – Last Ten Fiscal Years.....	150
Operating Indicators by Function – Last Ten Fiscal Years	152
Capital Asset Statistics by Function – Last Ten Fiscal Years	154



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December 17, 2021

The Honorable City Council
Fullerton, California

The City Manager's Office is pleased to present the 2020-21 Annual Comprehensive Financial Report (ACFR) to the City Council. This report serves to verify that all financial data has been prepared accurately and in accordance with all compliance requirements of the Governmental Accounting Standards Board (GASB), as well as provide an update to City Council and the residents 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, 2021, 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, 2021, 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.

FULLERTON ECONOMIC ENVIRONMENT

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 139,431, ranking it the 42nd largest in the State and the 6th largest in Orange County.

Founded in 1887 and incorporated in 1904, Fullerton operates as a general law city governed by a non-partisan, five-member City Council elected to serve staggered four-year terms. Effective November 2018, City Council members began to be elected by district, with new representatives in Districts 3 and 5. The three final district officials were elected in November 2020. Services provided by the City include police and fire protection, community 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, Fullerton Community College, St. Jude Hospital, Raytheon Systems Company, and AJ Kirkwood & Associates Inc. The City's unemployment rate has increased to 8.5% due to the COVID-19 pandemic, which is above the statewide rate of 7.7% as of June 2021.

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 65,465 students. While enrollment levels continue to grow, the lack of physical presence due to COVID did result in reduced economic value for the community. As campus education returns to full levels, higher enrollment figures are anticipated to result in a long-term net positive for the economy of Fullerton.

While Fullerton maintains a diversified tax base consisting of residential, commercial, and industrial properties, the City's current revenue sources have not kept pace with its operating/pension expenses, which was further exacerbated by the COVID pandemic. In an effort to address this situation, in November 2020, the previous City Council placed Measure S on the ballot that proposed a 1.25% sales tax increase, from 7.75% to 9%, that was estimated to generate an additional \$25 million for general city services. Measure S was not approved by a wide margin.

In the midst of this financial situation, the federal government provided cities with economic relief from the COVID pandemic through the American Rescue Plan Act (ARPA). The City was allocated \$32.7 million, the first tranche of \$16.3 million received in May 2021 with the second tranche estimated to be received in May 2022. The ARPA funds, alongside other revenue opportunities and expense reductions, will provide the City with a five-to-six-year window to bridge its operating deficit. The current economic environment accentuates the City's need to continue to further develop a long-range strategic and financial planning efforts and implement revenue enhancement and expense cuts to maintain financial stability.

CITY 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.

Although reduced staffing levels make fiscal oversight more challenging, management works the extra hours to stay up-to-date and continuously monitor budget and operating expenditures, and provide sufficient updates to City Council.

Budgetary Controls

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

Financial Policies

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, 2021, the City's General Fund balance, comprised of non-spendable, restricted, assigned, and unassigned balances, totaled \$20.6 million. Of the \$20.6 million, the assigned fund balance for contingency reserve is approximately \$13.3 million, which increased at City Council direction from the minimum 10% to a ~14% level of General Fund expenditures. The increase in overall fund balance over prior year is primarily due to cost reduction measures to mitigate the fiscal impacts of COVID-19 and expenditure reductions resulting from closures of City facilities and corresponding programs. Future contingency fund reserve levels will remain at policy levels as ARPA funds are used for revenue replacement for current budgeted operations.

Debt Management

To ensure that City debt is issued and prudently managed to maintain a sound fiscal position, and to maintain the highest credit rating possible 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 of 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 a centralized purchasing system for staff to achieve the procurement of goods and services from 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 and is geared to ensure accountability and establish strong internal controls to ensure purchases are made appropriately and within budget. Purchasing policy and related procedures is undergoing a review in fiscal year 2021-22 which will likely continue through fiscal year 2022-23 with the goals of improved efficiency, greater transparency, and ease of understanding.

Long-Term Financial Planning

Over the past few years, the City has initiated several longer-term financial planning tools, including five, ten-, and twenty-year financial plans, as well as a Capital Improvement Plan (CIP).

Five-Year Financial Plan

The five-year financial forecast is used as a medium-term decision-making tool for City management and the City Council, and is presented as part of the budget process. As costs and funding sources fluctuate, this financial planning model helps the City to identify positive/negative

financial trends and reprioritize goals and objectives to stay within its financial resources (revenues).

Ten-Year Financial Forecast

In September 2020, City Finance staff presented a 10-year financial forecast to City Council to improve its long-term financial planning. The ten-year financial forecasts are developed and updated to provide a mid-range outlook which also include potential mild-recessionary impacts as the economic cycles change.

Twenty-Year Financial Forecast

During fiscal year 2017-18, the City introduced an expanded twenty-year financial forecast in order to better understand the impacts of near-term financial decisions on long-term finances and the City's financial viability in the years to come. Due to the unpredictability of COVID-19 and reliance on ARPA funding for revenue replacement along with contingency reserves to bridge the operating deficit, the twenty-year forecast is essentially on "hold" until a post COVID-19 period materializes.

Five-Year Capital Improvement Plan (CIP)

The CIP plan links 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 has established a dedicated infrastructure fund to better address these ongoing challenges.

115 Pension and 115 OPEB Trusts

The City has also established Pension and OPEB Trusts to set aside funds to be used for specific benefit plan purposes such as CalPERS contributions. 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 22-23, to allocate any supplemental or additional revenue from specific tax sources to prioritize local infrastructure improvement. 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.

OVERALL CITY STRATEGIC POLICY STATEMENTS

Overarching to financial planning, is the establishment and adherence to the City's overall strategic priorities. These priorities were established during the 2017-18 fiscal year with the establishment of three strategic priority policy statements: 1) fiscal and organizational stability, 2) public safety, and 3) infrastructure and City assets. These strategic priority policy statements were more specifically defined through tactical goals and objectives that help ensure success towards achieving the established policy statement. Given the number of substantial events (e.g., COVID, failure of Measure S, seating of new City Councilmembers, changes in City Manager) that have occurred over the past four years, these priority policy statements should be revisited. This can be done as part of the FY 22-23 budget development process.

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 includes implementing financial stability for the General Fund and establishing organizational stability through organizational reviews, fostering a positive and productive workplace, and improvement of the employee performance review process. An important initiative in this area is the hiring of a permanent City Manager who then can permanently fill a number of department head positions that are currently filled on an interim basis.

In order to address fiscal and organizational stability, the Council has recently approved a 2.5% budget cut as well using ARPA funds to cover projected operating deficits over the next several years.

Public Safety

Public safety is the number one priority of City government. All reorganization efforts will be weighed against the need to staff and maintain sufficient resources to protect city residents/businesses and personal property.

Infrastructure and City Assets

The City's infrastructure (e.g., roads, flood and sewer control, city buildings, IT systems) is readily acknowledged as needing significant repair/upgrade. There are several initiatives that are currently in process, including: establishment of an Infrastructure Fund that captures 50% of all increases to sales and secured property taxes, an assessment of building and maintenance and improvement needs, cost studies to ensure adequate water/sewer/development fees are charged, and substantial funds dedicated to IT security and software/hardware improvements. In addition, it is anticipated that ARPA funds will also be used to address critical needs in this area.

In addition, our Community & Economic Development department continues to focus on attracting quality economic enterprises to the community and ensuring that all development occurs within safety standards. Significant projects in this area also need to be addressed and managed, including updating the City's eight-year Housing Element, dealing with issues related to residential subdivisions resulting from the passage of SB 9, and implementation of the statewide organic waste recycling mandate from SB 1383.

CITY FINANCIAL RECOGNITION

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, 2020. 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 are 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 accounting staff, led by Fiscal Services Manager Toni Smart and Accounting Supervisors John Ji and Sylvina Kho (retired). 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.

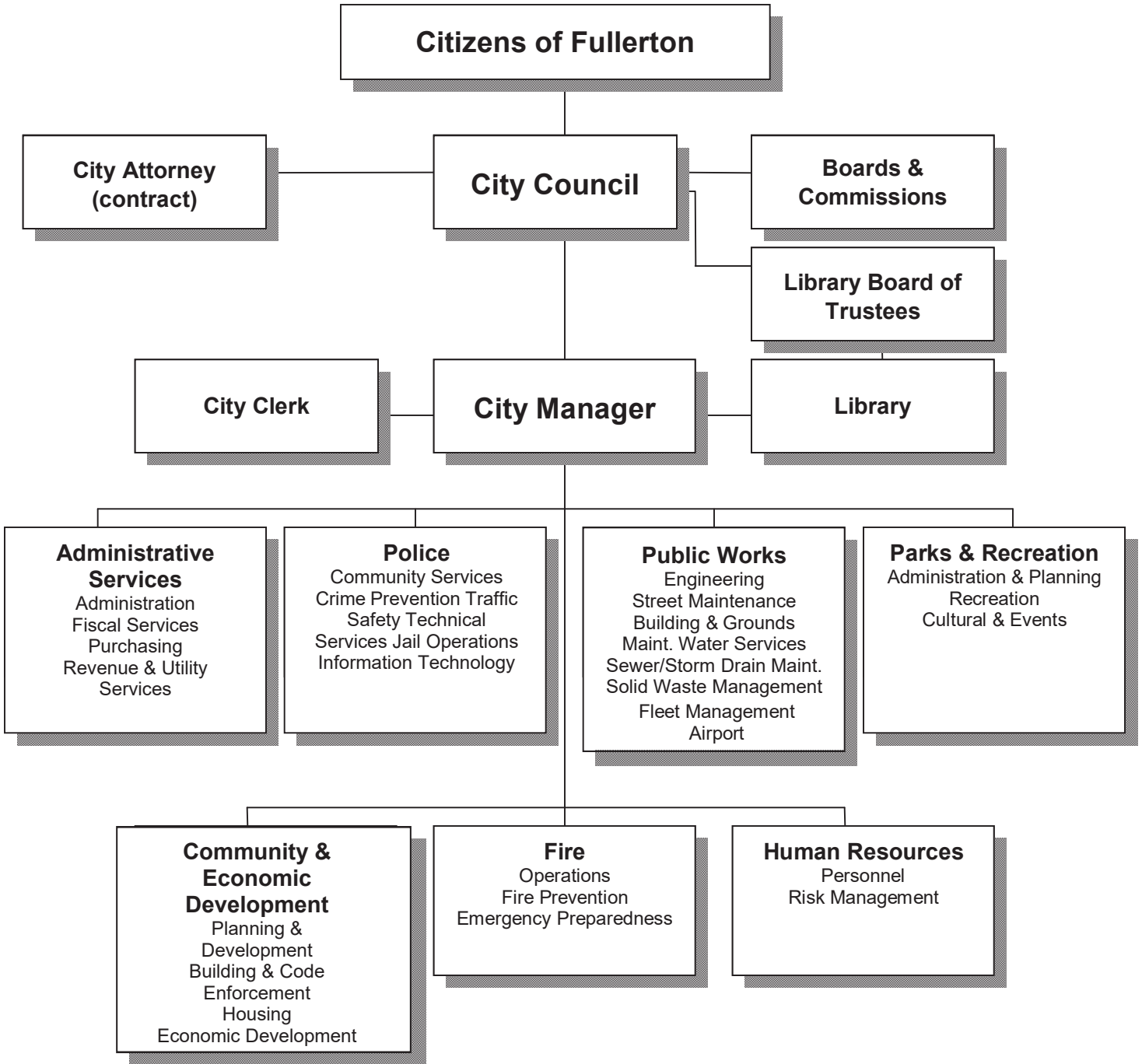
Respectfully submitted,

A handwritten signature in black ink, appearing to read "Steve Danley". The signature is fluid and cursive, with a large loop at the end.

Steve Danley
Acting City Manager

A handwritten signature in black ink, appearing to read "Ellis Chang". The signature is cursive and somewhat stylized.

Ellis Chang
Director of Administrative Services



CITY OF FULLERTON CALIFORNIA

Annual Comprehensive Financial Report For the Fiscal Year Ended June 30, 2021



Fred Jung, Mayor - District 1

Bruce Whitaker
Nick Dunlap
Jesus Silva
Ahmad Zahra

Mayor Pro Tem - District 4
Council Member - District 2
Council Member - District 3
Council Member - District 5

Steve Danley, Acting City Manager

Ellis Chang
Greg Pfof

Adam Loeser
Eddie Manfro
Judy Booth
Vacant
Robert Dunn
Meg McWade

Director of Administrative Services
Interim Director of Community and
Economic Development
Fire Chief
Interim Director of Human Resources
Library Director
Director of Parks and Recreation
Chief of Police
Director of Public Works



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, 2020

Christopher P. Morrill

Executive Director/CEO

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INDEPENDENT AUDITORS' REPORT

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

Report on the 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, 2021, 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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 date of the financial statements.



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

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

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

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

Other Reporting Responsibilities

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules for the General Fund and Grants Administration special revenue fund, and the required pension and other post-employment benefits schedules as listed in 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 combining and individual fund financial statements and schedule (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 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 section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the financial statements does 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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 15, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Brea, California
December 15, 2021

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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, 2021. 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, 2021, by \$475.7 million (net position).
- The City's net position totaled \$475.7 million at June 30, 2021, representing an increase of \$12.9 million over the previous fiscal year primarily due to increased water rates, property and sales tax revenue growth, and COVID-19 CARES Act Federal grants. Of the total net position, \$596.3 million is invested in capital assets, net of related debt ("net investment in capital assets"), while \$41.7 million is restricted for specific governmental operations, leaving a \$162.4 million negative unrestricted balance.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$60.2 million, an increase of \$2.8 million in comparison with the prior year. The increase is primarily attributable to property and sales tax revenue increases in the General Fund. The General Fund reflects assigned fund balance of \$16.1 million, which compares to assigned fund balance the previous year of \$14.0 million, a restricted fund balance of \$1.5 million, and a nonspendable balance of \$2.9 million for a combined total of \$20.6 million, representing an increase of \$2.3 million over the previous fiscal year. The increase of \$2.1 million in General Fund assigned fund balance is primarily due to City Council designation to increase contingency reserves closer to the City's goal of maintaining 17% reserve levels. This designation resulted in \$0.0 in unassigned fund balance.
- Long-term debt decreased by \$0.5 million in fiscal year 2020-21 from paying down debt.
- Capital assets increased by \$11.2 million due to construction in progress for various street, storm drains, and road infrastructure projects.

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 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 \$475.7 million at the close of the most recent fiscal year. The City's net position increased by \$12.9 million from the previous year due to increases in water rates, property and sales tax revenue, and COVID-19 CARES Act Federal grants.

Net Position

(\$ in thousands)	Governmental activities		Business-type activities		Total	
	2021	2020	2021	2020	2021	2020
	Current and other assets	\$183,727	\$163,917	\$60,969	\$48,779	\$244,696
Capital assets	476,068	472,835	129,310	\$121,344	605,378	594,179
Total assets	659,795	636,752	190,279	170,123	850,074	806,875
Deferred Outflows	31,980	28,206	2,975	1,774	34,955	29,980
Long-term liabilities	317,346	302,651	29,509	27,885	346,855	330,536
Other liabilities	40,326	23,044	11,405	9,912	51,731	32,956
Total liabilities	357,672	325,695	40,914	37,797	398,586	363,492
Deferred Inflows	9,252	9,431	1,513	1201	10,765	10,632
Net position:						
Net investment in capital assets	473,537	469,893	122,811	114,443	596,348	584,336
Restricted	41,442	41,568	289	300	41,731	41,868
Unrestricted	(190,128)	(181,629)	27,727	18,156	(162,401)	(163,473)
Total net position	\$324,851	\$329,832	\$150,827	\$132,899	\$475,678	\$462,731

Changes in Net Position

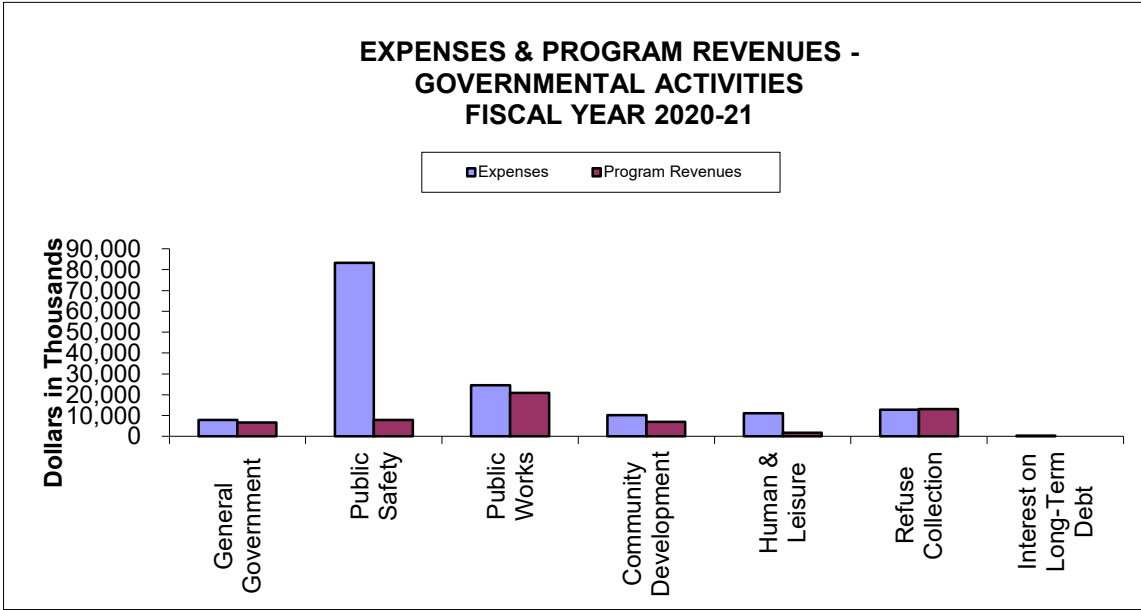
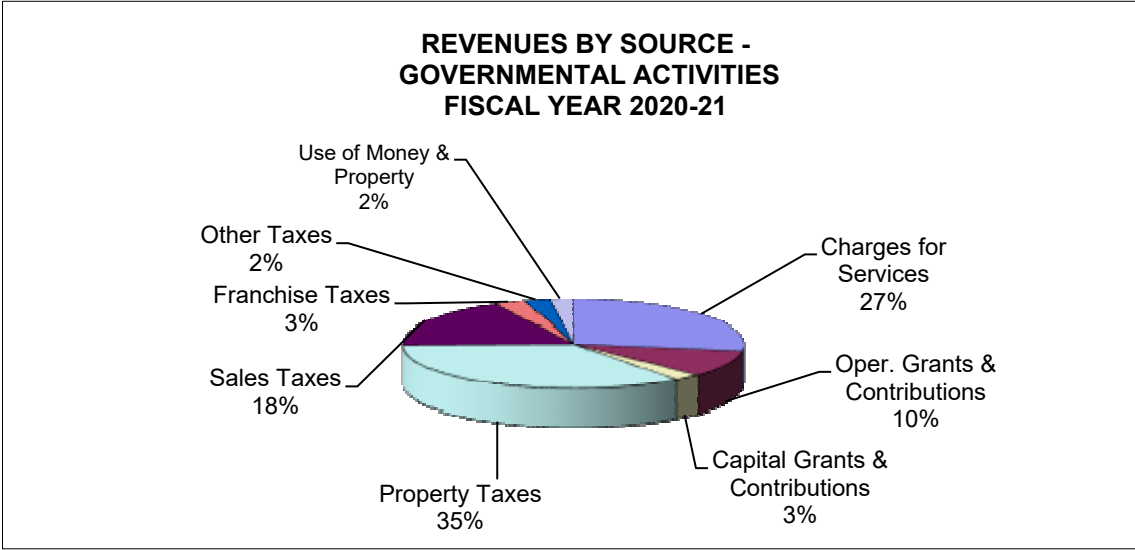
(\$ in thousands)

	<u>Governmental</u> <u>activities</u>		<u>Business-type</u> <u>activities</u>		<u>Total</u>	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$39,588	\$37,707	\$56,854	\$48,226	\$96,442	\$85,933
Operating grants and contributions	13,978	10,538	-	-	13,978	10,538
Capital grants and contributions	3,725	4,796	1,302	567	5,027	5,363
General revenues:						
Property taxes	50,150	46,258	88	107	50,238	46,365
Sales taxes	25,571	23,095	-	-	25,571	23,095
Franchise taxes	4,382	4,358	-	-	4,382	4,358
Other taxes	3,357	4,285	-	-	3,357	4,285
Motor vehicle in lieu – unrestricted	104	113	-	-	104	113
Use of Money & Property	3,271	7,453	227	1,612	3,498	9,065
Other	541	965	172	71	713	1,036
Total revenues	144,667	139,568	58,643	50,583	203,310	190,151
Expenses:						
General government	7,814	6,368	-	-	7,814	6,368
Public safety	83,200	83,043	-	-	83,200	83,043
Public works	24,617	26,077	-	-	24,617	26,077
Community development	10,123	8,524	-	-	10,123	8,524
Human and leisure	11,058	13,574	-	-	11,058	13,574
Refuse collection	12,862	11,716	-	-	12,862	11,716
Interest on long-term debt	336	410	-	-	336	410
Water utility	-	-	32,167	32,315	32,167	32,315
Airport	-	-	1,953	2,493	1,953	2,493
Parking facilities	-	-	97	104	97	104
Brea Dam recreational facilities	-	-	2,730	2,679	2,730	2,679
Sewer enterprises	-	-	3,412	4,831	3,412	4,831
CNG	-	-	170	196	170	196
Total expenses	150,010	149,712	40,529	42,618	190,539	192,330
Excess (Deficiency) of Revenues Over (Under) Expenses	(5,343)	(10,144)	18,114	7,965	12,771	(2,179)
Special Items	-	17,850	-	-	-	17,850
Transfers	186	-	(186)	-	-	-
Change in net position	(5,157)	7,706	17,928	7,965	12,771	15,671
Net position - beginning, restated	330,008	322,126	132,899	124,934	462,907	447,060
Net position - ending	\$324,851	\$329,832	\$150,827	\$132,899	\$475,678	\$462,731

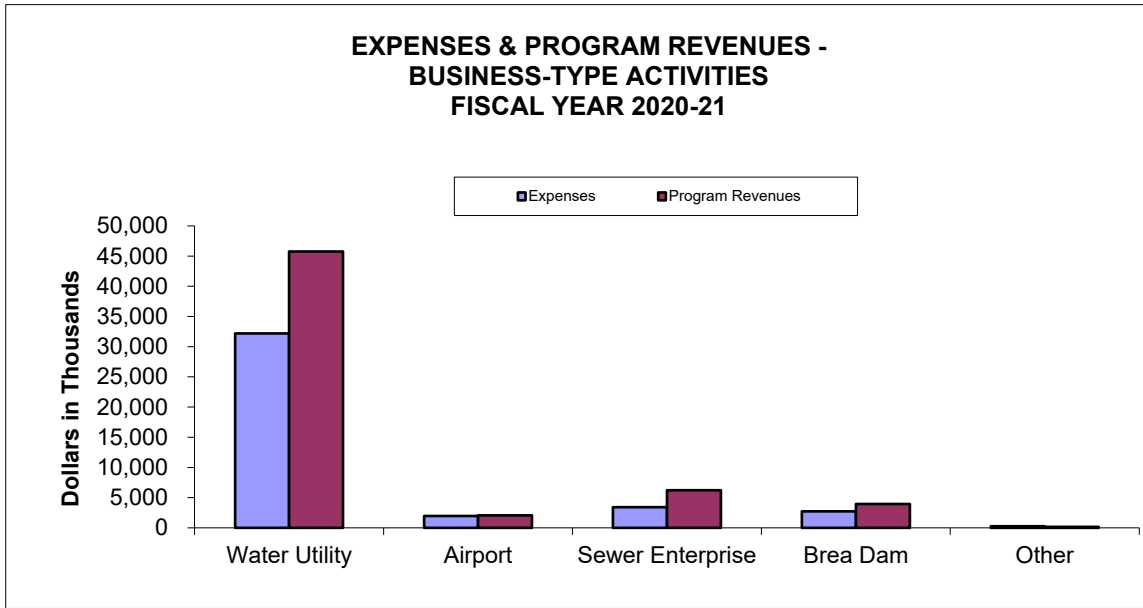
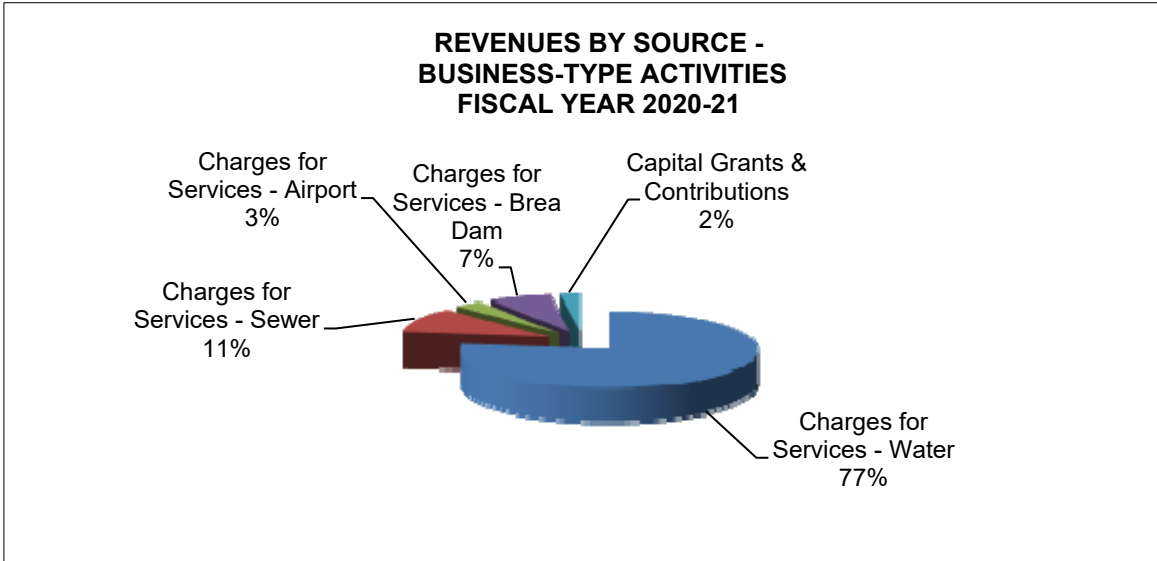
Governmental activities. The net position for governmental activities decreased by \$5.2 million over the prior year.

Total revenues reflect an increase of \$5.1 million from the prior year. Most of the increase in revenues can be attributed to increased property and sales tax revenue growth, and operating grants for COVID-19 slightly offset by a decrease in investment income.

Total expenses increased by \$0.3 million from the prior year. The increase was attributed to increased community development grant expenditures offset by a decrease in human and leisure expenditures due to COVID-19.



Business-type activities. The Business-type activities reported an increase in net position of \$17.9 million. Revenues reflect an increase of \$8.1 million, and expenses show a decrease of \$2.1 million. The primary factor for increased revenues relates to updated water rates that went into effect this fiscal year. Expenses decreased mainly due to the sharp decrease in Other Post Employment Benefit (OPEB) expenses from a change in actuarial assumptions and the number of covered employees.



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 \$60.2 million, an increase of \$2.8 million in comparison with the prior year. Of that total, \$3.1 million is nonspendable because it represents inventory, property held for resale, and prepaid costs; \$41.4 million represents monies legally restricted by external agencies for debt service and specific programs or projects, and \$17.6 million represents funds assigned by the City Council for a contingency reserve, capital projects, street and road improvements, building permits, and Laguna Lake. The remaining balance of \$(1.9) 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 \$20.6 million. Of that amount, \$13.3 million was assigned to a contingency reserve, which is approximately 13.5% 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 unassigned fund balance was zero due to the City Council's decision to fully assign the remaining unassigned fund balance. Revenues totaled \$101.2 million, while expenditures totaled \$98.0 million. The increase in fund balance was attributed to an increase in property tax revenue from unanticipated Successor Agency related residual receipts of property tax revenue, increase in sales tax revenue, cost reduction measures to mitigate the fiscal impacts of COVID-19, and expenditure reductions resulting from closures of City facilities and corresponding programs.

The Grants Administration Fund reflected a deficit fund balance of \$(1.0) million due to uncollected receivables as of June 30, 2021. This total represents an increase of \$(0.7) million from the previous fiscal year. The increase is attributed to grant funds available 60 days after the end of the fiscal year for grant related expenditures. The timing of reimbursable grant monies resulted in the deficit fund balance of \$(1.0) million.

The American Rescue Plan Act Fund is a newly established fund that reported a fund balance of \$55,306 for interest and investment earnings on the first tranche of \$16.3 million received. The purpose of this fund is to account for the federal funds received to address the ongoing COVID-19 public health crisis. The City was awarded \$32.7 million and received \$16.3 million that is recorded as unearned revenue on the balance sheet pending use for eligible expenditures.

The Capital Projects Fund reported a fund balance of \$1.6 million, showing an increase of \$3.0 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 thirteen 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, 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 \$25.4 million at the end of the year: \$20.1 million for the Water Utility Fund, \$0.6 million for the Airport Fund, \$4.7 million for the Sewer Fund, \$44,340 for the Brea Dam Fund, (\$0.2) million for Parking Facilities Fund, and \$0.2 million for the CNG Fund. The total increase in net position for these enterprise funds was \$17.9 million from the prior fiscal year.

Unrestricted net position of the internal service funds totaled \$20.4 million at the end of the year: \$1.5 million for Liability Insurance Fund, \$6.0 million for Vehicle Replacement Fund, \$8.0 million for Workers' Comp Fund, \$1.4 million for Group Insurance Fund, \$1.7 million for Equipment Maintenance Fund, \$0.2 million for Information Technology Fund, (\$0.9) million for Building Maintenance Fund, and \$2.6 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 \$(21.5) million. The

custodial funds negative net position is the result of new accounting standards that require the City to include Community Facilities Districts debt as part of custodial funds net position. One trust fund includes the OPEB-PARS Fund, which accounts for post-employment benefits, net position of \$74,620. The Successor Agency Trust Fund accounts for all transactions associated with the Successor Agency to the Redevelopment Agency. The total net position at June 30, 2021, was \$(3.3) million.

General Fund Budgetary Highlights

The General Fund ended the fiscal year with a fund balance of \$20.6 million, reflecting an increase of \$2.3 million from the prior year. Total revenues increased by \$4.2 million and expenditures decreased \$2.0 million over the prior year. The increase in revenue in comparison to the prior year is due to property and sales tax revenue growth and expenditure decreases are from cost reduction measures to mitigate the fiscal impacts of COVID-19 from closures of City facilities and corresponding programs.

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, 2021, totaled \$605.4 million (net of accumulated depreciation), an increase of \$11.2 million due to the Commonwealth/Balcom to Acacia Ave. reconstruction, Water Well Replacement, and Victoria Drive infrastructure projects. 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</u> <u>activities</u>		<u>Business-type</u> <u>activities</u>		<u>Total</u>	
	2021	2020	2021	2020	2021	2020
Land	\$ 54,198	\$ 54,088	\$ 9,128	\$ 9,128	\$ 63,326	\$ 63,216
Buildings	66,457	68,040	5,503	5,725	71,960	73,765
Improvements other than buildings	30,468	28,189	50,251	47,276	80,719	75,465
Machinery and equipment	10,597	11,060	1,188	1,336	11,785	12,396
Leasehold improvements	137	164	7	9	144	173
Infrastructure	98,238	92,997	43,741	40,295	141,979	133,292
Construction in progress	215,973	218,297	19,492	17,575	235,465	235,872
Total	\$ 476,068	\$ 472,835	\$ 129,310	\$ 121,344	\$ 605,378	\$ 594,179

Long-term debt. At the end of the current fiscal year, the City has total long-term debt outstanding of \$14.8 million, a decrease of \$0.5 million as the City pays down its existing long-term debt. Additional information on the City's long-term debt can be found in Note 14 of the Notes to the Financial Statements.

Long-term Debt

(\$ in thousands)

	<u>Governmental</u> <u>activities</u>		<u>Business-type</u> <u>activities</u>		<u>Total</u>	
	2021	2020	2021	2020	2021	2020
Revenue bonds	\$ -	\$ -	\$ 6,606	\$ 7,017	\$ 6,606	\$ 7,017
Judgment obligation bonds	5,649	5,283	-	-	5,649	5,283
Capital leases	2,531	2,942	-	-	2,531	2,942
Total	\$ 8,180	\$ 8,225	\$ 6,606	\$ 7,017	\$ 14,786	\$ 15,242

Economic Factors and Next Year's Budget

Since the great recession, the City continues to struggle to balance expenses with revenues while striving to maintain a high level of service. This difficult situation becomes even more strained as pension costs continue to escalate, and aging infrastructure needs to be addressed. Anticipating the fiscal impacts of the COVID-19 pandemic, the fiscal year 2021-22 General Fund budget was balanced by relying on the City maintaining a vacancy factor, negotiated labor reductions, and reductions in services specifically impacted by Federal and State orders. The Acting City Manager is working with City Council to determine cost reductions and identify revenue generating options, along with a plan to utilize ARPA revenues.

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, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments	\$ 134,600,273	\$ 48,246,063	\$ 182,846,336
Restricted assets - cash held with fiscal agent	863,474	289,321	1,152,795
Receivables:			
Accounts	20,035,664	10,213,672	30,249,336
Taxes	392,643	-	392,643
Accrued interest	42,671	27,691	70,362
Notes and loans	25,069,283	-	25,069,283
Accrued interest	38,554	-	38,554
Internal balances	(2,161,113)	2,161,113	-
Inventories	222,047	31,303	253,350
Property held for resale	2,900,768	-	2,900,768
Prepaid costs	1,722,699	184	1,722,883
Capital assets - not being depreciated	270,171,519	28,619,785	298,791,304
Capital assets - net of accumulated depreciation	205,896,797	100,690,148	306,586,945
Total Assets	659,795,279	190,279,280	850,074,559
Deferred Outflows of Resources:			
Deferred charge on refunding	477,273	106,986	584,259
Pension deferrals	26,586,288	2,018,606	28,604,894
Other post-employment benefits deferrals	4,916,166	849,503	5,765,669
Total Deferred Outflows of Resources	31,979,727	2,975,095	34,954,822
Liabilities:			
Accounts payable	9,635,150	9,143,346	18,778,496
Accrued liabilities	3,196,353	208,036	3,404,389
Accrued interest payable	37,960	91,860	129,820
Deposits payable	6,654,540	1,956,455	8,610,995
Intergovernmental payable	217,927	-	217,927
Unearned revenue	20,583,267	4,950	20,588,217
Noncurrent liabilities:			
Due within one year: bonds, leases, claims, compensated absences	9,845,637	794,945	10,640,582
Due in more than one year:			
Bonds, leases, claims, compensated absences	33,685,455	6,304,269	39,989,724
Net pension liability	247,414,736	18,027,733	265,442,469
Net other post-employment benefits liability	26,400,592	4,382,506	30,783,098
Total Liabilities	357,671,617	40,914,100	398,585,717
Deferred Inflows of Resources:			
Pension deferrals	572,286	30,546	602,832
Other post-employment benefits deferrals	8,679,868	1,482,309	10,162,177
Total Deferred Inflows of Resources	9,252,154	1,512,855	10,765,009
Net Position:			
Net investment in capital assets	473,537,066	122,811,386	596,348,452
Restricted:			
Community development projects	961,006	-	961,006
Public safety	459,145	-	459,145
Parks and recreation	2,918,128	-	2,918,128
Public works	19,110,763	-	19,110,763
Capital projects	897,726	-	897,726
Debt service	205,907	289,321	495,228
Housing	12,954,956	-	12,954,956
Refuse collection	2,420,324	-	2,420,324
Library	692,770	-	692,770
Pension stabilization	589,967	-	589,967
Deferred compensation	55,580	-	55,580
Donations	175,733	-	175,733
Unrestricted	(190,127,836)	27,726,713	(162,401,123)
Total Net Position	\$ 324,851,235	\$ 150,827,420	\$ 475,678,655

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

CITY OF FULLERTON

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Primary Government:				
Governmental Activities:				
General government	\$ 7,813,479	\$ 1,856,999	\$ 4,826,787	\$ -
Public safety	83,199,738	7,095,403	784,377	-
Community development	10,122,864	4,358,821	2,645,139	-
Human and leisure	11,058,388	1,552,069	179,116	-
Public works	24,617,295	11,617,803	5,542,305	3,725,462
Refuse collection	12,862,360	13,106,796	-	-
Interest on long-term debt	336,034	-	-	-
Total Governmental Activities	150,010,158	39,587,891	13,977,724	3,725,462
Business-Type Activities:				
Airport	1,953,240	1,822,203	-	257,779
Brea Dam Facilities Recreational	2,729,520	3,957,923	-	-
Water Utility	32,166,533	44,691,329	-	1,044,202
Parking Facilities	96,690	-	-	-
Sewer Enterprise	3,411,930	6,212,043	-	-
Compressed Natural Gas Facility	170,178	170,105	-	-
Total Business-Type Activities	40,528,091	56,853,603	-	1,301,981
Total Primary Government	\$ 190,538,249	\$ 96,441,494	\$ 13,977,724	\$ 5,027,443

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

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Restatement

Net Position - Ending

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

Primary Government

Governmental Activities	Business-Type Activities	Total
\$ (1,129,693)	\$ -	\$ (1,129,693)
(75,319,958)	-	(75,319,958)
(3,118,904)	-	(3,118,904)
(9,327,203)	-	(9,327,203)
(3,731,725)	-	(3,731,725)
244,436	-	244,436
(336,034)	-	(336,034)
<u>(92,719,081)</u>	<u>-</u>	<u>(92,719,081)</u>
-	126,742	126,742
-	1,228,403	1,228,403
-	13,568,998	13,568,998
-	(96,690)	(96,690)
-	2,800,113	2,800,113
-	(73)	(73)
<u>-</u>	<u>17,627,493</u>	<u>17,627,493</u>
<u>(92,719,081)</u>	<u>17,627,493</u>	<u>(75,091,588)</u>
50,149,692	87,697	50,237,389
25,571,379	-	25,571,379
4,381,984	-	4,381,984
3,357,002	-	3,357,002
104,047	-	104,047
3,271,256	227,278	3,498,534
540,570	172,535	713,105
186,292	(186,292)	-
<u>87,562,222</u>	<u>301,218</u>	<u>87,863,440</u>
(5,156,859)	17,928,711	12,771,852
329,832,360	132,898,709	462,731,069
175,734	-	175,734
<u>\$ 324,851,235</u>	<u>\$ 150,827,420</u>	<u>\$ 475,678,655</u>

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

CITY OF FULLERTON

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021**

Special Revenue Funds

	General	Grants Administration	American Rescue Plan Act
Assets:			
Cash and investments	\$ 19,254,120	\$ 23,851	\$ 16,378,255
Restricted assets - cash held with fiscal agents	645,547	217,927	-
Receivables:			
Accounts	9,077,359	1,544,919	-
Taxes	392,643	-	-
Accrued interest	21,065	-	9,702
Notes and loans	-	13,331,317	-
Due from other funds	719,099	-	-
Inventories	6,528	-	-
Property held for resale	2,900,768	-	-
Prepaid costs	700	-	-
Total Assets	\$ 33,017,829	\$ 15,118,014	\$ 16,387,957
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit):			
Liabilities:			
Accounts payable	\$ 2,765,494	\$ 656,314	\$ -
Accrued liabilities	2,952,028	42,683	-
Deposits payable	6,624,935	21,234	-
Due to other funds	-	591,069	-
Due to other governments	-	217,927	-
Unearned revenues	38,456	335,436	16,332,651
Total Liabilities	12,380,913	1,864,663	16,332,651
Deferred Inflows of Resources:			
Unavailable revenues	74,860	14,268,845	-
Total Deferred Inflows of Resources	74,860	14,268,845	-
Fund Balances (Deficit):			
Nonspendable	2,907,996	-	-
Restricted	1,514,050	-	55,306
Assigned	16,140,010	-	-
Unassigned	-	(1,015,494)	-
Total Fund Balances (Deficit)	20,562,056	(1,015,494)	55,306
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit)	\$ 33,017,829	\$ 15,118,014	\$ 16,387,957

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

CITY OF FULLERTON

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021**

	<u>Capital Projects Fund</u>		
	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Cash and investments	\$ 7,638,169	\$ 25,146,526	\$ 68,440,921
Restricted assets - cash held with fiscal agents	-	-	863,474
Receivables:			
Accounts	3,258,093	6,149,476	20,029,847
Taxes	-	-	392,643
Accrued interest	-	11,904	42,671
Notes and loans	-	11,737,966	25,069,283
Due from other funds	-	-	719,099
Inventories	-	-	6,528
Property held for resale	-	-	2,900,768
Prepaid costs	170,366	950	172,016
Total Assets	\$ 11,066,628	\$ 43,046,822	\$ 118,637,250
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit):			
Liabilities:			
Accounts payable	\$ 2,555,659	\$ 2,325,089	\$ 8,302,556
Accrued liabilities	24,508	100,690	3,119,909
Deposits payable	6,202	2,169	6,654,540
Due to other funds	-	412,658	1,003,727
Due to other governments	-	-	217,927
Unearned revenues	3,697,251	156,201	20,559,995
Total Liabilities	6,283,620	2,996,807	39,858,654
Deferred Inflows of Resources:			
Unavailable revenues	3,183,589	1,023,295	18,550,589
Total Deferred Inflows of Resources	3,183,589	1,023,295	18,550,589
Fund Balances (Deficit):			
Nonspendable	170,366	950	3,079,312
Restricted	-	39,872,649	41,442,005
Assigned	1,429,053	-	17,569,063
Unassigned	-	(846,879)	(1,862,373)
Total Fund Balances (Deficit)	1,599,419	39,026,720	60,228,007
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit)	\$ 11,066,628	\$ 43,046,822	\$ 118,637,250

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, 2021**

Amounts reported for governmental activities in the Statement of Net Position (page 15) are different because:

Total Fund Balances - Governmental Funds (page 19)	\$ 60,228,007
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The details of this \$468,933,140 are as follows:	
Capital assets - not being depreciated	\$ 270,171,519
Capital assets - being depreciated	470,499,823
Less: accumulated depreciation	<u>(271,738,202)</u>
Net adjustment to increase <i>Fund Balance - Total Governmental Funds</i> to arrive at <i>Net Position - Governmental Activities</i>	468,933,140
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	18,550,589
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 \$25,028,730 difference are as follows:	
Net Position of the Internal Service Funds	27,317,873
Less: Internal payable representing charges in excess of cost to business-type activities - prior years	(2,680,969)
Add: Internal receivable representing charges in less than the cost to business-type activities - current year	<u>391,826</u>
Net adjustment to increase <i>Fund Balance - Total Governmental Funds</i> to arrive at <i>Net Position - Governmental Activities</i>	25,028,730
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 \$21,735,010 difference are as follows:	
Deferred outflows of resources for pensions	25,807,885
Deferred inflows of resources for pensions	(560,507)
Deferred outflows of resources for other post-employment benefits	4,604,472
Deferred inflows of resources for other post-employment benefits	<u>(8,116,840)</u>
Net adjustment to increase <i>Fund Balance - Total Governmental Funds</i> to arrive at <i>Net Position - Governmental Activities</i>	21,735,010
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. The details of this (\$269,624,241) difference are as follows:	
Net pension liability	(240,463,006)
Compensated absences	(2,808,805)
Capital leases	(1,668,888)
Claims and judgments	(86,703)
Net other post-employment benefits liability	<u>(24,596,839)</u>
Net adjustment to decrease <i>Fund Balance - Total Governmental Funds</i> to arrive at <i>Net Position - Governmental Activities</i>	<u>(269,624,241)</u>
Net Position of Governmental Activities	<u>\$ 324,851,235</u>

CITY OF FULLERTON

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Special Revenue Funds</u>		
	<u>General</u>	<u>Grants Administration</u>	<u>American Rescue Plan Act</u>
Revenues:			
Taxes	\$ 79,078,073	\$ -	\$ -
Franchise taxes	4,181,577	-	-
Licenses and permits	2,405,502	-	-
Intergovernmental	1,614,725	6,802,290	-
Charges for services	9,540,923	-	-
Investment earnings	2,478,936	-	61,276
Fines and forfeitures	870,975	-	-
Miscellaneous	1,071,570	707	-
Total Revenues	101,242,281	6,802,997	61,276
Expenditures:			
Current:			
General government	6,519,914	715,717	5,970
Public safety	71,600,929	1,079,391	-
Community development	4,517,182	4,179,620	-
Human and leisure	8,078,361	603,440	-
Public works	6,935,290	342,816	-
Refuse collection	-	-	-
Capital outlay	12,684	-	-
Debt service:			
Principal retirement	252,154	-	-
Interest and fiscal charges	53,981	-	-
Total Expenditures	97,970,495	6,920,984	5,970
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,271,786	(117,987)	55,306
Other Financing Sources (Uses):			
Transfers in	1,888,002	1,254,379	-
Transfers out	(2,834,974)	(1,824,810)	-
Total Other Financing Sources (Uses)	(946,972)	(570,431)	-
Net Change in Fund Balances	2,324,814	(688,418)	55,306
Fund Balances (Deficit) - Beginning	18,061,508	(327,076)	-
Restatements	175,734	-	-
Fund Balances (Deficit) - Beginning, Restated	18,237,242	(327,076)	-
Fund Balances (Deficit) - Ending	\$ 20,562,056	\$ (1,015,494)	\$ 55,306

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, 2021

	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
Taxes	\$ -	\$ 200,407	\$ 79,278,480
Franchise taxes	-	-	4,181,577
Licenses and permits	-	-	2,405,502
Intergovernmental	5,628,118	9,298,010	23,343,143
Charges for services	29,028	21,860,540	31,430,491
Investment earnings	-	473,029	3,013,241
Fines and forfeitures	-	143,492	1,014,467
Miscellaneous	70,818	17,250	1,160,345
Total Revenues	5,727,964	31,992,728	145,827,246
Expenditures:			
Current:			
General government	-	264,690	7,506,291
Public safety	-	289,474	72,969,794
Community development	-	1,083,094	9,779,896
Human and leisure	-	21,863	8,703,664
Public works	-	8,965,750	16,243,856
Refuse collection	-	12,713,769	12,713,769
Capital outlay	14,555,410	379,042	14,947,136
Debt service:			
Principal retirement	-	-	252,154
Interest and fiscal charges	-	-	53,981
Total Expenditures	14,555,410	23,717,682	143,170,541
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,827,446)	8,275,046	2,656,705
Other Financing Sources (Uses):			
Transfers in	11,817,520	612,658	15,572,559
Transfers out	-	(10,757,722)	(15,417,506)
Total Other Financing Sources (Uses)	11,817,520	(10,145,064)	155,053
Net Change in Fund Balances	2,990,074	(1,870,018)	2,811,758
Fund Balances (Deficit) - Beginning	(1,390,655)	40,896,738	57,240,515
Restatements	-	-	175,734
Fund Balances (Deficit) - Beginning, Restated	(1,390,655)	40,896,738	57,416,249
Fund Balances (Deficit) - Ending	\$ 1,599,419	\$ 39,026,720	\$ 60,228,007

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, 2021**

Amounts reported for governmental activities in the Statement of Activities (pages 16-17) are different because:

Net Change in Fund Balances - Total Governmental Funds (page 23)	\$	2,811,758
<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 \$3,537,766 difference are as follows:</p>		
Capital outlay	\$	14,176,507
Depreciation expense		(10,503,929)
Loss on disposal of capital assets		<u>(134,812)</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>		3,537,766
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds.		(1,418,254)
<p>The issuance of long-term liabilities (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term liabilities consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when the liability is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term liabilities and related items. The only activity relates to repayment of capital lease.</p>		
		252,154
<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 (\$8,852,490) difference are as follows:</p>		
Compensated absences		27,971
Pensions		(9,144,574)
Other post-employment benefits		222,674
Claims and judgments		<u>41,439</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>		(8,852,490)
<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 (\$1,487,793) difference are as follows:</p>		
Change in net position of internal service funds		(1,879,619)
Less: income from charges to business-type activities		<u>391,826</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>(1,487,793)</u>
Change in Net Position of Governmental Activities	\$	<u>(5,156,859)</u>

CITY OF FULLERTON

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water Utility	Sewer Enterprise	Other Enterprise Funds	Totals	Internal Service Funds
Assets:					
Current Assets:					
Cash and investments	\$ 36,775,608	\$ 8,474,221	\$ 2,996,234	\$ 48,246,063	\$ 66,159,352
Restricted assets - cash held with fiscal agent	-	-	289,321	289,321	-
Accounts receivable	8,569,294	1,263,038	381,340	10,213,672	5,817
Accrued interest receivable	20,952	5,235	1,504	27,691	38,554
Due from other funds	-	-	-	-	412,658
Inventory	-	-	31,303	31,303	215,519
Prepaid items	-	184	-	184	1,550,683
Total Current Assets	45,365,854	9,742,678	3,699,702	58,808,234	68,382,583
Noncurrent Assets:					
Capital assets - net of accumulated depreciation	61,141,680	50,196,034	17,972,219	129,309,933	7,135,176
Total Noncurrent Assets	61,141,680	50,196,034	17,972,219	129,309,933	7,135,176
Total Assets	106,507,534	59,938,712	21,671,921	188,118,167	75,517,759
Deferred Outflows of Resources:					
Deferred charge on refunding	106,986	-	-	106,986	477,273
Pension deferrals	1,424,512	388,543	205,551	2,018,606	778,403
Other post-employment benefits deferrals	585,183	180,707	83,613	849,503	311,694
Total Deferred Outflows of Resources	2,116,681	569,250	289,164	2,975,095	1,567,370
Liabilities:					
Current Liabilities:					
Accounts payable	8,080,700	654,722	407,924	9,143,346	1,332,594
Accrued liabilities	147,502	37,971	22,563	208,036	76,444
Accrued interest payable	71,453	-	20,407	91,860	37,960
Unearned revenues	-	-	4,950	4,950	23,272
Deposits payable	1,886,814	130	69,511	1,956,455	-
Due to other funds	-	-	128,030	128,030	-
Compensated absences - current	293,637	73,868	27,440	394,945	-
Claims and judgments - current	-	-	-	-	6,761,000
Capital leases - current	-	-	-	-	114,359
Bonds payable - current	265,000	-	135,000	400,000	420,000
Total Current Liabilities	10,745,106	766,691	815,825	12,327,622	8,765,629
Noncurrent Liabilities:					
Compensated absences	73,409	18,467	6,860	98,736	-
Claims and judgments	-	-	-	-	25,694,000
Capital leases	-	-	-	-	748,003
Bonds payable	4,749,122	-	1,456,411	6,205,533	5,229,334
Net pension liability	12,721,993	3,469,992	1,835,748	18,027,733	6,951,730
Net other post-employment benefits liability	2,945,822	995,046	441,638	4,382,506	1,803,753
Total Noncurrent Liabilities	20,490,346	4,483,505	3,740,657	28,714,508	40,426,820
Total Liabilities	31,235,452	5,250,196	4,556,482	41,042,130	49,192,449
Deferred Inflows of Resources:					
Pension deferrals	21,556	5,880	3,110	30,546	11,779
Other post-employment benefits deferrals	1,013,946	321,459	146,904	1,482,309	563,028
Total Deferred Inflows of Resources	1,035,502	327,339	150,014	1,512,855	574,807
Net Position:					
Net investment in capital assets	56,234,544	50,196,034	16,380,808	122,811,386	6,875,116
Restricted for debt service	-	-	289,321	289,321	-
Unrestricted	20,118,717	4,734,393	584,460	25,437,570	20,442,757
Total Net Position	\$ 76,353,261	\$ 54,930,427	\$ 17,254,589	148,538,277	\$ 27,317,873
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				2,289,143	
Net Position of Business-Type Activities (page 15)				\$ 150,827,420	

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

CITY OF FULLERTON

STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Funds				Governmental
	Water Utility	Sewer Enterprise	Other Enterprise Funds	Totals	Internal Service Funds
Operating Revenues:					
Sales and service charges	\$ 44,691,329	\$ 6,212,043	\$ 5,950,231	\$ 56,853,603	\$ -
Interfund service charges	-	-	-	-	24,366,994
Miscellaneous	170,749	-	1,785	172,534	525,649
Total Operating Revenues	44,862,078	6,212,043	5,952,016	57,026,137	24,892,643
Operating Expenses:					
Maintenance, operations, and administration	12,085,284	2,632,624	4,224,659	18,942,567	22,124,498
Cost of water	18,182,978	-	-	18,182,978	-
Claims expense	-	-	-	-	3,156,065
Depreciation expense	1,359,497	746,045	570,620	2,676,162	1,263,155
Total Operating Expenses	31,627,759	3,378,669	4,795,279	39,801,707	26,543,718
Operating Income (Loss)	13,234,319	2,833,374	1,156,737	17,224,430	(1,651,075)
Nonoperating Revenues (Expenses):					
Taxes	-	-	87,697	87,697	-
Intergovernmental	979,077	-	257,779	1,236,856	-
Investment earnings	182,054	28,267	16,957	227,278	258,015
Interest expense	(227,416)	-	(107,142)	(334,558)	(282,053)
Gain (loss) on disposal of capital assets	-	-	-	-	(235,745)
Total Nonoperating Revenues (Expenses)	933,715	28,267	255,291	1,217,273	(259,783)
Income (Loss) Before Transfers and Contributions	14,168,034	2,861,641	1,412,028	18,441,703	(1,910,858)
Capital contributions	65,126	-	-	65,126	-
Transfers in	-	-	-	-	706,893
Transfers out	(114,901)	(58,601)	(12,790)	(186,292)	(675,654)
Changes in Net Position	14,118,259	2,803,040	1,399,238	18,320,537	(1,879,619)
Net Position - Beginning	62,235,002	52,127,387	15,855,351		29,197,492
Net Position - Ending	\$ 76,353,261	\$ 54,930,427	\$ 17,254,589		\$ 27,317,873
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds				(391,826)	
Changes in Net Position of Business-Type Activities (page 17)				\$ 17,928,711	

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, 2021

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water Utility	Sewer Enterprise	Other Enterprise Funds	Totals	Internal Service Funds
Cash Flows from Operating Activities:					
Receipts from customers	\$ 42,168,945	\$ 6,046,975	\$ 5,715,248	\$ 53,931,168	\$ -
Receipts from interfund charges	-	-	-	-	24,379,332
Cash recovered from insurance claims	-	-	-	-	1,298,463
Other receipts	170,749	-	-	170,749	293,178
Payments to suppliers and service providers	(21,608,439)	(1,156,546)	(3,569,582)	(26,334,567)	(17,159,103)
Payments to employees for salaries and benefits	(5,849,133)	(1,704,864)	(690,156)	(8,244,153)	(3,057,157)
Payments of insurance claims	-	-	-	-	(4,795,543)
Net Cash Provided by (Used for) Operating Activities	14,882,122	3,185,565	1,455,510	19,523,197	959,170
Cash Flows from Noncapital Financing Activities:					
Proceeds from issuance of non-capital related debt	-	-	-	-	5,010,000
Transfers from other funds	-	-	-	-	706,893
Taxes received	-	-	87,697	87,697	-
Cash received on short-term interfund borrowings	-	-	69,367	69,367	200,000
Principal paid on noncapital debt	-	-	-	-	(4,675,000)
Interest paid on noncapital debt	-	-	-	-	(760,221)
Cash paid on short-term interfund borrowings	-	-	(465,831)	(465,831)	-
Transfers out	(114,901)	(58,601)	(12,790)	(186,292)	(675,654)
Net Cash Provided by (Used for) Noncapital Financing Activities	(114,901)	(58,601)	(321,557)	(495,059)	(193,982)
Cash Flows from Capital and Related Financing Activities:					
Capital grants and contributions received	979,077	-	257,779	1,236,856	-
Acquisition and construction of capital assets	(6,606,657)	(3,763,121)	(206,720)	(10,576,498)	(1,194,605)
Principal paid on capital debt	(250,000)	-	(125,000)	(375,000)	(158,670)
Interest paid on capital debt	(260,927)	-	(106,238)	(367,165)	(9,608)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(6,138,507)	(3,763,121)	(180,179)	(10,081,807)	(1,362,883)
Cash Flows from Investing Activities:					
Interest on investments	218,057	41,613	19,586	279,256	347,942
Net Cash Provided by (Used for) Investing Activities	218,057	41,613	19,586	279,256	347,942
Net Increase (Decrease) in Cash and Cash Equivalents	8,846,771	(594,544)	973,360	9,225,587	(249,753)
Cash and Cash Equivalents, July 1	27,928,837	9,068,765	2,312,195	39,309,797	66,409,105
Cash and Cash Equivalents, June 30	\$ 36,775,608	\$ 8,474,221	\$ 3,285,555	\$ 48,535,384	\$ 66,159,352
Reconciliation of Cash and Cash Equivalents to Amounts Reported on the Statement of Net Position (page 26):					
Cash and investments	\$ 36,775,608	\$ 8,474,221	\$ 2,996,234	\$ 48,246,063	\$ 66,159,352
Restricted assets - cash held with fiscal agent	-	-	289,321	289,321	-
Cash and Cash Equivalents, June 30	<u>\$ 36,775,608</u>	<u>\$ 8,474,221</u>	<u>\$ 3,285,555</u>	<u>\$ 48,535,384</u>	<u>\$ 66,159,352</u>

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, 2021

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water Utility	Sewer Enterprise	Other Enterprise Funds	Totals	Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Operating income (loss)	\$ 13,234,319	\$ 2,833,374	\$ 1,156,737	\$ 17,224,430	\$ (1,651,075)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Depreciation	1,359,497	746,045	570,620	2,676,162	1,263,155
Nonoperating miscellaneous revenues/(expenses)	-	-	-	-	4,951
(Increase) decrease in accounts receivable	(2,619,396)	(165,198)	(249,624)	(3,034,218)	(5,817)
(Increase) decrease in inventory	-	-	20,407	20,407	10,996
(Increase) decrease in prepaid items	1,017	(184)	-	833	(1,499,257)
Increase (decrease) in accounts payable	1,488,120	(31,914)	(97,906)	1,358,300	398,545
Increase (decrease) in accrued liabilities	22,482	2,596	4,002	29,080	6,654
Increase (decrease) in unearned revenue	-	-	4,950	4,950	18,155
Increase (decrease) in deposits payable	97,012	130	7,906	105,048	-
Increase (decrease) in claims and judgments	-	-	-	-	3,134,000
Increase (decrease) in compensated absences	18,065	(8,419)	(7,892)	1,754	-
Increase (decrease) in pension items	1,309,915	(182,225)	50,369	1,178,059	(706,534)
Increase (decrease) in other post-employment benefits items	(28,909)	(8,640)	(4,059)	(41,608)	(14,603)
Total Adjustments	1,647,803	352,191	298,773	2,298,767	2,610,245
Net Cash Provided by (Used for) Operating Activities	\$ 14,882,122	\$ 3,185,565	\$ 1,455,510	\$ 19,523,197	\$ 959,170
Schedule of Non-Cash Capital and Related Financing Activities and Investing Activities:					
Capital and Related Financing Activities:					
Capital contributions	\$ 65,126	\$ -	\$ -	\$ 65,126	\$ -
Amortization of bond premiums/(discounts)	38,615	-	(2,483)	36,132	31,160
Gain/(loss) on disposal of capital assets	-	-	-	-	(235,745)
Amortization of deferred charge on refunding	(8,391)	-	-	(8,391)	-
Total Capital and Related Financing Activities	\$ 95,350	\$ -	\$ (2,483)	\$ 92,867	\$ (204,585)
Investing Activities:					
Unrealized gain (loss) on investments	\$ (354,350)	\$ (120,454)	\$ (18,498)	\$ (493,302)	\$ (825,771)

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

CITY OF FULLERTON

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2021

	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	\$ -	\$ 8,916,843	\$ 1,456,244
Restricted assets - cash and cash equivalents	-	6,228,325	-
Investments:			
Mutual funds	-	726,896	-
Equity securities	74,620	-	-
Receivables:			
Accounts	-	1,641	-
Accrued interest receivable	-	5,281	-
Notes and loans receivable	-	36,560,846	-
Prepaid costs	-	111,691	-
Total Assets	74,620	52,551,523	1,456,244
Deferred Outflows of Resources:			
Deferred changes on refunding	-	190,521	-
Pension deferrals	-	46,955	-
Other post-employment benefits deferrals	-	15,554	-
Total Deferred Outflows of Resources	-	253,030	-
Liabilities:			
Accounts payable	-	9,815	65,228
Accrued liabilities	-	6,251	-
Accrued interest	-	570,919	1,391,016
Deposits payable	-	700	-
Bonds payable - due within one year	-	7,170,000	840,000
Bonds payable - due in more than one year	-	47,794,405	20,715,000
Net pension liability	-	419,344	-
Net other post-employment benefits liability	-	79,721	-
Total Liabilities	-	56,051,155	23,011,244
Deferred Inflows of Resources:			
Pension deferrals	-	711	-
Other post-employment benefits deferrals	-	27,090	-
Total Deferred Inflows or Resources	-	27,801	-
Net Position:			
Restricted for post-employment benefits other than pensions	74,620	-	-
Restricted for individuals, organizations, and other governments	-	(3,274,403)	(21,555,000)
Total Net Position	\$ 74,620	\$ (3,274,403)	\$ (21,555,000)

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, 2021

	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	\$ -	\$ (165,695)	\$ -
Interest, dividends, and other	18,630	801,795	-
Total Investment Earnings	18,630	636,100	-
Property taxes	-	9,365,723	-
Miscellaneous	-	-	7,509,950
Total Additions	18,630	10,001,823	7,509,950
Deductions:			
Payment of collections for other governments	-	-	208,220
Administrative expenses	370	307,853	-
Contractual services	-	354,021	-
Miscellaneous	-	-	5,087,051
Interest expense	-	955,592	1,568,826
Total Deductions	370	1,617,466	6,864,097
Changes in Net Position	18,260	8,384,357	645,853
Net Position - Beginning, as Originally Reported	56,360	(11,658,760)	-
Restatement of Net Position	-	-	(22,200,853)
Net Position - Beginning, as Restated	56,360	(11,658,760)	(22,200,853)
Net Position - Ending	\$ 74,620	\$ (3,274,403)	\$ (21,555,000)

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

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I. SIGNIFICANT ACCOUNTING POLICIES

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.

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.

Note 1: Summary of Significant Accounting Policies (Continued)

Jointly Governed Organization

NORTH ORANGE COUNTY CITIES JOINT POWER AUTHORITY

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

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.

Note 1: Summary of Significant Accounting Policies (Continued)

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 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.

Note 1: Summary of Significant Accounting Policies (Continued)

- 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 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.
- 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.

Note 1: Summary of Significant Accounting Policies (Continued)

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."

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.

Note 1: Summary of Significant Accounting Policies (Continued)

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, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), 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 (\$25,000 for infrastructure) 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

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

Assets	Years
Building and improvements	20-50
Water system lines and mains	50
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

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 represents a consumption of net position/fund balance that applies to a future period(s) 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 represents an acquisition of net position/fund balance that applies to a future period(s) 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 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, 2021, will be liquidated from expendable available financial resources at June 30, 2021.

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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, 2019
Measurement Date (MD)	June 30, 2020
Measurement Period (MP)	July 1, 2019, to June 30, 2020

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

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

Valuation Date	June 30, 2020
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019, to June 30, 2020

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.

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.

Note 1: Summary of Significant Accounting Policies (Continued)

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 City implemented Government Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities* during fiscal year 2020-21. The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhance the value provided by the information reported in financial statements for assessing government accountability and stewardship. The change in accounting principle resulted in prior period adjustments in the amounts of \$175,734 and (\$22,200,853) being reported for the governmental activities and the custodial funds in the Statement of Activities and the Statement of Changes in Fiduciary Net Position, respectively.

The City early adopted GASB Statement No. 98, the *Annual Comprehensive Financial Report*, which establishes the term *annual comprehensive financial report* and its acronym *ACFR*. The new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. This statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Note 2: Deficit Fund Equity

At June 30, 2021, the Building Maintenance Fund, an internal service fund, has a deficit net position of \$867,096. The reason for the deficit in this case is due to the allocations of a portion of the City's net pension liability and net OPEB liability to this fund. Because these liabilities are subject to a large degree of estimation, they are subject to significant changes year over year depending on actuarial methods and assumptions in determining those liabilities.

At June 30, 2021, the Grants Administration Fund, a major special revenue fund, has a deficit fund balance of \$1,015,494. 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, 2021, the SB2 / PLHA Fund, a nonmajor special revenue fund, has a deficit fund balance of \$846,879. 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.

Note 3: Budgetary Compliance

The American Rescue Plan Act, SB2 / PLHA special revenue funds and the Debt Service Reserve debt service fund did not adopt budgets for the year ended June 30, 2021.

III. DETAILED NOTES ON ALL FUNDS

Note 4: Cash and Investments

Cash and investments at June 30, 2021, are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 182,846,336
Restricted cash and investments	1,152,795
Fiduciary Funds:	
Cash and investments	11,174,603
Restricted cash and investments	6,228,325
Total cash and investments	<u>\$ 201,402,059</u>

Cash and investments as of June 30, 2021, consist of the following:

Demand deposits	\$ 9,643,266
Cash on hand	47,592
Investments	185,482,876
Escrow accounts	6,228,325
Total cash and investments	<u>\$ 201,402,059</u>

CITY OF FULLERTON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

Note 4: Cash and Investments (Continued)

At June 30, 2021, the carrying amount of the City's deposits was \$9,643,266 and the bank balance was \$9,782,331. The \$139,065 difference represents outstanding checks and other reconciling items.

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

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
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 FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 4: Cash and Investments (Continued)

The investment maturities of the City's portfolio as of June 30, 2021, 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	\$ 74,362,129	\$ -	\$ -	\$ 74,362,129
Certificates of Deposit	1,751,863	-	-	1,751,863
US Government Treasury Notes	1,500,740	53,987,942	8,673,453	64,162,135
Corporate Notes	1,206,948	5,804,649	-	7,011,597
Municipal Issuances	-	770,523	-	770,523
Federal Agency Securities:				
FHLMC	1,515,941	16,112,704	851,177	18,479,822
FFCB	-	8,916,765	-	8,916,765
FHLB	-	2,548,100	447,300	2,995,400
FNMA	-	2,785,006	1,416,565	4,201,571
Money Market Mutual Funds	924,962	-	-	924,962
Total Investments	81,262,583	90,925,689	11,388,495	183,576,767
Investments with Fiscal Agents:				
PARS OPEB Trust Fund:				
Equity Securities	589,967	-	-	589,967
PARS Section 115 Pension Trust Fund:				
Equity Securities	74,620	-	-	74,620
Money Market Mutual Funds	1,241,522	-	-	1,241,522
Total Investments with Fiscal Agents	1,906,109	-	-	1,906,109
Total	\$ 83,168,692	\$ 90,925,689	\$ 11,388,495	\$ 185,482,876

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 FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

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, 2021	Minimum Legal Rating	AAA	AA- to AA+	A- to A+	BBB- to BBB+	Not Subject to Credit Risk Disclosure
Investments:							
Local Agency Investment Fund	\$ 74,362,129	N/A	\$ -	\$ -	\$ -	\$ -	\$ 74,362,129
Certificates of Deposit	1,751,863	N/A	-	-	499,011	501,561	751,291
US Government Treasury Notes	64,162,135	N/A	-	-	-	-	64,162,135
Corporate Notes	7,011,597	A	480,545	4,603,398	1,927,654	-	-
Municipal Issuances	770,523	N/A	-	770,523	-	-	-
Federal Agency Securities:							
FHLMC	18,479,822	N/A	-	-	-	-	18,479,822
FFCB	8,916,765	N/A	-	-	-	-	8,916,765
FHLB	2,995,400	N/A	-	-	-	-	2,995,400
FNMA	4,201,571	N/A	-	-	-	-	4,201,571
Money Market Mutual Funds	924,962	AAA	857,625	-	-	-	67,337
Total Investments	183,576,767		1,338,170	5,373,921	2,426,665	501,561	173,936,450
Investments with Fiscal Agents:							
PARS OPEB Trust Fund:							
Equity Securities	589,967	N/A	-	-	-	-	589,967
PARS Section 115 Pension Trust Fund:							
Equity Securities	74,620	N/A	-	-	-	-	74,620
Money Market Mutual Funds	1,241,522	AAA	1,241,522	-	-	-	-
Total Investments with Fiscal Agents	1,906,109		1,241,522	-	-	-	664,587
Total	\$ 185,482,876		\$ 2,579,692	\$ 5,373,921	\$ 2,426,665	\$ 501,561	\$ 174,601,037

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. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments consist solely of investments in Federal Home Loan Mortgage Corporation, a federal agency security, in the amount of \$18,479,822 or 10% percent of total investments.

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, 2021, none of the City's deposits or investments were exposed to custodial credit risk. As of June 30, 2021, \$1,241,522 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 FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 4: Cash and Investments (Continued)

The City has the following recurring fair value measurements as of June 30, 2021:

	Total as of June 30, 2021	Not Measured at Fair Value	Level 1	Level 2
Investments:				
Local Agency Investment Fund	\$ 74,362,129	\$ 74,362,129	\$ -	\$ -
Certificates of Deposit	1,751,863	-	-	1,751,863
US Government Treasury Notes	64,162,135	-	-	64,162,135
Corporate Notes	7,011,597	-	-	7,011,597
Municipal Issuances	770,523	-	-	770,523
Federal Agency Securities:				
FHLMC	18,479,822	-	-	18,479,822
FFCB	8,916,765	-	-	8,916,765
FHLB	2,995,400	-	-	2,995,400
FNMA	4,201,571	-	-	4,201,571
Money Market Mutual Funds	924,962	-	924,962	-
Total Investments	183,576,767	74,362,129	924,962	108,289,676
Investments with Fiscal Agents:				
PARS OPEB Trust Fund:				
Equity Securities	589,967	-	-	589,967
PARS Section 115 Pension Trust Fund:				
Equity Securities	74,620	-	-	74,620
Money Market Mutual Funds	1,241,522	-	1,241,522	-
Total Investments with Fiscal Agents	1,906,109	-	1,241,522	664,587
Total	\$ 185,482,876	\$ 74,362,129	\$ 2,166,484	\$ 108,954,263

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					
	General Fund	Grants Administration	Capital Projects	Nonmajor Governmental Funds	Internal Service Funds	Total
Accounts	\$ 872,639	\$ 199,204	\$ 13,931	\$ 73,278	\$ 1,317	\$ 1,160,369
Unbilled accounts	7,641,818	1,345,715	3,244,162	4,081,690	4,500	16,317,885
Water, sanitation, and trash	468,805	-	-	1,994,508	-	2,463,313
Parks and recreation	69,316	-	-	-	-	69,316
Bank return items	24,781	-	-	-	-	24,781
Total	\$ 9,077,359	\$ 1,544,919	\$ 3,258,093	\$ 6,149,476	\$ 5,817	\$ 20,035,664

Component	Business-Type Activities				
	Water Utility	Sewer Enterprise	Nonmajor Enterprise Funds	Total	Fiduciary Funds
Accounts	\$ 50,607	\$ 10,551	\$ 162,920	\$ 224,078	\$ 1,641
Unbilled accounts	5,855,745	650,007	218,415	6,724,167	-
Water, sanitation, and trash	2,662,942	602,480	5	3,265,427	-
Total	\$ 8,569,294	\$ 1,263,038	\$ 381,340	\$ 10,213,672	\$ 1,641

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, 2021, is \$10,838,383.

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 balance outstanding at June 30, 2021, is \$899,583.

The Housing Fund notes and loans receivable total \$11,737,966.

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 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, 2021, is \$1,019,633.

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 \$673,454, totaling \$1,518,398 at June 30, 2021.

Note 6: Notes and Loans Receivable (Continued)

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 HOME Investment Partnerships Program for the project located at 436 & 442 W. Valencia Drive. 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 \$263,597, totaling \$707,878 at June 30, 2021.

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 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 \$183,871 totaling \$491,936 at June 30, 2021.

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 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 \$558,849, totaling \$723,849 at June 30, 2021.

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 \$416,855, totaling \$981,855 at June 30, 2021.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 6: Notes and Loans Receivable (Continued)

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 \$250,000 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 \$313,575, totaling \$2,333,135 at June 30, 2021.

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 April 11, 2012. The outstanding principal balance is \$1,729,133 with accrued interest of \$637,277, totaling \$2,366,410 at June 30, 2021.

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 is \$742,504 with accrued interest of \$550,659, totaling \$1,293,163 at June 30, 2021.

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 \$64,994, totaling \$211,657 at June 30, 2021.

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 principal balance is \$185,136 at June 30, 2021.

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, 2021, is \$1,011,063.

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 balance outstanding at June 30, 2021, is \$287,130.

CITY OF FULLERTON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

Note 6: Notes and Loans Receivable (Continued)

I. 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 balance outstanding at June 30, 2021, was \$206,074.

The Grants Administration Fund notes and loans receivable total \$13,331,317.

Note 7: Capital Assets

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

	Beginning Balance	Transfers of CIP	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 54,087,708	\$ -	\$ 109,950	\$ -	\$ 54,197,658
Construction in progress	218,297,472	(14,264,796)	11,941,185	-	215,973,861
Total capital assets, not being depreciated	272,385,180	(14,264,796)	12,051,135	-	270,171,519
Capital assets, being depreciated:					
Buildings	91,619,093	110,321	118,608	-	91,848,022
Improvements other than buildings	62,060,527	4,476,977	415,777	-	66,953,281
Machinery and equipment	41,348,510	20,601	1,796,622	(4,587,450)	38,578,283
Leasehold improvements	1,837,445	-	-	-	1,837,445
Infrastructure	285,740,310	9,656,897	988,970	(5,824,757)	290,561,420
Total capital assets, being depreciated	482,605,885	14,264,796	3,319,977	(10,412,207)	489,778,451
Less accumulated depreciation for:					
Buildings	(23,579,243)	-	(1,811,403)	-	(25,390,646)
Improvements other than buildings	(33,871,597)	-	(2,614,074)	-	(36,485,671)
Machinery and equipment	(30,288,358)	-	(2,021,696)	4,329,158	(27,980,896)
Leasehold improvements	(1,673,495)	-	(27,325)	-	(1,700,820)
Infrastructure	(192,743,529)	-	(5,292,586)	5,712,494	(192,323,621)
Total accumulated depreciation	(282,156,222)	-	(11,767,084)	10,041,652	(283,881,654)
Total capital assets being depreciated, net	200,449,663	14,264,796	(8,447,107)	(370,555)	205,896,797
Governmental activities capital assets, net	\$ 472,834,843	\$ -	\$ 3,604,028	\$ (370,555)	\$ 476,068,316

CITY OF FULLERTON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

Note 7: Capital Assets (Continued)

Governmental activities depreciation expense for capital assets for the year ended June 30, 2021, is as follows:

General government	\$ 187,264
Public safety	920,974
Public works	7,108,931
Community development	134,944
Human and leisure	2,151,816
Equipment replacement	964,555
Equipment maintenance	11,129
Information technology	264,934
Building maintenance	7,705
Facility capital repair	14,832
Total depreciation expense - governmental activities	<u><u>\$ 11,767,084</u></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:					
Land	\$ 9,128,423	\$ -	\$ -	\$ -	\$ 9,128,423
Construction in progress	17,574,747	(6,968,351)	8,884,966	-	19,491,362
Total capital assets, not being depreciated	<u>26,703,170</u>	<u>(6,968,351)</u>	<u>8,884,966</u>	<u>-</u>	<u>28,619,785</u>
Capital assets, being depreciated:					
Buildings	8,594,685	-	-	-	8,594,685
Improvements other than buildings	84,051,432	3,425,720	1,015,200	-	88,492,352
Machinery and equipment	14,126,269	-	90,550	(20,947)	14,195,872
Leasehold improvements	468,140	-	-	-	468,140
Infrastructure	45,742,770	3,542,631	650,908	-	49,936,309
Total capital assets, being depreciated	<u>152,983,296</u>	<u>6,968,351</u>	<u>1,756,658</u>	<u>(20,947)</u>	<u>161,687,358</u>
Less accumulated depreciation for:					
Buildings	(2,869,245)	-	(222,760)	-	(3,092,005)
Improvements other than buildings	(36,775,813)	-	(1,465,269)	-	(38,241,082)
Machinery and equipment	(12,790,465)	-	(238,047)	20,947	(13,007,565)
Leasehold improvements	(459,020)	-	(2,280)	-	(461,300)
Infrastructure	(5,447,452)	-	(747,806)	-	(6,195,258)
Total accumulated depreciation	<u>(58,341,995)</u>	<u>-</u>	<u>(2,676,162)</u>	<u>20,947</u>	<u>(60,997,210)</u>
Total capital assets being depreciated, net	<u>94,641,301</u>	<u>6,968,351</u>	<u>(919,504)</u>	<u>-</u>	<u>100,690,148</u>
Business-type activities capital assets, net	<u>\$ 121,344,471</u>	<u>\$ -</u>	<u>\$ 7,965,462</u>	<u>\$ -</u>	<u>\$ 129,309,933</u>

Business-type activities depreciation expense for capital assets for the year ended June 30, 2021, is as follows:

Airport	\$ 482,177
Water Utility	1,359,497
Sewer Enterprise	746,045
Brea Dam Facilities Recreational	88,443
Total depreciation expense - business-type activities	<u><u>\$ 2,676,162</u></u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

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, 2021, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013*	On or after January 1, 2013
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

	Safety	
	Prior to January 1, 2013*	On or after January 1, 2013
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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021
Note 8: Defined Benefit Pension Plans (Continued)

At June 30, 2021, the following employees were covered by the benefit terms of the Plans:

Description	Number of Members	
	Miscellaneous Plan	Safety Plan
Active members	361	187
Transferred members	319	73
Terminated members	201	43
Retired members and beneficiaries	644	440
Total	1,525	743

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Miscellaneous Plan contributions for the year equaled \$7,018,243, and Safety Plan contributions for the year equaled \$15,515,569.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2019, valuation was rolled forward to determine the June 30, 2020, total pension liability, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB 68
Actuarial Assumptions	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table ¹	Derived using CalPERS' membership data for all funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter

¹ The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions Report from December 2017 that can be found on the CalPERS website.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 8: Defined Benefit Pension Plans (Continued)Long-term Expected Rate of Return

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

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

Asset Class ¹	Assumed Asset Allocation	Real Return Years 1-10 ²	Real Return Years 11+ ³
Global equity	50.0%	4.80%	5.98%
Fixed income	28.0%	1.00%	2.62%
Inflation assets	0.0%	0.77%	1.81%
Private equity	8.0%	6.30%	7.23%
Real assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%

- (1) In CalPERS' ACFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.
- (2) An expected inflation rate of 2.00% is used for this period.
- (3) An expected inflation rate of 2.92% is used for this period.

Discount Rate

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

Note 8: Defined Benefit Pension Plans (Continued)

Subsequent Events

On November 15, 2021, the CalPERS Board of Administration selected a new asset allocation mix that will guide the fund's investment portfolio for the next few years, while at the same time retaining the current target rate of return. The Board also approved adding 5 percent leverage to increase investment diversification. The new asset allocation takes effect July 1, 2022 and is expected to decrease employer contribution rates from less than 1 percent to a decrease of more than 2 percent depending on the plan type. Employees in the PEPRA plans will likely see increases in their contribution rates. Contribution changes will take effect in fiscal year 2023-24.

Amortization of Deferred Outflows and Deferred Inflows of Resources

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

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

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 (EARSLS) of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period

CITY OF FULLERTON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

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, 2021, were as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Assets)
Miscellaneous Plan:			
Balance at: 6/30/2020 (Valuation Date of 6/30/19)	\$ 302,093,480	\$ 229,109,557	\$ 72,983,923
Changes recognized for the Measurement Period:			
Service Cost	3,775,731	-	3,775,731
Interest on the Total Pension Liability	21,144,370	-	21,144,370
Difference between Expected and Actual Experience	394,873	-	394,873
Contribution from the Employer	-	6,036,525	(6,036,525)
Contributions from Employees	-	2,274,075	(2,274,075)
Net Investment Income	-	11,301,839	(11,301,839)
Benefit Payments including Refunds of Employee Contributions	(17,301,500)	(17,301,500)	-
Administrative Expense	-	(322,988)	322,988
Net changes during 2019-20	8,013,474	1,987,951	6,025,523
Balance at: 6/30/2021 (Measurement Date of 6/30/20)	310,106,954	231,097,508	79,009,446
Safety Plan:			
Balance at: 6/30/2020 (Valuation Date of 6/30/19), as restated	509,202,648	332,091,327	177,111,321
Changes recognized for the Measurement Period:			
Service Cost	5,929,528	-	5,929,528
Interest on the Total Pension Liability	35,667,102	-	35,667,102
Difference between Expected and Actual Experience	1,835,234	-	1,835,234
Contribution from the Employer	-	14,081,827	(14,081,827)
Contributions from Employees	-	3,622,586	(3,622,586)
Net Investment Income	-	16,454,572	(16,454,572)
Benefit Payments including Refunds of Employee Contributions	(30,324,105)	(30,324,105)	-
Administrative expense	-	(468,167)	468,167
Net changes during 2019-20	13,107,759	3,366,713	9,741,046
Balance at: 6/30/2021 (Measurement Date of 6/30/20)	522,310,407	335,458,040	186,852,367
Total Plans:	\$ 832,417,361	\$ 566,555,548	\$ 265,861,813

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 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15 percent) or 1-percentage-point higher (8.15 percent) than the current rate:

	Discount Rate -1% 6.15%	Current Discount Rate 7.15%	Discount Rate +1% 8.15%
Miscellaneous Plan	\$ 117,778,901	\$ 79,009,446	\$ 46,869,007
Safety Plan	255,277,741	186,852,367	130,715,581
Total	\$ 373,056,642	\$ 265,861,813	\$ 177,584,588

CITY OF FULLERTON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

Note 8: Defined Benefit Pension Plans (Continued)

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, 2021, the City recognized pension expense of \$8,190,925 for the Miscellaneous Plan, and \$23,924,257 for the Safety Plan for a combined total pension expense recognized during the year of \$32,115,182. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>Miscellaneous Plan:</u>		
Contributions Subsequent to the Measurement Date	\$ 7,018,243	\$ -
Changes of Assumptions	-	-
Differences Between Expected and Actual Experience	230,343	133,874
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,598,284	-
Subtotal - Miscellaneous Plan	<u>8,846,870</u>	<u>133,874</u>
<u>Safety Plan:</u>		
Contributions Subsequent to the Measurement Date	15,515,569	-
Changes of Assumptions	-	469,669
Differences Between Expected and Actual Experience	2,146,850	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,142,560	-
Subtotal - Safety Plan	<u>19,804,979</u>	<u>469,669</u>
Total - Both Plans	<u>\$ 28,651,849</u>	<u>\$ 603,543</u>

The \$7,018,243 and \$15,515,569 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, 2022. 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
2022	\$ (1,019,456)	\$ (826,680)	\$ (1,846,136)
2023	613,935	1,334,916	1,948,851
2024	1,161,145	1,956,220	3,117,365
2025	939,129	1,355,285	2,294,414

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

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, 2021, the City's payroll covered by the plan was \$14,915,526. The City made employer contributions of \$559,332 (3.75% of current covered payroll), and employees contributed \$559,332 (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.

Employees Covered

As of the June 30, 2019, actuarial valuation, the following current and former employees were covered by the benefit terms under the plan:

Active	519
Inactive employees or beneficiaries currently receiving benefits	158
Total	<u>677</u>

Note 10: Post-Employment Healthcare Plan (Continued)

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, 2020, the City recognized contributions, including the implicit subsidy, in the amount of \$1,635,980 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, 2020. This is the date as of which the actuarial valuation was performed. The City's measurement date was as of June 30, 2020, and to develop the net OPEB liability at the beginning of the measurement period on July 1, 2019, the results of the June 30, 2020, 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	2.47%
Long-term expected investment return	6.50%
Inflation Rate	2.25%
Mortality	Based on assumptions for Public Agency Miscellaneous, Police, and Fire members published in the 2017 CalPERS Experience Study. These tables include 15 years of static mortality improvement using 90% of Scale MP-2016.
Healthcare Cost-trade Rate	6.7% for FY 2021, gradually decreasing to an ultimate rate of 3.8% in FY 2076

Discount Rate

The discount rate used to measure the net OPEB liability was 2.47 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 FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

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:

	Increase(Decrease)		
	Total OPEB Liability/(Assets) (a)	Plan Fiduciary Net Position (b)	OPEB Liability/(Assets) (c) = (a) - (b)
Balance at June 30, 2020 (measured 6/30/2020)	\$ 33,001,950	\$ 56,754	\$ 32,945,196
Changes recognized over the measurement period:			
Service Cost	1,349,773	-	1,349,773
Interest	1,049,606	-	1,049,606
Differences between expected and actual experience	(6,727,717)	-	(6,727,717)
Changes of assumptions	3,881,547	-	3,881,547
Contributions - employer	-	1,635,980	(1,635,980)
Net investment income	-	(94)	94
Benefit Payments	(1,635,980)	(1,635,980)	-
Administrative expense	-	(300)	300
Net Changes	(2,082,771)	(394)	(2,082,377)
Balance at June 30, 2021 (measured 6/30/2020)	\$ 30,919,179	\$ 56,360	\$ 30,862,819

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, 2020:

	1% Decrease (1.47%)	Current Discount Rate (2.47%)	1% Increase (3.47%)
Net OPEB Liability	\$ 34,423,672	\$ 30,862,819	\$ 27,871,175

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, 2020:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability	\$ 27,092,404	\$ 30,862,819	\$ 35,528,550

CITY OF FULLERTON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

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, 2021, the City recognized net OPEB expense of \$1,251,211. As of fiscal year ended June 30, 2021, the City reported deferred outflows and deferred inflows of resources related to net OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contribution subsequent to measurement date	\$ 961,858	\$ -
Difference between expected and actual experience	-	10,189,267
Difference between expected and actual return on assets	2,341	-
Change in Assumptions	4,817,024	-
Total	\$ 5,781,223	\$ 10,189,267

The \$961,858 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
2022	\$ (997,802)
2023	(997,804)
2024	(997,432)
2025	(997,489)
2026	(529,605)
Thereafter	(849,770)
	\$ (5,369,902)

Note 11: Commitments and Contingencies

As of June 30, 2021, 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.

CITY OF FULLERTON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 11: Commitments and Contingencies (Continued)

The following material construction commitments existed at June 30, 2021:

Project Name	Current Amount	Expenditures to date as of June 30, 2021	Remaining Commitments
Commonwealth/Balcom to Acacia	\$ 1,690,750	\$ 871,088	\$ 819,662
Euclid Recon/Williamson - Fern	2,564,295	799,419	1,764,876
West Ash Area Infrastructure	1,219,200	429,715	789,485
El Rancho Vista Infrastructure	1,367,492	1,106,069	261,423

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). As members of ICRMA, the City purchases commercial liability insurance of \$25,000,000 in excess of a \$2,000,000 per claim self-insured retention level and a separate commercially insured layer of coverage for losses in the range of \$2,000,000 to \$5,000,000. Losses above the \$30,000,000 limit of insurance are also 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 administration of the workers' compensation program. However, the liability program is currently administered in-house along with the risk management program.

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, 2021, is \$32,455,000 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, 2021.

CITY OF FULLERTON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

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, 2019	\$ 9,854,000	\$ 19,113,000	\$ 28,967,000
Incurred claims (including IBNRs)	5,651,555	-	5,651,555
Claim payments	(3,210,555)	(2,087,000)	(5,297,555)
Unpaid claims, June 30, 2020	12,295,000	17,026,000	29,321,000
Incurred claims (including IBNRs)	6,970,437	4,329,628	11,300,065
Claim payments	(5,341,437)	(2,824,628)	(8,166,065)
Unpaid claims, June 30, 2021	<u>\$ 13,924,000</u>	<u>\$ 18,531,000</u>	<u>\$ 32,455,000</u>

b. Claim Payable - Public Liability

On May 13, 1993, the City entered into an agreement with a claimant for the settlement of an injury claim involving the Water Department. The annual interest rate on the agreement is 6.00%. The term of the settlement is thirty-one years. Payments are due monthly under the terms of the settlement agreement. At June 30, 2021, the outstanding balance was \$86,703. Settlement debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 43,994	\$ 4,006	\$ 48,000
2023	42,709	1,291	44,000
Total	<u>\$ 86,703</u>	<u>\$ 5,297</u>	<u>\$ 92,000</u>

Note 13: Leases

a. Operating Lease

Pursuant to a third-party independent study, it was determined that several facilities currently being used by the Water Department, which is reported as an Enterprise fund, were constructed and financed by the City and are considered to be part of the Capital Assets of the Governmental Activities (Note 7). As a result, the Water Fund entered into an agreement with the General Fund on May 7, 2013, approved by City Council through Resolution No. 2013-24, to make property lease payments for the use of these facilities. At June 30, 2021, the lease payment to the General Fund totaled \$1,662,540. These rates were established as part of the study and are based on the space occupied by the Water Department and the going rate per square foot for comparable locations.

Based on the study, the annual property rent forecast for the next five years is as follows:

	2022	2023	2024	2025	2026
Base Rent Payment	\$ 1,511,400	\$ 1,511,400	\$ 1,511,400	\$ 1,662,540	\$ 1,662,540
Rent Increase*	151,140	151,140	151,140	166,254	166,254
Total Annual Rent Payment	<u>\$ 1,662,540</u>	<u>\$ 1,662,540</u>	<u>\$ 1,662,540</u>	<u>\$ 1,828,794</u>	<u>\$ 1,828,794</u>

*Inflation on property rent set at rate of 10% every five years.

CITY OF FULLERTON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

Note 13: Leases (Continued)

b. Capital Leases

In December 2013, the City entered into a lease agreement with Oshkosh Capital for the acquisition of two fire pumpers at a cost of \$949,810. The lease meets the capitalization policy and the assets have been recorded as assets of the Equipment Replacement Internal Services Fund. The interest rate on the lease is 2.7%. The term of the lease is nine years. Payments are due annually under the terms of the lease agreement with the first payment due on December 19, 2014. At June 30, 2021, the outstanding balance was \$231,920.

In July 2016, the City entered into a lease agreement with Motorola Solutions, Inc., for the acquisition of 800 MHz Radio Equipment at a cost of \$2,472,439. The lease meets the capitalization policy and the assets have been recorded as an asset of the Governmental Funds. The interest rate on the lease is 0.0% for the first two years and 2.81% for the remainder of the lease. The term of the lease is nine years. Payments are due annually under the terms of the lease agreement with the first payment due on July 1, 2019. At June 30, 2021, the outstanding balance was \$1,668,888.

In September 2017, the City entered into a tax-exempt lease/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 lease meets the capitalization policy, and the equipment has been recorded as an asset of the Governmental Funds. The interest rate on the lease is 4.55%. The term of the lease is seven years. Payments are due annually under the terms of the lease agreement. At June 30, 2021, the outstanding balance was \$630,442.

As of June 30, 2021, total future minimum lease obligations and the net present value of these minimum lease payments, are summarized as follows:

Year Ending June 30,	Total
2022	\$ 426,988
2023	647,985
2024	527,132
2025	527,132
2026	306,135
2027	306,135
Total minimum lease payments	2,741,507
Less: amounts representing interest	(210,257)
Present value of minimum lease payments	<u>\$ 2,531,250</u>

The assets acquired through capital leases are as follows:

	Governmental Activities
Assets:	
Machinery and equipment	\$ 8,779,652
Less: accumulated depreciation	(6,667,675)
Total	<u>\$ 2,111,977</u>

CITY OF FULLERTON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

Note 14: Long-Term Liabilities

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

	Original Borrowing	Interest Rates	Final Maturity	Outstanding at Year-End
Governmental Activities:				
Judgment Obligation Bonds:				
2013 Taxable Judgment Obligation Bonds	\$ 7,250,000	1.000% - 6.100%	April 1, 2033	\$ 645,000
Taxable Judgment Obligation Refunding Bonds, Series 2021	5,010,000	0.359% - 2.702%	April 1, 2033	5,010,000
Total Judgment Obligation Bonds				5,655,000
Total Governmental Activities				\$ 5,655,000
Business-Type Activities:				
Revenue Bonds:				
2010 Lease Revenue Bonds, Series A	\$ 2,705,000	6.500% - 7.750%	May 1, 2031	\$ 1,615,000
2014 Water Revenue Refunding Bonds	6,810,000	3.000% - 5.000%	September 1, 2033	4,525,000
Total Revenue Bonds				6,140,000
Total Business-Type Activities				\$ 6,140,000

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 terms on the bond agreement. These bonds were partially defeased by the issuance of the Taxable Judgment Obligation Refunding Bonds, Series 2021 (see Note 14c 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, 2028, and (b) pay the costs of issuance of the Bonds. Interest and principal payments are due semiannually and annually, respectively, under terms on the bond agreement.

Note 14: Long-Term Liabilities (Continued)

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 terms on the bond agreement.

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

On February 26, 2014, the City issued the 2014 Water Revenue Refunding Bonds in the amount of \$6,810,000. The bonds were issued by the City, together with other available funds of the City, 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 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.

CITY OF FULLERTON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 14: Long-Term Liabilities (Continued)

e. Changes in Long-term Liabilities

Changes in the City's long-term liabilities for the year ended June 30, 2021, 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	\$ 5,320,000	\$ 5,010,000	\$ 4,675,000	\$ 5,655,000	\$ 420,000
Discount	(36,826)	-	(31,160)	(5,666)	-
Total Bonds Payable	5,283,174	5,010,000	4,643,840	5,649,334	420,000
Leases	2,942,074	-	410,824	2,531,250	373,599
Compensated absences	2,836,776	2,355,864	2,383,835	2,808,805	2,247,044
Claims	29,449,142	11,300,065	8,207,504	32,541,703	6,804,994
Net pension liability	233,973,095	13,441,641	-	247,414,736	-
Net OPEB liability	28,165,906	-	1,765,314	26,400,592	-
Total Governmental Activities	\$ 302,650,167	\$ 32,107,570	\$ 17,411,317	\$ 317,346,420	\$ 9,845,637
Business-Type Activities:					
Bonds payable:					
Revenue bonds	\$ 6,515,000	\$ -	\$ 375,000	\$ 6,140,000	\$ 400,000
Premium	527,736	-	38,614	489,122	-
Discount	(26,072)	-	(2,483)	(23,589)	-
Total bonds payable	7,016,664	-	411,131	6,605,533	400,000
Compensated absences	491,927	282,467	280,713	493,681	394,945
Net pension liability	15,691,544	2,336,189	-	18,027,733	-
Net OPEB liability	4,685,046	-	302,540	4,382,506	-
Total Business-Type Activities	\$ 27,885,181	\$ 2,618,656	\$ 994,384	\$ 29,509,453	\$ 794,945

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
2022	\$ 420,000	\$ 366,791	\$ 400,000	\$ 337,176	\$ 820,000	\$ 703,967
2023	435,000	355,152	410,000	316,013	845,000	671,165
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
2027-2031	2,405,000	307,128	2,680,000	772,738	5,085,000	1,079,866
2032-2034	1,045,000	42,042	1,310,000	100,500	2,355,000	142,542
	\$ 5,655,000	\$ 1,345,753	\$ 6,140,000	\$ 2,334,347	\$ 11,795,000	\$ 3,680,100

CITY OF FULLERTON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

Note 15: Fund Balance Classifications

The fund balances of the City's governmental funds as of June 30, 2021, 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	2,900,768	-	-	-	-	2,900,768
Prepaid costs	700	-	-	170,366	950	172,016
Subtotal - nonspendable	<u>2,907,996</u>	<u>-</u>	<u>-</u>	<u>170,366</u>	<u>950</u>	<u>3,079,312</u>
Restricted:						
Community development	-	-	-	-	961,006	961,006
Public safety	-	-	55,306	-	403,839	459,145
Parks and recreation	-	-	-	-	2,918,128	2,918,128
Public works	-	-	-	-	19,110,763	19,110,763
Capital projects	-	-	-	-	897,726	897,726
Debt service	-	-	-	-	205,907	205,907
Refuse collection	-	-	-	-	2,420,324	2,420,324
Housing	-	-	-	-	12,954,956	12,954,956
Library	692,770	-	-	-	-	692,770
Pension stabilization	589,967	-	-	-	-	589,967
Deferred compensation	55,580	-	-	-	-	55,580
Donations	175,733	-	-	-	-	175,733
Subtotal - restricted	<u>1,514,050</u>	<u>-</u>	<u>55,306</u>	<u>-</u>	<u>39,872,649</u>	<u>41,442,005</u>
Assigned:						
Capital projects	-	-	-	1,429,053	-	1,429,053
Contingency reserve	13,261,185	-	-	-	-	13,261,185
Street projects	2,644,524	-	-	-	-	2,644,524
Building permits	156,566	-	-	-	-	156,566
Laguna Lake	77,735	-	-	-	-	77,735
Subtotal - assigned	<u>16,140,010</u>	<u>-</u>	<u>-</u>	<u>1,429,053</u>	<u>-</u>	<u>17,569,063</u>
Unassigned	-	(1,015,494)	-	-	(846,879)	(1,862,373)
Total Fund Balance	<u>\$ 20,562,056</u>	<u>\$ (1,015,494)</u>	<u>\$ 55,306</u>	<u>\$ 1,599,419</u>	<u>\$ 39,026,720</u>	<u>\$ 60,228,007</u>

Note 16: Interfund Transactions

The composition of interfund balances as of June 30, 2021, is as follows:

a. Due to and Due from Funds

Due to/from Other funds		
Receivable Fund	Payable Fund	Amount
General	Grants Administration	\$ 591,069
General	Other Enterprise Funds	128,030
Internal Service Funds	Other Governmental Funds	412,658
	Total	<u>\$ 1,131,757</u>

The above amounts due from the General Fund to the Grants Administration fund and Other Enterprise Funds resulted from temporary reclassifications made at June 30, 2021, to cover cash shortfalls.

The City Manager authorized an interfund loan from the internal service fund to the other governmental funds in the amount of \$412,658 to fund the contribution to North SPA for construction costs. The loan will be repaid once SB2 funds become available and received from the State of California.

CITY OF FULLERTON

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021**

Note 16: Interfund Transactions

b. Transfers to and From Other Funds

Transfers In	Transfers Out							Total
	General Fund	Grants Administration	Other Governmental Funds	Water Utility	Sewer Enterprise	Other Enterprise Funds	Internal Service Funds	
General Fund	\$ -	\$ 1,751,601	\$ 136,401	\$ -	\$ -	\$ -	\$ -	\$ 1,888,002
Grants Administration	1,254,379	-	-	-	-	-	-	1,254,379
Capital Projects	1,113,095	73,209	9,966,562	-	-	-	664,654	11,817,520
Other Governmental Funds	-	-	612,658	-	-	-	-	612,658
Internal Service Funds	467,500	-	42,101	114,901	58,601	12,790	11,000	706,893
Total	\$ 2,834,974	\$ 1,824,810	\$ 10,757,722	\$ 114,901	\$ 58,601	\$ 12,790	\$ 675,654	\$ 16,279,452

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 2020-21, the Grants Administration Fund transferred funds received from the Federal CARES Act to subsidize public safety costs incurred by the General Fund in relation to the COVID-19 pandemic.

Note 17: Special Assessment Debt with No City Commitment

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

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

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

At June 30, 2021, non-committal debt amounts issued and outstanding are as follows:

Non-committal Debt Issues:		Amount of Issue	Outstanding June 30, 2021
CFD No. 1	2012 Special Tax Refunding Bonds	\$ 19,040,000	\$ 14,235,000
CFD No. 2	2014 Special Tax Bonds	7,570,000	7,320,000
Total Non-committal Debt Issues:		<u>\$ 26,610,000</u>	<u>\$ 21,555,000</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

Note 18: Successor Agency Trust for Assets of Former Redevelopment Agency

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

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

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

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

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

a. Cash and investments

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

Cash and investments pooled with the City	\$ 8,916,843
Restricted cash and investments	6,228,325
Cash and investments with fiscal agent	<u>726,896</u>
	<u>\$ 15,872,064</u>

b. Loans Receivable

Rehabilitation Loan:

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

Note 18: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

Payments to the Successor Agency from the repayment account shall commence on the sufficient fund date. The outstanding balance at June 30, 2021, is \$5,661,074.

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. At June 30, 2021, the outstanding balances are \$1,041,528.

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 balance due at June 30, 2021, is \$866,483.

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 balance due at June 30, 2021, is \$157,302.

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 for the construction of certain property. These loans are a non-interest-bearing loan. 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, 2021, 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 \$139,398, totaling \$769,398 at June 30, 2021.

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.

Note 18: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

The outstanding principal balance is \$8,972,000 with accrued interest of \$1,817,916, totaling \$10,789,916 at June 30, 2021.

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 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 \$948,723, totaling \$8,148,723 at June 30, 2021.

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 \$482,611 totaling \$4,885,175 at June 30, 2021.

Fullerton Supportive Housing, LP:

On November 28, 2016, the Successor Agency agreed to loan \$3,000,000 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 \$3,000,000 with accrued interest of \$345,497, totaling \$3,345,497 at June 30, 2021.

Habitat for Humanity:

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. 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 borrower. The outstanding balance is \$872,000 at June 30, 2021.

Total Loans Receivable is \$36,560,846.

Note 18: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

c. Long-Term Liabilities

2005 Tax Allocation Revenue Bond

On December 1, 2005, the PFA issued 2005 Tax Allocation Revenue Bonds in the amount of \$74,600,000. Issuance of the debt was for the purpose of financing certain capital improvements in the Orangefair Project Area, Central Fullerton Project Area and East Fullerton Project Area. The 2005 Tax Allocation Revenue Bonds are secured by the tax revenues to be derived from each project area. Bond repayment commenced on March 1, 2006, with interest rates ranging from 3.75% to 5.00%. The final maturity date is September 1, 2027. Interest and principal payments are due semiannually and annually, respectively, under terms of the bond agreement. These bonds were completely defeased with the issuance of the 2020A Tax Allocation Refunding Bonds as of June 30, 2021.

2010 Tax Allocation Housing Bond

On October 21, 2010, the former Fullerton Redevelopment Agency issued 2010 Tax Allocation Housing Bonds in the amount of \$28,980,000. Issuance of the debt was for the purpose of financing certain improvements to the supply of low- and moderate-income housing in the City. The 2010 Tax Allocation Housing Bonds are secured by the tax increment revenues. Bond repayment commenced on March 1, 2011, with interest rates ranging from 3.00% to 6.63%. The final maturity date is September 1, 2026. Interest and principal payments are due semiannually and annually, respectively, under terms of the bond agreement. These bonds were completely defeased with the issuance of the 2020B Tax Allocation Refunding Bonds as of June 30, 2021.

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, 2021, the outstanding balance was \$5,415,000.

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 terms of the bond agreement.

Note 18: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

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.

Current Refunding

The City issued \$44,695,000 of in refunding tax allocation bonds to refund, on a current basis, the 2005 Tax Allocation Revenue Bonds and the 2010 Tax Allocation Housing Bonds. As a result, the refunded bonds are considered to be fully defeased and the liability has been removed from the financial statements. This refunding was undertaken to reduce total debt service payments over the next ten years by \$21,211,998 and resulted in an economic gain of \$20,130,967.

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 to 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 increment 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. Total principal and interest remaining on the debt is \$56,165,932 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 \$9,365,723 and the debt service obligation on the bonds was \$11,100,699.

CITY OF FULLERTON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

Note 18: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

Changes in Long-term Liabilities

Changes in the Successor Agency's long-term liabilities for the year ended June 30, 2021, are as follows:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year	Amount Due Within One Year
Bonds Payable:					
2005 Tax Allocation Revenue Bond	\$ 43,040,000	\$ -	\$ 43,040,000	\$ -	\$ -
2010 Tax Allocation Housing Bond	15,390,000	-	15,390,000	-	-
2015 Tax Allocation Refunding Bond	6,385,000	-	970,000	5,415,000	1,015,000
2020A Tax Allocation Refunding Bond	-	33,965,000	-	33,965,000	4,350,000
2020B Tax Allocation Refunding Bond	-	10,730,000	-	10,730,000	1,805,000
Premium	1,836,550	4,907,522	1,889,667	4,854,405	-
Discount	(51,225)	-	(51,225)	-	-
Total Bonds Payable	66,600,325	49,602,522	61,238,442	54,964,405	7,170,000
Net Pension Liability	430,605	-	11,261	419,344	-
Net OPEB Liability	94,244	-	14,523	79,721	-
Total Long-term Liabilities	\$ 67,125,174	\$ 49,602,522	\$ 61,264,226	\$ 55,463,470	\$ 7,170,000

All of the above liabilities are liquidated by the Successor Agency private-purpose trust fund.

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

June 30	Principal	Interest
2022	\$ 7,170,000	\$ 1,618,642
2023	7,410,000	1,376,883
2024	7,660,000	1,122,616
2025	8,940,000	855,174
2026	5,045,000	591,783
2027-2028	13,885,000	490,834
	\$ 50,110,000	\$ 6,055,932

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

Note 19: Joint Powers Agreement – North Orange County Cities Joint Powers Authority

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

CITY OF FULLERTON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 20: Subsequent Event

On August 31, 2021, the City issued the Refunding Revenue Bonds (Marshall B. Ketchum University) Series 2021A, in the aggregate principal amount of \$28,505,000 (the "Series 2021A Bonds" or the "Tax-Exempt Bonds") and the City of Fullerton Public Financing Authority Refunding Revenue Bonds (Marshall B. Ketchum University) Series 2021B (Taxable), in the aggregate principal amount of \$325,000 (the "Series 2021B Bonds" or the "Taxable Bonds" and, together with the Series 2021A Bonds, the "Bonds"). The City will loan the proceeds of the Bonds to Marshall B. Ketchum University (the Corporation), a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986. The proceeds of the Bonds will be used to (i) refund the outstanding Refunded Bonds, the proceeds of which previously financed or refinanced the costs of the acquisition, construction, improvement, renovation, furnishing and equipping of educational facilities operated by the Corporation located at 2575 Yorba Linda Boulevard, Fullerton, California and at 5460 East La Palma Avenue, Anaheim, California, and (ii) pay certain costs of issuance in connection with the Bonds. The Bonds are being issued pursuant to the Indenture. Interest on the Bonds will be payable on February 1 and August 1 of each year, commencing February 1, 2022, at interest rates ranging from 0.72% to 4%.

CITY OF FULLERTON

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 78,154,028	\$ 77,969,028	\$ 83,259,650	\$ 5,290,622
Licenses and permits	2,215,930	2,240,930	2,405,502	164,572
Intergovernmental	546,000	554,788	1,614,725	1,059,937
Charges for services	10,514,049	10,514,049	9,540,923	(973,126)
Use of money and property	4,239,000	4,239,000	2,478,936	(1,760,064)
Fines and forfeitures	1,687,540	1,687,540	870,975	(816,565)
Miscellaneous	806,725	908,343	1,071,570	163,227
Total Revenues	98,163,272	98,113,678	101,242,281	3,128,603
Expenditures:				
Current:				
General government				
Council	748,268	688,268	776,576	(88,308)
City Manager	2,343,226	2,423,226	2,608,771	(185,545)
City Clerk	624,271	624,271	688,146	(63,875)
Administrative Services Finance	2,293,862	2,293,862	1,742,492	551,370
Human Resources	725,364	725,364	401,313	324,051
Non-departmental	(3,411,466)	(3,411,466)	302,616	(3,714,082)
Public safety				
Fire	24,759,499	24,765,129	25,378,770	(613,641)
Police	47,938,472	47,956,472	46,222,159	1,734,313
Community development	4,519,013	4,710,340	4,517,182	193,158
Human and leisure				
Parks and Recreation	6,458,349	6,458,349	4,386,241	2,072,108
Library	4,055,998	4,136,404	3,692,120	444,284
Public works	6,702,256	6,543,128	6,935,290	(392,162)
Capital outlay	100,000	139,158	12,684	126,474
Debt service:				
Principal retirement	252,160	252,160	252,154	6
Interest and fiscal charges	54,000	54,000	53,981	19
Total Expenditures:	98,163,272	98,358,665	97,970,495	388,170
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(244,987)	3,271,786	3,516,773
Other Financing Sources				
Transfers in	300,000	2,051,601	1,888,002	(163,599)
Transfers out	-	(5,656,480)	(2,834,974)	2,821,506
Total Other Financing Sources (Uses):	300,000	(3,604,879)	(946,972)	2,657,907
Net Change in Fund Balances	\$ 300,000	\$ (3,849,866)	2,324,814	\$ 6,174,680
Fund Balances - Beginning			18,061,508	
Restatements			175,734	
Fund Balances - Beginning, as Restated			18,237,242	
Fund Balances - Ending			\$ 20,562,056	

CITY OF FULLERTON

**BUDGETARY COMPARISON SCHEDULE
GRANTS ADMINISTRATION
FOR THE YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 3,892,623	\$ 12,600,833	\$ 6,802,290	\$ (5,798,543)
Miscellaneous	-	76,618	707	(75,911)
Total Revenues	3,892,623	12,677,451	6,802,997	(5,874,454)
Expenditures:				
Current:				
General government	-	763,000	715,717	47,283
Public safety	210,000	1,803,714	1,079,391	724,323
Community development	2,715,277	7,855,960	4,179,620	3,676,340
Parks and recreation	396,332	567,170	603,440	(36,270)
Public works	-	594,860	342,816	252,044
Total Expenditures	3,321,609	11,584,704	6,920,984	4,663,720
Excess (Deficiency) of Revenues Over (Under) Expenditures	571,014	1,092,747	(117,987)	(1,210,734)
Other Financing Sources (Uses):				
Transfers in	-	1,337,000	1,254,379	(82,621)
Transfers out	(685,550)	(2,498,056)	(1,824,810)	673,246
Total Other Financing Sources (Uses)	(685,550)	(1,161,056)	(570,431)	590,625
Net Change in Fund Balances	\$ (114,536)	\$ (68,309)	(688,418)	\$ (620,109)
Fund (Deficit) - Beginning			(327,076)	
Fund (Deficit) - Ending			\$ (1,015,494)	

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⁾**

	2015	2016	2017	2018
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 Payroll	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, 2019 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: None in 2021 or 2020. In 2019, demographic assumptions and inflation were changed in accordance to the CalPERS Experience Study and Review of Assumptions December 2017. There were no changes in the discount rate. In 2018, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2017, there were no changes. In 2016, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2015, amounts were based on the 7.5 percent discount rate.

⁽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 seven years are shown.

	2019	2020	2021
	6/30/2018	6/30/2019	6/30/2020
\$	4,018,130	\$ 3,774,798	\$ 3,775,731
	19,980,940	20,552,464	21,144,370
	(1,127,539)	-	-
	(817,761)	(669,374)	394,873
	(14,842,526)	(15,586,850)	(17,301,500)
	7,211,244	8,071,038	8,013,474
	286,811,198	294,022,442	302,093,480
	294,022,442	302,093,480	310,106,954
	3,880,635	4,809,655	6,036,525
	2,857,654	2,852,167	2,274,075
	17,972,220	14,470,021	11,301,839
	(14,842,526)	(15,586,850)	(17,301,500)
	(518)	(650)	-
	(333,194)	(158,940)	(322,988)
	(632,741)	518	-
	8,901,530	6,385,921	1,987,951
	213,822,106	222,723,636	229,109,557
	222,723,636	229,109,557	231,097,508
\$	71,298,806	\$ 72,983,923	\$ 79,009,446
	75.75%	75.84%	74.52%
\$	25,445,697	\$ 23,492,645	\$ 23,791,627
	280.20%	310.67%	332.09%

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⁾**

	2015	2016	2017	2018
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: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2019 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: None in 2021 or 2020. In 2019, demographic assumptions and inflation were changed in accordance to the CalPERS Experience Study and Review of Assumptions December 2017. There were no changes in the discount rate. In 2018, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2017, there were no changes. In 2016, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2015, amounts were based on the 7.5 percent discount rate.

⁽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 seven years are shown.

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2019	2020	2021
<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2020</u>
\$ 7,276,694	\$ 6,713,029	\$ 5,929,528
33,741,761	34,715,015	35,667,102
(1,878,673)	-	-
2,515,633	406,378	1,835,234
<u>(26,274,949)</u>	<u>(28,787,130)</u>	<u>(30,324,105)</u>
15,380,466	13,047,292	13,107,759
<hr/>	<hr/>	<hr/>
480,774,890	496,155,356	509,202,648
<u>496,155,356</u>	<u>509,202,648</u>	<u>522,310,407</u>
10,730,240	12,127,485	14,081,827
3,605,789	3,161,725	3,622,586
26,311,505	21,203,073	16,454,572
(26,274,949)	(28,787,130)	(30,324,105)
(757)	650	-
(485,640)	(231,653)	(468,167)
<u>(922,239)</u>	<u>757</u>	<u>-</u>
12,963,949	7,474,907	3,366,713
<hr/>	<hr/>	<hr/>
311,652,471	324,616,420	332,091,327
<u>324,616,420</u>	<u>332,091,327</u>	<u>335,458,040</u>
<u>\$ 171,538,936</u>	<u>\$ 177,111,321</u>	<u>\$ 186,852,367</u>
65.43%	65.22%	64.23%
\$ 24,764,981	\$ 22,649,309	\$ 20,747,123
692.67%	781.97%	900.62%
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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	2021
Measurement Date	6/30/2017	6/30/2018	6/30/2019	6/30/2020
Total OPEB Liability:				
Service Cost	\$ 1,913,643	\$ 1,184,811	\$ 1,287,092	\$ 1,349,773
Interest on total OPEB liability	1,288,253	1,324,045	1,103,389	1,049,606
Changes in assumptions	-	-	1,889,194	3,881,547
Differences between expected and actual experience	-	(7,029,124)	-	(6,727,717)
Benefit payments	(1,584,473)	(1,338,227)	(1,390,063)	(1,635,980)
Net change in total OPEB liability	1,617,423	(5,858,495)	2,889,612	(2,082,771)
Total OPEB Liability - Beginning	34,353,410	35,970,833	30,112,338	33,001,950
Total OPEB Liability - Ending (a)	35,970,833	30,112,338	33,001,950	30,919,179
Plan Fiduciary Net Position:				
Contributions - employer	-	1,388,227	1,390,063	1,635,980
Net investment income	-	3,686	3,203	(94)
Benefit payments	-	(1,338,227)	(1,390,063)	(1,635,980)
Administrative expense	-	-	(135)	(300)
Net change in plan fiduciary net position	-	53,686	3,068	(394)
Plan Fiduciary Net Position - Beginning	-	-	53,686	56,754
Plan Fiduciary Net Position - Ending (b)	-	53,686	56,754	56,360
Plan Net OPEB Liability - Ending (a) - (b)	\$ 35,970,833	\$ 30,058,652	\$ 32,945,196	\$ 30,862,819
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.18%	0.17%	0.18%
Covered-employee payroll	\$ 47,763,989	\$ 53,294,857	\$ 55,541,742	\$ 51,823,148
Plan Net OPEB Liability as a Percentage of Covered-Employee Payroll	75.31%	56.40%	59.32%	59.55%

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

Benefit Changes: None

Changes of Assumptions: In 2021, the discount rate assumption was changed to 2.47 percent. In 2020, the change in actuarial firms resulted in a change in assumptions due to inherent differences in actuarial systems, approaches, and interpretation.

⁽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 four years are shown.

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	-	17,549,248	39.99%

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	-	23,825,359	65.12%

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	910,146	1,376,586	52,656,416	1.73%
2021	2,017,876	961,858	1,056,018	49,224,884	1.95%

¹ Historical information is required only for measurement for which GASB 68 and GASB 75 is applicable. Fiscal year 2015 was the first year of implementation for GASB 68, however information for the year prior to implementation was available, therefore only eight years are shown; Fiscal Year 2018 was the first year of implementation for GASB 75, therefore only four years are shown.

CITY OF FULLERTON

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

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 and Grants Administration special revenue fund incurred excesses of expenditures over appropriations as follows:

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
General Fund:			
General Government:			
Council	\$ 688,268	\$ 776,576	\$ 88,308
City Manager	2,423,226	2,608,771	185,545
City Clerk	624,271	688,146	63,875
Non-departmental	(3,411,466)	302,616	3,714,082
Public Safety:			
Fire	24,765,129	25,378,770	613,641
Public Works	6,543,128	6,935,290	392,162
Grants Administration:			
Parks and Recreation	567,170	603,440	36,270

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

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, 2021 were derived from the June 30, 2018 funding valuation report.

Actuarial Cost Method:	Entry Age Normal
Amortization Method/Period:	For details, see the June 30, 2018 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 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

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, 2021 were derived from the June 30, 2020 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:	2.25%
Healthcare Cost Trend Rates:	6.7% for FY2021, gradually decreasing over several decades to an ultimate rate of 3.8% in FY2076 and later years
Salary Increases:	Varies by Entry Age and Service
Investment Rate of Return:	6.50%
Retirement Age:	Based on the December 2017 CalPERS Experience Study
Mortality:	Based on the December 2017 CalPERS Experience Study

CITY OF FULLERTON

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2021

	Special Revenue Funds				
	State Gas Tax	Drainage Capital Outlay	Traffic Safety	Park Dwelling	Asset Seizure
Assets:					
Cash and investments	\$ 7,104,107	\$ 6,034,493	\$ -	\$ 2,917,173	\$ 358,337
Receivables:					
Accounts	365,333	256,293	16,075	-	46,186
Notes and loans	-	-	-	-	-
Accrued interest	2,985	2,523	-	955	194
Prepaid costs	-	-	-	-	950
Total Assets	\$ 7,472,425	\$ 6,293,309	\$ 16,075	\$ 2,918,128	\$ 405,667
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable	\$ 241,101	\$ -	\$ -	\$ -	\$ 4,215
Accrued liabilities	24,523	1,517	-	-	6,024
Unearned revenues	-	-	-	-	-
Deposits payable	-	-	-	-	19
Due to other funds	-	-	-	-	-
Total Liabilities	265,624	1,517	-	-	10,258
Deferred Inflows of Resources:					
Unavailable revenues	-	-	-	-	6,695
Total Deferred Inflows of Resources	-	-	-	-	6,695
Fund Balances:					
Nonspendable	-	-	-	-	950
Restricted	7,206,801	6,291,792	16,075	2,918,128	387,764
Unassigned	-	-	-	-	-
Total Fund Balances	7,206,801	6,291,792	16,075	2,918,128	388,714
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 7,472,425	\$ 6,293,309	\$ 16,075	\$ 2,918,128	\$ 405,667

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds				
	Refuse Collection	Air Quality Improvement	Sanitation	Measure M2	Housing
Assets:					
Cash and investments	\$ 975,777	\$ 913,380	\$ 1,119,917	\$ 3,239,807	\$ 1,226,632
Receivables:					
Accounts	2,592,151	47,102	1,340,702	415,674	4,595
Notes and loans	-	-	-	-	11,737,966
Accrued interest	579	524	1,285	1,509	727
Prepaid costs	-	-	-	-	-
Total Assets	\$ 3,568,507	\$ 961,006	\$ 2,461,904	\$ 3,656,990	\$ 12,969,920
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable	\$ 1,146,807	\$ -	\$ 221,186	\$ 62,776	\$ 12,125
Accrued liabilities	1,376	-	66,511	-	739
Unearned revenues	-	-	-	156,201	-
Deposits payable	-	-	50	-	2,100
Due to other funds	-	-	-	-	-
Total Liabilities	1,148,183	-	287,747	218,977	14,964
Deferred Inflows of Resources:					
Unavailable revenues	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	2,420,324	961,006	2,174,157	3,438,013	12,954,956
Unassigned	-	-	-	-	-
Total Fund Balances	2,420,324	961,006	2,174,157	3,438,013	12,954,956
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,568,507	\$ 961,006	\$ 2,461,904	\$ 3,656,990	\$ 12,969,920

CITY OF FULLERTON

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2021

	Special Revenue Funds		Debt Service Fund	Total Nonmajor Governmental Funds
	FTV Cable - PEG Access Fund	SB2 / PLHA	Debt Service Reserve	
Assets:				
Cash and investments	\$ 850,511	\$ 200,485	\$ 205,907	\$ 25,146,526
Receivables:				
Accounts	48,765	1,016,600	-	6,149,476
Notes and loans	-	-	-	11,737,966
Accrued interest	504	119	-	11,904
Prepaid costs	-	-	-	950
Total Assets	\$ 899,780	\$ 1,217,204	\$ 205,907	\$ 43,046,822
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 2,054	\$ 634,825	\$ -	\$ 2,325,089
Accrued liabilities	-	-	-	100,690
Unearned revenues	-	-	-	156,201
Deposits payable	-	-	-	2,169
Due to other funds	-	412,658	-	412,658
Total Liabilities	2,054	1,047,483	-	2,996,807
Deferred Inflows of Resources:				
Unavailable revenues	-	1,016,600	-	1,023,295
Total Deferred Inflows of Resources	-	1,016,600	-	1,023,295
Fund Balances:				
Nonspendable	-	-	-	950
Restricted	897,726	-	205,907	39,872,649
Unassigned	-	(846,879)	-	(846,879)
Total Fund Balances	897,726	(846,879)	205,907	39,026,720
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 899,780	\$ 1,217,204	\$ 205,907	\$ 43,046,822

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CITY OF FULLERTON

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

Special Revenue Funds					
	State Gas Tax	Drainage Capital Outlay	Traffic Safety	Park Dwelling	Asset Seizure
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	5,592,192	-	-	-	474,961
Charges for services	14,644	2,248,382	-	688,780	-
Investment income	96,818	37,642	-	26,545	(494)
Fines and forfeitures	-	-	143,492	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	5,703,654	2,286,024	143,492	715,325	474,467
Expenditures:					
Current:					
General government	1,836	1,553	-	588	-
Public safety	-	-	-	-	240,564
Community development	-	-	-	-	-
Human and leisure	-	-	-	-	-
Public works	2,638,357	117,728	-	-	-
Refuse collection	-	-	-	-	-
Capital outlay	-	-	-	-	379,042
Total Expenditures	2,640,193	119,281	-	588	619,606
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,063,461	2,166,743	143,492	714,737	(145,139)
Other Financing Sources (Uses):					
Transfers in	-	-	-	-	-
Transfers out	(4,021,139)	(564,710)	(136,401)	(2,543,031)	-
Total Other Financing Sources (Uses)	(4,021,139)	(564,710)	(136,401)	(2,543,031)	-
Net Change in Fund Balances	(957,678)	1,602,033	7,091	(1,828,294)	(145,139)
Fund Balances - Beginning	8,164,479	4,689,759	8,984	4,746,422	533,853
Fund Balances - Ending	\$ 7,206,801	\$ 6,291,792	\$ 16,075	\$ 2,918,128	\$ 388,714

CITY OF FULLERTON

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds				
	Refuse Collection	Air Quality Improvement	Sanitation	Measure M2	Housing
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	185,242	-	2,357,163	-
Charges for services	13,121,796	-	5,786,938	-	-
Investment income	7,740	4,528	6,751	41,375	248,329
Fines and forfeitures	-	-	-	-	-
Miscellaneous	12,500	-	-	-	4,750
Total Revenues	13,142,036	189,770	5,793,689	2,398,538	253,079
Expenditures:					
Current:					
General government	-	-	153,216	929	-
Public safety	-	-	48,910	-	-
Community development	-	11,190	-	-	148,563
Human and leisure	-	-	-	21,863	-
Public works	-	-	6,108,512	101,153	-
Refuse collection	12,713,769	-	-	-	-
Capital outlay	-	-	-	-	-
Total Expenditures	12,713,769	11,190	6,310,638	123,945	148,563
Excess (Deficiency) of Revenues Over (Under) Expenditures	428,267	178,580	(516,949)	2,274,593	104,516
Other Financing Sources (Uses):					
Transfers in	-	-	-	-	612,658
Transfers out	(180,351)	(858)	(215,709)	(2,482,865)	-
Total Other Financing Sources (Uses)	(180,351)	(858)	(215,709)	(2,482,865)	612,658
Net Change in Fund Balances	247,916	177,722	(732,658)	(208,272)	717,174
Fund Balances - Beginning	2,172,408	783,284	2,906,815	3,646,285	12,237,782
Fund Balances - Ending	\$ 2,420,324	\$ 961,006	\$ 2,174,157	\$ 3,438,013	\$ 12,954,956

CITY OF FULLERTON

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds		Debt Service Fund	Total Nonmajor Governmental Funds
	FTV Cable - PEG Access Fund	SB2 / PLHA	Debt Service Reserve	
Revenues:				
Taxes	\$ 200,407	\$ -	\$ -	\$ 200,407
Intergovernmental	-	688,452	-	9,298,010
Charges for services	-	-	-	21,860,540
Investment income	3,127	668	-	473,029
Fines and forfeitures	-	-	-	143,492
Miscellaneous	-	-	-	17,250
Total Revenues	203,534	689,120	-	31,992,728
Expenditures:				
Current:				
General government	106,568	-	-	264,690
Public safety	-	-	-	289,474
Community development	-	923,341	-	1,083,094
Human and leisure	-	-	-	21,863
Public works	-	-	-	8,965,750
Refuse collection	-	-	-	12,713,769
Capital outlay	-	-	-	379,042
Total Expenditures	106,568	923,341	-	23,717,682
Excess (Deficiency) of Revenues Over (Under) Expenditures	96,966	(234,221)	-	8,275,046
Other Financing Sources (Uses):				
Transfers in	-	-	-	612,658
Transfers out	-	(612,658)	-	(10,757,722)
Total Other Financing Sources (Uses)	-	(612,658)	-	(10,145,064)
Net Change in Fund Balances	96,966	(846,879)	-	(1,870,018)
Fund Balances - Beginning	800,760	-	205,907	40,896,738
Fund Balances - Ending	\$ 897,726	\$ (846,879)	\$ 205,907	\$ 39,026,720

CITY OF FULLERTON

**BUDGETARY COMPARISON SCHEDULE
STATE GAS TAX
FOR THE YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 5,498,203	\$ 5,498,203	\$ 5,592,192	\$ 93,989
Charges for services	-	-	14,644	14,644
Use of money and property	62,000	62,000	96,818	34,818
Total Revenues	5,560,203	5,560,203	5,703,654	143,451
Expenditures:				
Current:				
General government	-	-	1,836	(1,836)
Public works	2,775,510	2,783,128	2,638,357	144,771
Total Expenditures	2,775,510	2,783,128	2,640,193	142,935
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,784,693	2,777,075	3,063,461	286,386
Other Financing Sources (Uses):				
Transfers out	(2,620,000)	(10,417,544)	(4,021,139)	6,396,405
Total Other Financing Sources (Uses)	(2,620,000)	(10,417,544)	(4,021,139)	6,396,405
Net Change in Fund Balances	\$ 164,693	\$ (7,640,469)	(957,678)	\$ 6,682,791
Fund Balances - Beginning			8,164,479	
Fund Balances - Ending			\$ 7,206,801	

CITY OF FULLERTON

**BUDGETARY COMPARISON SCHEDULE
DRAINAGE CAPITAL OUTLAY
FOR THE YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 2,240,000	\$ 2,240,000	\$ 2,248,382	\$ 8,382
Use of money and property	-	-	37,642	37,642
Total Revenues	2,240,000	2,240,000	2,286,024	46,024
Expenditures:				
Current:				
General government	-	-	1,553	(1,553)
Public works	155,218	155,218	117,728	37,490
Total Expenditures	155,218	155,218	119,281	35,937
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,084,782	2,084,782	2,166,743	81,961
Other Financing Sources (Uses):				
Transfers out	(1,700,000)	(3,899,725)	(564,710)	3,335,015
Total Other Financing Sources (Uses)	(1,700,000)	(3,899,725)	(564,710)	3,335,015
Net Change in Fund Balances	\$ 384,782	\$ (1,814,943)	1,602,033	\$ 3,416,976
Fund Balances - Beginning			4,689,759	
Fund Balances - Ending			\$ 6,291,792	

CITY OF FULLERTON

**BUDGETARY COMPARISON SCHEDULE
TRAFFIC SAFETY
FOR THE YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 300,000	\$ 300,000	\$ 143,492	\$ (156,508)
Total Revenues	300,000	300,000	143,492	(156,508)
Excess (Deficiency) of Revenues Over (Under) Expenditures	300,000	300,000	143,492	(156,508)
Other Financing Sources (Uses):				
Transfers out	(300,000)	(300,000)	(136,401)	163,599
Total Other Financing Sources (Uses)	(300,000)	(300,000)	(136,401)	163,599
Net Change in Fund Balances	\$ -	\$ -	7,091	\$ 7,091
Fund Balances - Beginning			8,984	
Fund Balances - Ending			\$ 16,075	

CITY OF FULLERTON

**BUDGETARY COMPARISON SCHEDULE
PARK DWELLING
FOR THE YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 784,490	\$ 784,490	\$ 688,780	\$ (95,710)
Use of money and property	-	-	26,545	26,545
Total Revenues	784,490	784,490	715,325	(69,165)
Expenditures:				
Current:				
General government	-	-	588	(588)
Total Expenditures:	-	-	588	(588)
Excess (Deficiency) of Revenues Over (Under) Expenditures	784,490	784,490	714,737	(69,753)
Other Financing Sources (Uses):				
Transfers out	(1,282,750)	(6,413,825)	(2,543,031)	3,870,794
Total Other Financing Sources (Uses)	(1,282,750)	(6,413,825)	(2,543,031)	3,870,794
Net Change in Fund Balances	\$ (498,260)	\$ (5,629,335)	(1,828,294)	\$ 3,801,041
Fund Balances - Beginning			4,746,422	
Fund Balances - Ending			\$ 2,918,128	

CITY OF FULLERTON

**BUDGETARY COMPARISON SCHEDULE
ASSET SEIZURE
FOR THE YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 115,000	\$ 115,000	\$ 474,961	\$ 359,961
Use of money and property	1,000	1,000	(494)	(1,494)
Total Revenues	116,000	116,000	474,467	358,467
Expenditures:				
Current:				
Public safety	73,879	73,879	240,564	(166,685)
Capital outlay	-	541,784	379,042	162,742
Total Expenditures	73,879	615,663	619,606	(3,943)
Net Change in Fund Balances	\$ 42,121	\$ (499,663)	(145,139)	\$ 354,524
Fund Balances - Beginning			533,853	
Fund Balances - Ending			\$ 388,714	

CITY OF FULLERTON

**BUDGETARY COMPARISON SCHEDULE
REFUSE COLLECTION
FOR THE YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 15,000	\$ -	\$ (15,000)
Charges for services	11,085,000	11,085,000	13,121,796	2,036,796
Use of money and property	-	-	7,740	7,740
Miscellaneous	-	-	12,500	12,500
Total Revenues	11,085,000	11,100,000	13,142,036	2,042,036
Expenditures:				
Current:				
Refuse collection	10,931,097	11,029,262	12,713,769	(1,684,507)
Total Expenditures	10,931,097	11,029,262	12,713,769	(1,684,507)
Excess (Deficiency) of Revenues Over (Under) Expenditures	153,903	70,738	428,267	357,529
Other Financing Sources (Uses):				
Transfers out	-	(282,516)	(180,351)	102,165
Total Other Financing Sources (Uses)	-	(282,516)	(180,351)	102,165
Net Change in Fund Balances	\$ 153,903	\$ (211,778)	247,916	\$ 459,694
Fund Balances - Beginning			2,172,408	
Fund Balances - Ending			\$ 2,420,324	

CITY OF FULLERTON

**BUDGETARY COMPARISON SCHEDULE
AIR QUALITY IMPROVEMENT
FOR THE YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 181,000	\$ 240,956	\$ 185,242	\$ (55,714)
Use of money and property	4,100	4,100	4,528	428
Total Revenues	185,100	245,056	189,770	(55,286)
Expenditures:				
Current:				
Community development	38,050	38,050	11,190	26,860
Total Expenditures	38,050	38,050	11,190	26,860
Excess (Deficiency) of Revenues Over (Under) Expenditures	147,050	207,006	178,580	(28,426)
Other Financing Sources (Uses):				
Transfers out	(30,000)	(149,912)	(858)	149,054
Total Other Financing Sources (Uses)	(30,000)	(149,912)	(858)	149,054
Net Change in Fund Balances	\$ 117,050	\$ 57,094	177,722	\$ 120,628
Fund Balances - Beginning			783,284	
Fund Balances - Ending			\$ 961,006	

CITY OF FULLERTON

**BUDGETARY COMPARISON SCHEDULE
SANITATION
FOR THE YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 5,760,000	\$ 5,760,000	\$ 5,786,938	\$ 26,938
Use of money and property	-	-	6,751	6,751
Total Revenues	5,760,000	5,760,000	5,793,689	33,689
Expenditures:				
Current:				
General government	119,715	119,715	153,216	(33,501)
Public safety	88,501	36,876	48,910	(12,034)
Public works	6,663,328	6,767,057	6,108,512	658,545
Capital outlay	15,270	15,270	-	15,270
Total Expenditures	6,886,814	6,938,918	6,310,638	628,280
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,126,814)	(1,178,918)	(516,949)	661,969
Other Financing Sources (Uses):				
Transfers out	(50,000)	(296,275)	(215,709)	80,566
Total Other Financing Sources (Uses)	(50,000)	(296,275)	(215,709)	80,566
Net Change in Fund Balances	\$ (1,176,814)	\$ (1,475,193)	(732,658)	\$ 742,535
Fund Balances - Beginning			2,906,815	
Fund Balances - Ending			\$ 2,174,157	

CITY OF FULLERTON

**BUDGETARY COMPARISON SCHEDULE
MEASURE M2
FOR THE YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,006,027	\$ 2,006,027	\$ 2,357,163	\$ 351,136
Use of money and property	-	-	41,375	41,375
Total Revenues	2,006,027	2,006,027	2,398,538	392,511
Expenditures:				
Current:				
General government	-	-	929	(929)
Parks and recreation	143,183	143,183	21,863	121,320
Public works	265,000	265,000	101,153	163,847
Total Expenditures	408,183	408,183	123,945	284,238
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,597,844	1,597,844	2,274,593	676,749
Other Financing Sources (Uses):				
Transfers out	(1,741,300)	(5,292,603)	(2,482,865)	2,809,738
Total Other Financing Sources (Uses)	(1,741,300)	(5,292,603)	(2,482,865)	2,809,738
Net Change in Fund Balances	\$ (143,456)	\$ (3,694,759)	(208,272)	\$ 3,486,487
Fund Balances - Beginning			3,646,285	
Fund Balances - Ending			\$ 3,438,013	

CITY OF FULLERTON

BUDGETARY COMPARISON SCHEDULE
HOUSING
FOR THE YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 40,250	\$ 40,250	\$ 248,329	\$ 208,079
Miscellaneous	-	-	4,750	4,750
Total Revenues	40,250	40,250	253,079	212,829
Expenditures:				
Current:				
Community development	899,230	899,230	148,563	750,667
Total Expenditures:	899,230	899,230	148,563	750,667
Excess (Deficiency) of Revenues Over (Under) Expenditures	(858,980)	(858,980)	104,516	963,496
Other Financing Sources				
Transfers in	-	-	612,658	612,658
Total Other Financing Sources (Uses):	-	-	612,658	612,658
Net Change in Fund Balances	\$ (858,980)	\$ (858,980)	717,174	\$ 1,576,154
Fund Balances - Beginning			12,237,782	
Fund Balances - Ending			\$ 12,954,956	

CITY OF FULLERTON

**BUDGETARY COMPARISON SCHEDULE
FTV CABLE - PEG ACCESS FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ -	\$ 185,000	\$ 200,407	\$ 15,407
Use of money and property	-	-	3,127	3,127
Total Revenues	-	185,000	203,534	18,534
Expenditures:				
Current:				
General government	65,000	125,000	106,568	18,432
Total Expenditures:	65,000	125,000	106,568	18,432
Net Change in Fund Balances	\$ (65,000)	\$ 60,000	96,966	\$ 102
Fund Balances - Beginning			800,760	
Fund Balances - Ending			\$ 897,726	

CITY OF FULLERTON

**BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS
FOR THE YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 19,036,611	\$ 45,399,752	\$ 5,628,118	\$ (39,771,634)
Charges for services	557,350	844,925	29,028	(815,897)
Miscellaneous	-	-	70,818	70,818
Total Revenues	19,593,961	46,244,677	5,727,964	(40,516,713)
Expenditures:				
Capital outlay	27,587,698	79,794,037	14,555,410	65,238,627
Total Expenditures:	27,587,698	79,794,037	14,555,410	65,238,627
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,993,737)	(33,549,360)	(8,827,446)	24,721,914
Other Financing Sources				
Transfers in	9,019,600	34,575,223	11,817,520	(22,757,703)
Total Other Financing Sources (Uses):	9,019,600	34,575,223	11,817,520	(22,757,703)
Net Change in Fund Balances	\$ 1,025,863	\$ 1,025,863	2,990,074	\$ 1,964,211
Fund Balances - Beginning			(1,390,655)	
Fund Balances - Ending			\$ 1,599,419	

CITY OF FULLERTON

COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS
JUNE 30, 2021

	Business-Type Activities - Enterprise Funds				Totals
	Airport	Brea Dam Facilities Recreational	Parking Facilities	Compressed Natural Gas Facility	
Assets:					
Current Assets:					
Cash and investments	\$ 2,176,906	\$ 586,817	\$ -	\$ 232,511	\$ 2,996,234
Restricted assets - cash held with fiscal agent	-	289,321	-	-	289,321
Accounts receivable	348,237	33,103	-	-	381,340
Accrued interest receivable	1,290	-	76	138	1,504
Inventory	-	31,303	-	-	31,303
Total Current Assets	2,526,433	940,544	76	232,649	3,699,702
Noncurrent Assets:					
Capital assets - net of accumulated depreciation	14,779,251	2,651,179	541,789	-	17,972,219
Total Noncurrent Assets	14,779,251	2,651,179	541,789	-	17,972,219
Total Assets	17,305,684	3,591,723	541,865	232,649	21,671,921
Deferred Outflows of Resources:					
Pension deferrals	163,955	29,816	9,523	2,257	205,551
Other post-employment benefits deferrals	67,732	8,466	6,578	837	83,613
Total Deferred Outflows of Resources	231,687	38,282	16,101	3,094	289,164
Liabilities:					
Current Liabilities:					
Accounts payable	99,835	270,865	1,254	35,970	407,924
Accrued liabilities	14,592	6,705	1,008	258	22,563
Accrued interest payable	-	20,407	-	-	20,407
Unearned revenues	-	4,950	-	-	4,950
Deposits payable	69,511	-	-	-	69,511
Due to other funds	-	-	128,030	-	128,030
Compensated absences - current	22,033	5,407	-	-	27,440
Bonds payable - current	-	135,000	-	-	135,000
Total Current Liabilities	205,971	443,334	130,292	36,228	815,825
Noncurrent Liabilities:					
Compensated absences	5,508	1,352	-	-	6,860
Bonds payable	-	1,456,411	-	-	1,456,411
Net pension liability	1,464,249	266,286	85,049	20,164	1,835,748
Net other post-employment benefits liability	354,783	53,054	29,484	4,317	441,638
Total Noncurrent Liabilities	1,824,540	1,777,103	114,533	24,481	3,740,657
Total Liabilities	2,030,511	2,220,437	244,825	60,709	4,556,482
Deferred Inflows of Resources:					
Pension deferrals	2,481	451	144	34	3,110
Other post-employment benefits deferrals	118,712	15,688	11,042	1,462	146,904
Total Deferred Inflows of Resources	121,193	16,139	11,186	1,496	150,014
Net Position:					
Net investment in capital assets	14,779,251	1,059,768	541,789	-	16,380,808
Restricted for debt service	-	289,321	-	-	289,321
Unrestricted	606,416	44,340	(239,834)	173,538	584,460
Total Net Position	\$ 15,385,667	\$ 1,393,429	\$ 301,955	\$ 173,538	\$ 17,254,589

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CITY OF FULLERTON

COMBINING STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Funds				Totals
	Airport	Brea Dam Facilities Recreational	Parking Facilities	Compressed Natural Gas Facility	
Operating Revenues:					
Sales and service charges	\$ 1,822,203	\$ 3,957,923	\$ -	\$ 170,105	\$ 5,950,231
Miscellaneous	1,785	-	-	-	1,785
Total Operating Revenues	1,823,988	3,957,923	-	170,105	5,952,016
Operating Expenses:					
Maintenance, operations, and administration	1,452,022	2,508,371	95,747	168,519	4,224,659
Depreciation expense	482,177	88,443	-	-	570,620
Total Operating Expenses	1,934,199	2,596,814	95,747	168,519	4,795,279
Operating Income (Loss)	(110,211)	1,361,109	(95,747)	1,586	1,156,737
Nonoperating Revenues (Expenses):					
Taxes	87,697	-	-	-	87,697
Intergovernmental	257,779	-	-	-	257,779
Investment earnings	10,610	7,622	(1,526)	251	16,957
Interest expense	-	(107,142)	-	-	(107,142)
Total Nonoperating Revenues (Expenses)	356,086	(99,520)	(1,526)	251	255,291
Income (Loss) Before Transfers	245,875	1,261,589	(97,273)	1,837	1,412,028
Transfers out	(12,790)	-	-	-	(12,790)
Changes in Net Position	233,085	1,261,589	(97,273)	1,837	1,399,238
Net Position - Beginning	15,152,582	131,840	399,228	171,701	15,855,351
Net Position - Ending	\$ 15,385,667	\$ 1,393,429	\$ 301,955	\$ 173,538	\$ 17,254,589

CITY OF FULLERTON

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Funds				Totals
	Airport	Brea Dam Facilities Recreational	Parking Facilities	Compressed Natural Gas Facility	
Cash Flows from Operating Activities:					
Receipts from customers	\$ 1,609,694	\$ 3,934,925	\$ 524	\$ 170,105	\$ 5,715,248
Payments to suppliers and service providers	(735,561)	(2,624,804)	(36,696)	(172,521)	(3,569,582)
Payments to employees for salaries and benefits	(606,247)	(44,060)	(31,593)	(8,256)	(690,156)
Net Cash Provided by (Used for) Operating Activities	267,886	1,266,061	(67,765)	(10,672)	1,455,510
Cash Flows from Noncapital Financing Activities:					
Taxes received	87,697	-	-	-	87,697
Cash received on short-term interfund borrowings	-	-	69,367	-	69,367
Cash paid on short-term interfund borrowings	-	(465,831)	-	-	(465,831)
Cash transfers out	(12,790)	-	-	-	(12,790)
Net Cash Provided by (Used for) Non-Capital Financing Activities	74,907	(465,831)	69,367	-	(321,557)
Cash Flows from Capital and Related Financing Activities:					
Capital grants received	257,779	-	-	-	257,779
Acquisition and construction of capital assets	(206,720)	-	-	-	(206,720)
Principal paid on capital debt	-	(125,000)	-	-	(125,000)
Interest paid on capital debt	-	(106,238)	-	-	(106,238)
Net Cash Provided by (Used for) Capital and Related Financing Activities	51,059	(231,238)	-	-	(180,179)
Cash Flows from Investing Activities:					
Interest on investments	12,955	7,622	(1,602)	611	19,586
Net Cash Provided by (Used for) Investing Activities	12,955	7,622	(1,602)	611	19,586
Net Increase (Decrease) in Cash and Cash Equivalents	406,807	576,614	-	(10,061)	973,360
Cash and Cash Equivalents, July 1	1,770,099	299,524	-	242,572	2,312,195
Cash and Cash Equivalents, June 30	\$ 2,176,906	\$ 876,138	\$ -	\$ 232,511	\$ 3,285,555
Reconciliation of Cash and Cash Equivalents to Amounts Reported on the Combining Statement of Net Position (page xxx):					
Cash and investments	\$ 2,176,906	\$ 586,817	\$ -	\$ 232,511	\$ 2,996,234
Restricted assets - cash held with fiscal agent	-	289,321	-	-	289,321
Cash and Cash Equivalents, June 30	\$ 2,176,906	\$ 876,138	\$ -	\$ 232,511	\$ 3,285,555

CITY OF FULLERTON

COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Funds				Totals
	Airport	Brea Dam Facilities Recreational	Parking Facilities	Compressed Natural Gas Facility	
Reconciliation of Operating (Loss) to Net Cash Provided by (Used for) by Operating Activities:					
Operating Income (Loss)	\$ (110,211)	\$ 1,361,109	\$ (95,747)	\$ 1,586	\$ 1,156,737
Adjustments to Reconcile Operating (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Depreciation expense	482,177	88,443	-	-	570,620
(Increase) decrease in accounts receivable	(222,200)	(27,948)	524	-	(249,624)
(Increase) decrease in inventories		20,407	-	-	20,407
Increase (decrease) in accounts payable	77,572	(159,269)	198	(16,407)	(97,906)
Increase (decrease) in accrued liabilities	663	2,950	315	74	4,002
Increase (decrease) in unearned revenue		4,950			4,950
Increase (decrease) in deposits payable	7,906				7,906
Increase (decrease) in compensated absences	(9,446)	1,554	-	-	(7,892)
Increase (decrease) in pension liability and related items	44,723	(25,751)	27,282	4,115	50,369
Increase (decrease) in OPEB liability and related items	(3,298)	(384)	(337)	(40)	(4,059)
Total Adjustments	378,097	(95,048)	27,982	(12,258)	298,773
Net Cash Provided by (Used for) Operating Activities	\$ 267,886	\$ 1,266,061	\$ (67,765)	\$ (10,672)	\$ 1,455,510
Schedule of Non-Cash Capital and Related Financing Activities and Investing Activities:					
Capital and Related Financing Activities:					
Amortization of bond discount	\$ -	\$ (2,483)	\$ -	\$ -	\$ (2,483)
Investing Activities:					
Unrealized gain/(loss) on investments	\$ (22,762)	\$ 7,640	\$ (140)	\$ (3,236)	\$ (18,498)

CITY OF FULLERTON

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2021**

	Governmental Activities - Internal Service Funds				
	Liability Insurance	Vehicle Replacement	Workers' Comp	Group Insurance	Equipment Maintenance
Assets:					
Current Assets:					
Cash and investments	\$ 21,176,493	\$ 4,533,261	\$ 27,096,521	\$ 2,040,125	\$ 5,325,639
Accounts receivable	-	4,500	-	-	1,317
Accrued interest receivable	12,430	2,686	16,052	1,209	3,106
Due from other funds	-	412,658	-	-	-
Inventory	-	-	-	-	215,519
Prepaid items	4,000	1,546,683	-	-	-
Total Current Assets	21,192,923	6,499,788	27,112,573	2,041,334	5,545,581
Noncurrent Assets:					
Capital assets - net of accumulated depreciation	-	6,365,243	17,240	17,385	28,140
Total Noncurrent Assets	-	6,365,243	17,240	17,385	28,140
Total Assets	21,192,923	12,865,031	27,129,813	2,058,719	5,573,721
Deferred Outflows of Resources:					
Deferred charges on refunding	477,273	-	-	-	-
Pension deferrals	50,996	-	66,734	60,183	283,060
Other post-employment benefits deferrals	24,181	-	8,856	23,237	119,811
Total Deferred Outflows of Resources	552,450	-	75,590	83,420	402,871
Liabilities:					
Current Liabilities:					
Accounts payable	15,495	474,330	9,150	22,750	142,164
Accrued liabilities	4,288	-	5,773	13,437	23,501
Accrued interest payable	29,573	3,434	-	-	4,953
Unearned revenues	-	-	-	23,272	-
Claims and judgments	4,239,000	-	2,522,000	-	-
Capital leases - current	-	114,359	-	-	-
Bonds payable - current	420,000	-	-	-	-
Total Current Liabilities	4,708,356	592,123	2,536,923	59,459	170,618
Noncurrent Liabilities:					
Claims and judgments	9,685,000	-	16,009,000	-	-
Capital leases	-	117,561	-	-	630,442
Bonds payable	5,229,334	-	-	-	-
Net pension liability	455,430	-	595,979	537,482	2,527,939
Net other post-employment benefits liability	142,984	-	52,769	126,385	692,319
Total Noncurrent Liabilities	15,512,748	117,561	16,657,748	663,867	3,850,700
Total Liabilities	20,221,104	709,684	19,194,671	723,326	4,021,318
Deferred Inflows of Resources:					
Pension deferrals	772	-	1,010	911	4,283
Other post-employment benefits deferrals	43,978	-	16,146	41,185	216,319
Total Deferred Inflows of Resources	44,750	-	17,156	42,096	220,602
Net Position:					
Net investment in capital assets	-	6,133,323	17,240	17,385	-
Unrestricted	1,479,519	6,022,024	7,976,336	1,359,332	1,734,672
Total Net Position	\$ 1,479,519	\$ 12,155,347	\$ 7,993,576	\$ 1,376,717	\$ 1,734,672

CITY OF FULLERTON

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2021

	Governmental Activities - Internal Service Funds			Totals
	Information Technology	Building Maintenance	Facility Capital Repair	
Assets:				
Current Assets:				
Cash and investments	\$ 1,949,552	\$ 1,458,126	\$ 2,579,635	\$ 66,159,352
Accounts receivable	-	-	-	5,817
Accrued interest receivable	1,127	864	1,080	38,554
Due from other funds	-	-	-	412,658
Inventory	-	-	-	215,519
Prepaid items	-	-	-	1,550,683
Total Current Assets	1,950,679	1,458,990	2,580,715	68,382,583
Noncurrent Assets:				
Capital assets - net of accumulated depreciation	550,023	61,073	96,072	7,135,176
Total Noncurrent Assets	550,023	61,073	96,072	7,135,176
Total Assets	2,500,702	1,520,063	2,676,787	75,517,759
Deferred Outflows of Resources:				
Deferred charges on refunding	-	-	-	477,273
Pension deferrals	125,836	191,594	-	778,403
Other post-employment benefits deferrals	36,683	98,926	-	311,694
Total Deferred Outflows of Resources	162,519	290,520	-	1,567,370
Liabilities:				
Current Liabilities:				
Accounts payable	472,559	196,146	-	1,332,594
Accrued liabilities	10,156	19,289	-	76,444
Accrued interest payable	-	-	-	37,960
Unearned revenues	-	-	-	23,272
Claims and judgments	-	-	-	6,761,000
Capital leases - current	-	-	-	114,359
Bonds payable - current	-	-	-	420,000
Total Current Liabilities	482,715	215,435	-	8,765,629
Noncurrent Liabilities:				
Claims and judgments	-	-	-	25,694,000
Capital leases	-	-	-	748,003
Bonds payable	-	-	-	5,229,334
Net pension liability	1,123,812	1,711,088	-	6,951,730
Net other post-employment benefits liability	219,473	569,823	-	1,803,753
Total Noncurrent Liabilities	1,343,285	2,280,911	-	40,426,820
Total Liabilities	1,826,000	2,496,346	-	49,192,449
Deferred Inflows of Resources:				
Pension deferrals	1,904	2,899	-	11,779
Other post-employment benefits deferrals	66,966	178,434	-	563,028
Total Deferred Inflows of Resources	68,870	181,333	-	574,807
Net Position:				
Net investment in capital assets	550,023	61,073	96,072	6,875,116
Unrestricted	218,328	(928,169)	2,580,715	20,442,757
Total Net Position	\$ 768,351	\$ (867,096)	\$ 2,676,787	\$ 27,317,873

CITY OF FULLERTON

COMBINING STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Governmental Activities - Internal Service Funds				
	Liability Insurance	Vehicle Replacement	Workers' Comp	Group Insurance	Equipment Maintenance
Operating Revenues:					
Interfund service charges	\$ 1,345,060	\$ 1,636,296	\$ 4,520,937	\$ 7,495,483	\$ 3,143,732
Miscellaneous	900	182,244	236,522	76,489	29,494
Total Operating Revenues	1,345,960	1,818,540	4,757,459	7,571,972	3,173,226
Operating Expenses:					
Maintenance, operations and administration	4,943,051	2,993	946,050	7,289,450	2,562,182
Claims expense	331,437	-	2,824,628	-	-
Depreciation expense	-	964,555	-	-	11,129
Total Operating Expenses	5,274,488	967,548	3,770,678	7,289,450	2,573,311
Operating Income (Loss)	(3,928,528)	850,992	986,781	282,522	599,915
Nonoperating Revenues (Expenses):					
Investment earnings	48,495	19,854	99,751	661	22,000
Interest expense	(274,104)	(7,949)	-	-	-
Gain (loss) on disposal of capital assets	-	(59,217)	-	-	(7,622)
Total Nonoperating Revenues (Expenses)	(225,609)	(47,312)	99,751	661	14,378
Income (Loss) Before Transfers	(4,154,137)	803,680	1,086,532	283,183	614,293
Transfers in	-	-	-	-	-
Transfers out	(260,373)	-	-	-	(5,500)
Changes in Net Position	(4,414,510)	803,680	1,086,532	283,183	608,793
Net Position - Beginning	5,894,029	11,351,667	6,907,044	1,093,534	1,125,879
Net Position - Ending	\$ 1,479,519	\$ 12,155,347	\$ 7,993,576	\$ 1,376,717	\$ 1,734,672

CITY OF FULLERTON

COMBINING STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Governmental Activities - Internal Service Funds			
	Information Technology	Building Maintenance	Facility Capital Repair	Totals
Operating Revenues:				
Interfund service charges	\$ 2,958,310	\$ 2,750,643	\$ 516,533	\$ 24,366,994
Miscellaneous	-	-	-	525,649
Total Operating Revenues	2,958,310	2,750,643	516,533	24,892,643
Operating Expenses:				
Maintenance, operations and administration	4,261,063	2,119,044	665	22,124,498
Claims expense	-	-	-	3,156,065
Depreciation expense	264,934	7,705	14,832	1,263,155
Total Operating Expenses	4,525,997	2,126,749	15,497	26,543,718
Operating Income (Loss)	(1,567,687)	623,894	501,036	(1,651,075)
Nonoperating Revenues (Expenses):				
Investment earnings	38,151	7,374	21,729	258,015
Interest expense	-	-	-	(282,053)
Gain (loss) on disposal of capital assets	(168,906)	-	-	(235,745)
Total Nonoperating Revenues (Expenses)	(130,755)	7,374	21,729	(259,783)
Income (Loss) Before Transfers	(1,698,442)	631,268	522,765	(1,910,858)
Transfers in	706,893	-	-	706,893
Transfers out	-	(5,500)	(404,281)	(675,654)
Changes in Net Position	(991,549)	625,768	118,484	(1,879,619)
Net Position - Beginning	1,759,900	(1,492,864)	2,558,303	29,197,492
Net Position - Ending	\$ 768,351	\$ (867,096)	\$ 2,676,787	\$ 27,317,873

CITY OF FULLERTON

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	Governmental Activities - Internal Service Funds				
	Liability Insurance	Vehicle Replacement	Workers' Comp	Group Insurance	Equipment Maintenance
Cash Flows from Operating Activities:					
Receipts from interfund charges	\$ 1,345,060	\$ 1,631,796	\$ 4,520,937	\$ 7,513,638	\$ 3,142,415
Cash recovered from insurance claims	1,298,463	-	-	-	-
Other receipts	-	182,244	-	76,489	34,445
Payments to suppliers and service providers	(1,086,988)	(1,140,760)	(655,655)	(7,175,149)	(1,426,440)
Payments to employees for salaries and benefits	(190,619)	-	(244,674)	(178,643)	(1,119,207)
Payments of insurance claims	(3,712,437)	-	(1,083,106)	-	-
Net Cash Provided by (Used for) Operating Activities	(2,346,521)	673,280	2,537,502	236,335	631,213
Cash Flows from Noncapital Financing Activities:					
Proceeds from issuance of non-capital related debt	5,010,000	-	-	-	-
Transfers from other funds	-	-	-	-	-
Cash received from short-term interfund borrowings	-	200,000	-	-	-
Principal paid on noncapital debt	(4,675,000)	-	-	-	-
Interest paid on noncapital debt	(760,221)	-	-	-	-
Transfers to other funds	(260,373)	-	-	-	(5,500)
Net Cash Provided by (Used for) Noncapital Financing Activities	(685,594)	200,000	-	-	(5,500)
Cash Flows from Capital and Related Financing Activities:					
Acquisition and construction of capital assets	-	(1,159,980)	(17,240)	(17,385)	-
Principal paid on capital debt	-	(111,244)	-	-	(47,426)
Interest paid on capital debt	-	(9,608)	-	-	-
Net Cash Provided by (Used for) Capital and Related Financing	-	(1,280,832)	(17,240)	(17,385)	(47,426)
Cash Flows from Investing Activities:					
Interest on investments	84,977	27,265	133,722	3,184	28,517
Net Cash Provided by (Used for) Investing Activities	84,977	27,265	133,722	3,184	28,517
Net Increase (Decrease) in Cash and Cash Equivalents	(2,947,138)	(380,287)	2,653,984	222,134	606,804
Cash and Cash Equivalents, July 1	24,123,631	4,913,548	24,442,537	1,817,991	4,718,835
Cash and Cash Equivalents, June 30	\$ 21,176,493	\$ 4,533,261	\$ 27,096,521	\$ 2,040,125	\$ 5,325,639
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Operating income (loss)	\$ (3,928,528)	\$ 850,992	\$ 986,781	\$ 282,522	\$ 599,915
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Depreciation expense	-	964,555	-	-	11,129
Nonoperating miscellaneous revenues/(expenses)	-	-	-	-	4,951
(Increase) decrease in accounts receivable	-	(4,500)	-	-	(1,317)
(Increase) decrease in inventories	-	-	-	-	10,996
(Increase) decrease in prepaid items	-	(1,546,683)	-	-	47,426
Increase (decrease) in accounts payable	12,027	408,916	(177)	(18,844)	59,400
Increase (decrease) in accrued liabilities	25	-	(82)	9,659	(1,535)
Increase (decrease) in unearned revenues	-	-	-	18,155	-
Increase (decrease) in claims and judgments	1,629,000	-	1,505,000	-	-
Increase (decrease) in pension liability and related items	(57,923)	-	46,390	(54,043)	(94,134)
Increase (decrease) in OPEB liability and related items	(1,122)	-	(410)	(1,114)	(5,618)
Total Adjustments	1,582,007	(177,712)	1,550,721	(46,187)	31,298
Net Cash Provided by (Used for) Operating Activities	\$ (2,346,521)	\$ 673,280	\$ 2,537,502	\$ 236,335	\$ 631,213
Schedule of Non-Cash Capital and Related Financing Activities and Investing Activities:					
Capital and Related Financing Activities:					
Gain/(loss) on disposal of capital assets	\$ -	\$ (59,217)	\$ -	\$ -	\$ (7,622)
Amortization of bond discount	31,160	-	-	-	-
Total Capital and Related Financing Activities	\$ 31,160	\$ (59,217)	\$ -	\$ -	\$ (7,622)
Investing Activities:					
Unrealized gain/(loss) on investments	\$ (321,179)	\$ (65,939)	\$ (318,349)	\$ (23,720)	\$ (61,185)

CITY OF FULLERTON

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Governmental Activities - Internal Service Funds			
	Information Technology	Building Maintenance	Facility Capital Repair	Totals
Cash Flows from Operating Activities:				
Receipts from interfund charges	\$ 2,958,310	\$ 2,750,643	\$ 516,533	\$ 24,379,332
Cash recovered from insurance claims	-	-	-	1,298,463
Other receipts	-	-	-	293,178
Payments to suppliers and service providers	(4,230,344)	(1,443,102)	(665)	(17,159,103)
Payments to employees for salaries and benefits	(537,049)	(786,965)	-	(3,057,157)
Payments of insurance claims	-	-	-	(4,795,543)
Net Cash Provided by (Used for) Operating Activities	(1,809,083)	520,576	515,868	959,170
Cash Flows from Noncapital Financing Activities:				
Proceeds from issuance of non-capital related debt	-	-	-	5,010,000
Transfers from other funds	706,893	-	-	706,893
Cash received from short-term interfund borrowings	-	-	-	200,000
Principal paid on noncapital debt	-	-	-	(4,675,000)
Interest paid on noncapital debt	-	-	-	(760,221)
Transfers to other funds	-	(5,500)	(404,281)	(675,654)
Net Cash Provided by (Used for) Noncapital Financing Activities	706,893	(5,500)	(404,281)	(193,982)
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	-	-	-	(1,194,605)
Principal paid on capital debt	-	-	-	(158,670)
Interest paid on capital debt	-	-	-	(9,608)
Net Cash Provided by (Used for) Capital and Related Financing	-	-	-	(1,362,883)
Cash Flows from Investing Activities:				
Interest on investments	37,836	8,428	24,013	347,942
Net Cash Provided by (Used for) Investing Activities	37,836	8,428	24,013	347,942
Net Increase (Decrease) in Cash and Cash Equivalents	(1,064,354)	523,504	135,600	(249,753)
Cash and Cash Equivalents, July 1	3,013,906	934,622	2,444,035	66,409,105
Cash and Cash Equivalents, June 30	\$ 1,949,552	\$ 1,458,126	\$ 2,579,635	\$ 66,159,352
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating income (loss)	\$ (1,567,687)	\$ 623,894	\$ 501,036	\$ (1,651,075)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation expense	264,934	7,705	14,832	1,263,155
Nonoperating miscellaneous revenues/(expenses)	-	-	-	4,951
(Increase) decrease in accounts receivable	-	-	-	(5,817)
(Increase) decrease in inventories	-	-	-	10,996
(Increase) decrease in prepaid items	-	-	-	(1,499,257)
Increase (decrease) in accounts payable	(85,067)	22,290	-	398,545
Increase (decrease) in accrued liabilities	(2,411)	998	-	6,654
Increase (decrease) in unearned revenues	-	-	-	18,155
Increase (decrease) in claims and judgments	-	-	-	3,134,000
Increase (decrease) in pension liability and related items	(417,158)	(129,666)	-	(706,534)
Increase (decrease) in OPEB liability and related items	(1,694)	(4,645)	-	(14,603)
Total Adjustments	(241,396)	(103,318)	14,832	2,610,245
Net Cash Provided by (Used for) Operating Activities	\$ (1,809,083)	\$ 520,576	\$ 515,868	\$ 959,170
Schedule of Non-Cash Capital and Related Financing Activities and Investing Activities:				
Capital and Related Financing Activities:				
Gain/(loss) on disposal of capital assets	\$ (168,906)	\$ -	\$ -	\$ (235,745)
Amortization of bond discount	-	-	-	31,160
Total Capital and Related Financing Activities	\$ (168,906)	\$ -	\$ -	\$ (204,585)
Investing Activities:				
Unrealized gain/(loss) on investments	\$ (2,538)	\$ (11,450)	\$ (21,411)	\$ (825,771)

CITY OF FULLERTON

COMBINING STATEMENT OF FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 JUNE 30, 2021

	Collections for Other Governments	Community Facilities Districts	Assessment Districts	Total
Assets:				
Cash and cash equivalents	\$ 165,828	\$ 900,919	\$ 389,497	\$ 1,456,244
Total Assets	165,828	900,919	389,497	1,456,244
Liabilities:				
Accounts payable	61,350	3,878	-	65,228
Accrued interest	-	1,391,016	-	1,391,016
Bonds payable - due within one year	-	840,000	-	840,000
Bonds payable - due in more than one year	-	20,715,000	-	20,715,000
Total Liabilities	61,350	22,949,894	-	23,011,244
Net Position:				
Restricted for individuals, organizations, and other governments	104,478	(22,048,975)	389,497	(21,555,000)
Total Net Position	\$ 104,478	\$ (22,048,975)	\$ 389,497	\$ (21,555,000)

CITY OF FULLERTON

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Collections for Other Governments	Community Facilities Districts	Assessment Districts	Total
Additions:				
Miscellaneous	\$ 194,289	\$ 7,315,661	\$ -	\$ 7,509,950
Total Additions	194,289	7,315,661	-	7,509,950
Deductions:				
Payment of collections for other governments	208,220	-	-	208,220
Miscellaneous	-	5,087,051	-	5,087,051
Interest expense	-	1,568,826	-	1,568,826
Total Deductions	208,220	6,655,877	-	6,864,097
Changes in Net Position	(13,931)	659,784	-	645,853
Net Position - Beginning, as Originally Reported	-	-	-	-
Restatement of Net Position	118,409	(22,708,759)	389,497	(22,200,853)
Net Position - Beginning, as Restated	118,409	(22,708,759)	389,497	(22,200,853)
Net Position - Ending	\$ 104,478	\$ (22,048,975)	\$ 389,497	\$ (21,555,000)

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Statistical Section

This part of the City of Fullerton’s comprehensive annual 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.....	124
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.....	134
These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.	
Debt Capacity.....	137
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	146
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	148
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				
	2011-12	2012-13	2013-14	2014-15	2015-16
Governmental activities					
Net investment in capital assets	\$ 294,379	\$ 302,884	\$ 306,424	\$ 343,504	\$ 384,032
Restricted	31,905	31,113	30,585	28,620	26,427
Unrestricted	24,408	22,343	33,585	(128,432)	(122,478)
Total governmental activities net position	<u>\$ 350,692</u>	<u>\$ 356,340</u>	<u>\$ 370,594</u>	<u>\$ 243,692</u>	<u>\$ 287,981</u>
Business-type activities					
Net investment in capital assets	\$ 72,728	\$ 77,139	\$ 80,109	\$ 87,838	\$ 93,508
Restricted	1,125	885	556	308	279
Unrestricted	20,486	20,826	24,948	10,579	11,119
Total business-type activities net position	<u>\$ 94,339</u>	<u>\$ 98,850</u>	<u>\$ 105,613</u>	<u>\$ 98,725</u>	<u>\$ 104,906</u>
Primary government					
Net investment in capital assets	\$ 367,107	\$ 380,023	\$ 386,533	\$ 431,342	\$ 477,540
Restricted	33,030	31,998	31,141	28,928	26,706
Unrestricted	44,894	43,169	58,533	(117,853)	(111,358)
Total primary government net position	<u>\$ 445,031</u>	<u>\$ 455,190</u>	<u>\$ 476,207</u>	<u>\$ 342,417</u>	<u>\$ 392,887</u>

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

	Fiscal Year				
	2016-17	2017-18	2018-19	2019-20	2020-21
Governmental activities					
Net investment in capital assets	\$ 406,560	\$ 428,099	\$ 450,340	\$ 469,893	\$ 473,537
Restricted	27,704	39,316	42,006	41,568	41,442
Unrestricted	(123,501)	(169,976)	(170,220)	(181,629)	(190,128)
Total governmental activities net position	\$ 310,763	\$ 297,439	\$ 322,126	\$ 329,832	\$ 324,851
Business-type activities					
Net investment in capital assets	\$ 97,142	\$ 102,771	\$ 108,226	\$ 114,443	\$ 122,811
Restricted	276	298	300	300	289
Unrestricted	14,490	14,223	16,408	18,156	27,727
Total business-type activities net position	\$ 111,908	\$ 117,292	\$ 124,934	\$ 132,899	\$ 150,827
Primary government					
Net investment in capital assets	\$ 503,701	\$ 530,870	\$ 558,566	\$ 584,336	\$ 596,348
Restricted	27,980	39,614	42,306	41,868	41,731
Unrestricted	(109,010)	(155,753)	(153,812)	(163,473)	(162,401)
Total primary government net position	\$ 422,671	\$ 414,731	\$ 447,060	\$ 462,731	\$ 475,678

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

	Fiscal Year				
	2011-12	2012-13	2013-14	2014-15	2015-16
Expenses					
Governmental activities:					
General government	\$ 13,682	\$ 11,135	\$ 3,607	\$ 4,983	\$ 1,799
Public safety	52,838	52,627	54,469	55,089	57,569
Public works	15,470	20,571	17,039	18,598	23,129
Community development	7,989	7,975	8,074	8,583	5,539
Human and leisure	9,098	9,729	10,661	11,110	11,741
Refuse collection	9,941	9,964	10,011	10,077	10,181
Interest on long-term debt	4,274	259	533	554	431
Total governmental activities net expenses	<u>113,292</u>	<u>112,260</u>	<u>104,394</u>	<u>108,994</u>	<u>110,389</u>
Business-type activities:					
Water utility	25,349	24,892	27,929	26,929	24,991
Airport	1,510	1,396	1,517	1,445	1,492
Parking facilities	19	25	51	29	28
Brea Dam recreational facilities	3,540	2,983	2,899	2,745	2,764
Compressed Natural Gas facility		65	412	522	458
Sewer enterprise	2,467	3,886	2,384	3,375	3,076
Total business-type activities net expenses	<u>32,885</u>	<u>33,247</u>	<u>35,192</u>	<u>35,045</u>	<u>32,809</u>
Total primary government expenses	<u>\$ 146,177</u>	<u>\$ 145,507</u>	<u>\$ 139,586</u>	<u>\$ 144,039</u>	<u>\$ 143,198</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 771	\$ 429	\$ 547	\$ 1,553	\$ 820
Public safety	5,320	4,823	5,140	5,066	5,035
Public works	6,824	7,259	7,723	7,691	7,300
Community development	3,012	3,681	4,529	4,085	3,810
Human and leisure	4,867	1,468	3,288	8,400	1,547
Refuse collection	10,432	10,170	10,255	10,449	10,569
Operating grants and contributions	9,675	8,033	8,990	8,820	8,473
Capital grants and contributions	24,087	16,206	35,283	39,543	29,053
Total governmental activities program revenues	<u>64,988</u>	<u>52,069</u>	<u>75,755</u>	<u>85,607</u>	<u>66,607</u>

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

	Fiscal Year				
	2016-17	2017-18	2018-19	2019-20	2020-21
Expenses					
Governmental activities:					
General government	\$ 1,594	\$ 6,862	\$ 5,675	\$ 6,368	\$ 7,814
Public safety	65,249	75,773	76,743	83,043	83,200
Public works	26,944	28,183	24,726	26,077	24,617
Community development	6,687	8,761	10,645	8,524	10,123
Human and leisure	11,670	12,670	13,065	13,574	11,058
Refuse collection	10,384	10,394	10,878	11,716	12,862
Interest on long-term debt	378	358	391	410	336
Total governmental activities net expenses	<u>122,906</u>	<u>143,001</u>	<u>142,123</u>	<u>149,712</u>	<u>150,010</u>
Business-type activities:					
Water utility	27,268	30,290	27,806	32,315	32,167
Airport	1,526	1,667	1,831	2,493	1,953
Parking facilities	28	45	23	104	96
Brea Dam recreational facilities	2,857	2,770	2,945	2,679	2,730
Compressed Natural Gas facility	396	274	140	196	170
Sewer enterprise	3,495	3,735	3,384	4,831	3,412
Total business-type activities net expenses	<u>35,570</u>	<u>38,781</u>	<u>36,129</u>	<u>42,618</u>	<u>40,528</u>
Total primary government expenses	<u>\$ 158,476</u>	<u>\$ 181,782</u>	<u>\$ 178,252</u>	<u>\$ 192,330</u>	<u>\$ 190,538</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 778	\$ 1,305	\$ 1,222	\$ 962	\$ 1,857
Public safety	5,071	5,179	7,209	7,945	7,095
Public works	8,195	9,717	11,587	11,449	11,618
Community development	4,548	4,515	4,850	3,936	4,359
Human and leisure	4,399	1,809	5,387	1,356	1,552
Refuse collection	10,788	10,894	11,661	12,059	13,107
Operating grants and contributions	13,748	8,897	9,035	10,538	13,978
Capital grants and contributions	22,761	23,180	27,752	4,796	3,725
Total governmental activities program revenues	<u>70,288</u>	<u>65,496</u>	<u>78,703</u>	<u>53,041</u>	<u>57,291</u>

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

	Fiscal Year				
	2011-12	2012-13	2013-14	2014-15	2015-16
Business-type activities:					
Charges for services:					
Water utility	26,685	25,524	29,454	28,715	27,041
Airport	1,695	1,660	1,643	1,650	1,885
Parking facilities	28	25	-	-	17
Brea Dam recreational facilities	2,812	2,996	3,017	3,083	2,918
Compressed Natural Gas facility		95	510	385	552
Sewer enterprise	6,508	6,770	6,799	6,418	5,844
Operating grants and contributions			-	-	
Capital grants and contributions	555	520	79	457	420
Total business-type activities program revenues	38,283	37,590	41,502	40,708	38,677
Primary government program revenues	<u>\$ 103,271</u>	<u>\$ 89,659</u>	<u>\$ 117,257</u>	<u>\$ 126,315</u>	<u>\$ 108,965</u>
 Net (Expense)/Revenue					
Governmental activities	\$ (48,304)	\$ (60,192)	\$ (28,638)	\$ (23,387)	\$ (43,783)
Business-type activities	5,398	4,344	6,309	5,663	5,869
Total primary government net expense	<u>\$ (42,906)</u>	<u>\$ (55,848)</u>	<u>\$ (22,329)</u>	<u>\$ (17,724)</u>	<u>\$ (37,914)</u>
 General Revenues and Other Changes in Net Position					
Governmental activities:					
Property taxes	\$ 41,413	\$ 37,226	\$ 32,950	\$ 35,723	\$ 37,840
Sales taxes	18,876	19,704	20,582	20,643	23,000
Franchise fees	5,754	3,929	3,971	4,392	4,383
Unrestricted motor vehicle in-lieu taxes	69	130		57	57
Unrestricted investment earnings					
Use of money and property	2,360	1,676	3,636	3,858	4,615
Miscellaneous	3,747	4,189	4,283	4,699	4,823
Transfers	(14)	(34)	(36)	(36)	(36)
Extraordinary item	14,802	(1)	(980)	-	13,667
Gain on sale of capital asset					
Total governmental activities	<u>87,007</u>	<u>65,840</u>	<u>43,027</u>	<u>69,336</u>	<u>88,349</u>
Business-type activities:					
Property taxes	118	63	93	105	104
Use of money and property	24	43	80	39	41
Miscellaneous	182	213	244	366	132
Transfers	14	34	36	36	36
Total business-type activities	<u>338</u>	<u>353</u>	<u>453</u>	<u>546</u>	<u>313</u>
Total primary government	<u>\$ 87,345</u>	<u>\$ 66,193</u>	<u>\$ 43,480</u>	<u>\$ 69,882</u>	<u>\$ 88,662</u>
 Change in Net Position					
Governmental activities	\$ 38,702	\$ 5,648	\$ 14,388	\$ 45,948	\$ 44,566
Business-type activities	5,736	4,697	6,763	6,210	6,182
Total primary government	<u>\$ 44,438</u>	<u>\$ 10,345</u>	<u>\$ 21,151</u>	<u>\$ 52,158</u>	<u>\$ 50,748</u>

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

	Fiscal Year				
	2016-17	2017-18	2018-19	2019-20	2020-21
Business-type activities:					
Charges for services:					
Water utility	30,021	33,095	32,715	37,786	44,691
Airport	1,823	1,775	1,884	1,849	1,822
Parking facilities	24	16	12	8	-
Brea Dam recreational facilities	2,725	2,863	2,510	2,448	3,958
Compressed Natural Gas facility	313	421	222	190	170
Sewer enterprise	5,948	6,390	6,044	5,944	6,212
Operating grants and contributions					-
Capital grants and contributions	1,417	189	185	567	1,302
Total business-type activities program revenues	<u>42,271</u>	<u>44,749</u>	<u>43,572</u>	<u>48,792</u>	<u>58,156</u>
Primary government program revenues	<u>\$ 107,767</u>	<u>\$ 123,452</u>	<u>\$ 122,275</u>	<u>\$ 101,833</u>	<u>\$ 115,447</u>
Net (Expense)/Revenue					
Governmental activities	\$ (52,618)	\$ (77,505)	\$ (63,420)	\$ (96,671)	\$ (92,719)
Business-type activities	6,701	5,968	7,443	6,174	17,628
Total primary government net expense	<u>\$ (45,917)</u>	<u>\$ (71,537)</u>	<u>\$ (55,977)</u>	<u>\$ (90,497)</u>	<u>\$ (75,091)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Property taxes	\$ 39,738	\$ 42,146	\$ 44,204	\$ 46,258	\$ 50,150
Sales taxes	21,456	21,834	24,438	23,095	25,571
Franchise fees	4,181	4,336	4,493	4,358	4,382
Unrestricted motor vehicle in-lieu taxes	64	75	69	113	104
Unrestricted investment earnings					
Use of money and property	3,976	4,594	8,444	7,453	3,271
Miscellaneous	6,024	5,558	6,459	5,249	3,898
Transfers	(36)	(290)			186
Extraordinary item				17,850	
Gain on sale of capital asset		3,150			
Total governmental activities	<u>75,403</u>	<u>81,403</u>	<u>88,107</u>	<u>104,376</u>	<u>87,562</u>
Business-type activities:					
Property taxes	110	98	87	107	88
Use of money and property	38	40	45	1,612	227
Miscellaneous	117	166	67	71	172
Transfers	36	290		-	(186)
Total business-type activities	<u>301</u>	<u>594</u>	<u>199</u>	<u>1,790</u>	<u>301</u>
Total primary government	<u>\$ 75,704</u>	<u>\$ 81,997</u>	<u>\$ 88,306</u>	<u>\$ 106,166</u>	<u>\$ 87,863</u>
Change in Net Position					
Governmental activities	\$ 22,782	\$ 3,898	\$ 24,687	\$ 7,705	\$ (5,157)
Business-type activities	7,002	6,562	7,642	7,964	17,929
Total primary government	<u>\$ 29,784</u>	<u>\$ 10,460</u>	<u>\$ 32,329</u>	<u>\$ 15,669</u>	<u>\$ 12,772</u>

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

	Fiscal Year				
	2011-12	2012-13	2013-14	2014-15	2015-16
General Fund					
Nonspendable	\$ 43	\$ 20	\$ 11	\$ 13	\$ 11
Restricted					
Committed		7,422	7,679	7,967	8,743
Assigned					
Unassigned	9,551	8,164	7,888	9,231	6,139
Total general fund	<u>\$ 9,594</u>	<u>\$ 15,606</u>	<u>\$ 15,578</u>	<u>\$ 17,211</u>	<u>\$ 14,893</u>
All Other Governmental Funds					
Nonspendable					
Special revenue funds	\$ 11,703	\$ 18,047	\$ 17,821		
Capital projects funds	4				
Other governmental funds					
Restricted					
Special revenue funds	6,464	54	147	17,943	17,769
Capital projects funds					
Debt service funds					
Other governmental funds	11,443	10,960	10,361	10,677	8,658
Committed					
Special revenue funds				12,209	10,681
Other governmental funds	12,831	11,320	13,849	9,520	10,227
Assigned					
Special revenue funds					
Capital projects funds					
Unassigned					
Special revenue funds	(170)	(197)	(237)	(97)	(39)
Capital projects funds	(4,400)	(1,350)	(18,281)	(1,528)	(4,187)
Other governmental funds					
Total all other governmental funds	<u>\$ 37,875</u>	<u>\$ 38,834</u>	<u>\$ 23,660</u>	<u>\$ 48,724</u>	<u>\$ 43,109</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				
2016-17	2017-18	2018-19	2019-20	2020-21
\$ 68	\$ 290	\$ 7	\$ 3,214	\$ 2,908
		1,386	672	1,514
9,139				
	8,992	15,656	13,958	16,140
1,522	4,999	5,432	217	-
<u>\$ 10,729</u>	<u>\$ 14,281</u>	<u>\$ 22,481</u>	<u>\$ 18,061</u>	<u>\$ 20,562</u>
				170
				1
17,921	21,355			55
9,783	17,962	40,620	40,897	39,873
10,473				
9,445				
				1,429
(77)	(172)	(189)	(327)	(1,015)
(10,441)	(3,233)	(20,501)	(1,391)	-
				(847)
<u>\$ 37,104</u>	<u>\$ 35,912</u>	<u>\$ 19,930</u>	<u>\$ 39,179</u>	<u>\$ 39,666</u>

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

	Fiscal Years				
	2011-12	2012-13	2013-14	2014-15	2015-16
Revenues					
Taxes	\$ 63,772	\$ 60,696	\$ 57,394	\$ 60,558	\$ 65,275
Franchise fees	5,754	3,929	3,971	4,392	4,383
Licenses and permits	1,608	1,434	1,766	2,283	1,877
Fines and forfeitures	2,156	1,686	1,586	1,751	1,628
Investment income	2,189	1,711	3,430	3,595	4,156
Intergovernmental	21,232	22,386	24,948	68,498	34,616
Charges for services	26,226	23,447	27,237	31,870	24,449
Other	1,693	2,066	1,448	1,284	948
Total revenues	<u>124,630</u>	<u>117,355</u>	<u>121,780</u>	<u>174,231</u>	<u>137,332</u>
Expenditures					
Current					
General government	3,959	6,572	4,577	5,396	5,197
Public safety	52,023	51,546	53,909	55,877	61,631
Public works	11,638	11,929	12,935	13,209	14,337
Community development	5,499	4,315	4,661	4,982	5,746
Human and leisure	7,951	8,545	9,205	9,400	10,047
Refuse collection	9,940	9,964	10,011	10,078	10,183
Debt service					
Principal retired	4,766	813	753	764	712
Interest and fiscal charges	3,494	255	217	180	103
Capital outlay	42,143	18,805	39,276	47,912	37,338
Total expenditures	<u>141,413</u>	<u>112,744</u>	<u>135,544</u>	<u>147,798</u>	<u>145,294</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,783)</u>	<u>4,611</u>	<u>(13,764)</u>	<u>26,433</u>	<u>(7,962)</u>
Other Financing Sources (Uses)					
Contributions from the Successor Agency		195			
Loss on disposition of assets					
Proceeds from sale of capital asset	4	6	7	12	53
Transfers in	14,233	11,415	6,845	6,292	8,992
Transfers out	(13,876)	(8,276)	(8,155)	(6,040)	(8,739)
Total other financing sources (uses)	<u>361</u>	<u>3,340</u>	<u>(1,303)</u>	<u>264</u>	<u>306</u>
Extraordinary item -					
Net change in fund balances	<u>(120,959)</u>	<u>6,971</u>	<u>(15,067)</u>	<u>26,697</u>	<u>(7,656)</u>
Fund balances - July 1	168,795	47,469	54,440	39,238	65,935
Restatements	(367)	0	(135)		(277)
Fund balances - June 30	<u>\$ 47,469</u>	<u>\$ 54,440</u>	<u>\$ 39,238</u>	<u>\$ 65,935</u>	<u>\$ 58,002</u>
Debt service as a percentage of noncapital expenditures	8.28%	1.10%	1.00%	0.92%	0.75%

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

	Fiscal Years				
	2016-17	2017-18	2018-19	2019-20	2020-21
Revenues					
Taxes	\$ 66,134	\$ 68,810	\$ 73,901	\$ 73,850	\$ 79,279
Franchise fees	4,181	4,335	4,493	4,145	4,182
Licenses and permits	2,037	2,284	2,784	2,146	2,406
Fines and forfeitures	1,513	1,674	1,658	1,239	1,014
Investment income	3,897	4,399	6,895	5,185	3,013
Intergovernmental	31,140	42,575	20,611	37,715	23,343
Charges for services	28,913	26,383	33,008	30,505	31,430
Other	1,820	1,624	1,958	1,464	1,160
Total revenues	139,635	152,084	145,308	156,249	145,827
Expenditures					
Current					
General government	5,230	4,466	4,922	5,870	7,506
Public safety	64,986	65,519	68,958	72,921	72,970
Public works	17,927	15,428	16,590	16,926	16,244
Community development	6,717	6,763	6,601	7,940	9,780
Human and leisure	9,876	9,980	10,480	10,668	8,704
Refuse collection	10,385	10,737	11,166	11,899	12,714
Debt service					
Principal retired	722	519	806	745	252
Interest and fiscal charges	29	18	13	66	54
Capital outlay	37,012	38,426	33,636	15,483	14,947
Total expenditures	152,884	151,856	153,172	142,518	143,171
Excess (deficiency) of revenues over (under) expenditures	(13,249)	228	(7,864)	13,731	2,656
Other Financing Sources (Uses)					
Contributions from the Successor Agency					
Loss on disposition of assets		(1,395)	(3,406)		
Proceeds from sale of capital asset		3,150	2,411		
Transfers in	9,460	15,170	10,637	13,711	15,573
Transfers out	(8,853)	(14,793)	(9,560)	(15,513)	(15,418)
Total other financing sources (uses)	3,080	2,132	82	(1,802)	155
Extraordinary item -					
Net change in fund balances	(10,169)	2,361	(7,782)	14,829	2,811
Fund balances - July 1	58,002	47,832	50,193	42,411	57,241
Restatements					176
Fund balances - June 30	\$ 47,833	\$ 50,193	\$ 42,411	\$ 57,240	\$ 60,228
Debt service as a percentage of noncapital expenditures	0.64%	0.47%	0.69%	0.64%	0.24%

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

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Other* Property	Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2011-12	10,983,044	1,619,002	1,316,810	6,275	-	13,925,131	1.0545
2012-13	11,097,680	1,639,211	1,338,964	6,246	-	14,082,101	1.0614
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

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

Source: Orange County Assessor

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

Taxpayer	2020-21			2011-12		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Saint Jude Hospital	\$ 474,741,317	1	2.11 %	\$ -		
GLC Fullerton LLC	273,220,833	2	1.21			
Aspect Acquisition LLC	137,526,897	3	0.61			
Prologis USLV Subreit 3 LLC	126,122,999	4	0.56			
FHF I Amerige Pointe LLC	122,881,870	5	0.55			
Advanced Group	120,983,182	6	0.54			
University House Fullerton LLC	96,741,459	7	0.43			
Corecare III	94,112,664	8	0.42			
Rreef America Reit II Corporation	92,282,224	9	0.41			
Kimberly-Clark Worldwide Inc	92,095,202	10	0.41			
Kimberly-Clark Worldwide Inc				175,196,351	1	1.18 %
Rreef America Reit II Corporation				77,312,938	2	0.52
Corecare III				68,762,918	3	0.46
Fullerton LLC				62,949,380	4	0.42
PK I Fullerton Town Center LP				59,011,028	5	0.40
Breitburn Energy Partners				58,203,355	6	0.39
Sfers Real Estate Corporation				57,718,447	7	0.39
Amerige Heights Apartments LLC				56,620,076	8	0.38
CPT Parkside LP				53,500,667	9	0.36
Alcoa Global Fasteners Inc				50,715,427	10	0.34
	<u>\$ 1,630,708,647</u>		<u>7.24%</u>	<u>\$ 719,990,587</u>		<u>4.85%</u>

Source: Orange County Assessment Rolls and HdL Companies
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
2012	19,796,510	19,271,553	97.35	297,343	19,568,896	98.85
2013	19,978,708	19,625,807	98.23	209,533	19,835,340	99.28
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	27,217,700	98.90
2021	29,380,451	29,133,624	99.16	N/A	29,133,624	99.16

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)
	Revenue Bonds	Capital Leases	Section 108 Loans	Revenue Bonds	Capital Leases	Construction Loan			
2011-12	(2)	1,283	4,000	10,115	60	4,758	20,216	0.48%	147
2012-13		970	3,500	9,820	24	4,225	18,539	0.45%	134
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	NYA	106

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

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

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

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
2011-12	1.0000	0.03710	0.08049	0.02367	0.01851	0.02320	0.01742	0.05846	0.00370
2012-13	1.0000	0.04239	0.08240	0.02365	0.01809	0.02644	0.01902	0.06203	0.00350
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

Total Direct Tax Rate

Fiscal Year	City Direct Rate	Fullerton Schools	N. OC Community College	Total Direct Tax Rate
2011-12	1.0000	0.03710	0.01742	1.0545
2012-13	1.0000	0.04239	0.01902	1.0614
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

Source: Orange County Assessor Tax Rate Table

City of Fullerton
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2021

(in Thousands)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ¹	Estimated Share of Overlapping Debt
Debt repaid with property taxes: Orange County and Fullerton School Districts	\$ 177,593	0.83%	\$ 1,469
Subtotal, overlapping debt			<u>\$ 1,469</u>
City of Fullerton direct debt	\$8,180		<u>8,180</u>
Total direct and overlapping debt			<u><u>\$ 9,649</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the County Board of Equalization and Assessment. Debt outstanding data provided by the county.

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 is estimated using net taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

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

	Fiscal Year				
	2012 (1)	2013 (1)	2014 (1)	2015 (1)	2016 (1)
Debt limit	\$ 2,088,770	\$ 2,112,315	\$ 2,184,298	\$ 2,311,356	\$ 2,447,320
Total net debt applicable to limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Legal debt margin	<u>\$ 2,088,770</u>	<u>\$ 2,112,315</u>	<u>\$ 2,184,298</u>	<u>\$ 2,311,356</u>	<u>\$ 2,447,320</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

Legal Debt Margin Calculation for Fiscal Year 2020-21

Assessed value	\$ 21,464,120
Add back: exempt real property	<u>-</u>
Total Assessed Value	\$ 21,464,120
Debt limit (15% of total assessed value)	\$ 3,219,618
Debt applicable to limit:	<u>0</u>
Legal debt margin	<u>\$ 3,219,618</u>

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

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

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

Fiscal Year				
2017 (1)	2018 (1)	2019 (1)	2020 (1)	2021 (1)
\$ 2,551,702	\$ 2,690,433	\$ 2,848,240	\$ 3,219,618	\$ 3,219,618
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</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>
0%	0%	0%	0%	0%

City of Fullerton
Revenue Bond Coverage

2014 Water Revenue Refunding Bonds
Last Six 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

(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	
2012	3,655,147	190,000	357,625	547,625	6.67
2013	2,954,820	200,000	350,800	550,800	5.36
2014	3,889,609	200,000	343,550	550,800	7.06
2015	N/A	0	0	0	N/A
2016	N/A	0	0	0	N/A
2017	N/A	0	0	0	N/A
2018	N/A	0	0	0	N/A
2019	N/A	0	0	0	N/A
2020	N/A	0	0	0	N/A
2021	N/A	0	0	0	N/A

(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	
2012	10,534,514 (2)	508,800	73,120	581,920	18.10
2013	-	825,000	84,869	909,869	0.00
2014	-	850,000	52,400	902,400	0.00
2015	-	885,000	17,700	902,700	0.00
2016	N/A	0	0	0	N/A
2017	N/A	0	0	0	N/A
2018	N/A	0	0	0	N/A
2019	N/A	0	0	0	N/A
2020	N/A	0	0	0	N/A
2021	N/A	0	0	0	N/A

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

(2) 2012 information calculated through January 31, 2012, due to the dissolution of the Redevelopment Agency on 2/1/12.

(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			
		Principal	Interest	Total	Coverage
2012	10,534,514 (2)	0	381,194	381,194	27.64
2013	-	594,517	1,245,870	1,840,387	0.00
2014	-	597,421	1,285,716	1,883,137	0.00
2015	-	592,167	1,323,221	1,915,388	0.00
2016	N/A	0	0	0	N/A
2017	N/A	0	0	0	N/A
2018	N/A	0	0	0	N/A
2019	N/A	0	0	0	N/A
2020	N/A	0	0	0	N/A
2021	N/A	0	0	0	N/A

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

(2) 2012 information calculated through January 31, 2012, due to the dissolution of the Redevelopment Agency on 2/1/12.

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

* The bonds were retired in February of 2015.

1996 Revenue Bonds
Last Ten Fiscal Years

Fiscal Year	Gross Revenue (1)	Debt Service Requirements			
		Principal	Interest	Total	Coverage
2012	71,311,364	180,000	5,175	185,175	385.10
2013	N/A	0	0	0	N/A
2014	N/A	0	0	0	N/A
2015	N/A	0	0	0	N/A
2016	N/A	0	0	0	N/A
2017	N/A	0	0	0	N/A
2018	N/A	0	0	0	N/A
2019	N/A	0	0	0	N/A
2020	N/A	0	0	0	N/A
2021	N/A	0	0	0	N/A

(1) Total revenues for General Fund and Airport Fund.

* 1996 Revenue Bonds were fully retired in FY 12/13

City of Fullerton
Revenue Bond Coverage

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

Fiscal Year	Gross Revenue (1)	Debt Service Requirements			
		Principal	Interest	Total	Coverage
2012	10,534,514 (2)	1,635,000	1,874,135	3,509,135	3.00
2013	-	1,675,000	3,517,230	5,192,230	0.00
2014	-	1,735,000	3,438,852	5,173,852	0.00
2015	-	1,765,000	3,362,661	5,127,661	0.00
2016	-	3,245,000	3,371,173	6,616,173	0.00
2017	-	3,210,000	3,209,063	6,419,063	0.00
2018	-	3,285,000	3,046,688	6,331,688	0.00
2019	-	3,415,000	2,878,488	6,293,488	0.00
2020	-	3,765,000	2,698,953	6,463,953	0.00
2021	-	0	0	0	N/A

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

(2) 2012 information calculated through January 31, 2012, due to the dissolution of the Redevelopment Agency on 2/1/12.

(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			
		Principal	Interest	Total	Coverage
2012	10,534,514 (2)	60,531	12,896	73,427	143.47
2013	-	130,000	20,068	150,068	0.00
2014	-	135,000	13,710	148,710	0.00
2015	-	140,000	7,014	147,014	0.00
2016	N/A	0	0	0	N/A
2017	N/A	0	0	0	N/A
2018	N/A	0	0	0	N/A
2019	N/A	0	0	0	N/A
2020	N/A	0	0	0	N/A
2021	N/A	0	0	0	N/A

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

(2) 2012 information calculated through January 31, 2012, due to the dissolution of the Redevelopment Agency on 2/1/12.

(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			
		Principal	Interest	Total	Coverage
2012	10,534,514 (2)	40,659	38,682	79,341	132.78
2013	-	125,000	32,028	157,028	0.00
2014	-	135,000	25,034	160,034	0.00
2015	-	140,000	17,442	157,442	0.00
2016	-	150,000	9,540	159,540	0.00
2017	N/A	0	0	0	N/A
2018	N/A	0	0	0	N/A
2019	N/A	0	0	0	N/A
2020	N/A	0	0	0	N/A
2021	N/A	0	0	0	N/A

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

(2) 2012 information calculated through January 31, 2012, due to the dissolution of the Redevelopment Agency on 2/1/12.

(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			Coverage
		Principal	Interest	Total	
2012	\$ 10,534,514 (3)	\$ 1,330,000	\$ 1,506,628	\$ 2,836,628	3.71
2013	0	1,335,000	1,466,652	2,801,652	0.00
2014	0	1,380,000	1,422,478	2,802,478	0.00
2015	0	1,425,000	1,369,828	2,794,828	0.00
2016	0	1,485,000	1,310,707	2,795,707	0.00
2017	0	1,545,000	1,245,324	2,790,324	0.00
2018	0	1,615,000	1,170,453	2,785,453	0.00
2019	0	1,695,000	1,086,554	2,781,554	0.00
2020	0	1,780,000	994,045	2,774,045	0.00
2021	0	0	0	0	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.

(3) 2012 information calculated through January 31, 2012, due to the dissolution of the Redevelopment Agency on 2/1/12.

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

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

Fiscal Year	Gross Revenue (1)	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2012	\$ 10,534,514 (3)	\$ -	\$ 95,863	\$ 95,863	109.89
2013	-	95,000	191,726	286,726	0.00
2014	-	100,000	185,550	285,550	0.00
2015	-	105,000	179,050	284,050	0.00
2016	-	105,000	172,226	277,226	0.00
2017	-	110,000	165,400	275,400	0.00
2018	-	115,000	158,250	273,250	0.00
2019	-	120,000	150,776	270,776	0.00
2020	-	125,000	142,976	267,976	0.00
2021	-	125,000	134,850	259,850	0.00

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

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

(3) 2012 information calculated through January 31, 2012, due to the dissolution of the Redevelopment Agency on 2/1/12.

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

Fiscal Year	Gross Revenue (1)	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2012	\$ 10,534,514 (2)	\$ 420,000	\$ 26,400	\$ 446,400	23.60
2013	-	440,000	36,000	476,000	0.00
2014	-	460,000	18,400	478,400	0.00
2015	N/A	0	0	0	N/A
2016	N/A	0	0	0	N/A
2017	N/A	0	0	0	N/A
2018	N/A	0	0	0	N/A
2019	N/A	0	0	0	N/A
2020	N/A	0	0	0	N/A
2021	N/A	0	0	0	N/A

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

(2) 2012 information calculated through January 31, 2012, due to the dissolution of the Redevelopment Agency on 2/1/12.

(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)
2012	138,251	4,151,954	30,032	6.4%
2013	140,131	4,130,641	29,477	5.6%
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	139,431	NYA	NYA	8.5%

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

<u>Employer</u>	2021			2012		
	<u>Employees</u>	<u>Rank</u>	<u>% of Total City Employment*</u>	<u>Employees</u>	<u>Rank</u>	<u>% of Total City Employment</u>
California State University, Fullerton	3,000	1	4.23%	4,121	1	5.69%
St. Jude Medical Center	1,797	2	2.53%	2,516	2	3.48%
Raytheon Systems Co.	1,200	3	1.69%	1,200	3	1.66%
Fullerton College	1,110	4	1.56%	1,100	5	1.52%
AJ Kirkwood & Associates, Inc	600	5	0.85%			
Vista Paint Corp	470	6	0.66%			
Albertson's Regional Corporate	400	7	0.56%	570	9	0.79%
Morningside of Fullerton	350	8	0.49%			
RPM Transportation	300	9	0.42%			
Corovan	300	10	0.42%			
Adams Rite Aerospace						
Nordstrom Design Center						
Fullerton School District				1,273	4	1.76%
Fullerton Joint Union High School Dist.				870	6	1.20%
Alcoa Fastening Systems				720	7	0.99%
City of Fullerton				644	8	0.89%
Kraft Foods				500	10	0.69%
Total	<u><u>9,527</u></u>		<u><u>13.42%</u></u>	<u><u>13,514</u></u>		<u><u>18.67%</u></u>

*Based upon U.S. Census Bureau's American Community Survey's estimate of 71,000 residents employed

Source: Data Axle Reference Solutions

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

Department	2011-12 Total Positions	2012-13 Total Positions	2013-14 Total Positions	2014-15 Total Positions	2015-16 Total Positions
City Council	6.0	6.0	6.0	6.0	6.0
City Manager	8.0	7.0	6.5	6.5	7.0
Administrative Svcs.	39.0	37.3	32.3	33.0	33.0
Human Resources	9.7	8.7	8.9	8.9	8.9
Fire	92.0	90.0	90.0	92.0	92.0
Police	213.0	214.0	210.0	211.0	212.0
Community Dev.	31.0	27.0	27.0	29.0	28.0
Engineering	35.0	35.0	-	-	-
Maintenance Svcs.	159.0	160.0	-	-	-
Public Works***	-	-	200.0	199.5	200.0
Parks & Recreation	26.0	21.0	21.0	22.0	22.0
Library	25.4	25.4	23.8	23.8	23.8
Redevelopment**	-	-	-	-	-
<i>Subtotal</i>	644.1	631.4	625.5	631.7	632.7
Part-Time Hours	193,766	192,762	177,294	177,389	165,840
Full-Time Equivalents	93.2	92.7	85.2	85.3	79.7
TOTAL POSITIONS	737.3	724.1	710.7	717.0	712.4

** Effective 1/31/2012 the Redevelopment Agency was dissolved and positions were moved to other departments.

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

****Reductions in the non-regular positions due to COVID

***** Excluding Fire Chief, employed by the City of Brea

(1) Source: City of Fullerton Final Budget

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

2016-17 Total Positions	2017-18 Total Positions	2018-19 Total Positions	2019-20 Total Positions	2020-21 Total Positions
6.0	6.0	6.0	6.0	6.0
7.0	6.5	6.5	7.0	7.0
33.0	33.0	33.0	35.0	29.0
8.9	8.9	8.9	8.9	9.0
92.0	92.0	89.0	87.0	86.0 *****
212.0	217.0	218.0	203.0	209.0
28.0	28.0	28.0	30.0	31.0
-	-	-	-	-
-	-	-	-	-
200.0	198.0	198.0	194.0	195.0
22.0	21.0	21.0	21.0	17.0
23.8	23.8	23.8	23.8	21.8
-	-	-	-	-
632.7	634.2	632.2	615.7	610.8
165,920	165,255	159,639	160,159	68,410 *****
79.8	79.4	76.7	77.0	32.9
712.5	713.6	708.9	692.7	643.7

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

	2011-12	2012-13	2013-14	2014-15	2015-16
Fullerton Elementary School District	13,621	13,830	13,801	13,730	13,544
Fullerton Joint Union High School District	14,178	14,046	13,969	13,910	13,773
Fullerton College	18,890	18,890	18,890	35,335	35,335
California State University - Fullerton	37,677	38,325	38,128	38,948	40,235
Western State University College of Law**	525	528	459	376	0
Southern California College of Optometry***	400	400	391	391	400
Hope International University	1,824	1,694	2,011	1,420	1,438
Total enrollment in Fullerton's schools and universities	87,115	87,713	87,649	104,110	104,725

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

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

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

(1) Sources: California Community Colleges Chancellor's Office
 Southern California College of Optometry, Hope International University
 Fullerton Elementary and Joint Union High School Districts.

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

2016-17	2017-18	2018-19	2019-20	202-21
13,700	13,700	13,700	13,700	12,852
13,664	13,649	13,695	13,600	13,630
23,000	23,000	23,000	23,000	21,785
40,439	39,343	39,030	39,270	41,408
0	0	0	0	0
544	500	500 *	500 *	740 *
2,349	1,752	1,749	1,784	1,531
93,696	91,944	91,674	91,854	91,946

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

Function:	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
Police				
Calls dispatched	44,755	46,762	47,292	48,637
Crime reports	15,321	16,233	16,645	16,925
Moving citations	9,788	5,440	5,350	5,212
Parking citations	39,917	28,658	35,371	35,551
Fire				
Unit responses	12,043	16,108	11,646	17,500
Medical calls	6,595	6,993	9,494	8,201
Annual fire inspections	4,336	5,578	4,700	4,205
Water				
Number of customer accounts	31,600	31,577	31,544	31,795
Average daily consumption (millions of gallons)	22.8	23.8	25.4	22.9
Water samples taken	4,143	4,300	2,554	4,439
Sewers				
Feet of sewer mains root cut/ chemically treated	276,144	408,144	249,744	209,009
Miles of sewer mains root cut/ hydro jetted	-	-	-	-
Number of chemically or mechanically treated sewer laterals	1,737	1,722	2,600	2,166
Traffic and General Engineering				
Traffic signals maintained	150	151	151	150
Infrastructure improvement projects administered	65	86	96	60
Private development plans reviewed	767	933	1,038	2,695
Maintenance				
Square ft. graffiti removal	392,022	370,166	403,016	344,120
Street sweeping miles	36,837	36,030	38,399	40,504
Trees pruned per year	13,000	13,000	13,542	13,500
Culture and Recreation				
Park event attendance	12,100	28,000	29,500	39,500
Independ/ Park /Comm. Ctr. participants	60,000	130,500	152,000	152,000
Fullerton Museum Center attendance	21,145	15,000	23,987	23,987

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

**Temporarily remain closed due to COVID

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

<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
50,628	52,527	52,332	49,647	69,027	45,174
17,635	18,059	16,346	15,363	13,539	12,877
7,573	3,878	4,078	2,394	2,462	5,331
37,613	36,658	27,993	28,980	22,258	31,352
18,813	18,250	17,992	16,132	13,611	13,928
8,725	8,298	8,088	8,448	10,300	11,160
4,437	3,806	3,717	2,678	3,887	2,905
31,307	31,427	31,923	31,913	31,987	31,890
20.9	20.6	23.2	20.5	20.1	21.1
4,597	4,657	4,604	4,607	3,901	4,099
215,312	236,257	*	*	*	*
-	-	363	357	280	248
1,711	2,167	2,438	2,222	909	392
151	151	153	154	154	154
80	77	68	56	38	58
2,500	2,564	2,988	3,023	2,823	2,835
316,667	348,336	327,223	365,246	502,178	441,146
36,044	36,864	34,870	35,783	32,231	34,321
14,975	14,005	8,436	9,587	8,821	13,089
42,000	45,000	49,500	57,625	48,900	- **
170,000	240,000	250,000	268,000	244,656	56,224
29,265	21,734	21,435	23,328	12,500	- **

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

Function:	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
Public Safety					
Police stations	1	1	1	1	1
Number of patrol units	26	26	30	31	34
Fire stations	6	6	6	6	6
Number of ladder trucks	2	2	2	2	2
Number of fire engines	10	11	11	11	11
Highways and streets					
Miles of streets	290	290	290	290	285
Traffic Signals	150	150	151	150	151
Streetlights	7,263	7,263	7,275	7,275	6,900
Water					
Number of water wells	11	11	11	11	11
Number of reservoirs	15	15	15	15	15
Miles of lines & mains	422	420	423	423	423
Sewer					
Miles of sanitary sewers	325.00	324.00	320.00	322.40	323.30
Miles of storm drains	71.20	71.20	71.20	71.20	71.20
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	241,058	241,058	210,597	210,597

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

<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
1	1	1	1	1
31	33	32	31	34
6	6	6	6	6
2	2	2	1	1
11	11	11	9	9
285	285	285	294	294
151	153	154	154	154
6,900	6,700	6,700	6,700	6,700
10	10	10	10	9
15	15	15	15	15
423	423	423	423	423
320.00	325.00	325.00	320.00	320.00
71.20	71.70	71.70	71.70	71.70
67	67	67	67	61
683	683	683	683	683
2	2	2	1 *	1
210,597	179,914	212,665	199,196	132,039

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