



GARDEN GROVE

CITY OF

GARDEN GROVE

July 1, 2023 - June 30, 2024

ANNUAL COMPREHENSIVE FINANCIAL REPORT

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CITY OF GARDEN GROVE

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

For the fiscal year ended
June 30, 2024

FINANCE DEPARTMENT

Patricia Song
Finance Director

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**CITY OF GARDEN GROVE
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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Introductory Section

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CITY OF GARDEN GROVE, CA

December 30, 2024

To the Honorable Mayor, City Council, and Citizens of the City Garden Grove:

It is with great pleasure that we present to you the City of Garden Grove's Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024. The ACFR is published to serve two purposes. First, it outlines accountability for public tax dollars and the services that are funded by these resources. Second, it communicates the results of operations and the City's financial position to its constituents, and provides a vital framework for future decisions about programs and services.

In order to ensure the reliability of the information contained herein, the City contracted with an independent audit firm, Davis Farr LLP, to perform the annual financial audit. The goal of the audit is to provide reasonable assurance that the City's financial statements are free from material misstatement. Davis Farr LLP issued an unmodified opinion for the City's financial statements for the fiscal year ended June 30, 2024.

Management is responsible for both the accuracy of the financial report and the completeness and fairness of the presentation. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects, including all disclosures necessary to enable the reader to gain a reasonable understanding of the City's financial activities.

The ACFR is prepared using the financial reporting requirements outlined by the Governmental Accounting Standards Board (GASB) statements. Three sections are presented: the *Introductory Section*, the *Financial Section*, and the *Statistical Section*. This transmittal letter is included in the *Introductory Section*, and is designed to complement and should be read in conjunction with the Management's Discussion and Analysis (MD&A), which is included in the *Financial Section*. The MD&A provides an overview of the City's operations and how we performed financially. The auditor's opinion letter and a complete set of financial statements are presented in the *Financial Section*. The *Statistical Section* presents historical

information about the City's finances and operations, as well as demographic and economic data.

The independent audit of the financial statements of the City of Garden Grove was part of a broader, federally mandated audit of state and local governments (the "Single Audit") designed to meet the special needs of federal granting agencies. The standards governing the Single Audit require the auditor to report not only on the fair presentation of the financial statements, but also on the City's internal controls and compliance with legal requirements. These reports are available in the City of Garden Grove's separately issued Single Audit Report.

The ACFR is a required component of continuing disclosure to the bond holders as covenanted by certain City bond issues.

Community Profile

The City of Garden Grove incorporated on June 18, 1956. It is located in central Orange County approximately 25 miles southeast of downtown Los Angeles. With a current population of approximately 168,234, it is the fifth largest city in Orange County and the 31st largest in the State of California.

The City spans an area of 17.9 square miles and is a general law city in the State of California. It has a Council-Manager form of government. On May 10, 2016, the City adopted Ordinance No. 2866 changing the City's at-large system of electing City Council members to a By-District election system and established the boundary lines of the six districts. While the Mayor continues to be elected at-large for a two-year term, the six City Council members are elected by districts for four-year staggered terms. The City Council appoints the City Manager and City Attorney. The City Manager has the responsibility for hiring the department directors and for administering the City's programs in accordance with the policies adopted by the City Council.

City Service and Budgetary Control

Garden Grove is a full service city. The services provided by the City include police safety, street and park maintenance, water, sewer, recreation, traffic/transportation, public improvements, planning, zoning, code enforcement, business license, and other general municipal services. The City began contracting with Orange County Fire Authority to provide fire protection and paramedic services on August 16, 2019. Also included in the City's overall operations are the Garden Grove Housing Authority, the Garden Grove Sanitary District, Garden Grove Successor Agency, and the Garden Grove Public Financing Authority. Additional information on these component units is available in the *Notes to the Basic Financial Statements*.

A key element of the City's financial management process is the development and approval of a biennial budget. Garden Grove Municipal Code requires the City

Manager to prepare and submit the proposed budget and salary plan to the City Council for approval. The City Council conducts multiple public budget review sessions to obtain taxpayer input, prior to adopting the budget at a public meeting. The legal level of budgetary control is at the fund level. The City Council may amend the budget to increase or decrease appropriations or move appropriations between funds. The City Manager is authorized to transfer appropriations within a fund between various programs and/or departments.

Demographic and Economic Information

Demographically, the City of Garden Grove has one of the highest population densities in the County. The community is highly diversified with a median age of 40.8 years. With a 2023 population of 168,234, the City is the 5th largest city in the Orange County and the 18th largest in California. The City's median household income in 2024 was \$92,647, 14.9% above the national average. The City is benefiting from higher education levels of its residents. In 2023, over 75.0% of the population completed high school, and 26.7% received bachelor's degree or higher. The City has highly rated public schools. Median home price in Garden Grove is \$668,013. Garden Grove has an urban suburban mix feel, with many restaurants, coffee shops, and parks.

Employment rate in Garden Grove is 58.6% in 2023, slightly lower than the state level of 60.2%. The majority of the workers are employed by private companies, 11.5% work for government agencies, and 6.7% are self-employed.

With limited opportunities for large-scale new development, Garden Grove continues to facilitate reinvestment of underutilized commercial properties. Through its ongoing commitment to stimulate the local economy by facilitating business retention and expansion improve essential services, and expand its public safety labor force, the City of Garden Grove will continue to provide excellent services to its constituents and neighboring communities.

Financial Condition of the City

In June 2024, S&P Global Ratings assigned an 'AA' long-term rating to the Garden Grove Public Finance Authority's \$140 million Series 2024A lease revenue bonds. This rating highlights the City's strong financial position and the effectiveness of its fiscal policies.

In its rating report, S&P Global Ratings commended the City of Garden Grove, noting the following:

- Growing economic base, with extremely strong per capita market value;
- Historically positive operations that have supported the maintenance of very strong available reserves and very strong liquidity;

- Financial policies and practices that are considered strong and include realistic budget assumptions; and
- Manageable debt burden with minimal debt service costs.

In recent years, the City has made substantial investments to enhance its infrastructure, focusing on street pavement, building maintenance, civic center revitalization, and community park improvements. These efforts were strategically funded through a balanced approach of debt financing and cash contributions, ensuring long-term financial stability. The City's robust reserves provide a buffer against short-term budgetary volatility, supported by a comprehensive framework of fiscal policies and practices.

In Fiscal Year 2023, the City allocated \$13.1 million to address critical staffing and infrastructure needs. Building on this, in Fiscal Year 2024, the City established a Building and Facilities Internal Service Fund to systematically collect funds for the preventative maintenance of citywide buildings and facilities. This initiative was launched with a one-time \$3.0 million transfer from the General Fund and further supported by a \$600,000 annual allocation incorporated into the base budget as an ongoing priority. These additional funding measures are essential to fulfilling the City's commitment to a fiscally and operationally resilient future.

The City remains dedicated to advancing fiscal policy, enhancing financial management, and adopting best practices in budgeting. By prudently managing expenditures and prioritizing resource efficiency, the City continues to uphold its promise to serve the community effectively.

Long-term Financial Planning

The City has consistently upheld responsible fiscal management practices. In alignment with its municipal code, a five-year forecast covering operating revenues, expenditures, labor usage, and the capital improvement plan is integrated into the biennial budget process. This forecast includes an analysis of key revenue and expenditure components and outlines proposed measures to address any anticipated funding gaps. The City's biennial budget is developed within the context of this forward-looking financial framework.

The City has consistently demonstrated strong fiscal stewardship by proactively addressing the broader state-wide fiscal challenges that often directly impact Garden Grove. These efforts include:

- Making annual contributions to an irrevocable Section 115 Pension Trust to manage the City's unfunded pension liability;
- Updating the Debt Management Policy to enhance transparency, secure optimal credit ratings, minimize borrowing costs, preserve financial flexibility, and optimize capital funding strategies; and

- Prioritizing the establishment and funding of a Building and Structure Rehabilitation Internal Service Fund to ensure the long-term maintenance of City facilities.

In addition, the City remains committed to pursuing and securing grant funding to enhance its programs and services. Since Fiscal Year 2023, the City has obtained \$38.4 million in grants, strategically allocated to initiatives addressing critical social, environmental, safety, infrastructure, and economic challenges across the community.

To promote long-term fiscal sustainability, the City has undertaken the adoption of several significant fiscal policies in recent years. These policies establish a framework to ensure a balanced budget, maintain healthy reserves, address pension liabilities, and plan for future infrastructure needs. These policies collectively guide the City in formulating responsible budgets and standardizing practices to ensure the efficient use of resources. Looking ahead, the City plans to develop additional policies on user fees, cost recovery, and cost allocation for administrative and support functions. These will further enhance the comprehensive financial policy framework.

Financial Policies and Practices

The City has adopted various critical financial policies and practices with the goal of building a fiscally resilient government over the long-term.

Capital Asset Renewal and Replacement Reserves Policy

The purpose of the Capital Asset Renewal and Replacement Reserves Policy is to ensure adequate funding for the renewal and replacement of the City's capital assets to protect the public investment and achieve the assets' maximum useful life. The Policy is intended to promote proactive financial management by increasing awareness of the ongoing need for capital replacement and encouraging long-term capital planning.

Infrastructure Funding Policy

The Infrastructure Funding Policy sets a framework for policy standards and provides direction to systematically address the infrastructure deficit. It calls out several critical fiscal and asset planning or management practices to be developed over the next few years, including a Capital Replacement Reserves Policy, asset management plans for each major infrastructure type, and a comprehensive infrastructure plan.

Pension Funding Policy

The purpose of the Pension Funding Policy is to establish a systematic and disciplined method to accumulate resources to be used towards funding pension liability and future benefit payments, and to provide reasonable assurance that the cost of pension benefits will be funded in an equitable and sustainable manner.

General Fund Reserve Policy

The City is committed to prudent fiscal practices and maintaining adequate General Fund reserves to ensure consistent, uninterrupted municipal services in the event of unexpected temporary revenue shortfalls or unpredicted one-time expenditures, as well as the credit worthiness of the City. In December 2019 the City Council adopted the General Fund Reserve Policy, which established the appropriate level of unassigned fund balance in the General Fund, set conditions warranting its use, and outlined the plan to replenish it if the balance fell below the policy level.

Enterprise Fund Business Principles

The City maintains a set of business principles for managing its enterprise fund operations. These principles are to ensure the funds break even and operate efficiently, maintain two months cash flow and \$500,000 in reserves for contingencies, approach 5 percent of system value for replacement sinking funds, and maintain system and facilities up to industry standards by adequately funding new Capital Improvement Programs.

Investment Policy

The City maintains an investment policy that is updated annually and reviewed and approved by the City Council. The City's investment objectives as outlined in the policy are in the following order: safety of principal, liquidity, and yield. To meet these objectives, the City attempts to obtain the highest yield on its investments consistent with the preservation of principal and liquidity. The yield benchmark for the City is the 24-month moving average of the 2-year Constant Maturity Treasury. The Investment Policy was certified by the California Municipal Treasurer's Association in November 2020.

Purchasing Policy

The purpose for the City's centralized purchasing policy is to procure needed supplies, services, and equipment at the utmost quality, within the required time, and at the best price for the City, in a manner consistent with legal requirements, good business practice, and proper fiscal control. The goal is to serve the public with integrity while maximizing the value of the tax dollar.

Debt Management Policy

In 2024, the City Council adopted the Amended City of Garden Grove's Debt Management Policy to align with best practices, ensure compliance with all applicable laws and regulations, enhance transparency, and further strengthen its ability to manage debt effectively.

Tax Abatement Program

One of the City Council's priorities for Fiscal Year 2023-24 was to support local businesses through economic development initiatives. To achieve this, the City and its former Redevelopment Agency entered into several tax abatement agreements aimed at fostering a strong, diverse, and sustainable local economy.

A tax abatement is an agreement in which the government agrees to forgo certain tax revenues in exchange for a commitment by the other party to undertake specific actions that contribute to economic development or provide other benefits to the community. These agreements are designed to improve local conditions, stimulate economic growth that would not otherwise occur, and serve as a key redevelopment tool. Tax abatements help encourage rehabilitation and revitalization of targeted areas or industries.

The potential benefits of tax abatements include creating short- and long-term employment opportunities for local residents, attracting new businesses or enhancing existing ones, drawing in new residents (which can generate additional tax revenue), creating a tax-revenue stream from previously vacant or underdeveloped properties, improving safety and commerce, and increasing property values in surrounding areas.

Details about the City's two tax abatement programs, authorized by the City Council, are disclosed in Note 16 of the Notes to Basic Financial Statements.

Major Initiatives

The City's 2021 Economic Development Strategic Plan identified key priorities and activities that focused on economic recovery and sustainability. The Garden Grove Office of Economic Development was accredited by the International Economic Development Council (IEDC) for its many achievements in these areas. The City was the first agency to receive this prestigious recognition in the State of California.

The City has continued to advance its economic development initiatives, focusing on local investment, job creation and retention, and small business sustainability. In November 2024, the City introduced a free online business tool called Garden Grove Business Analytics Insights. This platform offers business intelligence and market research analysis to entrepreneurs, startups, and existing businesses aiming to gain deeper insights into the local market. The initiative is designed to empower small businesses to make data-driven decisions that improve operations, foster success, and drive growth.

In July 2024, the City re-launches its "Foods of Garden Grove" initiative, highlighting over 100 of Garden Grove's most acclaimed and customer-favored international food and drink establishments. The initiative, furthering the City's efforts to support its small-business community, offers a virtual food tour from the City's recognized ethnic enclaves, including Garden Grove's Little Saigon and Orange County's Koreatown, as

well as Latin eateries, local favorites, and Michelin Guide honorees. The re-launch aims to further highlight the expansive dining options that define Garden Grove's vibrant and diverse food culture, hometown spirit, and progressive vision for the future. The City also launched the inaugural Foods of Garden Grove Live event on October 4, 2024 hosting a variety of local restaurant offerings to nearly 4,000 people.

The City's Housing Element was certified by the California Department of Housing and Community Development (HCD) on December 12, 2023, affirming the City's compliance with California's Housing Element Law. Although Garden Grove is a fully built-out city, its leaders remain committed to pursuing opportunities that support diverse and innovative housing options. City leaders have identified strategies to promote housing development, including increasing residential densities along mixed-use and commercial corridors and establishing a transit-oriented development hub near the OC Streetcar terminus station at Harbor Boulevard and Westminster Avenue. These efforts emphasize infill development — both stand-alone residential and mixed-use projects — within "high resource" areas across the city. These areas are characterized by access to transit, proximity to parks and schools, and abundant opportunities for shopping and community engagement.

The City's housing initiatives are anchored with programs and services designed to improve neighborhoods by leveraging funds from federal and state programs including Community Development Block Grant, HOME Investment Partnerships Program, Emergency Solutions Grants, and the CARES Act funds. The City continues to offer housing programs that have shown much success in the past, including the First-time Homebuyer Program, the Home Repair Program, Re-Roof Grant Program, and the Homeless Emergency Assistance and Rental Transition (HEART) Program. In August 2024, the First-time Home Buyer Program was extended to allow moderate income household to obtain interest-free loans.

On June 5, 2024, the City of Garden Grove, in collaboration with the cities of Fountain Valley, Westminster, and the County of Orange, celebrated the grand opening of the Central Cities Navigation Center. This referral-based transitional facility provides emergency housing and comprehensive wrap-around services for individuals experiencing homelessness within the three cities. Operating 24/7, the Center offers up to 85 beds. Customers at the Center receive essential services, including three daily meals, access to laundry facilities, pet accommodations, and transportation to and from the facility. This landmark initiative marks a historic milestone in the City's ongoing efforts to address homelessness and support community members in need.

The City continues to invest in its critical infrastructure. On May 14, 2024, the City of Garden Grove, in partnership with developer Edgemoor Infrastructure & Real Estate, design-builder Clark Construction Group, and architect AC Martin, celebrated the groundbreaking for Phase 1 of the Garden Grove Civic Center Revitalization Project. This phase features the construction of a new 103,000-square-foot Garden Grove Police Department public safety facility and a four-level parking structure on a 2.75-acre site at the corner of Acacia Parkway and Euclid Street within the Civic Center. Phase 2 will involve demolishing the existing police department building to create a 3.7-acre reimagined Civic Center Park. The entire project is estimated at

\$152 million, financed through a lease revenue bond. Phase 1 is expected to be completed by Fall 2026, with Phase 2 following approximately a year later.

Simultaneously, Re-Imagine Garden Grove continued its Phase 1 construction of Cottage Industries, an adaptive reuse of twelve residential properties in the civic center area for retail, restaurants, and outdoor entertainment.

On April 9, 2024, the City celebrated the grand opening of a newly renovated, citrus farm-themed playground at Magnolia Park. The play area features rubberized surfacing and vibrant, citrus-themed structures designed for children aged 2 to 5 and 5 to 12. Highlights include colorful play structures, a two-story spiraling slide, an inclusive orbital spinner, and an ADA-accessible swing set. Surrounding the playground, new outdoor fitness equipment allows caregivers to stay active while keeping an eye on their children. This exciting renovation was made possible largely through a grant from the State, enhancing the park's accessibility and appeal for families.

The City's industrial area observed unprecedented demand with transactions yielding record sales resulting in less than 2% vacancy rates. Prologis secured project approvals for the construction of a new 148,284 square foot industrial building. Rexford Industrial is adding another project for a new 97,470 square foot industrial building along with associated site improvements.

These major initiatives and developments reflect the City of Garden Grove's commitment to enhancing the quality of life for its residents while fostering economic growth and sustainability. By investing in public safety, community spaces, adaptive reuse, and industrial expansion, the City is creating a vibrant, connected, and resilient community. These initiatives not only address current needs but also lay the foundation for a prosperous future, ensuring Garden Grove remains a desirable place to live, work, and thrive.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City of Garden Grove for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023. This was the 39th consecutive year that the City has received this prestigious award. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the award program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate. The preparation of the ACFR on a timely basis was made possible by the efficient and dedicated service of the staff in Finance. Staff members have our sincere

appreciation for their contributions to this report. We also acknowledge the assistance of Davis Farr LLP, in completing the ACFR.

We thank the Mayor, City Council, and the City's executive management team for their strong leadership and support of the financial operations of the City and for maintaining the highest standards of professionalism in managing the City's finances for the best interest of the citizens of Garden Grove.

Respectfully submitted,



Lisa L. Kim, City Manager



Patricia Song, Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Garden Grove
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

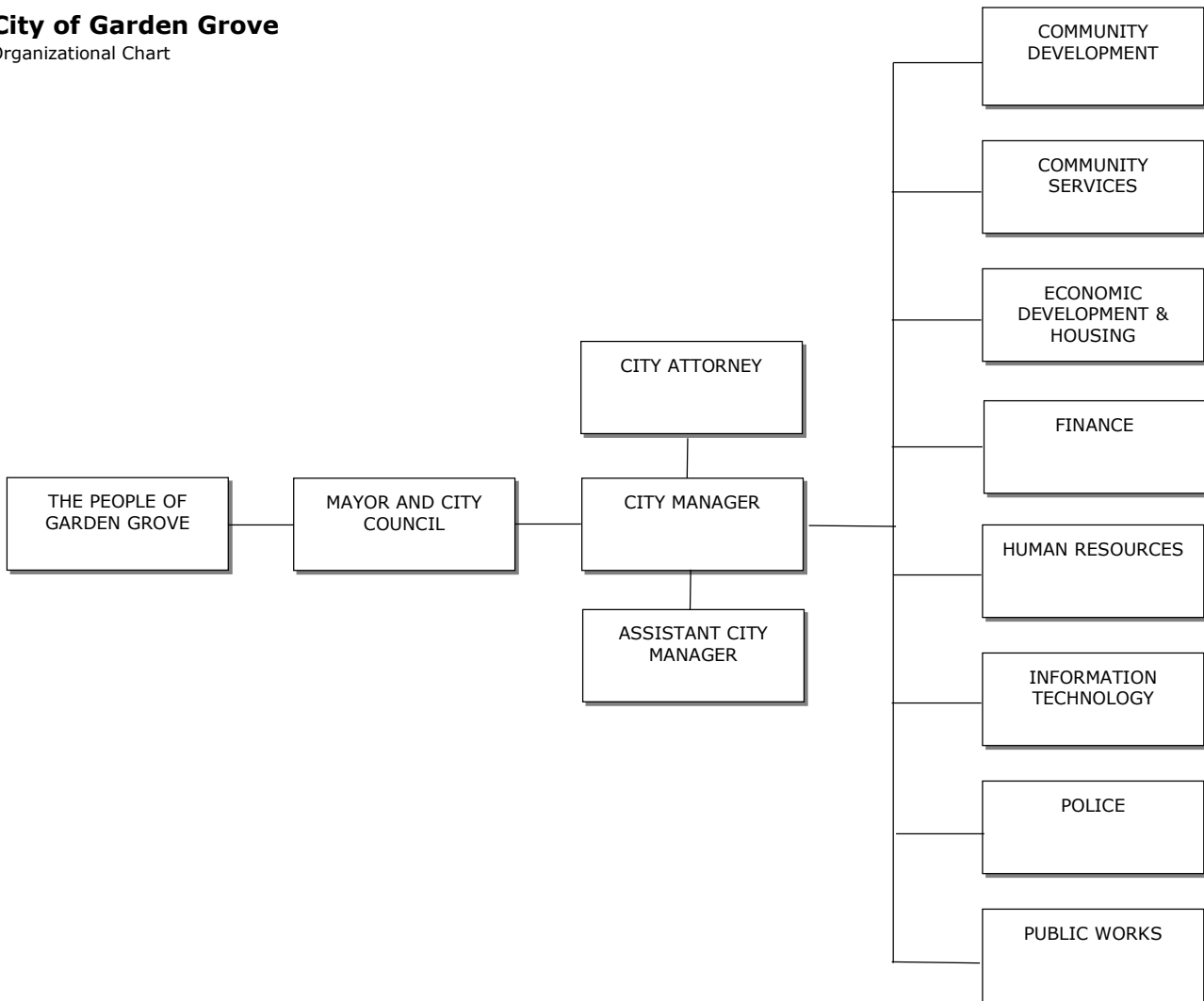
June 30, 2023

Christopher P. Morill

Executive Director/CEO

City of Garden Grove

Organizational Chart



CITY OF GARDEN GROVE

CITY COUNCIL

Steve Jones
Mayor

Cindy Ngoc Tran
Mayor Pro Tem - District 3

George S. Brietigam III
Council Member - District 1

John R. O'Neill
Council Member - District 2

Joe DoVinh
Council Member - District 4

Stephanie Klopfenstein
Council Member - District 5

Kim B. Nguyen-Penalozza
Council Member - District 6

CITY OFFICIALS

Lisa Kim City Manager
Matthew West Assistant City Manager
Omar Sandoval City Attorney
Niki Wetzel Community Development Director
John Montanez Community Services Director
Ursula Luna-Reynosa Asst. City Mgr./Economic Development & Housing Director
Patricia Song Finance Director
Laura Stover Human Resources Director
Anand Rao Information Technology Director
Amir El-Farra Police Chief
William Murray Public Works Director

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Financial Section

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Independent Auditor's Report

City Council
City of Garden Grove
Garden Grove, California

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis*, certain *budgetary comparison information*, *Schedule of Changes in Net Pension Liability and Related Ratios*, *Schedule of Pension Contributions and the Schedule of Changes in Total OPEB liability and Related Ratios* be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic

financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The *combining and individual nonmajor fund financial statements* and certain *budgetary comparison schedules* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The *combining and individual nonmajor fund financial statements* and certain *budgetary comparison schedules* are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the *combining and individual nonmajor fund financial statements* and certain *budgetary comparison schedules* are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises *introductory section* and *statistical section* but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the 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 31, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

Davis Farr LLP

Irvine, California
December 30, 2024



MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2024

The City of Garden Grove's Finance team has prepared this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2024, to assist users of this report to gain a better understanding of the City's financial health and history. The information presented here should be considered in conjunction with additional information furnished in the letter of transmittal and the accompanying financial statements.

FINANCIAL HIGHLIGHTS

The City of Garden Grove's financial statements prepared for the fiscal year ended June 30, 2024, comply with all applicable statements issued by the Governmental Accounting Standards Board (GASB).

Government-Wide

- The City's total assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2024 by \$935.7 million (*net position*).
- The overall City's net position increased by \$34.9 million from the previous fiscal year due to increases in charges for services, grant funding, and higher investment earnings. Combined revenues from governmental activities and business-type activities exceeded government-wide expenses by \$34.9 million.
- Total expenses for governmental activities amounted to \$216.3 million for the fiscal year ended June 30, 2024. These expenses were funded by program revenues of \$52.2 million, taxes totaling \$163.9 million, other income of \$1.6 million, and investment earnings of \$15.4 million. For the current year, revenues from governmental activities exceeded expenses by \$16.8 million, increasing the governmental activities' net position from \$690.1 million at the beginning of the year to \$706.9 million at June 30, 2024.
- For business-type activities, program revenues exceeded expenses by \$13.0 million. Among the total program revenue of \$116.7 million, \$62.5 million was from charges for services and \$54.2 million from grants and contributions. Combined with investment earnings of \$5.1 million, the net position for business-type activities increased by \$18.1 million from the previous year to \$228.8 million on June 30, 2024.

CITY OF GARDEN GROVE

Management's Discussion and Analysis (continued)

June 30, 2024

Fund Based

- As of the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$381.2 million, an increase of \$127.4 million from the previous year. The net increase was primarily due to proceeds from the issuance of the Garden Grove Public Financing Authority Lease Revenue Bonds, Series 2024A. The par amount of the 2024 lease revenue bonds was \$140.0 million.
- Among the total fund balance of \$381.2 million reported at the close of the fiscal year, \$249.6 million, or 65.5% was either non-spendable or restricted for specific purposes. In accordance with best practices of prudent financial management, the City also committed \$27.9 million as Stability Reserves in the General Fund. Please refer to *Notes to Basic Financial Statements (Note 1)* for additional information on the categorization of the governmental funds' fund balances.

OVERVIEW OF THE FINANCIAL STATEMENTS

Government-Wide Financial Statements

The government-wide financial statements are designed to give users a broad overview of the City's finances, similar to a private-sector business. They present the financial picture of the City from the economic resources measurement focus using the accrual basis of accounting.

There are two statements in the government-wide financial statements, the statement of net position, and the statement of activities. The statement of net position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The net difference between the total of assets and deferred outflows and the total of liabilities and deferred inflows is reported as net position. Increases or decreases in net position over time may serve as a useful indicator of whether the City's financial position is improving or deteriorating. Other factors to consider are changes in the City's property tax base and the condition of the City's infrastructure assets. The statement of activities shows how the City's net position changed during the fiscal year.

Both government-wide financial statements distinguish between functions that are primarily supported by taxes and intergovernmental revenues, and functions that are intended to recover all or a significant portion of their costs through user fees and charges. The first function is identified in the statements as governmental activities, while the latter is reported as business-type activities.

Most of the City's basic services are reported in the governmental activities category, including fire, police, traffic safety, public right-of-way, community buildings, community services, economic development, parks and greenbelts, community planning and development, and municipal support functions. Property and sales taxes, transient occupancy tax, business licenses and permits, investment income,

CITY OF GARDEN GROVE

Management's Discussion and Analysis (continued)

June 30, 2024

and state and federal grants fund these activities. The City has two component units: the Garden Grove Sanitary District, which operates its sewer utility, and the Garden Grove Housing Authority, which oversees the federal Section 8 housing program. These activities are reported in the business-type activities category along with water utility and solid waste disposal services.

The government-wide financial statements can be found on the pages immediately following this discussion in the Basic Financial Statements section.

Fund Financial Statements

A fund is a set of related accounts that is used to control resources that have been segregated to carry on specific activities or to attain certain objectives in accordance with special regulations, restrictions, or limitations. The City, like the state and other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All City funds are divided into one of three categories: governmental funds, proprietary funds, or fiduciary funds.

The governmental fund financial statements are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The proprietary and fiduciary activities are prepared using the economic resources measurement focus and the accrual basis of accounting.

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by state law and by bond covenants. However, management establishes many other funds to help manage and report resources for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other revenues.

Governmental funds

Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences in results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation schedule following each governmental fund financial statement. The governmental fund financial statements can be found in the *Basic Financial Statements* section of this report.

CITY OF GARDEN GROVE

Management's Discussion and Analysis (continued)

June 30, 2024

Proprietary funds

When the City charges customers for the services it provides – whether to external customers or other units of the City – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of revenues, expenses, and changes in fund net position. The City's enterprise funds are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows. The City uses internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City's internal programs and activities – such as the City's self-insured worker's compensation and risk management, fleet management, employee benefits, information systems, warehouse operation, and communication replacement funds. The internal service funds are reported with governmental activities in the government-wide financial statements. The proprietary fund financial statements can be found in the *Basic Financial Statements* section of this report.

Fiduciary funds

The City is the trustee, or fiduciary, for certain funds held to account for activities reported in this category which includes the Successor Agency. The City's fiduciary activities are reported in separate *statements of fiduciary net position* and *statement of changes in fiduciary net position*.

Notes to Basic Financial Statements

Notes to basic financial statements provide additional information that is essential to fully understand the data provided in the government-wide and fund financial statements. They are presented immediately following the *Basic Financial Statements* section of this report.

Other Information

In addition to the basic financial statements and the accompanying notes, this report also presents certain *required supplementary information* including the General Fund and the major special revenue fund budgetary comparison schedules, and the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees.

Combining and individual statements for non-major governmental and proprietary funds, internal service funds, and the agency fiduciary fund are also presented in the *Supplementary Information* section of this report.

CITY OF GARDEN GROVE

Management’s Discussion and Analysis (continued)
June 30, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The government-wide financial analysis focuses on the City’s net position and changes in the net position of the governmental and business-type activities during the fiscal year.

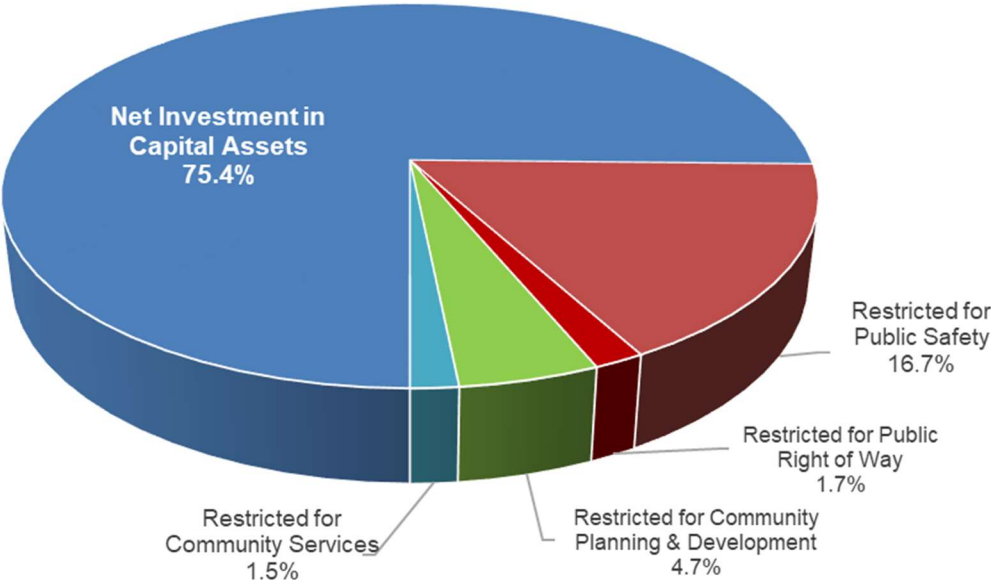
Despite a \$45.5 million increase in government-wide expenses compared to the prior year, total program and general revenues exceeded expenses by \$34.9 million, resulting in a net position increase to \$935.7 million as of June 30, 2024.

Among the total net position, \$843.4 million represented net investment in capital assets. These capital assets are essential for City operations, which include land, buildings, machinery and equipment, and infrastructure. The net position invested in capital assets is not available for spending. Although the City’s investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated to pay for the liabilities.

Net position may be restricted for capital projects, debt payments, and/or special programs such as public safety and public right of way. The total restricted net position as of June 30, 2024, was \$230.0 million.

The graph below illustrates the various components of the City’s net position at fiscal year ended June 30, 2024.

**City of Garden Grove's Net Position
June 30, 2024**



CITY OF GARDEN GROVE

Management's Discussion and Analysis (continued)

June 30, 2024

The schedule below is a condensed version of the City's statement of net position for fiscal year ended June 30, 2024, with comparative data from the previous fiscal year:

City of Garden Grove's Net Position (in millions)

	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 541.1	\$ 401.1	\$ 124.9	\$ 114.7	\$ 666.0	\$ 515.8
Capital assets	696.7	655.4	180.5	172.8	877.2	828.2
Total assets	1,237.8	1,056.5	305.4	287.5	1,543.2	1,344.0
Unamortized loss on refunding	-	-	0.1	0.1	0.1	0.1
OPEB related items	19.4	22.2	2.6	3.5	22.0	25.7
Pension related items	73.7	79.2	8.0	9.2	81.7	88.4
Total deferred outflows	93.1	101.4	10.7	12.8	103.8	114.2
Long-term debt	208.9	74.8	38.5	41.0	247.4	115.8
Total OPEB liability	37.8	36.1	5.2	5.7	43.0	41.8
Net pension liability	327.7	313.1	29.8	30.1	357.5	343.2
Other liabilities	29.0	21.9	11.6	9.8	40.6	31.7
Total liabilities	603.4	445.9	85.1	86.6	688.5	532.5
Unamortized gain on refunding	-	-	0.1	0.1	0.1	0.1
Lease related items	5.8	3.9	-	-	5.8	3.9
OPEB related items	13.8	15.2	1.9	2.4	15.7	17.6
Pension related items	1.0	2.8	0.2	0.5	1.2	3.3
Total deferred inflows	20.6	21.9	2.2	3.0	22.8	24.9
Net investment in capital assets	700.6	635.5	142.8	132.7	843.4	768.2
Restricted	230.1	74.6	-	-	230.1	74.6
Unrestricted	(223.8)	(20.0)	86.0	78.0	(137.8)	58.0
Total net position	\$ 706.9	\$ 690.1	\$ 228.8	\$ 210.7	\$ 935.7	\$ 900.8

A condensed statement of change in net position with comparative amounts on revenues and expenses for the current and prior year is presented on the following page.

CITY OF GARDEN GROVE

Management's Discussion and Analysis (continued)

June 30, 2024

City of Garden Grove's Changes in Net Position (in millions)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 20.2	\$ 17.7	\$ 62.5	\$ 58.8	\$ 82.7	\$ 76.5
Operating contributions and grants	30.5	24.5	54.2	47.5	84.7	72.0
Capital contributions and grants	1.5	2.4	-	-	1.5	2.4
General revenues:						
Taxes:						
Property taxes	65.5	66.4	-	-	65.5	66.4
Sales and use taxes	60.1	60.1	-	-	60.1	60.1
Transient occupancy taxes	28.5	28.0	-	-	28.5	28.0
Other taxes	9.8	9.5	-	-	9.8	9.5
Investment earnings	15.4	4.2	5.1	1.3	20.5	5.5
Other income	1.6	1.4	-	-	1.6	1.4
Total revenues	233.1	214.2	121.8	107.6	354.9	321.8
Expenses:						
Public safety - Fire	31.9	31.2	-	-	31.9	31.2
Public safety - Police	97.8	75.1	-	-	97.8	75.1
Traffic safety	6.8	5.8	-	-	6.8	5.8
Public right of way	23.7	21.1	-	-	23.7	21.1
Community buildings & drainage	7.3	7.9	-	-	7.3	7.9
Parks & community services	10.1	10.1	-	-	10.1	10.1
Community & economic development	23.2	18.1	-	-	23.2	18.1
Municipal support	14.3	13.9	-	-	14.3	13.9
Water utility	-	-	38.1	32.6	38.1	32.6
Sewer utility	-	-	8.5	6.7	8.5	6.7
Solid waste disposal	-	-	2.2	2.0	2.2	2.0
Housing program	-	-	52.6	46.7	52.6	46.7
Golf course	-	-	2.3	2.2	2.3	2.2
Interest on long-term debt	1.2	1.1	-	-	1.2	1.1
Total Expenses	216.3	184.3	103.7	90.2	320.0	274.5
Income (loss) before transfers	16.8	29.9	18.1	17.4	34.9	47.3
Transfers	-	0.4	-	(0.4)	-	-
Change in net position	16.8	30.3	18.1	17.0	34.9	47.3
Net position - beginning of year	690.1	659.8	210.7	193.7	900.8	853.5
Net position - end of year	\$ 706.9	\$ 690.1	\$ 228.8	\$ 210.7	\$ 935.7	\$ 900.8

CITY OF GARDEN GROVE

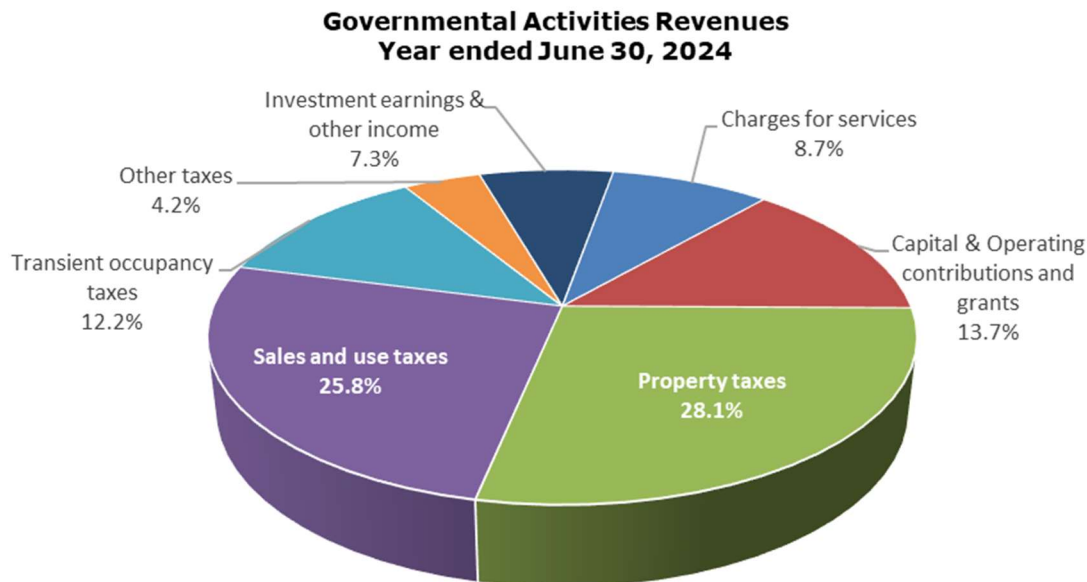
Management's Discussion and Analysis (continued)

June 30, 2024

Governmental Activities

Total resources available during the year to finance governmental operations were \$923.2 million. This amount consists of the beginning net position of \$690.1 million, program revenues of \$52.2 million, and general revenues of \$180.9 million. With total expenses of \$216.3 million, the net position for governmental activities increased by \$16.8 million and ended at \$706.9 million as of June 30, 2024.

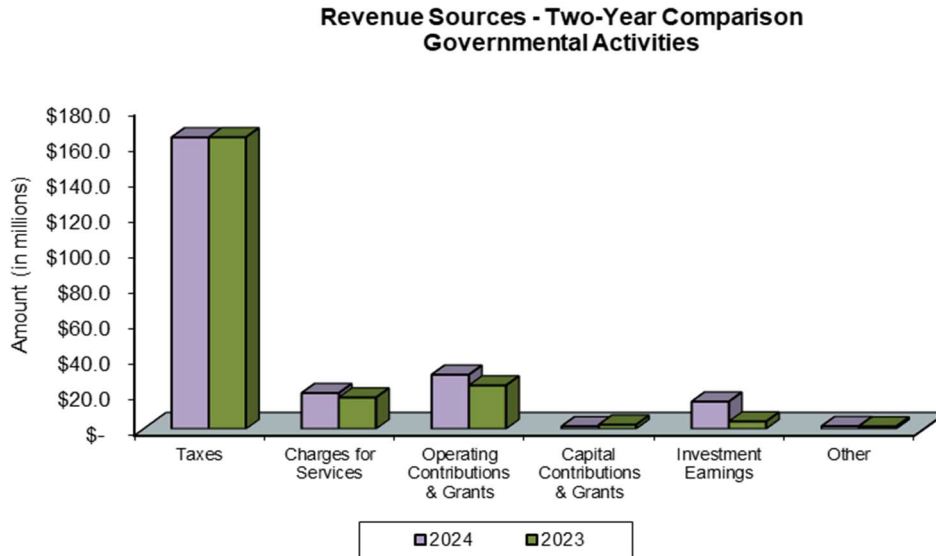
Total revenues from governmental activities amounted to \$233.1 million for the current fiscal year. Tax revenues totaled \$163.9 million, remaining consistent with the previous year. While tax revenues plateaued following several years of rapid growth post-pandemic, investment earnings increased by \$11.2 million from last year, driven by favorable interest rate market conditions. Program revenues contributed \$52.2 million, reflecting a \$7.6 million increase from the prior year. This growth included a \$2.5 million rise in charges for services, attributed to updated fees, and a \$6.0 million increase in grant revenue. A breakdown of revenue sources reported in the governmental activities is shown below.



CITY OF GARDEN GROVE

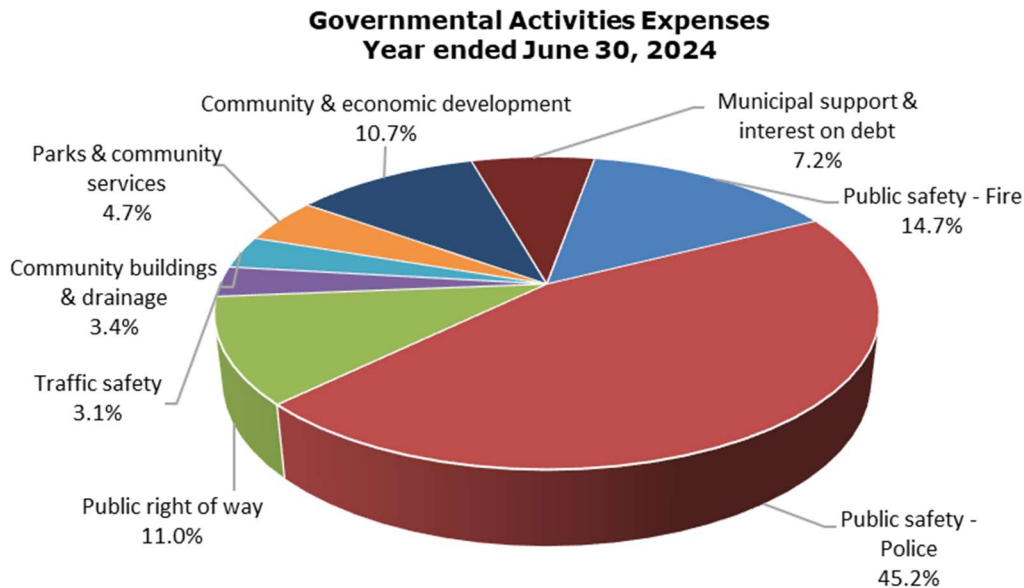
Management’s Discussion and Analysis (continued)
 June 30, 2024

The chart on below illustrates the two-year comparison of total revenues for the governmental activities.



Total expenses for governmental activities for the fiscal year ended June 30, 2024, increased by 17.4%, reaching \$216.3 million compared to the prior year. This increase was primarily driven by several capital improvement projects and the acquisition of capital assets.

The chart below shows a breakdown of the cost of each major municipal function.



CITY OF GARDEN GROVE

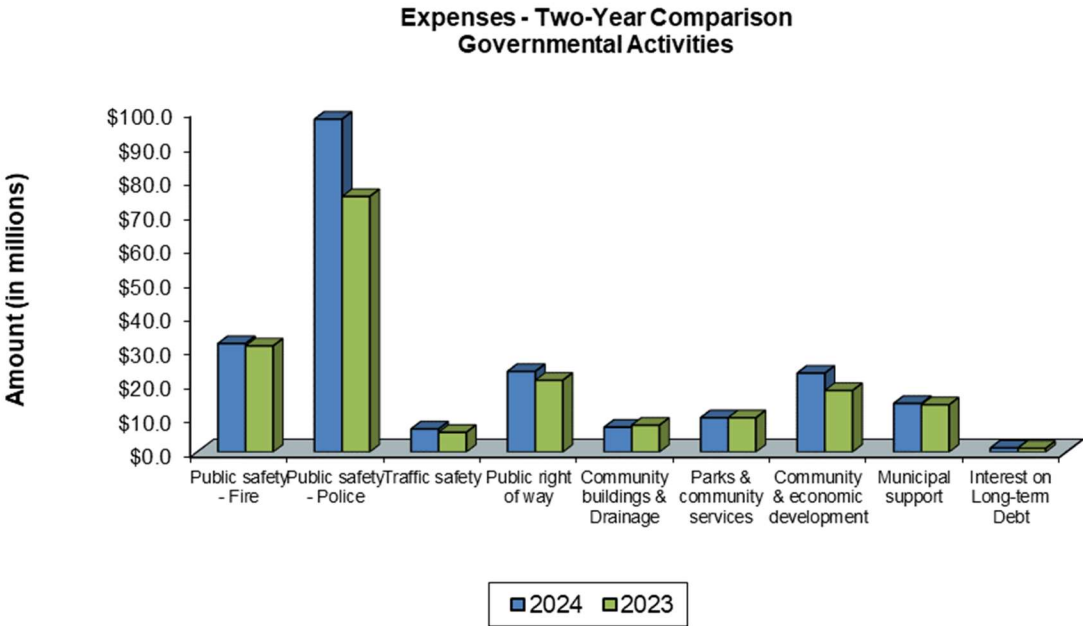
Management’s Discussion and Analysis (continued)
 June 30, 2024

The cost of public safety functions (police and fire) totaled \$129.7 million, or 60.0% of overall governmental activities’ expenses. Public safety is primarily funded by property taxes, sales tax, transient occupancy tax, and other general revenues. Total public safety spending occupied 79.1% of total revenue from taxes.

Traffic safety, public-right-of-way, community buildings, and drainage programs are responsible for the maintenance and construction of transportation system as well as city facilities, with funding provided by the gas tax, Measure M2, various federal, state, and local grants, special assessment, as well as other general revenues. The funding source for parks and community services is primarily general revenues and some program fees. Community and economic development functions are funded by development-related revenues as well as general revenues such as taxes, fees, and investment income. Municipal support services (administration, legal, human resources, financial, and information technology) are primarily funded by charges to the direct operating functions they support through a cost allocation program.

Of the total cost of the governmental activities, the amount the taxpayers ultimately funded was \$163.9 million, the remaining balance was paid by various program revenues, including \$20.2 million by those who directly benefited from the programs, \$30.5 million from other governments and organizations that subsidized certain programs with operating grants and contributions, and \$1.5 million from capital grants and contributions. Other income including investment earnings totaled \$17.0 million for the current year, and also contributed to support the various governmental activities.

A two-year comparison of total expenses for governmental activities is shown below.



CITY OF GARDEN GROVE

Management's Discussion and Analysis (continued)

June 30, 2024

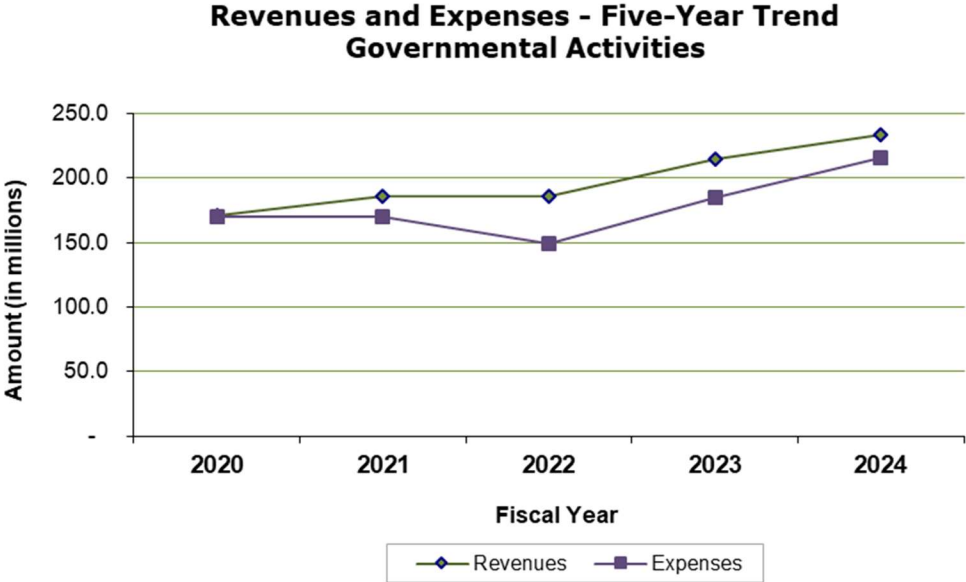
Highlights of the major revenue sources and expenses for governmental activities are listed below:

- Program revenues accounted for 22.4% of total revenues generated by governmental activities. In the current year, program revenues totaled \$52.2 million, reflecting an increase of \$7.6 million compared to the previous year. Charges for services rose by \$2.5 million, while grants and contributions saw a \$5.1 million increase.
- Taxes accounted for 70.3% of total revenues from governmental activities, totaling \$163.9 million for the current year. The amount is consistent with the prior year. Following several years of rapid growth, tax revenues have begun to stabilize. Transient occupancy tax revenue increased by \$0.5 million, reaching a historic high of \$28.5 million.
- Total governmental expenses were \$216.3 million, reflecting an increase of \$32.0 million or 17.4% from the prior year as the City continued to implement its initiatives in fighting homelessness, revitalizing the civic center, and improving its infrastructure. The funding sources for these initiatives were made available by the one-time fiscal relief money allocated to the City from previous years.
- Cost for fire protection and emergency medical response services totaled \$31.9 million, representing 14.7% of total governmental expenses. Public Safety – Police expenses were reported at \$97.8 million, or 45.2% of overall expenses for governmental activities.
- In the current fiscal year, significant resources were committed to the Civic Center Revitalization/Public Safety Facility project, which included acquiring properties in the Civic Center Plaza. As the project advanced into the construction phase, expenditures in Public Safety – Police increased by \$22.7 million compared to the prior year.
- Community and economic development efforts and street infrastructure improvements accounted for \$23.2 million and \$23.7 million, respectively, representing the third and fourth largest expenditures for governmental activities. The City continues to implement its accelerated pavement management program to enhance citywide pavement conditions. In addition, as part of the Civic Center Revitalization Master Plan, the City has acquired several properties in the Civic Center Plaza in recent years. The most recent acquisition, completed during the current fiscal year, was a 69,353-square-foot office building purchased for \$11.9 million.

CITY OF GARDEN GROVE

Management’s Discussion and Analysis (continued)
June 30, 2024

The chart below presents governmental activity revenues and expenses for the past five years. Transfers and extraordinary items were not included in the revenues and expenses.



Business-Type Activities

The City’s net position for business-type activities increased by \$18.1 million during the fiscal year ended June 30, 2024. Revenues from business-type activities exceeded expenses by \$18.1 million, bringing the total net position to \$210.7 million at year-end.

The City completed a water rate study in November 2023, resulting in the implementation of new water rates effective January 1, 2024. Charges for services in the current fiscal year increased by \$3.7 million due to the updated rates, which were primarily driven by mandates from new state legislation including the removal of per- and polyfluoroalkyl substances (PFAS).

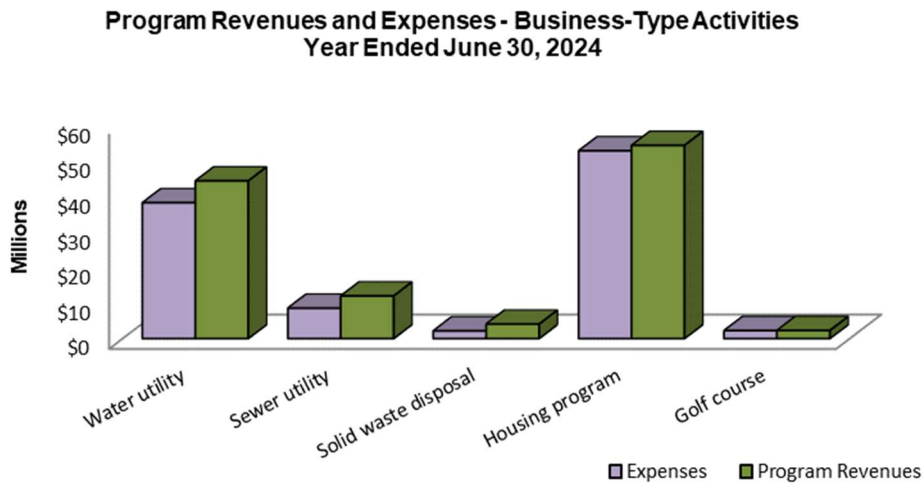
The Housing program is the largest component in the business-type activities by revenue and cost of operations. The Garden Grove Housing Authority reported revenues from operating grants and contributions of \$54.2 million, an increase of \$6.0 million from the previous year. The cost of the Housing Section 8 program also increased by \$5.9 million and totaled \$52.6 million for the year ended June 30, 2024.

Total expenses for all business-type activities for the fiscal year ended June 30, 2024, amounted to \$103.7 million, reflecting an increase of \$13.5 million from the prior year. The cost of delivering water to the City’s residents rose by \$5.5 million, primarily due to the implementation of water treatment plants across all City wells to remove PFAS from the local water supply. Additionally, as the City continues to advance its Housing programs and secure more federal funding, the number of vouchers issued increased during the fiscal year, resulting in a \$5.9 million rise in program costs.

CITY OF GARDEN GROVE

Management’s Discussion and Analysis (continued)
 June 30, 2024

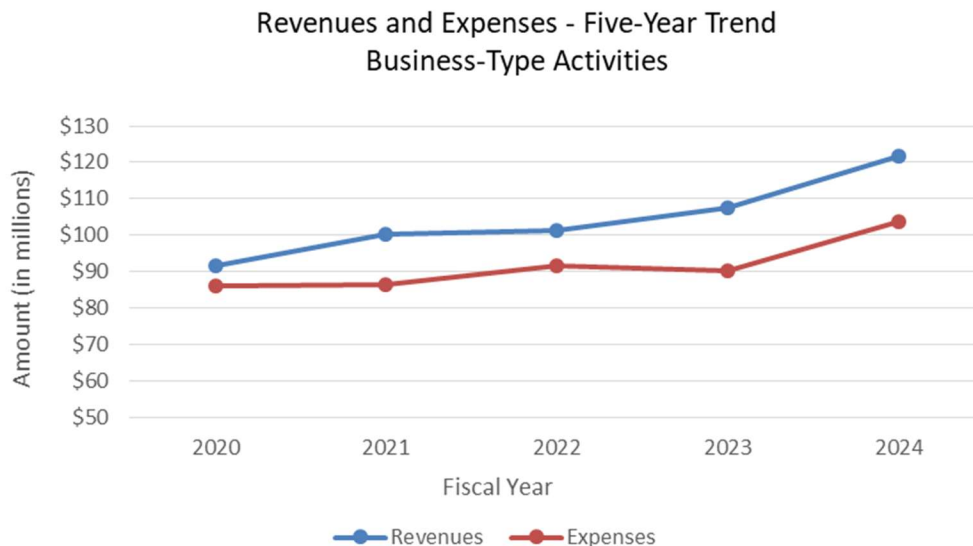
The graph below shows the expenses of each business-type function compared to the program revenues generated specifically from its operations.



As shown in the statement of activities, the amount paid by users of the systems were \$62.5 million, reported as charges for services. Revenues from operating grants and contributions were \$54.2 million, for the City’s Housing Section 8 program. The total program revenue reported for the year was \$116.7 million.

Total resources available during the year to finance business-type activities were \$332.5 million. This amount consists of net position at July 1, 2023, in the amount of \$210.7 million, and total revenues of \$121.8 million. After funding total expenses of \$103.7 million, the net position for business-type activities increased by \$18.1 million to \$228.8 million at June 30, 2024.

The chart below presents revenues and expenses in the business-type activities for the past five years, excluding transfers and extraordinary items.



CITY OF GARDEN GROVE

Management's Discussion and Analysis (continued)

June 30, 2024

FUND FINANCIAL ANALYSIS

General Fund

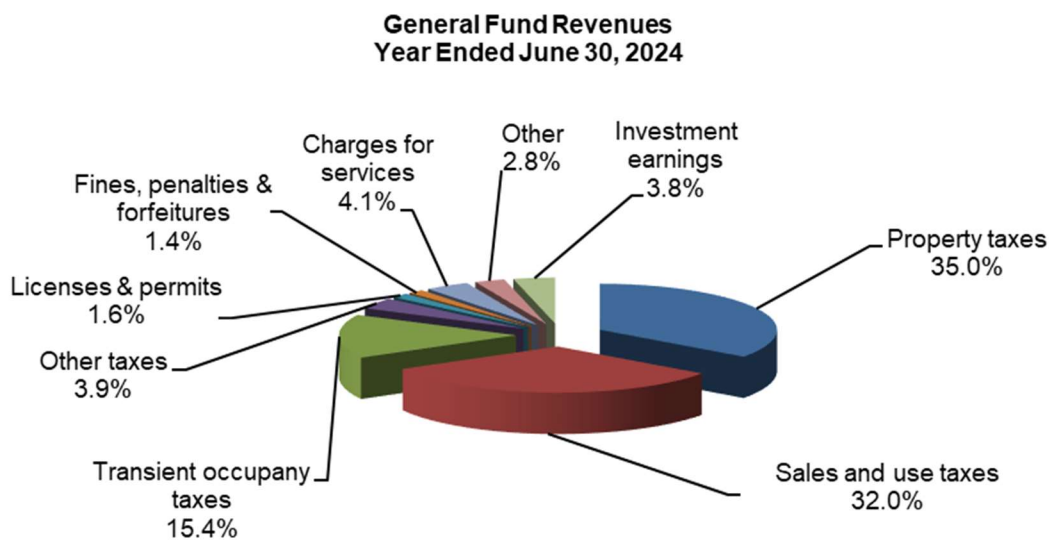
The General Fund is the primary operating fund of the City. The General Fund accounts for essential municipal services including public safety (police and fire), public works, community planning, economic development, and community and park services. These services are primarily funded by tax revenues and funding is dependent upon revenues collected during the same period the services are provided.

For the fiscal year ended June 30, 2024, the General Fund reported total revenue of \$185.0 million, reflecting an increase of \$6.4 million compared to the previous fiscal year. This growth was primarily driven by higher investment earnings resulting from favorable market interest rate conditions.

Total revenue from taxes was \$159.6 million, this is a slight decrease of \$0.3 million from the prior year. Property tax, sales and use tax, and transient occupancy tax generated \$152.3 million, or 82.3% of total General Fund revenues for the current fiscal year. Other taxes, in the amount of \$7.3 million, included business license tax, franchise tax, and certain pass-through taxes.

Other revenues including licenses and permits, fines, penalties and forfeitures, charges for services, and investment income resulted in a combined total of \$25.4 million for the fiscal year ended June 30, 2024.

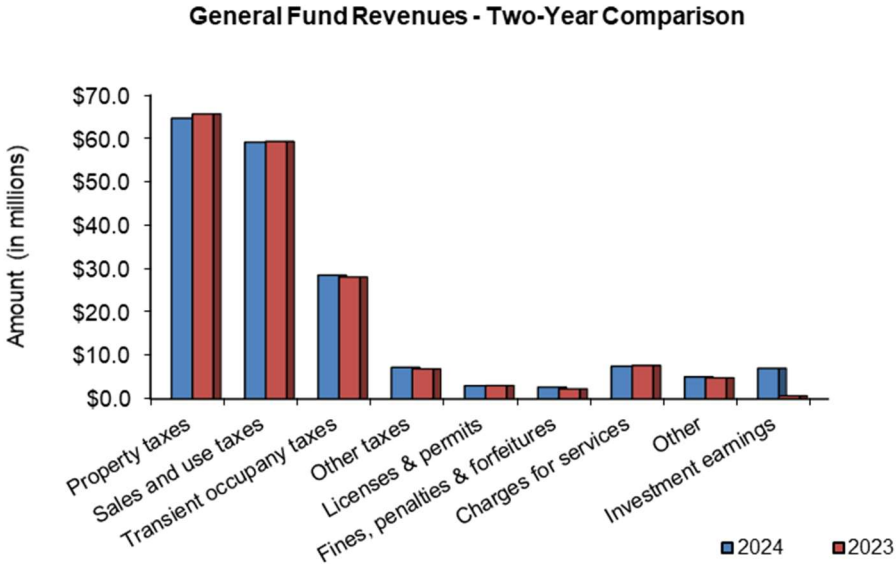
The graph below illustrates General Fund revenues by major sources:



CITY OF GARDEN GROVE

Management’s Discussion and Analysis (continued)
 June 30, 2024

A two-year comparison of each General Fund revenue source for the fiscal years ended June 30, 2024 and June 30, 2023 is presented below:



Compared to the previous year, the largest increase was in investment earnings. The City strategically leveraged its strong cash position in the higher interest rate environment, structuring the portfolio by reinvesting investment income and rebalancing maturities to maximize returns.

Revenues from combined property tax and sales and use tax saw a slight decrease of \$1.1 million compared to the prior year. In recent years, the City experienced rapid growth in both assessed valuation and consumer spending as the economy rebounded from the pandemic. The City experienced similar conditions this year, but the revenues have begun to stabilize. Meanwhile, transient occupancy tax reached another historic high, generating \$28.5 million for the City – an increase of \$427,000 from the previous year.

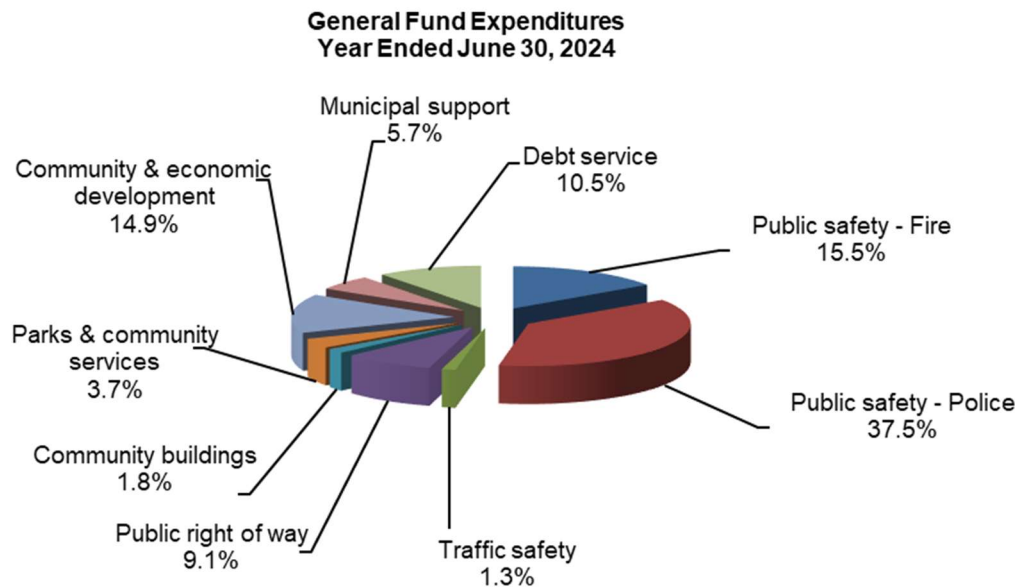
On the expenditure side, the General Fund reported total expenditures of \$204.5 million for the fiscal year ended June 30, 2024. The largest expenditure category was Public Safety, with Fire at \$31.6 million and Police at \$76.6 million. Combined, Public Safety totaled \$108.2 million, representing 53.0% of overall General Fund expenditures, including debt service and capital outlay.

CITY OF GARDEN GROVE

Management's Discussion and Analysis (continued)

June 30, 2024

The graph below illustrates General Fund expenditures by category:



Total General Fund expenditures increased by \$45.0 million compared to the previous fiscal year, primarily due to two significant one-time costs: the defeasance of the Garden Grove Public Financing Authority Lease Revenue Bonds, Series 2015A, on December 5, 2023, and the \$11.9 million purchase of an office building in the Civic Center Plaza. The \$20.8 million defeasance cost was recorded under Principal Retirement within debt service expenditures, while the acquisition cost of the office building was reported under Community and Economic Development for Fiscal Year 2023-24.

Community and Economic Development expenditures totaled \$30.5 million, an \$11.0 million increase from the previous year. As previously stated, the increase was attributed to the acquisition of an office building in December 2023, as part of the Civic Center Master Plan. The total acquisition cost of \$11.9 million was reported as capital outlay in the General Fund.

Public Right-of-Way expenditures increased by \$7.4 million compared to the prior year as the City accelerated its pavement improvement program. Total Public-Right-of-Way amounted to \$18.6 million, representing 9.1% of overall General Fund expenditures for Fiscal Year 2023-24.

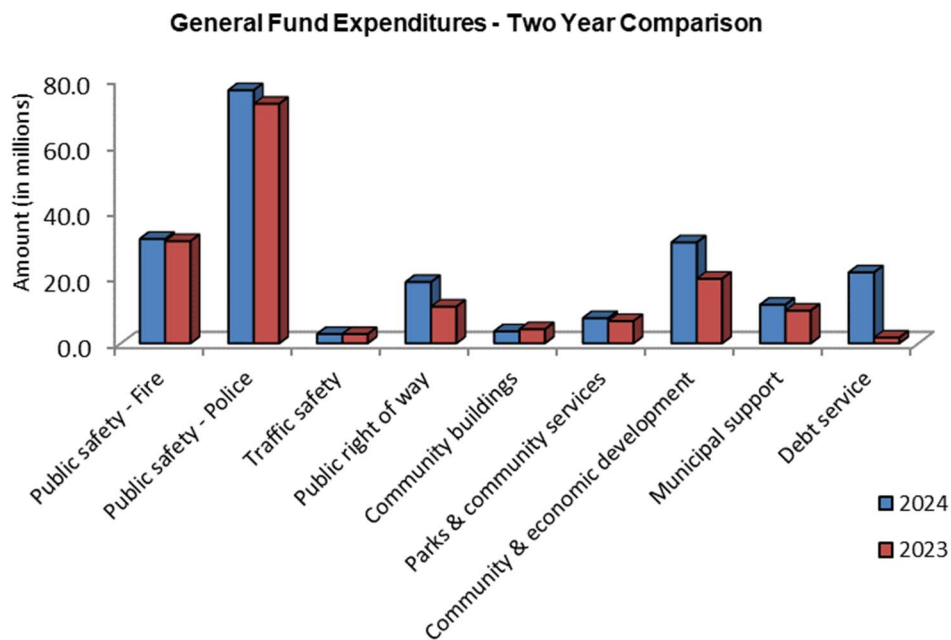
Public Safety expenditures rose by \$4.8 million, or 4.6%, from the previous year. In addition to ongoing efforts to expand the police workforce, the City made significant investments in several GGPD-led programs that directly benefit the community.

CITY OF GARDEN GROVE

Management's Discussion and Analysis (continued)

June 30, 2024

A two-year comparison of each General Fund expenditure category is shown below:



For Fiscal Year 2023-24, General Fund expenditures exceeded revenues by \$19.5 million, primarily due to the one-time cost on debt defeasance of \$20.8 million, and capital asset acquisition totaled \$11.9 million. After taking into account other financing sources and a net transfer totaling \$1.7 million, the fund balance decreased by \$17.8 million for the year, from \$183.3 million at the beginning of the year, to an ending balance of \$165.5 million as of June 30, 2024.

The table below shows a three-year trend analysis on the fund balance of the General Fund. For additional information, please refer to the *Notes to Basic Financial Statements*.

**City of Garden Grove's General Fund Fund Balance
Three-Year Trend Information
(in millions)**

	<u>FY 2023-24</u>	<u>FY 2022-23</u>	<u>FY 2021-22</u>
Fund Balances:			
Nonspendable	\$ 14.1	\$ 18.7	\$ 10.6
Restricted	11.6	7.3	6.2
Committed	38.8	25.7	22.5
Assigned	3.2	2.9	2.7
Unassigned	97.8	128.7	120.2
Total Fund Balance	<u>\$ 165.5</u>	<u>\$ 183.3</u>	<u>\$ 162.2</u>
Fund Balance - Beginning	\$ 183.3	\$ 162.2	\$ 112.4
Excess/(deficiency) revenues over expenditures	(19.5)	19.2	49.2
Transfers	1.0	(4.4)	0.6
Other financing sources	0.7	6.3	-
Fund Balance - Ending	<u>\$ 165.5</u>	<u>\$ 183.3</u>	<u>\$ 162.2</u>

CITY OF GARDEN GROVE

Management's Discussion and Analysis (continued)

June 30, 2024

CAPITAL ASSETS

The capital assets of the City are those assets that are used in the performance of the City's functions including infrastructure assets, buildings and facilities, furniture, machinery and equipment, land, and construction in progress. On June 30, 2024, net capital assets totaled \$697.6 million for governmental activities, and \$180.5 million for the business-type activities, respectively. Depreciation on capital assets is recognized in the government-wide financial statements. Please refer to *Notes to Basic Financial Statements (Note 8)* for additional information.

The table below presents comparative summary on the City's capital assets:

City of Garden Grove's Capital Assets
Net of Depreciation
(in millions)

	Governmental		Business-type		Total	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
Land	\$ 427.7	\$ 421.1	\$ 5.1	\$ 5.1	\$ 432.8	\$ 426.2
Streets	166.6	147.1	-	-	166.6	147.1
Storm drainage	24.3	22.1	-	-	24.3	22.1
Water system	-	-	96.6	87.9	96.6	87.9
Sewer system	-	-	69.3	68.3	69.3	68.3
Buildings and improvements	41.2	24.5	0.4	0.4	41.6	24.9
Furniture, machinery & equipment	15.6	16.3	0.2	0.2	15.8	16.5
SBITA assets*	0.1	0.1	0.2	0.2	0.3	0.3
Construction in progress	20.5	23.6	8.2	10.5	28.7	34.1
Right to use assets	0.7	0.6	0.5	0.1	1.2	0.7
Total Capital Assets	\$ 696.7	\$ 655.4	\$ 180.5	\$ 172.7	\$ 877.2	\$ 828.1

* Beginning balances of Subscription-based IT Assets (SBITA) were restated per GASB Statement No. 96.

DEBT ADMINISTRATION

In December 2023, the City strategically defeased the Garden Grove Public Financing Authority Lease Revenue Bonds, Series 2015A with a principal amount of \$20.8 million. The defeasance not only realized cash flow savings of nearly \$11.0 million, but more importantly, released encumbrances on properties in the Civic Center Area, which paved the way for a housing development project, and accelerated progress on the Civic Center Revitalization initiative.

In June 2024, the City successfully issued the Garden Grove Public Financing Authority Lease Revenue Bonds, Series 2024A, with a par amount of \$140.0 million. Leveraging its strong credit rating, the City secured a bond premium of \$11.7 million. The 2024 lease revenue bonds were issued for a 30-year term with an average coupon rate of 4.6% and a true interest cost of 4.0%.

CITY OF GARDEN GROVE

Management's Discussion and Analysis (continued)

June 30, 2024

The schedule of outstanding long-term debt with comparative amounts for the previous fiscal year is presented below. For additional information on the City's long-term debt, please refer to *Notes to Basic Financial Statements (Note 9)*.

City of Garden Grove's Outstanding Debt (in millions)

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Lease revenue bonds	\$ 140.0	\$ 20.7	\$ -	\$ -	\$ 140.0	\$ 20.7
Leases payable	0.7	0.6	0.5	0.1	1.2	0.7
Revenue bonds	-	-	33.1	34.7	33.1	34.7
Certificates of participation	-	-	-	0.9	-	0.9
SBITA payable*	0.1	0.1	0.2	0.3	0.3	0.4
Unamortized bond premium	11.7	1.2	3.8	4.0	15.5	5.2
Total Outstanding Debt	<u>\$ 152.5</u>	<u>\$ 22.6</u>	<u>\$ 37.6</u>	<u>\$ 40.0</u>	<u>\$ 190.1</u>	<u>\$ 62.6</u>

* Beginning balances of Subscription-based IT Assets (SBITA) were restated per GASB Statement No. 96.

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund appropriations were initially adopted at \$170.2 million for Fiscal Year 2023-24. Final appropriations increased by \$67.0 million, bringing the total to \$237.2 million. The additional appropriations were allocated to fund the bond defeasance, capital asset acquisitions, a development agreement, and the continuation of various capital projects, including:

- \$20.8 million to defease the Garden Grove Public Financing Authority Lease Revenue Bonds Series 2015A;
- \$17.0 million for the Civic Center Revitalization/Public Safety Facility project;
- \$12.8 million to acquire the Euclid building in the Civic Center Plaza;
- \$1.0 million for a development agreement (Site C);
- \$1.0 million for tenant improvements to the Purcell building; and
- \$14.0 million carried over from the previous year to continue the Pavement Management Acceleration Program.

Below is a summary of changes made to the adopted budget:

	2024
Original Budget	\$ 170,235,400
Supplemental Changes	<u>66,989,917</u>
Final Budget	<u>\$ 237,225,317</u>

As of June 30, 2024, the City's General Fund ended the fiscal year with a net favorable variance of \$52.6 million. Higher than expected tax revenues and investment earnings, as well as unanticipated recoveries contributed to an \$18.3 million favorable variance in revenue. The majority of the \$32.7 million favorable variance in

CITY OF GARDEN GROVE

Management's Discussion and Analysis (continued)

June 30, 2024

expenditures resulted from unspent appropriations for capital projects, which will be carried forward to future years.

The table below shows the budget variance in each category, revenue, expenditure, and transfers:

	General Fund Budget to Actual Comparison (in millions)			Budget
	Revenue	Expenditure	Transfer & Other Sources	Variance
Final Budget	\$ 166.7	\$ 237.2	0.2	
Actual	185.0	204.5	1.8	
Favorable/(Unfavorable) Budget Variance	<u>\$ 18.3</u>	<u>\$ 32.7</u>	<u>\$ 1.6</u>	<u>\$ 52.6</u>

The City strives to develop a budget that accurately aligns available resources and operational needs. As unforeseen situations arise during the year, budget variances are carefully reviewed, analyzed, and programmed to address various community needs.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need any additional financial information, please contact the City of Garden Grove's Finance Department at 11222 Acacia Parkway, Garden Grove, California, 92840, phone number 714-741-5060, or e-mail finance@ggcity.gov.



Basic Financial Statements

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CITY OF GARDEN GROVE
STATEMENT OF NET POSITION
JUNE 30, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 300,888,982	\$ 122,306,093	\$ 423,195,075
Cash and investments with fiscal agents	156,385,593	1,542,564	157,928,157
Cash and investments with pension trust	4,530,056	-	4,530,056
Taxes receivable	13,569,203	325,336	13,894,539
Accounts receivable	1,207,252	7,359,390	8,566,642
Interest receivable	780,607	325,205	1,105,812
Intergovernmental receivable	4,781,403	-	4,781,403
Internal balances	9,712,680	(7,162,680)	2,550,000
Inventory	526,793	23,702	550,495
Deposits and prepaid items	523,032	132,824	655,856
Notes receivable, net	34,198,643	-	34,198,643
Leases receivable	6,047,401	-	6,047,401
Due from Successor Agency	5,044,260	-	5,044,260
Land held for resale	2,819,063	-	2,819,063
Prepaid bond insurance costs	86,710	-	86,710
Capital assets:			
Land	427,699,660	5,142,500	432,842,160
Construction in progress	20,479,563	8,181,536	28,661,099
Depreciable capital assets, net	248,563,874	167,177,131	415,741,005
Total assets	<u>1,237,844,775</u>	<u>305,353,601</u>	<u>1,543,198,376</u>
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized loss on refunding of debt	-	60,605	60,605
OPEB related items	19,370,617	2,650,591	22,021,208
Pension related items	73,762,699	8,013,930	81,776,629
Total deferred outflows	<u>93,133,316</u>	<u>10,725,126</u>	<u>103,858,442</u>
LIABILITIES			
Accounts payable	14,975,921	8,088,886	23,064,807
Accrued liabilities	3,379,844	728,646	4,108,490
Refundable deposits	3,427,854	2,714,465	6,142,319
Interest payable	435,327	54,130	489,457
Unearned revenue	4,175,217	-	4,175,217
Noncurrent liabilities:			
Intercity loans payable	2,550,000	-	2,550,000
Due within one year	18,711,143	2,814,441	21,525,584
OPEB liability short-term	4,267,608	584,526	4,852,134
Due in more than one year	190,238,218	35,675,716	225,913,934
OPEB liability	33,568,228	4,597,777	38,166,005
Net pension liability	327,724,382	29,803,736	357,528,118
Total liabilities	<u>603,453,742</u>	<u>85,062,323</u>	<u>688,516,065</u>
DEFERRED INFLOWS OF RESOURCES			
Unamortized gain on refunding of debt	-	128,652	128,652
Lease related	5,822,057	-	5,822,057
OPEB related items	13,803,450	1,890,632	15,694,082
Pension related items	988,000	189,141	1,177,141
Total deferred inflows	<u>20,613,507</u>	<u>2,208,425</u>	<u>22,821,932</u>
NET POSITION			
Net investment in capital assets	700,605,501	142,798,163	843,403,664
Restricted for:			
Public safety	155,893,654	-	155,893,654
Public right of way	15,395,426	-	15,395,426
Drainage	351,963	-	351,963
Community planning and development	43,812,976	-	43,812,976
Community services	14,623,109	-	14,623,109
Unrestricted	(223,771,787)	86,009,816	(137,761,971)
Total net position	<u>\$ 706,910,842</u>	<u>\$ 228,807,979</u>	<u>\$ 935,718,821</u>

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

**CITY OF GARDEN GROVE
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<u>Functions/programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenue Operating Grants and Contributions</u>
Governmental activities:			
Fire	\$ 31,871,361	\$ 674,442	\$ 233,856
Police	97,761,421	3,551,052	3,790,476
Traffic safety	6,814,093	1,289,947	120,303
Public right of way	23,731,060	350,593	16,223,509
Drainage	1,460,930	-	-
Community buildings	5,810,440	4,241,640	23,367
Community services	7,643,086	592,871	-
Economic development	2,611,930	-	233,346
Parks and greenbelts	2,486,590	1,327,328	83,510
Community planning and development	20,535,862	4,890,090	4,210,948
Municipal support	14,290,716	3,238,114	5,604,167
Interest on long term debt	1,248,626	-	-
Total governmental activities	<u>216,266,115</u>	<u>20,156,077</u>	<u>30,523,482</u>
Business-type activities:			
Water utility	38,078,468	44,200,824	-
Sewage collection	8,550,061	11,968,047	-
Housing authority	52,633,490	-	54,151,706
Solid waste disposal	2,175,151	4,073,137	-
Golf course	2,259,418	2,287,514	-
Total business-type activities	<u>103,696,588</u>	<u>62,529,522</u>	<u>54,151,706</u>
Total	<u>\$ 319,962,703</u>	<u>\$ 82,685,599</u>	<u>\$ 84,675,188</u>

General revenues:

Taxes:

- Sales taxes
- Property taxes, levied for general purposes
- Franchise taxes
- Business operation taxes
- Transient occupancy taxes
- Motor vehicle taxes, unrestricted
- Investment income
- Gain on sale of capital assets
- Miscellaneous
- Gain on defeasance of debt

Total general revenues and transfers

Change in net position

Net position, beginning of year

Net position, end of year

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

Net (Expense) Revenue and Changes in Net Position			
Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
\$ -	\$ (30,963,063)	\$ -	\$ (30,963,063)
-	(90,419,893)	-	(90,419,893)
297,314	(5,106,529)	-	(5,106,529)
-	(7,156,958)	-	(7,156,958)
96,115	(1,364,815)	-	(1,364,815)
-	(1,545,433)	-	(1,545,433)
-	(7,050,215)	-	(7,050,215)
-	(2,378,584)	-	(2,378,584)
1,143,852	68,100	-	68,100
-	(11,434,824)	-	(11,434,824)
-	(5,448,435)	-	(5,448,435)
-	(1,248,626)	-	(1,248,626)
<u>1,537,281</u>	<u>(164,049,275)</u>	<u>-</u>	<u>(164,049,275)</u>
-	-	6,122,356	6,122,356
-	-	3,417,986	3,417,986
-	-	1,518,216	1,518,216
-	-	1,897,986	1,897,986
-	-	28,096	28,096
<u>-</u>	<u>-</u>	<u>12,984,640</u>	<u>12,984,640</u>
<u>\$ 1,537,281</u>	<u>\$ (164,049,275)</u>	<u>\$ 12,984,640</u>	<u>\$ (151,064,635)</u>
	60,132,338	-	60,132,338
	65,442,744	-	65,442,744
	2,961,225	-	2,961,225
	6,654,896	-	6,654,896
	28,500,576	-	28,500,576
	212,513	-	212,513
	15,383,841	5,117,360	20,501,201
	17,812	-	17,812
	531,257	-	531,257
	1,058,930	-	1,058,930
	<u>180,896,132</u>	<u>5,117,360</u>	<u>186,013,492</u>
	16,846,857	18,102,000	34,948,857
	<u>690,063,985</u>	<u>210,705,979</u>	<u>900,769,964</u>
	<u>\$ 706,910,842</u>	<u>\$ 228,807,979</u>	<u>\$ 935,718,821</u>

**CITY OF GARDEN GROVE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024**

	General Fund	Navigation Center Fund	Civic Center Revitalization Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash investments	\$ 141,383,810	\$ -	\$ 9,164	\$ 36,459,968	\$ 177,852,942
Cash and cash investments with fiscal agents	46	5,749,042	150,636,505	-	156,385,593
Cash and investments with pension trust	4,530,056	-	-	-	4,530,056
Taxes receivable	12,770,729	-	-	798,474	13,569,203
Accounts receivable	950,408	-	-	218,495	1,168,903
Interest receivable	373,180	-	-	100,596	473,776
Intergovernmental receivable	1,254,213	-	-	3,527,105	4,781,318
Intercity loans receivable, net	11,587,481	-	-	-	11,587,481
Due from other funds	3,939,826	-	-	-	3,939,826
Due from Successor Agency	-	-	-	5,044,260	5,044,260
Deposits and prepaid items	178,624	2,127	-	33,588	214,339
Notes receivable, net	2,300,056	-	-	31,898,587	34,198,643
Leases receivable	6,047,401	-	-	-	6,047,401
Land held for resale	2,300,000	-	-	519,063	2,819,063
Total assets	<u>\$ 187,615,830</u>	<u>\$ 5,751,169</u>	<u>\$ 150,645,669</u>	<u>\$ 78,600,136</u>	<u>\$ 422,612,804</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 6,329,907	\$ 605,435	\$ 5,067,856	\$ 1,447,576	\$ 13,450,774
Accrued liabilities	2,890,575	-	31,506	284,647	3,206,728
Refundable deposits	3,427,854	-	-	-	3,427,854
Intercity loan payable	2,260,619	-	-	-	2,260,619
Notes payable	-	-	-	2,550,000	2,550,000
Unearned revenue	-	1,254,649	-	2,920,568	4,175,217
Due to other funds	102,581	974,139	2,889,949	80,578	4,047,247
Total liabilities	<u>15,011,536</u>	<u>2,834,223</u>	<u>7,989,311</u>	<u>7,283,369</u>	<u>33,118,439</u>
Deferred inflows of resources:					
Unavailable revenue	1,250,197	-	-	1,192,011	2,442,208
Lease related	5,822,057	-	-	-	5,822,057
Total Deferred inflows	<u>7,072,254</u>	<u>-</u>	<u>-</u>	<u>1,192,011</u>	<u>8,264,265</u>
Fund balances:					
Non-Spendable:					
Intercity loan	11,587,481	-	-	-	11,587,481
Prepaid items	178,624	2,127	-	33,588	214,339
Land held for resale	2,300,000	-	-	-	2,300,000
Restricted:					
Public safety	29,205	-	150,636,505	5,227,875	155,893,585
Fire protection	56,158	-	-	-	56,158
Public right of way	107,300	-	-	15,288,126	15,395,426
Drainage	-	-	-	351,963	351,963
Community planning and development	6,387,492	-	-	37,733,257	44,120,749
Community services	213,445	2,914,819	-	11,494,845	14,623,109
Municipal support and services	232,193	-	-	-	232,193
Pension trust	4,530,056	-	-	-	4,530,056
Committed:					
Stability reserve	27,900,000	-	-	-	27,900,000
Designated revenue reserve	10,922,458	-	-	-	10,922,458
Assigned:					
Post-employment benefits	1,000,000	-	-	-	1,000,000
Building improvements	1,300,000	-	-	-	1,300,000
General plan	944,595	-	-	-	944,595
Unassigned	97,843,033	-	(7,980,147)	(4,898)	89,857,988
Total fund balances	<u>165,532,040</u>	<u>2,916,946</u>	<u>142,656,358</u>	<u>70,124,756</u>	<u>381,230,100</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 187,615,830</u>	<u>\$ 5,751,169</u>	<u>\$ 150,645,669</u>	<u>\$ 78,600,136</u>	<u>\$ 422,612,804</u>

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

CITY OF GARDEN GROVE
RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

Amounts reported for governmental activities in the statement of net position are different because:

Fund balances - total governmental funds (page 28)	\$ 381,230,100
Capital assets used in governmental activities are not current financial resources, and therefore are not reported in the governmental funds balance sheet.	
Capital assets	1,064,810,554
Accumulated depreciation	(381,748,856)
Certain notes, grants, and accounts receivables are not available to pay for current period expenditures, and therefore are offset by deferred inflows of resources in the governmental funds.	2,442,208
Internal service funds are used by management to charge the costs of various city activities to individual governmental and business-like funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	72,636,373
The issuance of long term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long term debt and related items.	
Long term debt	(140,410,217)
Bond premium	(11,707,425)
Prepaid bond insurance	86,710
Accrued interest payable	(433,154)
The OPEB liability is not due and payable in the current period and, therefore, is not reported in the balance sheet of the governmental funds. Also, deferred inflows and outflows of resources related to OPEB costs are deferred and amortized in the statement of activities. This amount is the net effect of the treatment of OPEB liability and deferred outflows of resources from OPEB contributions.	(30,851,802)
The pension liability is not due and payable in the current period and, therefore, is not reported in the balance sheet of the governmental funds. Also, deferred inflows and outflows of resources related to pension costs are deferred and amortized in the statement of activities. This amount is the net effect of the treatment of net pension liability, deferred outflows of resources from pension contributions and deferred inflows of resources for the net difference between projected and actual earnings on pension plan investments.	(249,143,649)
	<u>(249,143,649)</u>
Net position of governmental activities	<u>\$ 706,910,842</u>

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

CITY OF GARDEN GROVE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	General Fund	Navigation Center Fund	Civic Center Revitalization Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:					
Taxes	\$ 159,566,000	\$ -	\$ -	\$ 4,445,373	\$ 164,011,373
Licenses and permits	3,035,509	-	-	157,476	3,192,985
Fines, forfeits and penalties	2,720,851	-	-	467,340	3,188,191
Investment earnings	7,048,121	3,450	-	2,301,940	9,353,511
Charges for current services	7,530,683	-	-	3,668,449	11,199,132
From other agencies	181,780	4,509,191	-	21,574,095	26,265,066
Other revenues	4,920,194	4,001,297	-	650,119	9,571,610
Total revenues	<u>185,003,138</u>	<u>8,513,938</u>	<u>-</u>	<u>33,264,792</u>	<u>226,781,868</u>
EXPENDITURES:					
Current:					
Fire	31,604,001	-	-	-	31,604,001
Police	76,613,400	-	-	2,200,557	78,813,957
Traffic safety	2,810,327	-	-	3,150,479	5,960,806
Public right of way	18,550,550	-	-	15,393,358	33,943,908
Community buildings	3,653,662	5,633,927	-	-	9,287,589
Community services	5,923,389	-	-	1,319,171	7,242,560
Economic development	-	-	-	2,618,673	2,618,673
Parks and greenbelts	1,696,554	-	-	1,933,279	3,629,833
Community planning and development	30,553,889	-	7,980,148	6,278,740	44,812,777
Municipal support	11,671,662	-	-	538,029	12,209,691
Debt service:					
Principal retirement	20,772,213	-	-	5,735	20,777,948
Interest	684,551	-	387,541	30,092	1,102,184
Total expenditures	<u>204,534,198</u>	<u>5,633,927</u>	<u>8,367,689</u>	<u>33,468,113</u>	<u>252,003,927</u>
Excess of revenues over expenditures	<u>(19,531,060)</u>	<u>2,880,011</u>	<u>(8,367,689)</u>	<u>(203,321)</u>	<u>(25,222,059)</u>
OTHER FINANCING SOURCES (USES):					
Issuance of debt	695,362	-	151,024,047	-	151,719,409
Transfers in	2,305,933	-	-	1,246,057	3,551,990
Transfers out	(1,246,057)	(20,000)	-	(1,412,378)	(2,678,435)
Total other financing (uses)	<u>1,755,238</u>	<u>(20,000)</u>	<u>151,024,047</u>	<u>(166,321)</u>	<u>152,592,964</u>
Net change in fund balances	(17,775,822)	2,860,011	142,656,358	(369,642)	127,370,905
Fund balances, beginning of year	<u>183,307,862</u>	<u>56,935</u>	<u>-</u>	<u>70,494,398</u>	<u>253,859,195</u>
Fund balances, end of year	<u>\$ 165,532,040</u>	<u>\$ 2,916,946</u>	<u>\$ 142,656,358</u>	<u>\$ 70,124,756</u>	<u>\$ 381,230,100</u>

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

CITY OF GARDEN GROVE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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

Net change in fund balances - total governmental funds \$ 127,370,905

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expenses exceeded capital outlays in the current period.

Capital outlay	52,919,621
Depreciation expense	(12,152,724)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Bond principal payment	20,683,557
Change in accrued interest	(119,837)
Issuance of Lease Revenue bonds	(151,719,409)
Amortization of bond premium and deferred items	(4,179)
Gain on the defeasance of debt	1,058,930

Some revenues in statement of activities that do not provide current financial resources are not reported as revenues in the funds. 191,904

Internal service funds are used by management to charge the costs of certain activities, such as workers compensation, fleet management, employee benefits, telephones, information systems, risk management and warehouse operations to individual funds. The net expenses of these internal service funds are reported with governmental activities. (802,974)

OPEB costs do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. (2,954,428)

Pension costs do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. (17,624,509)

Change in net position of governmental activities \$ 16,846,857

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

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**CITY OF GARDEN GROVE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024**

	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water Utility	Sewage Collection	Housing Authority	Total Nonmajor Funds	Total Enterprise Funds	
ASSETS						
Current assets:						
Cash and cash investments	\$ 46,958,285	\$ 50,894,549	\$ 4,401,505	\$ 20,051,754	\$ 122,306,093	\$ 123,036,040
Cash and cash investments with fiscal agents	1,542,564	-	-	-	1,542,564	-
Taxes receivable	-	52,416	-	272,920	325,336	-
Accounts receivable	5,361,664	1,960,491	24,142	13,093	7,359,390	38,349
Interest receivable	129,517	134,045	10,608	51,035	325,205	306,831
Intergovernmental receivable	-	-	-	-	-	85
Due from other funds	-	-	-	-	-	126,940
Inventory	-	-	-	23,702	23,702	526,793
Deposits and prepaid items	20,816	68,637	13,319	30,052	132,824	308,693
Total current assets	<u>54,012,846</u>	<u>53,110,138</u>	<u>4,449,574</u>	<u>20,442,556</u>	<u>132,015,114</u>	<u>124,343,731</u>
Noncurrent assets:						
Intercity loans receivable, net	-	-	-	-	-	3,061,631
Capital assets:						
Land	1,471,805	537,984	-	3,132,711	5,142,500	-
Construction in progress	4,664,996	3,516,540	-	-	8,181,536	716,369
Depreciable capital assets, net	97,143,186	69,377,056	25,600	631,289	167,177,131	12,965,030
Total noncurrent assets	<u>103,279,987</u>	<u>73,431,580</u>	<u>25,600</u>	<u>3,764,000</u>	<u>180,501,167</u>	<u>16,743,030</u>
Total assets	<u>157,292,833</u>	<u>126,541,718</u>	<u>4,475,174</u>	<u>24,206,556</u>	<u>312,516,281</u>	<u>141,086,761</u>
DEFERRED OUTFLOWS OF RESOURCES						
Unamortized loss on refunding of debt	60,605	-	-	-	60,605	-
OPEB related items	1,492,565	360,275	591,880	205,871	2,650,591	849,219
Pension related items	4,091,353	1,781,104	1,560,611	580,862	8,013,930	2,116,988
Total deferred outflows	<u>5,644,523</u>	<u>2,141,379</u>	<u>2,152,491</u>	<u>786,733</u>	<u>10,725,126</u>	<u>2,966,207</u>
LIABILITIES						
Current liabilities:						
Accounts payable	6,812,469	836,666	31,325	408,426	8,088,886	1,525,147
Accrued liabilities	469,391	176,916	63,155	19,184	728,646	173,116
Refundable deposits	575,885	-	117,105	2,021,475	2,714,465	-
Interest payable	33,107	20,214	11	798	54,130	2,173
Due to other funds	11,257	2,974	1,459	406	16,096	3,423
Current portion of long-term obligations:						
Subscription-based IT payable	63,000	-	-	-	63,000	11,224
Leases payable	-	-	11,014	125,236	136,250	83,278
Accrued compensated absences	529,498	300,045	-	-	829,543	7,609,598
Claims payable	-	-	-	-	-	7,503,317
OPEB liability	329,151	79,450	130,525	45,400	584,526	187,275
Long-term debt	1,033,192	752,456	-	-	1,785,648	-
Total current liabilities	<u>9,856,950</u>	<u>2,168,721</u>	<u>354,594</u>	<u>2,620,925</u>	<u>15,001,190</u>	<u>17,098,551</u>
Noncurrent liabilities:						
Noncurrent portion of long-term obligations:						
Subscription-based IT payable	126,000	-	-	-	126,000	43,950
Leases payable	-	-	11,077	319,475	330,552	267,095
Accrued compensated absences	16,377	9,280	-	-	25,657	556,680
Claims payable	-	-	-	-	-	40,756,577
Intercity loans payable	9,037,481	-	-	-	9,037,481	801,012
Long-term debt	23,857,528	11,335,979	-	-	35,193,507	-
Net pension liability	15,215,707	6,623,911	5,803,899	2,160,219	29,803,736	7,873,057
OPEB liability	2,589,039	624,941	1,026,688	357,109	4,597,777	1,473,074
Total noncurrent liabilities	<u>50,842,132</u>	<u>18,594,111</u>	<u>6,841,664</u>	<u>2,836,803</u>	<u>79,114,710</u>	<u>51,771,445</u>
Total liabilities	<u>60,699,082</u>	<u>20,762,832</u>	<u>7,196,258</u>	<u>5,457,728</u>	<u>94,115,900</u>	<u>68,869,996</u>
DEFERRED INFLOWS OF RESOURCES						
Unamortized gain on refunding of debt	-	128,652	-	-	128,652	-
OPEB related items	1,064,628	256,979	422,180	146,845	1,890,632	605,737
Pension related items	96,562	42,037	36,833	13,709	189,141	49,965
Total deferred inflows	<u>1,161,190</u>	<u>427,668</u>	<u>459,013</u>	<u>160,554</u>	<u>2,208,425</u>	<u>655,702</u>
NET POSITION						
Net investment in capital assets	78,260,872	61,214,493	3,509	3,319,289	142,798,163	13,275,852
Unrestricted	22,816,212	46,278,104	(1,031,115)	16,055,718	84,118,919	61,251,418
Total net position	<u>\$ 101,077,084</u>	<u>\$ 107,492,597</u>	<u>\$ (1,027,606)</u>	<u>\$ 19,375,007</u>	<u>226,917,082</u>	<u>\$ 74,527,270</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					1,890,897	
Net position of business-type activities					<u>\$ 228,807,979</u>	

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

CITY OF GARDEN GROVE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Business-Type Activities		
	- Enterprise Funds		
	Water Utility	Sewage Collection	Housing Authority
Operating revenues:			
Charges for services	\$ -	\$ -	\$ -
Water sales	43,971,993	-	-
Section 8 grant revenue	-	-	54,073,324
Solid waste disposal fees	-	-	-
Property assessments	-	4,402,876	-
Sewer user fees	-	7,565,171	-
Other	228,831	-	78,382
Total operating revenues	<u>44,200,824</u>	<u>11,968,047</u>	<u>54,151,706</u>
Operating expenses:			
Salaries and benefits	9,807,866	3,615,670	2,620,675
Contractual services	6,954,458	1,789,690	240,396
Liability claims	-	-	-
Materials and supplies	270,117	257,178	354,989
Water production expenses	14,227,462	-	-
Housing	-	-	49,402,802
Golf course operations	-	-	-
Depreciation and amortization	4,109,613	1,966,982	14,644
Total operating expenses	<u>35,369,516</u>	<u>7,629,520</u>	<u>52,633,506</u>
Operating income	<u>8,831,308</u>	<u>4,338,527</u>	<u>1,518,200</u>
Nonoperating revenues (expenses):			
Investment income	2,009,093	2,127,669	175,804
Gain (loss) on disposal of assets	(115,944)	-	-
Other nonoperating revenues (expenses)	(233,817)	-	-
Interest expense	(1,102,371)	(434,456)	16
Total nonoperating (expenses) revenues	<u>556,961</u>	<u>1,693,213</u>	<u>175,820</u>
Income before transfers and capital contributions	9,388,269	6,031,740	1,694,020
Capital contributions	-	-	-
Transfers in	53,211	-	-
Transfers out	-	(53,211)	-
Change in net position	9,441,480	5,978,529	1,694,020
Total net position (deficit), beginning of year	<u>91,635,604</u>	<u>101,514,068</u>	<u>(2,721,626)</u>
Total net position (deficit), end of year	<u>\$ 101,077,084</u>	<u>\$ 107,492,597</u>	<u>\$ (1,027,606)</u>

Adjustment to reflect the consolidation of internal service fund activities to enterprise funds.

Change in net position of business-type activities.

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

Business-Type Activities - Enterprise Funds		Governmental Activities - Internal Service Funds
Total Nonmajor Funds	Total Enterprise Funds	
\$ 2,287,514	\$ 2,287,514	\$ 23,532,409
-	43,971,993	-
-	54,073,324	-
3,454,444	3,454,444	-
599,664	5,002,540	-
-	7,565,171	-
19,029	326,242	392,232
<u>6,360,651</u>	<u>116,681,228</u>	<u>23,924,641</u>
789,773	16,833,984	7,440,363
1,368,544	10,353,088	3,906,693
-	-	15,564,301
16,834	899,118	1,748,552
-	14,227,462	-
-	49,402,802	-
2,098,660	2,098,660	-
150,125	6,241,364	2,168,600
<u>4,423,936</u>	<u>100,056,478</u>	<u>30,828,509</u>
<u>1,936,715</u>	<u>16,624,750</u>	<u>(6,903,868)</u>
804,794	5,117,360	5,000,280
-	(115,944)	17,812
-	(233,817)	-
(10,633)	(1,547,444)	(22,426)
<u>794,161</u>	<u>3,220,155</u>	<u>4,995,666</u>
2,730,876	19,844,905	(1,908,202)
-	-	235,878
-	53,211	-
-	(53,211)	(873,555)
2,730,876	19,844,905	(2,545,879)
<u>16,644,131</u>		<u>77,073,149</u>
<u>\$ 19,375,007</u>		<u>\$ 74,527,270</u>
	<u>(1,742,905)</u>	
	<u>\$ 18,102,000</u>	

**CITY OF GARDEN GROVE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Business-Type Activities - Enterprise Funds	
	Water Utility	Sewage Collection
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and user departments	\$ 44,057,731	\$ 11,854,974
Payments to suppliers	(20,408,066)	(2,015,846)
Payments to employees	(9,488,682)	(3,772,551)
Payments for employee benefits	-	-
Net cash provided by operating activities	<u>14,160,983</u>	<u>6,066,577</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash received from other funds	-	-
Cash paid to other funds	(810,808)	377
Net cash (used) provided by noncapital financing activities	<u>(810,808)</u>	<u>377</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(4,049,858)	(6,358,429)
Proceeds from sale of capital assets	(115,023)	28,183
Principal paid on capital debt	(1,933,192)	(680,000)
Interest paid on capital debt	(1,097,206)	(519,124)
Net cash (used) by capital and related financing activities	<u>(7,195,279)</u>	<u>(7,529,370)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest earnings	934,611	1,039,957
Increase (decrease) in fair value of investments	1,040,308	1,076,678
Net cash provided by investing activities	<u>1,974,919</u>	<u>2,116,635</u>
Net (decrease) increase in cash and cash equivalents	8,129,815	654,219
Cash and cash equivalents, beginning of year	<u>45,115,221</u>	<u>48,176,699</u>
Cash and cash equivalents, end of year	<u>\$ 53,245,036</u>	<u>\$ 48,830,918</u>

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

Business-Type Activities - Enterprise Funds			Governmental Activities -
Housing Authority	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
\$ 54,131,776	\$ 7,319,367	\$ 117,363,848	\$ 23,902,640
(49,996,908)	(3,440,584)	(75,861,404)	(17,043,527)
(2,965,687)	(828,100)	(17,055,020)	(6,201,780)
-	-	-	(1,142,189)
<u>1,169,181</u>	<u>3,050,683</u>	<u>24,447,424</u>	<u>(484,856)</u>
134	115	249	729,928
-	-	(810,431)	(1,310,193)
<u>134</u>	<u>115</u>	<u>(810,182)</u>	<u>(580,265)</u>
-	-	(10,408,287)	(2,558,352)
-	-	(86,840)	86,112
(10,949)	(123,909)	(2,748,050)	(83,278)
<u>11</u>	<u>(9,842)</u>	<u>(1,626,161)</u>	<u>(22,438)</u>
<u>(10,938)</u>	<u>(133,751)</u>	<u>(14,869,338)</u>	<u>(2,577,956)</u>
86,843	384,681	2,446,092	2,456,528
<u>85,210</u>	<u>409,922</u>	<u>2,612,118</u>	<u>2,531,293</u>
<u>172,053</u>	<u>794,603</u>	<u>5,058,210</u>	<u>4,987,821</u>
1,330,430	3,711,650	13,826,114	1,344,744
<u>2,940,550</u>	<u>16,294,704</u>	<u>112,527,174</u>	<u>121,746,686</u>
<u>\$ 4,270,980</u>	<u>\$ 20,006,354</u>	<u>\$ 126,353,288</u>	<u>\$ 123,091,430</u>

(continued)

**CITY OF GARDEN GROVE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Business-Type Activities - Enterprise Funds	
	Water Utility	Sewage Collection
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 8,831,308	\$ 4,338,527
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization expense	4,109,613	1,966,982
Other nonoperating revenues (expenses)	(180,606)	(81,394)
Decrease (increase) in taxes receivable	-	7,129
Decrease (increase) in accounts receivable	54,319	(120,202)
Decrease (increase) in intergovernmental receivable	-	-
Decrease (increase) in inventory	-	-
Decrease (increase) in prepaid expenses	(3,319)	(60,022)
Increase (decrease) in accounts payable	997,147	136,400
Increase (decrease) in subscription-based IT payable	(63,000)	-
Increase (decrease) in accrued compensated absences	(23,638)	(51,489)
Increase (decrease) in accrued liabilities	59,932	36,038
Increase (decrease) in refundable deposits	36,405	-
Increase (decrease) in other current liabilities	-	-
Increase (decrease) in claims payable	-	-
Increase (decrease) in OPEB liability and related changes in deferred outflows and inflows of resources	(280,418)	(38,704)
Increase (decrease) in net pension liability and related changes in deferred outflows and inflows of resources	623,240	(66,688)
Total adjustments	<u>5,329,675</u>	<u>1,728,050</u>
Net cash provided by operating activities	<u>\$ 14,160,983</u>	<u>\$ 6,066,577</u>

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

Business-Type Activities - Enterprise Funds			Governmental Activities-
Housing Authority	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
\$ 1,518,200	\$ 1,936,715	\$ 16,624,750	\$ (6,903,868)
14,644	150,125	6,241,364	2,168,600
-	-	(262,000)	-
-	(37,573)	(30,444)	-
7,148	484,974	426,239	(21,978)
-	-	-	(23)
-	(6,843)	(6,843)	(46,817)
-	(13,735)	(77,076)	163,533
(3,701)	64,032	1,193,878	-
-	-	(63,000)	-
-	-	(75,127)	879,917
4,980	6,173	107,123	321,331
(27,078)	511,315	520,642	(1,561,704)
-	-	-	32,364
-	-	-	3,917,983
(463,835)	17,908	(765,049)	(11,181)
118,823	(62,408)	612,967	576,987
(349,019)	1,113,968	7,822,674	6,419,012
\$ 1,169,181	\$ 3,050,683	\$ 24,447,424	\$ (484,856)

**CITY OF GARDEN GROVE
STATEMENT OF FIDUCIARY NET POSITION
CITY OF GARDEN GROVE AS SUCCESSOR AGENCY
TO THE GARDEN GROVE REDEVELOPMENT AGENCY
PRIVATE PURPOSE TRUST FUND
JUNE 30, 2024**

ASSETS

Current assets:

Cash and cash investments	\$ 10,653,030
Cash and cash investments with fiscal agents	4,097,040
Accounts receivable	1,950
Interest receivable	22,733
Total current assets	14,774,753

Noncurrent assets:

Prepaid bond insurance costs	320,206
Land held for resale	849,639
Total noncurrent assets	1,169,845

Total assets	15,944,598
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DEFERRED OUTFLOWS OF RESOURCES

Unamortized loss on refunding of debt	181,630
Total deferred outflows	181,630

LIABILITIES

Current liabilities:

Accounts payable	402,340
Accrued liabilities	5,801
Interest payable	481,750
Current portion of long-term obligations	6,416,557
Total current liabilities	7,306,448

Noncurrent liabilities:

Noncurrent portion of long-term obligations:	
Long-term obligations	44,757,892
Total noncurrent liabilities	44,757,892

Total liabilities	52,064,340
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NET POSITION

Held in trust for redevelopment dissolution	\$ (35,938,112)
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The notes to basic financial statements are an integral part of this statement.

**CITY OF GARDEN GROVE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CITY OF GARDEN GROVE AS SUCCESSOR AGENCY
TO THE GARDEN GROVE REDEVELOPMENT AGENCY
PRIVATE PURPOSE TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

ADDITIONS

Taxes	\$	8,294,158
Investment earnings		344,630
Other revenues		11,450
Total additions		8,650,238

DEDUCTIONS

Program expenses		1,139,455
Administrative expenses		359,711
Interest and fiscal agency expenses		1,408,781
Total deductions		2,907,947

CHANGE IN NET POSITION		5,742,291
NET POSITION, BEGINNING OF YEAR		(41,680,403)
NET POSITION, END OF YEAR	\$	(35,938,112)

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

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**CITY OF GARDEN GROVE
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2024**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Garden Grove (the "City") was incorporated June 18, 1956 as a general law full-service city. The City operates under a council-manager form of government and provides the following services: public safety (police, fire, and paramedics), highways and streets, social services, culture and recreation, parks, planning, zoning, housing, water, solid waste collection and disposal, sewage services and general administration. On May 10, 2016, the City of Garden Grove adopted Ordinance No. 2866 changing the City's current at-large system of electing City Council Members to a by-district system. It took effect in fiscal year 2016-2017. The Mayor is elected at-large. City Council members are elected by six districts, and he or she must reside within the designated district boundary.

1. Reporting Entity

Accounting principles, generally accepted in the United States of America, require that these financial statements present the City (the primary government) and its component units. Component units generally are legally separate entities for which a primary government is financially accountable. Financial accountability ordinarily involves meeting both of the following criteria: the primary government is accountable for the potential component unit (e.g. the primary government appoints the voting majority of its board) and the primary government is able to impose its will upon the potential component unit, or there is a possibility that the potential component unit may provide specific financial benefits or impose specific financial burdens on the primary government. The component units discussed in this note are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

Blended component units:

- a.** The Garden Grove Housing Authority (the "Housing Authority") was established in October 1975, pursuant to the provisions of the Housing and Community Development Act of 1974 and is reported as an enterprise fund as if it were part of the primary government because the governing board is comprised of the City Council, although acting in a different capacity, and two Housing Authority tenants. The Housing Authority governing board approves the Housing Authority budget and the City provides staffing.
- b.** The Garden Grove Sanitary District (the "Sanitary District") began its operations in 1924 as a special district operating under the authority of the State of California. The Health and Safety Code of California (the Sanitary District Act of 1923) is the governing law. The Garden Grove Sanitary District provides the City of Garden Grove, a portion of the City of Santa Ana and County of Orange unincorporated areas with sewer maintenance services including cleaning of sewage collection line and inspection of sewage lines built within the district by developers. Garden Grove has an agreement with Republic Services to provide an exclusive franchise for Solid Waste Handling Services for residents and commercial establishments within the Garden Grove Sanitary District. The district became a subsidiary district and component unit of the City of Garden Grove on May 30, 1997. The Sanitary District is reported as two enterprise funds, the Sewage Collection enterprise fund and Solid Waste Disposal enterprise fund as if it were part of the primary government because the City Council, although acting in a different capacity, is the governing board. Council members approve the Sanitary District budget and the City provides staffing.

**CITY OF GARDEN GROVE
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2024**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1. Reporting Entity (continued)

- c. The Garden Grove Public Financing Authority (the "Authority") was established on June 22, 1993 as a joint powers agency organized under the laws of the State of California. The Authority was formed to assist in the financing of public and capital improvements. The Authority's financial data and transactions are included within enterprise funds. The Authority is administered by the Board who are the members of the City Council and the Mayor. Council members approve the Authority budget and the City provides staffing.

Separate reports are not issued for the Garden Grove Housing Authority, the Garden Grove Sanitary District, or the Garden Grove Public Financing Authority.

All components of the reporting entity are reported on a July 1 through June 30 fiscal year.

2. 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 non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely significantly on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, 2) operating grants and contributions that are restricted to meeting the operational requirement of a particular function or segment, and 3) capital grants and contributions that are restricted to meeting the capital requirement of a particular function or segment and other miscellaneous revenues that directly benefit a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and the fiduciary fund. Major governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

3. 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 and fiduciary fund financial statements. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Grant funds received before the revenue recognition criteria have been met are reported as unearned revenues.

**CITY OF GARDEN GROVE
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2024**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as in accrual accounting. However, debt service expenditures are recorded only when payment is due. Property taxes, franchise taxes, licenses, revenues from other agencies and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental and enterprise funds:

General Fund

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

Navigation Center Fund

This fund was established to account for the City's project to develop and operate a multi-party Central Cities Navigation Center (CCNC). The CCNC will provide emergency housing along income and healthcare services to help individuals experiencing homelessness.

Civic Center Revitalization Fund

This fund was established to account for the City's project to develop a new public safety facility for the Garden Grove Police Department, a new parking structure, and a redesigned Civic Center Park.

Water Utility Fund

The purpose of this fund is to account for the City's water system. Resources of the fund are applied to construction, operation, maintenance and debt service obligations of the water system. Financing is provided by revenue of the water utility.

Sewage Collection Fund

The Garden Grove Sanitary District comprises two funds, the Sewage Collection Fund and the Solid Waste Disposal Fund. Resources of the Sewage Collection Fund are applied to the operation and maintenance of the City's sewer system.

Housing Authority Fund

The Housing Authority Fund accounts for revenues and expenses pertaining to the Federal Section 8 Housing Program.

**CITY OF GARDEN GROVE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Additionally, the City reports the following fund types:

Nonmajor Enterprise Funds

Other nonmajor enterprise funds consists of the Solid Waste Disposal Fund and the Golf Course Fund. The Solid Waste Disposal Fund accounts for the operation of trash and solid waste collections, and disposal services. The Golf Course Fund was established to account for the operations of the Willowick Golf Course.

Internal Service Funds

The internal service funds account for workers' compensation, fleet management, employee benefits, information systems, warehouse operations, telephone system, risk management, communication replacement services, and building and structure rehabilitation services provided to City departments on a cost reimbursement basis.

Private-Purpose Trust Fund

The Private-Purpose Trust Fund accounts for the fiduciary responsibilities that are assigned to the Successor Agency pursuant to the Dissolution Act.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise funds and various other governmental funds. Elimination of these charges would distort the direct costs and program revenues reported for the function concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided; 2) fines, forfeitures and penalties; 3) grants and contributions that are restricted to meeting the operational or capital requirement of a particular function; and 4) other miscellaneous revenues that directly benefit a particular function and do not fit into any other category. General revenues include all taxes, investment income, and gain on sale of assets.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating 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.

**CITY OF GARDEN GROVE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. Assets, Liabilities, and Net Position or Fund Balance

a. Deposits and Investments

The City pools idle cash from all funds in order to maximize income from investment activities. Investments are recorded on the City's books at fair value (quoted market price or best available estimate thereof). Interest income on investments is allocated to individual funds on the basis of average quarterly cash and investment balances.

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The City Council adopted a Pension Funding Policy in 2019. Accordingly, an Internal Revenue Services Section 115 Trust was established to prefund pension obligations. The trust is a tax-exempt irrevocable trust and trust assets are to be used exclusively for payment of pension liabilities. Assets held in the trust are reported as restricted cash investments in the General Fund.

b. 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 inter fund loans) or "intercity loan receivable/payable" (i.e., the non-current portion of inter fund 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".

Intercity loans receivable, as reported in the fund financial statements, are offset by a non-spendable fund balance in applicable governmental funds to indicate that they are not in spendable form.

Utility accounts are billed on a bi-monthly basis. Receivables for water and sewer are recorded when consumption is billed. Unbilled receivables are recorded at fiscal year-end to adjust for the billing cycle and are included as accounts receivable in the Water and Sewer Funds. Sanitary refuse collection accounts are billed quarterly by the refuse hauler and payments are received by the refuse hauler.

c. Taxes Receivable

Property taxes in California are levied in accordance with Article 13A of the State Constitution at one percent of county-wide assessed valuations. This one percent is allocated pursuant to state law to appropriate units of local government. A voter-approved property tax of eight cents per hundred dollars actual value is levied against all property in the City for the purpose of providing emergency medical services. Furthermore, the voters approved a one-cent sale tax measure that commits 100% of the revenue to the City.

**CITY OF GARDEN GROVE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. Assets, Liabilities, and Net Position or Fund Balance (continued)

c. Taxes Receivable (continued)

In the governmental fund statements, property tax revenue is recognized in the fiscal year for which taxes have been levied, provided that the revenue is collected in the current period or will be collected within 60 days thereafter.

The property tax calendar is as follows:

Lien Date:	January 1
Levy Date:	July 1
Due Date:	First Installment - November 1 Second Installment - February 1
Delinquent Date:	First Installment - After December 10 Second Installment - After April 10

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

Inventory is valued at cost using the first in, first out (FIFO) method. Inventory in the proprietary funds consists of expendable supplies held for future consumption. The cost is recorded as an expense as inventory items are consumed.

Land held for resale is valued at lower of cost or estimated net realizable value, determined upon execution of a disposition and development agreement, at June 30, 2024 and is located in the General Fund, Housing Successor Agency Capital Projects Fund, and the Successor Agency Trust Fund.

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. The City uses the purchase method to record prepaid items.

e. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., streets, sidewalks, medians, traffic signals, storm drains) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary fund and fiduciary fund financial statements. The government defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are capitalized at cost. Donated capital assets are recorded at acquisition value at the date of donation.

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

**CITY OF GARDEN GROVE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. Assets, Liabilities, and Net Position or Fund Balance (continued)

e. Capital Assets (continued)

Major outlays for capital assets and improvements are capitalized as projects when constructed. Prior to the implementation of GASB 89, the net interest costs incurred in the financing of projects during the construction period were only capitalized in the enterprise funds. Interest incurred during the construction phase of capital assets of business-type activities is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds of tax-exempt debt over the same period.

Plant, infrastructure, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	30
Building improvements	20
Street infrastructure:	
Pavement	30
Curbs & gutters	50
Sidewalks	50
Medians	50
Traffic signals	20
Walls	50
Driveways	50
Storm drain infrastructure	50
Water infrastructure:	
Fire hydrants	45
Pump stations	10
Reservoirs	65
Water mains	77
Water meters	25
Water pumps & meters	20
Wells	40
Sewer infrastructure	60
Vehicles	3-20
Right-to-use assets	varies
Subscription-based IT assets	varies
Furniture and equipment	10

f. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represent a consumption of net assets that applies to future period(s) and so, will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three types of items that qualify for reporting in this category. Two of the items are the deferred charge from pension-related items and deferred charges related to OPEB. The other item is the unamortized loss on refunding of debt which is reported in the government-wide statement of net position, proprietary funds' statement of net position and statement of fiduciary net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

**CITY OF GARDEN GROVE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. Assets, Liabilities, and Net Position or Fund Balance (continued)

f. Deferred Outflows/Inflows of Resources (continued)

In addition to liabilities, the statement of net position or balance sheet of governmental funds will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represent an acquisition of net assets that applies to a future period(s) and so, will not be recognized as an inflow of resources (revenue) until that time. The City has five types of items which qualify for reporting in this category. Three of the items are deferred items from pension-related items, deferred charges related to OPEB and deferred items from lease-related items. The fourth item, unamortized gain on refunding of debt, is presented on the government-wide statement of net position and on the proprietary funds' statement of net position. The fifth item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from notes, accounts, and grant receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

g. Accrued Compensated Absences

The City accounts for compensated absences (unpaid vacation, annual leave, comp time and sick leave) in an internal service (Employee Benefits) fund and the enterprise funds. A calculated fringe benefit rate, which includes accrued compensated absences, is applied to all labor charges. The resulting funds are deposited into the Employee Benefits internal service fund and are set aside for corresponding liabilities.

h. Long-Term Obligation

In the government-wide financial statements, proprietary fund and fiduciary 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 and fiduciary fund type statements of net position. Bond premiums and discounts, as well as prepaid insurance costs related to bond issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Prepaid insurance costs related to bond issuance costs are reported as prepaid insurance costs and amortized over the term of the related debt.

i. Fair Value Measurements

Certain assets and liabilities are required to be reported at fair value. The fair value framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly and fair value is determined through the use of models or other valuation methodologies including:

**CITY OF GARDEN GROVE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. Assets, Liabilities, and Net Position or Fund Balance (continued)

i. Fair Value Measurements (continued)

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in markets that are inactive; inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement. These unobservable inputs reflect the City's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). These unobservable inputs are developed based on the best information available in the circumstances and may include the City's own data.

j. Classification of Net Position and Fund Balances

1. Government-wide Financial Statements

In the government-wide financial statements, net position is classified in the following categories:

- Net Investment in Capital Assets – This category groups all capital assets into one component of net position. Accumulated depreciation on these assets and the outstanding principal of related debt reduce this category.
- Restricted Net Position – This category consists of restricted assets reduced by liabilities related to those assets.
- Unrestricted Net Position – This category represents the net position of the City that are not externally restricted for any project or other purpose.

Restricted resources are used first to fund appropriations.

2. Fund Balances

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2024, fund balance for governmental funds are made up of the followings:

- Nonspendable Fund Balance – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

**CITY OF GARDEN GROVE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. Assets, Liabilities, and Net Position or Fund Balance (continued)

j. Classification of Net Position and Fund Balances (continued)

2. Fund Balances (continued)

- Restricted Fund Balance – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- Committed Fund Balance – includes amounts that can only be used for the specific purposes determined by a formal action of the City’s highest level of decision-making authority, the City Council. Commitments may be changed or lifted only by the City taking the same formal action via an ordinance that imposed the constraint originally.
- Assigned Fund Balance – comprises amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by the City Council to which the City Council has delegated the authority to assign amounts to be used for specific purposes.
- Unassigned Fund Balance – is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. The General Fund is the only fund that reports a positive unassigned fund balance amount.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

k. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

l. Pensions

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 Plan’s 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.

**CITY OF GARDEN GROVE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. Assets, Liabilities, and Net Position or Fund Balance (continued)

l. Pensions (continued)

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

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

m. Other Post-Employment Benefits (OPEB)

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

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

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

n. Leases

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

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

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

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

**CITY OF GARDEN GROVE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. Assets, Liabilities, and Net Position or Fund Balance (continued)

o. Subscription-based Information Technology (IT) Arrangements

The City is a participant in subscription-based IT arrangements as detailed in Note 9. The City recognizes subscription-based payables and right-to-use IT assets in the financial statements.

At the commencement of the arrangement, the City initially measures the payable at the present value of payments expected to be paid during the arrangement term. Subsequently, the payable is reduced by the principal portion of payments made. The right-to-use assets are initially measured at the initial amount of the subscription-based IT payable. Subsequently, the right-to-use assets are amortized over the life of the arrangement term.

B. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

1. Budgetary Information

Under Article XIII B of the California Constitution (the GANN Spending Limitation initiative), the City is restricted as to the amount of annual appropriations, and if certain proceeds of taxes exceed allowed appropriations, the excess must be refunded to the taxpayers either through revised tax rates or revised fee schedules.

The City budget report is prepared under the direction of the City Manager in accordance with generally accepted accounting principles (GAAP) and the requirements of Municipal Code Section 2.08.150. Annual budgets are legally adopted for the General Fund, special revenue funds, and capital projects funds. These funds are budgeted based on the modified accrual basis of accounting and include proposed expenditures and the means of financing them. The City Council approves the total budgeted appropriations and any amendments to total appropriations which may be required during the year. Revenues are budgeted by source, and expenditures are budgeted by program.

The legal level of budgetary control is considered to be at the fund level since management can reassign resources within a fund without special approval from City Council. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions which alter the total appropriations of any fund must be approved by City Council. During the year ended June 30, 2024, the Street Lighting Special Revenue Fund and the Public Safety Capital Project Fund reported expenditures in excess of appropriations of \$734,721 and \$16,292 respectively.

**CITY OF GARDEN GROVE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024**

B. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

2. Deficit Fund Balance

The following funds had a deficit at June 30, 2024:

<u>Fund</u>	<u>Type of Fund</u>	<u>Deficit Fund Balance</u>
Housing Authority	Enterprise	\$ (1,027,606)
Successor Redevelopment Agency	Fiduciary	\$ (35,938,112)
Public Safety	Capital Projects	\$ (38,336)
Workers' Compensation	Internal Service	\$ (1,692,011)
Risk Management	Internal Service	\$ (1,556,173)

The Housing Authority Fund, an enterprise fund, has a deficit fund balance of \$1,027,606. The deficit is due to prior period costs related to the revised allocation of the net pension liability in accordance with GASB 68 and due to prior period costs related to the revised allocation of the OPEB liability in accordance with GASB 75. Until Section 8 administrative revenue granted to the Housing Authority from the Department of Housing and Urban Development increases to enable the Housing Authority to pay down its pension and OPEB liability, there will continue to be a deficit in the Housing Authority Fund.

The City of Garden Grove as Successor Agency to the Garden Grove Redevelopment Agency Private Purpose Trust Fund (Successor Agency), a fiduciary fund, has a deficit balance of \$35,938,112. The deficit is due to covenant obligations pursuant to developer disposition agreements and Education Revenue Augmentation Fund and Supplemental Education Revenue Augmentation Fund payables to the Housing Successor Agency.

The County Auditor-Controller is charged with establishing a Redevelopment Property Tax Trust Fund (RPTTF) for each Successor Agency. The deposit in the RPTTF is used to pay Successor Agency obligations. It is expected that this deficit will be eliminated with future resources obtained from the RPTTF.

The Public Safety Fund, a capital project fund, has a deficit fund balance of \$38,336. The deficit is due to a transfer made to the General Fund to defease the 2015A Lease Revenue Bond.

The Workers' Compensation Fund, an internal service fund, has a deficit fund balance of \$1,692,011. The City anticipates future funding to this fund.

The Risk Management Fund, an internal service fund, has a deficit fund balance of \$1,556,173. The City anticipates future funding to this fund.

**CITY OF GARDEN GROVE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2023**

C. DETAILED NOTES ON ALL FUNDS

1. Cash and Investments

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

Statement of net position	
Cash and investments	\$ 423,195,075
Cash and investments with fiscal agent	157,928,157
Cash and investments for pension trust	4,530,056
	<u>585,653,288</u>
Successor Agency (Private Purpose Trust Fund)	
Cash and investments	10,653,030
Cash and investments with fiscal agent	4,097,040
	<u>14,750,070</u>
Total Cash and Investments	<u>\$ 600,403,358</u>
Cash on hand	\$ 44,309
Deposits with financial institutions	25,144,851
Investments	<u>575,214,198</u>
Total Cash and Investments	<u>\$ 600,403,358</u>

Investments Authorized by the City's Investment Policy

The following table identifies the investment types that are authorized by the California Government Code and the City's investment policy. The table also identifies certain provisions of the City's investment policy that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provision of the Government Code and City's investment policy.

**CITY OF GARDEN GROVE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024**

C. DETAILED NOTES ON ALL FUNDS (continued)

1. Cash and Investments (continued)

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of Portfolio*	Maximum Investment in One Issuer
Securities of the U.S. Government or its Agencies	5 years	None	None
Federal Home Loan Bank (FHLB)	5 years	None	None
Federal National Mortgage Association (FNMA)	5 years	None	None
Federal Farm Credit Bank (FFCB)	5 years	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Certificates of Deposits (CD)	N/A	30%	5%
Bankers Acceptances	180 days	20%	25%
Negotiated Certificates of Deposit	3 years	20%	None
Commercial Paper	270 days	25% **	10%
Medium Term Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Mortgage-backed Securities	5 years	20%	None
Repurchase Agreement (Overnight)	14 days **	10%	None
Passbook Savings Account	N/A	None	None

*Excluding amounts held by bond trustee that are not subject to City's investment policy

** Represents where the City's investment policy is more restrictive than the California Government Code

The City investment policy allows for other investments that are, or may become, legal investments through the California Government Code

Investments Authorized by the Debt Agreements

Provisions of the debt agreements, rather than the City's investment policy, govern investment of debt proceeds held by bond trustee. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Percentage of Portfolio	Investment in One Issuer
U.S. Treasury	None	None	None
Money Market Funds	N/A	None	None
Investment Contracts	30 years	None	None
Securities of the U.S. Government or its Agencies	5 years	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

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 risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. The City has no specific limitations with respect to this metric.

**CITY OF GARDEN GROVE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024**

C. DETAILED NOTES ON ALL FUNDS (continued)

1. Cash and Investments (continued)

<u>Authorized Investment Type</u>	<u>Amount</u>	<u>Weighted Average Maturity (in years)</u>
U.S. Treasury	\$77,775,388	3.28
U.S. Agency Securities		
FAMCMTN	8,040,344	3.06
FFCB	56,070,841	2.69
FHLB	23,979,821	2.03
FHLMC MTN	2,835,360	1.23
FHLMC Multifamily Structured	566,610	1.29
PEFCO	2,314,578	3.29
TVA	4,891,000	3.71
Mortgage-backed Security (Residential)	2,687,080	2.25
Mortgage-backed Security (Commercial)	16,162,826	3.22
Money Market Funds	5,400,892	
Commercial Paper	13,768,272	0.30
Corporate Bonds	59,857,272	2.14
Corporate Bonds (Amortizing)	2,005,662	2.07
Municipal Bonds	38,638,987	1.85
Municipal Note	1,693,384	0.66
Municipal Bond (Amortizing)	924,685	1.00
Supranationals	18,662,265	1.40
Local Agency Investment Fund (LAIF)	72,383,670	
Restricted cash and investments:		
Investment Pool (PARS)	4,530,056	
Held by fiscal Agent:		
Money Market Funds	162,025,205	
	<u>\$575,214,198</u>	
Total	<u>\$575,214,198</u>	

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of year-end for each investment type. The column marked "Exempt From Disclosure" identifies those investment types for which GASB No. 40 does not require disclosure as to credit risk:

<u>Investment Type</u>	<u>Amount</u>	<u>Minimum Legal Rating</u>	<u>Exempt from Disclosure</u>	<u>Ratings as of Year End</u>			
				<u>Aaa AAA</u>	<u>Aa1 - Aa3 AA+ - AA-</u>	<u>A1 - A3 A+ - A-</u>	<u>Not Rated</u>
U.S. Treasury Note	\$ 77,775,388	N/A	\$ 77,775,388	-	-	-	-
U.S. Agency Securities							
FAMCMTN	8,040,344	N/A	-	-	-	-	8,040,344
FFCB	56,070,841	N/A	-	56,070,841	-	-	-
FHLB	23,979,821	N/A	-	23,979,821	-	-	-
FHLMC MTN	2,835,360	N/A	-	2,835,360	-	-	-
FHLMC Multifamily Structured	566,610	N/A	-	566,610	-	-	-
PEFCO	2,314,578	N/A	-	2,314,578	-	-	-
TVA	4,891,000	N/A	-	4,891,000	-	-	-
Mortgage-backed Security (Residential)	2,687,080	N/A	-	2,687,080	-	-	-
Mortgage-backed Security (Commercial)	16,162,826	N/A	-	16,162,826	-	-	-
Money Market Funds	5,400,892	AAA	-	5,400,892	-	-	-
Commercial Paper	13,768,272	A1/P1	-	-	-	13,768,272	-
Corporate Bonds	59,857,272	A	-	9,676,007	7,277,328	42,903,937	-
Corporate Bonds (Amortizing)	2,005,662	A	-	2,005,662	-	-	-
Municipal Bonds	38,638,987	A	-	17,049,965	21,589,022	-	-
Municipal Note	1,693,384	A	-	1,693,384	-	-	-
Municipal Bond (Amortizing)	924,685	A	-	924,685	-	-	-
Supranationals	18,662,265	AA	-	18,662,265	-	-	-
Local Agency Investment Fund (LAIF)	72,383,670	N/A	-	-	-	-	72,383,670
Restricted cash and investments:							
Investment Pool (PARS)	4,530,056	N/A	-	-	-	-	4,530,056
Held by fiscal agent:							
Money Market Fund	162,025,205	AAA	-	162,025,205	-	-	-
Total	<u>\$ 575,214,198</u>		<u>\$ 77,775,388</u>	<u>\$ 326,946,181</u>	<u>\$ 28,866,350</u>	<u>\$ 56,672,209</u>	<u>\$ 84,954,070</u>

**CITY OF GARDEN GROVE
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 FISCAL YEAR ENDED JUNE 30, 2024**

C. DETAILED NOTES ON ALL FUNDS (continued)

1. Cash and Investments (continued)

Concentration of Credit Risk

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

<u>Issuer</u>	<u>Investment Type</u>	<u>Investment Amount</u>
FHLB	U.S. Agency Securities	\$ 23,979,821
FFCB	U.S. Agency Securities	56,070,841

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 failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment of 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 fair 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.

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 share 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 withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

**CITY OF GARDEN GROVE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024**

C. DETAILED NOTES ON ALL FUNDS (continued)

1. Cash and Investments (continued)

The total amount invested by all public agencies in LAIF as of June 30, 2024 was \$23.0 billion. LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2024 had a balance of \$179.4 billion.

Investment in Pension Trust Pool

The City has established a Section 115 Trust to accumulate resources to stabilize the City's pension liability and offset potential volatility in annual contributions to CalPERS. As of June 30, 2024, the City reported \$4,530,056 in cash and investments for pension trust. The pension trust assets are managed by the City's pension trust administrator, Public Agency Retirement Services (PARS). PARS is an external investment pool, is not rated and is not registered with the Securities Exchange Commission. The City selects the investment strategy and the pool is managed by the PARS Board. The fair value of the City's investments in the pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by PARS for the entire PARS portfolio.

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.

Investment Type	Total	Quoted Process in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Treasury	\$ 77,775,388	\$ 77,775,388	\$ -	\$ -
Commercial Paper	13,768,272	-	13,768,272	-
Corporate Bonds	59,857,272	-	59,857,272	-
Corporate Bonds (Amortizing)	2,005,662	-	2,005,662	-
Municipal Bonds	38,638,987	-	38,638,987	-
Municipal Note	1,693,384	-	1,693,384	-
Municipal Bond (Amortizing)	924,685	-	924,685	-
Supranationals	18,662,265	-	18,662,265	-
U.S. Agency Securities				
FHLB	8,040,344	-	8,040,344	-
FFCB	56,070,841	-	56,070,841	-
FHLB	23,979,821	-	23,979,821	-
FHLMC MTN	2,835,360	-	2,835,360	-
FHLMC MULTIFAMILY STRUCTURED	566,610	-	566,610	-
PEFCO	2,314,578	-	2,314,578	-
TVA	4,891,000	-	4,891,000	-
Mortgage-backed Securities (Res.)	2,687,080	-	2,687,080	-
Mortgage-backed Securities (Com.)	16,162,826	-	16,162,826	-
Total	\$ 330,874,375	\$ 77,775,388	\$ 253,098,987	\$ -

**CITY OF GARDEN GROVE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024**

C. DETAILED NOTES ON ALL FUNDS (continued)

2. Intercity Loans Receivable/Payable at June 30, 2024 consisted of the following:

a. Loan from General Fund to the Water Utility fund:

On July 1, 1998, the City established an intercity loan between the General Fund and Water Utility Fund in the amount of \$14,145,092 for the repayment from the Water Utility Fund to the General Fund for street damage repairs throughout the City that have been a benefit to the Water Utility. The loan accrues interest at 4.1% per annum. Beginning July 1, 2018 monthly payments are \$100,208 which includes principal and interest to be paid thru June 2033.

\$ 9,037,481

b. Loan from General Fund to the former redevelopment agency:

The General Fund has loaned to the former redevelopment agency a total of \$2,863,113 to assist in funding the Agency's operating budget since 2004. The loans accrue interest at a rate of 6.5% per annum. On March 8, 2011, City Council authorized a loan amortization schedule. Principal payments ranging from \$699,984 to \$900,505 are due annually. In accordance with Assembly Bill X1 26, existing agreements between the City and the former redevelopment agency have been invalidated. Therefore, the City has set up 100% allowance for this loan on February 1, 2012.

2,539,989

c. Loan from General Fund to the former redevelopment agency:

On May 21, 1984 the City Council approved an agreement between the City and the Agency for Community Development Community Project capital projects fund wherein the Agency agreed to reimburse the City \$2,405,511, plus any accruing unpaid interest at the annual rate of 10%, for capital improvements within the Agency's redevelopment area which were initially paid for by the General Fund. On March 8, 2011, the City Council authorized a loan amortization schedule. Principal payments ranging from \$761,037 to \$1,114,235 are due annually. In accordance with Assembly Bill X1 26, existing agreements between the City and the former redevelopment agency have been invalidated. Therefore, the City has set up 100% allowance for this loan on February 1, 2012.

3,048,030

d. Loan from the General Fund to the former redevelopment

On February 26, 2002 the City Council approved an agreement between the City and the Agency for Community Development Community Project capital projects fund wherein the City has agreed to advance funds to the Agency for the acquisition and development of certain property within the project areas. The advance is subject to repayment on demand and bears interest at a rate of 6.5%. The Agency is responsible for making payments on the City's \$22,735,000 Certificates of Participation Series A of 2002, (the Certificates), the proceeds of which were used to fund the advances from the City to the Agency. The Agency also reimbursed the City for the \$683,739 of issuance costs related to the Certificates of Participation. In accordance with Assembly Bill X1 26, existing agreements between the City and the former redevelopment agency have been invalidated. Therefore, the City has set up 100% allowance for this loan on February 1, 2012.

\$ 18,970,000

**CITY OF GARDEN GROVE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024**

C. DETAILED NOTES ON ALL FUNDS (continued)

2. Intercity Loans Receivable/Payable at June 30, 2024 (continued)

e Loan from General Fund to Housing Capital Project Fund:	In June 2023, the City Council approved a loan between the Housing Capital Project Fund and the General Fund for \$8,550,000 for the purchase of City property for development of affordable housing. The Housing Authority will pay this amount back to the City in the form of a Promissory Note at a rate of 5% per annum.	2,550,000
f Loan from Water Utility Fund to the former redevelopment agency:	The former redevelopment agency has a loan from the Water Utility Fund in the amount of \$750,000. Interest is paid monthly at an annual rate of 10% and has no fixed amortization date. In accordance with Assembly Bill X1 26, existing agreements between the City and the former redevelopment agency have been invalidated. Therefore, the City has set up 100% allowance for this loan on February 1, 2012.	750,000
g Loan from Vehicle Replacement Fund to the Communications Replacement Fund:	On January 26, 2016 the City Council approved an agreement between the Vehicle Replacement Fund to the Communications Replacement Fund for the upgrade and purchase of communications equipment for the operation of the 800 MHZ public safety communications system. The estimated average portfolio rate will be updated annually once the prior year average portfolio rate is available. The principal will be paid annually in the amount of \$400,506 plus interest. The principal may be prepaid without penalty at any time.	801,012
h Loan from Risk Management Fund to the General Fund:	In July 2018, the City Council approved the General Fund to borrow \$2,850,550 from the Risk Management Fund to pay for the energy efficiency project. The amount borrowed will cover the cost of the heating, ventilation, and air conditioning systems and lighting retrofit equipment and installation. The General Fund will repay the loan over 19 years at the simple interest rate of 3.6%.	2,260,619
		<hr/>
Total Intercity Loans Receivable		39,957,131
Less Allowance		<u>(25,308,019)</u>
Total Intercity Loans Receivable, net		<u>\$ 14,649,112</u>

**CITY OF GARDEN GROVE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024**

C. DETAILED NOTES ON ALL FUNDS (continued)

3. Leases Receivable

Governmental Activities

As of June 30, 2024, the City has 15 leases; two digital billboards and 13 building leases located throughout Garden Grove. The interest rate for each lease range from 0.308% to 2.536%. The initial lease agreement term ranges from 29 - 360 months. One building lease has an option to extend for an additional two 12 month periods; and one building lease has an option to extend for nine 60 month periods. The total amount of lease revenue recognized in the current reporting period from leases is \$906,811 and the total amount of interest received related to the leases was \$107,417. The balance of the lease receivables at June 30, 2024 is \$6,047,401. The City has a deferred inflow of resources associated with these leases that will be recognized as revenue over the term of the leases. The balance of deferred inflow of resources at June 30, 2024, is \$5,822,057.

4. Due From Successor Agency

The former Redevelopment Agency has loans from the Low Income Housing Assets Capital Project Fund, that were used to make the "Supplemental" Educational Revenue Augmentation (SERAF) payments for the fiscal year 2009-10 (\$7,906,610) and 2010-11 (\$1,626,274). These loans were due on May 10, 2015 and June 30, 2016, respectively. These loans which were previously invalidated, have been approved as an allowable Recognized Obligation payment by the State of California Department of Finance (DOF).

The amount due from the Successor Agency at June 30, 2024 is \$6,054,260, which represents \$5,044,260 of SERAF. \$ 5,044,260

5. Interfund Receivables, Payables, and Transfers

a. The composition of interfund receivable/payable balances as of June 30, 2024

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 1,049,877	\$ 102,581
Navigation Center Fund	-	974,139
Nonmajor Governmental Funds	-	80,578
Internal Service Funds	126,940	3,423
Water Utility	-	11,257
Sewage Collection	-	2,974
Housing Authority	-	1,459
Nonmajor Enterprise Funds	-	406
	<hr/>	<hr/>
Total	<u>\$ 1,176,817</u>	<u>\$ 1,176,817</u>

**CITY OF GARDEN GROVE
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 FISCAL YEAR ENDED JUNE 30, 2024**

C. DETAILED NOTES ON ALL FUNDS (continued)

5. Interfund Receivables, Payables, and Transfers (continued)

The interfund payable balances represent routine and temporary cash flow assistance from the General Fund and Workers' Compensation internal service fund until the amounts receivable are collected to reimburse eligible expenditures. They also include fringe collected from other funds that are due to the Employee Benefit and Workers' Compensation internal service funds.

b. The composition of interfund transfer balances for the year ended follows:

Transfers out:	Transfers in:		
	General Fund	Nonmajor Governmental Funds	Total
General Fund	\$ -	\$ 1,246,057	\$ 1,246,057
Navigation Center Fund	20,000	-	20,000
Nonmajor Governmental Funds	1,412,378	-	1,412,378
Internal Service Funds	873,555	-	873,555
Total	<u>\$ 2,305,933</u>	<u>\$ 1,246,057</u>	<u>\$ 3,551,990</u>

Transfers from the General Fund were made to subsidize the Garden Grove Cable Fund in the amount of \$621,101. In addition, the General Fund made a transfer to the Street Lighting District Fund in the amount of \$624,956 to subsidize the operating costs.

A transfer from the Public Safety Capital Project Fund to the General Fund was made for \$511,457 due to defeasance of the 2015A Lease Revenue Bond. Transfers to the General Fund generated by the Garden Grove Tourism Improvement District Special Revenue Fund in the amount of \$856,891 were made to fund future City projects. A transfer from the Asset Forfeiture Fund to the General Fund was made for \$44,030 in regards to the Equitable Sharing Program. The total amount of the transfers from the Nonmajor Governmental Funds to the General Fund were \$1,412,378.

Transfers from the Employee Benefit Internal Service Fund were made in the amount of \$873,555 to the Section 115 Pension Trust Fund to fund future City pension obligations.

A transfer was made to the General Fund from the Tri-City Navigation Fund in the amount of \$20,000 to cover the administrative cost of the City.

**CITY OF GARDEN GROVE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024**

C. DETAILED NOTES ON ALL FUNDS (continued)

6. Notes receivable at June 30, 2024, consisted of the following:

a. Neighborhood Stabilization Program (NSP) Loan – Other Grants and Contributions Major Special Revenue Fund:

At June 30, 2024, ten NSP Agreements remain, which are reflected in the nonmajor governmental funds. These loans provide up to \$40,000 in down payment assistance in the form of a silent loan that requires no payment for 30 years. The loans carry 0% interest charges.

\$ 390,528

b. Mortgage Assistance Program (MAP) Loan – Other nonmajor governmental funds:

At June 30, 2024, nine MAP agreements are reflected in the Housing Successor Agency fund. These loans provide up to \$40,000 in down payment assistance in the form of a silent loan that requires no payment for 5 up to 30 years. The loans carry interest between 0 to 3% annually.

109,756

c. CalHome Mortgage Assistance (CalHome) Loan - Other Grants and Contributions Major Special Revenue Fund:

At June 30, 2024, twenty-seven CalHome Agreements are reflected in the Other Grants and Contributions Major Special Revenue Fund. These loans provide up to \$60,000 in down payment assistance in the form of a silent loan that requires no payment for 30 years. The loans carry 3% interest charges.

1,583,736

d. Rental rehabilitation – Other nonmajor governmental funds:

The City has entered into a Housing Rehabilitation Agreement utilizing HOME funds for the purpose of assisting developers in the acquisition, substantial rehabilitation and continued operation of an existing 78-unit multifamily affordable housing project called Sycamore Court. Due to the multiple project funding sources, when completed the project will be subject to new income restrictions, occupancy and other affordable housing covenants. Disbursement of loan proceeds of \$1,200,000 were made in five installment payments commencing on June 2017. The Note bears simple interest at the rate of 3% per annum from the date of initial disbursement. Interest payments of \$36,000 are due on an annual basis and no principal payments are required on the loan maturity date of September 30, 2033.

1,246,499

e. Single Family Rehab (Deferred Loan) - Other nonmajor governmental funds:

At June 30, 2024 twelve Deferred Loan Agreements remain, which are reflected in the Housing Successor Agency fund. These loans provide up to \$20,000 in down payment assistance in the form of a silent loan that requires no payment for 15 or 30 years. The loans carry 3% or 5% interest charges. There are five Homebuyer Assistance Loans that were issues for \$50,000 each. These loans have a term of 45 years and bear a simple interest of 3%. At each anniversary, 1/45th of the principal and interest are forgiven.

272,852

**CITY OF GARDEN GROVE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024**

C. DETAILED NOTES ON ALL FUNDS (continued)

6. Notes receivable at June 30, 2023, consisted of the following: (continued)

f. ADDI Down Payment Rehab (ADDI) Loan – Other Grants and Contributions Major Special Revenue Funds:

At June 30, 2024, eleven ADDI Agreements utilizing the American Dream Down payment Initiative funds are reflected in nonmajor governmental funds. These loans provide up to \$30,000 in down payment assistance in the form of a silent loan that requires no payment for 15 years. The loans carry 0% interest charges. These loans are forgivable if the recipient complies with all conditions.

\$ 130,321

g. Rental rehabilitation - Other nonmajor governmental funds:

The Low and Moderate Income Housing Asset capital projects fund holds three notes related to property rehabilitation loans, which have been used to assist developers in the rehabilitation of multifamily residential buildings located within the City for the purpose of providing adequate low income housing opportunities for City residents.

1,850,843

h. Rental rehabilitation – Other Grants and Contributions Major Special Revenue Funds and Other nonmajor governmental funds:

The City has entered into two Housing Rehabilitation Agreements utilizing CDBG funds, which are reflected in the Housing Successor Agency fund and other nonmajor governmental funds. These loans were for the purpose of assisting developers in the rehabilitation and operation of multifamily apartment buildings for the purpose of providing adequate low-income housing to City residents. Many of these buildings had suffered from serious structural deterioration, overcrowding and high crime.

6,330,672

i. Affordable housing agreement – General Fund:

The City has entered into an Affordable Housing Agreement with a developer wherein the developer has agreed to comply to certain affordability covenants including the reimbursement to the City of forgone property taxes which would have been payable for the property, increasing at the rate of approximately 2% annually.

538,501

j. Rental construction – Other nonmajor governmental funds:

The City has entered into a rental construction loan agreement utilizing HOME and Housing Successor Agency funds. The note was for the purpose of assisting the developer with the construction of new low-income housing for City residents. The note bears a simple annual interest rate of 3%. Loan repayment is based on residual receipts and is contingent upon the release of construction covenants for the project. The note commenced upon the initial disbursement of funds HOME in June 2015. An additional \$1.6 million was disbursed in June 2017 and is payable to the Housing Successor Agency Fund. Its maturity will be the fifty-fifth anniversary of the date of the Release of Construction Covenants.

4,592,621

**CITY OF GARDEN GROVE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024**

C. DETAILED NOTES ON ALL FUNDS (continued)

6. Notes receivable at June 30, 2024, consisted of the following: (continued)

k. Conveyance of Property Loan Agreement – Other nonmajor governmental funds:

The City has entered into a financed sale agreement for the sale of twelve single-family residential parcels on March 12, 2016. The initial loan amount is \$2,709,030. The note bears a simple annual interest rate of 4% in 60 equal monthly interest-only payments in the amount of \$9,030 with a balloon payment on the 60th month.

On December 10, 2019 the City Council approved an amendment to defer interest payments for a period of 30 months. The new interest payment of \$9,476 will begin on July, 2020. Principal and interest payment of \$19,476 will begin on July 1, 2025. A balloon payment in the amount of \$2,453,305 will be due at the end of the loan term or the maturity date of December 1, 2029.

\$ 3,107,015

l. Small Business Assistance Program – General fund and Other Grants and Contributions Major Special Revenue

The City has entered into loan agreements through the Small Business Assistance Program utilizing CDBG funds as well as General Fund monies for a total loan amount of \$1,890,000. The notes bear an interest rate equal to 0% or the highest rate permitted by applicable law compounded annually.

1,459,693

m. Affordable housing agreement – Home Fund:

The City has entered into an Affordable Housing Loan Agreement utilizing HOME funds for the purpose of assisting the developer with the construction of new low-income housing for City residents. The note bears an interest rate of 0% and is to be repaid in full at the end of the 55-year affordability period. Loan repayment is based on residual receipts and is contingent upon the release of construction covenants for the project. The loan amount is \$1,400,000 and \$1,260,000 of the loan was disbursed as of June 30, 2024.

1,400,000

n. Stipulation for Summary Judgment:

The City has entered into an agreement with a low income housing provider to pay damages due to breach of contract pursuant to a summary judgment. The agreement stipulates that the housing provider will pay a total sum of \$271,697 over five years with an annual interest rate of 2%.

56,268

o. Orchard Grove:

The City has entered into an affordable housing agreement with a developer where the City has provided a loan for \$12,521,321 to the developer bearing interest at 3% per year over 57 years.

12,676,312

Total Notes Receivable

35,745,617

Less Allowance

(1,546,974)

Total Notes Receivable, net

\$ 34,198,643

**CITY OF GARDEN GROVE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024**

C. DETAILED NOTES ON ALL FUNDS (continued)

7. Land Held for Resale

The City and the Successor Agency land held for resale is an inventory of land intended to be sold to developers. The land is carried at the lower of cost or estimated net realizable value, as determined upon execution of a disposition and development agreement.

City land held for resale is comprised of inventory held by the General Fund and the Housing Successor Agency capital projects fund. City and Successor Agency land held for resale balances at June 30, 2024 are \$2,819,063 and \$849,639, respectively.

8. Capital Assets

Capital asset activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 421,095,891	\$ 6,603,769	\$ -	\$ 427,699,660
Construction in progress	23,630,809	54,475,428	(57,626,675)	20,479,562
Total capital assets, not being depreciated	444,726,700	61,079,197	(57,626,675)	448,179,222
Capital assets, being depreciated:				
Infrastructure				
Street system	423,621,039	28,276,738	(903,716)	450,994,061
Storm drain assets	75,851,672	3,718,381	-	79,570,053
Buildings and park assets	58,571,576	18,330,617	-	76,902,193
Right-to-use asset - buildings	122,129	173,948	(122,129)	173,948
Right-to-use asset - equipment	459,799	-	-	459,799
Right-to-use asset - vehicle	188,539	137,625	-	326,164
SBITA assets	126,753	118,082	(34,772)	210,063
Furniture and equipment	37,510,806	2,538,572	(548,866)	39,500,512
Total capital assets, being depreciated	596,452,313	53,293,963	(1,609,483)	648,136,793
Less accumulated depreciation for:				
Infrastructure				
Street system	(276,481,761)	(7,898,780)	-	(284,380,541)
Storm drain assets	(53,774,730)	(1,498,669)	-	(55,273,399)
Buildings and park assets	(34,063,019)	(1,629,527)	-	(35,692,546)
Right-to-use asset - buildings	(67,939)	(54,351)	122,125	(165)
Right-to-use asset - equipment	(21,276)	(93,551)	-	(114,827)
Right-to-use asset - vehicle	(57,808)	(86,406)	-	(144,214)
SBITA assets	(35,576)	(59,477)	6,311	(88,742)
Furniture and equipment	(21,264,822)	(3,122,690)	509,027	(23,878,485)
Total accumulated depreciation	(385,766,931)	(14,443,451)	637,463	(399,572,919)
Total capital assets, being depreciated, net	210,685,382	38,850,512	(972,020)	248,563,874
Governmental activities capital assets, net	\$ 655,412,082	\$ 99,929,709	\$ (58,598,695)	\$ 696,743,096
Business-type activities				
Capital assets, not being depreciated:				
Land	\$ 5,142,500	\$ -	\$ -	\$ 5,142,500
Construction in progress	10,487,044	12,432,011	(14,737,519)	8,181,536
Total capital assets, not being depreciated	15,629,544	12,432,011	(14,737,519)	13,324,036
Capital assets, being depreciated:				
Building and structures	757,365	20,352	-	777,717
Water system	158,727,017	12,788,758	-	171,515,775
Sewer system	127,587,108	4,909,424	(1,984,181)	130,512,351
Right-to-use asset - equipment	108,614	-	-	108,614
Right-to-use asset - vehicle	54,778	511,041	-	565,819
SBITA assets	315,000	-	-	315,000
Machinery and equipment	655,795	67,677	-	723,472
Total capital assets, being depreciated	288,205,677	18,297,252	(1,984,181)	304,518,748
Less accumulated depreciation for:				
Building and structures	(338,874)	(25,427)	-	(364,301)
Water system	(70,860,463)	(4,022,436)	-	(74,882,899)
Sewer system	(59,287,984)	(1,953,964)	-	(61,241,948)
Right-to-use asset - equipment	(51,113)	(25,556)	-	(76,669)
Right-to-use asset - vehicle	(21,910)	(113,397)	-	(135,307)
SBITA assets	(63,000)	(63,000)	-	(126,000)
Machinery and equipment	(476,909)	(37,584)	-	(514,493)
Total accumulated depreciation	(131,100,253)	(6,241,364)	-	(137,341,617)
Total capital assets, being depreciated, net	157,105,424	12,055,888	(1,984,181)	167,177,131
Business-type activities capital assets, net	\$ 172,734,968	\$ 24,487,899	\$ (16,721,700)	\$ 180,501,167

**CITY OF GARDEN GROVE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024**

C. DETAILED NOTES ON ALL FUNDS (continued)

8. Capital Assets (continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

	Governmental Activities	Business-type Activities
Police Protection	\$ 611,220	\$ -
Traffic safety	742,559	-
Right of way	7,156,220	-
Drainage	1,498,669	-
Community buildings	1,634,969	-
Municipal support	631,214	-
Water	-	4,109,613
Sewage collection	-	1,966,982
Golf course	-	150,125
Housing Authority	-	14,644
Internal service fund	2,168,600	-
Total	\$ 14,443,451	\$ 6,241,364

9. Long-term Debt

a. Following is a summary of long-term debt transactions for the City for the year ended June 30, 2024:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Lease Revenue Bonds, Series 2015A	\$ 20,715,000	\$ -	\$ (20,715,000)	\$ -	\$ -
Add: Premium	1,177,930	-	(1,177,930)	-	-
Lease Revenue Bonds, Series 2024A	-	140,000,000	-	140,000,000	1,755,000
Add: Premium	-	11,707,425	-	11,707,425	390,248
Leases payable	637,981	263,063	(179,447)	721,597	190,066
SBITA payable	66,269	114,036	(86,138)	94,167	40,831
Governmental activities long-term debt	22,597,180	152,084,524	(22,158,515)	152,523,189	2,376,145
Other non-current liabilities:					
Claims payable	44,341,911	12,570,211	(8,652,228)	48,259,894	8,413,710
Compensated absences	7,844,947	8,743,694	(8,422,363)	8,166,278	7,921,289
Governmental activities long-term liabilities	\$ 74,784,038	\$ 173,398,429	\$ (39,233,106)	\$ 208,949,361	\$ 18,711,144
Business-type activities					
Water Revenue COP 2015	\$ 930,000	\$ -	\$ (930,000)	\$ -	\$ -
Water Revenue Bond 2020	22,800,000	-	(890,000)	21,910,000	920,000
Add: Premium/(Discount)	3,093,912	-	(113,192)	2,980,720	113,192
Sewer Revenue Refunding Bond 2017	11,905,000	-	(680,000)	11,225,000	715,000
Add: Premium/(Discount)	935,891	-	(72,456)	863,435	72,456
Leases payable	90,619	511,041	(134,858)	466,802	36,517
SBITA payable	252,000	-	(63,000)	189,000	63,000
Other non-current liabilities:					
Compensated absences	930,327	712,472	(787,599)	855,200	829,543
Business-type activities long-term liabilities	\$ 40,937,749	\$ 1,223,513	\$ (3,671,105)	\$ 38,490,157	\$ 2,749,708
Private-purpose trust fund					
2016 Tax Allocation Bond	\$ 30,610,000	\$ -	\$ (2,160,000)	\$ 28,450,000	\$ 2,265,000
Add: Premium/(Discount)	3,698,356	-	(360,815)	3,337,541	360,815
2014 Tax Allocation Bond	15,230,000	-	(3,170,000)	12,060,000	3,330,000
Add: Premium/(Discount)	1,973,391	-	(315,743)	1,657,648	315,742
2008 Subordinate Note	760,000	-	(135,000)	625,000	145,000
Loan Payable to City	5,054,260	-	(10,000)	5,044,260	-
Private-purpose trust fund long-term liabilities	\$ 57,326,007	\$ -	\$ (6,151,558)	\$ 51,174,449	\$ 6,416,557

**CITY OF GARDEN GROVE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024**

C. DETAILED NOTES ON ALL FUNDS (continued)

9. Long-term Debt (continued)

b. Governmental Long-term Debt at June 30, 2024 consisted of the following:

Lease Revenue Bonds, Series 2024 A

On June 1, 2024, the Garden Grove Public Financing Authority issued \$140,000,000 of Lease Revenue Bonds, Series 2024A. The Bonds were issued to finance the design and construction of certain public capital improvements to be located on City-owned property located at Acacia Parkway, east of Euclid Street, in the City, including an approximately 100,000 square foot safety facility, a four-level parking structure that will provide approximately 350 parking spaces, and a reconfigured 2.8-acre Civic Center Park, as well as the demolition of the existing police headquarters. Principal payments on the bonds are due annually on April 1 each year, ranging from \$1,755,000 to \$8,415,000, and continuing until April 1, 2054. Interest is payable semiannually, beginning on October 1, 2024, with an interest rate of 5.00% over the life of the bonds. Such bonds are subject to Federal arbitrage regulations, however, no arbitrage liability is reported at June 30, 2024.

\$ 140,000,000

Unamortized bond premium

11,707,425

Total lease revenue bonds

\$ 151,707,425

Leases Payable - Governmental Activities

The City entered into one building lease extension in June 2024. As of June 30, 2024, the value of the lease liability is \$173,945. The City is required to make monthly fixed payments of \$4,860. The lease has an interest rate of 2.426%. The lease term is 36 months. The lease has an optional 12 month extension.

\$ 173,945

The City entered into two equipment leases in July 2022 and May 2023. As of June 30, 2024, the value of the lease liability is \$362,980. The City is required to make fixed monthly payments of \$578 and \$8,728 on the two leases. The initial lease terms were 46 and 60 months. The leases have interest rates of 0.817% and 2.467%.

362,979

The City entered into 14 vehicle leases between the dates of July 2021 through June 2024. As of June 30, 2024, the value of the lease liability is \$184,673. The City is required to make monthly fixed payments ranging from \$369 to \$940. The leases have interest rates ranging from 0.426% to 3.631%. The vehicles lease terms range from 24 months to 60 months.

184,673

Total leases payable

721,597

**CITY OF GARDEN GROVE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024**

**C. DETAILED NOTES ON ALL FUNDS (continued)
9. Long-term Debt (continued)**

SBITA Payable - Governmental Activities

The City has entered into subscription-based information technology (IT) arrangements with various vendors. These arrangements are governed by Governmental Accounting Standards Board Statement No. 96, Subscription-Based IT Arrangements.

As of June 30, 2024, the City has recognized a liability of \$94,167 related to these subscription-based IT arrangements. This liability represents the total estimated cost of the remaining subscription period, as determined by the contract terms and usage data.

\$ 94,167

Total SBITA payable

94,167

Total Governmental Long Term Debt

\$ 152,523,190

**CITY OF GARDEN GROVE
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 FISCAL YEAR ENDED JUNE 30, 2024**

c. Proprietary long-term debt at June 30, 2024 consisted of the following

9. 2020 Revenue Bonds - Water Utility Enterprise Fund

\$23,220,000 Refunding Revenue Bonds, Series 2020 were issued on November 3, 2020, for the advance refunding of the remaining outstanding balance of the previously issued \$16,625,000 Water Revenue Bonds, Series 2010. The refunding was undertaken to reduce the City's total debt service payments over the next 10 years by \$2.7 million. The net proceeds of \$15.6 million will be used to finance the acquisition, expansion, construction, and improvement of certain additional water facilities of the water system of the City. Principal payments for 2020 Revenue Bonds range from \$420,000 to \$1,160,000 and are due annually each December 15 through fiscal year 2051. Interest is payable semi-annually on June 15 and December 15, at rates ranging from 3.0% to 4.0% over the life of the bonds. The refunding resulted in a net present value saving of \$1.63 million, or 15.3% of the refunded bonds. Such certificates are subject to Federal arbitrage regulations; however, no arbitrage liability is reported at June 30, 2024.

\$ 21,910,000

Unamortized bond premium

2,980,720

Total 2020 revenue bonds

\$ 24,890,720

These bonds are to be secured and to be serviced from revenues derived by the ownership and operations of the water system including all connection charges and fees collected by the City through the fiscal year 2051. At June 30, 2024 total interest and principal remaining on the bonds is \$31,774,213. The Utility covenants that rates and charges for the water service will be sufficient to yield net revenues equal to 125% of the debt service coming due and payable during the next succeeding bond year. Revenue recognized during the year was \$44.2 million against debt service payments of \$1,696,175. The following analysis shows the test result for compliance with this covenant:

**CITY OF GARDEN GROVE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024**

C. DETAILED NOTES ON ALL FUNDS (continued)

9. Long-term Debt (continued)

**c. Proprietary long-term debt at June 30, 2024 consisted of the following items:
(continued)**

**2020 Revenue Bonds - Water Utility Enterprise Fund - Debt
Service Coverage (continued)**

Operating Revenue	\$ 44,200,824
Non-operating revenues	-
Gross revenue	44,200,824
Less: Expenses (excluding depreciation amortization, interest and fiscal charges)	(32,398,356)
Net revenues	<u>\$ 11,802,468</u>
Debt service requirement for next year: \$1,696,175 x 125%	<u>\$ 2,120,219</u>

2017 Refunding Sewer Revenue Bond – Sewage Collection

On March 1, 2017, the Garden Grove Sanitary District issued \$15,970,000 in bonds to provide funds to refinance the District's obligations to the 2006 Sewer Revenue Certificate of Participation. The Certificates were issued to finance the rehabilitation, replacement and improvement of the wastewater collection system of the Garden Grove Sanitation District. The 2017 Bonds are due in annual principal installments of \$615,000 to \$1,160,000 beginning June 15, 2017 through 2036. Interest rates range from 2.0% to 5.0% and is payable semiannually on June 15 and December 15.

The net proceeds of the bond issue were used to provide for the prepayment of the 2006 Certificates. The reacquisition price was less than the net carrying amount of the old debt by \$206,922. This amount is being reflected as a deferred inflow of resources and amortized over the life of the refunding debt.

The certificates are secured and to be serviced from the total revenues for the fiscal year excluding any proceeds of taxes or assessments restricted by law and less the operations and maintenance costs excluding depreciation through the fiscal year 2036.

	\$ 11,225,000
Unamortized bond premium	<u>863,435</u>
Total 2017 revenue refunding bond	<u>\$ 12,088,435</u>

**CITY OF GARDEN GROVE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024**

C. DETAILED NOTES ON ALL FUNDS (continued)

9. Long-term Debt (continued)

**c. Proprietary long-term debt at June 30, 2024 consisted of the following items:
(continued)**

**2017 Refunding Sewer Revenue Bond – Sewage Collection
Enterprise fund - Debt Service Coverage**

The Utility covenants that rates and charges for the sewer service

Operating Revenue	\$ 11,968,047
Non-operating revenues	-
Gross revenue	<u>11,968,047</u>
Less: Expenses (excluding depreciation amortization, interest and fiscal charges)	<u>(5,715,749)</u>
Net revenues	<u>\$ 6,252,298</u>
Debt service requirement for next year: \$1,200,125 x 115%	<u>\$ 1,380,144</u>

Leases Payable - Business-Type Activities

The City entered into two vehicle leases in April 2019. As of June 30, 2024, the value of the lease liability is \$22,090. The City is required to make monthly fixed payments of \$463 per lease. The leases have an interest rate of 0.577%. The remaining lease term of is one year.

\$ 22,090

Troon Golf, LLC, through authorization from the City, entered into two new vehicle leases in July 2023. As of June 30, 2023, the value of the lease liabilities is \$412,701. The City is required to make monthly fixed payments of \$9,010. The leases have an interest rate of 2.310%. The remaining lease term is 48 months.

412,701

Willowick Golf Management, LLC, through authorization from the City, entered into a lease arrangement in the amount of \$108,614 for golf maintenance equipment October 2020. As of June 30, 2023, the value of the lease liability is \$57,579. The City is required to make monthly fixed payments of \$2,136. The leases have an interest rate of 0.1459%. The estimated remaining lease term is 27 months.

32,011

Total leases payable

466,802

SBITA Payable - Business-Type Activities

The City has entered into subscription-based information technology (IT) arrangements with Nobel Systems Inc. This arrangement is governed by Governmental Accounting Standards Board Statement No. 96, Subscription-Based IT Arrangements.

As of June 30, 2024, the City has recognized a liability of \$189,000 related to this subscription-based IT arrangement. This liability represents the total estimated cost of the remaining subscription period, as determined by the contract terms and usage data.

\$ 189,000

Total SBITA payable

189,000

Total Proprietary Long Term Debt

\$ 37,634,957

**CITY OF GARDEN GROVE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024**

C. DETAILED NOTES ON ALL FUNDS (continued)

9. Long-term Debt (continued)

d. Private-purpose trust activity long-term debt at June 30, 2024 consisted of the following items:

Tax Allocation Bonds Issue of 2016

\$42,000,000 Tax allocation bonds were issued on March 17, 2016. The SRDA issued the "2016 Bonds" in the aggregate principal amount necessary to provide net proceeds of \$42,000,000 to fund the Water Park Hotel pursuant to the first amended and restated disposition and development agreement dated April 13, 2010. The bonds are due in annual principal installments of \$1,975,000 to \$3,450,000. Interest on the bonds will be payable semiannually each April 1 and October 1, commencing October 1, 2016. The rates ranging from 1.0% to 5.0%. The "2016 Bonds" will be payable on a parity with the debt service on the 2014 Bonds to the extent set forth in the 2016 Bond Indenture. Such certificates are subject to federal arbitrage regulations. No arbitrage liability is reported at June 30, 2024.

\$ 28,450,000

Unamortized bond premium

3,337,541

Total Tax Allocation Bond Issue of 2016

\$ 31,787,541

Tax Allocation Refunding Bonds Issue of 2014

\$38,810,000 Tax allocation refunding bonds were issued on July 16, 2014. The bonds were issued for the purpose of refunding the Garden Grove Agency for Community Development's previously issued \$57,025,000 community project tax allocation refunding bonds, Series 2003. Proceeds of the Series 2014 bonds will also be used (i) to fund a debt service reserve fund for the 2014 Bonds and (ii) to pay costs incurred in connection with the issuance, sale, and delivery of the 2014 Bonds.

Principal payments ranging from \$1,580,000 to \$3,330,000 are due annually through the year 2029. Interest is due semi-annually on October 1 and April 1, at rates ranging from 1.0% to 5.0%. Such bonds are subject to Federal arbitrage regulations; however, no liability is reported at June 30, 2024.

\$ 12,060,000

Unamortized bond premium

1,657,648

Total Tax Allocation Bond Issue of 2014

\$ 13,717,648

**CITY OF GARDEN GROVE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024**

C. DETAILED NOTES ON ALL FUNDS (continued)

9. Long-term Debt (continued)

d. Private-purpose trust activity long-term debt at June 30, 2024 consisted of the following items: (continued)

Subordinate Note

On June 1, 2008, the former redevelopment agency for Community Development entered into a note purchase agreement in the amount of \$2,015,000, to refund a note issued to Katella Cottages LLC under a Disposition and Development Agreement dated May 11, 2004. The Note has an annual interest rate of 6% with principal payments due annually on October 1 through October 1, 2027. Principal payments range from \$120,000 to \$170,000. Upon the dissolution of the former redevelopment agency at February 1, 2012, the outstanding balance of the bonds was transferred to the Successor Agency.

\$ 625,000

**CITY OF GARDEN GROVE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024**

C. DETAILED NOTES ON ALL FUNDS (continued)

9. Long-term Debt (continued)

d. Private-purpose trust activity long-term debt at June 30, 2024 consisted of the following items: (continued)

Loan Payable to City

The former redevelopment agency has five loans from the Low Income Housing Assets capital project fund, that were used to make the fiscal year 2005-06 (\$621,376) mandated Educational Revenue Augmentation Fund payments and "Supplemental" Education Revenue Augmentation Fund payments for the fiscal year 2009-10 (\$7,906,610) and 2010-11 (\$1,626,274). In accordance with Assembly Bill X1 26, existing agreements between the City and the former redevelopment agency have previously been invalidated. In fiscal year 2017-18, the California Department of Finance changed its previous determination and has now approved the repayment of the ERAF and SERAF loans (\$13,254,260) as an enforceable obligation. At June 30, 2021 the Successor Agency has repaid \$6,200,000 of the loan balance. The amount due to the City at June 30, 2024 is \$5,054,260, which represents \$5,044,260 of SERAF.

\$ 5,044,260

Total Private Purpose Trust Funds Long Term Debt

\$ 51,174,449

e. The scheduled annual requirements to amortize all governmental long-term debt outstanding as of June 30, 2024 including interest payments are as follows:

Year Ending	Lease Revenue Bonds 2024A		
	Principal	Interest	Total
2025	\$ 1,755,000	\$ 5,416,774	\$ 7,171,774
2026	2,230,000	6,522,550	8,752,550
2027	2,345,000	6,411,050	8,756,050
2028	2,460,000	6,293,800	8,753,800
2029	2,585,000	6,170,800	8,755,800
2030-2034	14,980,000	28,783,000	43,763,000
2035-2039	19,120,000	24,643,750	43,763,750
2040-2044	24,410,000	19,361,000	43,771,000
2045-2049	31,145,000	12,617,500	43,762,500
2050-2054	38,970,000	4,798,400	43,768,400
Total	<u>\$ 140,000,000</u>	<u>\$ 121,018,624</u>	<u>\$ 261,018,624</u>

Year Ending	Leases Payable - Governmental Activities		
	Principal	Interest	Total
2025	\$ 245,117	\$ 14,892	\$ 260,009
2026	220,389	9,464	229,853
2027	171,034	4,317	175,351
2028	85,058	1,053	86,111
	<u>\$ 721,598</u>	<u>\$ 29,726</u>	<u>\$ 751,324</u>

Year Ending	SBITA Payable - Governmental Activities		
	Principal	Interest	Total
2025	\$ 40,831	\$ 2,183	\$ 43,014
2026	24,797	1,205	26,002
2027	14,023	633	14,656
2028	14,516	127	14,643
	<u>\$ 94,167</u>	<u>\$ 4,148</u>	<u>\$ 98,315</u>

**CITY OF GARDEN GROVE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024**

C. DETAILED NOTES ON ALL FUNDS (continued)

9. Long-term Debt (continued)

f. The scheduled annual requirements to amortize all proprietary long-term debt outstanding as of June 30, 2024 including interest payments are as follows:

Year Ending June 30	2020 Water Revenue Bonds		
	Principal	Interest	Total
2025	\$ 920,000	\$ 776,175	\$ 1,696,175
2026	960,000	738,575	1,698,575
2027	1,000,000	699,375	1,699,375
2028	1,035,000	658,675	1,693,675
2029	1,080,000	616,375	1,696,375
2030-2034	3,845,000	2,518,375	6,363,375
2035-2039	3,035,000	1,955,500	4,990,500
2040-2044	3,670,000	1,300,425	4,970,425
2045-2049	4,420,000	551,800	4,971,800
2050-2051	1,945,000	48,938	1,993,938
Total	\$ 21,910,000	\$ 9,864,213	\$ 31,774,213

Year Ending June 30	2017 Sewer Refunding Revenue Bonds		
	Principal	Interest	Total
2025	\$ 715,000	\$ 485,125	\$ 1,200,125
2026	750,000	449,375	1,199,375
2027	785,000	411,875	1,196,875
2028	825,000	372,625	1,197,625
2029	870,000	331,375	1,201,375
2030-2034	5,000,000	996,400	5,996,400
2035-2036	2,280,000	120,400	2,400,400
Total	\$ 11,225,000	\$ 3,167,175	\$ 14,392,175

Year Ending June 30	Leases Payable - Business Type Activities		
	Principal	Interest	Total
2025	\$ 136,249	\$ 8,611	\$ 144,860
2026	119,441	6,192	125,633
2027	104,337	3,777	108,114
2028	106,775	1,341	108,116
Total	\$ 466,802	\$ 19,921	\$ 486,723

Year Ending June 30	SBITA Payable - Business Type Activities		
	Principal	Interest	Total
2025	\$ 63,000	\$ -	\$ 63,000
2026	63,000	-	63,000
2027	63,000	-	63,000
Total	\$ 189,000	\$ -	\$ 189,000

**CITY OF GARDEN GROVE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024**

C. DETAILED NOTES ON ALL FUNDS (continued)

9. Long-term Debt (continued)

g. The scheduled annual requirements to amortize all the Successor Agency long-term debt outstanding as of June 30, 2024 including interest payments are as follows:

Year Ending June 30	Tax Allocation Refunding Bonds Issue of 2016		
	Principal	Interest	Total
2025	\$ 2,265,000	\$ 1,229,875	\$ 3,494,875
2026	2,380,000	1,113,750	3,493,750
2027	2,500,000	991,750	3,491,750
2028	2,625,000	863,625	3,488,625
2029	2,755,000	729,125	3,484,125
2030-2034	15,925,000	1,516,625	17,441,625
Total	<u>\$ 28,450,000</u>	<u>\$ 6,444,750</u>	<u>\$ 34,894,750</u>

Year Ending June 30	Tax Allocation Refunding Bonds Issue of 2014		
	Principal	Interest	Total
2025	\$ 3,330,000	\$ 519,750	\$ 3,849,750
2026	1,955,000	387,625	2,342,625
2027	1,955,000	289,875	2,244,875
2028	1,610,000	200,750	1,810,750
2029	1,580,000	121,000	1,701,000
2030	1,630,000	40,750	1,670,750
Total	<u>\$ 12,060,000</u>	<u>\$ 1,559,750</u>	<u>\$ 13,619,750</u>

Year Ending June 30	Subordinate Note 2008		
	Principal	Interest	Total
2025	\$ 145,000	\$ 33,150	\$ 178,150
2026	150,000	24,300	174,300
2027	160,000	15,000	175,000
2028	170,000	5,100	175,100
Total	<u>\$ 625,000</u>	<u>\$ 77,550</u>	<u>\$ 702,550</u>

**CITY OF GARDEN GROVE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024**

C. DETAILED NOTES ON ALL FUNDS (continued)

10. Compensated Absences

The City accounts for compensated absences (unpaid vacation, annual leave, unused holiday, compensated time off, and sick leave) in the Employee Benefit internal service fund and the enterprise funds. The balance for accrued compensated absences at June 30, 2024 is \$9,021,478.

Vacation accrues for all employee groups at 10 hours per month after one year of service, 12 hours per month after nine years, 14 hours per month after 14 years, 17.25 hours per month after 19 years, and 20.50 hours per month after 24 years. The maximum an employee may accumulate is an amount equivalent to two full calendar years of service. The maximum management may accumulate is an amount equivalent to two full calendar years of service plus 40 hours.

Sick leave is accumulated on the basis of eight hours for each month of service beginning from the date of hire for all employee groups other than police. Police employees accumulate on the basis of 10 hours for each month of service beginning from the date of hire. The City has adopted a policy for payment of unused sick leave benefits at time of retirement. Employees can be paid 50% for all unused hours up to 1,000, police employees 100% of up to 750 unused hours, and management employees 50% of all unused hours. Studies have indicated that only 13.95% of all accumulated sick leave is actually used by employees, therefore, the sick leave liability is estimated at 13.95% of the total accumulated benefit, or \$2,179,180 at June 30, 2024.

A calculated fringe benefit rate, which includes accrued compensated absences, workers' compensation, retirement and medical benefits, is applied to all labor charges. The resulting funds are deposited into internal service funds and are set aside for corresponding liabilities, which are fully funded by sufficient cash and investment in that fund. Compensated absences are liquidated using the employee benefits internal service fund's available net position.

**CITY OF GARDEN GROVE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024**

C. DETAILED NOTES ON ALL FUNDS (continued)

10. Compensated Absences (continued)

Governmental funds:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Vacation, Annual Leave, Benefits, and Comp Time	\$ 6,046,925	\$ 7,204,198	\$ (7,095,929)	\$ 6,155,194	\$ 5,970,537
Sick Leave	1,798,022	1,539,496	(1,326,434)	2,011,084	1,950,752
Total	\$ 7,844,947	\$ 8,743,694	\$ (8,422,363)	\$ 8,166,278	\$ 7,921,289

Enterprise funds:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Vacation, Annual Leave, Benefits, and Sick Leave	\$ 752,498	\$ 492,204	\$ (557,598)	\$ 687,104	\$ 666,491
	177,829	220,268	(230,001)	168,096	163,052
Total	\$ 930,327	\$ 712,472	\$ (787,599)	\$ 855,200	\$ 829,543
Totals	\$ 8,775,274	\$ 9,456,166	\$ (9,209,962)	\$ 9,021,478	\$ 8,750,832

11. Risk Management

The City utilizes a program to self-insure for workers' compensation liability for the first \$1 million, per occurrence, for injury or occupational illness to City employees pursuant to Workers' Compensation Laws of the State of California. The City contracts with a third party who administers the program and acts as the representative of the City in claim hearings and litigation. Excess coverage is placed with a joint powers authority for losses from \$1 million up to the statutory limit per occurrence. This self-insurance program is accounted for in the Workers' Compensation internal service fund. There is an estimated liability of \$37,740,229 for workers' claims outstanding including claims incurred but not reported on June 30, 2024, which has been included as liabilities in the Workers' Compensation internal service fund.

The City also has a self-insured program for its tort and civil liabilities. The City is self-insured for the first \$2 million per occurrence. Excess liability insurance is carried thereafter to \$33 million per occurrence with commercial insurers. Claims administration and adjusting services are provided by contract with a third-party administrator specializing in public entity liability. Representation in matters of litigation is performed through the retaining of outside law firms and is supervised by the city attorney. This self-insurance program is accounted for in the Risk Management internal service fund.

The City estimates a general liability for claims outstanding, including claims incurred but not reported, on June 30, 2024, in the amount of \$10,519,665 which has been included as liabilities in the Risk Management internal service fund.

The City is a defendant in various lawsuits. Attempts are made to settle these cases or proceed to trial as recommended by the attorney. The City believes that it has meritorious defenses to the allegations contained in the cases. However, the City has accrued and reserved reasonable amounts based on the actuarial analysis and attorney recommendations to cover the potential losses to the extent the exposures are deemed probable and estimable.

**CITY OF GARDEN GROVE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024**

C. DETAILED NOTES ON ALL FUNDS (continued)

11. Risk Management (continued)

Settled claims have not exceeded any of the City’s coverage amounts in any of the last three fiscal years and there were no reductions in the City’s insurance coverage during the year ended June 30, 2024. Changes in the aggregate liability for claims for fiscal year ended June 30, 2024 and June 30, 2023 are as follows:

Worker's Compensation	2024	2023
Liability, July 1	\$ 37,481,873	\$ 39,565,247
Cost and claims incurred	6,944,278	2,660,807
Claim payments	<u>(6,685,922)</u>	<u>(4,744,181)</u>
Liability, June 30	<u>\$ 37,740,229</u>	<u>\$ 37,481,873</u>
Due within one year	\$ 4,807,611	\$ 5,010,907
Due in more than one year	<u>32,932,618</u>	<u>32,470,966</u>
	<u>\$ 37,740,229</u>	<u>\$ 37,481,873</u>
 Risk Management		
Liability, July 1	\$ 6,860,038	\$ 6,912,099
Cost and claims incurred	5,625,933	120,439
Claim payments	<u>(1,966,306)</u>	<u>(172,500)</u>
Liability, June 30	<u>\$ 10,519,665</u>	<u>\$ 6,860,038</u>
Due within one year	\$ 3,606,099	\$ 2,492,410
Due in more than one year	<u>6,913,566</u>	<u>4,367,628</u>
	<u>\$ 10,519,665</u>	<u>\$ 6,860,038</u>

**CITY OF GARDEN GROVE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024**

C. DETAILED NOTES ON ALL FUNDS (continued)

12. Public Employees' Retirement System

a. General Information about the Pension Plans

Plan Description - The City of Garden Grove's defined benefit pension plans, the Miscellaneous Plan of the City of Garden Grove and the Safety Plan of the City of Garden Grove, provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Miscellaneous Plan of the City of Garden Grove and the Safety Plan of the City of Garden Grove are part of the Public Agency portion of the California Public Employees Retirement System (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements are established by State statutes within the Public Employees' Retirement Law. The City selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance. CalPERS issues a separate Annual Comprehensive Financial Report. Copies of CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814.

On September 12, 2012, the California Governor signed the California Public Employees' Pension Reform Act of 2013 (PEPRA) into law. PEPRA took effect January 1, 2013. Key components of the legislation are as follows:

- Establishes PEPRA which applies to all public employers and public pension plans on and after January 1, 2013 (except specific exemptions);
- Establishes new retirement tiers/benefits for new public employees;
- Prohibits certain cash payment from being counted as compensation; and
- Increases retirement age for all new public employees.

Each employee contributes toward his or her retirement based upon the retirement formula. Under PEPRA, the mandated employee contribution rate is one half of the normal cost as determined annually by CalPERS for the City when the actuarial valuation of the plans are performed. Active PEPRA plan members in the Miscellaneous Plan of the City are required to contribute 7.75% of reportable earnings for a 2.0% at 62 retirement plan. Active PEPRA plan members in the Safety Plan of the City are required to contribute 13.75% of reportable earnings for a 2.7% at 57 retirement plan. Active "Classic" plan members in the Miscellaneous Plan of the City are required to contribute 8.00% of reportable earnings for a 2.5% at 55 retirement plan. Active "Classic" plan members in the Safety Plan of the City are required to contribute 9.00% of reportable earnings for a 3.0% at 50 retirement plan.

The required employer contribution rates for fiscal year ended June 30, 2024 under PEPRA are the same as the employer contribution rates for existing miscellaneous employees and public safety employees.

**CITY OF GARDEN GROVE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024**

C. DETAILED NOTES ON ALL FUNDS (continued)

12. Public Employees' Retirement System (continued)

a. General Information about the Pension Plans (continued)

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

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

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.5% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-55	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates	8.00%	6.75%
Required employer contribution rates	42.55%	42.55%

	Safety	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50 - 57
Monthly benefits, as a % of eligible compensation	3.00%	2.0% to 2.7%
Required employee contribution rates	9.00%	13.75%
Required employer contribution rates	96.18%	96.18%

Employees covered - At June 30, 2022 (actuarial valuation date), the following employees were covered by the benefit terms for each Plan:

	Misc	Safety
Inactive employees or beneficiaries currently receiving benefits	708	512
Inactive employees entitled to but not yet receiving benefits	495	156
Active employees	386	172
Total	1,589	840

**CITY OF GARDEN GROVE
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 FISCAL YEAR ENDED JUNE 30, 2024**

C. DETAILED NOTES ON ALL FUNDS (continued)

12. Public Employees' Retirement System (continued)

a. General Information about the Pension Plans (continued)

Contributions - 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.

b. Net Pension Liability

Actuarial Methods and Assumptions Used to Determine Total

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

Actuarial Cost Method	Entry Age Actuarial Cost Method
Actuarial Assumptions	
Discount Rate	6.90%
Inflation	2.30%
Salary Increase	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 up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter

¹ The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

**CITY OF GARDEN GROVE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024**

C. DETAILED NOTES ON ALL FUNDS (continued)

12. Public Employees' Retirement System (continued)

b. Net Pension Liability (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 using historical returns of all funds over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points. The expected real rates of return by asset class are as follows:

Asset Class¹	Assumed Asset Allocation	Real Return²
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%

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

² Figures are based on the 2021 Asset Liability Management study.

Discount Rate

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

**CITY OF GARDEN GROVE
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 FISCAL YEAR ENDED JUNE 30, 2024**

C. DETAILED NOTES ON ALL FUNDS (continued)

12. Public Employees' Retirement System (continued)

b. Net Pension Liability (continued)

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 investments	5 year straight-line amortization
All other amounts	Straight-line amortization over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired). Note that inactive employees and retirees have remaining service lifetimes equal to zero. Also note that total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

**CITY OF GARDEN GROVE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024**

C. DETAILED NOTES ON ALL FUNDS (continued)

12. Public Employees' Retirement System (continued)

c. Changes in Net Pension Liability

The following table shows the balances related to pension at June 30, 2024:

	Miscellaneous Plan	Safety Plan	Total
Net Pension Liability	\$ 114,905,246	\$ 242,622,872	\$ 357,528,118
Deferred Outflows	\$ 30,896,886	\$ 50,879,742	\$ 81,776,628
Deferred Inflows	\$ 729,214	\$ 447,926	\$ 1,177,140
Pension Expense	\$ 18,187,981	\$ 35,600,481	\$ 53,788,462

The following table shows the changes in the Net Pension Liability for each plan:

Miscellaneous Plan:	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2022	\$ 378,802,390	\$ 266,005,723	\$ 112,796,667
Changes in the year:			
Service cost	6,106,608	-	6,106,608
Interest on the total pension liability	25,862,669	-	25,862,669
Difference between actual and expected experience	2,370,241	-	2,370,241
Contribution - employer	-	13,425,034	(13,425,034)
Contribution - employee	-	2,485,490	(2,485,490)
Net Investment income	-	16,516,024	(16,516,024)
Benefit payments, including refunds of employee contributions	(18,809,311)	(18,809,311)	-
Administrative expense	-	(195,608)	195,608
Net changes	15,530,207	13,421,629	2,108,578
Balance at June 30, 2023	\$ 394,332,597	\$ 279,427,352	\$ 114,905,245

**CITY OF GARDEN GROVE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024**

C. DETAILED NOTES ON ALL FUNDS (continued)

12. Public Employees' Retirement System (continued)

c. Changes in Net Pension Liability (continued)

Safety Plan:	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2022	\$ 621,683,495	\$ 391,190,319	\$ 230,493,176
Changes in the year:			
Service cost	8,103,319	-	8,103,319
Interest on the total pension liability	42,652,235	-	42,652,235
Difference between actual and expected experience	9,718,381	-	9,718,381
Contribution - employer	-	21,548,966	(21,548,966)
Contribution - employee	-	2,936,409	(2,936,409)
Net Investment income	-	24,146,527	(24,146,527)
Benefit payments, including refunds of employee contributions	(34,610,411)	(34,610,411)	-
Administrative Expense	-	(287,663)	287,663
Net changes	25,863,524	13,733,828	12,129,696
Balance at June 30, 2023	\$ 647,547,019	\$ 404,924,147	\$ 242,622,872

**CITY OF GARDEN GROVE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024**

C. DETAILED NOTES ON ALL FUNDS (continued)

12. Public Employees' Retirement System (continued)

c. Changes in Net Pension Liability (continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of each Plan, calculated using the discount rate for each Plan, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	<u>Miscellaneous</u>	<u>Safety</u>
1% Lower	5.90%	5.90%
Net Pension Liability	\$ 168,130,364	\$ 331,275,097
Current Discount Rate	6.90%	6.90%
Net Pension Liability	\$ 114,905,245	\$ 242,622,872
1% Higher	7.90%	7.90%
Net Pension Liability	\$ 71,103,266	\$ 170,409,840

The Net Pension Liabilities for the City’s pension plans have been primarily liquidated by funding from the General, Water, Sewage Collection and Housing Authority funds based on their proportionate personnel costs of the year.

Pension Plan Fiduciary Net Position – Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports and can be obtained on the CalPERS website.

d. Pension expenses and deferred outflows/inflows of resources related to pensions

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Miscellaneous Plan</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 13,697,429	\$ -
Changes in assumptions	3,068,131	-
Differences between expected and actual experiences	1,458,610	(729,214)
Net difference between projected and actual earnings on pension plan investments	12,672,716	-
Total	<u>\$ 30,896,886</u>	<u>\$ (729,214)</u>

**CITY OF GARDEN GROVE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024**

C. DETAILED NOTES ON ALL FUNDS (continued)

12. Public Employees' Retirement System (continued)

d. Pension expenses and deferred outflows/inflows of resources related to pensions (continued)

	Safety Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 22,386,536	\$ -
Changes in assumptions	4,210,264	-
Differences between expected and actual experiences	5,831,029	(447,926)
Net difference between projected and actual earnings on pension plan investments	<u>18,451,913</u>	<u>-</u>
Total	<u>\$ 50,879,742</u>	<u>\$ (447,926)</u>

The \$13,697,886 and \$22,386,536 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Periods Ended June 30	Miscellaneous Plan	Safety Plan
	Deferred Outflow/(Inflows) of Resources	Deferred Outflow/(Inflows) of Resources
2024	\$ 5,514,988	\$ 10,885,976
2025	1,835,783	3,676,375
2026	8,775,664	12,989,018
2027	343,808	493,911

13. Other Postemployment Benefits

a. Plan Descriptions

The City administers an other post-employment benefit (OPEB) plan which is subject to changes based on the discretion of the Council. The plan is not administered through a trust or equivalent arrangement.

PEMHCA: The City provides an agent multiple-employer defined benefit healthcare plan to retirees through the California Public Employee Retirement System (CalPERS) under the California Public Employees Medical and Hospital Care Act (PEMHCA), commonly referred to as PERS Health.

**CITY OF GARDEN GROVE
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 FISCAL YEAR ENDED JUNE 30, 2024**

C. DETAILED NOTES ON ALL FUNDS (continued)

13. Other Postemployment Benefits (continued)

b. Employees Covered

Employees are eligible for retiree health benefits if they retire from the City on or after age 50 (unless disabled) and are eligible to begin drawing a PERS pension. The benefits are available only to employees who retire from the City.

As of the June 30, 2023 actuarial valuation, the following current and former employees were covered by the City plan:

	<u>Number of Participants</u>
Inactive Employees Receiving Benefit Payments	288
Inactive Employees Entitled to But Not Yet Receiving Benefit Payments	-
Participating Active Employees	<u>567</u>
Total Number of Participants	<u><u>855</u></u>

c. Contributions

The contributions for the City’s other post-employment benefits are based on pay-as-you-go financing requirements.

The contribution requirements of plan members and the City are established and may be amended by the City Council. The City must agree to make a defined monthly payment towards the cost of each retiree’s coverage. The City’s contribution rates were \$157 and \$151 per month for each retiree for the calendar years ended 2024 and 2023, respectively.

For the fiscal year ended June 30, 2024, the City contributed \$536,693 to the plan.

d. Actuarial Methods and Assumptions Used to Determine Total OPEB Liability

The City’s total OPEB liability was determined by an actuarial valuation dated June 30, 2023, based on the following actuarial methods and assumptions:

ACTUARIAL METHODS AND ASSUMPTIONS:

ACTUARIAL COST METHOD: GASB 74/75 require use of the entry age actuarial cost method.

Entry age is based on the age at hire for eligible employees. The attribution period is determined as the difference between the expected retirement age and the age at hire. The APVPBP (Actuarial Present Value of Projected Benefit Payments) and present value of future service costs are determined on an employee by employee basis and then aggregated.

**CITY OF GARDEN GROVE
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 FISCAL YEAR ENDED JUNE 30, 2024**

C. DETAILED NOTES ON ALL FUNDS (continued)

13. Other Postemployment Benefits (continued)

d. Actuarial Methods and Assumptions Used to Determine Total OPEB Liability (continued)

To the extent that different benefit formulas apply to different employees of the same class, the service cost is based on the benefit plan applicable to the most recently hired employees (including future hires if a new benefit formula has been agreed to and communicated to employees). This greatly simplifies administration and accounting; as well as resulting in the correct service cost for new hires.

SUBSTANTIVE PLAN: As required under GASB 74/75 the valuation is based on the substantive plan. The formulation of the substantive plan was based on a review of written plan documents as well as historical information provided by the City regarding practices with respect to employer and employee contribution and other relevant factors.

IMPLICIT RATE SUBSIDY: GASB 74/75 require use of claim costs or age-adjusted premiums approximating claims costs to determine the plan's liability. Adjusting premiums for age creates an Implicit Subsidy and is reflected as part of the plan's liability. In addition, the common approach amongst actuaries in California is to include an implicit subsidy as part of the liability and as such the City requested to have reflected age-adjusted premiums in the calculation of the actuarial values. Implicit Subsidy is considered a benefit and should be included in OPEB valuation and its recognition will increase OPEB liability.

ECONOMIC ASSUMPTIONS:

INFLATION: 2.50% per year. Actuarial standards require using the same rate for OPEB that is used for pension.

INVESTMENT RETURN/DISCOUNT RATE: 3.65% per year net of expenses. This is based on the Bond Buyer 20 Bond Index. The interest assumption changed from 3.54% to 3.65%.

TREND: 4% per year. The long-term trend assumption is based on the conclusion that, while medical trend will continue to be cyclical, the average increase over time cannot continue to outstrip general inflation by a wide margin. Trend increases in excess of general inflation result in dramatic increases in unemployment, the number of uninsured and the number of underinsured. These effects are nearing a tipping point which will inevitably result in fundamental changes in health care finance and/or delivery which will bring increases in health care costs more closely in line with general inflation. We do not believe it is reasonable to project historical trend vs. inflation differences several decades into the future.

PAYROLL INCREASE: 2.75% per year.

MORTALITY

<u>Participant Type</u>	<u>Mortality Tables</u>
Police	2021 CalPERS Mortality for Safety Employees
Firefighters	2021 CalPERS Retiree Mortality for Safety Employees
Miscellaneous	2021 CalPERS Mortality for Miscellaneous and Schools Employees

**CITY OF GARDEN GROVE
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 FISCAL YEAR ENDED JUNE 30, 2024**

C. DETAILED NOTES ON ALL FUNDS (continued)

13. Other Postemployment Benefits (continued)

d. Actuarial Methods and Assumptions Used to Determine Total OPEB Liability (continued)

RETIREMENT RATES

<u>Employee Type</u>	<u>Retirement Rate Tables</u>
Police Officers	2021 CalPERS 3%@50 Rates for Sworn Police Employees or PEPRA rates, as appropriate
Firefighters	2021 CalPERS 3%@50 Rates for Sworn Fire Employees or PEPRA rates, as appropriate
General Employees	2021 CalPERS 2.5%@55 Rates for Miscellaneous Employees or PERPRA rates, as appropriate

SERVICE REQUIREMENT

<u>Employee Type</u>	<u>Service Requirement Tables</u>
Police	100% at 5 Years of Service
Firefighters	100% at 5 Years of Service
General	100% at 5 Years of Service

COSTS FOR RETIREE COVERAGE

Retiree liabilities are based on actual retiree premium plus an implicit rate subsidy of 86.3% of non-Medicare medical premium. Liabilities for active participants are based on the first year costs shown below, which include the implicit rate subsidy. Subsequent years' costs are based on first year costs adjusted for trend and limited by any City contribution caps.

<u>Participant Type</u>	<u>Future Retirees Pre-65</u>	<u>Future Retirees Post -65</u>
Fire Fighters	PEMHCA Minimum: \$1,848 Implicit Subsidy: \$16,509	\$1,848
Police Officers	PEMHCA Minimum: \$1,848 Implicit Subsidy: \$16,509	\$1,848
Miscellaneous Employees	PEMHCA Minimum: \$1,848 Implicit Subsidy: \$11,245	\$1,848

The participation rates per the actuarial report for all employee types for the group that is less than age 65 (Non-Medicare) and for the group that is more than age 65 (Medicare) is 70 percent.

e. Recognition of Deferred Outflows and Inflows of Resources

Changes in the Total OPEB Liability (TOL) arising from certain sources are recognized on a deferred basis. Under GASB 74 & 75 OPEB expense includes service cost, interest cost, change in total OPEB liability due to plan changes; all adjusted for deferred inflows and outflows.

**CITY OF GARDEN GROVE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024**

C. DETAILED NOTES ON ALL FUNDS (continued)

13. Other Postemployment Benefits (continued)

e. Recognition of Deferred Outflows and Inflows of Resources (continued)

The TOL can arise in several ways - e.g., as a result of plan changes or changes in actuarial assumptions. TOL can also arise from actuarial gains and losses. Actuarial gains and losses result from differences between actuarial assumptions and the actual plan experience.

Under GASB 74 and 75, a portion of actuarial gain and losses can be deferred as follows:

- Investment gains and losses can be deferred five years.
- Experience gains and losses can be deferred over the expected average remaining service lives (EARSL) of plan participants. In calculating the EARSL, terminated employees (primarily retirees) are considered to have working lifetime of zero. This often make the EARSL, quite short.
- Liability changes resulting from changes in economic and demographic assumptions are also deferred based on the average working lifetime.
- Liability changes resulting from plan changes, for example, cannot be deferred.

OPEB Expense a Deferred Outflow/Inflow of Resources to OPEB

For the fiscal year ended June 30, 2023, the City recognized OPEB expense of \$4,787,003. As of fiscal year ended June 30, 2024, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement	\$ 536,693	\$ -
Changes of assumptions	21,444,997	(7,301,041)
Difference between expected and actual experience	39,518	(8,393,041)
Total	\$ 22,021,208	\$ (15,694,082)

The \$536,693 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2023 measurement date will be recognized as a reduction of the total OPEB liability during the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as OPEB expense as follows:

Measurement Periods Ended June 30	Deferred Outflows/(Inflows) of Resources
2024	\$ 1,614,794
2025	1,614,794
2026	1,614,794
2027	1,614,794
2028	1,677,487
Thereafter	(2,346,230)

**CITY OF GARDEN GROVE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024**

C. DETAILED NOTES ON ALL FUNDS (continued)

13. Other Postemployment Benefits (continued)

f. Total OPEB Liability

If actuarial assumptions are borne out by experience, the City will fully accrue retiree benefits by expensing an amount each year that equals the service cost. If no accruals had taken place in the past, there would be a shortfall of many years' accruals, accumulated interest and forfeitures for terminated or deceased employees. This shortfall is called the Total OPEB Liability (TOL). The TOL is calculated as the APVPBP (Actuarial Present Value of Projected Benefit Payments) minus the present value of future service costs.

g. Changes in the OPEB Liability

The changes in the OPEB liability for the City are as follows:

Changes in Total OPEB Liability as of June 30, 2024	
	Increase (Decrease)
	Total OPEB Liability (TOL)
Balance at June 30, 2023	\$ 41,806,355
Changes recognized for the measurement period:	
Service Cost	1,676,163
Interest on TOL	1,477,304
Employer Contributions as Benefits	(1,799,520)
Experience (Gains)/Losses	43,757
Assumption Changes	(185,920)
Net Changes	1,211,784
Balance at June 30, 2024	\$ 43,018,139

h. Sensitivity of OPEB Liability to Changes in the Discount Rate

The following presents the OPEB liability with a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2023:

	Discount Rate 1% Lower	Valuation Discount Rate	Discount Rate 1% Higher
OPEB Liability	\$48,768,159	\$43,018,139	\$38,260,298

**CITY OF GARDEN GROVE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024**

C. DETAILED NOTES ON ALL FUNDS (continued)

13. Other Postemployment Benefits (continued)

i. Sensitivity of OPEB Liability to Changes in the Trend Rate

The following presents the OPEB liability of the City if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2023:

	Trend Rate 1% Lower	Valuation Trend	Trend Rate 1% Higher
OPEB Liability	<u>\$37,162,041</u>	<u>\$43,018,139</u>	<u>\$50,409,969</u>

14. Commitments and Contingencies

a. Grants

Under the terms of federal, county and state grants, periodic audits are required and certain costs may be questioned as not appropriate expenditures under the terms of the grants. Such audits could lead to reimbursements to the grantor agencies. If some expenditures were disallowed, the City believes such disallowances, if any, would be immaterial.

b. Construction Commitments

The City has active construction projects as of June 30, 2024. City project commitments includes street improvements, storm drain improvements, building improvements, and park improvements. Proprietary fund project commitments include water main improvements, water reservoir rehabilitation projects and sewer main improvements. At fiscal year-end, the City's construction project commitments with contractors are as follows:

	<u>Spent-to-date</u>	<u>Remaining Commitment</u>
Com. & Econ. Dev. Imp.	\$ 8,285,590	\$ 100,077
Facility Improvements	-	300,000
Park Improvements	1,237,746	11,367,054
Sewer Improvements	3,558,271	7,150,945
Street Improvements	19,284,245	8,023,655
Traffic Improvements	78,511	1,274,389
Water Improvements	4,053,499	8,958,701
Total	<u>\$ 36,497,862</u>	<u>\$ 37,174,821</u>

**CITY OF GARDEN GROVE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024**

C. DETAILED NOTES ON ALL FUNDS (continued)

14. Commitments and Contingencies (continued)

c. Contract Commitments

The City entered into an agreement with the Orange County Fire Authority (OCFA) on April 9, 2019 for OCFA to provide fire and emergency medical services to the City starting on August 16, 2019. OCFA will lease specified apparatus at no cost and fire stations at \$1 per year per station. Annually, the City will pay its share of OCFA's vehicle replacement program. The City will also pay a monthly fee of \$2,175,475 for the fire and emergency medical services. The monthly amount is subject to change on an annual basis and is due at the beginning of each month.

15. Joint Venture

The City participates in the Anaheim-Garden Grove-Orange Fire Training Facility Authority, a joint powers authority created to finance fire training and dispatching facilities. The City Council of each city appoints one representative to the three-member Board of Directors. The City's proportionate share is 22.0%. Because the City is not financially accountable, the training facility is not considered part of the City's reporting entity. Separate financial statements are not issued.

16. Tax Abatements

The City of Garden Grove enters into various tax abatement agreements for the purpose of attracting and retaining businesses within the City. The Garden Grove Agency for Community Development also entered into three such agreements specific to hotel developments that are now the enforceable obligations of the Successor Agency pursuant to the 2011 Redevelopment Agency Dissolution Act.

In 2016, the City approved an Amended and Restated Operating Covenant Agreement with California Fuels and Lubricants for business retention purposes pursuant to Senate Bill 562. The Amended Agreement effective July 1, 2016 provides for economic development assistance in form of varying revenue sharing ratios of the amount of sales tax revenue generated in excess of \$200,000 annually for a period of 20 years. For Fiscal Year 2023-24, California Fuels and Lubricants received assistance payments of \$654,341.

**CITY OF GARDEN GROVE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024**

C. DETAILED NOTES ON ALL FUNDS (continued)

16. Tax Abatements (continued)

In 2017, the City entered into an agreement with Garden Grove Automotive, Inc (GGA) to acquire the site and continue to sell Kia automobiles. Subject to the contingency that GGA fulfills the covenants of the agreement and generate enough sales tax revenue during the fiscal year, the City has agreed to pay an amount equal to 35% of the sales tax revenue in excess of \$150,000. The amount paid at June 30, 2024 was \$37,500.00.

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Required Supplemental Information

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**CITY OF GARDEN GROVE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Taxes	\$ 151,598,800	\$ 151,598,800	\$ 159,566,000	\$ 7,967,200
Licenses and permits	2,497,400	2,497,400	3,035,509	538,109
Fines, forfeits and penalties	1,924,500	1,924,500	2,720,851	796,351
Investment earnings	1,488,700	1,488,700	7,048,121	5,559,421
Charges for current services	7,086,000	7,086,000	7,530,683	444,683
From other agencies	-	-	181,780	181,780
Other revenues	2,080,300	2,080,300	4,920,194	2,839,894
Total revenues	<u>166,675,700</u>	<u>166,675,700</u>	<u>185,003,138</u>	<u>18,327,438</u>
EXPENDITURES:				
Current:				
Fire	31,759,700	31,759,700	31,604,001	155,699
Police	80,552,400	80,570,200	76,613,400	3,956,800
Traffic safety	4,497,700	4,652,700	2,810,327	1,842,373
Public right of way	10,576,000	24,557,700	18,550,550	6,007,150
Community buildings	4,120,000	4,140,000	3,653,662	486,338
Community services	6,833,200	6,851,700	5,923,389	928,311
Parks and greenbelts	1,957,500	1,957,500	1,696,554	260,946
Community planning and development	15,107,100	47,611,500	30,553,889	17,057,611
Municipal support	13,232,800	13,208,700	11,671,662	1,537,038
Debt service:				
Principal retirement	565,000	20,881,617	20,772,213	109,404
Interest	1,034,000	1,034,000	684,551	349,449
Total expenditures	<u>170,235,400</u>	<u>237,225,317</u>	<u>204,534,198</u>	<u>32,691,119</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,559,700)</u>	<u>(70,549,617)</u>	<u>(19,531,060)</u>	<u>51,018,557</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	223,600	223,600	2,305,933	2,082,333
Transfers out	-	-	(1,246,057)	(1,246,057)
Issuance of leases	-	-	695,362	695,362
Total other financing sources (uses)	<u>223,600</u>	<u>223,600</u>	<u>1,755,238</u>	<u>1,531,638</u>
Net change in fund balance	(3,336,100)	(70,326,017)	(17,775,822)	52,550,195
Fund balance, beginning of year	<u>183,307,862</u>	<u>183,307,862</u>	<u>183,307,862</u>	<u>-</u>
Fund balance, end of year	<u>\$ 179,971,762</u>	<u>\$ 112,981,845</u>	<u>\$ 165,532,040</u>	<u>\$ 52,550,195</u>

See accompanying note to required supplementary information.

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CITY OF GARDEN GROVE
NAVIGATION CENTER SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Investment earnings (loss)	\$ -	\$ -	\$ 3,450	\$ 3,450
From other agencies	-	-	4,509,191	4,509,191
Other revenues	710,000	710,000	4,001,297	3,291,297
Total revenues	<u>710,000</u>	<u>710,000</u>	<u>8,513,938</u>	<u>7,803,938</u>
EXPENDITURES:				
Current:				
Community buildings	1,143,800	13,795,700	5,633,927	8,161,773
Total expenditures	<u>1,143,800</u>	<u>13,795,700</u>	<u>5,633,927</u>	<u>8,161,773</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(433,800)</u>	<u>(13,085,700)</u>	<u>2,880,011</u>	<u>15,965,711</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(20,000)	20,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(20,000)</u>	<u>20,000</u>
Net change in fund balance	(433,800)	(13,085,700)	2,860,011	15,985,711
Fund balance, beginning of year	<u>56,935</u>	<u>56,935</u>	<u>56,935</u>	<u>-</u>
Fund balance, end of year	<u>\$ (376,865)</u>	<u>\$ (13,028,765)</u>	<u>\$ 2,916,946</u>	<u>\$ 15,985,711</u>

CITY OF GARDEN GROVE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
AGENT MULTIPLE EMPLOYER DEFINED BENEFIT PENSION PLANS
THE LAST TEN FISCAL YEARS

Measurement Period	Miscellaneous			
	2023	2022	2021	2020
TOTAL PENSION LIABILITY				
Service cost	\$ 6,106,608	\$ 6,003,691	\$ 5,217,353	\$ 5,053,242
Interest on total pension liability	25,862,669	24,841,644	24,233,252	23,364,470
Changes of benefit terms	-	-	-	2,033,512
Changes of assumptions	-	11,834,221	-	-
Difference between expected and actual experience	2,370,241	(2,812,686)	1,014,736	(1,623,742)
Benefit payments, including refunds of employee contributions	(18,809,311)	(18,129,856)	(17,406,313)	(17,321,101)
Net change in total pension liability	15,530,207	21,737,014	13,059,028	11,506,381
Total pension liability - beginning	378,802,390	357,065,376	344,006,348	332,499,967
Total pension liability - ending (a)	\$ 394,332,597	\$ 378,802,390	\$ 357,065,376	\$ 344,006,348
PLAN FIDUCIARY NET POSITION				
Contribution - Employer	\$ 13,425,034	\$ 12,360,011	\$ 11,171,129	\$ 10,190,871
Contribution - Employee	2,485,490	2,371,491	2,341,219	2,282,163
Net investment income	16,516,024	(22,166,332)	54,526,902	11,708,962
Benefit payments, including refunds of employee contributions	(18,809,311)	(18,129,856)	(17,406,313)	(17,321,101)
Net Plan to Plan Resource Movement	-	-	-	-
Administrative Expense	(195,608)	(181,744)	(241,104)	(331,053)
Other Miscellaneous Income/(Expense) ¹	-	-	-	-
Net change in fiduciary net position	13,421,629	(25,746,430)	50,391,833	6,529,842
Plan fiduciary net position - beginning ²	266,005,723	291,752,153	241,360,320	234,830,478
Plan fiduciary net position - ending (b)	\$ 279,427,352	\$ 266,005,723	\$ 291,752,153	\$ 241,360,320
Plan net pension liability - ending (a) - (b)	\$ 114,905,245	\$ 112,796,667	\$ 65,313,223	\$ 102,646,028
Plan fiduciary net position as a percentage of the total pension liability	70.86%	70.22%	81.71%	70.16%
Covered payroll ³	\$ 32,703,258	\$ 30,863,494	\$ 29,694,668	\$ 28,436,925
Plan net pension liability as a percentage of covered payroll	351.36%	365.47%	219.95%	360.96%

¹ During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB68).

² Includes any beginning of year adjustment.

³ Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-21, 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

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

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

In 2022, SB 1168 increased the standard retiree lump sum death benefit from \$500 to \$2,000 for any death occurring on or after July 1, 2023. The impact, if any, is included in the changes of benefit terms.

Changes of Assumptions: There were no assumption changes in 2023. Effective with the June 30, 2021 valuation date (June 30, 2022 measurement date), the accounting rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017 through June 30, 2021, 7.65% for measurement dates June 30, 2015 through June 30, 2016, and 7.50% for measurement date June 30, 2014.

Miscellaneous					
2019	2018	2017	2016	2015	2014
\$ 5,475,558	\$ 5,401,390	\$ 5,295,064	\$ 4,717,431	\$ 4,505,053	\$ 4,722,338
22,545,983	21,444,843	20,965,466	20,513,676	19,499,703	18,697,528
-	-	-	-	-	-
-	(1,737,101)	17,855,824	-	(4,893,202)	-
3,673,870	(4,057,535)	(5,244,453)	1,501,168	(1,007,886)	-
<u>(16,224,456)</u>	<u>(14,088,814)</u>	<u>(13,540,154)</u>	<u>(12,581,087)</u>	<u>(12,134,038)</u>	<u>(11,490,804)</u>
15,470,955	6,962,783	25,331,747	14,151,188	5,969,630	11,929,062
317,029,012	310,066,229	284,734,482	270,583,294	264,613,664	252,684,602
<u>\$ 332,499,967</u>	<u>\$ 317,029,012</u>	<u>\$ 310,066,229</u>	<u>\$ 284,734,482</u>	<u>\$ 270,583,294</u>	<u>\$ 264,613,664</u>
\$ 9,162,242	\$ 8,199,628	\$ 7,579,342	\$ 6,646,792	\$ 5,948,472	\$ 5,101,581
2,158,717	2,429,785	2,308,262	2,242,990	2,281,790	2,070,127
14,721,760	17,695,861	21,554,042	1,004,774	4,419,750	29,571,239
(16,224,456)	(14,088,814)	(13,540,154)	(12,581,087)	(12,134,038)	(11,490,804)
(10,044)	36,458	(64,848)	(69,973)	-	-
(160,695)	(330,147)	(286,986)	(120,179)	(221,880)	-
522	(626,954)	-	-	-	-
9,648,046	13,315,817	17,549,658	(2,876,683)	294,094	25,252,143
225,182,432	211,866,615	194,316,867	197,193,550	196,899,456	171,647,313
<u>\$ 234,830,478</u>	<u>\$ 225,182,432</u>	<u>\$ 211,866,525</u>	<u>\$ 194,316,867</u>	<u>\$ 197,193,550</u>	<u>\$ 196,899,456</u>
<u>\$ 97,669,489</u>	<u>\$ 91,846,580</u>	<u>\$ 98,199,704</u>	<u>\$ 90,417,615</u>	<u>\$ 73,389,744</u>	<u>\$ 67,714,208</u>
70.63%	71.03%	68.33%	68.24%	72.88%	74.41%
\$ 30,347,270	\$ 29,746,612	\$ 29,037,915	\$ 28,573,176	\$ 27,094,801	\$ 27,060,561
321.84%	308.76%	338.18%	316.44%	270.86%	250.23%

**CITY OF GARDEN GROVE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
AGENT MULTIPLE EMPLOYER DEFINED BENEFIT PENSION PLANS
THE LAST TEN FISCAL YEARS**

Measurement Period	Safety			
	2023	2022	2021	2020
TOTAL PENSION LIABILITY				
Service cost	\$ 8,103,319	\$ 7,909,848	\$ 6,799,165	\$ 8,470,387
Interest on total pension liability	42,652,235	40,930,945	39,978,657	38,866,660
Changes of benefit terms	-	-	-	1,572,470
Changes of assumptions	-	21,051,324	-	-
Difference between expected and actual experience	9,718,381	(2,239,626)	280,017	(691,163)
Benefit payments, including refunds of employee contributions	(34,610,411)	(32,808,974)	(31,360,647)	(31,097,422)
Net change in total pension liability	25,863,524	34,843,517	15,697,192	17,120,932
Total pension liability - beginning	621,683,495	586,839,978	571,142,786	554,021,854
Total pension liability - ending (a)	<u>\$ 647,547,019</u>	<u>\$ 621,683,495</u>	<u>\$ 586,839,978</u>	<u>\$ 571,142,786</u>
Contribution - Employer	\$ 21,548,966	\$ 19,491,065	\$ 17,486,345	\$ 15,875,859
Contribution - Employee	2,936,409	2,837,409	2,746,214	2,639,127
Net investment income	24,146,527	(32,867,582)	81,895,715	17,702,544
Benefit payments, including refunds of employee contributions	(34,610,411)	(32,808,974)	(31,360,647)	(31,097,422)
Net Plan to Plan Resource Movement	-	-	-	-
Administrative Expense	(287,663)	(270,860)	(364,019)	(507,220)
Other Miscellaneous Income/(Expense) ¹	-	-	-	-
Net change in fiduciary net position	13,733,828	(43,618,942)	70,403,608	4,612,888
Plan fiduciary net position - beginning ²	391,190,319	434,809,261	364,405,653	359,792,765
Plan fiduciary net position - ending (b)	<u>\$ 404,924,147</u>	<u>\$ 391,190,319</u>	<u>\$ 434,809,261</u>	<u>\$ 364,405,653</u>
Plan net pension liability - ending (a) - (b)	<u>\$ 242,622,872</u>	<u>\$ 230,493,176</u>	<u>\$ 152,030,717</u>	<u>\$ 206,737,133</u>
Plan fiduciary net position as a percentage of the total pension liability	62.53%	62.92%	74.09%	63.80%
Covered payroll ³	\$ 23,978,722	\$ 23,476,513	\$ 21,764,291	\$ 27,964,303
Plan net pension liability as a percentage of covered payroll	1011.83%	981.80%	698.53%	739.29%

1 During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB68).

2 Includes any beginning of year adjustment.

3 Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-21, 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

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

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

In 2022, SB 1168 increased the standard retiree lump sum death benefit from \$500 to \$2,000 for any death occurring on or after July 1, 2023. The impact, if any, is included in the changes of benefit terms.

Changes of Assumptions: There were no assumption changes in 2023. Effective with the June 30, 2021 valuation date (June 30, 2022 measurement date), the accounting rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017 through June 30, 2021, 7.65% for measurement dates June 30, 2015 through June 30, 2016, and 7.50% for measurement date June 30, 2014.

Safety					
2019	2018	2017	2016	2015	2014
\$ 9,117,082	\$ 8,706,648	\$ 8,648,153	\$ 7,378,575	\$ 7,025,519	\$ 7,433,857
37,632,892	36,094,312	35,007,255	33,944,797	32,447,673	31,439,433
-	-	-	-	-	-
-	(2,221,006)	29,556,856	-	(4,660,010)	-
4,129,559	(961,074)	(2,081,126)	2,203,036	(8,032,852)	-
(29,007,470)	(26,226,816)	(24,371,140)	(22,718,361)	(21,846,674)	(20,185,546)
21,872,063	15,392,064	46,759,998	20,808,047	4,933,656	18,687,744
532,149,791	516,757,727	469,997,729	449,189,682	444,256,026	425,568,282
<u>\$ 554,021,854</u>	<u>\$ 532,149,791</u>	<u>\$ 516,757,727</u>	<u>\$ 469,997,729</u>	<u>\$ 449,189,682</u>	<u>\$ 444,256,026</u>
\$ 15,698,349	\$ 14,147,727	\$ 13,302,274	\$ 11,468,654	\$ 10,155,643	\$ 9,427,732
2,644,271	2,873,704	2,823,680	2,915,098	2,611,738	2,439,710
22,658,615	27,492,574	33,837,324	1,532,436	6,960,883	47,553,580
(29,007,470)	(26,226,816)	(24,371,140)	(22,718,361)	(21,846,674)	(20,185,546)
10,044	(37,788)	-	-	-	-
(248,366)	(516,231)	(452,000)	(190,840)	(352,473)	-
808	(980,332)	-	-	-	-
11,756,251	16,752,838	25,140,138	(6,993,013)	(2,470,883)	39,235,476
348,036,514	331,283,676	306,143,539	313,136,552	315,607,435	276,371,959
<u>\$ 359,792,765</u>	<u>\$ 348,036,514</u>	<u>\$ 331,283,677</u>	<u>\$ 306,143,539</u>	<u>\$ 313,136,552</u>	<u>\$ 315,607,435</u>
<u>\$ 194,229,089</u>	<u>\$ 184,113,277</u>	<u>\$ 185,474,050</u>	<u>\$ 163,854,190</u>	<u>\$ 136,053,130</u>	<u>\$ 128,648,591</u>
64.94%	65.40%	64.11%	65.14%	69.71%	71.04%
\$ 29,663,516	\$ 28,541,707	\$ 28,541,707	\$ 28,636,267	\$ 27,481,750	\$ 26,325,623
654.77%	645.07%	649.84%	572.19%	495.07%	488.68%

**CITY OF GARDEN GROVE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
AGENT MULTIPLE EMPLOYER DEFINED BENEFIT PENSION PLANS
THE LAST TEN FISCAL YEARS**

Schedule of Plan Contributions for the Fiscal Years Ended June 30

	Miscellaneous			
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Actuarially determined contributions	\$ 13,697,429	\$ 13,424,666	\$ 12,359,003	\$ 11,167,273
Contributions in relation to the actuarially determined contributions	(13,697,429)	(13,424,666)	(12,359,003)	(11,167,273)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 34,257,389	\$ 32,703,258	\$ 30,863,494	\$ 29,694,668
Contributions as a percentage of covered payroll	39.98%	41.05%	40.04%	37.61%

Notes to Schedule of Plan Contributions:

Valuation date: 6/30/2022

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method/period	For details, see June 30, 2020 Funding Valuation Report.
Asset valuation method	Fair value of assets. For details, see June 30, 2020 Funding Valuation Report.
Inflation	2.30%
Salary Increases	Varies by entry age and service
Payroll growth	2.75%
Investment rate of return	6.90%, net of pension plan investment administrative expenses; includes inflation.
Retirement age	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.
Other information	For changes to previous year's information, refer to past GASB 68 reports.

Miscellaneous					
<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 10,190,871	\$ 9,153,245	\$ 8,199,628	\$ 7,579,342	\$ 6,646,792	\$ 5,948,472
(10,190,871)	(9,153,245)	(8,199,628)	(7,579,342)	(6,646,792)	(5,948,472)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 28,436,925	\$ 30,347,270	\$ 29,746,612	\$ 29,037,915	\$ 28,573,176	\$ 27,094,801
35.84%	30.16%	27.56%	26.10%	23.26%	21.95%

**CITY OF GARDEN GROVE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
AGENT MULTIPLE EMPLOYER DEFINED BENEFIT PENSION PLANS
THE LAST TEN FISCAL YEARS**

Schedule of Plan Contributions for the Fiscal Years Ended June 30

	Safety				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Actuarially determined contributions	\$ 22,386,536	\$ 21,548,966	\$ 19,491,065	\$ 17,489,949	\$ 15,875,859
Contributions in relation to the actuarially determined contributions	(22,386,536)	(21,548,966)	(19,491,065)	(17,489,949)	(15,875,859)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 25,158,091	\$ 23,978,722	\$ 23,476,513	\$ 21,764,291	\$ 27,964,303
Contributions as a percentage of covered payroll	88.98%	89.87%	83.02%	80.36%	56.77%

Notes to Schedule:

Valuation date: 6/30/2022

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method/period	For details, see June 30, 2020 Funding Valuation Report.
Asset valuation method	Fair value of assets. For details, see June 30, 2020 Funding Valuation Report.
Inflation	2.50%
Salary Increases	Varies by entry age and service
Payroll growth	2.75%
Investment rate of return	7.00%, net of pension plan investment administrative expenses; includes inflation.
Retirement age	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.
Other information	For changes to previous year's information, refer to past GASB 68 reports.

Safety				
<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 15,691,168	\$ 14,147,727	\$ 13,302,273	\$ 11,468,654	\$ 10,155,643
(15,691,168)	(14,147,727)	(13,302,273)	(11,468,654)	(10,155,643)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 29,663,516	\$ 28,541,707	\$ 28,636,267	\$ 27,481,750	\$ 26,325,623
52.90%	49.57%	46.45%	41.73%	38.58%

**CITY OF GARDEN GROVE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
for the Measurement Periods Ended June 30
THE LAST TEN FISCAL YEARS***

<i>Measurement Period</i>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
TOTAL OPEB LIABILITY							
Service cost	\$ 1,676,163	\$ 2,250,612	\$ 2,563,528	\$ 1,831,165	\$ 627,266	\$ 669,889	\$ 651,960
Interest on Total OPEB Liability	1,477,304	1,056,801	1,219,928	1,596,249	695,181	695,599	610,096
Employer Contributions	-	-	-	-	(467,790)	(420,642)	-
Expected Minus Actual Benefit Payments	-	-	-	-	22,763	-	-
Experience (Gains)/Losses	43,757	14	(11,665,240)	(94,837)	(216,121)	-	-
Changes in Assumptions	(185,920)	(8,394,004)	3,457,450	8,191,623	26,892,575	(922,346)	-
Benefit payments	(1,799,520)	(1,815,415)	(2,112,394)	(2,036,122)	-	-	(391,489)
Net change in total OPEB liability	<u>1,211,784</u>	<u>(6,901,992)</u>	<u>(6,536,728)</u>	<u>9,488,078</u>	<u>27,553,874</u>	<u>22,500</u>	<u>870,567</u>
Total OPEB liability - beginning	<u>41,806,355</u>	<u>48,708,347</u>	<u>55,245,075</u>	<u>45,756,997</u>	<u>18,203,123</u>	<u>18,180,623</u>	<u>17,310,056</u>
Total OPEB liability - ending	<u>\$ 43,018,139</u>	<u>\$ 41,806,355</u>	<u>\$ 48,708,347</u>	<u>\$ 55,245,075</u>	<u>\$ 45,756,997</u>	<u>\$ 18,203,123</u>	<u>\$ 18,180,623</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	62,261,150	58,884,749	56,905,216	56,638,122	55,122,260	55,704,304	57,674,182
Total OPEB liability as a percentage of covered-employee payroll	69.09%	71.00%	85.60%	97.54%	83.01%	32.68%	31.52%

Notes to Schedule:

The plan currently has no assets accumulated in a trust to pay related benefits.

*Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

** Liabilities reflect an implicit rate subsidy for Pre-Medicare retirees. GASB 74 and 75 require use of claims costs or age-adjusted premiums approximating claims costs to determine the plan's liability. Adjusting premiums for age creates Implicit Subsidy and is reflected as part of the plan's liability.

CITY OF GARDEN GROVE
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Under Article XIII B of the California Constitution (the GANN Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations, and if certain proceeds of taxes exceed allowed appropriations, the excess must be refunded to the taxpayers either through revised tax rates or revised fee schedules.

The City budget report is prepared under the direction of the City Manager in accordance with generally accepted accounting principles (GAAP) and the requirements of Municipal Code Section 2.08.150. Annual budgets are legally adopted for the general fund, special revenue funds, and capital projects funds. These funds are budgeted based on the modified accrual basis of accounting and include proposed expenditures and the means of financing them. The City Council approves the total budgeted appropriations and any amendments to total appropriations which may be required during the year. Revenues are budgeted by source, and expenditures are budgeted by program.

The legal level of budgetary control is considered to be at the fund level since management can reassign resources within a fund without special approval from City Council. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions which alter the total appropriations of any fund must be approved by City Council.

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Other Supplemental Information

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CITY OF GARDEN GROVE SPECIAL REVENUE FUNDS

Public Safety Fund

Revenues received from the City's share of drug forfeit and seizure money, revenues received from the state under SB172, and various police grants are accounted for in this fund. These funds are used to help support the City's public safety operations.

State Gas Tax Fund

State gasoline taxes received by the City are accounted for in this fund. Revenue received is used for street maintenance, construction, and/or right of way acquisition.

Developer Fees Fund

Traffic mitigation and developer fees used to alleviate traffic and sewer problems caused by new development, cultural art fees to be used for City cultural arts projects and programs, park fees which are to be used for park development, drainage fees which are to be used to alleviate City drainage problems are some of the fees that are accounted for in the fund.

Garden Grove Cable Fund

This fund represents a grant from a private cable corporation of 2% and its cable usage revenue. Expenditures are for public, educational, and governmental access.

Street Lighting Fund

The purpose of this fund is to provide an accounting for the installation, operation, and maintenance of street lighting within the City. Revenues for this fund are received from property taxes collected by the County of Orange.

Park Maintenance

The purpose of this fund is to provide an accounting for the maintenance of parks within the City. Revenues for this fund are received from property taxes collected by the County of Orange.

Main Street District Fund

This fund is used to account for the maintenance of improvements on Main Street in downtown Garden Grove. Revenue for this fund are received from a property tax levy on the main street area.

Air Quality Improvement Fund

This fund is used to account for revenue received from the South Coast Air Quality Management District for the primary purpose of establishing a ride share program for City employees.

Other Grants and Contributions

The City is the recipient of numerous other federal, state, and county grants, plus contributions from other sources. These grants and contributions are accounted for in this fund.

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**CITY OF GARDEN GROVE
SPECIAL REVENUE FUNDS (CONTINUED)**

Garden Grove Tourism Improvement District

This fund is used to account for the tourism marketing efforts through the Anaheim/Orange County Visitors and Convention Bureau and other activities and improvements that promote tourism in the Garden Grove Tourism Improvement District area.

Street Rehabilitation Fund

This fund is used to account for revenues received and expenditures made for various street rehabilitation projects.

HOME Grant Special Revenue Fund

The HOME Grant special revenue fund is used to account for the revenues received and expenditures made for the housing assistance program, which is funded by the U.S. Department of Housing and Urban Development.

CAPITAL PROJECTS FUNDS

Housing Authority Assets Fund

Capital projects with the Civic Center area are accounted for in this fund.

Housing Successor Agency Low/Mod Fund

Capital projects for low and moderate income housing are accounted for in this fund.

Public Safety Fund

Capital projects with Public Safety are accounted for in this fund.

**CITY OF GARDEN GROVE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024**

	Special Revenue Funds			
	Public Safety	State Gas Tax	Developer Fees	Garden Grove Cable
ASSETS				
Cash and investments	\$ 3,983,936	\$ 6,135,301	\$ 14,011,566	\$ 10,392
Cash with fiscal agents	-	-	-	-
Taxes receivable	74,500	407,274	-	-
Accounts receivable	-	-	55,794	5,090
Interest receivable	10,407	16,216	36,645	-
Due from Successor Agency	-	-	-	-
Deposits and prepaid items	13,756	-	-	5,162
Intergovernmental receivable	-	773,765	-	-
Notes receivable, net	-	-	-	-
Land held for resale	-	-	-	-
Total assets	<u>\$ 4,082,599</u>	<u>\$ 7,332,556</u>	<u>\$ 14,104,005</u>	<u>\$ 20,644</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 10,200	\$ 133,896	\$ 140,801	\$ 9,760
Accrued liabilities	4,774	65,350	33,877	10,517
Unearned revenue	-	-	-	-
Due to other funds	250	2,531	-	103
Intercity loan payable	-	-	-	-
Note payable	-	-	-	-
Total liabilities	<u>15,224</u>	<u>201,777</u>	<u>174,678</u>	<u>20,380</u>
Deferred Inflows of Resources:				
Unavailable revenue	-	-	-	-
Total deferred inflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Non-Spendable:				
Deposits and Prepaid items	13,756	-	-	5,162
Restricted:				
Public safety	4,053,619	-	-	-
Public right of way	-	7,130,779	589,928	-
Drainage	-	-	351,963	-
Community planning and development	-	-	2,590,954	-
Community services	-	-	10,396,482	-
Unassigned	-	-	-	(4,898)
Total fund balances	<u>4,067,375</u>	<u>7,130,779</u>	<u>13,929,327</u>	<u>264</u>
Total liabilities and fund balances	<u>\$ 4,082,599</u>	<u>\$ 7,332,556</u>	<u>\$ 14,104,005</u>	<u>\$ 20,644</u>

Special Revenue Funds			
Street Lighting	Park Maintenance	Main Street District	Air Quality Improvement
\$ 135,054	\$ 44,714	\$ 124,680	\$ 237,572
-	-	-	-
15,056	6,227	-	-
-	-	-	-
-	288	345	680
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ 150,110</u>	<u>\$ 51,229</u>	<u>\$ 125,025</u>	<u>\$ 238,252</u>
\$ 138,019	\$ 17,549	\$ 3,437	\$ 28,375
5,004	11,625	-	3,329
-	-	-	-
74	737	-	34
-	-	-	-
-	-	-	-
<u>143,097</u>	<u>29,911</u>	<u>3,437</u>	<u>31,738</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
7,013	-	121,588	206,514
-	-	-	-
-	21,318	-	-
-	-	-	-
-	-	-	-
<u>7,013</u>	<u>21,318</u>	<u>121,588</u>	<u>206,514</u>
<u>\$ 150,110</u>	<u>\$ 51,229</u>	<u>\$ 125,025</u>	<u>\$ 238,252</u>

**CITY OF GARDEN GROVE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2024**

	Special Revenue Funds		
	GG Tourism	Other	
	Improvement District	Grants and Contributions	Street Rehabilitation
ASSETS			
Cash and investments	\$ 312,433	\$ 4,379,530	\$ 5,067,802
Cash with fiscal agents	-	-	-
Taxes receivable	295,417	-	-
Accounts receivable	-	65,060	-
Interest receivable	-	14,062	11,101
Due from Successor Agency	-	-	-
Deposits and prepaid items	-	14,670	-
Intergovernmental receivable	-	2,035,719	599,050
Notes receivable, net	-	5,519,548	-
Land held for resale	-	-	-
Total assets	<u>\$ 607,850</u>	<u>\$ 12,028,589</u>	<u>\$ 5,677,953</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 340,920	\$ 427,752	\$ 120,446
Accrued liabilities	-	127,776	19,664
Unearned revenue	-	2,920,568	-
Due to other funds	-	867	197
Intercity loan payable	-	-	-
Note payable	-	-	-
Total liabilities	<u>340,920</u>	<u>3,476,963</u>	<u>140,307</u>
Deferred Inflows of Resources:			
Unavailable revenue	-	1,192,011	-
Total deferred inflows	<u>-</u>	<u>1,192,011</u>	<u>-</u>
Fund balances:			
Non-Spendable:			
Prepaid items	-	14,670	-
Restricted			
Public safety	-	1,212,592	-
Public right of way	-	1,694,658	5,537,646
Drainage	-	-	-
Community planning and development	266,930	3,339,332	-
Community services	-	1,098,363	-
Unassigned	-	-	-
Total fund balances	<u>266,930</u>	<u>7,359,615</u>	<u>5,537,646</u>
Total liabilities and fund balances	<u>\$ 607,850</u>	<u>\$ 12,028,589</u>	<u>\$ 5,677,953</u>

Capital Project Funds					Total
HOME Grant Special Revenue Fund	Housing Authority Assets	Housing Successor Agency Low/Mod	Public Safety	Nonmajor Governmental Funds	
\$ 220,069	\$ 791,358	\$ 1,005,561	\$ -	\$ 36,459,968	
-	-	-	-	-	
-	-	-	-	798,474	
87,963	1,714	2,874	-	218,495	
3	2,028	8,821	-	100,596	
-	-	5,044,260	-	5,044,260	
-	-	-	-	33,588	
118,571	-	-	-	3,527,105	
16,648,545	2,001,824	7,728,670	-	31,898,587	
-	-	519,063	-	519,063	
<u>\$ 17,075,151</u>	<u>\$ 2,796,924</u>	<u>\$ 14,309,249</u>	<u>\$ -</u>	<u>\$ 78,600,136</u>	
\$ 60,591	\$ -	\$ 15,830	\$ -	\$ 1,447,576	
1,796	-	935	-	284,647	
-	-	-	-	2,920,568	
37,429	-	20	38,336	80,578	
-	-	-	-	-	
-	-	2,550,000	-	2,550,000	
<u>99,816</u>	<u>-</u>	<u>2,566,785</u>	<u>38,336</u>	<u>7,283,369</u>	
-	-	-	-	1,192,011	
-	-	-	-	1,192,011	
-	-	-	-	33,588	
-	-	-	(38,336)	5,227,875	
-	-	-	-	15,288,126	
-	-	-	-	351,963	
16,975,335	2,796,924	11,742,464	-	37,733,257	
-	-	-	-	11,494,845	
-	-	-	-	(4,898)	
<u>16,975,335</u>	<u>2,796,924</u>	<u>11,742,464</u>	<u>(38,336)</u>	<u>70,124,756</u>	
<u>\$ 17,075,151</u>	<u>\$ 2,796,924</u>	<u>\$ 14,309,249</u>	<u>\$ -</u>	<u>\$ 78,600,136</u>	

CITY OF GARDEN GROVE
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Special Revenue Funds			
	Public Safety	State Gas Tax	Developer Fees	Garden Grove Cable
REVENUES:				
Taxes	\$ 1,000,054	\$ -	\$ -	\$ -
Licenses and permits	-	-	157,476	-
Fines, forfeits and penalties	122,598	-	-	-
Investment earnings (loss)	161,078	244,622	590,110	-
Charges for current services	-	-	1,564,997	-
From other agencies	594,868	9,140,910	-	-
Other revenues	-	2,200	55,794	47,252
Total revenues	<u>1,878,598</u>	<u>9,387,732</u>	<u>2,368,377</u>	<u>47,252</u>
EXPENDITURES:				
Current:				
Police	930,380	-	-	-
Traffic safety	-	66,372	66,401	-
Public right of way	2,237	8,729,901	39,615	-
Community services	-	-	-	641,129
Economic development	-	-	-	-
Parks and greenbelts	-	-	1,170,177	-
Community planning and development	-	-	287,626	-
Municipal support	-	-	4,000	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	30,085
Total expenditures	<u>932,617</u>	<u>8,796,273</u>	<u>1,567,819</u>	<u>671,214</u>
Excess (deficiency) of revenues over (under) expenditures	<u>945,981</u>	<u>591,459</u>	<u>800,558</u>	<u>(623,962)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	621,101
Transfers out	(44,030)	-	-	-
Total other financing sources (uses)	<u>(44,030)</u>	<u>-</u>	<u>-</u>	<u>621,101</u>
Net change in fund balances	901,951	591,459	800,558	(2,861)
Fund balance, beginning of year	<u>3,165,424</u>	<u>6,539,320</u>	<u>13,128,769</u>	<u>3,125</u>
Fund balance, end of year	<u>\$ 4,067,375</u>	<u>\$ 7,130,779</u>	<u>\$ 13,929,327</u>	<u>\$ 264</u>

Special Revenue Funds			
Street Lighting	Park Maintenance	Main Street District	Air Quality Improvement
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	3,218	6,180	12,719
1,373,050	703,782	26,620	-
-	-	-	172,670
-	-	-	-
<u>1,373,050</u>	<u>707,000</u>	<u>32,800</u>	<u>185,389</u>
-	-	-	-
2,102,938	-	-	-
-	-	114,054	-
-	-	-	-
-	-	-	-
-	763,102	-	-
-	-	-	-
27,633	-	-	506,396
-	-	-	-
-	-	-	-
<u>2,130,571</u>	<u>763,102</u>	<u>114,054</u>	<u>506,396</u>
<u>(757,521)</u>	<u>(56,102)</u>	<u>(81,254)</u>	<u>(321,007)</u>
624,956	-	-	-
-	-	-	-
<u>624,956</u>	<u>-</u>	<u>-</u>	<u>-</u>
(132,565)	(56,102)	(81,254)	(321,007)
<u>139,578</u>	<u>77,420</u>	<u>202,842</u>	<u>527,521</u>
<u>\$ 7,013</u>	<u>\$ 21,318</u>	<u>\$ 121,588</u>	<u>\$ 206,514</u>

CITY OF GARDEN GROVE
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Special Revenue Funds			
	GG Tourism	Other	Street	HOME Grant
	Improvement District	Grants and Contributions	Rehabilitation	
REVENUES:				
Taxes	\$ 3,445,319	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines, forfeits and penalties	-	344,742	-	-
Investment earnings	-	426,670	168,696	312,520
Charges for current services	-	-	-	-
From other agencies	-	7,416,929	3,756,706	492,012
Other revenues	-	158,616	378,757	7,500
Total revenues	<u>3,445,319</u>	<u>8,346,957</u>	<u>4,304,159</u>	<u>812,032</u>
EXPENDITURES:				
Current:				
Police	-	1,253,885	-	-
Traffic safety	-	495,044	419,724	-
Public right of way	-	3,754,185	2,753,366	-
Community services	-	513,933	164,109	-
Economic Development	2,618,673	-	-	-
Parks and greenbelts	-	-	-	-
Community planning and development	-	1,650,174	-	3,063,602
Municipal support	-	-	-	-
Debt service:				
Principal	-	5,735	-	-
Interest and fiscal charges	-	7	-	-
Total expenditures	<u>2,618,673</u>	<u>7,672,963</u>	<u>3,337,199</u>	<u>3,063,602</u>
Excess (deficiency) of revenues over (under) expenditures	<u>826,646</u>	<u>673,994</u>	<u>966,960</u>	<u>(2,251,570)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(856,891)	-	-	-
Total other financing sources (uses)	<u>(856,891)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(30,245)	673,994	966,960	(2,251,570)
Fund balance, beginning of year	<u>297,175</u>	<u>6,685,621</u>	<u>4,570,686</u>	<u>19,226,905</u>
Fund balance, end of year	<u>\$ 266,930</u>	<u>\$ 7,359,615</u>	<u>\$ 5,537,646</u>	<u>\$ 16,975,335</u>

Capital Project Funds			Total
Housing Authority Assets	Housing Successor Agency Low/Mod	Public Safety	Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 4,445,373
-	-	-	157,476
-	-	-	467,340
105,243	270,872	12	2,301,940
-	-	-	3,668,449
-	-	-	21,574,095
-	-	-	650,119
<u>105,243</u>	<u>270,872</u>	<u>12</u>	<u>33,264,792</u>
-	-	16,292	2,200,557
-	-	-	3,150,479
-	-	-	15,393,358
-	-	-	1,319,171
-	-	-	2,618,673
-	-	-	1,933,279
-	1,277,338	-	6,278,740
-	-	-	538,029
-	-	-	5,735
-	-	-	30,092
<u>-</u>	<u>1,277,338</u>	<u>16,292</u>	<u>33,468,113</u>
<u>105,243</u>	<u>(1,006,466)</u>	<u>(16,280)</u>	<u>(203,321)</u>
-	-	-	1,246,057
-	-	(511,457)	(1,412,378)
-	-	(511,457)	(166,321)
105,243	(1,006,466)	(527,737)	(369,642)
<u>2,691,681</u>	<u>12,748,930</u>	<u>489,401</u>	<u>70,494,398</u>
<u>\$ 2,796,924</u>	<u>\$ 11,742,464</u>	<u>\$ (38,336)</u>	<u>\$ 70,124,756</u>

**CITY OF GARDEN GROVE
PUBLIC SAFETY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ 700,000	\$ 700,000	\$ 1,000,054	\$ 300,054
Fines, forfeits and penalties	350,000	350,000	122,598	(227,402)
Investment earnings (loss)	-	-	161,078	161,078
From other agencies	350,000	350,000	594,868	244,868
Total revenues	<u>1,400,000</u>	<u>1,400,000</u>	<u>1,878,598</u>	<u>478,598</u>
EXPENDITURES:				
Current:				
Police	826,000	1,288,300	930,380	357,920
Traffic safety	-	-	2,237	(2,237)
Total expenditures	<u>826,000</u>	<u>1,288,300</u>	<u>932,617</u>	<u>355,683</u>
Excess (deficiency) of revenues over (under) expenditures	<u>574,000</u>	<u>111,700</u>	<u>945,981</u>	<u>834,281</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	(44,030)	(44,030)
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(44,030)</u>	<u>(44,030)</u>
Net change in fund balance	574,000	111,700	901,951	790,251
Fund balance, beginning of year	<u>3,165,424</u>	<u>3,165,424</u>	<u>3,165,424</u>	<u>-</u>
Fund balance, end of year	<u>\$ 3,739,424</u>	<u>\$ 3,277,124</u>	<u>\$ 4,067,375</u>	<u>\$ 790,251</u>

CITY OF GARDEN GROVE
STATE GAS TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Investment earnings (loss)	\$ -	\$ -	\$ 244,622	\$ 244,622
From other agencies	9,155,900	9,155,900	9,140,910	(14,990)
Other revenues	-	-	2,200	2,200
Total revenues	<u>9,155,900</u>	<u>9,155,900</u>	<u>9,387,732</u>	<u>231,832</u>
EXPENDITURES:				
Current:				
Traffic safety	69,500	69,500	66,372	3,128
Public right of way	7,511,400	12,877,200	8,729,901	4,147,299
Total expenditures	<u>7,580,900</u>	<u>12,946,700</u>	<u>8,796,273</u>	<u>4,150,427</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,575,000</u>	<u>(3,790,800)</u>	<u>591,459</u>	<u>4,382,259</u>
		-		
Net change in fund balance	1,575,000	(3,790,800)	591,459	4,382,259
Fund balance, beginning of year	<u>6,539,320</u>	<u>6,539,320</u>	<u>6,539,320</u>	<u>-</u>
Fund balance, end of year	<u>\$ 8,114,320</u>	<u>\$ 2,748,520</u>	<u>\$ 7,130,779</u>	<u>\$ 4,382,259</u>

**CITY OF GARDEN GROVE
DEVELOPER FEES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Licenses and permits	\$ 100,000	\$ 100,000	\$ 157,476	\$ 57,476
Investment earnings (loss)	-	-	590,110	590,110
Charges for current services	1,440,000	1,440,000	1,564,997	124,997
Other revenues	-	-	55,794	55,794
Total revenues	<u>1,540,000</u>	<u>1,540,000</u>	<u>2,368,377</u>	<u>828,377</u>
EXPENDITURES:				
Current:				
Traffic safety	75,000	75,000	66,401	8,599
Public right of way	215,000	1,401,400	39,615	1,361,785
Community services	1,025,000	1,025,000	-	1,025,000
Parks and greenbelts	3,105,000	5,802,000	1,170,177	4,631,823
Community planning and development	223,800	1,416,200	287,626	1,128,574
Municipal support	3,800	3,800	4,000	(200)
Total expenditures	<u>4,647,600</u>	<u>9,723,400</u>	<u>1,567,819</u>	<u>8,155,581</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,107,600)</u>	<u>(8,183,400)</u>	<u>800,558</u>	<u>8,983,958</u>
Net change in fund balance	(3,107,600)	(8,183,400)	800,558	8,983,958
Fund balance, beginning of year	<u>13,128,769</u>	<u>13,128,769</u>	<u>13,128,769</u>	<u>-</u>
Fund balance, end of year	<u>\$ 10,021,169</u>	<u>\$ 4,945,369</u>	<u>\$ 13,929,327</u>	<u>\$ 8,983,958</u>

**CITY OF GARDEN GROVE
GARDEN GROVE CABLE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Other revenues	\$ 161,200	\$ 161,200	\$ 47,252	\$ (113,948)
Total revenues	<u>161,200</u>	<u>161,200</u>	<u>47,252</u>	<u>(113,948)</u>
EXPENDITURES:				
Current:				
Community services	798,500	798,500	641,129	157,371
Debt service:				
Interest	121,600	121,600	30,085	91,515
Total expenditures	<u>920,100</u>	<u>920,100</u>	<u>671,214</u>	<u>248,886</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(758,900)</u>	<u>(758,900)</u>	<u>(623,962)</u>	<u>134,938</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	712,900	712,900	621,101	(91,799)
Total other financing sources (uses)	<u>712,900</u>	<u>712,900</u>	<u>621,101</u>	<u>(91,799)</u>
Net change in fund balance	(46,000)	(46,000)	(2,861)	43,139
Fund balance, beginning of year	3,125	3,125	3,125	-
Fund balance, end of year	<u>\$ (42,875)</u>	<u>\$ (42,875)</u>	<u>\$ 264</u>	<u>\$ 43,139</u>

CITY OF GARDEN GROVE
STREET LIGHTING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Charges for current services	\$ 1,357,200	\$ 1,357,200	\$ 1,373,050	\$ 15,850
Total revenues	<u>1,357,200</u>	<u>1,357,200</u>	<u>1,373,050</u>	<u>15,850</u>
EXPENDITURES:				
Current:				
Traffic safety	1,352,300	1,352,300	2,102,938	(750,638)
Municipal support	27,700	27,700	27,633	67
Total expenditures	<u>1,380,000</u>	<u>1,380,000</u>	<u>2,130,571</u>	<u>(750,571)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(22,800)</u>	<u>(22,800)</u>	<u>(757,521)</u>	<u>(734,721)</u>
-				
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	624,956	624,956
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>624,956</u>	<u>624,956</u>
Net change in fund balance	(22,800)	(22,800)	(132,565)	(109,765)
Fund balance, beginning of year	<u>139,578</u>	<u>139,578</u>	<u>139,578</u>	<u>-</u>
Fund balance, end of year	<u>\$ 116,778</u>	<u>\$ 116,778</u>	<u>\$ 7,013</u>	<u>\$ (109,765)</u>

**CITY OF GARDEN GROVE
PARK MAINTENANCE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Investment earnings (loss)	\$ -	\$ -	\$ 3,218	\$ 3,218
Charges for current services	711,100	711,100	703,782	(7,318)
Total revenues	<u>711,100</u>	<u>711,100</u>	<u>707,000</u>	<u>(4,100)</u>
EXPENDITURES:				
Current:				
Parks and greenbelts	941,000	941,000	763,102	177,898
Total expenditures	<u>941,000</u>	<u>941,000</u>	<u>763,102</u>	<u>177,898</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(229,900)</u>	<u>(229,900)</u>	<u>(56,102)</u>	<u>173,798</u>
Net change in fund balance	(229,900)	(229,900)	(56,102)	173,798
Fund balance, beginning of year	<u>77,420</u>	<u>77,420</u>	<u>77,420</u>	<u>-</u>
Fund balance, end of year	<u>\$ (152,480)</u>	<u>\$ (152,480)</u>	<u>\$ 21,318</u>	<u>\$ 173,798</u>

**CITY OF GARDEN GROVE
MAIN STREET DISTRICT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Investment earnings (loss)	\$ -	\$ -	\$ 6,180	\$ 6,180
Charges for current services	26,700	26,700	26,620	(80)
Total revenues	<u>26,700</u>	<u>26,700</u>	<u>32,800</u>	<u>6,100</u>
EXPENDITURES:				
Current:				
Public right of way	40,900	149,900	114,054	35,846
Total expenditures	<u>40,900</u>	<u>149,900</u>	<u>114,054</u>	<u>35,846</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,200)</u>	<u>(123,200)</u>	<u>(81,254)</u>	<u>41,946</u>
Net change in fund balance	(14,200)	(123,200)	(81,254)	41,946
Fund balance, beginning of year	<u>202,842</u>	<u>202,842</u>	<u>202,842</u>	<u>-</u>
Fund balance, end of year	<u>\$ 188,642</u>	<u>\$ 79,642</u>	<u>\$ 121,588</u>	<u>\$ 41,946</u>

CITY OF GARDEN GROVE
AIR QUALITY IMPROVEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Investment earnings (loss)	\$ -	\$ -	\$ 12,719	\$ 12,719
From other agencies	222,000	222,000	172,670	(49,330)
Total revenues	<u>222,000</u>	<u>222,000</u>	<u>185,389</u>	<u>(36,611)</u>
EXPENDITURES:				
Current:				
Municipal support	524,000	853,000	506,396	346,604
Total expenditures	<u>524,000</u>	<u>853,000</u>	<u>506,396</u>	<u>346,604</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(302,000)</u>	<u>(631,000)</u>	<u>(321,007)</u>	<u>309,993</u>
Net change in fund balance	(302,000)	(631,000)	(321,007)	309,993
Fund balance, beginning of year	<u>527,521</u>	<u>527,521</u>	<u>527,521</u>	<u>-</u>
Fund balance, end of year	<u>\$ 225,521</u>	<u>\$ (103,479)</u>	<u>\$ 206,514</u>	<u>\$ 309,993</u>

CITY OF GARDEN GROVE
GARDEN GROVE TOURISM IMPROVEMENT DISTRICT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ 3,589,600	\$ 3,589,600	\$ 3,445,319	\$ (144,281)
Total revenues	<u>3,589,600</u>	<u>3,589,600</u>	<u>3,445,319</u>	<u>(144,281)</u>
EXPENDITURES:				
Current:				
Economic development	2,871,700	2,871,700	2,618,673	253,027
Total expenditures	<u>2,871,700</u>	<u>2,871,700</u>	<u>2,618,673</u>	<u>253,027</u>
Excess (deficiency) of revenues over (under) expenditures	<u>717,900</u>	<u>717,900</u>	<u>826,646</u>	<u>108,746</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(856,891)	(856,891)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(856,891)</u>	<u>(856,891)</u>
Net change in fund balance	717,900	717,900	(30,245)	(748,145)
Fund balance, beginning of year	<u>297,175</u>	<u>297,175</u>	<u>297,175</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ 1,015,075</u>	<u>\$ 1,015,075</u>	<u>\$ 266,930</u>	<u>\$ (748,145)</u>

CITY OF GARDEN GROVE
OTHER GRANTS AND CONTRIBUTIONS SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Fines, forfeits and penalties	\$ 700,000	\$ 700,000	\$ 344,742	\$ (355,258)
Investment earnings (loss)	-	-	426,670	426,670
From other agencies	3,869,300	5,663,631	7,416,929	1,753,298
Other revenues	-	-	158,616	158,616
Total revenues	<u>4,569,300</u>	<u>6,363,631</u>	<u>8,346,957</u>	<u>1,983,326</u>
EXPENDITURES:				
Current:				
Police	668,800	2,753,853	1,253,885	1,499,968
Traffic safety	463,400	463,400	495,044	(31,644)
Public right of way	4,973,800	15,122,400	3,754,185	11,368,215
Community services	1,705,600	1,705,600	513,933	1,191,667
Community planning and development	2,326,600	7,604,800	1,650,174	5,954,626
Parks and greenbelts	-	204,800	-	204,800
Debt service:				
Principal retirement	-	-	5,735	(5,735)
Interest	-	-	7	(7)
Total expenditures	<u>10,138,200</u>	<u>27,854,853</u>	<u>7,672,963</u>	<u>20,181,890</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,568,900)</u>	<u>(21,491,222)</u>	<u>673,994</u>	<u>22,165,216</u>
Net change in fund balance	<u>(5,568,900)</u>	<u>(21,491,222)</u>	<u>673,994</u>	<u>22,165,216</u>
Fund balance, beginning of year	<u>6,685,621</u>	<u>6,685,621</u>	<u>6,685,621</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,116,721</u>	<u>\$ (14,805,601)</u>	<u>\$ 7,359,615</u>	<u>\$ 22,165,216</u>

CITY OF GARDEN GROVE
STREET REHABILITATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Investment earnings (loss)	\$ -	\$ -	\$ 168,696	\$ 168,696
From other agencies	3,745,100	3,745,100	3,756,706	11,606
Other revenues	-	-	378,757	378,757
Total revenues	<u>3,745,100</u>	<u>3,745,100</u>	<u>4,304,159</u>	<u>559,059</u>
EXPENDITURES:				
Current:				
Traffic safety	-	-	419,724	(419,724)
Public right of way	4,276,500	6,310,900	2,753,366	3,557,534
Community services	205,000	205,000	164,109	40,891
Total expenditures	<u>4,481,500</u>	<u>6,515,900</u>	<u>3,337,199</u>	<u>3,178,701</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(736,400)</u>	<u>(2,770,800)</u>	<u>966,960</u>	<u>3,737,760</u>
Net change in fund balance	(736,400)	(2,770,800)	966,960	3,737,760
Fund balance, beginning of year	<u>4,570,686</u>	<u>4,570,686</u>	<u>4,570,686</u>	-
Fund balance, end of year	<u>\$ 3,834,286</u>	<u>\$ 1,799,886</u>	<u>\$ 5,537,646</u>	<u>\$ 3,737,760</u>

**CITY OF GARDEN GROVE
HOME GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Investment earnings (loss)	\$ -	\$ -	\$ 312,520	\$ 312,520
From other agencies	737,300	737,300	492,012	(245,288)
Other revenues	-	-	7,500	7,500
Total revenues	<u>737,300</u>	<u>737,300</u>	<u>812,032</u>	<u>74,732</u>
EXPENDITURES:				
Current:				
Community planning and development	3,377,300	3,550,200	3,063,602	486,598
Total expenditures	<u>3,377,300</u>	<u>3,550,200</u>	<u>3,063,602</u>	<u>486,598</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,640,000)</u>	<u>(2,812,900)</u>	<u>(2,251,570)</u>	<u>561,330</u>
Net change in fund balance	(2,640,000)	(2,812,900)	(2,251,570)	561,330
Fund balance, beginning of year	<u>19,226,905</u>	<u>19,226,905</u>	<u>19,226,905</u>	<u>-</u>
Fund balance, end of year	<u>\$ 16,586,905</u>	<u>\$ 16,414,005</u>	<u>\$ 16,975,335</u>	<u>\$ 561,330</u>

**CITY OF GARDEN GROVE
HOUSING AUTHORITY ASSETS CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Investment earnings (loss)	\$ -	\$ -	\$ 105,243	\$ 105,243
Total revenues	<u>-</u>	<u>-</u>	<u>105,243</u>	<u>105,243</u>
EXPENDITURES:				
Current:				
Economic development	37,000	37,000	-	37,000
	<u>37,000</u>	<u>37,000</u>	<u>-</u>	<u>37,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(37,000)</u>	<u>(37,000)</u>	<u>105,243</u>	<u>142,243</u>
Net change in fund balance	(37,000)	(37,000)	105,243	142,243
Fund balance, beginning of year	<u>2,691,681</u>	<u>2,691,681</u>	<u>2,691,681</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2,654,681</u>	<u>\$ 2,654,681</u>	<u>\$ 2,796,924</u>	<u>\$ 142,243</u>

CITY OF GARDEN GROVE
HOUSING SUCCESSOR AGENCY LOW/MOD CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Investment earnings (loss)	\$ -	\$ -	\$ 270,872	\$ 270,872
Total revenues	<u>-</u>	<u>-</u>	<u>270,872</u>	<u>270,872</u>
EXPENDITURES:				
Current:				
Community planning and development	566,600	2,664,600	1,277,338	1,387,262
Total expenditures	<u>566,600</u>	<u>2,664,600</u>	<u>1,277,338</u>	<u>1,387,262</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(566,600)</u>	<u>(2,664,600)</u>	<u>(1,006,466)</u>	<u>1,658,134</u>
Net change in fund balance	(566,600)	(2,664,600)	(1,006,466)	1,658,134
Fund balance, beginning of year	<u>12,748,930</u>	<u>12,748,930</u>	<u>12,748,930</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 12,182,330</u></u>	<u><u>\$ 10,084,330</u></u>	<u><u>\$ 11,742,464</u></u>	<u><u>\$ 1,658,134</u></u>

**CITY OF GARDEN GROVE
PUBLIC SAFETY CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Investment earnings	\$ -	\$ -	\$ 12	\$ 12
Total revenues	<u>-</u>	<u>-</u>	<u>12</u>	<u>12</u>
EXPENDITURES:				
Current:				
Police	-	-	16,292	(16,292)
Total expenditures	<u>-</u>	<u>-</u>	<u>16,292</u>	<u>(16,292)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(16,280)</u>	<u>(16,280)</u>
Transfers out	-	-	(511,457)	511,457
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(511,457)</u>	<u>511,457</u>
Net change in fund balance	-	-	(527,737)	(527,737)
Fund balance, beginning of year	489,401	489,401	489,401	-
Fund balance, end of year	<u>\$ 489,401</u>	<u>\$ 489,401</u>	<u>\$ (38,336)</u>	<u>\$ (527,737)</u>

**CITY OF GARDEN GROVE
NONMAJOR ENTERPRISE FUNDS**

Solid Waste Disposal Fund

The Solid Waste Disposal fund accounts for the operation of trash and solid waste collections and disposal services.

Golf Course Fund

The fund was established to account for operations of the Willowick Golf Course.

CITY OF GARDEN GROVE
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2024

	Solid Waste Disposal	Golf Course	Total Nonmajor Enterprise Funds
ASSETS			
Current Assets:			
Cash and cash investments	\$ 19,817,674	\$ 234,080	\$ 20,051,754
Taxes receivable	272,920	-	272,920
Accounts receivable	-	13,093	13,093
Interest receivable	51,035	-	51,035
Inventory	-	23,702	23,702
Prepaid Items	-	30,052	30,052
Total current assets	<u>20,141,629</u>	<u>300,927</u>	<u>20,442,556</u>
Noncurrent Assets:			
Capital assets			
Land	-	3,132,711	3,132,711
Construction in progress	-	-	-
Depreciable capital assets, net	-	631,289	631,289
Total noncurrent assets	<u>-</u>	<u>3,764,000</u>	<u>3,764,000</u>
Total assets	<u>20,141,629</u>	<u>4,064,927</u>	<u>24,206,556</u>
DEFERRED OUTFLOWS OF RESOURCES			
OPEB related	205,871	-	205,871
Pension related	580,862	-	580,862
Total Deferred Outflows	<u>786,733</u>	<u>-</u>	<u>786,733</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	236,759	171,667	408,426
Accrued liabilities	19,184	-	19,184
Interest payable	-	798	798
Refundable deposits	2,021,475	-	2,021,475
Due to other funds	406	-	406
OPEB liability	45,400	-	45,400
Current portion of long term liabilities			
Leases payable	-	125,236	125,236
Total current liabilities	<u>2,323,224</u>	<u>297,701</u>	<u>2,620,925</u>
Noncurrent liabilities:			
Leases payable	-	319,475	319,475
Net pension liability	2,160,219	-	2,160,219
OPEB liability	357,109	-	357,109
Total noncurrent liabilities	<u>2,517,328</u>	<u>319,475</u>	<u>2,836,803</u>
Total liabilities	<u>4,840,552</u>	<u>617,176</u>	<u>5,457,728</u>
DEFERRED INFLOWS OF RESOURCES			
OPEB related	146,845	-	146,845
Pension related	13,709	-	13,709
Total Deferred Inflows	<u>160,554</u>	<u>-</u>	<u>160,554</u>
NET POSITION			
Net investment in capital assets	-	3,319,289	3,319,289
Unrestricted	15,927,256	128,462	16,055,718
Total net position	<u>\$ 15,927,256</u>	<u>\$ 3,447,751</u>	<u>\$ 19,375,007</u>

CITY OF GARDEN GROVE
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Solid Waste Disposal	Golf Course	Total Nonmajor Enterprise Funds
Operating revenues:			
Charges for services	\$ -	\$ 2,287,514	\$ 2,287,514
Solid waste disposal fees	3,454,444	-	3,454,444
Property assessments	599,664	-	599,664
Other	19,029	-	19,029
Total operating revenues	4,073,137	2,287,514	6,360,651
Operating expenses:			
Salaries and benefits	789,773	-	789,773
Contractual services	1,368,544	-	1,368,544
Materials and supplies	16,834	-	16,834
Golf course operations	-	2,098,660	2,098,660
Depreciation	-	150,125	150,125
Total operating expenses	2,175,151	2,248,785	4,423,936
Operating income (loss)	1,897,986	38,729	1,936,715
Nonoperating revenues:			
Investment income (loss)	804,602	192	804,794
Interest expense	-	(10,633)	(10,633)
Total nonoperating revenue	804,602	(10,441)	794,161
Change in net position	2,702,588	28,288	2,730,876
Total net position, beginning of year	13,224,668	3,419,463	16,644,131
Total net position, end of year	\$ 15,927,256	\$ 3,447,751	\$ 19,375,007

**CITY OF GARDEN GROVE
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Solid Waste Disposal	Golf Course	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 5,031,606	\$ 2,287,761	\$ 7,319,367
Payments to suppliers	(1,368,638)	(2,071,946)	(3,440,584)
Payments to employees	(828,100)	-	(828,100)
Net cash provided (used) by operating activities	<u>2,834,868</u>	<u>215,815</u>	<u>3,050,683</u>
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES			
Cash paid to other funds	115	-	115
Net cash provided (used) by non capital financing activities	<u>115</u>	<u>-</u>	<u>115</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	-	-	-
Principal payments on capital debt	-	(123,909)	(123,909)
Interest paid on capital debt	-	(9,842)	(9,842)
Net cash (used) by capital and related financing activities	<u>-</u>	<u>(133,751)</u>	<u>(133,751)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest earnings	384,310	371	384,681
Increase (decrease) in fair value of investments	409,922	-	409,922
Net cash provided by investing activities	<u>794,232</u>	<u>371</u>	<u>794,603</u>
Net increase (decrease) in cash and cash equivalents	3,629,215	82,435	3,711,650
Cash and cash equivalents, beginning of year	<u>16,143,059</u>	<u>151,645</u>	<u>16,294,704</u>
Cash and cash equivalents, end of year	<u>\$ 19,772,274</u>	<u>\$ 234,080</u>	<u>\$ 20,006,354</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 1,897,986	\$ 38,729	\$ 1,936,715
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	-	150,125	150,125
Changes in assets and liabilities:			
(Increase) decrease in taxes receivable	(37,573)	-	(37,573)
(Increase) decrease in accounts receivable	484,727	247	484,974
(Increase) decrease in inventory	-	(6,843)	(6,843)
(Increase) decrease in prepaid expense	-	(13,735)	(13,735)
Increase (decrease) in accounts payable	16,740	47,292	64,032
Increase (decrease) in accrued liabilities	6,173	-	6,173
Increase (decrease) in refundable deposits	511,315	-	511,315
Increase (decrease) in OPEB liability and related changes in deferred outflows and inflows of resources	17,908	-	17,908
Increase (decrease) in net pension liability and related changes in deferred outflows and inflows of resources	(62,408)	-	(62,408)
Total adjustments	<u>936,882</u>	<u>177,086</u>	<u>1,113,968</u>
Net cash provided (used) by operating activities	<u>\$ 2,834,868</u>	<u>\$ 215,815</u>	<u>\$ 3,050,683</u>

**CITY OF GARDEN GROVE
INTERNAL SERVICE FUNDS**

Workers' Compensation Fund

The City's self-funded workers' compensation program, which is accounted for in this fund, is financed by charges to all City departments based on number and classification of employees. Expenses include operating costs and all payments relating to injured employees.

Fleet Management Fund

The costs of operating and maintaining City owned vehicles and other gasoline-powered equipment are accounted for in this fund. The fund is financed by charges to the various City departments for actual cost plus a contributory sum for vehicles/equipment replacement. Actual costs include depreciation, maintenance and other factors necessary for the provision of the service.

Employee Benefits Fund

This fund encompasses all other employee benefits such as retirement contributions, health, dental, disability, life insurance, and sick leave, vacation, and other paid leaves. Revenues for this fund are derived from periodic charges to all departments based on the number of employees, length of service, and insurance coverage. Funds are used to pay actual expenses and to accrue existing liabilities.

Information Systems Fund

This fund encompasses the cost of operating and maintaining the City's computer system. The fund is financed by charges to the various City departments based on computer usage.

Warehouse Operations Fund

This fund is used to account for the provision of materials and supplies to the various City departments. Financing is provided by the user City departments by payment of costs of material and supplies plus an overhead charge.

Telephone System Fund

This fund accounts for the operation of the City's telephone system. The financing comes from charges to the various City departments based on actual toll charges and the lease cost prorated on the number of instruments.

Risk Management Fund

This fund is used to account for the City's self-insured liability program and for the purchase of various types of property and casualty insurance protection as required by the City. The funds are used to pay any liability losses, program operating costs, insurance premiums and insurance deductibles. Revenues for this fund are generated from assessments made to all City departments for their pro-rata share of the total costs of the insurance administration program.

Communication Replacement Fund

This fund is used to account for both the operating and capital costs of the City's communication system in relation to the county-wide 800MHZ backbone project. Funds are used to pay for the City's backbone costs and the capital costs incurred to upgrade its communications equipment to integrate with the county-wide communications system. The financing comes from charges to the various City departments based on an allocation of actual costs. Actual costs include depreciation and maintenance.

Building and Structure Rehabilitation Fund

This fund accounts for various City building and structure repairs and rehabilitation projects. Revenue into the fund is derived from charges to City Departments based on occupied square footage.

CITY OF GARDEN GROVE
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2024

	Workers' Compensation	Fleet Management	Employee Benefits	Information Systems
ASSETS				
Current Assets:				
Cash and cash investments	\$ 36,123,519	\$ 41,087,466	\$ 24,974,913	\$ 6,120,866
Accounts receivable, net	15,000	5,289	18,060	-
Interest receivable	93,331	108,455	59,355	15,811
Intergovernmental receivable	85	-	-	-
Due from other funds	126,940	-	-	-
Inventory	-	52,411	-	-
Prepaid items	-	2,701	50,363	245,817
Total current assets	<u>36,358,875</u>	<u>41,256,322</u>	<u>25,102,691</u>	<u>6,382,494</u>
Noncurrent Assets:				
Intercity loans receivable	-	801,012	-	-
Capital assets:				
Construction in progress	-	716,369	-	-
Depreciable capital assets, net	-	11,270,831	-	451,452
Total noncurrent assets	<u>-</u>	<u>12,788,212</u>	<u>-</u>	<u>451,452</u>
Total assets	<u>36,358,875</u>	<u>54,044,534</u>	<u>25,102,691</u>	<u>6,833,946</u>
DEFERRED OUTFLOWS OF RESOURCES				
OPEB related	-	257,339	-	591,880
Pension related	-	632,784	-	1,484,204
Total Deferred Outflows	<u>-</u>	<u>890,123</u>	<u>-</u>	<u>2,076,084</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	278,714	251,713	670,396	25,766
Accrued liabilities	31,943	34,028	22,778	64,297
Interest payable	-	-	-	2,173
Due to other funds	-	2,344	-	511
Current portion of long term liabilities				
Subscription-based IT payable	-	-	-	11,224
Leases payable	-	-	-	83,278
Accrued compensated absences	-	-	7,609,598	-
OPEB liability	-	56,750	-	130,525
Claims payable	5,010,907	-	-	-
Total current liabilities	<u>5,321,564</u>	<u>344,835</u>	<u>8,302,772</u>	<u>317,774</u>
Noncurrent liabilities:				
Accrued compensated absences	-	-	556,680	-
Claims payable	32,729,322	-	-	-
Subscription-based IT payable	-	-	-	43,950
Leases payable	-	-	-	267,095
Intercity loans payable	-	-	-	-
Net pension liability	-	2,353,317	-	5,519,740
OPEB liability	-	446,386	-	1,026,688
Total noncurrent liabilities	<u>32,729,322</u>	<u>2,799,703</u>	<u>556,680</u>	<u>6,857,473</u>
Total liabilities	<u>38,050,886</u>	<u>3,144,538</u>	<u>8,859,452</u>	<u>7,175,247</u>
DEFERRED INFLOWS OF RESOURCES				
OPEB related	-	183,557	-	422,180
Pension related	-	14,935	-	35,030
Total Deferred Inflows	<u>-</u>	<u>198,492</u>	<u>-</u>	<u>457,210</u>
NET POSITION				
Net investment in capital assets	-	11,987,200	-	45,905
Unrestricted	(1,692,011)	39,604,427	16,243,239	1,231,668
Total net position	<u>\$ (1,692,011)</u>	<u>\$ 51,591,627</u>	<u>\$ 16,243,239</u>	<u>\$ 1,277,573</u>

Warehouse Operations	Telephone System	Risk Management	Communication Replacement	Building and Structure Rehab	Total
\$ 626,440	\$ 2,190,778	\$ 6,859,044	\$ 1,771,453	\$ 3,281,561	123,036,040
-	-	-	-	-	38,349
1,608	5,678	18,116	4,477	-	306,831
-	-	-	-	-	85
-	-	-	-	-	126,940
474,382	-	-	-	-	526,793
-	9,812	-	-	-	308,693
<u>1,102,430</u>	<u>2,206,268</u>	<u>6,877,160</u>	<u>1,775,930</u>	<u>3,281,561</u>	<u>124,343,731</u>
-	-	2,260,619	-	-	3,061,631
-	-	-	-	-	716,369
-	-	-	1,000,082	242,665	12,965,030
-	-	2,260,619	1,000,082	242,665	16,743,030
<u>1,102,430</u>	<u>2,206,268</u>	<u>9,137,779</u>	<u>2,776,012</u>	<u>3,524,226</u>	<u>141,086,761</u>
-	-	-	-	-	849,219
-	-	-	-	-	2,116,988
-	-	-	-	-	2,966,207
117,152	16,463	164,943	-	-	1,525,147
9,327	1,471	9,272	-	-	173,116
-	-	-	-	-	2,173
485	11	72	-	-	3,423
-	-	-	-	-	11,224
-	-	-	-	-	83,278
-	-	-	-	-	7,609,598
-	-	-	-	-	187,275
-	-	2,492,410	-	-	7,503,317
<u>126,964</u>	<u>17,945</u>	<u>2,666,697</u>	<u>-</u>	<u>-</u>	<u>17,098,551</u>
-	-	-	-	-	556,680
-	-	8,027,255	-	-	40,756,577
-	-	-	-	-	43,950
-	-	-	-	-	267,095
-	-	-	801,012	-	801,012
-	-	-	-	-	7,873,057
-	-	-	-	-	1,473,074
-	-	8,027,255	801,012	-	51,771,445
<u>126,964</u>	<u>17,945</u>	<u>10,693,952</u>	<u>801,012</u>	<u>-</u>	<u>68,869,996</u>
-	-	-	-	-	605,737
-	-	-	-	-	49,965
-	-	-	-	-	655,702
-	-	-	1,000,082	242,665	13,275,852
975,466	2,188,323	(1,556,173)	974,918	3,281,561	61,251,418
<u>\$ 975,466</u>	<u>\$ 2,188,323</u>	<u>\$ (1,556,173)</u>	<u>\$ 1,975,000</u>	<u>\$ 3,524,226</u>	<u>\$ 74,527,270</u>

CITY OF GARDEN GROVE
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Workers' Compensation	Fleet Management	Employee Benefits	Information Systems
Operating revenues:				
Charges for services	\$ 6,430,715	\$ 2,498,944	\$ 4,748,724	\$ 4,635,000
Other	-	-	-	-
Total operating revenues	<u>6,430,715</u>	<u>2,498,944</u>	<u>4,748,724</u>	<u>4,635,000</u>
Operating expenses:				
Salaries and benefits	1,281,373	1,526,996	351,446	3,354,722
Contractual services	26,427	658,805	372	497,341
Liability claims	7,728,257	-	-	-
Materials and supplies	-	1,457,523	-	280,785
Depreciation	-	1,748,037	-	119,066
Total operating expenses	<u>9,036,057</u>	<u>5,391,361</u>	<u>351,818</u>	<u>4,251,914</u>
Operating income (loss)	<u>(2,605,342)</u>	<u>(2,892,417)</u>	<u>4,396,906</u>	<u>383,086</u>
Nonoperating revenues (expenses):				
Investment income (loss)	1,498,368	1,771,191	769,667	250,114
Gain (loss) on disposal of assets	-	17,812	-	-
Interest expense	-	-	-	(9,600)
Total nonoperating revenue (expenses)	<u>1,498,368</u>	<u>1,789,003</u>	<u>769,667</u>	<u>240,514</u>
Income (loss) before transfers and capital contributions	<u>(1,106,974)</u>	<u>(1,103,414)</u>	<u>5,166,573</u>	<u>623,600</u>
Capital contributions	-	235,878	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(873,555)	-
Change in net position	<u>(1,106,974)</u>	<u>(867,536)</u>	<u>4,293,018</u>	<u>623,600</u>
Total net position, beginning of year	<u>(585,037)</u>	<u>52,459,163</u>	<u>11,950,221</u>	<u>653,973</u>
Total net position, end of year	<u>\$ (1,692,011)</u>	<u>\$ 51,591,627</u>	<u>\$ 16,243,239</u>	<u>\$ 1,277,573</u>

Warehouse Operations	Telephone System	Risk Management	Communication Replacement	Building and Structure Rehab	Total
\$ 387,600	\$ 460,800	\$ 3,770,526	\$ 600,100	\$ -	\$ 23,532,409
-	-	332	-	391,900	392,232
<u>387,600</u>	<u>460,800</u>	<u>3,770,858</u>	<u>600,100</u>	<u>391,900</u>	<u>23,924,641</u>
394,364	70,645	460,817	-	-	7,440,363
78,264	183,209	2,462,232	15	28	3,906,693
-	-	7,836,044	-	-	15,564,301
-	2,517	7,727	-	-	1,748,552
-	-	-	301,497	-	2,168,600
<u>472,628</u>	<u>256,371</u>	<u>10,766,820</u>	<u>301,512</u>	<u>28</u>	<u>30,828,509</u>
<u>(85,028)</u>	<u>204,429</u>	<u>(6,995,962)</u>	<u>298,588</u>	<u>391,872</u>	<u>(6,903,868)</u>
26,562	90,070	389,874	72,080	132,354	5,000,280
-	-	-	-	-	17,812
-	-	-	(12,826)	-	(22,426)
<u>26,562</u>	<u>90,070</u>	<u>389,874</u>	<u>59,254</u>	<u>132,354</u>	<u>4,995,666</u>
(58,466)	294,499	(6,606,088)	357,842	524,226	(1,908,202)
-	-	-	-	-	235,878
-	-	-	-	-	-
-	-	-	-	-	(873,555)
(58,466)	294,499	(6,606,088)	357,842	524,226	(2,545,879)
-	-	-	-	-	-
<u>1,033,932</u>	<u>1,893,824</u>	<u>5,049,915</u>	<u>1,617,158</u>	<u>3,000,000</u>	<u>77,073,149</u>
<u>\$ 975,466</u>	<u>\$ 2,188,323</u>	<u>\$ (1,556,173)</u>	<u>\$ 1,975,000</u>	<u>\$ 3,524,226</u>	<u>\$ 74,527,270</u>

CITY OF GARDEN GROVE
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Workers'	Fleet	Employee	Information
	Compensation	Management	Benefits	Systems
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from user departments	\$ 6,415,692	\$ 2,493,655	\$ 4,745,806	\$ 4,635,000
Payments to suppliers	(7,192,241)	(2,315,049)	(372)	(791,309)
Payments to employees	(1,281,373)	(1,407,313)	321,331	(2,908,599)
Payments for employee benefits	-	-	(1,142,189)	-
Net cash (used) provided by operating activities	<u>(2,057,922)</u>	<u>(1,228,707)</u>	<u>3,924,576</u>	<u>935,092</u>
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES				
Cash received from other funds	-	637,335	-	-
Cash paid to other funds	(36,346)	-	(873,555)	226
Net cash (used) provided by non capital financing activities	<u>(36,346)</u>	<u>637,335</u>	<u>(873,555)</u>	<u>226</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	-	(2,467,866)	-	(90,486)
Proceeds from sale of capital assets	-	57,650	-	28,462
Proceeds from leases	-	-	-	-
Principal paid on capital debt	-	-	-	(83,278)
Interest paid on capital debt	-	-	-	(9,612)
Net cash (used) by capital and related financing activities	<u>-</u>	<u>(2,410,216)</u>	<u>-</u>	<u>(154,914)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest earnings	748,631	898,979	281,326	119,903
Increase (decrease) in fair value of investments	749,651	871,134	476,751	126,994
Net cash provided by investing activities	<u>1,498,282</u>	<u>1,770,113</u>	<u>758,077</u>	<u>246,897</u>
Net increase (decrease) in cash and cash equivalents	<u>(595,986)</u>	<u>(1,231,475)</u>	<u>3,809,098</u>	<u>1,027,301</u>
Cash and cash equivalents, beginning of year	<u>36,719,505</u>	<u>42,262,191</u>	<u>21,165,815</u>	<u>4,963,040</u>
Cash and cash equivalents, end of year	<u>\$ 36,123,519</u>	<u>\$ 41,030,716</u>	<u>\$ 24,974,913</u>	<u>\$ 5,990,341</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (2,605,342)	\$ (2,892,417)	\$ 4,396,906	\$ 383,086
Adjustments to reconcile operating income (income) to net cash (used) provided by operating activities:				
Depreciation expense	-	1,748,037	-	119,066
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(15,000)	(5,289)	(2,918)	-
(Increase) decrease in intergovernmental receivable	(23)	-	-	-
(Increase) decrease in inventory	-	24,379	-	166
(Increase) decrease in prepaid expense	16,939	1,386	157,189	(19,348)
Increase (decrease) in accounts payable	278,714	(234,905)	663,295	(51,565)
Increase (decrease) in compensated absences	-	-	321,331	-
Increase (decrease) in accrued liabilities	8,434	10,419	(1,611,227)	25,200
Increase (decrease) in refundable deposits	-	-	-	32,364
Increase (decrease) in claims payable	258,356	-	-	-
changes in deferred outflows and inflows of resources	-	(27,645)	-	16,464
changes in deferred outflows and inflows of resources	-	147,328	-	429,659
Total adjustments	<u>547,420</u>	<u>1,663,710</u>	<u>(472,330)</u>	<u>552,006</u>
Net cash (used) provided by operating activities	<u>\$ (2,057,922)</u>	<u>\$ (1,228,707)</u>	<u>\$ 3,924,576</u>	<u>\$ 935,092</u>

Warehouse Operations	Telephone System	Risk Management	Communication Replacement	Building and Structure Rehab	Total
\$ 387,600	\$ 460,800	\$ 3,772,087	\$ 600,100	\$ 391,900	\$ 23,902,640
(77,101)	(195,111)	(6,472,301)	(15)	(28)	(17,043,527)
(394,364)	(70,645)	(460,817)	-	-	(6,201,780)
-	-	-	-	-	(1,142,189)
(83,865)	195,044	(3,161,031)	600,085	391,872	(484,856)
137	-	92,456	-	-	729,928
-	(11)	-	(400,507)	-	(1,310,193)
137	(11)	92,456	(400,507)	-	(580,265)
-	-	-	-	-	(2,558,352)
-	-	-	-	-	86,112
-	-	-	-	-	-
-	-	-	-	-	(83,278)
-	-	-	(12,826)	-	(22,438)
-	-	-	(12,826)	-	(2,577,956)
13,701	43,624	249,437	35,347	65,580	2,456,528
12,913	45,607	145,509	35,960	66,774	2,531,293
26,614	89,231	394,946	71,307	132,354	4,987,821
(57,114)	284,264	(2,673,629)	258,059	524,226	1,344,744
683,554	1,906,514	9,532,673	1,513,394	3,000,000	121,746,686
<u>\$ 626,440</u>	<u>\$ 2,190,778</u>	<u>\$ 6,859,044</u>	<u>\$ 1,771,453</u>	<u>\$ 3,524,226</u>	<u>\$ 123,091,430</u>
\$ (85,028)	\$ 204,429	\$ (6,995,962)	\$ 298,588	\$ 391,872	\$ (6,903,868)
-	-	-	301,497	-	2,168,600
-	-	1,229	-	-	(21,978)
-	-	-	-	-	(23)
(71,362)	-	-	-	-	(46,817)
-	(9,812)	17,179	-	-	163,533
67,859	2,176	154,343	-	-	879,917
-	-	-	-	-	321,331
4,666	(1,749)	2,553	-	-	(1,561,704)
-	-	-	-	-	32,364
-	-	3,659,627	-	-	3,917,983
-	-	-	-	-	(11,181)
-	-	-	-	-	576,987
1,163	(9,385)	3,834,931	301,497	-	6,419,012
<u>\$ (83,865)</u>	<u>\$ 195,044</u>	<u>\$ (3,161,031)</u>	<u>\$ 600,085</u>	<u>\$ 391,872</u>	<u>\$ (484,856)</u>

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Statistical Section

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Statistical Section

This part of the City of Garden Grove Comprehensive Annual Financial Report provides detailed information to better understand information presented within the Financial Statements, note disclosures, and required supplementary information say about the City's overall financial health.

Financial Trends

These schedules contain trend information to assist the reader understand and assess how the City's financial position has changed over time.

Schedule I	-	Net Position by Component
Schedule II	-	Changes in Net Position
Schedule III	-	Balance of Governmental Funds
Schedule IV	-	Changes in Fund Balances of Governmental Funds
Schedule V	-	General Government Major Tax Revenues by Source

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Schedule VI	-	Assessed Value and Estimated Actual Value of Taxable Property
Schedule VII	-	Property Tax Rates Direct and Overlapping Governments
Schedule VIII	-	Principal Property Tax Payers
Schedule IX	-	Property Tax Levies and Collections

Debt Capacity

This information is intended to assist the user in understanding and assessing the affordability of the City's outstanding debt and the City's ability to issue additional debt.

Schedule X	-	Ratios of Outstanding Debt by Type
Schedule XI	-	Ratios of General Bonded Debt Outstanding
Schedule XII	-	Direct and Overlapping Bonds and Debt
Schedule XIII	-	Legal Debt Margin Information
Schedule XIV	-	Pledged-Revenue Coverage

Demographics and Economic Information

This information assists the reader in understanding the socioeconomic environment within which the City's financial activities take place.

Schedule XV	-	Demographic and Economic Statistics
Schedule XVI	-	Principal Employers

Operating Information

Provides service and infrastructure information to assist readers using the City's financial statement to understand how it relates to the services and activities performed by the City.

Schedule XVII	-	Full-Time and Part-Time City Employees by Department
Schedule XVIII	-	Operating Indicators by Function
Schedule XIX	-	Capital Assets Statistics by Function

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

The City implemented GASB 34 in FY 2002; the government-wide schedules include information beginning in that year.

The City implemented GASB 54 in FY 2011; the balance of governmental funds schedule include information beginning in that year.

The City implemented GASB 65 in FY 2013; as a result, effective FY 2013, the names of Schedule I and Schedule II are changed to "Net Position by Component" and "Changes in Net Position", respectively.

The City implemented GASB 68 in FY 2015; the government-wide schedules include information beginning in that year.

**SCHEDULE I
CITY OF GARDEN GROVE
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(In Thousands)**

	Fiscal Year			
	2015	2016	2017	2018
Governmental activities:				
Net investment in capital assets	\$ 642,786	\$ 641,661	\$ 631,964	\$ 622,932
Restricted	17,848	21,967	24,613	65,456
Unrestricted	<u>(83,857)</u>	<u>(88,223)</u>	<u>(86,633)</u>	<u>(111,538)</u>
Total governmental activities net position	<u>\$ 576,777</u>	<u>\$ 575,405</u>	<u>\$ 569,944</u>	<u>\$ 576,850</u>
Business-type activities:				
Net investment in capital assets	\$ 111,947	\$ 117,488	\$ 118,371	\$ 119,954
Restricted	-	-	-	-
Unrestricted	<u>29,703</u>	<u>26,011</u>	<u>28,288</u>	<u>29,677</u>
Total business-type activities net position	<u>\$ 141,650</u>	<u>\$ 143,499</u>	<u>\$ 146,659</u>	<u>\$ 149,631</u>
Primary government:				
Net investment in capital assets	\$ 754,733	\$ 759,149	\$ 750,335	\$ 742,886
Restricted	17,848	21,967	24,613	65,456
Unrestricted	<u>(54,154)</u>	<u>(62,212)</u>	<u>(58,345)</u>	<u>(81,861)</u>
Total primary government net position	<u>\$ 718,427</u>	<u>\$ 718,904</u>	<u>\$ 716,603</u>	<u>\$ 726,481</u>

The City of Garden Grove implemented GASB 63 and GASB 65 for the fiscal year ended June 30, 2013, and GASB 68 for the fiscal year ended June 30, 2015.

Source: Finance Department, City of Garden Grove

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 621,163	\$ 619,138	\$ 617,316	\$ 618,070	\$ 633,327	\$ 700,606
69,820	72,470	75,669	77,360	74,580	230,076
<u>(104,976)</u>	<u>(108,833)</u>	<u>(94,620)</u>	<u>(35,673)</u>	<u>(17,843)</u>	<u>(223,772)</u>
<u>\$ 586,007</u>	<u>\$ 582,775</u>	<u>\$ 598,365</u>	<u>\$ 659,757</u>	<u>\$ 690,064</u>	<u>\$ 706,910</u>
\$ 125,805	\$ 132,671	\$ 120,399	\$ 129,173	\$ 132,656	\$ 142,798
-	-	-	-	-	-
<u>32,485</u>	<u>37,725</u>	<u>63,654</u>	<u>64,562</u>	<u>78,050</u>	<u>86,010</u>
<u>\$ 158,290</u>	<u>\$ 170,396</u>	<u>\$ 184,053</u>	<u>\$ 193,735</u>	<u>\$ 210,706</u>	<u>\$ 228,808</u>
\$ 746,968	\$ 751,809	\$ 737,715	\$ 747,243	\$ 765,983	\$ 843,404
69,820	72,470	75,669	77,360	74,580	230,076
<u>(72,491)</u>	<u>(71,108)</u>	<u>(30,966)</u>	<u>28,889</u>	<u>60,207</u>	<u>(137,762)</u>
<u>\$ 744,297</u>	<u>\$ 753,171</u>	<u>\$ 782,418</u>	<u>\$ 853,492</u>	<u>\$ 900,770</u>	<u>\$ 935,718</u>

**SCHEDULE II
CITY OF GARDEN GROVE
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(In Thousands)**

	Fiscal Year			
	2015	2016	2017	2018
Expenses:				
Governmental activities:				
Fire	\$ 21,939	\$ 20,700	\$ 23,934	\$ 27,428
Police	50,837	47,309	53,783	64,245
Traffic safety	3,517	3,001	4,425	5,088
Public right of way	16,903	16,917	18,456	18,952
Drainage	1,445	1,453	1,438	1,561
Community buildings	4,973	4,691	4,998	5,096
Community services	4,797	4,606	5,184	5,677
Economic Development	1,944	2,333	4,271	3,099
Parks and greenbelts	2,146	1,957	1,861	5,628
Community planning and development	7,837	5,633	6,989	9,590
Municipal support	7,609	6,151	8,434	8,721
Interest on long-term debt	862	1,962	1,212	1,133
Total governmental activities expenses	<u>124,809</u>	<u>116,713</u>	<u>134,985</u>	<u>156,218</u>
Business-type activities:				
Water utility	30,003	26,982	31,109	35,410
Sanitary District	8,128	8,095	8,709	9,671
Mobile home parks/RV park	-	-	-	-
Housing authority	30,707	36,947	30,390	33,130
Golf course	-	-	-	-
Total business-type activities expenses	<u>68,838</u>	<u>72,024</u>	<u>70,208</u>	<u>78,211</u>
Total primary government expenses	<u>193,647</u>	<u>188,737</u>	<u>205,193</u>	<u>234,429</u>
Program revenues:				
Governmental activities:				
Charges for services:				
Fire	1,011	1,683	1,347	1,830
Police	3,019	2,717	3,150	3,599
Traffic safety	1,351	1,347	1,356	1,355
Public right of way	272	391	394	406
Drainage	-	-	-	-
Community buildings	-	-	401	-
Community services	986	768	1,015	1,145
Economic development	-	-	108	-
Parks and greenbelts	1,264	1,226	1,265	834
Community planning and development	1,839	2,320	2,031	3,605
Municipal support	2,656	3,109	3,555	3,730
Operating grants and contributions	13,295	15,819	14,868	14,771
Capital grants and contributions	6,032	3,569	497	2,329
Total governmental activities program revenues	<u>31,725</u>	<u>32,949</u>	<u>29,987</u>	<u>33,604</u>
Business-type activities:				
Charges for services:				
Water	33,145	29,158	32,130	35,595
Sanitary District	12,095	12,339	12,939	12,837
Mobile home parks	-	-	-	-
Golf course	-	-	-	-
Operating grants and contributions	30,726	31,730	31,379	31,461
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	<u>75,966</u>	<u>73,227</u>	<u>76,448</u>	<u>79,893</u>
Total primary government program revenues	<u>107,691</u>	<u>106,176</u>	<u>106,435</u>	<u>113,497</u>
Net revenues (expenses):				
Governmental activities	(93,084)	(83,764)	(104,998)	(122,614)
Business-type activities	7,128	1,203	6,240	1,682
Total net revenues (expenses)	<u>\$ (85,956)</u>	<u>\$ (82,561)</u>	<u>\$ (98,758)</u>	<u>\$ (120,932)</u>

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 27,053	\$ 32,910	\$ 29,810	\$ 27,035	\$ 31,188	\$ 31,871
62,965	76,176	78,689	64,172	75,053	97,762
5,214	5,734	5,947	5,839	5,786	6,814
19,108	17,499	18,389	16,553	21,099	23,731
1,464	1,396	1,547	1,589	1,488	1,461
4,552	4,802	4,958	4,780	6,423	5,810
5,684	6,268	5,250	5,090	7,102	7,643
3,235	2,950	2,595	3,595	4,323	2,612
2,367	2,190	2,161	2,295	2,966	2,487
8,235	9,352	10,521	9,248	13,837	20,536
10,812	9,914	9,360	7,595	13,927	14,291
1,049	1,112	1,083	1,058	1,107	1,248
<u>151,738</u>	<u>170,303</u>	<u>170,310</u>	<u>148,849</u>	<u>184,299</u>	<u>216,266</u>
34,062	37,937	36,220	35,862	32,579	38,078
9,554	9,509	8,984	10,424	8,741	10,726
-	-	-	-	-	-
34,218	37,038	39,631	43,524	46,706	52,633
-	1,479	1,589	1,763	2,218	2,259
<u>77,834</u>	<u>85,963</u>	<u>86,424</u>	<u>91,573</u>	<u>90,244</u>	<u>103,696</u>
<u>229,572</u>	<u>256,266</u>	<u>256,734</u>	<u>240,422</u>	<u>274,543</u>	<u>319,962</u>
1,329	698	596	740	705	674
3,293	3,470	3,058	2,889	3,324	3,551
1,350	1,352	1,356	1,365	1,293	1,290
450	362	272	429	372	351
-	-	-	-	-	-
510	508	230	444	-	4,242
1,446	761	682	968	833	593
-	-	-	-	-	-
678	776	754	577	857	1,327
4,360	3,275	4,252	4,118	4,885	4,890
3,646	3,256	3,456	1,806	5,436	3,238
21,660	22,125	49,746	49,242	24,534	30,523
3,739	3,036	1,906	3,442	2,392	1,537
<u>42,461</u>	<u>39,619</u>	<u>66,308</u>	<u>66,020</u>	<u>44,631</u>	<u>52,216</u>
36,966	38,575	42,246	43,256	40,912	44,201
14,002	14,413	13,959	15,966	15,956	16,041
-	-	-	-	-	-
-	1,243	1,837	1,744	2,001	2,288
34,417	37,376	41,155	43,400	47,472	54,152
-	-	-	-	-	-
<u>85,385</u>	<u>91,607</u>	<u>99,197</u>	<u>104,366</u>	<u>106,341</u>	<u>116,682</u>
<u>127,846</u>	<u>131,226</u>	<u>165,505</u>	<u>170,386</u>	<u>150,972</u>	
(109,277)	(130,684)	(104,002)	(82,829)	(139,666)	(164,050)
7,551	5,644	12,773	12,793	16,097	12,985
<u>\$ (101,726)</u>	<u>\$ (125,040)</u>	<u>\$ (91,229)</u>	<u>\$ (70,036)</u>	<u>\$ (123,569)</u>	<u>\$ (151,065)</u>

(Continued)

**SCHEDULE II
CITY OF GARDEN GROVE
CHANGES IN NET POSITION (Continued)
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(In Thousands)**

	Fiscal Year			
	2015	2016	2017	2018
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Sales taxes	\$ 19,251	\$ 22,052	\$ 21,793	\$ 20,737
Property taxes	36,972	40,574	42,113	47,033
Transient occupancy taxes	17,217	20,897	25,121	25,983
Other taxes	7,761	8,214	8,314	8,660
Motor vehicle taxes, levied				
for general purposes	72	71	79	93
Investment income	2,005	3,344	1,337	1,870
Other general revenues	534	7,270	488	622
Gain/(Loss) on sale of capital assets	3 ⁵	2,774 ⁵	- ⁵	-
Transfers	(7)	-	292	581
Capital Contribution	-	-	-	-
Special Item	-	-	-	30,058
Total governmental activities	<u>83,808</u>	<u>105,196</u>	<u>99,537</u>	<u>135,637</u>
Business-type activities:				
Investment income	523	428	142	410
Gain/(Loss) on sale of capital assets	169	59	-	-
Other general revenues	29	159	182	208
Discontinued operations	-	-	-	-
Transfers	7	-	(292)	(581)
Total business-type activities	<u>728</u>	<u>646</u>	<u>32</u>	<u>37</u>
Total primary government	<u>84,536</u>	<u>105,842</u>	<u>99,569</u>	<u>135,674</u>
Changes in net position				
Governmental activities	(9,276)	21,432	(64,513)	135,637
Business-type activities	7,856	1,849	13,017	37
Total primary government	<u>\$ (1,420)</u>	<u>\$ 23,281</u>	<u>\$ (51,496)</u>	<u>\$ 135,674</u>

Source: Finance Department, City of Garden Grove

The City of Garden Grove implemented GASB 63 and GASB 65 for the fiscal year ended June 30, 2013.

¹ FY11-12: The \$18.9 million loss in governmental activities represents a one-time loss as a result of the dissolution of Redevelopment Agency in 2012.

² FY11-12: The \$2.9 million loss in business-type activities represents a one-time loss due to the transfer of the remaining net position of RV Park enterprise fund to the Successor Agency Trust fund.

³ FY11-12: The \$20.4 million was primarily related to the \$19.6 million transfer from the Mobile Home Park enterprise fund to the General fund as a result of the discontinuance of operations of the Mobile Home Park fund.

⁴ FY12-13: The \$2.3 million capital contribution was related to the transfer of land from the Successor Agency Trust fund to the General fund.

⁵ FY13-14: The \$1.0 million loss in governmental activities represents a one-time loss due to the disposal of land.

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 24,612	\$ 43,122	\$ 49,305	\$ 59,703	\$ 60,104	\$ 60,132
49,356	50,765	55,004	59,509	66,366	65,443
26,285	18,277	7,136	24,509	28,016	28,501
8,350	8,010	5,866	8,027	9,287	9,615
					213
85	139	128	199	176	-
7,666	9,067	1,739	(8,007)	4,238	15,384
766	1,672	233	242	34	531
-	-	-	-	1,352	18
1,000	50	178	39	400	-
-	-	-	-	-	-
-	-	-	-	-	1,059
<u>118,120</u>	<u>131,102</u>	<u>119,589</u>	<u>144,221</u>	<u>169,973</u>	<u>180,896</u>
1,917	2,658	253	(3,072)	1,273	5,117
-	-	-	-	-	-
191	204	810	-	-	-
-	-	-	-	-	-
(1,000)	(50)	(178)	(39)	(400)	-
<u>1,108</u>	<u>2,812</u>	<u>885</u>	<u>(3,111)</u>	<u>873</u>	<u>5,117</u>
<u>119,228</u>	<u>133,914</u>	<u>120,474</u>	<u>141,110</u>	<u>170,846</u>	<u>186,013</u>
(12,564)	27,100	15,589	61,392	30,307	16,846
6,752	15,585	13,657	9,682	16,970	18,102
<u>\$ (5,812)</u>	<u>\$ 42,685</u>	<u>\$ 29,246</u>	<u>\$ 71,074</u>	<u>\$ 47,277</u>	<u>34,948</u>

SCHEDULE III
CITY OF GARDEN GROVE
BALANCE OF GOVERNMENTAL FUNDS
THE LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(In Thousands)

	Fiscal Year			
	2015	2016	2017	2018
General fund:				
Reserved	\$ -	\$ -	\$ -	\$ -
Non-Spendable:				
Agency reimbursement agreement	-	-	-	-
COP reimbursement agreement	-	-	-	-
Intercity loan	13,375	13,375	13,414	13,456
Land held for resale	-	-	-	-
Prepaid items	-	13	10	17
Deposits	-	-	-	-
Restricted:				
Public safety	-	-	103	84
Public right of way	-	-	-	-
Community services	-	-	161	166
Community planning and development	-	-	7	2,764
Municipal support	-	-	15	35
Pension Trust	-	-	-	-
Committed:				
Post-Employment Benefits	-	-	-	-
Community planning and development	-	-	-	-
Designated revenue reserve	-	-	-	-
Stability reserve	-	-	-	-
Assigned:				
Post-Employment Benefits	1,000	1,000	1,000	1,000
Garden Grove tourism improvement	231	314	404	-
Property tax lawsuit	500	500	500	500
Building improvements	1,300	1,300	1,300	1,300
General Plan	273	239	325	301
Paramedic Tax	-	-	-	617
Other purposes	-	-	-	-
Unreserved	-	-	-	-
Unassigned	16,330	18,331	22,629	29,428
Total general fund	<u>\$ 33,009</u>	<u>\$ 35,072</u>	<u>\$ 39,868</u>	<u>\$ 49,668</u>
All other governmental funds:				
Reserved	\$ -	\$ -	\$ -	\$ -
Non-Spendable:				
Intercity loan	-	-	-	-
Land held for resale	-	-	-	-
Prepaid items	-	-	-	-
Deposits	-	-	-	-
Restricted:				
Fire	-	-	-	-
Police	1,754	9,260	9,521	5,336
Public right of way	5,358	7,639	8,434	9,021
Drainage	647	754	529	412
Community services	180	196	945	2,370
Community planning and development	10,385	16,712	18,080	48,376
Municipal support	-	755	-	-
Committed:				
Community planning and development	-	-	-	-
Assigned:				
Post-Employment Benefits	-	-	-	-
Property tax lawsuit	-	-	-	-
Building improvements	-	-	-	-
Other purposes	-	-	-	-
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Debt service funds	-	-	-	-
Capital projects funds	-	-	-	-
Unassigned	(755)	(4)	466	-
Total all other governmental funds	<u>\$ 17,569</u>	<u>\$ 35,312</u>	<u>\$ 37,975</u>	<u>\$ 65,515</u>

Source: Finance Department, City of Garden Grove

The City of Garden Grove implemented GASB 54 for the fiscal year ended June 30, 2011.

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
12,793	12,102	8,873	8,197	13,048	11,587
-	2,300	2,300	2,300	2,300	2,300
21	40	90	85	3,330	179
-	-	-	-	-	-
90	90	90	90	95	85
-	-	-	-	-	107
177	177	177	177	192	213
3,469	4,039	4,039	4,261	4,841	6,388
57	57	48	48	41	232
-	662	1,635	1,635	2,129	4,530
-	-	-	-	-	-
-	-	-	-	-	10,922
-	22,500	22,500	22,500	25,700	27,900
1,000	1,000	1,000	1,000	1,000	1,000
-	-	-	-	-	-
500	500	-	-	-	-
1,300	1,300	1,300	1,300	1,300	1,300
262	357	428	428	576	945
-	-	-	-	-	-
-	-	-	-	-	-
47,448	37,206	69,951	120,244	128,755	97,844
<u>\$ 67,117</u>	<u>\$ 82,330</u>	<u>\$ 112,431</u>	<u>\$ 162,265</u>	<u>\$ 183,307</u>	<u>\$ 165,532</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	195	519	-	-	-
-	-	238	31	12	36
-	-	-	-	-	-
3,210	4,103	4,064	3,682	3,650	155,864
11,502	10,355	12,195	12,347	14,662	15,288
273	76	129	107	264	352
4,505	5,841	6,401	8,166	42,340	14,409
48,098	44,971	45,947	47,945	9,570	37,734
-	-	-	1,264	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(40)	(59)	(18)	(4)	53	(7,985)
<u>\$ 67,548</u>	<u>\$ 65,482</u>	<u>\$ 69,475</u>	<u>\$ 73,538</u>	<u>\$ 70,551</u>	<u>\$ 215,698</u>

**SCHEDULE IV
CITY OF GARDEN GROVE
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(In Thousands)**

	Fiscal Year		
	2015	2016	2017
Revenues:			
Taxes	\$ 81,823	\$ 92,268	\$ 98,042
Licenses and permits	1,139	1,554	1,687
Fines, forfeitures and penalties	2,629	2,222	2,622
Investment earnings	1,546	1,285	1,275
Charges for current services	9,528	9,943	10,041
From other agencies	15,945	15,991	11,640
Other revenues	2,079	11,071	3,847
Total revenues	<u>114,689</u>	<u>134,334</u>	<u>129,154</u>
Expenditures			
Current:			
Fire	21,672	23,195	23,707
Police	49,389	51,942	53,168
Traffic safety	3,102	2,959	4,215
Public right of way	6,886	7,515	7,257
Drainage	-	-	-
Community buildings	3,408	3,317	3,185
Community services	4,793	5,470	4,852
Economic development	1,944	2,333	2,757
Parks and greenbelts	2,247	2,217	1,939
Community planning and development	7,359	7,229	6,497
Municipal support	7,600	8,012	7,903
Capital outlay	9,032	7,371	6,754
Debt service:			
Principal retirement	1,937	2,097	3,342
Interest	1,199	939	1,184
Total expenditures	<u>120,568</u>	<u>124,596</u>	<u>126,760</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,879)</u>	<u>9,738</u>	<u>2,394</u>
Other financing sources (uses):			
Transfers in	7,761	11,783	1,396
Transfers out	(3,558)	(11,683)	(1,296)
Issuance of debt	-	25,962	-
Gain/(Loss) on sale of capital assets	22	1,735	4,965
Contribution to Housing Authority	-	-	-
Extraordinary Gain/(Loss)	-	-	-
Payment to bond escrow agent	-	(17,462)	-
Total other financing sources (uses)	<u>4,225</u>	<u>10,335</u>	<u>5,065</u>
Special Item			
Net change in fund balances	<u>\$ (1,654)</u>	<u>\$ 20,073</u>	<u>\$ 7,459</u>
Debt service as a percentage of noncapital expenditures	2.8%	2.6%	3.8%

Source: Finance Department, City of Garden Grove

Fiscal Year						
2018	2019	2020	2021	2022	2023	2024
\$ 103,090	\$ 114,078	\$ 119,853	\$ 118,044	\$ 150,869	\$ 164,058	\$ 164,011
2,005	2,645	2,647	2,419	2,763	3,155	3,193
3,134	2,850	3,157	2,859	2,546	3,318	3,188
1,846	4,344	6,402	793	(4,594)	2,265	9,354
11,945	15,122	11,180	11,670	13,301	12,252	11,199
12,047	13,599	17,884	47,729	45,322	25,048	26,265
4,193	3,940	4,386	3,003	3,494	2,191	9,572
<u>138,260</u>	<u>156,578</u>	<u>165,509</u>	<u>186,517</u>	<u>213,701</u>	<u>212,287</u>	<u>226,782</u>
25,067	24,483	27,975	28,470	26,975	30,933	31,604
56,128	56,282	64,770	68,032	71,121	75,134	78,814
3,925	4,282	4,471	4,997	5,663	6,183	5,961
7,197	7,107	7,155	17,543	19,057	22,610	33,944
66	-	-	-	-	-	-
3,421	3,007	2,781	3,164	3,713	10,569	9,287
4,687	4,855	5,333	4,839	5,767	6,578	7,243
3,099	3,212	2,950	2,609	3,592	4,314	2,618
2,325	2,300	2,057	2,607	2,952	2,904	3,630
7,982	7,124	8,130	10,588	11,095	26,487	44,813
7,626	9,353	8,467	8,684	9,011	10,108	12,210
10,938	13,635	14,021	-	-	-	-
573	580	495	494	592	630	20,778
1,087	1,064	1,137	1,112	1,094	1,152	1,102
<u>134,121</u>	<u>137,284</u>	<u>149,742</u>	<u>153,139</u>	<u>160,632</u>	<u>197,602</u>	<u>252,004</u>
4,139	19,294	15,767	33,378	53,069	14,685	(25,222)
2,826	1,403	4,380	1,346	2,275	9,212	3,552
(1,253)	(1,303)	(7,357)	(629)	(1,448)	(12,894)	(2,678)
-	-	-	-	-	278	151,719
-	-	874	-	-	6,775	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,573</u>	<u>100</u>	<u>(2,103)</u>	<u>717</u>	<u>827</u>	<u>3,371</u>	<u>152,593</u>
<u>30,029</u>						
<u>\$ 35,741</u>	<u>\$ 19,394</u>	<u>\$ 13,664</u>	<u>\$ 34,095</u>	<u>\$ 53,896</u>	<u>\$ 18,056</u>	<u>\$ 127,371</u>
1.3%	1.3%	1.2%	1.1%	1.1%	1.0%	9.1%

**SCHEDULE V
CITY OF GARDEN GROVE
GENERAL GOVERNMENT MAJOR TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS**

Fiscal Year	Sales Tax	Property Tax	Franchise Tax	Business Operation Tax	Transient Occupancy Tax	Motor Vehicle Tax	Total
2015	19,251,431	36,972,309	2,532,706	5,228,239	17,216,510	71,970	81,273,165
2016	22,051,778	40,574,176	2,577,292	5,636,389	20,897,283	70,518	91,807,436
2017	21,792,872	42,113,373	2,532,462	5,781,098	25,121,419	79,429	97,420,653
2018	20,736,558	47,032,917	2,408,395	6,251,994	25,982,696	92,789	102,505,349
2019	29,371,450	49,355,823	2,404,867	5,945,451	26,285,461	84,911	113,447,963
2020	43,122,113	50,764,849	2,414,897	5,595,421	18,277,467	138,627	120,313,374
2021	49,305,114	55,004,385	2,331,476	3,534,201	7,136,525	128,205	117,439,906
2022	59,702,605	59,508,746	2,538,622	5,489,432	24,508,840	199,254	151,947,499
2023	60,103,880	66,366,493	2,863,122	6,423,628	28,016,033	176,351	163,949,507
2024	60,132,338	65,442,744	2,961,225	6,654,896	28,500,576	212,513	163,904,292

Source: Finance Department, City of Garden Grove

**SCHEDULE VI
CITY OF GARDEN GROVE
ASSESSED VALUE AND ESTIMATED ACTUAL VALUES OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(In Thousands)**

Fiscal Year Ended June 30	City		Taxable Assessed Value	Successor Agency		Taxable Assessed Value ¹	Total Direct Tax Rate
	Secured	Unsecured		Secured ¹	Unsecured ¹		
2015	10,538,784	356,435	10,895,219	2,897,658	328,394	3,226,052	1.145%
2016	10,568,876	234,280	10,803,156	3,070,910	317,449	3,388,359	1.151%
2017	12,226,724	364,776	12,591,500	3,579,711	363,489	3,943,200	1.150%
2018	12,873,943	335,785	13,209,728	3,797,471	366,576	4,164,047	1.189%
2019	12,373,687	263,636	12,637,323	3,801,697	361,772	4,163,469	1.183%
2020	13,000,870	232,485	13,233,355	3,913,862	391,616	4,305,478	1.184%
2021	14,167,631	252,597	14,420,228	4,270,427	468,777	4,739,204	1.185%
2022	15,071,294	278,284	15,349,578	4,359,480	446,933	4,806,413	1.094%
2023	16,030,786	364,320	16,395,106	4,635,798	475,012	5,110,810	1.178%
2024	16,815,678	386,089	17,201,767	4,817,389	503,017	5,320,406	1.179%

NOTE:

In 1978, the voters of the State of California passed Proposition 13, which limited property taxes to a total maximum rate of 1% based on the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

¹ The Redevelopment Agency was dissolved in February 2012.
The Successor Agency was created to close out the Redevelopment Agency.

Source: Orange County Assessor's Office/HdL Coren & Cone

**SCHEDULE VII
CITY OF GARDEN GROVE
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

Fiscal Year	Basic Levy	City Paramedic	Metropolitan Water District	Orange County	Sanitation and Water	School Services	Other	Total
2015	1.0000	0.07000	0.00350	-	-	0.07163	-	1.14513
2016	1.0000	0.07000	0.00350	-	-	0.07748	-	1.15098
2017	1.0000	0.07000	0.00350	-	-	0.07603	-	1.14953
2018	1.0000	0.08000	0.00350	-	-	0.10599	-	1.18949
2019	1.0000	0.08000	0.00350	-	-	0.09900	-	1.18250
2020	1.0000	0.08000	0.00350	-	-	0.10022	-	1.18372
2021	1.0000	0.08000	0.00350	-	-	0.10137	-	1.18487
2022	1.0000	0.08000	0.00350	-	-	0.01004	-	1.09354
2023	1.0000	0.08000	0.00350	-	-	0.09430	-	1.17780
2024	1.0000	0.08000	0.00350	-	-	0.09569	-	1.17919

Assessed values are expressed as 100% of "full value" as prescribed by California Revenue and Taxation Code Section 135.

Property tax in California is levied in accordance with Article 13A of the State Constitution at \$1 per \$100 county-wide assessed valuations plus other voter approved debt. Rates shown above are \$100 of assessed valuation. The one percent is allocated pursuant to State law to the appropriate units of local government.

Source: Orange County Tax Rates Book

**SCHEDULE VIII
CITY OF GARDEN GROVE
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND TEN YEARS AGO**

Taxpayer	2024		2015	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
GWGG LLC	\$ 253,007,914	1.16%		
Investel Harbor Resorts LLC	138,923,684	0.64%		
Landmark Hotels II LLC	89,447,262	0.41%		
Rexford Industrial Realty LP	87,428,290	0.40%		
New Age Brookhurst LLC	83,499,911	0.38%		
TNA Distributions LLC	62,815,445	0.29%		
Khanna Enterprises Limited	61,353,542	0.28%		
Park Grove Fee Owner LLC	57,127,813	0.26%		
House Foods Holding USA INC	36,970,308	0.17%		
SPS Techonlgies LLC	2,922,352	0.01%		
Landmark Marriott Suites			99,542,060	0.97%
American Lodging			56,316,887	0.55%
Chatham Rigg LLC			42,624,653	0.42%
Newage Garden Grove			42,590,097	0.42%
HGGA Promedade			42,022,116	0.41%
Ohi Resort Hotels			40,579,806	0.40%
Walton CWCA Garden Grove			29,546,615	0.29%
Swedlow Inc.			25,786,166	0.25%
Car Noa GGT			25,194,000	0.25%
CRP-2 Monarch			25,097,993	0.25%
	<u>\$ 873,496,521</u>	<u>4.01%</u>	<u>\$ 429,300,393</u>	<u>4.19%</u>
BB Promenade				

Source: Hdl Coren & Cone The City of Garden Grove Top Ten Property Taxpayers

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**SCHEDULE IX
CITY OF GARDEN GROVE
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year	City Tax Rate (Per \$100)	Total Tax Levied	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
2015	0.0025	21,411,687	20,704,013	96.7	237,945	20,941,958	97.8	230,751	1.1%
2016	0.0025	22,611,366	21,721,987	96.1	213,997	21,935,984	97.0	517,198	2.3%
2017	0.0025	23,155,878	22,914,391	99.0	206,984	23,121,375	99.9	326,133	1.4%
2018	0.0025	26,376,092	25,752,153	97.6	174,164	25,926,316	98.3	134,739	0.5%
2019	0.0025	26,866,637	26,606,288	99.0	202,200	26,808,488	99.8	176,785	0.7%
2020	0.0025	28,019,537	27,164,413	96.9	567,147	27,731,560	99.0	248,420	0.9%
2021	0.0025	30,281,268	26,169,198	86.4	3,616,591	29,785,789	98.4	197,557	0.7%
2022	0.0025	31,282,250	30,586,260	97.8	305,759	30,892,019	98.8	1,817,047	5.8%
2023	0.0025	34,509,263	33,301,324	96.5	255,498	33,556,822	97.2	1,960,347	5.7%
2024	0.0025	34,935,620	34,067,597	97.5	362,382	34,429,979	98.6	505,642	1.4%

In implementing Article XIIIa of the State Constitution, the Revenue and Taxation Code provides for a single Basic Tax Rate Levy for County/City/School/Special Districts and other rates necessary to retire bonded and other indebtedness.

Source: Orange County Property Tax Ledger
Finance Department, City of Garden Grove

**SCHEDULE X
CITY OF GARDEN GROVE
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Governmental Activities					Total Governmental Activities
	Certificates of Participation 2002	Lease Revenue Bonds	Loans	Leases¹	SBITA²	
2015	17,210,000	-	4,128,913	812,176	-	22,151,089
2016	-	25,568,492	2,895,399	546,422	-	29,010,313
2017	-	25,104,126	69,826	622,676	-	25,796,628
2018	-	24,624,760	23,732	589,293	-	25,237,785
2019	-	24,120,394	-	373,317	-	24,493,711
2020	-	23,601,028	-	229,928	-	23,830,956
2021	-	23,056,662	-	113,963	-	23,170,625
2022	-	22,487,297	-	167,990	-	22,655,287
2023	-	21,892,930	-	637,981	-	22,530,911
2024	-	151,707,425	-	721,598	94,167	152,523,190

¹ GASB no. 87 implemented in fiscal year 2022

² GASB no. 96 implemented in fiscal year 2023

³ These ratios are calculated using personal income and population for the prior calendar year.

Source: Finance Department, City of Garden Grove

Business-type Activities							
Water Revenue Bonds	Sewer Revenue Bonds	Leases¹	SBITA²	Total Business-type Activities	Total Primary Government	Percentage of Personal Income	Debt Per Capita³
23,884,150	19,220,388	-	-	43,104,538	65,255,627	0.13%	373
20,775,000	18,365,000	-	-	39,140,000	68,150,313	0.14%	384
19,571,107	16,740,627	-	-	36,311,734	62,108,362	0.12%	352
18,039,382	16,148,171	-	-	34,187,553	59,425,338	0.11%	336
16,381,152	15,535,716	-	-	31,916,868	56,410,579	0.10%	322
14,667,922	14,908,260	-	-	29,576,182	53,407,138	0.09%	306
29,697,566	14,406,843	-	-	44,104,409	67,275,034	0.11%	390
28,342,104	13,558,347	-	-	41,900,451	64,555,738	0.10%	379
26,823,912	12,840,891	-	-	39,664,803	62,195,714	0.09%	363
24,890,720	12,088,435	466,802	189,000	37,634,957	190,158,147	0.27%	1112

**SCHEDULE XI
CITY OF GARDEN GROVE
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(In Thousands, except Per Capita)**

Outstanding General Bonded Debt						
Fiscal Year Ended June 30	Certificates of Participation	Lease Revenue Bonds	Tax Allocation Bonds	Total	Percent of Assessed Value ¹	Per Capita
2015	17,210	-	-	17,210	0.12%	98
2016	-	25,568	-	25,568	0.18%	144
2017	-	25,104	-	25,104	0.15%	142
2018	-	24,625	-	24,625	0.14%	139
2019	-	24,120	-	24,120	0.14%	138
2020	-	23,601	-	23,601	0.13%	135
2021	-	23,057	-	23,057	0.12%	134
2022	-	22,487	-	22,487	0.12%	132
2023	-	21,893	-	21,893	0.11%	128
2024	-	151,707	-	151,707	0.67%	887

General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds (of which, the City has none).

¹ *Assessed value has been used because the actual value of taxable property is not readily available in the State of California.*

Source: Finance Department, City of Garden Grove

**SCHEDULE XII
CITY OF GARDEN GROVE
DIRECT AND OVERLAPPING BONDS AND DEBT
JUNE 30, 2024**

CITY OF GARDEN GROVE

<u>2023-24 Assessed Valuation:</u>	21,616,412,958		
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>Total Debt</u> <u>6/30/2024</u>	<u>% Applicable (1)</u>	<u>City's Share of</u> <u>Debt 6/30/24</u>
Metropolitan Water District	18,210,000	0.006	101,612
Coast Community College District	886,956,084	6.191	54,911,451
North Orange County Joint Community College District	291,560,678	2.307	6,726,305
Rancho Santiago Community College District	154,276,441	6.410	9,889,120
Rancho Santiago Community College District School Facilities Improvement District No. 1	144,765,000	10.854	15,712,793
Garden Grove Unified School District	517,805,000	58.040	300,534,022
Orange Unified School District	276,295,000	1.335	3,688,538
Anaheim Union High School District	229,078,955	0.080	183,263
Huntington Beach Union High School District	137,329,998	1.274	1,749,584
Anaheim School District	345,875,685	0.098	338,958
Magnolia School District	17,868,305	0.234	41,812
Westminster School District	155,518,449	7.140	11,104,017
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			<u>404,981,475</u>
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Orange County General Fund Obligations	440,385,000	0.028	12,366,011
Orange County Board of Education General Fund Obligations	10,030,000	2.808	281,642
North Orange Regional Occupation Program Certificates of Participation	7,350,000	0.029	2,132
Coast Community College District General Fund Obligations	1,075,000	6.191	66,553
Coast Community College District Pension Obligation Bonds	925,000	6.191	57,267
Orange Unified School District Certificates of Participation	8,440,000	1.335	112,674
Orange Unified School District Benefit Obligations	56,260,000	1.335	751,071
Anaheim Union High School District Certificates of Participation	28,320,000	0.080	22,656
Huntington Beach Union High School District Certificates of Participation	51,436,090	1.274	655,296
Magnolia School District General Fund Obligations	11,874,403	0.234	27,786
Westminster School District Certificates of Participation	24,475,000	7.140	1,747,515
City of Garden Grove General Fund Obligations	140,000,000	100.000	<u>152,523,190</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			168,613,793
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):	41,135,000	100%	41,135,000
TOTAL DIRECT DEBT			152,523,190
TOTAL OVERLAPPING DEBT			462,207,078
COMBINED TOTAL DEBT			614,730,268 (2)

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

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

Ratios to 2023-24 Assessed Valuation:

Total Overlapping Tax and Assessment Debt		1.87%	
Total Direct Debt	152,523,190	0.71%	
Combined Total Debt		2.84%	
<u>Ratios to Redevelopment Successor Agencies Incremental Valuation</u>	<u>4,712,720,513</u>		
Total Overlapping Tax Increment Debt		0.87%	

Source: California Municipal Statistics, Inc. / MuniServices, LLC

**SCHEDULE XIII
CITY OF GARDEN GROVE
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	Fiscal Year			
	2015	2016	2017	2018
Assessed valuation	\$ 10,895,219	\$ 10,803,156	\$ 12,591,500	\$ 13,209,728
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	2,723,805	2,700,789	3,147,875	3,302,432
Debt limit percentage	15%	15%	15%	15%
Debt limit	408,571	405,118	472,181	495,365
Total net debt applicable to limit: General obligation bonds	-	-	-	-
Legal debt margin	<u>\$ 408,571</u>	<u>\$ 405,118</u>	<u>\$ 472,181</u>	<u>\$ 495,365</u>
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%

¹ The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Source: Orange County Assessor's Office/HdL Coren & Cone

Fiscal Year						
2019	2020	2021	2022	2023	2024	
\$ 12,637,323	\$ 13,233,355	\$ 14,420,228	\$ 15,349,578	\$ 16,395,106	\$ 17,201,767	
25%	25%	25%	25%	25%	25%	
3,159,331	3,308,339	3,605,057	3,837,395	4,098,777	4,300,442	
15%	15%	15%	15%	15%	15%	
473,900	496,251	540,759	575,609	614,816	645,066	
-	-	-	-	-	-	
<u>\$ 473,900</u>	<u>\$ 496,251</u>	<u>\$ 540,759</u>	<u>\$ 575,609</u>	<u>\$ 614,816</u>	<u>\$ 645,066</u>	
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

**SCHEDULE XIV
CITY OF GARDEN GROVE
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS**

Fiscal Year	Gross Revenue	Expenses ¹	Water Revenue Bonds				
			Resources Available for Debt Service	Debt Service Requirement			Coverage
				Principal	Interest	Total	
2015	33,573,575	25,146,241	8,427,334	1,430,000	1,225,677	2,655,677	3.17
2016	29,519,804	25,781,906	3,737,898	1,490,000	1,165,202	2,655,202	1.41
2017	32,345,481	26,404,580	5,940,901	1,515,000	861,491	2,376,491	2.50
2018	35,946,867	30,301,866	5,645,001	1,570,000	817,465	2,387,465	2.36
2019	37,832,009	28,891,265	8,940,744	1,600,000	775,290	2,375,290	3.76
2020	39,490,046	31,574,927	7,915,119	1,655,000	724,740	2,379,740	3.33
2021	40,621,520	31,439,166	9,182,354	1,705,000	899,621	2,604,621	3.53
2022	43,256,322	31,628,164	11,628,158	955,000	894,825	1,849,825	6.29
2023	40,911,604	28,154,739	12,756,865	1,405,000	875,425	2,280,425	5.59
2024	44,200,824	31,259,903	12,940,921	1,820,000	821,675	2,641,675	4.90

Source: Finance Department, City of Garden Grove

¹ Total operating expense less depreciation and amortization.

² The City entered into a sewer revenue bond agreement on April 1, 2006; the first year's interest was prorated from bond commencement. The debt amortization started in FY09-10 with an annual principal repayment on June 15. In FY 16/17 the City refunded 2006 Sewer COP with the issuance of the Garden Grove Sanitary District, Revenue Refunding bonds, Series 2017.

**SCHEDULE XIV
CITY OF GARDEN GROVE
PLEGGED-REVENUE COVERAGE (Continued)
LAST TEN FISCAL YEARS**

Sewer Revenue Bond							
Fiscal Year	Gross Revenue	Expenses	Resources Available for Debt Service	Debt Service Requirement			Coverage
				Principal ²	Interest ²	Total	
2015	10,242,532	3,814,961	6,427,571	535,000	927,941	1,462,941	4.39
2016	10,521,214	3,880,996	6,640,218	560,000	906,541	1,466,541	4.53
2017	10,356,150	4,424,966	5,931,184	580,000	884,141	1,464,141	4.05
2018	10,641,504	5,009,287	5,632,217	520,000	676,575	1,196,575	4.71
2019	11,951,932	5,152,423	6,799,509	540,000	660,975	1,200,975	5.66
2020	12,673,629	4,993,491	7,680,138	555,000	639,375	1,194,375	6.43
2021	10,868,065	4,113,918	6,754,147	590,000	611,625	1,201,625	5.62
2022	12,025,031	5,958,254	6,066,777	615,000	582,125	1,197,125	5.07
2023	11,845,037	4,599,376	7,245,661	645,000	551,375	1,196,375	6.06
2024	11,968,047	5,662,538	6,305,509	680,000	519,125	1,199,125	5.26

(Continued)

**SCHEDULE XIV
CITY OF GARDEN GROVE
PLEGGED-REVENUE COVERAGE (Continued)
LAST TEN FISCAL YEARS**

Fiscal Year	2014 Tax Allocation Refunding Bonds				Coverage
	Tax Increment ¹	Debt Service Requirement			
		Principal	Interest	Total	
2015	20,526,084	2,195,000	2,130,406	4,325,406	4.75
2016	15,837,862	2,360,000	1,526,300	3,886,300	4.08
2017	18,484,197	2,430,000	1,454,450	3,884,450	4.76
2018	17,693,119	2,505,000	1,380,425	3,885,425	4.55
2019	17,445,206	2,380,000	1,295,250	3,675,250	4.75
2020	18,868,786	2,685,000	1,193,950	3,878,950	4.86
2021	11,170,386	2,795,000	1,084,350	3,879,350	2.88
2022	3,301,040	2,905,000	514,225	3,419,225	0.97
2023	1,126,186	3,015,000	836,875	3,851,875	0.29
2024	8,294,158	3,170,000	682,250	3,852,250	2.15

Source: Finance Department, City of Garden Grove

¹ Due to the dissolution of the Redevelopment Agency in February 2012, the Tax Increment is now deposited in the City of Garden Grove RPTTF project area.

**SCHEDULE XIV
CITY OF GARDEN GROVE
PLEDGED-REVENUE COVERAGE (Continued)
LAST TEN FISCAL YEARS**

Fiscal Year	2016 Tax Allocation Bonds				Coverage
	Tax Increment ¹	Debt Service Requirement			
		Principal	Interest	Total	
2015				-	
2016				-	
2017	18,484,197		1,716,504	1,716,504	10.77
2018	17,693,119		1,652,250	1,652,250	10.71
2019	17,445,206		1,652,250	1,652,250	10.56
2020	18,868,786		1,652,250	1,652,250	11.42
2021	11,170,386	1,900,000	1,614,250	3,514,250	3.18
2022	3,301,040	1,975,000	1,536,750	3,511,750	0.94
2023	1,126,186	2,055,000	1,445,875	3,500,875	0.32
2024	8,294,158	2,160,000	1,340,500	3,500,500	2.37

Source: Finance Department, City of Garden Grove

¹ Due to the dissolution of the Redevelopment Agency in February 2012, the Tax Increment is now deposited in the City of Garden Grove RPTTF project area.

**SCHEDULE XV
CITY OF GARDEN GROVE
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

Fiscal Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate
2015	174,774	4,924,023	28,307	4.2%
2016	177,303	4,999,605	28,606	4.4%
2017	176,277	5,087,579	28,694	4.8%
2018	176,896	5,243,712	29,747	3.4%
2019	175,155	5,490,131	31,344	3.3%
2020	174,801	5,763,401	32,971	14.9%
2021	172,476	5,972,287	34,627	7.7%
2022	170,526	6,275,992	36,804	3.6%
2023	171,183	6,723,012	39,274	3.6%
2024	171,024	6,985,438	40,845	4.3%

Source: State Employment Development Department
California Department of Finance
Center for Demographic Research / Fullerton.edu / Ycharts.com

**SCHEDULE XVI
CITY OF GARDEN GROVE
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO**

Employer	2024		2015	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Great Wolf Lodge Southern California	700	0.83%		
Air Industries Company	625	0.74%	681	0.76%
Garden Grove Hospital Medical Center	516	0.61%		
Hyatt Regency Orange County	424	0.50%	350	0.39%
GKN Aerospace Transparency Systems Inc	409	0.48%	335	0.37%
Safran Cabin Inc	350	0.41%		
Costco #126	326	0.38%		
Full Clip	310	0.37%		
Walmart #4171	290	0.34%	412	0.46%
Saint Gobain Performance Plastics Corp.	226	0.27%	363	0.40%
American Apparel Knit & Dye			535	0.60%
Prime Healthcare Services			516	0.58%
Office Max, Inc.			360	0.40%
Kaiser Foundation Health			317	0.35%
NBTY Acquisition, LLC			298	0.33%

Total employment as used above represents the total employment of all employers located within City limits.

Source: Business Tax Division, City of Garden Grove

**SCHEDULE XVII
CITY OF GARDEN GROVE
FULL-TIME AND PART-TIME CITY EMPLOYEES
BY DEPARTMENT
LAST TEN FISCAL YEARS**

Department	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
City Manager	9	10	29	29	30	35	33	33	44	17
Community Development	58	53	37	37	35	37	37	31	22	30
Community Services	151	147	146	153	157	116	106	97	115	134
Economic Development	-	-	-	-	-	-	-	-		31
Finance	40	41	38	38	37	36	33	31	34	34
Fire	111	111	106	106	103	- *	- *	- *	*	0 *
Information Technology	19	19	20	20	20	20	18	17	19	17
Personnel	9	10	11	11	12	12	11	11	11	11
Police	273	272	289	293	263	282	281	260	264	272
Public Works	194	196	198	198	186	184	176	150	153	166
Total	864	859	874	885	843	722	695	630	662	712
Full time employees	633	632	640	641	642	560	538	510	519	526
Part time employees	231	227	234	244	201	162	157	120	143	186

Source: Budget Division, City of Garden Grove

* On August 16, 2019 Garden Grove Fire Department transitioned to the Orange County Fire Authority (OCFA).

**SCHEDULE XVIII
CITY OF GARDEN GROVE
OPERATING INDICATORS
BY FUNCTION
LAST TEN FISCAL YEARS**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police:										
Arrests Report	6,478	5,468	6,358	7,476	6,112	5,436	4,439	4,921	5,250	6,134
Traffic citations issued	9,604	9,890	9,114	11,114	8,598	7,403	3,921	6,264	6,575	3,797
Fire:										
Number of emergency calls	26,785	14,627	15,134	15,297	15,142	13,092 ³	13,557 ³	14,936 ³	15,476	15,706 *
Public Right-of-Way:										
Parking citations issued	28,017	25,500	27,127	33,797	34,508	28,430	45,931	35,746	34,520	38,317
Permits issued	605	546	482	566	563	560	700	757	665	563
Community Services:										
Number of recreation classes	2,416	1,918	1,947	1,701	2,057	1,932	977	1,038	1,590	2,082
Housing vouchers	2,337	2,337	2,337	2,337	2,337	2,337	2,337	2,337	2,325	2,362
Community Planning and Development										
Building permits issued	2,041	2,259	2,233	3,066	3,986	3,954	4,723	5,133	6,488	6,262
Water:										
Number of accounts	33,834	33,870	33,892	33,893	33,911	34,054	34,150	34,292	34,376	34,550
Average daily consumption (thousands of gallons)	20,391	17,563	17,946	20,249	18,298	18,038	18,669	17,815	16,927	16,784
Solid Waste Disposal:										
Number of accounts	33,658	33,968	33,966	33,786	33,700	33,542	33,213	33,720	33,853	33,105
Drainage:										
Channels cleaned (miles)	5	5	5	5	5	5	5	5	5	5
Municipal Support:										
Passports issued ¹	247	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: City of Garden Grove

¹ Passport services discontinued as of July 1, 2015.

* On August 16, 2019 Garden Grove Fire Department transitioned to the Orange County Fire Authority (OCFA).

**SCHEDULE XIX
CITY OF GARDEN GROVE
CAPITAL ASSETS STATISTICS
BY FUNCTION
LAST TEN FISCAL YEARS**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Fire stations	7	7	7	7	7	7	7	7	7	7 *
Public Right-of-Way:										
Streets (miles)	305	305	305	305	305	305	305	305	305	305
Community Services:										
Parks	16	19	19	20	19	19	19	19	19	19
Park acreage	142	137	137	140	124	124	124	124	124	124
Community centers	2	2	2	2	9	9	9	9	9	9
Water:										
Water mains (miles)	433	433	433	433	433	433	433	433	433	433
Number of connections	34,294	34,313	34,336	34,347	34,380	34,459	34,447	34,447	34,689	34,903
Sewage Collection:										
Sanitary sewers (miles)	320	320	320	320	320	320	320	320	320	320
Drainage:										
Storm drains (miles)	35	35	35	35	35	35	35	35	35	35

Source: City of Garden Grove

* On August 16, 2019 Garden Grove Fire Department transitioned to the Orange County Fire Authority (OCFA). However, the City retains the ownership of the Fire stations and OCFA leases for \$1 per year for each facility.