GARDEN GROVE



CITY OF GARDEN GROVE

ANNUAL COMPREHENSIVE FINANCIAL REPORT

July 1, 2024 – June 30, 2025





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CITY OF GARDEN GROVE

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the fiscal year ended

June 30, 2025

FINANCE DEPARTMENT

Patricia Song
Finance Director

City of Garden Grove, 11222 Acacia Parkway, Garden Grove, CA 92840

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CITY OF GARDEN GROVE
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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Introductory Section

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December 23, 2025

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, 2025. 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, 2025.

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 spans 17.9 square miles and is a general law city in the State of California operating under a Council–Manager form of government. Located in the heart of Orange County, Garden Grove is strategically positioned just minutes from world-renowned destinations such as Disneyland Resort and the Anaheim Convention Center. This proximity drives significant visitor activity, supporting a strong tourism and hospitality sector that contributes meaningfully to the local economy through hotel stays, dining, and entertainment spending.

On May 10, 2016, the City adopted Ordinance No. 2866, transitioning from an at-large system of electing City Council members to a by-district election system and establishing the boundaries for six council districts. While the Mayor continues to be elected at-large for a two-year term, the six City Council members are elected by district to four-year staggered terms.

The City Council appoints both the City Manager and the City Attorney. The City Manager is responsible for hiring department directors and overseeing the administration of all City programs and services in alignment with City Council policies, ensuring responsive, efficient, and community-focused governance.

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, Garden Grove remains one of the most densely populated cities in Orange County, with approximately 171,949 residents according to the most recent Census Bureau profile. The city is remarkably diverse: the largest ethnic group is Asian (41.3%), followed by Hispanic (37.6%) and White (16.8%). The median age is 39.6 years. In 2024, the City's median household income was $92,647, which is 14.9% above the national average. Garden Grove also benefits from an increasingly educated population – over 75% of residents have completed high school, and 26.9% hold an associate degree or higher. The community is supported by highly rated public schools. The median home price is $796,478, more than double the national average, reflecting strong regional demand.

The local job market is supported by 83,577 working residents across a broad mix of industries. Approximately 73.1% of the workforce is employed in professional or administrative roles, while 26.9% work in hands-on or service-based occupations. Additionally, 10.2% of residents operate their own businesses, 73.6% are employed by private companies, and 10.9% work in the public sector. Garden Grove's 2023 employment rate was 58.6%, slightly below the statewide rate of 60.2%.

With limited opportunities for large-scale new development, the City continues to encourage reinvestment and revitalization of underutilized commercial properties. Through its commitment to strengthening the local economy by supporting business retention and expansion, enhancing essential services, and increasing public safety staffing, the City of Garden Grove remains focused on providing high-quality services to its residents and neighboring communities.

The City offers an attractive urban–suburban blend, with an exceptional variety of restaurants, coffee shops, and parks that contribute to its vibrant community character. Garden Grove is widely recognized for its rich and diverse food scene, and intentionally building on this strength to position itself as Orange County's top culinary destination. With an extensive range of award-winning local eateries, global cuisines, emerging food entrepreneurs, and popular food-focused events, Garden Grove is renowned as a regional destination where residents and visitors can experience authentic, multicultural dining. Strategic support for small businesses, reinvestment in commercial corridors, and a commitment to enhancing the overall

visitor experience further reinforce the City's goal of elevating its culinary identity and strengthening its local economy.

Financial Condition of the City

In S&P Global Ratings most recent review completed in June 2024, the City of Garden Grove was assigned an 'AA' long-term underlying rating with stable outlook. This rating highlights the City's strong financial position and the effectiveness of its fiscal policies.

In its 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 June 2025, the City Council adopted the Fiscal Year 2025-26 and 2026-27 biennial budget. This balanced budget represents the culmination of the City Council's visioning process — a collaborative effort among elected officials, City leadership, and community members to help shape the City's long-term future. It reflects a strong alignment between organizational priorities and the community's goals and aspirations, ensuring that resources are allocated strategically and responsibly.

Despite uncertainties in both economic and political climate, the City exercised careful financial planning and analysis before committing an additional $4.3 million over the next two years. This strategic investment will strengthen street and building infrastructure, advance automation and other critical Information Technology initiatives, and support ongoing economic development efforts.

The City remains dedicated to advancing fiscal policy, enhancing financial management, and embracing best practices in budgeting and fiscal administration. Through prudent expenditure control and a strong focus on resource efficiency, the City continues to uphold its promise to delivering high-quality services and meeting the needs of the community.

Long-term Financial Planning

The City continues to uphold strong and disciplined fiscal management practices. Consistent with the Garden Grove Municipal Code, a five-year financial forecast, covering operating revenues, expenditures, labor costs, and the capital improvement plan, is incorporated into each biennial budget cycle. This forecast evaluates key revenue and expenditure drivers, identifies long-term trends, and outlines strategies to address potential funding gaps. As a result, the City's biennial budget is developed within a comprehensive, forward-looking financial framework that supports strategic decision-making.

Recognizing the broader state and national economic factors that influence local government finances, the City has proactively advanced several long-term fiscal strategies, including:

- Continuing annual contributions to the irrevocable Section 115 Pension Trust to mitigate the City's unfunded pension liability and reducing long-term retirement costs;
- Updating the Debt Management Policy to enhance transparency, support strong credit ratings, minimize borrowing costs, preserve financial flexibility, and optimize capital funding alternatives; and
- Prioritizing the establishment and ongoing funding of the Building and Structure Rehabilitation Internal Service Fund to ensure sustainable investment in the maintenance and renewal of City facilities and infrastructure.

In addition, the City remains committed to securing external funding to expand and enhance community services. In Fiscal Year 2024-25, the City has obtained $87.1 million in grant awards, supporting initiatives that address key social, environmental, safety, infrastructure, and economic needs.

To further strengthen long-term financial sustainability, the City has adopted several major fiscal policies in recent years. Collectively, these policies help ensure structurally balanced budgets, maintain appropriate reserves, manage pension liabilities, and plan for future infrastructure needs. Looking ahead, the City intends to develop additional policies related to user fees, cost recovery, and cost allocation for administrative and support services. These future policies will further reinforce the City's comprehensive financial policy framework and long-term fiscal stability.

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.

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.

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.

Tax Abatement Program

One of the City Council's priorities is to support local businesses through economic development initiatives. To achieve this, the City and its former Redevelopment Agency entered into certain 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 and blighted 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

Garden Grove, California, located in the heart of Orange County, has evolved significantly from its origins as a small agricultural community in the late 19th century. Today, with an estimated population of over 171,000, Garden Grove is the fifth-largest city in Orange County and is recognized for its cultural diversity, economic activity, and strong community identity. As the City continues to grow and adapt, its long-term planning efforts, including the City's General Plan and various housing initiatives, remain central to guiding sustainable development. These strategic efforts reflect the City's ongoing commitment to thoughtful growth, housing affordability, and the preservation of community character.

The Garden Grove General Plan is part of a comprehensive policy framework that guides physical development and public services, serving as the City's primary planning document. Recent updates, including the Focused General Plan Update and Zoning Code Amendments (GPUZCA), were adopted to address evolving community needs in areas such as housing, land use, public safety, and environmental justice. By 2040, the General Plan envisions a community comprising approximately 68,499 dwelling units, a population of 238,619, nearly 29.7 million square feet of non-residential development, and an employment base of 49,369 jobs.

Garden Grove continues to reinvest in aging commercial and residential corridors to strengthen economic vitality. The $152 million Civic Center Revitalization Project, approved in March 2024, includes a new police headquarters, a parking structure, and a 2.7-acre community park, scheduled for completion in mid-2027. Within the City's Grove Resort District, Great Wolf Lodge is being transformed through an extensive, $50 million modernization effort while Marriott Suites is expected to complete extensive room renovations and upgrades. Smaller-scale infill developments, such as the 27-unit apartment complex at Acacia Parkway and Euclid Street, provide additional rental options, including units for very-low-income households, further supporting housing and revitalization goals.

Housing remains a central focus of Garden Grove's planning efforts. The City's certified Housing Element establishes strategies to meet the Regional Housing Needs Assessment requirements for the 6th Cycle (2021–2029). Key housing initiatives continue to support the City's long-term growth and affordability goals. Projects such as Melia Homes is under construction to complete 30 new townhomes and Rose Walk by Olson Home have added 15 new townhomes, both will increase access to affordable homeownership. The next phase of Brookhurst Place has begun which will add 112 new apartment homes. The City actively partners with both for-profit and nonprofit developers to expand and preserve its affordable housing inventory.

The Garden Grove Housing Authority, supported by HUD funding, provides rental assistance to more than 2,300 low-income households through the Section 8 Housing Choice Voucher Program. This support plays an essential role in reducing poverty and promoting long-term housing stability for vulnerable families.

In addition, the City continues to prioritize the preservation and rehabilitation of existing housing. Financial assistance programs including the Home Repair Program and the Re-roof Loan Program, help homeowners and property owners reinvest in aging structures, ensuring the long-term quality and sustainability of Garden Grove's housing stock.

Addressing homelessness is a top City Council priority. In June 2025, the City adopted an updated Five-Year Homelessness Strategy that establishes a regional and measurable approach to reducing homelessness. The strategy focuses on four core goals: enhancing communication and community engagement, improving service delivery, leveraging partnerships and funding, and enhancing the quality of life for residents, businesses, and stakeholders.

The Garden Grove Economic Development Strategic Plan provides a framework to promote investment, expand the tax base, retain and create jobs, and foster local and regional business relationships. Notable successes include retail and dining expansion, small business support, and strategic initiatives to reduce sales tax leakage. Programs and initiatives launched during the year include:

- Foods of Garden Grove Initiative – Relaunched in September 2024 with Foods of Garden Grove Live, featuring over 100 local eateries, from independently owned and artisan restaurants to Michelin-recognized dining destinations.

- Garden Grove Business Analytics Insights – Launched in November 2024, this free online platform provides business intelligence and market research tools to support data-driven decision-making for entrepreneurs, start-ups, and existing businesses.

Building on the success of the Central Cities Navigation Center in partnership with Fountain Valley, Westminster and the County of Orange, the City entered into a new memorandum of understanding in September 2025 with Fountain Valley and Santa Ana to jointly plan and develop a Little Saigon Business Improvement District. Spanning across three cities, Little Saigon is celebrated for its vibrant Vietnamese-American culture, and restaurants, markets, and cultural institutions. This initiative aims to position the area as a premier cultural tourism destination in California by advancing targeted infrastructure investments, coordinated marketing, and efforts to strengthen economic vitality and visitor experiences. The collaborative effort underscores the City's commitment to regional economic development and cultural tourism growth.

These initiatives reflect the City of Garden Grove's commitment to enhancing quality of life, fostering economic growth, and supporting sustainable development. Through strategic investments in public infrastructure, community amenities, housing, small business support, and culturally inclusive initiatives, the City is creating a vibrant, resilient community that meets current needs while laying the foundation for a prosperous future.

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, 2024. This was the 40th 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

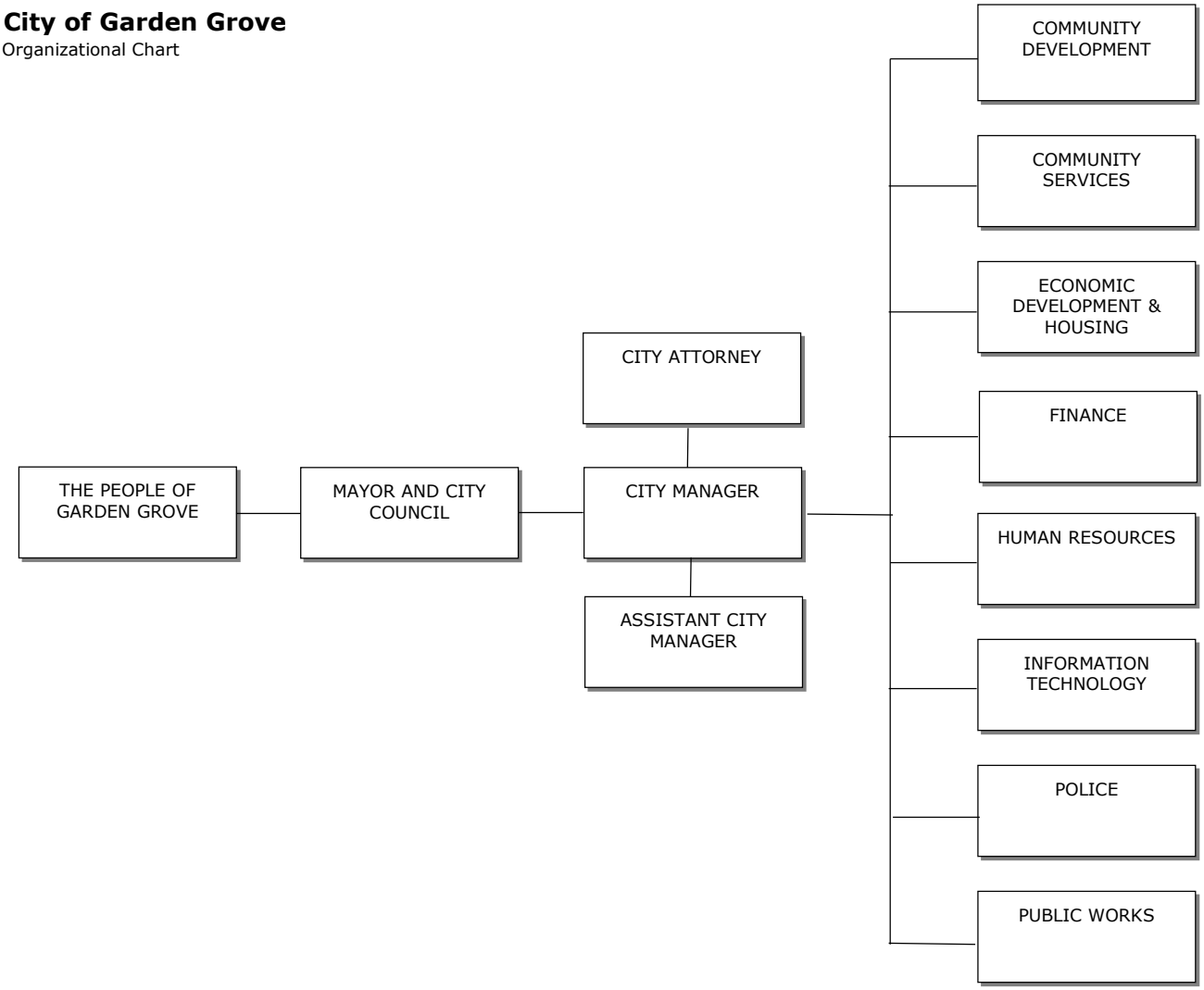
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrill

Executive Director/CEO

City of Garden Grove
Organizational Chart



CITY OF GARDEN GROVE

CITY COUNCIL

Stephanie Klopfenstein
Mayor

Joe DoVinh
Mayor Pro Tem - District 4

George S. Brietigam III
Council Member - District 1

Phillip Nguyen
Council Member - District 2

Cindy Ngoc Tran
Council Member - District 3

Yesenia Muneton
Council Member - District 5

Ariana Arestegui
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 Montanchez . . . . . Community Services Director

Ursula Luna-Reynosa . . . . . Asst. City Mgr./Economic Development & Housing Director

Patricia Song . . . . . Finance Director

Jany Lee . . . . . Human Resources Director

Anand Rao . . . . . Information Technology Director

Amir El-Farra . . . . . Police Chief

William Murray . . . . . Public Works Director

Financial Section

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
18201 Von Karman Avenue | Suite 1100 | Irvine, CA 92612
Main: 949.474.2020 | Fax: 949.263.5520

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, 2025, 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, 2025, 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.

Emphasis of Matter

As described further in Notes 10 and 17 to the financial statements, during the year ended June 30, 2025, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. As a result, the beginning net position has been restated. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

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 23, 2025, 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 23, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2025

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, 2025, 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, 2025, comply with all applicable statements issued by the Governmental Accounting Standards Board (GASB).

During the current fiscal year, the City implemented GASB Statement No. 101, Compensated Absences. This Statement replaces GASB Statement No. 16 and provides updated guidance on the recognition and measurement of liabilities for compensated absences, including vacation, sick leave, and similar employee benefits. GASB 101 clarifies that a liability for compensated absences should be recognized when the leave is attributable to past services and meets specific criteria related to the leave being used or paid upon termination, or when it is probable that the leave will be used for time off in future periods. The Statement also establishes a more principles-based approach to measuring compensated absence liabilities, focusing on the benefits expected to be paid rather than the leave that is accumulated.

The implementation of GASB 101 resulted in a decrease to the City's net position as of the beginning of the fiscal year. This change was recorded as a restatement of the beginning net position for both governmental and business-type activities. The adoption of this standard did not have a material impact on the City's financial position.

Government-Wide

- As of June 30, 2025, the City's total assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by $959.8 million, representing the City's net position.

- Beginning net position was restated by –$7.1 million due to the implementation of GASB Statement No. 101. This restatement reflects a change in accounting principle and did not impact current-year operations.

- For the fiscal year, total program and general revenues exceeded expenses by $31.2 million. After accounting for the –$7.1 million restatement, the City's overall net position increased by $24.1 million from the prior year.

- Governmental activities reported total expenses of $220.2 million for the fiscal year ended June 30, 2025. These expenses were funded by $45.8 million in program revenues, $163.3 million in taxes, and $24.7 million in investment and other income, resulting in an excess of revenues over expenses of $13.6 million. After a restatement to beginning net position of –$6.5 million, governmental activities reported a net position of $714.0 million at June 30, 2025.

- For Fiscal Year 2024–25, business-type activities reported total expenses of $116.8 million. Program revenues exceeded expenses by $11.9 million, with total program revenues of $128.7 million, consisting of $71.1 million in charges for services and $57.6 million in grants and contributions. Including $5.7 million in investment earnings, net position increased by $17.6 million compared to the prior year. After a restatement that reduced beginning net position by $0.6 million, business-type activities reported a net position of $245.8 million as of June 30, 2025.

Fund Based

- At the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of $327.5 million, representing a decrease of $53.7 million from the prior year. This decrease was primarily attributable to $61.2 million in construction expenditures incurred during Fiscal Year 2024–25 for the Civic Center Revitalization Project. The project was financed through the issuance of $140.0 million in Lease Revenue Bonds in the prior fiscal year, with the related bond proceeds reported as other financing sources in that year.

- Of the City's total governmental fund balance of $327.5 million at fiscal year-end, $189.8 million, or 58.0%, was classified as non-spendable or restricted for specific purposes. In accordance with prudent financial management practices, the City also committed $30.3 million in the General Fund as Stability Reserves. In addition, the committed fund balance includes a $10.9 million Designated Revenue Reserve, which was established pursuant to the City's General Fund Reserve Policy to ensure that significant one-time revenues are not expended without specific City Council approval. Please refer to *Notes to Basic Financial Statements (Note A.4.j.2)* 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.

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

Governmental activities include most of the City's core services, such as fire, police, traffic safety, public rights-of-way, community buildings, community services, economic development, parks and greenbelts, community planning and development, and municipal support functions. These activities are funded primarily through property and sales taxes, transient occupancy taxes, business license taxes, fees and permits, investment income, and state and federal grants.

Business-type activities consist primarily of water and sewer services provided to residents and are funded through charges to ratepayers. In addition, the City operates a golf course, contracts with a third-party provider for refuse collection and disposal services, and oversees the federal Section 8 housing program through one of its component units, the Garden Grove Housing Authority. These activities are also reported as business-type activities in the government-wide financial statements.

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 City reports three major governmental funds: the General Fund, the Navigation Center special revenue fund, and the Civic Center Revitalization capital projects fund. Descriptions of these funds are provided in the *Notes to Basic Financial Statements (Note A.3)*.

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.

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 workers' 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 includes *Required Supplementary Information* (RSI) that provides additional context for evaluating the City's financial position and results of operations. The RSI consists of budgetary comparison schedules for the General Fund and the major special revenue fund, as well as schedules and related information that illustrate the City's progress in funding its pension and other post-employment benefit (OPEB) obligations.

The report also includes combining and individual fund financial statements and schedules for non-major governmental funds, proprietary funds, internal service funds, and the agency fiduciary fund. These presentations are provided in the *Other Supplementary Information* section and offer more detailed information beyond what is shown in the basic financial statements.

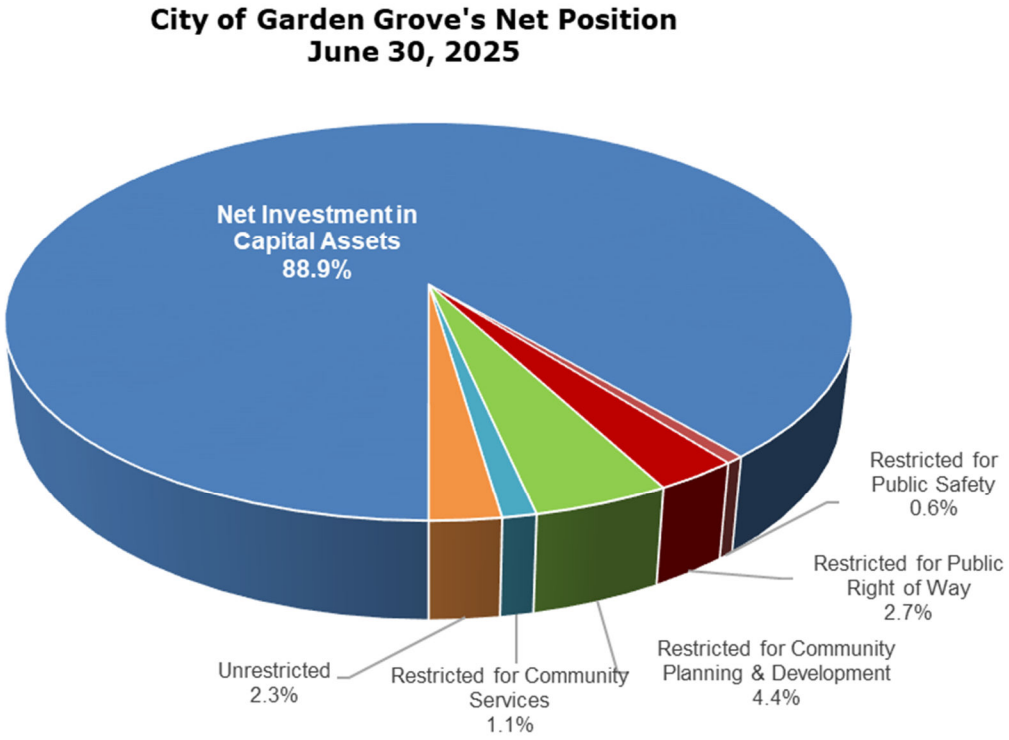
The Statistical Section, presented at the end of the Annual Comprehensive Financial Report, provides detailed historical and trend information on the City's financial and operational activities. This section is designed to assist readers in better understanding the financial statements by offering a broader context through multi-year data, including financial trends, revenue capacity, debt capacity, demographic and economic indicators, and operating information. Collectively, this information helps users assess the City's financial condition, economic environment, and ability to meet its ongoing obligations over time.

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.

For fiscal year 2024–25, government-wide revenues exceeded expenses by $31.2 million. Total program revenues were $174.5 million, an increase of $5.6 million compared to the prior year. General revenues also increased by $7.7 million, primarily attributable to higher investment earnings achieved during the year. Total government-wide expenses reached $337.0 million, an increase of $17.0 million from the previous year. After accounting for a -$7.1 million restatement, the City's net position increased by $24.1 million to $959.8 million as of June 30, 2025.

The graph below illustrates the various components of the City's net position at fiscal year ended June 30, 2025.



Among the total net position, $853.4 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, 2025, was $84.8 million.

The schedule below is a condensed version of the City's statement of net position for fiscal year ended June 30, 2025, with comparative data from the previous fiscal year:

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

	Governmental activities		Business-type activities		Total	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
Current and other assets	$ 502.0	$ 541.1	$ 141.7	$ 124.9	$ 643.7	$ 666.0
Capital assets	768.7	696.7	182.8	180.5	951.5	877.2
Total assets	1,270.7	3,261.8	324.5	305.4	1,595.2	1,543.2
Unamortized loss on refunding	-	-	0.1	0.1	0.1	0.1
OPEB related items	16.1	19.4	2.2	2.6	18.3	22.0
Pension related items	52.2	73.7	5.7	8.0	57.9	81.7
Total deferred outflows	68.3	93.1	8.0	10.7	76.3	103.8
Long-term debt	217.0	208.9	37.1	38.5	254.1	247.4
Total OPEB liability	37.9	37.8	5.2	5.2	43.1	43.0
Net pension liability	316.8	327.7	27.3	29.8	344.1	357.5
Other liabilities	33.6	29.0	15.2	11.6	48.8	40.6
Total liabilities	605.3	603.4	84.8	85.1	690.1	688.5
Unamortized gain on refunding	-	-	0.1	0.1	0.1	0.1
Lease related items	6.6	5.8	-	-	6.6	5.8
OPEB related items	13.1	13.8	1.8	1.9	14.9	15.7
Pension related items	-	1.0	-	0.2	-	1.2
Total deferred inflows	19.7	20.6	1.9	2.2	21.6	22.8
Net investment in capital assets	704.8	700.6	148.6	142.8	853.4	843.4
Restricted	84.8	230.1	-	-	84.8	230.1
Unrestricted	(75.6)	(223.8)	97.2	86.0	21.6	(137.8)
Total net position	$ 714.0	$ 706.9	$ 245.8	$ 228.8	$ 959.8	$ 935.7

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's Changes in Net Position
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	$ 16.3	$ 20.2	$ 71.1	$ 62.5	$ 87.4	$ 82.7
Operating contributions and grants	26.8	30.5	57.6	54.2	84.4	84.7
Capital contributions and grants	2.7	1.5	-	-	2.7	1.5
General revenues:						
Taxes:						
Property taxes	67.4	65.5	-	-	67.4	65.5
Sales and use taxes	59.3	60.1	-	-	59.3	60.1
Transient occupancy taxes	27.1	28.5	-	-	27.1	28.5
Other taxes	9.5	9.8	-	-	9.5	9.8
Investment earnings	24.1	15.4	5.7	5.1	29.8	20.5
Other income	0.6	1.6	-	-	0.6	1.6
Total revenues	233.8	233.1	134.4	121.8	368.2	354.9
Expenses:						
Public safety - Fire	34.2	31.9	-	-	34.2	31.9
Public safety - Police	95.6	97.8	-	-	95.6	97.8
Traffic safety	7.9	6.8	-	-	7.9	6.8
Public right of way & drainage	23.6	25.2	-	-	23.6	25.2
Community buildings	8.4	5.8	-	-	8.4	5.8
Parks & community services	9.0	10.1	-	-	9.0	10.1
Economic development	2.8	2.6	-	-	2.8	2.6
Community planning & development	19.5	20.5	-	-	19.5	20.5
Municipal support	13.3	14.3	-	-	13.3	14.3
Water utility	-	-	43.9	38.1	43.9	38.1
Sewer utility	-	-	12.3	8.5	12.3	8.5
Solid waste disposal	-	-	2.0	2.2	2.0	2.2
Housing program	-	-	56.3	52.6	56.3	52.6
Golf course	-	-	2.3	2.3	2.3	2.3
Interest on long-term debt	5.9	1.3	-	-	5.9	1.3
Total Expenses	220.2	216.3	116.8	103.7	337.0	320.0
Income (loss) before transfers	13.6	16.8	17.6	18.1	31.2	34.9
Change in net position	13.6	16.8	17.6	18.1	31.2	34.9
Net position - beginning of year	706.9	690.1	228.8	210.7	935.7	900.8
Restatement	(6.5)	-	(0.6)	-	(7.1)	-
Net position - end of year	$ 714.0	$ 706.9	$ 245.8	$ 228.8	$ 959.8	$ 935.7

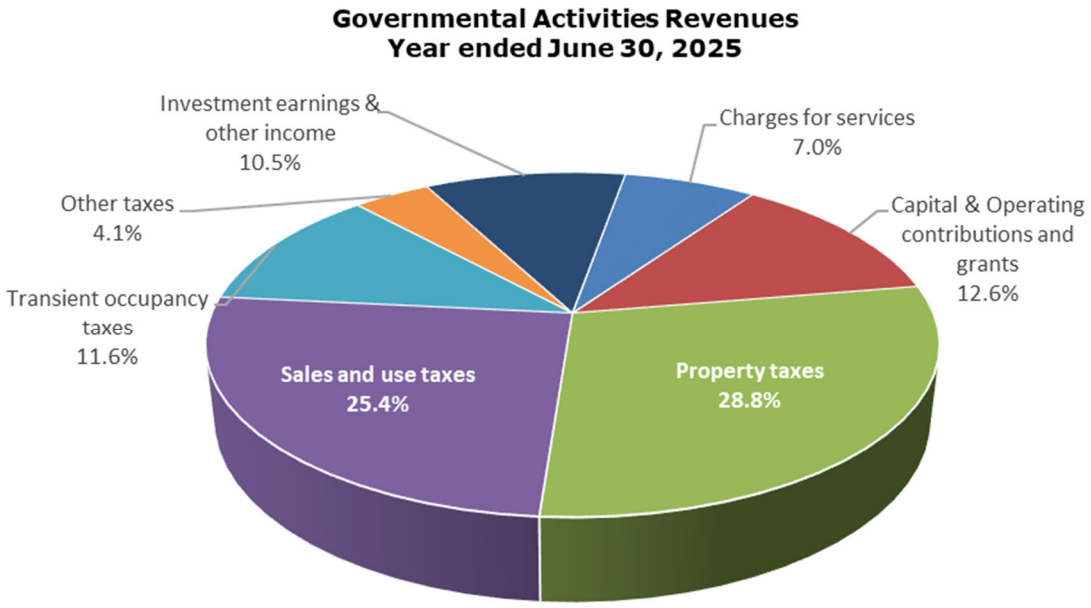
Governmental Activities

For fiscal year 2024–25, total resources available to finance the City's governmental activities totaled $934.2 million. This amount consisted of a beginning net position of $706.9 million, a restatement of –$6.5 million, $45.8 million in program revenues, and $188.0 million in general revenues reported during the year. After deducting total expenses of $220.2 million, governmental activities reported an ending net position of $714.0 million as of June 30, 2025.

Total revenues from governmental activities for the current fiscal year totaled $233.8 million, with tax revenues of $163.3 million accounting for 69.8% of total governmental activities revenues. Property tax remained the City's largest revenue source, generating $67.4 million in fiscal year 2024–25. Sales and use taxes were the second-largest revenue source at $59.3 million, followed by transient occupancy taxes, which totaled $27.1 million for the year.

Program revenues for fiscal year 2024–25 totaled $45.8 million, consisting of $16.3 million in charges for services and $29.5 million in grants. The largest grant revenues received during the year were for street improvement projects, which are reported under the Public Right of Way function.

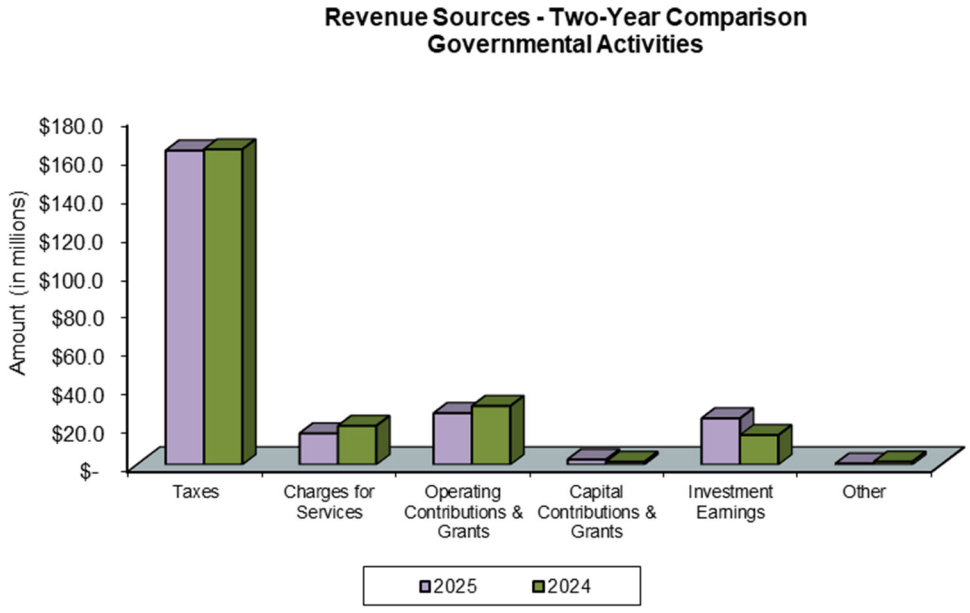
A breakdown of revenue sources reported in the governmental activities is shown below.



Compared to the prior fiscal year, overall tax revenues declined slightly by approximately $0.6 million. After several years of rapid post-pandemic growth, tax revenues stabilized, while investment earnings increased by $8.7 million from the previous year, driven by favorable interest rate market conditions.

Program revenues for Fiscal Year 2024–25 decreased by $6.4 million compared to the prior year. This decline was primarily attributable to a $3.9 million reduction in charges for services, largely reflecting a one-time $4.0 million allocation received in the prior year to support the Central Cities Navigation Center and reported within the Community Buildings program. In addition, operating and capital grant revenues decreased by $2.5 million in the current year.

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

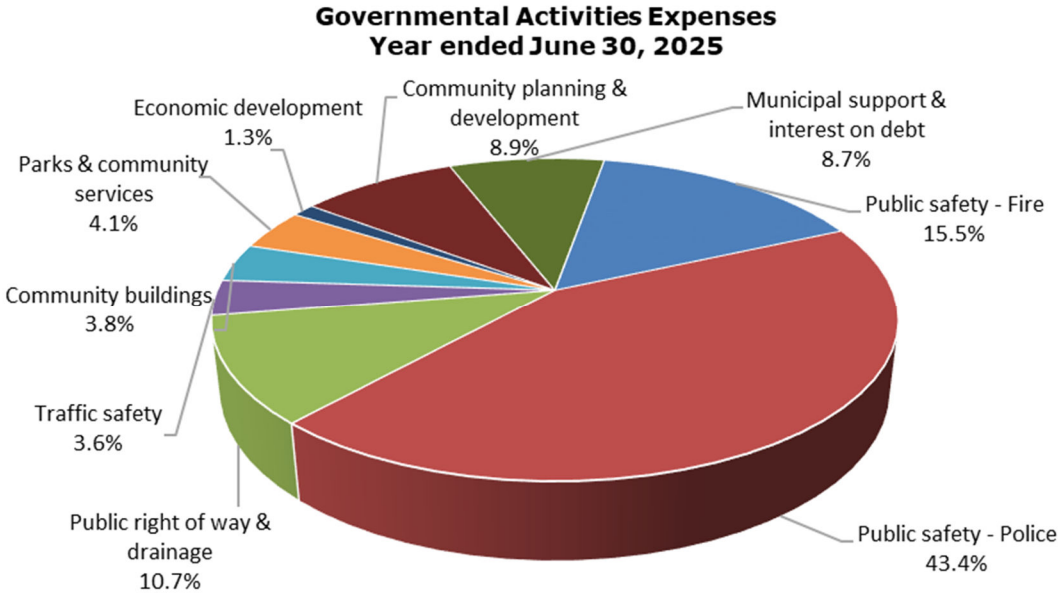


Total expenses for governmental activities for the fiscal year ended June 30, 2025, totaled $220.2 million. Public Safety remained the City's largest functional expense, with combined Fire and Police costs totaling $129.8 million, reflecting the City's continued emphasis on maintaining essential public safety services.

Public Right of Way and Drainage represented the second-largest expense category at $23.6 million. These costs were primarily associated with street rehabilitation, road infrastructure, and storm drain improvement projects undertaken during the year.

Community Planning and Development ranked as the third-largest functional expense for the fiscal year. This category includes costs related to several capital improvement and development projects, as well as ongoing planning, permitting, and development services that support the City's long-term growth and infrastructure needs.

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



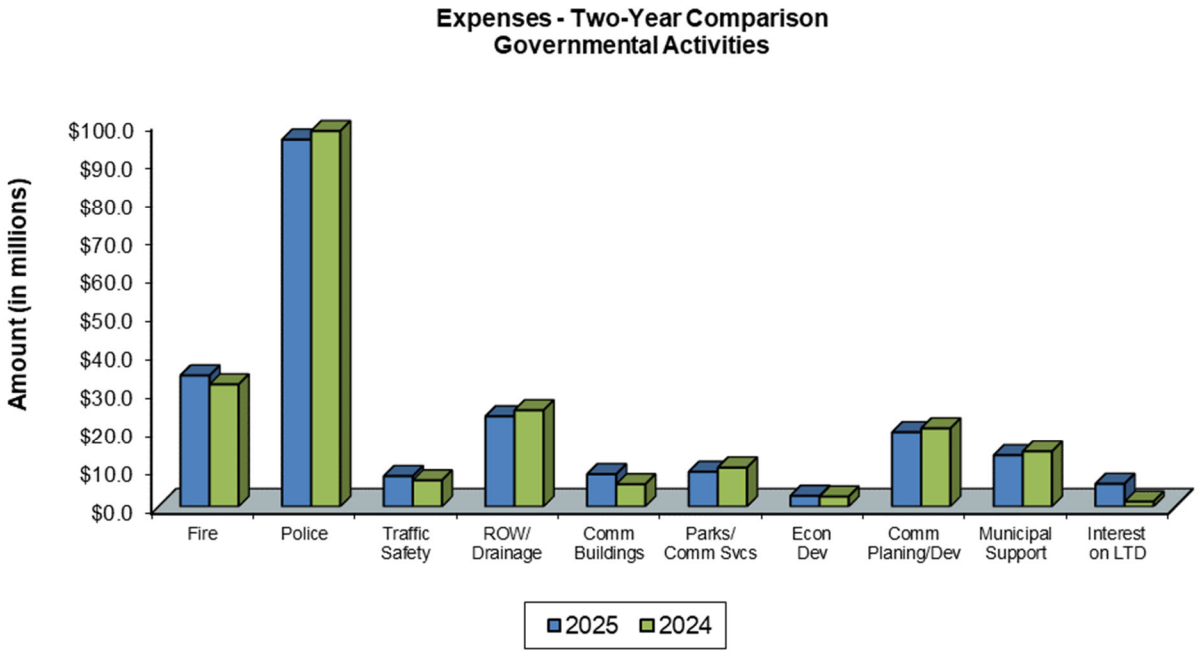
The cost of public safety functions (police and fire) remained consistent with the prior year. Public safety is primarily funded through property taxes, sales tax, transient occupancy tax, and other taxes. Total public safety spending occupied 79.5% of the City's total tax revenues.

Traffic safety, public-right-of-way and drainage, community buildings functions are responsible for the maintenance and construction of the transportation system and City facilities. These activities are funded through gas taxes, Measure M2, various federal, state, and local grants, special assessments, as well as revenues from the General Fund. Parks and community services are primarily supported by general revenues, supplemented by program fees. Economic Development and Community Planning and Development functions are funded by development-related revenues as well as general revenues, such as taxes, fees, and investment income. Municipal support services, including administration, legal, human resources, financial, and information technology, are primarily funded through a cost allocation program that charges to the operating functions they support.

Of the total cost of the governmental activities, the amount the taxpayers ultimately funded was $163.3 million. The remainder was covered by program revenues, including $16.3 million from charges to those who directly benefited from the programs, $26.8 million from operating grants and contributions from other governments and organizations, and $2.7 million from capital grants and contributions. Other income totaled $24.7 million, including investment earnings of $24.1 million and other miscellaneous revenues of $0.6 million reported for the year.

Overall governmental activities expenses for Fiscal Year 2024-25 increased modestly by 1.8%, or $3.9 million compared to the prior year. The increase was primarily due to the new debt service payment on the Garden Grove Public Financing Authority Lease Revenue Bonds Series 2024A issued in June 2024. The bonds were to finance the construction of the Garden Grove Civic Center Revitalization project.

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



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

- Program revenues accounted for 19.6% of total revenues generated by governmental activities. During Fiscal Year 2024–25, program revenues totaled $45.8 million, representing a decrease of $6.4 million from the prior year. This decline was primarily attributable to a $3.9 million reduction in charges for services and a $2.5 million decrease in grants and contributions, as discussed above.

- Taxes accounted for 69.8% of total revenues from governmental activities, totaling $163.3 million for the current year, which was $0.6 million lower than the prior year. After several years of rapid growth, tax revenues have begun to stabilize and showed a slight downward trend overall. Property tax increased by $1.9 million and remained the largest revenue source for governmental activities. In contrast, sales and use taxes and transient occupancy tax declined modestly by a combined $2.2 million compared to the prior year, generating a $59.3 million and $27.1 million respectively.

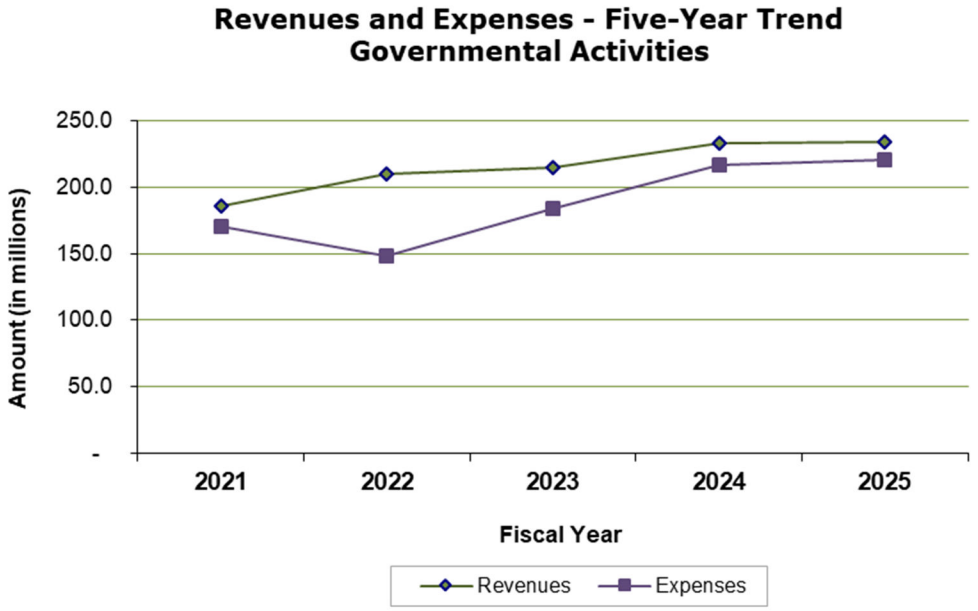
- Total governmental expenses were $220.2 million, an increase of $3.9 million from the prior year, as the City began making debt service payments on the newly issued Garden Grove Public Financing Authority Lease Revenue Bonds Series 2024A.

- Cost for fire protection and emergency medical response services totaled $34.2 million, representing 15.5% of total governmental expenses. Public Safety – Police expenses were reported at $95.6 million, or 43.4% of overall expenses for governmental activities.

- Public Right of Way and Drainage remained the third largest expense category at $23.6 million, reflecting the City's continued investment in streets, roadway, and storm drain infrastructure.

- Expenses reported in the Community Planning and Development function totaled $19.5 million in fiscal year 2024–25, making it the fourth-largest expense category within governmental activities. This function includes planning, permitting, zoning, land development, and the acquisition of real property in support of the City's master development plan.

The chart below illustrates governmental activity revenues and expenses over the past five fiscal years, excluding transfers and extraordinary items to provide a clearer view of ongoing operating trends. During this period, revenues have consistently exceeded expenses, resulting in positive operating results each year. However, the margin between revenues and expenses has gradually narrowed. This trend reflects a slowing in revenue growth following several years of strong increases, combined with continued growth in expenses driven primarily by rising labor costs, contractual obligations, and the impacts of inflation on operating and maintenance costs.



Business-Type Activities

The City's net position for business-type activities increased by $17.0 million during the fiscal year ended June 30, 2025. Revenues exceeded expenses by $17.6 million, partially offset by a restatement of -$0.6 million, resulting in an ending net position for of $245.8 million for business-type activities at year-end.

Total resources available to finance business-type activities during the year totaled $363.2 million. This amount consisted of beginning net position of $228.8 million at July 1, 2024, and total revenues of $134.4 million. After covering total expenses of $116.8 million, and accounting for a restatement of -$0.6 million to beginning net position, the net position for business-type activities increased by $17.0 million, reaching $245.8 million at June 30, 2025.

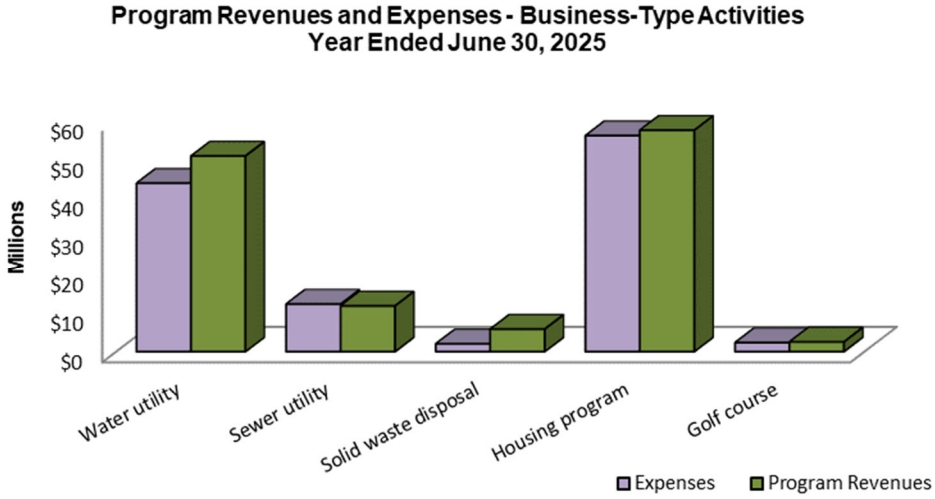
As presented in the Statement of Activities, users of the City's water, sewer systems housing, solid waste, and golf course services contributed $71.1 million, reported as charges for services. Additionally, operating grants and contributions of $57.6 million supported the Housing Section 8 program. Combined, total program revenues for the year amounted to $128.7 million.

The Housing program is the largest component of the City's business-type activities in terms of both revenues and operating costs. The Garden Grove Housing Authority administers the federal Housing Choice Voucher (Section 8) program and reported $57.6 million in operating grants and contributions during the fiscal year ended June 30, 2025, an increase of $3.4 million from the prior year. Correspondingly, operating costs for the Section 8 Housing program increased by $3.7 million, totaling $56.3 million for the year.

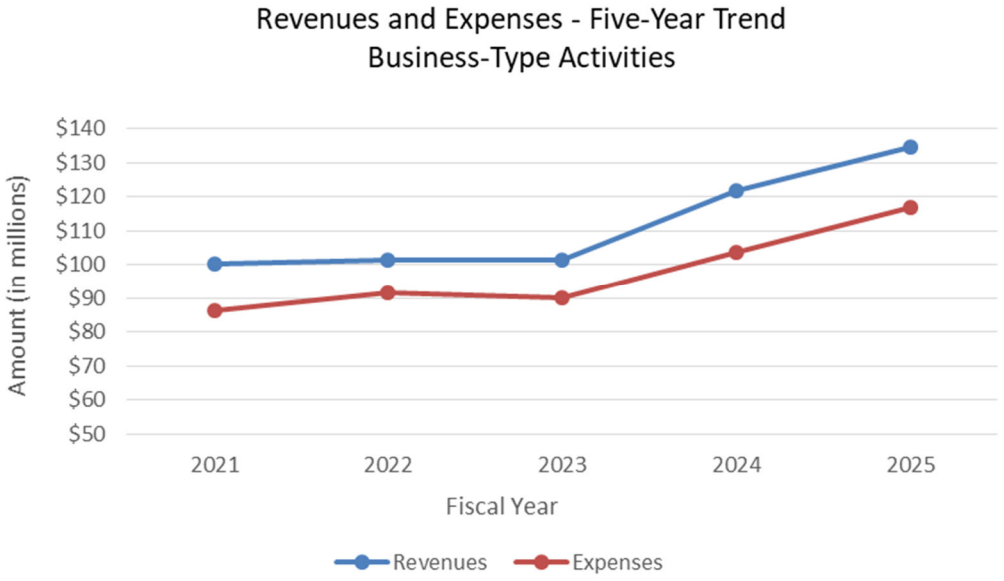
The City completed a water rate study in November 2023, which led to the implementation of new water rates effective January 1, 2024. Charges for services in the current fiscal year increased by $8.6 million in the current fiscal year, primarily due to the updated rates. The rate adjustments were driven by mandates from new state legislation including the removal of per- and polyfluoroalkyl substances (PFAS), as well as increased pass-through costs for the purchase of wholesale water.

Expenses for all business-type activities for the fiscal year ended June 30, 2025 totaled $116.8 million, representing an increase of $13.1 million from the prior year. This increase was driven primarily by a $3.7 million rise in Housing program expenses and a $5.8 million increase in water utility costs, largely attributable to the installation of water treatment facilities at all City wells to remove PFAS from the local water supply. In addition, as the Garden Grove Sanitary District continued implementation of its Sewer Master Plan, sewer utility expenses increased by $3.8 million, primarily due to capital project-related costs.

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



The chart below illustrates revenues and expenses for the City's business-type activities over the past five fiscal years, excluding transfers and extraordinary items to provide a clearer view of ongoing operations. As shown, revenues have consistently exceeded expenses throughout the five-year period, reflecting a strong and sustainable operational position. While revenues and expenses have both grown over time, the City has maintained positive net results each year, demonstrating effective management of utility and housing programs, prudent rate-setting, and ongoing oversight of program expenditures. This trend underscores the City's ability to meet operational needs and fund future capital and maintenance requirements within its business-type activities.



FUND FINANCIAL ANALYSIS

General Fund

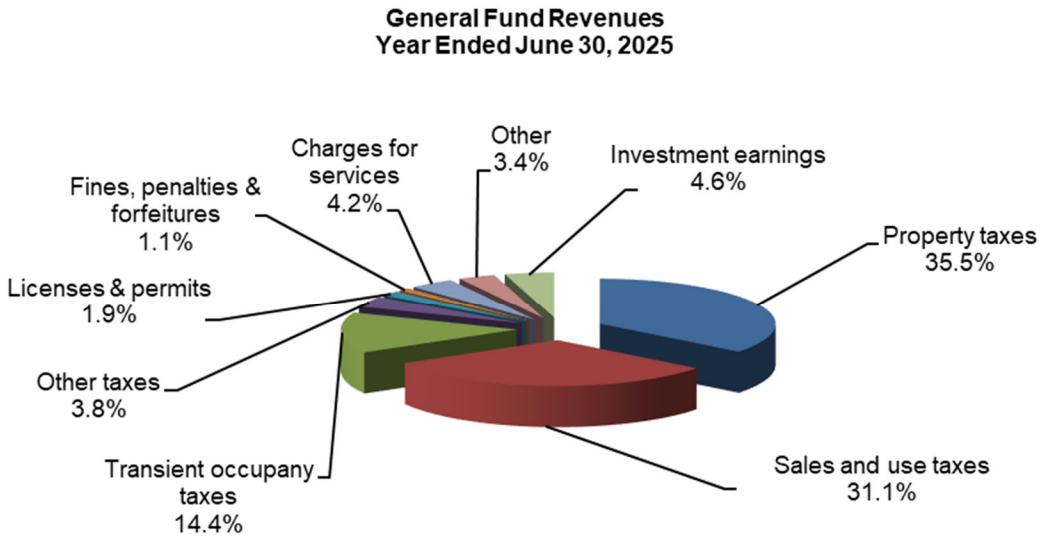
The General Fund is the primary operating fund of the City. The General Fund accounts for essential municipal services including public safety (police and fire), public works, community planning, economic development, and community and park services. These services are primarily funded by tax revenues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

For the fiscal year ended June 30, 2025, the General Fund reported total revenues of $187.6 million, representing a modest increase of $2.6 million over the prior year. While tax revenues declined slightly by $0.3 million, investment earnings and other revenues increased by $2.8 million, offsetting the decrease and contributing to the overall growth in total revenues in the General Fund.

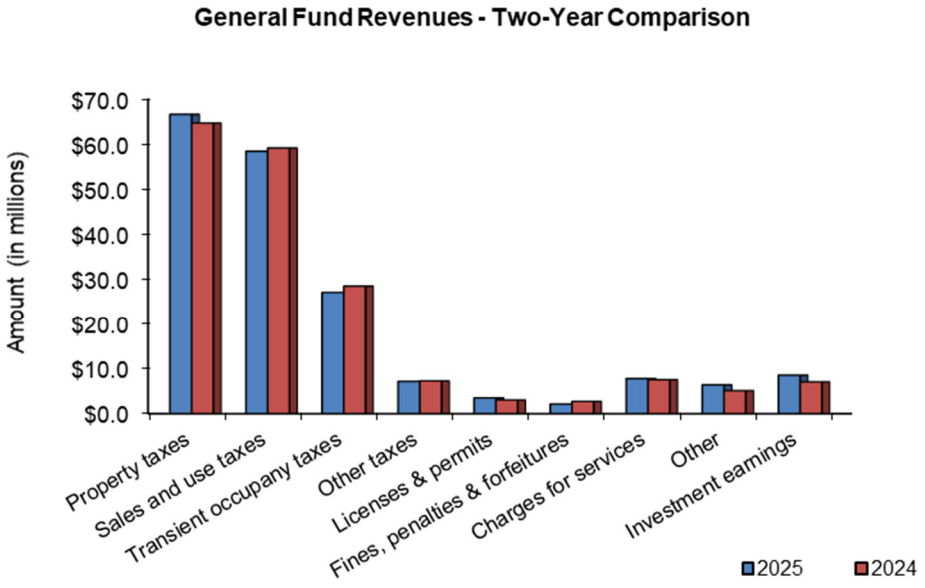
Total tax revenues for the General Fund totaled $159.3 million for fiscal year 2024–25. Property taxes remained the City's largest revenue source, generating $66.6 million. Sales and use taxes and transient occupancy taxes were the second and third largest sources, contributing $58.4 million and $27.1 million, respectively. Together, these three major taxes accounted for $152.1 million, or 82.3% of total General Fund revenues. Other taxes, totaling $7.1 million, included business license taxes, franchise taxes, 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 $28.3 million for the fiscal year ended June 30, 2025.

The graph below illustrates General Fund revenues by major sources:



A two-year comparison of each General Fund revenue source for the fiscal years ended June 30, 2025, and June 30, 2024, is presented below.



While property tax revenues increased by $1.9 million compared to the prior year, sales and use taxes and transient occupancy taxes declined slightly by $0.7 million and $1.4 million, respectively, reflecting signs of a slowing local economy. In prior years, the City had experienced rapid revenue growth following the post-pandemic recovery. However, this upward trend has leveled off, and several major revenue sources have begun to show modest declines, signaling a shift toward more stabilized and, in some cases, softening revenue patterns. This trend highlights the importance of ongoing fiscal monitoring and strategic planning to manage potential impacts on the City's General Fund operations.

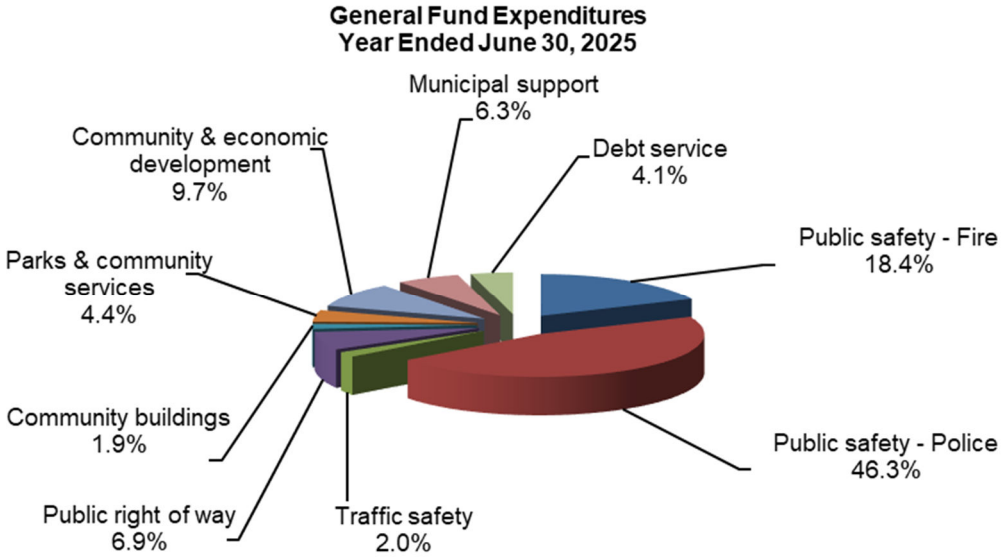
Compared to the prior year, the largest revenue increase came from property taxes, followed by investment earnings, which rose by $1.5 million. The City strategically leveraged its strong cash position in the higher interest rate environment by reinvesting investment income and rebalancing maturities within its portfolio to maximize returns.

Other revenues increased by $1.3 million, primarily due to higher lease revenues following the City's acquisition of an office building in the Civic Center Plaza as part of the Civic Center Master Plan.

On the expenditure side, for the fiscal year ended June 30, 2025, the General Fund reported total expenditures of $181.7 million, a decrease of $22.8 million from the prior year. The prior year included two significant one-time expenditures: the $20.8 million defeasance of the Garden Grove Public Financing Authority Lease Revenue Bonds, Series 2015A, and the $11.9 million acquisition of an office building in the Civic Center Plaza. Excluding these one-time costs, ongoing General Fund expenditures showed an upward trend, with Public Safety spending increasing by $9.3 million, or 8.6%, compared to the previous year.

Consistent with prior years, Public Safety remained the largest expenditure category. Fire services totaled $33.4 million, and Police services totaled $84.1 million, for a combined total of $117.5 million, representing 64.7% of overall General Fund expenditures, including debt service and capital outlay.

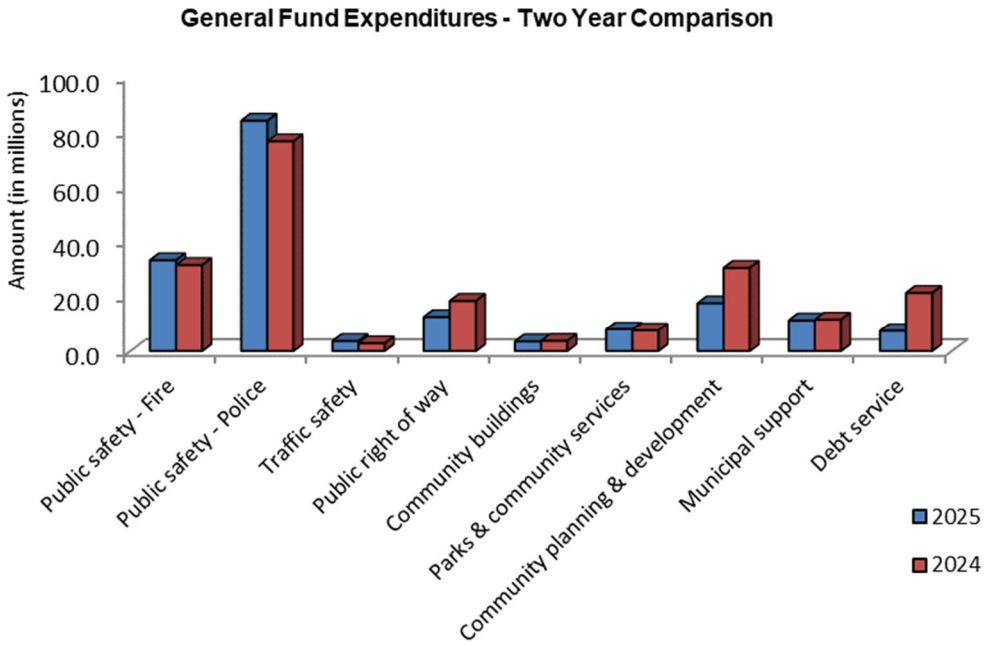
The graph below illustrates General Fund expenditures by category:



Compared to the prior year, the largest decrease in expenditures occurred in the Debt Service category, which declined by $14.0 million due to the one-time bond defeasance reported previously. Expenditures for Community Planning and Development decreased by $12.9 million, reflecting the prior year's one-time building acquisition.

Public Right-of-Way expenditures declined by $5.9 million, as the one-time funding for the pavement acceleration program in fiscal year 2020–21 was fully utilized. For fiscal year 2024–25, total Public Right-of-Way expenditures amounted to $12.6 million, representing 6.9 percent of overall General Fund expenditures.

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



For Fiscal Year 2024-25, General Fund expenditures exceeded revenues by $5.9 million. After taking into account other financing sources of $0.7 million and a net transfer totaling -$19.3 million, the fund balance decreased by $12.7 million for the year, from $165.5 million at the beginning of the year, to an ending balance of $152.8 million as of June 30, 2025.

During the year, the General Fund transferred a total of $12.6 million to the Civic Center Revitalization capital project fund, $4.0 million to the Workers Compensation internal service fund, and $3.0 million to the Risk Management internal service fund. For detailed transfers, please refer to the *Notes to Basic Financial Statements (Note C.5.b)*.

The table on the next page shows a three-year trend analysis on the fund balance of the General Fund. For additional information on the classification of the fund balances, please refer to the *Notes to Basic Financial Statements (Note A.4.j.2)*.

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

	FY 2024-25	FY 2023-24	FY 2022-23
Fund Balances:			
Nonspendable	$ 12.2	$ 14.4	$ 18.7
Restricted	14.5	11.6	7.3
Committed	41.2	38.8	25.7
Assigned	3.5	3.2	2.9
Unassigned	81.4	97.5	128.7
Total Fund Balance	$ 152.8	$ 165.5	$ 183.3
Fund Balance - Beginning	$ 165.5	$ 183.3	$ 162.2
Excess/(deficiency) revenues over expenditures	5.9	(19.5)	19.2
Transfers	(19.3)	1.0	(4.4)
Other financing sources	0.7	0.7	6.3
Fund Balance - Ending	$ 152.8	$ 165.5	$ 183.3

Navigation Center Fund

The Navigation Center Fund is a special revenue fund established to account for the operations of Central Cities Navigation Center (CCNC).

In November 2022, the cities of Garden Grove, Fountain Valley, and Westminster entered into a Memorandum of Understanding (MOU) to jointly establish, construct, develop, maintain, operate, and facilitate overnight shelter services in designated public facilities, collectively known as the CCNC. In December 2022, the City of Garden Grove subsequently entered into a separate MOU with the County of Orange, securing $11.5 million in County funding for the development and operation of the CCNC.

The CCNC was completed and began full operations in June 2024. The facility operates year-round and provides low-barrier transitional emergency housing and wrap-around supportive services to individuals experiencing homelessness within Orange County's Central Service Planning Area. Located at 13871 West Street, Garden Grove, California, the CCNC encompasses 18,166 square feet, including an 11,363-square-foot main structure. The facility currently accommodates 85 beds, with the capacity to expand to 100 beds.

As the host city, Garden Grove serves as Program Treasurer and provides periodic financial reporting to the member cities and the County regarding CCNC operations. Garden Grove's share of CCNC operating costs is 58.8 percent. The Navigation Center Fund accounts for 100% of the CCNC's operating costs, with funding contributions from the member agencies and the County recorded as revenues in accordance with the MOUs and the Generally Accepted Accounting Principles.

During Fiscal Year 2024–25, operating expenditures exceeded revenues by $0.9 million. This operating deficit was primarily attributable to MOU contributions that were insufficient to fully cover certain costs during the initial phase of CCNC operations. Under the terms of the MOUs, the shortfall was covered by remaining capital contributions provided by the member agencies and the County during the construction period.

After a $20,000 transfer out to reimburse the City for Program Treasurer costs, the Navigation Center Fund reported a net decrease in fund balance of $0.9 million, reducing the fund balance from $2.9 million in the prior year to $2.0 million as of June 30, 2025.

Civic Center Revitalization Fund

The Civic Center Revitalization Fund is a capital projects fund established in Fiscal Year 2023–24 to account for the Garden Grove Civic Center Revitalization Project.

The project includes the construction of a new public safety facility for the Garden Grove Police Department, a new parking structure, and the redevelopment of Civic Center Park. Development is occurring in two phases. Phase I consists of a three-story public safety facility and a four-level parking structure located at the corner of Acacia Parkway and Euclid Street. Phase II includes the redesign of Civic Center Park to provide open green space and related public amenities.

The Civic Center Revitalization Project is financed primarily through the issuance of the Garden Grove Public Financing Authority Lease Revenue Bonds, Series 2024A, which were issued in June 2024. Bond proceeds were recorded as revenues in Fiscal Year 2023–24, while project expenditures are recognized on a modified accrual basis as incurred. During Fiscal Year 2024–25, total project expenditures amounted to $61.2 million.

Interest earnings on unspent bond proceeds totaled $4.7 million during the year, and the General Fund transferred $12.6 million to support the project. As a result, the Civic Center Revitalization Fund reported a net decrease in fund balance of $43.9 million for the year. As of June 30, 2025, the fund reported a balance of $98.7 million, consisting primarily of unspent bond proceeds.

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, 2025, net capital assets totaled $768.6 million for governmental activities, and $182.8 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 C.8)* for additional information.

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

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

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	$ 428.6	$ 427.7	$ 5.1	$ 5.1	$ 433.7	$ 432.8
Streets	168.1	166.6	-	-	168.1	166.6
Storm drainage	22.7	24.3	-	-	22.7	24.3
Water system	-	-	97.6	96.6	97.6	96.6
Sewer system	-	-	72.2	69.3	72.2	69.3
Buildings and improvements	40.3	41.2	0.4	0.4	40.7	41.6
Furniture, machinery & equipment	16.5	15.6	0.3	0.2	16.8	15.8
SBITA assets*	1.0	0.1	0.1	0.2	1.1	0.3
Construction in progress	90.8	20.5	6.8	8.2	97.6	28.7
Right to use assets	0.6	0.7	0.3	0.5	0.9	1.2
Total Capital Assets	$ 768.6	$ 696.7	$ 182.8	$ 180.5	$ 951.4	$ 877.2

** 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 an outstanding principal amount of $20.8 million. The defeasance generated nearly $11.0 million in cash flow savings and, more importantly, released property encumbrances within the Civic Center area, facilitating future housing development and accelerating 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%.

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 C.9)*.

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

	Governmental Activities		Business-type Activities		Total	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
Lease revenue bonds	$138.2	$140.0	$ -	$ -	$138.2	$140.0
Leases payable	0.7	0.7	0.3	0.5	1.0	1.2
Revenue bonds	-	-	31.5	33.1	31.5	33.1
Certificates of participation	-	-	-	-	-	-
SBITA payable*	0.8	0.1	0.1	0.2	0.9	0.3
Unamortized bond premium	11.3	11.7	3.7	3.8	15.0	15.5
Total Outstanding Debt	$151.0	$152.5	$ 35.6	$ 37.6	$186.6	$190.1

** 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 $174.8 million for Fiscal Year 2024-25. Final appropriations increased by $19.2 million to $194.0 million, primarily to support the following initiatives:

- $5.2 million in Public Right of Way capital outlay carried over from the prior fiscal year to support the Accelerated Pavement Program;
- $5.0 million in Community Planning & Development for parking lot and tenant improvements associated with the recently acquired office buildings in the Civic Center Plaza;
- $5.7 million in debt service related to the issuance of the Garden Grove Public Financing Authority Lease Revenue Bonds, Series 2024A; and
- $3.1 million in additional funding for the CalPERS-determined unfunded accrued liability (UAL) payment.

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

	2025
Original Budget	$174,857,000
Supplemental Changes	19,176,300
Final Budget	$194,033,300

As of June 30, 2025, the City's General Fund ended the fiscal year with a favorable revenue variance of $5.9 million, primarily attributable to investment earnings that exceeded budgeted estimates by $6.7 million. On the expenditure side, the General Fund reported a favorable variance of $12.3 million, consisting of $8.8 million in personnel cost savings resulting from vacancies, and $3.0 million in unspent capital project appropriations. The unspent capital funds will be carried forward into the next fiscal year.

The General Fund reported an unfavorable budget variance of $19.1 million in net transfers. Three transfers were recorded during the year. A $12.6 million transfer was made to the Civic Center Revitalization Fund, representing funds originally set aside in Fiscal Year 2020-21 to initiate the project. During the project's feasibility phase, appropriations were made in the General Fund. Following the issuance of the 2024 Lease Revenue Bonds and the establishment of the Civic Center Revitalization Fund, the remaining General Fund appropriation was transferred to the new capital project fund.

In addition, a $4.0 million transfer was made to the Workers' Compensation internal service fund. As part of the adoption of the Fiscal Years 2026 and 2027 biennial budget in June 2025, the City Council approved a one-time transfer to eliminate the Workers' Compensation fund's deficit position. For the same purpose, the City Council also approved a $3.0 million transfer to the Risk Management internal service fund.

After considering all revenue, expenditure, and transfer variances, the General Fund reported a net unfavorable budget variance of $0.9 million as of June 30, 2025.

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

General Fund Budget to Actual Comparison
(in millions)

	Revenue	Expenditure	Transfer & Other Sources	Budget Variance
Final Budget	$ 181.7	$ 194.0	-	
Actual	187.6	181.7	(19.1)	
Favorable/(Unfavorable) Budget Variance	$ 5.9	$ 12.3	$ (19.1)	**$ (0.9)**

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

CITY OF GARDEN GROVE
STATEMENT OF NET POSITION
JUNE 30, 2025

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	$ 328,919,688	$ 138,024,088	$ 466,943,776
Cash and investments with fiscal agents	90,219,377	1,542,642	91,762,019
Cash and investments with pension trust	6,034,434	-	6,034,434
Taxes receivable	13,823,417	280,119	14,103,536
Accounts receivable	1,530,054	9,067,693	10,597,747
Interest receivable	727,510	302,364	1,029,874
Intergovernmental receivable	5,030,397	-	5,030,397
Internal balances	7,641,777	(7,641,777)	-
Inventory	552,122	27,056	579,178
Deposits and prepaid items	621,157	119,740	740,897
Notes receivable, net	35,031,631	-	35,031,631
Leases receivable	6,953,937	-	6,953,937
Due from Successor Agency	2,044,260	-	2,044,260
Land held for resale	2,819,063	-	2,819,063
Prepaid bond insurance costs	82,531	-	82,531
Capital assets:			
Land	428,564,174	5,142,500	433,706,674
Construction in progress	90,827,698	6,748,623	97,576,321
Depreciable capital assets, net	249,248,178	170,901,879	420,150,057
Total assets	1,270,671,405	324,514,927	1,595,186,332
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized loss on refunding of debt	-	60,605	60,605
OPEB related items	16,105,833	2,205,986	18,311,819
Pension related items	52,233,608	5,749,800	57,983,408
Total deferred outflows	68,339,441	8,016,391	76,355,832
LIABILITIES			
Accounts payable	17,065,739	10,746,858	27,812,597
Accrued liabilities	6,697,203	908,808	7,606,011
Refundable deposits	3,221,346	3,518,633	6,739,979
Interest payable	685,235	50,906	736,141
Unearned revenue	5,939,822	-	5,939,822
Noncurrent liabilities:			
Due within one year	21,519,152	3,080,316	24,599,468
OPEB liability short-term	4,233,362	579,836	4,813,198
Due in more than one year	195,500,947	33,971,249	229,472,196
OPEB liability	33,713,507	4,617,674	38,331,181
Net pension liability	316,741,786	27,272,964	344,014,750
Total liabilities	605,318,099	84,747,244	690,065,343
DEFERRED INFLOWS OF RESOURCES			
Unamortized gain on refunding of debt	-	117,856	117,856
Lease related	6,572,378	-	6,572,378
OPEB related items	13,152,316	1,801,447	14,953,763
Total deferred inflows	19,724,694	1,919,303	21,643,997
NET POSITION			
Net investment in capital assets	704,751,771	148,663,334	853,415,105
Restricted for:			
Public safety	5,723,514	-	5,723,514
Public right of way	23,483,709	-	23,483,709
Drainage	2,371,872	-	2,371,872
Community planning and development	41,965,462	-	41,965,462
Community services	10,645,259	-	10,645,259
Municipal support and services	597,501	-	597,501
Unrestricted	(75,571,035)	97,201,437	21,630,402
Total net position	$ 713,968,053	$ 245,864,771	$ 959,832,824

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, 2025

Functions/programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions
Governmental activities:			
Fire	$ 34,232,085	$ 687,767	$ 127,774
Police	95,621,251	2,687,421	2,555,110
Traffic safety	7,862,212	1,295,174	115,770
Public right of way	21,656,090	385,780	16,240,265
Drainage	1,958,759	-	-
Community buildings	8,370,420	363,740	11,211
Community services	6,349,792	608,864	-
Economic development	2,838,149	-	163,389
Parks and greenbelts	2,689,974	1,416,673	78,555
Community planning and development	19,504,936	5,855,556	4,980,595
Municipal support	13,242,941	3,021,936	2,481,448
Interest on long term debt	5,874,985	-	-
Total governmental activities	220,201,594	16,322,911	26,754,117
Business-type activities:			
Water utility	43,889,147	50,956,492	-
Sewage collection	12,301,737	11,833,408	-
Housing authority	56,261,141	-	57,658,193
Solid waste disposal	2,034,631	5,826,546	-
Golf course	2,361,086	2,520,075	-
Total business-type activities	116,847,742	71,136,521	57,658,193
Total	$ 337,049,336	$ 87,459,432	$ 84,412,310
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 (loss) on sale of capital assets			
Miscellaneous			
Transfers			
Total general revenues and transfers			
Change in net position			
Net position, beginning of year			
Restatement - implementation of GASB 101 (Note 17)			
Net position, beginning of year, as restated			
Net position, end of year			

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

Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
$ -	$ (33,416,544)	$ -	$ (33,416,544)
-	(90,378,720)	-	(90,378,720)
523,465	(5,927,803)	-	(5,927,803)
-	(5,030,045)	-	(5,030,045)
94,566	(1,864,193)	-	(1,864,193)
-	(7,995,469)	-	(7,995,469)
-	(5,740,928)	-	(5,740,928)
-	(2,674,760)	-	(2,674,760)
2,070,752	876,006	-	876,006
-	(8,668,785)	-	(8,668,785)
-	(7,739,557)	-	(7,739,557)
-	(5,874,985)	-	(5,874,985)
2,688,783	(174,435,783)	-	(174,435,783)
-	-	7,067,345	7,067,345
-	-	(468,329)	(468,329)
-	-	1,397,052	1,397,052
-	-	3,791,915	3,791,915
14,300	-	173,289	173,289
14,300	-	11,961,272	11,961,272
$ 2,703,083	$ (174,435,783)	$ 11,961,272	$ (162,474,511)
	59,368,819	-	59,368,819
	67,386,227	-	67,386,227
	2,736,133	-	2,736,133
	6,477,140	-	6,477,140
	27,092,903	-	27,092,903
	271,110	-	271,110
	24,095,347	5,768,669	29,864,016
	(160,874)	-	(160,874)
	716,426	-	716,426
	46,876	(46,876)	-
	188,030,107	5,721,793	193,751,900
	13,594,324	17,683,065	31,277,389
	706,910,842	228,807,979	935,718,821
	(6,537,113)	(626,273)	(7,163,386)
	700,373,729	228,181,706	928,555,435
	$ 713,968,053	$ 245,864,771	$ 959,832,824

CITY OF GARDEN GROVE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Navigation Center Fund	Civic Center Revitalization Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash investments	$ 131,283,806	$ 988,670	$ 20,242,972	$ 44,359,451	$ 196,874,899
Cash and cash investments with fiscal agents	46	3,102,728	87,116,603	-	90,219,377
Cash and investments with pension trust	6,034,434	-	-	-	6,034,434
Taxes receivable	12,211,179	-	-	1,612,238	13,823,417
Accounts receivable	1,356,844	-	-	131,998	1,488,842
Interest receivable	315,084	5,502	40,470	97,260	458,316
Intergovernmental receivable	1,252,286	-	-	3,778,008	5,030,294
Intercity loans receivable, net	9,739,708	-	-	-	9,739,708
Due from other funds	174,864	-	-	-	174,864
Due from Successor Agency	-	-	-	2,044,260	2,044,260
Deposits and prepaid items	189,468	-	1,320	10,502	201,290
Notes receivable, net	2,339,940	-	-	32,691,691	35,031,631
Leases receivable	6,953,937	-	-	-	6,953,937
Land held for resale	2,300,000	-	-	519,063	2,819,063
Total assets	$ 174,151,596	$ 4,096,900	$ 107,401,365	$ 85,244,471	$ 370,894,332
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 3,547,162	$ 413,419	$ 6,513,695	$ 4,837,386	$ 15,311,662
Accrued liabilities	2,777,958	-	2,147,954	697,405	5,623,317
Refundable deposits	3,185,865	-	-	19,793	3,205,658
Intercity loan payable	2,157,835	-	-	1,550,000	3,707,835
Unearned revenue	1,732,013	1,650,408	-	2,557,401	5,939,822
Due to other funds	115,003	20,000	-	72,690	207,693
Total liabilities	13,515,836	2,083,827	8,661,649	9,734,675	33,995,987
Deferred inflows of resources:					
Unavailable revenue	1,252,286	-	-	1,608,853	2,861,139
Lease related	6,572,378	-	-	-	6,572,378
Total Deferred inflows	7,824,664	-	-	1,608,853	9,433,517
Fund balances:					
Non-Spendable:					
Intercity loan	9,739,708	-	-	-	9,739,708
Prepaid items	189,468	-	1,320	10,502	201,290
Land held for resale	2,300,000	-	-	-	2,300,000
Restricted:					
Public safety	40,225	-	87,116,603	5,722,382	92,879,210
Fire protection	56,158	-	-	-	56,158
Public right of way	282,687	-	-	23,201,022	23,483,709
Drainage	-	-	-	2,371,872	2,371,872
Community planning and development	7,613,760	-	-	34,265,965	41,879,725
Community services	209,549	2,013,073	-	8,422,637	10,645,259
Municipal support and services	265,258	-	-	-	265,258
Pension trust	6,034,434	-	-	-	6,034,434
Committed:					
Stability reserve	30,268,900	-	-	-	30,268,900
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	1,155,916	-	-	-	1,155,916
Unassigned	81,432,575	-	11,621,793	(93,437)	92,960,931
Total fund balances	152,811,096	2,013,073	98,739,716	73,900,943	327,464,828
Total liabilities, deferred inflows of resources, and fund balances	$ 174,151,596	$ 4,096,900	$ 107,401,365	$ 85,244,471	$ 370,894,332

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, 2025

Amounts reported for governmental activities in the statement of net position are different because:		
Fund balances - total governmental funds	$	327,464,828
Capital assets used in governmental activities are not current financial resources, and therefore are not reported in the governmental funds balance sheet.		
Capital assets		1,140,918,516
Accumulated depreciation		(390,883,003)
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.		2,861,139
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.		76,411,380
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		(138,859,233)
Bond premium		(11,317,177)
Prepaid bond insurance		82,531
Accrued interest payable		(668,979)
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.		(33,457,739)
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.		(258,584,210)
Net position of governmental activities	$	713,968,053

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, 2025

	General Fund	Navigation Center Fund	Civic Center Revitalization Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:					
Taxes	$ 159,277,631	$ -	$ -	$ 4,172,172	$ 163,449,803
Licenses and permits	3,491,798	-	-	239,668	3,731,466
Fines, forfeits and penalties	2,123,846	-	-	199,911	2,323,757
Investment earnings	8,526,392	105,331	4,690,717	3,017,351	16,339,791
Charges for current services	7,785,344	-	-	4,802,498	12,587,842
From other agencies	129,106	1,309,429	-	20,215,713	21,654,248
Other revenues	6,268,901	-	-	560,958	6,829,859
Total revenues	187,603,018	1,414,760	4,690,717	33,208,271	226,916,766
EXPENDITURES:					
Current:					
Fire	33,381,356	-	-	-	33,381,356
Police	84,129,709	-	-	2,848,417	86,978,126
Traffic safety	3,604,603	-	-	2,745,716	6,350,319
Public right of way	12,620,179	-	-	16,799,117	29,419,296
Community buildings	3,524,245	2,298,633	-	-	5,822,878
Community services	6,338,838	-	-	1,469,298	7,808,136
Economic development	-	-	-	2,521,569	2,521,569
Parks and greenbelts	1,657,227	-	-	1,359,338	3,016,565
Community planning and development	17,624,668	-	61,207,159	2,290,097	81,121,924
Municipal support	11,395,804	-	-	166,122	11,561,926
Debt service:					
Principal retirement	1,817,365	-	-	-	1,817,365
Interest	5,608,706	-	11,000	-	5,619,706
Bond issuance costs	-	-	-	-	-
Total expenditures	181,702,700	2,298,633	61,218,159	30,199,674	275,419,166
Excess of revenues over expenditures	5,900,318	(883,873)	(56,527,442)	3,008,597	(48,502,400)
OTHER FINANCING SOURCES (USES):					
Issuance of debt	197,780	-	-	-	197,780
Proceeds of subscription-based leases	539,199	-	-	-	539,199
Transfers in	1,773,138	-	12,610,800	1,520,579	15,904,517
Transfers out	(21,131,379)	(20,000)	-	(752,989)	(21,904,368)
Total other financing (uses)	(18,621,262)	(20,000)	12,610,800	767,590	(5,262,872)
Net change in fund balances	(12,720,944)	(903,873)	(43,916,642)	3,776,187	(53,765,272)
Fund balances, beginning of year	165,532,040	2,916,946	142,656,358	70,124,756	381,230,100
Fund balances, end of year	$ 152,811,096	$ 2,013,073	$ 98,739,716	$ 73,900,943	$ 327,464,828

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, 2025

Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balances - total governmental funds	$ (53,765,272)
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	81,754,734
Depreciation expense	(14,512,958)
Loss on the disposal of capital assets	(267,961)
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	2,678,211
Change in accrued interest	(235,825)
Lease issued	(197,780)
Subscription-based lease issued	(539,199)
Amortization of bond premium and deferred items	(4,179)
Some revenues in statement of activities that do not provide current financial resources are not reported as revenues in the funds.	418,931
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.	10,312,120
OPEB costs do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(2,605,937)
Pension costs do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(9,440,561)
Change in net position of governmental activities	$ 13,594,324

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

CITY OF GARDEN GROVE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	Business-Type Activities - Enterprise Funds					Governmental Activities -
	Water Utility	Sewage Collection	Housing Authority	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
ASSETS						
Current assets:						
Cash and cash investments	$ 54,539,538	$ 52,880,414	$ 6,241,603	$ 24,362,533	$ 138,024,088	$ 132,044,789
Cash and cash investments with fiscal agents	1,542,642	-	-	-	1,542,642	-
Taxes receivable	-	-	-	280,119	280,119	-
Accounts receivable	6,285,685	2,154,503	10,462	617,043	9,067,693	41,212
Interest receivable	119,362	117,536	11,919	53,547	302,364	269,194
Intergovernmental receivable	-	-	-	-	-	103
Due from other funds	-	-	-	-	-	143,129
Inventory	-	-	-	27,056	27,056	552,122
Deposits and prepaid items	6,245	10,702	13,380	89,413	119,740	419,867
Total current assets	62,493,472	55,163,155	6,277,364	25,429,711	149,363,702	133,470,416
Noncurrent assets:						
Intercity loans receivable, net	-	-	-	-	-	2,558,341
Capital assets:						
Land	1,471,805	537,984	-	3,132,711	5,142,500	-
Construction in progress	5,827,827	920,796	-	-	6,748,623	3,138,057
Depreciable capital assets, net	97,966,400	72,352,384	10,954	572,141	170,901,879	15,466,480
Total noncurrent assets	105,266,032	73,811,164	10,954	3,704,852	182,793,002	21,162,878
Total assets	167,759,504	128,974,319	6,288,318	29,134,563	332,156,704	154,633,294
DEFERRED OUTFLOWS OF RESOURCES						
Unamortized loss on refunding of debt	60,605	-	-	-	60,605	-
OPEB related items	1,242,205	299,843	492,599	171,339	2,205,986	706,772
Pension related items	2,945,731	1,345,129	1,142,821	316,119	5,749,800	1,582,558
Total deferred outflows	4,248,541	1,644,972	1,635,420	487,458	8,016,391	2,289,330
LIABILITIES						
Current liabilities:						
Accounts payable	9,067,297	1,367,039	12,303	300,219	10,746,858	1,754,077
Accrued liabilities	551,574	253,458	83,911	19,865	908,808	1,073,886
Refundable deposits	597,308	44,079	267,241	2,610,005	3,518,633	15,688
Interest payable	31,574	18,724	5	603	50,906	16,256
Due to other funds	12,167	4,305	1,972	88,213	106,657	3,643
Current portion of long-term obligations						
Subscription-based IT payable	18,900	44,100	-	-	63,000	46,803
Leases payable	-	-	11,076	108,364	119,440	88,420
Accrued compensated absences	646,627	355,601	-	-	1,002,228	9,101,316
Claims payable	-	-	-	-	-	9,260,366
OPEB liability	326,509	78,813	129,478	45,036	579,836	185,773
Long-term debt	1,073,192	822,456	-	-	1,895,648	-
Total current liabilities	12,325,148	2,988,575	505,986	3,172,305	18,992,014	21,546,228
Noncurrent liabilities:						
Noncurrent portion of long-term obligations:						
Subscription-based IT payable	18,900	44,100	-	-	63,000	517,565
Leases payable	-	-	-	211,112	211,112	175,686
Accrued compensated absences	280,192	154,086	-	-	434,278	5,575,332
Claims payable	-	-	-	-	-	42,078,201
Intercity loans payable	8,189,708	-	-	-	8,189,708	400,506
Long-term debt	22,784,336	10,478,523	-	-	33,262,859	-
Net pension liability	13,972,454	6,380,334	5,420,730	1,499,446	27,272,964	7,506,526
OPEB liability	2,600,244	627,645	1,031,131	358,654	4,617,674	1,479,449
Total noncurrent liabilities	47,845,834	17,684,688	6,451,861	2,069,212	74,051,595	57,733,265
Total liabilities	60,170,982	20,673,263	6,957,847	5,241,517	93,043,609	79,279,493
DEFERRED INFLOWS OF RESOURCES						
Unamortized gain on refunding of debt	-	117,856	-	-	117,856	-
OPEB related items	1,014,407	244,857	402,265	139,918	1,801,447	577,163
Pension related items	-	-	-	-	-	-
Total deferred inflows	1,014,407	362,713	402,265	139,918	1,919,303	577,163
NET POSITION						
Net investment in capital assets	82,973,951	62,304,129	(122)	3,385,376	148,663,334	17,776,063
Unrestricted	27,848,705	47,279,186	563,748	20,855,210	96,546,849	59,289,905
Total net position	$ 110,822,656	$ 109,583,315	$ 563,626	$ 24,240,586	245,210,183	$ 77,065,968
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					654,588	
Net position of business-type activities					$ 245,864,771	

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, 2025

	Business-Type Activities - Enterprise Funds		
	Water Utility	**Sewage Collection**	**Housing Authority**
Operating revenues:			
Charges for services	$ -	$ -	$ -
Water sales	50,428,367	-	-
Section 8 grant revenue	-	-	57,594,691
Solid waste disposal fees	-	-	-
Property assessments	-	4,531,538	-
Sewer user fees	-	7,301,870	-
Other	528,125	-	63,502
Total operating revenues	50,956,492	11,833,408	57,658,193
Operating expenses:			
Salaries and benefits	8,720,274	3,640,941	2,948,310
Contractual services	8,230,885	2,165,448	230,320
Liability claims	-	-	-
Materials and supplies	1,378,350	339,324	415,230
Water production expenses	18,530,083	-	-
Housing	-	-	52,652,636
Golf course operations	-	-	-
Depreciation and amortization	4,323,982	2,054,234	14,645
Total operating expenses	41,183,574	8,199,947	56,261,141
Operating income	9,772,918	3,633,461	1,397,052
Nonoperating revenues (expenses):			
Investment income	2,114,457	2,512,781	194,180
Gain (loss) on disposal of assets	(520,116)	(3,404,696)	-
Other nonoperating revenues (expenses)	(229,686)	-	-
Interest expense	(1,016,173)	(400,383)	-
Total nonoperating (expenses) revenues	348,482	(1,292,298)	194,180
Income before transfers and capital contributions	10,121,400	2,341,163	1,591,232
Capital contributions	-	-	-
Transfers in	-	41,407	-
Transfers out	(41,407)	-	-
Change in net position	10,079,993	2,382,570	1,591,232
Total net position (deficit), beginning of year	101,077,084	107,492,597	(1,027,606)
Restatement - implementation of GASB 101 (Note 17)	(334,421)	(291,852)	-
Total net position (deficit), beginning of year, as restated	100,742,663	107,200,745	(1,027,606)
Total net position (deficit), end of year	$ 110,822,656	$ 109,583,315	$ 563,626

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 -
Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
$ 2,520,075	$ 2,520,075	$ 38,704,404
-	50,428,367	-
-	57,594,691	-
4,012,774	4,012,774	-
617,737	5,149,275	-
-	7,301,870	-
1,196,035	1,787,662	391,900
8,346,621	128,794,714	39,096,304
487,633	15,797,158	22,708,872
1,531,152	12,157,805	3,435,818
-	-	12,229,645
15,846	2,148,750	2,113,524
-	18,530,083	-
-	52,652,636	-
2,204,773	2,204,773	-
153,460	6,546,321	2,352,292
4,392,864	110,037,526	42,840,151
3,953,757	18,757,188	(3,743,847)
947,251	5,768,669	6,162,795
-	(3,924,812)	107,087
-	(229,686)	-
(2,853)	(1,419,409)	(15,275)
944,398	194,762	6,254,607
4,898,155	18,951,950	2,510,760
14,300	14,300	518,324
-	41,407	7,046,876
(46,876)	(88,283)	(1,000,149)
4,865,579	18,919,374	9,075,811
19,375,007		74,527,270
-		(6,537,113)
19,375,007		67,990,157
$ 24,240,586		$ 77,065,968
	(1,236,309)	
	$ 17,683,065	

CITY OF GARDEN GROVE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Business-Type Activities - Enterprise Funds	
	Water Utility	**Sewage Collection**
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and user departments	$ 49,824,208	$ 11,735,891
Payments to suppliers	(25,938,936)	(1,958,998)
Payments to employees	(8,659,242)	(3,531,693)
Payments for employee benefits	-	-
Net cash provided by operating activities	15,226,030	6,245,200
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash received from other funds	-	1,331
Cash paid to other funds	(888,270)	-
Net cash (used) provided by noncapital financing activities	(888,270)	1,331
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(6,897,271)	(5,589,831)
Proceeds from sale of capital assets	67,128	-
Principal paid on capital debt	(920,000)	(715,000)
Interest paid on capital debt	(1,130,898)	(485,125)
Net cash (used) by capital and related financing activities	(8,881,041)	(6,789,956)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest earnings	1,338,821	1,402,418
Increase (decrease) in fair value of investments	785,791	1,126,872
Net cash provided by investing activities	2,124,612	2,529,290
Net (decrease) increase in cash and cash equivalents	7,581,331	1,985,865
Cash and cash equivalents, beginning of year	48,500,849	50,894,549
Cash and cash equivalents, end of year	$ 56,082,180	$ 52,880,414

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
$ 57,822,009	$ 8,324,002	$ 127,706,110	$ 39,093,423
(53,296,513)	(3,922,693)	(85,117,140)	(14,599,899)
(2,867,760)	(867,905)	(15,926,600)	(6,552,187)
-	-	-	(15,038,278)
1,657,736	3,533,404	26,662,370	2,903,059
513	(47,079)	(45,235)	4,068,664
-	102,310	(785,960)	2,583,202
513	55,231	(831,195)	6,651,866
-	(94,312)	(12,581,414)	(6,723,802)
-	-	67,128	113,545
(11,015)	(125,235)	(1,771,250)	(135,159)
(6)	(3,048)	(1,619,077)	(1,192)
(11,021)	(222,595)	(15,904,613)	(6,746,608)
126,109	609,236	3,476,584	3,181,866
66,761	335,503	2,314,927	3,018,566
192,870	944,739	5,791,511	6,200,432
1,840,098	4,310,779	15,718,073	9,008,749
4,401,505	20,051,754	123,848,657	123,036,040
$ 6,241,603	$ 24,362,533	$ 139,566,730	$ 132,044,789

(continued)

CITY OF GARDEN GROVE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Business-Type Activities - Enterprise Funds	
	Water Utility	**Sewage Collection**
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$ 9,772,918	$ 3,633,461
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization expense	4,323,982	2,054,234
Other nonoperating revenues (expenses)	(229,686)	13,224
Decrease (increase) in taxes receivable	-	52,416
Decrease (increase) in accounts receivable	(924,021)	(194,012)
Decrease (increase) in intergovernmental receivable	-	-
Decrease (increase) in inventory	-	-
Decrease (increase) in prepaid expenses	14,571	57,935
Increase (decrease) in accounts payable	2,254,828	530,373
Increase (decrease) in subscription-based IT payable	(151,200)	(132,300)
Increase (decrease) in accrued compensated absences	46,523	(91,490)
Increase (decrease) in accrued liabilities	82,183	76,542
Increase (decrease) in refundable deposits	21,423	44,079
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	208,702	50,377
Increase (decrease) in net pension liability and related changes in deferred outflows and inflows of resources	(194,193)	150,361
Total adjustments	5,453,112	2,611,739
Net cash provided by operating activities	$ 15,226,030	$ 6,245,200
Non-Cash Investing, Capital, and Financing Activities:		
Capital assets acquired through IT subscriptions	$ -	

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
$ 1,397,052	$ 3,953,757	$ 18,757,188	$ (3,743,847)
14,645	153,460	6,546,321	2,352,292
-	-	(216,462)	-
-	(7,199)	45,217	-
13,680	(603,950)	(1,708,303)	(2,863)
-	-	-	(18)
-	(3,354)	(3,354)	(25,329)
(61)	(59,361)	13,084	(111,174)
(19,022)	(108,207)	2,657,972	-
-	-	(283,500)	-
-	-	(44,967)	228,930
20,756	681	180,162	(26,743)
150,136	588,530	804,168	900,770
-	-	-	15,688
-	-	-	3,078,673
82,762	28,786	370,627	118,746
(2,212)	(409,739)	(455,783)	117,934
260,684	(420,353)	7,905,182	6,646,906
$ 1,657,736	$ 3,533,404	$ 26,662,370	$ 2,903,059
$ 220,500	$ -	$ 220,500	$ 558,086

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, 2025

ASSETS	
Current assets:	
Cash and cash investments	$ 7,555,112
Cash and cash investments with fiscal agents	4,096,128
Interest receivable	18,776
Total current assets	11,670,016
Noncurrent assets:	
Prepaid bond insurance costs	274,367
Land held for resale	849,639
Total noncurrent assets	1,124,006
Total assets	12,794,022
DEFERRED OUTFLOWS OF RESOURCES	
Unamortized loss on refunding of debt	147,034
Total deferred outflows	147,034
LIABILITIES	
Current liabilities:	
Accounts payable	63,155
Accrued liabilities	7,207
Deposits payable	3,249
Interest payable	409,638
Current portion of long-term obligations	5,161,557
Total current liabilities	5,644,806
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Long-term obligations	36,596,334
Total noncurrent liabilities	36,596,334
Total liabilities	42,241,140
NET POSITION	
Restricted for individuals, organizations and other governments	$ (29,300,084)

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, 2025

ADDITIONS		
Taxes	$	7,656,574
Investment earnings		773,618
Other revenues		12,300
Total additions		8,442,492
DEDUCTIONS		
Program expenses		390,145
Administrative expenses		290,705
Interest and fiscal agency expenses		1,123,614
Total deductions		1,804,464
CHANGE IN NET POSITION		6,638,028
NET POSITION, BEGINNING OF YEAR		(35,938,112)
NET POSITION, END OF YEAR	$	(29,300,084)

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

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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.

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.

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.

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.

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.

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, 2025 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.

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:

Assets	Years
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.

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 four types of items which qualify for reporting in this category. Two of the items are deferred charges related to OPEB and deferred items from lease related items. The third 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 fourth 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. The liability is calculated using current pay rates and includes employer-paid fringe benefits.

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:

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, 2025, 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.

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.

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, 2023
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 - June 30, 2024

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, 2024
Measurement Period	July 1, 2023 - June 30, 2024

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.

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 XIIIB 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, 2025, the Street Lighting Special Revenue Fund and the Public Safety Special Revenue Fund reported expenditures in excess of appropriations of $645,593 and $553,439 respectively.

B. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

2. Deficit Fund Balance

The following funds had a deficit at June 30, 2025:

Fund	Type of Fund	Deficit Fund Balance
Successor Redevelopment Agency	Fiduciary	$ (29,300,084)
Park Maintenance	Special Revenue	$ (51,353)
Public Safety	Capital Projects	$ (38,336)
Risk Management	Internal Service	$ (489,548)

The City of Garden Grove as Successor Agency to the Garden Grove Redevelopment Agency Private Purpose Trust Fund (Successor Agency), a fiduciary fund, had a deficit balance of $29,300,084 as of June 30, 2025. 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 Park Maintenance Fund, a special revenue fund, had a deficit fund balance of $51,353 as of June 30, 2025. This special revenue fund accounts for special assessments collected through the property tax levy process. Assessments were levied based on the rate method and apportionment established at the time of the District's formation. Revenues collected are insufficient to cover the expenditures required to maintain the District, resulting in a structural deficit in the fund. Any changes to the rate method or apportionment require voter approval, which the District does not anticipate receiving. As a result, the City will need to use other resources to fund maintenance within the District through the budget process.

The Public Safety Fund, a capital project fund, had a deficit fund balance of $38,336 as of June 30, 2025. The fund was established in 2015 for the construction of the City's Fire Station No. 86. Lease Revenue Bonds were issued to finance the project. The project was completed and the remaining bond proceeds were used on the City Hall Security Enhancement capital project. With the completion of the City Hall project and the defeasance of the bonds, this fund will be closed.

The Risk Management Fund, an internal service fund, had a deficit fund balance of $489,548 as of June 30, 2025. During the fiscal year, the City experienced several settlements that were larger than anticipated, resulting in the fund ending the year in a deficit position. The deficit is expected to be addressed through the City's upcoming budget process.

C. DETAILED NOTES ON ALL FUNDS

1. Cash and Investments

Cash and investments as of June 30, 2025 are classified in the accompanying financial statements as follows:

Statement of net position	
Cash and investments	$ 466,943,776
Cash and investments with fiscal agent	91,762,019
Cash and investments for pension trust	6,034,434
	564,740,229
Successor Agency (Private Purpose Trust Fund)	
Cash and investments	7,555,112
Cash and investments with fiscal agent	4,096,128
	11,651,240
Total Cash and Investments	$ 576,391,469
Cash on hand	$ 45,732
Deposits with financial institutions	52,010,571
Investments	524,335,166
Total Cash and Investments	$ 576,391,469

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.

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
Supranationals	5 years	20%	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.

C. DETAILED NOTES ON ALL FUNDS (continued)

1. Cash and Investments (continued)

Authorized Investment Type	Amount	Weighted Average Maturity (in years)
U.S. Treasury	$17,996,519	3.03
U.S. Agency Securities		
FAMCMTN	8,311,182	2.06
FFCB	53,607,678	2.99
FHLB	23,051,469	1.62
FHLMC Gold	29,564,593	3.46
PEFCO	12,937,584	2.63
TVA	5,015,050	2.71
Money Market Funds	289,905	0.00
Commercial Paper	3,457,130	0.28
Corporate Bonds	78,049,067	2.21
Mortgage Backed Security	31,304,400	2.61
Asset Backed Security	29,035,703	4.12
Municipal Bonds	43,588,867	1.73
Municipal Note	996,339	0.09
Municipal Bond (Amortizing)	393,633	0.00
Supranationals	18,400,722	1.73
Negotiable CD	490,579	2.63
Local Agency Investment Fund (LAIF)	65,952,170	
Restricted cash and investments:		
Investment Pool (PARS)	6,034,434	
Held by fiscal Agent:		
Money Market Funds	95,858,142	
Total	$524,335,166	

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:

				Ratings as of Year End			
Investment Type	Amount	Minimum Legal Rating	Exempt from Disclosure	AAA	AA	A	Not Rated
U.S. Treasury Note	$ 17,996,519	N/A	$ 17,996,519	$ -	$ -	$ -	$ -
U.S. Agency Securities							
FAMCMTN	8,311,182	N/A	-	-	-	-	8,311,182
FFCB	53,607,678	N/A	-	-	53,607,678	-	-
FHLB	23,051,469	N/A	-	-	23,051,469	-	-
FHLMC Gold	29,564,593	N/A	-	-	29,564,593		
PEFCO	12,937,584	N/A	-	-	12,937,584	-	-
TVA	5,015,050	N/A	-	-	5,015,050	-	-
Money Market Funds	289,905	AAA	-	289,905	-	-	-
Commercial Paper	3,457,130	P1	-	-	-	3,457,130	-
Corporate Bonds	78,049,067	A	-	15,344,052	20,591,636	42,113,379	-
Mortgage Backed Security	31,304,400	A	-	31,304,400	-	-	-
Asset Backed Security	29,035,703	AAA		29,035,703			
Municipal Bonds	43,588,867	A	-	43,588,867	-	-	-
Municipal Note	996,339	A	-	996,339	-	-	-
Municipal Bond (Amortizing)	393,633	A	-	393,633	-	-	-
Supranationals	18,400,722	AA	-	18,400,722	-	-	-
Negotiable CD	490,579	A	-	-	-	-	490,579
Local Agency Investment Fund (LAIF)	65,952,170	N/A	-	-	-	-	65,952,170
Restricted cash and investments:							
Investment Pool (PARS)	6,034,434	N/A	-	-	-	-	6,034,434
Held by fiscal agent:							
Money Market Fund	95,858,142	AAA	-	95,858,142	-	-	-
Total	$ 524,335,166		$ 17,996,519	$ 235,211,763	$144,768,010	$ 45,570,509	$ 80,788,365

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:

Issuer	Investment Type	Investment Amount
FHLB	U.S. Agency Securities	$ 23,051,469
FFCB	U.S. Agency Securities	53,607,678

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.

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, 2025 was $24.5 billion. LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2025 had a balance of $180.4 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, 2025, the City reported $6,034,434 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	$ 17,996,519	$ 17,996,519	$ -	$ -
Commercial Paper	3,457,130	-	3,457,130	-
Corporate Bonds	78,049,067	-	78,049,067	-
Mortgage Backed Sec. (Residential)	2,749,860	-	2,749,860	-
Mortgage Backed Sec. (Commercial)	28,554,541	-	28,554,541	-
Asset Backed Security	29,035,703	-	29,035,703	-
Municipal Bonds	43,588,867	-	43,588,867	-
Municipal Note	996,339	-	996,339	-
Municipal Bond (Amortizing)	393,633	-	393,633	-
Supranationals	18,400,722	-	18,400,722	-
Negotiable CD	490,579	-	490,579	-
U.S. Agency Securities				
FAMCMTN	8,311,182	-	8,311,182	-
FFCB	53,607,678	-	53,607,678	-
FHLB	23,051,469	-	23,051,469	-
FHLMC Gold	29,564,593		29,564,593	-
PEFCO	12,937,584	-	12,937,584	-
TVA	5,015,050	-	5,015,050	-
Total	$ 356,200,516	$ 17,996,519	$ 338,203,997	$ -

C. DETAILED NOTES ON ALL FUNDS (continued)

2. Intercity Loans Receivable/Payable at June 30, 2025 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. $ 8,189,708

b. Loan from General Fund to the former redevelopment
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
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

C. DETAILED NOTES ON ALL FUNDS (continued)

2. Intercity Loans Receivable/Payable at June 30, 2025 (continued)

e	**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
f	**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.	400,506
g	**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. The amount due from the Successor Agency at June 30, 2025 is $1,550,000 for the affordable housing loan.	1,550,000
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%.	
		2,157,835
	Total Intercity Loans Receivable	37,606,068
	Less Allowance	(25,308,019)
	Total Intercity Loans Receivable, net	$ 12,298,049

C. DETAILED NOTES ON ALL FUNDS (continued)

3. Leases Receivable

Governmental Activities

As of June 30, 2025, the City has 20 leases: two digital billboards and 18 building leases located throughout Garden Grove. The interest rate for each lease ranges from 0.703% to 3.742%. The initial lease agreement term ranges from 20 to 360 months. The total amount of lease revenue recognized in the current reporting period from leases is $1,450,255, and the total amount of interest received related to the leases was $142,043. The balance of the lease receivables at June 30, 2025, is $6,953,937. $ 6,953,937

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, 2025, is $6,572,378. $ 6,572,378

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, 2025 is $2,044,260 for SERAF. $ 2,044,260

5. Interfund Receivables, Payables, and Transfers

a. The composition of interfund receivable/payable balances as of June 30, 2025 is as follows:

	Due From Other Funds	Due To Other Funds
General Fund	$ 174,864	$ 115,003
Navigation Center Fund	-	20,000
Nonmajor Governmental Funds	-	72,690
Internal Service Funds	143,129	3,643
Water Utility	-	12,167
Sewage Collection	-	4,305
Housing Authority	-	1,972
Nonmajor Enterprise Funds	-	88,213
Total	$ 317,993	$ 317,993

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 June 30, 2025 is as follows:

	Transfers in:					
Transfers out:	**General Fund**	**Civic Center Revitalization Fund**	**Nonmajor Governmental Funds**	**Sewage Collection**	**Internal Service Funds**	**Total**
General Fund	$ -	$ 12,610,800	$ 1,520,579	$ -	$ 7,000,000	$ 21,131,379
Navigation Center	20,000	-	-	-	-	20,000
Nonmajor Gov. Funds	752,989	-	-	-	-	752,989
Water Utility Fund	-	-	-	41,407	-	41,407
Nonmajor Ent. Funds	-	-	-	-	46,876	46,876
Internal Service Funds	1,000,149	-	-	-	-	1,000,149
Total	$ 1,773,138	$ 12,610,800	$ 1,520,579	$ 41,407	$ 7,046,876	$ 22,992,800

Transfers from the General Fund were made to subsidize the Garden Grove Cable Fund in the amount of $590,501. The General Fund also made a transfer to the Street Lighting District Fund in the amount of $645,593 to subsidize the operating costs. The General Fund made a transfer to the Other Grants and Contributions Fund to match grant maintenance of effort contributions. In addition, the Genral Fund transferred $7,000,000 to the Workers Compensations and General Liability Internal Service Fund to ensure sufficient funding for claims.

A transfer from the General Fund to the Civic Center Revitalization Fund was made to assist with the funding of the City's Civic Center.

Transfers from the Employee Benefit Internal Service Fund were made in the amount of $1,000,149 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.

C. DETAILED NOTES ON ALL FUNDS (continued)

6. Notes receivable at June 30, 2025, consisted of the following:

a. Neighborhood Stabilization Program (NSP) Loan – Other Grants and Contributions Major Special Revenue Fund:		
At June 30, 2025, 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.	$	390,128
b. Mortgage Assistance Program (MAP) Loan – Other nonmajor governmental funds:		
At June 30, 2025, five 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, 2025, thirty CalHome Agreements for down payment assistance and seven rehabilitations loans for the City's Re-Roof Loan Program are reflected in the CalHome Fund. These loans carry 0% to 3% interest rates.		1,835,911
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.		1,218,005
e. Single Family Rehab (Deferred Loan) - Other nonmajor governmental funds:		
At June 30, 2025, eight 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.		272,178

C. DETAILED NOTES ON ALL FUNDS (continued)

6. Notes receivable at June 30, 2025, consisted of the following: (continued)

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

At June 30, 2025, eight 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. $ 106,542

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. 1,869,263

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. 6,268,507

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. 526,168

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. 4,703,639

C. DETAILED NOTES ON ALL FUNDS (continued)

6. Notes receivable at June 30, 2025, 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.	1,266,595
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%.	4,328
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.	13,052,071
p.	**PLHA:** As of June 30, 2025 seven agreements have been made under the City's PLHA First-Time Homebuyer program, totaling $350,000. This program provides low-income households with down payment assistance for first-time homebuyers. The loans carry a 0% interest rate.	350,000

C. DETAILED NOTES ON ALL FUNDS (continued)

6. Notes receivable at June 30, 2025, consisted of the following: (continued)

q. Microbiz Loans:

As of June 30, 2025, three MicroBiz loan agreements have been made under the City's MicroBiz Program. This program was designed to stimulate economic growth and job creation for micro-businesses in the community using CBDG funds. The loans bear an interest rate of 3.625%.	123,499
Total Notes Receivable	36,603,605
Less Allowance	(1,571,974)
Total Notes Receivable, net	$ 35,031,631

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, 2025 are $2,819,063 and $849,639, respectively.

8. Capital Assets

Capital asset activity for the year ended June 30, 2025 was as follows:

	Beginning Balance	Increases	Decreases **	Ending Balance
Governmental activities				
Capital assets, not being depreciated:				
Land	$ 427,699,660	$ 864,514	$ -	$ 428,564,174
Construction in progress**	20,479,562	82,609,640	(12,261,504)	90,827,698
Total capital assets, not being depreciated	448,179,222	83,474,154	(12,261,504)	519,391,872
Capital assets, being depreciated:				
Infrastructure				
Street system	450,994,061	10,324,340	(3,348,605)	457,969,796
Storm drain assets	79,570,053	-	-	79,570,053
Buildings and park assets	76,902,193	1,513,528	(526,506)	77,889,215
Right-to-use asset - buildings	173,948	-	-	173,948
Right-to-use asset - equipment	459,799	-	-	459,799
Right-to-use asset - vehicles	326,164	197,780	(77,321)	446,623
SBITA assets	210,063	1,447,434	(89,614)	1,567,883
Furniture and equipment	39,500,512	4,340,890	(3,429,567)	40,411,835
Total capital assets, being depreciated	648,136,793	17,823,972	(7,471,613)	658,489,152
Less accumulated depreciation for:				
Infrastructure				
Street system	(284,380,541)	(8,857,268)	3,348,605	(289,889,204)
Storm drain assets	(55,273,399)	(1,577,342)	-	(56,850,741)
Buildings and park assets	(35,692,546)	(2,296,638)	416,058	(37,573,126)
Right-to-use asset - buildings	(165)	(58,306)	-	(58,471)
Right-to-use asset - equipment	(114,827)	(93,551)	-	(208,378)
Right-to-use asset - vehicle	(144,214)	(114,494)	77,318	(181,390)
SBITA assets	(88,742)	(616,500)	89,614	(615,628)
Furniture and equipment	(23,878,485)	(3,251,150)	3,265,599	(23,864,036)
Total accumulated depreciation	(399,572,919)	(16,865,249)	7,197,194	(409,240,974)
Total capital assets, being depreciated, net	248,563,874	958,723	(274,419)	249,248,178
Governmental activities capital assets, net	$ 696,743,096	$ 84,432,877	$ (12,535,923)	$ 768,640,050
Business-type activities				
Capital assets, not being depreciated:				
Land	$ 5,142,500	$ -	$ -	$ 5,142,500
Construction in progress	8,181,536	12,682,639	(14,115,552)	6,748,623
Total capital assets, not being depreciated	13,324,036	12,682,639	(14,115,552)	11,891,123
Capital assets, being depreciated:				
Building and structures	777,717	48,449	-	826,166
Water system	171,515,775	5,310,728	(1,130,373)	175,696,130
Sewer system	130,512,351	8,301,958	(4,847,446)	133,966,863
Right-to-use asset - equipment	108,614	-	-	108,614
Right-to-use asset - vehicle	565,819	-	-	565,819
SBITA assets	315,000	-	-	315,000
Machinery and equipment	723,472	81,758	(6,007)	799,223
Total capital assets, being depreciated	304,518,748	13,742,893	(5,983,826)	312,277,815
Less accumulated depreciation for:				
Building and structures	(364,301)	(30,780)	-	(395,081)
Water system	(74,882,899)	(4,279,036)	1,063,245	(78,098,690)
Sewer system	(61,241,948)	(2,001,193)	1,442,750	(61,800,391)
Right-to-use asset - equipment	(76,669)	(25,556)	6,007	(96,218)
Right-to-use asset - vehicle	(135,307)	(113,397)	-	(248,704)
SBITA assets	(126,000)	(63,000)	-	(189,000)
Machinery and equipment	(514,493)	(33,359)	-	(547,852)
Total accumulated depreciation	(137,341,617)	(6,546,321)	2,512,002	(141,375,936)
Total capital assets, being depreciated, net	167,177,131	7,196,572	(3,471,824)	170,901,879
Business-type activities capital assets, net	$ 180,501,167	$ 19,879,211	$ (17,587,376)	$ 182,793,002

** The City disposed of certain construction projects that had a balance at 6/30/2024 in fiscal year 2025.

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	$ 1,099,690	$ -
Traffic safety	790,768	-
Right of way	8,069,202	-
Drainage	1,577,342	-
Community buildings	2,289,947	-
Municipal support	686,008	-
Water	-	4,323,982
Sewage collection	-	2,054,234
Golf course	-	153,460
Housing Authority	-	14,645
Internal service fund	2,352,292	-
Total	$ 16,865,249	$ 6,546,321

9. Long-term Debt

a. Following is a summary of long-term debt transactions for the City for the year ended June 30, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Lease Revenue Bonds, Series 2024A	$ 140,000,000	$ -	$ (1,755,000)	$ 138,245,000	$ 2,230,000
Add: Premium	11,707,425	-	(390,248)	11,317,177	390,248
Leases payable	721,597	197,780	(259,435)	659,942	272,022
SBITA payable	94,167	1,097,285	(408,687)	782,765	265,200
Governmental activities long-term debt	152,523,189	1,295,065	(2,813,370)	151,004,884	3,157,470
Other non-current liabilities:					
Claims payable	48,259,894	8,815,538	(5,736,865)	51,338,567	9,260,366
Compensated absences*	12,862,526	1,814,122	-	14,676,648	9,101,316
Governmental activities long-term liabilities	$ 213,645,609	$ 11,924,725	$ (8,550,235)	$ 217,020,099	$ 21,519,152
Business-type activities					
Water Revenue Bond 2020	$ 21,910,000	$ -	$ (920,000)	$ 20,990,000	$ 960,000
Add: Premium/(Discount)	2,980,720	-	(113,192)	2,867,528	113,192
Sewer Revenue Refunding Bond 2017	11,225,000	-	(715,000)	10,510,000	750,000
Add: Premium/(Discount)	863,435	-	(72,456)	790,979	72,456
Leases payable	466,802	-	(136,250)	330,552	119,440
SBITA payable	189,000	-	(63,000)	126,000	63,000
Other non-current liabilities:					
Compensated absences*	1,258,870	177,636	-	1,436,506	1,002,228
Business-type activities long-term liabilities	$ 38,893,827	$ 177,636	$ (2,019,898)	$ 37,051,565	$ 3,080,316
Private-purpose trust fund					
2016 Tax Allocation Bond	$ 28,450,000	$ -	$ (2,265,000)	$ 26,185,000	$ 2,380,000
Add: Premium/(Discount)	3,337,541	-	(360,816)	2,976,725	360,815
2014 Tax Allocation Bond	12,060,000	-	(3,330,000)	8,730,000	1,955,000
Add: Premium/(Discount)	1,657,648	-	(315,742)	1,341,906	315,742
2008 Subordinate Note	625,000	-	(145,000)	480,000	150,000
Loan Payable to City	5,044,260	-	(3,000,000)	2,044,260	-
Private-purpose trust fund long-term liabilities	$ 51,174,449	$ -	$ (9,416,558)	$ 41,757,891	$ 5,161,557

*** Beginning balances have been restated due to implementation of GASB 101: Compensated Absences. The change in the liability is presented as a net change.**

C. DETAILED NOTES ON ALL FUNDS (continued)

9. Long-term Debt (continued)

b. Governmental Long-term Debt at June 30, 2025 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, 2025.	$ 138,245,000
Unamortized bond premium	11,317,177
Total lease revenue bonds	$ 149,562,177
Leases Payable - Governmental Activities	
The City entered into one building lease extension in June 2025. As of June 30, 2025, the value of the lease liability is $118,892. 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.	$ 118,892
The City entered into two equipment leases in July 2022 and May 2023. As of June 30, 2025, the value of the lease liability is $269,859. 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%.	269,859
The City entered into 20 vehicle leases between the dates of July 2021 through June 2025. As of June 30, 2025, the value of the lease liability is $271,191. The City is required to make monthly fixed payments ranging from $460 to $1,058. The leases have interest rates ranging from 0.577% to 3.631%. The vehicles lease terms range from 24 months to 60 months.	271,191
Total leases payable	659,942

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, 2025, the City has recognized a liability of $782,765 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. $ 782,765

Total SBITA payable	782,765
Total Governmental Long Term Debt	$ 151,004,884

c. Proprietary long-term debt at June 30, 2025 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, 2025.

	$ 20,990,000
Unamortized bond premium	2,867,528
Total 2020 revenue bonds	$ 23,857,528

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, 2025 total interest and principal remaining on the bonds is $30,078,038. 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 $51 million against debt service payments of $1,696,175. The following analysis shows the test result for compliance with this covenant:

C. DETAILED NOTES ON ALL FUNDS (continued)

9. Long-term Debt (continued)

c. Proprietary long-term debt at June 30, 2025 consisted of the following items: (continued)

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

Operating Revenue	$	50,956,492
Non-operating revenues		2,114,457
Gross revenue		53,070,949
Less: Expenses (excluding depreciation amortization, interest and fiscal charges)		(37,609,394)
Net revenues	$	15,461,555
Debt service requirement for next year: $1,698,575 x 125%	$	2,123,219

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.

	$ 10,510,000
Unamortized bond premium	790,979
Total 2017 revenue refunding bond	$ 11,300,979

C. DETAILED NOTES ON ALL FUNDS (continued)

9. Long-term Debt (continued)

c. Proprietary long-term debt at June 30, 2025 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	$	11,833,408
Non-operating revenues		2,512,781
Gross revenue		14,346,189
Less: Expenses (excluding depreciation amortization, interest and fiscal charges)		(9,550,409)
Net revenues	$	4,795,780
Debt service requirement for next year: $1,199,375 x 115%	$	1,379,281

Leases Payable - Business-Type Activities

The City entered into two vehicle leases in April 2019. As of June 30, 2025, the value of the lease liability is $11,076. 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. $ 11,076

Troon Golf, LLC, through authorization from the City, entered into two new vehicle leases in July 2023. As of June 30, 2025, the value of the lease liabilities is $313,069. 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. 313,069

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, 2025, the value of the lease liability is $6,407. 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. 6,407

Total leases payable 330,552

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, 2025, the City has recognized a liability of $126,000 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. $ 126,000

Total SBITA payable 126,000

Total Proprietary Long Term Debt $ 35,615,059

C. DETAILED NOTES ON ALL FUNDS (continued)

9. Long-term Debt (continued)

d. Private-purpose trust activity long-term debt at June 30, 2025 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, 2025.

	$ 26,185,000
Unamortized bond premium	2,976,725
Total Tax Allocation Bond Issue of 2016	$ 29,161,725

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, 2025.

	$ 8,730,000
Unamortized bond premium	1,341,906
Total Tax Allocation Bond Issue of 2014	$ 10,071,906

C. DETAILED NOTES ON ALL FUNDS (continued)

9. Long-term Debt (continued)

d. Private-purpose trust activity long-term debt at June 30, 2025 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. $ 480,000

C. DETAILED NOTES ON ALL FUNDS (continued)

9. Long-term Debt (continued)

d. Private-purpose trust activity long-term debt at June 30, 2025 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, 2025 is $2,044,260, which represents $2,044,260 of SERAF.	$ 2,044,260
Total Private Purpose Trust Funds Long Term Debt	$ 41,757,891

e. The scheduled annual requirements to amortize all governmental long-term debt outstanding as of June 30, 2025 including interest payments are as follows:

Year Ending	Lease Revenue Bonds 2024A		
	Principal	Interest	Total
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	2,710,000	6,041,550	8,751,550
2031-2035	15,730,000	28,034,000	43,764,000
2036-2040	20,075,000	23,687,750	43,762,750
2041-2045	25,630,000	18,140,500	43,770,500
2046-2050	32,705,000	11,060,250	43,765,250
2051-2054	31,775,000	3,239,600	35,014,600
Total	$ 138,245,000	$ 115,601,850	$ 253,846,850

Year Ending	Leases Payable - Governmental Activities		
	Principal	Interest	Total
2026	$ 272,023	$ 13,648	$ 285,671
2027	223,960	7,211	231,171
2028	139,424	2,508	141,932
2029	20,136	408	20,544
2030	4,399	31	4,430
	$ 659,942	$ 23,806	$ 683,748

Year Ending	SBITA Payable - Governmental Activities		
	Principal	Interest	Total
2026	$ 264,700	$ 22,289	$ 286,989
2027	136,502	$ 16,214	152,716
2028	105,367	$ 11,992	117,359
2029	93,596	$ 8,738	102,334
2030	96,422	$ 5,912	102,334
2031	86,178	3,000	89,178
	$ 782,765	$ 68,145	$ 850,910

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, 2025 including interest payments are as follows:

Year Ending June 30	2020 Water Revenue Bonds		
	Principal	Interest	Total
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	1,115,000	572,475	1,687,475
2031-2035	3,300,000	2,378,325	5,678,325
2036-2040	3,140,000	1,840,700	4,980,700
2041-2045	3,820,000	1,150,625	4,970,625
2046-2050	4,555,000	420,600	4,975,600
2051	985,000	12,313	997,313
Total	$ 20,990,000	$ 9,088,038	$ 30,078,038

Year Ending June 30	2017 Sewer Refunding Revenue Bonds		
	Principal	Interest	Total
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	910,000	287,875	1,197,875
2031-2035	5,210,000	788,325	5,998,325
2036	1,160,000	40,600	1,200,600
Total	$ 10,510,000	$ 2,682,050	$ 13,192,050

Year Ending June 30	Leases Payable - Business Type Activities		
	Principal	Interest	Total
2026	$ 119,440	$ 6,192	$ 125,632
2027	104,337	3,777	108,114
2028	106,775	1,341	108,116
Total	$ 330,552	$ 11,310	$ 341,862

Year Ending June 30	SBITA Payable - Business Type Activities		
	Principal	Interest	Total
2026	$ 63,000	$ -	$ 63,000
2027	63,000	-	63,000
Total	$ 126,000	$ -	$ 126,000

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, 2025 including interest payments are as follows:

Year Ending June 30	Tax Allocation Refunding Bonds Issue of 2016		
	Principal	Interest	Total
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	2,895,000	587,875	3,482,875
2031-2034	13,030,000	928,750	13,958,750
Total	$ 26,185,000	$ 5,214,875	$ 31,399,875

Year Ending June 30	Tax Allocation Refunding Bonds Issue of 2014		
	Principal	Interest	Total
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	$ 8,730,000	$ 1,040,000	$ 9,770,000

Year Ending June 30	Subordinate Note 2008		
	Principal	Interest	Total
2026	$ 150,000	$ 24,300	$ 174,300
2027	160,000	15,000	175,000
2028	170,000	5,100	175,100
Total	$ 480,000	$ 44,400	$ 524,400

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, 2025 is $14,676,648.

During the year ended June 30, 2025, the City adopted new accounting guidance by implementing the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences, which seeks to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences.

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 $7,204,030 at June 30, 2025.

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.

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	$ 6,155,194	$ 1,814,692	$ -	$ 7,969,886	$ 7,491,693
Sick Leave	6,707,333	(571)	-	6,706,762	6,304,356
Total	$ 12,862,527	$ 1,814,121	$ -	$ 14,676,648	$ 13,796,049

Enterprise funds:

	Beginning Balance *	Additions	Reductions	Ending Balance	Due Within One Year
Vacation, Annual Leave, Benefits, and Comp Time	$ 687,104	$ 252,134	$ -	$ 939,238	$ 882,884
Sick Leave	571,766	(74,498)	-	497,268	119,344
Total	$ 1,258,870	$ 177,636	$ -	$ 1,436,506	$ 1,002,228
Totals	$ 14,121,397	$ 1,991,757	$ -	$ 16,113,154	$ 14,798,277

*** Beginning balances have been restated due to implementation of GASB 101: Compensated Absences. The change in the liability is presented as a net change.**

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 $39,340,237 for workers' claims outstanding including claims incurred but not reported on June 30, 2025, 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, 2025, in the amount of $11,998,330 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.

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, 2025. Changes in the aggregate liability for claims for fiscal year ended June 30, 2025 and June 30, 2024 are as follows:

Worker's Compensation	**2025**	**2024**
Liability, July 1	$ 37,740,229	$ 37,481,873
Cost and claims incurred	6,948,379	6,944,278
Claim payments	(5,348,371)	(6,685,922)
Liability, June 30	$ 39,340,237	$ 37,740,229
Due within one year	$ 5,107,338	$ 4,807,611
Due in more than one year	34,232,899	32,932,618
	$ 39,340,237	$ 37,740,229
Risk Management		
Liability, July 1	$ 10,519,665	$ 6,860,038
Cost and claims incurred	1,867,159	5,625,933
Claim payments	(388,494)	(1,966,306)
Liability, June 30	$ 11,998,330	$ 10,519,665
Due within one year	$ 4,153,028	$ 3,606,099
Due in more than one year	7,845,302	6,913,566
	$ 11,998,330	$ 10,519,665

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, 2025 under PEPRA are the same as the employer contribution rates for existing miscellaneous employees and public safety employees.

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, 2025, are summarized as follows:

	Miscellaneous	
Hire date	Prior to January 1, 2013	On or after January 1, 2013
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%	7.75%
Required employer contribution rates	45.50%	45.50%

	Safety	
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50 - 57
Monthly benefits, as a % of eligible compensation	3.00%	2.0% to 2.7%
Required employee contribution rates	9.00%	13.75%
Required employer contribution rates	103.55%	103.55%

Employees covered - At June 30, 2023 (actuarial valuation date), the following employees were covered by the benefit terms for each Plan:

	Misc	Safety
Inactive employees or beneficiaries currently receiving benefits	713	513
Inactive employees entitled to but not yet receiving benefits	509	156
Active employees	391	177
Total	1,613	846

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

Actuarial Cost Method	Entry Age 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	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

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

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 Class[1]	Assumed Asset Allocation	Real Return[2]
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%

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

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

Discount Rate

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

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.

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, 2025:

	Miscellaneous Plan	Safety Plan	Total
Net Pension Liability	$ 111,042,938	$ 232,971,812	$ 344,014,750
Deferred Outflows	$ 23,410,536	$ 34,572,872	$ 57,983,408
Deferred Inflows	$ -	$ -	$ -
Pension Expense	$ 16,593,443	$ 28,594,420	$ 45,187,863

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, 2023	$ 394,332,597	$ 279,427,352	$ 114,905,245
Changes in the year:			
Service cost	6,400,291	-	6,400,291
Interest on the total pension liability	27,134,882	-	27,134,882
Difference between actual and expected experience	5,650,457	-	5,650,457
Contribution - employer	-	13,698,614	(13,698,614)
Contribution - employee	-	2,727,925	(2,727,925)
Net Investment income	-	26,848,769	(26,848,769)
Benefit payments, including refunds of employee contributions	(19,848,091)	(19,848,091)	-
Administrative expense	-	(227,371)	227,371
Net changes	19,337,539	23,199,846	(3,862,307)
Balance at June 30, 2024	$ 413,670,136	$ 302,627,198	$ 111,042,938

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, 2023	$ 647,547,019	$ 404,924,147	$ 242,622,872
Changes in the year:			
Service cost	8,447,820	-	8,447,820
Interest on the total pension liability	43,854,343	-	43,854,343
Difference between actual and expected experience	2,088,058	-	2,088,058
Contribution - employer	-	22,386,536	(22,386,536)
Contribution - employee	-	3,177,131	(3,177,131)
Net Investment income	-	38,807,102	(38,807,102)
Benefit payments, including refunds of employee contributions	(36,577,601)	(36,577,601)	-
Administrative Expense	-	(329,488)	329,488
Net changes	17,812,620	27,463,680	(9,651,060)
Balance at June 30, 2024	$ 665,359,639	$ 432,387,827	$ 232,971,812

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:

	Miscellaneous	Safety
1% Lower	5.90%	5.90%
Net Pension Liability	$ 166,599,797	$ 323,023,875
Current Discount Rate	6.90%	6.90%
Net Pension Liability	$ 111,042,938	$ 232,971,812
1% Higher	7.90%	7.90%
Net Pension Liability	$ 65,274,864	$ 159,484,408

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, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 15,061,523	$ -
Differences between expected and actual experiences	4,104,674	-
Net difference between projected and actual earnings on pension plan investments	4,244,339	-
Total	$ 23,410,536	$ -

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	$ 25,145,668	$ -
Differences between expected and actual experiences	3,228,636	-
Net difference between projected and actual earnings on pension plan investments	6,198,568	-
Total	$ 34,572,872	$ -

The $15,061,523 and $25,145,668 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

	Miscellaneous Plan	Safety Plan
Measurement Periods Ended June 30	Deferred Outflow/(Inflows) of Resources	Deferred Outflow/(Inflows) of Resources
2025	$ 2,387,561	$ 2,225,209
2026	8,699,613	11,216,613
2027	(1,197,176)	(1,760,354)
2028	(1,540,985)	(2,254,264)

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.

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:

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

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 $158 and $157 per month for each retiree for the calendar years ended 2025 and 2024, respectively.

For the fiscal year ended June 30, 2025, the City contributed $544,806 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.

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: 3.93% per year net of expenses. This is based on the Bond Buyer 20 Bond Index. The interest assumption changed from 3.65% to 3.93%.

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

Participant Type	***Mortality Tables***
Police	2021 CalPERS Mortality for Safety Employees
Firefighters	2021 CalPERS Retiree Mortality for Safety Employees
Miscellaneous	2021 CalPERS Mortality for Miscellaneous and Schools Employees

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

Employee Type	*Retirement Rate Tables*
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

Employee Type	*Service Requirement Tables*
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.

Participant Type	*Future Retirees Pre-65*	*Future Retirees Post -65*
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.

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, 2025, the City recognized OPEB expense of $4,858,134. As of fiscal year ended June 30, 2025, 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	17,732,549	(7,732,085)
Difference between expected and actual experience	42,577	(7,221,678)
Total	$ 18,311,819	$ (14,953,763)

The $536,693 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2024 measurement date will be recognized as a reduction of the total OPEB liability during the fiscal year ending June 30, 2026. 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
2025	$ 1,438,914
2026	1,438,914
2027	1,438,914
2028	1,501,607
2029	(11,874)
Thereafter	(2,985,112)

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, 2025

	Increase (Decrease) Total OPEB Liability (TOL)
Balance at June 30, 2024	**$ 43,018,139**
Changes recognized for the measurement period:	
Service Cost	1,847,364
Interest on TOL	1,571,856
Employer Contributions as Benefits	(1,762,824)
Experience (Gains)/Losses	8,260
Assumption Changes	(1,538,416)
Net Changes	**126,240**
Balance at June 30, 2025	**$ 43,144,379**

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, 2024:

	Discount Rate 1% Lower	Valuation Discount Rate	Discount Rate 1% Higher
OPEB Liability	$48,860,408	$43,144,379	$38,518,434

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, 2024:

	Trend Rate 1% Lower	Valuation Trend	Trend Rate 1% Higher
OPEB Liability	$36,992,875	$43,144,379	$50,787,820

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, 2025. 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:

	Spent-to-date	Remaining Commitment
Com. & Econ. Dev. Imp.	$ 82,453,481	$ 87,068,400
Facility Improvements	1,092,308	-
Park Improvements	1,729,348	13,774,900
Sewer Improvements	5,321,173	10,048,300
Street Improvements	664,738	2,633,600
Traffic Improvements	441,436	-
Water Improvements	4,268,061	11,113,100
Total	$ 95,970,545	$ 124,638,300

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 $2,228,812 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 2024-25, California Fuels and Lubricants received assistance payments of $1,588,672.

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, 2025 was $352,373.

17. Restatement

The City implemented GASB 101: Compensated Absences during the fiscal year. This adjustment recognized vacation and sick leave (and applicable payroll taxes) that has not been used but is more likely than not to be used or settled in the future.

	Water Utility Fund	Sewage Collection Fund	Employee Benefits Fund
Net position, beginning of year, as previously reported	$ 101,077,084	$ 107,492,597	$ 16,243,239
Implementation of GASB 101	(334,421)	(291,852)	(6,537,113)
Net position, beginning of year, as restated	$ 100,742,663	$ 107,200,745	$ 9,706,126

	Governmental Activities	Business-Type Activities
Net position, beginning of year, as previously reported	$ 706,910,842	$ 228,807,979
Implementation of GASB 101	(6,537,113)	(626,273)
Net position, beginning of year, as restated	$ 700,373,729	$ 228,181,706

Required Supplemental Information

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, 2025

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Taxes	$ 155,621,000	$ 162,917,900	$ 159,277,631	$ (3,640,269)
Licenses and permits	2,519,900	3,045,100	3,491,798	446,698
Fines, forfeits and penalties	2,045,900	2,284,500	2,123,846	(160,654)
Investment earnings	1,554,700	1,854,700	8,526,392	6,671,692
Charges for current services	7,153,000	7,254,200	7,785,344	531,144
From other agencies	-	-	129,106	129,106
Other revenues	2,979,600	4,317,000	6,268,901	1,951,901
Total revenues	171,874,100	181,673,400	187,603,018	5,929,618
EXPENDITURES:				
Current:				
Fire	32,966,400	33,667,500	33,381,356	286,144
Police	84,531,600	85,738,000	84,129,709	1,608,291
Traffic safety	4,080,300	4,192,100	3,604,603	587,497
Public right of way	9,380,000	14,583,950	12,620,179	1,963,771
Community buildings	4,376,300	4,646,500	3,524,245	1,122,255
Community services	7,092,200	7,415,800	6,338,838	1,076,962
Parks and greenbelts	2,023,400	1,963,200	1,657,227	305,973
Community planning and development	15,826,900	20,860,200	17,624,668	3,235,532
Municipal support	13,073,200	13,794,250	11,395,804	2,398,446
Debt service:				
Principal retirement	595,000	1,755,000	1,817,365	(62,365)
Interest	911,700	5,416,800	5,608,706	(191,906)
Total expenditures	174,857,000	194,033,300	181,702,700	12,330,600
Excess (deficiency) of revenues over (under) expenditures	(2,982,900)	(12,359,900)	5,900,318	18,260,218
OTHER FINANCING SOURCES (USES):				
Transfers in	233,900	858,400	1,773,138	914,738
Transfers out	(894,100)	(894,100)	(21,131,379)	(20,237,279)
Issuance of leases	-	-	197,780	197,780
Total other financing sources (uses)	(660,200)	(35,700)	(19,160,461)	(19,124,761)
Net change in fund balance	(3,643,100)	(12,395,600)	(13,260,143)	(864,543)
Fund balance, beginning of year	165,532,040	165,532,040	165,532,040	-
Fund balance, end of year	$ 161,888,940	$ 153,136,440	$ 152,271,897	$ (864,543)

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, 2025

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Investment earnings (loss)	$ -	$ -	$ 105,331	$ 105,331
From other agencies	-	-	1,309,429	1,309,429
Other revenues	745,000	745,500	-	(745,500)
Total revenues	745,000	745,500	1,414,760	669,260
EXPENDITURES:				
Current:				
Community buildings	1,219,200	7,786,800	2,298,633	5,488,167
Total expenditures	1,219,200	7,786,800	2,298,633	5,488,167
Excess (deficiency) of revenues over (under) expenditures	(474,200)	(7,041,300)	(883,873)	6,157,427
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(20,000)	20,000
Total other financing sources (uses)	-	-	(20,000)	20,000
Net change in fund balance	(474,200)	(7,041,300)	(903,873)	6,177,427
Fund balance, beginning of year	2,916,946	2,916,946	2,916,946	-
Fund balance, end of year	$ 2,442,746	$ (4,124,354)	$ 2,013,073	$ 6,177,427

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

	Miscellaneous			
Measurement Period	**2024**	**2023**	**2022**	**2021**
TOTAL PENSION LIABILITY				
Service cost	$ 6,400,291	$ 6,106,608	$ 6,003,691	$ 5,217,353
Interest on total pension liability	27,134,882	25,862,669	24,841,644	24,233,252
Changes of benefit terms	-	-	-	-
Changes of assumptions	-	-	11,834,221	-
Difference between expected and actual experience	5,650,457	2,370,241	(2,812,686)	1,014,736
Benefit payments, including refunds of employee contributions	(19,848,091)	(18,809,311)	(18,129,856)	(17,406,313)
Net change in total pension liability	19,337,539	15,530,207	21,737,014	13,059,028
Total pension liability - beginning	394,332,597	378,802,390	357,065,376	344,006,348
Total pension liability - ending (a)	$ 413,670,136	$ 394,332,597	$ 378,802,390	$ 357,065,376
PLAN FIDUCIARY NET POSITION				
Contribution - Employer	$ 13,698,614	$ 13,425,034	$ 12,360,011	$ 11,171,129
Contribution - Employee	2,727,925	2,485,490	2,371,491	2,341,219
Net investment income	26,848,769	16,516,024	(22,166,332)	54,526,902
Benefit payments, including refunds of employee contributions	(19,848,091)	(18,809,311)	(18,129,856)	(17,406,313)
Net Plan to Plan Resource Movement	-	-	-	-
Administrative Expense	(227,371)	(195,608)	(181,744)	(241,104)
Other Miscellaneous Income/(Expense) [1]	-	-	-	-
Net change in fiduciary net position	23,199,846	13,421,629	(25,746,430)	50,391,833
Plan fiduciary net position - beginning [2]	279,427,352	266,005,723	291,752,153	241,360,320
Plan fiduciary net position - ending (b)	$ 302,627,198	$ 279,427,352	$ 266,005,723	$ 291,752,153
Plan net pension liability - ending (a) - (b)	$ 111,042,938	$ 114,905,245	$ 112,796,667	$ 65,313,223
Plan fiduciary net position as a percentage of the total pension liability	73.16%	70.86%	70.22%	81.71%
Covered payroll [3]	$ 34,257,389	$ 32,703,258	$ 30,863,494	$ 29,694,668
Plan net pension liability as a percentage of covered payroll	324.14%	351.36%	365.47%	219.95%

[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.

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, and 7.65% for measurement dates June 30, 2015 through June 30, 2016.

Miscellaneous					
2020	**2019**	**2018**	**2017**	**2016**	**2015**
$ 5,053,242	$ 5,475,558	$ 5,401,390	$ 5,295,064	$ 4,717,431	$ 4,505,053
23,364,470	22,545,983	21,444,843	20,965,466	20,513,676	19,499,703
2,033,512	-	-	-	-	-
-	-	(1,737,101)	17,855,824	-	(4,893,202)
(1,623,742)	3,673,870	(4,057,535)	(5,244,453)	1,501,168	(1,007,886)
(17,321,101)	(16,224,456)	(14,088,814)	(13,540,154)	(12,581,087)	(12,134,038)
11,506,381	15,470,955	6,962,783	25,331,747	14,151,188	5,969,630
332,499,967	317,029,012	310,066,229	284,734,482	270,583,294	264,613,664
$ 344,006,348	$ 332,499,967	$ 317,029,012	$ 310,066,229	$ 284,734,482	$ 270,583,294
$ 10,190,871	$ 9,162,242	$ 8,199,628	$ 7,579,342	$ 6,646,792	$ 5,948,472
2,282,163	2,158,717	2,429,785	2,308,262	2,242,990	2,281,790
11,708,962	14,721,760	17,695,861	21,554,042	1,004,774	4,419,750
(17,321,101)	(16,224,456)	(14,088,814)	(13,540,154)	(12,581,087)	(12,134,038)
-	(10,044)	36,458	(64,848)	(69,973)	-
(331,053)	(160,695)	(330,147)	(286,986)	(120,179)	(221,880)
-	522	(626,954)	-	-	-
6,529,842	9,648,046	13,315,817	17,549,658	(2,876,683)	294,094
234,830,478	225,182,432	211,866,615	194,316,867	197,193,550	196,899,456
$ 241,360,320	$ 234,830,478	$ 225,182,432	$ 211,866,525	$ 194,316,867	$ 197,193,550
$ 102,646,028	$ 97,669,489	$ 91,846,580	$ 98,199,704	$ 90,417,615	$ 73,389,744
70.16%	70.63%	71.03%	68.33%	68.24%	72.88%
$ 28,436,925	$ 30,347,270	$ 29,746,612	$ 29,037,915	$ 28,573,176	$ 27,094,801
360.96%	321.84%	308.76%	338.18%	316.44%	270.86%

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

	Safety			
Measurement Period	**2024**	**2023**	**2022**	**2021**
TOTAL PENSION LIABILITY				
Service cost	$ 8,447,820	$ 8,103,319	$ 7,909,848	$ 6,799,165
Interest on total pension liability	43,854,343	42,652,235	40,930,945	39,978,657
Changes of benefit terms	-	-	-	-
Changes of assumptions	-	-	21,051,324	-
Difference between expected and actual experience	2,088,058	9,718,381	(2,239,626)	280,017
Benefit payments, including refunds of employee contributions	(36,577,601)	(34,610,411)	(32,808,974)	(31,360,647)
Net change in total pension liability	17,812,620	25,863,524	34,843,517	15,697,192
Total pension liability - beginning	647,547,019	621,683,495	586,839,978	571,142,786
Total pension liability - ending (a)	$ 665,359,639	$ 647,547,019	$ 621,683,495	$ 586,839,978
Contribution - Employer	$ 22,386,536	$ 21,548,966	$ 19,491,065	$ 17,486,345
Contribution - Employee	3,177,131	2,936,409	2,837,409	2,746,214
Net investment income	38,807,102	24,146,527	(32,867,582)	81,895,715
Benefit payments, including refunds of employee contributions	(36,577,601)	(34,610,411)	(32,808,974)	(31,360,647)
Net Plan to Plan Resource Movement	-	-	-	-
Administrative Expense	(329,488)	(287,663)	(270,860)	(364,019)
Other Miscellaneous Income/(Expense) [1]	-	-	-	-
Net change in fiduciary net position	27,463,680	13,733,828	(43,618,942)	70,403,608
Plan fiduciary net position - beginning [2]	404,924,147	391,190,319	434,809,261	364,405,653
Plan fiduciary net position - ending (b)	$ 432,387,827	$ 404,924,147	$ 391,190,319	$ 434,809,261
Plan net pension liability - ending (a) - (b)	$ 232,971,812	$ 242,622,872	$ 230,493,176	$ 152,030,717
Plan fiduciary net position as a percentage of the total pension liability	64.99%	62.53%	62.92%	74.09%
Covered payroll [3]	$ 25,158,091	$ 23,978,722	$ 23,476,513	$ 21,764,291
Plan net pension liability as a percentage of covered payroll	926.03%	1011.83%	981.80%	698.53%

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.

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, and 7.65% for measurement dates June 30, 2015 through June 30, 2016.

			Safety			
2020	**2019**	**2018**	**2017**	**2016**	**2015**
$ 8,470,387	$ 9,117,082	$ 8,706,648	$ 8,648,153	$ 7,378,575	$ 7,025,519
38,866,660	37,632,892	36,094,312	35,007,255	33,944,797	32,447,673
1,572,470	-	-	-	-	-
-	-	(2,221,006)	29,556,856	-	(4,660,010)
(691,163)	4,129,559	(961,074)	(2,081,126)	2,203,036	(8,032,852)
(31,097,422)	(29,007,470)	(26,226,816)	(24,371,140)	(22,718,361)	(21,846,674)
17,120,932	21,872,063	15,392,064	46,759,998	20,808,047	4,933,656
554,021,854	532,149,791	516,757,727	469,997,729	449,189,682	444,256,026
$ 571,142,786	$ 554,021,854	$ 532,149,791	$ 516,757,727	$ 469,997,729	$ 449,189,682
$ 15,875,859	$ 15,698,349	$ 14,147,727	$ 13,302,274	$ 11,468,654	$ 10,155,643
2,639,127	2,644,271	2,873,704	2,823,680	2,915,098	2,611,738
17,702,544	22,658,615	27,492,574	33,837,324	1,532,436	6,960,883
(31,097,422)	(29,007,470)	(26,226,816)	(24,371,140)	(22,718,361)	(21,846,674)
-	10,044	(37,788)	-	-	-
(507,220)	(248,366)	(516,231)	(452,000)	(190,840)	(352,473)
-	808	(980,332)	-	-	-
4,612,888	11,756,251	16,752,838	25,140,138	(6,993,013)	(2,470,883)
359,792,765	348,036,514	331,283,676	306,143,539	313,136,552	315,607,435
$ 364,405,653	$ 359,792,765	$ 348,036,514	$ 331,283,677	$ 306,143,539	$ 313,136,552
$ 206,737,133	$ 194,229,089	$ 184,113,277	$ 185,474,050	$ 163,854,190	$ 136,053,130
63.80%	64.94%	65.40%	64.11%	65.14%	69.71%
$ 27,964,303	$ 29,663,516	$ 28,541,707	$ 28,541,707	$ 28,636,267	$ 27,481,750
739.29%	654.77%	645.07%	649.84%	572.19%	495.07%

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			
	2025	**2024**	**2023**	**2022**
Actuarially determined contributions	$ 15,061,523	$ 13,697,429	$ 13,424,666	$ 12,359,003
Contributions in relation to the actuarially determined contributions	(15,061,523)	(13,697,429)	(13,424,666)	(12,359,003)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 35,781,330	$ 34,257,389	$ 32,703,258	$ 30,863,494
Contributions as a percentage of covered payroll	42.09%	39.98%	41.05%	40.04%

Notes to Schedule of Plan Contributions:

Valuation date:	6/30/2023
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method/period	For details, see June 30, 2021 Funding Valuation Report.
Asset valuation method	Fair value of assets. For details, see June 30, 2021 Funding Valuation Report.
Inflation	2.30%
Salary Increases	Varies by entry age and service
Payroll growth	2.80%
Investment Rate of Return	6.80% net of pension plan investment and administration expenses; includes inflation.
Retirement age	The probabilities of retirement are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.
Mortality	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.
Other information	For changes to previous year's information, refer to past GASB 68 reports.

	Miscellaneous					
2021	**2020**	**2019**	**2018**	**2017**	**2016**
$ 11,167,273	$ 10,190,871	$ 9,153,245	$ 8,199,628	$ 7,579,342	$ 6,646,792
(11,167,273)	(10,190,871)	(9,153,245)	(8,199,628)	(7,579,342)	(6,646,792)
$ -	$ -	$ -	$ -	$ -	$ -
$ 29,694,668	$ 28,436,925	$ 30,347,270	$ 29,746,612	$ 29,037,915	$ 28,573,176
37.61%	35.84%	30.16%	27.56%	26.10%	23.26%

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				
	2025	**2024**	**2023**	**2022**	**2021**
Actuarially determined contributions	$ 25,145,668	$ 22,386,536	$ 21,548,966	$ 19,491,065	17,489,949
Contributions in relation to the actuarially determined contributions	(25,145,668)	(22,386,536)	(21,548,966)	(19,491,065)	(17,489,949)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	-
Covered payroll	$ 26,658,085	$ 25,158,091	$ 23,978,722	$ 23,476,513	$ 21,764,291
Contributions as a percentage of covered payroll	94.33%	88.98%	89.87%	83.02%	80.36%

Notes to Schedule:

Valuation date: 6/30/2023

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method/period	For details, see June 30, 2021 Funding Valuation Report.
Asset valuation method	Fair value of assets. For details, see June 30, 2021 Funding Valuation Report.
Inflation	2.30%
Salary Increases	Varies by entry age and service
Payroll growth	2.80%
Investment rate of return	6.80% net of pension plan investment and administrative expenses; includes inflation.
Retirement age	The probabilities of retirement are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.
Mortality	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.
Other information	For changes to previous year's information, refer to past GASB 68 reports.

	Safety				
	2020	**2019**	**2018**	**2017**	**2016**
$	$ 15,875,859	$ 15,691,168	$ 14,147,727	$ 13,302,273	$ 11,468,654
	(15,875,859)	(15,691,168)	(14,147,727)	(13,302,273)	(11,468,654)
$	$ -	$ -	$ -	$ -	$ -
$	27,964,303	$ 29,663,516	$ 28,541,707	$ 28,636,267	$ 27,481,750
	56.77%	52.90%	49.57%	46.45%	41.73%

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*

Measurement Period	2024	2023	2022	2021	2020	2019	2018	2017
TOTAL OPEB LIABILITY								
Service cost	$ 1,847,364	$ 1,676,163	$ 2,250,612	$ 2,563,528	$ 1,831,165	$ 627,266	$ 669,889	$ 651,960
Interest on Total OPEB Liability	1,571,856	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	8,260	43,757	14	(11,665,240)	(94,837)	(216,121)	-	-
Changes in Assumptions	(1,538,416)	(185,920)	(8,394,004)	3,457,450	8,191,623	26,892,575	(922,346)	-
Benefit payments	(1,762,824)	(1,799,520)	(1,815,415)	(2,112,394)	(2,036,122)	-	-	(391,489)
Net change in total OPEB liability	126,240	1,211,784	(6,901,992)	(6,536,728)	9,488,078	27,553,874	22,500	870,567
Total OPEB liability - beginning	43,018,139	41,806,355	48,708,347	55,245,075	45,756,997	18,203,123	18,180,623	17,310,056
Total OPEB liability - ending	$ 43,144,379	$ 43,018,139	$ 41,806,355	$ 48,708,347	$ 55,245,075	$ 45,756,997	$ 18,203,123	$ 18,180,623
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%	0.00%
Covered-employee payroll	65,562,444	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	65.81%	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, 2025

Under Article XIIIB 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

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.

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.

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

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 Asset Fund
The Housing Authority Asset capital project fund accounts for assets temporarily held by the Housing Authority for the development of various Housing-related capital projects.

Housing Successor Agency Low/Mod Fund
Capital projects for low and moderate income housing are accounted for in this fund.

Public Safety Fund
The Public Safety capital project fund accounts for the construction of the City's Fire Station No. 86 and the City Hall Security Enhancement project. [Both projects were recently completed, and the fund will be closed out.]

Civic Center Revitalization Fund
The Civic Center Revitalization capital project fund accounts for the Civic Center Revitalization Project, which includes the construction of a new public safety facility, a parking structure, and the redevelopment of Civic Center Park.

CITY OF GARDEN GROVE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	Special Revenue Funds			
	Public Safety	**State Gas Tax**	**Developer Fees**	**Garden Grove Cable**
ASSETS				
Cash and investments	$ 4,323,387	$ 10,571,921	$ 16,639,836	$ 73,888
Taxes receivable	110,616	1,239,234	-	-
Accounts receivable	-	26,500	1,269	4,500
Interest receivable	9,627	23,898	36,821	-
Due from Successor Agency	-	-	-	-
Deposits and prepaid items	-	-	-	4,911
Intergovernmental receivable	-	-	-	-
Notes receivable, net	-	-	-	-
Land held for resale	-	-	-	-
Total assets	$ 4,443,630	$ 11,861,553	$ 16,677,926	$ 83,299
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 800	$ 2,460,673	$ 171,655	$ 71,843
Accrued liabilities	5,420	270,795	25,557	10,004
Unearned revenue	-	-	-	-
Refundable deposits	-	-	17,039	200
Due to other funds	249	2,871	-	89
Intercity loan payable	-	-	-	-
Total liabilities	6,469	2,734,339	214,251	82,136
Deferred Inflows of Resources:				
Unavailable revenue	-	-	-	-
Total deferred inflows	-	-	-	-
Fund balances:				
Non-Spendable:				
Deposits and Prepaid items	-	-	-	4,911
Restricted:				
Public safety	4,437,161	-	-	-
Public right of way	-	9,127,214	6,199,118	-
Drainage	-	-	2,371,872	-
Community planning and development	-	-	-	-
Community services	-	-	7,892,685	-
Unassigned	-	-	-	(3,748)
Total fund balances	4,437,161	9,127,214	16,463,675	1,163
Total liabilities and fund balances	$ 4,443,630	$ 11,861,553	$ 16,677,926	$ 83,299

Special Revenue Funds			
Street Lighting	Park Maintenance	Main Street District	Air Quality Improvement
$ 165,536	$ 185	$ 135,378	$ 322,939
-	-	-	-
384	3,343	-	-
-	54	274	582
-	-	-	-
-	-	-	-
-	-	-	59,530
-	-	-	-
-	-	-	-
$ 165,920	$ 3,582	$ 135,652	$ 383,051
$ 149,216	$ 13,296	$ 15,995	$ 6,689
5,623	12,279	-	1,863
-	-	-	-
-	-	1,465	110
79	29,360	-	27
-	-	-	-
154,918	54,935	17,460	8,689
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
11,002	-	118,192	374,362
-	-	-	-
-	-	-	-
-	-	-	-
-	(51,353)	-	-
11,002	(51,353)	118,192	374,362
$ 165,920	$ 3,582	$ 135,652	$ 383,051

CITY OF GARDEN GROVE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2025

	Special Revenue Funds		
	GG Tourism Improvement District	**Other Grants and Contributions**	**Street Rehabilitation**
ASSETS			
Cash and investments	$ 623,417	$ 2,740,103	$ 4,410,939
Taxes receivable	262,388	-	-
Accounts receivable	-	22,891	-
Interest receivable	-	10,471	9,084
Due from Successor Agency	-	-	-
Deposits and prepaid items	-	5,591	-
Intergovernmental receivable	-	3,008,926	666,172
Notes receivable, net	-	6,077,603	-
Land held for resale	-	-	-
Total assets	$ 885,805	$ 11,865,585	$ 5,086,195
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 642,881	$ 856,514	$ 379,218
Accrued liabilities	-	148,519	213,453
Unearned revenue	-	2,557,401	-
Refundable deposits	-	979	-
Due to other funds	-	1,405	177
Intercity loan payable	-	-	-
Total liabilities	642,881	3,564,818	592,848
Deferred Inflows of Resources:			
Unavailable revenue	-	1,608,853	-
Total deferred inflows	-	1,608,853	-
Fund balances:			
Non-Spendable:			
Prepaid items	-	5,591	-
Restricted			
Public safety	-	1,285,221	-
Public right of way	-	2,877,787	4,493,347
Drainage	-	-	-
Community planning and development	242,924	1,993,363	-
Community services	-	529,952	-
Unassigned	-	-	-
Total fund balances	242,924	6,691,914	4,493,347
Total liabilities and fund balances	$ 885,805	$ 11,865,585	$ 5,086,195

HOME Grant Special Revenue Fund	Capital Project Funds: Housing Authority Assets	Capital Project Funds: Housing Successor Agency Low/Mod	Capital Project Funds: Public Safety	Total Nonmajor Governmental Funds
$ 366,871	$ 892,104	$ 3,092,947	$ -	$ 44,359,451
-	-	-	-	1,612,238
64,494	1,714	6,903	-	131,998
290	1,983	4,176	-	97,260
-	-	2,044,260	-	2,044,260
-	-	-	-	10,502
43,380	-	-	-	3,778,008
16,786,336	2,001,824	7,825,928	-	32,691,691
-	-	519,063	-	519,063
$ 17,261,371	$ 2,897,625	$ 13,493,277	$ -	$ 85,244,471
$ 43,257	$ -	$ 25,349	$ -	$ 4,837,386
1,814	-	2,078	-	697,405
-	-	-	-	2,557,401
-	-	-	-	19,793
50	-	47	38,336	72,690
-	-	1,550,000	-	1,550,000
45,121	-	1,577,474	38,336	9,734,675
-	-	-	-	1,608,853
-	-	-	-	1,608,853
-	-	-	-	10,502
-	-	-	-	5,722,382
-	-	-	-	23,201,022
-	-	-	-	2,371,872
17,216,250	2,897,625	11,915,803	-	34,265,965
-	-	-	-	8,422,637
-	-	-	(38,336)	(93,437)
17,216,250	2,897,625	11,915,803	(38,336)	73,900,943
$ 17,261,371	$ 2,897,625	$ 13,493,277	$ -	$ 85,244,471

CITY OF GARDEN GROVE
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Special Revenue Funds			
	Public Safety	**State Gas Tax**	**Developer Fees**	**Garden Grove Cable**
REVENUES:				
Taxes	$ 943,600	$ -	$ -	$ -
Licenses and permits	-	-	239,668	-
Fines, forfeits and penalties	61,810	-	-	-
Investment earnings (loss)	179,948	460,901	790,133	-
Charges for current services	-	-	2,722,362	-
From other agencies	543,317	9,524,022	-	-
Other revenues	3,250	52,500	1,876	36,307
Total revenues	1,731,925	10,037,423	3,754,039	36,307
EXPENDITURES:				
Current:				
Police	1,362,015	-	-	-
Traffic safety	-	68,085	459,253	-
Public right of way	124	7,972,903	-	-
Community services	-	-	-	625,909
Economic development	-	-	-	-
Parks and greenbelts	-	-	584,722	-
Community planning and development	-	-	175,716	-
Municipal support	-	-	-	-
Total expenditures	1,362,139	8,040,988	1,219,691	625,909
Excess (deficiency) of revenues over (under) expenditures	369,786	1,996,435	2,534,348	(589,602)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	590,501
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	590,501
Net change in fund balances	369,786	1,996,435	2,534,348	899
Fund balance, beginning of year	4,067,375	7,130,779	13,929,327	264
Fund balance, end of year	$ 4,437,161	$ 9,127,214	$ 16,463,675	$ 1,163

Special Revenue Funds			
Street Lighting	**Park Maintenance**	**Main Street District**	**Air Quality Improvement**
$ -	$ -	$ -	$ -
-	-	-	-
-	-	-	-
180	1,768	9,724	20,739
1,356,682	696,834	26,620	-
-	-	-	285,555
4,492	3,343	-	-
1,361,354	701,945	36,344	306,294
-	-	-	-
1,975,282	-	-	-
-	-	39,740	-
-	-	-	-
-	-	-	-
-	774,616	-	-
-	-	-	-
27,676	-	-	138,446
2,002,958	774,616	39,740	138,446
(641,604)	(72,671)	(3,396)	167,848
645,593	-	-	-
-	-	-	-
645,593	-	-	-
3,989	(72,671)	(3,396)	167,848
7,013	21,318	121,588	206,514
$ 11,002	$ (51,353)	$ 118,192	$ 374,362

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, 2025

	Special Revenue Funds			
	GG Tourism Improvement District	Other Grants and Contributions	Street Rehabilitation	HOME Grant
REVENUES:				
Taxes	$ 3,228,572	$ -	$ -	$ -
Licenses and permits	-	-	-	-
Fines, forfeits and penalties	-	138,101	-	-
Investment earnings	9,023	332,037	160,050	409,740
Charges for current services	-	-	-	-
From other agencies	-	5,913,262	3,747,437	202,120
Other revenues	-	459,190	-	-
Total revenues	3,237,595	6,842,590	3,907,487	611,860
EXPENDITURES:				
Current:				
Police	-	1,486,402	-	-
Traffic safety	-	243,096	-	-
Public right of way	-	4,107,431	4,678,919	-
Community services	-	570,522	272,867	-
Economic Development	2,508,612	-	-	-
Parks and greenbelts	-	-	-	-
Community planning and development	-	1,387,325	-	370,945
Municipal support	-	-	-	-
Total expenditures	2,508,612	7,794,776	4,951,786	370,945
Excess (deficiency) of revenues over (under) expenditures	728,983	(952,186)	(1,044,299)	240,915
OTHER FINANCING SOURCES (USES):				
Transfers in	-	284,485	-	-
Transfers out	(752,989)	-	-	-
Total other financing sources (uses)	(752,989)	284,485	-	-
Net change in fund balances	(24,006)	(667,701)	(1,044,299)	240,915
Fund balance, beginning of year	266,930	7,359,615	5,537,646	16,975,335
Fund balance, end of year	$ 242,924	$ 6,691,914	$ 4,493,347	$ 17,216,250

Capital Project Funds			Total
Housing Authority Assets	Housing Successor Agency Low/Mod	Public Safety	Nonmajor Governmental Funds
$ -	$ -	$ -	$ 4,172,172
-	-	-	239,668
-	-	-	199,911
113,658	529,450	-	3,017,351
-	-	-	4,802,498
-	-	-	20,215,713
-	-	-	560,958
113,658	529,450	-	33,208,271
-	-	-	2,848,417
-	-	-	2,745,716
-	-	-	16,799,117
-	-	-	1,469,298
12,957	-	-	2,521,569
-	-	-	1,359,338
-	356,111	-	2,290,097
-	-	-	166,122
12,957	356,111	-	30,199,674
100,701	173,339	-	3,008,597
-	-	-	1,520,579
-	-	-	(752,989)
-	-	-	767,590
100,701	173,339	-	3,776,187
2,796,924	11,742,464	(38,336)	70,124,756
$ 2,897,625	$ 11,915,803	$ (38,336)	$ 73,900,943

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, 2025

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Taxes	$ 700,000	$ 900,000	$ 943,600	$ 43,600
Fines, forfeits and penalties	-	-	61,810	61,810
Investment earnings (loss)	-	-	179,948	179,948
From other agencies	-	-	543,317	543,317
Other revenues	-	-	3,250	3,250
Total revenues	700,000	900,000	1,731,925	831,925
EXPENDITURES:				
Current:				
Police	582,400	808,700	1,362,015	(553,315)
Traffic safety	-	-	124	(124)
Total expenditures	582,400	808,700	1,362,139	(553,439)
Excess (deficiency) of revenues over (under) expenditures	117,600	91,300	369,786	278,486
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	117,600	91,300	369,786	278,486
Fund balance, beginning of year	4,067,375	4,067,375	4,067,375	-
Fund balance, end of year	$ 4,184,975	$ 4,158,675	$ 4,437,161	$ 278,486

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, 2025

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Investment earnings (loss)	$ -	$ -	$ 460,901	$ 460,901
From other agencies	9,339,000	9,275,400	9,524,022	248,622
Other revenues	-	-	52,500	52,500
Total revenues	9,339,000	9,275,400	10,037,423	762,023
EXPENDITURES:				
Current:				
Traffic safety	188,600	596,200	68,085	528,115
Public right of way	7,769,900	9,902,700	7,972,903	1,929,797
Total expenditures	7,958,500	10,498,900	8,040,988	2,457,912
Excess (deficiency) of revenues over (under) expenditures	1,380,500	(1,223,500)	1,996,435	3,219,935
		-		
Net change in fund balance	1,380,500	(1,223,500)	1,996,435	3,219,935
Fund balance, beginning of year	7,130,779	7,130,779	7,130,779	-
Fund balance, end of year	$ 8,511,279	$ 5,907,279	$ 9,127,214	$ 3,219,935

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, 2025

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Licenses and permits	$ 100,000	$ 100,000	$ 239,668	$ 139,668
Investment earnings (loss)	-	-	790,133	790,133
Charges for current services	1,325,000	1,600,000	2,722,362	1,122,362
Other revenues	-	-	1,876	1,876
Total revenues	1,425,000	1,700,000	3,754,039	2,054,039
EXPENDITURES:				
Current:				
Traffic safety	-	1,135,900	459,253	676,647
Public right of way	500,000	1,025,000	-	1,025,000
Drainage	100,000	263,100	-	263,100
Community building	-	500,000	-	500,000
Parks and greenbelts	775,000	7,500,000	584,722	6,915,278
Community planning and development	223,800	1,444,100	175,716	1,268,384
Municipal support	3,900	3,900	-	3,900
Total expenditures	1,602,700	11,872,000	1,219,691	10,652,309
Excess (deficiency) of revenues over (under) expenditures	(177,700)	(10,172,000)	2,534,348	12,706,348
Net change in fund balance	(177,700)	(10,172,000)	2,534,348	12,706,348
Fund balance, beginning of year	13,929,327	13,929,327	13,929,327	-
Fund balance, end of year	$ 13,751,627	$ 3,757,327	$ 16,463,675	$ 12,706,348

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, 2025

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Other revenues	$ 166,100	$ 34,900	$ 36,307	$ 1,407
Total revenues	166,100	34,900	36,307	1,407
EXPENDITURES:				
Current:				
Community services	872,900	779,400	625,909	153,491
Total expenditures	872,900	779,400	625,909	153,491
Excess (deficiency) of revenues over (under) expenditures	(706,800)	(744,500)	(589,602)	154,898
OTHER FINANCING SOURCES (USES):				
Transfers in	660,800	660,800	590,501	(70,299)
Total other financing sources (uses)	660,800	660,800	590,501	(70,299)
Net change in fund balance	(46,000)	(83,700)	899	84,599
Fund balance, beginning of year	264	264	264	-
Fund balance, end of year	$ (45,736)	$ (83,436)	$ 1,163	$ 84,599

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, 2025

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Investment earnings (loss)	$ -	$ -	$ 180	$ 180
Charges for current services	1,384,300	1,363,900	1,356,682	(7,218)
Other revenues	-	-	4,492	4,492
Total revenues	1,384,300	1,363,900	1,361,354	(2,546)
EXPENDITURES:				
Current:				
Traffic safety	1,362,900	1,327,165	1,975,282	(648,117)
Municipal support	29,300	30,200	27,676	2,524
Total expenditures	1,392,200	1,357,365	2,002,958	(645,593)
Excess (deficiency) of revenues over (under) expenditures	(7,900)	6,535	(641,604)	(648,139)
		-		
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	645,593	645,593
Total other financing sources (uses)	-	-	645,593	645,593
Net change in fund balance	(7,900)	6,535	3,989	(2,546)
Fund balance, beginning of year	7,013	7,013	7,013	-
Fund balance, end of year	$ (887)	$ 13,548	$ 11,002	$ (2,546)

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, 2025

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Investment earnings (loss)	$ -	$ -	$ 1,768	$ 1,768
Charges for current services	725,300	725,300	696,834	(28,466)
Other revenues	-	-	3,343	3,343
Total revenues	725,300	725,300	701,945	(23,355)
EXPENDITURES:				
Current:				
Parks and greenbelts	979,600	979,600	774,616	204,984
Total expenditures	979,600	979,600	774,616	204,984
Excess (deficiency) of revenues over (under) expenditures	(254,300)	(254,300)	(72,671)	181,629
Net change in fund balance	(254,300)	(254,300)	(72,671)	181,629
Fund balance, beginning of year	21,318	21,318	21,318	-
Fund balance, end of year	$ (232,982)	$ (232,982)	$ (51,353)	$ 181,629

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, 2025

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Investment earnings (loss)	$ -	$ -	$ 9,724	$ 9,724
Charges for current services	26,700	27,200	26,620	(580)
Total revenues	26,700	27,200	36,344	9,144
EXPENDITURES:				
Current:				
Public right of way	37,400	47,600	39,740	7,860
Total expenditures	37,400	47,600	39,740	7,860
Excess (deficiency) of revenues over (under) expenditures	(10,700)	(20,400)	(3,396)	17,004
Net change in fund balance	(10,700)	(20,400)	(3,396)	17,004
Fund balance, beginning of year	121,588	121,588	121,588	-
Fund balance, end of year	$ 110,888	$ 101,188	$ 118,192	$ 17,004

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, 2025

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Investment earnings (loss)	$ -	$ -	$ 20,739	$ 20,739
From other agencies	222,000	222,000	285,555	63,555
Total revenues	222,000	222,000	306,294	84,294
EXPENDITURES:				
Current:				
Community planning and development	-	10,000	-	(10,000)
Municipal support	302,600	518,200	138,446	379,754
Total expenditures	302,600	528,200	138,446	369,754
Excess (deficiency) of revenues over (under) expenditures	(80,600)	(306,200)	167,848	454,048
Net change in fund balance	(80,600)	(306,200)	167,848	454,048
Fund balance, beginning of year	206,514	206,514	206,514	-
Fund balance, end of year	$ 125,914	$ (99,686)	$ 374,362	$ 454,048

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, 2025

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Taxes	$ 3,697,300	$ 4,010,800	$ 3,228,572	$ (782,228)
Investment earnings	-	-	9,023	9,023
Total revenues	3,697,300	4,010,800	3,237,595	(773,205)
EXPENDITURES:				
Current:				
Community planning and development	2,957,800	4,010,800	2,508,612	1,502,188
Total expenditures	2,957,800	4,010,800	2,508,612	1,502,188
Excess (deficiency) of revenues over (under) expenditures	739,500	-	728,983	728,983
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(752,989)	(752,989)
Total other financing sources (uses)	-	-	(752,989)	(752,989)
Net change in fund balance	739,500	-	(24,006)	(24,006)
Fund balance, beginning of year	266,930	266,930	266,930	-
Fund balance (deficit), end of year	$ 1,006,430	$ 266,930	$ 242,924	$ (24,006)

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, 2025

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Fines, forfeits and penalties	$ -	$ -	$ 138,101	$ 138,101
Investment earnings (loss)	-	-	332,037	332,037
From other agencies	2,557,300	7,679,400	5,913,262	(1,766,138)
Other revenues	-	148,200	459,190	310,990
Total revenues	2,557,300	7,827,600	6,842,590	(985,010)
EXPENDITURES:				
Current:				
Police	450,700	1,287,014	1,486,402	(199,388)
Traffic safety	-	-	243,096	(243,096)
Public right of way	1,308,100	2,837,500	4,107,431	(1,269,931)
Community services	735,400	1,729,200	570,522	1,158,678
Community planning and development	1,777,200	8,410,200	1,387,325	7,022,875
Parks and greenbelts	-	5,500,000	-	5,500,000
Municipal support	-	549,300	-	549,300
Total expenditures	4,271,400	20,313,214	7,794,776	12,518,438
Excess (deficiency) of revenues over (under) expenditures	(1,714,100)	(12,485,614)	(952,186)	11,533,428
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	284,485	284,485
Total other financing sources (uses)	-	-	284,485	284,485
Net change in fund balance	(1,714,100)	(12,485,614)	(667,701)	11,817,913
Fund balance, beginning of year	7,359,615	7,359,615	7,359,615	-
Fund balance, end of year	$ 5,645,515	$ (5,125,999)	$ 6,691,914	$ 11,817,913

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, 2025

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Investment earnings (loss)	$ -	$ -	$ 160,050	$ 160,050
From other agencies	3,886,100	4,424,600	3,747,437	(677,163)
Total revenues	3,886,100	4,424,600	3,907,487	(517,113)
EXPENDITURES:				
Current:				
Traffic safety	-	-	-	-
Public right of way	3,374,500	4,995,700	4,678,919	316,781
Community services	205,000	205,000	272,867	(67,867)
Community planning and development	-	324,300	-	324,300
Total expenditures	3,579,500	5,525,000	4,951,786	573,214
Excess (deficiency) of revenues over (under) expenditures	306,600	(1,100,400)	(1,044,299)	56,101
		-		
Net change in fund balance	306,600	(1,100,400)	(1,044,299)	56,101
Fund balance, beginning of year	5,537,646	5,537,646	5,537,646	-
Fund balance, end of year	$ 5,844,246	$ 4,437,246	$ 4,493,347	$ 56,101

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, 2025

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Investment earnings (loss)	$ -	$ -	$ 409,740	$ 409,740
From other agencies	737,300	618,900	202,120	(416,780)
Total revenues	737,300	618,900	611,860	(7,040)
EXPENDITURES:				
Current:				
Community planning and development	3,381,100	1,784,100	370,945	1,413,155
Total expenditures	3,381,100	1,784,100	370,945	1,413,155
Excess (deficiency) of revenues over (under) expenditures	(2,643,800)	(1,165,200)	240,915	1,406,115
Net change in fund balance	(2,643,800)	(1,165,200)	240,915	1,406,115
Fund balance, beginning of year	16,975,335	16,975,335	16,975,335	-
Fund balance, end of year	$ 14,331,535	$ 15,810,135	$ 17,216,250	$ 1,406,115

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, 2025

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Investment earnings (loss)	$ -	$ -	$ 113,658	$ 113,658
Total revenues	-	-	113,658	113,658
EXPENDITURES:				
Current:				
Community planning and development	37,000	74,000	12,957	61,043
	37,000	74,000	12,957	61,043
Excess (deficiency) of revenues over (under) expenditures	(37,000)	(74,000)	100,701	174,701
Net change in fund balance	(37,000)	(74,000)	100,701	174,701
Fund balance, beginning of year	2,796,924	2,796,924	2,796,924	-
Fund balance, end of year	$ 2,759,924	$ 2,722,924	$ 2,897,625	$ 174,701

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, 2025

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Investment earnings (loss)	$ -	$ -	$ 529,450	$ 529,450
Other revenues	10,000	54,800	-	(54,800)
Total revenues	10,000	54,800	529,450	474,650
EXPENDITURES:				
Current:				
Community planning and development	581,000	856,800	356,111	500,689
Total expenditures	581,000	856,800	356,111	500,689
Excess (deficiency) of revenues over (under) expenditures	(571,000)	(802,000)	173,339	975,339
Net change in fund balance	(571,000)	(802,000)	173,339	975,339
Fund balance, beginning of year	11,742,464	11,742,464	11,742,464	-
Fund balance, end of year	$ 11,171,464	$ 10,940,464	$ 11,915,803	$ 975,339

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, 2025

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Investment earnings	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-
EXPENDITURES:				
Current:				
Police	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	(38,336)	(38,336)	(38,336)	-
Fund balance, end of year	$ (38,336)	$ (38,336)	$ (38,336)	$ -

CITY OF GARDEN GROVE
CIVIC CENTER REVITALIZATION CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Investment earnings (loss)	$ -	$ -	$ 4,690,717	$ 4,690,717
Other revenues	-	140,000,000	-	(140,000,000)
Total revenues	-	140,000,000	4,690,717	(135,309,283)
EXPENDITURES:				
Current:				
Community planning and development	-	144,243,100	61,207,159	83,035,941
Debt service:				
Interest	-	-	11,000	(11,000)
Total expenditures	-	144,243,100	61,218,159	83,024,941
Excess (deficiency) of revenues over (under) expenditures	-	(4,243,100)	(56,527,442)	(52,284,342)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	12,610,800	12,610,800
Total other financing sources (uses)	-	-	12,610,800	12,610,800
Net change in fund balance	-	(4,243,100)	(43,916,642)	(39,673,542)
Fund balance, beginning of year	142,656,358	142,656,358	142,656,358	-
Fund balance, end of year	$ 142,656,358	$ 138,413,258	$ 98,739,716	$ (39,673,542)

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, 2025

	Solid Waste Disposal	Golf Course	Total Nonmajor Enterprise Funds
ASSETS			
Current Assets:			
Cash and cash investments	$ 23,992,846	$ 369,687	$ 24,362,533
Taxes receivable	280,119	-	280,119
Accounts receivable	603,950	13,093	617,043
Interest receivable	53,547	-	53,547
Inventory	-	27,056	27,056
Prepaid Items	109	89,304	89,413
Total current assets	24,930,571	499,140	25,429,711
Noncurrent Assets:			
Capital assets			
Land	-	3,132,711	3,132,711
Depreciable capital assets, net	-	572,141	572,141
Total noncurrent assets	-	3,704,852	3,704,852
Total assets	24,930,571	4,203,992	29,134,563
DEFERRED OUTFLOWS OF RESOURCES			
OPEB related	171,339	-	171,339
Pension related	316,119	-	316,119
Total Deferred Outflows	487,458	-	487,458
LIABILITIES			
Current Liabilities:			
Accounts payable	130,581	169,638	300,219
Accrued liabilities	19,865	-	19,865
Interest payable	-	603	603
Refundable deposits	2,610,005	-	2,610,005
Due to other funds	203	88,010	88,213
OPEB liability	45,036	-	45,036
Current portion of long term liabilities			
Leases payable	-	108,364	108,364
Total current liabilities	2,805,690	366,615	3,172,305
Noncurrent liabilities:			
Leases payable	-	211,112	211,112
Net pension liability	1,499,446	-	1,499,446
OPEB liability	358,654	-	358,654
Total noncurrent liabilities	1,858,100	211,112	2,069,212
Total liabilities	4,663,790	577,727	5,241,517
DEFERRED INFLOWS OF RESOURCES			
OPEB related	139,918	-	139,918
Pension related	-	-	-
Total Deferred Inflows	139,918	-	139,918
NET POSITION			
Net investment in capital assets	-	3,385,376	3,385,376
Unrestricted	20,614,321	240,889	20,855,210
Total net position	$ 20,614,321	$ 3,626,265	$ 24,240,586

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, 2025

	Solid Waste Disposal	Golf Course	Total Nonmajor Enterprise Funds
Operating revenues:			
Charges for services	$ -	$ 2,520,075	$ 2,520,075
Solid waste disposal fees	4,012,774	-	4,012,774
Property assessments	617,737	-	617,737
Other	1,196,035	-	1,196,035
Total operating revenues	5,826,546	2,520,075	8,346,621
Operating expenses:			
Salaries and benefits	487,633	-	487,633
Contractual services	1,531,152	-	1,531,152
Materials and supplies	15,846	-	15,846
Golf course operations	-	2,204,773	2,204,773
Depreciation	-	153,460	153,460
Total operating expenses	2,034,631	2,358,233	4,392,864
Operating income (loss)	3,791,915	161,842	3,953,757
Nonoperating revenues:			
Investment income (loss)	942,026	5,225	947,251
Gain (loss) on disposal of assets	-		
Interest expense	-	(2,853)	(2,853)
Total nonoperating revenue	942,026	2,372	944,398
Income before capital contributions	4,733,941	164,214	4,898,155
Capital contributions	-	14,300	14,300
Transfers out	(46,876)	-	(46,876)
Change in net position	4,687,065	178,514	4,865,579
Total net position, beginning of year	15,927,256	3,447,751	19,375,007
Total net position, end of year	$ 20,614,321	$ 3,626,265	$ 24,240,586

CITY OF GARDEN GROVE
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Solid Waste Disposal	Golf Course	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	$ 5,803,927	$ 2,520,075	$ 8,324,002
Payments to suppliers	(1,653,285)	(2,269,408)	(3,922,693)
Payments to employees	(867,905)	-	(867,905)
Net cash provided (used) by operating activities	3,282,737	250,667	3,533,404
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES		-	
Cash paid to other funds	(47,079)	-	(47,079)
Cash received from other funds	-	102,310	102,310
Net cash provided (used) by non capital financing activities	(47,079)	102,310	55,231
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	-	(94,312)	(94,312)
Principal payments on capital debt	-	(125,235)	(125,235)
Interest paid on capital debt	-	(3,048)	(3,048)
Net cash (used) by capital and related financing activities	-	(222,595)	(222,595)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest earnings	609,236	-	609,236
Increase (decrease) in fair value of investments	330,278	5,225	335,503
Net cash provided by investing activities	939,514	5,225	944,739
Net increase (decrease) in cash and cash equivalents	4,175,172	135,607	4,310,779
Cash and cash equivalents, beginning of year	19,817,674	234,080	20,051,754
Cash and cash equivalents, end of year	$ 23,992,846	$ 369,687	$ 24,362,533
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	$ 3,791,915	$ 161,842	$ 3,953,757
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	-	153,460	153,460
Changes in assets and liabilities:			
(Increase) decrease in taxes receivable	(7,199)	-	(7,199)
(Increase) decrease in accounts receivable	(603,950)	-	(603,950)
(Increase) decrease in inventory	-	(3,354)	(3,354)
(Increase) decrease in prepaid expense	(109)	(59,252)	(59,361)
Increase (decrease) in accounts payable	(106,178)	(2,029)	(108,207)
Increase (decrease) in accrued liabilities	681	-	681
Increase (decrease) in refundable deposits	588,530	-	588,530
Increase (decrease) in OPEB liability and related changes in deferred outflows and inflows of resources	28,786	-	28,786
Increase (decrease) in net pension liability and related changes in deferred outflows and inflows of resources	(409,739)	-	(409,739)
Total adjustments	(509,178)	88,825	(420,353)
Net cash provided (used) by operating activities	$ 3,282,737	$ 250,667	$ 3,533,404

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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, 2025

	Workers' Compensation	Fleet Management	Employee Benefits	Information Systems
ASSETS				
Current Assets:				
Cash and cash investments	$ 39,562,593	$ 39,018,271	$ 28,852,755	$ 7,964,570
Accounts receivable, net	4,678	25,195	5,047	-
Interest receivable	79,761	88,845	59,184	17,561
Intergovernmental receivable	103	-	-	-
Due from other funds	143,129	-	-	-
Inventory	-	78,717	-	-
Prepaid items	-	5,289	28,343	246,791
Total current assets	39,790,264	39,216,317	28,945,329	8,228,922
Noncurrent Assets:				
Intercity loans receivable	-	400,506	-	-
Capital assets:				
Construction in progress	-	3,124,193	-	-
Depreciable capital assets, net	-	12,658,545	-	412,674
Total noncurrent assets	-	16,183,244	-	412,674
Total assets	39,790,264	55,399,561	28,945,329	8,641,596
DEFERRED OUTFLOWS OF RESOURCES				
OPEB related	-	214,173	-	492,599
Pension related	-	486,159	-	1,096,399
Total Deferred Outflows	-	700,332	-	1,588,998
LIABILITIES				
Current Liabilities:				
Accounts payable	450	635,628	697,738	27,094
Accrued liabilities	31,290	43,595	870,492	74,997
Interest payable	-	-	-	3,057
Refundable deposits	-	2,858	11,394	1,436
Due to other funds	-	2,451	-	555
Current portion of long term liabilities				
Subscription-based IT payable	-	-	-	46,803
Leases payable	-	-	-	88,420
Accrued compensated absences	-	-	9,101,316	-
OPEB liability	-	56,295	-	129,478
Claims payable	5,107,338	-	-	-
Total current liabilities	5,139,078	740,827	10,680,940	371,840
Noncurrent liabilities:				
Accrued compensated absences	-	-	5,575,332	-
Claims payable	34,232,899	-	-	-
Subscription-based IT payable	-	-	-	62,829
Leases payable	-	-	-	175,686
Intercity loans payable	-	-	-	-
Net pension liability	-	2,305,991	-	5,200,535
OPEB liability	-	448,318	-	1,031,131
Total noncurrent liabilities	34,232,899	2,754,309	5,575,332	6,470,181
Total liabilities	39,371,977	3,495,136	16,256,272	6,842,021
DEFERRED INFLOWS OF RESOURCES				
OPEB related	-	174,898	-	402,265
Pension related	-	-	-	-
Total Deferred Inflows	-	174,898	-	402,265
NET POSITION				
Net investment in capital assets	-	15,782,738	-	38,936
Unrestricted	418,287	36,647,121	12,689,057	2,947,372
Total net position	$ 418,287	$ 52,429,859	$ 12,689,057	$ 2,986,308

Warehouse Operations	Telephone System	Risk Management	Communication Replacement	Building and Structure Rehab	Total
$ 388,740	$ 2,028,078	$ 9,385,819	$ 2,049,742	$ 2,794,221	132,044,789
-	-	-	-	6,292	41,212
1,021	4,740	13,607	4,475	-	269,194
-	-	-	-	-	103
-	-	-	-	-	143,129
473,405	-	-	-	-	552,122
-	12,153	127,291	-	-	419,867
863,166	2,044,971	9,526,717	2,054,217	2,800,513	133,470,416
-	-	2,157,835	-	-	2,558,341
-	-	-	-	13,864	3,138,057
-	381,894	-	698,585	1,314,782	15,466,480
-	381,894	2,157,835	698,585	1,328,646	21,162,878
863,166	2,426,865	11,684,552	2,752,802	4,129,159	154,633,294
-	-	-	-	-	706,772
-	-	-	-	-	1,582,558
-	-	-	-	-	2,289,330
25,363	36,815	166,602	-	164,387	1,754,077
10,918	1,751	9,100	-	31,743	1,073,886
-	13,199	-	-	-	16,256
-	-	-	-	-	15,688
556	13	68	-	-	3,643
-	-	-	-	-	46,803
-	-	-	-	-	88,420
-	-	-	-	-	9,101,316
-	-	-	-	-	185,773
-	-	4,153,028	-	-	9,260,366
36,837	51,778	4,328,798	-	196,130	21,546,228
-	-	-	-	-	5,575,332
-	-	7,845,302	-	-	42,078,201
-	454,736	-	-	-	517,565
-	-	-	-	-	175,686
-	-	-	400,506	-	400,506
-	-	-	-	-	7,506,526
-	-	-	-	-	1,479,449
-	454,736	7,845,302	400,506	-	57,733,265
36,837	506,514	12,174,100	400,506	196,130	79,279,493
-	-	-	-	-	577,163
-	-	-	-	-	-
-	-	-	-	-	577,163
-	(72,842)	-	698,585	1,328,646	17,776,063
826,329	1,993,193	(489,548)	1,653,711	2,604,383	59,289,905
$ 826,329	$ 1,920,351	$ (489,548)	$ 2,352,296	$ 3,933,029	$ 77,065,968

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, 2025

	Workers' Compensation	Fleet Management	Employee Benefits	Information Systems
Operating revenues:				
Charges for services	$ 5,620,381	$ 3,856,118	$ 18,933,140	$ 5,201,500
Other	-	-	-	-
Total operating revenues	5,620,381	3,856,118	18,933,140	5,201,500
Operating expenses:				
Salaries and benefits	1,490,269	1,457,459	15,946,748	2,861,874
Contractual services	36,009	939,254	138	477,245
Liability claims	7,899,254	-	-	-
Materials and supplies	-	1,636,892	-	354,705
Depreciation	-	1,823,693	-	142,127
Total operating expenses	9,425,532	5,857,298	15,946,886	3,835,951
Operating income (loss)	(3,805,151)	(2,001,180)	2,986,254	1,365,549
Nonoperating revenues (expenses):				
Investment income (loss)	1,915,449	2,167,125	996,826	350,681
Gain (loss) on disposal of assets	-	107,087	-	-
Interest expense	-	-	-	(7,495)
Total nonoperating revenue (expenses)	1,915,449	2,274,212	996,826	343,186
Income (loss) before transfers and capital contributions	(1,889,702)	273,032	3,983,080	1,708,735
Capital contributions	-	518,324	-	-
Transfers in	4,000,000	46,876	-	-
Transfers out	-	-	(1,000,149)	-
Change in net position	2,110,298	838,232	2,982,931	1,708,735
Total net position, beginning of year	(1,692,011)	51,591,627	16,243,239	1,277,573
Restatement - implementation of GASB 101 (Note 17)	-	-	(6,537,113)	-
Total net position, beginning of year, as restated	(1,692,011)	51,591,627	9,706,126	1,277,573
Total net position, end of year	$ 418,287	$ 52,429,859	$ 12,689,057	$ 2,986,308

Warehouse Operations	Telephone System	Risk Management	Communication Replacement	Building and Structure Rehab	Total
$ 387,600	$ 403,200	$ 3,702,465	$ 600,000	$ -	$ 38,704,404
-	-	-	-	391,900	391,900
387,600	403,200	3,702,465	600,000	391,900	39,096,304
406,898	60,557	485,067	-	-	22,708,872
48,007	629,564	1,288,173	14	17,414	3,435,818
-	-	4,330,391	-	-	12,229,645
111,246	10,255	426	-	-	2,113,524
-	72,842	-	301,497	12,133	2,352,292
566,151	773,218	6,104,057	301,511	29,547	42,840,151
(178,551)	(370,018)	(2,401,592)	298,489	362,353	(3,743,847)
29,414	102,046	468,217	86,587	46,450	6,162,795
-	-	-	-	-	107,087
-	-	-	(7,780)	-	(15,275)
29,414	102,046	468,217	78,807	46,450	6,254,607
(149,137)	(267,972)	(1,933,375)	377,296	408,803	2,510,760
-	-	-	-	-	518,324
-	-	3,000,000	-	-	7,046,876
-	-	-	-	-	(1,000,149)
(149,137)	(267,972)	1,066,625	377,296	408,803	9,075,811
-					
975,466	2,188,323	(1,556,173)	1,975,000	3,524,226	74,527,270
-	-	-	-	-	(6,537,113)
975,466	2,188,323	(1,556,173)	1,975,000	3,524,226	67,990,157
$ 826,329	$ 1,920,351	$ (489,548)	$ 2,352,296	$ 3,933,029	$ 77,065,968

CITY OF GARDEN GROVE
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Workers' Compensation	Fleet Management	Employee Benefits	Information Systems
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from user departments	$ 5,630,685	$ 3,836,212	$ 18,946,153	$ 5,201,500
Payments to suppliers	(6,614,172)	(2,208,700)	(138)	(819,460)
Payments to employees	(1,490,269)	(1,337,111)	(26,743)	(2,745,542)
Payments for employee benefits	-	-	(15,038,278)	-
Net cash (used) provided by operating activities	(2,473,756)	290,401	3,880,994	1,636,498
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES				
Cash received from other funds	-	965,813	-	-
Cash paid to other funds	3,983,811	-	(1,000,149)	44
Net cash (used) provided by non capital financing activities	3,983,811	965,813	(1,000,149)	44
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	-	(5,625,689)	-	1
Proceeds from sale of capital assets	-	113,545	-	-
Principal paid on capital debt	-	-	-	(135,159)
Interest paid on capital debt	-	-	-	(6,611)
Net cash (used) by capital and related financing activities	-	(5,512,144)	-	(141,769)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest earnings	979,250	1,119,163	437,558	195,563
Increase (decrease) in fair value of investments	949,769	1,067,572	559,439	153,368
Net cash provided by investing activities	1,929,019	2,186,735	996,997	348,931
Net increase (decrease) in cash and cash equivalents	3,439,074	(2,069,195)	3,877,842	1,843,704
Cash and cash equivalents, beginning of year	36,123,519	41,087,466	24,974,913	6,120,866
Cash and cash equivalents, end of year	$ 39,562,593	$ 39,018,271	$ 28,852,755	$ 7,964,570
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$ (3,805,151)	$ (2,001,180)	$ 2,986,254	$ 1,365,549
Adjustments to reconcile operating income (income) to net cash (used) provided by operating activities:				
Depreciation expense	-	1,823,693	-	142,127
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	10,322	(19,906)	13,013	-
(Increase) decrease in intergovernmental receivable	(18)	-	-	-
(Increase) decrease in inventory	-	(26,306)	-	-
(Increase) decrease in prepaid expense	-	(2,588)	22,020	(974)
Increase (decrease) in accounts payable	(278,264)	383,915	27,342	1,328
Increase (decrease) in compensated absences	-	-	(26,743)	-
Increase (decrease) in accrued liabilities	(653)	9,567	847,714	10,700
Increase (decrease) in refundable deposits	-	2,858	11,394	1,436
Increase (decrease) in claims payable	1,600,008	-	-	-
changes in deferred outflows and inflows of resources	-	35,984	-	82,762
Increase (decrease) in net pension and OPEB liability and related changes in deferred outflows and inflows of resources	-	84,364	-	33,570
Total adjustments	1,331,395	2,291,581	894,740	270,949
Net cash (used) provided by operating activities	$ (2,473,756)	$ 290,401	$ 3,880,994	$ 1,636,498
Non-Cash Investing, Capital, and Financing Activities:				
Capital assets acquired through IT subscriptions	$ -	$ -	$ -	$ 103,350

Warehouse Operations	Telephone System	Risk Management	Communication Replacement	Building and Structure Rehab	Total
$ 387,600	$ 403,200	$ 3,702,465	$ 600,000	$ 385,608	$ 39,093,423
(248,474)	(621,528)	(4,266,129)	(14)	178,716	(14,599,899)
(406,898)	(60,557)	(485,067)	-	-	(6,552,187)
-	-	-	-	-	(15,038,278)
(267,772)	(278,885)	(1,048,731)	599,986	564,324	2,903,059
71	-	3,102,780	-	-	4,068,664
-	2	-	(400,506)	-	2,583,202
71	2	3,102,780	(400,506)	-	6,651,866
-	-	-	-	(1,098,114)	(6,723,802)
-	-	-	-	-	113,545
-	-	-	-	-	(135,159)
-	13,199	-	(7,780)	-	(1,192)
-	13,199	-	(7,780)	(1,098,114)	(6,746,608)
14,871	59,570	231,276	52,894	91,721	3,181,866
15,130	43,414	241,450	33,695	(45,271)	3,018,566
30,001	102,984	472,726	86,589	46,450	6,200,432
(237,700)	(162,700)	2,526,775	278,289	(487,340)	9,008,749
626,440	2,190,778	6,859,044	1,771,453	3,281,561	123,036,040
$ 388,740	$ 2,028,078	$ 9,385,819	$ 2,049,742	$ 2,794,221	$ 132,044,789
$ (178,551)	$ (370,018)	$ (2,401,592)	$ 298,489	$ 362,353	$ (3,743,847)
-	72,842	-	301,497	12,133	2,352,292
-	-	-	-	(6,292)	(2,863)
-	-	-	-	-	(18)
977	-	-	-	-	(25,329)
-	(2,341)	(127,291)	-	-	(111,174)
(91,789)	20,352	1,659	-	164,387	228,930
-	-	-	-	-	(26,743)
1,591	280	(172)	-	31,743	900,770
-	-	-	-	-	15,688
-	-	1,478,665	-	-	3,078,673
-	-	-	-	-	118,746
-	-	-	-	-	117,934
(89,221)	91,133	1,352,861	301,497	201,971	6,646,906
$ (267,772)	$ (278,885)	$ (1,048,731)	$ 599,986	$ 564,324	$ 2,903,059
$ -	$ 454,736	$ -	$ -	$ -	$ 558,086

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Statistical Section

Statistical Section

This section of the City of Garden Grove Annual Comprehensive Financial Report provides detailed information to help readers better understand the financial statements, note disclosures, required supplementary information, and 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 annual comprehensive 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			
	2016	**2017**	**2018**	**2019**
Governmental activities:				
Net investment in capital assets	$ 641,661	$ 631,964	$ 622,932	$ 621,163
Restricted	21,967	24,613	65,456	69,820
Unrestricted	(88,223)	(86,633)	(111,538)	(104,976)
Total governmental activities net position	$ 575,405	$ 569,944	$ 576,850	$ 586,007
Business-type activities:				
Net investment in capital assets	$ 117,488	$ 118,371	$ 119,954	$ 125,805
Restricted	-	-	-	-
Unrestricted	26,011	28,288	29,677	32,485
Total business-type activities net position	$ 143,499	$ 146,659	$ 149,631	$ 158,290
Primary government:				
Net investment in capital assets	$ 759,149	$ 750,335	$ 742,886	$ 746,968
Restricted	21,967	24,613	65,456	69,820
Unrestricted	(62,212)	(58,345)	(81,861)	(72,491)
Total primary government net position	$ 718,904	$ 716,603	$ 726,481	$ 744,297

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					
	2020	2021	2022	2023	2024	2025
	$ 619,138	$ 617,316	$ 618,070	$ 633,327	$ 700,606	$ 704,752
	72,470	75,669	77,360	74,580	230,076	84,788
	(108,833)	(94,620)	(35,673)	(17,843)	(223,772)	(75,572)
	$ 582,775	$ 598,365	$ 659,757	$ 690,064	$ 706,910	$ 713,968
	$ 132,671	$ 120,399	$ 129,173	$ 132,656	$ 142,798	$ 148,663
	-	-	-	-	-	-
	37,725	63,654	64,562	78,050	86,010	97,201
	$ 170,396	$ 184,053	$ 193,735	$ 210,706	$ 228,808	$ 245,864
	$ 751,809	$ 737,715	$ 747,243	$ 765,983	$ 843,404	$ 853,415
	72,470	75,669	77,360	74,580	230,076	84,788
	(71,108)	(30,966)	28,889	60,207	(137,762)	21,629
	$ 753,171	$ 782,418	$ 853,492	$ 900,770	$ 935,718	$ 959,832

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

	Fiscal Year			
	2016	**2017**	**2018**	**2019**
Expenses:				
Governmental activities:				
Fire	$ 20,700	$ 23,934	$ 27,428	$ 27,053
Police	47,309	53,783	64,245	62,965
Traffic safety	3,001	4,425	5,088	5,214
Public right of way	16,917	18,456	18,952	19,108
Drainage	1,453	1,438	1,561	1,464
Community buildings	4,691	4,998	5,096	4,552
Community services	4,606	5,184	5,677	5,684
Economic Development	2,333	4,271	3,099	3,235
Parks and greenbelts	1,957	1,861	5,628	2,367
Community planning and development	5,633	6,989	9,590	8,235
Municipal support	6,151	8,434	8,721	10,812
Interest on long-term debt	1,962	1,212	1,133	1,049
Total governmental activities expenses	116,713	134,985	156,218	151,738
Business-type activities:				
Water utility	26,982	31,109	35,410	34,062
Sanitary District	8,095	8,709	9,671	9,554
Mobile home parks/RV park	-	-	-	-
Housing authority	36,947	30,390	33,130	34,218
Golf course				
Total business-type activities expenses	72,024	70,208	78,211	77,834
Total primary government expenses	188,737	205,193	234,429	229,572
Program revenues:				
Governmental activities:				
Charges for services:				
Fire	1,683	1,347	1,830	1,329
Police	2,717	3,150	3,599	3,293
Traffic safety	1,347	1,356	1,355	1,350
Public right of way	391	394	406	450
Drainage	-	-	-	-
Community buildings	-	401	-	510
Community services	768	1,015	1,145	1,446
Economic development	-	108	-	-
Parks and greenbelts	1,226	1,265	834	678
Community planning and development	2,320	2,031	3,605	4,360
Municipal support	3,109	3,555	3,730	3,646
Operating grants and contributions	15,819	14,868	14,771	21,660
Capital grants and contributions	3,569	497	2,329	3,739
Total governmental activities program revenues	32,949	29,987	33,604	42,461
Business-type activities:				
Charges for services:				
Water	29,158	32,130	35,595	36,966
Sanitary District	12,339	12,939	12,837	14,002
Mobile home parks	-	-	-	-
Golf course	-	-	-	-
Operating grants and contributions	31,730	31,379	31,461	34,417
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	73,227	76,448	79,893	85,385
Total primary government program revenues	106,176	106,435	113,497	127,846
Net revenues (expenses):				
Governmental activities	(83,764)	(104,998)	(122,614)	(109,277)
Business-type activities	1,203	6,240	1,682	7,551
Total net revenues (expenses)	$ (82,561)	$ (98,758)	$ (120,932)	$ (101,726)

Fiscal Year					
2020	2021	2022	2023	2024	2025
$ 32,910	$ 29,810	$ 27,035	$ 31,188	$ 31,871	$ 34,232
76,176	78,689	64,172	75,053	97,762	95,621
5,734	5,947	5,839	5,786	6,814	7,862
17,499	18,389	16,553	21,099	23,731	21,656
1,396	1,547	1,589	1,488	1,461	1,959
4,802	4,958	4,780	6,423	5,810	8,371
6,268	5,250	5,090	7,102	7,643	6,350
2,950	2,595	3,595	4,323	2,612	2,838
2,190	2,161	2,295	2,966	2,487	2,690
9,352	10,521	9,248	13,837	20,536	19,505
9,914	9,360	7,595	13,927	14,291	13,243
1,112	1,083	1,058	1,107	1,248	5,875
170,303	170,310	148,849	184,299	216,266	220,202
37,937	36,220	35,862	32,579	38,078	43,889
9,509	8,984	10,424	8,741	10,726	14,337
-	-	-	-	-	-
37,038	39,631	43,524	46,706	52,633	56,261
1,479	1,589	1,763	2,218	2,259	2,361
85,963	86,424	91,573	90,244	103,696	116,848
256,266	256,734	240,422	274,543	319,962	337,050
698	596	740	705	674	688
3,470	3,058	2,889	3,324	3,551	2,687
1,352	1,356	1,365	1,293	1,290	1,295
362	272	429	372	351	386
-	-	-		-	
508	230	444		4,242	364
761	682	968	833	593	609
-	-	-			
776	754	577	857	1,327	1,416
3,275	4,252	4,118	4,885	4,890	5,856
3,256	3,456	1,806	5,436	3,238	3,022
22,125	49,746	49,242	24,534	30,523	26,754
3,036	1,906	3,442	2,392	1,537	2,689
39,619	66,308	66,020	44,631	52,216	45,766
38,575	42,246	43,256	40,912	44,201	50,956
14,413	13,959	15,966	15,956	16,041	17,661
-	-	-	-	-	-
1,243	1,837	1,744	2,001	2,288	2,520
37,376	41,155	43,400	47,472	54,152	57,658
-	-	-	-	-	14
91,607	99,197	104,366	106,341	116,682	128,809
131,226	165,505	170,386	150,972	168,898	174,575
(130,684)	(104,002)	(82,829)	(139,666)	(164,050)	(174,436)
5,644	12,773	12,793	16,097	12,985	11,961
$ (125,040)	$ (91,229)	$ (70,036)	$ (123,569)	$ (151,065)	$ (162,475)

(Continued)

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

	Fiscal Year			
	2016	**2017**	**2018**	**2019**
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Sales taxes	$ 22,052	$ 21,793	$ 20,737	$ 24,612
Property taxes	40,574	42,113	47,033	49,356
Transient occupancy taxes	20,897	25,121	25,983	26,285
Other taxes	8,214	8,314	8,660	8,350
Motor vehicle taxes, levied for general purposes	71	79	93	85
Investment income	3,344	1,337	1,870	7,666
Other general revenues	7,270	488	622	766
Gain/(Loss) on sale of capital assets	2,774	[5] -	[5] -	-
Transfers	-	292	581	1,000
Capital Contribution	-	-	-	-
Special Item	-	-	30,058	-
Total governmental activities	105,196	99,537	135,637	118,120
Business-type activities:				
Investment income	428	142	410	1,917
Gain/(Loss) on sale of capital assets	59	-	-	-
Other general revenues	159	182	208	191
Discontinued operations	-	-	-	-
Transfers	-	(292)	(581)	(1,000)
Total business-type activities	646	32	37	1,108
Total primary government	105,842	99,569	135,674	119,228
Changes in net position				
Governmental activities	21,432	(64,513)	135,637	(12,564)
Business-type activities	1,849	13,017	37	6,752
Total primary government	$ 23,281	$ (51,496)	135,674	(5,812)

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					
2020	2021	2022	2023	2024	2025
$ 43,122	$ 49,305	$ 59,703	$ 60,104	$ 60,132	$ 59,369
50,765	55,004	59,509	66,366	65,443	67,386
18,277	7,136	24,509	28,016	28,501	27,093
8,010	5,866	8,027	9,287	9,615	9,213
139	128	199	176	213	271
9,067	1,739	(8,007)	4,238	15,384	24,095
1,672	233	242	34	531	716
-	-	-	1,352	18	(160)
50	178	39	400	-	47
-	-	-	-	-	-
-	-	-	-	1,059	-
131,102	119,589	144,221	169,973	180,896	188,030
2,658	253	(3,072)	1,273	5,117	5,769
-	-	-	-	-	-
204	810	-	-	-	-
-	-	-	-	-	-
(50)	(178)	(39)	(400)	-	(47)
2,812	885	(3,111)	873	5,117	5,722
133,914	120,474	141,110	170,846	186,013	193,752
27,100	15,589	61,392	30,307	16,846	13,594
15,585	13,657	9,682	16,970	18,102	17,683
42,685	$ 29,246	$ 71,074	$ 47,277	$ 34,948	$ 31,277

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

	Fiscal Year			
	2016	2017	2018	2019
General fund:				
Reserved	$ -	$ -	$ -	$ -
Non-Spendable:				
Agency reimbursement agreement	-	-	-	-
COP reimbursement agreement	-	-	-	-
Intercity loan	13,375	13,414	13,456	12,793
Land held for resale	-	-	-	-
Prepaid items	13	10	17	21
Deposits	-	-	-	-
Restricted:				
Public safety	-	103	84	90
Public right of way	-	-	-	-
Community services	-	161	166	177
Community planning and development	-	7	2,764	3,469
Municipal support	-	15	35	57
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	314	404	-	-
Property tax lawsuit	500	500	500	500
Building improvements	1,300	1,300	1,300	1,300
General Plan	239	325	301	262
Paramedic Tax	-	-	617	-
Other purposes	-	-	-	-
Unreserved	-	-	-	-
Unassigned	18,331	22,629	29,428	47,448
Total general fund	$ 35,072	$ 39,868	$ 49,668	$ 67,117
All other governmental funds:				
Reserved	$ -	$ -	$ -	$ -
Non-Spendable:				
Intercity loan	-	-	-	-
Land held for resale	-	-	-	-
Prepaid items	-	-	-	-
Deposits	-	-	-	-
Restricted:				
Fire	-	-	-	-
Police	9,260	9,521	5,336	3,210
Public right of way	7,639	8,434	9,021	11,502
Drainage	754	529	412	273
Community services	196	945	2,370	4,505
Community planning and development	16,712	18,080	48,376	48,098
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	(4)	466	-	(40)
Total all other governmental funds	$ 35,312	$ 37,975	$ 65,515	$ 67,548

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						
2020	2021	2022	2023	2024	2025	
$ -	$ -	$ -	$ -	$ -		
-	-	-	-			
-	-	-	-			
12,102	8,873	8,197	13,048	11,587	9,740	
2,300	2,300	2,300	2,300	2,300	2,300	
40	90	85	3,330	179	190	
-	-	-				
90	90	90	95	85	96	
-	-	-	-	107	283	
177	177	177	192	213	210	
4,039	4,039	4,261	4,841	6,388	7,614	
57	48	48	41	232	265	
662	1,635	1,635	2,129	4,530	6,034	
-	-	-	-	-	-	
-	-	-	-	-	-	
				10,922	10,922	
22,500	22,500	22,500	25,700	27,900	30,269	
1,000	1,000	1,000	1,000	1,000	1,000	
-	-	-	-	-	-	
500	-	-	-	-	-	
1,300	1,300	1,300	1,300	1,300	1,300	
357	428	428	576	945	1,156	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
37,206	69,951	120,244	128,755	97,844	81,432	
$ 82,330	$ 112,431	$ 162,265	$ 183,307	$ 165,532	$ 152,811	
$ -	$ -	$ -	$ -	$ -	$ -	
-	-	-	-	-	-	
-	519	-	-	-	-	
195	238	31	12	36	12	
-	-	-	-	-	-	
-	-	-	-	-	-	
4,103	4,064	3,682	3,650	155,864	92,839	
10,355	12,195	12,347	14,662	15,288	23,201	
76	129	107	264	352	2,372	
5,841	6,401	8,166	42,340	14,409	10,436	
44,971	45,947	47,945	9,570	37,734	34,266	
-	-	1,264	-	-	-	
-	-	-	-		-	
-	-	-	-		-	
-	-	-	-		-	
-	-	-	-		-	
-	-	-	-		-	
-	-	-	-		-	
-	-	-	-		-	
(59)	(18)	(4)	53	(7,985)	11,528	
$ 65,482	$ 69,475	$ 73,538	$ 70,551	$ 215,698	$ 174,654	

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		
	2016	**2017**	**2018**
Revenues:			
Taxes	$ 92,268	$ 98,042	$ 103,090
Licenses and permits	1,554	1,687	2,005
Fines, forfeitures and penalties	2,222	2,622	3,134
Investment earnings	1,285	1,275	1,846
Charges for current services	9,943	10,041	11,945
From other agencies	15,991	11,640	12,047
Other revenues	11,071	3,847	4,193
Total revenues	134,334	129,154	138,260
Expenditures			
Current:			
Fire	23,195	23,707	25,067
Police	51,942	53,168	56,128
Traffic safety	2,959	4,215	3,925
Public right of way	7,515	7,257	7,197
Drainage	-	-	66
Community buildings	3,317	3,185	3,421
Community services	5,470	4,852	4,687
Economic development	2,333	2,757	3,099
Parks and greenbelts	2,217	1,939	2,325
Community planning and development	7,229	6,497	7,982
Municipal support	8,012	7,903	7,626
Capital outlay	7,371	6,754	10,938
Debt service:			
Principal retirement	2,097	3,342	573
Interest	939	1,184	1,087
Total expenditures	124,596	126,760	134,121
Excess (deficiency) of revenues over (under) expenditures	9,738	2,394	4,139
Other financing sources (uses):			
Transfers in	11,783	1,396	2,826
Transfers out	(11,683)	(1,296)	(1,253)
Issuance of debt	25,962	-	-
Proceeds of subscription-based leases			
Gain/(Loss) on sale of capital assets	1,735	4,965	-
Contribution to Housing Authority	-	-	-
Extraordinary Gain/(Loss)	-	-	-
Payment to bond escrow agent	(17,462)	-	-
Total other financing sources (uses)	10,335	5,065	1,573
Special Item			30,029
Net change in fund balances	$ 20,073	$ 7,459	$ 35,741
Debt service as a percentage of noncapital expenditures	2.6%	3.8%	1.3%

Source: Finance Department, City of Garden Grove

	Fiscal Year						
	2019	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
	$ 114,078	$ 119,853	$ 118,044	$ 150,869	$ 164,058	$ 164,011	$ 163,450
	2,645	2,647	2,419	2,763	3,155	3,193	3,731
	2,850	3,157	2,859	2,546	3,318	3,188	2,324
	4,344	6,402	793	(4,594)	2,265	9,354	16,340
	15,122	11,180	11,670	13,301	12,252	11,199	12,588
	13,599	17,884	47,729	45,322	25,048	26,265	21,654
	3,940	4,386	3,003	3,494	2,191	9,572	6,830
	156,578	165,509	186,517	213,701	212,287	226,782	226,917
	24,483	27,975	28,470	26,975	30,933	31,604	33,382
	56,282	64,770	68,032	71,121	75,134	78,814	86,978
	4,282	4,471	4,997	5,663	6,183	5,961	6,350
	7,107	7,155	17,543	19,057	22,610	33,944	29,419
	-	-	-	-	-	-	-
	3,007	2,781	3,164	3,713	10,569	9,287	5,823
	4,855	5,333	4,839	5,767	6,578	7,243	7,808
	3,212	2,950	2,609	3,592	4,314	2,618	2,522
	2,300	2,057	2,607	2,952	2,904	3,630	3,017
	7,124	8,130	10,588	11,095	26,487	44,813	81,122
	9,353	8,467	8,684	9,011	10,108	12,210	11,562
	13,635	14,021	-	-			
	580	495	494	592	630	20,778	1,817
	1,064	1,137	1,112	1,094	1,152	1,102	5,619
	137,284	149,742	153,139	160,632	197,602	252,004	275,419
	19,294	15,767	33,378	53,069	14,685	(25,222)	(48,502)
	1,403	4,380	1,346	2,275	9,212	3,552	15,905
	(1,303)	(7,357)	(629)	(1,448)	(12,894)	(2,678)	(21,905)
	-	-	-	-	278	151,719	198
							539
	-	874	-	-	6,775	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	100	(2,103)	717	827	3,371	152,593	(5,263)
			-	-	-		
	$ 19,394	$ 13,664	$ 34,095	$ 53,896	$ 18,056	$ 127,371	$ (53,765)
	1.3%	1.2%	1.1%	1.1%	1.0%	9.1%	3.8%

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
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
2025	59,368,819	67,386,227	2,736,133	6,477,140	27,092,903	271,110	163,332,332

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			Successor Agency			Total Direct Tax Rate
	Secured	Unsecured	Taxable Assessed Value	Secured [1]	Unsecured [1]	Taxable Assessed Value [1]	
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%
2025	17,772,538	352,903	18,125,441	5,093,489	627,418	5,720,907	1.177%

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
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
2025	1.0000	0.08000	0.00700	-	-	0.08964	-	1.17664

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	2025 Taxable Assessed Value	2025 Percent of Total City Taxable Assessed Value	2016 Taxable Assessed Value	2016 Percent of Total City Taxable Assessed Value
GWGG LLC	$ 254,101,017	1.11%		
7300 Chapman Avenue LLC	125,888,399	0.55%		
Investel Harbor Resorts LLC	141,743,972	0.62%		
House Food Holdings USA Inc	37,709,714	0.16%		
Landmark Hotels II LLC	91,236,207	0.40%		
Rexford Industrial Realty LP	89,176,853	0.39%		
New Age Brookhurst LLC	85,169,905	0.39%		
SPS Technologies LLC	2,980,799	0.01%		
Khanna Enterprises Limited	62,580,611	0.27%		
TNA Distributions LLC	64,071,752	0.28%		
Landmark Marriott Suites			111,585,560	1.02%
Investel Harbor Resorts LLC			72,034,298	0.66%
Park Grove Fee Owner LLC			48,449,050	0.44%
Chatham Rigg LLC			47,276,430	0.43%
Newage Garden Grove LLC			45,117,503	0.41%
HGGA Promenade			43,917,426	0.40%
OHI Resort Hotels LLC			42,164,043	0.39%
PPF Industrial			39,242,588	0.36%
SPS Technologies LLC			36,346,236	0.33%
CAR NOA GGN LLC			36,319,780	0.33%
	$ 954,659,229	4.17%	$ 522,452,914	4.77%
BB Promenade				

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

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

Fiscal Year	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
2016	22,611,366	21,721,987	96.1	213,997	21,935,984	97.0	517,198	2.3%
2017	23,155,878	22,914,391	99.0	206,984	23,121,375	99.9	326,133	1.4%
2018	26,376,092	25,752,153	97.6	174,164	25,926,316	98.3	134,739	0.5%
2019	26,866,637	26,606,288	99.0	202,200	26,808,488	99.8	176,785	0.7%
2020	28,019,537	27,164,413	96.9	567,147	27,731,560	99.0	248,420	0.9%
2021	30,281,268	26,169,198	86.4	3,616,591	29,785,789	98.4	197,557	0.7%
2022	31,282,250	30,586,260	97.8	305,759	30,892,019	98.8	1,817,047	5.8%
2023	34,509,263	33,301,324	96.5	255,498	33,556,822	97.2	1,960,347	5.7%
2024	34,935,620	34,067,597	97.5	362,382	34,429,979	98.6	505,642	1.4%
2025	37,711,590	34,904,885	92.6	328,770	35,233,655	100.9	2,477,935	6.6%

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:

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

Fiscal Year Ended June 30	Governmental Activities					
	Certificates of Participation 2002	Lease Revenue Bonds	Loans	Leases [1]	SBITA [2]	Total Governmental Activities
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
2025	-	149,562,177	-	659,942	782,765	151,004,884

[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	Leases [1]	SBITA [2]	Total Business-type Activities	Total Primary Government	Percentage of Personal Income	Debt Per Capita [3]
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
23,857,528	11,300,979	330,552	126,000	35,615,059	186,619,943	0.26%	1088

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**
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
2025	-	149,562		149,562	0.63%	872

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, 2025

CITY OF GARDEN GROVE

2024-25 Assessed Valuation:	22,649,607,291		
OVERLAPPING TAX AND ASSESSMENT DEBT:	Total Debt 6/30/2025	% Applicable (1)	City's Share of Debt 6/30/24
Metropolitan Water District	17,155,000	0.556	95,382
Coast Community College District	886,956,084	6.168	52,725,056
North Orange County Joint Community College District	291,560,678	2.331	6,413,389
Rancho Santiago Community College District	154,276,441	6.345	8,384,648
Rancho Santiago Community College District School Facilities Improvement District No. 1	144,765,000	10.902	15,124,345
Garden Grove Unified School District	517,805,000	57.972	295,291,976
Orange Unified School District	276,295,000	1.189	3,276,765
Anaheim Union High School District	229,078,955	0.080	339,451
Huntington Beach Union High School District	137,329,998	1.269	1,560,870
Anaheim School District	345,875,685	0.098	333,072
Magnolia School District	17,868,305	0.239	40,387
Westminster School District	155,518,449	7.076	10,838,641
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			394,423,982
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Orange County General Fund Obligations	429,065,000	2.794	11,988,076
Orange County Board of Education General Fund Obligations	9,120,000	2.794	254,813
North Orange Regional Occupation Program Certificates of Participation	6,880,000	0.029	1,995
Coast Community College District General Fund Obligations	660,000	6.168	40,709
Coast Community College District Pension Obligation Bonds	465,000	6.168	28,681
Orange Unified School District Certificates of Participation	8,175,000	1.189	97,201
Orange Unified School District Benefit Obligations	53,905,000	1.189	640,930
Anaheim Union High School District Certificates of Participation	26,880,000	0.080	21,504
Huntington Beach Union High School District Certificates of Participation	47,461,090	1.269	602,281
Magnolia School District General Fund Obligations	11,182,363	0.239	26,726
Westminster School District Certificates of Participation	44,160,000	7.076	3,124,762
City of Garden Grove General Fund Obligations	**151,004,884**	**100.000**	**151,004,884**
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			167,832,562
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):	35,395,000	100%	35,395,000
TOTAL DIRECT DEBT			**151,004,884**
TOTAL OVERLAPPING DEBT			446,646,660
COMBINED TOTAL DEBT			597,651,544 (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 capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

Ratios to 2024-25 Assessed Valuation:		
Total Overlapping Tax and Assessment Debt		1.74%
[1] **Total Direct Debt**	**151,004,884**	**0.67%**
[2] Combined Total Debt		2.64%
Ratios to Redevelopment Successor Agencies Incremental Valuation	4,945,085,331	
Total Overlapping Tax Increment Debt		0.72%

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

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

	Fiscal Year			
	2016	**2017**	**2018**	**2019**
Assessed valuation	$ 10,803,156	$ 12,591,500	$ 13,209,728	$ 12,637,323
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	2,700,789	3,147,875	3,302,432	3,159,331
Debt limit percentage	15%	15%	15%	15%
Debt limit	405,118	472,181	495,365	473,900
Total net debt applicable to limit: General obligation bonds	-	-	-	-
Legal debt margin	$ 405,118	$ 472,181	$ 495,365	$ 473,900
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					
	2020	2021	2022	2023	2024	2025
	$ 13,233,355	$ 14,420,228	$ 15,349,578	$ 16,395,106	$ 17,201,767	$ 18,125,441
	25%	25%	25%	25%	25%	25%
	3,308,339	3,605,057	3,837,395	4,098,777	4,300,442	4,531,360
	15%	15%	15%	15%	15%	15%
	496,251	540,759	575,609	614,816	645,066	679,704
	-	-	-	-	-	-
	$ 496,251	$ 540,759	$ 575,609	$ 614,816	$ 645,066	$ 679,704
	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

Water Revenue Bonds							
				Debt Service Requirement			
Fiscal Year	Gross Revenue	Expenses [1]	Resources Available for Debt Service	Principal	Interest	Total	Coverage
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
2025	50,956,492	36,859,592	14,096,900	920,000	776,175	1,696,175	8.31

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 Sanity District, Revenue Refunding bonds, Series 2017.

Sewer Revenue Bond							
				Debt Service Requirement			
Fiscal Year	Gross Revenue	Expenses	Resources Available for Debt Service	Principal [2]	Interest [2]	Total	Coverage
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
2025	11,833,408	6,145,713	5,687,695	715,000	485,125	1,200,125	4.74

(Continued)

SCHEDULE XIV
CITY OF GARDEN GROVE
PLEDGED-REVENUE COVERAGE (Continued)
LAST TEN FISCAL YEARS

Fiscal Year	2014 Tax Allocation Refunding Bonds				
		Debt Service Requirement			
	Tax Increment [1]	Principal	Interest	Total	Coverage
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
2025	7,656,574	3,330,000	519,750	3,849,750	1.99

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 Refunding Bonds				
		Debt Service Requirement			
	Tax Increment [1]	Principal	Interest	Total	Coverage
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
2025	7,656,574	2,265,000	1,229,875	3,494,875	2.19

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
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%
2025	171,492	7,284,736	42,479	4.8%

Source: State Employment Development Department
California Department of Finance
Center for Demographic Research / Fullerton.edu / Ycharts.com
Population & Housing Estimates by Jurisdiction:

SCHEDULE XVI
CITY OF GARDEN GROVE
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO

	2025		2016	
Employer	**Number of Employees**	**Percent of Total Employment**	**Number of Employees**	**Percent of Total Employment**
Great Wolf Lodge Southern California	700	0.84%	700	0.88%
Air Industries Company	625	0.75%	697	0.88%
Garden Grove Hospital Medical Center	516	0.62%	516	0.65%
Hyatt Regency Orange County	424	0.51%	424	0.53%
GKN Aerospace Transparency Systems Inc	409	0.49%	331	0.42%
Safran Cabin Inc	350	0.42%		
Costco #126	326	0.39%		
Full Clip	310	0.37%		
Walmart #4171	290	0.35%	325	0.41%
Saint Gobain Performance Plastics Corp.	226	0.27%	363	0.46%
American Apparel Knit & Dye			500	0.63%
Prime Healthcare Services				
Office Max, Inc.			360	0.45%
Kaiser Foundation Health			300	0.38%
NBTY Acquisition, LLC				

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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
City Manager	10	29	29	30	35	33	33	44	17	19
Community Development	53	37	37	35	37	37	31	22	30	29
Community Services	147	146	153	157	116	106	97	115	134	138
Economic Development	-	-	-	-	-	-	-		31	31
Finance	41	38	38	37	36	33	31	34	34	33
Fire	111	106	106	103	- *	- *	- *	- *	-	- *
Information Technology	19	20	20	20	20	18	17	19	17	17
Personnel	10	11	11	12	12	11	11	11	11	11
Police	272	289	293	263	282	281	260	264	272	273
Public Works	196	198	198	186	184	176	150	153	166	167
Total	859	874	885	843	722	695	630	662	712	718
Full time employees	632	640	641	642	560	538	510	519	526	520
Part time employees	227	234	244	201	162	157	120	143	186	198

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police:										
Arrests Report	5,468	6,358	7,476	6,112	5,436	4,439	4,921	5,250	6,134	6,577
Traffic citations issued	9,890	9,114	11,114	8,598	7,403	3,921	6,264	6,575	3,797	3,384
Fire:										
Number of emergency calls	14,627	15,134	15,297	15,142	13,092 *	13,557 *	14,936 *	15,476	15,706	15,579 *
Public Right-of-Way:										
Parking citations issued	25,500	27,127	33,797	34,508	28,430	45,931	35,746	34,520	38,317	35,623
Permits issued	546	482	566	563	560	700	757	665	563	454
Community Services:										
Number of recreation classes	1,918	1,947	1,701	2,057	1,932	977	1,038	1,590	2,082	2,085
Housing vouchers	2,337	2,337	2,337	2,337	2,337	2,337	2,337	2,325	2,362	2,362
Community Planning and Development										
Building permits issued	2,259	2,233	3,066	3,986	3,954	4,723	5,133	6,488	6,262	6,903
Water:										
Number of accounts	33,870	33,892	33,893	33,911	34,054	34,150	34,292	34,376	34,550	34,794
Average daily consumption (thousands of gallons)	17,563	17,946	20,249	18,298	18,038	18,669	17,815	16,927	16,784	18,014
Solid Waste Disposal:										
Number of accounts	33,968	33,966	33,786	33,700	33,542	33,213	33,720	33,853	33,105	33,105
Drainage:										
Channels cleaned (miles)	5	5	5	5	5	5	5	5	5	5
Municipal Support:										
Passports issued [1]	N/A	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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
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	19	19	20	19	19	19	19	19	19	19
Park acreage	137	137	140	124	124	124	124	124	124	124
Community centers	2	2	2	9	9	9	9	9	9	9
Water:										
Water mains (miles)	433	433	433	433	433	433	433	433	433	433
Number of connections	34,313	34,336	34,347	34,380	34,459	34,447	34,447	34,689	34,903	35,088
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.*