

January 29, 2025

Honorable Mayor, Members of the City Council and Citizens of the City of Seal Beach:

City of Seal Beach staff is pleased to submit for your information the Annual Comprehensive Financial Report (ACFR) of the City of Seal Beach (City) for the fiscal year ended June 30, 2024. Responsibility for both the accuracy of presented data and the completeness and fairness of the presentation including all disclosures rests with the City. In our opinion, the data is accurate in all material aspects, is presented in a manner designed to fairly set forth the financial position and results of operations of the City and contains all disclosures necessary to enable the reader to gain an understanding of the City's financial affairs.

The financial statements are prepared in accordance with Generally Accepted Accounting Principals (GAAP) as promulgated by the Government Accounting Standards Board (GASB). This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these presentations, management of the City has established a comprehensive internal control framework that is designed to protect the City's assets from loss, theft, or misuse, and to compile reliable information for the preparation of this report in conformity with GAAP. As management, we assert to the best of our knowledge and belief, this financial report is complete and reliable in all material respects within the reasonable assurance of the internal control framework.

The City's financial statements have been audited by The Pun Group, a public accounting firm fully licensed and qualified to perform audits of the state and local governments within the State of California. The audit was designed to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Seal Beach's financial statements for the year ended June 30, 2024, are fairly presented in conformity with Generally Accepted Accounting Principles. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statement in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with that section. The City's MD&A is immediately following the report of the independent auditors in the financial section of the ACFR.

PROFILE OF THE CITY

In 1904 J.C. Ord, a Civil War veteran, hired a 30-mule team to bring his small general store building from Los Alamitos to Bay City, where he set it down at the southwest corner of what is now known as Main Street and Electric Avenue.

J.C. Ord was one of five trustees voted into office in October 1915, the second Mayor, Postmaster, and the first Judge. His store on Main Street was the Post Office and Court House and the Jail House when it was necessary.

On October 27, 1915, the City was incorporated and governed by an elected five-member council. The new City had an area of 1.25 square miles with a population of 250. Bay City was renamed Seal Beach in August 1913 as part of a marketing re-branding by the Guy M. Rush Realty Company.

Another area of Seal Beach, Surfside Colony, was founded in 1929 and is credited as the one of the first beach resort communities of its type on the West Coast, following Santa Monica, Malibu Colony and Anaheim Landing.

In early 1944 during World War II, the Navy purchased most of the land around Anaheim Landing to construct the United States Navy's Naval Weapons Station Seal Beach (NWS SB) for loading, unloading, and storing of ammunition for the Pacific Fleet. Today, NWS SB is the Navy's primary West Coast ordnance storage, loading, and maintenance installation. Located entirely within NWS SB is the Seal Beach National Wildlife Refuge, which was established in 1972 and protects habitat for threatened and endangered species.

Meanwhile Leisure World, a retirement community which comprises nearly a third of the city's residents, opened in 1962. Construction of homes in the College Park East and West neighborhoods occurred in the early 1960s.

The City has an area of 13.23 square miles and sits on the coast as the gateway to Orange County between the cities of Long Beach and Huntington Beach and currently has a population of 24,350.

ECONOMIC CONDITIONS

Local economy: Although the focus of this Annual Comprehensive Financial Report is the financial condition of the City at June 30, 2024, it may be best understood when it is considered from the broader perspective of the specific environment within which the City operates. The City has experienced a strong economic recovery after the challenging financial environment caused by the pandemic. As consumer demand increased and services returned to normal, the City ended the fiscal year in a positive position. Overall, the City's General Fund revenue for the fiscal year increased by \$4.0 million from the prior year. This increase is mostly due to payments regarding the pier repairs and interest rate increases.

Property tax is the City's largest General Fund revenue source with revenues of \$15.4 million, an increase of 6.4 percent over the prior fiscal year. Sales tax is the second largest General Fund revenue source with revenues of \$11.5 million including transaction tax, a decrease of 1.5 percent from the prior year. Additionally, Transient Occupancy Tax was \$1.9 million, a decrease of 0.2 percent, relatively flat from the previous year. The increase in Property Tax is due to the continued robust housing demographics in the City. The slight decrease in Sales Tax, compared to the prior year, is primarily due to a slowdown in the fuel and service stations industry and consumer spending shifting from goods to experiences like dining and entertainment.

Long-term financial planning: The City of Seal Beach continues to implement cost saving measures while providing the core services for our residents, businesses, visitors, and to protect all essential services that contribute to the high quality of life our residents expect. On a yearly basis, the City Council sets goals and priorities for the future. Each year the City develops a Five-Year Financial Outlook which is the guiding document for long-range fiscal planning and serves as the framework for development of the next adopted budget. The outlook is included in the budget process and incorporates a range of information on items that influence projected revenues and anticipated appropriation needs over the next five fiscal years. These projections inform the City Council and the public of the long-term costs of programs in the context of the City's overall General Fund budget and projected revenue growth. In November 2024, Measure GG passed in Seal Beach with 68% voter approval, implementing a 0.5 percent increase in the local sales tax to support current essential City services and will begin in 2025.

The City continues to be in good financial health due to its stable tax base, disciplined fiscal decisions, and strong governance. Conservative budgeting and sound financial policies have resulted in reserve levels that meet City Council policy. The City Council adopted policy seeks to maintain the reserve level between 20 to 25 percent of the General Fund adopted appropriations. The reserve may be used at the discretion of the City Council to provide resources during temporary decreases in revenues, in the event of an economic downturn while expenditure reductions are implemented, or to provide resources to meet emergency expenditures in the case of flood, fire, earthquake, landslides, or other natural disasters. At June 30, 2024, the reserve balance was \$10.5 million or 22.0 percent of the final operating budget.

Major initiatives: The Strategic Plan goals are approved and/or affirmed by the City Council each year. Priorities included Organizational Efficiencies, Community Outreach and Capital Projects, Housing Element Updates, Local Coastal Plan, Fiscal Sustainability, Flooding, and Public Safety. Highlights of this year's major initiatives reflect the City's commitment to sustaining the community's quality of life and fiscal health. Key accomplishments include enhancing public safety services through funding for emergency response and community policing, upgrading critical infrastructure such as streets and recreational facilities, and maintaining essential transportation programs like the senior shuttle and the micro-transit pilot program. The City also prioritized preserving beaches and neighborhoods, reducing the unfunded pension liability, and fostering community engagement. Notable achievements include the completion of the new Tennis and Pickleball Center, a major beach sand restoration project recovering nearly 2 million cubic feet lost to storm erosion, and revisions to the Housing Element. Despite volatile economic conditions, the City remained fully operational, reinstated live recreational programs, and continued to deliver essential services to the community.

FINANCIAL POLICIES AND PROCEDURES

Internal control structure: Management of the City is responsible for establishing and maintaining an adequate internal control structure. Internal accounting controls are designed to ensure that the assets of the City are protected from loss, theft, or misuse, and that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles.

The internal control structure is designed to provide reasonable, but not absolute, assurance, that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of the control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits require estimates and judgment by management.

Budgetary controls: The annual budget serves as the foundation for the City of Seal Beach's financial planning and control. The City Council adopts an annual budget and appropriates the funds necessary to provide the services and operations for the fiscal year. The City Manager may make appropriation transfers within and between departments which do not result in an increase in appropriations. The City of Seal Beach City Council must approve all appropriation changes that result in an increase in appropriations.

AWARDS

GFOA Award Program – Annual Comprehensive Financial Report

The Government Finance Officers Association of the United States (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Seal Beach for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. This was the twenty-second consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. City staff believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA again this year for award.

ACKNOWLEDGEMENTS

This report was made possible by the highly dedicated Finance staff with their dedicated efforts and teamwork, special thanks to the staff in the Finance Department. Sincere appreciation is also expressed to the City Council and City Manager for their interest and support, which made this presentation possible, and finally to the City's auditing firm of The Pun Group for their professional assistance.

Respectfully submitted,



Barbara Arenado
Director of Finance/City Treasurer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

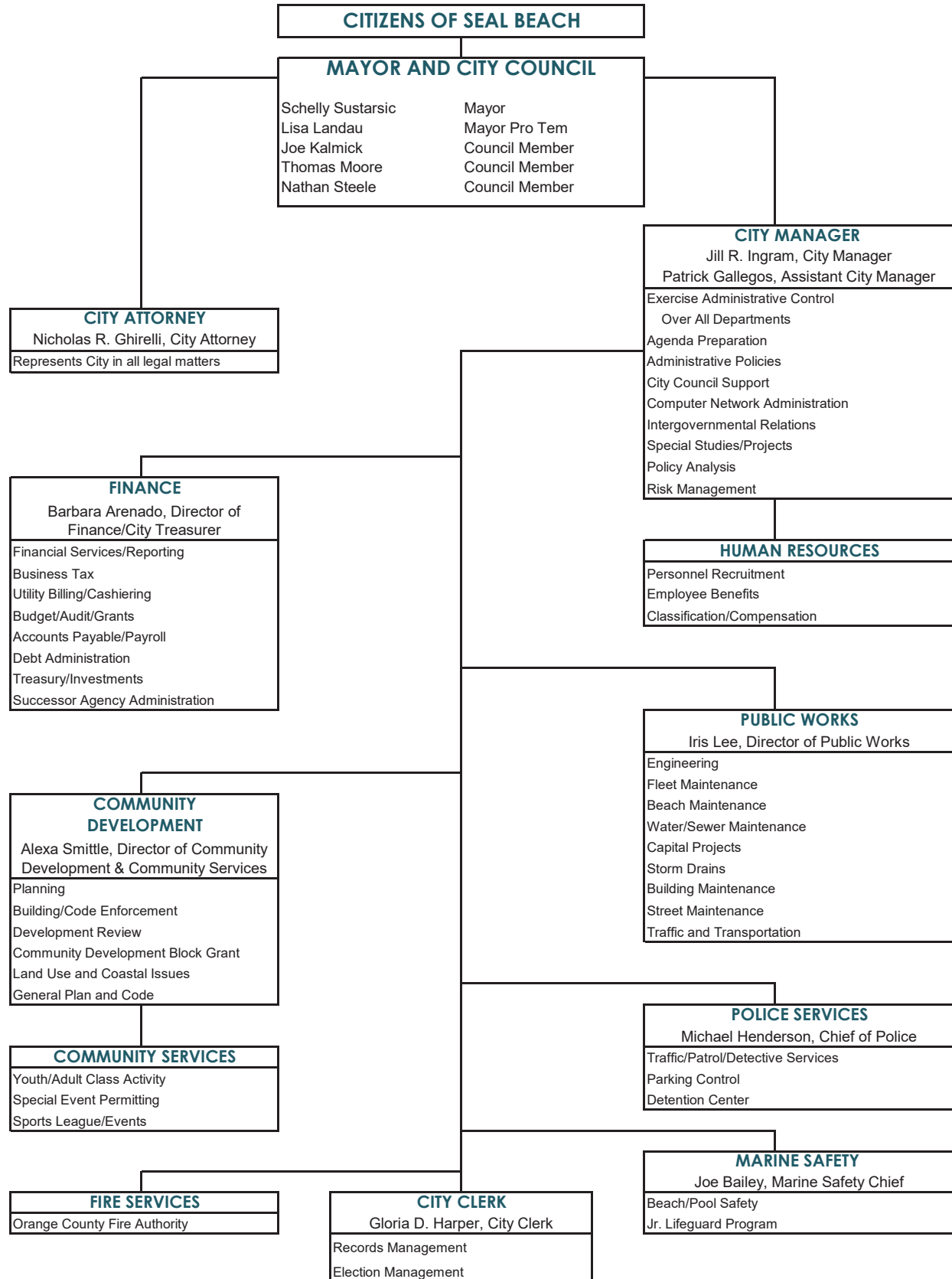
**City of Seal Beach
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO



CITY OF SEAL BEACH CALIFORNIA

Principal Officers

City Council

Schelly Sustarsic, Mayor
Lisa Landau, Mayor Pro Tem
Joe Kalmick, Council Member
Thomas Moore, Council Member
Nathan Steele, Council Member

Executive Officers

Jill R. Ingram, City Manager
Nicholas Ghirelli, City Attorney

Administrative Personnel

Patrick Gallegos, Assistant City Manager
Michael Henderson, Chief of Police
Iris Lee, Director of Public Works
Barbara Arenado, Director of Finance/City Treasurer
Alexa Smittle, Director of Community Development
Joe Bailey, Marine Safety Chief
Gloria D. Harper, City Clerk

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INDEPENDENT AUDITORS' REPORT



To the Honorable Mayor and the Members of the City Council
of the City of Seal Beach
Seal Beach, 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 City of Seal Beach, California (the "City"), as of and for the year ended June 30, 2024, and the related notes to the basic 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 referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' 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 auditors' 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, the Budgetary Comparison Schedules, the Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios, the Schedules of Contributions – Pensions, the Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios, and the Schedule of Contributions – Other Postemployment Benefits 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 Fund Financial Statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Combining and Individual Fund Financial Statements 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 report. The other information comprises the Introductory and Statistical Sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 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 the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "The Pen Group, LLP". The signature is written in a cursive, flowing style.

Santa Ana, California
January 29, 2025

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City of Seal Beach
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2024

Management of the City of Seal Beach is pleased to offer this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2024, along with comparisons to the fiscal year ended June 30, 2023. All increases and decreases are expressed relative to fiscal year 2022-2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the City's financial statements.

FINANCIAL HIGHLIGHTS

- The City's net position – the difference between its assets and deferred outflows of resources compared to its liabilities and deferred inflows of resources – was \$144.0 million, an increase of \$3.8 million or 2.7%. The net position of governmental activities increased by \$5.1 million or 5.4%, while the net position of business-type activities decreased by \$1.4 million or 3.0%.
- The net position of \$144.0 million consisted of \$117.0 million of net investment in capital assets; \$9.9 million of resources that are subject to external restrictions on how they may be used; \$3.5 million that may be used to meet the City's obligations for its governmental activities; and \$13.6 million to meet obligations for its business-type activities.
- Total revenues were \$63.8 million and total expenses were \$60.0 million. Revenues increased by \$4.9 million or 8.3%, and expenses increased by \$15.0 million or 33.3%.
- As of the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$46.6 million, representing an increase of \$2.1 million or 5.7%. Of this amount, \$11.2 million (the sum of assigned and unassigned fund balances) is available for spending at the City's discretion.
- At the end of the current fiscal year, unassigned fund balance in the General Fund was \$5.2 million or 10.8% of total General Fund expenditures and transfers out.
- The City's Reserve Fund Policy aims to maintain a minimum balance in the Fiscal Policy Reserve equal to approximately three months' worth of the City's General Fund operating expenditures. As of June 30, 2024, the Committed-Fiscal Policy Reserve has a balance of \$10.5 million, or 24.0% of General Fund expenditures (less transfers out related to capital projects). This percentage aligns with the City's goals and is in accordance with the recommendation of the Government Finance Officers Association (GFOA).

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements – The government-wide financial statements are designed to provide readers with a view of the City's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all assets and liabilities, deferred outflows and inflows with the difference between them reported as net position. Over time, increases or decreases in the City's net position are one indicator of whether its financial condition is improving or deteriorating.

City of Seal Beach
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2024

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. These changes are reported on a full accrual basis when the economic event occurs, regardless of when cash is received or paid.

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government and administration, public safety, development services, public works, recreation, and all its component units that are legally separate but whose activities entirely support the City of Seal Beach. The business-type activities of the City include water and sewer operations.

The government-wide financial statements can be found immediately following this discussion and analysis.

Fund Financial Statements – The fund financial statements provide detailed information about the most significant funds and other funds – not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, management established many other funds to help control and manage money for particular purposes or to verify that all legal requirements for using certain taxes, grants, and other resources are being satisfied. The City's three types of funds are governmental, proprietary, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows in and out of those funds and the balances left at fiscal year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences of results in the Governmental Fund financial statements to those in the government-wide financial statements are explained in a reconciliation following each of the Governmental Fund financial statements.

The City maintains individual governmental funds organized by their type (general, special revenue, debt service, and capital improvements funds). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and Capital Projects and Equipment Capital Projects Fund, which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the other governmental funds is provided in the form of combining statements and schedules elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund, Debt Service Fund, and all of the Special Revenue Funds. Budgetary comparison statements have been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found immediately following the government-wide financial statements.

Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds are comprised of the business-type activities reported in the government-wide statements but provide more detail and additional information such as a statement of cash flows. Customer charges for various City services are generally reported in proprietary funds. The basic proprietary fund financial statements can be found immediately following the governmental funds financial statements.

City of Seal Beach
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2024

Fiduciary funds account for assets held by the City in a trustee capacity, or as an agent for other governmental entities, private organizations, or individuals. All the City's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. These activities are excluded from the City's government-wide financial statement because the City cannot use these assets to finance its operations. The basic fiduciary fund financial statements can be found immediately following the proprietary funds financial statements.

Notes to the Basic Financial Statements – The notes provide additional information that is essential to fully understand the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found immediately following the fiduciary funds financial statements.

Required Supplementary Information (Unaudited) and Supplementary Information – In addition to the required elements of the basic financial statements, a required supplementary information section concerning the City's progress in funding its obligation to provide pension and other post-employment benefits to City employees is included. Also included in this section are the budgetary comparison schedules for the general and major funds. The required supplementary information can be found immediately following the notes to the basic financial statements.

Combining statements and individual fund statements for non-major governmental funds, internal service and custodial funds are presented immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Government-wide Financial Analysis focuses on the City's net position and changes in net position resulting from the City's activities as a whole.

Analysis of Net Position – As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's combined net position was \$144.0 million and \$140.2 million for the years ended June 30, 2024, and June 30, 2023, respectively, as shown in Table 1.

Table 1						
Condensed Statement of Net Position						
(in Thousands)						
	Governmental Activities		Business-Type Activities		Total Activities	
	2024	2023*	2024	2023*	2024	2023*
Current and other assets	\$ 62,658	\$ 61,898	\$ 19,762	\$ 19,864	\$ 82,420	\$ 81,762
Capital assets	88,007	85,343	33,746	34,534	121,753	119,877
Total assets	<u>150,665</u>	<u>147,241</u>	<u>53,508</u>	<u>54,398</u>	<u>204,173</u>	<u>201,639</u>
Deferred outflows of resources	<u>20,128</u>	<u>21,111</u>	<u>2,443</u>	<u>2,171</u>	<u>22,571</u>	<u>23,282</u>
Long-term liabilities outstanding	52,856	53,514	9,637	9,743	62,493	63,257
Other liabilities	<u>4,841</u>	<u>5,635</u>	<u>1,742</u>	<u>1,472</u>	<u>6,583</u>	<u>7,107</u>
Total liabilities	<u>57,697</u>	<u>59,149</u>	<u>11,379</u>	<u>11,215</u>	<u>69,076</u>	<u>70,364</u>
Deferred inflows of resources	<u>12,636</u>	<u>13,893</u>	<u>1,038</u>	<u>455</u>	<u>13,674</u>	<u>14,348</u>
Net position						
Net investment in capital assets	87,074	83,687	29,884	30,163	116,958	113,850
Restricted	9,915	10,354	25	25	9,940	10,379
Unrestricted	<u>3,470</u>	<u>1,269</u>	<u>13,624</u>	<u>14,713</u>	<u>17,094</u>	<u>15,982</u>
Total net position	<u>\$ 100,459</u>	<u>\$ 95,310</u>	<u>\$ 43,533</u>	<u>\$ 44,901</u>	<u>\$ 143,992</u>	<u>\$ 140,211</u>

* as restated

City of Seal Beach
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2024

As of June 30, 2024, the City continued to report positive balances in all three categories of net position for the government as a whole.

Net position – Net investment in capital assets (\$117.0 million or 81.2% of total net position) represents capital assets, such as land, buildings, infrastructure, and equipment, less any related outstanding debt used to acquire those assets. This is an overall increase of \$3.1 million, or 2.7%. The City uses these capital assets to provide services to the citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net position – Restricted (\$9.9 million or 6.9% of total net position) represents resources that are subject to external restrictions on how they may be used. This is a decrease of \$0.4 million, or 4.2%. The majority of this decrease occurred in restrictions for public works, which decreased \$0.7 million, or 12.3%.

Net position – Unrestricted (\$17.1 million or 11.9% of total net position) represents an increase of \$1.1 million or 7.0%. The governmental activities unrestricted of \$3.5 million is an increase of \$2.6 million or 301.5% as a result of the effect of implementing Governmental Accounting Standards Board (GASB) statements related to pension and other post-employment benefits (OPEB) liabilities. The total deferred inflows of resources on pension plans decreased by \$2.4 million as a result of net differences between projected and actual earnings on pension plan investments. Generally accepted accounting principles require financial statement recording when a liability is incurred. However, the City, like many other governments, raises and budgets resources needed to liquidate certain liabilities during the year in which the liability is to be liquidated rather than during the year in which the liability is incurred. The City will continue to fund these obligations on an actuarial basis, contributing the full amount of annual required contributions every year.

Analysis of Activities – The City's net position increased by \$3.8 million or 2.7%. The following Table 2 provides a summary of the City's operations for the years ended June 30, 2024, and June 30, 2023.

Condensed Statement of Activities (in Thousands)						
	Governmental Activities		Business-Type Activities		Total Activities	
	2024	2023*	2024	2023*	2024	2023*
Revenues:						
Program revenues:						
Charges for services	\$ 9,266	\$ 8,924	\$ 8,712	\$ 8,132	\$ 17,978	\$ 17,056
Operating grants and contributions	4,318	4,308	-	-	4,318	4,308
Capital grants and contributions	1	1	-	-	1	1
General revenues:						
Taxes:						
Property taxes	15,386	14,468	-	-	15,386	14,468
Sales taxes	11,495	11,667	-	-	11,495	11,667
Utility user taxes	5,510	5,349	-	-	5,510	5,349
Other taxes	3,889	4,202	-	-	3,889	4,202
Use of money and property	2,673	782	401	290	3,074	1,072
Other	2,109	1,145	-	-	2,109	1,145
Total revenues	54,647	50,846	9,113	8,422	63,760	59,268
Expenses:						
General government	7,834	8,171	-	-	7,834	8,171
Public safety	26,933	20,575	-	-	26,933	20,575
Community development	2,723	1,836	-	-	2,723	1,836
Community services	1,208	264	-	-	1,208	264
Public works	10,766	8,583	-	-	10,766	8,583
Interest on long-term debt	34	36	-	-	34	36
Water	-	-	7,128	5,188	7,128	5,188
Sewer	-	-	3,353	2,122	3,353	2,122
Total expenses	49,498	39,465	10,481	7,310	59,979	46,775
Change in net position before transfers	5,149	11,381	(1,368)	1,112	3,781	12,493
Transfers	-	734	-	(734)	-	-
Changes in net position	5,149	12,115	(1,368)	378	3,781	12,493
Net position at beginning of year	95,310	83,195	44,901	44,523	140,211	127,718
Net position at end of year	\$ 100,459	\$ 95,310	\$ 43,533	\$ 44,901	\$ 143,992	\$ 140,211

* as restated

City of Seal Beach
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2024

Governmental Activities experienced an increase of \$5.1 million in net position as of June 30, 2024, compared to an increase of \$13.7 million at June 30, 2023. The reason for this year-to-year net increase of \$5.1 million is due to increases of \$4.2 million in revenues in addition to increases to total expenditures of \$12.0 million.

The overall net change in revenues is due to recognizing 1) payments received regarding the pier, and 2) increases in use of money and property due to rising interest rates throughout the fiscal year.

The cost of all governmental activities during the current fiscal year was \$49.5 million, which is a \$12.0 million increase from fiscal year 2022-2023. The majority of this increase was due to pension expenses increasing by \$3.1 million (refer to Note 9 of the Notes to the Basic Financial Statements for further analysis of the pension expense). The largest operating cost was comprised of Public Safety, representing 54.4% of total governmental expenditures compared to 53.6% of total governmental expenditures in fiscal year 2022-2023.

Business-type Activities net position decreased by \$1.3 million. The City is in the process of an updated water and sewer rate study that will be conducted in 2025. Increases in operating costs were mostly due to repairs and imported water. The net position decreased by nearly \$1.3 million from operations. During the year, business-type activities paid \$0.7 million in administrative costs which were recorded as revenues to governmental activities.

FINANCIAL ANALYSIS OF CITY FUNDS

The City uses fund accounting to provide proper financial management of the City's resources and to demonstrate compliance with finance-related legal requirements.

Governmental funds – The objective of governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of June 30, 2024, the City's governmental funds reported combined ending fund balances of \$46.6 million. Approximately \$4.5 million, or 9.6% of this total amount, constitutes unassigned fund balance. The remainder of the fund balance is reported as nonspendable, restricted, committed, or assigned to indicate that it is not available for new spending because it has already been designated to pay for encumbrances, loans, prepaid expenses, or advances to other funds or has been legally restricted for other purposes.

The General Fund ended the fiscal year with a fund balance of \$39.5 million, representing a net increase of \$1.9 million. In comparison, in the prior fiscal year, the General Fund had a net increase of \$3.0 million to fund balance. Fiscal year 2023-2024 had an increase of \$4.1 million in revenues which was due to payments received from the pier and interest rate increases, offset by an increase in expenditures of \$2.9 million. The primary reason for the increase in fund balance is due to revenues over expenditures of \$6.2 million offset by net transfers of \$4.3 million. Net transfers increased by \$2.3 million compared to the prior fiscal year.

Total governmental fund revenues increased overall by \$5.1 million or 10.2% due to collecting higher tax revenues; payments regarding the pier, offset by slight reductions in licenses and permits and fines and forfeitures, and by increases in interest earnings due to rising interest rates throughout the fiscal year which caused an increase in the fair value of investments as of June 30. Overall expenditures increased by \$6.0 million or 12.9%, as the City continued to support essential City services and support to residents and businesses.

Proprietary funds – The City's proprietary funds financial statements provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position totaled \$3.2 million and \$10.4 million for the Water and Sewer Funds, respectively. The Water Fund had an operating loss of \$0.8 million and the Sewer Fund also had an operating loss of \$0.8 million. The City is currently going through a rate study that may address this.

City of Seal Beach
Management’s Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2024

GENERAL FUND BUDGETARY HIGHLIGHTS

When preparing its budget, the City attempts to estimate its revenues using realistic, but conservative methods to budget its expenditure appropriations in a prudent manner. Amendments were approved during the fiscal year to the adopted budget. The fiscal year 2023-2024 General Fund’s revenue budget was adopted at \$46.4 million and had amendments to taxes and intergovernmental, offset by fines and forfeitures of \$1.5 million. The fiscal year 2023-2024 General Fund’s original (adopted) budget for expenditures was \$45.8 million, and the final budget was \$47.8 million, a net increase of \$2.0 million. The largest change was an increase of \$1.3 million in Public Works due to rising labor and material cost. This increase also resulted from certain legacy contracts, which historically had lower costs, now coming in at higher amounts upon expiration and rebid.

The General Fund balance reflected a net total positive budget variance of \$16.8 million when comparing actual amounts to the final amended budget for the current fiscal year. Actual revenues show a positive variance of \$3.9 million or 8.4% of the final budget due to unanticipated receipts of taxes and insurance reimbursement revenues due to a case settlement. Actual expenditures of \$44.2 million generated budgetary savings of \$3.6 million, or 7.6% of the final budget mostly due to savings in Public Works stemming from several factors, including (1) several unexpected vacancies that were not filled promptly, which, in turn, impacted the ability to carry out the planned work; (2) funds were allocated for emergency-related purposes due to uncertain climate conditions, but not all those funds were utilized; (3) the message to overall reduce City-wide expenditures to meet future-year funding availability; and (4) carry-over of encumbrances of work that straddled two or more fiscal years. Additionally, although capital outlay was budgeted, project delivery extended across multiple fiscal years, and changes in project scope led to expenditures being lower than anticipated.

CAPITAL ASSETS

The City’s capital assets for its governmental and business-type activities as of June 30, 2024, total \$121.8 million compared to \$121.6 million (net of accumulated depreciation and amortization) as of June 30, 2023. The investment in capital assets includes land, land easements, building and improvements, machinery and equipment, vehicles, infrastructure, leases, subscriptions and construction in progress as summarized in the following Table 3. Additional information on the City’s capital assets can be found in Note 5 in the notes to the basic financial statements.

Table 3						
Capital Assets, At Fiscal Year-End						
(Net of Depreciation, in Thousands)						
	Governmental Activities		Business-Type Activities		Total Activities	
	2024	2023*	2024	2023*	2024	2023*
Land and land easements	\$ 21,220	\$ 21,220	\$ -	\$ -	\$ 21,220	\$ 21,220
Buildings and improvements	7,841	8,250	-	-	7,841	8,250
Machinery and equipment	1,328	1,648	585	617	1,913	2,265
Vehicles	1,235	1,377	247	74	1,482	1,451
Infrastructure	46,871	48,751	29,434	30,767	76,305	79,518
Lease assets	203	321	-	-	203	321
Subscription assets	450	706	202	284	652	990
Construction-in-progress	8,859	3,070	3,278	2,792	12,137	5,862
Totals	<u>\$ 88,007</u>	<u>\$ 85,343</u>	<u>\$ 33,746</u>	<u>\$ 34,534</u>	<u>\$ 121,753</u>	<u>\$ 119,877</u>

* as restated

City of Seal Beach
Management’s Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2024

During fiscal year 2023-2024, major capital projects formally completed include:

- Environmental Clean Up Program Project (SD2201) - \$425,576
- Seal Beach Pier Emergency Pier Repair (EM2023) - \$1,265,484.08
- Lampson Avenue Fiber (O-ST-6) - \$383,264.04
- Annual ADA Improvements – Public ROW (O-ST-4):
 - Sidewalk Assessment and Trip Hazard Removal Services - \$114,483
 - Pedestrian Improvement (Central Way at 1st Street) Project - \$46,221
- FY 2023-24 Annual Slurry Seal Program (STO1) - \$243,888.92
- Seal Beach Boulevard Water Main Repair (EM2402) - \$256,456.15
- LED Chevron Signs at Seal Beach Boulevard and Westminster Avenue (ST2302) - \$54,275

DEBT ADMINISTRATION

As of June 30, 2024, the City had bonded debt, lease liabilities, notes payable, subscription liabilities, claims payable, and compensated absence liabilities totaling \$6.3 million compared to \$7.7 million at the end of the fiscal year 2022-2023. The City’s governmental activities maintained \$2.3 million in lease revenue bonds, leases, subscription liabilities, claims payable, and compensated absences versus \$3.1 million last fiscal year, representing a decrease of approximately \$0.8 million. This decrease reflects the payoff of the fire station bond and the Climatec as well as interest and principal payments made during fiscal year 2023-2024 in addition to an increase to leases.

The City’s business-type activities debt decreased \$.5 million from \$4.5 million to \$4.0 million. Debt in the business-type activities consists of lease revenue bonds, State loans for water and sewer capital improvement projects, subscription liabilities and compensated absences. The decrease reflects interest and principal payments made during fiscal year 2023-2024.

A summary of outstanding debt can be found in the following Table 4, and additional information on the City’s long-term debt can be found in Note 6 in the basic financial statements.

	Governmental Activities		Business-Type Activities		Total Activities	
	2024	2023	2024	2023	2024	2023
Lease revenue bonds	\$ -	\$ 315	\$ 1,180	\$ 1,385	\$ 1,180	\$ 1,700
Leases	210	546	-	-	210	546
Capital project notes	-	-	2,500	2,758	2,500	2,758
Subscription liabilities	456	695	205	277	661	972
Self-insured Claims Payable	171	175	-	-	171	175
Compensated absences	1,455	1,395	127	114	1,582	1,509
Total	\$ 2,292	\$ 3,126	\$ 4,012	\$ 4,534	\$ 6,304	\$ 7,660

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS

The City of Seal Beach economy and tax base continue to support core services for our residents, businesses, and visitors contributing to the high quality of life within the City. The City has largely emerged from the pandemic-depressed revenues due to improved economic activity. For the upcoming fiscal year, revenues are expected to continue to improve. However, challenges from high inflation and supply chain issues temper the recovering outlook.

City of Seal Beach
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2024

Property taxes are expected to increase as well, primarily from continued improvement in assessed value and the continued strength in the local real estate market.

The City prepared a balanced annual budget for fiscal year 2024-2025. Expenditures of the City were reduced to maintain the current level of service with capital improvement projects to be supported primarily by the City's General Fund Balance. The revenue projections for the 2024-2025 budget year were conservative and determined in partnership with the City's consultants. In November 2024, Measure GG passed in Seal Beach with 68% voter approval, implementing a 0.5% increase in the local sales tax to support current essential City services and will begin in 2025. The City will continue to monitor revenue streams throughout the coming years and will adjust spending levels as necessary.

The most significant issues facing the City are the aged condition of the City's infrastructure. The City has completed and adopted numerous infrastructure planning documents (i.e., Water Master Plan, Sewer Master Plan, Master Plan of Drainage, Facilities Master Plan, and Pavement Management Plan). These plans identify well over \$160 million in needed improvements throughout the City. The City annually adopts a 5-year Capital Improvement Program (CIP) that strategically plans construction of these needed improvements. The fiscal year 2025-2029 CIP recommends approximately \$35.6 million in improvements over the next 5 years, including \$2.9 million for implementation of Revitalization projects. The 5-Year Capital Improvement Program identifies needs in the following areas: Buildings (\$14.9M), Beach and Pier (\$1.7M), Parks (\$1.8M), Sewer System (\$2.9M), Streets and Transportation (\$11.0M), Storm Drain (\$.7M), and Water System (\$0.6M). It should be noted that a comprehensive Water System 5-Year CIP projection is not included and is deferred until a Water/Sewer Financial Plan/Rate Update is approved.

REQUEST FOR INFORMATION

This financial report is designed to provide the City's citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the funds it receives. If you have questions about this report or need additional financial information, contact the City's Finance Department at 211 8th Street, Seal Beach, CA 90740-6379 or call (562) 431-2527.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Seal Beach
Statement of Net Position (Continued)
June 30, 2024

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
LIABILITIES			
Current Liabilities:			
Accounts payable	2,905,229	1,420,668	4,325,897
Accrued liabilities	616,661	52,854	669,515
Accrued interest	-	41,449	41,449
Deposits payable	1,052,337	190,678	1,243,015
Retention payable	266,604	36,802	303,406
Long-term liabilities, due within one year	688,752	666,396	1,355,148
Total current liabilities	5,529,583	2,408,847	7,938,430
Long-term liabilities:			
Long-term liabilities, due in more than one year	1,603,288	3,345,562	4,948,850
Net pension liabilities	48,255,007	4,213,883	52,468,890
Net other postemployment benefits liabilities	2,308,853	1,410,904	3,719,757
Total noncurrent liabilities	52,167,148	8,970,349	61,137,497
Total liabilities	57,696,731	11,379,196	69,075,927
DEFERRED INFLOWS OF RESOURCES			
Pension related	1,222,874	243,576	1,466,450
Other postemployment benefits related	1,300,693	794,833	2,095,526
Leases related	10,112,627	-	10,112,627
Total deferred inflows of resources	12,636,194	1,038,409	13,674,603
NET POSITION			
Net investment in capital assets	87,073,859	29,884,131	116,957,990
Restricted for:			
Community development projects	1,045,996	-	1,045,996
Public safety	1,335,100	-	1,335,100
Community services	562,850	-	562,850
Public works	4,999,824	-	4,999,824
Debt service	662,234	25,082	687,316
Waste management, park in lieu, and I-405 corridor improvement	1,309,234	-	1,309,234
Total restricted	9,915,238	25,082	9,940,320
Unrestricted	3,470,267	13,623,652	17,093,919
Total net position	\$ 100,459,364	\$ 43,532,865	\$ 143,992,229

(Concluded)

City of Seal Beach
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Program Revenues				Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General government	\$ 7,833,713	\$ 1,252,570	\$ 2,284	\$ -	\$ 1,254,854
Public safety	26,932,724	1,976,293	826,081	-	2,802,374
Community development	2,722,452	508,638	554,573	-	1,063,211
Community services	1,208,181	1,328,884	-	-	1,328,884
Public works	10,766,275	4,199,836	2,848,625	1,199	7,049,660
Interest and fiscal charges	34,336	-	-	-	-
Total governmental activities	49,497,681	9,266,221	4,231,563	1,199	13,498,983
Business-Type Activities:					
Water utility	7,127,839	6,289,312	-	-	6,289,312
Sewer utility	3,353,390	2,422,870	-	-	2,422,870
Total business-type activities	10,481,229	8,712,182	-	-	8,712,182
Total primary government	\$ 59,978,910	\$ 17,978,403	\$ 4,231,563	\$ 1,199	\$ 22,211,165

(Continued)

City of Seal Beach
Statement of Activities (Continued)
For the Year Ended June 30, 2024

Functions/Programs	Net (Expense) Revenue and Changes in Net Positions		
	Governmental Activities	Business-Type Activities	Total
Governmental Activities:			
General government	\$ (6,578,859)	\$ -	\$ (6,578,859)
Public safety	(24,130,350)	-	(24,130,350)
Community development	(1,659,241)	-	(1,659,241)
Community services	120,703	-	120,703
Public works	(3,716,615)	-	(3,716,615)
Interest and fiscal charges	(34,336)	-	(34,336)
Total governmental activities	(35,998,698)	-	(35,998,698)
Business-Type Activities:			
Water Utility	-	(838,527)	(838,527)
Sewer Utility	-	(930,520)	(930,520)
Total business-type activities	-	(1,769,047)	(1,769,047)
Total primary government	(35,998,698)	(1,769,047)	(37,767,745)
General Revenues:			
Taxes:			
Property taxes, levied for general purpose	15,473,159	-	15,473,159
Sales taxes	11,494,982	-	11,494,982
Franchise taxes	1,236,189	-	1,236,189
Utility users tax	5,510,087	-	5,510,087
Transient occupancy taxes	1,919,725	-	1,919,725
Other taxes	732,341	-	732,341
Motor vehicle in lieu- unrestricted	31,179	-	31,179
Use of money and property	2,673,147	401,277	3,074,424
Other	2,076,956	-	2,076,956
Total general revenues and transfers	41,147,765	401,277	41,549,042
Changes in net position	5,149,067	(1,367,770)	3,781,297
Net Position:			
Beginning of year, as restated (Note 15)	95,310,297	44,900,635	140,210,932
End of year	\$ 100,459,364	\$ 43,532,865	\$ 143,992,229

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FUND FINANCIAL STATEMENTS

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

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**City of Seal Beach
Balance Sheet
Governmental Funds
June 30, 2024**

	General	Citywide Grants Special Revenue Fund	Capital Projects and Equipment Capital Projects Fund	Nonmajor Governmental Funds	Total
ASSETS					
Cash and investments	\$ 33,982,538	\$ -	\$ 1,148,892	\$ 8,305,805	\$ 43,437,235
Receivables:					
Accounts	796,976	990,255	-	153,299	1,940,530
Taxes	3,500,907	-	-	113,776	3,614,683
Interest	389,231	-	-	-	389,231
Leases	10,112,627	-	-	-	10,112,627
Due from other funds	1,006,816	-	-	-	1,006,816
Prepaid items	2,978,558	-	-	-	2,978,558
Restricted assets:					
Cash and investments with fiscal agents	11,347	-	-	-	11,347
Total assets	\$ 52,779,000	\$ 990,255	\$ 1,148,892	\$ 8,572,880	\$ 63,491,027
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,379,384	\$ 118,145	\$ 904,141	\$ 491,940	\$ 2,893,610
Accrued liabilities	601,397	-	-	15,264	616,661
Deposits payable	1,052,337	-	-	-	1,052,337
Due to other funds	-	840,260	-	166,556	1,006,816
Retentions payable	22,300	31,850	157,404	55,050	266,604
Total liabilities	3,055,418	990,255	1,061,545	728,810	5,836,028
Deferred inflow of resources:					
Unavailable revenue	141,900	761,934	-	-	903,834
Leases	10,112,627	-	-	-	10,112,627
Total deferred inflow of resources	10,254,527	761,934	-	-	11,016,461
Fund Balances:					
Nonspendable	2,978,558	-	-	-	2,978,558
Restricted	1,309,234	-	-	7,844,070	9,153,304
Committed	23,224,408	-	87,347	-	23,311,755
Assigned	6,714,071	-	-	-	6,714,071
Unassigned (deficit)	5,242,784	(761,934)	-	-	4,480,850
Total fund balances	39,469,055	(761,934)	87,347	7,844,070	46,638,538
Total liabilities, deferred inflow of resources and fund balances	\$ 52,779,000	\$ 990,255	\$ 1,148,892	\$ 8,572,880	\$ 63,491,027

City of Seal Beach
Reconciliation of the Governmental Funds Balance Sheet to the
Government-Wide Statement of Net Position
June 30, 2024

Total Fund Balances - Total Governmental Funds \$ 46,638,538

Amounts reported for governmental activities in the Statement of Net Position were reported differently because:

Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet.

Nondepreciable	\$ 30,078,810	
Depreciable, net of \$582,469 reported in Internal Service Funds	56,692,146	
Amortizable, net of \$200,390 reported in Internal Service Funds	452,775	87,223,731

Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, net of \$207,226 reported in Internal Service Funds, are reported in the Statement of Net Position:

Lease liabilities	\$ (3,046)	
Subscription liabilities	(455,855)	
Claims and judgments	(171,203)	
Compensated absences	(1,454,710)	(2,084,814)

Net pension liabilities and the related deferred outflows of resources and deferred inflows of resources are not due and payable in the current period or not available for current expenditures and are not reported in the governmental fund financial statements:

Pension related deferred outflows of resources	\$ 18,828,936	
Net pension liability	(48,255,007)	
Pension related deferred inflows of resources	(1,222,874)	(30,648,945)

Net other postemployment benefits liabilities and the related deferred outflows of resources and deferred inflows of resources are not due and payable in the current period or not available for current expenditures and are not reported in the governmental fund financial statements:

OPEB related deferred outflows of resources	\$ 1,298,695	
Net OPEB liability	(2,308,853)	
OPEB related deferred inflows of resources	(1,300,693)	(2,310,851)

Revenue reported as unavailable revenue in the governmental funds when it is not received soon enough after year-end to be considered available. The availability criteria does not apply to the Government-Wide Financial Statements and, therefore, the revenue is recognized when eligibility requirements are met and earned. 903,834

Internal Service Funds were used by management to charge the costs of certain activities, such as insurance and equipment replacement to individual funds. The assets and liabilities of the Internal Service Funds were included in the governmental activities in the Government-Wide Statement of Net Position. 737,871

Net Position of Governmental Activities \$ 100,459,364

City of Seal Beach
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	General Fund	Citywide Grants Special Revenue Fund	Capital Projects and Equipment Capital Projects Fund	Nonmajor Governmental Funds	Total
Revenues:					
Taxes	\$ 36,002,178	\$ -	\$ -	\$ 364,304	\$ 36,366,482
Licenses and permits	939,640	-	-	-	939,640
Intergovernmental	1,789,580	801,754	-	3,040,775	5,632,109
Charges for services	6,674,619	-	22,840	93,847	6,791,306
Use of money and property	2,844,020	-	-	176,447	3,020,467
Fines and forfeitures	1,402,597	-	-	-	1,402,597
Contributions	24,471	-	-	45,000	69,471
Miscellaneous	661,060	-	-	-	661,060
Total revenues	50,338,165	801,754	22,840	3,720,373	54,883,132
Expenditures:					
Current:					
General government	7,374,474	-	98,146	73,544	7,546,164
Public safety	24,716,603	40,000	167,177	584,817	25,508,597
Community development	2,325,464	-	-	373,863	2,699,327
Community services	1,399,938	-	-	-	1,399,938
Public works	7,304,526	156,575	1,047,870	237,693	8,746,664
Capital outlay	510,685	670,607	2,831,905	2,001,692	6,014,889
Debt service:					
Principal retirement	493,805	-	-	315,000	808,805
Interest and fiscal charges	25,235	-	-	8,845	34,080
Total expenditures	44,150,730	867,182	4,145,098	3,595,454	52,758,464
Revenues over (under) expenditures	6,187,435	(65,428)	(4,122,258)	124,919	2,124,668
Other Financing Sources (Uses):					
Transfers in	109,000	-	4,069,624	442,713	4,621,337
Transfers out	(4,414,032)	(98,305)	-	(109,000)	(4,621,337)
Total other financing sources (uses):	(4,305,032)	(98,305)	4,069,624	333,713	-
Net change in fund balances	1,882,403	(163,733)	(52,634)	458,632	2,124,668
Fund Balances:					
Beginning of year, as restated (Note 15)	37,586,652	(598,201)	139,981	7,385,438	44,513,870
End of year	<u>\$ 39,469,055</u>	<u>\$ (761,934)</u>	<u>\$ 87,347</u>	<u>\$ 7,844,070</u>	<u>\$ 46,638,538</u>

City of Seal Beach
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Government-Wide Statement of Activities
For the Year Ended June 30, 2024

Net Change in Fund Balances - Total Governmental Funds	\$	2,124,668
Governmental activities in the Statement of Activities were reported differently because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.		
Capital outlay, net of \$0 reported in Internal Service Fund	\$	6,014,889
Depreciation and amortization, net of \$266,364 reported in Internal Service Fund		(2,942,534)
Net effect on disposal of capital assets, net of \$13,344 reported in Internal Service Fund		<u>(129,371)</u>
		2,942,984
Repayment of debt principal, net of \$80,587 reported in Internal Service Fund, is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
		808,805
Interest expense on long-term debt is reported in the Statement of Activities, but do not require the use of current financial resources. Therefore, interest is reported as an expenditure in governmental funds. This amount represents the change in accrued interest from the prior year.		
		3,509
Claims and judgment changes reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
		(114,731)
Compensated absences were reported in the Government-Wide Statement of Activities, but they do not require the use of current financial resources. Therefore, compensated absences were not reported as expenditures in the governmental funds.		
		59,287
Certain pension income (expenses) reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds, net of contribution made after the measurement period in the amount of \$5,218,453.		
		(1,201,521)
Certain other postemployment benefits income (expenses) reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds, net of contribution made after the measurement period in the amount of \$990,171.		
		956,090
Revenues reported as unavailable revenue in the governmental funds and recognized in the Statement of Activities.		
		(238,443)
Internal Service Funds are used by management to charge the costs of certain activities, such as insurance and equipment replacement, to individual funds. The net revenue of the Internal Service Funds is reported in governmental activities.		
		<u>(191,581)</u>
Change in net position of governmental activities	\$	<u>5,149,067</u>

PROPRIETARY FUND FINANCIAL STATEMENTS

City of Seal Beach
Statement of Net Position
Proprietary Funds
June 30, 2024

	Business-Type Activities			Governmental Activities
	Enterprise Funds			Internal
	Water Utility	Sewer Utility	Total	Service Funds
ASSETS				
Current Assets:				
Cash and investments	\$ 6,417,613	\$ 11,853,252	\$ 18,270,865	\$ 159,245
Accounts receivable	957,673	462,319	1,419,992	14,612
Prepaid items	23,214	23,214	46,428	-
Total current assets	7,398,500	12,338,785	19,737,285	173,857
Noncurrent Assets:				
Restricted cash	25,082	-	25,082	-
Capital assets, not being depreciated	2,660,703	617,088	3,277,791	-
Capital assets, net of accumulated depreciation	14,255,515	16,010,113	30,265,628	582,469
Intangible assets, net of accumulated amortization	111,118	90,853	201,971	200,390
Total capital assets	17,027,336	16,718,054	33,745,390	782,859
Total noncurrent assets	17,052,418	16,718,054	33,770,472	782,859
Total Assets	24,450,918	29,056,839	53,507,757	956,716
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	-	60,352	60,352	-
Pension related items	966,422	622,327	1,588,749	-
Other postemployment benefits related items	439,384	354,228	793,612	-
Total deferred outflows of resources	1,405,806	1,036,907	2,442,713	-

(Continued)

City of Seal Beach
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2024

	Business-Type Activities			Governmental Activities
	Enterprise Funds			Internal Service Funds
	Water Utility	Sewer Utility	Total	
LIABILITIES				
Current Liabilities:				
Accounts payable	1,394,138	26,530	1,420,668	11,619
Accrued liabilities	29,953	22,901	52,854	-
Accrued interest	713	40,736	41,449	-
Retention payable	36,802	-	36,802	-
Deposits payable	181,108	9,570	190,678	-
Compensated absences, due within one year	7,005	21,958	28,963	-
Long-term debt, due within one year	170,405	467,028	637,433	81,803
Total current liabilities	1,820,124	588,723	2,408,847	93,422
Noncurrent Liabilities:				
Compensated absences, due in more than one year	55,920	42,266	98,186	-
Long-term debt, due in more than one year	296,997	2,950,379	3,247,376	125,423
Net pension liabilities	2,563,267	1,650,616	4,213,883	-
Net other postemployment benefits liabilities	781,149	629,755	1,410,904	-
Total noncurrent liabilities	3,697,333	5,273,016	8,970,349	125,423
Total liabilities	5,517,457	5,861,739	11,379,196	218,845
DEFERRED INFLOW OF RESOURCES				
Pension related items	148,165	95,411	243,576	-
Other postemployment benefits related items	440,060	354,773	794,833	-
Total deferred inflows of resources	588,225	450,184	1,038,409	-
NET POSITION				
Net investment in capital assets	16,523,132	13,360,999	29,884,131	575,633
Restricted for debt service	25,082	-	25,082	-
Unrestricted	3,202,828	10,420,824	13,623,652	162,238
Total net position	\$ 19,751,042	\$ 23,781,823	\$ 43,532,865	\$ 737,871

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City of Seal Beach
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2024

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Water Utility	Sewer Utility	Total	Internal Service Funds
OPERATING REVENUES:				
Sales and service charges	\$ 6,286,928	\$ 2,421,972	\$ 8,708,900	\$ 137,000
Miscellaneous	2,384	898	3,282	-
Total operating revenues	<u>6,289,312</u>	<u>2,422,870</u>	<u>8,712,182</u>	<u>137,000</u>
OPERATING EXPENSES:				
Personnel expenses	2,017,372	1,451,293	3,468,665	-
Operating expenses	4,572,127	769,267	5,341,394	60,511
Amortization and depreciation expenses	528,399	996,493	1,524,892	266,364
Total operating expenses	<u>7,117,898</u>	<u>3,217,053</u>	<u>10,334,951</u>	<u>326,875</u>
Operating loss	<u>(828,586)</u>	<u>(794,183)</u>	<u>(1,622,769)</u>	<u>(189,875)</u>
NONOPERATING INCOME (LOSS):				
Interest revenues	143,506	257,771	401,277	-
Interest expenses	(9,941)	(136,337)	(146,278)	(3,765)
Loss on sale of assets	-	-	-	2,059
Total nonoperating income (loss)	<u>133,565</u>	<u>121,434</u>	<u>254,999</u>	<u>(1,706)</u>
Changes in net position	<u>(695,021)</u>	<u>(672,749)</u>	<u>(1,367,770)</u>	<u>(191,581)</u>
NET POSITION:				
Beginning of year, as restated (Note 15)	<u>20,446,063</u>	<u>24,454,572</u>	<u>44,900,635</u>	<u>929,452</u>
End of year	<u>\$ 19,751,042</u>	<u>\$ 23,781,823</u>	<u>\$ 43,532,865</u>	<u>\$ 737,871</u>

City of Seal Beach
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

	Business-Type Activities			Governmental
	Enterprise Funds			Internal
	Water Utility	Sewer Utility	Total	Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers and users	\$ 6,099,775	\$ 2,356,164	\$ 8,455,939	\$ 122,388
Cash paid to suppliers for goods and services	(4,236,255)	(893,068)	(5,129,323)	(78,342)
Cash paid to employees for services	(1,704,177)	(1,018,847)	(2,723,024)	-
Net cash provided by operating activities	<u>159,343</u>	<u>444,249</u>	<u>603,592</u>	<u>44,046</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	(640,064)	(83,098)	(723,162)	-
Proceed on disposal of assets	-	-	-	15,403
Principal paid on long-term liabilities	(84,857)	(450,660)	(535,517)	(80,587)
Interest paid on long-term liabilities	(10,004)	(128,558)	(138,562)	(3,765)
Net cash used in capital and related financing activities	<u>(734,925)</u>	<u>(662,316)</u>	<u>(1,397,241)</u>	<u>(68,949)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	143,506	257,771	401,277	-
Net cash provided by investing activities	<u>143,506</u>	<u>257,771</u>	<u>401,277</u>	<u>-</u>
Net change in cash and cash equivalents	(432,076)	39,704	(392,372)	(24,903)
CASH AND CASH EQUIVALENTS:				
Beginning of year	6,874,771	11,813,548	18,688,319	184,148
End of year	<u>\$ 6,442,695</u>	<u>\$ 11,853,252</u>	<u>\$ 18,295,947</u>	<u>\$ 159,245</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS:				
Cash and investments	\$ 6,417,613	\$ 11,853,252	\$ 18,270,865	\$ 159,245
Restricted cash	25,082	-	25,082	-
Total cash and cash equivalents	<u>\$ 6,442,695</u>	<u>\$ 11,853,252</u>	<u>\$ 18,295,947</u>	<u>\$ 159,245</u>

(Continued)

City of Seal Beach
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2024

	Business-Type Activities			Governmental Activities
	Enterprise Funds		Total	Internal Service Funds
	Water Utility	Sewer Utility		
Reconciliation of Operating Income (Loss) to to Net Cash Provided by Operating Activities:				
Operating income (loss)	\$ (828,586)	\$ (794,183)	(1,622,769)	\$ (189,875)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Amortization and depreciation expenses	528,399	996,493	1,524,892	266,364
Changes in assets and liabilities:				
(Increase)/decrease in accounts receivables	(203,616)	(67,102)	(270,718)	(14,612)
(Increase)/decrease in prepaid items	3,270	(23,214)	(19,944)	-
(Increase)/decrease in deferred outflows of resources related to pensions	6,946	(31,923)	(24,977)	-
(Increase)/decrease in deferred outflows of resources related to OPEB	(106,473)	(152,298)	(258,771)	-
Increase/(decrease) in accounts payable	332,602	(100,587)	232,015	(17,831)
Increase/(decrease) in accrued liabilities	6,969	9,164	16,133	-
Increase/(decrease) in deposits payable	14,079	396	14,475	-
Increase/(decrease) in compensated absences	(1,826)	15,101	13,275	-
Increase/(decrease) in net pension liabilities	203,839	219,487	423,326	-
Increase/(decrease) in net OPEB liabilities	(101,519)	94,366	(7,153)	-
Increase/(decrease) in deferred inflows of resources related to pensions	(92,830)	(50,766)	(143,596)	-
Increase/(decrease) in deferred inflows of resources related to OPEB	398,089	329,315	727,404	-
Net cash provided by operating activities	<u>\$ 159,343</u>	<u>\$ 444,249</u>	<u>\$ 603,592</u>	<u>\$ 44,046</u>
NONCASH ITEM:				
Amortization of deferred charges	<u>\$ -</u>	<u>\$ 12,070</u>	<u>\$ 12,070</u>	<u>\$ -</u>

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FIDUCIARY FUND FINANCIAL STATEMENTS

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City of Seal Beach
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024

	Custodial Funds
ASSETS	
Cash and investments	\$ 646,737
Receivables:	
Accounts	736
Taxes	4,284
Restricted investments with fiscal agent	1,026,002
Total assets	1,677,759
LIABILITIES	
Current liabilities:	
Interest payable	96,724
Total current liabilities	96,724
Total liabilities	96,724
NET POSITION	
Restricted for	
Individual, organization and other government	\$ 1,581,035
Total fiduciary net position	

City of Seal Beach
Statement of Change in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2024

	Custodial Funds
ADDITIONS:	
Assessment revenue collected	\$ 836,110
Investment income	59,744
Total additions	895,854
DEDUCTIONS:	
Return of deposits	12,939
Payment of special assessment district debt service	816,632
Total deductions	829,571
Change in net position	66,283
NET POSITION:	
Beginning of year	1,514,752
End of year	\$ 1,581,035

NOTES TO THE BASIC FINANCIAL STATEMENTS

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City of Seal Beach
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For the Year Ended June 30, 2024

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City of Seal Beach
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For the Year Ended June 30, 2024

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City of Seal Beach
Notes to the Basic Financial Statements
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies

The basic financial statements of the City of Seal Beach, California, (the “City”) have been prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”) as applied to governmental agencies. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the City’s significant policies:

A. Financial Reporting Entity

The City was incorporated on October 27, 1915, under the laws of the State of California and enjoys all the rights and privileges applicable to a charter city. It is governed by an elected five-member council. As required by U.S. GAAP these financial statements present the City (the primary government and its component units). The component units discussed below are included in the reporting entity because of their operational or financial relationships with the City.

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The primary criteria for including a potential component unit within the reporting entity are the governing body’s financial accountability and a financial benefit or burden relationship and whether it is misleading to exclude. A primary government is financially accountable and shares a financial benefit or burden relationship, if it appoints a voting majority of an organization’s governing body and it is able to impose its will on the organization, or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government. A primary government may also be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government.

Blended Component Units

Management determined that the following entities should be reported as blended component units based on the criteria above. Although the following entities are legally separate from the City, they have been “blended” as though they are part of the City because the component units’ governing bodies are substantially the same as the City’s and there is a financial benefit or burden relationship between the City and the component units; and management of the City has operational responsibilities for the component units; and/or the component units provide services entirely, or almost entirely, to the City or otherwise exclusively, or almost exclusively, benefits the City, even though they do not provide services directly to it.

The Seal Beach Public Financing Authority (the “Authority”) was formed May 8, 2000, pursuant to Articles 1 through 4 of Chapter 5, Division 7, Title 1 of the California Government Code, to create a joint exercise of powers authority between the City and the former Seal Beach Redevelopment Agency. The City Council of the City is the governing board. Management of the primary government has operational responsibility for the blended component unit. The Authority was formed to undertake the financing of public capital improvements. On June 12, 2017, the City Council adopted Resolution No. 6741, to create the Parking Authority, and the Parking Authority became a new member to the Authority. On the same date, the Successor Agency Board of Directors adopted Resolution No. SA 17-3, approving the Successor Agency’s withdrawal of its Authority membership. On June 28, 2017, the Oversight Board to the Successor Agency adopted Resolution No. OB17-03, approving such withdrawal. Resolution No. OB17-03 became effective upon the State of California Department of Finance’s approval, received by the Successor Agency on August 18, 2017. The Authority does not issue separate financial statements.

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

A. Financial Reporting Entity (Continued)

Blended Component Units (Continued)

The Seal Beach Parking Authority (the “Parking Authority”) was formed on June 12, 2017, pursuant to the Part 2 of Division 18 of the California Streets and Highway Code. The Parking Authority is governed by the Board of Directors which is the City Council of the City of Seal Beach. The Parking Authority is blended into the general fund. The Parking Authority does not issue separate financial statements.

The Seal Beach Cable Communications Foundation (the “Foundation”) was organized under the laws of the State of California on August 27, 1984, to foster and promote civic advancement through activities related to cable communications, community promotion, and other public services deemed appropriate by the foundation. The Foundation is governed by a board of directors consisting of seven members, all appointed by the City Council of the City of Seal Beach. The Foundation is blended with the City as a special revenue fund. The Foundation does not issue separate financial statements.

B. Basis of Accounting and Measurement Focus

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

Government-Wide Financial Statements

The government-wide financial statements are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all of the City’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. Fiduciary activities of the City are not included in these statements.

Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made in regards to interfund activities, payables and receivables. All internal balances in the statement of net position have been eliminated. In the statement of activities, internal service fund transactions have been included in the governmental activities. The following interfund activities have been eliminated:

- Due from and to other funds, which are short-term loans within the primary government
- Except between Governmental and Business-Type Activities, transfers in and out, which are flows of assets between funds without the requirement for repayment

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Governmental Fund Financial Statements (Continued)

All governmental funds are accounted for on a spending, or “*current financial resources*” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets, current liabilities, and deferred inflows of resources are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances presents increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in fund balances. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recorded when received in cash, except those revenues subject to accrual (generally 60 days after year-end) which are recognized when measurable and available. The primary revenue sources that have been treated as susceptible to accrual by the City are property taxes, intergovernmental revenues and other taxes. Business license fees are recorded as received. Expenditures are recorded in the accounting period in which the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt which is recognized when due.

Reconciliations of the fund financial statements to the government-wide financial statements are provided to explain the differences.

The City reports the following major Governmental Funds:

General Fund – The General Fund is the City’s principal operating fund. It accounts for all revenues and expenditures used to finance the traditional services associated with a municipal government except those required to be accounted for in another fund.

Citywide Grants Special Revenue Fund – The Citywide Grants Special Revenue Fund is used to account for various Federal and State grants that are restricted to expenditures for specific projects or purposes.

Capital Projects and Equipment Capital Projects Fund – To account for major capital projects with various revenues sources but exclude the Water and Sewer Capital Improvement Fund. These sources get transferred into the Capital Projects and Equipment Projects Fund.

Proprietary Fund Financial Statements

Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows for each major Proprietary Fund.

Proprietary funds are accounted for using the “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. In these funds, receivables have been recorded as revenue and provisions have been made for uncollectible amounts.

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Proprietary Fund Financial Statements (Continued)

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The City reports the following major Proprietary Funds:

Water Utility Enterprise Fund – This fund accounts for the capital, operation and maintenance of the City’s water distribution system.

Sewer Utility Enterprise Fund – This fund accounts for the financial transactions of the City’s wastewater collection system.

A separate column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the Government-Wide Financial Statements. The City has a Vehicle Replacement Internal Service Fund and an Information Technology Internal Service Fund that provides services directly to other City funds.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position and a Statement of Changes in Fiduciary Net Position. The City’s fiduciary funds represent custodial funds. The custodial funds are accounted for on the full accrual basis of accounting where the assets associated with the activity are controlled by the City and the assets are not derived 1) solely from the government’s own-source revenues or 2) from government-mandated nonexchange transactions or voluntary nonexchange transactions.

The City reports the following fiduciary fund:

Custodial Funds – To accounts for assets for the benefit of individuals and the City does not have administrative involvement with the assets or direct financial involvement with the assets or for the benefit of organizations or other governments that are not part of the City. In addition, the assets are not derived from the City’s provision of goods or services to those individuals, organizations, or other governments. The custodial funds account for the deposits for individuals and organizations and the debt service and related expenses for the Heron Pointe and Pacific Gateway Community Facility Districts.

C. Cash and Investments

The City’s cash and cash equivalents are comprised of cash on hand, demand deposits, and short-term investments with original maturity of three months or less from the date of acquisition. All cash and investments of proprietary funds are held in the City’s investment pool. These cash pools have the general characteristics of a demand deposit account, therefore, all cash and investments in the proprietary funds are considered cash and cash equivalents for statement of cash flows purposes.

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

D. Fair Value Measurement

Investments, unless otherwise specified, recorded at fair value in the financial statements, are categorized based upon the level of judgment associated with the inputs used to measure their fair value.

The three levels of the fair value measurement hierarchy are described below:

- Level 1 – Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.
- Level 2 – Inputs, other than quoted prices included in Level 1, that are observable for the assets or liabilities through corroboration with market data at the measurement date.
- Level 3 – Unobservable inputs that reflect management’s best estimate of what market participants would use in pricing the assets or liabilities at the measurement date.

E. Property Taxes Receivable

Property tax revenue is recognized in the fiscal year for which the taxes have been levied providing they become available. Available means due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter (not to exceed 60 days) to be used to pay liabilities in the current period.

Under California law, property taxes are assessed and collected by the counties at up to 1% of assessed value, plus other increases approved by the voters. The property taxes go into a pool, and are then allocated to the cities based on complex formulas.

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 - December 11 Second Installment - April 11

F. Lease Receivable

The City is a lessor for leases of land and buildings and recognizes leases receivable and deferred inflows of resources in the financial statements. Variable payments based on future performance or usage of the underlying asset are not included in the measurement of the lease receivable.

At the commencement of a lease, the lease receivable is measured at the present value of payments expected to be received during the lease term. The City established a threshold of \$50,000 for lease receivables. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows 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 in a systematic and rational method. The City used the interest method of revenue recognition.

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

F. Lease Receivable (Continued)

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

- The City uses incremental borrowing rate (IBR) provided by the financial institution at July 1, 2021 for existing leases or the current rate at the time a new lease is executed.
- The lease term includes the noncancelable period of the lease plus any option periods that are likely to be exercised.
- Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

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

G. Prepaid Items

Prepaid items are payments made to vendors for services that will benefit periods beyond the fiscal year ended. The City uses the consumption method to account for prepaid items.

H. Interfund Transactions

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due from/to other funds” (i.e., current portion of interfund loans). These are typically routine and temporary cash flow assistance from the General Fund to other funds in advance of receiving grant funds or other types of revenue.

Transactions which move resources from a fund receiving revenue to the fund through which the resources are expended are recorded as transfers.

I. Capital Assets

Capital assets, which include land, buildings, improvements, equipment, furniture, and infrastructure assets (e.g., roads, sidewalks, and similar items), are recorded at historical cost or estimated historical if purchased or constructed. Donated capital assets are valued at the estimated acquisition value on the date donated. City policy has set the capitalization threshold for reporting capital assets with an initial, individual cost of more than \$5,000 and an estimated useful life of one year or more.

The City defines infrastructure as the basic physical assets that allow the City to function. The assets include street network, street appurtenances, and storm drains.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

I. Capital Assets (Continued)

The City established a threshold to recognize a right-to-use including lease asset or subscription-based information technology arrangements (“SBITA”) asset (“subscription assets”) in the government-wide financial statements and proprietary fund financial statements right-to-use asset over \$5,000.

Lease assets are recorded at the amount of the initial measurement of the lease liabilities and adjusted by any lease payments made to the lessor at or before the commencement of the lease term, less any lease incentives received at or before the commencement of the lease term along with any initial direct costs that are ancillary charges necessary to place the lease assets into service. Lease assets are amortized using the straight-line method over the shorter of the lease term or the useful life of the underlying asset, unless the lease contains a purchase option that the City has determined is reasonably certain of being exercised. In this case, the lease asset is amortized over the useful life of the underlying asset.

Subscription assets are recorded at the amount of the initial measurement of the SBITA liabilities (“subscription liabilities”) and adjusted by any subscription payments to the SBITA vendor at or before the commencement of the subscription term, less any incentives received from the SBITA vendor at or before the commencement of the subscription term along with subscription implementation costs. Subscription assets are amortized over the shorter of the subscription term or the useful life of the underlying IT assets.

All other capital assets used in operations are depreciated over their estimated useful using the straight-line method. The lives used for depreciation purposes are as follows:

Assets	Years
Building and Improvements	20-99
Machinery and Equipment	5-50
Vehicles	4-10
Infrastructure	20-60

J. Unearned and Unavailable Revenue

Unearned revenue is reported for transactions for which revenue has not yet been earned. Typical transactions recorded as unearned revenues in the government-wide and fund financial statements are grant revenues received in advance.

In the governmental fund financial statements, unavailable revenue is reported when transactions have not yet met the revenue recognition criteria based on the modified accrual basis of accounting. The City reports unavailable revenue when an asset is reported in governmental fund financial statements but the revenue is not collected within the availability period (within 60 days of year-end).

K. Compensated Absences Payable

City employees have vested interest in varying levels of vacation, sick leave and compensatory time based on their length of employment. It is the policy of the City to pay all accumulated vacation pay and all or a portion of sick pay when an employee retires or terminates. The long-term amount is included as a liability in the governmental activities of the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. All of the liability for compensated absences applicable to proprietary funds is reported in those funds.

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

L. Claims Payable

When it is probable that a claim liability has been incurred at year-end and the amount of the loss can be reasonably estimated, the City records the estimated loss, net of any insurance coverage under its self-insurance program. Small dollar claims and judgments are recorded as expenditures when paid.

The City's self-insurance program is administered through California Joint Powers Insurance Authority (CJPIA), which is described in Note 8 to the financial statements. The Authority is a public entity risk pool. Claims losses recorded in the Authority include both current claims and incurred but not reported claims (IBNR). Deposits to the Authority are recorded by the City as insurance expenditures in the General Fund when paid. These deposits are subject to retrospective adjustment. Favorable claims experience in prior years results in a refund of deposits from the Authority and such refunds, if any, are recorded as prepaid items in the General Fund since they will be used to offset future deposit requirements. Adverse claims experience in prior years results in the payment of additional deposits and such deposits, if any, are recorded as insurance expenditures when incurred.

M. Pensions

For purposes of measuring the aggregate 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 plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

The following timeframes are used for pension reporting:

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

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. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

Pension liabilities are liquidated principally by General Fund for the governmental activities.

N. Other Postemployment Benefits

For purposes of measuring the net other postemployment benefits ("OPEB") liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

N. Other Postemployment Benefits (Continued)

The following timeframes are used for OPEB reporting:

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

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

OPEB liabilities are liquidated principally by General Fund for the governmental activities.

O. Deferred Outflows/Inflows of Resources

The financial statements report separate sections for deferred outflows of resources, and deferred inflows of resources, when applicable.

Deferred Outflows of Resources represent a consumption of net assets that applies to future periods.

Deferred Inflows of Resources represent an acquisition of net assets that applies to future period.

P. Long-Term Liabilities

Long-term debt and other long-term liabilities are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

Q. Lease Liabilities

The City recognizes lease liabilities with an initial, individual value of \$5,000 or more with a lease term greater than one year in the government-wide and proprietary fund financial statements. Variable payments based on future performance of the lessee or usage of the underlying asset are not included in the measurement of the lease liability.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made.

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

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

Q. Lease Liabilities (Continued)

- The City uses incremental borrowing rate provided by the financial institution or the current rate at the time a new lease is executed.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.
- Lease payments included in the measurement of the lease payable is composed of fixed payments to the lessor.

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

R. Subscription Liabilities

The City recognizes subscription liabilities with an initial, individual value of \$5,000 or more with a subscription term greater than one year in the government-wide and proprietary fund financial statements. Variable payments based on future performance of the City, usage of the underlying IT assets, or number of user seats are not included in the measurement of the subscription liability.

At the commencement of a subscription, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made.

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

- The City uses incremental borrowing rate provided by the financial institution at July 1, 2022 for existing subscription or the current rate at the time a new subscription is executed.
- The subscription term includes the noncancellable period of the SBITA. Subscription payments included in the measurement of the subscription liability are composed of fixed payments.

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

S. Net Position

In the government-wide financial statements and proprietary fund financial statements, net position is classified as follows:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation, capital related debt, deferred charges, and retention payable.

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

S. Net Position (Continued)

Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

When expenses are incurred for purposes for which both restricted and unrestricted components of net position are available, the City’s practice is to apply the restricted component of net position first, then use the unrestricted component of net position as needed.

T. Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable – Nonspendable fund balances include amounts that cannot be spent because they are not in a spendable form, such as unrestricted loans receivable or prepaid items, or because resources legally or contractually must remain intact.

Restricted – Restricted fund balances are the portion of fund balance that have externally enforceable limitations on their usage through legislation or limitations imposed by creditors, grantor, laws and regulations of other governments or enabling legislation.

Committed – Committed fund balances are self-imposed limitations by the highest level of decision-making authority, namely the City Council, prior to the end of the reporting period. City Council adoption of a resolution is required to commit resources or to rescind the commitment.

Assigned – Assigned fund balances are limitations imposed by management based on the intended use of the funds. Modifications or rescissions of the constraints can be removed by the same type of action that limited the use of the funds. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. The City Council has authorized the Finance Director for that purpose.

Unassigned – Unassigned fund balances represent the residual net resources in excess of the other classifications. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, the City’s practice is to apply restricted fund balances first, then use unrestricted fund balances as needed.

When expenditures are incurred for purposes where only unrestricted fund balances are available, the City uses the unrestricted resources in the following order, except for instances wherein an ordinance specifies the fund balance: committed, assigned, then unassigned.

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

U. Use of Estimates

The preparation of the basic financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

V. Tax Abatement

Tax abatement is a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments. City policy has set the threshold for disclosing tax abatement agreements greater than \$50,000.

W. Implementation of New GASB Pronouncements

During fiscal year ended June 30, 2024, the City has implemented the following new GASB Pronouncements:

GASB Statement No. 100 – In June 2022, GASB issued Statement No. 100, Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

Note 2 – Cash and Investments

The City maintains a cash and investment pool, which includes cash balances and authorized investments of all funds.

The City had the following cash and investments at June 30, 2024:

	Government-Wide Statement of Net Position	Statement of Fiduciary Net Position	Total
Cash and investments	\$ 61,867,345	\$ 646,737	\$ 62,514,082
Restricted cash and investment with fiscal agent	36,429	1,026,002	1,062,431
Total cash and investments	<u>\$ 61,903,774</u>	<u>\$ 1,672,739</u>	<u>\$ 63,576,513</u>

The City’s cash and investments at June 30, 2024 in more detail:

Petty cash	\$ 9,000
Demand deposits	1,707,073
Restricted cash	36,429
Investments	61,824,011
Total cash and investments	<u>\$ 63,576,513</u>

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 2 – Cash and Investments (Continued)

A. Demand Deposits

The carrying amounts of the City’s demand deposits were \$1,707,073 at June 30, 2024. Bank balances at that date were \$2,223,911, the total amount of which was insured or collateralized with accounts held by the pledging financial institutions in the City’s name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the City’s cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City’s name.

The fair value of pledged securities must equal at least 110% of the City’s cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City’s total cash deposits. The City may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (“FDIC”). The City, however, has not waived the collateralization requirements.

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

The table below identifies the investment types that are authorized by the City's investment policy and the California Government Code. The table also identifies certain provisions of the California Government Code (or the City's investment policy, if more restrictive) 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 provisions of the California Government Code or the City's investment policy.

Authorized Investment Type	Maturity	Maximum Portfolio*	Maximum One Issuer*
U.S. Treasury securities	None	100%	None
U.S. agency and U.S. government sponsored enterprise securities	5 years	20%	None
Obligation of the State of California or any local agency	5 years	100%	None
Registered treasury notes or bonds of any of the 49 states in addition to California	5 years	100%	None
Bankers' acceptance	180 days	40%	5%
Commercial paper	270 days	25%	10%
Nonnegotiable certificate of deposit	5 years	100%	None
Negotiable certificate of deposit	5 years	30%	None
Medium term notes	5 years	30%	5%
Asset-Backed Securities	5 years	20%	None
Supranationals	5 years	30%	None
Money market mutual funds	5 years	20%	5%
Local Agency Investment Fund (LAIF)	None	100%	50 Million/account

*The table is based on state law requirements or investment policy requirements, whichever is more restrictive.

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 2 – Cash and Investments (Continued)

C. Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The following table 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, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer*
U.S. Treasury securities	None	None	None
U.S. agency and U.S. government sponsored enterprise securities	None	None	None
Bankers' acceptance	180 days	None	30%
Commercial paper	270 days	None	None
Money market mutual funds	5 years	None	None
Investment contracts	30 years	None	None
Local Agency Investment Fund (LAIF)	None	None	None

D. Fair Value Measurement

At June 30, 2024, investments are reported at fair value. The following table presents the fair value measurement of investments on a recurring basis and the levels within the fair value hierarchy in which the fair value measurements fall at June 30, 2024:

Investment Type	Value	Fair Value Measurement	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments:			
US Treasury bonds/notes	\$ 13,898,614	\$ 13,898,614	\$ -
U.S. government sponsored enterprise securities	7,750,014	-	7,750,014
Asset-backed securities	1,412,797	-	1,412,797
Municipal bonds	796,705	-	796,705
Corporate notes	4,457,885	-	4,457,885
Negotiable certificates of deposit	278,960	-	278,960
Bank notes	525,037	-	525,037
Total investments subject to fair value measurement	29,120,012	<u>\$ 13,898,614</u>	<u>\$ 15,221,398</u>
Investments measured at amortized cost:			
Local Agency Investment Fund (LAIF)	31,677,998		
Investments held with fiscal agents:			
Money market funds	1,026,001		
Total investments	<u>\$ 61,824,011</u>		

Investments in municipal bonds/notes, U.S. government sponsored enterprise securities, asset-backed securities and corporate notes are valued based on institutional bond quotes. Investments in negotiable certificates of deposits are valued based on certificate of deposits pricing.

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 2 – Cash and Investments (Continued)

E. Risk Disclosures

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 is, 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 sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is as follows:

Investment Type	Amount	Investment Maturities (in Years)				
		Less than 1	1 to 2	2 to 3	3 to 4	4 to 5
Investments:						
US Treasury bonds/notes	\$ 13,898,614	\$ -	\$ 6,392,834	\$ 2,607,724	\$ 4,026,312	\$ 871,744
U.S. government sponsored enterprise securities	7,750,014	149,356	2,019,395	892,278	912,123	3,776,862
Asset-backed securities	1,412,797	-	18,572	247,166	235,056	912,003
Municipal bonds	796,705	533,869	262,836	-	-	-
Corporate notes	4,457,885	737,056	652,166	974,536	690,685	1,403,442
Negotiable certificates of deposit	278,960	-	-	278,960	-	-
Bank notes	525,037	-	-	-	525,037	-
LAIF	31,677,998	31,677,998	-	-	-	-
Investments with Fiscal Agent:						
Money market funds	1,026,001	1,026,001	-	-	-	-
Total investments	<u>\$ 61,824,011</u>	<u>\$ 34,124,280</u>	<u>\$ 9,345,803</u>	<u>\$ 5,000,664</u>	<u>\$ 6,389,213</u>	<u>\$ 6,964,051</u>

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 2 – Cash and Investments (Continued)

E. Risk Disclosures (Continued)

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 or the City's investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

Investment Type	Minimum Legal Rating	Total	AAA	AA- to AA+	A- to A+	Unrated
Investments:						
US Treasury bonds/notes	N/R	\$ 13,898,614	\$ 13,898,614	\$ -	\$ -	\$ -
U.S. government sponsored enterprise securities	A	7,750,014	7,750,014	-	-	-
Asset-backed securities	AA	1,412,797	1,412,797	-	-	-
Municipal bonds	N/R	796,705	191,348	605,357	-	-
Corporate notes	A	4,457,885	748,133	1,051,786	2,657,966	-
Negotiable certificates of deposit	N/R	278,960	-	278,960	-	-
Bank notes	N/R	525,037	-	281,977	243,060	-
LAIF	N/A	31,677,998	-	-	-	31,677,998
Investments with Fiscal Agent:						
Money market funds	N/R	1,026,001	1,026,001	-	-	-
Total investments		<u>\$ 61,824,011</u>	<u>\$ 25,026,907</u>	<u>\$ 2,218,080</u>	<u>\$ 2,901,026</u>	<u>\$ 31,677,998</u>

N/R - Not required by the City's investment policy

N/A - Not applicable

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.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that in the event of the failure of the counterparty (e.g., broker dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government 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. At June 30, 2024, the City deposits (bank balances were insured by the Federal Depository Insurance Corporation up to \$250,000 and the remaining balances were collateralized under California law.

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 2 – Cash and Investments (Continued)

E. Risk Disclosures (Continued)

For investments identified herein as held by bond trustee, the bond trustee selects the investment under the terms of the applicable trust agreement, acquires the investment, and holds the investment on behalf of the reporting government.

F. Investment in Local Agency Investment Fund (“LAIF”)

The City is a participant in LAIF, which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. As of June 30, 2024, the City had \$31,677,998 invested in LAIF. LAIF is reported at amortized cost, which approximates fair value.

Note 3 – Lease Receivable

Lease receivables consists of agreements with other for the right-to-use of the underlying assets for land and buildings owned by the City at various locations for cell tower use and business use, respectively. The remaining terms of the business agreements range from 2 to 34 years and the cell towers range from 3 to 24 years. The incremental borrowing rates used was 1.5%. For the year ended June 30, 2024, the City recognized \$342,714 in lease revenue and \$155,389 in lease interest revenue for General Fund. The outstanding lease receivable is in the amount of \$10,112,627 in the General Fund.

The future receipts for the lease receivables, including interest, are as follows:

Year ending June 30,	Principal	Interest	Total
2025	\$ 355,053	\$ 149,865	\$ 504,918
2026	350,753	144,460	495,213
2027	292,970	139,671	432,641
2028	300,058	135,643	435,701
2029	319,269	130,719	449,988
2030-2034	1,630,227	582,120	2,212,347
2035-2039	2,116,365	442,581	2,558,946
2040-2044	1,692,180	294,602	1,986,782
2045-2049	1,424,852	166,599	1,591,451
2050-2054	947,574	88,824	1,036,398
2055-2058	683,326	16,150	699,476
	<u>\$ 10,112,627</u>	<u>\$ 2,291,234</u>	<u>\$ 12,403,861</u>

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 4 – Interfund Transactions

A. Due From/To Other Funds

At June 30, 2024, the City had the following due from/to other funds:

	Due From Other Funds	
Due To Other Funds	General Fund	
Fund	\$	840,260
Nonmajor Governmental Funds		166,556
Total	\$	1,006,816

The above amounts resulted from deficits in the pooled cash account.

B. Transfers

During the year ended June 30, 2024, the City had the following transfers:

Transfers out	Transfers in			Total
	General Fund	Capital Projects and Equipment Capital Projects Fund	Nonmajor Governmental Funds	
General Fund	\$ -	\$ 3,971,319	\$ 442,713	\$ 4,414,032
Citywide Grants Special Revenue Fund	-	98,305	-	98,305
Nonmajor Governmental Funds	109,000	-	-	109,000
Total	\$ 109,000	\$ 4,069,624	\$ 442,713	\$ 4,621,337

Transfers of \$109,000 from Nonmajor Governmental Funds were made to the General Fund for non-capital expenditures.

The General Fund and Citywide Grants Special Revenue Fund transferred \$3,971,319 and \$98,305, respectively, to the Capital Projects and Equipment Capital Projects Fund to pay for capital projects.

The General Fund transferred \$442,713 to the Nonmajor Governmental for debt service-related and administrative costs.

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 5 – Capital Assets

The summary of changes in governmental activities capital assets for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023 (As Restated)	Additions	Deletions	Balance June 30, 2024
<i>Capital assets not being depreciated:</i>				
Land	\$ 20,319,847	\$ -	\$ -	\$ 20,319,847
Intangible asset-land easement	900,000	-	-	900,000
Construction in progress	3,070,206	5,788,757	-	8,858,963
Total capital assets not being depreciated	<u>24,290,053</u>	<u>5,788,757</u>	<u>-</u>	<u>30,078,810</u>
<i>Capital assets being depreciated:</i>				
Buildings and improvements	16,712,471	-	-	16,712,471
Machinery and equipment	4,463,872	60,893	(145,557)	4,379,208
Vehicles	3,731,925	165,239	(209,204)	3,687,960
Infrastructure	92,853,900	-	-	92,853,900
Total capital assets being depreciated	<u>117,762,168</u>	<u>226,132</u>	<u>(354,761)</u>	<u>117,633,539</u>
<i>Less accumulated depreciation for:</i>				
Buildings and improvements	(8,462,899)	(408,304)	-	(8,871,203)
Machinery and equipment	(2,815,664)	(235,791)	-	(3,051,455)
Vehicles	(2,354,631)	(310,609)	212,046	(2,453,194)
Infrastructure	(44,102,549)	(1,880,523)	-	(45,983,072)
Total accumulated depreciation	<u>(57,735,743)</u>	<u>(2,835,227)</u>	<u>212,046</u>	<u>(60,358,924)</u>
Total capital assets being depreciated, net	<u>60,026,425</u>	<u>(2,609,095)</u>	<u>(142,715)</u>	<u>57,274,615</u>
<i>Intangible assets being amortized:</i>				
Right of use - leased vehicles	363,368	-	-	363,368
Right of use - leased equipment	110,331	-	-	110,331
Right of use - subscription asset	949,058	-	-	949,058
Total intangible assets being amortized	<u>1,422,757</u>	<u>-</u>	<u>-</u>	<u>1,422,757</u>
<i>Less accumulated amortization for:</i>				
Right of use - leased vehicles	(81,392)	(81,586)	-	(162,978)
Right of use - leased equipment	(71,566)	(35,783)	-	(107,349)
Right of use - subscription asset	(242,963)	(256,302)	-	(499,265)
Total accumulated amortization	<u>(395,921)</u>	<u>(373,671)</u>	<u>-</u>	<u>(769,592)</u>
Total intangible assets being amortized, net	<u>1,026,836</u>	<u>(373,671)</u>	<u>-</u>	<u>653,165</u>
Total governmental activities	<u>\$ 85,343,314</u>	<u>\$ 2,805,991</u>	<u>\$ (142,715)</u>	<u>\$ 88,006,590</u>

Depreciation and amortization expense was charged to functions/programs of governmental activities for the year ended June 30, 2024 as follows:

General government	\$ 353,822
Public safety	446,305
Community development	135,805
Public works	2,006,602
Internal service funds	266,364
Total	<u>\$ 3,208,898</u>

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 5 – Capital Assets (Continued)

The summary of changes in business-type activities capital assets for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023 (As Restated)	Additions	Deletions	Balance June 30, 2024
<i>Capital assets not being depreciated:</i>				
Construction in progress-water	\$ 2,258,277	\$ 408,760	\$ (6,334)	\$ 2,660,703
Construction in progress-sewer	533,989	83,099	-	617,088
Total capital assets not being depreciated	<u>2,792,266</u>	<u>491,859</u>	<u>(6,334)</u>	<u>3,277,791</u>
<i>Capital assets being depreciated:</i>				
Buildings and improvements - water	73,284	-	-	73,284
Machinery and equipment - water	644,596	-	-	644,596
Machinery and equipment - sewer	829,189	-	-	829,189
Vehicles - water	297,295	205,732	-	503,027
Vehicles - sewer	382,670	-	-	382,670
Infrastructure - water	34,337,305	44,746	-	34,382,051
Infrastructure - sewer	38,622,844	-	-	38,622,844
Total capital assets being depreciated	<u>75,187,183</u>	<u>250,478</u>	<u>-</u>	<u>75,437,661</u>
<i>Less accumulated depreciation for:</i>				
Buildings and improvements - water	(73,284)	-	-	(73,284)
Machinery and equipment - water	(526,140)	(12,793)	-	(538,933)
Machinery and equipment - sewer	(330,432)	(19,306)	-	(349,738)
Vehicles - water	(223,735)	(32,783)	-	(256,518)
Vehicles - sewer	(382,670)	-	-	(382,670)
Infrastructure - water	(20,043,289)	(435,419)	-	(20,478,708)
Infrastructure - sewer	(22,149,864)	(942,318)	-	(23,092,182)
Total accumulated depreciation	<u>(43,729,414)</u>	<u>(1,442,619)</u>	<u>-</u>	<u>(45,172,033)</u>
Total capital assets being depreciated, net	<u>31,457,769</u>	<u>(1,192,141)</u>	<u>-</u>	<u>30,265,628</u>
<i>Intangible assets being amortized:</i>				
Right of use - subscription asset - water	197,421	-	-	197,421
Right of use - subscription asset - sewer	159,816	-	-	159,816
Total intangible assets being amortized	<u>357,237</u>	<u>-</u>	<u>-</u>	<u>357,237</u>
<i>Less accumulated amortization for:</i>				
Right of use - subscription asset - water	(38,899)	(47,404)	-	(86,303)
Right of use - subscription asset - sewer	(34,094)	(34,869)	-	(68,963)
Total accumulated amortization	<u>(72,993)</u>	<u>(82,273)</u>	<u>-</u>	<u>(155,266)</u>
Total intangible assets being amortized, net	<u>284,244</u>	<u>(82,273)</u>	<u>-</u>	<u>201,971</u>
Total business-type activities	<u>\$ 34,534,279</u>	<u>\$ (782,555)</u>	<u>\$ (6,334)</u>	<u>\$ 33,745,390</u>

Depreciation expense was charged to functions/programs of business-type activities for the year ended June 30, 2024 as follows:

Water Utility	\$ 528,399
Sewer Utility	996,493
Total	<u>\$ 1,524,892</u>

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 6 – Long-Term Liabilities

A. Governmental Activities

Summary of changes in long-term liabilities for governmental activities for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023 (As Restated)	Additions	Deletions	Balance June 30, 2024	Classification	
					Due within One Year	Due in more than One Year
<u>Private Placement</u>						
2009 Lease Revenue Bonds	\$ 315,000	\$ -	\$ (315,000)	\$ -	\$ -	\$ -
<u>Direct Borrowing</u>						
Municipal Finance Corporation	218,963	-	(218,963)	-	-	-
<u>Lease Liabilities</u>						
De Lage Landen	39,298	-	(36,252)	3,046	3,046	-
Enterprise Fleet	287,813	-	(80,587)	207,226	81,803	125,423
<u>Subscriptions</u>						
Subscription liabilities	694,445	-	(238,590)	455,855	244,413	211,442
Claims payable	175,046	-	(3,843)	171,203	34,241	136,962
Compensated absences	1,395,423	718,642	(659,355)	1,454,710	325,249	1,129,461
Total	\$ 3,125,988	\$ 718,642	\$ (1,552,590)	\$ 2,292,040	\$ 688,752	\$ 1,603,288

The General Fund has been used to liquidate the majority of the liability for compensated absences.

2009 Series Lease Revenue Bonds

On January 14, 2009, the City issued 2009 Series Lease Revenue Bonds for the purpose of financing the construction of a new fire station in the City in the amount of \$6,300,000. Interest rate on the bonds is 3.71%. Annual installments are due April 15, 2009 through January 15, 2024. During the year ended June 30, 2024, the bonds were fully paid off.

Municipal Finance Corporation Loan

On May 8, 2014, the City entered into a Lease with Option to Purchase agreement with Municipal Finance Corporation relating to a capital project to be performed by Climatec LLC in the amount of \$1,546,931. Interest rate on the loan is 3.40%. During the year ended June 30, 2024, the loan was fully paid off.

De Lage Landen Lease Payable

On August 27, 2019, the City entered into a 60-month lease agreement with De Lage Landen Public Finance LLC for 22 copy machines for a monthly lease payment in the amount of \$4,612. Lease payments are due on the 1st of each month. Interest on the copy machines accrues at 1.5% annum. In the event of default, the lease shall be deemed terminated. Outstanding lease liabilities at June 30, 2024 was in the amount of \$3,046.

Future lease payments under the lease payable are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 3,046	\$ 4	\$ 3,050

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 6 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

Enterprise Fleet

On October 25, 2021, the City entered into a 60-month lease agreement with Enterprise Fleet Management for 3 vehicles for a total monthly lease payment in the amount of \$3,202. As of June 30, 2023 the City leased a total of 6 vehicles with terms of 48-month for a total monthly lease payment in the amount of \$7,030. Lease payments are due on the 1st of each month. Interest accrues at 1.5% annum. In the event of default, the lease shall be deemed terminated. Outstanding lease liabilities at June 30, 2024 was in the amount of \$207,226.

Future lease payments under the lease payable are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 81,803	\$ 2,548	\$ 84,351
2026	83,038	1,312	84,350
2027	42,385	190	42,575
Total	<u>\$ 207,226</u>	<u>\$ 4,050</u>	<u>\$ 211,276</u>

Subscription Liabilities

The City entered into subscription agreements with various vendors for software. The agreements expire from July 19, 2025 to February 8, 2027 with interest rates ranging 2.35 percent to 2.80 percent. Outstanding subscription liabilities at June 30, 2024 was in the amount of \$455,855.

The future subscription payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 244,413	\$ 11,326	\$ 255,739
2026	104,397	5,362	109,759
2027	107,045	2,714	109,759
Total	<u>\$ 455,855</u>	<u>\$ 19,402</u>	<u>\$ 475,257</u>

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 6 – Long-Term Liabilities (Continued)

B. Business-Type Activities

Summary of changes in long-term liabilities for business-type activities for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Classification	
					Due within One Year	Due in more than One Year
<u>Private Placement</u>						
2011 Sewer Revenue Refunding Bonds	\$ 1,385,000	\$ -	\$ (205,000)	\$ 1,180,000	\$ 215,000	\$ 965,000
<u>Direct Borrowing</u>						
Sewer Capital Improvement Project #1	1,346,932	-	(134,760)	1,212,172	138,264	1,073,908
Sewer Capital Improvement Project #2	1,009,707	-	(80,470)	929,237	82,563	846,674
West Orange County Water Board Loan	401,073	-	(42,218)	358,855	126,654	232,201
<u>Subscriptions</u>						
Subscription liabilities - water	151,186	-	(42,639)	108,547	43,751	64,796
Subscription liabilities - sewer	126,428	-	(30,430)	95,998	31,201	64,797
Compensated absences	113,874	149,667	(136,392)	127,149	28,963	98,186
Total	<u>\$ 4,534,200</u>	<u>\$ 149,667</u>	<u>\$ (671,909)</u>	<u>\$ 4,011,958</u>	<u>\$ 666,396</u>	<u>\$ 3,345,562</u>

2011 Sewer System Revenue Refunding Bonds

On March 2, 2011, the City issued 2011 Sewer System Revenue Refunding Bonds in the amount of \$3,310,000 to pay off the 2000 Sewer System Certificates of Participation. The 2000 Sewer System Certificates of Participation were issued to provide for improvements to the City's sewer system.

Interest rate on the 2011 Sewer System Revenue Refunding Bonds is 4.8%, and the outstanding balance of the 2011 Sewer System Revenue Refunding Bonds at June 30, 2024 was \$1,180,000. In the event of a default the City may be required to pay all principal components of the unpaid installment payments, together with accrued interest at the overdue rate from the preceding interest payment date which will become immediately due and payable.

The annual debt service requirements are as follows:

Year ending June 30,	Principal			Interest			Total		
2025	\$	215,000	\$	54,120	\$	269,120			
2026		225,000		43,680		268,680			
2027		235,000		32,760		267,760			
2028		245,000		21,360		266,360			
2029		260,000		9,360		269,360			
Total	<u>\$</u>	<u>1,180,000</u>	<u>\$</u>	<u>161,280</u>	<u>\$</u>	<u>1,341,280</u>			

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 6 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

Sewer Capital Improvement Project Loan #1

On April 6, 2011, the City entered into an agreement with the Clean Water State Revolving Fund Control Board for construction of the Sewer Capital Improvement project. The City may borrow up to \$2,644,356 or the eligible costs of the project, whichever is less. As of June 30, 2024, the City had drawn down the entire loan fund. The loan has an interest rate of 2.6% with maturities through 2031. The outstanding balance at June 30, 2024 was \$1,212,172.

In the event of default, the Clean Water State Revolving Fund Control Board may sue the City as it deems necessary to compel the payment of the loan.

The annual debt service requirements are as follows:

Year ending June 30,	Principal	Interest	Total
2025	\$ 138,264	\$ 31,516	\$ 169,780
2026	141,859	27,922	169,781
2027	145,547	24,233	169,780
2028	149,331	20,449	169,780
2029	153,214	16,566	169,780
2031-2032	483,957	25,381	509,338
Total	<u>\$ 1,212,172</u>	<u>\$ 146,067</u>	<u>\$ 1,358,239</u>

Sewer Capital Improvement Project Loan #2

On April 6, 2011, the City entered into an agreement with the Clean Water State Revolving Fund Control Board for construction of the Sewer Capital Improvement project. The City may borrow up to \$2,125,112 or the eligible costs of the project, whichever is less. At June 30, 2024, the State Water Resources Control Board had disbursed \$1,652,742. The loan has an interest rate of 2.6% with maturities through 2031. The outstanding balance at June 30, 2024 was \$929,237.

In the event of default, the Clean Water State Revolving Fund Control Board may sue the City as it deems necessary to compel the payment of the loan.

The annual debt service requirements are as follows:

Year ending June 30,	Principal	Interest	Total
2025	\$ 82,563	\$ 24,160	\$ 106,723
2026	84,709	22,014	106,723
2027	86,912	19,811	106,723
2028	89,171	17,551	106,722
2029	91,490	15,233	106,723
2031-2034	494,392	39,222	533,614
Total	<u>\$ 929,237</u>	<u>\$ 137,991</u>	<u>\$ 1,067,228</u>

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 6 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

West Orange County Water Board Loan

On December 11, 2017, the City entered into financial participation agreement with the West Orange County Water Board (the “WOCWB”) for relocation of the City’s allocated 14.3% ownership in the waterline. The City’s portion of project costs was in the amount of \$894,928. The repayments are due quarterly on the first of the month commencing June 1, 2018. The interest rate ranges from 1.414% to 5.314% with maturity date on March 1, 2028. The outstanding balance at June 30, 2024 was \$358,855.

The annual debt service requirements are as follows:

Year ending June 30,	Principal	Interest	Total
2025	\$ 126,654	\$ 15,222	\$ 141,876
2026	84,436	6,764	91,200
2027	84,436	4,370	88,806
2028	63,329	1,302	64,631
Total	<u>\$ 358,855</u>	<u>\$ 27,658</u>	<u>\$ 386,513</u>

Subscription Liabilities

The City entered into subscription agreements with various vendors for software. The agreements expire from July 19, 2025 to February 8, 2027 with interest rates ranging 2.35 percent to 2.80 percent. Outstanding subscription liabilities at June 30, 2024 was in the amount of \$204,545.

The future subscription payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 74,952	\$ 5,220	\$ 80,172
2026	63,985	3,287	67,272
2027	65,608	1,664	67,272
Total	<u>\$ 204,545</u>	<u>\$ 10,171</u>	<u>\$ 214,716</u>

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 7 – Non-City Obligations

A. Heron Pointe Community Facilities District No. 2002-01

The Heron Pointe Community Facilities District No. 2002-01 was formed to finance public facilities improvements within Heron Pointe. The debt service payments on the bonds will be included on property tax bills within community facilities district and will be collected by the City and then forwarded to the paying agent. A reserve fund was established in which the City may make withdrawals enough to cover any delinquent payments on the reassessments. The City has no liability for the bonds beyond the amount held in the reserve fund. The bonds are not secured by the general taxing power of the City, county, state, or any political subdivision of the state nor have the City, county, state, or any political subdivision thereof pledged its full faith and credit for the repayment thereof. Since the City has no liability for these bonds, the reserve fund and debt service monies are stored in the Agency Fund and the debt is not included in the financial statements. The outstanding balance at June 30, 2024, was \$2,360,000.

B. Pacific Gateway Business Center Community Facilities District No. 2005-01

The Pacific Gateway Business Center Community Facilities District No. 2005-01 was formed to finance public facilities within the Pacific Gateway. The debt service payments on the bonds will be included on property tax bills within the community facilities district and will be collected by the City and then forwarded to the paying agent. A reserve fund was established in which the City may make withdrawals enough to cover any delinquent payments on the reassessments. The City has no liability for the bonds beyond the amount held in the Reserve Fund. The bonds are not secured by the general taxing power of the City, county, state, or any political subdivision of the state nor have the City, county, state, or any political subdivision thereof pledged its full faith and credit for the repayment thereof. Since the City has no liability for these bonds, the reserve fund and debt service monies are stored in the Agency Fund and the debt is not included in the financial statements. The outstanding balance at June 30, 2024, was \$6,410,000.

Note 8 – Risk Management and Self Insurance Program

A. Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

The City of Seal Beach (the “City”) is a member of the California Joint Powers Insurance Authority (the “Authority”). The Authority is composed of 126 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

B. Primary Self-Insurance Programs of the Authority

Each member pays an annual contribution at the beginning of the coverage period. The total funding requirement for primary self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – Risk Management and Self Insurance Program (Continued)

B. Primary Self-Insurance Programs of the Authority (Continued)

Primary Liability Program

Claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$100,000 to \$500,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$500,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses also have a \$50 million per occurrence limit. The coverage structure is composed of a combination of pooled self-insurance, reinsurance, and excess insurance. Additional information concerning the coverage structure is available on the Authority's website: <https://cjpia.org/coverage/risk-sharing-pools/>.

Primary Workers' Compensation Program

Claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$75,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$75,000 to \$200,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$200,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2023-24 the Authority's pooled retention is \$1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased through reinsurance policies, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

C. Purchased Insurance

Pollution Legal Liability Insurance

The City participates in the pollution legal liability insurance program which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City. Coverage is on a claims-made basis. There is a \$250,000 deductible. The Authority has an aggregate limit of \$20 million.

Property Insurance

The City participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City property is currently insured according to a schedule of covered property submitted by the City to the Authority. City property currently has all-risk property insurance protection in the amount of \$65,774,028. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – Risk Management and Self Insurance Program (Continued)

C. Purchased Insurance (Continued)

Crime Insurance

The City purchases crime insurance coverage in the amount of \$3,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority.

D. Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2023-24.

E. Claims Activity

Claims expenses and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. There were workers' compensation claims that remained outstanding for claims occurred prior to joining the Authority. At June 30, 2024, the amount of these liabilities was \$171,203.

A summary of the changes in claims liabilities for the past three fiscal years is as follows:

Workers' Compensation	Balance Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Balance End of Year
2021-2022	\$ 297,295	\$ -	\$ (34,126)	\$ 263,169
2022-2023	263,169	-	(88,123)	175,046
2023-2024	175,046	-	(3,843)	171,203

Note 9 – Defined Benefit Pension Plans

A. General Information about the Pension Plan

Plan Description

The City contributes to the California Public Employees' Retirement System ("CalPERS"), a cost-sharing multiple-employer defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute and City ordinance. Copies of the CalPERS annual financial report may be obtained from <https://www.calpers.ca.gov/page/forms-publications>.

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 9 – Defined Benefit Pension Plans (Continued)

A. General Information about the Pension Plan (Continued)

Employees Covered by Benefit Terms

At June 30, 2022, the following employees were covered by the benefit terms:

	Misc	Misc PEPRA	Safety	Safety Fire	Safety Police PEPRA	Other Safety PEPRA
Active employees	28	29	32	-	11	1
Transferred and terminated employees	35	9	4	-	-	-
Separated	29	4	5	-	2	-
Retired Employees and Beneficiaries	150	1	96	37	-	-
Total	<u>242</u>	<u>43</u>	<u>137</u>	<u>37</u>	<u>13</u>	<u>1</u>

Benefit Provided

CalPERS provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Classic miscellaneous members become eligible for service retirement upon attainment of age 55 with at least 5 years of credited service. PEPRA miscellaneous members become eligible for service retirement upon attainment of age 62 with at least 5 years of service. Classic safety members become eligible for service retirement upon attainment of age 50 with at least five years of service. PEPRA safety members become eligible for service retirement upon attainment of age 57 with at least five years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation. The final compensation is the monthly average of the member's highest 36 full-time equivalent monthly pay.

Following are the benefit provisions for each plan:

	Cost-sharing Rate Plans			
	Miscellaneous Rate Plan*	PEPRA Miscellaneous Rate Plan	Safety Rate Plan*	PEPRA Safety Rate Plan
Hire date	Prior to	January 1, 2013	Prior to	January 1, 2013
Benefit formula	2% @ 55	2% @ 62	3% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	minimum 50 yrs	minimum 52 yrs	minimum 50 yrs	minimum 50 yrs
Monthly benefits, as a % of eligible compensation	1.426% - 2.418%, 50 yrs - 63+ yrs, respectively	1.000% - 2.500%, 52 yrs - 67+ yrs, respectively	3.000%, 50+ yrs	2.000%-2.7000%, 52 yrs - 57+ yrs, respectively

* Closed to new entrants

Participants are eligible for non-industrial disability retirement if they become disabled and have at least 5 years of credited service. There is no special age requirement. The standard non-industrial disability retirement benefit is a monthly allowance equal to 1.8 percent of final compensation, multiplied by service. Industrial disability benefits are not offered to miscellaneous employees.

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 9 – Defined Benefit Pension Plans (Continued)

A. General Information about the Pension Plan (Continued)

Benefit Provided (Continued)

An employee's beneficiary may receive the basic death benefit if the employee dies while actively employed. The employee must be actively employed with the City to be eligible for this benefit. An employee's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this basic death benefit. The basic death benefit is a lump sum in the amount of the employee's accumulated contributions, where interest is currently credited at 6 percent per year, plus a lump sum in the amount of one month's salary for each completed year of current service, up to a maximum of six months' salary. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death.

Upon the death of a retiree, a one-time lump sum payment of \$500 will be made to the retiree's designated survivor(s), or to the retiree's estate.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance. Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 2 percent.

Contributions

Section 20814(c) of the California Public Employees' Retirement Law ("PERL") requires that the employer contribution rates for all public employers be 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 based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2023 (the measurement date), the contribution rates were as follows:

	Cost-sharing Rate Plans			
	Miscellaneous Rate Plan*	PEPRA Miscellaneous Rate Plan	Safety Rate Plan*	PEPRA Safety Rate Plan
Required employee contribution rates	7.00%	7.25%	9.00%	13.75%
Required employer contribution rates	11.61%	7.76%	25.64%	13.66%

* Closed to new entrants

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 9 – Defined Benefit Pension Plans (Continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

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

Actuarial Cost Method	Entry age normal in accordance with requirements of GASB 68
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	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 2.3% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.3% thereafter

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

Change of Assumption

In 2023, there were no changes in assumptions.

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 of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 basis points.

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 9 – Defined Benefit Pension Plans (Continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)

Long-term Expected Rate of Return (Continued)

The expected real rates of return by asset class are as follows:

Asset Class ¹	Assumed Asset Allocation	Real Return ^{1,2}
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.80%
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%
	100.00%	

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.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City’s proportionate share of the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 6.90%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90%) or 1 percentage-point higher (7.90%) than the current rate:

	Plan's Net Pension Liability/(Asset)		
	Discount Rate	Current Discount	Discount Rate
	- 1% (5.90%)	Rate (6.90%)	+ 1% (7.90%)
Miscellaneous	\$ 25,575,504	\$ 17,825,226	\$ 11,446,082
Safety	\$ 49,553,147	\$ 34,643,664	\$ 22,454,100

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 9 – Defined Benefit Pension Plans (Continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)

Pension Plan Fiduciary Net Position

Detail information about the plan’s fiduciary net position is available in the separately issued CalPERS financial report and can be obtained from CalPERS’ website under Forms and Publications.

Proportionate Share of Net Pension Liability and Pension Expense

The following table shows the plan’s proportionate share of the risk pool collective net pension liability over the measurement period:

	Increase (Decrease)		
	Plan Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Miscellaneous			
Balance at: 6/30/22 (Valuation date)	\$ 55,349,318	\$ 38,532,294	\$ 16,817,024
Balance at: 6/30/23 (Measurement date)	57,305,152	39,479,926	17,825,226
Net Changes during 2022-2023	1,955,834	947,632	1,008,202
Safety			
Balance at: 6/30/22 (Valuation date)	\$ 104,384,046	\$ 71,895,974	\$ 32,488,072
Balance at: 6/30/23 (Measurement date)	108,683,799	74,040,135	34,643,664
Net Changes during 2022-2023	4,299,753	2,144,161	2,155,592

The following is the approach established by the plan actuary to allocate the net pension liability and pension expense to the individual employers within the risk pool.

- (1) In determining a cost-sharing plan’s proportionate share, total amounts of liabilities and assets are first calculated for the risk pool as a whole on the valuation date (June 30, 2022). The risk pool’s fiduciary net position (“FNP”) subtracted from its total pension liability (“TPL”) determines the net pension liability (“NPL”) at the valuation date.
- (2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement date (June 30, 2023). Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date. For purposes of FNP in this step and any later reference thereto, the risk pool’s FNP at the measurement date denotes the aggregate risk pool’s FNP at June 30, 2023 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2022-2023).
- (3) The individual plan’s TPL, FNP and NPL are also calculated at the valuation date. TPL is allocated based on the rate plan’s share of the actuarial accrued liability. FNP is allocated based on the rate plan’s share of the fair value assets.
- (4) Two ratios are created by dividing the plan’s individual TPL and FNP as of the valuation date from (3) by the amounts in step (1), the risk pool’s total TPL and FNP, respectively.

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 9 – Defined Benefit Pension Plans (Continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

- (5) The plan’s TPL as of the Measurement Date is equal to the risk pool TPL generated in (2) multiplied by the TPL ratio generated in (4). The plan’s FNP as of the Measurement Date is equal to the FNP generated in (2) multiplied by the FNP ratio generated in (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.
- (6) The plan’s NPL at the Measurement Date is the difference between the TPL and FNP calculated in (5).

Deferred outflows of resources, deferred inflows of resources, and pension expense is allocate based on the City’s share of contributions during measurement period.

The City’s proportionate share of the net pension liability was as follows:

	<u>Miscellaneous</u>	<u>Safety</u>
June 30, 2022	0.14559%	0.28126%
June 30, 2023	0.14288%	0.27770%
Change - Increase (Decrease)	<u>-0.00271%</u>	<u>-0.00356%</u>

The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized over 5-years straight line. All other amounts are amortized straight-line over the average expected remaining service lives 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) in the risk pool. The EARSL for risk pool for the 2022-2023 measurement period is 3.8 years, which was obtained by dividing the total service years of 600,538 (the sum of remaining service lifetimes of the active employees) by 160,073 (the total number of participants: active, inactive, and retired).

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 9 – Defined Benefit Pension Plans (Continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

For the year ended June 30, 2024, the City recognized pension expense for the miscellaneous and safety plans in the amounts of \$2,319,975 and \$ 13,423,015, respectively. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous		Safety	
	Deferred outflows of Resources	Deferred inflows of Resources	Deferred outflows of Resources	Deferred inflows of Resources
Contribution after measurement date	\$ 1,781,962	\$ -	\$ 4,296,096	\$ -
Changes of assumptions	1,076,190	-	2,021,853	-
Difference between expected and actual experience	910,610	(141,257)	2,543,486	(217,749)
Difference between projected and actual earning on pension plan investments	2,886,066	-	4,740,983	-
Differences in proportions	-	(646,150)	94,671	(187,311)
Difference between City contributions and proportionate share of contributions	65,768	(242,951)	-	(31,032)
Total	\$ 6,720,596	\$ (1,030,358)	\$ 13,697,089	\$ (436,092)

Deferred outflows of resources related to pensions resulting from the City’s contributions made subsequent to the measurement date in the amount of \$1,781,962 and \$4,296,096 for the miscellaneous and safety plans, respectively, will be recognized as a reduction of the collective net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Period Ended June 30,	Deferred Outflows/ (Inflows) of Resources	
	Miscellaneous	Safety
2024	\$ 952,864	\$ 2,805,066
2025	683,488	2,070,718
2026	2,189,110	3,956,789
2027	82,814	132,328
2028	-	-
Thereafter	-	-
	\$ 3,908,276	\$ 8,964,901

Note 10 – Other Postemployment Benefits (“OPEB”) Plan

A. General Information about the OPEB Plan

Plan Description

The City provides postretirement medical benefits to employees who retire directly from the City under CalPERS under a single-employer defined benefit post-employment benefits plan. Eligible retirees can continue participation in the City medical plans (“PEMHCA”). For miscellaneous retirees, the City contributes up to a capped dollar amount which varies by bargaining unit, medical coverage, and years of service. For police safety retirees, the City contribution rate varies by date of hire and date of retirement.

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 10 – Other Postemployment Benefits (“OPEB”) Plan

A. General Information about the OPEB Plan (Continued)

Benefits Provided

Future Retirees are eligible for PEMCHA minimum medical benefits (\$151 per month in 2024) if they retire at Age 50 and above. For legacy hires, reimbursements are generally subject to a maximum, which varies by bargaining group and service years. Dependents are eligible to enroll subject to service year requirements.

Employees Covered by Benefit Term

Active employees	107
Active employees waiving coverage	-
Inactive employees, spouses, or beneficiaries currently receiving benefit payments	76
Total	183

Contributions

The City makes contributions based on an actuarially determined rate.

B. Net OPEB Liability

The City's net OPEB liability is based on a roll-forward of the June 30, 2023 valuation with liabilities and assets measured as of June 30, 2023.

Actuarial Assumptions

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry age normal level percentage of salary
Actuarial Assumptions:	
Inflation	2.30%
Salary increases	Base salary increases in year one: 2.80%
	Base salary increases in subsequent years: 2.80%
	Additional merit-based increases based on CalPERS.
Investment rate of return	5.10%
Healthcare cost trend rates	7.4% (non-Medicare) / 4.2% (Medicare) in 2023, decreasing gradually to an ultimate rate of 4.14% by 2075.
Mortality rate	Derived using CalPERS' Membership Data for all Funds.

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 10 – Other Postemployment Benefits (“OPEB”) Plan (Continued)

B. Net OPEB Liability (Continued)

Discount Rate

The discount rate used to measure the total OPEB liability was 6.00%. The projection of cash flows used to determine the discount rate assumed that the City contribution will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to cover all future OPEB payments. Therefore, the discount rate was set equal to the long-term expected rate of return.

Expected Long-Term Rates of Return

Asset Class	Target Allocation CERBT - Strategy 1	Projected Real Rates of Return ¹
Global Equity	49.0%	4.56%
Global Fixed Income	23.0%	1.56%
REITs	20.0%	4.06%
TIPS	5.0%	-0.08%
Commodities	3.0%	1.22%
	100.0%	

¹An expected inflation of 2.3% used for this period

C. Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balances as of June 30, 2021	\$ 13,421,076	\$ 7,129,788	\$ 6,291,288
Changes during the measurement period:			
Service cost	285,492	-	285,492
Interest	800,414	-	800,414
Differences between expected and actual experience	(1,305,093)	-	(1,305,093)
Change of assumptions	(915,746)	-	(915,746)
Contributions:			
Employer	-	981,209	(981,209)
Employee	-	-	-
Net investment income	-	460,154	(460,154)
Benefit payments, including refunds of employee			
Contributions	(732,718)	(732,718)	-
Administrative expenses	-	(3,561)	3,561
Other Additions/Deductions	-	(1,204)	1,204
Net changes during measurement period 2021-2022	(1,867,651)	703,880	(2,571,531)
Balances as of June 30, 2022 (Measurement Date)	\$ 11,553,425	\$ 7,833,668	\$ 3,719,757

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 10 – Other Postemployment Benefits (“OPEB”) Plan (Continued)

C. Changes in the Net OPEB Liability (Continued)

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

The net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.00%) or one percentage point higher (7.00%) follows:

Net OPEB Liability/(Asset)		
Discount Rate - 1% (5.00%)	Current Discount Rate (6.00%)	Discount Rate + 1% (7.00%)
\$ 4,997,881	\$ 3,719,757	\$ 2,635,487

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than current healthcare cost trend rates follows:

Net OPEB Liability/(Asset)		
Healthcare		
1% Decrease	Cost Trend Rate	1% Increase
\$ 2,737,012	\$ 3,719,757	\$ 4,853,593

D. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the City recognized an OPEB expense of \$470,727. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred outflows of Resources	Deferred inflows of Resources
OPEB contribution after measurement date	\$ 965,337	\$ -
Changes of assumptions	592,403	(825,335)
Difference between expected and actual experience	69,828	(1,270,191)
Difference between projected and actual earning on OPEB plan investments	464,739	-
Total	\$ 2,092,307	\$ (2,095,526)

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 10 – Other Postemployment Benefits (“OPEB”) Plan (Continued)

D. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Deferred outflows of resources related to OPEB resulting from City’s contributions subsequent to the measurement date in the amount of \$965,337 will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Measurement Period Ending June 30,	Deferred Outflows/ (Inflows) of Resources
2024	(149,040)
2025	(150,780)
2026	135,651
2027	(105,668)
2028	(481,204)
Thereafter	(217,515)
	\$ (968,556)

Note 11 – Net Investment in Capital Assets

Net investment in capital assets at June 30, 2023 is reported as follows:

	Governmental	Business-Type	Enterprise Fund	
	Activities	Activities	Water Utility	Sewer Utility
Total capital assets, net	\$ 88,006,590	\$ 33,745,390	\$ 17,027,336	\$ 16,718,054
Deferred loss on refunding debt	-	60,352	-	60,352
Retention payable	(266,604)	(36,802)	(36,802)	-
Capital related debt	(666,127)	(3,884,809)	(467,402)	(3,417,407)
Net investment in capital assets	\$ 87,073,859	\$ 29,884,131	\$ 16,523,132	\$ 13,360,999

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 12 – Classification of Fund Balances

At June 30, 2024, fund balances are classified in the governmental funds as follows:

	General Fund	Citywide Grants Special Revenue Fund	Capital Projects and Equipment Capital Projects Fund	Nonmajor Governmental Funds	Total
Nonspendable:					
Prepaid items	\$ 2,978,558	\$ -	\$ -	\$ -	\$ 2,978,558
Restricted:					
Waste Management	43,950	-	-	-	43,950
Parking In-lieu	67,100	-	-	-	67,100
I-405 Corridor Improvements	1,198,184	-	-	-	1,198,184
Supplemental Law Enforcement	-	-	-	83,707	83,707
Detention Center	-	-	-	28,341	28,341
Police Asset Forfeiture	-	-	-	364,276	364,276
Air Quality Improvements	-	-	-	33,792	33,792
Parks Improvement	-	-	-	55,301	55,301
Traffic Impact	-	-	-	199,803	199,803
State Gasoline Tax	-	-	-	2,263,979	2,263,979
Measure M2	-	-	-	1,188,796	1,188,796
Community Development Block Grant	-	-	-	73,249	73,249
Landscape District	-	-	-	725,242	725,242
Heron Pointe	-	-	-	73,631	73,631
Pacific Gateway	-	-	-	173,874	173,874
Seal Beach Cable	-	-	-	562,850	562,850
SB 1	-	-	-	1,354,995	1,354,995
City Debt Service	-	-	-	662,234	662,234
Total restricted	1,309,234	-	-	7,844,070	9,153,304
Committed:					
Fiscal Policy	10,533,627	-	-	-	10,533,627
Economic Contingency	1,750,000	-	-	-	1,750,000
Capital Project Improvement	10,940,781	-	87,347	-	11,028,128
Total committed	23,224,408	-	87,347	-	23,311,755
Assigned:					
Community Development	952,983	-	-	-	952,983
Pier Restaurant	1,792,805	-	-	-	1,792,805
Compensated Absences	1,303,166	-	-	-	1,303,166
Encumbrance for public works	503,187	-	-	-	503,187
Encumbrance for police	1,274,810	-	-	-	1,274,810
Encumbrance for community development	30,657	-	-	-	30,657
Other	856,463	-	-	-	856,463
Total assigned	6,714,071	-	-	-	6,714,071
Unassigned (deficit)	5,242,784	(761,934)	-	-	4,480,850
Total fund balances	\$ 39,469,055	\$ (761,934)	\$ 87,347	\$ 7,844,070	\$ 46,638,538

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 13 – Commitments and Contingencies

A. Commitments

The City had no material commitments as of June 30, 2024.

B. Contingencies

The City is a defendant in a number of lawsuits, which have arisen in the normal course of business. While substantial damages are alleged in some of these actions, their outcome cannot be predicted with certainty.

C. Grants

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies. While no matters of noncompliance were disclosed by the audit of the financial statements or single audit of the Federal grant programs, grantor agencies may subject grant programs to additional compliance tests, which may result in disallowed costs. In the opinion of management, future disallowances of current or prior grant expenditures, if any, would not have a material adverse effect on the financial position of the City.

Note 14 – Individual Fund Disclosure

Funds with deficit fund balances at June 30, 2024 are as follows:

	Deficit
Citywide Grants Special Revenue Fund	\$ (761,934)

The City plans to eliminate the deficit fund balances with amounts due from grantors.

The following funds exceeded appropriation amounts for the year ended June 30, 2024:

	Appropriations	Expenditures	Expenditures in Excess of Appropriations
Nonmajor Governmental Funds:			
Street Lighting Special Revenue Fund	\$ 209,500	\$ 234,361	\$ (24,861)
Heron Pointe Special Revenue Fund	8,100	9,177	(1,077)

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 15 – Prior Period Adjustments

A. Government-Wide Financial Statements

The City had the following prior period adjustments for the government-wide beginning net position at July 1, 2023:

	Governmental Activities	Business-Type Activities	Total
Net position as perviously reported at July 1, 2023	\$ 96,905,348	\$ 44,667,100	\$ 141,572,448
Depreciable capital assets, net of accumulated depreciation	(1,999,346)	233,535	(1,765,811)
Correction of accounts receivable recognized in prior year	142,094	-	142,094
Correction of business license revenue received	262,201	-	262,201
Net position as restated at July 1, 2023	<u>\$ 95,310,297</u>	<u>\$ 44,900,635</u>	<u>\$ 140,210,932</u>

B. Governmental Fund Financial Statements

The beginning fund balance was restated as following:

	General Fund	Citywide Grants Special Revenue Fund	Police Grants Special Revenue Fund	Total Governmental Funds
Fund balance as perviously reported at July 1, 2023	\$ 37,324,451	\$ (696,382)	\$ (76,072)	\$ (772,454)
Correction of accounts receivable recognized in prior year	-	98,181	43,920	142,101
Correction of business license revenue received	262,201	-	-	-
Fund balance as restated at July 1, 2023	<u>\$ 37,586,652</u>	<u>\$ (598,201)</u>	<u>\$ (32,152)</u>	<u>\$ (630,353)</u>

C. Enterprise Fund Financial Statements

The beginning net position was restated as following:

	Water Utility	Sewer Utility	Total Enterprise Funds
Net position as perviously reported at July 1, 2023	\$ 20,383,261	\$ 24,283,839	\$ 44,667,100
Depreciable capital assets, net of accumulated depreciation	62,802	170,733	233,535
Net position as restated at July 1, 2023	<u>\$ 20,446,063</u>	<u>\$ 24,454,572</u>	<u>\$ 44,900,635</u>

D. Internal Service Fund Financial Statements

The beginning net position was restated as following:

	Vehicle Replacement Fund	Total Internal Service Fund
Net position as perviously reported at July 1, 2023	\$ 700,842	\$ 700,842
Depreciable capital assets, net of accumulated depreciation	143,713	143,713
Net position as restated at July 1, 2023	<u>\$ 844,555</u>	<u>\$ 844,555</u>

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

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City of Seal Beach
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule – General Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 34,145,100	\$ 34,945,100	\$ 36,002,178	\$ 1,057,078
Licenses and permits	723,000	723,000	939,640	216,640
Intergovernmental	90,000	1,711,218	1,789,580	78,362
Charges for services	6,556,000	6,387,816	6,674,619	286,803
Use of money and property	914,500	914,500	2,844,020	1,929,520
Fines and forfeitures	2,005,100	1,505,100	1,402,597	(102,503)
Contributions	32,000	32,000	24,471	(7,529)
Miscellaneous	208,800	208,800	661,060	452,260
Total revenues	<u>44,674,500</u>	<u>46,427,534</u>	<u>50,338,165</u>	<u>3,910,631</u>
Expenditures:				
Current:				
General government	7,832,098	8,146,456	7,374,474	771,982
Public safety	24,852,184	25,035,757	24,716,603	319,154
Community development	2,783,324	2,863,324	2,325,464	537,860
Community services	1,407,775	1,442,775	1,399,938	42,837
Public works	8,018,362	9,345,254	7,304,526	2,040,728
Capital outlay	837,000	837,000	510,685	326,315
Debt service:				
Principal retirement	85,107	85,107	493,805	(408,698)
Interest and fiscal charges	6,700	6,700	25,235	(18,535)
Total expenditures	<u>45,822,550</u>	<u>47,762,373</u>	<u>44,150,730</u>	<u>3,611,643</u>
Revenues over (under) expenditures	<u>(1,148,050)</u>	<u>(1,334,839)</u>	<u>6,187,435</u>	<u>7,522,274</u>
Other Financing Sources (Uses):				
Transfers in	191,200	850,700	109,000	(741,700)
Transfers out	(13,903,555)	(14,466,555)	(4,414,032)	10,052,523
Total other financing sources (uses)	<u>(13,712,355)</u>	<u>(13,615,855)</u>	<u>(4,305,032)</u>	<u>9,310,823</u>
Net change in fund balance	<u>\$ (14,860,405)</u>	<u>\$ (14,950,694)</u>	1,882,403	<u>\$ 16,833,097</u>
Fund Balance:				
Beginning of year			<u>37,586,652</u>	
End of year			<u>\$ 39,469,055</u>	

City of Seal Beach
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Citywide Grants Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,931,497	\$ 1,869,388	\$ 801,754	\$ (1,067,634)
Total revenues	<u>1,931,497</u>	<u>1,869,388</u>	<u>801,754</u>	<u>(1,067,634)</u>
Expenditures:				
Current:				
Public safety	-	100,000	40,000	60,000
Community development	40,000	40,000	-	40,000
Public works	109,000	996,891	156,575	840,316
Capital outlay	1,509,163	1,509,163	670,607	838,556
Total expenditures	<u>1,658,163</u>	<u>2,646,054</u>	<u>867,182</u>	<u>1,778,872</u>
Revenues over (under) expenditures	<u>273,334</u>	<u>(776,666)</u>	<u>(65,428)</u>	<u>711,238</u>
Other Financing Uses:				
Transfers out	-	-	(98,305)	(98,305)
Net change in fund balance	<u>\$ 273,334</u>	<u>\$ (776,666)</u>	<u>(163,733)</u>	<u>\$ 612,933</u>
Fund Balance (Deficit):				
Beginning of year, as restated (Note 15)			<u>(598,201)</u>	
End of year			<u>\$ (761,934)</u>	

City of Seal Beach
Required Supplementary Information (Unaudited)
Notes to the Budgetary Comparison Schedule
For the Year Ended June 30, 2024

Budgetary Control and Accounting Policy

The City prepares its budgets on the basis of estimated revenues and expenditures and, accordingly, the budget amounts included in the accompanying financial statements are presented on a basis substantially consistent with generally accepted accounting principles. Encumbrance accounting is utilized during the fiscal year, whereby purchase orders, contracts and other commitments are recorded in order to control appropriations. However, at fiscal year end, all appropriations lapse. Accordingly, encumbrances are cancelled and generally are re-appropriated as part of the following year's budget. Encumbrances are not included in reported expenditures.

Annual budgets are adopted for the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds. In fiscal year 2023-24, no budget was adopted for the Detention Center Special Revenue Fund. The City Council approves total budgeted appropriations and any amendments to appropriations throughout the year.

The budgetary level of control for all governmental fund types is the fund level. The City Manager has the discretion to transfer appropriations between departments within a fund, but transfers between funds must be approved by the City Council.

City of Seal Beach
Required Supplementary Information (Unaudited)
Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios
For the Year Ended June 30, 2024

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") Miscellaneous Plan

Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
City's Proportion of the Net Pension Liability	0.14288%	0.14559%	0.17295%	0.13777%	0.12949%
City's Proportionate Share of the Net Pension Liability	\$ 17,825,226	\$ 16,817,024	\$ 9,353,495	\$ 14,411,297	\$ 13,320,233
City's Covered Payroll	\$ 5,535,460	\$ 5,164,779	\$ 5,162,753	\$ 5,243,738	\$ 4,721,968
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	<u>322.02%</u>	<u>325.61%</u>	<u>181.17%</u>	<u>274.83%</u>	<u>282.09%</u>
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>69.62%</u>	<u>69.62%</u>	<u>82.21%</u>	<u>71.73%</u>	<u>73.26%</u>

California Public Employees' Retirement System ("CalPERS") Safety Plan

Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
City's Proportion of the Net Pension Liability	0.27770%	0.28126%	1.09047%	0.26123%	0.25611%
City's Proportionate Share of the Net Pension Liability	\$ 34,643,664	\$ 32,488,072	\$ 18,526,366	\$ 28,423,181	\$ 26,243,693
City's Covered Payroll	\$ 6,331,975	\$ 6,401,398	\$ 5,805,955	\$ 5,607,704	\$ 5,137,216
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	<u>547.12%</u>	<u>507.52%</u>	<u>319.09%</u>	<u>506.86%</u>	<u>510.85%</u>
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>68.88%</u>	<u>68.88%</u>	<u>79.77%</u>	<u>70.11%</u>	<u>71.27%</u>

City of Seal Beach
Required Supplementary Information (Unaudited)
Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios (Continued)
For the Year Ended June 30, 2024

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") Miscellaneous Plan

Measurement Date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
City's Proportion of the Net Pension Liability	0.12641%	0.12396%	0.12144%	0.11333%	0.11644%
City's Proportionate Share of the Net Pension Liability	\$ 12,180,833	\$ 12,293,741	\$ 10,508,345	\$ 7,778,736	\$ 7,245,313
City's Covered Payroll	\$ 4,713,200	\$ 4,385,712	\$ 4,226,024	\$ 4,710,212	\$ 4,503,370
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	<u>258.44%</u>	<u>280.31%</u>	<u>248.66%</u>	<u>165.15%</u>	<u>160.89%</u>
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>75.18%</u>	<u>75.11%</u>	<u>76.88%</u>	<u>82.15%</u>	<u>83.18%</u>

California Public Employees' Retirement System ("CalPERS") Safety Plan

Measurement Date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
City's Proportion of the Net Pension Liability	0.25383%	0.24294%	0.24301%	0.23685%	0.19002%
City's Proportionate Share of the Net Pension Liability	\$ 24,459,736	\$ 24,093,096	\$ 21,027,509	\$ 16,257,122	\$ 11,823,793
City's Covered Payroll	\$ 4,833,363	\$ 4,200,942	\$ 4,454,998	\$ 4,734,950	\$ 4,290,168
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	<u>506.06%</u>	<u>573.52%</u>	<u>472.00%</u>	<u>343.34%</u>	<u>275.60%</u>
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>72.12%</u>	<u>72.09%</u>	<u>73.44%</u>	<u>78.58%</u>	<u>81.42%</u>

City of Seal Beach
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions
For the Year Ended June 30, 2024

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") Miscellaneous Plan

Fiscal year	2023-24	2022-23	2021-22	2020-21	2019-20
Actuarially Determined Contribution	\$ 1,781,962	\$ 1,731,376	\$ 1,575,633	\$ 1,443,709	\$ 1,275,186
Contribution in Relation to the Actuarially Determined Contribution	<u>(1,781,962)</u>	<u>(1,731,376)</u>	<u>(1,575,633)</u>	<u>(1,443,709)</u>	<u>(1,275,186)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	<u>\$ 5,690,453</u>	<u>\$ 5,535,460</u>	<u>\$ 5,164,779</u>	<u>\$ 5,162,753</u>	<u>\$ 5,243,738</u>
Contributions as a Percentage of Covered Payroll	<u>31.31%</u>	<u>31.28%</u>	<u>30.51%</u>	<u>27.96%</u>	<u>24.32%</u>

California Public Employees' Retirement System ("CalPERS") Safety Plan

Fiscal year	2023-24	2022-23	2021-22	2020-21	2019-20
Actuarially Determined Contribution	\$ 4,296,096	\$ 3,915,610	\$ 3,642,820	\$ 3,231,920	\$ 2,882,385
Contribution in Relation to the Actuarially Determined Contribution	<u>(4,296,096)</u>	<u>(3,915,610)</u>	<u>(3,642,820)</u>	<u>(3,231,920)</u>	<u>(2,882,385)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	<u>\$ 6,509,270</u>	<u>\$ 6,331,975</u>	<u>\$ 6,401,398</u>	<u>\$ 5,805,955</u>	<u>\$ 5,607,704</u>
Contributions as a Percentage of Covered Payroll	<u>66.00%</u>	<u>61.84%</u>	<u>56.91%</u>	<u>55.67%</u>	<u>51.40%</u>

² Includes one year's payroll growth using 2.80 percent payroll assumption for fiscal year 2023-24.

Notes to Schedule:

Benefit Changes: There were no changes to benefit terms.

Changes of Assumptions: In 2023, there were no changes. In 2022, the accounting discount rate reduced from 7.15 percent to 6.90 percent. In 2021, 2020, and 2019, there were no changes. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

City of Seal Beach
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions (Continued)
For the Year Ended June 30, 2024

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") Miscellaneous Plan

Fiscal year	2018-19	2017-18	2016-17	2015-16	2014-15
Actuarially Determined Contribution	\$ 1,076,211	\$ 911,168	\$ 791,754	\$ 709,945	\$ 734,255
Contribution in Relation to the Actuarially Determined Contribution	<u>(1,076,211)</u>	<u>(911,168)</u>	<u>(791,754)</u>	<u>(709,945)</u>	<u>(734,255)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	<u>\$ 4,721,968</u>	<u>\$ 4,713,200</u>	<u>\$ 4,385,712</u>	<u>\$ 4,226,024</u>	<u>\$ 4,710,212</u>
Contributions as a Percentage of Covered Payroll	<u>22.79%</u>	<u>19.33%</u>	<u>18.05%</u>	<u>16.80%</u>	<u>15.59%</u>

California Public Employees' Retirement System ("CalPERS") Safety Plan

Fiscal year	2018-19	2017-18	2016-17	2015-16	2014-15
Actuarially Determined Contribution	\$ 2,509,250	\$ 2,127,080	\$ 1,748,129	\$ 1,608,716	\$ 1,476,452
Contribution in Relation to the Actuarially Determined Contribution	<u>(2,509,250)</u>	<u>(2,127,080)</u>	<u>(1,748,129)</u>	<u>(1,608,716)</u>	<u>(1,476,452)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	<u>\$ 5,137,216</u>	<u>\$ 4,833,363</u>	<u>\$ 4,200,942</u>	<u>\$ 4,454,998</u>	<u>\$ 4,734,950</u>
Contributions as a Percentage of Covered Payroll	<u>48.84%</u>	<u>44.01%</u>	<u>41.61%</u>	<u>36.11%</u>	<u>31.18%</u>

Notes to Schedule:

Benefit Changes: There were no changes to benefit terms.

Changes of Assumptions: In 2023, there were no changes. In 2022, the accounting discount rate reduced from 7.15 percent to 6.90 percent. In 2021, 2020, and 2019, there were no changes. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

City of Seal Beach
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios
For the Year Ended June 30, 2024

Last Ten Fiscal Years

Other Postemployment Benefits ("OPEB")

Measurement period	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Total OPEB liability					
Service cost	\$ 285,492	\$ 250,120	\$ 269,955	\$ 253,910	\$ 262,452
Interest	800,414	805,675	771,486	751,631	736,104
Differences between expected and actual experience	(1,305,093)	(140,904)	122,199	(109,256)	(109,256)
Changes of assumption	(915,746)	738,472	113,616	(49,484)	(49,484)
Benefit payments	(732,718)	(742,658)	(720,545)	(516,782)	(419,956)
Implicit rate subsidy fulfilled	-	-	-	-	(136,833)
Net change in total OPEB liability	(1,867,651)	910,705	556,711	330,019	283,027
Total OPEB liability, beginning	13,421,076	12,510,371	11,953,660	11,623,641	11,340,614
Total OPEB liability, ending (a)	\$ 11,553,425	\$ 13,421,076	\$ 12,510,371	\$ 11,953,660	\$ 11,623,641
OPEB fiduciary net position					
Contributions:					
Employer - City's contribution	\$ 981,209	\$ 985,606	\$ 963,042	\$ 588,400	\$ 710,200
Employer - Implicit subsidy	-	-	-	-	136,833
Net investment income	460,154	(1,069,356)	1,663,551	360,219	324,350
Other additions	-	-	-	-	-
Benefit payments	(732,718)	(742,658)	(720,545)	(516,782)	(419,956)
Implicit rate subsidy fulfilled	-	-	-	-	(136,833)
Administrative expense	(3,561)	(2,016)	(2,291)	(2,768)	(1,095)
Other deductions	(1,204)	-	-	-	-
Net change in plan fiduciary net position	703,880	(828,424)	1,903,757	429,069	613,499
Plan fiduciary net position, beginning	7,129,788	7,958,212	6,054,455	5,625,386	5,011,887
Plan fiduciary net position, ending (b)	7,833,668	7,129,788	7,958,212	6,054,455	5,625,386
Plan net OPEB liability - ending (a) - (b)	\$ 3,719,757	\$ 6,291,288	\$ 4,552,159	\$ 5,899,205	\$ 5,998,255
Plan's fiduciary net position as a percentage of the total OPEB liability	67.80%	53.12%	63.61%	50.65%	48.40%
Covered payroll	\$ 12,003,945	\$ 11,640,947	\$ 10,959,848	\$ 10,666,519	\$ 9,923,172
Net OPEB liability as a percentage of covered payroll	30.99%	54.04%	41.53%	55.31%	60.45%

¹ Historical information is presented only for measurement periods for which GASB 75 is implemented.

City of Seal Beach
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios (Continued)
For the Year Ended June 30, 2024

Last Ten Fiscal Years

Other Postemployment Benefits ("OPEB")

	<u>June 30, 2018</u>	<u>June 30, 2017¹</u>
Measurement period		
Total OPEB liability		
Service cost	\$ 275,665	\$ 267,961
Interest	786,251	752,721
Differences between expected and actual experience	-	-
Changes of assumption	(413,262)	-
Benefit payments	(406,031)	(454,685)
Implicit rate subsidy fulfilled	(123,043)	(114,993)
Net change in total OPEB liability	<u>119,580</u>	<u>451,004</u>
Total OPEB liability, beginning	<u>11,221,034</u>	<u>10,770,030</u>
Total OPEB liability, ending (a)	<u><u>\$ 11,340,614</u></u>	<u><u>\$ 11,221,034</u></u>
OPEB fiduciary net position		
Contributions:		
Employer - City's contribution	\$ 720,871	\$ 567,185
Employer - Implicit subsidy	123,043	114,993
Net investment income	346,820	411,482
Other additions	3,763	-
Benefit payments	(406,031)	(454,685)
Implicit rate subsidy fulfilled	(123,043)	(114,993)
Administrative expense	(2,323)	(1,995)
Other deductions	(5,765)	-
Net change in plan fiduciary net position	<u>657,335</u>	<u>521,987</u>
Plan fiduciary net position, beginning	<u>4,354,552</u>	<u>3,832,565</u>
Plan fiduciary net position, ending (b)	<u><u>5,011,887</u></u>	<u><u>4,354,552</u></u>
Plan net OPEB liability - ending (a) - (b)	<u><u>\$ 6,328,727</u></u>	<u><u>\$ 6,866,482</u></u>
Plan's fiduciary net position as a percentage of the total OPEB liability	<u><u>44.19%</u></u>	<u><u>38.81%</u></u>
Covered payroll	<u><u>\$ 9,518,945</u></u>	<u><u>\$ 8,807,230</u></u>
Net OPEB liability as a percentage of covered payroll	<u><u>66.49%</u></u>	<u><u>77.96%</u></u>

¹ Historical information is presented only for measurement periods for which GASB 75 is implemented.

City of Seal Beach
Required Supplementary Information (Unaudited)
Schedule of Contributions - Other Postemployment Benefits
For the Year Ended June 30, 2024

Last Ten Fiscal Years

Other Postemployment Benefits ("OPEB")

Fiscal year end	2023-24 ^{2,3}	2022-23	2021-22	2020-21	2019-20
Actuarially determined contribution ²	\$ 905,303	\$ 810,473	\$ 679,537	\$ 794,339	\$ 763,351
Contribution in relation to the actuarially determined contribution ²	(974,611)	(981,209)	(985,606)	(963,041)	(867,112)
Contribution deficiency/(excess)	<u>\$ (69,308)</u>	<u>\$ (170,736)</u>	<u>\$ (306,069)</u>	<u>\$ (168,702)</u>	<u>\$ (103,761)</u>
Covered-employee payroll ³	<u>\$ 12,340,055</u>	<u>\$ 12,003,945</u>	<u>\$ 11,640,947</u>	<u>\$ 10,959,848</u>	<u>\$ 10,666,519</u>
Contributions as a percentage of covered-employee payroll	<u>7.90%</u>	<u>8.48%</u>	<u>8.47%</u>	<u>8.79%</u>	<u>8.13%</u>

¹ Historical information is presented only for measurement periods for which GASB 75 is implemented.

² The June 30, 2021 actuarial valuation provided the actuarially determined contributions for fiscal year ended June 30, 2023.

³ Includes one year's payroll growth using 2.80 percent payroll assumption from fiscal year 2022-23.

Notes to Schedule:

Valuation date:	June 30, 2023
Methods and assumptions used to determine contribution rates:	
Actuarial cost method:	Entry age normal, level percent of pay
Inflation:	2.30% per year
Assumed payroll growth:	2.80% year one and thereafter
Healthcare cost trend:	7.40% (non-Medicare) / 4.20% (Medicare), trending down to 4.14% by 2075
Rate of return on assets:	5.10%
Mortality:	Based on assumptions for Public Agency Miscellaneous and Police members published in the December 2017 CalPERS Experience Study

City of Seal Beach
Required Supplementary Information (Unaudited)
Schedule of Contributions - Other Postemployment Benefits (Continued)
For the Year Ended June 30, 2024

Last Ten Fiscal Years

Other Postemployment Benefits ("OPEB")

Fiscal year end	2018-19	2017-18	2016-17 ¹
Actuarially determined contribution ²	\$ 755,936	\$ 833,241	\$ 812,317
Contribution in relation to the actuarially determined contribution ²	<u>(847,033)</u>	<u>(843,914)</u>	<u>(682,178)</u>
Contribution deficiency/(excess)	<u>\$ (91,097)</u>	<u>\$ (10,673)</u>	<u>\$ 130,139</u>
Covered-employee payroll ³	<u>\$ 9,923,172</u>	<u>\$ 9,518,945</u>	<u>\$ 8,807,230</u>
Contributions as a percentage of covered-employee payroll	<u>8.54%</u>	<u>8.87%</u>	<u>7.75%</u>

¹ Historical information is presented only for measurement periods for which GASB 75 is implemented.

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SUPPLEMENTARY INFORMATION

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City of Seal Beach
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Capital Projects and Equipment Capital Projects Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Charges for services	\$ -	\$ -	\$ 22,840	\$ (22,840)
Total expenditures	<u>-</u>	<u>-</u>	<u>22,840</u>	<u>(22,840)</u>
Expenditures:				
Current:				
General government	315,301	349,176	98,146	251,030
Public safety	536,145	593,747	167,177	426,570
Public works	3,363,215	3,724,545	1,047,870	2,676,675
Capital outlay	9,089,195	10,065,701	2,831,905	7,233,796
Total expenditures	<u>13,303,856</u>	<u>14,733,169</u>	<u>4,145,098</u>	<u>10,588,071</u>
Revenues over (under) expenditures	<u>(13,303,856)</u>	<u>(14,733,169)</u>	<u>(4,122,258)</u>	<u>10,565,231</u>
Other Financing Sources:				
Transfers in	13,303,855	13,866,855	4,069,624	(9,797,231)
Net change in fund balance	<u>\$ (1)</u>	<u>\$ (866,314)</u>	<u>(52,634)</u>	<u>\$ 813,680</u>
Fund Balance:				
Beginning of year			<u>139,981</u>	
End of year			<u>\$ 87,347</u>	

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NONMAJOR GOVERNMENTAL FUNDS

Street Lighting Special Revenue Fund: To account for property taxes that are restricted for the maintenance of streetlights and to finance the electricity used by the streetlights.

Supplemental Law Enforcement Special Revenue Fund: To account for funds received from the State under the State Citizens Option for Public Safety Program. Certain procedures are required to be implemented prior to the use of the funds, and the funds cannot be used to supplant existing funding for law enforcement.

Detention Center Special Revenue Fund: To account for funds initially funded by monies seeded from the previous jail services vendor. The revenues also derived from sales of commissary items to the prisoners for their benefit.

Police Asset Forfeiture Special Revenue Fund: To accounts for revenues derived from monies and property seized in Federal, State, and Local drug-related incidents.

Air Quality Improvement Special Revenue Fund: To accounts for supplemental vehicle license fee revenue distributed to Cities by the South Coast Air Quality Management District pursuant to Assembly Bill 2766. Expenditures are restricted for programs that will reduce air pollution by reducing, directly or indirectly, mobile source emission pollutants.

Park Improvement Special Revenue Fund: To account for the Quimby Act Fees received by developers that are restricted for the improvement of parks and recreation facilities.

Traffic Impact Special Revenue Fund: To account for fair-share based fees that will serve to offset, or mitigate, the traffic impacts caused by new development.

State Gasoline Tax Special Revenue Fund: To accounts for locally shared gas tax monies collected by the State. Expenditures are restricted for repair, construction, maintenance and right-of-way acquisitions relating to streets and highways.

Measure M2 Special Revenue Fund: To account for restricted funds for transportation improvements through the Measure M Transportation Investment Plan (M2) such as major improvement plans target Orange County freeways, streets and roads, transit and environmental programs.

Community Development Block Grant (CDBG) Special Revenue Fund: To account for for funds provided by Federal Housing and Urban Development restricted for a wide variety of unique community development needs.

Police Grants Special Revenue Fund: To account for various grants including the Urban Area Security Initiative (UASI), the Office of Traffic Safety (OTS) DUI grant reimburses funds advanced by the City for DUI enforcement, the Bullet Proof Vest Protection (BVP) grant which provides matching funds that are restricted for the purchase of bullet-resistant vests, the Alcohol Beverage Control (ABC) grant and the Justice Assistance Grant (JAG).

Landscape District Special Revenue Fund: To account for property taxes that are restricted for costs related to the maintenance of parks, parkways and open space within the Community Facility District 2002-02 (Landscape Maintenance).

Heron Pointe Special Revenue Fund: To account for the construction and acquisition of certain public street improvements, water and sanitary sewer improvements, dry utility improvements, park and landscaping improvements.

Pacific Gateway Special Revenue Fund: To account for property taxes that are restricted for costs related to the maintenance of parks, parkways and open space within the District (Landscape Maintenance).

Seal Beach Cable Special Revenue Fund: To account for revenues derived from PEGS fees which provide for channel capacity to be restricted for public, education, or government use.

SB 1 Special Revenue Fund: To account for revenue received from the City's 1/2-cent per gallon gas tax and new vehicle registration taxes restricted for a wide range of transportation improvement projects.

City Debt Service Debt Service Fund: To account for resources that are restricted for the payments of long-term debt.

City of Seal Beach
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue			
	Street Lighting	Supplemental Law Enforcement	Detention Center	Police Asset Forfeiture
ASSETS				
Cash and investments	\$ 18,178	\$ 89,193	\$ 28,341	\$ 365,997
Receivables:				
Accounts	-	-	-	-
Taxes	830	-	-	-
Total assets	\$ 19,008	\$ 89,193	\$ 28,341	\$ 365,997
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 19,008	\$ 5,486	\$ -	\$ -
Accrued liabilities	-	-	-	1,721
Due to other funds	-	-	-	-
Retentions payable	-	-	-	-
Total liabilities	19,008	5,486	-	1,721
Fund Balances:				
Restricted	-	83,707	28,341	364,276
Total fund balances	-	83,707	28,341	364,276
Total liabilities, deferred inflow of resources, and fund balances	\$ 19,008	\$ 89,193	\$ 28,341	\$ 365,997

(Continued)

City of Seal Beach
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2024

		Special Revenue			
		Air Quality Improvement	Park Improvement	Traffic Impact	State Gasoline Tax
ASSETS					
Cash and investments		\$ 33,792	\$ 55,301	\$ 199,803	\$ 2,207,712
Receivables:					
Accounts		-	-	-	-
Taxes		-	-	-	60,095
Total assets		<u>\$ 33,792</u>	<u>\$ 55,301</u>	<u>\$ 199,803</u>	<u>\$ 2,267,807</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable		\$ -	\$ -	\$ -	\$ 3,828
Accrued liabilities		-	-	-	-
Due to other funds		-	-	-	-
Retentions payable		-	-	-	-
Total liabilities		<u>-</u>	<u>-</u>	<u>-</u>	<u>3,828</u>
Fund Balances:					
Restricted		33,792	55,301	199,803	2,263,979
Total fund balances		<u>33,792</u>	<u>55,301</u>	<u>199,803</u>	<u>2,263,979</u>
Total liabilities, deferred inflow of resources, and fund balances		<u>\$ 33,792</u>	<u>\$ 55,301</u>	<u>\$ 199,803</u>	<u>\$ 2,267,807</u>

(Continued)

City of Seal Beach
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue			
	Measure M2	Community Development Block Grant	Police Grants	Landscape District
ASSETS				
Cash and investments	\$ 1,458,345	\$ 67,990	\$ 145,247	\$ 732,974
Receivables:				
Accounts	89,000	5,259	34,072	-
Taxes	-	-	-	-
Total assets	\$ 1,547,345	\$ 73,249	\$ 179,319	\$ 732,974
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 342,282	\$ -	\$ -	\$ 7,264
Accrued liabilities	-	-	12,763	468
Due to other funds	-	-	166,556	-
Retentions payable	16,267	-	-	-
Total liabilities	358,549	-	179,319	7,732
Fund Balances:				
Restricted	1,188,796	73,249	-	725,242
Total fund balances	1,188,796	73,249	-	725,242
Total liabilities, deferred inflow of resources, and fund balances	\$ 1,547,345	\$ 73,249	\$ 179,319	\$ 732,974

(Continued)

City of Seal Beach
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue			
	Heron Pointe	Pacific Gateway	Seal Beach Cable	SB 1
ASSETS				
Cash and investments	\$ 73,677	\$ 178,007	\$ 537,882	\$ 1,451,132
Receivables:				
Accounts	-	-	24,968	-
Taxes	-	307	-	52,544
Total assets	\$ 73,677	\$ 178,314	\$ 562,850	\$ 1,503,676
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 46	\$ 4,128	\$ -	\$ 109,898
Accrued liabilities	-	312	-	-
Due to other funds	-	-	-	-
Retentions payable	-	-	-	38,783
Total liabilities	46	4,440	-	148,681
Fund Balances:				
Restricted	73,631	173,874	562,850	1,354,995
Total fund balances	73,631	173,874	562,850	1,354,995
Total liabilities, deferred inflow of resources, and fund balances	\$ 73,677	\$ 178,314	\$ 562,850	\$ 1,503,676

(Continued)

City of Seal Beach
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2024

	Debt Service	
	City Debt Service	Total Other Governmental Funds
ASSETS		
Cash and investments	\$ 662,234	\$ 8,305,805
Receivables:		
Accounts	-	153,299
Taxes	-	113,776
Total assets	\$ 662,234	\$ 8,572,880
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ -	\$ 491,940
Accrued liabilities	-	15,264
Due to other funds	-	166,556
Retentions payable	-	55,050
Total liabilities	-	728,810
Fund Balances:		
Restricted	662,234	\$ 7,844,070
Total fund balances	662,234	7,844,070
Total liabilities, deferred inflow of resources, and fund balances	\$ 662,234	\$ 8,572,880

(Concluded)

City of Seal Beach
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue			
	Street Lighting	Supplemental Law Enforcement	Detention Center	Police Asset Forfeiture
Revenues:				
Taxes	\$ 139,856	\$ -	\$ -	\$ -
Intergovernmental	-	186,159	-	360,984
Charges for services	-	-	-	-
Use of money and property	-	3,048	-	74
Contributions	-	-	-	-
Total revenues	<u>139,856</u>	<u>189,207</u>	<u>-</u>	<u>361,058</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	239,522	-	-
Community development	-	-	-	-
Public works	234,361	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>234,361</u>	<u>239,522</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>(94,505)</u>	<u>(50,315)</u>	<u>-</u>	<u>361,058</u>
Other Financing Sources (Uses):				
Transfers in	94,452	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>94,452</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(53)</u>	<u>(50,315)</u>	<u>-</u>	<u>361,058</u>
Fund Balance (Deficit):				
Beginning of year, as restated (Note 15)	53	134,022	28,341	3,218
End of year	<u>\$ -</u>	<u>\$ 83,707</u>	<u>\$ 28,341</u>	<u>\$ 364,276</u>

(Continued)

City of Seal Beach
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue			
	Air Quality Improvement	Park Improvement	Traffic Impact	State Gasoline Tax
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	16,301	-	-	698,355
Charges for services	-	-	-	-
Use of money and property	374	1,199	4,331	44,218
Contributions	-	-	-	-
Total revenues	<u>16,675</u>	<u>1,199</u>	<u>4,331</u>	<u>742,573</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Public works	-	-	-	3,332
Capital outlay	-	-	-	133,310
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>136,642</u>
Revenues over (under) expenditures	<u>16,675</u>	<u>1,199</u>	<u>4,331</u>	<u>605,931</u>
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	(30,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,000)</u>
Net change in fund balances	<u>16,675</u>	<u>1,199</u>	<u>4,331</u>	<u>575,931</u>
Fund Balance (Deficit):				
Beginning of year, as restated (Note 15)	<u>17,117</u>	<u>54,102</u>	<u>195,472</u>	<u>1,688,048</u>
End of year	<u>\$ 33,792</u>	<u>\$ 55,301</u>	<u>\$ 199,803</u>	<u>\$ 2,263,979</u>

(Continued)

City of Seal Beach
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue			
	Measure M2	Community Development Block Grant	Police Grants	Landscape District
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 137,685
Intergovernmental	558,612	349,591	232,200	-
Charges for services	-	-	-	-
Use of money and property	33,207	-	-	15,531
Contributions	-	-	-	-
Total revenues	591,819	349,591	232,200	153,216
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	345,295	-
Community development	-	216,655	-	85,687
Public works	-	-	-	-
Capital outlay	961,053	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	961,053	216,655	345,295	85,687
Revenues over (under) expenditures	(369,234)	132,936	(113,095)	67,529
Other Financing Sources (Uses):				
Transfers in	-	-	145,247	-
Transfers out	-	-	-	(31,400)
Total other financing sources (uses)	-	-	145,247	(31,400)
Net change in fund balances	(369,234)	132,936	32,152	36,129
Fund Balance (Deficit):				
Beginning of year, as restated (Note 15)	1,558,030	(59,687)	(32,152)	689,113
End of year	<u>\$ 1,188,796</u>	<u>\$ 73,249</u>	<u>\$ -</u>	<u>\$ 725,242</u>

(Continued)

City of Seal Beach
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue			
	Heron Pointe	Pacific Gateway	Seal Beach Cable	SB1
Revenues:				
Taxes	\$ -	\$ 86,763	\$ -	\$ -
Intergovernmental	-	-	-	638,573
Charges for services	-	-	93,847	-
Use of money and property	-	-	12,698	40,143
Contributions	15,000	25,000	5,000	-
Total revenues	<u>15,000</u>	<u>111,763</u>	<u>111,545</u>	<u>678,716</u>
Expenditures:				
Current:				
General government	-	-	73,544	-
Public safety	-	-	-	-
Community development	9,177	62,344	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	907,329
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>9,177</u>	<u>62,344</u>	<u>73,544</u>	<u>907,329</u>
Revenues over (under) expenditures	<u>5,823</u>	<u>49,419</u>	<u>38,001</u>	<u>(228,613)</u>
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(1,600)	(26,000)	(20,000)	-
Total other financing sources (uses)	<u>(1,600)</u>	<u>(26,000)</u>	<u>(20,000)</u>	<u>-</u>
Net change in fund balances	4,223	23,419	18,001	(228,613)
Fund Balance (Deficit):				
Beginning of year, as restated (Note 15)	69,408	150,455	544,849	1,583,608
End of year	<u>\$ 73,631</u>	<u>\$ 173,874</u>	<u>\$ 562,850</u>	<u>\$ 1,354,995</u>

(Continued)

City of Seal Beach
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	<u>Debt Service</u>	
	City Debt Service	Total Other Governmental Funds
Revenues:		
Taxes	\$ -	\$ 364,304
Intergovernmental	-	3,040,775
Charges for services	-	93,847
Use of money and property	21,624	176,447
Contributions	-	45,000
Total revenues	<u>21,624</u>	<u>3,720,373</u>
Expenditures:		
Current:		
General government	-	73,544
Public safety	-	584,817
Community development	-	373,863
Public works	-	237,693
Capital outlay	-	2,001,692
Debt service:		
Principal	315,000	315,000
Interest and fiscal charges	8,845	8,845
Total expenditures	<u>323,845</u>	<u>3,595,454</u>
Revenues over (under) expenditures	<u>(302,221)</u>	<u>124,919</u>
Other Financing Sources (Uses):		
Transfers in	203,014	442,713
Transfers out	-	(109,000)
Total other financing sources (uses)	<u>203,014</u>	<u>333,713</u>
Net change in fund balances	(99,207)	458,632
Fund Balance (Deficit):		
Beginning of year, as restated (Note 15)	761,441	7,385,438
End of year	<u>\$ 662,234</u>	<u>\$ 7,844,070</u>

(Concluded)

City of Seal Beach
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Street Lighting Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Taxes	\$ 141,000	\$ 141,000	\$ 139,856	\$ (1,144)
Total revenues	<u>141,000</u>	<u>141,000</u>	<u>139,856</u>	<u>(1,144)</u>
Expenditures:				
Current:				
Public works	\$ 209,500	\$ 209,500	\$ 234,361	\$ (24,861)
Total expenditures	<u>209,500</u>	<u>209,500</u>	<u>234,361</u>	<u>(24,861)</u>
Revenues over (under) expenditures	<u>(68,500)</u>	<u>(68,500)</u>	<u>(94,505)</u>	<u>(26,005)</u>
Other Financing Sources:				
Transfers in	<u>68,500</u>	<u>68,500</u>	<u>94,452</u>	<u>25,952</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(53)</u>	<u>\$ (53)</u>
Fund Balance:				
Beginning of year			<u>53</u>	
End of year			<u>\$ -</u>	

City of Seal Beach
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Supplemental Law Enforcement Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental	\$ 157,500	\$ 157,500	\$ 186,159	\$ 28,659
Use of money and property	1,000	1,000	3,048	2,048
Total revenues	<u>158,500</u>	<u>158,500</u>	<u>189,207</u>	<u>30,707</u>
Expenditures:				
Current:				
Public safety	214,950	244,950	239,522	5,428
Total expenditures	<u>214,950</u>	<u>244,950</u>	<u>239,522</u>	<u>5,428</u>
Net change in fund balance	<u>\$ (56,450)</u>	<u>\$ (86,450)</u>	(50,315)	<u>\$ 36,135</u>
Fund Balance:				
Beginning of year			<u>134,022</u>	
End of year			<u>\$ 83,707</u>	

City of Seal Beach
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Police Asset Forfeiture Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 360,984	\$ 260,984
Use of money and property	200	200	74	(126)
Total revenues	<u>100,200</u>	<u>100,200</u>	<u>361,058</u>	<u>260,858</u>
Expenditures:				
Current:				
Public safety	294,035	294,035	-	294,035
Total expenditures	<u>294,035</u>	<u>294,035</u>	<u>-</u>	<u>294,035</u>
Net change in fund balance	<u>\$ (193,835)</u>	<u>\$ (193,835)</u>	361,058	<u>\$ 554,893</u>
Fund Balance:				
Beginning of year			<u>3,218</u>	
End of year			<u>\$ 364,276</u>	

City of Seal Beach
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Air Quality Improvement Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 30,000	\$ 30,000	\$ 16,301	\$ (13,699)
Use of money and property	100	100	374	274
Total revenues	<u>30,100</u>	<u>30,100</u>	<u>16,675</u>	<u>(13,425)</u>
Expenditures:				
Current:				
Public works	30,000	30,000	-	30,000
Total expenditures	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Net change in fund balance	<u>\$ 100</u>	<u>\$ 100</u>	16,675	<u>\$ 16,575</u>
Fund Balance:				
Beginning of year			<u>17,117</u>	
End of year			<u>\$ 33,792</u>	

City of Seal Beach
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Park Improvement Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 400	\$ 400	\$ 1,199	\$ 799
Total revenues	<u>400</u>	<u>400</u>	<u>1,199</u>	<u>799</u>
Net change in fund balance	<u>\$ 400</u>	<u>\$ 400</u>	1,199	<u>\$ 799</u>
Fund Balance:				
Beginning of year			<u>54,102</u>	
End of year			<u>\$ 55,301</u>	

City of Seal Beach
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Traffic Impact Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 1,100	\$ 1,100	\$ 4,331	\$ 3,231
Total revenues	<u>1,100</u>	<u>1,100</u>	<u>4,331</u>	<u>3,231</u>
Net change in fund balance	<u>\$ 1,100</u>	<u>\$ 1,100</u>	4,331	<u>\$ 3,231</u>
Fund Balance:				
Beginning of year			<u>195,472</u>	
End of year			<u>\$ 199,803</u>	

City of Seal Beach
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
State Gasoline Tax Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental	\$ 726,958	\$ 726,958	\$ 698,355	\$ (28,603)
Use of money and property	8,500	8,500	44,218	35,718
Total revenues	<u>735,458</u>	<u>735,458</u>	<u>742,573</u>	<u>7,115</u>
Expenditures:				
Current:				
Public works	3,000	3,000	3,332	(332)
Capital outlay	2,550,110	2,600,110	133,310	2,466,800
Total expenditures	<u>2,553,110</u>	<u>2,603,110</u>	<u>136,642</u>	<u>2,466,468</u>
Revenues over (under) expenditures	<u>(1,817,652)</u>	<u>(1,867,652)</u>	<u>605,931</u>	<u>2,473,583</u>
Other Financing Uses:				
Transfers out	(30,000)	(30,000)	(30,000)	-
Net change in fund balance	<u>\$ (1,847,652)</u>	<u>\$ (1,897,652)</u>	<u>575,931</u>	<u>\$ 2,473,583</u>
Fund Balance:				
Beginning of year			<u>1,688,048</u>	
End of year			<u>\$ 2,263,979</u>	

City of Seal Beach
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Measure M2 Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 501,688	\$ 501,688	\$ 558,612	\$ 56,924
Use of money and property	7,000	7,000	33,207	26,207
Total revenues	<u>508,688</u>	<u>508,688</u>	<u>591,819</u>	<u>83,131</u>
Expenditures:				
Capital outlay	2,065,414	2,065,414	961,053	1,104,361
Total expenditures	<u>2,065,414</u>	<u>2,065,414</u>	<u>961,053</u>	<u>1,104,361</u>
Net change in fund balance	<u>\$ (1,556,726)</u>	<u>\$ (1,556,726)</u>	(369,234)	<u>\$ 1,187,492</u>
Fund Balance:				
Beginning of year			<u>1,558,030</u>	
End of year			<u>\$ 1,188,796</u>	

City of Seal Beach
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Community Development Block Grant Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 333,400	\$ 333,400	\$ 349,591	\$ 16,191
Total revenues	<u>333,400</u>	<u>333,400</u>	<u>349,591</u>	<u>16,191</u>
Expenditures:				
Current:				
Community development	333,400	333,400	216,655	116,745
Total expenditures	<u>333,400</u>	<u>333,400</u>	<u>216,655</u>	<u>116,745</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	132,936	<u>\$ 132,936</u>
Fund Balance:				
Beginning of year			<u>(59,687)</u>	
End of year			<u>\$ 73,249</u>	

City of Seal Beach
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Police Grants Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental	\$ 369,000	\$ 514,570	\$ 232,200	\$ (282,370)
Total revenues	<u>369,000</u>	<u>514,570</u>	<u>232,200</u>	<u>(282,370)</u>
Expenditures:				
Current:				
Public safety	391,496	537,066	345,295	191,771
Total expenditures	<u>391,496</u>	<u>537,066</u>	<u>345,295</u>	<u>191,771</u>
Revenues over (under) expenditures	<u>(22,496)</u>	<u>(22,496)</u>	<u>(113,095)</u>	<u>(90,599)</u>
Other Financing Uses:				
Transfers in	-	-	145,247	145,247
Net change in fund balance	<u>\$ (22,496)</u>	<u>\$ (22,496)</u>	<u>32,152</u>	<u>\$ 54,648</u>
Fund Balance (Deficit):				
Beginning of year, as restated (Note 15)			<u>(32,152)</u>	
End of year			<u>\$ -</u>	

City of Seal Beach
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Landscape District Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 140,000	\$ 140,000	\$ 137,685	\$ (2,315)
Use of money and property	5,000	5,000	15,531	10,531
Total revenues	<u>145,000</u>	<u>145,000</u>	<u>153,216</u>	<u>8,216</u>
Expenditures:				
Current:				
Community development	103,375	103,375	85,687	17,688
Total expenditures	<u>103,375</u>	<u>103,375</u>	<u>85,687</u>	<u>17,688</u>
Revenues over (under) expenditures	<u>41,625</u>	<u>41,625</u>	<u>67,529</u>	<u>25,904</u>
Other Financing Uses:				
Transfers out	(31,400)	(31,400)	(31,400)	-
Net change in fund balance	<u>\$ 10,225</u>	<u>\$ 10,225</u>	<u>36,129</u>	<u>\$ 25,904</u>
Fund Balance:				
Beginning of year			689,113	
End of year			<u>\$ 725,242</u>	

City of Seal Beach
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Heron Pointe Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Contributions	\$ 15,000	\$ 15,000	\$ 15,000	\$ -
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Expenditures:				
Current:				
Community development	8,100	8,100	9,177	(1,077)
Total expenditures	<u>8,100</u>	<u>8,100</u>	<u>9,177</u>	<u>(1,077)</u>
Revenues over (under) expenditures	<u>6,900</u>	<u>6,900</u>	<u>5,823</u>	<u>(1,077)</u>
Other Financing Uses:				
Transfers out	(1,600)	(1,600)	(1,600)	-
Net change in fund balance	<u>\$ 5,300</u>	<u>\$ 5,300</u>	4,223	<u>\$ (1,077)</u>
Fund Balance:				
Beginning of year			69,408	
End of year			<u>\$ 73,631</u>	

City of Seal Beach
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Pacific Gateway Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 66,300	\$ 66,300	\$ 86,763	\$ 20,463
Contributions	25,000	25,000	25,000	-
Total revenues	<u>91,300</u>	<u>91,300</u>	<u>111,763</u>	<u>20,463</u>
Expenditures:				
Current:				
Community development	75,637	75,637	62,344	13,293
Public works	38	38	-	38
Total expenditures	<u>75,675</u>	<u>75,675</u>	<u>62,344</u>	<u>13,331</u>
Revenues over (under) expenditures	<u>15,625</u>	<u>15,625</u>	<u>49,419</u>	<u>33,794</u>
Other Financing Uses:				
Transfers out	(26,000)	(26,000)	(26,000)	-
Net change in fund balance	<u>\$ (10,375)</u>	<u>\$ (10,375)</u>	<u>23,419</u>	<u>\$ 33,794</u>
Fund Balance:				
Beginning of year			<u>150,455</u>	
End of year			<u>\$ 173,874</u>	

City of Seal Beach
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Seal Beach Cable Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 110,000	\$ 110,000	\$ 93,847	\$ (16,153)
Use of money and property	3,500	3,500	12,698	9,198
Contributions	-	-	5,000	5,000
Total revenues	<u>113,500</u>	<u>113,500</u>	<u>111,545</u>	<u>(1,955)</u>
Expenditures:				
Current:				
General government	145,000	145,000	73,544	71,456
Total expenditures	<u>145,000</u>	<u>145,000</u>	<u>73,544</u>	<u>71,456</u>
Revenues over (under) expenditures	<u>(31,500)</u>	<u>(31,500)</u>	<u>38,001</u>	<u>69,501</u>
Other Financing Uses:				
Transfer out	(20,000)	(20,000)	(20,000)	-
Net change in fund balance	<u>\$ (51,500)</u>	<u>\$ (51,500)</u>	<u>18,001</u>	<u>\$ 69,501</u>
Fund Balance:				
Beginning of year			544,849	
End of year			<u>\$ 562,850</u>	

City of Seal Beach
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
SB1 Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 623,988	\$ 623,988	\$ 638,573	\$ 14,585
Use of money and property	6,000	6,000	40,143	34,143
Total revenues	<u>629,988</u>	<u>629,988</u>	<u>678,716</u>	<u>48,728</u>
Expenditures:				
Capital outlay	1,128,278	1,203,278	907,329	295,949
Total expenditures	<u>1,128,278</u>	<u>1,203,278</u>	<u>907,329</u>	<u>295,949</u>
Net change in fund balance	<u>\$ (498,290)</u>	<u>\$ (573,290)</u>	(228,613)	<u>\$ 344,677</u>
Fund Balance:				
Beginning of year			<u>1,583,608</u>	
End of year			<u>\$ 1,354,995</u>	

City of Seal Beach
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
City Debt Service Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 2,000	\$ 2,000	\$ 21,624	\$ 19,624
Total revenues	<u>2,000</u>	<u>2,000</u>	<u>21,624</u>	<u>19,624</u>
Expenditures:				
Debt service:				
Principal retirement	315,000	315,000	315,000	-
Interest and fiscal charges	9,000	9,000	8,845	155
Total Expenditures	<u>324,000</u>	<u>324,000</u>	<u>323,845</u>	<u>155</u>
Revenues over (under) expenditures	<u>(322,000)</u>	<u>(322,000)</u>	<u>(302,221)</u>	<u>19,779</u>
Other Financing Sources (USES):				
Transfers in	324,000	324,000	203,014	(120,986)
Transfers out	-	(659,500)	-	659,500
Total other financing sources (uses)	<u>324,000</u>	<u>(335,500)</u>	<u>203,014</u>	<u>538,514</u>
Net change in fund balance	<u>\$ 2,000</u>	<u>\$ (657,500)</u>	<u>(99,207)</u>	<u>\$ 558,293</u>
Fund Balance:				
Beginning of year			<u>761,441</u>	
End of year			<u>\$ 662,234</u>	

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INTERNAL SERVICE FUND FINANCIAL STATEMENTS

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City of Seal Beach
Combining Statement of Net Position
Internal Service Funds
June 30, 2024

	Vehicle Replacement Fund	Information Technology Fund	Total
ASSETS			
Current Assets:			
Cash and investments	\$ 122,263	\$ 36,982	\$ 159,245
Accounts receivable	14,612	-	14,612
Total current assets	136,875	36,982	173,857
Noncurrent Assets:			
Depreciable capital assets, net of accumulated depreciation	582,469	-	582,469
Intangible capital assets, net of accumulated amortization	200,390	-	200,390
Total capital assets	782,859	-	782,859
Total noncurrent assets	782,859	-	782,859
Total assets	919,734	36,982	956,716
LIABILITIES			
Current Liabilities:			
Accounts payable	-	11,619	11,619
Long-term debt, due within one year	81,803	-	81,803
Total current liabilities	81,803	11,619	93,422
Noncurrent Liabilities:			
Long-term debt, due in more than one year	125,423	-	125,423
Total Noncurrent Liabilities	125,423	-	125,423
Total Liabilities	207,226	11,619	218,845
NET POSITION			
Net investment in capital assets	575,633	-	575,633
Unrestricted	136,875	25,363	162,238
Total Net Position	\$ 712,508	\$ 25,363	\$ 737,871

City of Seal Beach
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2024

	Vehicle Replacement Fund	Information Technology Fund	Total
OPERATING REVENUES:			
Charges from user departments	\$ 137,000	\$ -	\$ 137,000
Total operating revenues	137,000	-	137,000
OPERATING EXPENSES:			
Operating expenses	977	59,534	60,511
Amortization and depreciation expenses	266,364	-	266,364
Total operating expenses	267,341	59,534	326,875
OPERATING (LOSS)	(130,341)	(59,534)	(189,875)
NONOPERATING INCOME:			
Gain on sale of assets	2,059	-	2,059
Interest payments	(3,765)	-	(3,765)
Total nonoperating income	(1,706)	-	(1,706)
CHANGES IN NET POSITION	(132,047)	(59,534)	(191,581)
NET POSITION:			
Beginning of year, as restated (Note 15)	844,555	84,897	929,452
End of year	<u>\$ 712,508</u>	<u>\$ 25,363</u>	<u>\$ 737,871</u>

City of Seal Beach
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2024

	Vehicle Replacement Fund	Information Technology Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers and users	\$ 122,388	\$ -	\$ 122,388
Cash paid to suppliers for goods and services	(15,021)	(63,321)	(78,342)
Net cash provided by (used in) operating activities	107,367	(63,321)	44,046
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceed on disposal of assets	15,403	-	15,403
Principal paid on long-term debt	(80,587)	-	(80,587)
Interest paid on long-term debt	(3,765)	-	(3,765)
Net cash used in capital and related financing activities	(68,949)	-	(68,949)
Net change in cash and cash equivalents	38,418	(63,321)	(24,903)
CASH AND CASH EQUIVALENTS:			
Beginning of year	83,845	100,303	184,148
End of year	<u>\$ 122,263</u>	<u>\$ 36,982</u>	<u>\$ 159,245</u>
Reconciliation of Operating (Loss) to Net Cash Provided By (Used in) Operating Activities:			
Operating (loss)	\$ (130,341)	\$ (59,534)	\$ (189,875)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities:			
Amortization and depreciation expenses	266,364	-	266,364
Changes in assets and liabilities:			
(Increase)/decrease in accounts receivables	(14,612)	-	(14,612)
Increase/(decrease) in accounts payable	(14,044)	(3,787)	(17,831)
Net cash provided by (used in) operating activities	\$ 107,367	\$ (63,321)	\$ 44,046

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CUSTODIAL FUNDS FINANCIAL STATEMENTS

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City of Seal Beach
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2024

	Deposits	Community Facilities District Heron Pointe	Community Facilities District - Heron Pacific Gateway	Total
ASSETS:				
Cash and investments	\$ 269,020	\$ 131,203	\$ 246,514	\$ 646,737
Receivables:				
Accounts	736	-	-	736
Taxes	-	2,269	2,015	4,284
Restricted investments with fiscal agents	-	272,152	753,850	1,026,002
Total Assets	<u>269,756</u>	<u>405,624</u>	<u>1,002,379</u>	<u>1,677,759</u>
LIABILITIES:				
Interest payable	-	29,549	67,175	96,724
Total Liabilities	<u>-</u>	<u>29,549</u>	<u>67,175</u>	<u>96,724</u>
NET POSITION:				
Restricted for:				
Individual, organization and other government	<u>\$ 269,756</u>	<u>\$ 376,075</u>	<u>\$ 935,204</u>	<u>\$ 1,581,035</u>

City of Seal Beach
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2024

	Deposits	Community Facilities District Heron Pointe	Community Facilities District - Heron Pacific Gateway	Total
ADDITIONS:				
Assessment revenue collected	\$ -	\$ 267,271	\$ 568,839	\$ 836,110
Investment income	-	16,932	42,812	59,744
Total additions	-	284,203	611,651	895,854
DEDUCTIONS:				
Return of deposits	12,939	-	-	12,939
Payment of special assessment district debt service	-	260,663	555,969	816,632
Total deductions	12,939	260,663	555,969	829,571
Change in net position	(12,939)	23,540	55,682	66,283
NET POSITION:				
Beginning of year	282,695	352,535	879,522	1,514,752
End of year	<u>\$ 269,756</u>	<u>\$ 376,075</u>	<u>\$ 935,204</u>	<u>\$ 1,581,035</u>

STATISTICAL SECTION

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City of Seal Beach
Statistical Section
Description of Statistical Section Contents
For the Year Ended June 30, 2024

This part of the City of Seal Beach annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

	<u>Page</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	146-155
Revenue Capacity	
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	156-159
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	160-166
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	167-168
Operating Information	
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	169-172

City of Seal Beach
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2015	2016	2017	2018	2019
Governmental activities:					
Net investment in capital assets,	\$ 74,296,935	\$ 73,939,948	\$ 72,399,752	\$ 72,667,466	\$ 87,071,592
Restricted	3,842,792	3,866,679	4,587,081	4,207,675	4,825,412
Unrestricted	4,097,282	4,713,193	(3,660,561)	(4,911,027)	(9,873,029)
Total governmental activities net position	<u>\$ 82,237,009</u>	<u>\$ 82,519,820</u>	<u>\$ 73,326,272</u>	<u>\$ 71,964,114</u>	<u>\$ 82,023,975</u>
Business-type activities:					
Net investment in capital assets,	\$ 34,451,074	\$ 34,145,069	\$ 33,109,258	\$ 31,663,486	\$ 32,937,448
Restricted		-	-	25,082	25,082
Unrestricted	12,470,553	13,544,158	12,625,701	14,709,960	13,656,457
Total business-type activities net position	<u>\$ 46,921,627</u>	<u>\$ 47,689,227</u>	<u>\$ 45,734,959</u>	<u>\$ 46,398,528</u>	<u>\$ 46,618,987</u>
Primary government:					
Net investment in capital assets,	\$ 108,748,009	\$ 108,085,017	\$ 105,509,010	\$ 104,330,952	\$ 120,009,040
Restricted	3,842,792	3,866,679	4,587,081	4,232,757	4,850,494
Unrestricted	16,567,835	18,257,351	8,965,140	9,798,933	3,783,428
Total primary government net position	<u>\$ 129,158,636</u>	<u>\$ 130,209,047</u>	<u>\$ 119,061,231</u>	<u>\$ 118,362,642</u>	<u>\$ 128,642,962</u>

Source: Finance Department, City of Seal Beach.

City of Seal Beach
Net Position by Component (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2020	2021	2022	2023	2024
Governmental activities:					
Net investment in capital assets,	\$ 84,530,565	\$ 85,059,375	\$ 84,447,535	\$ 85,686,837	\$ 87,073,859
Restricted	7,601,451	7,201,479	8,759,394	10,354,192	9,915,238
Unrestricted	(11,716,752)	(9,239,218)	(10,011,404)	864,319	3,470,267
Total governmental activities net position	\$ 80,415,264	\$ 83,021,636	\$ 83,195,525	\$ 96,905,348	\$ 100,459,364
Business-type activities:					
Net investment in capital assets,	\$ 31,473,936	\$ 30,784,313	\$ 30,111,234	\$ 29,928,878	\$ 29,884,131
Restricted	25,082	25,082	25,082	25,082	25,082
Unrestricted	13,930,796	14,359,332	14,386,432	14,713,140	13,623,652
Total business-type activities net position	\$ 45,429,814	\$ 45,168,727	\$ 44,522,748	\$ 44,667,100	\$ 43,532,865
Primary government:					
Net investment in capital assets,	\$ 116,004,501	\$ 115,843,688	\$ 114,558,769	\$ 115,615,715	\$ 116,957,990
Restricted	7,626,533	7,226,561	8,784,476	10,379,274	9,940,320
Unrestricted	2,214,044	5,120,114	4,375,028	15,577,459	17,093,919
Total primary government net position	\$ 125,845,078	\$ 128,190,363	\$ 127,718,273	\$ 141,572,448	\$ 143,992,229

Source: Finance Department, City of Seal Beach.

City of Seal Beach
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2015	2016	2017	2018	2019
Expenses:					
Governmental activities:					
General government	\$ 6,551,584	\$ 6,264,368	\$ 5,894,947	\$ 6,161,230	\$ 6,479,347
Public safety	16,022,465	16,972,880	19,867,060	19,877,068	21,497,362
Community development	1,393,712	1,100,110	1,218,902	1,593,008	1,499,652
Community services	1,129,300	1,036,627	995,468	964,634	945,425
Public works	7,862,892	6,956,443	6,992,604	7,367,882	7,752,351
Interest on long-term debt	444,132	349,652	342,951	225,675	143,040
Total governmental activities expenses	<u>33,404,085</u>	<u>32,680,080</u>	<u>35,311,932</u>	<u>36,189,497</u>	<u>38,317,177</u>
Business-type activities:					
Water utility	4,037,798	4,102,228	4,977,160	4,668,618	4,909,193
Sewer utility	1,661,225	1,676,651	2,639,043	2,539,783	2,523,366
Total business-type activities expenses	<u>5,699,023</u>	<u>5,778,879</u>	<u>7,616,203</u>	<u>7,208,401</u>	<u>7,432,559</u>
Total primary government expenses	<u>39,103,108</u>	<u>38,458,959</u>	<u>42,928,135</u>	<u>43,397,898</u>	<u>45,749,736</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	1,820,019	2,074,448	1,913,909	2,062,987	1,913,201
Public safety	2,132,176	1,521,220	2,045,589	1,903,530	1,907,577
Community development	186,858	192,878	217,486	300,640	597,318
Community services	1,020,316	1,015,517	707,813	733,456	840,428
Public works	1,937,305	1,832,289	2,105,747	2,398,039	2,556,857
Operating contributions and grants	2,768,435	2,122,139	1,721,167	2,334,480	2,588,454
Capital grants and contributions	20,000	10,000	174,685	79,175	9,777,900
Total governmental activities program revenues	<u>9,885,109</u>	<u>8,768,491</u>	<u>8,886,396</u>	<u>9,812,307</u>	<u>20,181,735</u>
Business-type activities:					
Charges for services:					
Water utility	4,556,001	4,261,566	4,782,468	5,097,807	4,851,274
Sewer utility	2,765,357	2,466,869	2,784,942	2,928,885	2,854,208
Total business-type activities program revenues	<u>7,321,358</u>	<u>6,728,435</u>	<u>7,567,410</u>	<u>8,026,692</u>	<u>7,705,482</u>
Total primary government program revenues	<u>17,206,467</u>	<u>15,496,926</u>	<u>16,453,806</u>	<u>17,838,999</u>	<u>27,887,217</u>
Net revenues (expenses):					
Governmental activities	(23,518,976)	(23,911,589)	(26,425,536)	(26,377,190)	(18,135,442)
Business-type activities	1,622,335	949,556	(48,793)	818,291	272,923
Total net revenues (expenses)	<u>\$ (21,896,641)</u>	<u>\$ (22,962,033)</u>	<u>\$ (26,474,329)</u>	<u>\$ (25,558,899)</u>	<u>\$ (17,862,519)</u>

Source: Finance Department, City of Seal Beach.

City of Seal Beach
Changes in Net Position (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2020	2021	2022	2023	2024
Expenses:					
Governmental activities:					
General government	\$ 6,868,616	\$ 7,231,812	\$ 8,604,149	\$ 6,778,212	\$ 7,833,713
Public safety	24,079,442	23,326,808	26,912,192	20,062,949	26,932,724
Community development	1,581,361	2,283,377	3,043,960	1,836,054	2,722,452
Community services	866,786	1,139,731	1,991,897	263,478	1,208,181
Public works	11,180,509	8,290,658	9,086,138	8,487,999	10,766,275
Interest on long-term debt	88,274	57,902	61,160	36,443	34,336
Total governmental activities expenses	<u>44,664,988</u>	<u>42,330,288</u>	<u>49,699,496</u>	<u>37,465,135</u>	<u>49,497,681</u>
Business-type activities:					
Water utility	5,444,834	6,033,692	6,064,434	5,250,934	7,127,839
Sewer utility	3,035,447	2,651,801	2,323,027	2,292,687	3,353,390
Total business-type activities expenses	<u>8,480,281</u>	<u>8,685,493</u>	<u>8,387,461</u>	<u>7,543,621</u>	<u>10,481,229</u>
Total primary government expenses	<u>53,145,269</u>	<u>51,015,781</u>	<u>58,086,957</u>	<u>45,008,756</u>	<u>59,978,910</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	1,207,956	1,486,575	1,129,039	1,069,669	1,252,570
Public safety	2,124,798	2,361,646	2,547,127	2,282,044	1,976,293
Community development	231,087	221,140	434,955	499,835	508,638
Community services	700,877	985,542	1,244,430	1,221,628	1,328,884
Public works	2,732,164	2,596,848	2,842,031	3,588,535	4,199,836
Operating contributions and grants	3,442,883	4,287,922	9,362,550	4,165,836	4,231,563
Capital grants and contributions	30,707	10,692	655	889	1,199
Total governmental activities program revenues	<u>10,470,472</u>	<u>11,950,365</u>	<u>17,560,787</u>	<u>12,828,436</u>	<u>13,498,983</u>
Business-type activities:					
Charges for services:					
Water utility	4,268,610	4,957,483	5,824,338	5,759,925	6,289,312
Sewer utility	3,007,958	2,885,699	2,432,441	2,371,663	2,422,870
Total business-type activities program revenues	<u>7,276,568</u>	<u>7,843,182</u>	<u>8,256,779</u>	<u>8,131,588</u>	<u>8,712,182</u>
Total primary government program revenues	<u>17,747,040</u>	<u>19,793,547</u>	<u>25,817,566</u>	<u>20,960,024</u>	<u>22,211,165</u>
Net revenues (expenses):					
Governmental activities	(34,194,516)	(30,379,923)	(32,138,709)	(24,636,699)	(35,998,698)
Business-type activities	(1,203,713)	(842,311)	(130,682)	587,967	(1,769,047)
Total net revenues (expenses)	<u>\$ (35,398,229)</u>	<u>\$ (31,222,234)</u>	<u>\$ (32,269,391)</u>	<u>\$ (24,048,732)</u>	<u>\$ (37,767,745)</u>

Source: Finance Department, City of Seal Beach.

City of Seal Beach
Changes in Net Position (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2015	2016	2017	2018	2019
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Property taxes	\$ 10,050,815	\$ 10,408,505	\$ 11,012,246	\$ 11,180,197	\$ 11,481,535
Sales tax	4,246,080	4,228,730	4,379,341	4,303,618	5,546,264
Franchise taxes	1,163,595	955,922	1,016,938	1,059,581	1,097,774
Utility users taxes	4,646,434	4,445,180	4,177,713	4,186,554	4,061,031
Transient occupancy taxes	1,525,723	1,655,376	1,693,515	1,666,996	1,631,445
Other taxes	344,789	197,166	190,510	163,277	227,978
Motor vehicle in lieu, unrestricted	10,659	9,960	11,235	13,102	12,473
Use of money and property	725,720	1,004,572	425,014	300,817	1,692,720
Other	356,749	536,175	214,219	1,762,390	2,065,583
Transfers	378,500	378,500	378,500	378,500	378,500
Extraordinary Gain(loss)	694,585	-	-	-	-
Total governmental activities	<u>24,143,649</u>	<u>23,820,086</u>	<u>23,499,231</u>	<u>25,015,032</u>	<u>28,195,303</u>
Business-type activities:					
Use of money and property	109,575	176,437	167,661	223,778	326,036
Other	3,698	20,107	-	-	-
Transfers	(378,500)	(378,500)	(378,500)	(378,500)	(378,500)
Extraordinary Gain(loss)	-	-	-	-	-
Total business-type activities	<u>(265,227)</u>	<u>(181,956)</u>	<u>(210,839)</u>	<u>(154,722)</u>	<u>(52,464)</u>
Total primary government	<u>23,878,422</u>	<u>23,638,130</u>	<u>23,288,392</u>	<u>24,860,310</u>	<u>28,142,839</u>
Changes in net position:					
Governmental activities	624,673	(91,503)	23,499,231	25,015,032	10,059,861
Business-type activities	1,357,108	767,600	(210,839)	(154,722)	220,459
Total primary government	<u>\$ 1,981,781</u>	<u>\$ 676,097</u>	<u>\$ 23,288,392</u>	<u>\$ 24,860,310</u>	<u>\$ 10,280,320</u>

Source: Finance Department, City of Seal Beach.

City of Seal Beach
Changes in Net Position (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2020	2021	2022	2023	2024
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Property taxes	\$ 12,358,059	\$ 12,926,895	\$ 13,428,911	\$ 14,468,211	\$ 15,473,159
Sales tax	9,108,334	10,146,964	11,443,583	11,666,838	11,494,982
Franchise taxes	1,034,280	1,067,098	1,101,243	1,175,046	1,236,189
Utility users taxes	3,941,877	4,129,727	4,508,593	5,349,003	5,510,087
Transient occupancy taxes	1,298,707	878,165	1,670,504	1,922,823	1,919,725
Other taxes	724,854	720,807	757,421	1,104,573	732,341
Motor vehicle in lieu, unrestricted	21,133	19,070	28,238	25,874	31,179
Use of money and property	1,862,213	151,196	(1,428,396)	781,761	2,673,147
Other	1,463,177	3,270,753	69,001	1,118,893	2,076,956
Transfers	376,483	(324,379)	733,500	733,500	-
Extraordinary Gain(loss)	-	-	-	-	-
Total governmental activities	<u>32,189,117</u>	<u>32,986,296</u>	<u>32,312,598</u>	<u>38,346,522</u>	<u>41,147,765</u>
Business-type activities:					
Use of money and property	391,016	256,845	218,203	289,885	401,277
Other	-	-	-	-	-
Transfers	(376,483)	324,379	(733,500)	(733,500)	-
Extraordinary Gain(loss)	-	-	-	-	-
Total business-type activities	<u>14,533</u>	<u>581,224</u>	<u>(515,297)</u>	<u>(443,615)</u>	<u>401,277</u>
Total primary government	<u>32,203,650</u>	<u>33,567,520</u>	<u>31,797,301</u>	<u>37,902,907</u>	<u>41,549,042</u>
Changes in net position:					
Governmental activities	(2,005,399)	2,606,373	173,889	13,709,823	5,149,067
Business-type activities	(1,189,180)	(261,087)	(645,979)	144,352	(1,367,770)
Total primary government	<u>\$ (3,194,579)</u>	<u>\$ 2,345,286</u>	<u>\$ (472,090)</u>	<u>\$ 13,854,175</u>	<u>\$ 3,781,297</u>

Source: Finance Department, City of Seal Beach.

City of Seal Beach
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2015	2016	2017	2018	2019
General Fund:					
Nonspendable	\$ 666,102	\$ 682,859	\$ 2,877	\$ 32,495	\$ 33,795
Restricted	-	-	12,277	5,266	5,419
Committed	-	-	-	-	-
Assigned	7,623,994	7,610,286	7,478,281	8,289,150	10,152,504
Unassigned	21,711,517	20,811,037	19,770,202	17,491,623	11,922,370
Total general fund	<u>\$ 30,001,613</u>	<u>\$ 29,104,182</u>	<u>\$ 27,263,637</u>	<u>\$ 25,818,534</u>	<u>\$ 22,114,088</u>
All other governmental funds:					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	3,842,792	3,866,679	4,131,203	4,110,558	4,819,993
Assigned	-	-	-	-	-
Unassigned	(525,408)	(51,254)	(184,908)	(34,159)	(425,639)
Total all Other government funds:	<u>\$ 3,317,384</u>	<u>\$ 3,815,425</u>	<u>\$ 3,946,295</u>	<u>\$ 4,076,399</u>	<u>\$ 4,394,354</u>

Source: Finance Department, City of Seal Beach

City of Seal Beach
Fund Balances of Governmental Funds (Continued)
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2020	2021	2022	2023	2024
General Fund:					
Nonspendable	\$ 41,776	\$ 2,069,748	\$ 51,506	\$ 42,705	\$ 2,978,558
Restricted	2,190,469	2,046,356	2,034,271	1,935,127	1,309,234
Committed	17,067,216	17,546,968	23,523,980	25,322,120	23,224,408
Assigned	4,370,059	4,704,595	4,853,380	5,097,455	6,714,071
Unassigned	3,509,871	3,629,265	3,885,769	4,927,044	5,242,784
Total general fund	<u>\$ 27,179,391</u>	<u>\$ 29,996,932</u>	<u>\$ 34,348,906</u>	<u>\$ 37,324,451</u>	<u>\$ 39,469,055</u>
All other governmental funds:					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	5,410,982	5,037,618	6,167,958	7,477,277	7,844,070
Assigned	-	-	-	-	87,347
Unassigned	(671,694)	(373,870)	(554,027)	(692,160)	(761,934)
Total all Other government funds:	<u>\$ 4,739,288</u>	<u>\$ 4,663,748</u>	<u>\$ 5,613,931</u>	<u>\$ 6,785,117</u>	<u>\$ 7,169,483</u>

Source: Finance Department, City of Seal Beach

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

	2015	2016	2017	2018	2019
Revenues:					
Taxes	\$ 23,114,876	\$ 22,828,144	\$ 23,368,371	\$ 24,021,668	\$ 25,903,080
Licenses and permits	1,377,131	1,304,924	1,234,590	1,480,971	1,416,737
Intergovernmental	1,725,127	1,388,056	744,904	1,530,815	857,923
Charges for services	3,961,691	4,214,690	5,349,083	4,586,949	4,878,405
Use of money and property	725,720	1,004,572	426,418	347,117	1,772,775
Fines and forfeitures	1,146,509	1,110,606	152,845	1,089,515	946,048
Contributions from other governments	330,885	283,222	180,511	55,765	45,994
Miscellaneous	375,588	537,777	492,245	520,420	2,319,864
Total revenues	32,757,527	32,671,991	31,948,967	33,633,220	38,140,826
Expenditures					
Current:					
General government	5,462,668	5,351,130	5,673,309	5,757,859	6,169,490
Public safety	15,811,773	16,378,416	17,395,965	18,148,871	19,240,608
Community development	1,362,308	1,175,339	1,186,081	1,488,921	1,446,025
Community services	1,129,497	1,075,282	1,004,690	954,018	942,804
Public works	5,631,015	4,862,058	4,586,373	4,967,066	5,160,373
Capital outlay	4,578,308	2,645,823	1,506,476	2,567,080	7,378,774
Debt service:					
Principal retirement	1,337,573	1,490,150	2,162,379	1,640,521	1,754,905
Interest and fiscal charges	441,040	355,819	353,322	231,779	152,863
Total expenditures	35,754,182	33,334,017	33,868,595	35,756,115	42,245,842
Excess (deficiency) of revenue over (under) expenditures	(2,996,655)	(662,026)	(1,919,628)	(2,122,895)	(4,105,016)
Other financing sources (uses):					
Transfers in	7,012,848	5,602,944	4,472,129	5,714,614	9,381,712
Transfers out	(6,919,381)	(5,340,308)	(4,262,176)	(4,906,717)	(8,663,187)
Proceeds on sale of assets	-	-	-	-	-
Total other financing sources (uses)	93,467	262,636	209,953	807,897	718,525
Net change in fund balances	\$ (2,903,188)	\$ (399,390)	\$ (1,709,675)	\$ (1,314,998)	\$ (3,386,491)
Debt service as a percentage of noncapital expenditures	5.7%	6.0%	7.8%	5.6%	5.5%

Source: Finance Department, City of Seal Beach

City of Seal Beach
Changes in Fund Balances of Governmental Funds (Continued)
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2020	2021	2022	2023	2024
Revenues:					
Taxes	\$ 27,481,580	\$ 31,711,229	\$ 34,976,825	\$ 37,716,674	\$36,366,482
Licenses and permits	844,274	771,615	926,792	1,027,232	939,640
Intergovernmental	4,330,159	2,195,977	6,754,322	1,622,005	5,632,109
Charges for services	4,684,076	4,853,170	5,118,769	5,821,082	6,791,306
Use of money and property	2,003,529	235,061	(1,197,815)	811,518	3,020,467
Fines and forfeitures	1,239,154	1,816,837	1,871,227	1,435,250	1,402,597
Contributions from other governments	60,942	106,528	76,817	77,023	69,471
Miscellaneous	2,995,022	3,431,013	240,917	1,291,231	661,060
Total revenues	43,638,736	45,121,430	48,767,854	49,802,015	54,883,132
Expenditures					
Current:					
General government	6,083,705	6,713,025	7,597,539	7,671,076	7,546,164
Public safety	20,921,107	21,895,428	23,892,990	24,570,207	25,508,597
Community development	1,408,699	2,203,834	2,185,707	2,218,015	2,699,327
Community services	852,664	1,131,906	1,174,593	1,219,014	1,399,938
Public works	6,672,230	5,748,811	6,884,360	6,625,681	8,746,664
Capital outlay	1,729,166	3,439,241	1,875,596	3,609,554	6,014,889
Debt service:					
Principal retirement	494,370	496,920	532,556	789,974	808,805
Interest and fiscal charges	88,612	70,479	55,856	36,651	34,080
Total expenditures	38,250,553	41,699,644	44,199,197	46,740,172	52,758,464
Excess (deficiency) of revenue over (under) expenditures	5,388,183	3,421,788	4,568,657	3,061,843	2,124,668
Other financing sources (uses):					
Transfers in	4,141,526	2,858,654	2,697,577	4,359,511	4,621,337
Transfers out	(4,119,472)	(3,657,439)	(1,964,077)	(3,274,623)	(4,621,337)
Proceeds on sale of assets	-	119,000	-	-	-
Total other financing sources (uses)	22,054	(679,785)	733,500	1,084,888	-
Net change in fund balances	\$ 5,410,237	\$ 2,742,003	\$ 5,302,157	\$ 4,146,731	\$ 2,124,668
Debt service as a percentage of noncapital expenditures	1.6%	1.5%	2.4%	1.9%	1.8%

Source: Finance Department, City of Seal Beach

City of Seal Beach
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30	City			Redevelopment Agency			Total Direct Tax Rate
	Secured	Unsecured	Taxable Assessed Value	Secured (Note 1)	Unsecured	Taxable Assessed Value	
2015	4,709,232,207	182,551,480	4,891,783,687	556,548,983	3,863,246	560,412,229	1.00%
2016	4,795,647,822	285,081,875	5,080,729,697	530,597,248	32,693,247	563,290,495	1.00%
2017	4,978,010,106	152,713,169	5,130,723,275	300,533,393	2,090,757	302,624,150	1.00%
2018	5,237,420,910	128,598,670	5,366,019,580	309,374,617	2,150,646	311,525,263	1.00%
2019	5,475,552,225	150,040,128	5,625,592,353	320,174,015	2,103,366	322,277,381	1.00%
2020	5,817,854,806	159,142,122	5,976,996,928	363,940,344	3,281,367	367,221,711	1.00%
2021	6,051,396,970	155,640,583	6,207,037,553	375,196,393	5,389,789	380,586,182	1.00%
2022	6,253,516,508	145,853,857	6,399,370,365	414,507,317	7,059,017	421,566,334	1.00%
2023	6,688,389,755	162,820,842	6,851,210,597	-	-	-	1.00%
2024	7,106,450,551	184,902,698	7,291,353,249	-	-	-	1.00%

Note 1: Fiscal Year ending June 30, 2022 is the last year tax increment within the former Seal Beach RDA boundaries will be received. For Fiscal Year ended June 2023, per Resolution of the Orange Countywide Oversight Board No. 22-001 Successor Agency to the Seal Beach Redevelopment Agency was dissolved. Beginning with Fiscal Year ending June 30, 2023, the city receives the property tax per AB 8 process.

GENERAL 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 upon 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 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.

Source: County of Orange, Auditor - Controller Assessed Valuations Detail

City of Seal Beach
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
City Direct Rates:										
City Direct Rate - Basic Levy	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Overlapping Rates:										
Orange County Bonds	0.04719	0.06135	0.06001	0.06072	0.05881	0.05509	0.06379	0.05996	0.05880	0.04565
Metropolitan Water District	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350
Other Districts	0.07468	0.07779	0.07367	0.09803	0.16561	0.13116	0.14183	0.12906	0.13106	0.11733
Total Direct & Overlapping Rates	1.12537	1.14264	1.13718	1.16225	1.22792	1.18975	1.20912	1.19252	1.19336	1.16648

GENERAL NOTES:

In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter-approved bonds. The City receives only a portion of this basic 1% levy.

Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.

Source: HdL, County of Orange, Auditor-Controller

City of Seal Beach
Principal Property Taxpayers
Current Year and Ten Years Ago

Taxpayer	2024		2015	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Seal Beach Mutual	\$ 1,294,241,561	17.75%	\$ 705,534,817	14.42%
Boeing	140,089,705	1.92%	117,865,436	2.41%
CPT Shops at Rossmoor LLC	139,807,209	1.92%	127,841,584	2.61%
ASN Long Beach LLC	133,524,816	1.83%	167,006,959	3.41%
Terra Funding-Bixby Ranch LLC	100,943,739	1.38%	85,385,900	1.75%
Ranch Town Center LLC	51,472,089	0.71%	43,478,340	0.89%
AL United States Seal Beach Senior Housing LP	45,184,721	0.62%	47,219,048	0.97%
OE 1729 Apollo CT LLC	36,108,000	0.50%		
OXY Long Beach Inc	33,106,386	0.45%	152,315,621	3.11%
Farmers and Merch Bank	32,670,999	0.45%		
DCOR LLC			51,205,140	1.05%
Hellman Properties			33,122,715	0.68%
	<u>\$ 2,007,149,225</u>	<u>27.53%</u>	<u>\$ 1,530,975,560</u>	<u>31.30%</u>

Source: HDL Coren & Cone

City of Seal Beach
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2015	7,037,415	6,821,353	97.93%	73,362	10,295,379	98.63%
2016	7,477,860	7,201,613	97.36%	81,860	10,278,216	98.14%
2017	7,858,469	7,623,300	97.85%	65,706	10,776,371	98.45%
2018	8,244,985	8,056,409	98.35%	75,788	11,292,740	98.93%
2019	8,681,340	8,278,388	95.36%	74,350	8,352,738	96.21%
2020	9,424,684	9,274,535	98.41%	81,504	9,356,039	99.27%
2021	9,740,869	9,591,161	98.46%	101,723	9,692,884	99.51%
2022	10,134,749	9,961,155	98.29%	95,453	10,056,608	99.23%
2023	10,819,610	10,662,521	98.55%	107,920	10,770,441	99.55%
2024	11,423,367	11,227,941	98.29%	144,439	11,372,380	99.55%

Source: Orange County Tax Ledger

City of Seal Beach
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Governmental Activities

Fiscal Year Ended June 30	Leases	Pension Obligation Bonds	Fire Station Bonds	Climatec	Subscriptions	Total Governmental Activities
2015	-	4,411,000	3,675,000	1,488,358	-	9,574,358
2016	-	3,461,000	3,255,000	1,368,208	-	8,084,208
2017	-	2,414,000	2,835,000	672,829	-	5,921,829
2018	-	1,263,000	2,415,000	603,308	-	4,281,308
2019	-	-	1,995,000	531,403	-	2,526,403
2020	-	-	1,575,000	457,033	-	2,032,033
2021	-	-	1,155,000	380,113	-	1,535,113
2022	237,517	-	735,000	300,555	949,058	2,222,130
2023	327,111	-	315,000	218,963	694,445	1,555,519
2024	210,272	-	-	-	455,855	666,127

Notes:

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

*Data not readily available.

Source: Finance Department, City of Seal Beach

City of Seal Beach
Ratios of Outstanding Debt by Type (Continued)
Last Ten Fiscal Years

Business-type Activities

Fiscal Year Ended June 30	Water Board Loan	Sewer 2011 Installment Agreement	Sewer State Revolving Agreement	Subscriptions	Total Business-type Activities	Total Primary Government	Percentage of Personal Income ¹	Debt Per Capita ¹
2015	-	2,705,000	3,893,311	-	6,598,311	16,172,669	*	697
2016	-	2,565,000	3,718,034	-	6,283,034	14,367,242	*	613
2017	-	2,420,000	3,538,201	-	5,958,201	11,880,030	*	483
2018	872,555	2,270,000	3,353,690	-	6,496,245	10,777,553	*	398
2019	783,064	2,110,000	3,164,384	-	6,057,448	8,583,851	*	345
2020	654,381	1,940,000	2,970,155	-	5,564,536	7,596,569	*	304
2021	569,945	1,765,000	2,770,876	-	5,105,821	6,640,934	*	266
2022	485,509	1,580,000	2,566,416	357,237	4,989,162	7,211,292	*	290
2023	401,073	1,385,000	2,356,639	277,614	4,420,326	5,975,845	*	241
2024	358,855	1,180,000	2,141,409	204,545	3,884,809	4,550,936	*	187

Notes:

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

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

*Data not readily available.

Source: Finance Department, City of Seal Beach

City of Seal Beach
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30	Bonds	Private Placement Bonds	Total Bonds	Percent of Assessed Value ¹	Per Capita
2015	-	8,086,000	8,086,000	0.15%	329
2016	-	6,716,000	6,716,000	0.12%	273
2017	-	4,507,180	5,249,000	0.10%	213
2018	-	2,937,013	2,937,013	0.05%	118
2019	-	1,995,000	1,995,000	0.03%	80
2020	-	1,575,000	1,575,000	0.02%	63
2021	-	1,155,000	1,155,000	0.02%	46
2022	-	735,000	735,000	0.01%	30
2023	-	315,000	315,000	0.00%	13
2024	-	-	-	0.00%	-

NOTES:

General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise

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

City of Seal Beach
Schedule of Direct and Overlapping Debt
June 30, 2024

2022-23 Assessed Valuation: \$7,289,725,900

	Total Debt		City's Share of
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>6/30/2024</u>	<u>% Applicable (1)</u>	<u>Debt 6/30/24</u>
Metropolitan Water District	\$18,210,000	0.19%	\$34,235
Coast Community College District	886,956,084	2.906	25,774,944
North Orange Jt. Community College District	291,560,678	1.141	3,326,707
Los Alamitos Unified School District			
School Facilities Improvement District No. 1	215,670,227	48.383	104,347,726
Huntington Beach Union High School District	137,329,998	0.001	1,373
Ocean View School District	150,895,000	0.003	4,527
City of Seal Beach Community Facilities District No. 2002-1	2,360,000	100	2,360,000
City of Seal Beach Community Facilities District No. 2005-1	6,410,000	100	<u>6,410,000</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$142,259,512
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Orange County General Fund Obligations	\$440,385,000	0.95%	\$4,170,446
Orange County Board of Education Certificates of Participation	10,030,000	0.947	94,984
Coast Community College District Certificates of Participation	1,075,000	2.906	31,240
Coast Community College District Pension Obligation Bonds	925,000	2.906	26,881
Los Alamitos Unified School District Certificates of Participation	30,432,816	53.609	16,314,728
Huntington Beach Union High School District General Fund Obligations	51,436,090	0.001	514
Ocean View School District General Fund Obligations	12,725,000	0.003	382
North Orange County Regional Occupation Program			
Certificates of Participation	7,350,000	4.377	321,710
City of Seal Beach	4,550,936	100	4,550,936
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$25,511,821
COMBINED TOTAL DEBT			\$167,771,333 (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.

Ratios to 2023-24 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	1.95%
Total Direct Debt	0.06%
Combined Total Debt	2.30%

**City of Seal Beach
Legal Debt Margin Information
Last Ten Years**

	2015	2016	2017	2018	2019
Debt limit	\$ 817,720,762	\$ 846,747,277	\$ 820,537,899	\$ 860,757,686	\$ 892,030,484
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$ 817,720,762</u>	<u>\$ 846,747,277</u>	<u>\$ 820,537,899</u>	<u>\$ 860,757,686</u>	<u>\$ 892,030,484</u>
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%

Note: ¹Under state finance law, the City of Seal Beach's outstanding general obligation debt should not exceed 15 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Source: Orange County Tax Assessor's Office

City of Seal Beach
Legal Debt Margin Information (Continued)
Last Ten Years

	2020	2021	2022	2023	2024
Debt limit	\$ 952,282,846	\$ 930,063,188	\$ 960,333,816	\$ 1,028,618,366	\$ 1,093,458,885
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$ 952,282,846</u>	<u>\$ 930,063,188</u>	<u>\$ 960,333,816</u>	<u>\$ 1,028,618,366</u>	<u>\$ 1,093,458,885</u>
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%

Legal Debt Margin Calculation for Fiscal Year 2024

Assessed Valuation	\$ 7,289,725,900
Debt percentage ¹	<u>15%</u>
Debt limit	\$ 1,093,458,885
Debt applicable to limit	-
Legal debt margin	<u>\$ 1,093,458,885</u>

Note: ¹Under state finance law, the City of Seal Beach's outstanding general obligation debt should not exceed 15 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Source: Orange County Tax Assessor's Office

City of Seal Beach
Pledged-Revenue Coverage
Last Ten Fiscal Years

2000 Tax Allocation Refunding Bonds				
Fiscal Year Ended June 30	Tax Increment	Debt Service		Coverage
		Principal	Interest	
2015	1,084,135	515,000	204,269	1.51
2016	1,329,344	545,000	177,413	1.84
2017	1,218,363	575,000	148,759	1.68
2018	1,125,053	600,000	118,302	1.57
2019	1,198,637	635,000	86,013	1.66
2020	234,102	605,000	53,078	0.36
2021	530,978	160,000	32,519	2.76
2022	-	-	-	-
2023	-	-	-	-
2024	-	-	-	-

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. The bonds were fully paid off during the year ended June 30, 2021.

Source: Finance Department, City of Seal Beach

City of Seal Beach
Demographic and Economic Statistics
Last Ten Calendar Years

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income (in thousands)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2014	24,586	1,074,777	43,715	4.8%
2015	25,078	1,141,053	45,500	3.9%
2016	24,890	1,164,182	46,773	3.5%
2017	25,984	1,199,969	46,181	3.2%
2018	25,073	1,277,436	50,948	3.3%
2019	24,992	1,370,609	54,841	3.2%
2020	24,443	1,398,936	57,232	8.2%
2021	24,846	1,426,979	57,432	6.0%
2022	24,647	1,538,564	62,423	3.4%
2023	24,350	1,649,508	67,741	3.9%

Sources: HDL Coren & Cone

**City of Seal Beach
Top 25 Sales Tax Producers
Current Year and Nine Years Ago**

Business Name	2023	2014	Business Category
76	X	X	Service Stations
Bed Bath & Beyond		X	Home Furnishings
Boeing	X		Transportation-Non-Auto
Burlington	X		Family Apparel
Chevron	X	X	Service Stations
Chevron	X	X	Service Stations
Chevron	X		Service Stations
Chick Fil A	X		Quick-Service Restaurants
CVS Pharmacy	X	X	Drug Stores
Energy Tubulars	X	X	Petroleum Prod/Equip
EVLO Energy Storage	X		Energy/Utilities
Hoff's Hut	X		Casual Dining
Home Goods	X	X	Home Furnishings
In N Out Burgers	X	X	Quick-Service Restaurants
Kohls	X	X	Department Stores
Marshalls	X	X	Family Apparel
Mobil	X	X	Service Stations
Old Ranch Country Club	X	X	Leisure/Entertainment
Original Parts Group		X	Automotive Supply Stores
Pavillions	X	X	Grocery Stores Liquor
Petsmart	X	X	Specialty Stores
Ralphs	X	X	Grocery Stores Liquor
Roger Dunn Golf Shop	X	X	Sporting Goods/Bike Stores
Seal Beach Chevron		X	Service Stations
Spaghettini	X	X	Fine Dining
Sprouts Farmers Market		X	Grocery Stores
Staples		X	Office Supplies/Furniture
Target	X	X	Discount Dept Stores
Toys R Us		X	Specialty Stores
Ulta Beauty	X	X	Specialty Stores
Walts Wharf	X	X	Fine Dining
2023 Percent of Calendar Year Total Paid by Top 25 Accounts = 56.01%			
2014 Percent of Calendar Year Total Paid by Top 25 Accounts = 61.92%			

Firms Listed Alphabetically: Period January - December

Source: Hinderliter, de Llamas & Associates, State Board of Equalization, CDTFA, State Controller's Office

City of Seal Beach
Full-Time and Part-Time City Employees by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024*
General government	14.64	14.34	15.92	13.00	13.48	13.48	14.75	21.35	21.25	21.82
Public safety	79.13	74.12	77.19	78.50	79.82	79.82	80.78	82.05	86.90	84.02
Public works	10.94	4.97	3.98	6.00	5.00	5.00	17.99	17.99	17.69	17.30
Community development/Services	18.16	17.25	16.53	13.60	14.76	14.76	13.88	13.50	12.44	17.22
Water	13.80	13.82	12.60	12.90	13.15	13.15	8.90	8.90	7.45	8.60
Sewer	5.91	7.11	7.69	6.71	6.89	6.89	5.86	5.86	6.99	6.56
Total	128.26	142.58	131.61	133.91	130.71	133.10	142.16	149.65	152.72	155.52

Source: Finance Department, City of Seal Beach

*Position count includes contracted employees in Community Development

Total full-time equivalents exclude Commissioners and Reserve Officers but includes Council Members

City of Seal Beach
Operating Indicators by Function
Last Ten Fiscal Years

	Fiscal Year				
	2015	2016	2017	2018	2019
Police:					
Arrests	798	790	781	854	787
Parking citations issued	21,043	19,264	18,319	19,929	17,663
Public works:					
Street centerline miles resurfaced	2	1	-	1	1
Number of public right of way permits issued	151	184	259	231	253
Number of street related service requests	45	40	68	109	92
Parks and recreation:					
Number of recreation classes	781	680	710	1,070	1,100
Number of facility rentals	2,633	557	585	1,030	1,045
Water:					
Number of water meters replaced	57	76	56	49	49
Acre feet of water used	3,540	3,208	3,259	3,208	3,360
Sewer:					
Number of feet of sewer cleaned	253,099	217,619	-	217,619	154,000
Number of catch basins cleaned	434	458	216	216	216

Source: City of Seal Beach

City of Seal Beach
Operating Indicators by Function (Continued)
Last Ten Fiscal Years

	Fiscal Year				
	2020	2021	2022	2023	2024
Police:					
Arrests	709	806	1,429	809	1,010
Parking citations issued	20,913	28,644	29,658	24,841	22,985
Public works:					
Street centerline miles resurfaced	4	3	1	1	4
Number of public right of way permits issued	242	232	213	213	250
Number of street related service requests	44	39	258	258	300
Parks and recreation:					
Number of recreation classes	790	1,113	955	828	752
Number of facility rentals	690	314	1,020	773	1,765
Water:					
Number of water meters replaced	104	154	89	89	98
Acre feet of water used	3,276	3,471	3,086	3,086	3,331
Sewer:					
Number of feet of sewer cleaned	146,619	126,563	190,569	190,569	105,607
Number of catch basins cleaned	216	217	218	218	454

Source: City of Seal Beach

City of Seal Beach
Capital Asset Statistics by Function
Last Ten Fiscal Years

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police:										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol units	34	34	34	34	34	34	34	34	34	34
Public works:										
Streets (center line miles)	43	43	43	43	43	43	43	43	43	43
Sidewalk (miles)	86	86	86	86	86	86	86	86	86	86
Signalized intersections	23	23	23	23	23	23	23	22	22	22
Parks and recreation:										
Parks	10	10	10	10	10	10	10	13	13	13
Community centers	3	3	3	3	3	3	3	5	5	5
Water:										
Water pipe (miles)	72	72	72	72	72	72	72	72	72	72
Reservoirs	2	2	2	2	2	2	2	2	2	2
Sewer										
Sanitary sewers (miles)	37	37	37	37	37	37	37	37	37	37
Storm sewers (miles)	4	4	4	4	4	4	4	4	4	4
Sewer lift/pump stations	7	7	7	7	7	7	7	6	6	6

Source: City of Seal Beach



**THE CITY OF SEAL BEACH
VALUES:
EXCELLENT CUSTOMER
SERVICE
MUTUAL RESPECT
TEAMWORK
PROFESSIONALISM
HONEST & ETHICAL BEHAVIOR**

**THE CITY OF SEAL BEACH
PROVIDES EXCELLENT CITY
SERVICES TO ENHANCE THE
QUALITY OF LIFE AND TO
PRESERVE OUR SMALL TOWN
CHARACTER.**