

CITY OF SEAL BEACH, California



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEAR ENDED JUNE 30, 2022

City of Seal Beach

**Annual Comprehensive Financial Report
For the Year Ended June 30, 2022**



**Prepared by the Finance Department
Barbara Arenado
Director of Finance/City Treasurer**



**The City of Seal Beach provides
excellent city services to
enhance the quality of life and
to preserve our small town
character.**

**The City of Seal Beach Values:
Excellent Customer Service
Mutual Respect
Teamwork
Professionalism
Honest & Ethical Behavior**

City of Seal Beach
Annual Comprehensive Financial Report
For the Year Ended June 30, 2022

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May 8, 2023

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, 2022. 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 of 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, 2022, 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

The City of Seal Beach, located on the coast of northwestern Orange County California, was incorporated on October 27, 1915. The City charter, which was adopted in 1964, established the form of government, states the powers and duties of the City Council, and establishes various City Offices.

The City is operated under the City Council/City Manager form of government, and is governed by a five-member city council elected by district serving four-year alternating terms and who, in turn elect the Mayor and Mayor Pro Tem from among themselves for a one year term. The governing council is responsible for policymaking, passing local ordinances, adopting the budget, appointing committees, and hiring the City Manager and City Attorney.

The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and appointing all department heads.

The City provides a full range of services for the citizens utilizing a mix of contracts with other governmental entities or private companies. The City has its own Police Department and Marine Safety Department but contracts for fire and paramedic services through the Orange County Fire Authority (OCFA). The City also operates water and sewer utilities and contracts for refuse and sanitation treatment services.

Included in the financial statements are the following blended component units: Seal Beach Public Financing Authority, Seal Beach Parking Authority and Seal Beach Cable Communications Foundation.

The City is the home of Boeing Company Integrated Defense System international headquarters, the U.S. Naval Weapons Station, the first Leisure World Retirement Community and the 1,000 acre Seal Beach National Wildlife Refuge. The City's one and a half miles of beaches and the public pier attracts more than 1,500,000 visitors each year making recreation an important factor in the local economy. Seal Beach has a variety of local beach front stores at Main Street which include several fine dining establishments. Throughout the year many exciting community events take place in which the residents, and visitors, enjoy and participate.

History of Seal Beach

In 1901 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 the first Trustee, the first 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 1916.

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, and especially those US Navy warships home-ported in Long Beach and San Diego. 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.

Another area of Seal Beach, Surfside Colony, was founded in 1929 and is credited as the first beach resort community of its type on the West Coast. 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 24,846.

ECONOMIC CONDITIONS

Local economy: Although the focus of this Annual Comprehensive Financial Report is the financial condition of the City at June 30, 2022, 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 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 \$4.9 million from the prior year.

Property tax is the City's largest General Fund revenue source with revenues of \$13.4 million, an increase of 3.9 percent over the prior fiscal year. Sales tax is the second largest General Fund revenue source with revenues of \$11.4 million including transaction tax, an increase of 12.8 percent. Additionally, Transient Occupancy tax was \$1.6 million, an increase of 90 percent. The increase in Property tax is due to the continued robust housing demographics in the City. Increases in Sales and Transient Occupancy taxes are in direct response to the pent-up demand for consumer goods and travel due to the pandemic and the re-opening of many businesses and the City's hotels during the fiscal year.

Federal COVID-19 Assistance: On March 11, 2021, the American Rescue Plan Act of 2021, was signed into law to provide \$350 billion of emergency funding for State, local, territorial, and Tribal governments in the form of

Coronavirus State and Local Fiscal Recovery Funds (SLFRF). The City received \$5.7 million of SLFRF funds and utilized these funds for the provision of government services due to the impacts of COVID-19 on General Fund revenues in Public Safety.

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.

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, 2022, the reserve balance was \$9.9 million or 24.0 percent of the operating budget.

Major initiatives: The Strategic Plan goals are approved and/or affirmed by the City Council twice a year. Strategic Priorities include: Fiscal Sustainability, Organizational Culture and Community Outreach, Capital Projects and the Sand Replenishment Plan. This year the City implemented a new financial software and utility billing system, transitioned back to live/active recreational programs, brought animal control field operations in-house to reduce costs, while adopting a balanced budget amid pandemic impacts.

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, 2021. This was the twentieth 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 believes 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

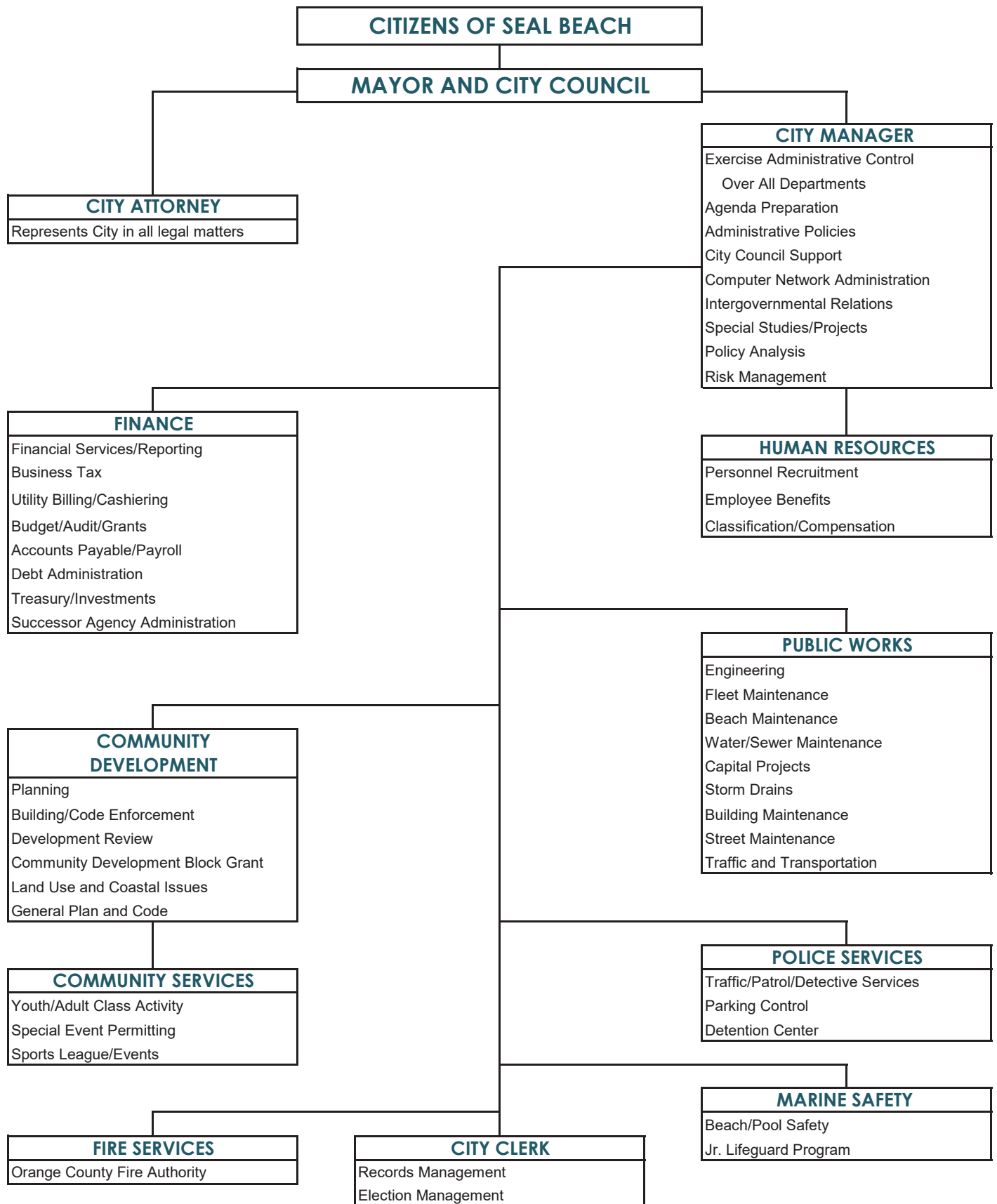
**City of Seal Beach
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO



CITY OF SEAL BEACH CALIFORNIA

Principal Officers

City Council

Joe Kalmick, Mayor
Mike Varipapa, Mayor Pro Tem
Sandra Massa-Lavitt, Council Member
Thomas Moore, Council Member
Schelly Sustarsic, Council Member

Executive Officers

Jill R. Ingram, City Manager
Craig A. Steele, City Attorney

Administrative Personnel

Patrick Gallegos, Assistant City Manager
Phil Gonshak, Chief of Police
Steve Myrter, 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, 2022, 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, 2022, 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 Schedules of Changes in 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 on pages 5 to 12 and 89 to 97 be presented to supplement the basic financial statements. Such information is the and the Schedule of Contributions – OPEB, 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 April 24, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Santa Ana, California
April 24, 2023

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City of Seal Beach
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2022

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, 2022, along with comparisons to the fiscal year ended June 30, 2021. All increases and decreases are expressed relative to fiscal year 2020-2021. 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 \$127.7 million, a decrease of \$0.5 million or 0.4%. The net position of business-type activities decreased by \$0.6 million or 1.4%, while the net position of governmental activities increased by \$0.2 million or 0.2%.
- The net position of \$127.7 million consisted of \$114.6 million of net investment in capital assets; \$8.8 million of resources that are subject to external restrictions on how they may be used; \$14.4 million that may be used to meet the City's obligations for its business-type activities; and a \$10.0 million deficit related to its governmental activities.
- Total revenues were \$57.6 million and total expenses were \$58.1 million. Revenues increased by \$4.2 million or 8.0%, and expenses increased by \$7.1 million or 13.9%.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$40.0 million, representing an increase of \$5.3 million or 15.3%. Of this amount, \$8.2 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 \$3.9 million or 9.2% 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, 2022, the Committed-Fiscal Policy Reserve has a balance of \$9.9 million, or approximately 24% of General Fund expenditures (excluding transfers out related to capital projects). This percentage hits the City's target rate and is in accordance with the recommendation of the Government Finance Officers Association (GFOA).

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves 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 required and 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.

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.

City of Seal Beach
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

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 in results of 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.

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 of 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 statements 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.

City of Seal Beach
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

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 \$127.7 million and \$128.2 million for the years ended June 30, 2022, and June 30, 2021, respectively, as shown in Table 1.

Table 1 Condensed Statement of Net Position (in Thousands)						
	Governmental Activities		Business-Type Activities		Total Activities	
	2022	2021*	2022	2021	2022	2021
Current and other assets	\$ 55,876	\$ 39,531	\$ 19,875	\$ 19,423	\$ 75,751	\$ 58,954
Capital assets	85,735	86,763	34,662	35,794	120,397	122,557
Total assets	<u>141,611</u>	<u>126,294</u>	<u>54,537</u>	<u>55,217</u>	<u>196,148</u>	<u>181,511</u>
Deferred outflows of resources	10,715	9,790	802	997	11,517	10,787
Long-term liabilities outstanding	32,878	47,671	7,171	9,546	40,049	57,217
Other liabilities	4,005	3,836	1,666	1,314	5,671	5,150
Total liabilities	<u>36,883</u>	<u>51,507</u>	<u>8,837</u>	<u>10,860</u>	<u>45,720</u>	<u>62,367</u>
Deferred inflows of resources	32,247	1,555	1,979	185	34,226	1,740
Net position						
Net investment in capital assets	84,448	85,059	30,111	30,785	114,559	115,844
Restricted	8,759	7,202	25	25	8,784	7,227
Unrestricted	(10,011)	(9,239)	14,387	14,359	4,376	5,120
Total net position	<u>\$ 83,196</u>	<u>\$ 83,022</u>	<u>\$ 44,523</u>	<u>\$ 45,169</u>	<u>\$ 127,719</u>	<u>\$ 128,191</u>

** Prior year information has been revised to conform to current year presentation.

As of June 30, 2022, 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 (\$114.6 million or 89.7% of total net position) represents capital assets, such as land, buildings, infrastructure, and equipment, less any outstanding related debt used to acquire those assets. This is an overall decrease of \$1.3 million, or 01.1%. 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.

City of Seal Beach
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

Net position - Restricted (\$8.8 million or 6.9% of total net position) represents resources that are subject to external restrictions on how they may be used. This is an increase of \$1.6 million or 21.5%. The majority of this increase occurred in restrictions for public works, which increased \$1.5 million, or 52.9%.

Net position – Unrestricted (\$4.4 million or 3.4% of total net position). This is a decrease of \$0.7 million or 14.5%. The governmental activities unrestricted deficit of \$10.0 million is a result of the effect of implementing Governmental Accounting Standards Board (GASB) statements related to pension and other post-employment benefits (OPEB) liabilities. The deficit reflects the extent to which the City must defer to future periods the financing of a portion of its pension and OPEB liabilities. 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 decreased by \$0.5 million or 0.4%. The following Table 2 provides a summary of the City's operations for the years ended June 30, 2022, and June 30, 2021.

	Governmental Activities		Business-Type Activities		Total Activities	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 8,198	\$ 7,652	\$ 8,256	\$ 7,843	\$ 16,454	\$ 15,495
Operating grants and contributions	9,363	4,287	-	-	9,363	4,287
Capital grants and contributions	-	11	-	-	-	11
General revenues:						
Taxes:						
Property taxes	13,429	12,927	-	-	13,429	12,927
Sales taxes	11,444	10,147	-	-	11,444	10,147
Transient occupancy taxes	1,671	878	-	-	1,671	878
Other taxes	6,366	5,936	-	-	6,366	5,936
Use of money and property	(1,428)	151	218	257	(1,210)	408
Other	97	3,271	-	-	97	3,271
Total revenues	<u>49,140</u>	<u>45,260</u>	<u>8,474</u>	<u>8,100</u>	<u>57,614</u>	<u>53,360</u>
Expenses:						
General government	8,604	7,232	-	-	8,604	7,232
Public safety	26,912	23,326	-	-	26,912	23,326
Community development	3,044	2,283	-	-	3,044	2,283
Community services	1,992	1,140	-	-	1,992	1,140
Public works	9,086	8,291	-	-	9,086	8,291
Interest on long-term debt	61	58	-	-	61	58
Water	-	-	6,064	6,033	6,064	6,033
Sewer	-	-	2,323	2,652	2,323	2,652
Total expenses	<u>49,699</u>	<u>42,330</u>	<u>8,387</u>	<u>8,685</u>	<u>58,086</u>	<u>51,015</u>
Change in net position before transfers	(559)	2,930	87	(585)	(472)	2,345
Transfers	733	(324)	(733)	324	-	-
Change in net position	174	2,606	(646)	(261)	(472)	2,345
Net position at beginning of year	83,022	80,416	45,169	45,430	128,191	125,846
Net position at end of year	<u>\$ 83,196</u>	<u>\$ 83,022</u>	<u>\$ 44,523</u>	<u>\$ 45,169</u>	<u>\$ 127,719</u>	<u>\$ 128,191</u>

City of Seal Beach
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

Governmental Activities experienced an increase of \$0.2 million in net position as of June 30, 2022, compared to an increase of \$2.6 million at June 30, 2021. The reason for this year-to-year net decrease of \$2.4 million is due to increases of \$3.9 million in revenues and \$1.1 million in transfers with business-type activities offset by increases to expenses of \$7.4 million.

The overall net increase in revenues is due to recognizing 1) more COVID-related operating grants in the current year, 2) higher tax revenues across all tax categories as a result of the overall economic growth which occurred as the City moved out of the pandemic slow-down, 3) reductions to other revenues due to the prior year receipt of the final insurance proceeds from the May 2016 pier fire, and 4) reductions in interest earnings due to rising interest rates throughout the fiscal year which caused a large drop in the fair value of investments as of June 30; this resulted in unrealized losses, which substantially reduced investment income for the year.

The cost of all governmental activities during the current fiscal year was \$49.7 million, which is a \$7.4 million increase. All categories of expenses were higher in the current year as the City opened up operations more fully after the pandemic slow-down. The majority of this increase was a \$5.1 million addition to pension expense with \$2.0 million attributable to the public safety category (refer to Note 9 of the Notes to the Basic Financial Statements for further analysis of the pension expense). As shown on the statement of activities, those who directly benefited from the programs paid \$8.2 million of the cost, and \$9.4 million was financed by contributions and grants received from other governmental organizations. The remaining \$32.1 million in costs of operations was subsidized through general City taxes and other revenue sources. The largest operating cost was comprised of Public Safety, representing 54.1% of total governmental expenditures compared to 55.1% of total governmental expenditures in fiscal year 2020-2021.

Business-type Activities net position decreased by \$0.6 million. An updated water and sewer rate study was conducted and implemented in fiscal year 2021-2022. As a result of higher charges for services and slightly lower operating costs, net position increased by nearly \$0.1 million from operations. During the year, business-type activities paid \$0.7 million in administrative costs which were recorded as a transfer 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, 2022, the City's governmental funds reported combined ending fund balances of \$40.0 million. Approximately \$3.3 million, or 8.3% 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 \$34.3 million, representing a net increase of \$4.4 million. In comparison, in the prior fiscal year, the General Fund had a net increase of \$2.8 million to fund balance. Fiscal year 2021-2022 had an increase of \$4.6 million in revenues which was nearly entirely offset by an increase in expenditures of \$4.5 million. Since changes in revenues and expenditures essentially offset each other, the primary reason for the increase in fund balance is due to net transfers to other funds decreasing by \$1.6 million from the prior year. Prior year transfers made to the Water Enterprise Fund and to the Information Technology Internal Service Fund were not needed in the current year.

City of Seal Beach
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

Revenues increased due to receiving more COVID-related operating grant revenue in the current year and collecting higher tax revenues across all tax categories; these increases were offset by reductions to other revenues due to the prior year receipt of the final insurance proceeds from the May 2016 pier fire and by reductions in interest earnings due to rising interest rates throughout the fiscal year which caused a large drop in the fair value of investments as of June 30, resulting in unrealized losses recorded to investment income for the year. Overall expenditures increased by 12.6%, as the City reopened 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 \$4.3 million and \$10.1 million for the Water and Sewer funds, respectively. In the prior year, the Water and Sewer Funds had a combined operating loss of \$675,000. For fiscal year 2021-22, new water and sewer rates were implemented and contributed to a combined operating income of \$87,500. The Water Fund had an operating loss of \$155,600, despite the rate increase, while the Sewer Fund had an operating income of \$243,100.

GENERAL FUND BUDGETARY HIGHLIGHTS

When preparing its budget, the City attempts to estimate its revenues using realistic, but conservative methods so as to budget its expenditure appropriations in a prudent manner. Amendments were approved during the fiscal year to the adopted budget. The fiscal year 2021-2022 General Fund's revenue budget was adopted at \$38.8 million and had amendments to intergovernmental revenues of \$5.7 million for unanticipated grants. The fiscal year 2021-22 General Fund's original (adopted) budget for expenditures was \$39.7 million, and the final budget was \$41.5 million, a net increase of \$1.8 million. The largest changes were increases to community development, community services, and public works categories due to higher costs being approved as Covid-19 protocols were relaxed and allowed for more services to be provided to the community.

The General Fund reflected a net total positive budget variance of \$4.2 million when comparing actual amounts to the final amended budget for the current fiscal year. Actual revenues show a positive variance of \$1.1 million or 2.5% of the final budget due to unanticipated receipts of taxes and charges for services. Actual expenditures of \$40.5 million generated budgetary savings of \$1.1 million, or 2.6% of the final budget. The remaining budget variance of \$2.0 million is due to not needing to transfer out as much money to other funds as was originally anticipated.

CAPITAL ASSETS

The City's capital assets for its governmental and business-type activities as of June 30, 2022, total \$120.4 million compared to \$122.5 million (net of accumulated depreciation) as of June 30, 2021. The investment in capital assets includes land, building, equipment, improvements, infrastructure, and construction in progress. Additional information on the City's capital assets can be found in Note 5 in the notes to the basic financial statements.

	Governmental Activities		Business-Type Activities		Total Activities	
	2022	2021*	2022	2021	2022	2021*
Land and land easements	\$ 21,220	\$ 21,220	\$ -	\$ -	\$ 21,220	\$ 21,220
Buildings and improvements	8,658	8,994	-	-	8,658	8,994
Machinery and equipment	1,743	1,429	629	564	2,372	1,993
Vehicles	1,572	1,767	264	354	1,836	2,121
Infrastructure	50,526	51,302	31,922	33,606	82,448	84,908
Leased assets	178	106	-	-	178	106
Construction in progress	1,838	1,945	1,847	1,270	3,685	3,215
Totals	<u>\$ 85,735</u>	<u>\$ 86,763</u>	<u>\$ 34,662</u>	<u>\$ 35,794</u>	<u>\$ 120,397</u>	<u>\$ 122,557</u>

* as restated

City of Seal Beach
Management’s Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

During fiscal year 2021-2022, major capital projects formally completed include:

- Navy Reservoir External Cathodic Protection system Improvements WT2107 - \$63,927
- City Hall HVAC Replacement Project BG2001 - \$336,627
- FY 19-20 Traffic Signal Modification Project ST2006 - \$245,513
- FY 20-21 Arterial Street Resurfacing Project (Marina Drive) ST2103 - \$555,656
- Almond Park Lighting Improvements Project PR2103 - \$164,007
- City Hall Exterior Stairway Rehabilitation Project BG2102 - \$128,845
- City Yard Roofing Project BG2106 - \$177,644
- Police Department Outside Locker Replacement Project BG2103 - \$49,651
- Lampson Avenue Drainage Project SD2101 - \$189,374
- I-405 Waterline Improvement Relocation EM2201 - \$128,006

DEBT ADMINISTRATION

As of June 30, 2022, the City had bonded debt, lease liabilities, notes payable, claims payable, and compensated absence liabilities totaling \$7.6 million compared to \$8.5 million at the end of fiscal year 2020-21. The City’s governmental activities maintained \$2.9 million in lease revenue bonds, leases, claims payable, and compensated absences versus \$3.3 million last fiscal year, representing a decrease of approximately \$0.4 million. This decrease reflects interest and principal payments made during fiscal year 2021-22.

The City’s business-type activities debt decreased by \$0.5 million from \$5.2 million to \$4.7 million. Debt in the business-type activities consists of lease revenue bonds, State loans for water and sewer capital improvement projects, and compensated absences.

Additional information on the City’s long-term debt can be found in Note 6 in the basic financial statements.

Table 4 Outstanding Debt at Fiscal Year-End (in Thousands)						
	Governmental Activities		Business-Type Activities		Total Activities	
	2022	2021*	2022	2021	2022	2021*
Lease revenue bonds	\$ 735	\$ 1,155	\$ 1,580	\$ 1,765	\$ 2,315	\$ 2,920
Leases	538	486	-	-	538	486
Capital project notes	-	-	3,052	3,341	3,052	3,341
Self-insured claims payable	263	297	-	-	263	297
Compensated absences	1,333	1,317	115	122	1,448	1,439
Totals	<u>\$ 2,869</u>	<u>\$ 3,255</u>	<u>\$ 4,747</u>	<u>\$ 5,228</u>	<u>\$ 7,616</u>	<u>\$ 8,483</u>
* as restated						

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 improve moderately. However, challenges from high inflation and supply chain issues temper the recovering outlook. The passage of the Measure BB is anticipated to generate approximately \$6.5 million in transactions and use tax revenue.

City of Seal Beach
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

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 2022-2023. The one-year budget represents a General Fund surplus of operating revenues over operating expenditures (excluding capital projects). Expenditures of the City were budgeted at 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 2022-2023 budget year were conservative due to the continuing unknown impacts from the pandemic. 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 2022-2023 CIP recommends approximately \$63.3 million in improvements over the next 5 years. The 5 Year Capital Improvement Program identifies needs in the following areas: Buildings (\$4.5M) Beach and Pier (\$2.8M), Parks (\$0.3M), Sewer System (\$10.4M), Streets and Transportation (\$11.5M) and Water System (\$33.8M).

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
June 30, 2022

ASSETS	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Current Assets:			
Cash and investments	\$ 36,067,893	\$ 18,507,939	\$ 54,575,832
Accounts receivable	4,402,785	1,330,962	5,733,747
Taxes receivable	3,383,231	-	3,383,231
Lease receivable, due within one year	339,837	-	339,837
Interest receivable	43,906	-	43,906
Due from other governments	378,801	-	378,801
Prepaid items	173,479	10,463	183,942
Total Current Assets	44,789,932	19,849,364	64,639,296
Noncurrent Assets:			
Restricted cash with fiscal agent	630,909	25,082	655,991
Lease receivable, due in more than one year	10,455,341	-	10,455,341
Capital assets:			
Capital assets, not being depreciated	23,057,851	1,846,707	24,904,558
Capital assets, being depreciated and amortized, net	62,676,710	32,815,156	95,491,866
Total capital assets, net	85,734,561	34,661,863	120,396,424
Total Noncurrent Assets	96,820,811	34,686,945	131,507,756
Total Assets	141,610,743	54,536,309	196,147,052
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	-	84,492	84,492
Deferred outflow of resources related to pensions	9,629,730	610,517	10,240,247
Deferred outflow of resources related to other postemployment benefits	1,084,991	107,307	1,192,298
Total Deferred Outflows of Resources	10,714,721	802,316	11,517,037

City of Seal Beach
Statement of Net Position (Continued)
June 30, 2022

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
LIABILITIES			
Current Liabilities:			
Accounts payable	1,733,368	1,271,142	3,004,510
Accrued liabilities	1,197,530	168,481	1,366,011
Accrued interest	7,165	50,029	57,194
Deposits payable	1,052,728	173,757	1,226,485
Retention payable	13,954	3,196	17,150
Long-term liabilities, due within one year	914,456	525,674	1,440,130
Total Current Liabilities	<u>4,919,201</u>	<u>2,192,279</u>	<u>7,111,480</u>
Long-term liabilities:			
Long-term liabilities, due in more than one year	1,954,898	4,221,504	6,176,402
Net pension liabilities	25,866,053	2,013,808	27,879,861
Net other postemployment benefits liabilities	4,142,465	409,694	4,552,159
Total Noncurrent Liabilities	<u>31,963,416</u>	<u>6,645,006</u>	<u>38,608,422</u>
Total Liabilities	<u>36,882,617</u>	<u>8,837,285</u>	<u>45,719,902</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow of resources related to pensions	20,375,192	1,872,080	22,247,272
Deferred inflow of resources related to other postemployment benefits	1,076,952	106,512	1,183,464
Deferred inflow of resources related to leases	10,795,178	-	10,795,178
Total Deferred Inflows of Resources	<u>32,247,322</u>	<u>1,978,592</u>	<u>34,225,914</u>
NET POSITION			
Net investment in capital assets	84,447,535	30,111,234	114,558,769
Restricted for:			
Community development projects	908,809	-	908,809
Public safety	256,547	-	256,547
Community services	513,864	-	513,864
Public works	4,303,755	-	4,303,755
Debt service	742,148	25,082	767,230
Waste management, park in lieu, and I-405 corridor improvement	2,034,271	-	2,034,271
Total restricted	<u>8,759,394</u>	<u>25,082</u>	<u>8,784,476</u>
Unrestricted (deficit)	<u>(10,011,404)</u>	<u>14,386,432</u>	<u>4,375,028</u>
Total Net Position	<u>\$ 83,195,525</u>	<u>\$ 44,522,748</u>	<u>\$ 127,718,273</u>

City of Seal Beach
Statement of Activities
For the Year Ended June 30, 2022

Functions/Programs	Program Revenues				Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General government	\$ 8,604,149	\$ 1,129,039	\$ 501	\$ -	\$ 1,129,540
Public safety	26,912,192	2,547,127	504,884	-	3,052,011
Community development	3,043,960	434,955	6,409,313	-	6,844,268
Community services	1,991,897	1,244,430	-	-	1,244,430
Public works	9,086,138	2,842,031	2,447,852	655	5,290,538
Interest and fiscal charges	61,160	-	-	-	-
Total Governmental Activities	49,699,496	8,197,582	9,362,550	655	17,560,787
Business-Type Activities:					
Water utility	6,064,434	5,824,338	-	-	5,824,338
Sewer utility	2,323,027	2,432,441	-	-	2,432,441
Total Business-Type Activities	8,387,461	8,256,779	-	-	8,256,779
Total Primary Government	\$ 58,086,957	\$ 16,454,361	\$ 9,362,550	\$ 655	\$ 25,817,566

City of Seal Beach
Statement of Activities (Continued)
For the Year Ended June 30, 2022

Functions/Programs	Net (Expense) Revenue and Changes in Net Positions		
	Governmental Activities	Business-Type Activities	Total
Governmental Activities:			
General government	\$ (7,474,609)	\$ -	\$ (7,474,609)
Public safety	(23,860,181)	-	(23,860,181)
Community development	3,800,308	-	3,800,308
Community services	(747,467)	-	(747,467)
Public works	(3,795,600)	-	(3,795,600)
Interest and fiscal charges	(61,160)	-	(61,160)
Total Governmental Activities	(32,138,709)	-	(32,138,709)
Business-Type Activities:			
Water Utility	-	(240,096)	(240,096)
Sewer Utility	-	109,414	109,414
Total Business-Type Activities	-	(130,682)	(130,682)
Total Primary Government	(32,138,709)	(130,682)	(32,269,391)
General Revenues:			
Taxes:			
Property taxes, levied for general purpose	13,428,911	-	13,428,911
Sales taxes	11,443,583	-	11,443,583
Franchise taxes	1,101,243	-	1,101,243
Utility users tax	4,508,593	-	4,508,593
Transient occupancy taxes	1,670,504	-	1,670,504
Other taxes	757,421	-	757,421
Motor vehicle in lieu- unrestricted	28,238	-	28,238
Use of money and property	(1,428,396)	218,203	(1,210,193)
Other	69,001	-	69,001
Transfers	733,500	(733,500)	-
Total General Revenues and Transfers	32,312,598	(515,297)	31,797,301
Changes in Net Position	173,889	(645,979)	(472,090)
Net Position:			
Beginning of year	83,021,636	45,168,727	128,190,363
End of year	\$ 83,195,525	\$ 44,522,748	\$ 127,718,273

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FUND FINANCIAL STATEMENTS

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

City of Seal Beach
Balance Sheet
Governmental Funds
June 30, 2022

	General	Capital Projects and Equipment Capital Projects Fund	Nonmajor Governmental Funds	Total
ASSETS				
Cash and investments	\$ 30,120,972	\$ 235,923	\$ 5,126,898	\$ 35,483,793
Accounts receivable	3,678,901	-	697,134	4,376,035
Taxes receivable	3,288,899	-	94,332	3,383,231
Interest receivable	43,645	-	261	43,906
Lease receivable	10,795,178	-	-	10,795,178
Due from other governments	-	-	378,801	378,801
Due from other funds	877,471	-	-	877,471
Prepaid items	51,506	-	121,973	173,479
Restricted assets:				
Cash and investments with fiscal agents	4,370	-	626,539	630,909
Total assets	\$ 48,860,942	\$ 235,923	\$ 7,045,938	\$ 56,142,803
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,477,619	\$ 119,416	\$ 88,905	\$ 1,685,940
Accrued liabilities	1,186,511	-	11,019	1,197,530
Deposits payable	1,052,728	-	-	1,052,728
Due to other funds	-	102,553	774,918	877,471
Retentions payable	-	13,954	-	13,954
Total liabilities	3,716,858	235,923	874,842	4,827,623
Deferred inflow of resources:				
Unavailable revenue	-	-	557,165	557,165
Leases	10,795,178	-	-	10,795,178
Total deferred inflow of resources	10,795,178	-	557,165	11,352,343
Fund Balances:				
Nonspendable	51,506	-	-	51,506
Restricted	2,034,271	-	6,167,958	8,202,229
Committed	23,523,980	-	-	23,523,980
Assigned	4,853,380	-	-	4,853,380
Unassigned (deficit)	3,885,769	-	(554,027)	3,331,742
Total fund balances	34,348,906	-	5,613,931	39,962,837
Total liabilities, deferred inflow of resources, and fund balances	\$ 48,860,942	\$ 235,923	\$ 7,045,938	\$ 56,142,803

City of Seal Beach
Reconciliation of the Governmental Funds Balance Sheet to the
Government-Wide Statement of Net Position
June 30, 2022

Total Fund Balances - Total Governmental Funds \$ 39,962,837

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	\$ 23,057,851	
Depreciable and amortizable, net of \$1,002,161 reported in Internal Service Funds	<u>61,674,549</u>	84,732,400

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 \$164,450 reported in Internal Service Funds, are reported in the Statement of

Bonds payable	\$ (735,000)	
Loans payable	(300,555)	
Lease payable	(73,067)	
Claims and judgments	(263,169)	
Compensated absences	<u>(1,333,113)</u>	(2,704,904)

Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in the governmental funds. (7,165)

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	\$ 9,629,730	
Net pension liability	(25,866,053)	
Pension related deferred inflows of resources	<u>(20,375,192)</u>	(36,611,515)

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	\$ 1,084,991	
Net OPEB liability	(4,142,465)	
OPEB related deferred inflows of resources	<u>(1,076,952)</u>	(4,134,426)

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. 557,165

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. 1,401,133

Net Position of Governmental Activities \$ 83,195,525

City of Seal Beach
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2022

	General Fund	Capital Projects and Equipment Capital Projects Fund	Other Governmental Funds	Total
Revenues:				
Taxes	\$ 32,910,255	\$ -	\$ 2,066,570	\$ 34,976,825
Licenses and permits	926,792	-	-	926,792
Intergovernmental	5,867,774	-	886,548	6,754,322
Charges for services	4,981,640	-	137,129	5,118,769
Use of money and property	(1,250,746)	-	52,931	(1,197,815)
Fines and forfeitures	1,871,227	-	-	1,871,227
Contributions	36,817	-	40,000	76,817
Miscellaneous	239,117	-	1,800	240,917
Total revenues	45,582,876	-	3,184,978	48,767,854
Expenditures:				
Current:				
General government	7,502,596	-	94,943	7,597,539
Public safety	23,296,005	-	596,985	23,892,990
Community development	1,694,335	-	491,372	2,185,707
Community services	1,174,593	-	-	1,174,593
Public works	6,646,947	4,355	233,058	6,884,360
Capital outlay	17,239	1,076,085	782,272	1,875,596
Debt service:				
Principal retirement	112,556	-	420,000	532,556
Interest and fiscal charges	15,849	-	40,007	55,856
Total expenditures	40,460,120	1,080,440	2,658,637	44,199,197
Revenues over (under) expenditures	5,122,756	(1,080,440)	526,341	4,568,657
Other Financing Sources (uses):				
Transfers in	872,800	1,316,362	508,415	2,697,577
Transfers out	(1,643,582)	-	(320,495)	(1,964,077)
Total other financing sources (uses):	(770,782)	1,316,362	187,920	733,500
Net change in fund balances	4,351,974	235,922	714,261	5,302,157
Fund Balances:				
Beginning of year	29,996,932	(235,922)	4,899,670	34,660,680
End of year	<u>\$ 34,348,906</u>	<u>\$ -</u>	<u>\$ 5,613,931</u>	<u>\$ 39,962,837</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, 2022

Net Change in Fund Balances - Total Governmental Funds	\$	5,302,157
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 \$321,355 reported in Internal Service Fund	\$	1,908,798
Depreciation and amortization, net of \$228,137 reported in Internal Service Fund		(2,620,395)
Net effect on disposal of capital assets, net of \$0 reported in Internal Service Fund		<u>(410,197)</u>
		(1,121,794)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
		532,556
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.		
		(5,304)
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.		
		34,126
Compensated absences were reported in the Government-Wide Statement of Activities, but they did not require the use of current financial resources. Therefore, compensated absences were not reported as expenditures in the governmental funds.		
		(16,341)
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 \$4,789,219.		
		(5,165,036)
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 \$901,056.		
		599,230
Revenues reported as unavailable revenue in the governmental funds and recognized in the Statement of Activities.		
		371,731
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>(357,436)</u>
Change in net position of governmental activities	\$	<u>173,889</u>

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PROPRIETARY FUND FINANCIAL STATEMENTS

City of Seal Beach
Statement of Net Position
Proprietary Funds
June 30, 2022

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Water Utility	Sewer Utility	Total	Internal Service Funds
ASSETS				
Current Assets:				
Cash and investments	\$ 7,243,310	\$ 11,264,629	\$ 18,507,939	\$ 584,100
Accounts receivable	855,178	475,784	1,330,962	26,750
Prepaid items	10,463	-	10,463	-
Total Current Assets	8,108,951	11,740,413	19,849,364	610,850
Noncurrent Assets:				
Restricted cash	25,082	-	25,082	-
Capital assets, not being depreciated	1,498,343	348,364	1,846,707	-
Capital assets, net of accumulated depreciation	14,877,473	17,937,683	32,815,156	1,002,161
Total capital assets	16,375,816	18,286,047	34,661,863	1,002,161
Total Noncurrent Assets	16,400,898	18,286,047	34,686,945	1,002,161
Total Assets	24,509,849	30,026,460	54,536,309	1,613,011
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	-	84,492	84,492	-
Pension related items	385,933	224,584	610,517	-
Other postemployment benefits related items	59,615	47,692	107,307	-
Total Deferred Outflows of Resources	445,548	356,768	802,316	-

(Continued)

City of Seal Beach
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2022

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Water Utility	Sewer Utility	Total	Internal Service Funds
LIABILITIES				
Current Liabilities:				
Accounts payable	1,144,815	126,327	1,271,142	47,428
Accrued liabilities	130,177	38,304	168,481	-
Accrued interest	785	49,244	50,029	-
Retention payable	3,196	-	3,196	-
Deposits payable	165,773	7,984	173,757	-
Compensated absences, due within one year	17,305	19,157	36,462	-
Long-term debt, due within one year	84,436	404,776	489,212	36,205
Total Current Liabilities	1,546,487	645,792	2,192,279	83,633
Noncurrent Liabilities:				
Compensated absences, due in more than one year	55,263	23,528	78,791	-
Long-term debt, due in more than one year	401,073	3,741,640	4,142,713	128,245
Net pension liabilities	1,273,011	740,797	2,013,808	-
Net other postemployment benefits liabilities	227,608	182,086	409,694	-
Total Noncurrent Liabilities	1,956,955	4,688,051	6,645,006	128,245
Total Liabilities	3,503,442	5,333,843	8,837,285	211,878
DEFERRED INFLOW OF RESOURCES				
Pension related items	1,183,419	688,661	1,872,080	-
Other postemployment benefits related items	59,173	47,339	106,512	-
Total Deferred Inflows of Resources	1,242,592	736,000	1,978,592	-
NET POSITION				
Net investment in capital assets	15,887,111	14,224,123	30,111,234	837,711
Restricted for debt service	25,082	-	25,082	-
Unrestricted	4,297,170	10,089,262	14,386,432	563,422
Total Net Position	\$ 20,209,363	\$ 24,313,385	\$ 44,522,748	\$ 1,401,133

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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, 2022

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Water Utility	Sewer Utility	Total	Internal Service Funds
OPERATING REVENUES:				
Sales and service charges	\$ 5,807,086	\$ 2,432,097	\$ 8,239,183	\$ -
Miscellaneous	17,252	344	17,596	26,750
Total Operating Revenues	<u>5,824,338</u>	<u>2,432,441</u>	<u>8,256,779</u>	<u>26,750</u>
OPERATING EXPENSES:				
Personnel expenses	1,896,263	589,652	2,485,915	-
Operating expenses	3,553,013	317,111	3,870,124	156,349
Amortization and depreciation expenses	614,417	1,265,752	1,880,169	228,137
Total Operating Expenses	<u>6,063,693</u>	<u>2,172,515</u>	<u>8,236,208</u>	<u>384,486</u>
OPERATING INCOME (LOSS)	<u>(239,355)</u>	<u>259,926</u>	<u>20,571</u>	<u>(357,736)</u>
NONOPERATING INCOME (LOSS):				
Interest revenues	84,513	133,690	218,203	-
Interest expenses	(741)	(150,512)	(151,253)	-
Gain on sale of assets	-	-	-	300
Total Nonoperating Income (Loss)	<u>83,772</u>	<u>(16,822)</u>	<u>66,950</u>	<u>300</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>(155,583)</u>	<u>243,104</u>	<u>87,521</u>	<u>(357,436)</u>
TRANSFERS:				
Transfers out	(440,000)	(293,500)	(733,500)	-
Total Transfers	<u>(440,000)</u>	<u>(293,500)</u>	<u>(733,500)</u>	<u>-</u>
CHANGES IN NET POSITION	<u>(595,583)</u>	<u>(50,396)</u>	<u>(645,979)</u>	<u>(357,436)</u>
NET POSITION:				
Beginning of year	20,804,946	24,363,781	45,168,727	1,758,569
End of year	<u>\$ 20,209,363</u>	<u>\$ 24,313,385</u>	<u>\$ 44,522,748</u>	<u>\$ 1,401,133</u>

City of Seal Beach
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2022

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Water Utility	Sewer Utility	Total	Internal Service Funds
CASH FLOWS FROM OPERATING				
ACTIVITIES:				
Cash received from customers and users	\$ 5,644,031	\$ 2,413,956	\$ 8,057,987	\$ 7,475
Cash paid to suppliers for goods and services	(3,417,059)	(207,525)	(3,624,584)	(160,165)
Cash paid to employees for services	(1,559,538)	(784,001)	(2,343,539)	-
Net cash provided by (used in)				
operating activities	<u>667,434</u>	<u>1,422,430</u>	<u>2,089,864</u>	<u>(152,690)</u>
CASH FLOWS FROM NONCAPITAL				
FINANCING ACTIVITIES:				
Cash transfers out	(440,000)	(293,500)	(733,500)	-
Net cash (used in) noncapital				
financing activities	<u>(440,000)</u>	<u>(293,500)</u>	<u>(733,500)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND				
RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	(609,214)	(127,176)	(736,390)	(136,145)
Proceed on disposal of assets	-	-	-	300
Principal paid on long-term debt	(84,436)	(389,460)	(473,896)	(20,760)
Interest paid on debt	(1,259)	(154,602)	(155,861)	-
Net cash (used in) capital and related				
financing activities	<u>(694,909)</u>	<u>(671,238)</u>	<u>(1,366,147)</u>	<u>(156,605)</u>
CASH FLOWS FROM INVESTING				
ACTIVITIES:				
Interest received	84,513	133,690	218,203	-
Net cash provided by investing activities	<u>84,513</u>	<u>133,690</u>	<u>218,203</u>	<u>-</u>
Net change in cash and cash equivalents	(382,962)	591,382	208,420	(309,295)
CASH AND CASH EQUIVALENTS:				
Beginning of year	7,651,354	10,673,247	18,324,601	893,395
End of year	<u>\$ 7,268,392</u>	<u>\$ 11,264,629</u>	<u>\$ 18,533,021</u>	<u>\$ 584,100</u>
RECONCILIATION OF CASH AND CASH				
EQUIVALENTS:				
Cash and investments	\$ 7,243,310	\$ 11,264,629	\$ 18,507,939	\$ 584,100
Restricted cash	25,082	-	25,082	-
Total cash and cash equivalents	<u>\$ 7,268,392</u>	<u>\$ 11,264,629</u>	<u>\$ 18,533,021</u>	<u>\$ 584,100</u>

(Continued)

City of Seal Beach
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2022

	Business-Type Activities			Governmental
	Enterprise Funds		Total	Activities
	Water Utility	Sewer Utility		Internal Service Funds
Reconciliation of Operating Income (Loss) to to Net Cash Provided by (Used in)				
Operating Activities:				
Operating income (loss)	\$ (239,355)	\$ 259,926	20,571	\$ (357,736)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Amortization and depreciation expenses	614,417	1,265,752	1,880,169	228,137
Changes in assets and liabilities:				
(Increase)/decrease in accounts receivables	(244,291)	(19,199)	(263,490)	(19,275)
(Increase)/decrease in prepaid items	5,268	15,731	20,999	-
(Increase)/decrease in deferred outflows of resources related to pensions	67,585	126,112	193,697	-
(Increase)/decrease in deferred outflows of resources related to OPEB	(6,238)	(4,991)	(11,229)	-
Increase/(decrease) in accounts payable	130,686	93,855	224,541	(3,816)
Increase/(decrease) in accrued liabilities	72,962	(4,934)	68,028	-
Increase/(decrease) in deposits payable	63,984	714	64,698	-
Increase/(decrease) in compensated absences	(5,903)	(863)	(6,766)	-
Increase/(decrease) in net pension liabilities	(862,743)	(910,738)	(1,773,481)	-
Increase/(decrease) in net OPEB liabilities	(67,352)	(53,882)	(121,234)	-
Increase/(decrease) in deferred inflows of resources related to pensions	1,097,749	622,414	1,720,163	-
Increase/(decrease) in deferred inflows of resources related to OPEB	40,665	32,533	73,198	-
Net cash provided by (used in) operating activities	<u>\$ 667,434</u>	<u>\$ 1,422,430</u>	<u>\$ 2,089,864</u>	<u>\$ (152,690)</u>
NONCASH ITEM:				
Acquisition of capital assets through lease agreements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 185,210</u>

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FIDUCIARY FUND FINANCIAL STATEMENTS

City of Seal Beach
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2022

	Custodial Funds	Successor Agency Private-purpose Trust Fund
	<u> </u>	<u> </u>
ASSETS		
Cash and investments	\$ 900,445	\$ -
Restricted investments with fiscal agent	948,750	-
Total Assets	<u>1,849,195</u>	<u>-</u>
LIABILITIES		
Current liabilities:		
Accounts payable	71,157	-
Interest payable	106,822	-
Total current liabilities	<u>177,979</u>	<u>-</u>
Total liabilities	<u>177,979</u>	<u>-</u>
NET POSITION		
Restricted		
For individual, organization and other government	<u>\$ 1,671,216</u>	<u>\$ -</u>
Total fiduciary net position		

City of Seal Beach
Statement of Change in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2022

	Custodial Fund	Successor Agency Private-purpose Trust Fund
ADDITIONS:		
Assessment revenue collected	\$ 796,591	\$ -
Deposits	483,870	-
Investment income	4,385	2
Total Additions	<u>1,284,846</u>	<u>2</u>
DEDUCTIONS:		
Administrative expenses	-	15,921
Payment of special assessment district debt service	797,504	-
Total Deductions	<u>797,504</u>	<u>15,921</u>
Change in Net Position	487,342	(15,919)
NET POSITION:		
Beginning of year	1,183,874	15,919
End of year	<u>\$ 1,671,216</u>	<u>\$ -</u>

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NOTES TO THE BASIC FINANCIAL STATEMENTS

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City of Seal Beach
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For the Year Ended June 30, 2022

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City of Seal Beach
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For the Year Ended June 30, 2022

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City of Seal Beach
Notes to the Basic Financial Statements
For the Year Ended June 30, 2022

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, 2022

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, 2022

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.

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.

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.

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Proprietary Fund Financial Statements (Continued)

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 and private purpose trust funds. Both custodial funds and the private purpose trust 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 funds:

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.

Private-purpose Trust Fund – This fund accounts for the assets and liabilities of the former redevelopment agency through a trust equivalent and its apportioned redevelopment property tax trust fund to pay estimated installment payments of enforceable obligations until obligations of the former redevelopment agency are paid in full and assets have been liquidated. All outstanding debt was paid off during the year ended June 30, 2021. On February 1, 2022, the California Department of Finance approved the dissolution of the Successor Agency Private Purpose Trust Fund.

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, 2022

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 Receivables

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, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

F. Lease Receivables (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, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

I. Capital Assets (Continued)

The City established a threshold to recognize a right-to-use lease asset (lease asset) in the government-wide financial statements and proprietary fund financial statements for a leased 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.

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.

L. Claims Payable

The City records a liability to reflect an actuarial estimate of ultimate uninsured losses for both general liability claims (including property damage claims) and workers' compensation claims. The estimated liability for workers' compensation claims and general liability claims includes "incurred but not reported" ("IBNR") claims. There is no fixed payment schedule to pay these liabilities.

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

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, 2020
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

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.

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.

The following timeframes are used for OPEB reporting:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

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.

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

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.

- The City uses incremental borrowing rate 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 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. *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 and deferred charges, and retention payable.

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

R. 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.

S. 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.

T. Spending Policy

Government-Wide Financial Statements and the Proprietary Fund Financial Statements

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.

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

T. Spending Policy (Continued)

Governmental Fund Financial Statements

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
- Unassigned

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 the fiscal year ended June 30, 2022, the City implemented the following new GASB pronouncements:

GASB Statement No. 87 – In June 2017, GASB issued Statement No. 87, *Leases* (GASB Statement No. 87), to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It also establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The effective date of GASB Statement No. 87 (as amended by GASB Statement No. 95) is for fiscal years beginning after June 15, 2021. Implementation of this Statement resulted in restatement of beginning balance of lease assets (Note 5) and lease liabilities (Note 6) at July 1, 2021.

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

W. Implementation of New GASB Pronouncements (Continued)

GASB Statement No. 89 – In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre–November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business–type activity or enterprise fund. Implementation of this Statement did not have a significant effect on the City’s financial statements for the fiscal year ended June 30, 2022.

GASB Statement No. 92 – In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Implementation of this Statement did not have a significant effect on the City’s financial statements for the fiscal year ended June 30, 2022.

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, 2022:

	Government-Wide Statement of Net Position	Statement of Fiduciary Net Position	Total
Cash and investments	\$ 54,575,832	\$ 900,445	\$ 55,476,277
Restricted cash and investment with fiscal agent	655,991	948,750	1,604,741
Total cash and investments	\$ 55,231,823	\$ 1,849,195	\$ 57,081,018

The City’s cash and investments at June 30, 2022 in more detail:

Cash and Investments:	
Petty cash	\$ 9,000
Demand deposits	3,410,674
Restricted cash	29,452
Investments	53,631,892
Total cash and investments	\$ 57,081,018

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 2 – Cash and Investments (Continued)

A. Demand Deposits

The carrying amounts of the City’s demand deposits were \$3,410,674 at June 30, 2022. Bank balances at that date were \$3,807,273, 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	5 years	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%	10%
Money market mutual funds	5 years	10%	10%
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, 2022

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, 2022, 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, 2022:

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	\$ 13,023,742	\$ 13,023,742	\$ -
Supra-National Agency Note	613,550	-	613,550
U.S. government sponsored enterprise security	7,650,263	-	7,650,263
Asset-backed securities	47,701	-	47,701
Municipal bonds	1,134,520	-	1,134,520
Corporate note	4,436,388	-	4,436,388
Negotiable certificates of deposit	916,392	-	916,392
Total investments subject to fair value measurement	\$ 27,822,556	\$ 13,023,742	\$ 14,798,814

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, 2022

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	\$ 13,023,742	\$ 777,739	\$ 2,833,585	\$ 2,437,139	\$ 6,587,134	\$ 388,145
Supra-National Agency Note	613,550	-	207,038	406,512	-	-
U.S. government sponsored enterprise security	7,650,263	1,586,839	2,310,915	1,790,842	1,961,667	-
Asset-backed securities	47,701	-	-	-	47,701	-
Municipal bonds	1,134,520	-	267,268	509,108	358,144	-
Corporate note	4,436,388	608,693	662,517	1,988,630	640,243	536,305
Negotiable certificates of deposit	916,392	916,392	-	-	-	-
LAIF	24,234,047	24,234,047	-	-	-	-
Investments with Fiscal Agent:						
Money Market Mutual Funds	1,575,289	1,575,289	-	-	-	-
Total investments	<u>\$ 53,631,892</u>	<u>\$ 29,698,999</u>	<u>\$ 6,281,323</u>	<u>\$ 7,132,231</u>	<u>\$ 9,594,889</u>	<u>\$ 924,450</u>

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code 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
US Treasury bonds/notes	N/R	\$ 13,023,742	\$ 13,023,742	\$ -	\$ -	\$ -
Supra-National Agency Note	AA	613,550	613,550	-	-	-
U.S. government sponsored enterprise security	A	7,650,263	7,650,263	-	-	-
Asset-backed securities	AA	47,701	47,701	-	-	-
Municipal bonds		1,134,520	183,093	951,427	-	-
Corporate note	A	4,436,388	499,213	665,045	3,272,130	-
Negotiable certificates of deposit	NR	916,392	-	-	916,392	-
LAIF	N/A	24,234,047	-	-	-	24,234,047
Investments with Fiscal Agent:						
Money Market Mutual Funds	N/R	1,575,289	1,575,289	-	-	-
Total investments		<u>\$ 53,631,892</u>	<u>\$ 23,592,851</u>	<u>\$ 1,616,472</u>	<u>\$ 4,188,522</u>	<u>\$ 24,234,047</u>

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

N/A - Not applicable

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 2 – Cash and Investments (Continued)

E. Risk Disclosures (Continued)

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The City's investment in Federal National Mortgage Association and Federal Home Loan Mortgage Association in amounts of \$3,843,855 and \$2,614,180 represented 7.4% and 5.0% of total City investments, respectively.

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, 2022, 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.

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. The City's investments with LAIF at June 30, 2022 included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities, which included the following:

Structured Notes - debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities - generally, mortgage-backed securities that entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (for example, collateralized mortgage obligations), or credit card receivables.

As of June 30, 2022, the City had \$24,234,047 invested in LAIF, which had invested 1.88% of the pool investment funds in Structured Notes, Medium-term Asset-Backed Securities, and Short-term Asset Backed Commercial Paper. LAIF is reported at amortized cost, which approximates fair value.

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 3 – Lease Receivables

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 3 to 35 years and the cell towers range from 4 to 25 years. The incremental borrowing rates used was 1.5%. For the year ended June 30, 2022, the City recognized \$319,974 in lease revenue and \$165,053 in lease interest revenue for General Fund. The outstanding lease receivable is in the amount of \$10,795,178 in the General Fund.

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

Year ending June 30,	Principal	Interest	Total
2023	\$ 339,837	\$ 160,139	\$ 499,976
2024	342,714	155,389	498,103
2025	355,053	149,865	504,918
2026	350,753	144,460	495,213
2027	292,970	139,671	432,641
2028-2032	1,542,915	630,441	2,173,356
2033-2037	1,916,152	502,863	2,419,015
2038-2042	1,906,308	357,008	2,263,316
2043-2047	1,798,128	225,057	2,023,185
2048-2052	860,936	115,331	976,267
2053-2057	1,089,412	42,280	1,131,692
	<u>\$ 10,795,178</u>	<u>\$ 2,622,504</u>	<u>\$ 13,417,682</u>

Note 4 – Interfund Transactions

A. Due From/To Other Funds

At June 30, 2022, the City had the following due from/to other funds:

Due To Other Funds	Due From Other Funds	
	General Fund	
Capital Projects and Equipment		
Capital Projects Fund	\$	102,553
Nonmajor Governmental Funds		774,918
Total	<u>\$</u>	<u>877,471</u>

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

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 4 – Interfund Transactions (Continued)

B. Transfers

During the year ended June 30, 2022, the City had the following transfers:

Transfers in	Transfers out				Total
	General Fund	Nonmajor Governmental Funds	Water Utility Enterprise Fund	Sewer Utility Enterprise Fund	
General Fund	\$ -	\$ 139,300	\$ 440,000	\$ 293,500	\$ 872,800
Capital Projects and Equipment					
Capital Projects Fund	1,135,167	181,195	-	-	1,316,362
Nonmajor Governmental Funds	508,415	-	-	-	508,415
Total	<u>\$ 1,643,582</u>	<u>\$ 320,495</u>	<u>\$ 440,000</u>	<u>\$ 293,500</u>	<u>\$ 2,697,577</u>

In general, transfers are used to 1) use unrestricted revenues collected in one fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and 2) to transfer to the General Fund to fund administration services.

Transfers totaling \$733,500 from the Water and Sewer Utility Enterprise Funds were made to the General Fund to provide funding for certain administrative costs. Transfers of \$139,300 from Nonmajor Governmental Funds were made to the General Fund for non-capital expenditures.

The General Fund and the Nonmajor Governmental Funds transferred \$1,135,167 and \$181,195 to the Capital Projects and Equipment Capital Projects Fund to pay for capital projects.

The General Fund transferred a total of \$508,415 to the Nonmajor Governmental for debt service-related costs.

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 5 – Capital Assets

The summary of changes in governmental activities capital assets for the year ended June 30, 2022 is as follows:

	Balance July 1, 2021 (As Restated)	Additions	Deletions	Reclassifications	Balance June 30, 2022
<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	1,944,783	916,713	-	(1,023,492)	1,838,004
Total capital assets not being depreciated	<u>23,164,630</u>	<u>916,713</u>	<u>-</u>	<u>(1,023,492)</u>	<u>23,057,851</u>
<i>Capital assets being depreciated:</i>					
Buildings and improvements	16,731,683	196,797	(216,008)	-	16,712,472
Machinery and equipment	3,827,684	513,395	-	-	4,341,079
Vehicles	3,516,694	136,145	(56,207)	-	3,596,632
Infrastructure	91,713,234	281,893	(271,540)	1,023,492	92,747,079
Total capital assets being depreciated	<u>115,789,295</u>	<u>1,128,230</u>	<u>(543,755)</u>	<u>1,023,492</u>	<u>117,397,262</u>
<i>Less accumulated depreciation for:</i>					
Buildings and improvements	(7,737,308)	(403,127)	86,423	-	(8,054,012)
Machinery and equipment	(2,398,529)	(199,624)	-	-	(2,598,153)
Vehicles	(1,750,433)	(321,214)	47,135	-	(2,024,512)
Infrastructure	(40,410,583)	(1,811,091)	-	-	(42,221,674)
Total accumulated depreciation	<u>(52,296,853)</u>	<u>(2,735,056)</u>	<u>133,558</u>	<u>-</u>	<u>(54,898,351)</u>
Total capital assets being depreciated, net	<u>63,492,442</u>	<u>(1,606,826)</u>	<u>(410,197)</u>	<u>1,023,492</u>	<u>62,498,911</u>
<i>Intangible assets being amortized:</i>					
Leased assets	106,065	185,210	-	-	291,275
Accumulated amortization	-	(113,476)	-	-	(113,476)
Total capital assets being depreciated, net	<u>106,065</u>	<u>71,734</u>	<u>-</u>	<u>-</u>	<u>177,799</u>
Total governmental activities	<u>\$ 86,763,137</u>	<u>\$ (618,379)</u>	<u>\$ (410,197)</u>	<u>\$ -</u>	<u>\$ 85,734,561</u>

Depreciation and amortization expense was charged to functions/programs of governmental activities for the year ended June 30, 2022 as follows:

General government	\$ 162,157
Public safety	440,906
Community development	134,840
Public works	1,903,251
Internal service funds	207,378
Total depreciation and amortization expense	<u>\$ 2,848,532</u>

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 5 – Capital Assets (Continued)

The summary of changes in business-type activities capital assets for the year ended June 30, 2022 is as follows:

	Balance July 1, 2021	Additions	Deletions	Reclassifications	Balance June 30, 2022
<i>Capital assets not being depreciated:</i>					
Construction in progress-water	\$ 1,004,720	\$ 565,047	\$ -	\$ (71,424)	\$ 1,498,343
Construction in progress-sewer	264,575	83,789	-	-	348,364
Total capital assets not being depreciated	<u>1,269,295</u>	<u>648,836</u>	<u>-</u>	<u>(71,424)</u>	<u>1,846,707</u>
<i>Capital assets being depreciated:</i>					
Buildings and improvements - water	73,284	-	-	-	73,284
Machinery and equipment - water	617,059	43,387	-	-	660,446
Machinery and equipment - sewer	785,802	43,387	-	-	829,189
Vehicles - water	297,295	-	-	-	297,295
Vehicles - sewer	589,772	-	-	-	589,772
Infrastructure - water	34,265,102	780	-	71,424	34,337,306
Infrastructure - sewer	38,622,844	-	-	-	38,622,844
Total capital assets being depreciated	<u>75,251,158</u>	<u>87,554</u>	<u>-</u>	<u>71,424</u>	<u>75,410,136</u>
<i>Less accumulated depreciation for:</i>					
Buildings and improvements - water	(73,284)	-	-	-	(73,284)
Machinery and equipment - water	(543,392)	(5,980)	-	-	(549,372)
Machinery and equipment - sewer	(295,796)	(15,329)	-	-	(311,125)
Vehicles - water	(169,027)	(31,666)	-	-	(200,693)
Vehicles - sewer	(363,986)	(57,567)	-	-	(421,553)
Infrastructure - water	(19,090,738)	(576,771)	-	-	(19,667,509)
Infrastructure - sewer	(20,190,659)	(1,180,785)	-	-	(21,371,444)
Total accumulated depreciation	<u>(40,726,882)</u>	<u>(1,868,098)</u>	<u>-</u>	<u>-</u>	<u>(42,594,980)</u>
Total capital assets being depreciated, net	<u>34,524,276</u>	<u>(1,780,544)</u>	<u>-</u>	<u>71,424</u>	<u>32,815,156</u>
Total business-type activities	<u>\$ 35,793,571</u>	<u>\$ (1,131,708)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,661,863</u>

Depreciation expense was charged to functions/programs of business-type activities for the year ended June 30, 2022 as follows:

Water Utility	\$ 614,417
Sewer Utility	1,253,681
Total depreciation expense	<u>\$ 1,868,098</u>

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 6 – Long-Term Liabilities

A. Governmental Activities

Summary of changes in long-term liabilities for governmental activities for the year ended June 30, 2022 is as follows:

	Balance July 1, 2021 (As Restated)	Additions	Deletions	Balance June 30, 2022	Classification		
					Due within One Year	Due in more than One Year	
<u>Private Placement</u>							
2009 Lease Revenue Bonds	\$ 1,155,000	\$ -	\$ (420,000)	\$ 735,000	\$ 420,000	\$ 315,000	
<u>Direct Borrowing</u>							
Municipal Finance Corporation	380,113	-	(79,558)	300,555	82,286	218,269	
<u>Leases</u>							
De Lage Landen	106,065	-	(32,998)	73,067	34,324	38,743	
Enterprise Fleet	-	185,210	(20,760)	164,450	36,205	128,245	
Claims payable	297,295	-	(34,126)	263,169	52,151	211,018	
Compensated absences	1,316,772	750,992	(734,651)	1,333,113	289,490	1,043,623	
Total	<u>\$ 3,255,245</u>	<u>\$ 936,202</u>	<u>\$ (1,322,093)</u>	<u>\$ 2,869,354</u>	<u>\$ 914,456</u>	<u>\$ 1,954,898</u>	

The General Fund has been used to liquidate the majority of the liability for compensated absences in the current and prior years.

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. The total balance of the 2009 Series Lease Revenue bonds at June 30, 2022 was \$735,000.

The 2009 Bonds are equally secured by a pledge, charge and lien on the revenues of the sublease. If an event of default under the sublease occurs then the trustee shall, within 30 days of such notice, give written notice by first class mail to the owner of each Series 2009 bond unless the default has been cured within the 30-day period. The trustee shall have no right to declare the principal of, or interest on, the Series 2009 bonds to be due and payable immediately.

The annual debt service requirements are as follows:

Year ending June 30,	Principal	Interest	Total
2023	\$ 420,000	\$ 21,425	441,425
2024	315,000	5,844	320,844
Total	<u>\$ 735,000</u>	<u>\$ 27,269</u>	<u>\$ 762,269</u>

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 6 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

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%. The balance of the Municipal Finance Corporation Loan at June 30, 2022 was \$300,555.

In the event of a termination or cancellation of the agreement by the City, due to no fault or failure of performance by Climatec LLC, Climatec LLC shall be paid based on the percentage of work that is satisfactory and of beneficial use. If on the scheduled date of termination of this Lease the rental payments have not been fully paid, then the terms shall be extended until the date upon which all such rental payments are made, except that the term of this Lease shall in no event extend beyond the date that corresponds to the end of the useful life of the property. In the event the City fails to pay any part of the rental payments within 30 days of the due date, the City shall upon the lessor’s written request, pay interest on such delinquent rental payments from the date it was due until the date it is paid at the rate of 8% per annum or the maximum legal rate, whatever is less. In the event of a default the lessor does not have the right to accelerate the rental payments due in future periods or declare any rental payments not then in default to be immediately due and payable.

The annual debt service requirements are as follows:

Year ending June 30,	Principal	Interest	Total
2023	\$ 82,286	\$ 9,525	\$ 91,811
2024	85,107	6,704	91,811
2025	88,025	3,786	91,811
2026	45,137	767	45,904
Total	<u>\$ 300,555</u>	<u>\$ 20,782</u>	<u>\$ 321,337</u>

De Lage Landen Public Finance 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 \$3,049 plus a monthly service/maintenance payment of \$1,563 for a total monthly payment of \$4,612. Lease and service/maintenance payments are due on the 1st of each month. Interest on the copy machines accrues at 3.17% annum. In the event of default, the lease shall be deemed terminated. The value of the right to use asset as of June 30, 2022 of \$106,065 with accumulated amortization of \$32,997 is included in the governmental activities intangible assets.

Future lease payments under the lease payable are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 34,324	\$ 2,269	\$ 36,593
2024	38,743	899	39,642
Total	<u>\$ 73,067</u>	<u>\$ 3,168</u>	<u>\$ 76,235</u>

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

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. Lease payments are due on the 1st of each month. Interest accrues at 1.0% to 2.6% annum. In the event of default, the lease shall be deemed terminated. The value of the right to use asset as of June 30, 2022 of \$185,210 with accumulated amortization of \$20,759 is included in the governmental activities intangible assets.

Future lease payments under the lease payable are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 36,205	\$ 2,198	\$ 38,403
2024	36,746	1,655	38,401
2025	37,306	1,096	38,402
2026	37,870	532	38,402
2027	16,323	54	16,377
Total	<u>\$ 164,450</u>	<u>\$ 5,535</u>	<u>\$ 169,985</u>

B. Business-Type Activities

Summary of changes in long-term liabilities for business-type activities for the year ended June 30, 2022 is as follows:

	Balance			Balance June 30, 2022	Classification		
	July 1, 2021	Additions	Deletions		Due within One Year	Due in more than One Year	
<u>Private Placement</u>							
2011 Sewer Revenue Refunding Bonds	\$ 1,765,000	\$ -	\$ (185,000)	\$ 1,580,000	\$ 195,000	\$ 1,385,000	
<u>Direct Borrowing</u>							
Sewer Capital Improvement Project #1	1,606,294	-	(128,017)	1,478,277	131,345	1,346,932	
Sewer Capital Improvement Project #2	1,164,582	-	(76,443)	1,088,139	78,431	1,009,708	
West Orange County Water Board Loan	569,945	-	(84,436)	485,509	84,436	401,073	
Compensated absences	122,019	57,892	(64,658)	115,253	36,462	78,791	
Total	<u>\$ 5,227,840</u>	<u>\$ 57,892</u>	<u>\$ (538,554)</u>	<u>\$ 4,747,178</u>	<u>\$ 525,674</u>	<u>\$ 4,221,504</u>	

The Water Utility Fund and Sewer Utility Fund have been used to liquidate the liability for compensated absences.

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 6 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

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, 2022 was \$1,580,000. 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
2023	\$ 195,000	\$ 73,560	\$ 268,560
2024	205,000	64,080	269,080
2025	215,000	54,120	269,120
2026	225,000	43,680	268,680
2027	235,000	32,760	267,760
2028-2029	505,000	30,720	535,720
Total	<u>\$ 1,580,000</u>	<u>\$ 298,920</u>	<u>\$ 1,878,920</u>

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, 2022, 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, 2022 was \$1,478,277.

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
2023	\$ 131,345	\$ 38,435	\$ 169,780
2024	134,760	35,020	169,780
2025	138,264	31,516	169,780
2026	141,859	27,922	169,780
2027	145,547	24,233	169,780
2028-2032	786,502	62,397	848,901
Total	<u>\$ 1,478,277</u>	<u>\$ 219,523</u>	<u>\$ 1,697,801</u>

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 6 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

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, 2022, 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, 2022 was \$1,088,139.

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
2023	\$ 78,431	\$ 28,292	\$ 106,723
2024	80,470	26,252	106,722
2025	82,563	24,160	106,723
2026	84,709	22,014	106,723
2027-2031	457,751	75,863	533,614
2032-2034	304,215	15,954	320,169
Total	<u>\$ 1,088,139</u>	<u>\$ 192,535</u>	<u>\$ 1,280,674</u>

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, 2022 was \$485,509.

The annual debt service requirements are as follows:

Year ending June 30,	Principal	Interest	Total
2023	\$ 84,436	\$ 9,895	\$ 94,331
2024	84,436	9,553	93,989
2025	84,436	8,483	92,919
2026	84,436	6,764	91,200
2027	84,436	4,370	88,806
2028	63,329	1,302	64,631
Total	<u>\$ 485,509</u>	<u>\$ 40,367</u>	<u>\$ 525,876</u>

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

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, 2022, was \$2,665,000.

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, 2022, was \$7,035,000.

Note 8 – Risk Management and Self Insurance Program

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

The City is a member of the California Joint Powers Insurance Authority (the “Authority”). The Authority is composed of 124 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. *Self-Insurance Programs of the Authority*

Each member pays an annual contribution at the beginning of the coverage period. A retrospective adjustment is then conducted annually thereafter, for coverage years 2012-13 and prior. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment. 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, 2022

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

B. 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 2021-22 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 of Seal Beach 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 of Seal Beach. Coverage is on a claims-made basis. There is a \$250,000 deductible. The Authority has an aggregate limit of \$20 million.

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

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

C. Purchased Insurance (Continued)

Property Insurance

The City of Seal Beach participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Seal Beach property is currently insured according to a schedule of covered property submitted by the City of Seal Beach to the Authority. City of Seal Beach property currently has all-risk property insurance protection in the amount of \$58,413,725. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

Earthquake and Flood Insurance

The City of Seal Beach purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. City of Seal Beach property currently has earthquake protection in the amount of \$57,524,225. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000.

Crime Insurance

The City of Seal Beach 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 2021-22.

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, 2022, the amount of these liabilities was \$263,169 and was the City's best estimate based on available information. The General Fund is typically used to liquidate these liabilities.

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

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

E. Claims Activity (Continued)

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
2019-2020	\$ 423,347	\$ -	\$ (121,934)	\$ 301,413
2020-2021	301,413	-	(4,118)	297,295
2021-2022	297,295	-	(34,126)	263,169

Note 9 – Defined Benefit Pension Plans

The following is a summary of net pension liabilities and related deferred outflows and inflows of resources as of June 30, 2022 and pension expenses for the year ended June 30, 2022:

	Governmental Activities	Business-type Activities	Total
Deferred outflows of resources:			
Pension contribution made after measurement date:			
Miscellaneous	\$ 1,236,399	\$ 339,234	\$ 1,575,633
Safety	3,642,820	-	3,642,820
Difference between expected and actual experience:			
Miscellaneous	823,068	225,827	1,048,895
Safety	3,537,577	-	3,537,577
Adjustment due to differences in proportions:			
Miscellaneous	165,676	45,456	211,132
Safety	224,190	-	224,190
Total deferred outflows of resources	\$ 9,629,730	\$ 610,517	\$ 10,240,247
Net pension liabilities:			
Miscellaneous	\$ 7,339,687	\$ 2,013,808	\$ 9,353,495
Safety	18,526,366	-	18,526,366
Total net pension liabilities	\$ 25,866,053	\$ 2,013,808	\$ 27,879,861

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 9 – Defined Benefit Pension Plans (Continued)

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Deferred inflows of resources:			
Difference in projected and actual earnings on pension investments:			
Miscellaneous	\$ 6,407,166	\$ 1,757,949	\$ 8,165,115
Safety	12,323,971	-	12,323,971
Adjustment due to differences in proportions:			
Miscellaneous	115,330	31,644	146,974
Safety	115,990	-	115,990
Difference between City's contributions and proportionate share of contributions:			
Miscellaneous	300,638	82,487	383,125
Safety	1,112,097	-	1,112,097
Total deferred inflows of resources	<u><u>\$ 20,375,192</u></u>	<u><u>\$ 1,872,080</u></u>	<u><u>\$ 22,247,272</u></u>
Pension expenses (credit):			
Miscellaneous	\$ 4,379,877	\$ 479,613	\$ 4,859,490
Safety	5,664,378	-	5,664,378
Total pension expense	<u><u>\$ 10,044,255</u></u>	<u><u>\$ 479,613</u></u>	<u><u>\$ 10,523,868</u></u>

Pension liabilities are liquidated principally by General Fund, Water Utility Fund, and Sewer Utility Fund.

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>.

Employees Covered by Benefit Terms

At June 30, 2020, the following employees were covered by the benefit terms:

	<u>Miscellaneous</u>	<u>Misc PEPRA</u>	<u>Safety</u>	<u>Safety Fire</u>	<u>Safety Police PEPRA</u>	<u>Other Safety PEPRA</u>
Active employees	39	19	32	-	9	1
Transferred and terminated employees	39	6	6	-	-	-
Separated	26	2	5	-	1	-
Retired Employees and Beneficiaries	147	1	95	37	-	-
Total	<u><u>251</u></u>	<u><u>28</u></u>	<u><u>138</u></u>	<u><u>37</u></u>	<u><u>10</u></u>	<u><u>1</u></u>

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 9 – Defined Benefit Pension Plans (Continued)

A. General Information about the Pension Plan (Continued)

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	January 1, 2013 and after	Prior to January 1, 2013	January 1, 2013 and after
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.

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 7.5 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.

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 9 – Defined Benefit Pension Plans (Continued)

A. General Information about the Pension Plan (Continued)

Benefit Provided (Continued)

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, 2021 (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	7.000%	7.250%	9.000%	12.750%
Required employer contribution rates	11.746%	7.874%	25.540%	13.884%
* Closed to new entrants				

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, 2020 valuation was rolled forward to determine June 30, 2021 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	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table ¹	Derived using CalPERS’ Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.5% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.5% thereafter

¹The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

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

Change of Assumption

In 2021, 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 as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as follows:

Asset Class ⁽¹⁾	Current Target Allocation	Real Return Years 1-10 ²	Real Return Years 11+ ³
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
	<u>100.0%</u>		

¹ In the CalPERS's ACFR, Fixed Income is included in Global Debt Securities;
Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

² An expected inflation of 2.00% used for this period

³ An expected inflation of 2.92% used for this period.

⁴ Figures are based on previous ALM 2017

Discount Rate

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

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

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)

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 7.15%, 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 (6.15%) or 1 percentage-point higher (8.15%) than the current rate:

	Plan's Net Pension Liability/(Asset)		
	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
	Miscellaneous	\$ 16,296,570	\$ 9,353,495
Safety	\$ 31,794,992	\$ 18,526,366	\$ 3,027,955

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: 6/30/20 (Valuation date)	\$ 50,971,659	\$ 36,560,362	\$ 14,411,297
Balance at: 6/30/21 (Measurement date)	52,586,741	43,233,246	9,353,495
Net Changes during 2020-2021	1,615,082	6,672,884	(5,057,802)
Safety			
Balance at: 6/30/20 (Valuation date)	\$ 95,105,297	\$ 66,682,116	\$ 28,423,181
Balance at: 6/30/21 (Measurement date)	98,571,877	80,045,511	18,526,366
Net Changes during 2020-2021	3,466,580	13,363,395	(9,896,815)

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, 2020). 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.

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

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)

- (2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement date (June 30, 2021). 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, 2021 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2020-2021).
- (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.
- (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, 2020	0.13245%	0.26123%
June 30, 2021	0.17294%	0.97569%
Change - Increase (Decrease)	<u>0.04049%</u>	<u>0.71446%</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 (“EARSLS”) 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 EARSLS for risk pool for the 2020-2021 measurement period is 3.7 years, which was obtained by dividing the total service years of 561,622 (the sum of remaining service lifetimes of the active employees) by 150,648 (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, 2022

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)

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Miscellaneous</u>		<u>Safety</u>	
	<u>Deferred outflows of Resources</u>	<u>Deferred inflows of Resources</u>	<u>Deferred outflows of Resources</u>	<u>Deferred inflows of Resources</u>
Pension contribution after measurement date	\$ 1,575,633	\$ -	\$ 3,642,820	\$ -
Difference between expected and actual experience	1,048,895	-	3,537,577	-
Difference between projected and actual earning on pension plan investments	-	(8,165,115)	-	(12,323,971)
Adjustment due to differences in proportions	211,132	(146,974)	224,190	(115,990)
Difference between City contributions and proportionate share of contributions	-	(383,125)	-	(1,112,097)
Total	<u>\$ 2,835,660</u>	<u>\$ (8,695,214)</u>	<u>\$ 7,404,587</u>	<u>\$ (13,552,058)</u>

Deferred outflows of resources related to pensions resulting from the City’s contributions made subsequent to the measurement date will be recognized as a reduction of the collective net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Measurement Period Ended June 30,</u>	<u>Deferred Outflows/ (Inflows) of Resources</u>	
	<u>Miscellaneous</u>	<u>Safety</u>
2022	\$ (1,598,903)	\$ (1,643,314)
2023	(1,690,389)	(2,040,936)
2024	(1,889,479)	(2,714,657)
2025	(2,256,416)	(3,391,384)
Thereafter	-	-
	<u>\$ (7,435,187)</u>	<u>\$ (9,790,291)</u>

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

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

The following is a summary of net other postemployment benefits (“OPEB”) liabilities and related deferred outflows and inflows of resources as of June 30, 2022 and pension expenses for the year then ended June 30, 2022:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Deferred outflows of resources:			
OPEB contribution made after measurement date	\$ 901,056	\$ 89,115	\$ 990,171
Changes of assumptions	88,620	8,765	97,385
Difference between expected and actual experience	95,315	9,427	104,742
Total deferred outflows of resources	<u>\$ 1,084,991</u>	<u>\$ 107,307</u>	<u>\$ 1,192,298</u>
Net OPEB liabilities	<u>\$ 4,142,465</u>	<u>\$ 409,694</u>	<u>\$ 4,552,159</u>
Deferred inflows of resources:			
Changes of assumptions	\$ 164,941	\$ 16,313	\$ 181,254
Difference between expected and actual experience	84,640	8,371	93,011
Difference in projected and actual earnings on OPEB investments	827,371	81,828	909,199
Total deferred inflows of resources	<u>\$ 1,076,952</u>	<u>\$ 106,512</u>	<u>\$ 1,183,464</u>
OPEB expenses	<u>\$ 301,826</u>	<u>\$ 29,850</u>	<u>\$ 331,076</u>

OPEB liabilities are liquidated principally by General Fund, Water Utility Fund, and Sewer Utility Fund.

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 (“PEMCHA”). 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.

Benefits Provided

Future Retirees are eligible for PEMCHA minimum medical benefits (\$149 per month in 2022) 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.

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

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

A. General Information about the OPEB Plan (Continued)

Employees Covered by Benefit Term

Active employees	91
Active employees waiving coverage	10
Inactive employees, spouses, or beneficiaries currently receiving benefit payments	79
Total	180

Contributions

The City makes contributions based on an actuarially determined rate.

B. Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021.

Actuarial Assumptions

The total OPEB liability in the June 30, 2021 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	2.50%
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	6.50%
Healthcare cost trend rates	Based on 2021 Getzen model that reflects actual premium increases from 2021 to 2022 followed by 5.75% (non-Medicare) / 5.4% (Medicare) in 2022, decreasing gradually to an ultimate rate of 4.04% by 2075.
Mortality rate	Derived using CalPERS' Membership Data for all Funds.

Discount Rate

The discount rate used to measure the total OPEB liability was 6.50%. 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.

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

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

C. Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balances as of June 30, 2020	\$ 11,953,660	\$ 6,054,455	\$ 5,899,205
Changes during the measurement period:			
Service cost	269,955	-	269,955
Interest	771,486	-	771,486
Differences between expected and actual experience	122,199	-	122,199
Change of assumptions	113,616	-	113,616
Contributions:			
Employer - City's contribution	-	963,042	(963,042)
Employer - implicit subsidy	-	-	-
Employee	-	-	-
Net investment income	-	1,663,551	(1,663,551)
Benefit payments, including refunds of employee Contributions	720,545	720,545	-
Implicit rate subsidy fulfilled	-	-	-
Administrative expenses	-	(2,291)	2,291
Net changes during measurement period 2020-2021	1,997,801	3,344,847	(1,347,046)
Balances as of June 30, 2021 (Measurement Date)	\$ 12,510,371	\$ 7,958,212	\$ 4,552,159

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 (5.50%) or one percentage point higher (7.50%) follows:

Net OPEB Liability/(Asset)		
Discount Rate - 1% (5.50%)	Current Discount Rate (6.50%)	Discount Rate + 1% (7.50%)
\$ 6,115,711	\$ 4,552,159	\$ 3,249,208

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 (4.25%) or one percentage point higher (6.70%) than current healthcare cost trend rates follows:

Net OPEB Liability/(Asset)		
Healthcare		
1% Decrease (4.25% to 4.00%)	Cost Trend Rate (5.75% to 4.00%)	1% Increase (6.70% to 4.00%)
\$ 3,316,839	\$ 4,552,159	\$ 6,051,431

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

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

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

For the year ended June 30, 2022, the City recognized an OPEB expense of \$331,676. At June 30, 2022, 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	\$ 990,171	\$ -
Difference between expected and actual experience	104,742	(93,011)
Changes of assumptions	97,385	(181,254)
Difference between projected and actual earning on OPEB plan investments	-	(909,199)
Total	\$ 1,192,298	\$ (1,183,464)

Deferred outflows of resources related to OPEB resulting from City’s contributions subsequent to the measurement date in the amount of \$990,171 will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2023. 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
2022	\$ (286,150)
2023	(277,731)
2024	(239,287)
2025	(241,027)
2026	29,172
Thereafter	33,686
	\$ (981,337)

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 11 – Classification of Fund Balances

At June 30, 2022, fund balances are classified in the governmental funds as follows:

	General Fund	Nonmajor Governmental Funds	Total
Nonspendable:			
Prepaid items	\$ 51,506	\$ -	\$ 51,506
Restricted:			
Waste Management	163,664	-	163,664
Parking In-lieu	183,087	-	183,087
I-405 Corridor Improvements	1,687,520	-	1,687,520
Supplemental Law Enforcement	-	108,607	108,607
Detention Center	-	28,341	28,341
Air Quality Improvements	-	47,512	47,512
Parks Improvement	-	53,214	53,214
Traffic Impact	-	192,347	192,347
State Gasoline Tax	-	1,271,616	1,271,616
Measure M2	-	1,295,721	1,295,721
Community Development Block Grant	-	62,708	62,708
Landscape District	-	661,618	661,618
Heron Pointe	-	62,594	62,594
Pacific Gateway	-	121,889	121,889
Seal Beach Cable	-	513,864	513,864
SB 1	-	1,005,779	1,005,779
City Debt Service	-	742,148	742,148
Total restricted	<u>2,034,271</u>	<u>6,167,958</u>	<u>8,202,229</u>
Committed:			
College Park East	477,000	-	477,000
Swimming Pool	4,535,126	-	4,535,126
Street Improvement	117,167	-	117,167
Fiscal Policy	9,868,736	-	9,868,736
Economic Contingency	1,750,000	-	1,750,000
Capital Project Improvement	3,659,639	-	3,659,639
Revitalization	3,116,312	-	3,116,312
Total restricted	<u>23,523,980</u>	<u>-</u>	<u>23,523,980</u>
Assigned:			
Community Development	1,403,817	-	1,403,817
Pier Restaurant	1,395,638	-	1,395,638
Compensated Absences	1,300,432	-	1,300,432
Encumbrances	507,780	-	507,780
Other	245,713	-	245,713
Total assigned	<u>4,853,380</u>	<u>-</u>	<u>4,853,380</u>
Unassigned (deficit)	<u>3,885,769</u>	<u>(554,027)</u>	<u>3,331,742</u>
Total fund balances	<u>\$ 34,348,906</u>	<u>\$ 5,613,931</u>	<u>\$ 39,962,837</u>

The encumbrances are for the purchase orders of \$146,656 for public works, \$33,514 for police, and \$327,610 for community development.

City of Seal Beach
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 12 – Commitments and Contingencies

A. Commitments

The City had no material commitments as of June 30, 2022.

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 13 – Individual Fund Disclosure

Funds with deficit fund balances at June 30, 2022 are as follows:

	Deficit
Street Lighting Special Revenue Fund	\$ (16,353)
Police Asset Forfeiture Special Revenue Fund	(242,245)
Police Grants Special Revenue Fund	(10,457)
Citywide Grants Special Revenue Fund	(284,972)

The City plans to eliminate the deficit fund balances with future grant revenues.

The following funds exceeded appropriation amounts for the year ended June 30, 2022:

	Expenditures	Appropriations	Expenditures in Excess of Appropriations
Nonmajor Governmental Funds:			
Detention Center Special Revenue Fund	\$ 57	\$ -	\$ (57)
Community Development Block Grant Special Revenue Fund	248,561	229,151	(19,410)
Seal Beach Cable Special Revenue Fund	94,943	84,900	(10,043)
City Debt Service Fund	460,007	460,000	(7)

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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 30,558,900	\$ 30,558,900	\$ 32,910,255	\$ 2,351,355
Licenses and permits	749,300	749,300	926,792	177,492
Intergovernmental	132,400	5,848,832	5,867,774	18,942
Charges for services	4,582,100	4,582,100	4,981,640	399,540
Use of money and property	784,000	784,000	(1,250,746)	(2,034,746)
Fines and forfeitures	1,603,600	1,603,600	1,871,227	267,627
Contributions	19,000	19,000	36,817	17,817
Miscellaneous	336,800	336,800	239,117	(97,683)
Total revenues	38,766,100	44,482,532	45,582,876	1,100,344
Expenditures:				
Current:				
General government	7,494,900	7,512,095	7,502,596	9,499
Public safety	22,142,700	22,832,992	23,296,005	(463,013)
Community development	1,519,900	2,111,624	1,694,335	417,289
Community services	1,013,600	1,213,025	1,174,593	38,432
Public works	6,649,700	6,989,556	6,646,947	342,609
Capital outlay	800,000	800,000	17,239	782,761
Debt service:				
Principal retirement	79,600	79,600	112,556	(32,956)
Interest and fiscal charges	12,300	12,300	15,849	(3,549)
Total expenditures	39,712,700	41,551,192	40,460,120	1,091,072
Revenues over (under) expenditures	(946,600)	2,931,340	5,122,756	2,191,416
Other Financing Sources (Uses):				
Transfers in	840,100	840,100	872,800	32,700
Transfers out	(1,339,300)	(3,639,300)	(1,643,582)	1,995,718
Total other financing sources (uses)	(499,200)	(2,799,200)	(770,782)	2,028,418
Net change in fund balance	\$ (1,445,800)	\$ 132,140	4,351,974	\$ 4,219,834
Fund Balance:				
Beginning of year			29,996,932	
End of year			<u>\$ 34,348,906</u>	

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City of Seal Beach
Required Supplementary Information (Unaudited)
Notes to the Budgetary Comparison Schedule
For the Year Ended June 30, 2022

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 2021-2022, 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, 2022

Last Ten Fiscal Years

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

Measurement Date	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
City's Proportion of the Net Pension Liability	0.17295%	0.13777%	0.12949%
City's Proportionate Share of the Net Pension Liability	\$ 9,353,495	\$ 14,411,297	\$ 13,320,233
City's Covered Payroll	\$ 5,387,941	\$ 5,243,738	\$ 4,721,968
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	<u>173.60%</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>82.21%</u>	<u>71.73%</u>	<u>73.26%</u>

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

Measurement Date	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
City's Proportion of the Net Pension Liability	1.09047%	0.26123%	0.25611%
City's Proportionate Share of the Net Pension Liability	\$ 18,526,366	\$ 28,423,181	\$ 26,243,693
City's Covered Payroll	\$ 5,761,916	\$ 5,607,704	\$ 5,137,216
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	<u>321.53%</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>79.77%</u>	<u>70.11%</u>	<u>71.27%</u>

¹ Historical information is presented only for measurement periods for which GASB 68 is implemented. Additional years will be presented as they become available.

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, 2022

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 ¹
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 ¹
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>

¹ Historical information is presented only for measurement periods for which GASB 68 is implemented. Additional years will be presented as they become available.

City of Seal Beach
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions
For the Year Ended June 30, 2022

Last Ten Fiscal Years

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

Fiscal year	2021-22	2020-21	2019-20	2018-19
Actuarially Determined Contribution	\$ 1,575,633	\$ 1,443,709	\$ 1,275,186	\$ 1,076,211
Contribution in Relation to the Actuarially Determined Contribution	<u>(1,575,633)</u>	<u>(1,443,709)</u>	<u>(1,275,186)</u>	<u>(1,076,211)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll ²	<u>\$ 5,536,109</u>	<u>\$ 5,387,941</u>	<u>\$ 5,243,738</u>	<u>\$ 4,721,968</u>
Contributions as a Percentage of Covered Payroll	<u>28.46%</u>	<u>26.80%</u>	<u>24.32%</u>	<u>22.79%</u>

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

Fiscal year	2021-22	2020-21	2019-20	2018-19
Actuarially Determined Contribution	\$ 3,642,820	\$ 3,231,920	\$ 2,882,385	\$ 2,509,250
Contribution in Relation to the Actuarially Determined Contribution	<u>(3,642,820)</u>	<u>(3,231,920)</u>	<u>(2,882,385)</u>	<u>(2,509,250)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll ²	<u>\$ 5,920,369</u>	<u>\$ 5,761,916</u>	<u>\$ 5,607,704</u>	<u>\$ 5,137,216</u>
Contributions as a Percentage of Covered Payroll	<u>61.53%</u>	<u>56.09%</u>	<u>51.40%</u>	<u>48.84%</u>

¹ Historical information is presented only for measurement periods for which GASB 68 is implemented. Additional years will be presented as they become available.

² Includes one year's payroll growth using 2.75 percent payroll assumption for fiscal year 2021-22.

Notes to Schedule:

Benefit Changes: There were no changes to benefit terms.

Changes of Assumptions: 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, 2022

Last Ten Fiscal Years

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

Fiscal year	2017-18	2016-17	2015-16	2014-15	2013-14 ¹
Actuarially Determined Contribution	\$ 911,168	\$ 791,754	\$ 709,945	\$ 734,255	\$ 614,667
Contribution in Relation to the Actuarially Determined Contribution	<u>(911,168)</u>	<u>(791,754)</u>	<u>(709,945)</u>	<u>(734,255)</u>	<u>(614,667)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	<u>\$ 4,713,200</u>	<u>\$ 4,385,712</u>	<u>\$ 4,226,024</u>	<u>\$ 4,710,212</u>	<u>\$ 4,597,510</u>
Contributions as a Percentage of Covered Payroll	<u>19.33%</u>	<u>18.05%</u>	<u>16.80%</u>	<u>15.59%</u>	<u>13.37%</u>

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

Fiscal year	2017-18	2016-17	2015-16	2014-15	2013-14 ¹
Actuarially Determined Contribution	\$ 2,127,080	\$ 1,748,129	\$ 1,608,716	\$ 1,476,452	\$ 2,157,763
Contribution in Relation to the Actuarially Determined Contribution	<u>(2,127,080)</u>	<u>(1,748,129)</u>	<u>(1,608,716)</u>	<u>(1,476,452)</u>	<u>(2,157,763)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	<u>\$ 4,833,363</u>	<u>\$ 4,200,942</u>	<u>\$ 4,454,998</u>	<u>\$ 4,734,950</u>	<u>\$ 3,995,001</u>
Contributions as a Percentage of Covered Payroll	<u>44.01%</u>	<u>41.61%</u>	<u>36.11%</u>	<u>31.18%</u>	<u>54.01%</u>

¹ Historical information is presented only for measurement periods for which GASB 68 is implemented. Additional years will be presented as they become available.

Notes to Schedule:

Benefit Changes: There were no changes to benefit terms.

Changes of Assumptions: 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, 2022

Last Ten Fiscal Years

Other Postemployment Benefits ("OPEB")

Measurement period	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017 ¹
Total OPEB liability					
Service cost	\$ 269,955	\$ 253,910	\$ 262,452	\$ 275,665	\$ 267,961
Interest	771,486	751,631	736,104	786,251	752,721
Differences between expected and actual experience	122,199	(109,256)	(109,256)	-	-
Changes of assumption	113,616	(49,484)	(49,484)	(413,262)	-
Benefit payments	(720,545)	(516,782)	(419,956)	(406,031)	(454,685)
Implicit rate subsidy fulfilled	-	-	(136,833)	(123,043)	(114,993)
Net change in total OPEB liability	556,711	330,019	283,027	119,580	451,004
Total OPEB liability, beginning	11,953,660	11,623,641	11,340,614	11,221,034	10,770,030
Total OPEB liability, ending (a)	\$ 12,510,371	\$ 11,953,660	\$ 11,623,641	\$ 11,340,614	\$ 11,221,034
OPEB fiduciary net position					
Contributions:					
Employer - City's contribution	\$ 963,042	\$ 588,400	\$ 710,200	\$ 720,871	\$ 567,185
Employer - Implicit subsidy	-	-	136,833	123,043	114,993
Net investment income	1,663,551	360,219	324,350	346,820	411,482
Other additions	-	-	-	3,763	-
Benefit payments	(720,545)	(516,782)	(419,956)	(406,031)	(454,685)
Implicit rate subsidy fulfilled	-	-	(136,833)	(123,043)	(114,993)
Administrative expense	(2,291)	(2,768)	(1,095)	(2,323)	(1,995)
Other deductions	-	-	-	(5,765)	-
Net change in plan fiduciary net position	1,903,757	429,069	613,499	657,335	521,987
Plan fiduciary net position, beginning	6,054,455	5,625,386	5,011,887	4,354,552	3,832,565
Plan fiduciary net position, ending (b)	7,958,212	6,054,455	5,625,386	5,011,887	4,354,552
Plan net OPEB liability - ending (a) - (b)	\$ 4,552,159	\$ 5,899,205	\$ 5,998,255	\$ 6,328,727	\$ 6,866,482
Plan's fiduciary net position as a percentage of the total OPEB liability	63.61%	50.65%	48.40%	44.19%	38.81%
Covered payroll	\$ 10,959,848	\$ 10,666,519	\$ 9,923,172	\$ 9,518,945	\$ 8,807,230
Net OPEB liability as a percentage of covered payroll	41.53%	55.31%	60.45%	66.49%	77.96%

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, 2022

Last Ten Fiscal Years

Other Postemployment Benefits ("OPEB")

Fiscal year end	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17 ¹
Actuarially determined contribution ²	\$ 679,537	\$ 794,339	\$ 763,351	\$ 755,936	\$ 833,241	\$ 812,317
Contribution in relation to the actuarially determined contribution ²	(990,171)	(963,041)	(867,112)	(847,033)	(843,914)	(682,178)
Contribution deficiency/(excess)	<u>\$ (310,634)</u>	<u>\$ (168,702)</u>	<u>\$ (103,761)</u>	<u>\$ (91,097)</u>	<u>\$ (10,673)</u>	<u>\$ 130,139</u>
Covered-employee payroll ³	<u>\$ 11,261,244</u>	<u>\$ 10,959,848</u>	<u>\$ 10,666,519</u>	<u>\$ 9,923,172</u>	<u>\$ 9,518,945</u>	<u>\$ 8,807,230</u>
Contributions as a percentage of covered-employee payroll	<u>8.79%</u>	<u>8.79%</u>	<u>8.13%</u>	<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.

² The June 30, 2021 actuarial valuation provided the actuarially determined contributions for fiscal year ended June 30, 2022.

³ Includes one year's payroll growth using 2.75 percent payroll assumption from fiscal year 2021-22.

Notes to Schedule:

Valuation date:	June 30, 2021
Methods and assumptions used to determine contribution rates:	
Actuarial cost method:	Entry age normal, level percent of pay
Inflation:	2.50% per year
Assumed payroll growth:	2.80% year one and thereafter
Healthcare cost trend:	5.75% (non-Medicare) / 5.40% (Medicare), trending down to 4.04% by 2075
Rate of return on assets:	6.50%
Mortality:	Based on assumptions for Public Agency Miscellaneous and Police members published in the December 2017 CalPERS Experience Study

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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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Public works	\$ -	\$ -	\$ 4,355	\$ (4,355)
Capital outlay	750,000	4,761,438	1,076,085	3,685,353
Total expenditures	<u>750,000</u>	<u>4,761,438</u>	<u>1,080,440</u>	<u>3,680,998</u>
Other Financing Sources:				
Transfers in	750,000	4,398,000	1,316,362	(3,081,638)
Net change in fund balance	<u>\$ -</u>	<u>\$ (363,438)</u>	235,922	<u>\$ 599,360</u>
Fund Balance (Deficit):				
Beginning of year			<u>(235,922)</u>	
End of year			<u>\$ -</u>	

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NONMAJOR GOVERNMENTAL FUNDS

Street Lighting Special Revenue Fund: To account for special assessments 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 resources that are 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 special assessments 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 special assessments 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 restricted for a wide range of transportation improvement projects.

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.

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, 2022

	Special Revenue			
	Street Lighting	Supplemental Law Enforcement	Detention Center	Police Asset Forfeiture
ASSETS				
Cash and investments	\$ -	\$ 114,217	\$ 28,341	\$ 5,059
Receivables:				
Accounts	-	-	-	-
Taxes	1,153	-	-	-
Interest	-	-	-	-
Due from other governments	16,353	-	-	245,383
Prepaid items	-	10,300	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	<u>\$ 17,506</u>	<u>\$ 124,517</u>	<u>\$ 28,341</u>	<u>\$ 250,442</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 16,353	\$ 10,465	\$ -	\$ -
Accrued wages and benefits payable	-	5,445	-	-
Due to other funds	1,153	-	-	247,304
Total Liabilities	<u>17,506</u>	<u>15,910</u>	<u>-</u>	<u>247,304</u>
Deferred Inflows of Resources:				
Unavailable revenues	16,353	-	-	245,383
Total deferred inflows of resources	<u>16,353</u>	<u>-</u>	<u>-</u>	<u>245,383</u>
Fund Balances:				
Restricted	-	108,607	28,341	-
Unassigned (deficit)	(16,353)	-	-	(242,245)
Total Fund Balances	<u>(16,353)</u>	<u>108,607</u>	<u>28,341</u>	<u>(242,245)</u>
Total Liabilities and Fund Balances	<u>\$ 17,506</u>	<u>\$ 124,517</u>	<u>\$ 28,341</u>	<u>\$ 250,442</u>

City of Seal Beach
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue			
	Air Quality Improvement	Park Improvement	Traffic Impact	State Gasoline Tax
ASSETS				
Cash and investments	\$ 71,369	\$ 53,214	\$ 192,347	\$ 1,224,083
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	47,533
Interest	-	-	-	-
Due from other governments	-	-	-	-
Prepaid items	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 71,369	\$ 53,214	\$ 192,347	\$ 1,271,616
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 23,857	\$ -	\$ -	\$ -
Accrued wages and benefits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	23,857	-	-	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund Balances:				
Restricted	47,512	53,214	192,347	1,271,616
Unassigned (deficit)	-	-	-	-
Total Fund Balances	47,512	53,214	192,347	1,271,616
Total Liabilities and Fund Balances	\$ 71,369	\$ 53,214	\$ 192,347	\$ 1,271,616

(Continued)

City of Seal Beach
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue			
	Measure M2	Community Development Block Grant	Police Grants	Landscape District
ASSETS				
Cash and investments	\$ 1,104,171	\$ 19,028	\$ -	\$ 673,936
Receivables:				
Accounts	192,783	49,772	117,333	-
Taxes	-	-	-	-
Interest	-	-	-	-
Due from other governments	-	-	10,457	-
Prepaid items	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 1,296,954	\$ 68,800	\$ 127,790	\$ 673,936
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,233	\$ 6,092	85	\$ 9,531
Accrued wages and benefits payable	-	-	-	2,787
Due to other funds	-	-	127,705	-
Total Liabilities	1,233	6,092	127,790	12,318
Deferred Inflows of Resources:				
Unavailable revenues	-	-	10,457	-
Total deferred inflows of resources	-	-	10,457	-
Fund Balances:				
Restricted	1,295,721	62,708	-	661,618
Unassigned (deficit)	-	-	(10,457)	-
Total Fund Balances	1,295,721	62,708	(10,457)	661,618
Total Liabilities and Fund Balances	\$ 1,296,954	\$ 68,800	\$ 127,790	\$ 673,936

(Continued)

City of Seal Beach
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue			
	Heron Pointe	Pacific Gateway	Seal Beach Cable	SB 1
ASSETS				
Cash and investments	\$ 62,594	\$ 128,431	\$ 485,649	\$ 960,523
Receivables:				
Accounts	-	-	27,954	-
Taxes	-	-	-	45,646
Interest	-	-	261	-
Due from other governments	-	-	-	-
Prepaid items	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 62,594	\$ 128,431	\$ 513,864	\$ 1,006,169
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ 3,755	\$ -	\$ 390
Accrued wages and benefits payable	-	2,787	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	6,542	-	390
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund Balances:				
Restricted	62,594	121,889	513,864	1,005,779
Unassigned (deficit)	-	-	-	-
Total Fund Balances	62,594	121,889	513,864	1,005,779
of Resources and Fund Balances	\$ 62,594	\$ 128,431	\$ 513,864	\$ 1,006,169

(Continued)

City of Seal Beach
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2022

	<u>Special Revenue</u>	<u>Debt Service</u>	Total Other Governmental Funds
	Citywide Grants	City Debt Service	
ASSETS			
Cash and investments	\$ -	\$ 3,936	\$ 5,126,898
Receivables:			
Accounts	309,292	-	697,134
Taxes	-	-	94,332
Interest	-	-	261
Due from other governments	106,608	-	378,801
Prepaid items	-	111,673	121,973
Restricted assets:			
Cash and investments with fiscal agents	-	626,539	626,539
Total Assets	<u>\$ 415,900</u>	<u>\$ 742,148</u>	<u>\$ 7,045,938</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 17,144	\$ -	\$ 88,905
Accrued wages and benefits payable	-	-	11,019
Due to other funds	398,756	-	774,918
Total Liabilities	<u>415,900</u>	<u>-</u>	<u>874,842</u>
Deferred Inflows of Resources:			
Unavailable revenues	284,972	-	557,165
Total deferred inflows of resources	<u>284,972</u>	<u>-</u>	<u>557,165</u>
Fund Balances:			
Restricted	-	742,148	6,167,958
Unassigned (deficit)	(284,972)	-	(554,027)
Total Fund Balances	<u>(284,972)</u>	<u>742,148</u>	<u>5,613,931</u>
Total Liabilities and Fund Balances	<u>\$ 415,900</u>	<u>\$ 742,148</u>	<u>\$ 7,045,938</u>

(Concluded)

City of Seal Beach
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	Special Revenue			
	Street Lighting	Supplemental Law Enforcement	Detention Center	Police Asset Forfeiture
Revenues:				
Taxes	\$ 140,712	\$ -	\$ -	\$ -
Intergovernmental	-	161,285	-	2,166
Charges for services	-	-	-	-
Use of money and property	-	1,961	-	39
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>140,712</u>	<u>163,246</u>	<u>-</u>	<u>2,205</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	213,122	57	125,539
Community development	-	-	-	-
Public works	205,663	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>205,663</u>	<u>213,122</u>	<u>57</u>	<u>125,539</u>
Revenues over (under) expenditures	<u>(64,951)</u>	<u>(49,876)</u>	<u>(57)</u>	<u>(123,334)</u>
Other Financing Sources (Uses):				
Transfers in	48,598	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>48,598</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(16,353)</u>	<u>(49,876)</u>	<u>(57)</u>	<u>(123,334)</u>
Fund Balance (Deficit):				
Beginning of year	-	158,483	28,398	(118,911)
End of year	<u>\$ (16,353)</u>	<u>\$ 108,607</u>	<u>\$ 28,341</u>	<u>\$ (242,245)</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, 2022

	Special Revenue			
	Air Quality Improvement	Park Improvement	Traffic Impact	State Gasoline Tax
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 522,176
Intergovernmental	31,289	13	-	-
Charges for services	-	-	-	-
Use of money and property	604	642	2,323	13,064
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>31,893</u>	<u>655</u>	<u>2,323</u>	<u>535,240</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Public works	24,495	-	-	2,700
Capital outlay	-	-	-	70,041
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>24,495</u>	<u>-</u>	<u>-</u>	<u>72,741</u>
Revenues over (under) expenditures	<u>7,398</u>	<u>655</u>	<u>2,323</u>	<u>462,499</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>7,398</u>	<u>655</u>	<u>2,323</u>	<u>432,499</u>
Fund Balance (Deficit):				
Beginning of year	40,114	52,559	190,024	839,117
End of year	<u>\$ 47,512</u>	<u>\$ 53,214</u>	<u>\$ 192,347</u>	<u>\$ 1,271,616</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, 2022

	Special Revenue			
	Measure M2	Community Development Block Grant	Police Grants	Landscape District
Revenues:				
Taxes	\$ 618,703	\$ -	\$ -	\$ 166,076
Intergovernmental	-	249,151	266,847	-
Charges for services	-	-	-	-
Use of money and property	12,629	-	-	7,751
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	631,332	249,151	266,847	173,827
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	258,267	-
Community development	-	248,561	-	129,317
Public works	200	-	-	-
Capital outlay	336,024	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	336,224	248,561	258,267	129,317
Revenues over (under) expenditures	295,108	590	8,580	44,510
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	(31,400)
Total other financing sources (uses)	-	-	-	(31,400)
Net change in fund balances	295,108	590	8,580	13,110
Fund Balance (Deficit):				
Beginning of year	1,000,613	62,118	(19,037)	648,508
End of year	<u>\$ 1,295,721</u>	<u>\$ 62,708</u>	<u>\$ (10,457)</u>	<u>\$ 661,618</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, 2022

	Special Revenue			
	Heron Pointe	Pacific Gateway	Seal Beach Cable	SB1
Revenues:				
Taxes	\$ -	\$ 125,313	\$ -	\$ 493,590
Intergovernmental	-	-	-	-
Charges for services	-	-	137,129	-
Use of money and property	-	-	4,715	9,013
Contributions	15,000	25,000	-	-
Miscellaneous	-	-	1,800	-
Total Revenues	<u>15,000</u>	<u>150,313</u>	<u>143,644</u>	<u>502,603</u>
Expenditures:				
Current:				
General government	-	-	94,943	-
Public safety	-	-	-	-
Community development	7,743	102,325	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	16,141
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>7,743</u>	<u>102,325</u>	<u>94,943</u>	<u>16,141</u>
Revenues over (under) expenditures	<u>7,257</u>	<u>47,988</u>	<u>48,701</u>	<u>486,462</u>
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(1,600)	(26,000)	(17,600)	-
Total other financing sources (uses)	<u>(1,600)</u>	<u>(26,000)</u>	<u>(17,600)</u>	<u>-</u>
Net Change in Fund Balances	<u>5,657</u>	<u>21,988</u>	<u>31,101</u>	<u>486,462</u>
Fund Balance (Deficit):				
Beginning of year	56,937	99,901	482,763	519,317
End of year	<u>\$ 62,594</u>	<u>\$ 121,889</u>	<u>\$ 513,864</u>	<u>\$ 1,005,779</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, 2022

	Special Revenue	Debt Service	Total Other Governmental Funds
	Citywide Grants	City Debt Service	
Revenues:			
Taxes	\$ -	\$ -	\$ 2,066,570
Intergovernmental	175,797	-	886,548
Charges for services	-	-	137,129
Use of money and property	-	190	52,931
Contributions	-	-	40,000
Miscellaneous	-	-	1,800
Total revenues	<u>175,797</u>	<u>190</u>	<u>3,184,978</u>
Expenditures:			
Current:			
General government	-	-	94,943
Public safety	-	-	596,985
Community development	3,426	-	491,372
Public works	-	-	233,058
Capital outlay	360,066	-	782,272
Debt service:			
Principal	-	420,000	420,000
Interest and fiscal charges	-	40,007	40,007
Total expenditures	<u>363,492</u>	<u>460,007</u>	<u>2,658,637</u>
Revenues over (under) expenditures	<u>(187,695)</u>	<u>(459,817)</u>	<u>526,341</u>
Other Financing Sources (Uses):			
Transfers in	-	459,817	508,415
Transfers out	(213,895)	-	(320,495)
Total other financing sources (uses)	<u>(213,895)</u>	<u>459,817</u>	<u>187,920</u>
Net change in fund balances	<u>(401,590)</u>	<u>-</u>	<u>714,261</u>
Fund Balance (Deficit):			
Beginning of year	116,618	742,148	4,899,670
End of year	<u>\$ (284,972)</u>	<u>\$ 742,148</u>	<u>\$ 5,613,931</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 140,600	\$ 140,600	\$ 140,712	\$ 112
Total revenues	<u>140,600</u>	<u>140,600</u>	<u>140,712</u>	<u>112</u>
Expenditures:				
Current:				
Public works	220,000	220,000	205,663	14,337
Total expenditures	<u>220,000</u>	<u>220,000</u>	<u>205,663</u>	<u>14,337</u>
Revenues over (under) expenditures	<u>(79,400)</u>	<u>(79,400)</u>	<u>(64,951)</u>	<u>14,449</u>
Other Financing Sources:				
Transfers in	79,400	79,400	48,598	(30,802)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(16,353)</u>	<u>\$ (16,353)</u>
Fund Balance (Deficit):				
Beginning of year			-	
End of year			<u>\$ (16,353)</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental	\$ 155,000	\$ 155,000	\$ 161,285	\$ 6,285
Use of money and property	2,500	2,500	1,961	(539)
Total revenues	<u>157,500</u>	<u>157,500</u>	<u>163,246</u>	<u>5,746</u>
Expenditures:				
Current:				
Public safety	135,800	224,800	213,122	11,678
Total expenditures	<u>135,800</u>	<u>224,800</u>	<u>213,122</u>	<u>11,678</u>
Net change in fund balance	<u>\$ 21,700</u>	<u>\$ (67,300)</u>	<u>(49,876)</u>	<u>\$ 17,424</u>
Fund Balance:				
Beginning of year			158,483	
End of year			<u>\$ 108,607</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 200,000	\$ 200,000	\$ 2,166	\$ (197,834)
Use of money and property	200	200	39	(161)
Total revenues	<u>200,200</u>	<u>200,200</u>	<u>2,205</u>	<u>(197,995)</u>
Expenditures:				
Current:				
Public safety	243,400	243,400	125,539	117,861
Total expenditures	<u>243,400</u>	<u>243,400</u>	<u>125,539</u>	<u>117,861</u>
Net change in fund balance	<u>\$ (43,200)</u>	<u>\$ (43,200)</u>	(123,334)	<u>\$ (80,134)</u>
Fund Balance (Deficit):				
Beginning of year			(118,911)	
End of year			<u>\$ (242,245)</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental	\$ 30,000	\$ 30,000	\$ 31,289	\$ 1,289
Use of money and property	100	100	604	504
Total revenues	<u>30,100</u>	<u>30,100</u>	<u>31,893</u>	<u>1,793</u>
Expenditures:				
Current:				
Public works	31,000	31,000	24,495	6,505
Total expenditures	<u>31,000</u>	<u>31,000</u>	<u>24,495</u>	<u>6,505</u>
Net change in fund balance	<u>\$ (900)</u>	<u>\$ (900)</u>	7,398	<u>\$ 8,298</u>
Fund Balance:				
Beginning of year			40,114	
End of year			<u>\$ 47,512</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 13	\$ 13
Use of money and property	500	500	642	142
Total revenues	<u>500</u>	<u>500</u>	<u>655</u>	<u>155</u>
Net change in fund balance	<u>\$ 500</u>	<u>\$ 500</u>	655	<u>\$ 155</u>
Fund Balance:				
Beginning of year			<u>52,559</u>	
End of year			<u>\$ 53,214</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 2,000	\$ 2,000	\$ 2,323	\$ 323
Total revenues	<u>2,000</u>	<u>2,000</u>	<u>2,323</u>	<u>323</u>
Net change in fund balance	<u>\$ 2,000</u>	<u>\$ 2,000</u>	2,323	<u>\$ 323</u>
Fund Balance:				
Beginning of year			<u>190,024</u>	
End of year			<u>\$ 192,347</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 647,200	\$ 647,200	\$ 522,176	\$ (125,024)
Use of money and property	9,600	9,600	13,064	3,464
Total revenues	<u>656,800</u>	<u>656,800</u>	<u>535,240</u>	<u>(121,560)</u>
Expenditures:				
Current:				
Public works	23,000	23,000	2,700	20,300
Capital outlay	100,000	152,759	70,041	82,718
Total expenditures	<u>123,000</u>	<u>175,759</u>	<u>72,741</u>	<u>103,018</u>
Revenues over (under) expenditures	<u>533,800</u>	<u>481,041</u>	<u>462,499</u>	<u>(18,542)</u>
Other Financing Uses:				
Transfers out	(30,000)	(30,000)	(30,000)	-
Net change in fund balance	<u>\$ 503,800</u>	<u>\$ 451,041</u>	<u>432,499</u>	<u>\$ (18,542)</u>
Fund Balance:				
Beginning of year			<u>839,117</u>	
End of year			<u>\$ 1,271,616</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 411,900	\$ 411,900	\$ 618,703	\$ 206,803
Use of money and property	10,000	10,000	12,629	2,629
Total revenues	<u>421,900</u>	<u>421,900</u>	<u>631,332</u>	<u>209,432</u>
Expenditures:				
Current:				
Public works	-	-	200	(200)
Capital outlay	900,000	900,000	336,024	563,976
Total expenditures	<u>900,000</u>	<u>900,000</u>	<u>336,224</u>	<u>563,776</u>
Net change in fund balance	<u>\$ (478,100)</u>	<u>\$ (478,100)</u>	295,108	<u>\$ 773,208</u>
Fund Balance:				
Beginning of year			<u>1,000,613</u>	
End of year			<u>\$ 1,295,721</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 180,000	\$ 229,151	\$ 249,151	\$ 20,000
Total revenues	<u>180,000</u>	<u>229,151</u>	<u>249,151</u>	<u>20,000</u>
Expenditures:				
Current:				
Community development	180,000	229,151	248,561	(19,410)
Total expenditures	<u>180,000</u>	<u>229,151</u>	<u>248,561</u>	<u>(19,410)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	590	<u>\$ 590</u>
Fund Balance:				
Beginning of year			<u>62,118</u>	
End of year			<u>\$ 62,708</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 109,600	\$ 109,600	\$ 266,847	\$ 157,247
Total revenues	<u>109,600</u>	<u>109,600</u>	<u>266,847</u>	<u>157,247</u>
Expenditures:				
Current:				
Public safety	109,600	314,600	258,267	56,333
Total expenditures	<u>109,600</u>	<u>314,600</u>	<u>258,267</u>	<u>56,333</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (205,000)</u>	8,580	<u>\$ 213,580</u>
Fund Balance (Deficit):				
Beginning of year			<u>(19,037)</u>	
End of year			<u>\$ (10,457)</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 188,700	\$ 188,700	\$ 166,076	\$ (22,624)
Use of money and property	7,000	7,000	7,751	751
Total revenues	<u>195,700</u>	<u>195,700</u>	<u>173,827</u>	<u>(21,873)</u>
Expenditures:				
Current:				
Community development	136,000	136,000	129,317	6,683
Total expenditures	<u>136,000</u>	<u>136,000</u>	<u>129,317</u>	<u>6,683</u>
Revenues over expenditures	<u>59,700</u>	<u>59,700</u>	<u>44,510</u>	<u>(15,190)</u>
Other Financing Uses:				
Transfers out	(31,400)	(31,400)	(31,400)	-
Net change in fund balance	<u>\$ 28,300</u>	<u>\$ 28,300</u>	13,110	<u>\$ (15,190)</u>
Fund Balance:				
Beginning of year			648,508	
End of year			<u>\$ 661,618</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, 2022

	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	7,743	357
Total expenditures	<u>8,100</u>	<u>8,100</u>	<u>7,743</u>	<u>357</u>
Revenues over (under) expenditures	<u>6,900</u>	<u>6,900</u>	<u>7,257</u>	<u>357</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>	<u>5,657</u>	<u>\$ 357</u>
Fund Balance:				
Beginning of year			56,937	
End of year			<u>\$ 62,594</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 66,300	\$ 66,300	\$ 125,313	\$ 59,013
Contributions	25,000	25,000	25,000	-
Total revenues	<u>91,300</u>	<u>91,300</u>	<u>150,313</u>	<u>59,013</u>
Expenditures:				
Current:				
Community development	124,000	124,000	102,325	21,675
Total expenditures	<u>124,000</u>	<u>124,000</u>	<u>102,325</u>	<u>21,675</u>
Revenues over (under) expenditures	<u>(32,700)</u>	<u>(32,700)</u>	<u>47,988</u>	<u>80,688</u>
Other Financing Uses:				
Transfers out	(26,000)	(26,000)	(26,000)	-
Net change in fund balance	<u>\$ (58,700)</u>	<u>\$ (58,700)</u>	<u>21,988</u>	<u>\$ 80,688</u>
Fund Balance:				
Beginning of year			<u>99,901</u>	
End of year			<u>\$ 121,889</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ -	\$ 100,000	\$ 137,129	\$ 37,129
Use of money and property	4,000	4,000	4,715	715
Miscellaneous	-	-	1,800	1,800
Total revenues	<u>4,000</u>	<u>104,000</u>	<u>143,644</u>	<u>39,644</u>
Expenditures:				
Current:				
General government	84,900	84,900	94,943	(10,043)
Total expenditures	<u>84,900</u>	<u>84,900</u>	<u>94,943</u>	<u>(10,043)</u>
Revenues over (under) expenditures	<u>(80,900)</u>	<u>19,100</u>	<u>48,701</u>	<u>29,601</u>
Other Financing Uses:				
Transfer out	(17,600)	(17,600)	(17,600)	-
Net change in fund balance	<u>\$ (98,500)</u>	<u>\$ 1,500</u>	<u>31,101</u>	<u>\$ 29,601</u>
Fund Balance:				
Beginning of year			482,763	
End of year			<u>\$ 513,864</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 490,000	\$ 490,000	\$ 493,590	\$ 3,590
Use of money and property	7,000	7,000	9,013	2,013
Total revenues	<u>497,000</u>	<u>497,000</u>	<u>502,603</u>	<u>5,603</u>
Expenditures:				
Capital outlay	400,000	438,535	16,141	\$ 422,394
Total expenditures	<u>400,000</u>	<u>438,535</u>	<u>16,141</u>	<u>422,394</u>
Net change in fund balance	<u>\$ 97,000</u>	<u>\$ 58,465</u>	486,462	<u>\$ 427,997</u>
Fund Balance:				
Beginning of year			<u>519,317</u>	
End of year			<u>\$ 1,005,779</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 212,000	\$ 175,797	\$ (36,203)
Total revenues	-	212,000	175,797	(36,203)
Expenditures:				
Current:				
Public safety	205,000	-	-	-
Community development	-	132,213	3,426	128,787
Capital outlay	-	505,911	360,066	145,845
Total expenditures	-	638,124	363,492	274,632
Revenues over (under) expenditures	-	(426,124)	(187,695)	238,429
Other Financing Uses:				
Transfers out	-	(598,000)	(213,895)	384,105
Net change in fund balance	\$ -	\$ (1,024,124)	(401,590)	\$ 622,534
Fund Balance (Deficit):				
Beginning of year			116,618	
End of year			<u>\$ (284,972)</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 100	\$ 100	\$ 190	\$ 90
Total revenues	<u>100</u>	<u>100</u>	<u>190</u>	<u>90</u>
Expenditures:				
Debt service:				
Principal retirement	420,000	420,000	420,000	-
Interest and fiscal charges	40,000	40,000	40,007	(7)
Total Expenditures	<u>460,000</u>	<u>460,000</u>	<u>460,007</u>	<u>(7)</u>
Revenues over (under) expenditures	<u>(459,900)</u>	<u>(459,900)</u>	<u>(459,817)</u>	<u>83</u>
Other Financing Sources:				
Transfers in	459,900	459,900	459,817	(83)
Total other financing sources	<u>459,900</u>	<u>459,900</u>	<u>459,817</u>	<u>(83)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance:				
Beginning of year			742,148	
End of year			<u>\$ 742,148</u>	

INTERNAL SERVICE FUND FINANCIAL STATEMENTS

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City of Seal Beach
Combining Statement of Net Position
Internal Service Funds
June 30, 2022

	Vehicle Replacement Fund	Information Technology Fund	Total
ASSETS			
Current Assets:			
Cash and investments	\$ 279,130	\$ 304,970	\$ 584,100
Accounts receivable	26,750	-	26,750
Total current assets	305,880	304,970	610,850
Noncurrent Assets:			
Capital assets, net of accumulated depreciation	1,002,161	-	1,002,161
Total capital assets	1,002,161	-	1,002,161
Total noncurrent assets	1,002,161	-	1,002,161
Total assets	1,308,041	304,970	1,613,011
LIABILITIES			
Current Liabilities:			
Accounts payable	39,953	7,475	47,428
Long-term debt, due within one year	36,205	-	36,205
Total current liabilities	76,158	7,475	83,633
Noncurrent Liabilities:			
Long-term debt, due in more than one year	128,245	-	128,245
Total Noncurrent Liabilities	128,245	-	128,245
Total Liabilities	204,403	7,475	211,878
NET POSITION			
Net investment in capital assets	837,711	-	837,711
Unrestricted	265,927	297,495	563,422
Total Net Position	\$ 1,103,638	\$ 297,495	\$ 1,401,133

City of Seal Beach
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2022

	Vehicle Replacement Fund	Information Technology Fund	Total
OPERATING REVENUES:			
Miscellaneous	\$ 26,750	\$ -	\$ 26,750
OPERATING EXPENSES:			
Operating expenses	15,421	140,928	156,349
Amortization and depreciation expenses	228,137	-	228,137
Total operating expenses	243,558	140,928	384,486
OPERATING (LOSS)	(216,808)	(140,928)	(357,736)
NONOPERATING INCOME:			
Gain on sale of assets	300	-	300
Total nonoperating income	300	-	300
CHANGES IN NET POSITION	(216,508)	(140,928)	(357,436)
NET POSITION:			
Beginning of year	1,320,146	438,423	1,758,569
End of year	<u>\$ 1,103,638</u>	<u>\$ 297,495</u>	<u>\$ 1,401,133</u>

City of Seal Beach
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2022

	Vehicle Replacement Fund	Information Technology Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers and users	\$ 7,475	\$ -	\$ 7,475
Cash paid to suppliers for goods and services	(16,715)	(143,450)	(160,165)
Net cash (used in) operating activities	(9,240)	(143,450)	(152,690)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of capital assets	(136,145)	-	(136,145)
Proceed on disposal of assets	300	-	300
Principal paid on long-term debt	(20,760)	-	(20,760)
Net cash (used in) capital and related financing activities	(156,605)	-	(156,605)
Net change in cash and cash equivalents	(165,845)	(143,450)	(309,295)
CASH AND CASH EQUIVALENTS:			
Beginning of year	444,975	448,420	893,395
End of year	<u>\$ 279,130</u>	<u>\$ 304,970</u>	<u>\$ 584,100</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating (loss)	\$ (216,808)	\$ (140,928)	(357,736)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Amortization and depreciation expenses	228,137	-	228,137
Changes in assets and liabilities:			
(Increase)/decrease in accounts receivables	(19,275)	-	(19,275)
Increase/(decrease) in accounts payable	(1,294)	(2,522)	(3,816)
Net cash (used in) operating activities	\$ (9,240)	\$ (143,450)	\$ (152,690)
NONCASH ITEM:			
Acquisition of capital assets through lease agreements	<u>\$ 185,210</u>	<u>\$ -</u>	<u>\$ 185,210</u>

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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, 2022

	Deposits	Community Facilities District Heron Pointe	Community Facilities District - Heron Pacific Gateway	Total
ASSETS:				
Cash and investments	\$ 555,027	\$ 125,550	\$ 219,868	\$ 900,445
Restricted investments with fiscal agents	-	254,573	694,177	948,750
Total Assets	<u>555,027</u>	<u>380,123</u>	<u>914,045</u>	<u>1,849,195</u>
LIABILITIES:				
Accounts payable	71,157	-	-	71,157
Interest payable	-	32,496	74,326	106,822
Total Liabilities	<u>71,157</u>	<u>32,496</u>	<u>74,326</u>	<u>177,979</u>
NET POSITION:				
Restricted for:				
Individual, organization and other government	<u>\$ 483,870</u>	<u>\$ 347,627</u>	<u>\$ 839,719</u>	<u>\$ 1,671,216</u>

City of Seal Beach
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2022

	<u>Deposits</u>	<u>Community Facilities District Heron Pointe</u>	<u>Community Facilities District - Heron Pacific Gateway</u>	<u>Total</u>
ADDITIONS:				
Assessment revenue collected	\$ -	\$ 254,809	\$ 541,782	\$ 796,591
Deposits received	483,870	-	-	483,870
Investment income	-	1,596	2,789	4,385
Total additions	<u>483,870</u>	<u>256,405</u>	<u>544,571</u>	<u>1,284,846</u>
DEDUCTIONS:				
Payment of special assessment district debt service	-	264,538	532,966	797,504
Change in net position	483,870	(8,133)	11,605	487,342
NET POSITION:				
Beginning of year	-	355,760	828,114	1,183,874
End of year	<u>\$ 483,870</u>	<u>\$ 347,627</u>	<u>\$ 839,719</u>	<u>\$ 1,671,216</u>

STATISTICAL SECTION

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City of Seal Beach
Statistical Section
Description of Statistical Section Contents
For the Year Ended June 30, 2022

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.	144-153
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.	154-157
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.	158-164
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.	165-166
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.	167-170

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

	Fiscal Year				
	2013	2014	2015	2016	2017
Governmental activities:					
Net investment in capital assets	\$ 73,693,829	\$ 72,498,068	\$ 74,296,935	\$ 73,939,948	\$ 72,399,752
Restricted	3,271,671	4,426,990	3,842,792	3,866,679	4,587,081
Unrestricted	23,570,750	25,953,129	4,097,282	4,713,193	(3,660,561)
Total governmental activities net position	<u>\$ 100,536,250</u>	<u>\$ 102,878,187</u>	<u>\$ 82,237,009</u>	<u>\$ 82,519,820</u>	<u>\$ 73,326,272</u>
Business-type activities:					
Net investment in capital assets,	\$ 32,645,747	\$ 32,360,440	\$ 34,451,074	\$ 34,145,069	\$ 33,109,258
Restricted	-	-	-	-	-
Unrestricted	12,593,950	15,532,304	12,470,553	13,544,158	12,625,701
Total business-type activities net position	<u>\$ 45,239,697</u>	<u>\$ 47,892,744</u>	<u>\$ 46,921,627</u>	<u>\$ 47,689,227</u>	<u>\$ 45,734,959</u>
Primary government:					
Net investment in capital assets,	\$ 106,339,576	\$ 104,858,508	\$ 108,748,009	\$ 108,085,017	\$ 105,509,010
Restricted	3,271,671	4,426,990	3,842,792	3,866,679	4,587,081
Unrestricted	36,164,700	41,485,433	16,567,835	18,257,351	8,965,140
Total primary government net position	<u>\$ 145,775,947</u>	<u>\$ 150,770,931</u>	<u>\$ 129,158,636</u>	<u>\$ 130,209,047</u>	<u>\$ 119,061,231</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				
	2018	2019	2020	2021	2022
Governmental activities:					
Net investment in capital assets,	\$ 72,667,466	\$ 87,071,592	\$ 84,530,565	\$ 85,059,375	\$ 84,447,535
Restricted	4,207,675	4,825,412	7,601,451	7,201,479	8,759,394
Unrestricted	(4,911,027)	(9,873,029)	(11,716,752)	(9,239,218)	(10,011,404)
Total governmental activities net position	<u>\$ 71,964,114</u>	<u>\$ 82,023,975</u>	<u>\$ 80,415,264</u>	<u>\$ 83,021,636</u>	<u>\$ 83,195,525</u>
Business-type activities:					
Net investment in capital assets,	\$ 31,663,486	\$ 32,937,448	\$ 31,473,936	\$ 30,784,313	\$ 30,111,234
Restricted	25,082	25,082	25,082	25,082	25,082
Unrestricted	14,709,960	13,656,457	13,930,796	14,359,332	14,386,432
Total business-type activities net position	<u>\$ 46,398,528</u>	<u>\$ 46,618,987</u>	<u>\$ 45,429,814</u>	<u>\$ 45,168,727</u>	<u>\$ 44,522,748</u>
Primary government:					
Net investment in capital assets,	\$ 104,330,952	\$ 120,009,040	\$ 116,004,501	\$ 115,843,688	\$ 114,558,769
Restricted	4,232,757	4,850,494	7,626,533	7,226,561	8,784,476
Unrestricted	9,798,933	3,783,428	2,214,044	5,120,114	4,375,028
Total primary government net position	<u>\$ 118,362,642</u>	<u>\$ 128,642,962</u>	<u>\$ 125,845,078</u>	<u>\$ 128,190,363</u>	<u>\$ 127,718,273</u>

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				
	2013	2014	2015	2016	2017
Expenses:					
Governmental activities:					
General government	\$ 5,373,180	\$ 5,040,070	\$ 6,551,584	\$ 6,264,368	\$ 5,894,947
Public safety	15,005,590	15,999,900	16,022,465	16,972,880	19,867,060
Community development	1,781,188	1,306,898	1,393,712	1,100,110	1,218,902
Community services	1,272,680	1,079,006	1,129,300	1,036,627	995,468
Public works	6,212,516	6,902,521	7,862,892	6,956,443	6,992,604
Interest on long-term debt	574,763	487,221	444,132	349,652	342,951
Total governmental activities expenses	30,219,917	30,815,616	33,404,085	32,680,080	35,311,932
Business-type activities:					
Water utility	4,267,840	4,439,797	4,037,798	4,102,228	4,977,160
Sewer utility	1,520,478	1,730,940	1,661,225	1,676,651	2,639,043
Total business-type activities expenses	5,788,318	6,170,737	5,699,023	5,778,879	7,616,203
Total primary government expenses	36,008,235	36,986,353	39,103,108	38,458,959	42,928,135
Program revenues:					
Governmental activities:					
Charges for services:					
General government	450,911	1,632,975	1,820,019	2,074,448	1,913,909
Public safety	1,565,527	1,384,701	2,132,176	1,521,220	2,045,589
Community development	111,008	182,021	186,858	192,878	217,486
Community services	981,440	1,062,796	1,020,316	1,015,517	707,813
Public works	1,980,116	1,962,242	1,937,305	1,832,289	2,105,747
Operating contributions and grants	5,837,093	2,402,490	2,768,435	2,122,139	1,721,167
Capital grants and contributions	-	10,000	20,000	10,000	174,685
Total governmental activities program revenues	10,926,095	8,637,225	9,885,109	8,768,491	8,886,396
Business-type activities:					
Charges for services:					
Water utility	4,924,109	5,092,152	4,556,001	4,261,566	4,782,468
Sewer utility	2,675,201	2,775,332	2,765,357	2,466,869	2,784,942
Total business-type activities program revenues	7,599,310	7,867,484	7,321,358	6,728,435	7,567,410
Total primary government program revenues	18,525,405	16,504,709	17,206,467	15,496,926	16,453,806
Net revenues (expenses):					
Governmental activities	(19,293,822)	(22,178,391)	(23,518,976)	(23,911,589)	(26,425,536)
Business-type activities	1,810,992	1,696,747	1,622,335	949,556	(48,793)
Total net revenues (expenses)	\$ (17,482,830)	\$ (20,481,644)	\$ (21,896,641)	\$ (22,962,033)	\$ (26,474,329)

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				
	2018	2019	2020	2021	2022
Expenses:					
Governmental activities:					
General government	\$ 6,161,230	\$ 6,479,347	\$ 6,868,616	\$ 7,231,812	\$ 8,604,149
Public safety	19,877,068	21,497,362	24,079,442	23,326,808	26,912,192
Community development	1,593,008	1,499,652	1,581,361	2,283,377	3,043,960
Community services	964,634	945,425	866,786	1,139,731	1,991,897
Public works	7,367,882	7,752,351	11,180,509	8,290,658	9,086,138
Interest on long-term debt	225,675	143,040	88,274	57,902	61,160
Total governmental activities expenses	<u>36,189,497</u>	<u>38,317,177</u>	<u>44,664,988</u>	<u>42,330,288</u>	<u>49,699,496</u>
Business-type activities:					
Water utility	4,668,618	4,909,193	5,444,834	6,033,692	6,064,434
Sewer utility	2,539,783	2,523,366	3,035,447	2,651,801	2,323,027
Total business-type activities expenses	<u>7,208,401</u>	<u>7,432,559</u>	<u>8,480,281</u>	<u>8,685,493</u>	<u>8,387,461</u>
Total primary government expenses	<u>43,397,898</u>	<u>45,749,736</u>	<u>53,145,269</u>	<u>51,015,781</u>	<u>58,086,957</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	2,062,987	1,913,201	1,207,956	1,486,575	1,129,039
Public safety	1,903,530	1,907,577	2,124,798	2,361,646	2,547,127
Community development	300,640	597,318	231,087	221,140	434,955
Community services	733,456	840,428	700,877	985,542	1,244,430
Public works	2,398,039	2,556,857	2,732,164	2,596,848	2,842,031
Operating contributions and grants	2,334,480	2,588,454	3,442,883	4,287,922	9,362,550
Capital grants and contributions	79,175	9,777,900	30,707	10,692	655
Total governmental activities program revenues	<u>9,812,307</u>	<u>20,181,735</u>	<u>10,470,472</u>	<u>11,950,365</u>	<u>17,560,787</u>
Business-type activities:					
Charges for services:					
Water utility	5,097,807	4,851,274	4,268,610	4,957,483	5,824,338
Sewer utility	2,928,885	2,854,208	3,007,958	2,885,699	2,432,441
Total business-type activities program revenues	<u>8,026,692</u>	<u>7,705,482</u>	<u>7,276,568</u>	<u>7,843,182</u>	<u>8,256,779</u>
Total primary government program revenues	<u>17,838,999</u>	<u>27,887,217</u>	<u>17,747,040</u>	<u>19,793,547</u>	<u>25,817,566</u>
Net revenues (expenses):					
Governmental activities	(26,377,190)	(18,135,442)	(34,194,516)	(30,379,923)	(32,138,709)
Business-type activities	818,291	272,923	(1,203,713)	(842,311)	(130,682)
Total net revenues (expenses)	<u>\$ (25,558,899)</u>	<u>\$ (17,862,519)</u>	<u>\$ (35,398,229)</u>	<u>\$ (31,222,234)</u>	<u>\$ (32,269,391)</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				
	2013	2014	2015	2016	2017
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Property taxes	\$ 9,958,198	\$ 9,498,277	\$ 10,050,815	\$ 10,408,505	\$ 11,012,246
Sales tax	5,408,756	4,742,859	4,246,080	4,228,730	4,379,341
Franchise taxes	1,126,398	1,324,860	1,163,595	955,922	1,016,938
Utility users taxes	4,732,597	4,644,218	4,646,434	4,445,180	4,177,713
Transient occupancy taxes	1,289,007	1,509,095	1,525,723	1,655,376	1,693,515
Other taxes	328,743	555,804	344,789	197,166	190,510
Motor vehicle in lieu, unrestricted	13,333	11,035	10,659	9,960	11,235
Use of money and property	372,693	674,875	725,720	1,004,572	425,014
Other	331,175	544,406	356,749	536,175	214,219
Transfers	-	378,500	378,500	378,500	378,500
Extraordinary Gain(loss)	-	-	694,585	-	-
Total governmental activities	<u>23,560,900</u>	<u>23,883,929</u>	<u>24,143,649</u>	<u>23,820,086</u>	<u>23,499,231</u>
Business-type activities:					
Use of money and property	84,371	133,995	109,575	176,437	167,661
Other	5,060	805	3,698	20,107	-
Transfers	-	(378,500)	(378,500)	(378,500)	(378,500)
Extraordinary Gain(loss)	-	1,200,000	-	-	-
Total business-type activities	<u>89,431</u>	<u>956,300</u>	<u>(265,227)</u>	<u>(181,956)</u>	<u>(210,839)</u>
Total primary government	<u>23,650,331</u>	<u>24,840,229</u>	<u>23,878,422</u>	<u>23,638,130</u>	<u>23,288,392</u>
Changes in net position:					
Governmental activities	4,267,078	1,705,538	624,673	(91,503)	23,499,231
Business-type activities	1,900,423	2,653,047	1,357,108	767,600	(210,839)
Total primary government	<u>\$ 6,167,501</u>	<u>\$ 4,358,585</u>	<u>\$ 1,981,781</u>	<u>\$ 676,097</u>	<u>\$ 23,288,392</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				
	2018	2019	2020	2021	2022
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Property taxes	\$ 11,180,197	\$ 11,481,535	\$ 12,358,059	\$ 12,926,895	\$ 13,428,911
Sales tax	4,303,618	5,546,264	9,108,334	10,146,964	11,443,583
Franchise taxes	1,059,581	1,097,774	1,034,280	1,067,098	1,101,243
Utility users taxes	4,186,554	4,061,031	3,941,877	4,129,727	4,508,593
Transient occupancy taxes	1,666,996	1,631,445	1,298,707	878,165	1,670,504
Other taxes	163,277	227,978	724,854	720,807	757,421
Motor vehicle in lieu, unrestricted	13,102	12,473	21,133	19,070	28,238
Use of money and property	300,817	1,692,720	1,862,213	151,196	(1,428,396)
Other	1,762,390	2,065,583	1,463,177	3,270,753	69,001
Transfers	378,500	378,500	376,483	(324,379)	733,500
Extraordinary Gain(loss)	-	-	-	-	-
Total governmental activities	<u>25,015,032</u>	<u>28,195,303</u>	<u>32,189,117</u>	<u>32,986,296</u>	<u>32,312,598</u>
Business-type activities:					
Use of money and property	223,778	326,036	391,016	256,845	218,203
Other	-	-	-	-	-
Transfers	(378,500)	(378,500)	(376,483)	324,379	(733,500)
Extraordinary Gain(loss)	-	-	-	-	-
Total business-type activities	<u>(154,722)</u>	<u>(52,464)</u>	<u>14,533</u>	<u>581,224</u>	<u>(515,297)</u>
Total primary government	<u>24,860,310</u>	<u>28,142,839</u>	<u>32,203,650</u>	<u>33,567,520</u>	<u>31,797,301</u>
Changes in net position:					
Governmental activities	25,015,032	10,059,861	(2,005,399)	2,606,373	173,889
Business-type activities	(154,722)	220,459	(1,189,180)	(261,087)	(645,979)
Total primary government	<u>\$ 24,860,310</u>	<u>\$ 10,280,320</u>	<u>\$ (3,194,579)</u>	<u>\$ 2,345,286</u>	<u>\$ (472,090)</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)

	Fiscal Year				
	2013	2014	2015	2016	2017
General Fund:					
Nonspendable	\$ -	\$ 1,549,735	\$ 666,102	\$ 682,859	\$ 2,877
Restricted	-	-	-	-	12,277
Committed	-	-	-	-	-
Assigned	8,301,699	8,227,258	7,623,994	7,610,286	7,478,281
Unassigned	21,149,350	22,314,838	21,711,517	20,811,037	19,770,202
Total general fund	<u>\$ 29,451,049</u>	<u>\$ 32,091,831</u>	<u>\$ 30,001,613</u>	<u>\$ 29,104,182</u>	<u>\$ 27,263,637</u>
All other governmental funds:					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	3,271,671	4,426,990	3,842,792	3,866,679	4,131,203
Assigned	89,004	71,993	-	-	-
Unassigned	(56,810)	(368,629)	(525,408)	(51,254)	(184,908)
Total all Other government funds:	<u>\$ 3,303,865</u>	<u>\$ 4,130,354</u>	<u>\$ 3,317,384</u>	<u>\$ 3,815,425</u>	<u>\$ 3,946,295</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)

	Fiscal Year				
	2018	2019	2020	2021	2022
General Fund:					
Nonspendable	\$ 32,495	\$ 33,795	\$ 41,776	\$ 2,069,748	\$ 51,506
Restricted	5,266	5,419	2,190,469	2,046,356	2,034,271
Committed	-	-	17,067,216	17,546,968	23,523,980
Assigned	8,289,150	10,152,504	4,370,059	4,704,595	4,853,380
Unassigned	<u>17,491,623</u>	<u>11,922,370</u>	<u>3,509,871</u>	<u>3,629,265</u>	<u>3,885,769</u>
Total general fund	<u>\$ 25,818,534</u>	<u>\$ 22,114,088</u>	<u>\$ 27,179,391</u>	<u>\$ 29,996,932</u>	<u>\$ 34,348,906</u>
All other governmental funds:					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	4,110,558	4,819,993	5,410,982	5,037,618	6,167,958
Assigned	-	-	-	-	-
Unassigned	<u>(34,159)</u>	<u>(425,639)</u>	<u>(671,694)</u>	<u>(373,870)</u>	<u>(554,027)</u>
Total all Other government funds:	<u>\$ 4,076,399</u>	<u>\$ 4,394,354</u>	<u>\$ 4,739,288</u>	<u>\$ 4,663,748</u>	<u>\$ 5,613,931</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)

	Fiscal Year				
	2013	2014	2015	2016	2017
Revenues:					
Taxes	\$ 23,831,431	\$ 23,476,034	\$ 23,114,876	\$ 22,828,144	\$ 23,368,371
Licenses and permits	1,247,750	1,369,275	1,377,131	1,304,924	1,234,590
Intergovernmental	3,002,321	869,294	1,725,127	1,388,056	744,904
Charges for services	4,117,034	3,895,371	3,961,691	4,214,690	5,349,083
Use of money and property	372,693	674,875	725,720	1,004,572	426,418
Fines and forfeitures	1,063,172	1,013,695	1,146,509	1,110,606	152,845
Contributions from other governments	10,209	341,698	330,885	283,222	180,511
Miscellaneous	301,771	579,125	375,588	537,777	492,245
Total revenues	<u>33,946,381</u>	<u>32,219,367</u>	<u>32,757,527</u>	<u>32,671,991</u>	<u>31,948,967</u>
Expenditures					
Current:					
General government	5,062,467	4,493,594	5,462,668	5,351,130	5,673,309
Public safety	14,460,833	15,439,757	15,811,773	16,378,416	17,395,965
Community development	1,420,065	1,298,071	1,362,308	1,175,339	1,186,081
Community services	1,182,716	1,048,427	1,129,497	1,075,282	1,004,690
Public works	4,156,616	4,871,887	5,631,015	4,862,058	4,586,373
Capital outlay	3,316,684	2,094,120	4,578,308	2,645,823	1,506,476
Debt service:					
Principal retirement	1,734,446	1,265,135	1,337,573	1,490,150	2,162,379
Interest and fiscal charges	562,184	492,935	441,040	355,819	353,322
Total expenditures	<u>31,896,011</u>	<u>31,003,926</u>	<u>35,754,182</u>	<u>33,334,017</u>	<u>33,868,595</u>
Excess (deficiency) of revenue over (under) expenditures	<u>2,050,370</u>	<u>1,215,441</u>	<u>(2,996,655)</u>	<u>(662,026)</u>	<u>(1,919,628)</u>
Other financing sources (uses):					
Transfers in	5,825,432	4,363,955	7,012,848	5,602,944	4,472,129
Transfers out	(6,135,432)	(4,295,455)	(6,919,381)	(5,340,308)	(4,262,176)
Proceeds on sale of assets	-	-	-	-	-
Total other financing sources (uses)	<u>(310,000)</u>	<u>1,615,431</u>	<u>93,467</u>	<u>262,636</u>	<u>209,953</u>
Net change in fund balances	<u>\$ 1,740,370</u>	<u>\$ 2,830,872</u>	<u>\$ (2,903,188)</u>	<u>\$ (399,390)</u>	<u>\$ (1,709,675)</u>
Debt service as a percentage of noncapital expenditures	8.0%	6.1%	5.7%	6.0%	7.8%

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)

	Fiscal Year				
	2018	2019	2020	2021	2022
Revenues:					
Taxes	\$ 24,021,668	\$ 25,903,080	\$ 27,481,580	\$ 31,711,229	\$ 34,976,825
Licenses and permits	1,480,971	1,416,737	844,274	771,615	926,792
Intergovernmental	1,530,815	857,923	4,330,159	2,195,977	6,754,322
Charges for services	4,586,949	4,878,405	4,684,076	4,853,170	5,118,769
Use of money and property	347,117	1,772,775	2,003,529	235,061	(1,197,815)
Fines and forfeitures	1,089,515	946,048	1,239,154	1,816,837	1,871,227
Contributions from other governments	55,765	45,994	60,942	106,528	76,817
Miscellaneous	520,420	2,319,864	2,995,022	3,431,013	240,917
Total revenues	<u>33,633,220</u>	<u>38,140,826</u>	<u>43,638,736</u>	<u>45,121,430</u>	<u>48,767,854</u>
Expenditures					
Current:					
General government	5,757,859	6,169,490	6,083,705	6,713,025	7,597,539
Public safety	18,148,871	19,240,608	20,921,107	21,895,428	23,892,990
Community development	1,488,921	1,446,025	1,408,699	2,203,834	2,185,707
Community services	954,018	942,804	852,664	1,131,906	1,174,593
Public works	4,967,066	5,160,373	6,672,230	5,748,811	6,884,360
Capital outlay	2,567,080	7,378,774	1,729,166	3,439,241	1,875,596
Debt service:					
Principal retirement	1,640,521	1,754,905	494,370	496,920	532,556
Interest and fiscal charges	231,779	152,863	88,612	70,479	55,856
	<u>35,756,115</u>	<u>42,245,842</u>	<u>38,250,553</u>	<u>41,699,644</u>	<u>44,199,197</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(2,122,895)</u>	<u>(4,105,016)</u>	<u>5,388,183</u>	<u>3,421,788</u>	<u>4,568,657</u>
Other financing sources (uses):					
Transfers in	5,714,614	9,381,712	4,141,526	2,858,654	2,697,577
Transfers out	(4,906,717)	(8,663,187)	(4,119,472)	(3,657,439)	(1,964,077)
Proceeds on sale of assets	-	-	-	119,000	-
Total other financing sources (uses)	<u>807,897</u>	<u>718,525</u>	<u>22,054</u>	<u>(679,785)</u>	<u>733,500</u>
Net change in fund balances	<u>\$ (1,314,998)</u>	<u>\$ (3,386,491)</u>	<u>\$ 5,410,237</u>	<u>\$ 2,742,003</u>	<u>\$ 5,302,157</u>
Debt service as a percentage of noncapital expenditures	5.6%	5.5%	1.6%	1.5%	1.4%

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	
2013	4,304,310,243	176,246,398	4,480,556,641	424,660,008	7,294,003	431,954,011	1.00%
2014	4,408,299,607	172,172,784	4,580,472,391	453,448,325	8,270,821	461,719,146	1.00%
2015	4,706,609,532	184,449,987	4,891,059,519	556,548,983	3,863,246	560,412,229	1.00%
2016	4,794,299,125	287,392,225	5,081,691,350	530,597,248	32,693,247	563,290,495	1.00%
2017	4,978,010,106	189,618,406	5,167,628,512	300,533,393	2,090,757	302,624,150	1.00%
2018	5,233,421,188	194,765,328	5,428,186,516	309,374,617	2,150,646	311,525,263	1.00%
2019	5,475,549,249	150,370,464	5,625,919,713	320,174,015	2,103,366	322,277,381	1.00%
2020	5,817,397,419	163,933,178	5,981,330,597	363,940,344	3,281,367	367,221,711	1.00%
2021	6,051,394,489	149,026,764	6,200,421,253	375,196,393	5,389,789	380,586,182	1.00%
2022	6,253,511,227	148,714,210	6,402,225,437	414,507,317	7,059,017	421,566,334	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 will receive 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**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
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	0.03783	0.04603	0.04719	0.06135	0.06001	0.06072	0.05881	0.05509	0.06379	0.05996
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	0.07327	0.07969	0.07468	0.07779	0.07367	0.09803	0.16561	0.13116	0.14183	0.12906
Total Direct & Overlapping Rates	1.11460	1.12922	1.12537	1.14264	1.13718	1.16225	1.22792	1.18975	1.20912	1.19252

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 Nine Years Ago

Taxpayer	2022		2013	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Seal Beach Mutual	\$ 1,121,233,126	17.52%	\$ 642,813,439	14.34%
CPT Shops at Rossmoor LLC	134,368,539	2.10%	125,239,000	2.79%
ASN Long Beach LLC	128,339,886	2.01%	61,660,834	1.38%
Boeing North American	126,986,970	1.98%	114,710,970	2.56%
Terra Funding-Bixby Ranch LLC	97,023,973	1.52%		
Ranch Town Center LLC	49,262,590	0.77%	42,319,450	0.94%
Al United States Seal Beach Senior Housing	43,430,145	0.68%	47,007,336	1.05%
Columbia Regency Retail Partners LLC	29,683,478	0.46%		
Old Ranch Country Club LLC	26,809,598	0.42%		
Rexford Industrial Realty LP	23,895,928	0.37%		
OXY Long Beach Inc			178,666,923	3.99%
PCPI Bixby LP			66,300,000	1.48%
DCOR LLC			55,114,425	1.23%
Hellman Properties			32,056,977	0.72%
	<u>\$ 1,781,034,233</u>	<u>27.83%</u>	<u>\$ 1,365,889,354</u>	<u>30.48%</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
2013	\$ 8,814,252	\$ 8,629,271	97.90%	\$ 118,645	\$ 8,747,916	99.25%
2014	9,407,263	9,240,201	98.22%	103,007	9,343,208	99.32%
2015	10,438,079	10,222,017	97.93%	73,362	10,295,379	98.63%
2016	10,472,603	10,196,356	97.36%	81,860	10,278,216	98.14%
2017	10,945,834	10,710,665	97.85%	65,706	10,776,371	98.45%
2018	11,415,167	11,226,591	98.35%	75,788	11,292,740	98.93%
2019	12,131,891	11,590,056	95.53%	60,234	11,650,289	96.03%
2020	12,962,715	12,515,970	96.55%	88,367	12,604,337	97.24%
2021	13,231,113	12,990,870	98.18%	102,993	13,093,863	98.96%
2022	14,180,456	13,800,002	97.32%	95,442	13,895,444	97.99%

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	Total Governmental Activities
2013	\$ 70,135	\$ 6,045,000	\$ 4,515,000	\$ -	\$ 10,630,135
2014	-	5,270,000	4,095,000	1,562,400	10,927,400
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	1,273,072

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

Business-type Activities									
Fiscal Year Ended June 30	Economic		Sewer 2011 Installment Agreement	Sewer State Revolving Agreement	Total Business-type Activities	Total Primary Government	Percentage of Personal Income ¹	Debt Per Capita ¹	
	Development Administration Loan	Water Board Loan							
2013	\$ 74,780	\$ -	\$ 2,965,000	\$ 4,645,401	\$ 7,685,181	\$ 18,315,316	*	750	
2014	-	-	2,835,000	4,068,778	6,903,778	17,831,178	*	732	
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	4,631,925	5,904,997	*	238	

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
2013	\$ -	\$ 10,560,000	\$ 10,560,000	0.21%	\$406
2014	-	9,365,000	9,365,000	0.19%	360
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

NOTES:

General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds. The City has no general bonded debt.

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

Source: Finance Department, City of Seal Beach

City of Seal Beach
Schedule of Direct and Overlapping Debt
June 30, 2022

<u>2021-22 Assessed Valuation:</u>	\$6,402,225,437			
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable ⁽¹⁾</u>	<u>Total Debt</u>	<u>City's Share of</u>	
		6/30/2022	Debt 6/30/22	
Metropolitan Water District	0.189%	\$ 20,175,000	\$ 38,131	
Coast Community College District	2.871%	945,799,424	27,153,901	
North Orange Jt. Community College District	1.166%	209,339,039	2,440,893	
Los Alamitos Unified School District School Facilities Imp District No.1	48.222%	197,835,227	95,400,103	
Huntington Beach Union High School District	0.001%	163,654,998	1,637	
Ocean View School District	0.004%	129,630,000	5,185	
City of Seal Beach Community Facilities District No. 2002-1	100.000%	2,665,000	2,665,000	
City of Seal Beach Community Facilities District No. 2005-1	100.000%	7,035,000	<u>7,035,000</u>	
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			<u>\$ 134,739,850</u>	
<u>OVERLAPPING GENERAL FUND DEBT:</u>				
Orange County General Fund Obligations	0.939%	\$ 376,780,000	\$ 3,537,964	
Orange County Pension Obligations	0.939%	521,784,000	4,899,552	
Orange County Board of Education Certificates of Participation	0.939%	11,620,000	109,112	
North Orange County Regional Occupation Program Certificates of Participation	4.369%	8,200,000	358,258	
Coast Community College District Certificates of Participation	2.871%	1,865,000	53,544	
Coast Community College District Pension Obligation Bonds	2.871%	1,825,000	52,396	
Los Alamitos Unified School District Certificates of Participation	53.396%	34,632,040	18,492,124	
Huntington Beach Union High School District General Fund Obligations	0.001%	58,406,090	584	
Ocean View School District General Fund Obligations	0.004%	16,310,000	652	
City of Seal Beach Lease Revenue Bonds	100%	735,000	<u>735,000</u>	
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			<u>\$ 28,239,186</u>	
TOTAL DIRECT DEBT			\$ 735,000	
Less: Orange County Transit Authority (80% self-supporting)			0	
TOTAL OVERLAPPING DEBT			\$ 162,244,036	
COMBINED TOTAL DEBT			\$ 162,979,036 ⁽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 Adjusted Assessed Valuation:

Total Overlapping Tax and Assessment Debt	2.10%
Total Direct Debt (\$735,000)	0.01%
Combined Total Debt	2.55%

City of Seal Beach
Legal Debt Margin Information
Last Ten Years

	Fiscal Year				
	2013	2014	2015	2016	2017
Debit limit	\$ 736,876,598	\$ 756,328,731	\$ 817,720,762	\$ 846,747,277	\$ 820,537,899
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$ 736,876,598</u>	<u>\$ 756,328,731</u>	<u>\$ 817,720,762</u>	<u>\$ 846,747,277</u>	<u>\$ 820,537,899</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

	Fiscal Year				
	2018	2019	2020	2021	2022
Debit limit	\$ 860,757,686	\$ 892,030,484	\$ 952,282,846	\$ 930,063,188	\$ 960,333,816
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$ 860,757,686</u>	<u>\$ 892,030,484</u>	<u>\$ 952,282,846</u>	<u>\$ 930,063,188</u>	<u>\$ 960,333,816</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 2022

Assessed Valuation	\$ 6,402,225,437
Debt percentage ¹	<u>15%</u>
Debt limit	\$960,333,815.55
Debt applicable to limit	-
Legal debt margin	<u>\$ 960,333,816</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	
2013	\$ 1,790,960	\$ 470,000	\$ 330,684	2.24
2014	1,222,425	495,000	229,406	1.69
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	-	-	-	-

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

Calendar Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate
2013	24,591	\$ 1,082,963	\$ 44,039	3.7%
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	24,683	1,426,979	57,432	6.0%

Sources: HDL Coren & Cone

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

Business Name	2021-22	2012-13	Business Category
76	X		Service Stations
AT&T Mobility		X	Electronics/Appliance Store
Bed Bath & Beyond	X	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
College Park Mobil		X	Service Stations
Conkle 76		X	Service Stations
Cosmodyne		X	Light/Industrial Printers
CVS Pharmacy	X	X	Drug Stores
Energy Tubulars		X	Petroleum Prod/Equip
Hoff's Hut	X		Casual Dining
Home Goods	X	X	Home Furnishings
In N Out Burgers	X		Quick-Service Restaurants
Islands			Casual Dining
Kobe Japanese Steakhouse	X		Casual Dining
Kohls	X	X	Department Stores
Leisure World Automotive 76		X	Service Stations
Mag Tek		X	Office Equipment
Marshalls	X	X	Family Apparel
Mobil	X		Service Stations
Old Ranch Country Club	X	X	Leisure/Entertainment
Original Parts Group	X	X	Automotive Supply Stores
Pavillions	X		Grocery Stores Liquor
Petsmart	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
Spaghettoni	X	X	Fine Dining
Target	X	X	Discount Dept Stores
Toys R Us		X	Specialty Stores
Ulta Beauty	X		Specialty Stores
Vons		X	Grocery Stores Liquor
Walts Wharf	X	X	Fine Dining

2020-21 Percent of Fiscal Year Total Paid by Top 25 Accounts = 57.06%

2012-13 Percent of Fiscal Year Total Paid by Top 25 Accounts = 72.09%

Firms Listed Alphabetically: Period July Thru March

Source: Hinderliter, de Llamas & Associates, State Board of Equalization

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

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government	10.97	10.56	14.64	14.34	15.92	13.00	13.48	13.48	14.75	21.35
Public safety	63.91	76.78	79.13	74.12	77.19	78.50	79.82	79.82	80.78	82.05
Public works	11.49	11.03	10.94	4.97	3.98	6.00	5.00	5.00	17.99	17.63
Community development	10.60	12.01	18.16	17.25	16.53	13.60	14.76	14.76	13.88	13.50
Water	12.29	12.60	13.80	13.82	12.60	12.90	13.15	13.15	8.90	8.90
Sewer	3.95	5.28	5.91	7.11	7.69	6.71	6.89	6.89	5.86	6.22
Total	<u>112.19</u>	<u>113.21</u>	<u>128.26</u>	<u>142.58</u>	<u>131.61</u>	<u>133.91</u>	<u>130.71</u>	<u>133.10</u>	<u>142.16</u>	<u>149.65</u>

Source: Finance Department, City of Seal Beach

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

	Fiscal Year				
	2013	2014	2015	2016	2017
Police:					
Arrests	819	758	798	790	781
Parking citations issued	18,451	18,931	21,043	19,264	18,319
Public works:					
Street centerline miles resurfaced	2	1	2	1	-
Number of public right of way permits issued	96	140	151	184	259
Number of street related service requests	134	35	45	40	68
Parks and recreation:					
Number of recreation classes	2,156	678	781	680	710
Number of facility rentals	3,182	1,763	2,633	557	585
Water:					
Number of water meters replaced	128	85	57	76	56
Acre feet of water used	3,818	3,878	3,540	3,208	3,259
Sewer:					
Number of feet of sewer cleaned	245,986	253,099	253,099	217,619	-
Number of catch basins cleaned	417	401	434	458	216

Source: City of Seal Beach

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

	Fiscal Year				
	2018	2019	2020	2021	2022
Police:					
Arrests	854	787	709	806	1,429
Parking citations issued	19,929	17,663	20,913	28,644	29,658
Public works:					
Street centerline miles resurfaced	1	1	4	3	1
Number of public right of way permits issued	231	253	242	232	213
Number of street related service requests	109	92	44	39	258
Parks and recreation:					
Number of recreation classes	1,070	1,100	790	1,113	955
Number of facility rentals	1,030	1,045	690	314	1,020
Water:					
Number of water meters replaced	49	49	104	154	89
Acre feet of water used	3,208	3,360	3,276	3,471	3,086
Sewer:					
Number of feet of sewer cleaned	217,619	154,000	146,619	126,563	190,569
Number of catch basins cleaned	216	216	216	217	218

Source: City of Seal Beach

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
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	23	23	22
Parks and recreation:										
Parks	10	10	10	10	10	10	10	10	10	13
Community centers	3	3	3	3	3	3	3	3	3	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	7	7	6

Source: City of Seal Beach