

Annual Comprehensive Financial Report

Fiscal Year June 30, 2024

A Beacon of Progress
Signal Hill, California



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CITY OF SIGNAL HILL, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2024

Prepared by:
Department of Finance

Siamlu Cox
Deputy Administrative Services Officer/Finance Director

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City of Signal Hill

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INTRODUCTORY SECTION

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CITY OF SIGNAL HILL

2175 Cherry Avenue ♦ Signal Hill, CA 90755-3799

December 4, 2024

Honorable Mayor and Members of the City Council
City of Signal Hill
Signal Hill, California

We are pleased to present the Annual Comprehensive Financial Report (ACFR) for the City of Signal Hill (City) for the fiscal year ended June 30, 2024. The purpose of this report is to provide the City Council, residents, the general public, and interested parties with a broad financial outlook of the City, as well as to comply with State law.

The City's independent auditors Rogers, Anderson, Malody & Scott, LLP, Certified Public Accountants, (RAMS) issued an unmodified ("clean") opinion on the City of Signal Hill's financial statements for the fiscal year ended June 30, 2024. The independent auditor's report is located at the front of the financial section of the Annual Comprehensive Financial Report (ACFR).

This report consists of management's representations concerning the finances of the City and was prepared by the Finance Department with the assistance of the City's independent auditors in accordance with generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). Management assumes full responsibility for the completeness and reliability of the information contained in this report. We believe the data presented conforms to governmental accounting and financial reporting standards and is accurate in all material aspects; it is presented in a manner designed to fairly set forth the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain a good understanding of the City's financial affairs have been included.

GAAP requires that management provide a narrative introduction and an overview to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The MD&A immediately follows the independent auditor's report and should be read in conjunction with this transmittal letter.

Profile of the Government

The City of Signal Hill was incorporated in 1924 as a General Law City. On November 7, 2000, in a special election, the residents of Signal Hill approved a new City Charter, and the City effectively made the change from a General Law City to a Charter City under the California Constitution.

The City of Signal Hill, encompassing 2.25 square miles, is located in the southwestern coastal area of Los Angeles County and has an estimated population of 11,448. The City is 25 miles south of downtown Los Angeles, 8 miles northeast of the Port of Los Angeles, and 5 miles northeast of the seaport terminal of Long Beach. Neighboring communities include the cities of Long Beach, Lakewood, Los Alamitos, and Carson.

Signal Hill, completely surrounded by the City of Long Beach, had historically been located in unincorporated territory. In 1924, to avoid Long Beach's per-barrel tax on oil, Signal Hill's founding members voted for incorporation. Oil production continued to be Signal Hill's mainstay until declining oil prices reduced production in the 1970s. In 1974, under the provisions of State law, the City formed the Signal Hill Redevelopment Agency and focused on economic development and revenue diversification. Today, Signal Hill is a well-balanced, financially sound, and economically diverse community.

The City operates under the Council-Manager form of municipal government. The City Council is comprised of five members elected at large, on a staggered basis, for a term of four years. Policy-making and legislative authority are vested in the governing City Council, which appoints a Mayor on an annual basis in December from among the members of the City Council. The City Council appoints the City Manager, who is responsible for the day-to-day administration of City business and the coordination of all departments of the City. The City budgets for an authorized staff of approximately 135 full-time equivalent positions.

The City provides a full range of municipal services, including police and public safety, street maintenance, park maintenance, public improvements, planning and zoning, water utilities, recreational activities, community programming, and library services. The County of Los Angeles provides fire protection and public health services, the Sanitation District of Los Angeles County maintains and upgrades the sewer system, and the City of Long Beach provides animal care services and bus transportation throughout the City.

The ACFR includes the financial activities of the City of Signal Hill, the primary government, and its component units, which are the Signal Hill Housing Authority and the Signal Hill Public Financing Authority. The operations of these units are included within the Basic Financial Statements of the City.

The Signal Hill Redevelopment Agency (Agency) was established on May 7, 1974, pursuant to the State of California Health and Safety Code, Section 33000, entitled "Community Redevelopment Law." The Agency was formed for the purpose of preparing and carrying out plans for the improvement,

rehabilitation, and redevelopment of blighted areas within the City. When the State dissolved all redevelopment agencies in early 2012, the City of Signal Hill opted to become the Successor Agency to the Signal Hill Redevelopment Agency. The Successor Agency is included in the financial statements as a Private Purpose Trust Fund and is not part of the City's government-wide statements. Additional information is found in Note 17 of the Notes to the Basic Financial Statements.

The City also established the Signal Hill Housing Authority (Housing Authority) on December 12, 2000, pursuant to provisions of the California Health and Safety Code. The primary purpose of the Housing Authority is to provide suitable, safe, and sanitary housing opportunities for the City's residents. Upon dissolution of the Redevelopment Agency, the housing assets and functions of the dissolved agency were transferred to the Housing Authority. The Housing Authority is included in the financial statements as a separate Special Revenue Fund.

The Signal Hill Public Financing Authority (Public Financing Authority) is a joint powers authority formed under the Joint Exercise of Powers Law of the State of California, Section 6502 of Title 1, Division 7, Chapter 5 of the Government Code of the State of California (the "Joint Exercise of Powers Act") between the City and the Agency on October 15, 1996, for the purpose of establishing a vehicle which may reduce local borrowing costs and promote the greater use of existing and new financial instruments and mechanisms. The Public Financing Authority's Board of Directors is the Signal Hill City Council. Due to the Redevelopment Dissolution Act, the use of the Public Financing Authority to assist in future financings is limited since the former Agency, now Successor Agency, is one of the parties to the joint powers agreement forming the Public Financing Authority. The Dissolution Act contains language concerning the termination of the Successor Agency in the future that could have an impact on any new debt issued by the Public Financing Authority.

To assist in financing and refinancing capital improvements – to be used in connection with future City financing or refinancing activities – the City formed the Signal Hill Municipal Financing Authority (Municipal Financing Authority) between the City and the Agency on August 22, 2017, under the Joint Exercise of Powers Law of the State of California, Section 6502 of Title 1, Division 7, Chapter 5 of the Government Code of the State of California (the "Joint Exercise of Powers Act"). The Municipal Financing Authority's Board of Directors is the Signal Hill City Council.

Local Economy

California cities have effectively recovered from the pandemic recession of 2020 with a return to normalcy in most business sectors, however, there are still signs of stress in the overall economic outlook. Global economies continue to grapple with higher inflation affecting consumer spending trends, and volatile interest rates that are putting pressure on the housing market, car sales, and other parts of the economy. Work stoppages from major labor strikes may also impact domestic budget spending and the intense geo-political conflicts in Ukraine and Israel may also upset current growth patterns. Another impact is the November 2024 election results that could lead to new industrial policies on tariffs which, in turn, could affect the price of goods for consumers. Even with all this, many economic forecasts believe the US economy remains resilient with renewed consumer confidence and spending,

and relatively low unemployment that has shielded the economy from recession. However, caution is advised, if the Federal Reserve keeps its benchmark interest rate elevated for a prolonged period, this may cause undue pressure on consumer spending, increase job losses, and weaken the overall economy.

Inflation continues to be one of the most challenging obstacles global economies have attempted to overcome. The Federal Reserve has taken an aggressive stance in combating inflation by raising the federal funds target rate from 0.25% in March 2022 to 5% in September 2024. The inflation rate met a 40-year high of 9.1% in 2022 but tapered off to 2.4% in September 2024 and is still higher in comparison to the Federal Reserve's target of 2% inflation rate for the US economy. Even though inflation and interest rates were high, the US Gross Domestic Product (GDP) expanded by an annualized 2.8% pace by the quarter ending in September 2024, which is in line with the 3.4% average quarterly growth seen from 2021 to 2023. As the Federal reserve continues with its current strategy of interest rate cuts to achieve a soft landing, the economy is still experiencing slow job growth and household incomes are still dealing with higher cost of goods. In the long run, the pace of the rate cuts through next year will have the biggest impact on improving the overall economy and inflation.

California's 2.8% GDP growth rate in the second quarter of 2024 shows the State's economy continues to expand but slower than the national annual average of 3.7% in 2023, primarily due to a higher unemployment rate and housing market stagnation. Between January 2020 (just before COVID) and September 2024, prices increased by approximately 20% with food, rent of a primary residence, and gasoline prices rising well above this. As of October 2024, California's unemployment rate increased to 5.3%, which is the third highest of any state, and higher than the national average of 4.1% for the same period; a main component of this data trend is attributed to slower job growth in select labor markets. If these conditions continue to persist, this may further impede the State's long-term economic growth by causing consumers to make tradeoffs in household spending budgets. Also, the State of California continues to grapple with budget deficits leaving uncertainty regarding how the State Legislature plans to balance its budget, creating possible impacts to local municipalities. As there are many variables driving the local economy, most economic forecasts are still predicting growth, but limited growth in the following years for 2025 and 2026.

During the Covid-19 pandemic, it was evident that local governments, particularly general fund revenue portfolio (i.e., property tax, sales tax, transient occupancy tax, franchise fees, etc.) and the elasticity of these sources, determined a city's fiscal exposure during the economic shifts that occurred since the pandemic. As a "low property" tax city, the City's most significant revenue source for General Fund operating revenues is sales tax. Signal Hill's revenue mix has proven to be resilient, with overall sales tax revenue remaining strong, with total point-of-sale tax revenues increasing by 4% from the previous year. The City's transaction and use tax Measure SHR continues to be the biggest contributor to an increase in overall sales tax revenue with a 5% increase over the prior year. Measure SHR generated 27% of the Bradley Burns amount, with general consumer goods continuing to produce the most sales tax revenue. Overall sales trends were forecasted to experience "flat" growth in FY 2023-24 and also the following year. Overall, as reported by HdL, California sales tax performance for FY 2023-24 grew modestly and lags far behind the double-digit growth seen during the pandemic recovery. Looking

ahead, households face tight budgets, and various industries grapple with challenges such as labor costs, inventory issues, and competition. All eyes are on the Federal Reserve Board's upcoming decisions on interest rates which will be the main driver to shape future consumer spending and overall economic growth.

The City's major sales tax industry groups include Autos and Transportation, Business and Industry, County Pool Allocations and General Consumer Goods. The City's Autos and Transportation industry sector experienced a robust year-over-year growth of 21%, mostly attributed to a new dealership and a one-time, prior year adjustment resulting in increased revenue. Net of the prior year adjustment, the year-over-year growth for Auto and Transportation was 11%. County Pool Allocations continue to grow with a 5% year-over year growth as projected by HdL. Business and Industry and General Consumer Goods both experienced a 2% loss over the prior year. Although the Business and Industry sector benefits from online shopping which did increase, there were individual sectors that experienced a loss. Building and Constructions continues to see a downward turn in home-improvements sales with conditions predicted to persist through the middle of 2025, and although interest rates have fallen in the short-term, consumers continue to suspend big-ticket purchases. As a result, this sector is not predicted to see growth until FY 2025-26. Overall sales tax revenue is still predicted to stay relatively flat through FY2024-25, and then an average of about 3% growth in the outer years.

Property taxes account for the next largest revenue source for the General Fund. Local property tax revenues are driven by the value of residential and commercial property and since property tax revenue typically reflects the value of a property anywhere from 18 months to many years prior, these are less immediately responsive to economic changes than other types of taxes. High mortgage rates continue to test California's housing market as sales continue to decline, and buyers face challenges as median sales prices increase. In comparison, California's median home price increased by 11.4% as of April 2024, with Southern California's median home prices increasing by 7.4% based on HdL's property tax division. Signal Hill's home sales have continued to remain slow within single digits, most likely due to rising interest rates and inflation continue to drive this trend and is not expected to change until FY 2025-26. The City's overall net taxable property value changed by 4.4%. It is important to point out that a large portion of Signal Hill properties are highly affected by the oil and gas assets within the City. As oil prices change the related property values also fluctuate in the same direction and a portion of the property value changes are likely related to the current price of oil. Property tax rolls are set prior to the commencement of the fiscal year, and therefore property tax revenue was conservatively projected for FY 2024-25.

The City's annual obligated costs, such as contract costs, insurance, pension obligations, and unfunded mandates, continue to rise over time and compete against other budget priorities. The largest obligated costs include pensions costs related to the CalPERS Unfunded Accrued Liability (UAL). The UAL mainly fluctuates as a result of investment returns and changes in the discount rate. CalPERS recently announced a preliminary net return of 9.3% for FY 2023-24. When factoring in CalPERS' discount rate of 6.8% and the FY 2023-24 preliminary return of 9.3%, the estimated funded status now stands at 75% as of June 30, 2024 for the Public Employees Retirement Fund (PERF). The recent gain and loss, change in the discount rate, and assumption changes have led to variable funding status, which directly

impact the City's pension costs and overall budget strategies; the City will continue to monitor this issue closely.

The City completed a comprehensive fee study in FY 2023-24 which reviewed the City's overall user and regulatory fee structure, basis of fees, and cost recovery. The projected positive fiscal impact has been incorporated into the current biennial budget. In addition, the City is conducting a water rate study and a water master plan to review the Water Utility fund to ensure overall fiscal sustainability and prioritize water infrastructure needs and future capital improvement planning. The water rate study is scheduled to be completed in 2025. The City has also embarked on a comprehensive economic and land use study for three areas of the community. Broadly defined, the purpose of an Opportunity Study Area is to assess future land use opportunities that will allow the City to grow economically, create jobs, encourage new development, and diversify the City's tax basis for several years.

In 2023, the City Council authorized staff to issue a Notice of Funding Availability for up to \$10 million in affordable housing funding to develop the Orange and Walnut Bluff affordable housing sites. The City initiated a competitive process and selected National Community Renaissance (National CORE) as the City's preferred development partner. National CORE proposed a 380-unit affordable project that includes a Boys and Girls Club which would represent a \$200 million investment in the community. Since embarking on the due diligence process, National CORE experienced delays due to new State legislation regulating oil and gas operations. In addition, due to its budget deficit, the State temporarily suspended the Infill Infrastructure Grant program, which National CORE proposed as a primary funding source for these projects. Despite these temporary setbacks, National CORE and the City will negotiate the terms of an Affordable Housing Agreement for the Walnut Bluff property in 2025 that will specify the terms, conditions, and timing of the City's funding contribution.

FY 2024-25 Operating Budget

Based upon industry forecasts, historical and current data, and in accordance with the City's tradition of fiscal prudence, the City applied conservative budgeting principles during the budget development process for FY 2024-25. The City's FY 2024-25 Operating Budget focuses on the continued delivery of quality core municipal services while proactively addressing safety and deferred maintenance and operational needs, while maintaining a work environment conducive to retaining and promoting a successful workforce. In developing the budget for the major general fund revenues, the City relied on an analysis of historical performance and trends, as well as industry, economists, and news reports.

The City's expenditures were developed as a conservative spending plan addressing City Council and community priorities. The City's continued operations at full capacity include the expansion of current community and recreation programs, increased public engagement through communications, committees and other city events, and plans for future economic development. The budget also reflects the utilization of government relief program funding, special revenues, and grant programs in the City's capital plan and operational expenditures.

While the budget continues to reflect tempered optimism, the current global and local economies continue to face ongoing challenges that may lead to reevaluating spending strategies. The City's future economic health will be dependent on maintaining healthy reserves through fiscally conservative budgets and policies, planning for economic development opportunities, and maintaining its strong financial position through prudent, long-range policy decisions and sound fiscal management. The City will continue to monitor key economic indicators, sources of revenue, and spending levels as part of its sound, conservative fiscal approach.

Long Term Financial Planning

The community, City Council and staff helped craft the 2023-2028 City of Signal Hill Strategic Plan, which sets the priorities for the City. The framework of the Strategic Plan is centered on three principles that include, Vision (the ideal state of the community in the future), Mission (how we will achieve our vision), and Values (the principles by which we strive to work). The plan goals include five specific objectives: 1) Financial Stability: Ensure the City's long-term financial stability and resilience; 2) Community Safety: Maintain community safety by supporting public safety services and increasing emergency preparedness; 3) Economic & Downtown Development: Improve the local economy, support local businesses, and create a vibrant downtown core; 4) Infrastructure: Maintain and improve the City's physical infrastructure, water system, and recreational spaces; 5) High-Functioning Government: Strengthen internal communication, recruitment, retention, systems, and processes to increase the effectiveness and efficiency of City services. The City Council and staff use the Strategic Plan as a tool to guide our actions and continue to improve the quality of life for the residents of Signal Hill.

A City's capacity to effectively deliver basic day-to-day services to its residents and businesses fundamentally affects whether residents can live in a healthy, safe, and fulfilling manner. Local governments are at the forefront in providing these basic services – for example: establishing and governing local laws and codes; providing police service and protection to residents and businesses; assisting in a fire or medical emergency; delivering clean water; providing recreational, social, and learning opportunities for residents; assuring the safety of existing and new buildings located in the City; building and maintaining infrastructure and public buildings; activating emergency operations to provide incident command, if necessary; and maintaining local roads for the orderly movement of people and things. Therefore, how local government is funded, and how well it is funded to be able to carry out this mission is vital.

To meet these public duties, cities must manage and allocate millions of dollars each year, employ staff, negotiate and manage contracts, build and operate public facilities, among other obligations, and do all this within a setting that must be continually open, transparent, and accessible to the public. How local governments decide to use their limited resources leads to a complicated intersection of public policy, community planning, and budgeting. The heart of the matter is, in fact, the ongoing work to balance limited revenues with public demand for costly and often vital services and facilities.

Money for delivering local government services in California is raised largely through an intricate system of taxes and fees – a finance system that is complicated and unique. The system’s unique nature is due to many factors of law, history, and culture, including State constitutional provisions enacted by voters that prescribe strict limits on how municipalities can raise revenues – and even how they can spend money. In addition, the State’s recurring financial crises have had vast repercussions at the local level, further stressing municipal revenues and services.

On November 3, 2020, the residents of Signal Hill voted in a new three-quarter cent per dollar (0.75%) general transactions and use (sales) tax to take proactive local control of long-term financial planning. This tax continues preserving the high quality of life the community expects and deserves, supporting the ongoing provision of essential services while securing a reliable, long-term funding stream that is locally controlled, where revenue is not subject to seizure or elimination by the State. The new tax provided approximately \$6.6 million in annual revenues in FY 2023-24 to help fund programs such as streets, pothole and infrastructure repair, clean public areas, 9-1-1 emergency response, and crime prevention.

In FY 2023-24, the reserves levels were governed by the City’s Financial Policy recommendation of maintaining a combined General Fund and Economic Uncertainties Fund reserves level equivalent to a minimum of six months of operating expenditures. The unassigned fund balance in the General Fund and the fund balance of the Economic Uncertainties Fund were approximately 112% of FY 2023-24 General Fund budgeted operating expenditures, which exceeds the policy guidelines of 50%. For FY 2024-25, the City will follow the new General Fund Reserve Policy, which was approved by the City Council on September 10, 2024, to formalize the City’s financial reserve targets and reserve criteria. The new policy established a minimum threshold for both the General Fund Unassigned fund balance and the Economic Uncertainties Reserve fund at 75% with an upper range of 100% of the General Fund budgeted operating expenditures. These reserves would be utilized to mitigate the adverse impact of an economic slowdown, a recession, or the loss of a major sales tax provider. The City’s strategic reserves also allow resources to be set aside to fund major capital improvement projects to maintain roads, infrastructure, and other long-term assets to improve the well-being of its residents and visitors; with two major upcoming projects that include the Civic Center Master Plan and the City Hall Renovation.

Management believes the City has positioned itself to weather unanticipated economic fluctuations through adequate reserve accumulation and continuation of the privatization of City functions such as street sweeping and park maintenance, enhanced and renewed focus on proactive economic development efforts with the completion of the long-range asset management plan, and a continued focus on our human development effort to reshape and retrain our workforce to meet changing demands.

Financial and Internal Controls

The Administrative Services Officer/Director of Finance is directly responsible for the City’s financial administration and oversees the budget, purchasing, management information systems, risk management, and fiscal operations. Fiscal operations include general accounting, financial reporting,

treasury and investment functions, business permits, capital improvement project fiscal administration, payroll, accounts payable, accounts receivable, and water utility billing.

The Finance Department is responsible for establishing and maintaining an internal control structure designed to ensure the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting and financial reporting data are compiled and available to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met and that the financial statements are free of any material misstatements. The concept of reasonable assurance recognizes: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. Management believes the City's current internal accounting controls adequately safeguard assets and provides reasonable assurance of proper recording of financial transactions.

Single Audit

The City is legally required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Uniform Guidance, Audits of State and Local Governments, if total federal grant expenditures exceed \$750,000 in a single year. Throughout the course of FY 2023-24, the City expended federal funds in excess of the \$750,000 threshold, subjecting the City to Single Audit requirements. The principal federal funds expensed in FY 2023-24 were American Rescue Plan Act (ARPA) funds. The Single Audit will commence at the completion of the ACFR.

Budgetary Controls

The City Council is required to adopt a budget by no later than the close of the fiscal year. This annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund, function (e.g., Public Safety), and department (e.g., Police). The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual adopted budget approved by the City Council. The budget policy of the City requires that: (1) a balanced budget be prepared where resources equal appropriations for all funds in conformance with State constitutional limits; (2) adoption of the budget effectuated by a City Council resolution to take place prior to the beginning of the fiscal year in which it is to take effect; (3) the level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) be established at the program level; (4) adjustment to the adopted budget be made only with the proper approvals; and (5) encumbrances of appropriations as a budgetary control technique be utilized. Activities of the General Fund, Special Revenue Funds, and Capital Projects Fund are included in the annual approved budget.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

Spending Limitation

Management foresees no problem for several years in complying with the spending limitation under the Gann Initiative passed by the California voters in 1979, which created Article XIII B of the State Constitution. The City's independent auditors have attested to the accuracy of the computation of the spending limitations for the current period, which indicated that the City's tax proceeds are substantially under the established Gann Limit and are not expected to reach that limit in the foreseeable future.

Independent Audit

The City's Municipal Code requires an annual audit by independent, certified public accountants. The accounting firm RAMS is responsible for auditing the City's accounting records. The auditor's report on the basic financial statements, combined and individual fund statements, and schedules is included in the financial section of this report.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Signal Hill for its ACFR for the fiscal year ended June 30, 2023. This recognition was the 28th consecutive year the City of Signal Hill achieved 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 GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements.

The preparation of this annual comprehensive financial report was made possible by the staff of the Finance Department, the City Manager's Office, and the expertise and assistance of the City's auditors (at that time), CLA Clifton Larson Allen LLP, Certified Public Accountants. Each member of this team has our sincere appreciation. We also extend our thanks and appreciation to the Signal Hill City Council members for their encouragement and support in conducting the City's financial operations in a responsible manner.

Respectfully submitted,

Signed by:

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Carlo Tomaino
City Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Signal Hill
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrell

Executive Director/CEO



CITY OF SIGNAL HILL CALIFORNIA

ANNUAL BUDGET FOR FISCAL YEAR 2023-2024

ELECTED OFFICIALS



Lori Y. Woods
Mayor



Edward H.J. Wilson
Vice Mayor



Robert D. Copeland
Council Member



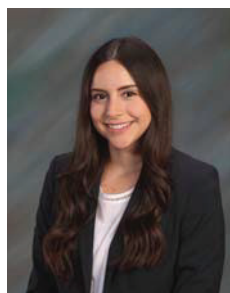
Keir Jones
Council Member



Tina L. Hansen
Council Member

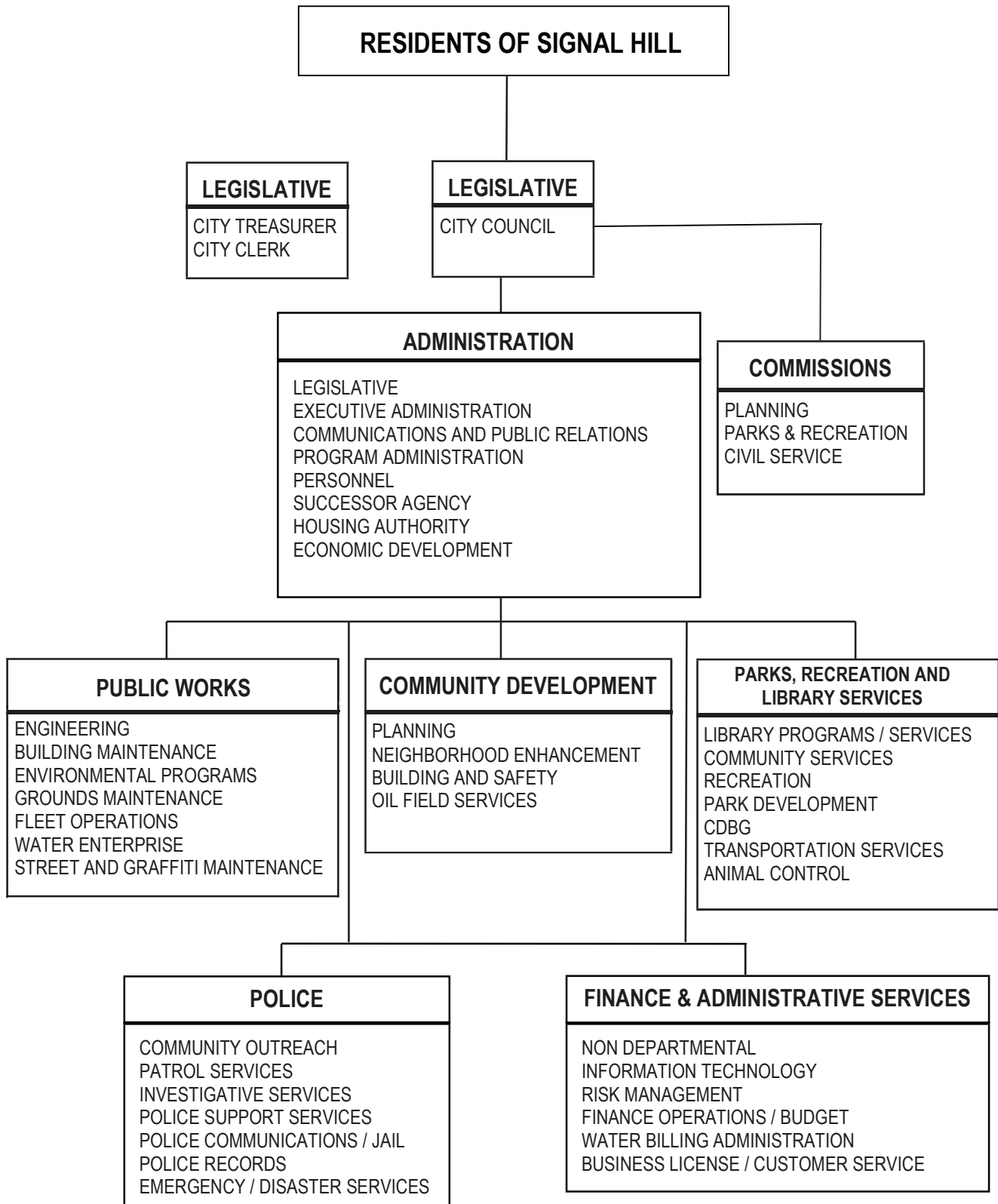


David Hopper
City Treasurer



Daritza Gonzalez
City Clerk

CITY OF SIGNAL HILL ORGANIZATIONAL CHART



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FINANCIAL SECTION

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ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

735 E. Carnegie Dr. Suite 100
San Bernardino, CA 92408
909 889 0871 | T
909 889 5361 | F
ramscpa.net

Independent Auditor's Report

PARTNERS

Scott W. Manno, CPA, CGMA
Leena Shanbhag, CPA, MST, CGMA
Bradferd A. Welebir, CPA, MBA, CGMA
Jenny W. Liu, CPA, MST
Gardenya Duran, CPA, CGMA
Brianna Schultz, CPA, CGMA
Brenda L. Odle, CPA, MST (Partner Emeritus)
Terry P. Shea, CPA (Partner Emeritus)

MANAGERS / STAFF

Seong-Hyea Lee, CPA, MBA
Evelyn Morentin-Barcena, CPA
Veronica Hernandez, CPA
Laura Arvizu, CPA
John Maldonado, CPA, MSA
Julia Rodriguez Fuentes, CPA, MSA
Demi Hite, CPA
Jeffrey McKennan, CPA
Monica Wysocki, CPA
Jacob Weatherbie, CPA, MSA
Bolim Han, CPA, MAcc
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Honorable Mayor and City Council
City of Signal Hill
Signal Hill, California

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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



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Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS 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 GAS, 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 required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 non-major fund financial statements and the budgetary comparison schedules for major and non-major funds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Information included in the Annual Comprehensive Financial Report

Management is responsible for the other information included in the annual report. The other information comprises the transmittal letter and the statistical section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
December 4, 2024

City of Signal Hill

Management's Discussion and Analysis For the Year Ended June 30, 2024

As management of the City of Signal Hill (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities for the Fiscal Year ended June 30, 2024 (FY 2023-24). We encourage readers to consider the information presented here in conjunction with additional information furnished in the letter of transmittal and the City's basic financial statements for a more comprehensive overview of the City's financial status for the period ending June 30, 2024.

FINANCIAL HIGHLIGHTS

The comparisons provided in this discussion and analysis are between FY 2022-23 and FY 2023-24; all increases and decreases are expressed relative to FY 2022-23 amounts. Financial highlights for FY 2023-24 are summarized below. Details related to the highlights in this report are found in the remaining sections of this analysis.

Citywide

- The City's total net position, the amount by which total assets and deferred outflows of resources exceed total liabilities and deferred inflows of resources, equaled \$164.3 million in FY 2022-23 and \$182.7 million in FY 2023-24.
- Of this amount, \$52.6 million is unrestricted and may be used to meet the City's ongoing obligations to residents and creditors. The remaining net position is classified as net investment in capital assets of \$111.2 million and restricted of \$18.9 million.
- The City's total net position increased by \$18.4 million over FY 2022-23 and is largely attributed to revenues exceeding expenditures as reported in the statement of activities. The remainder of this report will provide a more detailed analysis of the City's net position and operating activities that contributed to this increase.

Throughout the fiscal year, the Federal Reserve combated high inflation by raising interest rates, leading to the City's investment portfolio reaching 98.5% of its book value. The City's policy involves holding investments until maturity to minimize risk in a fluctuating market and safeguard the overall capital. Despite a year-end unrealized loss due to market changes, the total net investment income remained positive and is discussed throughout the Management's Discussion and Analysis (MD&A), with more details in Notes 1F and 2 of the City's Financial Statements.

Fund Level

- As of June 30, 2024, governmental funds report a combined fund balance of \$94.4 million, an increase of \$13.1 million from the prior year. Of this amount, \$31.4 million is available for spending at the City's discretion (unassigned fund balance).
- As of June 30, 2024, the General Fund reports an ending fund balance of \$75.7 million. Of this amount, \$31.6 million is available for spending at the City's discretion (unassigned fund balance). Cash and investments of the General Fund total \$63.4 million, which represents 83.8% of the General Fund's \$75.7 million fund balance.

City of Signal Hill

Management's Discussion and Analysis For the Year Ended June 30, 2024

- As of June 30, 2024, the City's Water Enterprise fund reports an ending net position of \$28.2 million, an increase of \$4.6 million, or 19.4%, from the prior year. The net position is classified as net investment in capital assets of \$27.1 million and unrestricted net position of \$1.1 million. In 2020, the City completed a Proposition 218 water rate study, which resulted in a steady revenue increase that helped offset Water Utilities Enterprise Fund activity costs over a five-year period. The City is currently in the process of conducting a new study, with results expected to be available in 2025.
- As of June 30, 2024, the City's Internal Service fund reports an ending net position of \$3.4 million. Of this amount, \$2 million is unrestricted and available for spending at the City's discretion. Of the \$2 million, \$1.4 million reserved for unforeseen events or emergencies.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Governmental Accounting Standards Board requires this discussion and analysis as required supplementary information. This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. Other required supplementary information immediately follows the notes to the financial statements. This report also contains additional supplementary information to the basic financial statements and required supplementary information.

Government-wide Financial Statements. The government-wide financial statements are designed to give the reader a picture of the City from the economic resources measurement focus using the accrual basis of accounting. This broad overview is similar to the financial reporting used in private-sector business. The government-wide financial statements have separate columns for governmental activities and business-type activities. Governmental activities of the City include general government (legislative, finance, administration, and personnel); parks, recreation and library services; police; community development; and public works. The City's business-type activity consists of a water utility. Governmental activities are primarily supported by taxes, charges for services, and grants while business-type activities are primarily self-supporting through user fees and charges. The government-wide financial statements can be found beginning on page 18 of this report.

The Statement of Net Position presents information on all City assets (including capital assets), liabilities (including long-term liabilities), and deferred inflows and outflows of resources. The amount by which assets and deferred outflows of resources exceed liabilities and deferred inflows of resources is reported as net position. Over time, trends including increases or decreases in net position may be an indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information designed to show how the City's net position changed during the year. This statement distinguishes revenue generated by specific functions from revenue provided by taxes and other sources not related to a specific function. The revenue generated by specific functions (charges for services, grants, and contributions) is compared to the expenses for those functions to show how much each function either supports itself or relies on taxes and other general funding sources for support. All activity on this statement is reported on the accrual basis of accounting, which requires that revenues are reported when earned and expenses are reported when incurred, regardless of when cash is received or disbursed.

City of Signal Hill

Management's Discussion and Analysis For the Year Ended June 30, 2024

Fund Financial Statements. A fund is a fiscal and accounting entity with a self-balancing set of accounts used to account for specific activities. Funds are often set up in accordance with special regulations, restrictions, or limitations. The City uses fund accounting to ensure and show compliance with finance-related legal requirements. The City's funds are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for the governmental activities reported in the government-wide financial statements. Most of the City's basic services are included in governmental funds. The basis of accounting is different between the governmental fund statements and the government-wide financial statements. The governmental fund statements focus on near-term revenues/financial resources and expenditures while the government-wide financial statements include both near-term and long-term revenues/financial resources and expenses.

Fund balance is categorized into a hierarchy of five classifications: non-spendable, restricted, committed, assigned, and unassigned. These five categories facilitate analysis and understanding of the City's commitment of financial resources.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains several individual governmental 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, the Housing Authority Special Revenue Fund, the Capital Grants Special Revenue Fund, and the Capital Improvement Capital Projects Fund, all of which are considered to be major funds. Data from all other governmental funds is combined into a single, aggregated presentation. Individual fund data for these non-major governmental funds is provided as supplementary information elsewhere in this report.

The basic governmental fund financial statements can be found beginning on page 21.

Proprietary funds consist of both enterprise and internal service funds. When the City charges customers for a service provided, whether to outside customers or to other units of the City, the services are reported in proprietary funds. There is a direct relationship between the fees paid and the services received. Like the government-wide financial statements, the proprietary funds provide both long-term and short-term financial information utilizing the economic resources measurement focus.

The City's enterprise fund is the same as the business-type activities reported in the government-wide statements, but the fund statements provide more detail and additional information, such as cash flows. The City has one enterprise fund for water utilities.

The City's internal service fund is used to report activities that primarily provide supplies and services for the City's other programs and activities. The City uses one internal service fund to account for vehicle maintenance and repair services.

The proprietary fund financial statements can be found beginning on page 27 of this report.

City of Signal Hill

Management's Discussion and Analysis For the Year Ended June 30, 2024

Fiduciary funds account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds. Fiduciary funds are not included in the government-wide financial statements because their assets are not available to support the City's activities.

The City's Fiduciary funds consist of a Private-Purpose Trust Fund and a Pension Trust Fund. The City is the Successor Agency to the former Redevelopment Agency; all of its assets, liabilities, and activities are recorded in the Private-Purpose Trust Fund. The Successor Agency is a separate operating entity from the City. The Pension Trust Fund is used to account for activities related to the City's other postemployment benefit (OPEB) plan and is an irrevocable trust fund. The fiduciary fund financial statements can be found beginning on page 31 of this report.

Notes to the basic financial statements. The notes to the basic financial statements provide additional information that is important to provide a full understanding of the data in the government-wide and fund financial statements. The notes to the basic financial statements can be found beginning on page 33 of this report.

Supplementary Information - In addition to the basic financial statement and accompanying notes, this report also presents certain required supplementary information. Required supplementary information is found immediately following the notes to the basic financial statements.

Optional supplementary information is presented as combined and individual statements for other governmental and agency funds. This optional supplementary information can be found immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

A summary of the government-wide *Statement of Net Position* as of June 30, 2023, and June 30, 2024, and is as follows:

Condensed Statement of Net Position						
	Governmental Activities		Business-Type Activities		Totals	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Assets:						
Current and other assets	\$ 134,629,654	\$ 125,094,389	\$ 6,031,486	\$ 2,878,206	\$ 140,661,140	\$ 127,972,595
Capital assets, net	108,706,050	106,396,109	29,918,742	27,963,644	138,624,792	134,359,753
Total Assets	<u>243,335,704</u>	<u>231,490,498</u>	<u>35,950,228</u>	<u>30,841,850</u>	<u>279,285,932</u>	<u>262,332,348</u>
Deferred outflows of resources:						
Deferred amount on refunding	-	-	23,834	41,168	23,834	41,168
Deferred amounts from pension	14,655,757	14,409,260	928,108	1,204,438	15,583,865	15,613,698
Deferred amount from OPEB	1,769,701	1,983,256	174,587	214,988	1,944,288	2,198,244
Total Deferred Outflows	<u>16,425,458</u>	<u>16,392,516</u>	<u>1,126,529</u>	<u>1,460,594</u>	<u>17,551,987</u>	<u>17,853,110</u>
Liabilities:						
Current liabilities	11,365,087	13,774,948	2,654,317	1,119,875	14,019,404	14,894,823
Long-term liabilities	68,300,110	65,909,725	5,948,866	7,151,681	74,248,976	73,061,406
Total Liabilities	<u>79,665,197</u>	<u>79,684,673</u>	<u>8,603,183</u>	<u>8,271,556</u>	<u>88,268,380</u>	<u>87,956,229</u>
Deferred inflows of resources:						
Deferred amounts from pension	1,684,711	2,617,530	128,995	247,505	1,813,706	2,865,035
Deferred amount from OPEB	1,482,047	1,519,420	146,209	164,708	1,628,256	1,684,128
Deferred amounts from Leases	22,431,097	23,388,183	-	-	22,431,097	23,388,183
Total Deferred Inflows	<u>25,597,855</u>	<u>27,525,133</u>	<u>275,204</u>	<u>412,213</u>	<u>25,873,059</u>	<u>27,937,346</u>
Net position:						
Net investment in capital assets	84,083,143	82,815,477	27,073,694	24,580,013	111,156,837	107,395,490
Restricted	18,898,879	15,748,253	-	-	18,898,879	15,748,253
Unrestricted	51,516,088	42,109,478	1,124,676	(961,338)	52,640,764	41,148,140
Total Net Position	<u>\$ 154,498,110</u>	<u>\$ 140,673,208</u>	<u>\$ 28,198,370</u>	<u>\$ 23,618,675</u>	<u>\$ 182,696,480</u>	<u>\$ 164,291,883</u>

City of Signal Hill

Management's Discussion and Analysis For the Year Ended June 30, 2024

Over time, net position may serve as a useful indicator of a City's financial position. At June 30, 2024, the City's net position was \$182.7 million, an increase of \$18.4 million or 11.2%, over the net position of \$164.3 million at June 30, 2023.

The largest portion of the City's net position (\$111.2 million or 60.9%) is its investment in capital assets (e.g., land, buildings, infrastructure, and equipment, right-to-use assets, etc.), net of related debt. The City uses capital assets to provide services to residents; consequently, these assets are not available for future spending. This category of net position increased mainly from the construction of ongoing, or nearly completed projects such as the Hillbrook Park project, ongoing pavement management improvements, sidewalk repair, and the Spring Street overlay.

The City's restricted net position totals \$18.9 million (10.3% of total net position). Restricted net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$52.6 million (28.8%) represents unrestricted net position; this category of net position may be used to meet the City's ongoing obligations to residents and creditors.

Total net position increased by \$18.4 million from an excess of revenues over expenses. This net increase was reflected by an increase of \$11.5 and \$3.8 million in unrestricted net position and net investment in capital assets, respectively. The excess of revenues over expenses will be analyzed in conjunction with the Statement of Activities.

The following is a summary of the government-wide *Statement of Activities* which illustrates the City's overall \$18.4 million increase in net position resulting from program expenses being less than total program and general revenues. A discussion regarding significant changes in revenues and expenses follows the table.

Condensed Statement of Activities						
	Governmental Activities		Business-type Activities		Totals	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Revenues:						
Program revenues:						
Charges for services	\$ 2,958,434	\$ 2,282,923	\$ 6,766,909	\$ 6,279,769	\$ 9,725,343	\$ 8,562,692
Grants and contributions:						
Operating	5,052,635	2,030,233	-	-	5,052,635	2,030,233
Capital	1,772,478	2,089,700	-	-	1,772,478	2,089,700
General revenues:						
Property taxes	3,106,610	2,971,818	-	-	3,106,610	2,971,818
Sales and use taxes	28,053,616	26,461,978	-	-	28,053,616	26,461,978
Other taxes	2,397,255	2,441,641	-	-	2,397,255	2,441,641
Investment income	5,167,205	2,207,630	313,178	51,416	5,480,383	2,259,046
Unrestricted grants and contributions	622,705	788,511	-	-	622,705	788,511
Total revenues	49,130,938	41,274,434	7,080,087	6,331,185	56,211,025	47,605,619
Expenses:						
General government	7,318,373	6,220,479	-	-	7,318,373	6,220,479
Parks, recreation, and library services	3,710,796	2,534,696	-	-	3,710,796	2,534,696
Police	12,988,649	9,014,012	-	-	12,988,649	9,014,012
Community development	1,469,814	1,257,083	-	-	1,469,814	1,257,083
Public works	6,326,063	4,750,389	-	-	6,326,063	4,750,389
Interest expense	511,542	494,040	96,800	-	608,342	494,040
Unallocated infrastructure depreciation	445,747	421,707	-	-	445,747	421,707
Water	-	-	4,938,644	4,553,192	4,938,644	4,553,192
Total expenses	32,770,984	24,692,406	5,035,444	4,553,192	37,806,428	29,245,598
Excess of revenues over expenses	16,359,954	16,582,028	2,044,643	1,777,993	18,404,597	18,360,021
Transfers	(2,535,052)	(148,445)	2,535,052	148,445	-	-
Change in net position	13,824,902	16,433,583	4,579,695	1,926,438	18,404,597	18,360,021
Net position, beginning	140,673,208	124,239,625	23,618,675	21,692,237	164,291,883	145,931,862
Net position, ending	\$ 154,498,110	\$ 140,673,208	\$ 28,198,370	\$ 23,618,675	\$ 182,696,480	\$ 164,291,883

City of Signal Hill

Management's Discussion and Analysis For the Year Ended June 30, 2024

Government-wide revenues increased by \$8.6 million (18.1%) to \$56.2 million. The majority of this increase resulted from an increase of \$3.2 million from investment income, \$2.7 million in grants, \$1.6 million in sales and use taxes, and \$1.2 million in charges for services. The increase in Investment income is attributed to the performance of the City's investment portfolio in a high-interest rate economy. These increases are slightly offset by a \$0.2 million decrease in unrestricted grants and contributions compared to the prior year, as the related projects were completed towards the beginning of the fiscal year.

The most significant portion of the City's revenue came from sales and use tax which accounted for 49.9% of total revenue, charges for services accounted for 17.3%, 12.1% was received from grants and contributions, and 9.7% is attributed to investment income. Additionally, 9.8% of revenues are attributed to 5.5% from property taxes, 4.3% from other taxes.

Government-wide expenses of all City programs and services increased by a net \$8.6 million (29.3%) to \$37.8 million for the fiscal year ended June 30, 2024. Governmental Activities increased by \$8.1 million, and Business Type Activities increased by \$0.5 million. Expenses include adjustments for depreciation, long-term debt, and pension costs. The net increase in Government-wide expenses is spread across the City's programs with increases in General Government by \$1.1 million; Parks, Recreation, and Library services by \$1.2 million; Police Department by \$4.0 million, Community Development by \$0.2 million; and Public Works by \$1.6 million. The Water Fund had a total expenditure of \$4.9 million which reflects a decrease of \$0.1 million.

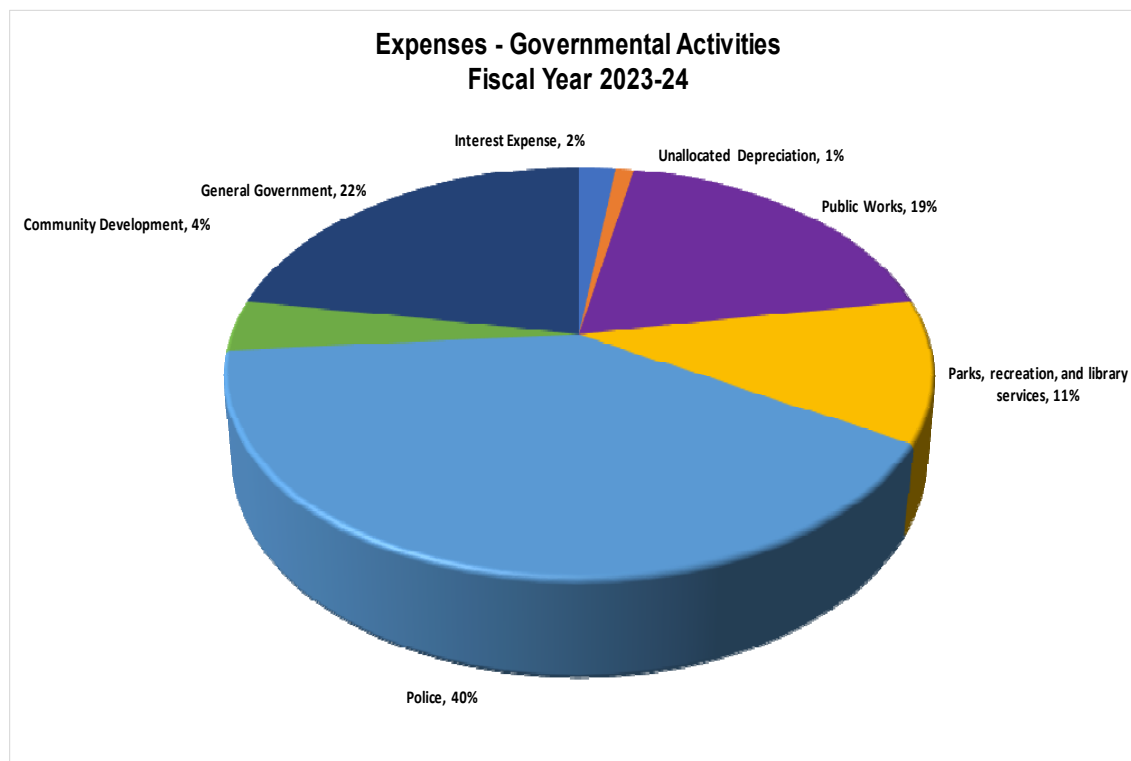
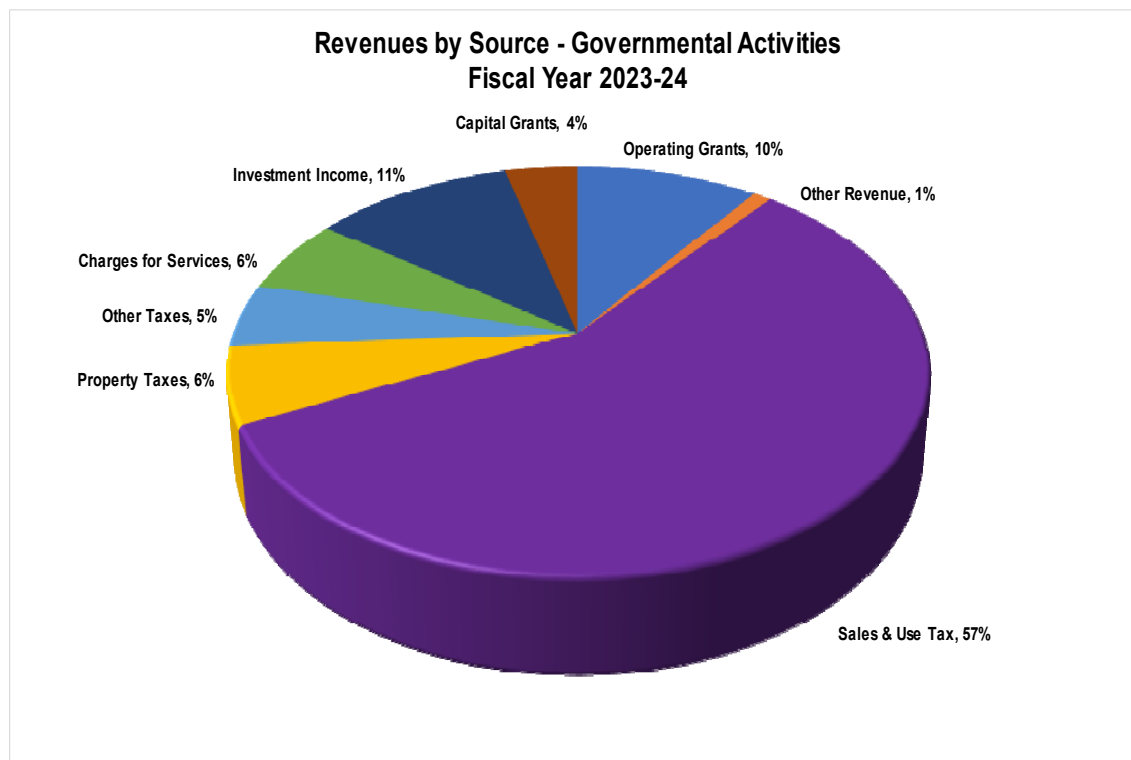
The Police Department accounted for 34.4% of the total costs, General Government for 19.4%, the Water fund for 13.1%, and Public Works for 16.7%, with Parks, Recreation, and Library Services for 9.8%, Community Development for 3.9%, and Interest Expense for 1.6%.

The following two charts show the source and use of funds for **Governmental Activities**:

Governmental activities contributed \$16.4 million before transfers to the increase in net position resulting from revenues exceeding expenses. Governmental activities comprise the majority of the government-wide data, and explanations for changes in government-wide and governmental activities are often similar.

Revenues of governmental activities report a net increase over the prior year of \$7.9 million (19.0%), to \$49.1 million. Approximately \$1.6 million of this increase is related to actual sales and use tax revenues higher than estimated. Interest income also increased by \$3.0 million. Property tax revenue increased by \$0.1 million, and operating and capital grants increased by \$2.7 million.

Expenses of governmental activities increased by a net \$8.1 million (32.7%). Expenses include long-term debt and pension costs. The net increase is spread across the City's programs with the Police Department increasing by \$4.0 million; General Government increasing by \$1.1 million; Parks, Recreation, and Library Services increasing by \$1.2 million; Community Development increasing by \$0.2 million; and Public Works increasing by \$1.6 million. Interest expense experienced a very negligible change.



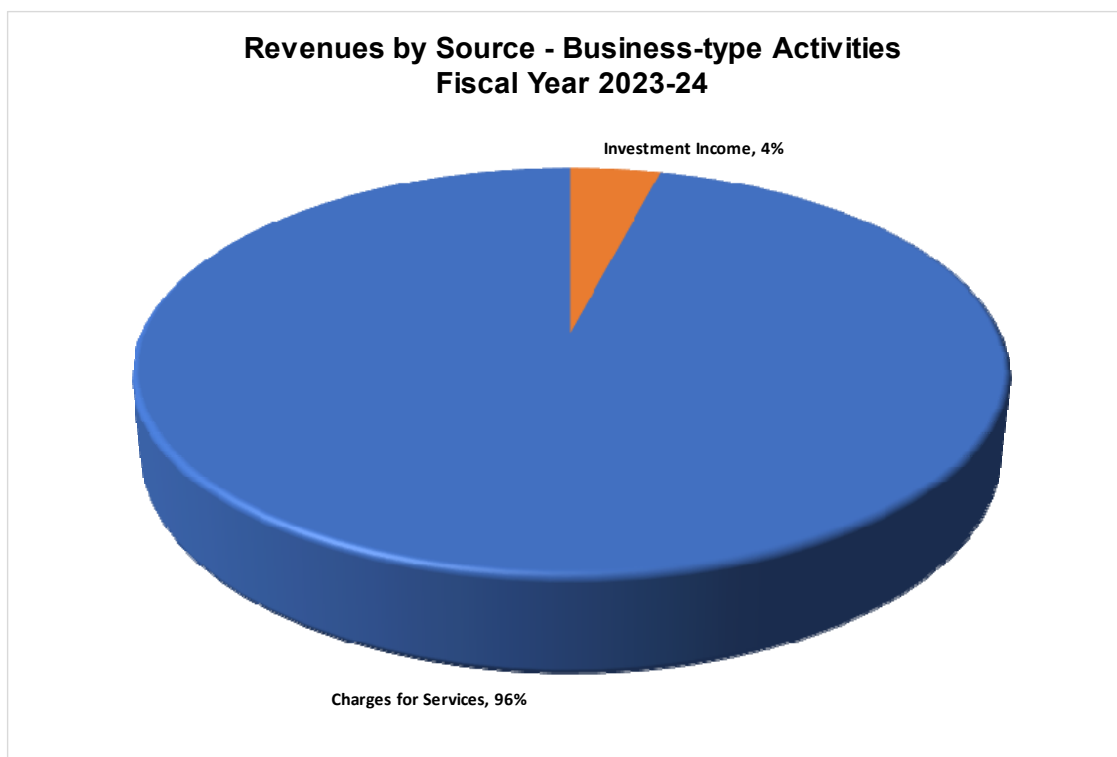
City of Signal Hill

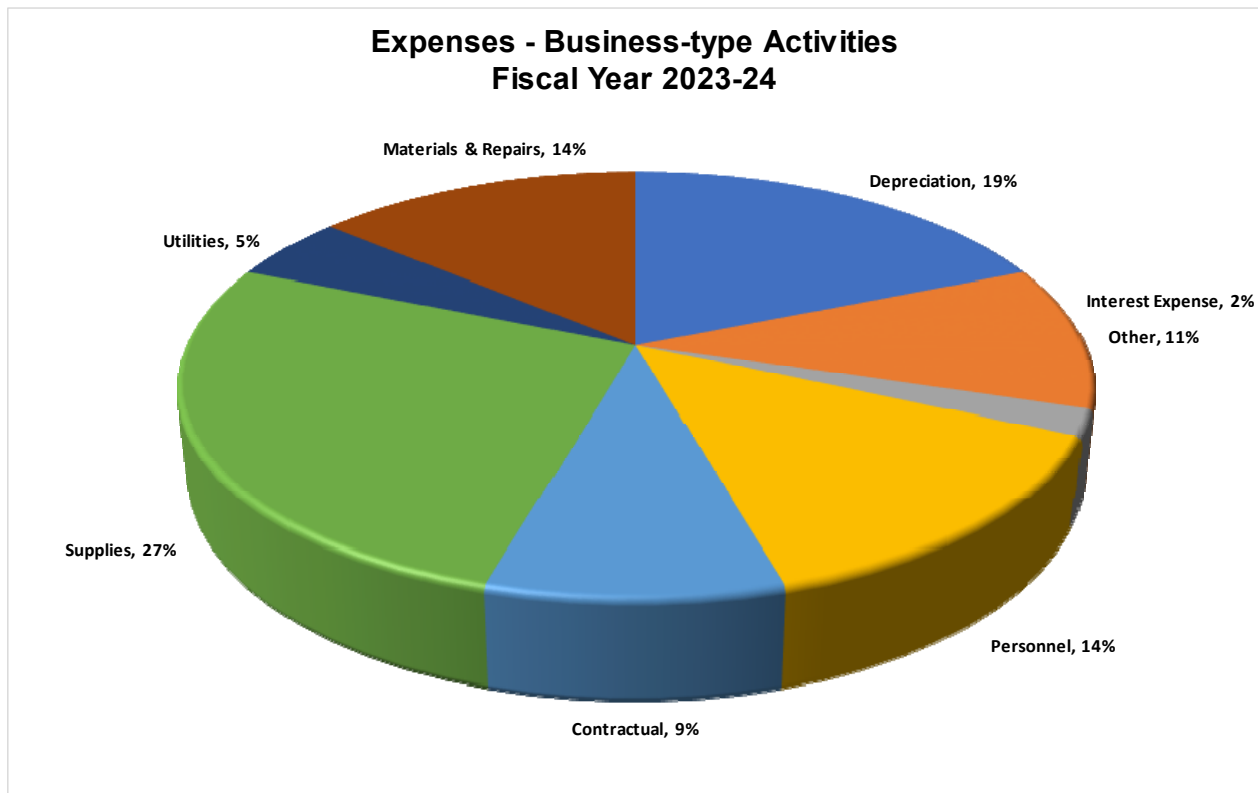
Management's Discussion and Analysis For the Year Ended June 30, 2024

The following two charts show the source and use of funds for Business-Type Activities:

Business-type activities consist solely of the Water Utilities Enterprise Fund. The financial goal of the City's business-type activities is to operate on a self-supporting basis without making a significant profit or needing general tax subsidies. The total net position at the end of the year was \$28.2 million as compared to \$23.6 million at the end of the prior year. This represents an increase in net position of \$4.6 million or 19.4%. The increase can largely be attributed to the transfer from the American Rescue Plan Act Fund for the 33rd Street Water Main Replacement Project, the completion of the Water Services and Valve Replacement Phase II project, in which the Water Fund replaced approximately 13 service lines and meters, and savings in salaries and wages due to vacancies.

Revenues of \$6.8 million consist of charges for services. This is an increase of \$0.5 million or 7.8% over the prior year's total revenue of \$6.3 million. The increase is mainly due to increased water rates as compared to the prior year. Expenses totaled \$5.0 million in the current year, an increase of \$0.48 million over the prior year's expenses of \$4.6 million. The majority of the increase is attributed to a reduction in the pension expense allocation and lower salary costs due to several vacant positions. For more details relating to the Water Utilities Enterprise Fund activities and water management plan please see the City's Website.





FUND FINANCIAL ANALYSIS

The City's major governmental funds for FY 2023-24 were the General Fund, the Housing Authority Special Revenue Fund, the Capital Grants Special Revenue Fund, and the Capital Improvement Capital Projects Fund.

General Fund

The General Fund's fund balance increased by \$11.1 million in FY 2023-24. This increase resulted from revenues and transfers-in totaling \$41.9 and \$0.2 million, respectively, exceeding expenditures, net of subscription acquisition sources, totaling \$29.2 million and transfers out totaling \$1.8 million

General Fund revenues increased by a net of \$8.0 million compared to FY 2022-23. This increase resulted from revenues and transfers-in totaling \$36.7 and \$0.6 million, respectively, exceeding expenditures, net of subscription acquisition sources, totaling \$28.5 million and transfers out totaling \$0.8 million

Overall, the General Fund's operating expenditures were higher than the prior year by \$0.7 million but were lower than anticipated by \$5.4 million. Operating expenditures are budgeted at full capacity; however, total expenditures and transfers out were lower than budgeted, mainly due to a large number of position vacancies across all departments, and delays in projects.

City of Signal Hill

Management's Discussion and Analysis For the Year Ended June 30, 2024

Housing Authority Special Revenue Fund

The Housing Authority fund balance increased by \$0.7 million to \$7.2 million as compared to the prior year's fund balance of \$6.4 million. The fund's activity consists of interest income and professional services for assistance in administering the City's housing program. Interest income increased due to high interest rates yielding better than expected results. The Housing Authority also received a transfer of \$0.38 million related to the Successor Agency annual loan payment which allocates 20% of City/Agency loan to the Low/Moderate Income Housing Authority Fund (LMIHAF). The fund balance is restricted for housing purposes.

Capital Grants Special Revenue Fund

The Capital Grants Special Revenue Fund is used to account for grants received from other governmental agencies for capital improvements. The majority of funds received are transferred to the Capital Improvements Capital Projects Fund for capital project funding. The negative fund balance represents future receivables generally withheld from Grant funds as retentions and are considered unavailable revenue but are anticipated to be received upon the close out of the capital project. The largest grant revenues received in FY 2023-24 were from the Metropolitan Water District MAAP Program, and it was used for capital construction projects.

Capital Improvement Capital Projects Fund

Capital expenditures within the Capital Improvement Capital Projects Fund totaled \$3.6 million for the fiscal year. The major projects worked on in FY 2023-24 included the Hillbrook Park project, ongoing pavement management improvements, the Spring Street overlay, sidewalk repair, and various other street improvement construction projects. The restricted ending fund balance of \$0.4 million reflects an advance received for a specified construction project, all other project costs were fully funded as budgeted.

General Fund Budgetary Highlights

The General Fund often receives the most public attention since it is where local tax revenues are accounted for and where the most visible and recognizable municipal services (such as police, public works and community services) are funded.

In preparing its budget, the City attempts to estimate revenues using realistic, but conservative, methods so as to budget its expenditure appropriations and activities in a prudent manner in alignment with the City Council's expectations as outlined in the 2023-2028 Strategic Plan. As a result, the City adopts budget adjustments during the course of the fiscal year to reflect both changed priorities and the availability of additional revenue. During the course of the year, the City Council amended the originally adopted budget by adding \$1.6 million in new appropriation, excluding surplus reserve adjustments utilizing the prior year's surplus. The approved appropriations were mainly related to the launch of the CalPERS Fresh Start Program, and contract services adjustments.

Total General Fund revenues of \$41.9 million were \$8.8 million higher than the budgeted amount of \$33.1 million. The increase over the FY 2022-23 Operating results was mainly due to an increase in the City's significant revenue sources. Sales tax exceeded the prior year by \$1.6 million, mainly driven by the Autos and Transportation business sector out-performing expectations and the City's transactional tax, Measure SHR, continues to contribute to overall sales tax revenue. However, looking forward sales tax revenue is expected to remain relatively flat for FY 2025-26 with moderate growth going forward with signs of slowing growth in certain business sectors. Overall, sales tax revenue is budgeted conservatively using updated industry expert information. Another significant increase in revenues was attributed to an

City of Signal Hill

Management's Discussion and Analysis For the Year Ended June 30, 2024

increase in interest income and the annual unrealized interest gain/loss accounting adjustment also called the mark to market adjustment required by GASB No. 31. Interest income was higher than prior year by \$1.6 million due to the City's investment portfolio performing better than projected in the current high-interest rate market and as the City's investment portfolio performs better the prior year mark to market adjustment for the unrealized loss reversed resulting in a one-time increase in non-cash revenues of \$1.3 million.

Total General Fund expenditures of \$29.2 million net of subscription acquisition costs were projected at \$30.9 million, coming in \$1.6 million lower than projected. In comparison to the budget, actual expenditures were below the budget by \$3.8 million, which also resulted from all departments ending the year with expenditures below budget. The General fund expenditures increased from the prior year and still came in lower than budget, which is mostly due to employee position vacancies. Administration, Community Development and the Police departments also experienced lower use of planned contract services, which also contributed to lower than budgeted expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets for its governmental and business-type activities as of June 30, 2024, totaled \$138.6 million, net of depreciation and amortization. These assets include buildings, infrastructure, land, machinery and equipment, right-to-use assets, park facilities, vehicles, water lines, and construction in progress. FY 2023-24 had a net increase in capital assets of \$4.3 million. The increase was mainly due to the additional and ongoing projects increasing construction in progress, and addition to Capital Assets related to GASB Statement 96. For additional information see Notes 1H and 3 of the Notes to Basic Financial Statements.

Capital Assets

	Governmental Activities		Business-Type Activities		Totals	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Land	\$ 35,519,323	\$ 35,519,323	\$ 4,427,416	\$ 4,427,416	\$ 39,946,739	\$ 39,946,739
Water rights	-	-	213,553	243,933	213,553	243,933
Construction in progress	2,690,199	3,142,305	294,010	686,161	2,984,209	3,828,466
Buildings & equipment	39,600,772	40,827,530	24,844,271	22,552,260	64,445,043	63,379,790
Infrastructure	15,896,801	12,153,617	-	-	15,896,801	12,153,617
Right-to-use assets	14,998,955	14,753,334	139,492	53,874	15,138,447	14,807,208
Total assets	<u>\$ 108,706,050</u>	<u>\$ 106,396,109</u>	<u>\$ 29,918,742</u>	<u>\$ 27,963,644</u>	<u>\$ 138,624,792</u>	<u>\$ 134,359,753</u>

Debt Administration

Following is a summary of the City's long-term liabilities:

Long-term Liabilities

	Governmental Activities		Business-Type Activities		Totals	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Water revenue bonds	\$ -	\$ -	\$ 1,146,576	\$ 1,708,631	\$ 1,146,576	\$ 1,708,631
Leave revenue bonds	7,090,916	7,773,965	-	-	7,090,916	7,773,965
Water replenishment district loan	-	-	1,360,465	1,500,000	1,360,465	1,500,000
Leases payable	13,068,961	13,292,629	-	-	13,068,961	13,292,629
Subscriptions payable	2,364,727	1,936,175	146,852	57,268	2,511,579	1,993,443
Net pension liability	37,148,439	34,003,165	2,474,285	2,955,889	39,622,724	36,959,054
Net OPEB liability	7,762,983	8,090,032	765,844	876,973	8,528,827	8,967,005
Compensated absences	864,084	813,759	54,844	52,920	918,928	866,679
Total long-term liabilities	<u>\$ 68,300,110</u>	<u>\$ 65,909,725</u>	<u>\$ 5,948,866</u>	<u>\$ 7,151,681</u>	<u>\$ 74,248,976</u>	<u>\$ 73,061,406</u>

City of Signal Hill

Management's Discussion and Analysis For the Year Ended June 30, 2024

The City has two bond issues outstanding at fiscal year-end. The water revenue bonds are part of the City's business-type activities, and the outstanding bond liability is \$1.1 million at year-end. The lease revenue bonds are part of the City's governmental activities, and the outstanding bond liability is \$7.1 million at year-end. The City's Water Enterprise included in Business-Type Activities has a zero-interest, \$1.5 million loan from the Water Replenishment District to partially fund the construction of the new Well No. 10. The balance of this loan was \$1.4 million at fiscal year-end. Additional information on the City's long-term obligations can be found in the following Notes to Basic Financial Statements:

- Note 1M: Employee compensated absences
- Note 6: Long-term liabilities
- Note 9B: Net pension liability
- Note 10B: Net OPEB liability

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Local and state economies strive for normalcy as they combat the long-term, economic effects of the coronavirus pandemic that have contributed to the prolonged historically high inflation and the increased interest rates by the Federal Reserve. Cities continue to be challenged in forecasting due to higher inflation affecting consumer spending trends, and volatile interest rates that are putting pressure on the housing market, car sales, and other parts of the economy. The City has been fortunate in its specific mix of business, which has contributed to a higher than expected sales and use tax, and has been proven to be resilient in response to volatile economic changes.

In developing the FY 2024-25 budget, staff utilized prior year results, current data, and industry forecasts while following the City's tradition of fiscal prudence. To deliver a balanced budget for FY 2024-25, the City utilized planned revenues and transfers equal to planned operating expenditures for the budget year. Most general fund revenue categories were adjusted to reflect current industry estimates based on cautious optimism with a conservative view. The FY 2024-25 operating budget reflects General Fund estimated revenues and transfers-in totaling \$37.8 million, an increase of \$4.3 million to the adopted FY 2023-24 budgeted revenues. The increase can mainly be attributed to an increase of budgeted interest income revenue to reflect current interest, but this trend is not anticipated to continue in FY 2025-26 due to potential changes by the Federal Reserve regarding interest rates, which will affect the City's investment yield.

The City's expenditures were developed as a conservative spending plan addressing City Council and community priorities while focusing on continuing operations at full capacity, addressing deferred maintenance and operational needs, and delivering quality core municipal services with a skilled and talented workforce. The FY 2024-25 operating budget reflects General Fund appropriated expenditures and net transfers-out totaling \$40.6 million, an increase of \$4.7 million to the adopted FY 2023-24 budget. The increase in expenditures is mainly due to rising obligated costs and new agreements with employee bargaining units and related benefits. The City always attempts to maximize grants and awarded funding from federal, state, and local sources to help offset anticipated and expected increases associated with these contractual and obligated costs.

If the economy stabilizes, with Measure SHR and the City's existing revenue base, the City is poised to continue to fund community priorities, including maintaining healthy reserves; preparing for natural disasters and public health emergencies; maintaining 9-1-1 emergency response times; providing financial assistance to residents and local businesses during natural disasters and public health emergencies; addressing homelessness; expanding public engagement and providing crime prevention and investigation services; maintaining local streets and fixing potholes; maintaining sidewalks, street trees, storm drains, parks and recreation facilities, other infrastructure and plan for future economic development; cleaning and maintaining public areas and removing graffiti.

City of Signal Hill

Management's Discussion and Analysis For the Year Ended June 30, 2024

The economic impact of the previous several years has placed tremendous fiscal pressure on local governments, exposed the restrictive revenue options available to local governments and highlighted the importance of ongoing revenue diversification. Local governments, including Signal Hill, will be challenged to continue to seek diversification opportunities to address future economic storms. The City will seek to focus on strengthening existing revenue streams while identifying and developing new opportunities.

While it is possible that the City can be presented with unforeseen challenges and opportunities in the years ahead, the City's ongoing, prudent fiscal practices which include a consideration of future needs and planning, have enabled the City to achieve and maintain a positive, long-term stable financial condition. The City will continue to build on the accomplishments that have resulted in fiscal stability and will continue to deliver the services that provide a high quality of life to residents.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Signal Hill's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance at the City of Signal Hill, 2175 Cherry Avenue, Signal Hill, California 90755-3799.

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City of Signal Hill

Statement of Net Position June 30, 2024

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and investments	\$ 89,530,667	\$ 8,812,888	\$ 98,343,555
Receivables:			
Accounts	589,506	974,284	1,563,790
Accrued interest	722,532	-	722,532
Due from other governments	5,910,624	-	5,910,624
Leases	23,866,057	-	23,866,057
Loans	1,685,069	-	1,685,069
From Successor Agency	7,409,966	-	7,409,966
Internal balances	3,755,777	(3,755,777)	-
Prepaid items	118,471	-	118,471
Land and improvements held for resale, net	1,040,642	-	1,040,642
Restricted Assets:			
Cash and investments	343	91	434
Capital assets, not being depreciated	38,209,522	4,721,426	42,930,948
Capital assets, being depreciated and amortized, Net of accumulated depreciation and amortization	70,496,528	25,197,316	95,693,844
Total Assets	<u>243,335,704</u>	<u>35,950,228</u>	<u>279,285,932</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss amount on debt refunding	-	23,834	23,834
Pension related	14,655,757	928,108	15,583,865
OPEB related	1,769,701	174,587	1,944,288
Total Deferred Outflows of Resources	<u>16,425,458</u>	<u>1,126,529</u>	<u>17,551,987</u>
LIABILITIES			
Accounts payable	2,016,474	2,171,827	4,188,301
Accrued liabilities	2,095,629	34,364	2,129,993
Accrued interest payable	17,244	87,153	104,397
Deposits payable	319,418	360,973	680,391
Unearned revenue	6,916,322	-	6,916,322
Noncurrent liabilities:			
Due within one year	1,930,613	764,321	2,694,934
Due in more than one year:			
Other	21,458,075	1,944,416	23,402,491
Net pension liability	37,148,439	2,474,285	39,622,724
Net OPEB liability	7,762,983	765,844	8,528,827
Total Liabilities	<u>79,665,197</u>	<u>8,603,183</u>	<u>88,268,380</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related	1,684,711	128,995	1,813,706
OPEB related	1,482,047	146,209	1,628,256
Lease related	22,431,097	-	22,431,097
Total Deferred Inflows of Resources	<u>25,597,855</u>	<u>275,204</u>	<u>25,873,059</u>
NET POSITION			
Net investment in capital assets	84,083,143	27,073,694	111,156,837
Restricted for:			
Capital improvements	3,187,212	-	3,187,212
Development impact	3,568,636	-	3,568,636
Transportation	4,928,154	-	4,928,154
Housing	7,214,877	-	7,214,877
Unrestricted	51,516,088	1,124,676	52,640,764
Total Net Position	<u>\$ 154,498,110</u>	<u>\$ 28,198,370</u>	<u>\$ 182,696,480</u>

The accompanying notes are an integral part of these financial statements.

City of Signal Hill

Statement of Activities June 30, 2024

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General government	\$ 7,318,373	\$ 70,484	\$ 2,529,662	\$ -
Parks, recreation, and library services	3,710,796	174,794	-	-
Police	12,988,649	177,075	392,714	-
Community development	1,469,814	828,546	673,902	185,055
Public works	6,326,063	1,707,535	1,456,357	1,587,423
Unallocated infrastructure depreciation	445,747	-	-	-
Interest on long-term liabilities	511,542	-	-	-
Total Governmental Activities	<u>32,770,984</u>	<u>2,958,434</u>	<u>5,052,635</u>	<u>1,772,478</u>
BUSINESS-TYPE ACTIVITIES				
Water	4,938,644	6,766,909	-	-
Interest on long-term liabilities	96,800	-	-	-
Total Business-Type Activities	<u>5,035,444</u>	<u>6,766,909</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 37,806,428</u>	<u>\$ 9,725,343</u>	<u>\$ 5,052,635</u>	<u>\$ 1,772,478</u>

GENERAL REVENUES

Taxes:

Property tax
 Franchise tax
 Oil production tax
 Transient occupancy tax
 Motor vehicle in-lieu tax
 Public service taxes
 Intergovernmental - unrestricted shared sales and use tax
 Investment income
 Unrestricted grants and contributions
 Total General Revenues

Transfers

CHANGE IN NET POSITION

Net Position - Beginning of Year

NET POSITION, END OF YEAR

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ (4,718,227)	\$ -	\$ (4,718,227)
(3,536,002)	-	(3,536,002)
(12,418,860)	-	(12,418,860)
217,689	-	217,689
(1,574,748)	-	(1,574,748)
(445,747)	-	(445,747)
(511,542)	-	(511,542)
<u>(22,987,437)</u>	<u>-</u>	<u>(22,987,437)</u>
-	1,828,265	1,828,265
<u>-</u>	<u>(96,800)</u>	<u>(96,800)</u>
-	1,731,465	1,731,465
<u>(22,987,437)</u>	<u>1,731,465</u>	<u>(21,255,972)</u>
3,106,610	-	3,106,610
1,125,990	-	1,125,990
560,482	-	560,482
328,155	-	328,155
14,530	-	14,530
368,098	-	368,098
28,053,616	-	28,053,616
5,167,205	313,178	5,480,383
622,705	-	622,705
<u>39,347,391</u>	<u>313,178</u>	<u>39,660,569</u>
<u>(2,535,052)</u>	<u>2,535,052</u>	<u>-</u>
13,824,902	4,579,695	18,404,597
<u>140,673,208</u>	<u>23,618,675</u>	<u>164,291,883</u>
<u>\$ 154,498,110</u>	<u>\$ 28,198,370</u>	<u>\$ 182,696,480</u>

City of Signal Hill

Balance Sheet Governmental Funds June 30, 2024

	General	Housing Authority Special Revenue Fund	Capital Grants Special Revenue Fund
ASSETS			
Cash and investments	\$ 63,438,163	\$ 6,592,828	\$ 5,103,632
Receivables:			
Accounts	587,067	-	-
Interest	721,932	-	-
Due from other governments	5,506,249	-	142,000
Leases	23,866,057	-	-
Loans	-	1,679,031	-
Receivable due from Successor Agency	7,409,966	-	-
Prepaid items	82,255	-	-
Due from other funds	68,649	-	-
Advances to other funds	3,762,681	-	-
Land and improvements held for resale	425,001	615,641	-
Restricted assets:			
Cash and investments	334	-	-
Total assets	<u>\$ 105,868,354</u>	<u>\$ 8,887,500</u>	<u>\$ 5,245,632</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 1,272,338	\$ 1,933	\$ -
Accrued liabilities	1,967,652	-	-
Deposits payable	319,418	-	-
Unearned revenue	6,904	30,000	5,245,632
Due to other funds	-	-	-
Advances from other funds	-	1,640,690	-
Total liabilities	<u>3,566,312</u>	<u>1,672,623</u>	<u>5,245,632</u>
Deferred inflows of resources:			
Unavailable revenues	26,629,891	-	142,000
Total deferred inflows of resources	<u>26,629,891</u>	<u>-</u>	<u>142,000</u>
Fund balances (deficits):			
Nonspendable	8,916,069	-	-
Restricted	-	7,214,877	-
Committed	35,118,638	-	-
Unassigned	31,637,444	-	(142,000)
Total Fund Balances (Deficits)	<u>75,672,151</u>	<u>7,214,877</u>	<u>(142,000)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 105,868,354</u>	<u>\$ 8,887,500</u>	<u>\$ 5,245,632</u>

The accompanying notes are an integral part of these financial statements.

Capital Improvement Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ 1,062,270	\$ 11,181,094	\$ 87,377,987
-	-	587,067
-	600	722,532
-	262,375	5,910,624
-	-	23,866,057
-	6,038	1,685,069
-	-	7,409,966
-	-	82,255
-	-	68,649
-	1,633,786	5,396,467
-	-	1,040,642
-	9	343
<u>\$ 1,062,270</u>	<u>\$ 13,083,902</u>	<u>\$ 134,147,658</u>

\$ 545,920	\$ 69,215	\$ 1,889,406
116,348	4,064	2,088,064
-	-	319,418
-	1,633,786	6,916,322
-	68,649	68,649
-	-	1,640,690
<u>662,268</u>	<u>1,775,714</u>	<u>12,922,549</u>

-	46,177	26,818,068
<u>-</u>	<u>46,177</u>	<u>26,818,068</u>

-	-	8,916,069
400,002	11,307,588	18,922,467
-	-	35,118,638
-	(45,577)	31,449,867
<u>400,002</u>	<u>11,262,011</u>	<u>94,407,041</u>

<u>\$ 1,062,270</u>	<u>\$ 13,083,902</u>	<u>\$ 134,147,658</u>
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City of Signal Hill

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position June 30, 2024

Fund Balances - Total Governmental Funds		\$ 94,407,041
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities (excluding those in the internal service fund) are not current financial resources and therefore are not reported in the funds. Those assets consist of:		
Land	\$ 35,519,323	
Construction in progress	2,346,102	
Infrastructure, net of accumulated depreciation	15,896,801	
Structures and improvements, net of accumulated depreciation	35,915,388	
Vehicles, equipment and furniture, net of accumulated depreciation	2,499,143	
Total Capital Assets Used in Governmental Activities		92,176,757
Right-to-use assets used in governmental activities are not current financial resources and therefore are not reported in the funds. Related long-term lease and subscription liabilities are not due and payable in the current period; therefore, they are not reported in the funds. These items consist of:		
Right-to-use assets, net of accumulated amortization	14,998,955	
Lease liability	(13,068,961)	
Subscription liability	(2,364,727)	
		(434,733)
Certain receivables will be collected after year-end, but are not available soon enough to pay for current-period expenditures, and therefore are offset by unavailable revenues in the governmental funds.		
		4,386,971
Internal service funds are used by management to charge the costs of rendering motor vehicle and equipment services to City departments. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.		
		3,388,493
Deferred outflows and inflows of resources relating to pensions and OPEB are not reported in the governmental funds because they are applicable to future periods:		
Deferred outflows of resources - pension	14,614,469	
Deferred outflows of resources - OPEB	1,740,340	
Deferred inflows of resources - pension	(1,678,972)	
Deferred inflows of resources - OPEB	(1,457,458)	
		13,218,379
Long-term liabilities and related accrued interest payable are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Interest payable	(17,244)	
Revenue bonds payable	(7,090,916)	
Compensated absences	(864,084)	
Net pension liability	(37,038,367)	
Net OPEB liability	(7,634,187)	
		(52,644,798)
Net Position of Governmental Activities		\$ 154,498,110

The accompanying notes are an integral part of these financial statements.

City of Signal Hill

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

	General	Housing Authority Special Revenue Fund	Capital Grants Special Revenue Fund
REVENUES			
Property taxes	\$ 2,825,011	\$ -	\$ -
Sales and use tax	28,053,616	-	-
Other taxes	2,087,625	-	-
Licenses and permits	999,988	-	-
Intergovernmental revenues	134,735	-	214,071
Charges for services	2,119,075	-	-
Fines and forfeitures	134,471	-	-
Investment income	4,912,215	367,977	-
Other revenue	622,705	-	-
Total Revenues	<u>41,889,441</u>	<u>367,977</u>	<u>214,071</u>
EXPENDITURES			
Current:			
General government	6,461,369	-	-
Parks, recreation, and library services	2,947,397	-	-
Police	10,343,796	-	-
Community development	1,188,415	4,520	-
Public works	5,740,956	-	-
Capital outlay	1,517,901	-	-
Debt service:			
Principal	1,618,375	-	-
Interest	568,005	-	-
Total Expenditures	<u>30,386,214</u>	<u>4,520</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>11,503,227</u>	<u>363,457</u>	<u>214,071</u>
OTHER FINANCING SOURCES (USES)			
Subscription acquisition	1,163,259	-	-
Transfers in	242,795	375,777	-
Transfers out	(1,816,865)	-	(154,389)
Total Other Financing Sources (Uses)	<u>(410,811)</u>	<u>375,777</u>	<u>(154,389)</u>
Net Changes in Fund Balances	11,092,416	739,234	59,682
Fund Balances (Deficit), Beginning	<u>64,579,735</u>	<u>6,475,643</u>	<u>(201,682)</u>
Fund Balances (Deficit), Ending	<u>\$ 75,672,151</u>	<u>\$ 7,214,877</u>	<u>\$ (142,000)</u>

The accompanying notes are an integral part of these financial statements.

Capital Improvement Capital Projects Fund	Non-major Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 2,825,011
-	-	28,053,616
-	374,433	2,462,058
-	-	999,988
-	4,614,539	4,963,345
-	1,080,637	3,199,712
-	-	134,471
-	582,143	5,862,335
-	-	622,705
-	6,651,752	49,123,241
-	-	6,461,369
-	-	2,947,397
-	248,976	10,592,772
-	250,343	1,443,278
-	112,746	5,853,702
3,557,368	45,577	5,120,846
-	-	1,618,375
-	-	568,005
3,557,368	657,642	34,605,744
(3,557,368)	5,994,110	14,517,497
-	-	1,163,259
3,557,368	14,095	4,190,035
-	(4,824,688)	(6,795,942)
3,557,368	(4,810,593)	(1,442,648)
-	1,183,517	13,074,849
400,002	10,078,494	81,332,192
\$ 400,002	\$ 11,262,011	\$ 94,407,041

City of Signal Hill

Reconciliation of the Statement of Revenues, expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities June 30, 2024

Net Change in Fund Balances - Total Governmental Funds \$ 13,074,849

Amounts reported for governmental activities in the Statement of Net Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense and right to use assets are amortized over their lease and subscription term:

Capital outlay, net of disposals	\$ 4,829,917	
Depreciation expense	(1,963,501)	
Amortization expense	<u>(945,321)</u>	
		1,921,095

The issuance of long-term liabilities provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Issuance of debt increase long-term liabilities and the repayment of principal reduces long-term liabilities in the statement of net position:

SBITA acquisition	(1,163,259)	
Repayment of revenue bonds	660,000	
Repayment of subscription liability	734,707	
Repayment of lease liability	<u>223,668</u>	
		455,116

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Net change in compensated absences	(50,325)	
Net change in accrued interest payable	33,414	
Amortization of bond premium	<u>23,049</u>	
		6,138

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds. Conversely, collection of these revenues are reported in the governmental funds, but not in the Statement of Activities since they have been recognized in previous years. (102,958)

Internal service funds are used by management to charge the costs of rendering motor vehicle and equipment services to City departments.

The net revenue of the internal service fund is reported with governmental activities. 287,057

Pension expense reported in the governmental funds includes the employer contributions made to the City's pension plan. In the Statement of Activities, pension expense includes the change in the net pension liability and related change in pension amounts for deferred outflows of resources and deferred inflows of resources. (1,989,851)

OPEB expense reported in the governmental funds includes the employer contributions made to the City's OPEB plan. In the Statement of Activities, OPEB expense includes the change in the net OPEB liability and related change in OPEB amounts for deferred outflows of resources and deferred inflows of resources.

173,456

Change in Net Position of Governmental Activities \$ 13,824,902

City of Signal Hill

Statement of Net Position Proprietary Funds June 30, 2024

	Business-Type Activity	Governmental Activity
	Water Enterprise Fund	Vehicle and Equipment Internal Service Fund
ASSETS		
Current Assets:		
Cash and investments	\$ 8,812,888	\$ 2,152,680
Accounts receivable, net	974,284	2,439
Prepaid items	-	36,216
Total Current Assets	9,787,172	2,191,335
Noncurrent assets:		
Restricted cash and investments	91	-
Capital assets:		
Land	4,427,416	-
Construction in progress	294,010	344,097
Depreciable assets, net of accumulated depreciation	25,197,316	1,186,241
Total Noncurrent Assets	29,918,833	1,530,338
Total Assets	39,706,005	3,721,673
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss amount on debt refunding	23,834	-
Pension related	928,108	41,288
OPEB related	174,587	29,361
Total Deferred Outflows of Resources	1,126,529	70,649
LIABILITIES		
Current Liabilities:		
Accounts payable	2,171,827	127,068
Accrued liabilities	34,364	7,565
Accrued interest payable	87,153	-
Deposits payable	360,973	-
Advances from other funds	3,755,777	-
Current portion of long-term liabilities	764,321	-
Total Current Liabilities	7,174,415	134,633
Non-Current Liabilities:		
Long-term liabilities, net of current portion	1,944,416	-
Net pension liability	2,474,285	110,072
Net OPEB liability	765,844	128,796
Total Long-term Liabilities	5,184,545	238,868
Total Liabilities	12,358,960	373,501
DEFERRED INFLOWS OF RESOURCES		
Pension related	128,995	5,739
OPEB related	146,209	24,589
Total Deferred Inflows of Resources	275,204	30,328
NET POSITION		
Net investment in capital assets	27,073,694	1,416,104
Unrestricted	1,124,676	1,972,389
Total Net Position	\$ 28,198,370	\$ 3,388,493

City of Signal Hill

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

	Business-Type Activity	Governmental Activity
	Water Enterprise Fund	Vehicle and Equipment Internal Service Fund
OPERATING REVENUES		
Charges for services	\$ 6,677,151	\$ 679,523
Other operating revenues	89,758	5,838
Total Operating Revenues	<u>6,766,909</u>	<u>685,361</u>
OPERATING EXPENSES		
Personnel services	711,307	199,552
Contractual services	474,366	15,943
Supplies	1,293,153	55,410
Material and repairs	693,651	78,058
Utilities	249,381	688
Depreciation/amortization	950,428	208,591
Other	566,358	21,572
Total Operating Expenses	<u>4,938,644</u>	<u>579,814</u>
OPERATING INCOME	<u>1,828,265</u>	<u>105,547</u>
NONOPERATING REVENUES (EXPENSES)		
Investment income	313,178	110,655
Interest expense	(96,800)	-
Total Nonoperating Revenues (Expenses)	<u>216,378</u>	<u>110,655</u>
Income Before Transfers	2,044,643	216,202
TRANSFERS		
Transfers in	<u>2,535,052</u>	<u>70,855</u>
Changes in Net Position	4,579,695	287,057
Net position, beginning of year	<u>23,618,675</u>	<u>3,101,436</u>
Net position, end of year	<u>\$ 28,198,370</u>	<u>\$ 3,388,493</u>

City of Signal Hill

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

	Business-Type Activity	Governmental Activity
	Water Enterprise Fund	Vehicle and Equipment Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 6,763,615	\$ -
Receipts from interfund services provided	-	685,523
Payments to suppliers	(1,747,574)	(223,534)
Payments to employees	(1,145,967)	(197,537)
Net Cash Provided by Operating Activities	<u>3,870,074</u>	<u>264,452</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
Cash received from other funds	<u>2,404,442</u>	<u>70,855</u>
Net Cash Provided by Noncapital and Related Financing Activities	<u>2,404,442</u>	<u>70,855</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition/construction of capital assets	(2,800,138)	(597,437)
Principal paid	(665,339)	-
Interest paid	(102,841)	-
Net Cash Used for Capital and Related Financing Activities	<u>(3,568,318)</u>	<u>(597,437)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	313,178	110,655
Change in fair value of investments	-	-
Net Cash Provided by Investing Activities	<u>313,178</u>	<u>110,655</u>
Net increase (decrease) in cash and cash equivalents	3,019,376	(151,475)
Cash and cash equivalents, beginning of year	<u>5,793,603</u>	<u>2,304,155</u>
Cash and cash equivalents, end of year	<u>\$ 8,812,979</u>	<u>\$ 2,152,680</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO AMOUNTS REPORTED ON THE STATEMENT OF NET POSITION		
Cash and investments	\$ 8,812,888	\$ 2,152,680
Restricted cash and investments	91	-
Cash and Cash Equivalents at End of Fiscal Year	<u>\$ 8,812,979</u>	<u>\$ 2,152,680</u>

City of Signal Hill

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

	Business-Type Activity	Governmental Activity
	Water Enterprise Fund	Vehicle and Equipment Internal Service Fund
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 1,828,265	\$ 105,547
Depreciation/amortization	950,428	208,591
Change in assets, deferred outflows of resources, liabilities and deferred inflows of resources:		
(Increase) decrease in assets:		
Accounts receivable, net	(3,294)	162
Prepaid items	-	(12,832)
Deferred outflows of resources	316,731	15,029
Increase (decrease) in liabilities:		
Accounts payable	1,529,930	(39,031)
Accrued liabilities	(23,573)	3,319
Deposits payable	(595)	-
Compensated absences	1,924	-
Deferred inflows of resources	(137,009)	(2,068)
Net pension liability	(481,604)	(35,457)
Net OPEB liability	(111,129)	21,192
Net Cash Provided by Operating Activities	<u>\$ 3,870,074</u>	<u>\$ 264,452</u>

City of Signal Hill

Statement of Fiduciary Net Position Fiduciary Funds June 30, 2024

	Successor Agency to the Signal Hill Redevelopment Agency to the Private-Purpose Trust Fund	Other Postemployment Benefit Trust Fund
ASSETS		
Cash and investments	\$ 7,015,656	\$ 4,421,182
Restricted cash and investments	8,117,109	-
Accounts receivable	-	-
Capital assets:		
Land	10,956,485	-
Total Assets	<u>26,089,250</u>	<u>4,421,182</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss amount on debt refunding	<u>277,472</u>	-
Total Deferred Outflows of Resources	<u>277,472</u>	-
LIABILITIES		
Accounts payable	2,506,200	-
Accrued liabilities	1,185,753	-
Accrued interest payable	269,673	-
Long-term liabilities:		
Due within one year	6,907,952	-
Due in more than one year	14,238,303	-
Payable to the City of Signal Hill	<u>7,409,966</u>	-
Total Liabilities	<u>32,517,847</u>	-
NET POSITION (DEFICIT)		
Held in Trust	(6,151,125)	-
Restricted for OPEB Trust	-	4,421,182
Total Net Position	<u>\$ (6,151,125)</u>	<u>\$ 4,421,182</u>

The accompanying notes are an integral part of these financial statements.

City of Signal Hill

Statement of Changes in Fiduciary Net Position Fiduciary Funds For the Year Ended June 30, 2024

	Successor Agency to the Signal Hill Redevelopment Agency to the Private-Purpose Trust Fund	Other Postemployment Benefit Trust Fund
ADDITIONS		
Distributions from County - Administered Redevelopment Property Tax Trust Fund	\$ 12,963,486	\$ -
Contributions - employer	-	952,755
Contributions - employee	-	73,997
Investment earnings	308,564	539,305
Total Additions	<u>13,272,050</u>	<u>1,566,057</u>
DEDUCTIONS		
Personnel services	313,336	877,754
Contractual services	11,540	-
Project costs	2,385,985	-
Interest	1,058,603	-
Administrative expenses	-	10,686
Other expense	-	3,005
Total Deductions	<u>3,769,464</u>	<u>891,445</u>
Change in Net Position	9,502,586	674,612
Net Position (Deficit), Beginning of Year	<u>(15,653,711)</u>	<u>3,746,570</u>
Net Position (Deficit), End of Year	<u>\$ (6,151,125)</u>	<u>\$ 4,421,182</u>

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Reporting Entity

The reporting entity City of Signal Hill (the City) includes the accounts of the City of Signal Hill (the primary government), the Signal Hill Public Financing Authority (the Financing Authority), and the Signal Hill Housing Authority (the Housing Authority).

The City of Signal Hill was incorporated in 1924 under the general laws of the state of California and enjoys all the rights and privileges pertaining to "General Law" cities. On November 7, 2000, the Charter of the City of Signal Hill was adopted by a vote of the people. As a result, the City will enjoy all rights and privileges pertaining to "Charter Law" cities.

The Signal Hill Public Financing Authority was formed October 15, 1996, as a joint power of authority between the City and the former Signal Hill Redevelopment Agency (the Agency) for the purpose of providing financing and funding of public capital improvements.

The Signal Hill Housing Authority was formed December 12, 2000 pursuant to provisions of the California Health and Safety Code. The primary purpose of the Housing Authority is to provide suitable, safe and sanitary housing opportunities for the City's residents.

The Signal Hill Municipal Financing Authority was formed August 22, 2017 as a joint power of authority between the Housing Authority and the City for the purpose of assisting the City and the Housing Authority with their respective financings.

The City of Signal Hill is the primary government unit. Component units are those entities which are financially accountable to the primary government, either because the City appoints a voting majority of the component unit's board, or because the component unit will provide a financial benefit or impose a financial burden on the City. The Financing Authority, Housing Authority, and Municipal Financing Authority have been accounted for as "blended" component units of the City. Despite being legally separate, the Financing Authority, Housing Authority, and Municipal Financing Authority are so intertwined with the City that they are, in substance, part of the City's operations. Accordingly, the balances and transactions of the Financing Authority, Housing Authority, and Municipal Financing Authority are reported within the funds of the City. Separate financial statements of the Financing Authority, Housing Authority, and Municipal Financing Authority are not prepared.

The following criteria were used in determining that the Financing Authority, Housing Authority, and Municipal Financing Authority were "blended" component units:

- The members of the City Council also act as the governing body of the Financing Authority, Housing Authority, and Municipal Financing Authority.
- The Financing Authority, Housing Authority, and Municipal Financing Authority are managed by employees of the City.
- The City, Financing Authority, Housing Authority, and Municipal Financing Authority are financially interdependent.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

B) Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and the major individual enterprise fund are reported as separate columns in the fund financial statements.

C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Under the economic resources measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (current and long term) are reported. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the fiscal year in which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all the eligibility requirements imposed by the provider have been met.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation, (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the current financial resources measurement focus, generally only current assets and current liabilities are reported in the governmental funds. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, except for principal and interest on long term liabilities, claims and judgments, and compensated absences which are recognized as expenditures only when payment is due.

Property taxes, taxpayer-assessed taxes, such as sales taxes, gas taxes, transient occupancy taxes and oil production taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Private purpose trust and pension (and other employee benefit) trust fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

The accounts of the City are organized and operated on the basis of funds, each of which is considered a separate accounting entity with a self-balancing set of accounts, established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The City reports the following major governmental funds:

The General Fund is the general operating fund of the City. All general tax revenues and other receipts allocated by law or contractual agreement to other funds are accounted for in this fund. Expenditures of this fund include general operating costs not paid through other funds.

The Housing Authority Special Revenue Fund is used to account for the activities of the Housing Authority. 20% of collections on the City's advances to the former redevelopment agency are to be deposited into this fund for purposes of the City's affordable housing needs.

The Capital Grants Special Revenue Fund is used to account for projects funded by various grants received from other government agencies. The majority of funds received are transferred to the Capital Improvements Capital Projects fund to finance the related capital project expenditures. The amount of activity in this fund varies from year-to-year, and this fund is consistently reported as a major governmental fund.

The Capital Improvement Capital Projects Fund is used to account for major capital improvement projects not accounted for in other funds.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation, (Continued)

The City reports the following major enterprise fund:

The Water Enterprise Fund is used to account for financial activity relative to the purchase, production, storage and distribution of water used by the community, as well as the maintenance, repair and replacement of related equipment and pipeline. Revenues consist primarily of water sales.

Additionally, the City reports the following fund types:

Proprietary Funds

The Vehicle and Equipment Internal Service Fund is used to account for the furnishing of vehicle and equipment services to departments within the City. Costs of materials and services used are accumulated in this fund and charged to the user departments as such vehicles and equipment are used or services rendered.

Fiduciary Funds

The Successor Agency to the Signal Hill Redevelopment Agency Private Purpose Trust Fund is used to account for the county auditor controller's semi-annual property tax distributions from the Redevelopment Property Tax Trust Fund of the Successor Agency of the former Signal Hill Redevelopment Agency to pay amounts due on enforceable obligations and to pay for specified administrative costs.

The Other Postemployment Benefit Trust Fund is used to account for resources that are held in an irrevocable trust for the benefit of participants in the City's other postemployment benefit plan.

D) Implementation of New Accounting Pronouncements

For the fiscal year ended June 30, 2024, the financial statements include the adoption of GASB Statement No. 100 *Accounting Changes and Error Corrections*. The purpose of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The implementation of this pronouncement had no impact on the City's net position.

E) Cash and Cash Equivalents

The Water Enterprise Fund and Vehicle and Equipment Internal Service Fund participate in the pooling of City-wide cash and investments. Amounts from the pool are available to these funds on demand. Therefore, the cash and investments (restricted and unrestricted) reported in the Water Enterprise Fund and Vehicle and Equipment Internal Services Fund are considered to be cash and cash equivalents for purposes of the statement of cash flows.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

F) Cash and Investments

Investments are reported in the accompanying basic financial statements at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments in external pools are valued based on the stated fair value represented by the external pool.

Changes in fair value that occur during a fiscal year are recognized as investment income (loss) reported for that fiscal year. As of June 30, 2024, a increase in fair value of \$1,168,661 was recognized. Investment income (loss) includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments. The City pools cash and investments of all funds, except for assets held by fiscal agents. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments.

G) Restricted Assets

Restricted assets are reported for certain cash and investments that are to be used for civic center improvement projects.

H) Capital Assets

Capital assets, which include land, site improvements, buildings and improvements, equipment and infrastructure assets, and leased assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Infrastructure assets consist of roads, bridges, trails, traffic signals and sewer lines. Capital assets are defined by the City as assets, with an initial cost of more than \$5,000 and a useful life that is greater than three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated/amortized using the straight-line method over the following estimated useful lives:

Structures and improvements - Water Enterprise	20 to 50 years
Structures and improvements - other than Water Enterprise	5 to 40 years
Water rights	40 years
Equipment and furniture	3 to 20 years
Vehicle and major equipment	3 to 15 years
Infrastructure	40 to 90 years

I) Prepaid Items

Certain payments to vendors reflect costs applicable to a future accounting period and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items are recorded as expenditures/expenses during the periods benefited.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

J) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The categories of deferred outflows of resources reported in the statement of net position relate to pensions and other postemployment benefits which are more fully discussed in Notes 9, and 10. The business-type activities, water enterprise fund, and successor agency to the Signal Hill Redevelopment Agency private-purpose trust fund statements of net position also report a deferred loss amount on debt refunding which is more fully discussed in Notes 6F and 17.

In addition to liabilities, the statement of net position and the governmental fund balance sheet include a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The categories of deferred inflows of resources reported in the government-wide and proprietary funds statements of net position related to pensions and other postemployment benefits are more fully discussed in Notes 9, and 10. The governmental activities statement of net position and the general fund balance sheet also report a deferred inflow of resources related to unavailable revenues which is more fully discussed in Note 4.

K) Leases

Lessee

The City is a lessee for noncancellable leases of land and improvements. The City recognizes a lease liability and an intangible right-to-use asset (lease asset) in the governmental activities in the government-wide statement of net position. 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. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

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

Lessor

The City is a lessor for a noncancellable leases of land and improvements. The City recognizes a lease receivable and a deferred inflow of resources in the statement of net position and in the governmental fund balance sheet. At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is 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 inflow of resources is recognized as revenue over the life of the lease term.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

L) Subscriptions

Lessee

The City is a lessee for noncancellable subscriptions. The City recognizes a subscription liability and an intangible right-to-use asset (subscription asset) in the governmental activities in the government-wide statement of net position. At the commencement of a lease, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life.

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

M) Employee Compensated Absences

Compensated absences are reported in governmental funds as a liability, only if they have matured. The balance of unpaid vacation and compensatory time at year-end is recorded as a long-term liability of the governmental activities, as these amounts will be liquidated from future resources rather than expendable available financial resources. Compensated absences are primarily liquidated in the General Fund.

Unpaid compensated absences in proprietary fund types are recorded as a liability in those funds as vested benefits to the employees accrued balances.

The City does not reimburse for unused sick pay upon an employee's separation other than for retirement. The percentage pay-off at retirement varies based on employee group agreements and/or years of service of employment. The City has an annual cash-out program ranging from 48 - 80 annual maximum hours for its employees based on tiered, years of service of employment. The balance of unused sick pay at fiscal year-end for those employees who meet minimum eligibility requirements, is recorded as a long-term liability, as these amounts will be liquidated from future resources rather than expendable available resources.

N) Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Signal Hill's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension liabilities are primarily liquidated from the General Fund. Investments are reported at fair value.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

O) OPEB

For purposes of measuring the net OPEB liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's OPEB Plan and additions to/deductions from the OPEB Plans' fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the City's OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. OPEB liabilities are primarily liquidated from the General Fund. Investments are reported at fair value.

P) Fund Balances

The fund balances reported on the fund statements consist of the following categories:

Nonspendable - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted - This classification includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers or through enabling legislation.

Committed - This classification includes amounts that can be used only for the specific purposes determined by the City Council through the adoption of a resolution prior to the end of the fiscal year. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken to remove or revise the limitation.

Assigned - This classification includes amounts to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The City Council assigns fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

Unassigned - This classification includes the residual balance for the government's general fund and includes all spendable amounts not contained in other classifications. In other funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

The City's minimum fund balance policy for Fiscal Year 2023-24, is to maintain, in reserves, six months of General Fund operating expenditures.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the City's policy is to apply restricted fund balance first. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is applied first, followed by assigned fund balance, and then finally unassigned fund balance.

Q) Property Taxes

Property taxes are an enforceable lien on property as of January 1. Taxes are levied on July 1 and are payable in two installments on November 1 and February 1, which become delinquent on December 10 and April 10, respectively. The County of Los Angeles bills and collects property taxes for the City. Remittance of property taxes to the City is accounted for in the City's General Fund.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

R) Claims and Judgments

When it is probable that a claim liability has been incurred at year-end and the amount of the loss can be reasonably estimated, the City records the estimated loss, net of any insurance coverage under its self-insurance program claims payable, which includes an estimate for incurred but not reported claims (IBNR).

Under the City's self-insurance program, deposits to the Joint Powers Insurance Authority (Note 14) are recorded as insurance expenditures in the period to which they relate in the General Fund. These deposits are subject to retrospective adjustment. Favorable claims experience in prior years results in a refund of deposits from the Insurance Authority and such refunds, if any, are recorded as deposits since they will be used to offset future deposit requirements. Adverse claims experience in prior years results in the payment of additional deposits which are recorded as insurance expenditures when incurred.

S) Net Position

Net position reported in the government wide and proprietary fund financial statements are classified into three components - net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

- Net investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other liabilities that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

At June 30, 2024, net investment in capital assets, was determined as follows:

	Governmental Activities	Business-Type Activity
Capital assets, net of accumulated depreciation and amortization	\$ 108,706,050	\$ 29,918,742
Less:		
Bonds, net of unamortized premiums and discounts	(7,090,916)	(1,146,576)
Leases payable	(13,068,961)	-
Subscriptions payable	(2,364,727)	(146,852)
Loan payable	-	(1,360,465)
Accounts payable related to capital assets	(2,045,626)	(92,648)
Retentions payable related to capital assets	(52,677)	(122,341)
Add Back:		
Unamortized deferred loss amount on debt refunding	-	23,834
Total	<u>\$ 84,083,143</u>	<u>\$ 27,073,694</u>

City of Signal Hill

Notes to Basic Financial Statements June 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

S) Net Position (Continued)

- Restricted net position - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. All restricted net position is expendable.
- Unrestricted net position - This component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted."

T) Net Position Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the City's practice to consider restricted - net position to have been depleted before unrestricted - net position is applied, however it is at the Council's discretion.

U) Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Specifically, the City has made certain estimates and assumptions related to the collectability of its receivables (e.g. accounts receivable, intergovernmental receivables, loans receivable, amounts due from other funds and amounts advanced to other funds), the depreciation of its capital assets and the ultimate outcome of claims and judgments. Actual results could differ from those estimates and assumptions.

NOTE 2 CASH AND INVESTMENTS

Cash and Investments

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

	Government- wide Statement of Net Position	Fiduciary Funds Statement of Net Position	Total
Cash and investments	\$ 98,343,555	\$ 11,436,838	\$ 109,780,393
Restricted cash and investment	434	8,117,109	8,117,543
Total Cash and Investments	<u>\$ 98,343,989</u>	<u>\$ 19,553,947</u>	<u>\$ 117,897,936</u>

City of Signal Hill

Notes to Basic Financial Statements June 30, 2024

NOTE 2 CASH AND INVESTMENTS, (Continued)

Cash and investments at June 30, 2024 consisted of the following:

Cash on hand	\$ 8,176
Deposits with financial institutions	7,047,712
Investments	110,842,048
Total Cash and Investments	<u>\$ 117,897,936</u>

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

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

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio*</u>	<u>Maximum Investment in One Issuer</u>
United States Treasury Obligations	5 years	None	None
United States Government Sponsored			
Agency Securities	5 years	None	None
Bankers Acceptances	180 days	40%	10%
Time Certificate of Deposits	1 year	30%	10%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	10%
Repurchase Agreements	1 year	None	None
Medium-Term Corporate Notes	5 years	30%	10%
Municipal Obligations	5 years	30%	5%
Supranationals	5 years	30%	10%
Local Agency Investment Fund (LAIF)	N/A	None	\$75 million
California Asset Management Program (CAMP)	N/A	None	None
Mutual Funds	N/A	20%	10%
County Pooled Funds	N/A	None	None

N/A - Not Applicable

* Excluding amounts held by bond trustee that are not subject to California Government Code restrictions

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. Investments authorized for funds held by bond trustee include, United States Treasury Obligations, United States Government Sponsored Agency Securities, Guaranteed Investment Contracts, Commercial Paper, Local Agency Bonds, Banker's Acceptance and Money Market Mutual Funds. There were no limitations on the maximum amount that can be invested in one issuer, maximum percentage allowed or the maximum maturity of an investment, except for the maturity of Banker's Acceptance which are limited to one year.

City of Signal Hill

Notes to Basic Financial Statements June 30, 2024

NOTE 2 CASH AND INVESTMENTS, (Continued)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Total	Remaining Maturity (in Months)		
		12 Months or Less	13-24 Months	25-60 Months
Local Agency Investment Fund	\$ 37,794,476	\$ 37,794,476	\$ -	\$ -
California Asset Management Program	24,725,762	24,725,762	-	-
US Government Agency Securities	12,372,863	2,445,250	3,777,841	6,149,772
Domestic Certificates of Deposit	10,551,727	1,955,611	2,837,661	5,758,455
Money Market Mutual Funds	9,581,175	9,581,175	-	-
Municipal Obligations	2,294,888	-	-	2,294,888
Supranationals	5,403,614	-	991,373	4,412,241
Held by Trustees:				
Money Market Mutual Funds	8,117,543	8,117,543	-	-
Total	<u>\$ 110,842,048</u>	<u>\$ 84,619,817</u>	<u>\$ 7,606,875</u>	<u>\$ 18,615,356</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 as required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating, as reported by Standard and Poor's, as of year-end for each investment type.

Investment Type	Total as of June 30, 2024	Minimum Legal Rating	AAA	AA+	Not Rated
Local Agency Investment Fund	\$ 37,794,476	N/A	\$ -	\$ -	\$ 37,794,476
California Asset Management Program	24,725,762	N/A	-	-	24,725,762
US Government Agency Securities	12,372,863	AA	12,372,863	-	-
Domestic Certificates of Deposit	10,551,727	N/A	-	-	10,551,727
Money Market Mutual Funds	9,581,175	AAA	-	-	9,581,175
Municipal Obligations	2,294,888	A	-	2,294,888	-
Supranationals	5,403,614	AA	5,403,614	-	-
Held by Trustees:					
Money Market Mutual Funds	8,117,543	AAA	-	-	8,117,543
Total	<u>\$ 110,842,048</u>		<u>\$ 17,776,477</u>	<u>\$ 2,294,888</u>	<u>\$ 90,770,683</u>

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 had investments in Federal Home Loan Bank and Goldman Sachs Financial Square represented 7.27% and 6.21%, respectively of total City's investments. All other issuers were individually less than 5% of the total City's investments.

NOTE 2 CASH AND INVESTMENTS, (Continued)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The 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 the City's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. At June 30, 2024, the City deposits (bank balances) were insured by the Federal Deposit Insurance Corporation and the remaining balances were collateralized under California Law.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the state of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Investment in California Management Program Pool

The City is a voluntary participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the Trust). The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act (California Government Code Sections 6500 et seq., or the "Act") for the purpose of exercising the common power of its Participants to invest certain proceeds of debt issues and surplus funds. The Trust's activities are directed by a Board of Trustees, all of whom are employees of the California public agencies which are participants in the Trust. The Pool's investments are limited to investments permitted by subdivision (a) to (n), inclusive, of Section 53601 of the California Government Code. The City reports investments in CAMP at the fair value amounts provided by CAMP, which is the same as the value of the pool share. CAMP is not registered with the Securities and Exchange Commission.

City of Signal Hill

Notes to Basic Financial Statements June 30, 2024

NOTE 2 CASH AND INVESTMENTS, (Continued)

Fair Value Measurements

The City categorizes its fair value measurement within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are quoted prices for similar assets in active markets, and Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements, which includes a positive \$1,168,661 fair value adjustment recognized as of June 30, 2024:

	Total	Quoted Prices Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3
U.S. Government Agency Securities	\$ 12,372,863	\$ -	\$ 12,372,863	\$ -
Municipal Bonds	2,294,888	-	2,294,888	-
Supranationals	5,403,614	-	5,403,614	-
	<u>20,071,365</u>	<u>\$ -</u>	<u>\$ 20,071,365</u>	<u>\$ -</u>
Local Agency Investment Fund*	37,794,476			
California Asset Management Program*	24,725,762			
Domestic Certificates of Deposit*	10,551,727			
Money Market Mutual Funds*	9,581,175			
Held by Trustees:				
Money Market Mutual Funds*	8,117,543			
Total	<u>\$ 110,842,048</u>			

* Not subject to fair value measurement hierarchy.

The annual money-weighted rate of return on fiduciary OPEB plan investments (calculated as the internal rate of return on plan investments, net of plan investment expense) for the year ended June 30, 2024 was a positive 14.13%. The annual money-weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested.

City of Signal Hill

Notes to Basic Financial Statements June 30, 2024

NOTE 3 CAPITAL ASSETS

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

Governmental Activities:

	Balance at June 30, 2023	Additions	Deletions	Balance at June 30, 2024
Capital assets, not being depreciated:				
Land	\$ 35,519,323	\$ -	\$ -	\$ 35,519,323
Construction in progress	3,142,305	3,877,707	(4,329,813)	2,690,199
Total capital assets, not being depreciated	38,661,628	3,877,707	(4,329,813)	38,209,522
Capital assets, being depreciated and amortized:				
Structure and improvements	50,571,793	168,868	-	50,740,661
Equipment and furniture	4,901,135	53,623	-	4,954,758
Vehicles and major equipment	3,258,462	277,096	(85,624)	3,449,934
Right-to-use lease assets	13,751,032	-	-	13,751,032
Right-to-use subscription assets	2,195,174	1,192,110	(8,274)	3,379,010
Infrastructure	31,180,412	4,188,931	-	35,369,343
Total capital assets, being depreciated and amortized	105,858,008	5,880,628	(93,898)	111,644,738
Less accumulated depreciation and amortization for:				
Structure and improvements	(13,195,151)	(1,225,032)	-	(14,420,183)
Equipment and furniture	(2,382,264)	(303,542)	-	(2,685,806)
Vehicles and major equipment	(2,326,445)	(197,771)	85,624	(2,438,592)
Right-to-use lease assets	(799,316)	(397,932)	-	(1,197,248)
Right-to-use subscription assets	(393,556)	(547,389)	7,106	(933,839)
Infrastructure	(19,026,795)	(445,747)	-	(19,472,542)
Total accumulated depreciation and amortization	(38,123,527)	(3,117,413)	92,730	(41,148,210)
Total capital assets, being depreciated and amortized, net	67,734,481	2,763,215	(1,168)	70,496,528
Total capital assets, net	\$ 106,396,109	\$ 6,640,922	\$ (4,330,981)	\$ 108,706,050

City of Signal Hill

Notes to Basic Financial Statements June 30, 2024

NOTE 3 CAPITAL ASSETS, (Continued)

Business-Type Activities:

	Balance at June 30, 2023	Additions	Deletions	Balance at June 30, 2024
Capital assets, not being depreciated:				
Land	\$ 4,427,416	\$ -	\$ -	\$ 4,427,416
Construction in progress	686,161	2,800,138	(3,192,289)	294,010
Total capital assets, not being depreciated	5,113,577	2,800,138	(3,192,289)	4,721,426
Capital assets, being depreciated and amortized:				
Water rights	1,215,186	-	-	1,215,186
Reservoirs and tanks	12,174,543	-	-	12,174,543
Wells	14,943,507	-	-	14,943,507
Mains	9,893,973	2,732,146	-	12,626,119
Pumps	1,384,407	-	-	1,384,407
Fire hydrants	564,667	-	-	564,667
Meters	429,048	460,143	(429,048)	460,143
Services	1,443,630	-	-	1,443,630
Structures	1,243,976	-	-	1,243,976
Right-to-use subscription assets	69,838	105,388	-	175,226
Equipment and furniture	1,137,472	-	-	1,137,472
Total capital assets, being depreciated and amortized	44,500,247	3,297,677	(429,048)	47,368,876
Less accumulated depreciation and amortization for:				
Water rights	(971,253)	(30,380)	-	(1,001,633)
Reservoirs and tanks	(6,223,045)	(262,680)	-	(6,485,725)
Wells	(2,373,133)	(365,338)	-	(2,738,471)
Mains	(6,992,343)	(183,317)	-	(7,175,660)
Pumps	(1,264,812)	(27,425)	-	(1,292,237)
Fire hydrants	(561,647)	(731)	-	(562,378)
Meters	(429,048)	-	429,048	-
Services	(992,957)	(27,579)	-	(1,020,536)
Structures	(750,632)	(28,673)	-	(779,305)
Right-to-use subscription assets	(15,964)	(19,770)	-	(35,734)
Equipment and furniture	(1,075,346)	(4,535)	-	(1,079,881)
Total accumulated depreciation and amortization	(21,650,180)	(950,428)	429,048	(22,171,560)
Total capital assets, being depreciated and amortized, net	22,850,067	2,347,249	-	25,197,316
Total capital assets, net	\$ 27,963,644	\$ 5,147,387	\$ (3,192,289)	\$ 29,918,742

City of Signal Hill

Notes to Basic Financial Statements June 30, 2024

NOTE 3 CAPITAL ASSETS, (Continued)

Depreciation/Amortization Expense

Depreciation/amortization expense was charged to City functions/programs as follows:

Governmental Activities:

General government	\$ 120,363
Parks, recreation, and library services	690,285
Police	1,623,248
Public works	29,179
Internal service fund depreciation charges to programs	208,591
Allocated depreciation	2,671,666
Unallocated infrastructure depreciation	445,747
Total depreciation and amortization expense - governmental activities	<u>\$ 3,117,413</u>

Business-Type Activity:

Water	<u>\$ 950,428</u>
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NOTE 4 UNAVAILABLE REVENUES

At June 30, 2024, deferred inflows of resources - unavailable revenues, reported in the governmental fund financial statements, consisted of the following:

	General Fund	Capital Grants Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
Unavailable lease revenue	\$ 22,431,097	\$ -	\$ -	\$ 22,431,097
Unavailable grant revenue	-	142,000	45,577	187,577
Unavailable interest long-term notes receivable	4,198,794	-	600	4,199,394
Total	<u>\$ 26,629,891</u>	<u>\$ 142,000</u>	<u>\$ 46,177</u>	<u>\$ 26,818,068</u>

NOTE 5 LONG-TERM RECEIVABLES

A) Receivable from Successor Agency

Description	General Fund
Long-term loans to finance improvements and operations related to and within the former Redevelopment Agency's project areas	<u>\$ 7,409,966</u>

For further discussion of the receivable due from the Successor Agency, see Note 17F.

B) Loans Receivables

The discontinued First Time Homebuyer Program provided down payment assistance to first time low or moderate income homebuyers. Financial assistance was provided in the form of deferred second mortgages, secured by promissory notes and deeds of trust on the property. The second mortgage loan is due if the unit is sold or if the property no longer qualifies as the buyer's principal residence. The loans are equity participation loans if paid within the first 10 years. The principal loan amount plus a declining percentage of equity (depending on how long the home was owned) is due to the City at the time of sale. After 10 years, no equity is due the City. After 30 years, the homebuyer has the option of repaying the principal amount in full, or amortizing the principal amount due over 10 years with an interest payment at the prime rate plus 1%. Currently, three loans totaling \$38,341 remain outstanding.

The discontinued Residential Rehabilitation Loan Program provided funding to Signal Hill homeowners for exterior improvements to their residences. The loans are secured by promissory notes and second deeds of trust on the property. Loans are to be repaid upon sale or transfer of the property. Currently, one loan totaling \$6,038 remains outstanding.

In February 2015 a loan of \$7,729,480 secured by a deed of trust on real property was provided pursuant to a disposition and development agreement with Meta Housing to provide funding for the 72-unit affordable housing development called Zinnia. The loan accrues interest at 3% interest and is repaid on each April 1st in which there was positive cash flow for the calendar year, or portion thereof, ending on the immediately preceding December 31, 50% of that year's net cash flow, based on the contribution of the Signal Hill Housing Authority. The first repayment shall be due on April 1st following the issuance of the first Certificate of occupancy, and the last payment shall be due on April 1st fifty-five (55) years later. The amount outstanding at June 30, 2024 was \$9,568,085 (including accrued interest of \$1,977,395). The City also set up an allowance for doubtful accounts, on this loan of \$7,927,395.

City of Signal Hill

Notes to Basic Financial Statements June 30, 2024

NOTE 5 LONG-TERM RECEIVABLES, (Continued)

C) Leases Receivables

The City, acting as lessor, leases land and improvements under five long-term, noncancellable lease agreements. The leases expire at various dates through November 30, 2055. The net present values of the leases receivable were determined using discount rates of either 1.198% or 2.046%. Rent payments ranging from \$6,075 to \$22,577, are received monthly. During the year ended June 30, 2024, the City recognized \$446,812 and \$470,945 in lease revenue and interest revenue respectively, pursuant to these lease agreements.

The leases provide for increases in future minimum monthly rent payments, subject to certain stated increases.

NOTE 6 LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2024, was as follows:

	Balance at June 30, 2023	Additions	Deletions	Balance at June 30, 2024	Due Within One Year
Governmental activities:					
Other debt:					
2018 Library Lease Revenue Bonds	\$ 7,555,000	\$ -	\$ (660,000)	\$ 6,895,000	\$ 680,000
Plus 2018 Original Issue Premium	218,965	-	(23,049)	195,916	23,049
Total Library Lease Revenue Bonds	7,773,965	-	(683,049)	7,090,916	703,049
Other long-term liabilities:					
Leases payable	13,292,629	-	(223,668)	13,068,961	231,703
Subscriptions payable	1,936,175	1,163,259	(734,707)	2,364,727	563,819
Compensated absences	813,759	78,039	(27,714)	864,084	432,042
Total Governmental-Type Activity	<u>\$ 23,816,528</u>	<u>\$ 1,241,298</u>	<u>\$ (1,669,138)</u>	<u>\$ 23,388,688</u>	<u>\$ 1,930,613</u>
Business-Type activity:					
Other debt:					
2016 Water Revenue Refunding Bonds	\$ 1,585,000	\$ -	\$ (510,000)	\$ 1,075,000	\$ 530,000
Plus 2016 Original Issue Premium	123,631	-	(52,055)	71,576	52,055
Total Refunding Bonds Payable	1,708,631	-	(562,055)	1,146,576	582,055
Other long-term liabilities:					
WRD loan - direct borrowing	1,500,000	-	(139,535)	1,360,465	139,535
Subscriptions payable	57,268	105,799	(16,215)	146,852	16,271
Compensated absences	52,920	6,781	(4,857)	54,844	26,460
Total Business-Type Activity	<u>\$ 3,318,819</u>	<u>\$ 112,580</u>	<u>\$ (722,662)</u>	<u>\$ 2,708,737</u>	<u>\$ 764,321</u>

City of Signal Hill

Notes to Basic Financial Statements June 30, 2024

NOTE 6 LONG-TERM LIABILITIES, (Continued)

A) 2018 Library Lease Revenue Bonds

On January 10, 2018, the City issued \$8,640,000 2018 Library Lease Revenue Bonds to fund the construction of the City's new library. The 2018 Bonds were issued at a premium of \$345,729, which is being amortized on a straight-line basis of \$23,049 annually as interest expense through the year 2032. The 2018 bonds were issued as \$8,640,000 in serial bonds with a maturity date of December 1, 2032. These bonds carry interest at 2.0-3.5%.

There is no reserve requirement associated with this bond.

The annual requirements to amortize the outstanding 2018 bond indebtedness as of June 30, 2024, including interest, are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 680,000	\$ 198,425	\$ 878,425
2026	700,000	181,175	881,175
2027	715,000	163,488	878,488
2028	740,000	143,450	883,450
2029	760,000	120,950	880,950
2030-2032	3,300,000	230,900	3,530,900
Total	<u>\$ 6,895,000</u>	<u>\$ 1,038,388</u>	<u>\$ 7,933,388</u>

B) Leases Payable

The City leases land and improvements for various terms under two long-term, noncancelable lease agreements. The leases expire at various dates through December 31, 2055. The net present values of the leases payable were determined using a discount rate of 2.046%. Monthly lease payments total \$41,129. The leases provide for increases in future minimum monthly rental payments subject to stated increases.

Total future minimum lease payments under lease agreements are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 231,703	\$ 265,244	\$ 496,947
2026	248,441	260,365	508,806
2027	259,707	255,141	514,848
2028	265,071	249,777	514,848
2029	270,545	244,303	514,848
2030-2034	1,533,915	1,131,693	2,665,608
2035-2039	1,817,974	960,646	2,778,620
2040-2044	2,138,794	758,925	2,897,719
2045-2049	2,498,538	522,350	3,020,888
2050-2054	2,891,520	247,238	3,138,758
2055-2056	912,753	14,462	927,215
Total	<u>\$ 13,068,961</u>	<u>\$ 4,910,144</u>	<u>\$ 17,979,105</u>

City of Signal Hill

Notes to Basic Financial Statements June 30, 2024

NOTE 6 LONG-TERM LIABILITIES, (Continued)

C) Subscriptions Payable

The City has subscriptions for various terms under long-term, noncancelable subscription agreements. The subscriptions expire at various dates through October 31, 2032. The net present values of the subscriptions payable were determined using discount rates ranging from 1.7100% - 3.1440%. Monthly subscription payments total \$62,445. The subscription provide for increases in future minimum monthly rental payments subject to stated increases.

Total future minimum subscription payments under governmental subscription agreements are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 563,819	\$ 67,644	\$ 631,463
2026	418,086	56,795	474,881
2027	437,247	42,016	479,263
2028	463,517	26,489	490,006
2029	138,435	10,051	148,486
2030-2033	343,623	11,861	355,484
Total	<u>\$ 2,364,727</u>	<u>\$ 214,856</u>	<u>\$ 2,579,583</u>

Total future minimum subscription payments under business-type subscription agreements are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 16,271	\$ 3,091	\$ 19,362
2026	14,052	2,737	16,789
2027	14,846	2,427	17,273
2028	16,044	2,093	18,137
2029	17,311	1,733	19,044
2030-2033	68,328	2,848	71,176
Total	<u>\$ 146,852</u>	<u>\$ 14,929</u>	<u>\$ 161,781</u>

D) Compensated Absences

There is no fixed payment schedule for earned but unpaid compensated absences in both the governmental and business type activities.

City of Signal Hill

Notes to Basic Financial Statements June 30, 2024

NOTE 6 LONG-TERM LIABILITIES, (Continued)

E) WRD Loan Payable

On February 14, 2023, the City obtained a 10-year, zero-interest loan in the amount of \$1,500,000 from the Water Replenishment District. Principal payments of \$150,000 are due annually. The proceeds from the loan are being used to construct a new water well. Loan repayments began following the project's completion in 2023, with the first payment made in July 2023. The total amount outstanding as of June 30, 2024 is \$1,360,465. The loan agreement specifies, in the event of default, outstanding amounts become due immediately if the City is unable to make payment.

F) 2016 Water Revenue Refunding Bonds

On November 17, 2016, the City issued \$4,305,000 2016 Water Revenue Refunding Bonds to advance refund the Signal Hill Public Financing Authority's outstanding 2006 Water Revenue Refunding Bonds. The 2006 Bonds were issued at a premium of \$468,495, which is being amortized on a straight-line basis of \$52,055 annually as interest expense through the year 2026. The refunded bonds have been redeemed.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$156,004. This difference, reported as deferred outflows of resources, is being amortized on a straight-line basis of \$17,334 annually as interest expense through the fiscal year 2026.

Year Ending June 30,	Principal	Interest	Total
2025	\$ 530,000	\$ 42,800	\$ 572,800
2026	545,000	10,900	555,900
Total	\$ 1,075,000	\$ 53,700	\$ 1,128,700

NOTE 7 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2024, is as follows:

Due From/To Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Other governmental funds	\$ 68,649
		\$ 68,649

The interfund payable balances represent routine and temporary cash flow assistance from the General Fund until the amounts receivable from other governments are collected to reimburse eligible expenditures.

City of Signal Hill

Notes to Basic Financial Statements June 30, 2024

NOTE 7 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS, (Continued)

Advances To/From Other Funds

Advances receivable and payable balances at June 30, 2024, are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Water Enterprise Fund	\$ 3,755,777
General Fund	Housing Authority Special Revenue Fund	6,904
Other governmental funds	Housing Authority Special Revenue Fund	1,633,786
		<u>\$ 5,396,467</u>

In FY 2015-16 the City entered into an interfund agreement whereby the General Fund issued a loan to the Water Fund for \$2,750,000, for the purpose of financing the construction of Well #9. Interest is based on the LAIF rate plus 1%, as determined every January. Payments are due annually on July 1 through July 2036.

In FY 2015-16, the Signal Hill Housing Authority entered into a difficult development areas agreement with Meta Housing to develop affordable housing. As this was new development, an assessment of Park In-Lieu, Traffic Impact Fees, and Water Impact Fees were estimated based on the number of units and area of the property. These fees total \$6,904 to the General Fund, \$861,802 to the Park Development Special Revenue Fund, \$741,381 to the Water Development Special Revenue Fund, and \$30,603 to the Traffic Impact Special Revenue Fund and are a liability of the Housing Authority to the other funds as of year-end. The Housing Authority will repay as it obtains repayment from the developer.

In fiscal year 2022-23, the City entered into an interfund agreement with the Water Fund for \$1,900,000 for the purpose of financing the Gundry Reservoir Improvement Project.

City of Signal Hill

Notes to Basic Financial Statements June 30, 2024

NOTE 7 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS, (Continued)

Interfund Transfers

<u>Transfer In to Fund</u>	<u>Transfers Out of Fund</u>	<u>Amount</u>
General Fund	Other governmental funds	\$ 242,795 (b)
Housing Authority Special Revenue Fund	General Fund	375,777 (c)
Other governmental funds	General Fund	14,095 (b)
Capital Improvement Capital Projects Fund	General Fund	1,406,227 (a)
	Capital Grants Special Revenue Fund	154,389 (a)
	Other governmental funds	1,996,752 (a)
Water Enterprise Fund	General Fund	20,766 (a)
	Other governmental funds	2,514,286 (a)
Internal Service Fund	Other governmental funds	70,855 (d)
Total		<u>\$ 6,795,942</u>

The purposes for significant interfund transfers made during the fiscal year ended June 30, 2024 were as follows:

- (a) To provide funds for various capital projects in accordance with the City's capital improvement program.
- (b) To provide funds for ongoing city programs.
- (c) To transfer the Housing Authority's 20% share of the Successor Agency's loan payment to the General Fund as required by state law.
- (d) To provide funds to the Vehicle and Equipment Internal Service Fund for the purchase of a vehicle.

NOTE 8 INDIVIDUAL FUND DISCLOSURES

Expenditures Exceeding Appropriations

For the year ended June 30, 2024, expenditures exceeded appropriations in the following programs (the legal level of budgetary control):

Special revenue fund	
Supplemental Law Enforcement	\$ 19,811

The expenditures exceeding appropriations were funded by existing fund balances in the respective funds and, in certain cases, excess revenues received in the current year.

Deficit Fund Balance

The Capital Grants Special Revenue Fund has a deficit fund balances of \$142,000 at year-end. The Public Safety Grant Special Revenue fund has a deficit of \$45,577 at year-end. The deficits in both funds will be eliminated upon the recognition of unavailable revenues related to amounts due from other governments.

NOTE 9 DEFINED BENEFIT PENSION PLANS

A) General Information about the Pension Plans Plan Descriptions

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan or PERF C) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of a miscellaneous pool and a safety pool (also referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under generally accepted accounting principles. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City participates in six rate plans (three miscellaneous and three safety). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS' website, at www.calpers.ca.gov.

NOTE 9 DEFINED BENEFIT PENSION PLANS, (Continued)

A) General Information about the Pension Plans Plan Descriptions, (Continued)

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan operates under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plan's authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

The Plans' provisions and benefits in effect for the current year are summarized as follows:

	Miscellaneous		
	Prior to June 10, 2010	On or After June 10, 2010 and Prior to January 1, 2013	On or After January 1, 2013
Hire Date			
Benefit Formula	2%@55	2.7%@55	2%@62
Benefit Vesting Schedule	5 years of service	5 years of service	5 years of service
Benefit Payments	monthly for life	monthly for life	monthly for life
Retirement Age	50-63	50-55	52-67
Monthly Benefits, as a % of Eligible Compensation	1.42% to 2.42%	2.00% to 2.70%	1.00% to 2.50%
Required Employee Contribution Rates	7%	7%	6.75%
Required Employer Contribution Rates:			
Normal Cost Rate	12.470%	10.660%	7.680%
Payment of Unfunded Liability	\$ 1,541,948	\$ 45,208	\$ 33,559
	Safety		
	Prior to June 10, 2010	On or After June 10, 2010 and Prior to January 1, 2013	On or After January 1, 2013
Hire Date			
Benefit Formula	3%@50	3%@55	2.7%@57
Benefit Vesting Schedule	5 years of service	5 years of service	5 years of service
Benefit Payments	monthly for life	monthly for life	monthly for life
Retirement Age	50-55	50	50-57
Monthly Benefits, as a % of Eligible Compensation	3.0%	3.00%	2.00% to 2.70%
Required Employee Contribution Rates	9%	9%	13.75%
Required Employer Contribution Rates:			
Normal Cost Rate	29.090%	26.110%	14.500%
Payment of Unfunded Liability	\$ 1,971,199	\$ 20,079	\$ 43,387

NOTE 9 DEFINED BENEFIT PENSION PLANS, (Continued)

A) General Information about the Pension Plans Plan Descriptions, (Continued)

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. For the year ended June 30, 2024, the City made contributions totaling \$3,761,999 (\$1,668,313 Miscellaneous Plan and \$2,093,686 Safety Plan).

B) Net Pension Liability

The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2023, using an annual actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

Actuarial Methods and Assumptions

The collective total pension liability for the June 30, 2023 measurement period was determined by an actuarial valuation as of June 30, 2022, with update procedures used to roll forward the total pension liability to June 30, 2023. The collective total pension liability was based on the following assumptions:

	Miscellaneous
Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary increases	Varies by entry age and service
Mortality Rate Table	Derived using CalPERS' membership data for all funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter.

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

NOTE 9 DEFINED BENEFIT PENSION PLANS, (Continued)**B) Net Pension Liability, (Continued)****Long-term Expected Rate of Return**

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points.

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

Asset Class	Assumed Asset Allocation	Real Return ^{1,2}
Global equity - cap-weighted	30%	4.54%
Global equity non cap-weighted	12%	3.84%
Private equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	-5%	-0.59%

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

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

NOTE 9 DEFINED BENEFIT PENSION PLANS, (Continued)

B) Net Pension Liability, (Continued)

Change of Assumptions

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

Discount Rate

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

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

Pension Plan Fiduciary Net Position

Information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website, at www.calpers.ca.gov. The plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

NOTE 9 DEFINED BENEFIT PENSION PLANS, (Continued)

C) Proportionate Share of Net Pension Liability

The following table shows the City's proportionate share of the Plan's net pension liability over the measurement period.

	Proportionate Share of Net Pension Liability
Miscellaneous	\$ 17,410,192
Safety	22,212,532
Total Net Pension Liability	<u>\$ 39,622,724</u>

The City's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website, at www.calpers.ca.gov.

The City's proportionate share of the net pension liability for all Plans as of the June 30, 2022 and 2023 measurement dates were as follows:

	Miscellaneous	Safety	Total
Proportion - June 30, 2022	0.34806%	0.30084%	0.64890%
Proportion - June 30, 2023	0.34817%	0.29716%	0.64533%
Change - Increase (Decrease)	0.00011%	-0.00368%	-0.00357%

Sensitivity of the 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 all Plans as of the measurement date, calculated using the discount rate of 6.9 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.9 percent) or 1 percentage-point higher (7.9 percent) than the current rate:

	Miscellaneous	Safety	Total
1% Decrease	5.90%	5.90%	
Net Pension Liability	\$ 25,855,945	\$ 31,934,263	\$ 57,790,208
Current Discount Rate	6.90%	6.90%	
Net Pension Liability	\$ 17,410,192	\$ 22,212,532	\$ 39,622,724
1% Increase	7.90%	7.90%	
Net Pension Liability	\$ 10,458,612	\$ 14,264,326	\$ 24,722,938

NOTE 9 DEFINED BENEFIT PENSION PLANS, (Continued)

C) Proportionate Share of Net Pension Liability, (Continued)

Amortization of Deferred Outflows and Deferred Inflows of Resources

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

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

The amortization period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on pension plan investments	5-year straight-line amortization
All other amounts	Straight-line amortization over the expected average remaining service lives (EARSL) of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the Public Agency Cost-Sharing Multiple-Employer Plan (PERF C).

The EARSL for PERF C for the measurement period ending June 30, 2023 is 3.8 years, which was obtained by dividing the total service years of 600,538 (the sum of remaining service lifetimes of the active employees) by 160,073 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

City of Signal Hill

Notes to Basic Financial Statements June 30, 2024

NOTE 9 DEFINED BENEFIT PENSION PLANS, (Continued)

D) Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

As of the start of the measurement period (July 1, 2022), the City's net pension liability was \$36,959,054. For the measurement period ending June 30, 2022 (the measurement date), the Local Government incurred a pension expense of \$5,882,589.

As of June 30, 2024, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 4,240,413	\$ -
Differences between expected and actual experience	2,520,216	(277,583)
Changes in assumptions	2,347,485	-
Change in employer's proportion	500,137	(129,986)
Differences between the employer's contributions and the Employer's proportionate share of contributions	116,968	(1,406,137)
Net differences between projected and actual earnings on Plan investments	5,858,646	-
Total	<u>\$ 15,583,865</u>	<u>\$ (1,813,706)</u>

The amounts above are net of outflows and inflows recognized in the 2022-23 measurement period expense. Contributions subsequent to the measurement date of \$4,240,413 reported with deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Year Ending June 30,	Amount
2025	\$ 2,782,964
2026	2,022,302
2027	4,558,749
2028	165,731
2029	-
Thereafter	-

E) Payable to the Pension Plan

At June 30, 2024, the City had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2024.

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN

A) Plan Description

In addition to providing pension benefits, the City provides certain health care benefits for retired employees through the California Public Employees Medical and Hospital Care Act (PEMCHA) in accordance with a City Council resolution. Substantially all of the City's employees become eligible for those benefits if they reach normal retirement age while working for the City. Those, and similar benefits for active employees, are provided through PERS whose premiums are based on the benefits paid during the year. The City has established a single-employer OPEB trust to accumulate assets to assist with the payment of future benefits under the OPEB Plan. The OPEB Trust is reported as a fiduciary fund of the City. A separate stand-alone financial report is not issued for this OPEB plan.

Retiree health care coverage is segregated into three tiers as follows:

Tier 1 - Employees Hired Before January 1, 2006 (1)

- Employee age 50 or over with 5 years of PERS service receive up to \$885 per month.

Tier 2 - Employees Hired On or After January 1, 2006 (1) and prior to April 7, 2010

- Employees with less than 5 years of service with Signal Hill, but who are vested with PERS are eligible to receive the minimum monthly premium mandated by PERS (currently \$157 monthly).
- Employees with 5-10 years of PERS service (combined City service plus 50% credit for service with another PERS agency) shall be eligible to receive 50% of the monthly benefit applicable towards the employee only.
- Employees with 11-15 years of PERS service (combined City service plus 50% credit for service with another PERS agency) shall be eligible to receive 75% of the monthly benefit applicable towards the employee only.
- Employees with over 16 years of PERS service (combined City service plus 50% credit for service with another PERS agency) shall be eligible to receive 100% of the monthly benefit applicable towards the employee and one dependent provided that employee plus one dependent coverage was in effect upon the date of retirement.

(1) Applies to police employees hired after January 1, 2004.

Tier 3- Employees Hired on or After April 7, 2010

- Employees with less than 11 years of service with Signal Hill, but who are vested with PERS are eligible to receive the minimum monthly premium mandated by PERS (currently \$157 monthly).
- Employees with 11-15 years of PERS service (combined City service plus 50% credit for service with another PERS agency) shall be eligible to receive 25% of the monthly benefit applicable towards the employee only.

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN, (Continued)

A) Plan Description, (Continued)

- Employees with 16-19 years of PERS service (combined City service plus 50% credit for service with another PERS agency) shall be eligible to receive 50% of the monthly benefit applicable towards the employee and one dependent provided that employee plus one dependent coverage was in effect upon the date of retirement.
- Employees with over 20 years of PERS service (combined City service plus 50% credit for service with another PERS agency) shall be eligible to receive 75% of the monthly benefit applicable towards the employee and one dependent provided that employee plus one dependent coverage was in effect upon the date of retirement.

B) Eligibility

Employees of the City are eligible for retiree health benefits if they are at least 50 years of age for classic members and at least 52 years of age for PEPRA members as of the last day of work prior to retirement and are a vested member of CalPERS. Membership in the plan consisted of the following, for the measurement period ended June 30, 2024:

Inactive employees or beneficiaries currently receiving benefit payments	92
Active Plan members	92
Total	<u>184</u>

C) Annual OPEB Cost and Net OPEB Liability

The obligation of the City and City employees to contribute to the plan is established and may be amended by the City Council. Contributions are not determined actuarially. For Non-POA (Police Officers Association Union) fulltime employees, including all directors and managers in the City, the City contributes 1% of gross wages to the OPEB trust. For Safety employees, who are not in a management position, the City contributes a flat \$675 per calendar year to the trust. Non-POA employees contribute 1% of gross wages to the OPEB trust. POA employees contribute a flat \$625 per calendar year to the OPEB trust. Employee contributions are not portable should an employee leave City employment. For the fiscal year ended June 30, 2024, the measurement period, the City contributed \$730,892 (retirement premiums paid on a pay-as-you-go basis of \$655,891, contributions to the OPEB trust of \$75,001, and an estimated implicit rate subsidy of \$221,863) and City employees contributed \$73,997 to the OPEB trust.

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN, (Continued)

D) Net OPEB Liability

Actuarial Assumptions

For the measurement period ended June 30, 2024 (the measurement date), the total OPEB liability was determined by an actuarial accounting valuation performed as of June 30, 2023. The June 30, 2024 total OPEB liability was based on the following actuarial methods and assumptions:

Inflation	2.30%
Salary Increase	2.80%
Investment Rate of Return	5.75%
Healthcare Cost Trend Rates	Assumed 7.4% per year. The long-term trend assumption is based on the conclusion that, while medical trend will continue to be cyclical, the average increase over time cannot continue to outstrip general inflation by a wide margin. Trend increases in excess of general inflation result in dramatic increases in unemployment, the number of uninsured and the number of underinsured. These effects are nearing a tipping point which will inevitably result in fundamental changes in health care finance and/or delivery which will bring changes in health care finance and/or delivery which will bring increases in health care costs more close in line with general inflation. The actuary does not believe it is reasonable to project historical trend vs. inflation difference several decades into the future.

The mortality assumptions are based on tables created by CalPERS. CalPERS periodically study mortality for participating agencies and establish mortality tables that are modified versions of commonly used tables. The most recent studies were conducted in 2021.

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN, (Continued)

D) Net OPEB Liability, (Continued)

Changes in Assumptions

For the measurement period ended June 30, 2024, the changes in assumptions were made related to a decrease in the discount rate to be updated due to investment policy changes.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global equity	60.0%	7.10%
Fixed income	38.0%	3.50%
Cash	2.0%	2.70%
Total	100.0%	

Discount Rate

The discount rate used to measure the total OPEB liability was 5.75%. The projection of cash flows used to determine the discount rate assumed that City contributions 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 be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

City of Signal Hill

Notes to Basic Financial Statements June 30, 2024

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN, (Continued)

E) Change in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2023	\$ 12,713,575	\$ 3,746,570	\$ 8,967,005
Changes in the Fiscal Year:			
Service Cost	312,255	-	312,255
Interest on the total OPEB liability	723,750	-	723,750
Changes of assumptions	(208,684)	-	(208,684)
Difference between expected and actual experience	286,867	-	286,867
Contribution from the employer	-	952,755	(952,755)
Contribution from the employees	-	73,997	(73,997)
Net investment income	-	539,305	(539,305)
Benefit payments	(655,891)	(655,891)	-
Implicit Subsidy Credit	(221,863)	(221,863)	-
Administrative expenses	-	(10,686)	10,686
Other Miscellaneous Income/Exp	-	(3,005)	3,005
Net Changes	236,434	674,612	(438,178)
Balance at June 30, 2024	\$ 12,950,009	\$ 4,421,182	\$ 8,528,827

There is sensitivity of the net OPEB liability due to changes in the discount rate and health-care cost trend rates. The following presents 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 1-percentage point lower or 1 percentage- point higher than the current discount rate:

	1% Decrease 4.75%	Current Discount Rate 5.75%	1% Increase 6.75%
Net OPEB liability	\$ 9,921,278	\$ 8,528,827	\$ 7,343,154
	1% Decrease 6.40%	Health-Care Cost Trend Rate 7.40%	1% Increase 8.40%
Net OPEB liability	\$ 7,824,753	\$ 8,528,827	\$ 9,177,259

City of Signal Hill

Notes to Basic Financial Statements June 30, 2024

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN, (Continued)

F) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2024, the City recognized OPEB expense of \$712,661. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 321,239	\$ (796,740)
Changes of assumptions	1,623,049	(673,443)
Net differences between projected and actual earnings on Plan investments	-	(158,073)
Total	<u>\$ 1,944,288</u>	<u>\$ (1,628,256)</u>

Amount reported as deferred outflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ending June 30,	Deferred Inflows/Outflows of Resources
2025	\$ (37,148)
2026	70,861
2027	(13,467)
2028	150,605
2029	16,178
Thereafter	129,003

NOTE 11 DEFINED CONTRIBUTION PLANS

Effective July 3, 1999, the City began providing pension benefits for all of its part-time, seasonal and temporary employees that are not covered under PERS through the City of Signal Hill Alternate Retirement System Plan administered by the Public Agency Retirement System (PARS ARS). PARS ARS is a defined contribution pension plan and benefits depend solely on amounts contributed to the plan plus investment earnings. Contributions of \$8,669 were made to these plans during the current fiscal year.

NOTE 12 DEFERRED COMPENSATION

The City has made available to its employees a deferred compensation plan, created in accordance with Internal Revenue Code Section 457, whereby employees authorize the City to defer a portion of their salary to be deposited in individual investment accounts. The City has also made available a defined contribution plan, created in accordance with Internal Revenue Code Section 401(a), whereby the City contributes into the 401(a) plan only on a 50% matching basis up to 4% of management's compensation and up to 3% of middle management's compensation. Total matching contributions made by the City totaled \$64,089 for the fiscal year ended June 30, 2024. Funds in both plans may be withdrawn by participants upon termination of employment or retirement.

Amounts contributed to the 457(b) plan and 401(a) plan are deposited regularly with Voya Financial for investment. Pursuant to changes in Internal Revenue Code Section 457, the City formally established a plan level trust in which all assets and income of the 457(b) plan were placed. The assets, all property and rights purchased with such amount, and all income attributable to such amounts, property, or rights are held in trust for the exclusive benefit of the participants and their beneficiaries. These assets are not the property of the City, and as such, are not subject to the claims of the City's general creditors. Assets held in the 457(b) and 401(a) plans are exclusively held for the benefit of plan participants and are not considered a City asset, therefore the plan assets and liabilities are not reported in the City's financial statements.

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City of Signal Hill

Notes to Basic Financial Statements June 30, 2024

NOTE 13 GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

The various fund balance classifications as of June 30, 2024 were as follows:

	General	Housing Authority Special Revenue Fund	Capital Grants Special Revenue Fund	Capital Improvement Capital Projects Fund	Other Governmental Funds
Nonspendable:					
Receivable due from Successor Agency, net of unavailable interest revenue	\$ 3,211,172	\$ -	\$ -	\$ -	\$ -
Prepaid items	82,255	-	-	-	-
Leases receivable, net of unavailable revenues	1,434,960	-	-	-	-
Advances to other funds	3,762,681	-	-	-	-
Land and improvements held for resale, net	425,001	-	-	-	-
Total	8,916,069	-	-	-	-
Restricted for:					
Low and moderate income housing	-	7,214,877	-	-	-
Public protection	-	-	-	-	23,533
Development impact	-	-	-	-	3,568,636
Transportation	-	-	-	-	4,928,154
Capital improvements	-	-	-	400,002	2,787,265
Total	-	7,214,877	-	400,002	11,307,588
Committed for:					
Debt service	2,209,852	-	-	-	-
Economic uncertainty	5,413,093	-	-	-	-
Building and land acquisition	2,644,398	-	-	-	-
Equipment replacement	43,748	-	-	-	-
Capital improvements	5,199,630	-	-	-	-
Insurance premium increases	828,372	-	-	-	-
CalPERS rate increases	3,283,966	-	-	-	-
OPEB future costs	1,521,444	-	-	-	-
Park expansion	741,121	-	-	-	-
Police radio/system reserve	1,431,007	-	-	-	-
Library expansion	8,450,348	-	-	-	-
100th anniversary	50,000	-	-	-	-
General Plan	345,257	-	-	-	-
Economic development	1,208,150	-	-	-	-
Workforce Innovation	1,228,041	-	-	-	-
Facility reserve	368,755	-	-	-	-
Art reserve	150,000	-	-	-	-
NPDES issues	1,456	-	-	-	-
Total	35,118,638	-	-	-	-
Unassigned	31,637,444	-	(142,000)	-	(45,577)
Total	\$ 75,672,151	\$ 7,214,877	\$ (142,000)	\$ 400,002	\$ 11,262,011

NOTE 14 CALIFORNIA JOINT POWERS INSURANCE AUTHORITY

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

The City is a member of the California Joint Powers Insurance Authority (JPIA or 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). The Board operates through a nine-member Executive Committee.

B) Primary Self-insurance Programs of the Insurance 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.

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 have a sub-limit of \$50 million per occurrence. The coverage structure is composed of a combination of pooled self-insurance, reinsurance, and excess insurance. More detailed information about the various layers of coverage is available on the Authority's website: <https://cjpia.org/coverage/risk-sharing-pools/>.

Workers' Compensation

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.

NOTE 14 CALIFORNIA JOINT POWERS INSURANCE AUTHORITY, (Continued)

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

(2) The first layer of losses includes incurred costs up to \$75,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$75,000 to \$200,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$200,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

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

C) Purchased Insurance

Pollution Legal Liability Insurance

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

Property Insurance

The City participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City property is currently insured according to a schedule of covered property submitted by the City to the Authority. City property currently has all-risk property insurance protection in the amount of \$97,244,112. There is a \$10,000 deductible per occurrence except for nonemergency vehicle insurance which has a \$2,500 deductible.

Earthquake and Flood Insurance

The City purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Insurance Authority. The City's property currently has earthquake protection in the amount of \$63,951,038. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000.

Crime Insurance

The City purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Insurance Authority.

NOTE 14 CALIFORNIA JOINT POWERS INSURANCE AUTHORITY, (Continued)

D) Adequacy of Protection

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

NOTE 15 OTHER INFORMATION

Contingent Liabilities

Litigation

Claims and suits are filed against the City in the normal course of business. Based upon information received from the City's management, the estimated liability under any such claims would be adequately covered by deposits in a pooled insurance authority and insurance coverage. Other claims not covered by insurance involving substantial land use actions and inverse condemnation claims are not expected to have an adverse economic effect on the City.

Grant Audit Contingencies

Under the terms of certain grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. City management believes disallowances, if any, will be immaterial.

Developer Impact Fees

The City charges Parks Development, Traffic Impact, and Water Development Impact Fees (fees) when new residential or commercial buildings are constructed. In fiscal year 2023-24, the City collected parks development fees, traffic impact fees, and water development fees, respectively. The fees are deposited into corresponding special revenue funds, and they are used to acquire and upgrade parks, improve water systems related to new development, and to reduce traffic within the City related to new development. The State of California requires fees to be spent within five years of collection. In fiscal year 2023-24, the City expended \$406,633 in parks development fees, \$67,937 in traffic impact fees and \$0 in water development fees. At June 30, 2024, the fund balances for the Parks Development Impact Fund was \$752,000, for the Traffic Impact Fund was \$980,533 and for the Water Development Impact Fund was \$1,047,200.

City of Signal Hill

Notes to Basic Financial Statements June 30, 2024

NOTE 16 TAX ABATEMENTS

In accordance with Chapter 3.32 of the Signal Hill Municipal Code, the City provides sales tax rebates to a local sales tax generator based on sales tax generated at a site developed within the City of Signal Hill. The City entered into an economic development agreement for sales tax rebates with a local sales tax generator in order to retain one of the City's significant tax-generating business, jobs, and occupancy of land within City boundaries. The rebates are calculated based on the total taxes generated by the business.

For the fiscal year ended June 30, 2024, the City abated local sales tax totaling \$2,631,422.

NOTE 17 SUCCESSOR AGENCY DISCLOSURES

The assets and liabilities of the former Redevelopment Agency were transferred to the Successor Agency to the City of Signal Hill Redevelopment Agency on February 1, 2012 as a result of the dissolution of the former Redevelopment Agency. The City is acting in a fiduciary capacity for the assets and liabilities. Disclosures related to the capital assets and long-term liabilities reported in the Successor Agency to the Signal Hill Redevelopment Agency Private Purpose Trust Fund are as follows:

Capital Assets

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

	Balance at June 30, 2023	Additions	Deletions	Balance at June 30, 2024
Capital assets, not being depreciated:				
Land	\$ 10,956,485	\$ -	\$ -	\$ 10,956,485

Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2024 was as follows:

	Balance at June 30, 2023	Additions	Deletions	Balance at June 30, 2024	Due Within One Year
Other debt:					
Bonds payable:					
2006 TABs	\$ 9,960,000	\$ -	\$ (350,000)	\$ 9,610,000	\$ 3,025,000
2011 Tax Allocation Parity Bonds	2,930,000	-	(760,000)	2,170,000	675,000
2015 Refunding TABs Series A	2,435,000	-	(2,435,000)	-	-
2015 Refunding TABs Series B	1,120,000	-	(110,000)	1,010,000	1,010,000
2017 Refunding TABs	10,475,000	-	(2,745,000)	7,730,000	1,920,000
Less Original Issuance Discounts	(41,589)	-	14,494	(27,095)	(12,425)
Add Premium on Bonds	1,019,813	-	(366,463)	653,350	290,377
Total Bonds Payable	27,898,224	-	(6,751,969)	21,146,255	6,907,952
Direct borrowings:					
Loan payable to the City of Signal Hill	9,192,507	96,345	(1,878,886)	7,409,966	-
Total Long-Term Liabilities	\$ 37,090,731	\$ 96,345	\$ (8,630,855)	\$ 28,556,221	\$ 6,907,952

City of Signal Hill

Notes to Basic Financial Statements June 30, 2024

NOTE 17 SUCCESSOR AGENCY DISCLOSURES, (Continued)

A) 2006 Tax Allocation Bonds

On September 7, 2006, the Agency issued the 2006 Taxable Tax Allocation Parity Bonds, Series A (2006 Bonds) in the amount of \$13,500,000. Proceeds of the 2006 Taxable Tax Allocation Parity Bonds were used to (i) finance redevelopment activities of the Agency within or of benefit to the Redevelopment Project, (ii) satisfy the Reserve Requirement for the Bonds and (iii) provide for the cost of issuing the Bonds.

\$1,845,000 of 2006 term bonds matured October 1, 2016 and bore interest payable semiannually at a rate of 5.581%. \$11,660,000 of 2006 D term bonds mature October 1, 2026 and bear interest payable semiannually at a rate of 5.839%. The 2006 Bonds are subject to mandatory redemption without premium commencing October 1, 2007 with respect to the term bonds maturing October 1, 2016 and October 1, 2017 with respect to the term bonds maturing October 1, 2026.

The reserve requirement for these bonds is covered by a surety bond provided by National Public Finance Guarantee Corp. (National). National's current ratings by Moody's Investors Services and Standard & Poor's are Baa2 and BBB, respectively.

The annual requirements to amortize outstanding bond indebtedness as of June 30, 2024, including interest, are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 3,025,000	\$ 472,813	\$ 3,497,813
2026	3,195,000	291,220	3,486,220
2027	3,390,000	98,971	3,488,971
Totals	<u>\$ 9,610,000</u>	<u>\$ 863,004</u>	<u>\$ 10,473,004</u>

B) 2011 Tax Allocation Parity Bonds

On March 25, 2011, the Agency issued the 2011 Tax Allocation Parity Bonds in the amount of \$8,835,000. The proceeds were used to (i) finance redevelopment activities of benefit to the Redevelopment Project, (ii) fund the reserve requirement for the Bonds and (iii) provide for the costs of issuing the Bonds. The 2011 Bonds were issued at a discount of \$181,895. This discount is being amortized on a straight line basis as interest expense through the year 2027.

Principal amounts on the 2011 Tax Allocation Parity Bonds mature annually each October 1 from 2012 through 2026, and bear interest semiannually beginning October 1, 2011 at rates ranging from 3.25% to 7.0%. The 2011 Tax Allocation Parity Bonds maturing on or after October 1, 2021 are subject to optional redemption, without premium commencing April 1, 2021.

The Successor Agency to the City of Signal Hill Redevelopment Agency is required by the 2011 Tax Allocation Parity Bonds reserve requirement to maintain reserve funds of the lessor of (1) 125% average annual debt service, (2) maximum annual debt service and (3) 10% original proceeds. As of the fiscal year ended June 30, 2024, this reserve requirement was met.

NOTE 17 SUCCESSOR AGENCY DISCLOSURES, (Continued)**B) 2011 Tax Allocation Parity Bonds (Continued)**

The annual requirements to amortize outstanding bond indebtedness as of June 30, 2024, including interest, are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 675,000	\$ 128,275	\$ 803,275
2026	725,000	79,275	804,275
2027	770,000	26,950	796,950
Totals	<u>\$ 2,170,000</u>	<u>\$ 234,500</u>	<u>\$ 2,404,500</u>

C) 2015 Refunding Tax Allocation Bonds - Series A

On January 26, 2015, the Agency issued the 2015 Tax Allocation Refunding Bonds, Series A (2015 A Bonds) in the amount of \$19,990,000. The proceeds were used to refinance the Agency's outstanding 2001 Bonds, 2003 A Bonds, and 2003 C Bonds in the amount of \$22,245,000, (ii) fund the reserve requirement for the Bonds and (iii) provide for the costs of issuing the Bonds. The 2015 A Bonds were issued at a premium of \$2,624,882. This premium is being amortized on a straight line basis as interest expense through the year 2024.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$644,557. This difference, reported as a deferred outflow of resources, is being amortized on a straight-line basis as interest expense on the statement of changes in fiduciary net position through the year 2024.

Principal amounts on the 2015 A Bonds mature annually each October 1 from 2015 through 2024, and bear interest semiannually beginning October 1, 2015 at rates ranging from 2.00% to 5.00%. The 2015 A Bonds are not subject to optional redemption before maturity. The reserve requirement for these bonds is covered by a surety bond provided by National Public Finance Guarantee Corp. (National). National's current ratings by Moody's Investors Services and Standard & Poor's are Baa2 and BBB, respectively.

The bonds were paid in full in the year ending June 30, 2024.

NOTE 17 SUCCESSOR AGENCY DISCLOSURES, (Continued)

D) 2015 Refunding Tax Allocation Bonds - Series B

On January 26, 2015, the Agency issued the 2015 Tax Allocation Refunding Bonds, Series B (2015 B Bonds) in the amount of \$1,970,000. The proceeds were used to refinance the Agency's outstanding 2003 D Bonds in the amount of \$1,980,000, fund the reserve requirement for the Bonds and (iii) provide for the costs of issuing the Bonds. The 2015 B Bonds were issued at a discount of \$26,551. This discount is being amortized on a straight line basis as interest expense through the year 2024.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$51,426. This difference, reported as a deferred outflow of resources, is being amortized on a straight-line basis as interest expense on the statement of changes in fiduciary net position through the year 2024.

Principal amounts on the 2015 B Bonds mature annually each October 1 from 2015 through 2024, and bear interest semiannually beginning October 1, 2015 at rates ranging from 1.00% to 3.125%. The 2015 B Bonds are not subject to optional redemption before maturity.

The reserve requirement for these bonds is covered by a surety bond provided by National Public Finance Guarantee Corp. (National). National's current ratings by Moody's Investors Services and Standard & Poor's are Baa2 and BBB, respectively.

The annual requirements to amortize outstanding bond indebtedness as of June 30, 2024, including interest, are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 1,010,000	\$ 15,781	\$ 1,025,781
Totals	\$ 1,010,000	\$ 15,781	\$ 1,025,781

E) 2017 Refunding Tax Allocation Bonds

On December 1, 2017, the Agency issued the 2017 Tax Allocation Refunding Bonds (2017 Bonds) in the amount of \$22,580,000. The proceeds were used to (i) refinance the Agency's outstanding 2007 Refunding Tax Allocation Bonds in the amount of \$10,970,000, and the Agency's outstanding 2009 Tax Allocation Parity Bonds in the amount of \$14,670,000 (ii) fund the reserve requirement for the Bonds and (iii) provide for the costs of issuing the Bonds. The 2017 Bonds were issued at a premium of \$2,564,999. This premium is being amortized on a straight line basis as interest expense through the year 2026.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1,196,102. This difference, reported as a deferred outflow of resources, is being amortized on a straight-line basis as interest expense on the statement of changes in fiduciary net position through the year 2026.

Principal amounts on the 2017 Bonds mature annually each October 1 from 2018 through 2026, and bear interest semiannually beginning April 1, 2018 at rates ranging from 3.00% to 5.00%. The 2017 Bonds are not subject to optional redemption before maturity.

City of Signal Hill

Notes to Basic Financial Statements June 30, 2024

NOTE 17 SUCCESSOR AGENCY DISCLOSURES, (Continued)

E) 2017 Refunding Tax Allocation Bonds (Continued)

The reserve requirement for these bonds is covered by a surety bond provided by National Public Finance Guarantee Corp. (National). National's current ratings by Moody's Investors Services and Standard & Poor's are Baa2 and BBB, respectively.

The annual requirements to amortize outstanding bond indebtedness as of June 30, 2024, including interest, are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 1,920,000	\$ 305,300	\$ 2,225,300
2026	2,840,000	212,500	3,052,500
2027	2,970,000	74,250	3,044,250
Totals	<u>\$ 7,730,000</u>	<u>\$ 592,050</u>	<u>\$ 8,322,050</u>

F) Loan Payable to the City of Signal Hill

In 2008, the City had an advance to the Agency totaling \$10,000,000 to assist in funding the Agency's operating budget. The former Redevelopment Agency had been accruing interest on the original advances at a rate of 10% per annum up to the date of its dissolution.

During the fiscal year ended June 30, 2018, the DOF approved the advance from the City as an enforceable obligation of the Successor Agency based on an accrued interest rate of 3% per annum since inception. The balance as of June 30, 2024, including \$4,198,453 of accrued interest, is \$7,409,966.

G) Spring Street Corridor Joint Powers Authority

The City and former Agency entered into a joint powers agreement with the City of Long Beach and the former Long Beach Redevelopment Agency on January 11, 1995. The purpose of this agreement was to create a joint power authority (Authority) pursuant to the California Government Code in order to develop and operate public facilities and improvements in the Spring Street Corridor Area.

The Authority is governed by a Board of Directors which is made up of the five members of the Signal Hill City Council, the four members of the Long Beach City Council, and the Chairman of the Successor Agency to the Long Beach Redevelopment Agency. Officers of the Authority are elected annually by the Board members.

On December 21, 1995, the joint powers agreement was amended to increase its jurisdiction by including additional areas surrounding the original Spring Street Corridor Area. The operating expenses are charged to the members on the basis of their pro rata share of land in the Corridor. Financial statements can be obtained from the City of Signal Hill's Finance Department located at City Hall.

NOTE 17 SUCCESSOR AGENCY DISCLOSURES, (Continued)

H) Owner Participation and Implementation Agreement (OPIA)

Pursuant to an Owner Participation and Implementation Agreement (OPIA) dated September 19, 1996, the Agency is required to pay a developer a formulated amount based on sales tax generated at a site developed within the City of Signal Hill. The source of these payments is to be provided by the Signal Hill Successor Agency. The first source is available tax increment revenue which is limited based on the amount of the Signal Hill Successor Agency's annual tax increment revenue less amounts required by law to be deposited in the Signal Hill Successor Agency's Affordable Housing Special Revenue Fund. The second source is a loan from the City of Signal Hill which would be made from the City's share of sales tax revenue generated from the developed site. No other sources of funds are available for payments. At June 30, 2024, there was \$1,185,753 due under this agreement, which is reported as a current liability.

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REQUIRED SUPPLEMENTARY INFORMATION

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City of Signal Hill

Budgetary Comparison Schedule General Fund For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 2,375,773	\$ 2,375,773	\$ 2,825,011	\$ 449,238
Sales and use tax	25,085,362	25,085,362	28,053,616	2,968,254
Other taxes	1,836,107	1,836,107	2,087,625	251,518
Licenses and permits	779,374	779,374	999,988	220,614
Intergovernmental revenues	40,750	137,900	134,735	(3,165)
Charges for services	1,249,464	1,249,464	2,119,075	869,611
Fines and forfeitures	220,000	220,000	134,471	(85,529)
Investment income (loss)	961,757	961,757	4,912,215	3,950,458
Other revenue	358,772	458,772	622,705	163,933
Total Revenues	32,907,359	33,104,509	41,889,441	8,784,932
EXPENDITURES				
General government:				
City Council	279,465	286,266	254,459	31,807
City Treasurer	8,234	8,234	5,435	2,799
City Clerk	396,784	406,784	271,874	134,910
Economic development	322,999	361,761	263,087	98,674
Executive administration	1,365,030	1,365,030	1,214,328	150,702
Communication/ public relations	254,640	254,640	182,054	72,586
Personnel services	556,931	613,126	502,384	110,742
Support services	2,290,819	2,790,819	2,567,287	223,532
Management information services	309,357	309,357	174,446	134,911
Fiscal services	1,118,745	1,171,399	1,026,015	145,384
Total General Government	6,903,004	7,567,416	6,461,369	1,106,047
Parks, recreation, and library services:				
Library programs and services	815,897	828,397	814,450	13,947
Community support and services	1,274,800	1,596,061	1,309,084	286,977
Recreation	857,104	857,104	823,863	33,241
Total Parks, Recreation, and Library Services	2,947,801	3,281,562	2,947,397	334,165
Police:				
Community outreach	70,118	70,118	44,164	25,954
Patrol services	6,500,551	6,505,551	5,936,119	569,432
Investigative services	1,598,248	1,598,248	1,301,218	297,030
Police support services	2,185,060	2,193,060	1,834,702	358,358
Communications	1,146,242	1,186,242	778,299	407,943
Records	527,659	533,659	368,760	164,899
Emergency and disaster services	154,882	162,382	80,534	81,848
Total Police	12,182,760	12,249,260	10,343,796	1,905,464

City of Signal Hill

Budgetary Comparison Schedule, (Continued) General Fund For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES (Continued)				
Community development:				
Planning services	\$ 867,617	\$ 873,617	\$ 622,382	\$ 251,235
Neighborhood enhancement	185,502	185,502	144,474	41,028
Building and safety	291,189	291,189	247,224	43,965
Oil field services	203,574	203,574	174,335	29,239
Total Community Development	1,547,882	1,553,882	1,188,415	365,467
Public works:				
Engineering and project services	1,096,436	1,104,895	871,078	233,817
Building maintenance	1,270,972	1,270,972	1,250,726	20,246
Environmental programs	979,441	979,441	863,218	116,223
Park maintenance	1,371,573	1,483,808	1,180,304	303,504
Street maintenance operations	1,611,197	1,734,595	1,575,630	158,965
Total Public Works	6,329,619	6,573,711	5,740,956	832,755
Capital outlay	2,211,005	2,510,155	1,517,901	992,254
Debt service	2,037,609	2,037,609	2,186,380	(148,771)
Total Expenditures	34,159,680	35,773,595	30,386,214	5,387,381
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,252,321)	(2,669,086)	11,503,227	14,172,313
OTHER FINANCING SOURCES (USES)				
Subscription acquisition	1,163,259	1,163,259	1,163,259	-
Transfers in	597,865	597,865	242,795	(355,070)
Transfers out	(2,934,840)	(4,695,013)	(1,816,865)	2,878,148
Total Other Financing Sources (Uses)	(1,173,716)	(2,933,889)	(410,811)	2,523,078
Net Change in Fund Balance	(2,426,037)	(5,602,975)	11,092,416	16,695,391
Fund Balance, Beginning	64,579,735	64,579,735	64,579,735	-
Fund Balance, Ending	\$ 62,153,698	\$ 58,976,760	\$ 75,672,151	\$ 16,695,391

City of Signal Hill

Budgetary Comparison Schedule Housing Authority Special Revenue Fund For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ 64,505	\$ 64,505	\$ 367,977	\$ 303,472
Total Revenues	64,505	64,505	367,977	303,472
EXPENDITURES				
Community development	7,000	7,000	4,520	2,480
Total Expenditures	7,000	7,000	4,520	2,480
Excess of Revenues Over Expenditures	57,505	57,505	363,457	305,952
OTHER FINANCING SOURCES (USES)				
Transfers in	375,777	375,777	375,777	-
Total Other Financing Sources (Uses)	375,777	375,777	375,777	-
Net Change in Fund Balance	433,282	433,282	739,234	305,952
Fund Balance, Beginning	6,475,643	6,475,643	6,475,643	-
Fund Balance, Ending	\$ 6,908,925	\$ 6,908,925	\$ 7,214,877	\$ 305,952

City of Signal Hill

Budgetary Comparison Schedule Capital Grants Special Revenue Fund For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 2,300,000	\$ 2,473,000	\$ 214,071	\$ (2,258,929)
Total Revenues	2,300,000	2,473,000	214,071	(2,258,929)
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,300,000)	(2,473,000)	(154,389)	2,318,611
Total Other Financing Sources (Uses)	(2,300,000)	(2,473,000)	(154,389)	2,318,611
Net Change in Fund Balance	-	-	59,682	59,682
Fund Balance (Deficit), Beginning	(201,682)	(201,682)	(201,682)	-
Fund Balance (Deficit), Ending	\$ (201,682)	\$ (201,682)	\$ (142,000)	\$ 59,682

NOTE 1 BUDGETS AND BUDGETARY ACCOUNTING

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- 1) The annual budget is adopted by the City Council after a public hearing and provides for the general operation of the City. The operating budget includes proposed expenditures and the means of financing them.
- 2) Budgets for the General and Special Revenue Funds are adopted on a basis substantially consistent with accounting principles generally accepted in the United States of America. Accordingly, actual revenues and expenditures can be compared with related budget amounts without any significant reconciling items. No budgetary comparisons are presented for the Capital Projects Funds since budgets are adopted on a project basis as opposed to an annual basis. No budgets were adopted for the Assets Seizure and the Civic Center Phase II special revenue funds for the current fiscal year.
- 3) Budget control is maintained over all accounts, and expenditures are not allowed to exceed appropriations at the program level (i.e. City Council, City Treasurer, City Attorney), except as approved in advance by the City Council.
- 4) Encumbrance accounting under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded to reserve that portion of the applicable appropriation is employed as an extension of formal budgetary integration in the Governmental Fund Types. However, at year-end all appropriations lapse. Accordingly, encumbrances are canceled and generally re-appropriated as part of the following year's budget. Encumbrances are not included in reported expenditures.
- 5) The City Council approves all significant budgetary changes.
- 6) Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller, or returned to the taxpayers through revised tax rates or revised fee schedules. Or an excess in one year may be offset against a deficit in following year.

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City of Signal Hill

Schedule of Proportionate Share of the Net Pension Liability - Miscellaneous Last Ten Fiscal Years

Measurement Period	Plan's Proportion of the Net Pension Liability	Plan's Proportionate Share of the Net Pension Liability	Plan's Covered Payroll	Plan's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	Plan's Proportionate Share of Aggregate Employer Contributions
June 30, 2014	0.13408%	\$ 8,343,258	\$ 4,623,297	180.46%	79.79%	\$ 890,524
June 30, 2015	0.12534%	8,603,439	4,171,972	206.22%	79.72%	1,169,609
June 30, 2016	0.31694%	11,009,933	4,769,466	230.84%	75.87%	1,233,606
June 30, 2017	0.32027%	12,625,288	4,782,533	263.99%	73.31%	1,377,053
June 30, 2018	0.32748%	12,213,091	4,746,775	257.29%	75.26%	1,452,707
June 30, 2019	0.32748%	13,113,924	4,924,328	266.31%	75.26%	1,621,472
June 30, 2020	0.33135%	13,976,419	4,955,620	282.03%	74.36%	1,810,932
June 30, 2021	0.41623%	7,903,332	4,799,168	164.68%	86.12%	1,928,023
June 30, 2022	0.34806%	16,286,350	5,200,981	313.14%	72.90%	2,272,895
June 30, 2023	0.34817%	17,410,192	5,481,877	317.60%	72.12%	1,872,277

Notes to Schedule:

¹ Proportion of the net pension liability represents the plan's proportion of PERF C, which includes both the Miscellaneous and Safety Risk Pools excluding the 1959 Survivors Risk Pool.

City of Signal Hill

Schedule of Contributions - Miscellaneous Last Ten Fiscal Years

Fiscal Year Ended	Contractually Required Contribution (Actuarially Determined)	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2015	\$ 673,607	\$ (673,607)	\$ -	\$ 4,171,972	16.15%
June 30, 2016	913,915	(913,915)	-	4,769,466	19.16%
June 30, 2017	1,001,003	(1,001,003)	-	4,782,533	20.93%
June 30, 2018	1,095,591	(1,095,591)	-	4,746,775	23.08%
June 30, 2019	1,268,784	(1,268,784)	-	4,924,328	25.77%
June 30, 2020	1,442,517	(1,442,517)	-	4,955,620	29.11%
June 30, 2021	1,284,614	(1,284,614)	-	4,799,168	26.77%
June 30, 2022	1,482,465	(1,482,465)	-	5,200,981	28.50%
June 30, 2023	1,626,403	(1,626,403)	-	5,481,877	29.67%
June 30, 2024	1,668,313	(1,668,313)	-	5,673,241	29.41%

Notes to Schedule:

Benefit Changes: There were no changes to benefit terms that applied to all members of the Public Agency Pool. Additionally, the figures above do not include any liability impact that may have resulted from Golden Handshakes that occurred after the June 30, 2021 valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

Changes in Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. There were no assumption changes for 2021. For 2020, the Plan adopted a new amortization policy effective with the 2019 actuarial valuation. The new amortization policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes apply only to new UAL bases established on or after June 30, 2019. There were no changes in assumptions in 2019. 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 2019. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes in the discount rate. 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 Signal Hill

Schedule of Proportionate Share of the Net Pension Liability - Safety Last Ten Fiscal Years

Measurement Period	Plan's Proportion of the Net Pension Liability	Plan's Proportionate Share of the Net Pension Liability	Plan's Covered Payroll	Plan's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	Plan's Proportionate Share of Aggregate Employer Contributions
June 30, 2014	0.16671%	\$ 10,373,619	\$ 3,002,188	345.54%	77.88%	\$ 1,034,283
June 30, 2015	0.16949%	11,633,599	3,095,462	375.83%	75.88%	1,244,854
June 30, 2016	0.27528%	14,257,433	3,120,311	456.92%	72.69%	1,243,621
June 30, 2017	0.26478%	15,821,202	3,397,367	465.69%	73.31%	1,330,746
June 30, 2018	0.26514%	15,557,284	2,752,971	565.11%	75.26%	1,740,418
June 30, 2019	0.26113%	16,301,080	3,319,213	491.11%	75.26%	1,880,463
June 30, 2020	0.26785%	17,844,795	3,407,054	523.76%	71.00%	2,261,312
June 30, 2021	0.32940%	11,560,225	3,480,836	332.11%	81.71%	2,759,489
June 30, 2022	0.30084%	20,672,704	3,694,080	559.62%	69.41%	3,128,829
June 30, 2023	0.29716%	22,212,532	3,296,621	673.80%	68.66%	1,938,887

Notes to Schedule:

¹ Proportion of the net pension liability represents the plan's proportion of PERF C, which includes both the Miscellaneous and Safety Risk Pools excluding the 1959 Survivors Risk Pool.

City of Signal Hill

Schedule of Contributions - Safety Last Ten Fiscal Years

Fiscal Year Ended	Contractually Required Contribution (Actuarially Determined)	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2015	\$ 1,197,783	\$ (1,197,783)	\$ -	\$ 3,095,462	38.69%
June 30, 2016	1,407,461	(1,407,461)	-	3,120,311	45.11%
June 30, 2017	1,531,100	(1,531,100)	-	3,397,367	45.07%
June 30, 2018	1,677,943	(1,677,943)	-	2,752,971	60.95%
June 30, 2019	1,372,345	(1,372,345)	-	3,319,213	41.35%
June 30, 2020	1,614,253	(1,614,253)	-	3,407,054	47.38%
June 30, 2021	1,753,821	(1,753,821)	-	3,480,836	50.39%
June 30, 2022	1,932,188	(1,932,188)	-	3,694,088	52.30%
June 30, 2023	2,097,628	(2,097,628)	-	3,296,621	63.63%
June 30, 2024	2,093,686	(2,093,686)	-	3,240,924	64.60%

Notes to Schedule:

Benefit Changes: There were no changes to benefit terms that applied to all members of the Public Agency Pool. Additionally, the figures above do not include any liability impact that may have resulted from Golden Handshakes that occurred after the June 30, 2021 valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

Changes in Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. There were no assumption changes for 2021. For 2020, the Plan adopted a new amortization policy effective with the 2019 actuarial valuation. The new amortization policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes apply only to new UAL bases established on or after June 30, 2019. There were no changes in assumptions in 2019. 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 2019. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes in the discount rate. 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 Signal Hill

Schedule of Changes in the Net OPEB Liability and Related Ratios Last Ten Fiscal Years

Fiscal Year End	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016
Measurement Date	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016
Total OPEB liability:									
Service cost	\$ 312,255	\$ 220,191	\$ 293,500	\$ 270,003	\$ 78,454	\$ 76,354	\$ 88,947	\$ 86,566	\$ 84,249
Interest on total OPEB liability	723,750	701,238	819,177	814,641	693,993	689,655	724,953	719,524	732,333
Changes of assumptions	(208,684)	(333,930)	(494,340)	350,078	3,078,833	-	-	-	-
Experience gains/(losses)	286,867.00	-	(1,239,101)	-	171,290	-	(633,287)	-	-
Investment gains/(losses)	-	-	-	-	-	5,035	(5,035)	-	-
Benefit payments, including refunds and the implied subsidy benefit payments	(877,754)	(807,014)	(798,430)	(1,049,577)	(1,040,518)	(705,652)	(729,067)	(718,446)	(697,696)
Net Change in Total OPEB Liability	236,434	(219,515)	(1,419,194)	385,145	2,982,052	65,392	(553,489)	87,644	118,886
Total OPEB Liability, Beginning of Year	12,713,575	12,933,090	14,352,284	13,967,139	10,985,087	10,919,695	11,473,184	11,385,540	11,266,654
Total OPEB Liability, End of Year (a)	12,950,009	12,713,575	12,933,090	14,352,284	13,967,139	10,985,087	10,919,695	11,473,184	11,385,540
Plan fiduciary net position:									
Contributions - employer	952,755	880,746	872,192	1,184,870	1,251,150	705,652	729,067	718,446	847,696
Contributions - employees	73,997	69,558	70,110	65,478	336,878	-	-	-	-
Net investment income (loss)	539,305	337,516	(496,520)	642,090	186,488	135,298	125,181	154,005	(31,941)
Administrative expenses	(10,686)	(10,893)	(4,495)	(18,569)	(15,198)	(12,204)	(11,911)	(11,107)	(3,818)
Benefit payments, including refunds and the implied subsidy benefit payments	(877,754)	(807,014)	(798,430)	(1,049,577)	(1,040,518)	(705,652)	(729,067)	(718,446)	(697,696)
Other miscellaneous income (expense)	(3,005.00)	-	-	-	-	(2)	-	-	-
Net Change in Plan Fiduciary Net Position	674,612	469,913	(357,143)	824,292	718,800	123,092	113,270	142,898	114,241
Plan Fiduciary Net Position, - Beginning of Year	3,746,570	3,276,657	3,633,800	2,809,508	2,090,708	1,967,616	1,854,346	1,711,448	1,597,207
Plan Fiduciary Net Position, End of Year (b)	4,421,182	3,746,570	3,276,657	3,633,800	2,809,508	2,090,708	1,967,616	1,854,346	1,711,448
Net OPEB Liability- Ending (a)-(b)	<u>\$ 8,528,827</u>	<u>\$ 8,967,005</u>	<u>\$ 9,656,433</u>	<u>\$ 10,718,484</u>	<u>\$ 11,157,631</u>	<u>\$ 8,894,379</u>	<u>\$ 8,952,079</u>	<u>\$ 9,618,838</u>	<u>\$ 9,674,092</u>
Plan fiduciary net position as a percentage of the total OPEB liability	34.14%	29.47%	25.34%	25.32%	20.12%	19.03%	18.02%	16.16%	15.03%
Covered - employee payroll	\$ 9,103,778	\$ 8,619,268	\$ 8,352,829	\$ 7,873,764	\$ 8,223,691	\$ 8,137,547	\$ 7,960,934	\$ 7,997,352	\$ 7,783,311
Net OPEB liability as percentage of covered - employee payroll	93.68%	104.03%	115.61%	136.13%	135.68%	109.30%	112.45%	120.28%	124.29%

Notes to Schedule:

Contributions are not based on a measure of pay. Therefore, covered - employee payroll is used.

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

FYE June 30, 2020 - Investment rate of return/discount rate was lowered from 6.50% to 6.00%, an implicit rate subsidy was added, and certain demographic assumptions were changed.

FYE June 30, 2021 - Investment rate of return/discount rate was lowered from 6.00% to 5.75%

FYE June 30, 2022 - Investment rate of return/discount rate was lowered from 5.75% to 5.50%

FYE June 30, 2023 - Discount rate was increased due to investment policy change to 5.75%.

* Fiscal year 2016 was the first year of implementation; therefore, only eight years are shown.

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SUPPLEMENTARY INFORMATION

City of Signal Hill

Other Governmental Funds Special Revenue Funds

The Special Revenue Funds are used to account for revenues derived from specific sources which are usually required by law or administrative regulation to be accounted for in a separate fund.

Asset Seizure Fund - Accounts for the portion of seized monies and property returned to the City for narcotic enforcement and other police related activities, pursuant to federal and state asset forfeitures laws.

Park Development Fund - Accounts for revenues from residential and commercial developers impact fees for park acquisition and improvement purposes.

HCDA Grant Fund - Accounts for community development block grant revenues and expenditures for rehabilitation, food distribution and capital projects.

Special Gas Tax Fund - Accounts for receipts and disbursements of monies apportioned to the City under the Streets and Highways Code of the state of California, as well as a Transportation Development Act grant for bicycle and pedestrian facilities.

Transportation Proposition A Fund - As "Proposition A" increased the sales tax in Los Angeles County by 0.5%, this fund accounts for financial activity relative to the City's share of these monies. "Proposition A" revenues are to be used for public transportation purposes.

Pipeline Removal Fund - Accounts for revenues from fees paid by franchisees on idle pipeline for future removal costs.

Air Quality Improvement Fund - Accounts for revenues apportioned to the City from the Southern California AQMD fees on motor vehicle registrations, used to fund programs to reduce air pollution from mobile sources.

Water Development Fund - Accounts for revenues from residential and commercial developers' impact fees for water system improvements related to new development.

Traffic Impact Fund - Accounts for revenues from residential and commercial developers' impact fees for the purpose of reducing traffic within the City related to new development.

Transportation Proposition C Fund - As "Proposition C" increased the sales tax in Los Angeles County by 0.5%, this fund accounts for financial activity relative to the City's share of these monies. "Proposition C" revenues are to be used for public transportation purposes.

American Rescue Plan Act Fund - Accounts for the receipt and use of federal funding pursuant to the American Rescue Plan Act.

Lighting and Landscape Fund - Accounts for financial activity relating to the City's landscape and lighting district. Revenues include assessments to property owners within the district and expenditures relate to the maintenance and upkeep of the system.

Supplemental Law Enforcement Fund - Accounts for the receipts and disbursements of monies awarded to the City under the Citizens Option for Public Safety program (otherwise known as the COPS). The grant was established by State Assembly Bill (AB) 3229 and is appropriated through its Supplemental Law Enforcement Fund.

City of Signal Hill

Other Governmental Funds Special Revenue Funds, (Continued)

Public Safety State Resources Fund - Accounts for funding received by the state of California Office of Traffic Safety for public safety overtime related to the enforcement of California's DUI laws.

Housing Impact Fund - Accounts for the revenues collected pursuant to the agreement between the City's Redevelopment Agency and the Development and Disposition Agreement with the Hilltop, LLC. The fees collected are based upon 2% of the sales price of new residential development and must be used for very low and low income housing.

MTA-STPL Grant Fund - Accounts for receipts and disbursements of grant funds awarded by the Los Angeles County Metropolitan Transportation Authority for eligible transportation capital improvement projects, such as the City's pavement management program.

Measure M Fund - Accounts for the financial activity relative to the City's share of the Los Angeles sales tax increase of 0.5% for traffic improvement transportation projects in accordance with the Los Angeles County Traffic Improvement Plan. "Measure M" revenues are disbursed by the Los Angeles County Metro Transportation Authority (MTA).

Transportation Measure R Fund - As "Measure R" increased the sales tax in Los Angeles County by 0.5%, this fund accounts for financial activity relative to the City's share of those monies. "Measure R" revenues are disbursed by the Los Angeles County Metro Transportation Authority (MTA) and are to be used for public transportation projects.

RMRA (SB1) Fund - Accounts for the financial activity relative to the Road Recovery and Accountability Act that was passed on April 6, 2017, providing funding through Senate Bill 1 and the Highway Users Trust Account (HUTA) for maintenance and rehabilitation of roadways.

Measure W Fund - Accounts for the City's share of the California parcel tax increase of \$0.025 per square foot of impermeable property for funding projects in accordance with the expenditure plan pursuant to the Los Angeles Region, Safe, Clean Water Program. projects.

Civic Center Phase II Fund - Accounts for funding sources for the design and construction of the Signal Hill Public Library.

TDA Article III Fund - The TDA Article III Fund receives the City's share of Transportation Development Act (TDA) Article III monies remitted by the Los Angeles County Metropolitan Transportation Authority. Funds are allocated annually on a per capita basis and may be used or placed on reserve to fund eligible projects.

Prop 68 – Parks and Recreation Fund - Prop 68 (the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018) authorized \$4 billion in general obligation bonds for state and local parks, environmental protection projects, water infrastructure projects, and flood protection projects. These funds will be distributed through grant programs administered by a number of agencies and organizations, including the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy and the Ocean Protection Council.

Public Safety Grant Fund – Accounts for various grants to enhance public safety.

City of Signal Hill

Combining Balance Sheet Other Governmental Funds June 30, 2024

	Special Revenue Funds				
	Asset Seizure	Park Development	HCDA Grant	Special Gas Tax	Transportation Proposition A
ASSETS					
Cash and investments	\$ -	\$ 752,000	\$ -	\$ 1,620,412	\$ 1,020,222
Receivables:					
Interest receivable	-	-	600	-	-
Due from other governments	23,533	-	-	60,466	-
Loans	-	-	6,038	-	-
Advances to other funds	-	861,802	-	-	-
Restricted assets:					
Cash and investments	-	-	-	-	-
Total assets	<u>\$ 23,533</u>	<u>\$ 1,613,802</u>	<u>\$ 6,638</u>	<u>\$ 1,680,878</u>	<u>\$ 1,020,222</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 17,882
Accrued liabilities	-	-	-	-	1,079
Unearned revenues	-	861,802	-	-	-
Due to other funds	-	-	1	-	-
Total liabilities	<u>-</u>	<u>861,802</u>	<u>1</u>	<u>-</u>	<u>18,961</u>
Deferred inflows of resources:					
Unavailable revenues	-	-	600	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>600</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICIT)					
Restricted for:					
Public protection	23,533	-	-	-	-
Development impact	-	752,000	-	-	-
Transportation	-	-	-	1,680,878	1,001,261
Capital improvements	-	-	6,037	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>23,533</u>	<u>752,000</u>	<u>6,037</u>	<u>1,680,878</u>	<u>1,001,261</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 23,533</u>	<u>\$ 1,613,802</u>	<u>\$ 6,638</u>	<u>\$ 1,680,878</u>	<u>\$ 1,020,222</u>

Special Revenue Funds							
Pipeline Removal	Air Quality Improvement	Water Development	Traffic Impact	Transportation Proposition C	American Rescue Plan Act	Lighting and Landscape	
\$ 2,381,002	\$ 69,030	\$ 1,047,200	\$ 980,533	\$ 596,632	\$ -	\$ 127,652	
-	-	-	-	-	-	-	
-	3,846	-	-	20,035	-	787	
-	-	-	-	-	-	-	
-	-	741,381	30,603	-	-	-	
-	-	-	-	-	-	-	
<u>\$ 2,381,002</u>	<u>\$ 72,876</u>	<u>\$ 1,788,581</u>	<u>\$ 1,011,136</u>	<u>\$ 616,667</u>	<u>\$ -</u>	<u>\$ 128,439</u>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51,333	
-	-	-	-	-	-	781	
-	-	741,381	30,603	-	-	-	
-	-	-	-	-	-	-	
<u>-</u>	<u>-</u>	<u>741,381</u>	<u>30,603</u>	<u>-</u>	<u>-</u>	<u>52,114</u>	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	1,047,200	980,533	-	-	-	
2,381,002	72,876	-	-	616,667	-	-	
-	-	-	-	-	-	76,325	
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<u>2,381,002</u>	<u>72,876</u>	<u>1,047,200</u>	<u>980,533</u>	<u>616,667</u>	<u>-</u>	<u>76,325</u>	
\$ 2,381,002	\$ 72,876	\$ 1,788,581	\$ 1,011,136	\$ 616,667	\$ -	\$ 128,439	

City of Signal Hill

Combining Balance Sheet, (Continued) Other Governmental Funds June 30, 2024

	Special Revenue Funds				
	Supplemental Law Enforcement	Public Safety State Resources	Housing Impact	MTA-STPL Grant	Measure M
ASSETS					
Cash and investments	\$ 2,204	\$ -	\$ 788,903	\$ 169,475	\$ 591,347
Receivables:					
Interest receivable	-	-	-	-	-
Due from other governments	-	23,071	-	-	17,086
Loans	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Restricted assets:					
Cash and investments	-	-	-	-	-
Total assets	<u>\$ 2,204</u>	<u>\$ 23,071</u>	<u>\$ 788,903</u>	<u>\$ 169,475</u>	<u>\$ 608,433</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	2,204	-	-	-	-
Unearned revenues	-	-	-	-	-
Due to other funds	-	23,071	-	-	-
Total liabilities	<u>2,204</u>	<u>23,071</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenues	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICIT)					
Restricted for:					
Public protection	-	-	-	-	-
Development impact	-	-	788,903	-	-
Transportation	-	-	-	169,475	608,433
Capital improvements	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>788,903</u>	<u>169,475</u>	<u>608,433</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,204</u>	<u>\$ 23,071</u>	<u>\$ 788,903</u>	<u>\$ 169,475</u>	<u>\$ 608,433</u>

Special Revenue Funds					
Transportation Measure R	RMRA (SB1)	Measure W	Civic Center Phase II	TDA Article III Fund	Prop 68 - Parks and Recreation
\$ 95,407	\$ 615,183	\$ 323,837	\$ -	\$ -	\$ 55
-	-	-	-	-	-
15,071	52,903	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	9	-	-
<u>\$ 110,478</u>	<u>\$ 668,086</u>	<u>\$ 323,837</u>	<u>\$ 9</u>	<u>\$ -</u>	<u>\$ 55</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
110,478	668,086	-	-	-	-
-	-	323,837	9	-	55
-	-	-	-	-	-
<u>110,478</u>	<u>668,086</u>	<u>323,837</u>	<u>9</u>	<u>-</u>	<u>55</u>
<u>\$ 110,478</u>	<u>\$ 668,086</u>	<u>\$ 323,837</u>	<u>\$ 9</u>	<u>\$ -</u>	<u>\$ 55</u>

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City of Signal Hill

Combining Balance Sheet, (Concluded) Other Governmental Funds June 30, 2024

	Public Safety Grant Fund	Total Other Governmental Funds
ASSETS		
Cash and investments	\$ -	\$ 11,181,094
Receivables:		
Interest receivable	-	600
Due from other governments	45,577	262,375
Loans	-	6,038
Advances to other funds	-	1,633,786
Restricted assets:		
Cash and investments	-	9
Total assets	<u>\$ 45,577</u>	<u>\$ 13,083,902</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$ -	\$ 69,215
Accrued liabilities	-	4,064
Unearned revenues	-	1,633,786
Due to other funds	45,577	68,649
Total liabilities	<u>45,577</u>	<u>1,775,714</u>
DEFERRED INFLOWS OF RESOURCES:		
Unavailable revenues	45,577	46,177
Total deferred inflows of resources	<u>45,577</u>	<u>46,177</u>
FUND BALANCES (DEFICIT)		
Restricted for:		
Public protection	-	23,533
Development impact	-	3,568,636
Transportation	-	4,928,154
Capital improvements	-	2,787,265
Unassigned	(45,577)	(45,577)
Total fund balances	<u>(45,577)</u>	<u>11,262,011</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 45,577</u>	<u>\$ 13,083,902</u>

City of Signal Hill

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

	Special Revenue Funds				
	Asset Seizure	Park Development	HCDA Grant	Special Gas Tax	Transportation Proposition A
REVENUES					
Other taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	23,533	-	17,139	325,888	307,510
Charges for services	-	140,103	-	-	36
Investment income	-	52,922	-	72,167	48,112
Total revenues	23,533	193,025	17,139	398,055	355,658
EXPENDITURES					
Current:					
Police	-	-	-	-	-
Community development	-	-	12,447	-	237,896
Public works	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	-	-	12,447	-	237,896
Excess of revenues over (under) expenditures	23,533	193,025	4,692	398,055	117,762
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	(406,633)	(4,692)	-	-
Total other financing sources (uses)	-	(406,633)	(4,692)	-	-
Net change in fund balances	23,533	(213,608)	-	398,055	117,762
Fund balance (deficit), beginning	-	965,608	6,037	1,282,823	883,499
Fund balance (deficit), ending	\$ 23,533	\$ 752,000	\$ 6,037	\$ 1,680,878	\$ 1,001,261

Special Revenue Funds						
Pipeline Removal	Air Quality Improvement	Water Development	Traffic Impact	Transportation Proposition C	American Rescue Plan Act	Lighting and Landscape
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 92,834
-	15,376	-	-	255,073	2,514,286	-
-	-	782,091	158,407	-	-	-
120,277	4,811	24,056	48,111	33,677	-	4,811
120,277	20,187	806,147	206,518	288,750	2,514,286	97,645
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	112,746
-	-	-	-	-	-	-
-	-	-	-	-	-	112,746
120,277	20,187	806,147	206,518	288,750	2,514,286	(15,101)
-	-	-	-	-	-	-
(41,293)	(70,855)	-	(67,937)	(202,475)	(2,514,286)	-
(41,293)	(70,855)	-	(67,937)	(202,475)	(2,514,286)	-
78,984	(50,668)	806,147	138,581	86,275	-	(15,101)
2,302,018	123,544	241,053	841,952	530,392	-	91,426
\$ 2,381,002	\$ 72,876	\$ 1,047,200	\$ 980,533	\$ 616,667	\$ -	\$ 76,325

City of Signal Hill

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

	Special Revenue Funds				
	Supplemental Law Enforcement	Public Safety State Resources	Housing Impact	MTA-STPL Grant	Measure M
REVENUES					
Other taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	186,159	62,817	-	-	215,956
Charges for services	-	-	-	-	-
Investment income	-	-	38,489	14,433	38,489
Total revenues	186,159	62,817	38,489	14,433	254,445
EXPENDITURES					
Current:					
Police	186,159	62,817	-	-	-
Community development	-	-	-	-	-
Public works	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	186,159	62,817	-	-	-
Excess of revenues over (under) expenditures	-	-	38,489	14,433	254,445
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	(146,804)	(322,906)
Total other financing sources (uses)	-	-	-	(146,804)	(322,906)
Net change in fund balances	-	-	38,489	(132,371)	(68,461)
Fund balance (deficit), beginning	-	-	750,414	301,846	676,894
Fund balance (deficit), ending	\$ -	\$ -	\$ 788,903	\$ 169,475	\$ 608,433

Special Revenue Funds					
Transportation Measure R	RMRA (SB1)	Measure W	Civic Center Phase II	TDA Article III Fund	Prop 68 - Parks and Recreation
\$ -	\$ -	\$ 281,599	\$ -	\$ -	\$ -
191,245	303,557	-	-	10,945	185,055
-	-	-	-	-	-
14,433	43,299	24,056	-	-	-
205,678	346,856	305,655	-	10,945	185,055
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
205,678	346,856	305,655	-	10,945	185,055
-	-	14,095	-	-	-
(338,625)	(391,253)	(305,984)	-	(10,945)	-
(338,625)	(391,253)	(291,889)	-	(10,945)	-
(132,947)	(44,397)	13,766	-	-	185,055
243,425	712,483	310,071	9	-	(185,000)
\$ 110,478	\$ 668,086	\$ 323,837	\$ 9	\$ -	\$ 55

City of Signal Hill

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Other Governmental Funds, (Concluded) For the Year Ended June 30, 2024

	Public Safety Grant Fund	Total Other Governmental Funds
REVENUES		
Other taxes	\$ -	\$ 374,433
Intergovernmental revenues	-	4,614,539
Charges for services	-	1,080,637
Investment income	-	582,143
Total revenues	-	6,651,752
EXPENDITURES		
Current:		
Police	-	248,976
Community development	-	250,343
Public works	-	112,746
Capital outlay	45,577	45,577
Total expenditures	45,577	657,642
Excess of revenues over (under) expenditures	(45,577)	5,994,110
OTHER FINANCING SOURCES (USES)		
Transfers in	-	14,095
Transfers out	-	(4,824,688)
Total other financing sources (uses)	-	(4,810,593)
Net change in fund balances	(45,577)	1,183,517
Fund balance (deficit), beginning	-	10,078,494
Fund balance (deficit), ending	\$ (45,577)	\$ 11,262,011

City of Signal Hill

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual Park Development Special Revenue Fund For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 350,305	\$ 350,305	\$ 140,103	\$ (210,202)
Investment income	9,968	9,968	52,922	42,954
Total Revenues	360,273	360,273	193,025	(167,248)
OTHER FINANCING SOURCES (USES)				
Transfers out	(955,000)	(955,000)	(406,633)	548,367
Total Other Financing Sources (Uses)	(955,000)	(955,000)	(406,633)	548,367
Net Change in Fund Balance	(594,727)	(594,727)	(213,608)	381,119
Fund Balance, Beginning	965,608	965,608	965,608	-
Fund Balance, Ending	<u>\$ 370,881</u>	<u>\$ 370,881</u>	<u>\$ 752,000</u>	<u>\$ 381,119</u>

City of Signal Hill

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual HCDA Grant Special Revenue Fund For the Year Ended June 30, 2024

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental revenues	\$ 86,190	\$ 86,190	\$ 17,139	\$ (69,051)
Total Revenues	86,190	86,190	17,139	(69,051)
EXPENDITURES				
Current:				
Community development	17,238	17,238	12,447	4,791
Total Expenditures	17,238	17,238	12,447	4,791
Excess of Revenues Over (Under)				
Expenditures	68,952	68,952	4,692	(64,260)
OTHER FINANCING SOURCES (USES)				
Transfers out	(68,952)	(68,952)	(4,692)	64,260
Total Other Financing Sources (Uses)	(68,952)	(68,952)	(4,692)	64,260
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning	6,037	6,037	6,037	-
Fund Balance, Ending	\$ 6,037	\$ 6,037	\$ 6,037	\$ -

City of Signal Hill

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual Special Gas Tax Special Revenue Fund For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 304,957	\$ 304,957	\$ 325,888	\$ 20,931
Investment income	9,022	9,022	72,167	63,145
Total Revenues	313,979	313,979	398,055	84,076
OTHER FINANCING SOURCES (USES)				
Transfers out	(250,000)	(250,000)	-	250,000
Total Other Financing Sources (Uses)	(250,000)	(250,000)	-	250,000
Net Change in Fund Balance	63,979	63,979	398,055	334,076
Fund Balance, Beginning	1,282,823	1,282,823	1,282,823	-
Fund Balance, Ending	\$ 1,346,802	\$ 1,346,802	\$ 1,680,878	\$ 334,076

City of Signal Hill

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual Transportation Proposition A Special Revenue Fund For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 335,166	\$ 335,166	\$ 307,510	\$ (27,656)
Charges for services	-	-	36	36
Investment income	5,420	5,420	48,112	42,692
Total Revenues	340,586	340,586	355,658	15,072
EXPENDITURES				
Current:				
Community development	270,067	270,067	237,896	32,171
Total Expenditures	270,067	270,067	237,896	32,171
Net Change in Fund Balance	70,519	70,519	117,762	47,243
Fund Balance, Beginning	883,499	883,499	883,499	-
Fund Balance, Ending	\$ 954,018	\$ 954,018	\$ 1,001,261	\$ 47,243

City of Signal Hill

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual Pipeline Removal Special Revenue Fund For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ 17,056	\$ 17,056	\$ 120,277	\$ 103,221
Total Revenues	17,056	17,056	120,277	103,221
OTHER FINANCING SOURCES (USES)				
Transfers out	(92,452)	(92,452)	(41,293)	51,159
Net Change in Fund Balance	(75,396)	(75,396)	78,984	154,380
Fund Balance, Beginning	2,302,018	2,302,018	2,302,018	-
Fund Balance, Ending	<u>\$ 2,226,622</u>	<u>\$ 2,226,622</u>	<u>\$ 2,381,002</u>	<u>\$ 154,380</u>

City of Signal Hill

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

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 15,000	\$ 15,000	\$ 15,376	\$ 376
Investment income	917	917	4,811	3,894
Total Revenues	15,917	15,917	20,187	4,270
OTHER FINANCING SOURCES (USES)				
Transfers out	(84,453)	(84,453)	(70,855)	13,598
Total Other Financing Sources (Uses)	(84,453)	(84,453)	(70,855)	13,598
Net Change in Fund Balance	(68,536)	(68,536)	(50,668)	17,868
Fund Balance, Beginning	123,544	123,544	123,544	-
Fund Balance, Ending	<u>\$ 55,008</u>	<u>\$ 55,008</u>	<u>\$ 72,876</u>	<u>\$ 17,868</u>

City of Signal Hill

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual Water Development Special Revenue Fund For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 1,726,929	\$ 1,726,929	\$ 782,091	\$ (944,838)
Investment income	12,026	12,026	24,056	12,030
Total Revenues	1,738,955	1,738,955	806,147	(932,808)
OTHER FINANCING SOURCES (USES)				
Transfers out	(238,000)	(238,000)	-	238,000
Net Change in Fund Balance	1,500,955	1,500,955	806,147	(694,808)
Fund Balance, Beginning	241,053	241,053	241,053	-
Fund Balance, Ending	\$ 1,742,008	\$ 1,742,008	\$ 1,047,200	\$ (694,808)

City of Signal Hill

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

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 350,012	\$ 350,012	\$ 158,407	\$ (191,605)
Investment income	6,671	6,671	48,111	41,440
Total Revenues	356,683	356,683	206,518	(150,165)
OTHER FINANCING SOURCES (USES)				
Transfers out	(518,445)	(518,445)	(67,937)	450,508
Net Change in Fund Balance	(161,762)	(161,762)	138,581	300,343
Fund Balance, Beginning	841,952	841,952	841,952	-
Fund Balance, Ending	\$ 680,190	\$ 680,190	\$ 980,533	\$ 300,343

City of Signal Hill

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual Transportation Proposition C Special Revenue Fund For the Year Ended June 30, 2024

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental revenues	\$ 278,011	\$ 278,011	\$ 255,073	\$ (22,938)
Investment income	1,638	1,638	33,677	32,039
Total Revenues	279,649	279,649	288,750	9,101
EXPENDITURES				
Public works	5,000	5,000	-	5,000
Total Expenditures	5,000	5,000	-	5,000
Excess of Revenues Over (Under) Expenditures	274,649	274,649	288,750	14,101
OTHER FINANCING SOURCES (USES)				
Transfers out	(200,000)	(200,000)	(202,475)	(2,475)
Total Other Financing Sources (Uses)	(200,000)	(200,000)	(202,475)	(2,475)
Net Change in Fund Balance	74,649	74,649	86,275	11,626
Fund Balance, Beginning	530,392	530,392	530,392	-
Fund Balance, Ending	\$ 605,041	\$ 605,041	\$ 616,667	\$ 11,626

City of Signal Hill

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual American Rescue Plan Act Special Revenue Fund For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 528,412	\$ 528,412	\$ 2,514,286	\$ 1,985,874
Total Revenues	528,412	528,412	2,514,286	1,985,874
OTHER FINANCING SOURCES (USES)				
Transfers out	(528,412)	(528,412)	(2,514,286)	(1,985,874)
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

City of Signal Hill

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual Lighting and Landscape Special Revenue Fund For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Other taxes	\$ 93,150	\$ 93,150	\$ 92,834	\$ (316)
Investment income	311	311	4,811	4,500
Total Revenues	93,461	93,461	97,645	4,184
EXPENDITURES				
Current:				
Public works	96,710	127,568	112,746	14,822
Total Expenditures	96,710	127,568	112,746	14,822
Excess of Revenues Over (Under) Expenditures	(3,249)	(34,107)	(15,101)	19,006
Fund Balance, Beginning	91,426	91,426	91,426	-
Fund Balance, Ending	\$ 88,177	\$ 57,319	\$ 76,325	\$ 19,006

City of Signal Hill

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

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 166,348	\$ 166,348	\$ 186,159	\$ 19,811
Total Revenues	166,348	166,348	186,159	19,811
EXPENDITURES				
Current:				
Police	166,348	166,348	186,159	(19,811)
Total Expenditures	166,348	166,348	186,159	(19,811)
Excess of Revenues Over (Under) Expenditures	-	-	-	-
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

City of Signal Hill

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual Public Safety State Resources Special Revenue Fund For the Year Ended June 30, 2024

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental revenues	\$ 60,000	\$ 90,000	\$ 62,817	\$ (27,183)
Total Revenues	60,000	90,000	62,817	(27,183)
EXPENDITURES				
Current:				
Police	60,000	90,000	62,817	27,183
Total Expenditures	60,000	90,000	62,817	27,183
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

City of Signal Hill

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Housing Impact Special Revenue Fund
For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ 5,760	\$ 5,760	\$ 38,489	\$ 32,729
Total Revenues	5,760	5,760	38,489	32,729
Fund Balance, Beginning	750,414	750,414	750,414	-
Fund Balance, Ending	\$ 756,174	\$ 756,174	\$ 788,903	\$ 32,729

City of Signal Hill

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual MTA-STPL Grant Special Revenue Fund For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 34,680	\$ 34,680	\$ -	\$ (34,680)
Investment income	398	398	14,433	14,035
Total Revenues	35,078	35,078	14,433	(20,645)
OTHER FINANCING SOURCES (USES)				
Transfers out	(87,766)	(87,766)	(146,804)	(59,038)
Net Change in Fund Balance	(52,688)	(52,688)	(132,371)	(79,683)
Fund Balance, Beginning	301,846	301,846	301,846	-
Fund Balance, Ending	\$ 249,158	\$ 249,158	\$ 169,475	\$ (79,683)

City of Signal Hill

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual Measure M Special Revenue Fund For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 236,310	\$ 236,310	\$ 215,956	\$ (20,354)
Investment income	6	6	38,489	38,483
Total Revenues	236,316	236,316	254,445	18,129
OTHER FINANCING SOURCES (USES)				
Transfers out	(462,470)	(462,470)	(322,906)	139,564
Net Change in Fund Balance	(226,154)	(226,154)	(68,461)	157,693
Fund Balance, Beginning	676,894	676,894	676,894	-
Fund Balance, Ending	\$ 450,740	\$ 450,740	\$ 608,433	\$ 157,693

City of Signal Hill

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual Transportation Measure R Special Revenue Fund For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 208,508	\$ 208,508	\$ 191,245	\$ (17,263)
Investment income	2,525	2,525	14,433	11,908
Total Revenues	211,033	211,033	205,678	(5,355)
OTHER FINANCING SOURCES (USES)				
Transfers out	(336,234)	(336,234)	(338,625)	(2,391)
Net Change in Fund Balance	(125,201)	(125,201)	(132,947)	(7,746)
Fund Balance, Beginning	243,425	243,425	243,425	-
Fund Balance, Ending	\$ 118,224	\$ 118,224	\$ 110,478	\$ (7,746)

City of Signal Hill

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual RMRA (SB1) Special Revenue Fund For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 255,119	\$ 255,119	\$ 303,557	\$ 48,438
Investment income	4,934	4,934	43,299	38,365
Total Revenues	260,053	260,053	346,856	86,803
OTHER FINANCING SOURCES (USES)				
Transfers out	(540,186)	(540,186)	(391,253)	148,933
Net Change in Fund Balance	(280,133)	(280,133)	(44,397)	235,736
Fund Balance, Beginning	712,483	712,483	712,483	-
Fund Balance, Ending	\$ 432,350	\$ 432,350	\$ 668,086	\$ 235,736

City of Signal Hill

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual Measure W Special Revenue Fund For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Other taxes	\$ 280,000	\$ 280,000	\$ 281,599	\$ 1,599
Investment income	-	-	24,056	24,056
Total Revenues	280,000	280,000	305,655	25,655
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	14,095	14,095
Transfers out	(365,000)	(365,000)	(305,984)	59,016
Total Other Financing Sources (Uses)	(365,000)	(365,000)	(291,889)	73,111
Net Change in Fund Balance	(85,000)	(85,000)	13,766	98,766
Fund Balance, Beginning	310,071	310,071	310,071	-
Fund Balance, Ending	\$ 225,071	\$ 225,071	\$ 323,837	\$ 98,766

City of Signal Hill

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual TDA Article III Special Revenue Fund For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 10,945	\$ 10,945	\$ 10,945	\$ -
Investment income	132	132	-	(132)
Total Revenues	11,077	11,077	10,945	(132)
OTHER FINANCING SOURCES (USES)				
Transfers out	(10,945)	(10,945)	(10,945)	-
Net Change in Fund Balance	132	132	-	(132)
Fund Balance, Beginning	-	-	-	-
Fund Balance (Deficit), Ending	\$ 132	\$ 132	\$ -	\$ (132)

City of Signal Hill

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Prop 68 – Parks and Recreation Special Revenue Fund
For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ -	\$ -	\$ 185,055	\$ 185,055
Total Revenues	-	-	185,055	185,055
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	-	-
Net Change in Fund Balance	-	-	185,055	185,055
Fund Balance (Deficit), Beginning	(185,000)	(185,000)	(185,000)	-
Fund Balance, Ending	<u>\$ (185,000)</u>	<u>\$ (185,000)</u>	<u>\$ 55</u>	<u>\$ 185,055</u>

City of Signal Hill

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual Public Safety Grant For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ -	\$ 45,577	\$ -	\$ (45,577)
Total Revenues	-	45,577	-	(45,577)
EXPENDITURES				
Capital Outlay	-	45,577	45,577	-
Net Change in Fund Balance	-	-	(45,577)	(45,577)
Fund Balance (Deficit), Beginning	-	-	-	-
Fund Balance, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (45,577)</u>	<u>\$ (45,577)</u>

STATISTICAL SECTION

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Description of Statistical Section Contents

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

CONTENTS	Page
Financial Trends	127-134
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	135-138
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	
Debt Capacity	139-142
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	143-144
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	145-147
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

City of Signal Hill

Net Position by Component Last Ten Fiscal Years (Accrual Basis of Accounting) (Amounts Expressed in Thousands)

	Fiscal Year Ending June 30,			
	2015	2016	2017	2018
Governmental Activities:				
Net investment in capital assets	\$ 48,407	\$ 67,914	\$ 73,428	\$ 83,153
Restricted	17,086	23,481	19,781	19,552
Unrestricted	13,095	7,115	13,113	11,950
Total governmental activities net position	<u>\$ 78,588</u>	<u>\$ 98,510</u>	<u>\$ 106,322</u>	<u>\$ 114,655</u>
Business-type Activities:				
Net investment in capital assets	\$ 16,003	\$ 18,952	\$ 23,636	\$ 23,536
Unrestricted	3,110	1,958	(2,316)	(2,572)
Total business-type activities net position	<u>\$ 19,113</u>	<u>\$ 20,910</u>	<u>\$ 21,320</u>	<u>\$ 20,964</u>
Primary Government:				
Net investment in capital assets	\$ 64,410	\$ 86,866	\$ 97,064	\$ 106,689
Restricted	17,086	23,481	19,781	19,552
Unrestricted	16,205	9,073	10,797	9,378
Total primary government net position	<u>\$ 97,701</u>	<u>\$ 119,420</u>	<u>\$ 127,642</u>	<u>\$ 135,619</u>

Source: City of Signal Hill, Finance Department

Fiscal Year Ending June 30,					
2019	2020	2021	2022	2023	2024
\$ 104,567	\$ 77,654	\$ 76,772	\$ 78,459	\$ 82,815	\$ 84,083
18,360	16,784	17,427	17,132	15,748	18,899
3,243	14,553	20,414	28,649	42,110	51,516
<u>\$ 126,170</u>	<u>\$ 108,991</u>	<u>\$ 114,613</u>	<u>\$ 124,240</u>	<u>\$ 140,673</u>	<u>\$ 154,498</u>
\$ 23,331	\$ 22,655	\$ 22,684	\$ 23,727	\$ 24,580	\$ 27,074
(2,751)	(2,342)	(2,083)	(2,034)	(961)	1,124
<u>\$ 20,580</u>	<u>\$ 20,313</u>	<u>\$ 20,601</u>	<u>\$ 21,693</u>	<u>\$ 23,619</u>	<u>\$ 28,198</u>
\$ 127,898	\$ 100,309	\$ 99,456	\$ 102,186	\$ 107,395	\$ 111,157
18,360	16,784	17,427	17,132	15,748	18,899
492	12,211	18,331	26,615	41,149	52,640
<u>\$ 146,750</u>	<u>\$ 129,304</u>	<u>\$ 135,214</u>	<u>\$ 145,933</u>	<u>\$ 164,292</u>	<u>\$ 182,696</u>

City of Signal Hill

Changes in Net Position by Component Last Ten Fiscal Years (Accrual Basis of Accounting) (Amounts Expressed in Thousands)

	Fiscal Year Ending June 30,			
	2015	2016	2017	2018
Expenses				
Governmental activities:				
General government	\$ 4,149	\$ 3,843	\$ 4,633	\$ 5,146
Parks, recreation, and library services	1,251	1,505	1,362	1,596
Police	8,254	9,350	9,576	10,564
Community development	942	868	858	963
Public works	4,369	4,256	4,605	4,927
Unallocated infrastructure depreciation	551	551	645	639
Interest on long-term debt	-	-	-	93
Total governmental activities expenses	19,516	20,373	21,679	23,928
Business-type activities - water	4,424	4,145	5,312	4,846
Total primary government expenses	\$ 23,940	\$ 24,518	\$ 26,991	\$ 28,774
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 201	\$ 175	\$ 178	\$ 216
Parks, recreation, and library services	192	212	191	203
Police	282	270	288	250
Community development	537	584	514	567
Public works	437	422	461	790
Operating grants	1,339	9,313	850	1,199
Capital grants and contributions	2,433	2,020	9,188	4,586
Total governmental activities program revenues	5,421	12,996	11,670	7,811
Business-type activities:				
Charges for services	3,760	3,400	3,785	4,420
Capital grants and contributions	-	999	1,927	42
Total business-type activities program revenues	3,760	4,399	5,712	4,462
Total primary government program revenues	\$ 9,181	\$ 17,395	\$ 17,382	\$ 12,273
Net (Expense)/ Revenue				
Governmental activities	\$ (14,095)	(7,377)	\$ (10,009)	\$ (16,117)
Business-type activities	(664)	254	400	(384)
Total primary government net expenses	\$ (14,759)	\$ (7,123)	\$ (9,609)	\$ (16,501)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property	\$ 1,797	\$ 1,916	\$ 1,802	\$ 2,248
Franchise	773	549	735	487
Other	1,462	1,459	874	926
Intergovernmental - sales and use tax	11,567	14,588	14,597	14,484
Investment income	787	955	442	961
Unrestricted grants and contributions	2,048	46	311	456
Gain (loss) on disposition of assets	-	-	14	-
Transfers	(426)	(1,679)	-	-
Extraordinary item	-	-	-	4,369
Total governmental activities	18,008	17,834	18,775	23,931
Business-type activities:				
Investment income (loss)	51	21	10	28
Transfers	426	1,679	-	-
Total business-type activities	477	1,700	10	28
Total primary government	\$ 18,485	\$ 19,534	\$ 18,785	\$ 23,959
Change in net position				
Governmental activities	\$ 3,913	\$ 10,457	\$ 8,766	\$ 7,814
Business-type activities	(187)	1,954	410	(356)
Total primary government	\$ 3,726	\$ 12,411	\$ 9,176	\$ 7,458

Source: City of Signal Hill, Finance Department

Fiscal Year Ending June 30,					
2019	2020	2021	2022	2023	2024
\$ 4,074	\$ 5,787	\$ 6,045	\$ 7,093	\$ 6,221	\$ 7,318
1,991	1,757	1,996	2,619	2,535	3,711
11,504	11,817	11,009	11,054	9,014	12,989
1,434	989	1,270	1,359	1,257	1,470
4,433	4,787	4,859	4,633	4,750	6,326
401	394	394	422	422	446
221	219	217	492	494	511
24,058	25,750	25,790	27,672	24,693	32,771
5,056	4,665	5,263	5,747	4,553	5,035
\$ 29,114	\$ 30,415	\$ 31,053	\$ 33,419	\$ 29,246	\$ 37,806
\$ 331	\$ 402	\$ 90	\$ 79	\$ 69	\$ 70
173	118	85	135	173	175
252	255	169	179	193	177
430	418	553	601	637	829
703	824	1,006	1,215	1,211	1,708
2,349	1,524	1,819	2,254	2,030	5,053
10,219	730	938	2,828	2,090	1,772
14,457	4,271	4,660	7,291	6,403	9,784
4,335	4,574	5,548	6,208	6,280	6,767
239	114	-	-	-	-
4,574	4,688	5,548	6,208	6,280	6,767
\$ 19,031	\$ 8,959	\$ 10,208	\$ 13,499	\$ 12,683	\$ 16,551
\$ (9,601)	\$ (21,479)	\$ (21,130)	\$ (20,381)	\$ (18,290)	\$ (22,987)
(482)	23	285	461	1,727	1,731
\$ (10,083)	\$ (21,456)	\$ (20,845)	\$ (19,920)	\$ (16,563)	\$ (21,256)
\$ 2,189	\$ 2,330	\$ 2,801	\$ 2,619	\$ 2,972	\$ 3,107
901	887	982	975	1,073	1,126
1,053	836	920	1,074	1,369	1,271
15,789	16,834	20,268	24,786	26,462	28,053
1,788	1,977	1,346	707	2,208	5,167
94	183	435	553	789	623
-	-	-	-	-	-
(30)	354	-	(707)	(148)	(2,535)
-	-	-	-	-	-
21,784	23,401	26,752	30,007	34,725	36,812
68	64	3	(76)	51	313
30	(354)	-	707	148	2,535
98	(290)	3	631	199	2,848
\$ 21,882	\$ 23,111	\$ 26,755	\$ 30,638	\$ 34,924	\$ 39,660
\$ 12,183	\$ 1,922	\$ 5,622	\$ 9,626	\$ 16,434	\$ 13,825
(384)	(267)	288	1,092	1,926	4,580
\$ 11,799	\$ 1,655	\$ 5,910	\$ 10,718	\$ 18,360	\$ 18,405

City of Signal Hill

Fund Balances of Governmental Funds Last Ten Fiscal Years (Accrual Basis of Accounting) (Amounts Expressed in Thousands)

	Fiscal Year Ending June 30,			
	2015	2016	2017	2018
General Fund				
Nonspendable	\$ 7,768	\$ 8,430	\$ 12,126	\$ 14,722
Restricted	13	13	13	-
Committed	20,588	14,160	20,630	16,553
Unassigned	1,278	12,227	2,226	9,159
Total General Fund	29,647	34,830	34,995	40,434
All Other Governmental Funds				
Nonspendable	4,414	4,129	347	-
Restricted	12,574	19,360	19,762	28,136
Unassigned	(3,193)	(2,555)	(891)	(2,294)
Total All other Governmental Funds	13,795	20,934	19,218	25,842
Total All Governmental Funds	\$ 43,442	\$ 55,764	\$ 54,213	\$ 66,276

Source: City of Signal Hill, Finance Department

Fiscal Year Ending June 30,					
2019	2020	2021	2022	2023	2024
\$ 11,955	\$ 11,892	\$ 2,717	\$ 3,132	\$ 10,461	\$ 8,916
-	-	-	-	-	-
15,330	16,209	24,953	30,349	26,948	35,119
10,586	14,151	20,356	23,102	27,171	31,637
37,871	42,252	48,026	56,583	64,580	75,672
-	-	-	-	-	-
18,359	16,783	17,427	17,114	17,139	18,922
(4,259)	-	(37)	(1,760)	(387)	(187)
14,100	16,783	17,390	15,354	16,752	18,735
\$ 51,971	\$ 59,035	\$ 65,416	\$ 71,937	\$ 81,332	\$ 94,407

City of Signal Hill

Changes in Fund Balances of Governmental Funds Last Ten Fiscal Years (Accrual Basis of Accounting) (Amounts Expressed in Thousands)

	Fiscal Year Ending June 30,			
	2015	2016	2017	2018
Revenues				
Taxes	\$ 15,811	\$ 21,394	\$ 18,701	\$ 19,444
Licenses and permits	411	370	374	429
Intergovernmental	1,367	3,591	8,809	5,440
Charges for services	739	762	759	1,066
Fines and forfeitures	301	326	289	312
Investment income	826	778	830	1,177
Other	2,786	652	411	417
Total Revenues	<u>22,241</u>	<u>27,873</u>	<u>30,173</u>	<u>28,285</u>
Expenditures				
General government	4,476	3,940	4,879	4,409
Parks, recreation, and library services	1,257	1,472	1,576	1,592
Police	8,172	9,270	9,152	9,412
Community development	952	962	854	948
Public works	3,627	3,883	4,046	4,130
Capital outlay	2,485	3,259	7,726	11,831
Debt Service:				
Principal retirement	-	14	-	16
Interest	-	3	-	84
Other debt service	-	-	17	170
Total Expenditures	<u>20,969</u>	<u>22,803</u>	<u>28,250</u>	<u>32,592</u>
Excess of revenues over/(under) expenditures	<u>1,272</u>	<u>5,070</u>	<u>1,923</u>	<u>(4,307)</u>
Other Financing Sources/(Uses)				
Transfers in	1,694	1,236	1,687	5,383
Transfers out	(2,120)	(2,915)	(1,687)	(5,383)
Other	76	7,578	-	8,986
Total other financing sources	<u>(350)</u>	<u>5,899</u>	<u>-</u>	<u>8,986</u>
Extraordinary Item	-	-	-	4,369
Net change in fund balances	<u>\$ 922</u>	<u>\$ 10,969</u>	<u>\$ 1,923</u>	<u>\$ 9,048</u>
Capitalized capital outlay	<u>\$ 1,788</u>	<u>\$ 2,985</u>	<u>\$ 7,016</u>	<u>\$ 11,075</u>
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.1%	1.3%

Source: City of Signal Hill, Finance Department

Fiscal Year Ending June 30,					
2019	2020	2021	2022	2023	2024
\$ 19,800	\$ 20,920	\$ 24,805	\$ 29,240	\$ 31,685	\$ 33,341
580	635	679	763	809	1,000
9,202	6,128	2,508	3,028	5,247	4,963
1,895	1,076	1,390	2,116	1,591	3,200
423	328	175	144	149	134
1,984	1,995	1,111	224	2,218	5,862
78	175	435	512	789	623
<u>33,962</u>	<u>31,257</u>	<u>31,103</u>	<u>36,027</u>	<u>42,488</u>	<u>49,123</u>
4,715	5,291	5,741	5,591	6,061	6,461
1,727	1,574	1,378	2,019	2,285	2,947
9,514	10,056	9,346	10,245	10,320	10,593
1,431	1,021	1,273	1,365	1,331	1,443
4,141	4,254	4,470	4,614	5,249	5,854
22,642	2,075	2,162	4,114	8,255	5,121
100	109	110	335	1,152	1,618
244	242	240	516	486	568
16	-	-	-	-	-
<u>44,530</u>	<u>24,622</u>	<u>24,720</u>	<u>28,799</u>	<u>35,139</u>	<u>34,605</u>
<u>(10,568)</u>	<u>6,635</u>	<u>6,383</u>	<u>7,228</u>	<u>7,349</u>	<u>14,518</u>
22,854	8,391	2,768	4,933	4,862	4,190
(23,044)	(8,391)	(2,768)	(5,640)	(5,010)	(6,796)
-	-	-	-	2,195.00	1,163
<u>(190)</u>	<u>-</u>	<u>-</u>	<u>(707)</u>	<u>2,047</u>	<u>(1,443)</u>
-	-	-	-	-	-
<u>\$ (10,758)</u>	<u>\$ 6,635</u>	<u>\$ 6,383</u>	<u>\$ 6,521</u>	<u>\$ 9,396</u>	<u>\$ 13,075</u>
<u>\$ 22,386</u>	<u>\$ 1,851</u>	<u>\$ 1,670</u>	<u>\$ 4,060</u>	<u>\$ 7,599</u>	<u>\$ 4,830</u>
1.6%	1.5%	1.5%	3.4%	5.9%	7.3%

City of Signal Hill

Assessed Value of Taxable Property Last Ten Fiscal Years (Amounts Expressed in Thousands)

Fiscal Year Ended June 30	Secured Property					Unsecured Property	Taxable Assessed Value (Note)	Total Direct Tax Rate
	Residential	Commercial	Industrial	Vacant	Others**			
2015	\$ 1,085,513	\$ 319,579	\$ 337,455	\$ 74,824	\$ 326,281	\$ 138,597	\$ 2,282,249	0.06542
2016	1,141,748	327,201	347,936	101,203	354,901	128,996	2,401,985	0.06560
2017	1,197,754	341,534	362,919	106,832	289,239	129,041	2,427,319	0.06570
2018	1,288,907	351,123	374,721	84,118	265,753	135,990	2,500,612	0.06569
2019	1,342,841	384,692	395,785	63,059	254,321	142,358	2,583,056	0.06625
2020	1,433,729	405,059	417,571	59,734	268,820	143,706	2,728,619	0.06634
2021	1,512,648	440,103	444,367	63,714	240,712	139,651	2,841,195	0.06641
2022	1,546,286	444,578	456,292	68,651	189,541	138,941	2,844,289	0.06641
2023	1,646,200	478,056	486,408	74,289	257,657	138,192	3,080,802	0.06652
2024	1,725,505	492,066	538,241	94,865	270,538	166,006	3,287,221	0.06658

** Includes institutional, miscellaneous, recreational, SBE Nonunitary, cross reference, and unknown property.

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 that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source: County of Los Angeles Assessor / HdL Coren & Cone

City of Signal Hill

Direct and Overlapping Property Tax Rates (Rates Per \$100 of Taxable Value) Last Ten Fiscal Years

Agency	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Basic Levy (1)	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
County Detention Facilities 1987 Debt	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
L.A. County Flood Control	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Long Beach Community College District	0.04595	0.03825	0.06736	0.06760	0.06319	0.06309	0.06327	0.06035	0.05970	0.05789
Long Beach Unified School District	0.08764	0.08324	0.08539	0.14732	0.14053	0.14334	0.13363	0.12724	0.12591	0.18288
Metropolitan Water District	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350
Total Direct and Overlapping (2) Tax Rates	1.13709	1.12500	1.15625	1.21842	1.20722	1.20993	1.20040	1.19109	1.18911	1.24427
City's Share of 1% Levy per Prop 13 (3)	0.06777	0.06777	0.06777	0.06777	0.06777	0.06777	0.06777	0.06777	0.06777	0.06777
General Obligation Debt Rate	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Redevelopment Rate (4)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Total Direct Rate (5)	0.06542	0.06560	0.06570	0.06569	0.06625	0.06634	0.06641	0.06641	0.06652	0.06658

Notes:

- (1) In 1978, California voters passed Proposition 13 which set 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.
- (2) 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.
- (3) City's share of 1% levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the City. ERAF general fund tax shifts may not be included in tax ratio figures.
- (4) RDA rate is based on the largest RDA tax rate area (TRA) and includes only rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX126 eliminated Redevelopment from the State of California for the fiscal year 2012/13 and years thereafter.
- (5) Total direct rate is the weighted average of all individual direct rates applied by the City of Signal Hill in preparing the statistical section information.

Source: HdL Coren & Cone

City of Signal Hill

Principal Property Tax Payers Current Year and Nine Years Ago (Amounts Expressed in Thousands)

Taxpayer	FY 2023-24		FY 2014-15	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Signal Hill Petroleum Inc	\$ 133,204	4.05%	\$ 175,472	7.69%
Long Beach Acquisition Corporation	48,777	1.48%	15,588	0.68%
Gaines Family Trust	45,555	1.39%	-	0.00%
LBSH Parcel 1 LLC	32,018	0.97%	27,174	1.19%
G and I XI Sequoia	30,905	0.94%	-	0.00%
Towne Center West I LLC ET AL	29,290	0.89%	24,859	1.09%
Costco Wholesale Corporation	26,240	0.80%	21,079	0.92%
Bcore Retail Towne Center LLC	25,228	0.77%	-	0.00%
Veyer LLC	23,840	0.73%	-	0.00%
2550 Orange Ave Development LLC	21,344	0.65%	-	0.00%
Home Depot USA INC	-	0.00%	18,052	0.79%
Tesoro Logistics Operations LLC	-	0.00%	54,596	2.39%
PL Signal Hill LP	-	0.00%	36,365	1.59%
Signal Hill Town Center LLC	-	0.00%	16,254	0.71%
VNO Tru Cherry Avenue LP	-	0.00%	14,517	0.64%
Note:	<u>\$ 416,401</u>	<u>12.67%</u>	<u>\$ 403,957</u>	<u>17.70%</u>

The amounts shown above include assessed value data for both the City and the Redevelopment Agency and its Successor Agency

Source: HdL Coren & Cone

City of Signal Hill

Property Tax Levies and Collections Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year (2)	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Note (1)	
		Amount (2)	Percent of Levy		Total Collections to Date	
					Amount	Percent of Levy
2015	\$ 15,725,976	\$ 13,453,645	85.55%	N/A	N/A	N/A
2016	16,337,411	13,950,475	85.39%	N/A	N/A	N/A
2017	16,186,271	13,397,825	82.77%	N/A	N/A	N/A
2018	16,549,362	12,488,540	75.46%	N/A	N/A	N/A
2019	17,090,273	12,720,601	74.43%	N/A	N/A	N/A
2020	18,004,292	12,183,830	67.67%	N/A	N/A	N/A
2021	18,599,353	13,221,476	71.09%	N/A	N/A	N/A
2022	18,537,379	13,303,458	71.77%	N/A	N/A	N/A
2023	20,125,700	14,580,521	72.45%	N/A	N/A	N/A
2024	22,497,195	14,292,624	63.53%	N/A	N/A	N/A

Notes:

(1) Los Angeles County does not provide detail of prior year collections. Therefore, the information about subsequent collections is not available.

(2) Taxes Levied and Collected includes amounts applicable to the City and to the Signal Hill Redevelopment Agency and its Successor Agency and the incremental revenue is presented above for comparative purposes

Source: County of Los Angeles Auditor-Controller

City of Signal Hill

Ratios of Outstanding Debt by Type Last Ten Fiscal Years (Amounts Expressed in Thousands, Except per Capita)

Fiscal Year	Governmental Activities		Business-type Activities		Total Primary Government	Percent of Assessed Valuation	Per Capita	Percent of Personal Income
	Lease Revenue Bonds	Leases & Subscriptions	Water Revenue Bonds	Loans/ Subscriptions				
2015	\$ -	\$ 65	\$ 6,044	\$ -	\$ 6,109	0.268%	\$ 523	17.88
2016	-	51	5,650	-	5,701	0.237%	491.08	17.10
2017	-	36	4,741	-	4,777	0.197%	406.59	12.94
2018	8,974	21	4,269	-	13,264	0.530%	1,124.54	31.74
2019	8,851	4	3,787	-	12,642	0.489%	1,079.41	29.18
2020	8,723	-	3,290	-	12,013	0.440%	1,034.10	25.90
2021	8,590	-	2,778	-	11,368	0.400%	980.24	24.10
2022	8,447	13,536	2,251	1,500	25,734	0.905%	2,251.22	55.47
2023	7,774	15,229	1,709	1,557	26,212	0.851%	2,289.65	48.05
2024	7,091	15,434	1,147	1,507	25,032	0.761%	N/A	N/A

N/A Information is not yet available.

Source: City of Signal Hill, Finance Department

City of Signal Hill

Direct and Overlapping Governmental Activity Debt As of June 30, 2024

<u>2023-24 Assessed Valuations:</u> \$3,287,221,423		Total Debt 6/30/2024	Percent Applicable To City	Net Bonded Debt
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT</u>				
260.01 Water Bonds	\$	-	0.000%	\$ -
LOS ANGELES COUNTY GENERAL FUND OBLIGATIONS	\$	2,479,229,730	0.164%	\$ 4,065,937
LOS ANGELES COUNTY SUPERINTENDENT OF SCHOOLS AND CERTIFICATES OF PARTICIPATION		2,857,300	0.164%	4,686
CITY OF SIGNAL HILL GENERAL FUND OBLIGATIONS		25,178,497	100.000%	25,178,497
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT				<u>\$ 29,249,120</u>
<u>OVERLAPPING TAX AND ASSESSMENT DEBT</u>				
METROPOLITAN WATER DISTRICT	\$	18,210,000	0.085%	15,479
LONG BEACH COMMUNITY COLLEGE DISTRICT (debt summary)		555,519,244	3.815%	21,193,059
LONG BEACH UNIFIED SCHOOL DISTRICT(debt summary)		1,718,791,399	3.815%	65,571,892
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT				<u>\$ 86,780,430</u>
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency)</u>		20,520,000	100.000%	\$ 20,520,000
TOTAL DIRECT DEBT				25,178,497
TOTAL OVERLAPPING DEBT				111,371,053
COMBINED TOTAL DEBT				<u>\$ 118,266,053 (2)</u>

(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, non-bonded capital lease obligations, and sales tax revenue bonds. Qualified Zone Academy Bonds are included based on principal due at maturity.

Ratios to 2023-24 Assessed Valuation:

Direct Debt (\$6,895,000)	0.21%
Total Direct and Overlapping Tax and Assessment Debt	2.64%
Total Debt	3.60%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$2,072,737,049)

Overlapping Tax Increment Debt	0.99%
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Source: California Municipal Statistics, Inc

City of Signal Hill

Legal Debt Margin Information Last Ten Fiscal Years (Amounts in Thousands)

Legal Debt Margin Calculation for the Current Year

Assessed value	\$3,287,221,423
Debt limit (15% of assessed value)	493,083,213
Debt applicable to limit	-
Legal debt margin - Current Year	<u>\$ 493,083,213</u>

Fiscal Year	Debt Limit	Debt Applicable to Limit	Legal Debt Margin	Debt as Percentage of Limit
2015	\$ 318,109,295	\$ -	\$ 318,109,295	0.00%
2016	342,337,382	-	342,337,382	0.00%
2017	360,297,745	-	360,297,745	0.00%
2018	364,097,801	-	364,097,801	0.00%
2019	375,091,788	-	375,091,788	0.00%
2020	387,458,342	-	387,458,342	0.00%
2021	409,292,868	-	409,292,868	0.00%
2022	426,179,253	-	426,179,253	0.00%
2023	462,120,297	-	462,120,297	0.00%
2024	493,083,213	-	493,083,213	0.00%

Source: City of Signal Hill, Finance Department

City of Signal Hill

Pledged-Revenue Bond Coverage Last Ten Fiscal Years (Amounts in Thousands)

Fiscal Year	Pledged Tax Revenues	Debt Service (1)			Coverage
		Principal	Interest	Total	
2015	\$ -	\$ -	\$ -	\$ -	\$ -
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	-	-	-	-	-
2019	-	-	-	-	-
2020	-	-	-	-	-
2021	-	-	-	-	-
2022	-	-	-	-	-
2023	-	-	-	-	-
2024	-	-	-	-	-

(1) Debt service amounts are presented on a bond year basis.

Source: City of Signal Hill, Finance Department

City of Signal Hill

Demographic and Economic Statistics Last Ten Calendar Years

<u>Calendar Year</u>	<u>City Population</u>	<u>Personal Income (in thousands)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2015	11,673	\$ 341,699	\$ 29,273	7.3%
2016	11,609	333,332	28,713	5.7%
2017	11,749	369,284	31,431	3.6%
2018	11,795	417,958	35,435	3.8%
2019	11,712	433,289	36,995	4.1%
2020	11,617	463,769	39,922	11.0%
2021	11,597	471,646	40,669	4.8%
2022	11,431	463,907	40,583	3.0%
2023	11,448	545,528	47,652	3.1%
2024	N/A	N/A	N/A	N/A

N/A - Information is not yet available

Sources: City Population - State Department of Finance
Unemployment Rate - Bureau of Labor Statistics

City of Signal Hill

Principal Employers Current Year and Nine Years Ago

Employer	2023-2024			2014-15		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Home Depot *	433	1	4.85%	375	2	4.62%
Costco Wholesale	366	2	4.10%	312	3	3.84%
Office Depot - Veyer, LLC	256	3	2.87%	428	1	5.27%
Target	235	4	2.63%	218	4	2.68%
Glenn E Thomas Company	132	5	1.48%	114	9	1.40%
Federal Express Corporation	126	6	1.41%			
American University of Health Sciences	124	7	1.39%			
In-N-Out Burgers	121	8	1.36%			
Long Beach BMW	115	9	1.29%	100	10	
Boulevard Cadillac GMC	113	10	1.27%			
Mercedes-Benz of Long Beach				127	6	1.56%
Accountable Healthcare I.P.A.				136	5	1.67%
Platt Security Inc				122	7	1.50%
Hof's Hut Restaurants				114	8	1.40%
	<u>2,021</u>		<u>22.66%</u>	<u>2,046</u>		<u>23.96%</u>

Note:

* - Reported Home Depot's two locations in one total

Source: City of Signal Hill Business Licenses, employee counts are self-reported

City of Signal Hill

Full-Time Equivalent City Government Employees by Department Last Ten Fiscal Years

Department	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Administration	4.73	4.73	5.00	5.75	5.80	5.80	5.80	5.80	7.50	8.50
Finance	5.98	5.98	6.80	6.75	5.80	5.80	5.80	5.80	5.80	7.80
Parks, Recreation, and	19.53	19.53	18.60	18.60	18.60	18.50	8.80	21.60	22.50	25.55
Police	52.89	52.89	53.00	53.00	53.00	51.10	51.10	52.70	52.70	53.20
Community Development	7.00	7.00	4.00	4.00	4.00	4.00	4.00	4.20	5.70	5.70
Public Works	30.04	30.04	28.00	28.00	28.00	28.00	27.00	28.00	30.00	32.00
Economic Development	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00	0.00
Total	<u>121.17</u>	<u>121.17</u>	<u>116.40</u>	<u>117.10</u>	<u>116.20</u>	<u>114.20</u>	<u>103.50</u>	<u>119.10</u>	<u>124.20</u>	<u>132.75</u>

Notes:

Police (2020) reduced by one FTE to reflect actually adopted.

Starting in 2023 the Economic Development FTE is included in the Administration Department

Source: City of Signal Hill, Finance Department

City of Signal Hill

Operating Indicators by Function Last Ten Fiscal Years

Function/Program	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police										
Calls for service	9,842	9,948	8,632	9,078	8,292	8,382	8,172	8,146	10,203	8,693
Reports written	3,894	4,332	5,618	5,061	4,504	3,804	4,345	4,658	4,151	4,317
Total arrests	1,390	1,216	1,403	1,074	987	880	848	823	861	760
Hazardous traffic citations	2,496	1,703	3,638	3,613	4,116	3,229	2,616	2,011	2,498	1,807
Parking citations	3,866	4,628	4,222	4,092	4,444	3,737	3,293	4,786	5,165	4,453
Community Development										
Code enforcement cases	77	68	67	59	48	32	41	42	198	236
Building permits	247	236	279	233	281	249	250	341	309	351
Site plan design reviews	5	6	6	5	4	3	4	5	6	2
Water										
Number of customers	3,116	3,162	3,302	3,116	3,157	3,147	3,142	3,146	3,145	3,140
Average daily consumption (in millions of gallons)	1.77	1.59	1.58	1.57	1.54	1.55	1.60	1.56	1.33	1.39
Number of hydrants maintained	568	568	568	568	574	576	576	578	578	578
Public Works										
Traffic signals maintained	31	31	33	18	13	33	33	33	33	33
Street sweeping miles	5,980	5,980	5,980	5,720	5,980	5,980	5,980	5,980	5,980	5,980
Sidewalk repairs (square feet)	6,362	4,504	1,762	8,731	1,965	2,988	2,541	3,274	3,324	5,650
Curb & gutter replaced (linear feet)	-	-	-	-	900	306	-	114	120	700
Cross gutter replaced (square feet)	-	-	-	-	-	2,117	-	160	80	975
Engineering										
Number of infrastructure projects administered	3	3	10	15	17	13	11	18	23	24
Plan checks completed	8	7	39	74	92	110	115	102	115	110
Parks, Recreation, and Library Services										
Library items borrowed	39,761	38,947	29,164	26,029	20,612	35,742	6,665	36,525	45,281	54,256
Youth sports participants *	5,467	5,289	6,936	6,534	5,697	4,158	144	5,670	33,180	34,650
After school youth programs (Annual Program Participants)*	15,530	15,326	30,960	16,810	20,680	15,585	6,840	13,135	35,785	34,585
Facility rental bookings	681	620	251	345	176	167	-	107	84	86

Notes:

* 2023 included an increase in overall sports and youth programs offered.

Source: Various City Departments

City of Signal Hill

Capital Asset Statistics by Function/Program Last Ten Fiscal Years

Function/Program	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Patrol Vehicles	10	10	10	10	10	10	10	10	11	11
Fire Stations	1	1	1	1	1	1	1	1	1	1
Water										
Miles of Lines & Mains	50	50	50	50	50	50	50	50	50	50
Reservoirs	3	3	3	3	3	3	3	3	3	3
Wells	3	3	3	3	3	3	3	3	3	3
Highways and Streets										
Miles of Streets	35.7	35.7	35.7	35.7	35.7	35.7	35.7	35.7	35.7	35.7
Street Trees	3,619	3,667	3,667	3,667	3,520	3,467	3,414	3,365	3,342	3,091
Recreation and Culture										
Parks ***	10	10	10	10	10	10	10	10	11	11
Area of Parks (Acres)	23.03	23.03	23.03	23.03	23.03	23.03	23.03	23.03	25.64	25.64
Libraries	1	1	1	1	1	1	1	1	1	1
Community Centers *	1	1	1	1	1	1	1	1	1	1
Bandstands	1	1	1	1	1	1	1	1	1	1
Baseball Diamonds	1	1	1	1	1	1	1	1	1	1
Basketball Courts **	2	2	2	2	2	2	6	6	6	6

* 2021 Community Centers was updated to include the community center at Discovery Well Park that was built in 2002

** 2021 Basketball Courts was updated to include 4 half courts

*** 2023 Heritage Point Park was completed

Source: City of Signal Hill, Finance Department