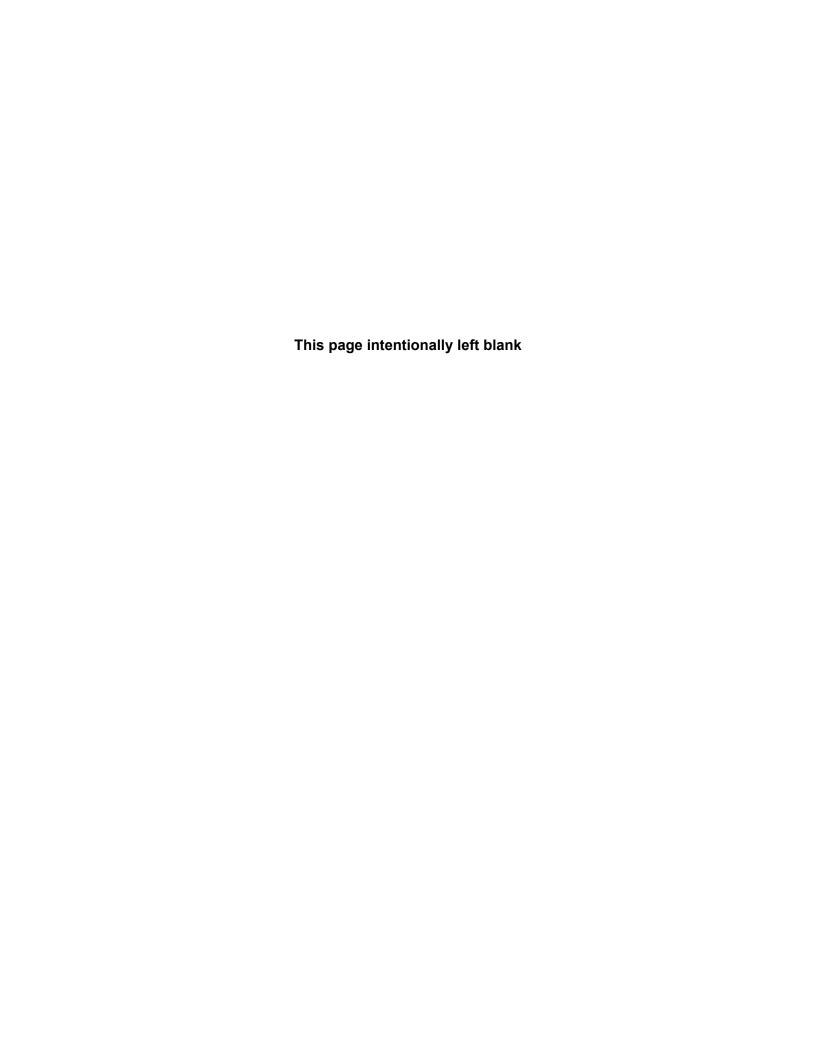
### CITY OF EL SEGUNDO | CALIFORNIA



ANNUAL COMPREHENSIVE FINANCIAL REPORT FISCAL YEAR ENDED - JUNE 30, 2023

# CITY OF EL SEGUNDO, CALIFORNIA ANNUAL COMPREHENSIVE FINANCIAL REPORT YEAR ENDED JUNE 30, 2023 PREPARED BY THE CITY'S FINANCE DEPARTMENT



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December 26, 2023

Honorable Mayor, Members of the City Council, City Manager, and citizens of El Segundo:

State law requires that every general-purpose local government publish each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2023.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

CliftonLarsonAllen LLP (CLA), formerly White Nelson Diehl Evans LLP (WNDE), an Independent CPA Firm, has issued an unmodified ("clean") opinion on the City of El Segundo's financial statements for the year ending June 30, 2023. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follow the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

#### City of El Segundo Profile

The City of El Segundo is located 14 miles southwest of downtown Los Angeles, adjacent to the City of Los Angeles International Airport. The City was incorporated January 18, 1917, as a General Law city, with the Standard Oil Company of California refinery as the major industrial taxpayer and employer. The substantial petroleum base of the local economy remains evident, although the defense industry emerged as a major segment during World War II. Aerospace experienced rapid growth during the early 1980's and accounted for a significant share of El Segundo's industrial growth during those years. A downturn in the aerospace/defense industry began in the late 1980's, and the industry's recovery took place through consolidation and diversification into commercial endeavors. The available commercial/industrial space has been attracting new business-to-business retail services providers, providing opportunities to diversify and enhance the revenue source of the City.

The City has operated under the Council-Manager Form of Government since 1917. Policy-making and legislative authority are vested in the City Council (governing body) consisting of the Mayor and four Councilmembers, all elected on a non-partisan basis. The Council appoints the government's City Manager, who serves as the organization's Chief Executive Officer (CEO) and in turn, appoints the heads of the departments. Council members serve four-year terms and are elected at-large. The

election schedule alternates with two seats open during one election cycle and three seats open the next election cycle. The Mayor is selected by the seated City Council every two years.

The City provides a full range of municipal services, including police and fire protection; highway, street and infrastructure maintenance and construction; water and wastewater operations; library services; planning, zoning and code enforcement; recreational and cultural activities; and general administration. This report includes all funds of the City and those component units controlled by, and dependent on the City. Accordingly, this report incorporates financial data for the El Segundo Senior Citizen Housing Corporation.

City Council is required to adopt a final budget by no later than the close of the previous 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). Department Heads may transfer resources within a department. Transfers between departments, however, must be approved by the City Manager. Any transfers between funds must be approved by the City Council.

#### Local economy

El Segundo celebrated its centennial anniversary in 2017, commemorating 100 years of innovation, leadership, and growth. The City celebrated its 105<sup>th</sup> anniversary in 2022. In 1911, Standard Oil (Chevron) opened its second refinery in California in what is now El Segundo. The city was incorporated 1917 with its foundation as home to workers in the petroleum industry. Over the last 105 years, El Segundo has become a thriving business center, home to AT&T, Los Angeles Times, Los Angeles Lakers, Los Angeles Kings, Los Angeles Chargers, DaVita Healthcare, and Mattel.

Los Angeles Air Force Base and the Aerospace Corporation are located in El Segundo, and the City has a longstanding tradition of innovation in Aerospace. Boeing, Northrop Grumman, Lockheed Martin and Raytheon, are among the many prestigious Fortune 500 companies with facilities in El Segundo. Over half of all satellites and vehicles in space were manufactured in El Segundo. Global Positioning Satellite Systems, Global Hawk's unmanned aerial vehicle surveillance aircraft, and the FA-18 were also developed and conceived in El Segundo.

In addition to aerospace and petroleum, the local economy is comprised of many high-growth industries, including: bioscience, emerging technology, creative services, sports, entertainment, and professional services. El Segundo is also home to inventive and growing companies that will shape our future economy, such as Beyond Meat, JustFab, Kite Pharma, Milleneum Space Systems, Topgolf, L'Oreal's West Coast U.S. headquarters, Belkin International, and WPromote. El Segundo has been recognized as the Most Business-Friendly City in Los Angeles County three times, and offers low tax rates, convenient access to transportation, and a highly skilled workforce.

#### AAA Credit Rating

The City's POB Finance Team (City staff, Municipal Advisor, Underwriters, Bond Counsel, Disclosure Counsel, and Trustee), met with Standard & Poor's (S&P) staff on May 10, 2021 for a bond rating presentation. The meeting was successful and resulted in a strong AA+ bond rating. This was an excellent rating, particularly in the economic environment that existed with COVID-19 still having negative impacts on the economy. At the time of the AA+ bond rating issuance, S&P provided a write-up of the rating meeting with guidance on how to possibly achieve a AAA rating in the 'near future.'

In the months that followed, including the Fiscal Year 2022-2023, the City's local economy continued to be robust, the median house price remained strong, and major revenues continued to improve. Additionally, during this time, due to the strengthening of its financial performance, the City increased its reserve policy from 20% to 25% and established a 5% General Fund Reserve for CIP.

On August 21, 2023, Standard & Poor's (S&P) Global Ratings raised the City's credit issuer rating from a AA+ to a AAA, the highest rating a municipality can be assigned. S&P credited the City's strong financial policies and practices by an established management team, continued commercial and corporate growth, and the quick revenue recovery of its well diversified and flexible general revenues following a decline during the global pandemic as reasons for the upgrade.

S&P noted a stable outlook that reflects its expectation that the City will maintain a very strong financial position over the outlook period, anchored by the City's strong management profile.

#### Long-term financial planning

The City's financial security is fundamental to the administration of City policies and practices. City Council has always been and continues to take a conservative approach in maintaining a strong financial position by limiting the growth of spending and acquiring additional debt. It has established a General Fund Reserve, Economic Uncertainty Reserve Fund, and Capital Improvement Fund to meet the needs of unforeseen circumstances that may occur in the future.

The City has traditionally implemented a strategy of adopting a Citywide Strategic Plan that is reviewed and updated each year by the City's management and the City Council. A new four-year Strategic Plan was developed during FY 2021-2022 and will be implemented for FY 2022-2023 through FY 2025-2026. The Strategic Plan is used as a guideline to set priorities and in development of each subsequent budget year.

At a Strategic Planning session held in May 2023, City Council identified its top priorities, one of which supports its multi-year goal to champion economic development and fiscal sustainability. This priority is to *Utilize the City's long-term financial plan to make financial decisions; identify opportunities for new revenues, enhancement of exiting revenues, and exploration of potential funding options to support unfunded capital improvements and deferred maintenance to address the aging infrastructure throughout the City.* 

Following the Strategic Planning session, staff began the process of working to an update to the City's existing long-range financial plan model. As of the date of this letter of transmittal, the model is being updated to be used for planning purposes.

Through the issuance in May 2021 of pension obligation bonds to prepay the existing UAL, along with a series of other forward-thinking actions taken by City Council over the past few years (including: reduced "Fresh Start" amortization period; past additional discretionary UAL payments; prepaid UAL payments; creation of a Pension Trust Fund; requiring "Classic " employees to pay their full "employee share"; adoption of formal UAL Policies; the Topgolf Revenue Allocation Policy; increasing the reserve policy from 20% to 25%; and establishing a 5% General Fund Reserve for CIP), the City is well-positioned to meet its present and future pension obligations over the next 18 years.

The annual \$9.8 million payment on the POBs represents a much lower recurring pension cost to the City than what would have been the case without the POBs. The City now has control over its pension costs through July 1, 2040. After 2040, the City's pensions will be fully funded and the recurring pension costs should drop significantly. After years of stress and uncertainty, the City now has more clarity and predictability in managing its pension obligations.

In November 2022, El Segundo voters approved Measure BT, amending the City's ordinance governing the City's business tax which will bring in additional ongoing revenues that will continue to support important City services and programs. The business license tax increases takes effect in January 2024.

City Council is commended for taking a proactive approach to address the City's rising pension costs to reduce the City's overall pension liabilities, saving millions of dollars.

#### Relevant financial policies

The City's general fund reserve policy in FY 2022-23 was a range of 20%-25% of the City's current general fund expenditures for its operating reserves, as well as funding up to \$2 million in a separate Economic Uncertainty Reserve Fund. In planning for the FY 2023-2024 budget and prior to the end of the 2022-2023 Fiscal Year, City Council increased the reserve policy from 20% to 25%; and established a 5% General Fund Reserve for CIP. The City also maintains a reserve of \$2 million in the Economic Uncertainty Fund, per current City Council policy direction.

The City takes a conservative approach in relation to incurring debt with a "pay-as-you-go" approach. It is currently funding 100% of the actuarial required contribution (ARC) for its other (than pension) post-employment benefits (OPEB).

The elected City Treasurer is charged with managing and investing cash for the City along with support from the Investment Advisory Committee.

#### Major initiatives

The City currently has a Capital Infrastructure Plan (CIP) that includes the following projects:

- Annual Water Main Maintenance; Water Facilities Maintenance
- Annual Sidewalk, ADA ramp installation, Curb and Gutter Restoration Program
- Brett Field Restrooms
- City Hall improvements
- City-wide HVAC Replacement
- El Segundo Blvd. Improvements
- EOC Upgrades
- Gateway beautification project
- Library Improvements (Elevator & HVAC)
- Local street rehabilitation and slurry seal
- Park Place gap closure project (design phase)
- Park Vista Senior Housing Improvement Projects
- Plunge Rehabilitation
- Recreation Park Projects
- Sewer main repairs
- Water infrastructure improvements
- Various smaller projects that have provided enhanced benefits to the community

#### **Acknowledgements**

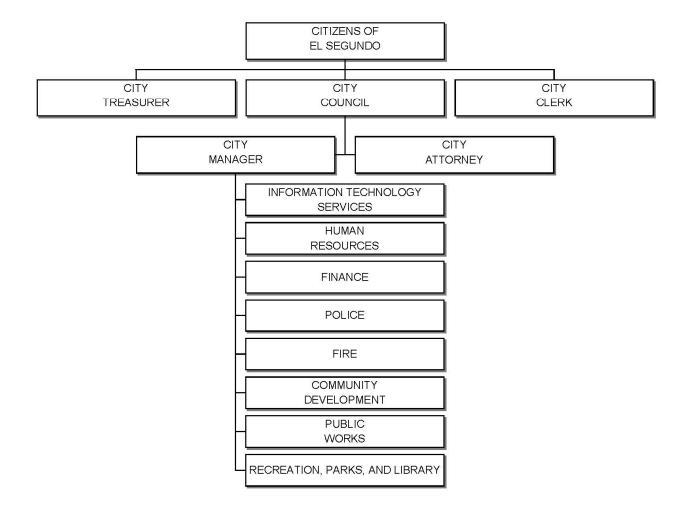
The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the Finance Department. We wish to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the mayor and the governing council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of El Segundo's finances.

Respectfully submitted,

David Cain

Interim Chief Financial Officer

## CITY OF EL SEGUNDO



#### CITY OF EL SEGUNDO OFFICIALS OF THE CITY JUNE 30,2023

<u>Name</u>		<u>Term Expires</u>
Drew Boyles	Mayor	November 2024
Chris Pimentel	Mayor Pro Tem	November 2026
Carol Pirsztuk	Council Member	November 2024
Lance Giroux	Council Member	November 2024
Ryan Baldino	Council Member	November 2026

#### **CITY OFFICIALS**

Darrell George

City Manager

Mark Hensley

City Attorney

Matthew Robinson

City Treasurer

Tracy Weaver

City Clerk

#### **CITY ADMINISTRATION**

David Cain Interim Chief Financial Officer Rebecca Redyk **Director of Human Resources** Jaime Bermudez Chief of Police Interim Fire Chief Robert Espinosa Michael Allen **Director of Community Development** Aly Mancini Director of Recreation, Parks and Library Elias Sassoon **Director of Public Works** Jose Calderon **Director of Information Technology Services** 



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## City of El Segundo California

For its Annual Comprehensive Financial Report For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO



#### INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Council City of El Segundo El Segundo, California

#### Report on the Audit of the Financial Statements Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of El Segundo (the City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City of El Segundo's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023, 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.

We did not audit the financial statements of the El Segundo Senior Citizen Housing Corporation (dba: Park Vista), which represents 100% of the assets, net position, and revenues of the El Segundo Senior Citizen Housing Corporation nonmajor enterprise fund as of December 31, 2022, and the respective changes in financial position, and cash flows thereof of the year end ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for El Segundo Senior Citizen Housing Corporation, is based solely on the report of the other auditors.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of El Segundo Senior Citizen Housing Corporation nonmajor enterprise fund was not audited in accordance with *Government Auditing Standards*.

#### Change in Accounting Principles

As described in Note 1 to the financial statements, effective July 1, 2022, the City adopted new accounting guidance GASB No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* and GASB No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

#### Responsibilities of Management for the Financial Statements

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

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

#### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due
  to fraud or error, and design and perform audit procedures responsive to those risks. Such
  procedures include examining, on a test basis, evidence regarding the amounts and disclosures
  in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

#### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule – general fund, schedules of changes in net pension liabilities and related ratios - CalPERS miscellaneous rate plan, CalPERS safety rate plan, and public agency retirement system defined benefit plan, schedule of the City's proportionate share of the net pension liability and related ratios - CalPERS safety rate plan, schedule of contributions - CalPERS miscellaneous rate plan, CalPERS safety rate plan, and public agency retirement system defined benefit plan, schedule of changes in total OPEB liability and related ratios, and schedule of contributions – OPEB be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The general fund combining schedules and the combining and individual nonmajor fund financial statements and budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS by us and other auditors. In our opinion, the general fund combining schedules and the combining and individual nonmajor fund financial statements and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

#### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 26, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

Clifton Larson Allen LLP

Irvine, California December 26, 2023

As management of the City of El Segundo, California (City) we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of El Segundo for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the City's financial statements.

#### **FINANCIAL HIGHLIGHTS**

The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by \$95,919,305 of the current fiscal year end (*total net position*). The City had an unrestricted net position of (\$63,743,860). This negative unrestricted net position is the result of GASB 68 implementation in FY 2014-15 that required all government entities to place their unfunded pension liabilities onto their agencies Statement of Net Position.

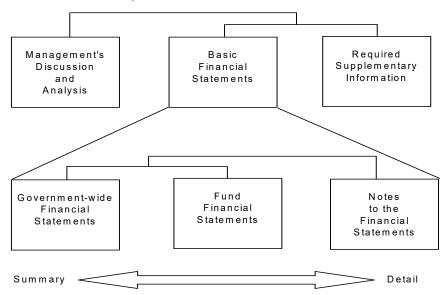
As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$84,687,484. Of this amount, \$41,195,014 (unrestricted fund balance per GASB 54) is available for spending at the City's discretion.

At the end of the current year, unrestricted fund balance per GASB 54 for the general fund was \$41,405,846 which represents 59% of total general fund expenditures before other financing sources (uses) for fiscal year 2022-23.

#### **Overview of the Financial Statements**

This annual report consists of four parts – management's discussion and analysis (MD&A - current portion), the basic financial statements, optional combining statements for non-major governmental funds, and required supplementary information. The MD&A discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements 2) fund financial statements and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements.

#### Components of the Financial Section



**Government-wide Financial Statements:** The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private sector business. These statements include all assets and liabilities of the City.

The *statement of net position* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only affect cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from functions that are intended to recover some or all of their costs through user fees and charges (*business-type activities*).

**Governmental activities:** Most of the City's basic services are reported in this category, including the general administration (city manager, city clerk, administrative services, etc.), police and fire protection, public works and community development. Property taxes, sales tax, transient occupancy tax, user fees, interest income, franchise fees, state and federal grants, contributions from other agencies, and other revenues finance these activities.

**Business-type activities**: The City charges a fee to customers to cover all or most of the costs of certain services it provides. The City's Water and Sewer utilities and the Senior Housing Corporation are reported in this category.

The government-wide financial statements can be found beginning on page 19 of this report.

**Fund Financial Statements:** The fund financial statements provide detailed information about the most significant funds and other funds – not the City as a whole. Some funds are required by state law and by bond covenants. However, management has established other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other resources. All the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds: Most of the City's basic services are reported in governmental funds, which focus on how money flows in and out of those funds and the balances left at year-end that are available for spending. The City's governmental funds in fiscal year 2022-23 are General Fund, Pension Obligation Bonds Debt Service Fund and Non-major Governmental Funds. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences between the results in the Governmental Fund financial statements to those in the Government-Wide financial statements are explained in a reconciliation following each Governmental Fund financial statement.

In addition to the major funds reported separately on the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances, the City also maintains twenty-five special revenue funds, eleven capital project funds (including ten Developer Impact Fees capital project funds as one column) and one debt service fund. Data from these funds are combined into a single, aggregated presentation referred to as *Nonmajor governmental funds*.

Individual fund data for each of these non-major governmental funds are provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for all of its governmental and proprietary funds. A budgetary comparison statement has been provided for the general fund and major special revenue funds to demonstrate compliance with this budget. This comparison can be found beginning on page 99 of this report.

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

**Proprietary funds**: When the City charges customers for the services it provides, these services are generally reported in proprietary funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Water activities, Wastewater (Sewer) activities and the Senior Housing Corporation. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its equipment replacement costs, general liability costs and workers' compensation costs. Because these services predominantly benefit governmental rather than business-type functions, these funds have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements except that more detail is presented. The proprietary fund financial statements provide separate information for the Water and Wastewater (Sewer) operations, both are considered major funds of the City. Topgolf took possession of The Lakes Golf Course through a ground lease agreement with the City on February 14, 2021, the Golf Course fund was no longer a major proprietary fund and became one of the city's General Fund components in fiscal year 2022-23.

The Senior Housing Corporation is not considered major funds of the City. The City's internal service fund is shown separately under the heading of *governmental activities*.

The proprietary fund financial statements can be found beginning on page 33 of this report.

**Notes to the financial statements**: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 45 of this report.

**Other information**: The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found beginning on page 121 of this report.

#### **Government-wide Financial Analysis**

As was referenced earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by \$95,919,305 at the close of 2023 fiscal year.

A summary of the government-wide *statement of net position* follows:

	Governmental		Business-Type		Total	
_	Act	ivities	Acti	vities	Primary G	overnment
	2023	2022	2023	2022	2023	2022
Assets:						
Current assets and other assets	178,923,028	217,785,894	57,224,876	49,081,941	236,147,904	266,867,835
Capital assets, net	110,617,754	96,822,240	22,691,886	27,883,663	133,309,640	124,705,903
Total assets	289,540,782	314,608,134	79,916,762	76,965,604	369,457,544	391,573,738
Deferred Outflows of Resources	96,317,757	110,760,794	1,497,652	423,825	97,815,409	111,184,619
Liabilities:						
Current and other liabilities	21,276,041	21,155,336	5,161,581	6,308,178	26,437,622	27,463,514
Noncurrent liabilities	210,698,066	187,765,425	6,549,917	5,557,564	217,247,983	193,322,989
Total liabilities	231,974,107	208,920,761	11,711,498	11,865,742	243,685,605	220,786,503
Deferred Inflows of Resources	127,542,590	148,765,563	125,453	1,124,219	127,668,043	149,889,782
Net position:						
Net investment in capital assets	101,562,280	91,541,308	22,684,209	26,842,980	124,246,489	118,384,288
Restricted	35,416,676	85,598,580	-	1,080,865	35,416,676	86,679,445
Unrestricted	(110,637,114)	(109,457,284)	46,893,254	36,475,623	(63,743,860)	(72,981,661)
Total net position	\$ 26,341,842	\$ 67,682,604	\$ 69,577,463	\$ 64,399,468	\$ 95,919,305	<u>\$ 132,082,072</u>

It should be kept in mind while reviewing these schedules that the resources needed to repay debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate liabilities. These assets are used to provide services to its citizens and are *not* available for future spending.

#### A summary of the government-wide *statement of activities* follows:

	Governmental		<b>Business</b> -Type		Total	
	Activ	ities	Activ	vities	Primary G	overnment
_	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues:						
Charges for services	10,938,710	8,452,057	39,062,108	41,594,620	50,000,818	50,046,677
Operating grants and contributions	5,716,659	6,408,261	-	-	5,716,659	6,408,261
Capital grants and contributions	2,510,786	2,328,528	-	-	2,510,786	2,328,528
General revenues and transfers:						
Property taxes	10,750,248	10,551,997	-	-	10,750,248	10,551,997
Transient Occupancy taxes	14,143,605	12,267,534	-	-	14,143,605	12,267,534
Sales taxes	17,424,472	13,374,232	-	-	17,424,472	13,374,232
Utility user taxes	7,963,689	6,810,917	-	-	7,963,689	6,810,917
Franchise taxes	5,738,792	3,853,865	-	-	5,738,792	3,853,865
Business license taxes	12,748,377	11,684,753	-	-	12,748,377	11,684,753
Other taxes	9,880,677	9,662,332	-	-	9,880,677	9,662,332
Motor vehicles in lieu	2,108,064	1,999,438	-	-	2,108,064	1,999,438
Use of money and property, unrestricte	3,982,103	(465,662)	894,511	(746,994)	4,876,614	(1,212,656)
Other	1,979,838	1,812,224	-	-	1,979,838	1,812,224
Transfers	729,168		(729,168)			
Total revenues	106,615,188	88,740,476	39,227,451	40,847,626	145,842,639	129,588,102
Expenses						
General government	22,930,730	18,434,149	-	-	22,930,730	18,434,149
Public safety	98,918,452	(30,085,922)	-	-	98,918,452	(30,085,922)
Public works	11,332,554	12,320,674	-	-	11,332,554	12,320,674
Community & cultural	11,520,553	7,277,725	-	-	11,520,553	7,277,725
Interest on long-term debt	3,253,661	2,924,779	-	-	3,253,661	2,924,779
Water	-	-	28,789,265	30,211,365	28,789,265	30,211,365
Sewer	-	-	4,481,743	4,441,887	4,481,743	4,441,887
Golf Course	-	-	-	239,326	-	239,326
Nonmajor fund Senior Housing		<u>-</u>	778,448	778,977	778,448	778,977
Total expenses	147,955,950	10,871,405	34,049,456	35,671,555	182,005,406	46,542,960
Increase (decrease) in net position	(41,340,762)	77,869,071	5,177,995	5,176,071	(36,162,767)	83,045,142
Net position at beginning of year	67,682,604	(10,186,467)	64,399,468	59,223,397	132,082,072	49,036,930
Net position at end of year	\$ 26,341,842	\$ 67,682,604	\$ 69,577,463	\$ 64,399,468	\$ 95,919,305	<u>\$ 132,082,072</u>

#### **Governmental Activities**

The City's net position from governmental activities decreased (\$41,340,762). Details are listed below:

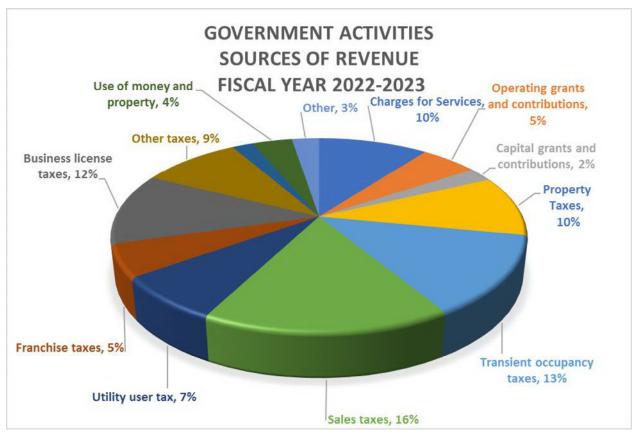
#### **Major Changes in Revenues**

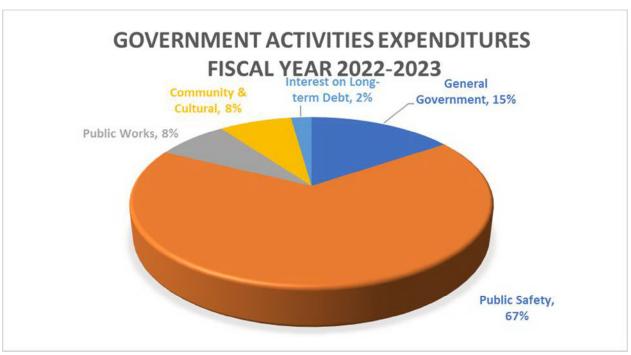
- Charges for services increased by \$2.5 million due to a recovery from the pandemic, a CPI increase applied to many of the charges for services, and increases in areas such as Fire inspection and plan check fees, Planning Service fees, Paramedic Transport, and Recreation and Cultural Arts programming;
- Operating and capital grants and contributions decreased by \$509 thousand due to conclusion of COVID-19-related relief funds;
- Transient Occupancy taxes increased by \$1.9 million because hotel occupancy rates and room rates continued to rise back to pre-pandemic levels;
- Sales taxes increased by \$4.0 million due to economy's continuing booming to pre- pandemic levels for both brick and mortar and online businesses;
- Utility Users taxes increased by \$1.2 million due to the continually rising commodity prices at the beginning of the fiscal year, which directly impacted the price of utilities by resulting in higher utility bills, and in turn led to higher Utility Users taxes collected by the City;
- Franchise taxes increased by \$1.9 million due to the higher revenues collected by the major utility companies;
- Business license taxes increased by \$1.1 million due to the impact of new local businesses and more employers' requesting employees to come back to work in the office. Business license taxes are based on office square footage and employee headcount;
- Interest increased by \$4.4 million comparing to the negative \$466 thousand in fiscal year 2022. In fiscal year 2022-23 the city had \$1.8 million interest income from security market investment and \$1.7 million interest income from GASB 87 leases. City's investments are reported at fair value per GASB 72.

#### **Major Changes in Expenditures**

- Public safety expenses increased by \$129 million primarily due to actuarial valuation changes of pension and OPEB from the previous to current fiscal year, and increased claims of general liability and workers compensation;
- The rest increase of \$8 million was the combination of costs increase of labor, operating and maintenance materials.

Overall, the \$148 million cost of all "public benefit" governmental activities for the year was financed by the City's governmental program revenues, tax revenues and use of money and property revenues. City collected governmental program revenues of \$19.1 million, which were paid by those who directly benefited from the programs (\$10.9 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$8.2 million). In 2023 fiscal year the city collected \$78.6 million taxes - business license taxes of \$12.7 million, sales and use taxes of \$17.4 million, property taxes of \$10.8 million, transient occupancy tax of \$14.1 million, utility user taxes of \$8 million, franchise taxes of \$5.7 million, and other taxes of \$9.9 million. The city also earned \$4 million of interest and rental income, and \$4.8 million of other revenue in 2023 fiscal year.





#### **Business-Type Activities**

The programs for the business-type activities include the water, wastewater (sewer) and the Senior Housing corporation.

Topgolf took possession of The Lakes Golf Course through a ground lease agreement with the City on February 14, 2021, the Golf Course fund was no longer a major business-type fund and became one of the City's General Fund components in fiscal year 2022-23.

The City's net position from business-type activities increased by \$5,177,995. The cost of all business-type activities this year was \$34,049,456.

Charges for services are the major revenue source for the City's business-type activities, accounting for \$39,062,108. of total business-type activity revenue.

The Water Utility net cost of service is \$5,043,176, which was very stable with slight increase comparing to net cost of service of \$4,970,401 in last fiscal year.

The Wastewater (Sewer) Utility net cost of service of \$741,170, comparing to net cost of service of \$287,178 in last fiscal year, is attributable to both wastewater rate increases of 9.5% on 01/01/2023 and interest income from investment.

The Senior Housing Corporation net cost of service of \$122,817, comparing to net cost of service of \$38,889 in last fiscal year, is attributable to an increase in revenues related to interest on investments.

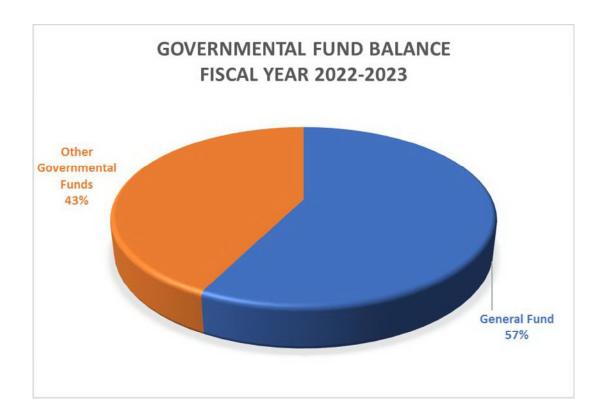
#### Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds:** The focus of the City's governmental funds is to provide information on nearterm inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$84,687,484, an increase of \$12.8 million or 18% from the previous year. The increase is primarily due to the increases of \$7.6 million in the City's General Fund balance, which is mainly caused by the increase of tax revenues. The General Fund transfer out was offset by the Pension Obligation Bonds Debt Service Fund transfer in and the Nonmajor Governmental Funds transfer in, which mainly caused the increase of \$5 million in the ending fund balances of non-major Governmental funds. The portion of fund balance that is unreserved, undesignated for all governmental funds is \$41.2 million which represents amounts available for spending at the government's discretion.

Additionally, there are portions of the identified combined ending fund balance that are classified to indicate (1) it represents nonspendable amounts for inventory, notes and loans receivable and prepaid costs \$295,310, (2) for a variety of other restricted and assigned purposes \$43.2 million. More details can be found in Note 16.



**Major Funds:** There are two major funds on the balance sheet for governmental funds. They are the general fund, the chief operating fund of the City, and the pension obligation bonds debt service fund. At the end of the current fiscal year, the available general fund balance (assigned and unassigned) was \$43,555,570 which represents 90% of total fund balance of \$48,646,690. As a measure of the general fund's available resources, it may be useful to compare unrestricted fund balance in the total fund balance to total fund expenditures. The available fund balance represents 62% of total general fund expenditures before other financing sources (uses), while total general fund balance represents 69% of that same amount.

**Proprietary Funds**: The City's proprietary funds provide the same type of information found in the government-wide financial statements but in greater detail.

Ending unrestricted net position for the proprietary funds is \$39,853,019 for the Water Utility Fund, \$5,397,800 for the Wastewater (Sewer) Utility Fund and \$1,642,435 for the Senior Housing Corporation. The total change in net position for the City's three proprietary funds is as follows:

- The Water Utility's net position increased by \$5 million or an increase of 10.7% over net position of the prior year due to a decrease in operating expenses, increase of interest revenue and the changes of deferred outflows / inflows of resources related to pension and OPEB:
- The Wastewater (Sewer) Utility's net position increased \$741 thousand or an increase of 5% over net position of the prior year due to an increase of 9.5% for waster water rate, increase of interest revenue and the changes of deferred outflows / inflows of resources related to pension and OPEB:

• The Senior Housing Corporation's net position increased by \$123 thousand or an increase of 6.6% over net position of the prior year is attributable to a net effect of increase in rental charges and increases in interest income.

Other factors concerning the finances of these three funds have already been addressed in the discussion of the City's business-type activities.

#### **General Fund Budgetary Highlights**

During the year, with the recommendation from the City's staff, the City Council revised the City's expenditure budget several times. Adjustments were made as the City's staff requested additional appropriations to cover the cost of projects that either had change orders for additional work, or the estimated cost at the beginning of the project was underestimated. All amendments that resulted in a net increase in appropriations are approved by the City Council.

#### **Appropriations**

Differences between the original budget and the final amended budget of the General Fund resulted in an increase in appropriations of \$2,802,205, or a net decrease in budgetary fund balance of \$2,802,205.

- General Government appropriations increased \$409,444;
- Public Safety appropriations increased \$1,709,618;
- Public Works appropriations increased \$561,915;
- Community and Cultural appropriations increased \$63,028;
- Capital Outlay appropriations increased \$58,200.

#### **Expenditure**

Over-all, the general fund expenditure was under budget for \$4,911,114 when comparing final budget to actual. The reasons for the major variance follow:

- The General Government Departments came in \$2,937,636 under budget due to position vacancies.
- The Public Safety Departments came in \$2,736,773 under budget mainly due to applying ARPA fund to public safety services.
- The Public Works Departments came in \$609,313 under budget due to position vacancies.
- The Community and Cultural Departments came in \$230,636 under budget due to position vacancies.

#### Revenue

Differences between the final budget and the actual revenues resulted in an increase of \$13.4 million or an 16% increase in budgeted revenues.

Some significant variances between the final budget and actual revenues are as follows:

- Transient Occupancy Tax increased \$1.6 million due to higher hotel occupancy and increased room rates along with the economy's continuing recovery to pre-pandemic levels;
- Cogenerated Electric/Chevron increased \$2.7 million due to Chevron ramping up production at the oil refinery compared to the prior year;
- Utility Users Taxes increased \$1.7 million above the final budget is mainly attributable to an increase in electric utility taxes;
- Sales and Use Tax increased \$2.8 million above the final budget is mainly attributable to a steady increase in retail purchases from both brick and mortar and online businesses;
- Property Taxes decreased \$64 thousand slightly under the final budget due to the slowdown of real property market;
- Franchise Taxes increased \$2.2 million above the final budget due to the increasing commodity prices as well as increased revenues for SoCal Edison and The Gas Company;
- Charges for Services increased \$987 thousand above the final budget is mainly attributable
  to a recovery from the pandemic, a CPI increase applied to many of the charges for
  services, and increases in areas such as Fire inspection and plan check fees, Planning
  Service fees, Paramedic Transport, and Recreation and Cultural Arts programming;
- Use of money and property increased \$849 thousand above the final budget due to increased investment income with the booming security market in FY 2022-23.

For the City's general fund, amounts available for appropriation of \$82,331,978 was \$13,354,378 lower than actual revenues of \$95,686,356. Actual expenditures excluding other financing uses were \$70,227,099 which was \$4,911,114 lower than the final budget of \$75,138,213, excluding other financing uses. The net effect of these variances between actual and budgeted was an increase in budgetary fund balance of \$18,265,492.

#### **CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets:** The City's investment in capital assets for its governmental and business-type activities as of June 30, 2023, amounts to \$133,309,640 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, vehicles and equipment, furniture and equipment, park facilities, roads, highways, streets, bridges, right-to-use lease related land and capital assets, right-to-use PPP assets, and subscription assets.

	Governmental Activities		Busine	Business-Type Activities		Total Primary Government	
			Activ				
	2023	<u>2022</u>	2023	<u>2022</u>	2023	2022	
Capital assets not being depreciated							
Land	35,522,020	29,522,040	-	5,999,980	35,522,020	35,522,020	
Construction in progress	4,384,297	2,063,479	14,584	1,000,704	4,398,881	3,064,183	
Total capital assets not being depreciated	39,906,317	31,585,519	14,584	7,000,684	39,920,901	38,586,203	
Capital assets being depreciated, net							
Buildings and improvements	17,750,829	17,428,016	330,228	364,598	18,081,057	17,792,614	
Furniture and equipment	-	-	23,564	28,486	23,564	28,486	
Vehicles and equipment	4,969,299	5,280,473	575,404	-	5,544,703	5,280,473	
Infrastructure	40,468,086	42,413,358	21,748,105	20,328,832	62,216,192	62,742,190	
Right-to-use Lease Land	168,005	9,078	-	161,063	168,005	170,141	
Right-to-use Lease Vehicles and Equipment	1,091	105,796	-	-	1,091	105,796	
Right-to-use PPP Assets	6,506,045	-	-	-	6,506,045	-	
Subscription Assets	848,082				848,082		
Total capital assets being depreciated, net	70,711,437	65,236,721	22,677,302	20,882,979	93,388,738	86,119,700	
Total capital assets, net	<u>\$ 110,617,754</u>	\$96,822,240	\$ 22,691,886	\$ 27,883,663	\$ 133,309,640	\$ 124,705,903	

Additional information on the City's capital assets can be found in Note 8 of the Notes to Financial Statements in this report.

**Long-term debt:** The City's governmental activities total debt decreased by \$3,019,983, which is primarily attributed to the principal payment to the Pension Obligation Bonds (POBs) of \$6,352,020 and the increase of claim payable of \$3,160,000 and subscription payable of \$852,664. The City's business-type activities total debt decreased by \$359,433, which is mainly attributed to the principal payment to the Pension Obligation Bonds (POBs) of \$182,980, and transferring the \$202,186 GASB 87 lease from business-type activities to governmental activities.

	Governmental Activities		Busine	Business-Type Activities		Total Primary Government	
			Activ				
	2023	2022	<u>2023</u>	<u>2022</u>	2023	2022	
Direct Borrowings:							
Finance Purchase Obligation	1,855,162	1,920,577	-	-	1,855,162	5,842,713	
Loan Obligation	5,497,738	5,842,713	-	-	5,497,738	1,920,577	
Other Long-Term Debt:							
Pension Obligation Bonds	133,743,378	140,095,398	3,856,622	4,039,602	137,600,000	144,135,000	
Leases Payable	133,029	117,088	0	202,186	133,029	319,274	
Subscription Payable	852,664				852,664	-	
Claims Payable	20,590,000	17,430,000	-	-	20,590,000	17,430,000	
Compensated Absences	4,699,008	4,985,186	163,909	138,176	4,862,917	5,123,362	
Total long-term debt	\$ 167,370,979	\$ 170,390,962	\$ 4,020,531	\$ 4,379,964	\$ 171,391,510	\$ 174,770,926	

Additional information on the City's long-term debt can be found in Note 9 of the Notes to Financial Statements in this report.

#### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

In preparing the budget for 2023-2024 the following economic factors significantly impacted the budget process:

- The performance of national, state and primarily local economies and its impact on El Segundo's major revenue sources;
- The inflation impact on the combination of costs increase of labor, operating and maintenance materials and capital assets:
- The City's Capital Improvement Plan (CIP) projects and financing source options.

#### **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City of El Segundo's finances and to show the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City's Finance Department at the City of El Segundo, 350 Main Street, El Segundo, CA 90245.

## **FINANCIAL STATEMENTS**

#### CITY OF EL SEGUNDO STATEMENT OF NET POSITION JUNE 30, 2023

	Primary Government				
	Governmental Activities	Business-Type Activities	Total		
CURRENT ASSETS					
Cash and Investments	\$ 92,592,024	\$ 49,121,007	\$ 141,713,031		
Receivables:					
Taxes	6,184,143	-	6,184,143		
Accounts	1,000,714	6,622,249	7,622,963		
Interest	646,605	-	646,605		
Notes and Loans	49,405	-	49,405		
Leases	99,281	-	99,281		
Due from Other Governments	180,993	-	180,993		
Inventories	177,985	36,279	214,264		
Prepaids	117,325	41,763	159,088		
Total Current Assets	101,048,475	55,821,298	156,869,773		
NONCURRENT ASSETS					
Restricted Cash and Investments	12,821,180	1,403,578	14,224,758		
Leases Receivable	64,270,543	-	64,270,543		
Public-Private Partnership (PPP) Receivable	782,830	-	782,830		
Capital Assets, Not Being Depreciated/Amortized	39,906,317	14,584	39,920,901		
Capital Assets, Net of Depreciation/Amortization	70,711,437	22,677,302	93,388,739		
Total Noncurrent Assets	188,492,307	24,095,464	212,587,771		
Total Assets	289,540,782	79,916,762	369,457,544		
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows of Resources Related to Pensions	93,164,392	1,334,451	94,498,843		
Deferred Outflows of Resources Related to OPEB	3,153,365	163,201	3,316,566		
Total Deferred Outflows of Resources	96,317,757	1,497,652	97,815,409		

#### CITY OF EL SEGUNDO STATEMENT OF NET POSITION (CONTINUED) JUNE 30, 2023

	Primary Government						
	Governmental Activities	Business-Type Activities	Total				
CURRENT LIABILITIES							
Accounts Payable	\$ 2,720,568	\$ 4,519,578	\$ 7,240,146				
Accrued Liabilities	1,959,289	115,991	2,075,280				
Retention Payable	125,044	=	125,044				
Accrued Interest	1,284,971	=	1,284,971				
Unearned Revenue	79,569	8,384	87,953				
Deposits Payable	365,486	203,437	568,923				
Long-Term Liabilities - Due Within One Year	14,741,114		15,055,305				
Total Current Liabilities	21,276,041	5,161,581	26,437,622				
NONCURRENT LIABILITIES							
Long-Term Liabilities - Due in More Than One Year	152,629,865	3,706,340	156,336,205				
Aggregate Net Pension Liability	27,719,222	1,272,882	28,992,104				
Net Other Postemployment Benefit Liability	30,348,979	1,570,695	31,919,674				
Total Noncurrent Liabilities	210,698,066	6,549,917	217,247,983				
Total Liabilities	231,974,107	11,711,498	243,685,605				
DEFERRED INFLOWS OF RESOURCES							
Deferred Inflows of Resources Related to Pensions	53,459,900	-	53,459,900				
Deferred Inflows of Resources Related to OPEB	2,423,991	125,453	2,549,444				
Deferred Inflows of Resources Related to Leases	64,369,824	-	64,369,824				
Deferred Inflows of Resources Related to							
Public-Private Partnership	7,288,875	-	7,288,875				
Total Deferred Inflows of Resources	127,542,590	125,453	127,668,043				
NET POSITION							
Net Investment in Capital Assets	101,562,280	22,684,209	124,246,489				
Restricted for:	, ,	, ,	,,,				
Public Safety	2,913,857	_	2,913,857				
Public Works	4,380,324	_	4,380,324				
Economic Development	213,859	_	213,859				
Community and Cultural	14,320,682	_	14,320,682				
Debt Services	8,792,144	_	8,792,144				
Pension	4,795,810	_	4,795,810				
Unrestricted (Deficit)	(110,637,114)	46,893,254	(63,743,860)				
Total Net Position	\$ 26,341,842	\$ 69,577,463	\$ 95,919,305				

#### CITY OF EL SEGUNDO STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2023

					Program I	Reve	enues		
				(	Operating		Capital		Total
		C	Charges for Contributions		C	ontributions		Program	
Functions/Programs	 Expenses		Services		nd Grants	and Grants		Revenues	
GOVERNMENTAL ACTIVITIES									
General Government	\$ 22,930,730	\$	375,649	\$	124	\$	-	\$	375,773
Public Safety	98,918,452		1,926,570		2,107,926		197,819		4,232,315
Public Works	11,332,554		111,720		1,551,126		1,020,635		2,683,481
Community and Cultural	11,520,553		8,524,771		2,057,483		1,292,332		11,874,586
Interest on Long-Term Debt	3,253,661		-		-		-		-
Total Governmental Activities	147,955,950		10,938,710		5,716,659		2,510,786		19,166,155
BUSINESS-TYPE ACTIVITIES									
Water	28,789,265		33,002,111		-		-		33,002,111
Sewer	4,481,743		5,178,951		-		-		5,178,951
Golf Course	-		-		-		-		-
El Segundo Senior Citizen Housing Corp.	778,448		881,046		-		-		881,046
Total Business-Type Activities	34,049,456		39,062,108		-		-		39,062,108
Total Primary Government	\$ 182,005,406	\$	50,000,818	\$	5,716,659	\$	2,510,786	\$	58,228,263

#### CITY OF EL SEGUNDO STATEMENT OF ACTIVITIES (CONTINUED) YEAR ENDED JUNE 30, 2023

Net (Expense) Revenue and Changes in Net Position

	Changes in Net Fosition					
Functions/Programs	Governmental Activities	Business-Type Activities	Total			
GOVERNMENTAL ACTIVITIES						
General Government	\$ (22,554,957)	\$ -	\$ (22,554,957)			
Public Safety	(94,686,137)	-	(94,686,137)			
Public Works	(8,649,073)	-	(8,649,073)			
Community and Cultural	354,033	-	354,033			
Interest on Long-Term Debt	(3,253,661)	-	(3,253,661)			
Total Governmental Activities	(128,789,795)	-	(128,789,795)			
BUSINESS-TYPE ACTIVITIES						
Water	-	4,212,846	4,212,846			
Sewer	-	697,208	697,208			
Golf Course	-	-	-			
El Segundo Senior Citizen Housing Corp.		102,598	102,598			
Total Business-Type Activities		5,012,652	5,012,652			
Total Primary Government	(128,789,795)	5,012,652	(123,777,143)			
GENERAL REVENUES AND TRANSFERS						
Taxes:						
Property Taxes, Levied for General Purpose	10,750,248	-	10,750,248			
Transient Occupancy Taxes	14,143,605	-	14,143,605			
Sales Taxes	17,424,472	-	17,424,472			
Utility User Taxes	7,963,689	-	7,963,689			
Franchise Taxes	5,738,792	-	5,738,792			
Business Licenses Taxes	12,748,377	-	12,748,377			
Other Taxes	9,880,677		9,880,677			
Total Taxes	78,649,860	-	78,649,860			
Intergovernmental -Motor Vehicle In Lieu	2,108,064	-	2,108,064			
Use of Money and Property, Unrestricted	3,982,103	894,511	4,876,614			
Other	1,979,838	-	1,979,838			
Transfers	729,168	(729,168)				
Total General Revenues and Transfers	87,449,033	165,343	87,614,376			
CHANGE IN NET POSITION	(41,340,762)	5,177,995	(36,162,767)			
Net Position - Beginning of Year	67,682,604	64,399,468	132,082,072			
NET POSITION - END OF YEAR	\$ 26,341,842	\$ 69,577,463	\$ 95,919,305			

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### **FUND FINANCIAL STATEMENTS**

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### GOVERNMENTAL FUNDS FINANCIAL STATEMENTS

**General Fund** – To account for and report all financial resources not accounted for and reported in another fund.

**Pension Obligation Bonds Debt Service Fund** – Accounts for the payments of interest and principal of the pension obligation bonds.

**Nonmajor Governmental Funds** – To account for the aggregate of all the nonmajor governmental funds.

#### CITY OF EL SEGUNDO BALANCE SHEET – GOVERNMENTAL FUNDS JUNE 30, 2023

	General		Pension Obligation Bonds Debt Service Fund		Nonmajor overnmental Funds		Total
ASSETS							
Cash and Investments	\$ 45,655,74	13 \$	· -	\$	28,736,102	\$	74,391,845
Restricted Cash and Investments	4,795,81		8,025,370	•	-	•	12,821,180
Receivables:							
Taxes	6,184,14	13	-		-		6,184,143
Accounts	892,10	)6	-		40,982		933,088
Interest	646,60	)5	-		-		646,605
Notes and Loans		-	-		49,405		49,405
Leases	64,369,82	24	-		-		64,369,824
Public-Private Partnership	782,83	30	-		-		782,830
Due from Other Funds	227,05	52	-		-		227,052
Due from Other Governments	5,00	)6	-		175,987		180,993
Inventories	177,98		-		-		177,985
Prepaids	117,32		-		_		117,325
Total Assets	\$ 123,854,42	<u> 9</u>	8,025,370	\$	29,002,476	\$	160,882,275
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ 2,088,72		-	\$	630,281	\$	2,719,010
Accrued Liabilities	1,922,78		-		25,284		1,948,066
Retentions Payable	49,30	)5	-		75,739		125,044
Due to Other Funds		-	-		227,052		227,052
Unearned Revenue	79,56		-		-		79,569
Deposits Payable	336,79		-		28,696		365,486
Advances From Other Funds	5,577,91						5,577,910
Total Liabilities	10,055,08	35	-		987,052		11,042,137
DEFERRED INFLOWS OF RESOURCES							
Related to Leases	64,369,82	24	-		-		64,369,824
Related to Public-Private Partnership	782,83	30			_		782,830
Total Deferred Inflows of Resources	65,152,65	54	-		-		65,152,654
FUND BALANCES							
Nonspendable	295,31	10	-		-		295,310
Restricted	4,795,81	10	8,025,370		22,371,229		35,192,409
Assigned	2,149,72	24	-		5,855,027		8,004,751
Unassigned (Deficit)	41,405,84	16	-		(210,832)		41,195,014
Total Fund Balances	48,646,69	90	8,025,370		28,015,424		84,687,484
Total Liabilities, Deferred Inflows of							
Resources, and Fund Balances	\$ 123,854,42	29 \$	8,025,370	\$	29,002,476	\$	160,882,275

# CITY OF EL SEGUNDO RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION YEAR ENDED JUNE 30, 2023

Total Fund Balances -Total Governmental Funds	\$ 84,687,484
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds:	
Amount Reported in Government-Wide Statement of Position:	
Capital Assets, Nondepreciable	39,906,317
Capital Assets, Depreciable, Net (Net of \$2,959,356 reported in ISF)	67,752,081
Interest is recognized when due and, therefore, interest payable is not reported in the	
governmental funds.	(1,284,971)
Long-term liabilities were not due and payable in the current period. Therefore, they were	
not reported in the Governmental Funds' Balance Sheet.	(7.050.000)
Finance Purchase and Loan Obligations Pension Obligation Bonds	(7,352,900) (133,743,378)
Leases Payable	(133,743,376)
Subscriptions Payable	(852,664)
Compensated Absences	(4,699,008)
Pension and OPEB related liabilities applicable to the City's governmental activities are not	
due and payable in the current period and, therefore, are not reported in the governmental	
funds. Deferred outflows of resources and deferred inflows of resources related to pension	
and OPEB are only reported in the government-wide financial statements.  Deferred Outflows of Resources Related to Pensions (Net of \$232,475 reported in ISF.)	92,931,917
Deferred Inflows of Resources Related to Pensions (Net of \$0 reported in ISF.)	(53,459,900)
Aggregate Net Pension Liability (Net of \$221,750 reported in ISF.)	(27,497,472)
Deferred Outflows of Resources Related to OPEB (Net of \$15,399 reported in ISF.)	3,137,966
Deferred Inflows of Resources Related to OPEB (Net of \$11,837 reported in ISF.)	(2,412,154)
Net OPEB Liability (Net of \$148,204 reported in ISF.)	(30,200,775)
Deferred inflows of resources related to right-to-use PPP assets are not reported in the	
governmental funds, but are reported in government-wide financial statements.	(6,506,045)
Internal service funds are used by management to charge the costs of equipment	
replacement, general liability, and workers' compensation to individual funds. The assets	
and liabilities of the internal service funds are included in the governmental activities	0.000.070
in the Government-Wide Statement of Net Position.	 6,068,373
Net Position of Governmental Activities	\$ 26,341,842

# CITY OF EL SEGUNDO STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS YEAR ENDED JUNE 30, 2023

	General	В	Pension Obligation conds Debt ervice Fund	Nonmajor overnmental Funds	Total
REVENUES			_	 _	 
Taxes	\$ 65,860,963	\$	-	\$ 40,520	\$ 65,901,483
Licenses and Permits	15,895,698		-	63,610	15,959,308
Intergovernmental	2,176,534		-	6,841,169	9,017,703
Charges for Services	6,053,608		-	1,141,025	7,194,633
Use of Money and Property	3,699,555		3,312	317,060	4,019,927
Fines and Forfeitures	386,774		-	77,902	464,676
Developer Fees	_		-	240,864	240,864
Miscellaneous	1,613,224		-	1,220,408	2,833,632
Total Revenues	95,686,356		3,312	9,942,558	105,632,226
EXPENDITURES					
Current:					
General Government	19,557,795		-	17,656	19,575,451
Public Safety	32,915,357		-	2,188,980	35,104,337
Public Works	7,487,457		-	467,564	7,955,021
Community and Cultural	8,605,046		-	1,282,963	9,888,009
Capital Outlay	865,507		-	4,517,618	5,383,125
Debt Service:					
Principal Retirement	653,235		6,352,020	344,975	7,350,230
Interest	142,702		2,957,340	 162,735	 3,262,777
Total Expenditures	 70,227,099		9,309,360	 8,982,491	 88,518,950
EXCESS (DEFICIENCY) OF REVENUES					
OVER (UNDER) EXPENDITURES	25,459,257		(9,306,048)	960,067	17,113,276
OTHER FINANCING SOURCES (USES)					
Subscription Payable Issuance	804,887		-	-	804,887
Transfers In	205,000		9,497,694	4,151,162	13,853,856
Transfers Out	(18,872,803)			 (50,742)	(18,923,545)
Total Other Financing Sources (Uses)	 (17,862,916)		9,497,694	 4,100,420	(4,264,802)
NET CHANGE IN FUND BALANCES	7,596,341		191,646	5,060,487	12,848,474
Fund Balances - Beginning of year	41,050,349		7,833,724	 22,954,937	71,839,010
FUND BALANCES - END OF YEAR	\$ 48,646,690	\$	8,025,370	\$ 28,015,424	\$ 84,687,484

#### **CITY OF EL SEGUNDO**

## RECONCILIATION OF THE GOVERNMENT FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION YEAR ENDED JUNE 30, 2023

12,848,474

Net Change in Fund Balances - Total Governmental Funds

Net Change in Fund Balances - Total Governmental Funds	Φ	12,040,474
Amounts reported for governmental activities in the Statement of Activities are different because:		
Acquisition of capital assets was reported as expenditures in the governmental funds.  However, in the Government-Wide Statement of Activities, the cost of those assets was allocated over the estimated useful lives as depreciation/amortization expense.  The following is the amount by which capital outlays exceeded depreciation in the current period:  Capital Outlay  Depreciation/Amortization (Net of \$658,803 reported in ISF)		5,151,297 (4,670,021)
The transfer of capital assets and lease payable from business-type activities to governmental activities is reported as an interfund transfer in Government-Wide Statement of Activities and not reported in the governmental funds.		5,958,857
Long-term compensated absences expense was reported in the Government-Wide Statement of Activities, but it did not require the use of current financial resources. Therefore, the change in long-term compensated absences was not reported in the governmental funds.		286,178
OPEB and pension expenses were reported in the Government-Wide Statement of Activities, but it did not require the use of current financial resources. Therefore, the increase in OPEB liability and net pension liabilities were not reported as an expenditure in the governmental funds.  OPEB credit (expense) net of reporting contribution made after measurement date reported in deferred outflows of resources in the Government-Wide Statement of Net Position, but reported as OPEB expense in the governmental fund.		1,213,030
Pension credit (expense) net of reporting contribution made after measurement date reported in deferred outflows of resources in the Government-Wide Statement of Net Position, but reported as pension expense in the governmental fund.		(66,988,624)
Proceeds from long-term debt provided current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Position. Principal repayment was an expenditure in the governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.		
Subscription Payable Issuance Principal Repayments of Long-Term Debt Interest Accrual on Long-Term Debt		(804,887) 7,350,230 9,116
Amortization of deferred inflows of resources related to the right-to-use PPP assets.		328,790
Certain revenues in the governmental funds are unavailable if they are not collected within the prescribed time period after year-end. Those revenues are recognized on the accrual basis in the Government-Wide Statements.		(74,996)
Internal service funds were used by management to charge the costs of certain activities, such as equipment replacement and insurance, to individual funds. The net revenue of the internal service funds was reported with governmental activities.		(1,948,206)
Change in Net Position of Governmental Activities	\$	(41,340,762)

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## PROPRIETARY FUNDS FINANCIAL STATEMENTS

**Water Fund** – To account for water utility revenues, including service fees and installation charges, and all expenses related to the construction and maintenance of the City's water distribution system.

**Sewer Fund** – To account for user charges, fees, and all operating costs associated with the operation, maintenance, upgrade, and periodic reconstructions of the City's wastewater collection system.

**Golf Course Fund** – Previously to account for revenues from user fees and expenses incurred for the operation and maintenance of "The Lakes at El Segundo" golf facility. In fiscal year 2022-23, Golf Course Fund became one of the City's General Fund components.

Nonmajor Enterprise Funds – To account for the aggregate of all the nonmajor enterprise funds.

*Internal Service Funds* – To account for financing of goods and services provided by one department to other departments of the City on a cost-reimbursement basis.

#### CITY OF EL SEGUNDO STATEMENT OF NET POSITION – PROPRIETARY FUNDS JUNE 30, 2023

	Business-Type Activities - Enterprise Funds								
								١	lonmajor
								E	interprise
									Funds
								El Se	gundo Senior
								Citiz	en Housing
						Golf		C	orporation
		Water		Sewer		Course		Decer	nber 31, 2022
ASSETS									
Current Assets:									
Cash and Investments	\$	41,839,568	\$	6,773,507	\$		-	\$	507,932
Accounts Receivable		5,744,031		874,218			-		4,000
Inventories		36,279		-			-		-
Prepaids							-		41,763
Total Current Assets		47,619,878		7,647,725			-		553,695
Noncurrent Assets:									
Advances to Other Funds		-		-			-		-
Restricted Cash		140,303		90,785			-		1,172,490
Capital Assets, Not Being Depreciated/Amortized		14,584		-			-		-
Capital Assets, Net of Depreciation/Amortization		12,228,801		10,094,709			-		353,792
Total Noncurrent Assets		12,383,688		10,185,494			_		1,526,282
Total Assets		60,003,566		17,833,219			-		2,079,977
DEFERRED OUTFLOWS OF RESOURCES									
Deferred Outflows of Resources Related to Pension		833,448		501,003			-		-
Deferred Outflows of Resources Related to OPEB		91,903		71,298			_		
Total Deferred Outflows of Resources		925,351		572,301			-		

#### CITY OF EL SEGUNDO STATEMENT OF NET POSITION – PROPRIETARY FUNDS (CONTINUED) JUNE 30, 2023

	Business-Type Activities - Enterprise Funds Total		overnmental Activities - Internal ervice Funds
ASSETS	-		_
Current Assets:			
Cash and Investments	\$	49,121,007	\$ 18,200,179
Accounts Receivable		6,622,249	67,626
Inventories		36,279	-
Prepaids		41,763	-
Total Current Assets		55,821,298	18,267,805
Noncurrent Assets:			
Advances to Other Funds		-	5,577,910
Restricted Cash		1,403,578	-
Capital Assets, Not Being Depreciated/Amortized		14,584	-
Capital Assets, Net of Depreciation/Amortization		22,677,302	2,959,356
Total Noncurrent Assets		24,095,464	8,537,266
Total Assets		79,916,762	26,805,071
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources Related to Pension		1,334,451	232,475
Deferred Outflows of Resources Related to OPEB		163,201	15,399
Total Deferred Outflows of Resources		1,497,652	247,874

#### CITY OF EL SEGUNDO STATEMENT OF NET POSITION – PROPRIETARY FUNDS (CONTINUED) JUNE 30, 2023

Nomajor Enterprise   Puds   Puds		Business-Type Activities - Enterprise Funds								
Current Liabilities:			Water		Sewer			El Se Citiz C	interprise Funds gundo Senior zen Housing orporation	
Accounts Payable         \$ 4,378,524         \$ 134,910         \$ 6,144           Accrued Liabilities         73,789         42,202         -         -           Unearned Revenue         -         -         -         -         8,384           Deposits Payable         134,215         -         -         69,222           Claims and Judgments, Current Portion         76,346         49,265         -         -         -           Compensated Absences, Current Portion         76,346         49,265         -         -         -           Leases Payable, Current Portion         114,495         74,085         -         -         -           Pension Obligation Bonds, Current Portion         114,495         74,085         -         -         -         -           Total Current Liabilities:         4,777,369         300,462         -         83,750           Noncurrent Liabilities:         -	LIABILITIES									
Accrued Liabilities   73,789   42,202	Current Liabilities:									
Unearned Revenue         -         -         -         8,384           Deposits Payable         134,215         -         69,222           Claims and Judgments, Current Portion         -         -         -         -           Compensated Absences, Current Portion         76,346         49,265         -         -           Leases Payable, Current Portion         -         -         -         -         -           Pension Obligation Bonds, Current Portion         114,495         74,085         -         -         -           Total Current Liabilities         4,777,369         300,462         -         83,750           Noncurrent Liabilities:         -<	Accounts Payable	\$	4,378,524	\$	134,910	\$	-	\$	6,144	
Deposits Payable         134,215         -         69,222           Claims and Judgments, Current Portion         -         -         -           Compensated Absences, Current Portion         76,346         49,265         -         -           Leases Payable, Current Portion         -         -         -         -           Pension Obligation Bonds, Current Portion         114,495         74,085         -         -         -           Total Current Liabilities         4,777,369         300,462         -         83,750           Noncurrent Liabilities:         -         -         -         -         -           Advances from Other Funds         -         -         -         -         -         -           Claims and Judgments         -         <	Accrued Liabilities		73,789		42,202		-		-	
Claims and Judgments, Current Portion   Compensated Absences, Current Portion   76,346   49,265	Unearned Revenue		-		-		-		8,384	
Compensated Absences, Current Portion         76,346         49,265         -         -           Leases Payable, Current Portion         1         -         -         -           Pension Obligation Bonds, Current Portion         114,495         74,085         -         -           Total Current Liabilities         4,777,369         300,462         -         83,750           Noncurrent Liabilities:         -         -         -         -         83,750           Noncurrent Liabilities:         - <td< td=""><td>Deposits Payable</td><td></td><td>134,215</td><td></td><td>-</td><td></td><td>-</td><td></td><td>69,222</td></td<>	Deposits Payable		134,215		-		-		69,222	
Leases Payable, Current Portion	Claims and Judgments, Current Portion		-		-		-		-	
Pension Obligation Bonds, Current Portion Total Current Liabilities	Compensated Absences, Current Portion		76,346		49,265		-		-	
Noncurrent Liabilities	Leases Payable, Current Portion		-		-		-		-	
Noncurrent Liabilities:   Advances from Other Funds	Pension Obligation Bonds, Current Portion		114,495		74,085		-			
Advances from Other Funds	Total Current Liabilities		4,777,369		300,462	,	-		83,750	
Claims and Judgments         -	Noncurrent Liabilities:									
Compensated Absence         30,038         8,260         -	Advances from Other Funds		-		-		-		-	
Pension Bonds Payable         2,280,303         1,387,739         -	Claims and Judgments		-		-		-		-	
Aggregate Net Pension Liability       794,995       477,887       -	Compensated Absence		30,038		8,260		-		-	
Net Other Postemployment Benefit Liability         884,502         686,193         -	Pension Bonds Payable		2,280,303		1,387,739		-		-	
Total Noncurrent Liabilities         3,989,838         2,560,079         -         -           Total Liabilities         8,767,207         2,860,541         -         83,750           DEFERRED INFLOWS OF RESOURCES           Deferred Inflows of Resources Related to OPEB         70,646         54,807         -         -         -           Total Deferred Inflows of Resources         70,646         54,807         -         -         -           NET POSITION         Net Investment in Capital Assets         12,238,045         10,092,372         -         353,792           Unrestricted (Deficit)         39,853,019         5,397,800         -         1,642,435	Aggregate Net Pension Liability		794,995		477,887		-		-	
Total Liabilities         8,767,207         2,860,541         -         83,750           DEFERRED INFLOWS OF RESOURCES           Deferred Inflows of Resources Related to OPEB         70,646         54,807         -         -         -           Total Deferred Inflows of Resources         70,646         54,807         -         -         -           NET POSITION         Net Investment in Capital Assets         12,238,045         10,092,372         -         353,792           Unrestricted (Deficit)         39,853,019         5,397,800         -         1,642,435	Net Other Postemployment Benefit Liability		884,502		686,193		-		-	
DEFERRED INFLOWS OF RESOURCES           Deferred Inflows of Resources Related to OPEB         70,646         54,807         -         -         -           Total Deferred Inflows of Resources         70,646         54,807         -         -         -           NET POSITION           Net Investment in Capital Assets         12,238,045         10,092,372         -         353,792           Unrestricted (Deficit)         39,853,019         5,397,800         -         1,642,435	Total Noncurrent Liabilities		3,989,838		2,560,079		-		-	
Deferred Inflows of Resources Related to OPEB Total Deferred Inflows of Resources         70,646         54,807         -	Total Liabilities		8,767,207		2,860,541		-		83,750	
Total Deferred Inflows of Resources         70,646         54,807         -         -           NET POSITION           Net Investment in Capital Assets         12,238,045         10,092,372         -         353,792           Unrestricted (Deficit)         39,853,019         5,397,800         -         1,642,435	DEFERRED INFLOWS OF RESOURCES									
NET POSITION         12,238,045         10,092,372         -         353,792           Unrestricted (Deficit)         39,853,019         5,397,800         -         1,642,435			70,646		54,807				-	
Net Investment in Capital Assets       12,238,045       10,092,372       -       353,792         Unrestricted (Deficit)       39,853,019       5,397,800       -       1,642,435	Total Deferred Inflows of Resources		70,646		54,807		-			
Unrestricted (Deficit)         39,853,019         5,397,800         -         1,642,435	NET POSITION									
	Net Investment in Capital Assets		12,238,045		10,092,372		-		353,792	
Total Net Position \$ 52,091,064 \$ 15,490,172 \$ - \$ 1,996,227	Unrestricted (Deficit)		39,853,019		5,397,800				1,642,435	
	Total Net Position	\$	52,091,064	\$	15,490,172	\$	_	\$	1,996,227	

#### CITY OF EL SEGUNDO STATEMENT OF NET POSITION – PROPRIETARY FUNDS (CONTINUED) JUNE 30, 2023

	Ē	siness-Type Activities - Enterprise unds Total	,	Governmental Activities - Internal Service Funds		
LIABILITIES						
Current Liabilities:						
Accounts Payable	\$	4,519,578	\$	1,558		
Accrued Liabilities		115,991		11,223		
Unearned Revenue		8,384		-		
Deposits Payable		203,437		-		
Claims and Judgments, Current Portion		-		4,493,894		
Compensated Absences, Current Portion		125,611		-		
Leases Payable, Current Portion		-		-		
Pension Obligation Bonds, Current Portion		188,580		<u>-</u>		
Total Current Liabilities		5,161,581		4,506,675		
Noncurrent Liabilities:						
Advances from Other Funds		-		-		
Claims and Judgments		-		16,096,106		
Compensated Absence		38,298		-		
Pension Bonds Payable		3,668,042		-		
Aggregate Net Pension Liability		1,272,882		221,750		
Net Other Postemployment Benefit Liability		1,570,695		148,204		
Total Noncurrent Liabilities		6,549,917		16,466,060		
Total Liabilities		11,711,498		20,972,735		
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows of Resources Related to OPEB		125,453		11,837		
Total Deferred Inflows of Resources		125,453		11,837		
NET POSITION						
Net Investment in Capital Assets		22,684,209		2,959,356		
Unrestricted (Deficit)		46,893,254		3,109,017		
Total Net Position	\$	69,577,463	\$	6,068,373		

#### CITY OF EL SEGUNDO STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS YEAR ENDED JUNE 30, 2023

	Business-Type Activities - Enterprise Funds								
OPERATING REVENUES	Water	Sewer	Golf Course	Nonmajor Enterprise Funds El Segundo Senior Citizen Housing Corporation December 31, 2022					
	\$ 32.971.210	\$ 5.178.951	\$ -	\$ 875,530					
Sales and Service Charges Interdepartmental Charges	\$ 32,971,210	\$ 5,178,951	Φ -	\$ 875,530					
Miscellaneous	30,901	-	-	- 5,516					
Total Operating Revenues	33,002,111	5,178,951		881,046					
Total Operating Nevertues	33,002,111	3,170,931	-	001,040					
OPERATING EXPENSES									
Personnel Services	1,797,863	1,049,626	_	-					
Materials and Supplies	109,538	109,838	-	-					
Purchased Water/Utilities	24,403,010	-	-	155,595					
Insurance and Claims	1,000,000	500,000	-	115,023					
Contractual Services	176,316	1,697,214	-	183,500					
Repairs and Maintenance	252,745	262,866	-	218,760					
Administrative Cost	800,000	409,093	-	66,278					
Depreciation/Amortization	198,176	419,707		39,292					
Total Operating Expenses	28,737,648	4,448,344		778,448					
OPERATING INCOME (LOSS)	4,264,463	730,607	-	102,598					
NONOPERATING REVENUES (EXPENSES)									
Interest Revenue	748,792	125,500	-	20,219					
Interest Expense	(51,617)	(33,399)	-	-					
Loss on Disposal of Capital Assets	-	-	(6,161,043)	-					
Forgiveness of Debt			202,186						
Total Nonoperating Revenues (Expenses)	697,175	92,101	(5,958,857)	20,219					
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	4,961,638	822,708	(5,958,857)	122,817					
TRANSFERS									
Transfers In	81,538	_	5,229,689	_					
Transfers Out	-	(81,538)	-	-					
Total Transfers	81,538	(81,538)	5,229,689	-					
CHANGES IN NET POSITION	5,043,176	741,170	(729,168)	122,817					
Net Position - Beginning of Year	47,047,888	14,749,002	729,168	1,873,410					
NET POSITION - END OF YEAR	\$ 52,091,064	\$ 15,490,172	\$ -	\$ 1,996,227					

## CITY OF EL SEGUNDO STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS (CONTINUED) YEAR ENDED JUNE 30, 2023

OPERATING REVENUES Sales and Service Charges Interdepartmental Charges	usiness-Type Activities - Enterprise Funds Total	,	overnmental Activities - Internal rivice Funds
Miscellaneous  Total Operating Revenues	 36,417 39,062,108		933,571 8,780,410
OPERATING EXPENSES Personnel Services Materials and Supplies Purchased Water/Utilities	2,847,489 219,376 24,558,605		370,325 256,603
Insurance and Claims Contractual Services Repairs and Maintenance Administrative Cost Depreciation/Amortization Total Operating Expenses	1,615,023 2,057,030 734,371 1,275,371 657,175 33,964,440		9,391,761 - - - 658,803 10,677,492
OPERATING INCOME (LOSS)	5,097,668		(1,897,082)
NONOPERATING REVENUES (EXPENSES) Interest Revenue Interest Expense Loss on Disposal of Capital Assets Forgvieness of Debt Total Nonoperating Revenues (Expenses)	894,511 (85,016) (6,161,043) 202,186 (5,149,362)		108,876 - 108,876
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(51,694)		(1,788,206)
TRANSFERS Transfers In Transfers Out Total Transfers	5,311,227 (81,538) 5,229,689		(160,000) (160,000)
CHANGES IN NET POSITION	5,177,995		(1,948,206)
Net Position - Beginning of Year	64,399,468		8,016,579
NET POSITION - END OF YEAR	\$ 69,577,463	\$	6,068,373

#### CITY OF EL SEGUNDO STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS YEAR ENDED JUNE 30, 2023

	Business-Type Activities - Enterprise Funds							
		Water		Sewer		Golf Course	EI S Cit	Nonmajor Enterprise Funds egundo Senior izen Housing Corporation ember 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES								
Receipts from Customers and Users	\$	33,590,398	\$	5,184,702	\$	-	\$	-
Payments for Insurance Claims		-		-		-		878,110
Payments to Suppliers		(27,614,112)		(2,923,957)		-		(750,273)
Payments to Employees		(1,616,963)		(954,378)				
Net Cash Provided by Operating Activities		4,359,323		1,306,367		-		127,837
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Cash Receipts from (Payments to) Other Funds		81,538		(81,538)		(538,657)		_
Repayments of Bonds Payable		(111,095)		(71,885)		, ,		_
Interest Expense		(51,617)		(33,399)		-		_
Net Cash Used by Noncapital		, ,		, ,				
Financing Activities		(81,174)		(186,822)		(538,657)		-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES Acquisition and Construction of Capital Assets Proceeds From Disposition of Capital Assets		(1,032,389)		(594,052)		- -		- -
Net Cash Used by Capital and Related Financing Activities		(1,032,389)		(594,052)		-		-
CASH FLOWS FROM INVESTING ACTIVITIES Interest Received Net Cash Provided by Investing		748,791		125,500				20,219
Activities		748,791		125,500				20,219
NET CHANGE IN CASH AND CASH EQUIVALENTS		3,994,551		650,993		(538,657)		148,056
Cash and Cash Equivalents - Beginning of Year		37,985,320		6,213,299		538,657		1,532,366
CASH AND CASH EQUIVALENTS - END OF YEAR	\$	41,979,871	\$	6,864,292	\$		\$	1,680,422
CASH AND CASH EQUIVALENTS Cash and Investments Restricted Cash	\$	41,839,568 140,303	\$	6,773,507 90,785	\$	- -	\$	507,932 1,172,490
	\$	41,979,871	\$	6,864,292	\$		\$	1,680,422

#### CITY OF EL SEGUNDO STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED) YEAR ENDED JUNE 30, 2023

	Business-Type Activities - Enterprise Funds Total	Governmental Activities - Internal Service Funds		
CASH FLOWS FROM OPERATING ACTIVITIES  Receipts from Customers and Users  Payments for Insurance Claims  Payments to Suppliers  Payments to Employees  Net Cash Provided by Operating Activities	\$ 38,775,100 878,110 (31,288,342) (2,571,341) 5,793,527	\$ 8,920,124 (6,321,513) (256,603) (319,749) 2,022,259		
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES Cash Receipts from (Payments to) Other Funds Repayments of Bonds Payable Interest Expense Net Cash Used by Noncapital	(538,657) (182,980) (85,016)	(160,000) - -		
Financing Activities  CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES  Acquisition and Construction of Capital Assets Proceeds From Disposition of Capital Assets	(1,626,441)	(160,000) (527,811) 108,876		
Net Cash Used by Capital and Related Financing Activities  CASH FLOWS FROM INVESTING ACTIVITIES Interest Received Net Cash Provided by Investing	(1,626,441) 894,510	(418,935)		
Activities  NET CHANGE IN CASH AND CASH EQUIVALENTS	894,510 4,254,943	1,443,324		
Cash and Cash Equivalents - Beginning of Year  CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 50,524,585	16,756,855 \$ 18,200,179		
CASH AND CASH EQUIVALENTS Cash and Investments Restricted Cash	\$ 49,121,007 1,403,578 \$ 50,524,585	\$ 18,200,179 - \$ 18,200,179		

#### CITY OF EL SEGUNDO STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED) YEAR ENDED JUNE 30, 2023

			Busin	ess-Type Activ	/ities	- Enterprise F	unds					
	Water		Sewer		Golf Water Sewer Course						El So Citi C	Nonmajor Enterprise Funds egundo Senior izen Housing Corporation ember 31, 2022
RECONCILIATION OF OPERATING INCOME												
(LOSS) TO NET CASH PROVIDED BY												
OPERATING ACTIVITIES:												
Operating Income (Loss)	\$	4,264,463	\$	730,607	\$	-	\$	102,598				
Adjustments to Reconcile Operating Income (Loss)												
to Net Cash Provided by Operating Activities:												
Depreciation/Amortization		198,176		419,707		-		39,292				
(Increase) Decrease in:												
Accounts Receivable		588,287		5,751		-		(4,000)				
Inventory		22,415		-		-		-				
Prepaid Items		3,208		3,208		-		(9,816)				
Deferred Outflows of Resources - Pension		(702,839)		(422,491)		-		-				
Deferred Outflows of Resources - OPEB		29,003		22,500		-		-				
Increase (Decrease) in:												
Accounts Payable		(889,124)		54,641		-		(4,687)				
Accrued Liabilities		8,239		(2,795)		-		-				
Retentions Payable		(39,111)		-		-		-				
Unearned Revenue		-		-		-		1,064				
Deposits Payable		21,870		-		-		3,386				
Claims and Judgements		-		-		-		-				
Compensated Absences Payable		20,625		5,109		-		-				
Net Pension Liability		1,470,063		883,684		-		-				
Net Other Postemployment Liability		(17,311)		(13,429)		-		-				
Deferred Inflows of Resources - Pension		(571,422)		(343,493)		-		-				
Deferred Inflows of Resources - OPEB		(47,219)		(36,632)		-		-				
Total Adjustments		94,860		575,760		-		25,239				
Net Cash Provided by Operating Activities	\$	4,359,323	\$	1,306,367	\$	-	\$	127,837				
NONCASH INVESTING, CAPITAL												
AND FINANCING ACTIVITIES												
Transfer of Noncash Assets and Liabilities												
to the General Fund	\$		\$		\$	5,768,346	\$					

#### CITY OF EL SEGUNDO STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED) YEAR ENDED JUNE 30, 2023

RECONCILIATION OF OPERATING INCOME	Business-Type Activities - Enterprise Funds Total			overnmental Activities - Internal ervice Funds
(LOSS) TO NET CASH PROVIDED BY				
OPERATING ACTIVITIES:				
Operating Income (Loss)	\$	5,097,668	\$	(1,897,082)
Adjustments to Reconcile Operating Income (Loss)				
to Net Cash Provided by Operating Activities:				
Depreciation/Amortization		657,175		658,803
(Increase) Decrease in:				
Accounts Receivable		590,038		139,714
Inventory		22,415		-
Prepaid Items		(3,400)		-
Deferred Outflows of Resources - Pension		(1,125,330)		(194,978)
Deferred Outflows of Resources - OPEB		51,503		4,860
Increase (Decrease) in:				
Accounts Payable		(839,170)		(58,406)
Accrued Liabilities		5,444		(31,346)
Retentions Payable		(39,111)		-
Unearned Revenue		1,064		-
Deposits Payable		25,256		-
Claims and Judgements		-		3,160,000
Compensated Absences Payable		25,734		-
Net Pension Liability		2,353,747		415,558
Net Other Postemployment Liability		(30,740)		(2,901)
Deferred Inflows of Resources - Pension		(914,915)		(164,051)
Deferred Inflows of Resources - OPEB		(83,851)		(7,912)
Total Adjustments		695,859		3,919,341
Net Cash Provided by Operating Activities	\$	5,793,527	\$	2,022,259
		_		_
NONCASH INVESTING, CAPITAL				
AND FINANCING ACTIVITIES				
Transfer of Noncash Assets and Liabilities	_		_	
to the General Fund	\$	5,768,346	\$	

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## NOTES TO THE FINANCIAL STATEMENTS

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#### NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### Financial Reporting Entity

The City was incorporated on January 18, 1917, under the laws of the state of California and enjoys all the rights and privileges applicable to a general law city. The City is governed by an elected five-member board.

#### **Blended Component Unit**

Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government.

The El Segundo Senior Citizen Housing Corporation, dba: Park Vista (the Corporation), is a California nonprofit public benefit corporation created by the City of El Segundo in 1984 to operate a low income senior apartment complex. The apartment complex was built and funded by the City. In 1987, the complex was ready for occupancy. Rather than operate the complex as a fund of the City, the City elected to form the Corporation to facilitate better communication with the residents who live there. The Corporation is managed by a seven-member Board of Directors, appointed by the City Council, all of whom are unpaid volunteers. The City is financially accountable and has the ability to impose its will on the Corporation which has the potential to provide specific financial benefits to, or impose specific financial burdens on, the City. The City is the sole corporate member of the Corporation, as identified in the Corporation's articles of incorporation. As such, the activities of the Corporation are presented as a blended component unit in the proprietary fund financial statements as a nonmajor enterprise fund.

The Corporation's fiscal year end is December 31, which is different than the City's fiscal year-end. Separate financial statements may be obtained at City Hall, City of El Segundo, 350 Main Street, El Segundo, CA 90245.

#### **Basis of Accounting and Measurement Focus**

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

The statement of net position reports separate sections for Deferred Outflows of Resources and Deferred Inflows of Resources, when applicable.

## NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Basis of Accounting and Measurement Focus (Continued)

Deferred Outflows of Resources – represent outflows of resources (consumption of net assets) that apply to future periods and that, therefore, will not be recognized as an expense until that time. The City has items related to pensions and OPEB that qualify for reporting in this category.

Deferred Inflows of Resources – represent inflows of resources (acquisition of net assets) that apply to future periods and that, therefore, are not recognized as revenue until that time. The City has items related to unavailable revenues, leases, public private partnerships, pensions, and OPEB that qualify for reporting in this category.

#### Government-Wide Financial Statements

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

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

- Charges for Services
- Operating Grants and Contributions
- Capital Grants and Contributions

Certain eliminations have been made in regard to interfund activities, payables, and receivables. All internal balances in the statement of net position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the statement of activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due from and to Other Funds
- Transfers In and Out

## NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Basis of Accounting and Measurement Focus (Continued)**

#### Governmental Fund Financial Statements

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

Revenues are 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 these purposes, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property taxes, other local taxes, franchise fees, forfeitures and penalties, motor license fees, rents and concessions, interest revenue, and state and federal grants and subventions. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Reconciliations of the fund financial statements to the government-wide financial statements are provided to explain the differences. Certain indirect costs are included as part of the program expenses reported for individual functions and activities.

The City's fund structure includes the following fund types:

- Special Revenue Funds are used to account for proceeds of specific revenue sources that are legally restricted or otherwise committed for specific purposes.
- Capital Projects Funds are used to account for resources restricted or assigned for capital improvements.
- ▶ <u>Debt Service Funds</u> are used to account for resources restricted or assigned for expenditure of principal and interest.

The City reports the following major governmental fund:

- ➤ General Fund The General Fund is used to account for and report all financial resources not accounted for and reported in another fund.
- ➤ <u>Pension Obligation Bonds Debt Service Fund</u> Accounts for the payments of interest and principal of the pension obligation bonds.

## NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Basis of Accounting and Measurement Focus (Continued)**

#### Proprietary Fund Financial Statements

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) are included on the statement of net position. The statement of revenues, expenses, and changes in net position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

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 proprietary funds are charges to customers for sales and services. Operating expenses for the proprietary funds include the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

A separate column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities and business-type activities in the government-wide financial statements. The City's internal service funds include three individual funds which provide services directly to other City funds. These areas of service include general liability, workers' compensation, and equipment replacement.

The City reports the following proprietary funds:

#### Enterprise Funds

- Water Fund The Water Fund, which is reported as a major fund, accounts for water utility revenues, including service fees and installation charges, and all expenses related to the construction and maintenance of the City's water distribution system.
- Sewer Fund The Sewer Fund, which is reported as a major fund, accounts for user charges, fees, and all operating costs associated with the operation, maintenance, upgrade, and periodic reconstructions of the City's wastewater collection system.
- ➤ Golf Course Fund The Golf Course Fund, which was previously reported as a major fund, accounted for revenues from user fees and expenses incurred for the operation and maintenance of "The Lakes at El Segundo" golf facility. In fiscal year 2022-23, as a result of the ground lease agreement (Note 4) and public-private partnership (Note 5), the Golf Course Fund became one of the City's General Fund components.
- Nonmajor Enterprise Funds Accounts for revenues and expenses of the aggregate nonmajor enterprise funds.

## NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Basis of Accounting and Measurement Focus (Continued)

#### Internal Service Funds

The Internal Service Funds account for financing of goods and services provided by one department to other departments of the City on a cost-reimbursement basis.

#### Adoption of New Accounting Standards

### GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements

In March 2020, the GASB issued GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. This standard provides accounting and financial reporting requirements for public-private and public-public partnership arrangements (PPPs) that either meet the definition of an SCA or are not within the scope of Statement 87, as amended. This standard also provides guidance for accounting and financial reporting for availability payment arrangements (APAs), which are arrangements in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The City adopted the requirements of the requirements of the guidance effective July 1, 2022, and has applied the provisions of this standard to the beginning of the period of adoption. There was no change to the beginning net position as a result of the implementation of this standard.

#### Adoption of New Accounting Standards

#### GASB Statement No. 96, Subscription-Based Information Technology Arrangements

In May 2020, the GASB issued GASB Statement No. 96, Subscription-Based Information Technology Arrangements. This standard defines a subscription-based information technology arrangement (SBITA); establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA.

The City adopted the requirements of the requirements of the guidance effective July 1, 2022, and has applied the provisions of this standard to the beginning of the period of adoption. There was no change to the beginning net position as a result of the implementation of this standard. The City is reporting subscription assets in Note 7 and subscription payables in Note 8.

## NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Cash and Investments**

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

Investments are stated at fair value (quoted market price or best available estimate thereof).

#### **Fair Value Measurement**

U.S. GAAP defines fair value, establishes a framework for measuring fair value, and establishes disclosure about fair value measurement. Investments, unless otherwise specified at fair value in the financial statements, are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Levels of inputs are as follows:

Level 1 – Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.

Level 2 – Inputs, other than quoted prices included in Level 1, that are observable for the assets or liabilities through corroboration with market data at the measurement date.

Level 3 – Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the assets or liabilities at the measurement date.

#### **Interfund Transactions**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due from/to other funds" (i.e., current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

#### **Inventories and Prepaid Items**

Inventories within the various fund types consist of materials and supplies which are valued at cost on a first-in, first-out basis. Reported expenditures reflect the consumption method of recognizing inventory- related expenditures.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

A nonspendable fund balance has been reported in the governmental funds to show that inventories and prepaid items do not constitute "available spendable resources", even though they are a component of current assets.

## NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Capital Assets

In the government-wide financial statements, capital assets are recorded at cost where historical records are available and at an estimated original cost where no historical records exist. Donated capital assets are valued at their acquisition value. City policy has set the capitalization threshold for reporting capital assets at \$5,000.

The City defines infrastructure assets as the basic physical assets that allow the City to function. The assets include streets, bridges, sidewalks, drainage systems, and lighting systems, etc. Each major infrastructure system can be divided into subsystems. For example, the street system can be subdivided into pavement, curb and gutters, sidewalks, medians, streetlights, landscaping, and land. These subsystems were not delineated in the basic financial statements. The appropriate operating department maintains information regarding the subsystems.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets acquired under capital lease are capitalized at the net present value of the total lease payments.

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

Buildings/Structures and Improvements	50 Years
Vehicles and Equipment	5 to 50 Years
Infrastructure	25 to 100 Years

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Subscription assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received form the SBITA vendor at the commencement of the SBITA term. Subscription assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

#### **Compensated Absences**

It is the City's policy to accrue annual leave when incurred in the government-wide financial statements and the proprietary funds. In governmental funds, the costs for annual leave that are expected to be liquidated with expendable available financial resources are reported as an expenditure and reported as a liability of the governmental fund only if they have matured.

## NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Compensated Absences (Continued)**

A liability is recorded for unused sick leave balances only to the extent that it is probable that the unused balances will result in termination payments. This is estimated by including in the liability the unused balances of employees currently entitled to receive termination benefits, as well as those who are expected to become eligible to receive termination benefits as a result of continuing their employment with the City. Other amounts of unused sick leave are excluded from the liability since their payment is contingent solely upon the occurrence of a future event (illness) which is outside the control of the City and the employee.

#### **Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans (Note 9). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

The following timeframes are used for pension reporting:

**CalPERS** 

Valuation Date June 30, 2021 Measurement Date June 30, 2022

Measurement Period July 1, 2021 to June 30, 2022

**PARS** 

Valuation Date June 30, 2022

Measurement Date September 30, 2022

Measurement Period October 1, 2021 to September 30, 2022

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

## NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Other Postemployment Benefits (OPEB) Plan

For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan (Note 9). For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments, which are reported at amortized cost.

The following timeframes are used for reported OPEB reporting:

Valuation Date June 30, 2021 Measurement Date June 30, 2023

Measurement Period July 1, 2022 to June 30, 2023

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

#### Claims Payable

Claims payable in the Internal Service Fund represents estimates of claims against the City. The estimated claims payable represents the City's best estimate of the amount to be paid on workers' compensation and general liability claims. Losses for claims incurred but not reported are also recorded if the probable amount of loss can be reasonably estimated.

#### **Long-Term Debt**

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the appropriate activities. Bond premium and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

The governmental fund financial statements do not present long-term liabilities. Consequently, long-term debt is shown as a reconciling item in the reconciliation of the governmental funds balance sheet to the government-wide statement of net position.

## NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Property Taxes**

Property taxes are attached as an enforceable lien on property at January 1. Taxes are levied on July 1 and are payable in two installments on December 10 and April 10. Any unpaid amounts at the end of the fiscal year are recorded as accounts receivable. The County of Los Angeles bills and collects the property taxes and substantially remits the amount due to the City in installments during the year. Historically, the City has received substantially all of the taxes levied within two years from the date they are levied. The County is permitted by state law (Article XIIIA of the California Constitution) to levy taxes at 1% of full market value (at time of purchase) and can increase the property's value no more than 2% per year.

#### **Net Position and Fund Balances**

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

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt and other payables that are attributable to the acquisition, construction, or improvement of those assets.

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

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

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

Nonspendable – Nonspendable fund balances are items that cannot be spent because they are not in spendable form, such as prepaid items and inventories, or items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan funds.

Restricted – Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors, such as through debt covenants, grantors, contributors, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation.

# NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Net Position and Fund Balances (Continued)**

Committed – Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the government imposes upon itself at its highest level of decision making, normally the governing body, and that remain binding unless removed in the same manner. The City Council is considered the highest authority for the City. Adoption of a resolution by the City Council is required to commit resources or to rescind the commitment.

Assigned – Assigned fund balances encompass the portion of net fund resources reflecting the government's intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. The City Council has authorized by resolution the City Finance Officer for that purpose.

Unassigned – This amount is for any portion of the fund balances that do not fall into one of the above categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

#### **Spending Policy**

#### Government-Wide Financial Statements and the Proprietary Fund Financial Statements

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

#### Governmental Fund Financial Statements

When expenditures are incurred for purposes for which all restricted, committed, assigned, and unassigned fund balances are available, the City's policy is to apply in the following order, except for instances wherein an ordinance specifies the fund balance:

- Restricted
- Committed
- Assigned
- Unassigned

#### Use of Estimates

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

# NOTE 2 BUDGETARY COMPLIANCE AND DEFICIT FUND BALANCES

# **Excess of Expenditures Over Appropriations**

The following funds had expenditures in excess of appropriations:

						Excess of penditures Over
	Ap	propriations	E	cpenditures	Apı	propriations
Major Governmental Funds:						
General Fund						
General Government:						
City Council	\$	253,018	\$	257,563	\$	(4,545)
City Attorney		770,450		1,072,592		(302,142)
Public Safety:						
Animal Control		30,250		33,137		(2,887)
Public Works:						
Administration		229,379		259,108		(29,729)
Government Buildings		2,194,063		2,197,135		(3,072)
Streets		2,102,864		2,149,500		(46,636)
Storm Drain		177,853		224,835		(46,982)
Community and Cultural:						
Health		79,028		176,723		(97,695)
Capital Outlay		58,200		865,507		(807,307)
Debt Service:						
Principal Retirement		-		653,235		(653,235)
Interest		-		142,702		(142,702)

# NOTE 2 BUDGETARY COMPLIANCE AND DEFICIT FUND BALANCES (CONTINUED)

# **Excess of Expenditures Over Appropriations (Continued)**

						Excess of xpenditures
						Over
	App	propriations	Ex	penditures	Аp	propriations
Nonmajor Governmental Funds:						
Certified Union Program Agencies						
Special Revenue Fund						
Community and Cultural	\$	559,643	\$	578,582	\$	(18,939)
Measure R Special Revenue Fund						
Capital Outlay		600,000		689,580		(89,580)
Federal Grants Special Revenue Fund						
Public Safety		29,149		2,015,882		(1,986,733)
Transfer Out		-		5,742		(5,742)
State Grants Special Revenue Fund						
Public Safety		3,200		8,418		(5,218)
Community and Cultural		50,000		68,197		(18,197)
Special Revenues/Donations						
Special Revenue Fund						
Public Safety		-		4,811		(4,811)
Community and Cultural		5,971		104,227		(98,256)
Measure B Special Revenue Fund						
Capital Outlay		-		60,383		(60,383)
Facility Loan Debt Service Fund						
General Government		-		17,656		(17,656)

Evenes of

#### **Deficit Fund Balances and Net Positions**

Funds with deficit fund balances and net position at June 30, 2023 are as follows:

	 Deficit
Federal Grants Special Revenue Fund	\$ 150,449
Measure B Special Revenue Fund	60,383
Liability Insurance Internal Service Fund	6,604,610
Workers' Compensation Internal Service Fund	3,892,287

The City expects to eliminate the Special Revenue Fund deficits when future reimbursements are received from granting agencies. The Liability Insurance and Workers' Compensation Internal Service Fund deficits are expected to be eliminated through future interdepartmental charges.

For the year ended June 30, 2023, the Governmental Activities of the City reported a deficit unrestricted net position of \$(110,637,114). This deficit is largely a result of the implementation of GASB Statement No. 68 in 2015 and GASB Statement No. 75 in 2018 that required the City to report aggregate net pension liabilities and net OPEB liability on the financial statements. At June 30, 2023, the City has an aggregate net pension liability and a net OPEB liability of \$27,719,222 and \$30,348,979, respectively, that is payable from Governmental Activities.

#### NOTE 3 CASH AND INVESTMENTS

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

#### **Primary Government**

Cash and investments as of June 30, 2023 are classified in the accompanying financial statements as follows:

	Government-v		
	of Net	Position	
	Governmental		
	Activities	Activities	Total
Cash and Investments	\$ 92,592,024	\$ 49,121,007	\$ 141,713,031
Restricted Cash	12,821,180	1,403,578	14,224,758
Total Cash and Investments	\$ 105,413,204	\$ 50,524,585	\$ 155,937,789

Cash and investments, excluding cash held by the El Segundo Senior Citizen Housing Corporation, as of June 30, 2023 consist of the following:

\$

12.512

Cash and	Cash	Equiva	ents:
Petty Ca	ash		

1 City Guon	Ψ 12,012
Demand Deposits	14,306,076
Restricted Cash in Section 115 Pension Trust	4,795,810
Total Cash and Cash Equivalents	19,114,398
Investments:	
Money Market Mutual Funds	8,256,458
CAMP	5,184,815
CalTrust	997,516
Corporate Notes	24,005,280
Negotiable Certificates of Deposit	38,082,360
Local Agency Investment Fund	3,582,945
State Obligations	4,372,825
U.S. Treasury Bills	46,474,300
U.S. Government Sponsored Enterprise Securities	5,358,960
Total Investments	136,315,459
Total Cash and Investments	\$ 155,429,857

# Blended Component Unit

Cash held by the El Segundo Senior Citizen Housing Corporation as of December 31, 2022 consist of the following:

Deposits with Financial Institutions	\$	507,932
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# NOTE 3 CASH AND INVESTMENTS (CONTINUED)

#### **Deposits**

The carrying amounts of the City's demand deposits were \$14,306,076 at June 30, 2023. Bank balances at that date were \$4,779,892, the total amount of which was collateralized or insured with accounts held by the pledging financial institutions in the City's name as discussed below.

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

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

The City follows the practice of pooling cash and investments of all funds. Interest income earned on pooled cash and investments is allocated on an accounting period basis to the various funds based on the period-end cash and investment balances.

#### <u>Investments</u>

Under the provision of the City's investment policy, and in accordance with California Government Code, the following investments are authorized:

		Maximum	Maximum
	Maximum	Percentage	Investment in
Authorized Investment Type	Maturity	of Portfolio *	One Issuer
United States Treasury Obligations	5 Years	No Limit	No Limit
U.S. Government Sponsored Enterprise Securities	5 Years	No Limit	No Limit
State and Local Agency Bonds	5 Years	No Limit	1%
Negotiable Certificates of Deposit	5 Years	30%	\$250K
Local Agency Investment Fund (LAIF)	N/A	No Limit	\$75M
Nonnegotiable Certificates of Deposits	5 Years	No Limit	\$250K
Medium-Term Notes	5 Years	30%	1%
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Supranational Obligations	5 Years	30%	1%
County Pooled Investment Funds	N/A	No Limit	50%
Joint Powers Authority Pool	N/A	No Limit	50%

N/A - Not Applicable

<sup>\*</sup> Excluding amounts held by bond trustees that are not subject to California Government Code restrictions.

# NOTE 3 CASH AND INVESTMENTS (CONTINUED)

# **Investments (Continued)**

# Investment in State Investment Pool

The City is a participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the state of California. The City's investments with LAIF at June 30, 2023, included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities:

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

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

As of June 30, 2023, the City had \$3,582,945 invested in LAIF, which had invested 1.46% of the pool investment funds in Structured Notes and Asset-Backed Securities.

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 prorate 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 Section 115 Pension Trust

The City established a trust account with Charels Schwab Trust Bank to hold assets that are legally restricted for use in administering the City's CalPERS pension plans. The Section 115 Pension Trust's specific cash and investments are managed by a third-party portfolio manager under guidelines approved by the City.

#### Investment in California Asset Management Program (CAMP)

The City is a voluntary participant in the California Asset Management Program (CAMP) that is regulated by the California Government Code. 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 CAMP for the entire CAMP portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by CAMP, which are recorded on an amortized cost basis.

# NOTE 3 CASH AND INVESTMENTS (CONTINUED)

# **Fair Value Measurement**

As of June 30, 2023, investments are reported at fair value. The following table presents the fair value measurements of investments on a recurring basis and the levels with GASB 72 fair value hierarchy in which the fair value measurements fall at June 30, 2023:

	Measurement Input								
	Significant	_							
	Other Observable								
Investment Type	Inputs (Level 2)	Uncategorized	Total						
Money Market Mutual Funds	\$ -	\$ 8,256,458	\$ 8,256,458						
CAMP	-	5,184,815	5,184,815						
CalTrust	-	997,516	997,516						
Corporate Notes (1)	24,005,280	-	24,005,280						
Negotiable Certificates of Deposit (1)	38,082,360	-	38,082,360						
Local Agency Investment Fund	-	3,582,945	3,582,945						
State Obligations (1)	4,372,825	-	4,372,825						
U.S. Treasury Bills (1)	46,474,300	-	46,474,300						
U.S. Government Sponsored									
Enterprise Securities (1)	5,358,960		5,358,960						
Total	\$ 112,934,765	\$ 18,021,734	\$ 136,315,459						

<sup>&</sup>lt;sup>(1)</sup> Pricing based on Interactive Data Corporation

All investments classified in Level 2 of the fair value hierarchy are valued using specified fair market value factors or institutional bond quotes.

#### **Risk Disclosures**

#### Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits investments to a maximum maturity of five years. At June 30, 2023, the City had the following investment maturities:

			Investment Maturities (in Years)									
Investment Type	F	air Value	ı	Less Than 1 Year	1	to 2 Years	2	2 to 3 Years	3	to 4 Years	4	to 5 Years
Money Market Mutual Funds	\$	8,256,458	\$	8,256,458	\$	-	\$	_	\$	-	\$	-
CAMP		5,184,815		5,184,815		-		_		-		-
CalTrust		997,516		997,516		-		-		-		-
Corporate Notes		24,005,280		496,540		2,168,295		6,260,270		5,721,550		9,358,625
Negotiable Certificates of Deposit		38,082,360		4,328,998		8,632,597		10,808,710		6,687,154		7,624,901
Local Agency Investment Fund		3,582,945		3,582,945		-		_		-		-
State Obligations		4,372,825		2,933,930		1,438,895		-		-		-
U.S. Treasury Bills		46,474,300		-		9,764,100		9,132,800		9,010,200		18,567,200
U.S. Government Sponsored												
Enterprise Securities		5,358,960		3,422,575		1,936,385		_		-		-
Total	\$ 1	36,315,459	\$	29,203,777	\$	23,940,272	\$	26,201,780	\$	21,418,904	\$	35,550,726

#### NOTE 3 CASH AND INVESTMENTS (CONTINUED)

# **Risk Disclosures (Continued)**

#### Custodial Credit Risk

For deposits, custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the City 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. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer), the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

#### Concentration of Credit Risk

The City did not have any investments in any one issuer that represent 5% or more of the City's total investments as of June 30, 2023.

#### Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code or the City's investment policy and the actual rating (by Standard & Poor's) as of year-end for each investment type:

	Minimum						l lumata di an
	Legal				_		Unrated or
Investment Type	Rating	Total	 AAA	 AA	 A	BBB	Exempt (1)
Money Market Mutual Funds	Α	\$ 8,256,458	\$ 8,256,458	\$ -	\$ -	\$ -	\$ -
CAMP	N/A	5,184,815	5,184,815	-	-	-	-
CalTrust	N/A	997,516	997,516	-	-	-	-
Corporate Notes	Α	24,005,280	-	1,427,075	19,442,030	2,890,085	246,090
Negotiable Certificates of							
Deposit	Α	38,082,360	-	-	-	-	38,082,360
Local Agency Investment							
Fund	N/A	3,582,945	-	-	-	-	3,582,945
State Obligations	N/A	4,372,825	490,285	3,395,735	-	-	486,805
U.S. Treasury Bills	N/A	46,474,300	-	-	-	-	46,474,300
U.S. Government Sponsored							
Enterprise Securities	N/A	5,358,960	-	4,866,445	 	_	492,515
Total		\$ 136,315,459	\$ 14,929,074	\$ 9,689,255	\$ 19,442,030	\$ 2,890,085	\$ 89,365,015

(1) U.S. Treasury Bills are exempt from disclosure.

#### NOTE 4 LEASE RECEIVABLES

On February 6, 2021, the City (lessor) entered into a ground lease agreement with ES CenterCal, LLC, a Delaware limited liability company (lessee), who subleased the Premises to Topgolf for the purpose of operating a commercial driving range, full-service restaurant, clubhouse, and event space. The ground lease includes an initial term of 20 years. ES CenterCal will then have six options to extend the agreement by five-year increments, resulting in a potential total agreement term of 50 years. ES CenterCal will make the following payments to the General Fund: (1) \$108,333 monthly ground lease payments for the driving range from the Fixed Rent Commencement Date, with a 10% increase every five years, (2) \$200,000 annual payment as a community benefit contribution, and (3) 3% of the Gross Receipts from all beverages sold at the driving range with a minimum guarantee of \$200,000 annually, with a 10% increase every five years. On an annual basis, ES CenterCal is also required to fund a capital reserve fund at a minimum of \$160,000 for the driving range.

In addition to the ground lease noted above, the City, acting as lessor, leases land under long-term, noncancelable lease agreements. The leases expire at various dates through 2034 and provide for renewal options of up to 15 years. At June 30, 2023, the City has \$64,369,824 in both lease receivables and deferred inflows of resources in the General Fund.

During the year ended June 30, 2023, the City recognized \$95,177 and \$1,705,717 in lease revenue and interest revenue, respectively, pursuant to all of its lease contracts.

Total future minimum lease payments to be received under lease agreements are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 99,281	\$ 1,702,735	\$ 1,802,015
2025	76,243	1,699,881	1,776,125
2026	79,240	1,697,363	1,776,603
2027	120,806	1,694,317	1,815,124
2028	260,951	1,688,269	1,949,220
2029-2033	1,532,082	8,332,021	9,864,103
2034-2038	2,256,391	8,077,556	10,333,946
2039-2043	3,468,929	7,707,263	11,176,192
2044-2048	5,008,127	7,153,695	12,161,822
2049-2053	6,866,607	6,377,010	13,243,616
2054-2058	9,099,391	5,331,619	14,431,010
2059-2063	11,770,246	3,964,125	15,734,371
2064-2068	14,953,007	2,212,081	17,165,088
2069-2071	8,778,522	307,148	9,085,670
Total	\$ 64,369,824	\$ 57,945,082	\$ 122,314,907

#### NOTE 5 PUBLIC-PRIVATE PARTNERSHIP

In February 2021, together with the ground lease agreement with ES CenterCal, the City entered into a public-private partnership (PPP) arrangement with Topgolf, under which Topgolf will make certain improvements to, operate, maintain and retain the net profits from the City's Golf Course Facility during the term of the PPP arrangement, which commenced upon Topgolf's completion of the Golf Course Facility in April 2022 and is conterminous with the term of the ES CenterCal ground lease of potentially 50 years, unless earlier terminated. At the end of the arrangement, operation of the Golf Course Facility will be transferred to the City. The City reports the improvements to the Golf Course Facility as capital assets with a carrying amount and a related deferred inflow of resources of \$6,506,045 as of June 30, 2023.

At the end of each year during the PPP arrangement, Topgolf will remit \$20,000 per annum to the City, with a 10% every five years. At June 30, 2023, the City has recognized a PPP receivable and a deferred inflow of resources in the amount of \$782,830. The discount rate used to measure the receivable was 2.64%. The agreement requires variable payments related to revenue sharing arrangements based on future Gross Receipts from all beverages sold by Topgolf at the Golf Course Facility. Those variable payments are recognized as inflows of resources in the period in which the obligation for those payments relate. As of year ended June 30, 2023, the City has not received the variable payment as required by the agreement.

#### NOTE 6 NOTES AND LOANS RECEIVABLES

#### **Residential Rehabilitation Program**

The balance of notes receivable in the nonmajor governmental funds consists of minor home repair loans made to qualifying homeowners residing within the City. The balance at June 30, 2023, was \$49,405.

	В	alance					В	Balance	
	June 30, 2022 Additions				Del	etions	June 30, 2023		
Residential Rehabilitation Program:									
CDBG Loans	\$	49,405	\$		\$		\$	49,405	
Total	\$	49,405	\$	-	\$		\$	49,405	

#### NOTE 7 INTERFUND ACTIVITIES

# **Fund Financial Statements**

# **Due From/To Other Funds**

At June 30, 2023, the City had the following due from/to other funds:

	L	ue From
	Ot	her Funds
Due to Other Funds	Ge	neral Fund
Nonmajor Governmental Funds	\$	227,052

The interfund amounts from the General Fund to the Nonmajor Governmental Funds and the Nonmajor Enterprise Fund are for short-term loans to cover operations.

#### Advance From/To Other Funds

At June 30, 2023, the City has the following advance from/advance to other funds, which represents the advance from the Equipment Replacement Fund to fund cash flows in the previously reported Golf Course Enterprise Fund, which was absorbed into the General Fund in fiscal year 22-23:

	Ad	vance From
	0	ther Funds
		General
Advance to Other Funds		Fund
Equipment Replacement Internal Service	\$	5,557,910

#### Transfers In/Out

At June 30, 2023, the City had the following transfers in/out, which arise in the normal course of operations:

		Transfers In			
	Governmental Fund	ds	Enterpr		
	Pension				
	Obligation	Nonmajor			
General	Bonds Debt	Governmental		Golf	
Fund	Service Fund	Funds	Water	Course	Total
\$ -	\$ 9,497,694	\$ 4,145,420	\$ -	\$ 5,229,689	\$ 18,872,803
45,000	-	5,742	-	-	50,742
-	-	-	81,538	-	81,538
160,000					160,000
\$ 205,000	\$ 9,497,694	\$ 4,151,162	\$ 81,538	\$ 5,229,689	\$ 19,165,083
	General Fund  \$ - 45,000 - 160,000	Pension Obligation   Bonds Debt	Governmental Funds	Governmental Funds	Pension

# NOTE 7 INTERFUND ACTIVITIES (CONTINUED)

#### **Fund Financial Statements (Continued)**

Transfers In/Out (Continued)

Administratively, resources may be transferred from one City fund to another. The City made the following transfers:

- The General Fund transferred \$9,497,694 to the Pension Obligation Bonds Debt Service Fund for debt service payments.
- The General Fund transferred \$4,145,420 to Capital Improvement Nonmajor Capital Projects Fund to fund capital projects.
- The General Fund transferred \$5,229,689 to the Golf Course Enterprise Fund to absorb all the current assets, current liabilities, and advances from other funds to close the Golf Course Proprietary Fund.
- The Traffic Safety Nonmajor Special Revenue Fund transferred \$45,000 to the General Fund for eligible expenditures.
- The Federal Grants Nonmajor Special Revenue Fund transferred \$5,742 to the State Grants Nonmajor Special Revenue Fund for funding that should have been recorded as a state grant.
- The Sewer Enterprise Fund transferred \$81,538 to the Water Enterprise Fund to fund capital projects.
- The Equipment Replacement Internal Service Fund transferred \$160,000 to the General Fund to fund capital projects.

#### NOTE 8 CAPITAL ASSETS

# **Governmental Activities**

A summary of changes in capital assets for the governmental activities for the year ended June 30, 2023 was as follows:

	Governmental Activities								
	Balance								
	June 30, 2022	Business-Type			Balance				
	As Restated (1)	Activities	Additions	Deletions	June 30, 2023				
Capital Assets, Not									
Being Depreciated:									
Land and Rights of Way	\$ 29,522,040	\$ 5,999,980	\$ -	\$ -	\$ 35,522,020				
Construction in Progress	2,063,479	-	4,208,310	(1,887,492)	4,384,297				
Total Capital Assets,									
Not Being Depreciated	31,585,519	5,999,980	4,208,310	(1,887,492)	39,906,317				
Capital Assets, Being									
Depreciated/Amortized:									
Buildings and Improvements	39,321,221	-	1,144,345	-	40,465,566				
Vehicles and Equipment	24,527,127	-	796,811	(599,239)	24,724,699				
Infrastructure	95,613,084	-	612,215	-	96,225,299				
Right-to-Use Lease Land	10,680	202,186	-	-	212,866				
Right-to-Use Lease									
Vehicles and Equipment	167,984	-	-	-	167,984				
Right-to-Use PPP Assets	-	-	6,834,835	-	6,834,835				
Subscription Assets	454,957		804,887		1,259,844				
Total Capital Assets, Being			-						
Depreciated/Amortized	160,095,053	202,186	10,193,093	(599,239)	169,891,093				
Less Accumulated									
Depreciation/Amortization:									
Buildings and Improvements	(21,893,205)	-	(821,532)	-	(22,714,737)				
Vehicles and Equipment	(19,246,654)	-	(1,107,985)	599,239	(19,755,400)				
Infrastructure	(53,199,726)	-	(2,557,487)	-	(55,757,213)				
Right-to-Use Lease Land	(1,602)	(41,123)	(2,136)	-	(44,861)				
Right-to-Use Lease									
Vehicles and Equipment	(62,188)	-	(99,132)	(5,573)	(166,893)				
Right-to-Use PPP Assets	-	-	(328,790)	-	(328,790)				
Subscription Assets		_	(411,762)		(411,762)				
Total Accumulated									
Depreciation/Amortization	(94,403,375)	(41,123)	(5,328,824)	593,666	(99,179,656)				
Total Capital Assets, Being									
Depreciated/Amortized, Net	65,691,678	161,063	4,864,269	(5,573)	70,711,437				
Governmental Activities									
Capital Assets, Net	\$ 97,277,197	\$ 6,161,043	\$ 9,072,579	\$ (1,893,065)	\$ 110,617,754				

<sup>(1)</sup> The beginning balance was restated due to the implementation of GASB Statement No. 96. See Note 1.

# NOTE 8 CAPITAL ASSETS (CONTINUED)

# **Governmental Activities (Continued)**

Depreciation and amortization expenses were charged to functions/programs of the governmental activities for the year ended June 30, 2023 as follows:

General Government	\$ 1,173,248
Public Safety	514,009
Public Works	2,717,322
Community and Cultural	924,245
Total Depreciation and Amortization Expense	\$ 5,328,824

# **Business-Type Activities**

A summary of changes in capital assets for the business-type activities, not including the El Segundo Senior Citizen Housing Corporation, for the year ended June 30, 2023 was as follows:

	E	Business-Type Act	ivities, Not Includi	ing the Corporatio	n
		Transfer to			
	Balance	Governmental			Balance
	June 30, 2022	Activities	Additions	Deletions	June 30, 2023
Capital Assets, Not Being Depreciated: Land	\$ 5,999,980	\$ (5,999,980)	\$ -	\$ -	\$ -
Construction in Progress	1,000,704	Ψ (0,000,000)	1,626,443	(2,612,563)	14,584
Total Capital Assets, Not Being Depreciated	7,000,684	(5,999,980)	1,626,443	(2,612,563)	14,584
Capital Assets, Being Depreciated/Amortized:					
Buildings and Improvements Improvements Other	3,294,505	-	-	-	3,294,505
Than Buildings		-	- 	-	<del>-</del>
Vehicles and Equipment	853,007	-	594,052	-	1,447,059
Infrastructure	59,874,847	-	2,018,509	-	61,893,356
Right-to-Use Lease Land	202,186	(202,186)			<u> </u>
Total Capital Assets, Being Depreciated/Amortized	64,224,545	(202,186)	2,612,561	-	66,634,920
Less Accumulated Depreciation/Amortization:					
Buildings and Improvements	(3,294,505)	-	-	-	(3,294,505)
Vehicles and Equipment	(853,007)	-	(18,647)	-	(871,654)
Infrastructure	(39,546,015)	-	(599,236)	-	(40,145,251)
Right-to-Use Lease Land	(41,123)	41,123			
Total Accumulated					
Depreciation/Amortization	(43,734,650)	41,123	(617,883)		(44,311,410)
Total Capital Assets, Being Depreciated/Amortized, Net	20,489,895	(161,063)	1,994,678		22,323,510
Business-Type Activities Capital Assets, Net	\$ 27,490,579	\$ (6,161,043)	\$ 3,621,121	\$ (2,612,563)	\$ 22,338,094

# NOTE 8 CAPITAL ASSETS (CONTINUED)

# **Business-Type Activities (Continued)**

Depreciation and amortization expenses for business-type activities, not including the Corporation, for the year ended June 30, 2023, was charged as follows:

Water	\$ 198,176
Sewer	419,707
Total Depreciation and Amortization Expense	\$ 617,883

# **Blended Component Unit**

A summary of changes in capital assets for the El Segundo Senior Citizen Housing Corporation for the year ended December 31, 2022, was as follows:

	El Segundo Senior Citizen Housing Corporation										
		Balance						Balance			
	Jan	uary 1, 2022		Additions		Deletions	De	cember 31, 2022			
Capital Assets, Being Depreciated:											
Buildings and Improvements	\$	1,046,041	\$	-	\$	-	\$	1,046,041			
Furniture and Equipment		321,057				-		321,057			
Total Capital Assets, Being											
Depreciated		1,367,098		-		-		1,367,098			
Less Accumulated Depreciation:											
Buildings and Improvements		(681,443)		(34,370)		-		(715,813)			
Furniture and Equipment		(292,571)		(4,922)		-		(297,493)			
Total Accumulated Depreciation		(974,014)		(39,292)	_	-		(1,013,306)			
Total Capital Assets, Being											
Depreciated, Net		393,084		(39,292)		-		353,792			
Total Capital Assets, Net	\$	393,084	\$	(39,292)	\$	_	\$	353,792			

Depreciation expenses for the Corporation for the fiscal year ended December 31, 2022, was \$39,292.

#### NOTE 9 LONG-TERM LIABILITIES

A summary of changes in long-term liabilities for the year ended June 30, 2023, was as follows:

		Balance ne 30, 2022	Bus	nsfer From iness-Type				5		Balance		Due within		ue in more	
	As	Restated (1)		Activities		Additions		Deletions		June 30, 2023		One Year		than One Year	
Governmental Activities:															
Direct Borrowings: Financed Purchase Obligation:															
•	\$	4 000 E77	•		Φ.		•	GE 41E	æ	1 055 160	Φ.	70.004	Φ.	1 705 150	
2003 Parking Structure Loan Obligation:	ф	1,920,577	\$	-	\$	-	\$	65,415	\$	1,855,162	\$	70,004	\$	1,785,158	
•															
2005 Douglas Street Gap Closure Project		5,842,713						344,975		5,497,738		354,876		5,142,862	
Other Long-Term Debt:		5,642,713		-		•		344,975		5,497,736		334,676		5,142,002	
Pension Obligation Bonds		140,095,398						6,352,020		133,743,378		6,546,420		127,196,958	
Leases Payable		117.088		202,186		-		186.245		133,029		85.704		47.325	
Subscriptions Payable		454,957		202,100		804,887		407,180		852.664		438,498		414.166	
Claims Payable		17,430,000				6.735.199		3,575,199		20.590.000		4.493.894		16,096,106	
Compensated Absences		4,985,186		_		1,235,151		1,521,329		4,699,008		2,751,718		1,947,290	
Total	\$	170,845,919	\$	202,186	\$	8,775,237	\$	12,452,363	\$ 1	167,370,979	\$	14,741,114	\$	152,629,865	
Total	<u> </u>	170,010,010	<u> </u>	202,100	Ψ	0,110,201	Ψ	12, 102,000	Ψ	101,010,010	Ψ	,,, ,	Ψ	102,020,000	
			Tr	ansfer To											
		Balance	Go	vernmental						Balance		Due within		Due in more	
	Ju	ne 30, 2022		Activities		Additions		Deletions	Ju	ne 30, 2023		One Year	th	an One Year	
Business-Type Activities:															
Compensated Absences	\$	138,176	\$	-	\$	151,344	\$	125,611	\$	163,909	\$	125,611	\$	38,298	
Pension Obligation Bonds		4,039,602		-		-		182,980		3,856,622		188,580		3,668,042	
Leases Payable		202,186		(202,186)		-		-		-		-			
Total	\$	4,379,964	\$	(202,186)	\$	151,344	\$	308,591	\$	4,020,531	\$	314,191	\$	3,706,340	

#### (1) Due to implementation of GASB No. 96.

Typically, the General Fund has been used to liquidate the liability for governmental activities compensated absences, the finance purchase obligation, leases payable, and subscriptions payable. The Pension Obligation Bonds Debt Service Fund has been used to liquidate the Pension Obligation Bonds. The Liability Insurance and Workers' Compensation Internal Service Funds has been used to liquidate claims payable. The Nonmajor Facility Lease Debt Service Fund has been used to liquidate the loan obligation.

The Water and Sewer Enterprise Funds typically liquidated the liability for business-type compensated absences.

#### Financed Purchase Obligation

#### 2003 Parking Structure

On June 18, 2002, the City entered into a finance purchase agreement with 612 Twin Holdings, LLC to acquire a two story, three level parking structure and certain retail space. The terms of the agreement include an initial payment of \$1,100,000, monthly payments of \$16,167 with an imputed interest rate of 6.80% for 408 months, and a purchase option for \$200,000 due on January 1, 2039.

#### NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

# **Financed Purchase Obligation (Continued)**

# 2003 Parking Structure (Continued)

The amount outstanding at June 30, 2023 totaled \$1,855,162. The annual debt service requirements on the finance purchase agreement are as follows:

Year Ending June 30,	Principal	Interest		Interest		Total	
2024	\$ 70,004	\$	123,996	-	\$ 194,000		
2025	74,916		119,084		194,000		
2026	80,172		113,828		194,000		
2027	85,797		108,204		194,001		
2028	91,816		102,184		194,000		
2029-2033	565,235		404,765		970,000		
2034-2038	887,222		171,612		1,058,834		
Total	\$ 1,855,162	\$	1,143,673		\$ 2,998,835		

# **Loan Obligation**

# 2005 Douglas Street Gap Closure Project

On September 1, 2005, the City entered into a loan agreement with the California Infrastructure and Economic Development Bank (CIEDB) whereby CIEDB issued bonds in the amount of \$10,000,000 to finance the Douglas Street Gap Closure Project. The City will make payments over a 30-year period starting on February 1, 2006, at an interest rate of 2.87% per annum. Interest payments on the lease obligation are due on February 1 and August 1 of each year.

The amount outstanding at June 30, 2023 totaled \$5,497,738. The annual debt service requirements on the loan are as follows:

<u>Year Ending June 30,</u>		Principal		Principal		Interest		Interest		Total
2024	\$	354,876	\$	152,693		\$ 507,569				
2025		365,061		142,361		507,422				
2026		375,538		131,734		507,272				
2027		386,316		120,801		507,117				
2028		397,404		109,555		506,959				
2029-2033		2,164,790		367,452		2,532,242				
2034-2036		1,453,753		63,371		1,517,124				
Total	\$	5,497,738	\$	1,087,967		\$ 6,585,705				

# NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

#### **Pension Obligation Bonds**

On May 26, 2021, the City issued \$144,135,000 of Taxable Pension Obligation Bonds, Series 2021 (POB), to fund a portion of the City's obligations to CalPERS for the unfunded actuarial accrued liability with respect to the City's miscellaneous and safety defined benefit pension plans. The City allocated the POB between governmental activities and business-type activities as follows:

Governmental Activities	\$ 133,743,378
Business-Type Activities	3,856,622_
Total	\$ 137,600,000

The POB is due from 2022 through 2040 in annual principal installments of \$6,535,000 to \$9,265,000. Interest rates range from 0.191% to 2.897% and interest is payable semi-annually on January 1 and July 1. The total outstanding principal as of June 30, 2023, is \$137,600,000. The total annual debt service requirements on the POB are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 6,735,000	\$ 3,023,796	\$ 9,758,796
2025	6,760,000	2,990,144	9,750,144
2026	6,805,000	2,937,614	9,742,614
2027	6,865,000	2,863,955	9,728,955
2028	6,945,000	2,769,475	9,714,475
2029-2033	36,665,000	11,802,478	48,467,478
2034-2038	41,305,000	6,972,414	48,277,414
2039-2041	25,520,000	1,119,680	26,639,680
Total	\$ 137,600,000	\$ 34,479,556	\$ 172,079,556

The annual debt service requirements will be allocated 97% to governmental activities and 3% to business-type activities.

#### Leases Payable

The City leases land, vehicles, and equipment for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2026 and provide for renewal options ranging up to one year. The right-to-use lease assets and the related accumulated amortization are detailed in Note 8. Total future minimum lease payments under lease agreements are as follows:

		Governmental Activities			
Year Ending June 30,	F	Principal	Ir	nterest	Total
2024	\$	85,704	\$	1,321	\$ 87,025
2025		45,025		600	45,625
2026		2,300		28	 2,328
Total	\$	133,029	\$	1,949	\$ 134,978

# NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

# **Subscription-Based Information Technology Arrangements**

The City entered into subscription based-information technology arrangements (SBITAs) for various software. The SBITA arrangements expire at various dates through 2026. The subscription assets and the related accumulated amortization are detailed in Note 8. The future subscription payments under SBITA agreements are as follows:

		Governmental Activities			
Year Ending June 30,	F	Principal	<u>Ir</u>	nterest	 Total
2024	\$	438,498	\$	6,399	\$ 444,897
2025		393,055		3,106	396,161
2026		21,111		164	 21,275
Total	\$	852,664	\$	9,669	\$ 862,333

#### NOTE 10 RETIREMENT PLANS

#### **Summary**

The following is the summary of the net pension (asset) liability and related deferred outflows of resources and deferred inflows of resources at June 30, 2023, and pension (credit) expense for the year then ended.

	Governmental Activities	Business-Type Activities	Total
Deferred Outflows of Resources:	Activities	Activities	Total
Miscellaneous	\$ 11,549,387	\$ 1,334,451	\$ 12,883,838
Safety	80,957,250	-	80,957,250
PARS	657,755	_	657,755
Total Deferred Outflows of Resources	\$ 93,164,392	\$ 1,334,451	\$ 94,498,843
Aggregate Net Pension Liabilities:			
Miscellaneous	\$ 11,016,522	\$ 1,272,882	\$ 12,289,404
Safety	14,766,473	-	14,766,473
PARS	1,936,227		1,936,227
Total Aggregate Net Pension Liabilities	\$ 27,719,222	\$ 1,272,882	\$ 28,992,104
Deferred Inflows of Resources:			
Miscellaneous	\$ -	\$ -	\$ -
Safety	53,459,900	-	53,459,900
PARS	-	-	-
Total Deferred Inflows of Resources	\$ 53,459,900	\$ -	\$ 53,459,900
Pension Expense:			
Miscellaneous	\$ 4,464,834	\$ 515,880	\$ 4,980,714
Safety	67,245,365	-	67,245,365
PARS	511,293		511,293
Total Pension Expense	\$ 72,221,492	\$ 515,880	\$ 72,737,372

The City elected to join PARS as a means to provide additional funding for the CalPERS Miscellaneous and Safety defined benefit pension plans. The General Fund contains the Section 115 Trust balance restricted cash balance of \$4,795,810 as of June 30, 2023.

# NOTE 10 RETIREMENT PLANS (CONTINUED)

#### California Public Employees' Retirement System (CalPERS)

#### **General Information about the Pension Plan**

#### Plan Descriptions

The City contributes to the California Public Employees Retirement System (CalPERS), an agent multiple-employer defined benefit pension plan for miscellaneous employees and a cost-sharing multiple-employer defined benefit plan for safety employees. CalPERS acts as a common investment and administrative agent for participating public entities within the state of California. Benefit provisions and all other requirements are established by state statute and City ordinance. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information as well as CalPERS' audited financial statements on the CalPERS website. under Forms and Publications.

#### Benefits Provided

CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. A classic CalPERS member or PEPRA Safety member becomes eligible for service retirement upon attainment of age 50 with at least five years of credited service. During the year ended June 30, 2013, the California's Public Employees' Pension Reform Act (PEPRA) went into effect. Employees hired after January 1, 2013 who are new to the CalPERS system are part of the PEPRA plan, PEPRA miscellaneous members become eligible for service retirement upon attainment of age 52 with at least five years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation. The final compensation is the monthly average of the member's highest 36 or 12 consecutive months' full-time equivalent monthly pay. Retirement benefits for classic miscellaneous employees are calculated as 2% of average final 12 months compensation. Retirement benefit for PEPRA miscellaneous employees are calculated as 2% of the average final 36 months compensation. Retirement benefits for classic safety employees are calculated as 3% of the average final 12 months compensation. Retirement benefits for PEPRA safety employees are calculated as 2.7% of average final 36 months.

# NOTE 10 RETIREMENT PLANS (CONTINUED)

# California Public Employees' Retirement System (CalPERS) (Continued)

# **General Information about the Pension Plan (Continued)**

Benefits Provided (Continued)

The following are the benefit provisions for each plan:

	Miscellaneous	
	Miscellaneous	PEPRA
Miscellaneous	Second Tier	Miscellaneous
Rate Plan	Rate Plan	Rate Plan
Prior to	Prior to	On or After
January 1, 2013	January 1, 2013	January 1, 2013
	Classic Member	New Member
2% @ 55	2% @ 60	2% @ 62
5 Years Service	5 Years Service	5 Years Service
Monthly for Life	Monthly for Life	Monthly for Life
Minimum 50 Years	Minimum 50 Years	Minimum 52 Years
	Safety - Police/Fire	
	Safety	PEPRA
Safety	Second Tier	Safety
Rate Plan	Rate Plan	Rate Plan
Prior to	Between	On or After
October 6, 2012	October 6, 2012 to	January 1, 2013
	December 31, 2012	New Member
	Classic Member	
Police - 3% @ 50 Fire - 3% @ 55	Police - 3% @ 55	2.7% @ 57
5 Years Service	5 Years Service	5 Years Service
Monthly for Life	Monthly for Life	Monthly for Life
	Rate Plan Prior to January 1, 2013  2% @ 55 5 Years Service Monthly for Life Minimum 50 Years  Safety Rate Plan Prior to October 6, 2012  Police - 3% @ 50 Fire - 3% @ 55 5 Years Service	Miscellaneous         Miscellaneous           Rate Plan         Rate Plan           Prior to         Prior to           January 1, 2013         January 1, 2013           Classic Member         2% @ 60           5 Years Service         5 Years Service           Monthly for Life         Monthly for Life           Minimum 50 Years         Minimum 50 Years           Safety - Police/Fire         Safety           Safety         Second Tier           Rate Plan         Rate Plan           Prior to         Detween           October 6, 2012         October 6, 2012 to           December 31, 2012         Classic Member           Police - 3% @ 50         Police - 3% @ 55           5 Years Service         5 Years Service

Participants are eligible for nonindustrial disability retirement if the participant becomes disabled and has at least five years of credited service. There is no special age requirement. The standard nonindustrial disability retirement benefit is a monthly allowance equal to 1.8% of final compensation, multiplied by service.

Industrial disability benefits are not offered to miscellaneous employees. The City provides industrial disability retirement benefit to safety employees. The industrial disability retirement benefit is a monthly allowance equal to 50% of final compensation.

# NOTE 10 RETIREMENT PLANS (CONTINUED)

#### California Public Employees' Retirement System (CalPERS) (Continued)

#### **General Information about the Pension Plan (Continued)**

#### Benefits Provided (Continued)

An employee's beneficiary may receive the basic death benefit if the employee becomes deceased while actively employed. The employee must be actively employed with the City to be eligible for this benefit. An employee's survivor who is eligible for any other preretirement death benefit may choose to receive that death benefit instead of this basic death benefit. The basic death benefit is a lump-sum in the amount of the employee's accumulated contributions, where interest is credited each year, plus a lump-sum in the amount of one month's salary for each completed year of current service, up to a maximum of six months' salary. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death. Upon the death of a retiree, a one-time lump-sum payment of \$500 will be made to the retiree's designated survivor(s), or to the retiree's estate.

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

#### Employee Covered by Benefit Terms

At June 30, 2022, the measurement date, the following employees were covered by the benefit terms under the miscellaneous plans:

	Miscellaneous Plans
Active Employees	167
Inactive Employees or Beneficiaries Currently	
Receiving Benefits	387
Inactive Employees Entitled to But Not Yet	
Receiving Benefits	316
Total	870

#### Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is 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 City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. City contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified in the pension plan terms as plan member contribution requirements are classified as plan member contributions.

#### NOTE 10 RETIREMENT PLANS (CONTINUED)

# <u>California Public Employees' Retirement System (CalPERS) (Continued)</u>

#### **General Information about the Pension Plan (Continued)**

#### Contributions (Continued)

The required contribution rates are as follows:

	Year Ended Jun	e 30, 2023
	Miscellaneou	s Plans
	Classic	PEPRA
Employer Contribution Rate	8.92%	6.25%
Employee Contribution Rate	7.00%	6.75%
		Year Ended June 30, 20
<del>-</del>		

	Safety Plans				
	Police - Tier 1	Police - Tier 2	Police PEPRA	Fire - Tier 1	Fire - PEPRA
Employer Contribution Rate	25.74%	23.68%	13.66%	23.08%	13.66%
Employee Contribution Rate	9.00%	9.00%	13.75%	9.00%	13.75%

Employer contributions for the miscellaneous and safety plans for the year ended June 30, 2023, was \$1,667,117 and \$3,518,856, respectively.

#### **Net Pension Liability**

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plans' fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2022, using an annual actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures.

#### Actuarial Methods and Assumption Used to Determine Total Pension Liability

A summary of principal assumptions and methods used to determine the net pension liability of the miscellaneous and safety plans are as follows:

Actuarial Cost Method Entry Age Normal

Actuarial Assumptions:

Discount Rate 6.90% Inflation 2.30%

Projected Salary Increases Varies by Entry Age and Service

Mortality Rate Table (1)
Post Retirement Benefit Increase (2)

- (1) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include 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 CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.
- (2) The less of contract COLA or 2.30% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.30% thereafter.

# NOTE 10 RETIREMENT PLANS (CONTINUED)

#### California Public Employees' Retirement System (CalPERS) (Continued)

# **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 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:

	Assumed Asset	Real Return
Asset Class 1	Allocation	(a) (b)
Global Equity - Cap-weighted	30.00 %	4.45 %
Global Equity - Non-Cap-weighted	12.00	3.84
Private Equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-backed Securities	5.00	0.50
Investment Grade Corporates	10.00	1.56
High Yield	5.00	2.27
Emerging Market Debt	5.00	2.48
Private Debt	5.00	3.57
Real Assets	15.00	3.21
Leverage	(5.00)	(0.59)
	100.00 %	

- (a) An expected inflation of 2.30% used for this period
- (b) Figures are based on the 2021 Asset Liability Management study.

# Discount Rate

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

# NOTE 10 RETIREMENT PLANS (CONTINUED)

# California Public Employees' Retirement System (CalPERS) (Continued)

# **Change in Assumptions**

The discount rate and long-term rate of return decreased from 7.15% to 6.90% and the inflation rate decreased from 2.50% to 2.30% from the measurement date June 30, 2021 to June 30, 2022.

#### **Changes in the Net Pension Liability**

The following table shows the changes in net pension liability for the City's Miscellaneous Plan recognized over the measurement period.

	Miscellaneous Plan		
	Increase (Decrease)		
	Total Pension Plan Fiduciary Net Pe		
	Liability	Net Position	Liability/(Asset)
	(a)	(b)	(c) = (a) - (b)
Balance - June 30, 2021 (Measurement Date)	\$ 129,030,080	\$ 140,281,289	\$ (11,251,209)
Changes Recognized for the Measurement Period:			
Service Cost	2,395,337	-	2,395,337
Interest on the Total Pension Liability	8,996,884	-	8,996,884
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	243,988	-	243,988
Changes of Assumptions	3,844,839	-	3,844,839
Plan to Plan Resource Movement	-	-	-
Contributions from the Employer	-	1,424,177	(1,424,177)
Contributions from Employee	-	948,037	(948,037)
Net Investment Income	-	(10,344,392)	10,344,392
Benefit Payments, Including Refunds of Employee			
Contributions	(7,853,920)	(7,853,920)	-
Administrative Expense		(87,387)	87,387
Net Changes	7,627,128	(15,913,485)	23,540,613
Balance - June 30, 2022 (Measurement Date)	\$ 136,657,208	\$ 124,367,804	\$ 12,289,404

#### Proportionate Share of Net Pension Liability and Pension Expense

The following table shows the City's safety plan's proportionate share of the risk pool collective net pension liability over the measure period.

	Safety Plan
	Proportionate
	Share of Net
	Pension
	Liability
Balance at June 30, 2022 (Measurement Date)	\$ 14,766,473

The City's net pension liability for the safety plan is measured as the proportionate share of the net pension liability. The City's proportionate share of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

# NOTE 10 RETIREMENT PLANS (CONTINUED)

# California Public Employees' Retirement System (CalPERS) (Continued)

#### **Changes in the Net Pension Liability (Continued)**

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

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

	Safety Plan
June 30, 2021 Measurement date	(1.2460)
June 30, 2022 Measurement date	0.2149
Change - Increase (Decrease)	1.4609 %

#### Sensitivity of the Net Pension Liability to Changes in the Discount Rate

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

	Plan's Net Pension Liability/(Asset)				
	Discount	Discount			
	Rate - 1% Discount		Rate + 1%		
	(5.90%)	Rate (6.90%)	(7.90%)		
Miscellaneous Plan	\$ 29,753,044	\$ 12,289,404	\$ (2,096,711)		
Safety Plan	\$ 61,069,127	\$ 14,766,473	\$ (23,075,486)		

#### Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued CalPERS financial report. See CalPERS website for additional information.

# NOTE 10 RETIREMENT PLANS (CONTINUED)

# California Public Employees' Retirement System (CalPERS) (Continued)

# <u>Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions</u>

For the year ended June 30, 2023, the City recognized pension expense in the amounts of \$4,980,714 and \$67,245,365 for the miscellaneous plans and safety plans, respectively.

As of year ended June 30, 2023, the City has deferred outflows and deferred inflows of resources related to the pension plans as follows:

	Miscellaneous Plan		
	Deferred	Deferred	
	Outflows	Inflows	
	of Resources	of Resources	
Pension Contribution Made After Measurement Date	\$ 1,667,117	\$ -	
Difference Between Expected and Actual Experience	263,972	-	
Changes of Assumptions	2,173,170	-	
Net Difference Between Projected and Actual Earning			
on Pension Plan Investments	8,779,579		
Total	\$ 12,883,838	\$ -	
	·		

	Safety Plan			
	Deferred			Deferred
		Outflows		Inflows
	of	Resources	0	f Resources
Pension Contribution Made After Measurement Date	\$	3,518,856	\$	-
Difference Between Expected and Actual Experience		611,131		(160,352)
Changes of Assumptions		1,488,908		-
Difference Between Projected and Actual Earnings on				
Pension Plan Investments		2,331,833		-
Change in Employer's Proportion		25,795,780		(39,904,028)
Differences Between the Employer's Contributions and				
Employer's Proportionate Share of Contributions		47,210,742		(13,395,520)
Total	\$	80,957,250	\$	(53,459,900)

\$1,667,117 and \$3,518,856 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024.

# NOTE 10 RETIREMENT PLANS (CONTINUED)

#### California Public Employees' Retirement System (CalPERS) (Continued)

# <u>Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (Continued)</u>

Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in the future pension expense as follows:

	Deferred	Deferred
	Outflows/	Outflows/
	(Inflows) of	(Inflows) of
	Resources	Resources
	Measurement	Safety
Fiscal Year Ending June 30,	Plan	Plan
2024	\$ 3,686,612	\$ 10,100,259
2025	2,228,810	8,679,124
2026	1,337,023	3,776,663
2027	3,964,276	1,422,448
Total	\$ 11,216,721	\$ 23,978,494

# Payable to the Pension Plan

At June 30, 2023, the City had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2023.

#### Public Agency Retirement System (PARS)

#### General Information about the Pension Plan

#### Plan Description

On September 1, 2008, the City approved the establishment of a Retirement Enhancement Plan (the Plan) for eligible employees of the Supervisory and Professional Employees' Association of the City, effective October 1, 2008. Effective November 3, 2015 (Freeze Date), both benefits service and final pay are frozen. The Plan provides a supplemental retirement benefit in addition to the employees' current CalPERS retirement plan. The Plan is an agent multiple-employer defined benefit plan. The Plan will provide for 0.5% at age 55 for employees who retire from the City under CalPERS on or after September 30, 2008 and have 15 years of continuous City service.

The City's Finance Director is the Plan Administrator and is responsible for taking the necessary actions to implement and administer the Plan in compliance with the Plan Document and applicable legal requirements. Public Agency Retirement Services (PARS) is the Trust Administrator and is responsible for Plan accounting, coordinating benefit distributions with the Trustee, and communicating Plan provisions. Union Bank of California is the Trustee and is responsible for receiving and investing Plan contributions, safeguarding Plan assets, and distributing benefits to eligible Plan participants or beneficiaries at the direction of the Plan Administrator and pursuant to the Plan Document.

# NOTE 10 RETIREMENT PLANS (CONTINUED)

#### Public Agency Retirement System (PARS) (Continued)

#### **General Information about the Pension Plan (Continued)**

#### Plan Description (Continued)

The amounts of the benefit payments are calculated by the Trust Administrator and all accounting and reporting functions are performed by the Trust Administrator. Plan assets are considered to be held by the third-party administrator on behalf of the employees and are, therefore, excluded from the accompanying financial statements. The City's responsibilities for this Plan are not sufficient administrative involvement to constitute a "holding of assets" by the City in a pension trust fund. The year ended September 30, 2009, was the first year of the Plan.

The Plan issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by contacting the Trust Administrator at the following address or telephone number:

Public Agency Retirement Services, PARS Trust Administrator PO Box 12919 Newport Beach, CA 92658-2919 (800) 540-6369

#### Benefits Provided

Below is the benefits summary provided by the Plan.

Eligibility Supervisory and Professional employees

Full-time employees in the group between August 5, 2008

and October 1, 2012 Before Plan Freeze:

• Retire from City under CalPERS on or after September 30, 2008

• Age 55 with 15 years continuous City service

After Plan Freeze:

• Retire from CalPERS

Age 55

• Does not need to retire directly from the City

Retirement Benefit Target of 2.5% @ 55 less CalPERS 2%@55

City service from hire date through Freeze Date

Final Pay Highest consecutive 12-month pay as of Freeze Date

PERSable pay including EPMC

COLA 2% after retirement
Normal Form of Benefit Single life annuity

Termination/Disability/ 100% vesting as of Freeze Date

Pre-Retirement Death Benefit Greater of the following:

• Refund of employee contributions with 4.25% interest

• Deferred retirement benefit

# NOTE 10 RETIREMENT PLANS (CONTINUED)

#### **Public Agency Retirement System (PARS) (Continued)**

#### **General Information about the Pension Plan (Continued)**

# Employees Covered by Benefit Terms

At September 30, 2022, the measurement date, the following employees were covered by the benefit terms:

Active Employees	4
Inactives Entitled to But Not Yet Receiving Benefits	6
Inactives Currently Receiving Benefits	16
Total	26

# Contributions and Funding Policy

The City's funding policy is to make the contribution as determined by the Plan's actuary. There was no employee contribution after Freeze Date. Members may elect to receive lump-sum refund of employee contributions with 4.25% interest in lieu of annuity upon termination, retirement, disability, or death. Employer contributions are determined by actuarial study performed at least every two years. The Plan's annual pension contribution for the measurement date ended September 30, 2022, was based on an actuarial valuation as of June 30, 2020. For the year ended June 30, 2023, the City's contributions totaled \$189.000.

#### **Net Pension Liability**

#### Actuarial Methods and Assumptions Used to Determine Total 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 September 30, 2022, using an actuarial valuation as of June 30, 2022. A summary of principal assumptions and methods used to determine the net pension liability is as follows:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	5.25%
Investment Return	5.25%
Inflation	2.50%
Mortality, Disability, and Termination	CalPERS 2000-2019 experience study
Mortality Improvement	Projected fully generational with Scale MP-2021
Salary Increases	2.75%

# NOTE 10 RETIREMENT PLANS (CONTINUED)

#### **Public Agency Retirement System (PARS) (Continued)**

#### **Net Pension Liability (Continued)**

#### **Discount Rate**

The discount rate used to measure the total pension liability was 5.25%. The projection of cash flows utilized to determine the discount rate assumed that contributions from the City would be made at the actuarially determined contribution amount. 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.

The table below reflects target allocation and expected real rate of return by asset classes for the moderate portfolio selected by the City:

	Target	Expected Real
Asset Class	Allocation	Rate of Return
Global Equity	60.00 %	4.56 %
Fixed Income	35.00	0.78
Cash	5.00	(0.5)
Total	100.00 %	
Assumed Long-Term Rate of Inflation		2.50 %
Expected Long-Term Net Rate of Return, Rounded		5.25 %

#### Changes in Assumptions

Experience study was updated from CalPERS 1997-2015 to CalPERS 2000-2019 and mortality improvement scale was updated from Scale MP-2020 to Scale MP-2021.

#### Subsequent Events

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

# NOTE 10 RETIREMENT PLANS (CONTINUED)

# Public Agency Retirement System (PARS) (Continued)

#### **Changes in Net Pension Liability**

The table on the following page shows the changes in net pension liability recognized over the measurement period:

	Increase (Decrease)					
	То	tal Pension	Pla	an Fiduciary	N	et Pension
		Liability	N	et Position	Lia	bility/(Asset)
		(a)		(b)	(c	) = (a) - (b)
Balance - September 30, 2021	\$	2,615,115	\$	1,392,229	\$	1,222,886
(Measurement Date)						
Changes Recognized for the						
Measurement Period:						
Interest on the Total Pension Liability		133,216		-		133,216
Differences Between Expected and						
Actual Experience		496,804		-		496,804
Changes of Assumptions		29,748		-		29,748
Contributions from the Employer		-		189,000		(189,000)
Net Investment Income		-		(236,068)		236,068
Benefit Payments, Including Refunds of						
Employee Contributions		(155,358)		(155,358)		-
Administrative Expense				(6,505)		6,505
Net Changes		504,410		(208,931)		713,341
Balance - September 30, 2022						
(Measurement Date)	\$	3,119,525	\$	1,183,298	\$	1,936,227

#### Sensitivity of Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 5.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (4.25%) or one percentage-point higher (6.25%) than the current rate:

	Discount Rate	Discount Rate Current		
	-1%	Discount	1%	
	(4.25%)	Rate (5.25%)	(6.25%)	
Plan's Net Pension Liability	\$ 2,332,311	\$ 1,936,227	\$ 1,609,161	

#### Pension Plan Fiduciary Net Position

Detailed information about the PARS California defined benefit pension program's fiduciary net position, the most recent available audited information is as of June 30, 2022, and is as follows: total assets: \$599,572,064 (cash and cash equivalents of \$15,696,828, contributions receivable of \$321,942, investments of \$582,587,513, and investment income receivable of \$965,781); total accrued liabilities: \$43,998; and fiduciary net position: \$599,528,066. This audited information is on an accrual basis of accounting and investments are reported at fair value.

#### NOTE 10 RETIREMENT PLANS (CONTINUED)

# Public Agency Retirement System (PARS) (Continued)

# <u>Pension Expense, Deferred Outflows and Deferred Inflows of Resources Related to Pensions</u>

For the year ended June 30, 2023, the City incurred pension expense of \$511,293 and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of			erred ws of
		Resources		urces
Pension Contribution Made After Measurement Date	\$	189,000	\$	-
Difference Between Expected and Actual Experience		248,402		-
Changes of Assumptions		61,030		-
Net Difference Between Projected and Actual Earning				
on Pension Plan Investments		159,323		
Total	\$	657,755	\$	

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

		Deferred
	(	Outflows/
	(1	nflows) of
Fiscal Year Ending June 30,	R	Resources
2024	\$	343,164
2025		30,777
2026		32,252
2027		62,562
Total	\$	468.755

#### Payable to the Pension Plan

At June 30, 2023, the City had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2023.

#### NOTE 11 OTHER POSTEMPLOYMENT HEALTH BENEFITS

At June 30, 2023, net OPEB liability and related deferred outflows of resources and deferred inflows of resources are as follows:

	G 	overnmental Activities	Business-Type Activities		Total	
Deferred Outflows of Resources	\$	3,153,365	\$	163,201	\$	3,316,566
Net Other Postemployment Benefit Liability	\$	30,348,979	\$	1,570,695	\$	31,919,674
Deferred Inflows of Resources	\$	2,423,991	\$	125,453	\$	2,549,444
OPEB Expense	\$	2,570,675	\$	133,044	\$	2,703,719

#### **General Information About the OPEB Plan**

#### Plan Description

The City provides postretirement medical benefits under an agent multiple-employer defined benefit plan to employees who retire directly from the City under CalPERS with age and service requirements that vary by bargaining unit. For eligible retirees, the City contributes a portion of the premium for the medical plan selected by the retiree.

Benefit provisions for CalPERS are established and amended through negotiations between the city and the respective unions. The plan issues a publicly available financial report that includes financial statements and required supplementary information for that plan. Those reports may be obtained from CalPERS on their website www.calpers.ca.gov or by writing or calling the plans at the following address or telephone number:

CalPERS Member Services Division
P.O. Box 942704 Sacramento, CA 94229-2704
1-888-225-7377

The City has entered into an agreement with California Employers' Retiree Benefit Trust (CERBT) to prefund the City's net OPEB liability.

#### Funding Policy and Contributions

The contribution requirements of plan members and the City are established and may be amended by City Council. The annual contribution is based on the actuarially determined contribution. For the year ended June 30, 2023, the City's contributions totaled \$3,985,790.

#### NOTE 11 OTHER POSTEMPLOYMENT HEALTH BENEFITS (CONTINUED)

# **General Information About the OPEB Plan (Continued)**

#### Employees Covered

At June 30, 2023, the measurement date, membership in the Plan consisted of the following:

Inactive Plan Member Currently Receiving Benefits	347
Inactive Plan Members Entitled to But Not Yet	
Receiving Benefits	-
Active Plan Members	242
Total	589

#### **Net OPEB Liability**

The City's total OPEB liability was measured as of June 30, 2023, and was determined by an actuarial valuation as of June 30, 2021, rolled forward to June 30, 2023, using standard update procedures. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown below.

#### Actuarial Methods and Assumptions

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

Actuarial Cost Method Entry Age Method

Actuarial Assumption:

Discount Rate 6.25% - Pre-funded through CalPERS CERBT Asset Strategy #1

Inflation 2.50%

Salary Increases 2.75% per year

Mortality Improvement Projected fully generational with Scale MP-2021

Medical Trend Non-Medicare 6.50% for 2023, Medicare (Non-Kaiser): 5.65% for

2023, Medicare (Kaiser) 4.60% for 2023, all decreasing to an ultimate

rate of 3.75% in 2076.

The actuarial assumptions used in the June 30, 2021 valuation were based on a standard set of assumptions the actuary has used for similar valuations, modified as appropriate for the City.

#### NOTE 11 OTHER POSTEMPLOYMENT HEALTH BENEFITS (CONTINUED)

# **Net OPEB Liability (Continued)**

#### Actuarial Methods and Assumptions (Continued)

The long-term expected rate of return 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. The asset class percentages are taken from the current composition of CERBT, and the expected yields are taken form a recent CalPERS publication for the pension fund:

		Expected Real
Asset Class	Allocation	Rate of Return
CERBT Strategy 1:		
Global Equity	49.00 %	4.56 %
Fixed Income	23.00	1.56
TIPS	5.00	(80.0)
Commodities	3.00	1.22
REITs	20.00	4.06
Total	100.00 %	
Assumed Long-Term Rate of Inflation		2.50%
Expected Long-Term Net Rate of Return, Rounded		6.25%

#### Discount Rate

The discount rate used to measure the total OPEB liability is 6.25%. This is the expected long-term rate of return on City assets using investment strategy 1 within the California Employers' Retiree Benefit Trust (CERBT). The projection of cash flows used to determine the discount rate assumed that the City contribution will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position is projected to cover all future OPEB payments. Therefore, the discount rate was set equal to the long-term expected rate of return.

# NOTE 11 OTHER POSTEMPLOYMENT HEALTH BENEFITS (CONTINUED)

# **Changes in Net OPEB Liability**

	Increase (Decrease)									
		Total OPEB	Ы	lan Fiduciary		Net OPEB				
		Liability	1	Net Position	Lia	ability/(Asset)				
		(a)		(b)	(0	(c) = (a) - (b)				
Balance - June 30, 2022										
(Measurement Date)	\$	61,302,665	\$	28,758,290	\$	32,544,375				
Changes Recognized for the										
Measurement Period:										
Service Cost		1,387,678		-		1,387,678				
Interest on the Net OPEB Liability		3,793,974		-		3,793,974				
Contributions from the Employer		-		3,985,790		(3,985,790)				
Net Investment Income		-		1,847,181		(1,847,181)				
Benefit Payments, Including Refunds										
of Employee Contributions		(3,973,532)		(3,973,532)		-				
Administrative Expense				(26,618)		26,618				
Net Changes		1,208,120		1,832,821		(624,701)				
Balance - June 30, 2023		_								
(Measurement Date)	\$	62,510,785	\$	30,591,111	\$	31,919,674				

# Subsequent Events

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

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

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one-percentage point lower (5.25%) or one-percentage-point higher (7.25%) than the current discount rate:

	Discount Rate	Current	Discount Rate
	-1%	Discount	+1%
	(5.25%)	Rate (6.25%)	(7.25%)
Net OPEB Liability (Assets)	\$ 39,336,892	\$ 31,919,674	\$ 25,733,870

## NOTE 11 OTHER POSTEMPLOYMENT HEALTH BENEFITS (CONTINUED)

# **Changes in Net OPEB Liability (Continued)**

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

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are one-percentage point lower (5.50% Non-Medicare, 4.65% Medicare Non-Kaiser, 3.60% Medicare Kaiser, decreasing to an ultimate rate of 2.75% in 2076) or one-percentage point higher (7.50% Non-Medicare, 6.65% Medicare Non-Kaiser, 5.60% Medicare Kaiser, decreasing to an ultimate rate of 4.75% in 2076) than the current healthcare cost trend rates:

	Healthcare		Healthcare
	Cost Trend		Cost Trend
	Rate -1%	Current Rate	+1%
Net OPEB Liability (Assets)	\$ 27,184,495	\$ 31,919,674	\$ 36,304,521

# OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the City' recognized OPEB expense of \$2,703,719. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

			Deferred		Deferred
		C	Outflows of		Inflows of
		F	Resources	F	Resources
fference Between Expected and Actua	al Experience	\$	355,345	\$	1,464,277
nange of Assumptions			1,093,447		1,085,167
et Difference Between Projected and A	ctual Earning				
on Pension Plan Investments			1,867,774		-
Total		\$	3,316,566	\$	2,549,444
nange of Assumptions et Difference Between Projected and A on Pension Plan Investments	·		355,345 1,093,447 1,867,774		1,464,2 1,085,

The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as future OPEB expense as follows:

		Deferred				
	(	Outflows/				
	(1	nflows) of				
	F	Resources				
Fiscal Year Ending June 30,	С	PEB Plan				
2024	\$	(729,996)				
2025		288,601				
2026		1,268,507				
2027		(59,990)				
Total	\$	767,122				

### NOTE 11 OTHER POSTEMPLOYMENT HEALTH BENEFITS (CONTINUED)

## Payable to the OPEB Plan

At June 30, 2023, the City had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2023.

### NOTE 12 DEFERRED COMPENSATION PLAN

For the benefit of its employees, the City has established deferred compensation plans in accordance with the Internal Revenue Code (IRC) Section 457 and 401(a). Generally, the amount of compensation subject to deferral by a participant may not exceed the legal limits set by the IRC. Funds may be withdrawn by participants upon termination of employment, retirement, death, or an unforeseeable emergency. The City's contributions to the 401(a) plan for the year ended June 30, 2023, was \$84,754. The City does not contribute to the 457 plan. The deferred compensation plan assets are held in a trust account for the sole benefit of the employees and their beneficiaries and have been excluded from the City's reported assets accordingly.

#### NOTE 13 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains self-insurance programs for workers' compensation and general liability up to a maximum of \$500,000 and \$750,000 per occurrence, respectively. General liability claims, which exceed the self-insurance retention, are insured through Independent Cities Risk Management Authority (ICRMA) up to \$30,000,000. Workers compensation claims that exceed the limit are insured by ICRMA up to the California statutory limits for workers' compensation.

The City is a member of the ICRMA, a public entity risk pool currently operating as a common risk management and insurance program for 15 California cities. The City pays an annual premium to the pool for its excess general liability insurance coverage. The agreement for information of the ICRMA provides that the pool will be self-sustaining through member premiums. The City continues to carry commercial companies for all other risks of loss, which include property insurance, and cyber liability insurance.

Estimates for all liabilities, up to the self-insured levels, have been accrued in the Workers' Compensation and the General Liability Self-Insurance Internal Service Funds including an estimate for incurred but not reported claims. Estimates are based on recommended reserves established by the City's third-party administrators who administer the City's claims and insurance programs. There have been no significant changes in insurance coverage as compared to last year and settlements have not exceeded coverage in each of the past three fiscal years.

# NOTE 13 RISK MANAGEMENT (CONTINUED)

The ICRMA has published its own financial report for the year ended June 30, 2023, which can be obtained from Independent Cities Risk Management Authority, 14156 Magnolia Park, Sherman Oaks, California.

Changes in the balances of claims liabilities for the current and the last two fiscal years follow:

		Claims Payable										
			Cı	urrent Year								
		Annual Claims and Current			urrent Year							
	CI	aims Payable	Payable Changes Claims			Balance	[	Due within				
Fiscal Year Ending		Beginning		Beginning in Estimate		Estimates		Payments		Ending		One Year
June 30, 2021	\$	12,926,000	\$	5,191,595	\$	(1,930,595)	\$	16,187,000	\$	2,909,007		
June 30, 2022		16,187,000		3,899,160		(2,656,160)		17,430,000		3,321,068		
June 30, 2023		17,430,000		6,735,199		(3,575,199)		20,590,000		4,493,894		

#### NOTE 14 JOINT POWERS AGREEMENT

### Los Angeles Interagency Metropolitan Police Apprehension Crime Task Force

The City is a member of the Los Angeles Interagency Metropolitan Police Apprehension Crime Task Force (L.A. IMPACT), a joint powers authority of the police departments of cities and other institutions in Los Angeles County. L.A. Impact was formed July 1, 1991, with the mission to promote coordinated law enforcement efforts and to address emerging criminal justice issues, mainly in the areas of drug trafficking and money laundering. The Executive Council consists of 14 police chiefs and other various police officers. All financial decisions were made by the Executive Council. The members received monetary distributions from asset seizures based on their respective resource contribution to the effort. The City does not have a measurable equity interest in L.A. IMPACT. The net position of L.A. IMPACT represents a temporary holding of funds to be distributed to various law enforcement jurisdictions. The distribution of these funds is not determinable until action has been taken by the courts or the L.A. IMPACT board of directors with respect to the use of these funds.

Complete financial statements for L.A. IMPACT may be obtained at its administrative office at 5700 South Eastern Avenue Commerce, California 90040-2924.

### NOTE 15 COMMITMENTS AND CONTINGENCIES

### **Litigation**

The City is currently a party to various claims and legal proceedings. In management's opinion, the ultimate liabilities, if any, resulting from such claims and proceedings, will not materially affect the City's financial position.

# NOTE 15 COMMITMENTS AND CONTINGENCIES (CONTINUED)

# **Federal and State Grants**

The City participates in a number of federal and state assisted grant programs, which are subject to program compliance audits by the grantors or their representatives. Final closeout audits of these programs have not yet been completed. Accordingly, the City's ultimate compliance with applicable grant requirements will be established at some future date. Expenditures, if any, which may be disallowed by the granting agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

### NOTE 16 CLASSIFICATION OF FUND BALANCES

At June 30, 2023, fund balances are classified in the governmental funds as follows:

		Pension				
		Obligation	Nonmajor	Total		
	General	Bonds Debt	Governmental	Governmental		
	Fund	Service Fund	Funds	Funds		
Nonspendable:						
Inventories	\$ 177,985	\$ -	\$ -	\$ 177,985		
Prepaids	117,325	_		117,325		
Total Nonspendable	295,310	-	-	295,310		
Restricted:						
Police	-	-	1,936,316	1,936,316		
Fire	-	-	941,365	941,365		
Public Works	-	-	4,192,232	4,192,232		
Economic Development	-	-	213,859	213,859		
Community and Cultural	-	-	14,320,683	14,320,683		
Debt Service	-	8,025,370	766,774	8,792,144		
Pension	4,795,810	<u> </u>	<u> </u>	4,795,810		
Total Restricted	4,795,810	8,025,370	22,371,229	35,192,409		
Assigned:						
Police	248,650	-	_	248,650		
Fire	295,421	-	_	295,421		
Public Works	874,516	-	-	874,516		
Tobacco License	33,573	-	-	33,573		
Parks and Recreation	302,312	-	-	302,312		
Opioid Crisis Mitigation	58,000	-	-	58,000		
Library	93,067	-	_	93,067		
Computer Refresh	244,185	-	-	244,185		
Capital Outlay		<u> </u>	5,855,027	5,855,027		
Total Assigned	2,149,724	-	5,855,027	8,004,751		
Unassigned	41,405,846		(210,832)	41,195,014		
Total Fund Balance	\$ 48,646,690	\$ 8,025,370	\$ 28,015,424	\$ 84,687,484		

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# REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

# CITY OF EL SEGUNDO BUDGETARY COMPARISON SCHEDULE – GENERAL FUND YEAR ENDED JUNE 30, 2023

		Budgeted	l Amo	unts			Variance with Final Budget Positive		
		Original		Final		Actual		(Negative)	
REVENUES	Φ.	50.044.570	Ф	FC 440 F70	Φ.	CE 000 000	Φ.	0.444.200	
Taxes	\$	52,814,573	\$	56,446,573	\$	65,860,963	\$	9,414,390	
Licenses and Permits		14,035,200		13,500,000		15,895,698		2,395,698	
Intergovernmental		2,231,761		2,145,306		2,176,534		31,228	
Charges for Services		5,066,150		5,066,150		6,053,608		987,458	
Use of Money and Property		2,850,500		2,850,500		3,699,555		849,055	
Fines and Forfeitures		311,766		376,766		386,774		10,008	
Miscellaneous		1,833,683		1,946,683		1,613,224		(333,459)	
Total Revenues		79,143,633		82,331,978		95,686,356		13,354,378	
EXPENDITURES									
Current:									
General Government		0.40.040		0=0.040					
City Council		216,018		253,018		257,563		(4,545)	
City Treasurer		334,696		344,696		286,128		58,568	
City Clerk		568,511		568,511		387,475		181,036	
City Manager		2,850,002		2,813,002		2,602,667		210,335	
City Attorney		770,450		770,450		1,072,592		(302,142)	
Planning		1,382,610		1,382,633		1,000,457		382,176	
Building and Safety		1,872,435		1,866,407		1,334,056		532,351	
Administrative Services		7,231,328		7,454,977		5,846,735		1,608,242	
Nondepartmental		6,859,937		7,041,737		6,770,122		271,615	
Public Safety:									
Police		18,188,285		19,438,285		18,034,349		1,403,936	
Fire		13,564,266		14,023,884		12,876,871		1,147,013	
Animal Control		30,250		30,250		33,137		(2,887)	
Communications Center		2,159,711		2,159,711		1,971,000		188,711	
Public Works:									
Administration		229,379		229,379		259,108		(29,729)	
Government Buildings		2,069,063		2,194,063		2,197,135		(3,072)	
Engineering		1,065,115		1,422,823		856,755		566,068	
Streets		2,052,864		2,102,864		2,149,500		(46,636)	
Solid Waste		761,906		761,113		630,498		130,615	
Storm Drain		177,853		177,853		224,835		(46,982)	
Equipment Maintenance		1,178,675		1,208,675		1,169,626		39,049	
Community and Cultural:		, ,				, ,		,-	
Recreation and Parks		6,255,389		6,245,389		6,092,291		153,098	
Library		2,517,265		2,511,265		2,336,032		175,233	
Health		-		79,028		176,723		(97,695)	
Capital Outlay		_		58,200		865,507		(807,307)	
Debt Service:				,		,		(001,001)	
Principal Retirement		_		-		653,235		(653,235)	
Interest		_		-		142,702		(142,702)	
Total Expenditures		72,336,008		75,138,213		70,227,099		4,911,114	
EXCESS (DEFICIENCY) OF REVENUES									
OVER EXPENDITURES		6,807,625		7,193,765		25,459,257		18,265,492	
OTHER FINANCING USES									
Subscription Payable Issuance		-		-		804,887		804,887	
Transfers In		3,322,390		2,461,733		205,000		2,256,733	
Transfers Out		(13,885,120)		(13,885,120)		(18,872,803)		4,987,683	
Total Other Financing Uses		(10,562,730)		(11,423,387)		(17,862,916)		8,049,303	
NET CHANGE IN FUND BALANCES	_\$_	(3,755,105)	\$	(4,229,622)		7,596,341	\$	26,314,795	
Fund Balance - Beginning of Year						41,050,349			
FUND BALANCE - END OF YEAR					\$	48,646,690			
2 · · <del></del> · -						-,			

# CITY OF EL SEGUNDO NOTE TO BUDGETARY COMPARISON SCHEDULE JUNE 30, 2023

#### NOTE 1 BUDGETARY CONTROL AND ACCOUNTING POLICY

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and are used as a management control device. Annual budgets are adopted for the General Fund, Special Revenue Funds, Debt Service Funds, and the Capital Projects Funds.

The City Council approves each year's budget submitted by the City Manager prior to the beginning of the new fiscal year. Public hearings are conducted prior to its adoption by the City Council. Budgets and adopted supplemental appropriations, where required during the period, are also approved by the City Council. Intradepartmental budget changes are approved by the City Manager. The legal level of control, that is defined as the level at which City Council approval is required for changes, is at the department level for the General Fund, and functional level for all other funds. During the year, several supplementary appropriations were necessary. All operating budget appropriations lapse at year-end.

# CITY OF EL SEGUNDO SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS – CALPERS MISCELLANEOUS RATE PLAN LAST TEN MEASUREMENT PERIODS<sup>1</sup>

# California Public Employees' Retirement System (CalPERS) – Miscellaneous Rate Plan

Measurement Period		2021-22		2020-21		2019-20		2018-19
Total Pension Liability:		_		_		_		
Service Cost	\$	2,395,337	\$	2,167,601	\$	2,088,245	\$	2,026,099
Interest on Total Pension Liability		8,996,884		8,786,372		8,447,044		8,219,352
Changes of Benefit Terms		-		-		-		-
Changes of Assumptions		3,844,839		-		-		-
Differences Between Expected and								
Actual Experience		243,988		1,386,728		(221,184)		(38,811)
Benefit Payments, Including Refunds of Employee								
Contributions		(7,853,920)		(7,452,811)		(6,978,924)		(6,762,739)
Net Change in Total Pension Liability		7,627,128		4,887,890		3,335,181		3,443,901
Total Pension Liability - Beginning		129,030,080		124,142,190		120,807,009	_	117,363,108
Total Pension Liability - Ending (a)	\$	136,657,208	\$	129,030,080	\$	124,142,190	\$	120,807,009
Pension Fiduciary Net Position:								
Contributions - Employer	\$	1,424,177	\$	36,323,729	\$	3,584,857	\$	3,597,197
Contributions - Employee	Ψ	948,037	Ψ	996,706	Ψ	946,546	Ψ	878,016
Net Investment Income		(10,344,392)		20,615,898		4,398,867		5,537,029
Benefit Payments, Including Refunds of Employee		(10,011,002)		20,010,000		1,000,001		0,007,020
Contributions		(7,853,920)		(7,452,811)		(6,978,924)		(6,762,739)
Net Plan to Plan Resource Movement		(.,000,020)		(,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		3,966		(127,504)
Administrative Expense		(87,387)		(89,792)		(124,138)		(60,654)
Other Miscellaneous Expense		-		-		-		198
Net Change in Plan Fiduciary Net Position		(15,913,485)		50,393,730		1,831,174		3,061,543
Plan Fiduciary Net Position - Beginning		140,281,289		89,887,559		88,056,385		84,994,842
Plan Fiduciary Net Position - Ending (b)	\$	124,367,804	\$	140,281,289	\$	89,887,559	\$	88,056,385
Plan Net Pension (Asset) Liability - Ending (a) - (b)	\$	12,289,404	\$	(11,251,209)	\$	34,254,631	\$	32,750,624
Plan Fiduciary Net Position as a Percentage								
of the Total Pension Liability	_	91.01%		108.72%	_	72.41%		72.89%
Covered Payroll	\$	14,246,696	\$	10,498,129	\$	14,212,445	\$	12,851,508
Plan Net Pension Liability as a Percentage of								
Covered Payroll	_	86.26%		-107.17%		241.02%	_	254.84%

<sup>&</sup>lt;sup>1</sup> Historical information is presented for measurement periods for which GASB 68 is applicable. Additional years' information will be displayed as it becomes available.

### Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2017 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: There were no significant changes in assumptions in 2019 to 2021. In 2022, the discount rate and long-term rate of return decreased from 7.15% to 6.90% and the inflation rate decreased from 2.50% to 2.30%.

# CITY OF EL SEGUNDO SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS – CALPERS MISCELLANEOUS RATE PLAN (CONTINUED) LAST TEN MEASUREMENT PERIODS 1

# California Public Employees' Retirement System (CalPERS) – Miscellaneous Rate Plan

Measurement Period		2017-18		2016-17		2015-16		2014-15		2013-14
Total Pension Liability:	•	0.000.070	•	0.000.007	•	4 000 500	•	4 000 000	•	4 000 050
Service Cost Interest on Total Pension Liability	\$	2,002,276 7,976,930	\$	2,022,687 7,747,566	\$	1,836,590 7,584,214	\$	1,892,820 7,355,288	\$	1,992,358 7,137,756
Changes of Benefit Terms		7,970,930		7,747,500		7,504,214		7,333,200		7,137,730
Changes of Assumptions		(464,769)		6,199,889		-		(1,728,307)		-
Differences Between Expected and		, , ,						,		
Actual Experience		8,203		(813,832)		(899,552)		(1,400,892)		-
Benefit Payments, Including Refunds of Employee										
Contributions		(6,360,824)		(5,830,361)		(5,534,415)		(5,121,477)		(4,825,880)
Net Change in Total Pension Liability		3,161,816		9,325,949		2,986,837		997,432		4,304,234
Total Pension Liability - Beginning		114,201,292		104,875,343		101,888,506		100,891,074		96,586,840
Total Pension Liability - Ending (a)	\$	117,363,108	\$	114,201,292	\$	104,875,343	\$	101,888,506	\$	100,891,074
Pension Fiduciary Net Position:										
Contributions - Employer	\$	3,291,215	\$	2,381,409	\$	2,189,606	\$	1,990,762	\$	2,229,759
Contributions - Employee	·	905,313	·	975,818		850,845		883,340		1,271,008
Net Investment Income		6,839,662		8,294,674		375,088		1,743,059		11,605,717
Benefit Payments, Including Refunds of Employee										
Contributions		(6,360,824)		(5,830,361)		(5,534,415)		(5,121,477)		(4,825,880)
Net Plan to Plan Resource Movement		(198)		(31,271)		(256)		161,952		-
Administrative Expense		(125,728)		(110,739)		(47,032)		(86,704)		-
Other Miscellaneous Expense		(238,760)				- (0.100.101)		- (100.000)		-
Net Change in Plan Fiduciary Net Position		4,310,680		5,679,530		(2,166,164)		(429,068)		10,280,604
Plan Fiduciary Net Position - Beginning		80,684,162		75,004,632		77,170,796		77,599,864		67,319,260
Plan Fiduciary Net Position - Ending (b)	\$	84,994,842	\$	80,684,162	\$	75,004,632	\$	77,170,796	\$	77,599,864
Plan Net Pension Liability - Ending (a) - (b)	\$	32,368,266	\$	33,517,130	\$	29,870,711	\$	24,717,710	\$	23,291,210
Plan Fiduciary Net Position as a Percentage										
of the Total Pension Liability	_	72.42%		70.65%		71.52%		75.74%	_	76.91%
Covered Payroll	\$	12,875,891	\$	13,007,635	\$	12,983,105	\$	13,129,083	\$	13,163,041
Plan Net Pension Liability as a Percentage of										
Covered Payroll		251.39%		257.67%		230.07%		188.27%		176.94%

<sup>&</sup>lt;sup>1</sup> Historical information is presented for measurement periods for which GASB 68 is applicable. Additional years' information will be displayed as it becomes available.

#### Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2017 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

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

# CITY OF EL SEGUNDO SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS – CALPERS SAFETY RATE PLAN LAST TEN MEASUREMENT PERIODS<sup>1</sup>

# California Public Employees' Retirement System (CalPERS) – Safety Rate Plan

Measurement Period		2015-16	2014-15	 2013-14
Total Pension Liability: Service Cost Interest Changes of Benefit Terms	\$	3,906,152 18,561,546	\$ 4,017,009 18,050,364	\$ 4,084,900 17,643,395
Changes of Benefit Forms Changes of Assumptions Differences Between Expected and Actual Experience Benefit Payments, Including Refunds of Employee		(2,593,008)	(4,336,187) (4,610,542)	-
Contributions		(13,146,807)	(12,326,846)	(11,753,968)
Net Change in Total Pension Liability		6,727,883	793,798	9,974,327
Total Pension Liability - Beginning		249,847,921	 249,054,123	 239,079,796
Total Pension Liability - Ending (a)	\$	256,575,804	\$ 249,847,921	\$ 249,054,123
Pension Fiduciary Net Position:				
Contributions - Employer	\$	6,497,421	\$ 6,155,214	\$ 5,466,181
Contributions - Employee		1,288,776	1,697,612	1,556,189
Net Investment Income		792,070	3,716,152	25,110,451
Benefit Payments, Including Refunds of Employee		•		, ,
Contributions		(13,146,807)	(12,326,846)	(11,753,968)
Net Plan to Plan Resource Movement		256	568	
Administrative Expense		(101,008)	(186,524)	-
Net Change in Plan Fiduciary Net Position		(4,669,292)	(943,824)	20,378,853
Plan Fiduciary Net Position - Beginning		165,737,083	 166,680,907	146,302,054
Plan Fiduciary Net Position - Ending (b)	\$	161,067,791	\$ 165,737,083	\$ 166,680,907
Plan Net Pension Liability - Ending (a) - (b)	\$	95,508,013	\$ 84,110,838	\$ 82,373,216
Plan Fiduciary Net Position as a Percentage				
of the Total Pension Liability	_	62.78%	 66.34%	 66.93%
Covered Payroll	\$	14,438,355	\$ 14,977,101	\$ 14,757,054
Plan Net Pension Liability as a Percentage of		004.400/	504.000/	550 00°′
Covered Payroll	_	661.49%	561.60%	 558.20%

<sup>&</sup>lt;sup>1</sup> The City's Safety Plan was converted from an Agent Multiple Employer Defined Plan to a Cost Sharing Multiple Employer Defined Benefit Plan starting from the measurement period June 30, 2017. Information is only displayed for years GASB 68 were in effect and prior to the conversion of the plan.

#### Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2015 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative (expense). In 2014, amounts reported were based on the 7.5% discount rate.

# CITY OF EL SEGUNDO SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS – CALPERS SAFETY RATE PLAN LAST TEN MEASUREMENT PERIODS 1

# California Public Employees' Retirement System (CalPERS) – Safety Rate Plan

Measurement Period		2021-22		2020-21	2019-20			
City Proportion of the Net Pension Liability	0.2149% -1.2460%					1.7727%		
City's Proportionate Share of the Net Pension (Asset) Liability	\$	14,766,473	\$	(43,727,085)	\$	118,102,353		
City's Covered Payroll	\$	13,463,828	\$	10,018,467	\$	13,583,547		
City's Proportionate Share of the  Net Pension Liability as a Percentage of its Covered Payroll		109.68%		-436.46%		869.45%		
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability		71.79%		88.29%		75.10%		

<sup>&</sup>lt;sup>1</sup> The City's Safety Plan was converted from an Agent Multiple Employer Defined Plan to a Cost-Sharing Multiple-Employer Defined Benefit Plan starting from the measurement period June 30, 2017. Information is only displayed for years the plan was converted to a cost-sharing plan.

### Changes in Assumptions:

# CITY OF EL SEGUNDO SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS – CALPERS SAFETY RATE PLAN (CONTINUED) LAST TEN MEASUREMENT PERIODS 1

# California Public Employees' Retirement System (CalPERS) – Safety Rate Plan

Measurement Period	2018-19	2017-18	2016-17
City Proportion of the Net Pension Liability	1.7839%	1.1081%	1.0764%
City's Proportionate Share of the Net Pension (Asset) Liability	\$ 111,360,318	\$ 106,775,573	\$ 106,751,685
City's Covered Payroll	\$ 12,490,385	\$ 12,742,792	\$ 12,697,818
City's Proportionate Share of the  Net Pension Liability as a Percentage of its Covered Payroll	891.57%	837.93%	840.71%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	75.26%	75.26%	73.31%

<sup>&</sup>lt;sup>1</sup> The City's Safety Plan was converted from an Agent Multiple Employer Defined Plan to a Cost-Sharing Multiple-Employer Defined Benefit Plan starting from the measurement period June 30, 2017. Information is only displayed for years the plan was converted to a cost-sharing plan.

### Changes in Assumptions:

From Measurement Period 2016-17 to 2017-1 The discount rate was reduced from 7.65% to 7.15%. From Measurement Period 2017-18 to 2020-2 There were no significant changes in assumptions.

# CITY OF EL SEGUNDO SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS – PUBLIC AGENCY RETIREMENT SYSTEM DEFINED BENEFIT PLAN LAST TEN MEASUREMENT PERIODS 1

# **Public Agency Retirement System Defined Benefit Plan**

Fiscal Year	2022-23	2021-22	2020-21	2019-20		
Measurement Period	2021-22	2020-21	2019-20		2018-19	
Total Pension Liability: Service Cost Interest Changes of Benefit Terms	\$ - 133,216 -	\$ - 126,814 -	\$ - 127,254 -	\$	- 126,122 -	
Changes of Assumptions Differences Between Expected and Actual Experience	29,748 496,804	353,856	(18,261) 12,206		-	
Benefit Payments, Including Refunds of Employee Contributions Net Change in Total Pension Liability	(155,358) 504,410	(142,018) 338,652	(115,700) 5,499		(97,156) 28,966	
Total Pension Liability - Beginning	2,615,115	2,276,463	2,270,964		2,241,998	
Total Pension Liability - Ending (a)	\$ 3,119,525	\$ 2,615,115	\$ 2,276,463	\$	2,270,964	
Pension Fiduciary Net Position: Contributions - Employer Contributions - Employee Net Investment Income	\$ 189,000 - (236,068)	\$ - - 222,960	\$ 158,000 - 84,790	\$	158,000 - 53,443	
Benefit Payments, Including Refunds of Employee Contributions Net Plan to Plan Resource Movement Administrative Expense Other Miscellaneous Expense <sup>1</sup>	(155,358) (6,505)	(142,018) (6,184)	(115,700) - (6,076)		(97,156) - (5,517)	
Net Change in Plan Fiduciary Net Position	 (208,931)	74,758	121,014		108,770	
Plan Fiduciary Net Position - Beginning <sup>2</sup>	1,392,229	 1,317,471	1,196,457		1,087,687	
Plan Fiduciary Net Position - Ending (b)	\$ 1,183,298	\$ 1,392,229	\$ 1,317,471	\$	1,196,457	
Plan Net Pension Liability - Ending (a) - (b)	\$ 1,936,227	\$ 1,222,886	\$ 958,992	\$	1,074,507	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	37.93%	53.24%	57.87%		52.68%	
Covered Payroll	N/A	N/A	N/A		N/A	
Plan Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A		N/A	

<sup>&</sup>lt;sup>1</sup> Historical information is presented only for measurement periods for which GASB 68 is applicable. Additional years' information will be displayed as it becomes available.

# Changes in Assumptions:

Actuarial Valuation Date June 30, 2022 Fiscal Year 2022-23

Measurement Period October 1, 2021, to September 30, 2022

Discount Rate 5.25% Rate of Return on Assets 5.25% Inflation Rate 2.50%

Mortality, Retirement, Disability,

and Termination CalPERS 2000-2019 Experience Study

Mortality Improvement Scale Scale MP-2021

# CITY OF EL SEGUNDO SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS – PUBLIC AGENCY RETIREMENT SYSTEM DEFINED BENEFIT PLAN (CONTINUED) LAST TEN MEASUREMENT PERIODS 1

# **Public Agency Retirement System Defined Benefit Plan**

Fiscal Year	2018-19	2017-18	2016-17	2015-16	2014-15			
Measurement Period	2017-18	2016-17	2015-16	2014-15		2013-14		
Total Pension Liability: Service Cost Interest	\$ - 115,441	\$ - 119,000	\$ - 121,000	\$ - 113,000	\$	54,000 110,000		
Changes of Benefit Terms Changes of Assumptions Differences Between Expected	(62,152)	-	-	140,000		-		
and Actual Experience Benefit Payments, Including	187,849	-	-	93,000		-		
Refunds of Employee Contributions	(196,140)	 (174,000)	 (141,000)	(81,000)		(37,000)		
Net Change in Total Pension Liability	44,998	(55,000)	(20,000)	265,000		127,000		
Total Pension Liability - Beginning	2,197,000	2,252,000	2,272,000	2,007,000		1,880,000		
Total Pension Liability - Ending (a)	\$ 2,241,998	\$ 2,197,000	\$ 2,252,000	\$ 2,272,000	\$	2,007,000		
Pension Fiduciary Net Position: Contributions - Employer	\$ 158,000	\$ 236,000	\$ -	\$ -	\$	-		
Contributions - Employee Net Investment Income Benefit Payments, Including	69,282	91,000	16,000 72,000	167,000 (11,000)		193,000 52,000		
Refunds of Employee Contributions Net Plan to Plan Resource Movement	(196,140)	(174,000)	(141,000)	(81,000)		(37,000)		
Administrative Expense Other Miscellaneous Expense <sup>1</sup>	(5,455)	(5,000)	(5,000)	(5,000)		(5,000)		
Net Change in Plan Fiduciary Net Position	25,687	148,000	(58,000)	70,000		203,000		
Plan Fiduciary Net Position - Beginning <sup>2</sup>	1,062,000	914,000	972,000	902,000		699,000		
Plan Fiduciary Net Position - Ending (b)	\$ 1,087,687	\$ 1,062,000	\$ 914,000	\$ 972,000	\$	902,000		
Plan Net Pension Liability - Ending (a) - (b)	\$ 1,154,311	\$ 1,135,000	\$ 1,338,000	\$ 1,300,000	\$	1,105,000		
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 48.51%	 48.34%	 40.59%	42.78%		44.94%		
Covered Payroll	N/A	N/A	N/A	N/A		N/A		
Plan Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A		N/A		

<sup>1</sup> Historical information is presented only for measurement periods for which GASB 68 is applicable. Additional years' information will be displayed as it becomes available.

# CITY OF EL SEGUNDO SCHEDULE OF CONTRIBUTIONS – CALPERS MISCELLANEOUS RATE PLAN LAST TEN FISCAL YEARS<sup>1</sup>

# California Public Employees' Retirement System (CalPERS) – Miscellaneous Rate Plan

Fiscal Year	2022-23		2021-22		2020-21 <sup>2</sup>		2019-20		2018-19
Actuarially Determined Contribution	\$ 1,667,117	\$	1,420,434	\$	965,277	\$	3,695,146	\$	3,421,223
Contributions in Relation to the Actuarially Determined Contribution	 (1,667,117)		(1,420,434)		(33,525,869)		(3,695,146)		(3,728,014)
Contribution Deficiency (Excess)	\$ -	\$	-	\$	(32,560,592)	\$	-	\$	(306,791)
Covered Payroll	\$ 14,700,313	\$	14,246,696	\$	10,498,129	\$	14,446,483	\$	13,136,731
Contributions as a Percentage of Covered Payroll	11.34%		9.97%		319.35%		25.58%		28.38%

<sup>&</sup>lt;sup>1</sup> Historical information is presented for measurement periods for which GASB 68 is applicable. Additional years' information will be displayed as it becomes available.

#### Notes to Schedule:

Valuation Date	6/30/2020	6/30/2019	6/30/2018	6/30/2018	6/30/2017
Methods and Assumptions Used to					
Determine Contribution Rates:					
Actuarial Cost Method	Entry Age				
Amortization Method	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value				
Inflation	2.50%	2.50%	2.50%	2.50%	2.625%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	7.00% (3)	7.00% (3)	7.00% (3)	7.00% (3)	7.25% (3)
Retirement Age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

<sup>(1)</sup> Level percentage of payroll, closed

<sup>&</sup>lt;sup>2</sup> Determined for the nine month period ended on June 30 (fiscal year-end).

<sup>(2)</sup> Depending on age, service, and type of employment

<sup>(3)</sup> Net of pension plan investment expense, including inflation

<sup>(4) 2% @ 55, 2% @ 60,</sup> and 2% @ 62

<sup>(5)</sup> Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

# **CITY OF EL SEGUNDO** SCHEDULE OF CONTRIBUTIONS - CALPERS MISCELLANEOUS RATE PLAN (CONTINUED) LAST TEN FISCAL YEARS<sup>1</sup>

# California Public Employees' Retirement System (CalPERS) – Miscellaneous Rate Plan

Fiscal Year	2017-18	2016-17	2015-16	2014-15	2013-14
Actuarially Determined Contribution	\$ 2,712,223	\$ 2,360,497	\$ 2,267,956	\$ 2,047,988	\$ 2,631,370
Contributions in Relation to the Actuarially Determined Contribution	(3,291,215)	(2,360,497)	(2,267,956)	(2,047,988)	(2,631,370)
Contribution Deficiency (Excess)	\$ (578,992)	\$ -	\$ 	\$ 	\$ 
Covered Payroll	\$ 12,842,526	\$ 11,980,872	\$ 12,484,558	\$ 12,279,995	\$ 12,782,090
Contributions as a Percentage of Covered Payroll	25.63%	19.70%	18.17%	16.68%	20.59%

<sup>&</sup>lt;sup>1</sup> Historical information is presented for measurement periods for which GASB 68 is applicable. Additional years' information will be displayed as it becomes available.

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	tes			

Valuation Date	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
Methods and Assumptions Used to					
Determine Contribution Rates:	Enter Ann				<b></b>
Actuarial Cost Method	Entry Age				
Amortization Method	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	Market Value
Inflation	2.75%	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement Age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

<sup>(1)</sup> Level percentage of payroll, closed

<sup>(2)</sup> Depending on age, service, and type of employment

<sup>(3)</sup> Net of pension plan investment expense, including inflation

<sup>(4) 2% @ 55, 2% @ 60,</sup> and 2% @ 62

<sup>(5)</sup> Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

# CITY OF EL SEGUNDO SCHEDULE OF CONTRIBUTIONS – CALPERS SAFETY RATE PLAN LAST TEN FISCAL YEARS<sup>1</sup>

# California Public Employees' Retirement System (CalPERS) – Safety Rate Plan

Fiscal Year	2022-23	2021-22			2020-21 <sup>2</sup>	2019-20		2018-19
Actuarially Determined Contribution	\$ 3,518,856	\$	3,186,142	\$	1,955,086	\$	10,830,665	\$ 9,186,753
Contributions in Relation to the Actuarially Determined Contribution	 (3,518,856)		(3,186,142)		(112,915,194)		(10,830,665)	(10,424,853)
Contribution Deficiency (Excess)	\$ -	\$		\$	(110,960,108)	\$		\$ (1,238,100)
Covered Payroll	\$ 14,704,735	\$	13,463,828	\$	10,018,467	\$	13,606,528	\$ 12,668,674
Contributions as a Percentage of Covered Payroll	23.93%		23.66%		1127.07%		79.60%	82.29%

<sup>&</sup>lt;sup>1</sup> Historical information is presented for measurement periods for which GASB 68 is applicable. Additional years' information will be displayed as it becomes available.

#### Notes to Schedule:

Valuation Date	6/30/2020	6/30/2019	6/30/2018	6/30/2018	6/30/2017
Methods and Assumptions Used to					
Determine Contribution Rates:					
Actuarial Cost Method	Entry Age				
Amortization Method	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value				
Inflation	2.30%	2.50%	2.50%	2.50%	2.625%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	7.00% (3)	7.00% (3)	7.00% (3)	7.00% (3)	7.25% (3)
Retirement Age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

<sup>(1)</sup> Level percentage of payroll, closed

<sup>&</sup>lt;sup>2</sup> Determined for the nine month period ended on June 30 (fiscal year-end).

<sup>(2)</sup> Depending on age, service, and type of employment

<sup>(3)</sup> Net of pension plan investment expense, including inflation

<sup>(4) 3% @ 50, 3% @ 55,</sup> and 2.7% @ 57

<sup>(5)</sup> Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

# CITY OF EL SEGUNDO SCHEDULE OF CONTRIBUTIONS – CALPERS SAFETY RATE PLAN (CONTINUED) LAST TEN FISCAL YEARS<sup>1</sup>

# California Public Employees' Retirement System (CalPERS) – Safety Rate Plan

Fiscal Year	_	2017-18	_	2016-17	_	2015-16	 2014-15	2013-14
Actuarially Determined Contribution	\$	8,480,050	\$	5,282,029	\$	6,581,713	\$ 6,355,099	\$ 6,316,752
Contributions in Relation to the Actuarially Determined Contribution		(8,500,586)		(5,282,029)		(6,581,713)	(6,355,099)	(6,316,752)
Contribution Deficiency (Excess)	\$	(20,536)	\$		\$		\$ 	\$ _
Covered Payroll	\$	12,614,944	\$	12,410,252	\$	13,711,733	\$ 13,863,160	\$ 14,420,062
Contributions as a Percentage of Covered Payroll		67.39%		42.56%		48.00%	45.84%	43.81%

<sup>&</sup>lt;sup>1</sup> Historical information is presented for measurement periods for which GASB 68 is applicable. Additional years' information will be displayed as it becomes available.

#### Notes to Schedule:

Valuation Date	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
Methods and Assumptions Used to Determine Contribution Rates:					
Actuarial Cost Method	Entry Age				
Amortization Method	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	Market Value
Inflation	2.75%	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement Age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

<sup>(1)</sup> Level percentage of payroll, closed

<sup>(2)</sup> Depending on age, service, and type of employment

<sup>(3)</sup> Net of pension plan investment expense, including inflation

<sup>(4) 3% @ 50, 3% @ 55,</sup> and 2.7% @ 57

<sup>(5)</sup> Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

# CITY OF EL SEGUNDO SCHEDULE OF CONTRIBUTIONS – PUBLIC AGENCY RETIREMENT SYSTEM DEFINED BENEFIT PLAN LAST TEN FISCAL YEARS<sup>1</sup>

# **Public Agency Retirement System Defined Benefit Plan**

Fiscal Year	2022-23 2021-22				 2020-21 <sup>2</sup>	2019-20	
Actuarially Determined Contribution	\$	189,000	\$	189,000	\$ 118,500	\$	158,000
Contributions in Relation to the Actuarially Determined Contribution		(189,000)		(189,000)	_		(158,000)
Contribution Deficiency (Excess)	\$	-	\$	-	\$ 118,500	\$	_
Covered-Employee Payroll	\$	471,484	\$	495,251	\$ 592,104		N/A
Contributions as a Percentage of Covered-Employee Payroll		40.09%		38.16%	0.00%		N/A

<sup>&</sup>lt;sup>1</sup> Historical information is presented for measurement periods for which GASB 68 is applicable. Additional years' information will be displayed as it becomes available.

#### Notes to Schedule: Valuation Date

Methods and Assumptions Used to				
Determine Contribution Rates:				
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	Level Dollar	Level Dollar	Level Dollar	Level Dollar
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.75%	2.75%	2.75%	2.75%
Investment Rate of Return	5.75%	5.75%	5.75%	5.75%
Mortality, Retirement, Disability,				
and Termination	(2)	(2)	(2)	(2)
Mortality Improvement Scale	(5)	(5)	(4)	(4)

6/30/2020

6/30/2020

6/30/2018

6/30/2018

<sup>&</sup>lt;sup>2</sup> Determined for the nine month period ended on June 30 (fiscal year-end).

<sup>(1)</sup> CalPERS 1997-2011 Experience Study

<sup>(2)</sup> CalPERS 1997-2015 Experience Study

<sup>(3)</sup> Scale MP-2014

<sup>(4)</sup> Scale MP-2018

<sup>(5)</sup> Scale MP-2020

# CITY OF EL SEGUNDO SCHEDULE OF CONTRIBUTIONS – PUBLIC AGENCY RETIREMENT SYSTEM DEFINED BENEFIT PLAN (CONTINUED) LAST TEN FISCAL YEARS<sup>1</sup>

# Public Agency Retirement System Defined Benefit Plan

Fiscal Year	2018-19 2017-18		2016-17 2015-16			2014-15			
Actuarially Determined Contribution	\$	158,000	\$ 158,000	\$	118,000	\$	118,000	\$	-
Contributions in Relation to the Actuarially Determined Contribution		(158,000)	(158,000)		(236,000)		_		
Contribution Deficiency (Excess)	\$		\$ _	\$	(118,000)	\$	118,000	\$	
Covered-Employee Payroll		N/A	N/A		N/A		N/A		N/A
Contributions as a Percentage of Covered-Employee Payroll		N/A	N/A		N/A		N/A		N/A

<sup>&</sup>lt;sup>1</sup> Historical information is presented for measurement periods for which GASB 68 is applicable. Additional years' information will be displayed as it becomes available.

# CITY OF EL SEGUNDO SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS LAST TEN MEASUREMENT PERIODS<sup>1</sup>

# Other Postemployment Benefits (OPEB) Plan

Measurement Period and Fiscal Year	2022-23				2020-21		
Total OPEB Liability: Service Cost Interest Changes of Benefit Terms	\$	1,387,678 3,793,974	\$	1,443,178 3,659,929	\$	1,313,607 3,687,577	
Changes of Assumptions Differences Between Expected		-		1,674,619 (1,238,582)		2,584,513	
and Actual Experience		(0.070.500)		564,371		- (0.744.040)	
Benefit Payments, Including Refunds Net Change in Total OPEB Liability		(3,973,532) 1,208,120		(3,833,064) 2,270,451		(3,741,312) 3,844,385	
Total OPEB Liability - Beginning		61,302,665		59,032,214		55,187,829	
Total OPEB Liability - Ending (a)	\$	62,510,785	\$	61,302,665	\$	59,032,214	
OPEB Fiduciary Net Position: Contributions - Employer Net Investment Income	\$	3,985,790 1,847,181	\$	3,842,008 (4,444,351)	\$	3,749,757 7,171,637	
Benefit Payments, Including Refunds of Employee Contributions Administrative Expense		(3,973,532) (26,618)		(3,833,064) (25,086)		(3,741,312)	
Net Change in Plan Fiduciary Net Position		1,832,821		(4,460,493)		7,156,969	
Plan Fiduciary Net Position - Beginning		28,758,290		33,218,783		26,061,814	
Plan Fiduciary Net Position - Ending (b)	\$	30,591,111	\$	28,758,290	\$	33,218,783	
Plan Net OPEB Liability - Ending (a) - (b)	\$	31,919,674	\$	32,544,375	\$	25,813,431	
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	_	48.94%		46.91%		56.27%	
Covered-Employee Payroll <sup>2</sup>	\$	36,783,511	\$	36,644,532	\$	36,507,956	
Plan Net OPEB Liability as a Percentage of Covered-Employee Payroll	_	86.78%		88.81%		70.71%	

<sup>&</sup>lt;sup>1</sup> Historical information is presented for measurement periods for which GASB 75 is applicable. Additional years' information will be displayed as it becomes available.

<sup>&</sup>lt;sup>2</sup> For the twelve month period ended on June 30 (Measurement Date).

# CITY OF EL SEGUNDO SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS (CONTINUED) LAST TEN MEASUREMENT PERIODS<sup>1</sup>

# Other Postemployment Benefits (OPEB) Plan

Measurement Period and Fiscal Year	2019-20		2018-19		2017-18	
Total OPEB Liability: Service Cost	\$	1,325,398	\$	1,428,884	\$	1,387,266
Interest	*	4,096,818	Ψ	4,265,776	*	4,137,853
Changes of Benefit Terms		-		(4,289,232)		-
Changes of Assumptions		(1,323,051)		-		-
Differences Between Expected						
and Actual Experience		(6,345,201)		-		-
Benefit Payments, Including Refunds		(3,868,684)		(3,741,351)		(3,601,811)
Net Change in Total OPEB Liability		(6,114,720)		(2,335,923)		1,923,308
Total OPEB Liability - Beginning		61,302,549		63,638,472		61,715,164
Total OPEB Liability - Ending (a)	\$	55,187,829	\$	61,302,549	\$	63,638,472
OPEB Fiduciary Net Position:						
Contributions - Employer	\$	4,425,712	\$	4,399,351	\$	4,026,811
Net Investment Income		884,584		1,431,779		1,634,752
Benefit Payments, Including Refunds of						
Employee Contributions		(3,868,684)		(3,741,351)		(3,601,811)
Administrative Expense		(21,262)		(4,901)		(38,164)
Net Change in Plan Fiduciary Net Position		1,420,350		2,084,878		2,021,588
Plan Fiduciary Net Position - Beginning		24,641,464		22,556,586		20,534,998
Plan Fiduciary Net Position - Ending (b)	\$	26,061,814	\$	24,641,464	\$	22,556,586
Plan Net OPEB Liability - Ending (a) - (b)	\$	29,126,015	\$	36,661,085	\$	41,081,886
Plan Fiduciary Net Position as a						
Percentage of the Total OPEB Liability		47.22%	_	40.20%		35.44%
Covered-Employee Payroll <sup>2</sup>	\$	32,938,247	\$	25,506,339	\$	25,512,342
Plan Net OPEB Liability as a Percentage of Covered-Employee Payroll		88.43%		143.73%		161.03%
Coroled Employees, dylon	_	00.1070	_	1 10.7 0 70	_	101.0070

<sup>&</sup>lt;sup>1</sup> Historical information is presented for measurement periods for which GASB 75 is applicable. Additional years' information will be displayed as it becomes available.

<sup>&</sup>lt;sup>2</sup> For the twelve month period ended on June 30 (Measurement Date).

# CITY OF EL SEGUNDO SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS (CONTINUED) LAST TEN MEASUREMENT PERIODS<sup>1</sup>

# Other Postemployment Benefits (OPEB) Plan

#### Notes to Schedule:

#### **Changes in Benefit Terms:**

From measurement period ended June 30, 2018 to June 30, 2019:

- •Management and Conf: Monthly cap and maximum cap changed from \$1,200/\$1,600 to \$782/\$585.
- •Executive: Monthly cap and maximum cap changed from \$1,200/\$1,600 to \$782/\$782.
- •PMA: Monthly Cap changed from \$1,200 to average HMO family premium but no more than active cap (\$1,575 for 2020, \$1,650 for 2021). Maximum cap increased from \$1,200 to \$1,650.
- •PSSEA: Monthly Cap changed from \$1,200 to average HMO family premium but no more than active cap (\$1,450 2019,
- \$1,500 for 2020, \$1,600 for 2021, \$1,650 for 2022). Maximum cap increased from \$1,200 to \$1,650.
- •SPEA: Monthly Cap changed from \$1,200 to average HMO family premium but no more than active cap (\$1,500 for 2019,
- \$1,550 for 2020, \$1,600 for 2021, \$1,650 for 2022). Maximum cap increased from \$1,200 to \$1,650.
- •CEA: Monthly Cap changed from \$1,115.67 to average HMO family premium but no more than active cap (\$1,500 for 2020, \$1,550 for 2022, \$1,600 for 2023).
- •Police & Fire: Monthly Cap (Average HMO family) but no more than active cap (\$1,500 for 2019, \$1,575 for 2020, \$1,650 for 2021); Fire Maximum Cap increased from \$1,600 to \$1,800.

#### From measurement period ended June 30, 2021 to June 30, 2022:

- •Management and Conf: Monthly maximum increased from \$585 to \$735 for all retirees and increased to \$,650 for retirements after June 30, 2022
- •Executive: Monthly maximum increased from \$782 to \$932 for all retirees, and increased to \$1,650 for retirements after June 30, 2022
- •Police and Fire: Monthly maximum decreased from \$1,800 to \$1,750

#### **Changes in Assumptions**

From measurement period ended June 30, 2019 to June 30, 2020:

The mortality improvement scale was updated to Scale MP-2019 from MP-2017. The healthcare trend changed from 7.50% non-medicare and 6.50% medicare to 7.25% non-medicare and 6.3% medicare.

From measurement period ended June 30, 2020 to June 30, 2021:

The discount rate changed from 6.75% to 6.25%, inflation changed from 2.75% to 2.50%, salary increase changed from 3.00% to 2.75%, and the trend rate decreased by 0.25%.

From measurement period ended June 30, 2021 to June 30, 2022:

Implied subsidy removed for medicare advantage plans, Demographic assumptions updated to CalPERS 2000-2019 experience study, decreased medical trend for Kaiser Senior Advantage and mortality improvement scale was updated to MP-2021

# CITY OF EL SEGUNDO SCHEDULE OF CONTRIBUTIONS – OPEB PLAN LAST TEN FISCAL YEARS<sup>1</sup>

# Other Postemployment Benefits (OPEB) Plan

Fiscal Years	2022-23			2021-22	2020-21 <sup>3</sup>	
Actuarially Determined Contribution	\$	3,761,000	\$	3,494,000	\$	2,551,000
Contributions in Relation to the Actuarially Determined Contribution		(3,985,790)		(3,842,008)		(2,819,754)
Contribution Deficiency (Excess)	\$	(224,790)	\$	(348,008)	\$	(268,754)
Covered Employee Payroll	\$	36,783,511	\$	36,644,532	\$	37,380,967
Contributions as a Percentage of Covered-Employee Payroll		10.84%		10.48%		7.54%

<sup>&</sup>lt;sup>1</sup> Historical information is presented for measurement periods for which GASB 75 is applicable. Additional years' information will be displayed as it becomes available.

#### Notes to Schedule:

Valuation Date 6/30/2021 6/30/2019 6/30/2019

### Methods and Assumptions Used to

#### **Determine Contribution Rates:**

Actuarial Cost Method	Entry Age								
Amortization Method	Level Percentage of Payroll								
Amortization Period	19 Years	20 Years	21 Years						
Asset Valuation Method	Investment Gains and Losses Spread Ov	s and Losses Spread Over 5-Year Rolling Period							
Discount Rate	6.25%	6.75%	6.75%						
General Inflation	2.50%	2.75%	2.75%						
Medical Trend	(4)	(3)	(3)						
Mortality, Withdrawal, Disability	(8)	(7)	(7)						

- (1) 6.5% (Non-Medicare) and 6.7% (Medicare) for 2018, decreasing to an ultimate rate of 5.0% in 2021.
- (2) 7.5% (Non-Medicare) and 6.5% (Medicare) for 2019, decreasing to an ultimate rate of 4.0% in 2076.
- $(3)\ 7.25\%\ (Non-Medicare)\ and\ 6.3\%\ (Medicare)\ for\ 2021,\ decreasing\ to\ an\ ultimate\ rate\ of\ 4.0\%\ in\ 2076.$
- (4) 6.50% (Non-Medicare), 5.65% (Medicare Non-Kaiser) for 2023, and 4.60% (Medicare Kaiser) for 2023, decreasing to an ultimate rate of 3.75% in 2076.
- (5) CalPERS 1997-2011 experience study. Mortality Improvement Scale MP-2014.
- (6) CalPERS 1997-2015 experience study. Mortality Improvement Scale MP-2017.
- (7) CalPERS 1997-2015 experience study. Mortality Improvement Scale MP-2019.
- (8) CalPERS 2000-2019 experience study. Mortality Improvement Scale MP-2021.

<sup>&</sup>lt;sup>2</sup> Determined for the twelve month period ended on September 30 (fiscal year-end).

<sup>&</sup>lt;sup>3</sup> Determined for the nine month period ended on June 30 (fiscal year-end).

# CITY OF EL SEGUNDO SCHEDULE OF CONTRIBUTIONS – OPEB PLAN (CONTINUED) LAST TEN FISCAL YEARS<sup>1</sup>

# Other Postemployment Benefits (OPEB) Plan

Fiscal Years	2019-20 <sup>2</sup>	2018-19 <sup>2</sup>			2017-18 <sup>2</sup>
Actuarially Determined Contribution	\$ 4,436,000	\$	4,306,000	\$	3,876,000
Contributions in Relation to the Actuarially Determined Contribution	 (4,455,502)		(4,435,351)		(4,044,912)
Contribution Deficiency (Excess)	\$ (19,502)	\$	(129,351)	\$	(168,912)
Covered Employee Payroll	\$ 34,151,544	\$	26,049,352	\$	25,382,610
Contributions as a Percentage of Covered-Employee Payroll	13.05%		17.03%		15.94%

<sup>&</sup>lt;sup>1</sup> Historical information is presented for measurement periods for which GASB 75 is applicable. Additional years' information will be displayed as it becomes available.

#### Notes to Schedule:

Valuation Date 6/30/2017 6/30/2017 6/30/2015

### Methods and Assumptions Used to

#### **Determine Contribution Rates:**

Actuarial Cost Method	Entry Age								
Amortization Method	Level Percentage of Payroll								
Amortization Period	22 Years	23 Years	25 Years						
Asset Valuation Method	Investment Gains and Losses Spread Ov	s and Losses Spread Over 5-Year Rolling Period							
Discount Rate	6.75%	6.75%	7.50%						
General Inflation	2.75%	2.75%	3.00%						
Medical Trend	(2)	(2)	(1)						
Mortality, Withdrawal, Disability	(6)	(6)	(5)						

- (1) 6.5% (Non-Medicare) and 6.7% (Medicare) for 2018, decreasing to an ultimate rate of 5.0% in 2021.
- (2) 7.5% (Non-Medicare) and 6.5% (Medicare) for 2019, decreasing to an ultimate rate of 4.0% in 2076.
- $(3)\ 7.25\%\ (Non-Medicare)\ and\ 6.3\%\ (Medicare)\ for\ 2021,\ decreasing\ to\ an\ ultimate\ rate\ of\ 4.0\%\ in\ 2076.$
- (4) 6.50% (Non-Medicare), 5.65% (Medicare Non-Kaiser) for 2023, and 4.60% (Medicare Kaiser) for 2023, decreasing to an ultimate rate of 3.75% in 2076.
- (5) CalPERS 1997-2011 experience study. Mortality Improvement Scale MP-2014.
- (6) CalPERS 1997-2015 experience study. Mortality Improvement Scale MP-2017.
- (7) CalPERS 1997-2015 experience study. Mortality Improvement Scale MP-2019.
- (8) CalPERS 2000-2019 experience study. Mortality Improvement Scale MP-2021.

<sup>&</sup>lt;sup>2</sup> Determined for the twelve month period ended on September 30 (fiscal year-end).

<sup>&</sup>lt;sup>3</sup> Determined for the nine month period ended on June 30 (fiscal year-end).

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# **SUPPLEMENTARY INFORMATION**

# CITY OF EL SEGUNDO COMBINING SCHEDULE OF BALANCE SHEET GENERAL FUND COMPONENTS JUNE 30, 2023

		General		Economic Jncertainty Fund	Hyperion Mitigation Fund			Project Deposits Fund
ASSETS								
Cash and Investments	\$	41,408,865	\$	2,000,004	\$	75,989	\$	1,803,971
Restricted Cash and Investments	•	4,795,810	·	-	·	-	·	-
Receivables:		,,-						
Taxes		6,184,143		_		_		_
Accounts		864,836		_		-		27,270
Interest		646,605		_		-		- -
Leases		64,369,824		_		-		_
PPP		782,830		-		-		-
Due from Other Funds		707,401		-		-		-
Due from Other Governments		5,006		-		-		_
Inventories		177,985		-		-		-
Prepaids		117,325						
Total Assets	\$	120,060,630	\$	2,000,004	\$	75,989	\$	1,831,241
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
LIABILITIES								
Accounts Payable	\$	1,840,925	\$	-	\$	63	\$	176,342
Accrued Liabilities		1,922,782		-		-		<u>-</u>
Retentions Payable		9,708		-		-		39,597
Due to Other Funds		<u>-</u>		-		-		-
Unearned Revenue		58,001		-		-		-
Deposits Payable		32,913		-		-		303,877
Advances from Other Funds		-						-
Total Liabilities		3,864,329		-		63		519,816
DEFERRED INFLOWS OF RESOURCES								
Related to Leases		64,369,824		-		-		-
Related to PPP		782,830		-				
Total Deferred Inflows of Resources		65,152,654		-		-		-
FUND BALANCES								
Nonspendable		295,310		-		-		_
Restricted		4,795,810		-		-		-
Assigned		2,149,724		-		-		-
Unassigned (Deficit)		43,802,803		2,000,004		75,926		1,311,425
Total Fund Balances		51,043,647		2,000,004		75,926		1,311,425
Total Liabilities, Deferred Inflows of								
Resources, and Fund Balances	\$	120,060,630	\$	2,000,004	\$	75,989	\$	1,831,241

# CITY OF EL SEGUNDO COMBINING SCHEDULE OF BALANCE SHEET GENERAL FUND COMPONENTS (CONTINUED) JUNE 30, 2023

	So	olid Waste Fund	(	Golf Course Fund	Intrafund Eliminations			Total
ASSETS								
Cash and Investments	\$	_	\$	366,914	\$	_	\$	45,655,743
Restricted Cash and Investments	·	-	·	,		-	·	4,795,810
Receivables:								
Taxes		-		-		-		6,184,143
Accounts		-		-		-		892,106
Interest		-		-		-		646,605 64,369,824
Leases PPP		_		_		_		782,830
Due from Other Funds		_		_		(480,349)		227,052
Due from Other Governments		_		_		(100,010)		5,006
Inventories		_		_		_		177,985
Prepaids								117,325
Total Assets	\$		\$	366,914	\$	(480,349)	\$	123,854,429
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
LIABILITIES								
Accounts Payable	\$	71,399	\$	-	\$	-	\$	2,088,729
Accrued Liabilities		-		-		-		1,922,782
Retentions Payable		-		-		-		49,305
Due to Other Funds		480,349		-		(480,349)		-
Unearned Revenue		-		21,568		-		79,569
Deposits Payable Advances from Other Funds		_		- 5,577,910		-		336,790 5,577,910
Total Liabilities		551,748		5,599,478		(480,349)		10,055,085
, otal Elasiillies		001,710		0,000,110		(100,010)		10,000,000
DEFERRED INFLOWS OF RESOURCES								04.000.004
Related to Leases		-		-		-		64,369,824
Related to PPP  Total Deferred Inflows of Resources		<del></del>		<u>-</u>				782,830 65,152,654
Total Deletted Iffilows of Resources		-		-		-		03, 132,034
FUND BALANCES								
Nonspendable		-		-		-		295,310
Restricted		-		-		-		4,795,810
Assigned		-		-		-		2,149,724
Unassigned (Deficit)		(551,748)		(5,232,564)				41,405,846
Total Fund Balances		(551,748)		(5,232,564)		<del>-</del>		48,646,690
Total Liabilities, Deferred Inflows of								
Resources, and Fund Balances	\$	-	\$	366,914	\$	(480,349)	\$	123,854,429

# CITY OF EL SEGUNDO COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GENERAL FUND COMPONENTS YEAR ENDED JUNE 30, 2023

		General		Economic Incertainty Fund		Hyperion Mitigation Fund		Project Deposits Fund
REVENUES	_		_		_		_	
Taxes	\$	65,860,963	\$	-	\$	-	\$	-
Licenses and Permits		15,895,698		-		-		-
Intergovernmental		2,176,534		-		-		-
Charges for Services		5,703,834		-		<u>-</u>		349,774
Use of Money and Property		3,697,961		-		1,594		-
Fines and Forfeitures		386,774		-		-		-
Miscellaneous		1,613,224				-		
Total Revenues		95,334,988		-		1,594		349,774
EXPENDITURES								
Current:								
General Government		19,425,749		-		-		132,046
Public Safety		32,915,357		_		_		-
Public Works		7,181,184		-		20,910		-
Community and Cultural		8,605,046		-		-		-
Capital Outlay		862,905		-		-		2,602
Debt Service:								
Principal Retirement		653,235		_		_		_
Interest		142,702		_		_		_
Total Expenditures		69,786,178				20,910		134,648
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES		25,548,810		-		(19,316)		215,126
OTHER FINANCING SOURCES (USES)								
Subscription Payable Issuance		804,887		_		_		_
Transfers In		207,875		100,000		_		_
Transfers Out		(13,743,114)		-		_		_
Total Other Financing Sources (Uses)		(12,730,352)		100,000		-		-
NET CHANGE IN FUND BALANCES		12,818,458		100,000		(19,316)		215,126
Fund Balance - Beginning of Year		38,225,189		1,900,004		95,242		1,096,299
FUND BALANCE - END OF YEAR	\$	51,043,647	\$	2,000,004	\$	75,926	\$	1,311,425

# CITY OF EL SEGUNDO COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GENERAL FUND COMPONENTS (CONTINUED) YEAR ENDED JUNE 30, 2023

	Solid Waste Fund	Golf Course Fund	Intrafund Eliminations	Total
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 65,860,963
Licenses and Permits	-	-	-	15,895,698
Intergovernmental	-	-	-	2,176,534
Charges for Services	-	-	-	6,053,608
Use of Money and Property	-	-	-	3,699,555
Fines and Forfeitures	-	-	-	386,774
Miscellaneous				1,613,224
Total Revenues	-	-	-	95,686,356
EXPENDITURES				
Current:				
General Government	-	-	-	19,557,795
Public Safety	-	-	-	32,915,357
Public Works	285,363	-	-	7,487,457
Community and Cultural	-	-	-	8,605,046
Capital Outlay	-	-	-	865,507
Debt Service:				
Principal Retirement	-	-	-	653,235
Interest	-	-	-	142,702
Total Expenditures	285,363			70,227,099
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(285,363)	-	-	25,459,257
OTHER FINANCING SOURCES (USES)				
Subscription Payable Issuance	_	-	_	804,887
Transfers In	_	_	(102,875)	205,000
Transfers Out	_	(5,232,564)	102,875	(18,872,803)
Total Other Financing Sources (Uses)		(5,232,564)		(17,862,916)
NET CHANGE IN FUND BALANCES	(285,363)	(5,232,564)	-	7,596,341
Fund Balance - Beginning of Year	(266,385)			41,050,349
FUND BALANCE - END OF YEAR	\$ (551,748)	\$ (5,232,564)	\$ -	\$ 48,646,690

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# NONMAJOR GOVERNMENTAL FUNDS

## Special Revenue Funds:

**State Gas Tax Fund** - Accounts for a share of revenues derived from the State Highway Users' Tax under Sections 2105, 2106, 2107, and 2107.5. The revenue is derived from a share of the gasoline taxes and is used for the construction and maintenance of the road network system of the City.

**Residential Sound Insulation Program Fund** - Accounts for the grants received from the Federal Aviation Administration (FAA) and the Los Angeles World Airports (LAWA). The fund is used to provide acoustical treatment of homes in El Segundo that are within the extreme airport noise impact zone, in order to create a better sound environment inside the home.

**Certified Unified Program Agency** - Accounts for revenues and expenditures for the Endorsement and Emergency Response Program (EERP), a consolidation of six environmental programs at the local level.

**Community Development Block Grant (CDBG)** - Accounts for revenues received from the Department of Housing & Urban Development (HUD). These revenues must be expended to accomplish one of the following objectives: elimination of slum or blight to low- and moderate-income persons; or, to meet certain urgent community development needs.

**Asset Forfeiture Fund** - Accounts for receipt and disbursement of narcotic forfeitures received from the county, state, and federal agencies pursuant to Section 11470 of State Health & Safety Code and Federal Statute 21 USC Section 881.

**Prop "A" Transportation Fund** - Accounts for the one-half (1/2) cent sales tax approved by the voters of Los Angeles County to be used for local transportation purposes. These revenues are collected by the state and a portion is funneled to the City through the Los Angeles County Transportation Commission. The City of El Segundo uses this fund to participate in CTIP/MAX, a regional commuter service and to provide Dial-a-Ride; beach shuttles; and various transportation services.

**Prop "C" Transportation Fund** - Accounts for the one-half (1/2) cent sales tax approved by the voters of Los Angeles County in November 1990. Collection of the tax began in April 1991. Proceeds are to be used to improve transit services and operations; reduce traffic congestion; improve air quality; operate and improve the condition of the streets and freeways utilized by public transit; and reduce foreign oil dependence.

**Traffic Safety Fund** - Accounts for a portion of the Vehicle Code violation fines and penalties collected by the Los Angeles County Municipal Court. By state law, this money must be used for traffic safety related expenditures including traffic enforcement and capital projects.

# NONMAJOR GOVERNMENTAL FUNDS

# Special Revenue Funds (Continued):

Air Pollution Reduction Fund - Accounts for the City's share of funds received under the Health & Safety Code Section 44223 (AB 2766) to finance mobile source air pollution reduction programs consistent with the California Clean Air Act of 1988. The fund, derived from additional vehicle registration fee, is used to support the South Coast Air Quality Management District's (SCAQMD) program to reduce air pollution from motor vehicles.

**TDA Article 3/SB 821 Bikeway Fund** - Accounts for the monies the City receives from the Transportation Development Act Article 3 which are to be specifically used for construction or repair of bikeways, sidewalks, or handicapped accesses.

**COPS Fund** - Accounts for receipt and disbursement of funds received under the State Citizens' Option for Public Safety (COPS) program allocated pursuant to Government Code Section 30061 enacted by AB 3229, Chapter 134 of the 1996 Statues. This fund, also known as the Supplemental Law Enforcement Services Fund (SLESF), is allocated based on population and can only be spent for "front line municipal police services" such as local crime prevention and community-oriented policing, per Government Code Section 30061 (c)(2).

**MTA Grant Fund** - Accounts for receipt and disbursement of funds received from the exchange of Federal Surface Transportation Program - Local Funds for Local Transportation Funds from Los Angeles County Metropolitan Transportation Authority.

**Measure R Fund** - Accounts for the one-half (1/2) cent sales tax approved by the voters of Los Angeles County to be used for local transportation needs. These revenues are received by the state and a portion is funneled to the City through the Los Angeles County Metropolitan Transportation Authority. The City of El Segundo uses these funds for street improvements.

**Federal Grants Fund** - Accounts for revenues and expenditures for each federal grant awarded to the City.

**State & County Grants Fund** - Accounts for revenues and expenditures for each state or county grant awarded to the City.

**PSAF Property Tax Public Safety Fund** - Accounts for the one-half (1/2) cent sales tax approved by the voters in November 1993 under Prop 172. These revenues must be spent for public safety (police and fire services) purposes only.

**Senior Housing Fund** - Accounts for the revenues and expenditures from the El Segundo Senior Citizen Housing Corporation.

**Measure M Fund** - Accounts for the one-half (1/2) cent sales tax approved by the voters of Los Angeles County in November 2016. These revenues are received by the state and a portion is funneled to the City. These revenues must be spent to ease traffic congestion.

#### NONMAJOR GOVERNMENTAL FUNDS

#### Special Revenue Funds (Continued):

**SB 1 Fund** - Accounts for the revenues and expenditures from the Road Repair and Accountability Act of 2017. These revenues must be spent for local streets and roads.

**Certified Access Specialist Program (CASP)** - Accounts for the fees collected to increase disability access and compliance with construction related accessibility requirements.

**Affordable Housing** - Accounts for the revenue and expenditures related to the construction and purchase of affordable housing.

**Cultural Development** - Accounts for the 1% in-lieu fee imposed on new developments over \$2 million to meet the public art requirement. These revenues must be spent on design, acquisition, commission, installation, improvement, maintenance, and insurance of artwork or sponsoring and supporting artistic and cultural services in the City.

**Special Revenue/Donations Special Revenue Fund** - To account for donations received from private individuals or entities that are to be spent on specific activities or programs not funded by the City.

**County Storm Water Program** - Accounts for the revenues and expenditures related to Measure W, the Los Angeles County Safe, Clean Water Program.

**Measure B** - Accounts for the special tax levy on building improvements, approved by the voters of Los Angeles County, to be used for countywide system of trauma centers, emergency medical services, and for bioterrorism response throughout the County.

#### **Debt Service Fund:**

**Facility Loan Fund** - Accounts for the lease agreement with the California Infrastructure and Economic Development Bank (CIEDB) whereby CIEDB issued bonds in the amount of \$10 million to finance the Douglas Street Gap Closure Project. The City will make rental lease payments over a 30-year period starting February 1, 2006, at an interest rate of 2.87% per annum. Interest payments on the lease obligation are due on February 1 and August 1 of each year. Base rental payments will be mailed to the City reflecting the actual amount owed prior to each base rental payment due date.

#### Capital Projects Fund:

**Capital Improvement Fund** - Accounts for construction of capital facilities typically financed by the City's General Fund and any grant not accounted for in a special revenue fund.

**Developer Impact Fees** - Accounts for the revenues and capital expenditures financed by developer impact fees.

	Special Revenue Funds									
					(	Certified				
			R	esidential		Union	Co	mmunity		
		State		Sound	ı	⊃rogram	Dev	/elopment		Asset
		Gas Tax	Ir	nsulation	A	Agencies		ck Grant	ı	Forfeiture
ASSETS										
Cash and Investments	\$	309,606	\$	474,376	\$	763,685	\$	-	\$	1,056,528
Receivables:										
Accounts		-		-		-		-		-
Notes and Loans		-		-		-		49,405		-
Due from Other Governments		81,272								
Total Assets	\$	390,878	\$	474,376	\$	763,685	\$	49,405	\$	1,056,528
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES										
LIABILITIES										
Accounts Payable	\$	18,632	\$	-	\$	28,268	\$	5,750	\$	1,347
Accrued Liabilities		377		-		16,775		-		-
Retentions Payable		-		-		-		775		-
Due to Other Funds		-		-		-		16,220		-
Deposits Payable		_		-		_		_		-
Total Liabilities		19,009		-		45,043		22,745		1,347
FUND BALANCES										
Restricted		371,869		474,376		718,642		26,660		1,055,181
Assigned		_		_		-		-		-
Unassigned (Deficit)		_		_		-		-		-
Total Fund Balances		371,869		474,376		718,642		26,660		1,055,181
Total Liabilities, Deferred Inflows of										
Resources, and Fund Balances	\$	390,878	\$	474,376	\$	763,685	\$	49,405	\$	1,056,528

	Special Revenue Funds									
ASSETS		Prop A		Prop C		Traffic Safety			SB 821 Bikeway	
Cash and Investments Receivables:    Accounts    Notes and Loans Due from Other Governments	\$	1,656,567 - - -	\$	1,729,701 - - 11,847	\$	99,781	\$	162,031 - - 5,698	\$	15,329 - - -
Total Assets	\$	1,656,567	\$	1,741,548	\$	102,163	\$	167,729	\$	15,329
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES										
LIABILITIES										
Accounts Payable	\$	9,201	\$	5,990	\$	-	\$	-	\$	-
Accrued Liabilities		2,686		-		-		-		-
Retentions Payable		-		-		-		-		-
Due to Other Funds		-		-		-		-		-
Deposits Payable								-		-
Total Liabilities		11,887		5,990		-		-		-
FUND BALANCES										
Restricted		1,644,680		1,735,558		102,163		167,729		15,329
Assigned		-		-		-		-		-
Unassigned (Deficit)		-		-						
Total Fund Balances	_	1,644,680		1,735,558		102,163		167,729		15,329
Total Liabilities, Deferred Inflows of										
Resources, and Fund Balances	\$	1,656,567	\$	1,741,548	\$	102,163	\$	167,729	\$	15,329

	Special Revenue Funds										
ASSETS		C.O.P.S.		MTA Grant		leasure R		Federal Grants		State and County Grants	
Cash and Investments Receivables:    Accounts    Notes and Loans Due from Other Governments	\$	596,636 - -	\$	17,729 - - -	\$	1,169,069 - - -	\$	- - -	\$	340,665 - - -	
Total Assets	\$	596,636	\$	17,729	\$	1,169,069	\$		\$	340,665	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES											
LIABILITIES											
Accounts Payable	\$	2,964	\$	-	\$	27,844	\$	-	\$	10,201	
Accrued Liabilities		-		-		-		-		2,170	
Retentions Payable		-		-		10,000		-		-	
Due to Other Funds		-		-		-		150,449		-	
Deposits Payable		-		-							
Total Liabilities		2,964		-		37,844		150,449		12,371	
FUND BALANCES											
Restricted		593,672		17,729		1,131,225		-		328,294	
Assigned		-		-		-		-		-	
Unassigned (Deficit)								(150,449)			
Total Fund Balances		593,672		17,729		1,131,225		(150,449)		328,294	
Total Liabilities, Deferred Inflows of											
Resources, and Fund Balances	\$	596,636	\$	17,729	\$	1,169,069	\$		\$	340,665	

	Special Revenue Funds										
		PSAF operty Tax blic Safety		Senior Housing	Measure M SB 1					Certified Access Specialist Program	
ASSETS											
Cash and Investments	\$	185,766	\$	838,380	\$	878,331	\$	419,914	\$	139,781	
Receivables:											
Accounts		-		27,582		-		-		-	
Notes and Loans		-		-		-		-		-	
Due from Other Governments		7,141						67,647			
Total Assets	\$	192,907	\$	865,962	\$	878,331	\$	487,561	\$	139,781	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES											
LIABILITIES											
Accounts Payable	\$	7,790	\$	-	\$	119,354	\$	-	\$	1,267	
Accrued Liabilities		-		-		-		-		183	
Retentions Payable		-		-		18,095		16,678		-	
Due to Other Funds		-		-		-		-		-	
Deposits Payable		_		28,696		-		-		_	
Total Liabilities		7,790		28,696		137,449		16,678		1,450	
FUND BALANCES											
Restricted		185,117		837,266		740,882		470,883		138,331	
Assigned		-		-		-		-		-	
Unassigned (Deficit)						-		-			
Total Fund Balances		185,117		837,266		740,882		470,883		138,331	
Total Liabilities, Deferred Inflows of											
Resources, and Fund Balances	\$	192,907	\$	865,962	\$	878,331	\$	487,561	\$	139,781	

	Special Revenue Funds									
ASSETS		Affordable Housing	Special County Cultural Revenues / Storm Water Development Donations Program		torm Water	Measure B				
ASSETS										
Cash and Investments	\$	5,481,311	\$	785,428	\$	3,164,024	\$	1,266,859	\$	_
Receivables:										
Accounts		-		-		13,400		-		-
Notes and Loans		-		-		-		-		-
Due from Other Governments						-		-		
Total Assets	\$	5,481,311	\$	785,428	\$	3,177,424	\$	1,266,859	\$	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES										
LIABILITIES										
Accounts Payable	\$	-	\$	2,119	\$	9,873	\$	27,384	\$	-
Accrued Liabilities		-		3,093		-		-		-
Retentions Payable		-		-		-		-		-
Due to Other Funds		-		-		-		-		60,383
Deposits Payable				_		-		-		
Total Liabilities		-		5,212		9,873		27,384		60,383
FUND BALANCES										
Restricted		5,481,311		780,216		3,167,551		1,239,475		-
Assigned		-		-		-		-		-
Unassigned (Deficit)						-		-		(60,383)
Total Fund Balances		5,481,311		780,216		3,167,551		1,239,475		(60,383)
Total Liabilities, Deferred Inflows of										
Resources, and Fund Balances	\$	5,481,311	\$	785,428	\$	3,177,424	\$	1,266,859	\$	

		Debt					
	Se	rvice Fund		Capital Pro	jects	Funds	
		Facility	D	eveloper	Capital		
		Loan	lm	pact Fees	In	nprovement	Total
ASSETS							
Cash and Investments	\$	766,900	\$	180,316	\$	6,237,389	\$ 28,736,102
Receivables:							
Accounts		-		-		-	40,982
Notes and Loans		-		-		-	49,405
Due from Other Governments		<u>-</u>					 175,987
Total Assets	\$	766,900	\$	180,316	\$	6,237,389	\$ 29,002,476
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$	126	\$	-	\$	352,171	\$ 630,281
Accrued Liabilities		-		-		-	25,284
Retentions Payable		-		-		30,191	75,739
Due to Other Funds		-		-		-	227,052
Deposits Payable		-				-	 28,696
Total Liabilities		126		-		382,362	987,052
FUND BALANCES							
Restricted		766,774		180,316		-	22,371,229
Assigned		-		-		5,855,027	5,855,027
Unassigned (Deficit)		-		-		_	(210,832)
Total Fund Balances		766,774		180,316		5,855,027	28,015,424
Total Liabilities, Deferred Inflows of							
Resources, and Fund Balances	\$	766,900	\$	180,316	\$	6,237,389	\$ 29,002,476

State   State   Gas Tax   Sound   Insulation   Sound   Program   Program   Development   Block Grant   Profeture   Profeture   P				SI	pecial Revenue Fur	nds	
REVENUES         Salate Gas Tax         Sound Insulation         Program Agencies Fund         Development Block Grant         Asset Forfeiture           Taxes         \$					Certified		
REVENUES         Gas Tax         Insulation         Agencies Fund         Block Grant         Forfeiture           Taxes         \$				Residential	Union	Community	
Taxes			State	Sound	Program	Development	Asset
Taxes		(	Gas Tax	Insulation	Agencies Fund	Block Grant	Forfeiture
Licenses and Permits	REVENUES						
Intergovernmental   440,215	Taxes	\$	-	\$ -	\$ -	\$ -	\$ -
Charges for Services	Licenses and Permits		-	-	63,610	-	-
Use of Money and Property	Intergovernmental		440,215	-	-	83,030	29,437
Fines and Forfeitures	Charges for Services		-	-	1,119,379	-	-
Fines and Forfeitures	Use of Money and Property		4,514	7,252	5,220	224	19,649
Miscellaneous	Fines and Forfeitures		-	-	3,875	-	-
Miscellaneous	Developer Fees		-	-	-	_	-
Total Revenues			-	5,503	-	_	-
Current:   General Government	Total Revenues		444,729		1,192,084	83,254	49,086
General Government	EXPENDITURES						
Public Safety	Current:						
Public Works	General Government		-	-	-	_	-
Community and Cultural         -         781         578,582         -         -         -         -         Capital Outlay         -         -         -         65,500         117,049         117,049         Debt Service:         -	Public Safety		-	-	-	_	74,327
Capital Outlay         -         -         -         65,500         117,049           Debt Service:         Principal Retirement         - <td< td=""><td>Public Works</td><td></td><td>274,795</td><td>-</td><td>-</td><td>_</td><td>· -</td></td<>	Public Works		274,795	-	-	_	· -
Capital Outlay         -         -         -         65,500         117,049           Debt Service:         Principal Retirement         - <td< td=""><td>Community and Cultural</td><td></td><td>-</td><td>781</td><td>578,582</td><td>_</td><td>-</td></td<>	Community and Cultural		-	781	578,582	_	-
Debt Service:           Principal Retirement         - <td></td> <td></td> <td>_</td> <td>_</td> <td>, -</td> <td>65.500</td> <td>117.049</td>			_	_	, -	65.500	117.049
Interest						,	,
Interest	Principal Retirement		_	_	_	_	_
Total Expenditures         274,795         781         578,582         65,500         191,376           EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES         169,934         11,974         613,502         17,754         (142,290)           OTHER FINANCING SOURCES (USES)           Transfers In         -	•		_	_	_	_	_
OVER (UNDER) EXPENDITURES         169,934         11,974         613,502         17,754         (142,290)           OTHER FINANCING SOURCES (USES)           Transfers In         - <t< td=""><td></td><td></td><td>274,795</td><td>781</td><td>578,582</td><td>65,500</td><td>191,376</td></t<>			274,795	781	578,582	65,500	191,376
OVER (UNDER) EXPENDITURES         169,934         11,974         613,502         17,754         (142,290)           OTHER FINANCING SOURCES (USES)           Transfers In         - <t< td=""><td>EXCESS (DEFICIENCY) OF REVENUES</td><td></td><td></td><td></td><td></td><td></td><td></td></t<>	EXCESS (DEFICIENCY) OF REVENUES						
Transfers In         - <t< td=""><td>•</td><td></td><td>169,934</td><td>11,974</td><td>613,502</td><td>17,754</td><td>(142,290)</td></t<>	•		169,934	11,974	613,502	17,754	(142,290)
Transfers In         - <t< td=""><td>OTHER FINANCING SOURCES (USES)</td><td></td><td></td><td></td><td></td><td></td><td></td></t<>	OTHER FINANCING SOURCES (USES)						
Total Other Financing Sources (Uses)			-	-	-	_	-
(Uses)         - <td>Transfers Out</td> <td></td> <td>-</td> <td>-</td> <td>-</td> <td>_</td> <td>-</td>	Transfers Out		-	-	-	_	-
(Uses)         - <td>Total Other Financing Sources</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	Total Other Financing Sources						
Fund Balances - Beginning of Year 201,935 462,402 105,140 8,906 1,197,471							
	NET CHANGE IN FUND BALANCES		169,934	11,974	613,502	17,754	(142,290)
FUND BALANCES - END OF YEAR \$ 371,869 \$ 474,376 \$ 718,642 \$ 26,660 \$ 1.055,181	Fund Balances - Beginning of Year		201,935	462,402	105,140	8,906	1,197,471
	FUND BALANCES - END OF YEAR	\$	<u>37</u> 1,869	\$ 474,376	\$ 718,642	\$ 26,660	\$ 1,055,181

			Sp	pecial Revenue Fur	nds	
	Prop A		Prop C	Traffic Safety	Air Pollution Reduction	SB 821 Bikeway
REVENUES	•					
Taxes	\$	- \$	-	\$ -	\$ -	\$ -
Licenses and Permits		<del>.</del>	-	-	<u>-</u>	<u>-</u>
Intergovernmental	437,9	903	1,044,603	-	28,031	15,692
Charges for Services		-	-	-	-	-
Use of Money and Property	28,	197	24,911	-	2,711	176
Fines and Forfeitures		-	-	74,027	-	-
Developer Fees		-	-	-	-	-
Miscellaneous	400	-	4 000 544	74.007	20.740	45,000
Total Revenues	466,	100	1,069,514	74,027	30,742	15,868
EXPENDITURES						
Current:						
General Government		-	-	-	-	-
Public Safety		-	-	-	-	-
Public Works		-	-	-	-	-
Community and Cultural	253,2	264	2,428	-	-	-
Capital Outlay		-	430,549	-	-	14,846
Debt Service:						
Principal Retirement		-	-	-	-	-
Interest		-	-	-	-	-
Total Expenditures	253,2	264	432,977			14,846
EXCESS (PERIOIPNOV) OF PEVENUES						
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	212,8	336	636,537	74,027	30,742	1,022
	,		333,331	,==.	33,	.,022
OTHER FINANCING SOURCES (USES)						
Transfers In		-	-	-	-	-
Transfers Out				(45,000)		
Total Other Financing Sources (Uses)		_	_	(45,000)		
NET CHANGE IN FUND BALANCES	212,8	836	636,537	29,027	30,742	1,022
Fund Balances - Beginning of Year	1,431,8	844	1,099,021	73,136	136,987	14,307
FUND BALANCES - END OF YEAR	\$ 1,644,	680 <b>\$</b>	1,735,558	\$ 102,163	\$ 167,729	\$ 15,329

		s	pecial Revenue Fur	nds	
	C.O.P.S.	MTA Grant	Measure R	Federal Grants	State and County Grants
REVENUES			•		
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-
Intergovernmental	165,271	-	495,003	2,011,077	461,032
Charges for Services	-	-	-	-	-
Use of Money and Property	10,959	316	22,903	-	-
Fines and Forfeitures	-	-	-	-	-
Developer Fees	-	-	-	-	-
Miscellaneous			-		
Total Revenues	176,230	316	517,906	2,011,077	461,032
EXPENDITURES					
Current:					
General Government	-	-	_	-	_
Public Safety	21,055	-	_	2,015,882	8,418
Public Works	-	-	-	-	· -
Community and Cultural	-	-	-	-	68,197
Capital Outlay	54,067	-	689,580	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	75,122	-	689,580	2,015,882	76,615
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	101,108	316	(171,674)	(4,805)	384,417
OTHER FINANCING SOURCES (USES) Transfers In Transfers Out		- -	_ 	(5,742)	5,742
Total Other Financing Sources (Uses)				(5,742)	5,742
NET CHANGE IN FUND BALANCES	101,108	316	(171,674)	(10,547)	390,159
Fund Balances - Beginning of Year	492,564	17,413	1,302,899	(139,902)	(61,865)
FUND BALANCES - END OF YEAR	\$ 593,672	\$ 17,729	\$ 1,131,225	\$ (150,449)	\$ 328,294

		Sp	pecial	Revenue Fun	ıds			
	PSAF operty Tax olic Safety	Senior Housing	М	Measure M SB 1				Certified Access Specialist Program
REVENUES								
Taxes	\$ 40,520	\$ -	\$	-	\$	-	\$	-
Licenses and Permits	-	-		-		-		-
Intergovernmental	-	-		634,587		386,048		-
Charges for Services	-	-		-		-		21,646
Use of Money and Property	3,917	37,826		17,090		10,155		2,379
Fines and Forfeitures	-	-		-		-		-
Developer Fees	-	-		-		-		-
Miscellaneous	 <u>-</u> _	 		<u>-</u> _				
Total Revenues	44,437	37,826		651,677		396,203		24,025
EXPENDITURES								
Current:								
General Government	_	_		_		_		_
Public Safety	64,487	_		_		_		_
Public Works	-	_		_		_		_
Community and Cultural	_	13,695		_		_		_
Capital Outlay	_	30,520		828,241		335,931		_
Debt Service:		,-		,		,		
Principal Retirement	_	_		_		_		_
Interest	_	_		_		_		_
Total Expenditures	64,487	44,215		828,241		335,931	_	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(20,050)	(6,389)		(176,564)		60,272		24,025
OVER (UNDER) EXPENDITURES	(20,030)	(0,309)		(170,304)		00,272		24,023
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-		-		-		-
Transfers Out	-	-		-		-		-
<b>Total Other Financing Sources</b>								
(Uses)	 -	 -		-		_		_
NET CHANGE IN FUND BALANCES	(20,050)	(6,389)		(176,564)		60,272		24,025
Fund Balances - Beginning of Year	205,167	843,655		917,446		410,611		114,306
FUND BALANCES - END OF YEAR	\$ 185,117	\$ 837,266	\$	740,882	\$	470,883	\$	138,331
	 	 ,				0,000		. 30,001

	Special Revenue Funds								
	Affordable Housing	Cultural Development	Special Revenues / Donations	County Storm Water Program	Measure B				
REVENUES		•	•	•	•				
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -				
Licenses and Permits	-	-	-	-	-				
Intergovernmental	-	-	-	609,240	-				
Charges for Services	-	-	-	-	-				
Use of Money and Property	97,780	-	-	20,881	-				
Fines and Forfeitures	-	- -	-	-	-				
Developer Fees	-	28,000	-	-	-				
Miscellaneous		-	1,214,905						
Total Revenues	97,780	28,000	1,214,905	630,121	-				
EXPENDITURES									
Current:									
General Government	-	-	-	-	-				
Public Safety	-	-	4,811	-	-				
Public Works	-	-	-	192,769	-				
Community and Cultural	-	261,789	104,227	-	-				
Capital Outlay	-	-	-	-	60,383				
Debt Service:									
Principal Retirement	-	-	-	-	-				
Interest	_	-	-	-	-				
Total Expenditures		261,789	109,038	192,769	60,383				
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	97,780	(233,789)	1,105,867	437,352	(60,383)				
OTHER FINANCING SOURCES (USES) Transfers In Transfers Out	-	-	-	-	-				
Total Other Financing Sources (Uses)									
NET CHANGE IN FUND BALANCES	97,780	(233,789)	1,105,867	437,352	(60,383)				
Fund Balances - Beginning of Year	5,383,531	1,014,005	2,061,684	802,123	<u>-</u>				
FUND BALANCES - END OF YEAR	\$ 5,481,311	\$ 780,216	\$ 3,167,551	\$ 1,239,475	\$ (60,383)				

	Debt Service Fund	Capital Pro	jects Funds	
	Facility Loan	Developer Impact Fees	Capital Improvement	Total
REVENUES	•	Φ.	Φ.	Φ 40.500
Taxes	\$ -	\$ -	\$ -	\$ 40,520
Licenses and Permits	-	-	-	63,610
Intergovernmental Charges for Services	-	-	-	6,841,169 1,141,025
Use of Money and Property	-	-	-	317,060
Fines and Forfeitures	-	_	_	77,902
Developer Fees	32,548	180,316	_	240,864
Miscellaneous	-	100,010	_	1,220,408
Total Revenues	32,548	180,316	-	9,942,558
EXPENDITURES				
Current:				
General Government	17,656	-	-	17,656
Public Safety	-	-	-	2,188,980
Public Works	-	-	-	467,564
Community and Cultural	-	-	-	1,282,963
Capital Outlay	-	-	1,890,952	4,517,618
Debt Service:				
Principal Retirement	344,975	-	-	344,975
Interest	162,735			162,735
Total Expenditures	525,366		1,890,952	8,982,491
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(492,818)	180,316	(1,890,952)	960,067
OTHER FINANCING SOURCES (USES) Transfers In Transfers Out	-	-	4,145,420	4,151,162 (50,742)
Total Other Financing Sources (Uses)			4,145,420	4,100,420
NET CHANGE IN FUND BALANCES	(492,818)	180,316	2,254,468	5,060,487
Fund Balances - Beginning of Year	1,259,592		3,600,559	22,954,937
FUND BALANCES - END OF YEAR	\$ 766,774	\$ 180,316	\$ 5,855,027	\$ 28,015,424

# CITY OF EL SEGUNDO SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL STATE GAS TAX SPECIAL REVENUE FUND YEAR ENDED JUNE 30, 2023

		Budgeted	Amoi	ınts		Actual	Fin	riance with al Budget Positive
	Original Final				Amounts	-	legative)	
REVENUES		original		1 IIIGI		Tiriodrito		vegative)
Intergovernmental	\$	455.000	\$	455,000	\$	440,215	\$	(14,785)
Use of Money and Property	Ψ	10,000	Ψ	10,000	Ψ	4,514	Ψ	(5,486)
Total Revenues		465,000		465,000		444,729		(20,271)
EXPENDITURES Current:								
Public Works		752,966		752,966		274,795		478,171
Total Expenditures		752,966		752,966		274,795		478,171
NET CHANGE IN FUND BALANCES	\$	(287,966)	\$	(287,966)		169,934	\$	457,900
Fund Balance - Beginning of Year						201,935		
FUND BALANCE - END OF YEAR					\$	371,869		

#### CITY OF EL SEGUNDO SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL RESIDENTIAL SOUND INSULATION SPECIAL REVENUE FUND YEAR ENDED JUNE 30, 2023

		Budgeted	Amo	unts	Actual	Fina	ance with al Budget Positive
	Original			Final	 Amounts	(N	egative)
REVENUES							
Use of Money and Property	\$	-	\$	-	\$ 7,252	\$	7,252
Miscellaneous					5,503		5,503
Total Revenues		-		-	12,755		12,755
EXPENDITURES							
Current:							
Community and Cultural		800		800	781		19
Total Expenditures		800		800	 781	•	19
NET CHANGE IN FUND BALANCES	\$	(800)	\$	(800)	11,974	\$	12,774
Fund Balance - Beginning of Year					 462,402		
FUND BALANCE - END OF YEAR					\$ 474,376		

#### CITY OF EL SEGUNDO SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL CERTIFIED UNION PROGRAM AGENCIES SPECIAL REVENUE FUND YEAR ENDED JUNE 30, 2023

								iance with al Budget
		Budgeted	Amo	unts		Actual		Positive
	Original Final				Amounts	(Negative)		
REVENUES								
Licenses and Permits	\$	2,606	\$	2,606	\$	63,610	\$	61,004
Charges for Services		471,507		471,507		1,119,379		647,872
Use of Money and Property		-		-		5,220		5,220
Fines and Forfeitures						3,875		3,875
Total Revenues		474,113		474,113		1,192,084		717,971
EXPENDITURES Current:								
Community and Cultural		557,643		559,643		578,582		(18,939)
Total Expenditures		557,643		559,643		578,582		(18,939)
NET CHANGE IN FUND BALANCES	\$	(83,530)	\$	(85,530)		613,502	\$	699,032
Fund Balance - Beginning of Year					_	105,140		
FUND BALANCE - END OF YEAR					\$	718,642		

#### CITY OF EL SEGUNDO SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND YEAR ENDED JUNE 30, 2023

	Budgeted Amounts					Actual	Fina	ance with al Budget Positive
	С	Original Final		Final	Amounts		(Negative)	
REVENUES	\$	75,000	\$	75 000	\$	83,030	\$	8,030
Intergovernmental Use of Money and Property	Ф	75,000	φ	75,000 -	Φ	224	Ф	224
Total Revenues		75,000		75,000		83,254		8,254
EXPENDITURES Capital Outlay		75,000		75,000		65,500		9,500
Total Expenditures		75,000		75,000		65,500		9,500
NET CHANGE IN FUND BALANCES	\$		\$	<u>-</u>		17,754	\$	17,754
Fund Balance - Beginning of Year						8,906		
FUND BALANCE - END OF YEAR					\$	26,660		

# CITY OF EL SEGUNDO SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL ASSET FORFEITURE SPECIAL REVENUE FUND YEAR ENDED JUNE 30, 2023

							iance with al Budget
		Budgeted	Amo	unts	Actual		Positive
	Original			Final	 Amounts	(N	legative)
REVENUES							
Intergovernmental	\$	-	\$	-	\$ 29,437	\$	29,437
Use of Money and Property		-			 19,649		19,649
Total Revenues		-		-	49,086		49,086
EXPENDITURES							
Current:							
Public Safety		225,000		225,000	74,327		150,673
Capital Outlay		500,000		500,000	 117,049		382,951
Total Expenditures		725,000		725,000	191,376		533,624
NET CHANGE IN FUND BALANCES	\$	(725,000)	\$	(725,000)	(142,290)	\$	582,710
Fund Balance - Beginning of Year					1,197,471		
FUND BALANCE - END OF YEAR					\$ 1,055,181		

#### CITY OF EL SEGUNDO SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL PROP A SPECIAL REVENUE FUND YEAR ENDED JUNE 30, 2023

								iance with al Budget
		Budgeted	Amoı	unts		Actual		Positive
	Original			Final	Amounts		(Negative)	
REVENUES								
Intergovernmental	\$	300,000	\$	300,000	\$	437,903	\$	137,903
Charges for Services		1,500		1,500		-		(1,500)
Use of Money and Property		6,000		6,000		28,197		22,197
Total Revenues		307,500		307,500		466,100		158,600
EXPENDITURES Current:								
Community and Cultural		322,165		746,571		253,264		493,307
Total Expenditures		322,165		746,571		253,264		493,307
NET CHANGE IN FUND BALANCES	\$	(14,665)	\$	(439,071)		212,836	\$	651,907
Fund Balance - Beginning of Year						1,431,844		
FUND BALANCE - END OF YEAR					\$	1,644,680		

#### CITY OF EL SEGUNDO SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL PROP C SPECIAL REVENUE FUND YEAR ENDED JUNE 30, 2023

							riance with nal Budget
		Budgeted	Am	ounts	Actual		Positive
	Original			Final	Amounts	(	Negative)
REVENUES							
Intergovernmental	\$	250,000	\$	250,000	\$ 1,044,603	\$	794,603
Use of Money and Property		5,000		5,000	24,911		19,911
Total Revenues		255,000		255,000	1,069,514		814,514
EXPENDITURES							
Current:							
Community and Cultural		130,127		130,127	2,428		127,699
Capital Outlay		1,420,000		3,371,000	430,549		2,940,451
Total Expenditures		1,550,127		3,501,127	 432,977		3,068,150
NET CHANGE IN FUND BALANCES	\$	(1,295,127)	\$	(3,246,127)	636,537	\$	3,882,664
Fund Balance - Beginning of Year					 1,099,021		
FUND BALANCE - END OF YEAR					\$ 1,735,558		

# CITY OF EL SEGUNDO SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL TRAFFIC SAFETY SPECIAL REVENUE FUND YEAR ENDED JUNE 30, 2023

		Budgeted	Amo	unts		Actual	Variance with Final Budget Positive		
				Final	_	Amounts	-	(Negative)	
REVENUES		original		Tillal		unounts		egative)	
Use of Money and Property	\$	1,000	\$	1,000	\$	-	\$	(1,000)	
Fines and Forfeitures		30,000		30,000		74,027		44,027	
Total Revenues		31,000		31,000	-	74,027		43,027	
OTHER FINANCING SOURCES									
Transfer Out		(45,000)		(45,000)		(45,000)		-	
NET CHANGE IN FUND BALANCES	\$	(14,000)	\$	(14,000)		29,027	\$	43,027	
Fund Balance - Beginning of Year						73,136			
FUND BALANCE - END OF YEAR					\$	102,163			

#### CITY OF EL SEGUNDO SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL AIR POLLUTION REDUCTION SPECIAL REVENUE FUND YEAR ENDED JUNE 30, 2023

	Budgeted Amounts Actual							Variance with Final Budget Positive	
			AIIIO	Final	Amounts		(Negative)		
REVENUES		Driginal		Гіпаі	Amounts			vegative)	
Intergovernmental	\$	20,000	\$	20,000	\$	28,031	\$	8,031	
Use of Money and Property		500		500		2,711		2,211	
Total Revenues		20,500		20,500		30,742		10,242	
EXPENDITURES Capital Outlay		100,000		100,000		<u>-</u>		100,000	
Total Expenditures		100,000		100,000				100,000	
NET CHANGE IN FUND BALANCES	\$	(79,500)	\$	(79,500)		30,742	\$	110,242	
Fund Balance - Beginning of Year						136,987			
FUND BALANCE - END OF YEAR					\$	167,729			

#### CITY OF EL SEGUNDO SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL SB 821 SPECIAL REVENUE FUND YEAR ENDED JUNE 30, 2023

	Budgeted Amounts Original Final				Actual .mounts	Variance with Final Budget Positive (Negative)		
REVENUES		g <u>-</u>			 		-gaare,	
Intergovernmental	\$	10,000	\$	10,000	\$ 15,692	\$	5,692	
Use of Money and Property		400		400	176		(224)	
Total Revenues		10,400	•	10,400	15,868		5,468	
EXPENDITURES								
Capital Outlay		15,000		15,000	14,846		154	
Total Expenditures		15,000		15,000	14,846		154	
NET CHANGE IN FUND BALANCES	\$	(4,600)	\$	(4,600)	1,022	\$	5,622	
Fund Balance - Beginning of Year					14,307			
FUND BALANCE - END OF YEAR					\$ 15,329			

#### CITY OF EL SEGUNDO SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL C.O.P.S. SPECIAL REVENUE FUND YEAR ENDED JUNE 30, 2023

								ance with al Budget
		Budgeted	Amoı	unts		Actual		ositive
	Original			Final	A	mounts	(N	egative)
REVENUES				_		_		_
Intergovernmental	\$	145,000	\$	145,000	\$	165,271	\$	20,271
Use of Money and Property		1,500		1,500		10,959		9,459
Total Revenues		146,500		146,500		176,230		29,730
EXPENDITURES								
Current:								
Public Safety		175,000		185,000		21,055		163,945
Capital Outlay		175,000		165,000		54,067		110,933
Total Expenditures		350,000		350,000		75,122		274,878
NET CHANGE IN FUND BALANCES	\$	(203,500)	\$	(203,500)		101,108	\$	304,608
Fund Balance - Beginning of Year						492,564		
FUND BALANCE - END OF YEAR					\$	593,672		

# CITY OF EL SEGUNDO SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL MTA GRANT SPECIAL REVENUE FUND YEAR ENDED JUNE 30, 2023

	O	Budgeted	nts Final	-	Actual mounts	Final Po	nce with Budget sitive gative)
REVENUES					_		
Use of Money and Property	\$		\$ 	\$	316	\$	316
Total Revenues		-	-		316		316
NET CHANGE IN FUND BALANCES	\$		\$ 		316	\$	316
Fund Balance - Beginning of Year					17,413		
FUND BALANCE - END OF YEAR				\$	17,729		

#### CITY OF EL SEGUNDO SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL MEASURE R SPECIAL REVENUE FUND YEAR ENDED JUNE 30, 2023

	Budgeted Amounts Original Final					Actual	Variance with Final Budget Positive (Negative)		
REVENUES		Original		гіпаі		Amounts		legalive)	
	\$	507,500	\$	507,500	\$	495,003	\$	(12 407)	
Intergovernmental	Φ	•	Φ	•	Φ	•	Φ	(12,497)	
Use of Money and Property		5,500		5,500		22,903		17,403	
Total Revenues		513,000		513,000		517,906		4,906	
EXPENDITURES Capital Outlay Total Expenditures		600,000		600,000 600,000		689,580 689,580		(89,580) (89,580)	
NET CHANGE IN FUND BALANCES	\$	(87,000)	\$	(87,000)		(171,674)	\$	(84,674)	
Fund Balance - Beginning of Year						1,302,899			
FUND BALANCE - END OF YEAR					\$	1,131,225			

# CITY OF EL SEGUNDO SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL FEDERAL GRANTS SPECIAL REVENUE FUND YEAR ENDED JUNE 30, 2023

							ariance with inal Budget	
	Budgeted	l Amo	unts		Actual	Positive		
	Original	Final		Amounts		(Negative)		
REVENUES			_				_	
Intergovernmental	\$ 115,600	\$	931,286	\$	2,011,077	\$	1,079,791	
Total Revenues	115,600		931,286		2,011,077		1,079,791	
EXPENDITURES Current:								
Public Safety	-		29,149		2,015,882		(1,986,733)	
Capital Outlay			786,537				786,537	
Total Expenditures			815,686		2,015,882		(1,200,196)	
OTHER FINANCING SOURCES Transfer Out	 				(5,742)		(5,742)	
NET CHANGE IN FUND BALANCES	\$ 115,600	\$	115,600		(10,547)	\$	(126,147)	
Fund Balance (Deficit) - Beginning of Year					(139,902)			
FUND BALANCE (DEFICIT) - END OF YEAR				\$	(150,449)			

# CITY OF EL SEGUNDO SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL STATE GRANTS SPECIAL REVENUE FUND YEAR ENDED JUNE 30, 2023

								iance with al Budget	
	<b>Budgeted Amounts</b>					Actual	Positive		
	(	Original	Final		Amounts		(Negative)		
REVENUES		_		_					
Intergovernmental	\$	240,000	\$	312,912	\$	461,032	\$	148,120	
Total Revenues		240,000		312,912		461,032		148,120	
EXPENDITURES									
Current:									
Public Safety		-		3,200		8,418		(5,218)	
Community and Cultural				50,000		68,197		(18,197)	
Total Expenditures				53,200		76,615		(23,415)	
OTHER FINANCING SOURCES									
Transfer In				<u>-</u>		5,742		5,742	
NET CHANGE IN FUND BALANCE	\$	240,000	\$	259,712		390,159	\$	130,447	
Fund Balance (Deficit) - Beginning of Year						(61,865)			
FUND BALANCE (DEFICIT) - END OF YEAR					\$	328,294			

#### CITY OF EL SEGUNDO SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL PSAF PROPERTY TAX PUBLIC SAFETY SPECIAL REVENUE FUND YEAR ENDED JUNE 30, 2023

								ance with al Budget
	Budgeted Amounts					Actual		ositive
	Original		Final		Amounts		(Negative)	
REVENUES								
Taxes	\$	30,000	\$	30,000	\$	40,520	\$	10,520
Use of Money and Property		1,000		1,000		3,917		2,917
Total Revenues		31,000		31,000		44,437		13,437
EXPENDITURES								
Current:								
Public Safety		150,000		150,000		64,487		85,513
Total Expenditures	•	150,000		150,000	•	64,487		85,513
NET CHANGE IN FUND BALANCES	\$	(119,000)	\$	(119,000)		(20,050)	\$	98,950
Fund Balance - Beginning of Year						205,167		
FUND BALANCE - END OF YEAR					\$	185,117		

#### CITY OF EL SEGUNDO SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL SENIOR HOUSING SPECIAL REVENUE FUND YEAR ENDED JUNE 30, 2023

								ance with al Budget	
	Budgeted Amounts					Actual	Positive		
	C	riginal		Final	Ar	nounts	(Ne	egative)	
REVENUES									
Use of Money and Property	\$	10,000	\$	10,000	\$	37,826	\$	27,826	
Total Revenues		10,000		10,000		37,826		27,826	
EXPENDITURES									
Current:									
Community and Cultural		15,313		15,313		13,695		1,618	
Capital Outlay		60,000		60,000		30,520		29,480	
Total Expenditures		75,313		75,313		44,215		31,098	
NET CHANGE IN FUND BALANCES	\$	(65,313)	\$	(65,313)		(6,389)	\$	58,924	
Fund Balance - Beginning of Year						843,655			
FUND BALANCE - END OF YEAR					\$	837,266			

# CITY OF EL SEGUNDO SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL MEASURE M SPECIAL REVENUE FUND YEAR ENDED JUNE 30, 2023

	Budgeted	Amo	unts		Actual	ariance with inal Budget Positive
	 	Final		. Amounts		
REVENUES	Original		FIIIdi		Amounts	(Negative)
Intergovernmental	\$ 200,000	\$	4,250,000	\$	634,587	\$ (3,615,413)
Use of Money and Property	5,000		5,000		17,090	12,090
Total Revenues	205,000		4,255,000		651,677	(3,603,323)
EXPENDITURES						
Capital Outlay	1,000,000		5,160,000		828,241	4,331,759
Total Expenditures	1,000,000		5,160,000		828,241	4,331,759
NET CHANGE IN FUND BALANCES	\$ (795,000)	\$	(905,000)		(176,564)	\$ 728,436
Fund Balance - Beginning of year					917,446	
FUND BALANCE - END OF YEAR				\$	740,882	

# CITY OF EL SEGUNDO SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL SB 1 SPECIAL REVENUE FUND YEAR ENDED JUNE 30, 2023

								iance with al Budget	
		Budgeted Amounts				Actual	Positive		
	-	Original	Final		P	Amounts	(Negative)		
REVENUES									
Intergovernmental	\$	365,000	\$	365,000	\$	386,048	\$	21,048	
Use of Money and Property		5,000		5,000		10,155		5,155	
Total Revenues		370,000		370,000		396,203		26,203	
EXPENDITURES									
Capital Outlay		600,000		600,000		335,931		264,069	
Total Expenditures		600,000		600,000		335,931		264,069	
NET CHANGE IN FUND BALANCES	\$	(230,000)	\$	(230,000)		60,272	\$	290,272	
Fund Balance - Beginning of Year						410,611			
FUND BALANCE - END OF YEAR					\$	470,883			

#### CITY OF EL SEGUNDO SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL CERTIFIED ACCESS SPECIALIST PROGRAM SPECIAL REVENUE FUND YEAR ENDED JUNE 30, 2023

								ance with al Budget
	Budgeted Amounts					Actual	Р	ositive
	Original		Final		Amounts		(Negative)	
REVENUES				_		_		_
Charges for Services	\$	20,000	\$	20,000	\$	21,646	\$	1,646
Use of Money and Property		1,000		1,000		2,379		1,379
Total Revenues		21,000		21,000		24,025		3,025
EXPENDITURES Current:								
Community and Cultural		80,000		80,000		_		80,000
Total Expenditures		80,000		80,000				80,000
NET CHANGE IN FUND BALANCES	\$	(59,000)	\$	(59,000)		24,025	\$	83,025
Fund Balance - Beginning of Year						114,306		
FUND BALANCE - END OF YEAR					\$	138,331		

#### CITY OF EL SEGUNDO SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL AFFORDABLE HOUSING SPECIAL REVENUE FUND YEAR ENDED JUNE 30, 2023

	Budgeted Amounts Original Final					Actual Amounts	Variance with Final Budget Positive (Negative)		
REVENUES								<u> </u>	
Use of Money and Property	\$	50,000	\$	50,000	\$	97,780	\$	47,780	
Total Revenues		50,000		50,000		97,780		47,780	
EXPENDITURES  Current:  Community and Cultural  Total Expenditures		200,000		200,000		<u>-</u> _		200,000	
NET CHANGE IN FUND BALANCES	\$	(150,000)	\$	(150,000)		97,780	\$	247,780	
Fund Balance - Beginning of Year						5,383,531			
FUND BALANCE - END OF YEAR					\$	5,481,311			

#### CITY OF EL SEGUNDO SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL CULTURAL DEVELOPMENT SPECIAL REVENUE FUND YEAR ENDED JUNE 30, 2023

								riance with nal Budget
	Budgeted Amounts					Actual	Positive	
		Original	Final		Amounts		(Negative)	
REVENUES								
Developer Fees	\$	500,000	\$	500,000	\$	28,000	\$	(472,000)
Total Revenues		500,000		500,000		28,000		(472,000)
EXPENDITURES Current:								
Community and Cultural		326,000		326,000		261,789		64,211
Total Expenditures		326,000		326,000		261,789		64,211
NET CHANGE IN FUND BALANCES	\$	174,000	\$	174,000		(233,789)	\$	(407,789)
Fund Balance - Beginning of Year						1,014,005		
FUND BALANCE - END OF YEAR					\$	780,216		

#### CITY OF EL SEGUNDO SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL SPECIAL REVENUES AND DONATIONS SPECIAL REVENUE FUND YEAR ENDED JUNE 30, 2023

	Budgeted	Amo	ounts		Actual	Variance with Final Budget Positive		
	Original	Final		Amounts		(	Negative)	
REVENUES								
Miscellaneous	\$ 	\$		\$	1,214,905	\$	1,214,905	
Total Revenues	-		-		1,214,905		1,214,905	
EXPENDITURES								
Current:								
Public Safety	-		-		4,811		(4,811)	
Community and Cultural	 -		5,971		104,227		(98,256)	
Total Expenditures	 	-	5,971		109,038		(103,067)	
NET CHANGE IN FUND BALANCE	\$ 	\$	(5,971)		1,105,867	\$	1,111,838	
Fund Balance - Beginning of Year					2,061,684			
FUND BALANCE - END OF YEAR				\$	3,167,551			

## CITY OF EL SEGUNDO SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL COUNTY STORM WATER PROGRAM SPECIAL REVENUE FUND YEAR ENDED JUNE 30, 2023

	Budgeted Amounts Original Final				Actual		Variance with Final Budget Positive		
REVENUES		Original		Finai		Amounts		(Negative)	
	\$	650,000	\$	650,000	\$	609,240	\$	(40.760)	
Intergovernmental	Φ	,	Ф	•	Φ	,	Φ	(40,760)	
Use of Money and Property		10,000	-	10,000		20,881	-	10,881	
Total Revenues		660,000		660,000		630,121		(29,879)	
EXPENDITURES Current:									
Public Works		400,000		400,000		192,769		207,231	
Capital Outlay		350,000		350,000		-		350,000	
Total Expenditures		750,000		750,000		192,769		557,231	
NET CHANGE IN FUND BALANCES	\$	(90,000)	\$	(90,000)		437,352	\$	527,352	
Fund Balance - Beginning of Year						802,123			
FUND BALANCE - END OF YEAR					\$	1,239,475			

# CITY OF EL SEGUNDO SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL MEASURE B SPECIAL REVENUE FUND YEAR ENDED JUNE 30, 2023

	Budgeted Amounts					Actual	Variance with Final Budget Positive	
	0	riginal	Final		Amounts		(Negative)	
REVENUES								
Intergovernmental	\$	<u> </u>	\$		\$		\$	
Total Revenues		-		-		-		-
EXPENDITURES								
Capital Outlay				-		60,383		(60,383)
Total Expenditures		<u> </u>				60,383		(60,383)
NET CHANGE IN FUND BALANCES	\$		\$	-		(60,383)	\$	(60,383)
Fund Balance - Beginning of Year								
FUND BALANCE - END OF YEAR					\$	(60,383)		

# CITY OF EL SEGUNDO SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL FACILITY LEASE DEBT SERVICE FUND YEAR ENDED JUNE 30, 2023

								riance with nal Budget	
		Budgeted	l Amoı	unts	Actual		Positive		
				Final	— Amounts			(Negative)	
REVENUES			•						
Developer Fees	\$	360,000	\$	360,000	\$	32,548	\$	(327,452)	
Total Revenues		360,000		360,000		32,548		(327,452)	
EXPENDITURES									
Current:									
General Government		-		-		17,656		(17,656)	
Debt Service:									
Principal Retirement		358,000		358,000		344,975		13,025	
Interest		187,000		187,000		162,735		24,265	
Total Expenditures		545,000		545,000		525,366		19,634	
NET CHANGE IN FUND BALANCES	\$	(185,000)	\$	(185,000)		(492,818)	\$	(307,818)	
Fund Balance - Beginning of Year						1,259,592			
FUND BALANCE - END OF YEAR					\$	766,774			

## CITY OF EL SEGUNDO SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL PENSION OBLIGATION BONDS DEBT SERVICE FUND YEAR ENDED JUNE 30, 2023

								riance with nal Budget	
		Budgeted	Amo	ounts	Actual		Positive		
	Original Final			Final		Amounts	(Negative)		
REVENUES									
Use of Money and Property	\$		\$		\$	3,312	\$	3,312	
Total Revenues		-		-		3,312		3,312	
EXPENDITURES									
Debt Service:									
Principal Retirement		6,500,000		6,500,000		6,352,020		147,980	
Interest		3,300,000		3,300,000		2,957,340		342,660	
Total Expenditures		9,800,000		9,800,000		9,309,360		490,640	
EXCESS (DEFICIENCY) OF REVENUES UNDER EXPENDITURES		(9,800,000)		(9,800,000)		(9,306,048)		493,952	
		( , , , ,		( , , , ,		( , , , ,		,	
OTHER FINANCING SOURCES:									
Transfers In		9,739,700		9,739,700		9,497,694		(242,006)	
Total Other Financing Sources		9,739,700		9,739,700		9,497,694		(242,006)	
NET CHANGE IN FUND BALANCES	\$	(60,300)	\$	(60,300)		191,646	\$	251,946	
Fund Balance - Beginning of Year						7,833,724			
FUND BALANCE - END OF YEAR					\$	8,025,370			

## CITY OF EL SEGUNDO SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL DEVELOPMENT IMPACT FEES CAPITAL PROJECTS FUND YEAR ENDED JUNE 30, 2023

	Budgeted Amounts Original Fil			unts Final	Actual Amounts			
REVENUES								
Developer Fees	\$		\$	-	\$	180,316	\$	180,316
Total Revenues		-		-		180,316		180,316
NET CHANGE IN FUND BALANCES	\$		\$	-	=	180,316	\$	180,316
Fund Balance - Beginning of Year								
FUND BALANCE - END OF YEAR					\$	180,316		

# CITY OF EL SEGUNDO SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL CAPITAL IMPROVEMENTS CAPITAL PROJECTS FUND YEAR ENDED JUNE 30, 2023

				Variance with Final Budget
	Budgeted A	mounts	Actual	Positive
	Original	Final	Amounts	(Negative)
EXPENDITURES				
Capital Outlay	7,870,892	8,166,502	1,890,952	6,275,550
Total Expenditures	7,870,892	8,166,502	1,890,952	6,275,550
EXCESS (DEFICIENCY) OF REVENUES UNDER EXPENDITURES	(7,870,892)	(8,166,502)	(1,890,952)	6,275,550
OTHER FINANCING SOURCES: Transfers In	4,145,420	4,145,420	4,145,420	
Total Other Financing Sources	4,145,420	4,145,420	4,145,420	
NET CHANGE IN FUND BALANCES	\$ (3,725,472)	(4,021,082)	2,254,468	\$ 6,275,550
Fund Balance - Beginning of Year			3,600,559	
FUND BALANCE - END OF YEAR			\$ 5,855,027	

### INTERNAL SERVICE FUNDS

#### **Internal Service Funds:**

**Equipment Replacement Fund** - Accounts for in-house charges to City departments to accumulate funding for future replacement of equipment used by the departments. The Fund also accounts for the proceeds from sale of surplus equipment.

**Liability Insurance Fund** - Accounts for charges to departments for their share of general liability claims and the administration cost of the self-insurance program.

**Workers' Compensation Insurance Fund** - Accounts for charges to the departments for their share of workers' compensation claims and administrative costs of the self-insurance program.

#### CITY OF EL SEGUNDO COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS JUNE 30, 2023

ASSETS	Equipment Replacement Fund	Liability Insurance Fund	Workers' Compensation Fund	Total
Current Assets: Cash and Investments Accounts Receivable	\$ 8,028,004	\$ 1,358,111 67,626	\$ 8,814,064 -	\$ 18,200,179 67,626
Total Current Assets	8,028,004	1,425,737	8,814,064	18,267,805
Noncurrent Assets:				
Advance to Other Funds	5,577,910	-	-	5,577,910
Capital Assets, Net of				
Depreciation/Amortization	2,959,356			2,959,356
Total Noncurrent Assets	8,537,266			8,537,266
Total Assets	16,565,270	1,425,737	8,814,064	26,805,071
DEFERRED OUTFLOWS OF RESOURCES Deferred Outflows of Resources Related				
to Pension Deferred Outflows of Resources Related	-	64,535	167,940	232,475
to OPEB	_	8,019	7,380	15,399
Total Deferred Outflows of Resources	-	72,554	175,320	247,874
LIABILITIES  Current Liabilities:			4.550	4.550
Accounts Payable	-	-	1,558	1,558
Accrued Liabilities	-	- 0.404.400	11,223	11,223
Claims and Judgments, Current Portion		2,181,166	2,312,728	4,493,894
Total Current Liabilities	-	2,181,166	2,325,509	4,506,675
Noncurrent Liabilities:				
Claims and Judgments, Net of Current	-	5,776,834	10,319,272	16,096,106
Aggregate Net Pension Liability	-	61,559	160,191	221,750
Net Other Postemployment Benefit				
Liability		77,178	71,026	148,204
Total Noncurrent Liabilities		5,915,571	10,550,489	16,466,060
Total Liabilities	-	8,096,737	12,875,998	20,972,735
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources Related				
to OPEB	_	6,164	5,673	11,837
Total Deferred Inflows of Resources		6,164	5,673	11,837
NET POOLTION (PERIOT)				
NET POSITION (DEFICIT)	0.050.055			0.050.050
Investment in Capital Assets	2,959,356	(0.004.040)	(0.000.007)	2,959,356
Unrestricted (Deficit)	13,605,914	(6,604,610)	(3,892,287)	3,109,017
Total Net Position (Deficit)	\$ 16,565,270	\$ (6,604,610)	\$ (3,892,287)	\$ 6,068,373

# CITY OF EL SEGUNDO COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION INTERNAL SERVICE FUNDS YEAR ENDED JUNE 30, 2023

	Replacement Ins		Liability Insurance Fund	rance Compensation		Total	
OPERATING REVENUES							
Interdepartmental Charges	\$	1,426,992	\$	3,222,000	\$	3,197,847	\$ 7,846,839
Miscellaneous		900		467,098		465,573	 933,571
Total Operating Revenues		1,427,892		3,689,098		3,663,420	8,780,410
OPERATING EXPENSES							
Personnel Services		-		120,431		249,894	370,325
Materials and Supplies		223,655		-		32,948	256,603
Insurance and Claims		-		6,230,813		3,160,948	9,391,761
Depreciation		658,803					 658,803
Total Operating Expenses		882,458		6,351,244		3,443,790	10,677,492
OPERATING INCOME (LOSS)		545,434		(2,662,146)		219,630	(1,897,082)
NONOPERATING INCOME							
Gain on Disposal of Capital Assets		108,876					 108,876
Total Nonoperating Income		108,876					108,876
INCOME (LOSS) BEFORE TRANSFERS		654,310		(2,662,146)		219,630	(1,788,206)
TRANSFERS							
Transfers Out		(160,000)					(160,000)
Total Transfers		(160,000)					(160,000)
CHANGES IN NET POSITION		494,310		(2,662,146)		219,630	(1,948,206)
Net Position - Beginning of the Year		16,070,960		(3,942,464)		(4,111,917)	 8,016,579
NET POSITION - END OF YEAR	\$	16,565,270	\$	(6,604,610)	\$	(3,892,287)	\$ 6,068,373

#### CITY OF EL SEGUNDO COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS YEAR ENDED JUNE 30, 2023

	Equipment eplacement Fund	Liability Insurance Fund	Workers' empensation Fund		Total
CASH FLOWS FROM OPERATING ACTIVITIES Receipts from Users Payments for Insurance and Claims Payments to Suppliers Payments to Employees	\$ 1,427,892 - (223,655)	\$ 3,828,812 (3,095,965) - (106,455)	\$ 3,663,420 (3,225,548) (32,948) (213,294)	\$	8,920,124 (6,321,513) (256,603) (319,749)
Net Cash Provided by Operating Activities	1,204,237	626,392	191,630		2,022,259
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES Cash Paid to Other Funds	(160,000)	<u>-</u>	<u>-</u>		(160,000)
Net Cash Used by Noncapital Financing Activities	(160,000)	-	-		(160,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and Construction of Capital Assets Gain on Disposition of Capital Assets Net Cash Used by Capital and Related	(527,811) 108,876	<u>-</u>	-		(527,811) 108,876
Financing Activities	 (418,935)	 			(418,935)
NET INCREASE IN CASH AND CASH EQUIVALENTS	625,302	626,392	191,630		1,443,324
Cash and Cash Equivalents - Beginning of Year	7,402,702	731,719	8,622,434		16,756,855
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 8,028,004	\$ 1,358,111	\$ 8,814,064	\$	18,200,179
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES: Operating Income (Loss) Adjustments to Reconcile Operating	\$ 545,434	\$ (2,662,146)	\$ 219,630	\$	(1,897,082)
Income (Loss) to Net Cash Provided (Used) by Operating Activities:  Depreciation	658,803	-	-		658,803
(Increase) Decrease in:     Accounts Receivable     Deferred Outflows of Resources - Pension     Deferred Outflows of Resources - OPEB Increase (Decrease) in:	- - -	139,714 (53,356) 2,531	- (141,622) 2,329		139,714 (194,978) 4,860
Accounts Payable Accrued Liabilities Claims and Judgments	- - -	(59,214) 62 3,194,000	808 (31,408) (34,000)		(58,406) (31,346) 3,160,000
Net Pension Liability Net Other Postemployment Liability Deferred Inflows of Resources - Pension Deferred Inflows of Resources - OPEB	- - -	119,341 (1,510) (48,910) (4,120)	296,217 (1,391) (115,141) (3,792)		415,558 (2,901) (164,051) (7,912)
Total Adjustments Net Cash Provided by Operating	658,803	 3,288,538	(28,000)	_	3,919,341
Activities	\$ 1,204,237	\$ 626,392	\$ 191,630	\$	2,022,259

### **STATISTICAL SECTION**

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### CITY OF EL SEGUNDO DESCRIPTION OF STATISTICAL SECTION CONTENTS

This part of the City'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 says about the City's overall financial health.

Contents	<u>Page</u>
Financial Trends  These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	178
Revenue Capacity  These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	186
Debt Capacity  These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	191
Demographic and Economic Information  These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	198
Operating Information  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.	200

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

#### CITY OF EL SEGUNDO NET POSITION BY COMPONENT LAST TEN FISCAL YEARS

	2014	2015	2016	2017	2018
Governmental activities:				-	
Net investment in capital assets	93,534,776	90,783,595	90,014,262	92,615,618	93,775,527
Restricted	8,054,083	8,922,448	8,562,915	7,372,369	7,882,394
Unrestricted	22,170,866	(89,732,982)	(86,756,004)	(91,119,511)	(129,410,242)
Total governmental activities net position	123,759,725	9,973,061	11,821,173	8,868,476	(27,752,321)
Business-type activities:					
Net investment in capital assets	21,771,266	22,657,797	25,387,562	27,679,609	30,800,645
Restricted	-	-	-	-	-
Unrestricted	11,652,989	12,247,482	12,855,184	15,808,634	10,485,483
Total business-type activities net position	33,424,255	34,905,279	38,242,746	43,488,243	41,286,128
Primary government:					
Net investment in capital assets	115,306,042	113,441,392	115,401,824	120,295,227	124,576,172
Restricted	8,054,083	8,922,448	8,562,915	7,372,369	7,882,394
Unrestricted	33,823,855	(77,485,500)	(73,900,820)	(75,310,877)	(118,924,759)
Total primary government net position	157,183,980	44,878,340	50,063,919	52,356,719	13,533,807

## CITY OF EL SEGUNDO NET POSITION BY COMPONENT (CONTINUED) LAST TEN FISCAL YEARS

	2019	2020	2021	2022	2023
Governmental activities:					
Net investment in capital assets	93,823,843	91,747,670	93,360,733	91,541,308	101,562,280
Restricted	11,082,956	21,263,102	21,618,456	85,598,580	35,416,676
Unrestricted	(125,853,873)	(134,494,651)	(125,165,656)	(109,457,284)	(110,637,114)
Total governmental activities net position	(20,947,074)	(21,483,879)	(10,186,467)	67,682,604	26,341,842
Business-type activities:					
Net investment in capital assets	31,244,813	30,667,983	27,259,225	26,842,980	22,684,209
Restricted	-	-	-	1,080,865	-
Unrestricted	22,534,785	23,941,178	31,964,172	36,475,623	46,893,254
Total business-type activities net position	53,779,598	54,609,161	59,223,397	64,399,468	69,577,463
Primary government:					
Net investment in capital assets	125,068,656	122,415,653	120,619,958	118,384,288	124,246,489
Restricted	11,082,956	21,263,102	21,618,456	86,679,445	35,416,676
Unrestricted	(103,319,088)	(110,553,473)	(93,201,484)	(72,981,661)	(63,743,860)
Total primary government net position	32,832,524	33,125,282	49,036,930	132,082,072	95,919,305

#### CITY OF EL SEGUNDO CHANGES IN NET POSITION LAST TEN FISCAL YEARS

_	2014	2015	2016	2017	2018
Expenses:					
Governmental activities:	44.040.707	44.004.000	44.405.440	44.000.000	10.015.000
General government	11,813,797	14,984,299	14,165,449	14,869,930	16,215,039
Public safety Public works	31,891,478 8,459,550	41,422,188 9,150,452	35,612,565 7,440,438	42,891,455 7,474,391	44,847,122 9,413,340
Community development	12,065,582	21,038,253	9,298,275	11,407,811	10,442,877
Interest on long-term debt	457,655	457,994	441,712	361,470	242,750
Total governmental activities expenses	64,688,062	87,053,186	66,958,439	77,005,057	81,161,128
Business-type activities:	<del></del>	<del></del>	<u> </u>	<del></del>	
Water	23,946,676	25,035,801	25,454,732	26,508,256	27,907,911
Wastewater	2,980,026	3,484,104	3,517,640	4,048,104	4,164,437
Golf Course	2,091,413	2,190,195	2,136,456	2,017,104	1,990,092
El Segundo Senior Citizen Housing Corp.		<u>-</u>	<u> </u>	<u> </u>	<u>-</u>
Total business-type activities expenses	29,018,115	30,710,100	31,108,828	32,573,464	34,062,440
Total primary government expenses	93,706,177	117,763,286	98,067,267	109,578,521	115,223,568
Program revenues:					
Governmental activities:					
Charges for services:					
General government	421,649	635,350	631,274	445,394	371,345
Public safety	1,522,081	1,948,464	1,637,884	1,523,519	2,058,888
Public works	50,489	267,748	11,199	16,643	1,201
Community development	5,796,983	6,733,395	5,708,772	6,516,792	6,477,503
Operating grants and contributions	2,629,490	2,052,527	1,808,463	1,189,900	1,858,256
Capital grants and contributions	7,469,236	14,487,783	2,174,898	1,737,376	1,197,981
Total governmental activities					
program revenues	17,889,928	26,125,267	11,972,490	11,429,624	11,965,174
Business-type activities:					
Charges for services:					
Water	28,032,902	29,304,012	28,281,456	31,626,637	27,779,828
Wastewater	3,389,450	3,568,042	4,090,187	4,275,264	4,348,849
Golf Course	2,045,652	1,939,165	1,828,549	1,604,258	1,650,376
El Segundo Senior Citizen Housing Corp.	-	-	-	-	-
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions					<u>-</u>
Total business-type activities	33,468,004	34,811,219	34,200,192	37,506,159	33,779,053
program revenues	00,400,004	04,011,210	04,200,132	07,000,100	00,110,000
Total primary government program revenues	51,357,932	60,936,486	46,172,682	48,935,783	45,744,227
•	01,007,002	00,000,100	10,172,002	10,000,100	10,711,227
Net revenues (expenses):					
Governmental activities	(46,798,134)	(60,927,919)	(54,985,949)	(65,575,433)	(69,195,954)
Business-type activities	4,449,889 (42,348,245)	4,101,119 (56,826,800)	3,091,364 (51,894,585)	4,932,695 (60,642,738)	(283,387)
Total net revenues (expenses)	(42,340,243)	(30,020,000)	(31,094,303)	(00,042,730)	(09,479,341)
General revenues and other changes in net assets:					
Governmental activities:					
Taxes:					
Property taxes	8,452,120	8,380,084	8,884,423	9,093,795	10,444,931
Sales tax	10,297,709	11,442,632	12,089,552	12,201,208	10,636,769
Transient occupancy taxes	5,964,403	5,423,972	7,597,007	12,876,631	13,885,312
Other taxes	28,809,018	27,765,133	26,730,933	27,021,575	29,498,067
Motor vehicle in lieu, unrestricted	6,998	-	6,859	7,461	700 500
Investment income	324,825	331,238	646,338	532,728	760,598
Other general revenues Transfers	1,277,597	813,211	1,396,608	889,337	1,954,399
-	55,132,670	54,156,270	57,351,720	62,622,735	67,180,076
Total governmental activities	33,132,070	34,130,270	37,331,720	02,022,733	07,100,070
Business-type activities: Investment income	152,874	254,662	222,348	170,178	176,212
Other	42,379	19,730	23,755	142,624	16,929
Transfers	42,575	19,730	23,733	142,024	10,323
Total business-type activities	195,253	274,392	246,103	312,802	193,141
Total primary government	55,327,923	54,430,662	57,597,823	62,935,537	67,373,217
· · · · · · · · · · · · · · · · · · ·	. , ,	,,		, ,	,
Changes in net position:	0.004.500	(0.774.040)	0.005.774	(0.050.000)	(0.045.070)
Governmental activities	8,334,536 4,645,142	(6,771,649) 4 375 511	2,365,771	(2,952,698) 5 245 497	(2,015,878)
Business-type activities	4,645,142 12,979,678	4,375,511 (2,396,138)	3,337,467 5,703,238	5,245,497 2,292,799	(90,246)
Total primary government	12,010,010	(2,000,100)	5,700,200	2,202,100	(2,100,124)

#### CITY OF EL SEGUNDO CHANGES IN NET POSITION (CONTINUED) LAST TEN FISCAL YEARS

	2019	2020	2021	2022	2023
Expenses:					
Governmental activities:					
General government	17,788,600	18,698,011	15,339,955	18,434,149	22,930,730
Public safety	40,878,258	43,330,009	21,813,534	(30,085,922)	98,918,452
Public works	9,534,893	11,961,463	8,868,760	12,320,674	11,332,554
Community development	11,321,339	10,058,912	7,026,812	7,277,725	11,520,553
Interest on long-term debt	337,350 79,860,440	324,830 84,373,225	500,659 53,549,720	2,924,779 10,871,405	3,253,661 147,955,950
Total governmental activities expenses	79,000,440	04,373,223	33,349,720	10,071,403	147,933,930
Business-type activities: Water	26 525 460	25.044.072	10 500 750	20 244 265	28.789.265
Wastewater	26,525,468 3,336,645	25,014,972	18,520,750	30,211,365 4,441,887	4,481,743
Golf Course	1,674,851	4,978,350 1,553,159	3,430,966 4,678,672	239,326	4,401,743
El Segundo Senior Citizen Housing Corp.	1,074,001	1,555,159	597,152	778,977	778,448
Total business-type activities expenses	31,536,964	31,546,481	27,227,540	35,671,555	34,049,456
Total primary government expenses	111,397,404	115,919,706	80,777,260	46,542,960	182,005,406
					,,
Program revenues:					
Governmental activities:					
Charges for services:	004.400	050 500	000 400	000 454	275.040
General government	364,486	258,538	266,496	286,451	375,649
Public safety	1,624,718	1,545,947	980,145	1,636,988	1,926,570
Public works	7 472 006	26,524 5,390,803	54,669	54,457	111,720
Community development	7,473,096	, ,	5,639,664	6,474,161	8,524,771
Operating grants and contributions Capital grants and contributions	4,148,187 2,580,996	2,932,318 7,691,323	2,120,276 2,421,429	6,408,261 2,328,528	5,716,659 2,510,786
Total governmental activities	2,000,000	7,001,020	2,721,720	2,020,020	2,010,700
program revenues	16,191,483	17,845,453	11,482,679	17,188,846	19,166,155
Business-type activities:	10,101,100	17,010,100	11,102,010	17,100,010	10,100,100
Charges for services:					
Water	33,824,119	26,404,788	24,626,599	35,830,853	33,002,111
Wastewater	4,475,896	4,194,630	3,266,685	4,829,814	5,178,951
Golf Course	1,643,682	1,484,846	1,098,917	118,929	-
El Segundo Senior Citizen Housing Corp.	-	-	772,819	815,024	881,046
Operating grants and contributions	_	_	-	-	-
Capital grants and contributions	375,000	-	-	-	-
Total business-type activities					
program revenues	40,318,697	32,084,264	29,765,020	41,594,620	39,062,108
Total primary government			-		
program revenues	56,510,180	49,929,717	41,247,699	58,783,466	58,228,263
Net revenues (expenses):					
Governmental activities	(63,668,957)	(66,527,772)	(42,067,041)	6,317,441	(128,789,795)
Business-type activities	8,781,733	537,783	2,537,480	5,923,065	5,012,652
Total net revenues (expenses)	(54,887,224)	(65,989,989)	(39,529,561)	12,240,506	(123,777,143)
				<del></del>	
General revenues and other changes in net assets:					
Governmental activities:					
Taxes:	14 120 625	14 046 066	10 240 004	10 551 405	10.750.040
Property taxes	11,138,625	11,816,366	12,348,994 8,339,284	12,551,435 13,374,232	10,750,248
Sales tax	13,023,091	12,006,731			17,424,472
Transient occupancy taxes Other taxes	14,598,200 28,391,959	8,760,763 28,059,801	4,416,020 26,397,089	12,267,534 32,011,867	14,143,605 36,331,535
Motor vehicle in lieu, unrestricted	20,391,939	20,009,001	20,397,009	32,011,007	2,108,064
Investment income	2,440,102	3,420,790	457,980	(465,662)	3,982,103
Other general revenues	1,682,211	1,926,516	1,405,086	1,812,224	1,979,838
Transfers	-	1,520,510	-	1,012,224	729,168
Total governmental activities	71,274,188	65,990,967	53,364,453	71,551,630	87,449,033
Business-type activities:					, , , , , , , , , , , , , , , , , , , ,
Investment income	1,139,315	291,780	427,834	(746,994)	894,511
Other	23,926		-	(* ***,*****)	
Transfers	,	-	-	-	(729,168)
Total business-type activities	1,163,241	291,780	427,834	(746,994)	165,343
Total primary government	72,437,429	66,282,747	53,792,287	70,804,636	87,614,376
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Changes in net position: Governmental activities	7,605,231	(536 905)	11,297,412	77,869,071	(41,340,762)
Business-type activities	9,944,974	(536,805) 829,563	2,965,314	5,176,071	5,177,995
Total primary government	17,550,205	292,758	14,262,726	83,045,142	(36,162,767)
p go to	,,				. , . , ,

#### CITY OF EL SEGUNDO FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

	2014	2015	2016	2017	2018
General fund:					
Nonspendable	3,380,264	2,575,497	2,017,346	7,373,109	6,256,640
Restricted	-	-	-	-	1,000,000
Assigned	2,876,450	3,129,606	2,939,325	3,608,509	2,210,602
Unassigned	14,075,307	14,587,023	17,987,731	17,660,917	24,432,049
Total general fund	20,332,021	20,292,126	22,944,402	28,642,535	33,899,291
All other governmental funds:					
Nonspendable	5,772	-	-	-	-
Restricted	7,373,435	5,005,452	6,963,441	6,312,687	6,882,394
Assigned	1,416,473	5,031,396	3,301,813	3,159,860	3,231,083
Unassigned	(1,577,594)	(78,071)	(1,326,041)	(971,152)	(333,731)
Total all other governmental funds	7,218,086	9,958,777	8,939,213	8,501,395	9,779,746

#### CITY OF EL SEGUNDO FUND BALANCES OF GOVERNMENTAL FUNDS (CONTINUED) LAST TEN FISCAL YEARS

	2019	2020	2021	2022	2023
General fund:					
Nonspendable	7,004,769	7,937,643	163,037	310,048	295,310
Restricted	2,643,380	4,482,363	5,144,456	4,543,265	4,795,810
Assigned	2,663,037	2,534,891	2,561,037	1,397,494	2,149,724
Unassigned	26,625,368	20,559,971	29,110,741	34,799,542	41,405,846
Total general fund	38,936,554	35,514,868	36,979,271	41,050,349	48,646,690
All other governmental funds:					
Nonspendable	115,844	85,049	-	20,442	
Restricted	8,404,718	15,473,650	16,919,139	27,382,627	30,396,599
Assigned	5,289,298	4,161,175	4,314,909	3,587,359	5,855,027
Unassigned	(177,229)	(46,117)	(304,630)	(201,767)	(210,832)
Total all other governmental funds	13,632,631	19,673,757	20,929,418	30,788,661	36,040,794

## CITY OF EL SEGUNDO CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

	2014	2015	2016	2017	2018
Revenues:		_	-	-	_
Taxes	42,638,899	42,132,274	43,410,318	49,986,183	53,125,853
Licenses and permits	12,725,503	12,973,204	13,989,221	13,131,485	13,695,476
Intergovernmental	11,931,067	8,919,841	7,751,363	2,805,424	2,400,010
Charges for services	5,172,579	6,197,552	5,214,048	5,811,835	6,053,614
Use of money and property	590,605	615,862	682,140	552,662	781,402
Fines and forfeitures	914,036	903,172	1,249,820	444,188	831,067
Developers Fees	-	432,810	296,427	329,474	262,346
Other	1,877,562	2,960,332	1,729,917	2,785,946	2,541,114
Total revenues	75,850,251	75,135,047	74,323,254	75,847,197	79,690,882
Expenditures					
Current:					
General government	12,677,731	14,523,141	14,200,855	14,905,246	15,738,556
Public safety	33,576,082	33,694,064	33,166,579	34,682,695	37,595,758
Public works	5,676,244	5,574,118	6,325,541	6,296,743	6,533,963
Community and cultural	12,277,418	19,523,563	8,951,898	10,259,037	9,274,383
Capital outlay	2,133,639	1,021,033	3,389,585	3,930,500	3,426,202
Debt service:					
Principal retirement	275,092.000	282,987	291,109	299,464	355,461
Interest and fiscal charges	237,569.000	229,674	221,552	213,197	244,223
Total expenditures	66,853,775	74,848,580	66,547,119	70,586,882	73,168,546
Excess (deficiency) of revenues over (under)					
expenditures	8,996,476	286,467	7,776,135	5,260,315	6,522,336
Other financing sources (uses):					
Transfers in	3,048,087	10,138,836	2,687,843	2,668,046	3,556,821
Transfers out	(3,048,087)	(10,338,840)	(2,887,847)	(2,668,046)	(3,556,821)
Subscription Payable Issuance					
Debt proceeds	-	-	-	-	-
Total other financing		_			
sources (uses)	<u></u>	(200,004)	(200,004)	<u> </u>	
Net change in fund balances	8,996,476	86,463	7,576,131	5,260,315	6,522,336
Debt service as a percentage of					
noncapital expenditures	0.79%	0.69%	0.81%	0.77%	0.86%

## CITY OF EL SEGUNDO CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (CONTINUED) LAST TEN FISCAL YEARS

	2019	2020	2021	2022	2023
Revenues:					
Taxes	55,018,471	47,767,783	40,216,556	58,520,315	65,901,483
Licenses and permits	14,559,036	14,237,723	13,568,547	13,633,658	15,959,308
Intergovernmental	3,635,668	2,391,795	3,165,467	6,340,815	9,017,703
Charges for services	6,179,231	4,817,551	4,836,554	5,892,477	7,194,633
Use of money and property	2,465,235	3,472,256	457,983	(499,268)	4,019,927
Fines and forfeitures	659,653	367,045	297,702	427,604	464,676
Developers Fees	824,075	6,293,956	977,823	1,442,250	240,864
Other	4,031,022	3,359,551	2,248,806	3,170,444	2,833,632
Total revenues	87,372,391	82,707,660	65,769,438	88,928,295	105,632,226
Expenditures					
Current:					
General government	18,177,843	18,964,880	32,183,298	19,313,626	19,575,451
Public safety	38,014,581	40,124,678	142,081,284	33,635,862	35,104,337
Public works	7,331,278	7,630,503	13,005,985	9,540,381	7,955,021
Community and cultural	10,923,487	9,499,235	12,616,931	6,686,963	9,888,009
Capital outlay	3,328,392	3,162,263	3,008,119	3,393,300	5,383,125
Debt service:					
Principal retirement	367,627	380,281	43,200	458,053	7,350,230
Interest and fiscal charges	339,035	326,380	190,955	1,969,789	3,262,777
Total expenditures	78,482,243	80,088,220	203,129,772	74,997,974	88,518,950
Excess (deficiency) of					
revenues over (under)					
expenditures	8,890,148	2,619,440	(137,360,334)	13,930,321	17,113,276
Other financing sources (uses):					
Transfers in	4,490,751	1,389,000	1,805,956	10,126,878	13,853,856
Transfers out	(4,490,751)	(1,389,000)	(1,820,956)	(10,126,878)	(18,923,545)
Subscription Payable Issuance					804,887
Debt proceeds	<u></u>	<u> </u>	140,095,398		<u> </u>
Total other financing					
sources (uses)	<u></u>		140,080,398		(4,264,802)
Net change in fund balances	8,890,148	2,619,440	2,720,064	13,930,321	12,848,474
Debt service as a percentage of					
noncapital expenditures	0.94%	0.92%	0.12%	3.39%	12.06%

#### CITY OF EL SEGUNDO PRINCIPAL SALES TAX PRODUCERS CURRENT YEAR AND NINE YEARS AGO

2022-2	3	2013-14			
Taxpayer	Business Type	Taxpayer	Business Type		
Aerospace Corporation	Biotechnology	Accuvant	Office Equipment		
Calportland Company	Bldg.Matls-Whsle	Best Buy Stores	Furniture/Appliance		
Chevron Service Stations	Service Stations	BT Americas	<b>Business Services</b>		
Chick-Fil-A	Restaurants	Chevron Service Stations	Service Stations		
Circle K Food Stores	Food Markets	Circle K Food Stores	Food Markets		
Dick's Sporting Goods	Recreation Products	Computers hare Communications Servi	ices Business Services		
Homegoods	Furniture/Appliance	Dick's Sporting Goods	Recreation Products		
In-N-Out Burgers	Restaurants	Fleming's Prime Steakhouse	Restaurants		
Insight Direct USA	I.T. Infrastructure	Fresh & Easy	Food Markets		
Insight Public Sector	Office Equipment	Homegoods	Furniture/Appliance		
J Sweigart	I.T. Infrastructure	Impex Technologies	Office Equipment		
Karl Storz Endoscopy	Office Equipment	Interior Officesolutions	Furniture/Appliance		
Kite Pharma	Biotechnology	Karl Storz Endoscopy	Office Equipment		
Los Angeles Times Communications	Light Industry	Kurtzman Carson Consultants	<b>Business Services</b>		
Munters Corporation	Heavy Industry	Lululemon	Apparel Stores		
Nordstrom Department Store	Department Stores	Murad Skin Research Laboratories	Chemical Products		
North Italia	Restaurants	Patterson Dental Supply	Light Industry		
Patterson Dental Supply	Light Industry	PCM Gov	Office Equipment		
Raising Cane's Chicken Fingers	Restaurants	Primary Color Systems	Light Industry		
Ralph's Grocery Company	Food Markets	Ralph's Grocery Company	Food Markets		
Raytheon Company	Office Equipment	Raytheon Company	Office Equipment		
Rivian	Auto Sales - New	The Boeing Company	Auto Parts/Repair		
The Boeing Company	Auto Parts/Repair	The Container Store	Furniture/Appliance		
Topgolf	Miscellaneous Retail	Trace 3	Light Industry		
Whole Foods Market	Food Markets	Whole Foods Market	Food Markets		

Source: Avenu Insights & Analytics

#### CITY OF EL SEGUNDO PRINCIPAL PROPERTY TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

	202	2-23	2013-14		
_Taxpayer	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)	
Chevron Usa Inc	2,019,264,348	12.57%	1,916,524,613	18.67%	
SOF XI PCT Two Tower Owner LLC	649,175,483	4.04%			
Raytheon Company	537,618,180	3.35%	256,551,854	2.50%	
Boeing Company	447,521,494	2.78%	381,686,725	3.72%	
Aerospace Corporation	351,109,407	2.18%	278,233,379	2.71%	
400 CG Owner LLC	182,505,661	1.14%			
SFII Flyte LLC	179,627,873	1.12%			
PES Partners LLC	179,342,008	1.12%	154,891,403	1.51%	
LVA5 El Segundo 777 Aviation LP	178,700,349	1.11%			
2121 Park Place Fee Owner Ca LLC	160,802,068	1.00%			
TA 101 Continental LLC	145,588,226	0.91%			
Gateway El Segundo Fee Owner LLC	131,237,528	0.82%	244 442 224	2.250/	
Northrop Grumman Systems Corp	129,892,494	0.81%	241,142,324	2.35%	
Kilroy Realty Finance Ptnshp	128,921,346	0.80%	165,940,398	1.62%	
800 Apollo Fee Owner Ca LLC	125,428,962	0.78%			
RAR2 Campus 2100 LLC	124,400,927	0.77%			
Street Retail Inc	118,448,624	0.74%			
Direct TV LLC	111,259,751	0.69%	61,252,715	0.60%	
1960 Grand Office Owner 1 LP	106,502,722	0.66%			
FS CREIT 555 Aviation LLC	103,787,845	0.65%			
TREA Pacific Coast Highway LLC	98,285,193	0.61%			
Hughes Aircraft Co	91,915,806	0.57%	318,710,018	3.10%	
HC Hornet Way LLC	89,132,160	0.55%			
Ocotillo LA Mariposa LLC	86,567,644	0.54%			
Plaza CP LLC	84,801,021	0.53%	73,078,939	0.71%	
NRG West Procurement Company L			281,059,225	2.74%	
Pacific Corp Towers LLC			168,510,003	1.64%	
Hines REIT El Segundo LP			127,999,778	1.25%	
Mattel Inc.			114,967,378	1.12%	
LA4 LLC			114,100,347	1.11%	
Space Exploration Technologies			103,178,126	1.00%	
Digital 2260 East El Segundo L			79,852,364	0.78%	
Realty Assoc Fund IX LP			77,535,810	0.76%	
•					
Air Liquide			76,803,148	0.75%	
300 N Sepulveda Owner LLC			73,868,400	0.72%	
Continental Atrium Corp			68,821,389	0.67%	
101 Continental Partners LLC			55,048,590	0.54%	
TRT NOIP Maple El Segundo LP			53,329,200	0.52%	
GII 2160 East Grand LLC			53,268,480	0.52%	
AGNL Toys LP			45,900,000	0.45%	
Total Top 25 Taxpayers	6,561,837,120	40.83%	5,342,254,606	52.03%	
Total Taxable Value	16,069,882,115	100.00%	10,267,883,210	100.00%	

### CITY OF EL SEGUNDO ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS

Fiscal Year End	Residential Property	Commercial Property	Industrial Property	Other Property (1)	Unsecured Property	Less Tax- Exempt Property	Taxable Assessed Value	Total Direct Tax Rate (2)	Estimated Actual Taxable Value (3)	Factor of Taxable Assessed Value (3)	Assessed Value as a Percentage of Actual Value
2007-08	-	-	-	7,762,424	1,185,813	-	8,948,237	1.116200	-	-	-
2008-09	-	-	-	8,359,395	1,300,504	-	9,659,899	1.116000	-	-	-
2009-10	-	-	-	8,571,689	1,338,811	-	9,910,500	1.116000	-	-	-
2010-11	-	-	-	8,187,752	1,423,531	-	9,611,283	1.115400	-	-	-
2012-13	-	-	-	8,278,135	1,423,110	-	9,701,245	1.115200	-	-	-
2013-14	-	-	-	8,446,568	1,862,068	-	10,308,636	1.115200	-	-	-
2014-15	-	-	-	8,433,859	1,604,574	-	10,038,433	1.115200	-	-	-
2015-16	-	-	-	8,919,245	1,736,530	-	10,655,775	1.115200	-	-	-
2016-17	-	-	-	9,408,029	1,565,767	-	10,973,796	1.115200	-	-	-
2017-18	2,695,443,946	4,056,923,408	1,526,293,700	2,501,109,520	1,480,982,133	34,490,981	12,226,261,726	1.202225	17,863,020,753	1.461037	68.44%
2018-19	2,901,889,931	4,452,614,029	1,785,769,246	2,418,895,212	1,556,962,904	48,412,749	13,067,718,573	1.205652	22,816,281,059	1.746003	57.27%
2019-20	3,059,827,370	5,145,402,602	2,011,925,385	2,466,641,048	1,552,123,561	50,366,079	14,185,553,887	1.202446	22,800,486,298	1.607303	62.22%
2020-21	3,272,541,827	5,624,003,706	1,806,225,832	3,050,851,815	1,682,078,566	32,055,686	15,403,646,060	1.178940	20,376,825,371	1.322857	75.59%
2021-22	3,493,519,690	5,936,659,391	2,046,612,970	2,174,990,747	1,624,771,162	32,620,246	15,243,933,714	1.174948	25,164,151,780	1.650765	60.58%
2022-23	3,733,003,477	6,343,430,626	2,171,490,360	2,064,362,857	1,804,669,235	47,074,440	16,069,882,115	1.196607	32,608,760,333	2.029185	49.28%

Source: County Assessor data, Avenu Insights & Analytics

Source: 2021-22 based on Prior Published ACFR Reports.

State unitary property of \$15,610,462 is included in other property.

- 1.) Other property for 2016-17 and prior represent the Secured Values.
- 2.) Total direct tax rate is represented by TRA 09-849.
- 3.) Estimated Actual Value is derived from a series of calculations comparing median assessed values from 1940 to current median sale prices. Based on these calculations a multiplier value was extrapolated and applied to current assessed values.
- ( ) No data available.

## CITY OF EL SEGUNDO DIRECT AND OVERLAPPING PROPERTY TAX RATES (RATE PER \$100 OF TAXABLE VALUE) LAST TEN FISCAL YEARS

General	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
COUNTY OF LOS ANGELES										
CITY OF EL SEGUNDO	0.936812	0.936812	0.936812	0.936812	0.936812	0.936812	0.936812	0.936812	0.936812	0.936812
TOTAL	0.063188	0.063188	0.063188	0.063188	0.063188	0.063188	0.063188	0.063188	0.063188	0.063188
	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
Override Assessments										
Metropolitan Water District (1)	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500
El Segundo Unified School District	0.111700	0.111700	0.111700	0.111700	0.177526	0.179923	0.177391	0.151816	0.148809	0.170118
Community College	-	-		-	0.021199	0.022229	0.021555	0.023624	0.022639	0.022989
TOTAL	0.115200	0.115200	0.115200	0.115200	0.202225	0.205652	0.202446	0.178940	0.174948	0.196607
TOTAL TAX RATE	1.115200	1.115200	1.115200	1.115200	1.202225	1.205652	1.202446	1.178940	1.174948	1.196607

Source: County Auditor/Controller data, Avenu Insights & Analytics

Source: 2017 and prior, previous published ACFR

Tax Rate as represented by TRA 09-849

<sup>1)</sup> Previously labeled as Metropolitan Water District County Flood Control

### CITY OF EL SEGUNDO PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

Fiscal	Taxes Levied					
Year Ended	for the		Percent	Subsequent		Percent
June 30	Fiscal Year	Amount	of Levy	Years <sup>1</sup>	Amount	of Levy
2014	6,680,795	6,558,427	98.17%	-	6,558,427	98.17%
2015	6,538,375	6,438,118	98.47%	55,500	6,493,618	99.32%
2016	6,728,811	6,637,510	98.64%	59,028	6,696,538	99.52%
2017	6,853,422	6,773,927	98.84%	39,950	6,813,877	99.42%
2018	7,672,612	7,659,388	99.83%	(4,958)	7,654,430	99.76%
2019	8,185,486	8,169,815	99.81%	610,801	8,780,616	107.27%
2020	8,929,004	8,183,987	91.66%	1,237,541	9,421,528	105.52%
2021	9,684,760	8,520,268	87.98%	-	8,520,268	87.98%
2022	9,578,660	9,584,651	100.06%	64,417	9,649,067	100.74%
2023	10,090,686	10,116,935	100.26%	(10,389)	10,106,546	100.16%

Source: Los Angeles County Auditor Controller's Office

 $<sup>^{</sup>m 1}$  Fiscal Year 2021 Collections in Subsequent Years has been updated in Fiscal Year 2023 ACFR Statistical Sec

### CITY OF EL SEGUNDO RATIO OF GENERAL BONDED DEBT OUTSTANDING LAST TEN FISCAL YEARS

(IN THOUSANDS, EXCEPT PER CAPITA)

, <u>-</u>		Outstand					
	General	Tax				Percent of	
Fiscal Year	Obligation	Allocation	Certificates of	Pension		Assessed	Per
Ended <sup>1</sup>	Bonds	Bonds	Participation	Obligation <sup>3</sup>	Total	Value <sup>2</sup>	Capita
2014	-	-	-	-	-	0.000%	-
2015	-	-	-	-	-	0.000%	-
2016	-	-	-	-	-	0.000%	-
2017	-	-	-	-	-	0.000%	-
2018	-	-	-	-	-	0.000%	-
2019	-	-	-	-	-	0.000%	-
2020	-	-	-	-	-	0.000%	-
2021	-	-	-	140,095,398	140,095,398	909.500%	-
2022	-	-	-	144,135,000	144,135,000	945.520%	-
2023	-	-	-	137,600,000	137,600,000	856.260%	

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

<sup>&</sup>lt;sup>1</sup> Fiscal Years 2000-2020 are 12 month reporting periods ending on September 30; Fiscal Year 2020-2021 is a 9 month reporting period ending on June 30; Fiscal Years 2022-current are 12 month reporting periods ending on June 30.

<sup>&</sup>lt;sup>2</sup> Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

<sup>&</sup>lt;sup>3</sup> Fiscal Year 2022 Pension Obligation debt ending balance number have been updated in Fiscal Year 2023 ACFR Statistical Section

### CITY OF EL SEGUNDO RATIO OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

(IN THOUSANDS, EXCEPT PER CAPITA)

Governmental Activities

				verimmentar / tetrvi	11 C3		
Fiscal Year	Financed Purchase	Loan	Pension	Leases	Subscriptions	Leas es/	Total Governmental
Ended <sup>12</sup>	Obligation	Obligation	Obligation	Payable	Payable	Loans	Activities
2013		-	-	-	-	10,615,488	10,615,488
2014	-	-	-	-	-	10,303,635	10,303,635
2015	-	-	-	-	-	9,982,592	9,982,592
2016	-	-	-	-	-	9,650,093	9,650,093
2017	-	-	-	-	-	9,306,335	9,306,335
2018	-	-	-	-	-	8,950,875	8,950,875
2019	-	-	-	-	-	8,583,247	8,583,247
2020	-	-	-	-	-	8,202,967	8,202,967
2021	-	-	140,095,398	-	-	8,159,767	148,255,165
2022	1,920,577	5,842,713	140,095,398	117,088	-	-	147,975,776
2023	1,855,162	5,497,738	133,743,378	133,029	852,664	-	142,081,971

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

<sup>&</sup>lt;sup>1</sup> Fiscal Years 2000-2020 are 12 month reporting periods ending on September 30; Fiscal Year 2020-2021 is a 9 month reporting period ending on June 30; Fiscal Years 2022-current are 12 month reporting periods ending on June 30.

<sup>&</sup>lt;sup>2</sup> Office of Economic Development (data shown is for Los Angeles County)

### CITY OF EL SEGUNDO RATIO OF OUTSTANDING DEBT BY TYPE (CONTINUED) LAST TEN FISCAL YEARS

(IN THOUSANDS, EXCEPT PER CAPITA)

	Bus	iness-type Activit	ties			
Fiscal Year	Pension	Leases	Total Business-type	Total Primary	Percentage of Personal	Debt Per
Ended <sup>12</sup>	Obligation	Payable	Activities	Government	Income <sup>2</sup>	Capita <sup>2</sup>
2014	-	-	-	10,303,635	1.4%	227
2015	-	-	-	9,982,592	1.3%	214
2016	-	-	-	9,650,093	1.2%	203
2017	-	-	-	9,306,335	1.1%	187
2018	-	-	-	8,950,875	1.0%	169
2019	-	-	-	8,583,247	0.9%	154
2020	-	-	-	8,202,967	0.8%	141
2021	4,039,602	-	4,039,602	152,294,767	14.6%	2,430
2022	4,039,602	202,186	4,241,788	152,217,564	12.4%	2,114
2023	3,856,622	-	3,856,622	145,938,593	10.3%	1,738

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

<sup>&</sup>lt;sup>1</sup> Fiscal Years 2000-2020 are 12 month reporting periods ending on September 30; Fiscal Year 2020-2021 is a 9 m reporting period ending on June 30; Fiscal Years 2022-current are 12 month reporting periods ending on June 30

<sup>&</sup>lt;sup>2</sup> Office of Economic Development (data shown is for Los Angeles County)

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### CITY OF EL SEGUNDO DIRECT AND OVERLAPPING BONDED DEBT LAST TEN FISCAL YEARS

2022-2023 Assessed Valuation: \$16,111,996,950

	Total Debt		City's Share of	
OVERLAPPING TAX AND ASSESSMENT DEBT:	6/30/2023	% Applicable (1)	Debt 6/30/23	
Metropolitan Water District	\$ 19,215,000	0.44%	\$85,122	
El Camino Community College District	463,537,057	11.561%	53,589,519	
El Segundo Unified School District	105,994,777	100%	105,994,777	
Manhattan Beach Unified School District	166,312,965	0.0010%	1,663	
Wiseburn Unified School District	128,534,541	0.71855	92,358,494	
Centinela Valley Union High School District	236,570,062	0.34546	81,725,494	
Centinela Valley Union High School District School Facilities Improvement District No. 2016-1	221,670,000	0.38885	86,196,380	
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$419,951,449	
DIRECT AND OVERLAPPING GENERAL FUND DEBT:				
Los Angeles County General Fund Obligations	\$ 2,601,551,282	0.85%	\$ 22,139,201	
Los Angeles County Superintendent of Schools Certificates of Participation	3,403,487	0.851	28,964	
Los Angeles County Sanitation District No. 5 Authority	1,269,835	6.326	80,330	
Los Angeles County Sanitation District South Bay Cities Authority	216,354	0.038	82	
City of El Segundo General Fund Obligations	7,352,896	100	7,352,896	
City of El Segundo Pension Obligation Bonds	137,600,000	100	137,600,000	
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 167,201,473	
SUBTOTALS:				
TOTAL DIRECT DEBT			\$145,938,589	
TOTAL OVERLAPPING DEBT			\$442,200,026	
			. ,,	
TOTALS:				
COMBINED TOTAL DIRECT AND OVERLAPPING DEBT			\$588,138,612	(2)

- (1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded lease obligations. Also excludes accreted value of capital appreciation bonds.

#### Ratios to 2022-23 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	2.61%
Total Direct Debt (\$144,952,896)	0.91%
Combined Total Debt	3.65%

Source: Avenu Insights & Analytics, California Municipal Statistics, Inc.

#### CITY OF EL SEGUNDO LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS

			Fiscal Year		
	2013-14	2014-15	2015-16	2016-17	2017-18
Assessed valuation	\$ 10,308,636,196 \$	5 10,038,433,763 \$	10,655,775,000 \$	10,973,796,359 \$	5 12,226,261,726
Conversion percentage	25%	25%	25%	25%	25%
Assessed valuation	2,577,159,049	2,509,608,441	2,663,943,750	2,743,449,090	3,056,565,432
Debt limit percentage	15%	15%	15%	15%	15%
Debtlimit	386,573,857	376,441,266.11	399,591,563	411,517,363	458,484,815
Total net debt applicable to limit: General obligation bonds	-	-	-	-	-
Legal debt margin	\$ 386,573,857 \$	376,441,266 \$	399,591,563 \$	411,517,363 \$	458,484,815
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). Although the statutory debt limit has not been amended by the State since this change, the percentages presented in the above computations have been proportionately modified to 3.75% (25% of 15%) for the purpose of this calculation in order to be consistent with the computational effect of the debt limit at the time of the state's establishment of the limit.

Source: California Municipal Statistics, Inc. Los Angeles County Tax Assessor's Office

#### CITY OF EL SEGUNDO LEGAL DEBT MARGIN INFORMATION (CONTINUED) LAST TEN FISCAL YEARS

			Fiscal Year		
	2018-19	2019-20	2020-21	2021-22	2022-23
Assessed valuation	\$ 13,067,718,573	\$ 14,185,553,887	\$ 15,403,646,060	\$ 15,243,933,714	\$ 16,069,882,115
Conversion percentage	25%	25%	25%	25%	25%
Assessed valuation	3,266,929,643	3,546,388,472	3,850,911,515	3,810,983,429	4,017,470,529
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	 490,039,446	531,958,271	577,636,727	571,647,514	602,620,579
Total net debt applicable to limit: General obligation bonds	-	-	140,095,398	144,135,000	137,600,000
Legal debt margin	\$ 490,039,446	\$ 531,958,271	\$ 577,636,727	\$ 571,647,514	\$ 602,620,579
Total debt applicable to the limit	0.00/	0.00	24.20/	25.20/	22.00/
as a percentage of debt limit	0.0%	0.0%	24.3%	25.2%	22.8%

### CITY OF EL SEGUNDO DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

Fiscal Year	City Population (1)	Personal Income (in thousands) (2)	Per Capita Personal Income (2)	Median Age (2)	City Unemployment Rate (%) (3)
2013-14	16,815	761,888	45,310	-	9.9%
2014-15	16,897	787,958	46,633	-	8.2%
2015-16	16,646	790,452	47,486	38.9	3.7%
2016-17	16,717	832,029	49,771	38.9	2.9%
2017-18	16,784	888,503	52,938	39.0	3.3%
2018-19	17,066	952,927	55,838	38.7	3.2%
2019-20	16,777	974,307	58,074	38.7	23.5%
2020-21	16,660	1,044,326	62,685	37.3	13.8%
2021-22	17,084	1,230,071	72,001	36.9	4.5%
2022-23	16,928	1,421,646	83,982	36.8	4.1%

Source: Avenu Insights & Analytics

Source: 2022 and prior, previously published ACFR Report

<sup>1.)</sup> Population Projections are provided by the California Department of Finance Projections.

<sup>2.)</sup> Data is provided by the U.S. Census Bureau.

<sup>3.)</sup> Unemployment Data is provided by the EDD's Bureau of Labor Statistics Department.

#### CITY OF EL SEGUNDO PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

	2022	-2023	2017-2	2018
Business Name	Number of Employees	Percent of Total Employment (%)	Number of Employees	Percent of Total Employment (%)
Boeing Satellite Systems*	13,615	137.53%	2959	5.20%
Raytheon Space & Airborne Syst	6,000	60.61%	5189	9.12%
Northrop Grumman Corporation	3,054	30.85%	2960	5.20%
Aerospace Corporation	2,571	25.97%	2711	4.76%
Mattel Inc	1,703	17.20%	1674	2.94%
Chevron Products Company/USA inc	1,193	12.05%	1103	1.94%
Internet Brands Inc	590	5.96%	588	1.03%
Infineon Technologies Americas Corp (formerly International Rectifier)	440	4.44%		
Karl Storz Endoscopy America Inc	409	4.13%		
Big 5 Sporting Goods Corp**	295	2.98%		
Accenture			1685	2.96%
HealthCare Partners LLC			705	1.24%
Time Warner Cable Information Services (CA)			700	1.23%
Total Top 10 Employers	29,870	301.72%	20,274	33.15%
Total City Labor Force (1)	9,900			

Source: Avenu Insights & Analytics

Source: 2017-18 based on previously published ACFR. 2013-14 data unavailable on City's website Results based on direct correspondence with city's local businesses.

 $<sup>\</sup>hbox{\rm *Employee Count is statewide, employment levels are not available by site.}$ 

 $<sup>\</sup>ensuremath{^{**}}$  Includes Corporate office and retail store.

<sup>(1)</sup> Total City Labor Force provided by EDD Labor Force Data.

## CITY OF EL SEGUNDO OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

	2014	2015	2016	2017	2018
Police:					
Arrests	1,468	1,057	721	592	568
Parking Citations Issued	11,764	9,404	7,200	8,955	10,227
Fire:					
Number of Emergency Calls	2,485	2,568	2,632	2,807	2,895
Inspections	2,326	2,203	1,531	1,209	1,919
Medical Responses	1,564	1,644	1,661	1,847	1,930
Public works:					
Street resurfacing (miles)	-	-	0	1	2
Reconstruction (miles)	-	-	-	-	-
New Street (miles)	-	-	-	-	-
Electronic Recycling (pounds)	N/A	N/A	N/A	N/A	-
Paper Shred Recycling (pounds)	9,220	10,080	23,000	23,000	20,000
Parks, Recreation, and Library:					
(previously named Community Services)					
Number of recreation classes	1,365	1,389	1,056	833	997
Class registrations	7,905	8,021	6,657	6,615	7,574
Recreation Trips participants	1,560	1,535	89	20	926
Number of facility rentals	496	-	-	-	-
Number of Reservations	9,238	9,342	4,779	5,624	5,397
Shuttles transported (riders)	29,789	30,052	7,320	4,781	6,252
Dial-A-Ride with Lyft residents	11,090	11,206	6,841	5,108	5,189
Homebound Meals	4,957	4,926	5,061	5,497	6,080
Finance:					
Business Licenses processed	6,758	5,812	7,172	7,236	6,610
Purchase Orders processed	447	427	476	547	464
Purchase Change Orders processed	129	118	103	136	174
Invoices processed	10,367	10,189	10,230	9,566	9,762
Checks processed	5,529	5,326	5,849	5,248	5,258
Cash Receipts processed (excluding Water)	35,461	35,143	33,075	31,559	27,722

Source: City of El Segundo

### CITY OF EL SEGUNDO OPERATING INDICATORS BY FUNCTION (CONTINUED) LAST TEN FISCAL YEARS

	2019	2020	20211 2022	2023
Police:				
Arrests	953	1,009	1,084	1,066
Parking Citations Issued	12,247	9,537	10,591	8,904
Fire:				
Number of Emergency Calls	893	2,558	2,951	3,174
Inspections	905	512	654	580
Medical Responses	502	1,621	1,827	1,989
Public works:				
Street resurfacing (miles)	6	1	2.4	1.5
Reconstruction (miles)	-	=	-	-
New Street (miles)	-	-	-	-
Electronic Recycling (pounds)	1,480	1,480	4,071	2,516
Paper Shred Recycling (pounds)	15,400	17,340	32,100	30,300
Parks, Recreation, and Library:				
(previously named Community Services)				
Number of recreation classes	1,019	980	1,517	1,517
Class registrations	4,098	5,387	18,233	10,873
Recreation Trips participants	1,784	762	*	114
Number of facility rentals	-	-	1,619	3,637
Number of Reservations	5,563	23,841	29,968	35,419
Shuttles transported (riders)	5,532	1,968	1,782	2,884
Dial-A-Ride residents	4,474	2,194	**	4,718
Homebound Meals	6,840	7,285	5,922	5,180
Finance:				
Business Licenses processed	6,992	6,391	6,191	6,277
Purchase Orders processed	416	411	407	412
Purchase Change Orders processed	141	167	89	174
Invoices processed	6,805	10,501	9,818	9,803
Checks processed	3,790	5,611	5,368	5,288
Cash Receipts processed (excluding Water)	54,264	37,273	118,314	118,856

Source: City of El Segundo

<sup>&</sup>lt;sup>1</sup>Information not collected from fiscal year 2020-2021 due to pandemic and staff shortages

<sup>\*</sup>Due to COVID-19, this program was not run during 2021/2022 FY

<sup>\*\*</sup>Dial-A-Ride ended when the pandemic impacted all Recreation & Parks department services; LYFT and Beach Shuttle (SWOOP) have replaced programs for Dial A Ride

#### CITY OF EL SEGUNDO FULL-TIME AND PART-TIME CITY EMPLOYEES BY FUNCTION LAST TEN FISCAL YEARS

	2014	2015	2016	2017	2018
Function					
General Government	60	69	51	57	53
Public Safety	138	137	123	126	130
Public Works	27	30	31	30	29
Community & Cultural	81	80	76	74	115
Water	11	11	10	10	9
Sewer	6	6	6	10	6
Total	323	333	297	307	342

Source: City of El Segundo Payroll Division

#### CITY OF EL SEGUNDO FULL-TIME AND PART-TIME CITY EMPLOYEES BY FUNCTION (CONTINUED) LAST TEN FISCAL YEARS

	2019	2020	2021	2022	2023
Function					
General Government	71	73	59	58	58
Public Safety	143	144	142	131	127
Public Works	26	40	27	24	24
Community & Cultural	106	93	149	152	254
Water	18	15	10	11	12
Sewer	6	7	6	5	6
Total	370	372	393	381	481

Source: City of El Segundo Payroll Division

## CITY OF EL SEGUNDO CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN FISCAL YEARS

	2014	2015	2016	2017	2018
Police:					
Stations	1	1	1	1	1
Fire:					
Fire stations	2	2	2	2	2
Public works:					
Streets (miles)	55	55	55	55	55
Streetlights	1,718	1,718	1,718	1,718	1,718
Traffic signals	55	55	55	55	55
Parks and recreation:					
Parks	22	22	22	22	22
Recreation Facilities	13	13	13	13	14
Number of Acres	91	91	91	91	91

Source: City of El Segundo

## CITY OF EL SEGUNDO CAPITAL ASSET STATISTICS BY FUNCTION (CONTINUED) LAST TEN FISCAL YEARS

	2019	2020	2021	2022	2023
Police:					
Stations	1	1	1	1	1
Fire:					
Fire stations	2	2	2	2	2
Public works:					
Streets (miles)	55	55	55	55	55
Streetlights	1,718	1,718	1,718	1718	1718
Traffic signals	55	55	55	55	55
Parks and recreation:					
Parks	22	22	22	22	22
Recreation Facilities	14	14	14	14	14
Number of Acres	91	91	91	91	91

Source: City of El Segundo