Annual Comprehensive Financial Report

For Fiscal Year Ended June 30, 2025

City of Huntington Beach, California

THE PAGE INTENTIONALLY LEFT BLANK

City of Huntington Beach, California

Annual Comprehensive Financial Report

For the Year ended June 30, 2025

Prepared by
the Finance Department

THE PAGE INTENTIONALLY LEFT BLANK

Introductory Section

Annual Comprehensive Financial Report 2025

Table of Contents

Introductory Section

Table of Contents....i
Letter of Transmittal....iii
City Officials....x
Organizational Chart....xi
Certificate of Achievement in Excellence in Financial Reporting....xii

Financial Section

Independent Auditor's Report....1
Management's Discussion and Analysis (unaudited)....5

Basic Financial Statements

Government-wide Financial Statements:

Statement of Net Position....22
Statement of Activities....23

Fund Financial Statements:

Balance Sheet – Governmental Funds....24
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position....26
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds....27
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities....28
Statement of Net Position – Proprietary Funds....29
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds....31
Statement of Cash Flows – Proprietary Funds....32
Statement of Fiduciary Fund Net Position – Fiduciary Funds....33
Statement of Changes in Fiduciary Fund Net Position – Fiduciary Funds....34

Notes to Financial Statements....36

Required Supplemental Information

Notes to Required Supplementary Information....102
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget And Actual – General Fund....103
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget And Actual – Grants Special Revenue Fund....104
Schedule of Changes in the Net Pension Liability and Related Ratios....105
Schedule of Changes in the Net OPEB Liability and Related Ratios....108
Schedule of Contributions....109
Schedule of Money Market Weighted Rate of Return....111
Schedule of Contributions for the OPEB Plan....112

Supplementary Information

Combining and Individual Fund Statements and Schedules:

Combining Balance Sheet – Other Governmental Funds....116

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Other Governmental Funds....120

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Other Governmental Funds....124

Statement of Net Position – Internal Service Funds....138

Statement of Revenues, Expenses, and Changes in Fund Net Position Internal Service Funds....139

Statement of Cash Flows – Internal Service Funds....140

Combining Statement of Fiduciary Fund Net Position....142

Combining Statement of Changes in Fiduciary Net Position....143

Statistical Section

Net Position by Component – Last Ten Fiscal Years....148

Changes in Net Position – Last Ten Fiscal Years....150

Fund Balances – Governmental Funds – Last Ten Fiscal Years....152

Changes in Fund Balances - Governmental Funds - Last Ten Fiscal Years....154

Assessed and Actual Valuation of All Taxable Property (Excluding Redevelopment Agency) - Last Ten Fiscal Years....156

Property Tax Rates – All Direct and Overlapping Governments Tax Rate 04-001 Largest Area in City – Last Ten Fiscal Years....156

Property Tax Levies and Collections – Last Ten Fiscal Years....157

Top Ten Property Tax Payers – Current Year and Nine Years Ago....158

Ratios of Outstanding Debt by Type – Last Ten Fiscal Years....160

Legal Debt Margin – Last Ten Fiscal Years....162

Statement of Direct and Overlapping Bonded Debt....163

Principal Private Employers – Current Year and Nine Years Ago....164

Full-Time Actual and Budgeted City Employees by Function/Program– Last Ten Fiscal Years....165

Operating Indicators by Function/Activity – Last Ten Fiscal Years....166

Capital Assets Statistics by Function/Activity....168

CITY OF HUNTINGTON BEACH

December 31, 2025

Honorable Mayor, City Council and Citizens of the City of Huntington Beach:

In accordance with the requirements of the City Charter, and the City of Huntington Beach's ongoing commitment to transparent financial reporting, I am pleased to present the Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2025.

As required by the City Charter, and to ensure the reliability of the information contained herein, the City of Huntington Beach (the City) contracted with independent auditing firm Davis Farr LLP. The goal of the audit was to provide reasonable assurance that the City's financial statements are free from material misstatement. In addition, Davis Farr LLP audits the City's major program expenditures of federal grants for compliance with Title 2 of the United States Code of Federal Regulations Part 200 (Uniform Guidance). The Single Audit Report is published separately from this ACFR and may be obtained upon request from the City's Finance Department.

This report consists of management's representations concerning the City's finances. As such, management assumes full responsibility for the completeness and accuracy of the information presented in this document and ensuring it is reported in a manner that fairly presents the financial position and operations of the various funds of the City. To provide a reasonable basis for making these representations, and assurance that the financial statements will be free from material misstatement, management has established a comprehensive internal control framework that is designed to both protect the government's assets from theft, loss, or misuse and to compile sufficient reliable information for financial statement conformity with Generally Accepted Accounting Principles (GAAP). As the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable assurance rather than absolute assurance that the financial statements will be free from material misstatement.

We are pleased to report that Davis Farr LLP granted the City an unmodified (clean) opinion for the financial statements of the City for the year ended June 30, 2025. The auditor's opinion can be found in the Financial Section of this report. GAAP requires that management provide a narrative introduction, overview and analysis to accompany the financial statements in the form of a Management Discussion and Analysis (MD&A). This transmittal letter is designed to complement and should be read in conjunction with it. The MD&A can be found immediately following the independent auditor's report.

Profile of the City of Huntington Beach

The City of Huntington Beach is home to a thriving beach community, located on the Orange County coast, 35 miles south of Los Angeles and 90 miles north of San Diego. With a population of 196,276 residents, it is known as Surf City due to its abundance of beaches; the year-round sunny and warm Mediterranean climate; and its casual lifestyle. With over 10 miles of coastline and iconic pier spanning 1,856 foot in length- the longest pier on the West Coast- Huntington Beach plays host to over 16 million visitors annually.

As the fourth largest city in Orange County, and the 23rd largest in California by population, Huntington Beach is recognized as a prime location to live, work and play, ranking #1 in the nation for "Quality of City Services", #34 for "Best-Run City" in America and #11 in America for "Best Places to Raise a Family" by WalletHub. The City boasts an annual median household income of $122,919, 60 percent higher than the median household income for the United States, 21 percent higher than the State of California and 5 percent higher than Orange County.

Founded in the late 1880s, Huntington Beach was incorporated as a Charter City in 1909. Huntington Beach has a Council/Manager form of government wherein seven City Council members are elected to four-year terms, and the Mayor is filled on a rotating basis from the incumbent Council Members. The City Attorney, City Clerk and City Treasurer positions are also elected and serve four-year terms. The City of Huntington Beach is a full-service city including police, fire, public works, and other key functional departments with a dedicated and talented team of over 1000 full-time employees.

In 2011, the unincorporated oceanfront community of Sunset Beach was officially annexed by the City of Huntington Beach. Sunset Beach is a small beachfront community with approximately 1,000 residents and 1.5 square miles of land. Beachfront properties with high property values make this community a valuable addition to the City. Sunset Beach features one of the widest and most pristine beaches in Southern California and is home to the historic Sunset Beach Arts Festival.

A thriving beach community, Huntington Beach is home to numerous events, including the Great Pacific Airshow - the only beachfront airshow on the West Coast featuring the U.S. Air Force Thunderbirds, U.S. Navy F-35C Demo Team, Canadian Forces Snowbirds, and many others. This unique airshow, which first premiered in October 2016, has gained tremendous popularity and attracts visitors from all over the world to view the three-day event.

The City's century-old traditional Fourth of July Fireworks Show and Parade, known nationally as "the largest Fourth of July Parade west of the Mississippi," spans over a five-day period that includes a Main Street Block Party with free live music, carnival rides, and other family-friendly activities, Surf City 5K Run, and spectacular fireworks show overlooking the pier.

The City also hosts a variety of other exciting events for families and visitors such as the annual Concours d'Elegance, Civil War Days, International Surfing Association (ISA) World Surfing Games, and other events. In November 2023, the inaugural Darker Waves beachfront music festival featuring New Order, Tears for Fears, the B-52s, and others, performed to a sold-out crowd of 30,000.

Economic Condition and Outlook

Like many local area cities, the City of Huntington Beach is grappling with increased costs in all areas including workers' compensation and insurance increases, inflationary pressures on operating and capital costs, and increasing CalPERS pension costs. Through the leadership and support of City Council, the City has implemented various cost saving measures without reductions in essential service levels. These strategies included a combination of targeted reductions in operating accounts with underutilization trends, deferring transfers to other funds, maintaining vacancy savings through the Managed Hiring process, reductions in contractual expenditures and the prudent use of available reserves. These measures will buy time to further analyze the longer-term fiscal impacts and develop measured and deliberate adjustments, including changes to service delivery models and personnel, if necessary.

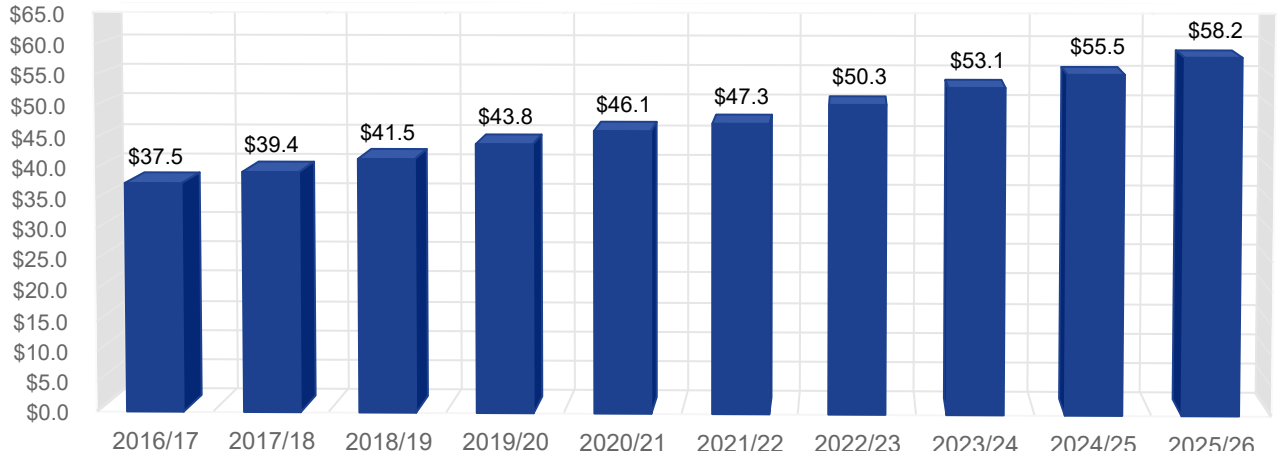
The City of Huntington Beach continues to thrive together through the motto "OneHB," which reflects the City's commitment to facing the potential upcoming recession created by inflationary conditions and supply chain shortages guided by the following principles:

- To stay committed to being **One Team**: working together to serve the people of Huntington Beach exceptionally to inspire pride in the community.
- Work to have **One Focus**: to stay fanatical about achieving municipal excellence by being active caretakers of our unique, people-centric HB culture.
- Continue to pursue **One Goal**: to ensure that HB continually improves its standing as a premier coastal community as measured through the health of our people, our organization, our infrastructure, and our community.

Property Tax

The City of Huntington Beach's assessed valuations are very strong, reflecting both new development and increased property values. The City's Fiscal Year 2025/26 assessed property value grew 4.9 percent to $58.2 billion. This solid performance, coupled with steady year-over-year growth, reflects a stable property tax base that can weather steep declines in real estate markets. Over 60 percent of parcels have an assessed valuation (AV) base year prior to 2004, representing a significant amount of untapped AV. For Fiscal Year 2023/24, secured property tax revenue collections totaled $70,619,000. For Fiscal Year 2024/25, secured property taxes totaled , $73,709,000 reflecting a 4 percent increase.

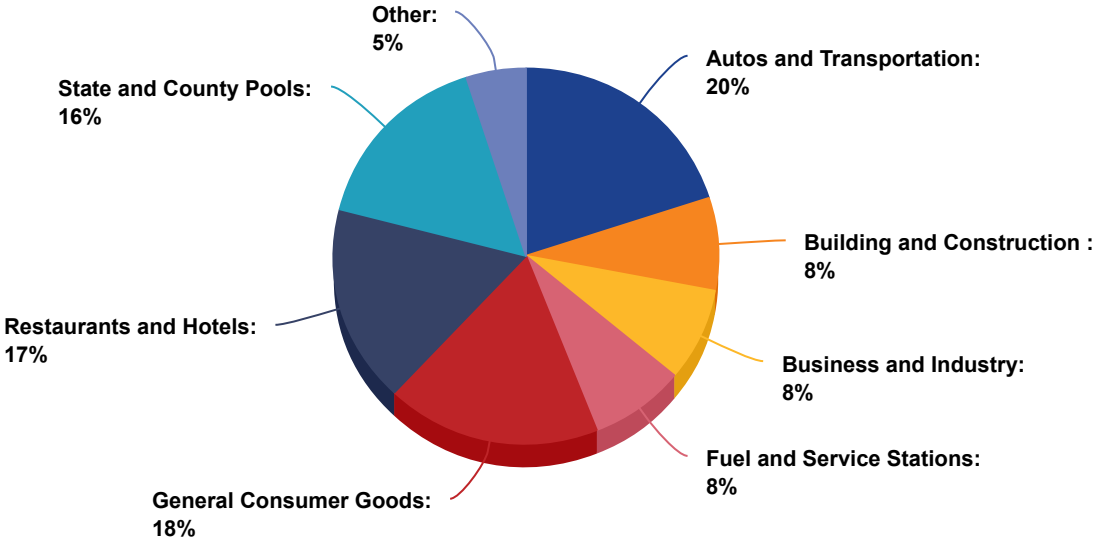
Total Assessed Valuation
Fiscal Years 2016/17 - 2025/26
(in billions)



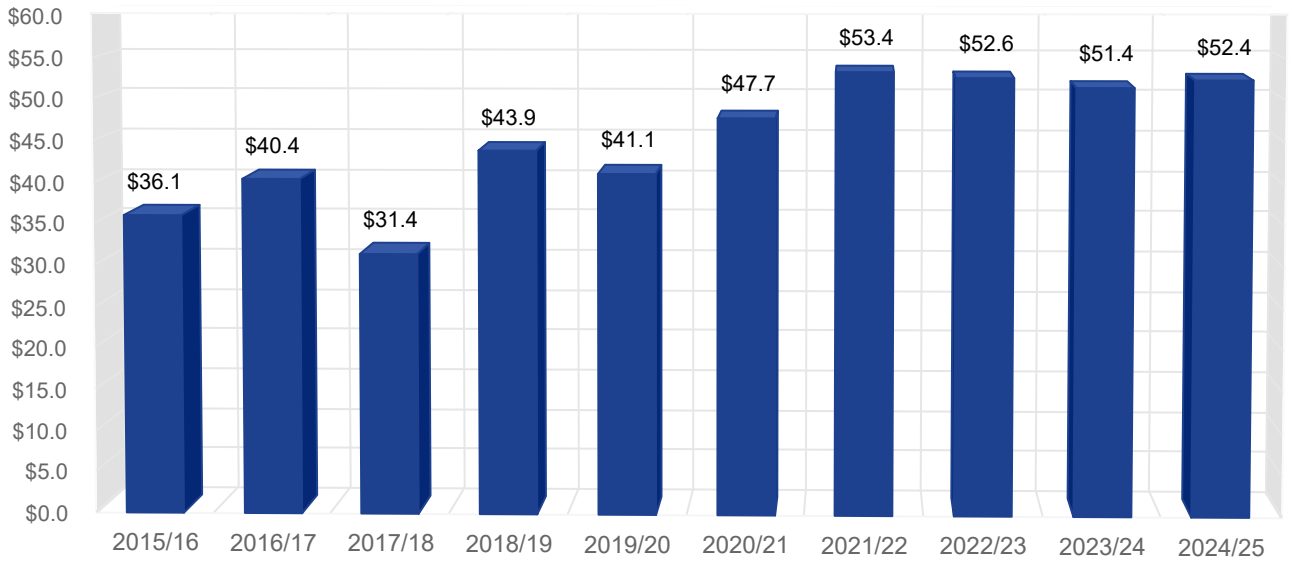
Sales Tax

Huntington Beach's business community is well-diversified with no single industry or business dominating the local economy. Local businesses include aerospace and high technology, petroleum, manufacturing, computer hardware and software, financial and business services, hotel and tourism, automobile services, large-scale retailers, and surf apparel. The City's diverse sales tax base makes it a stable source of revenue and mitigates the impact of industry-specific downturns as shown below.

Composition of Sales Tax Revenue
Fiscal Year 2024/25



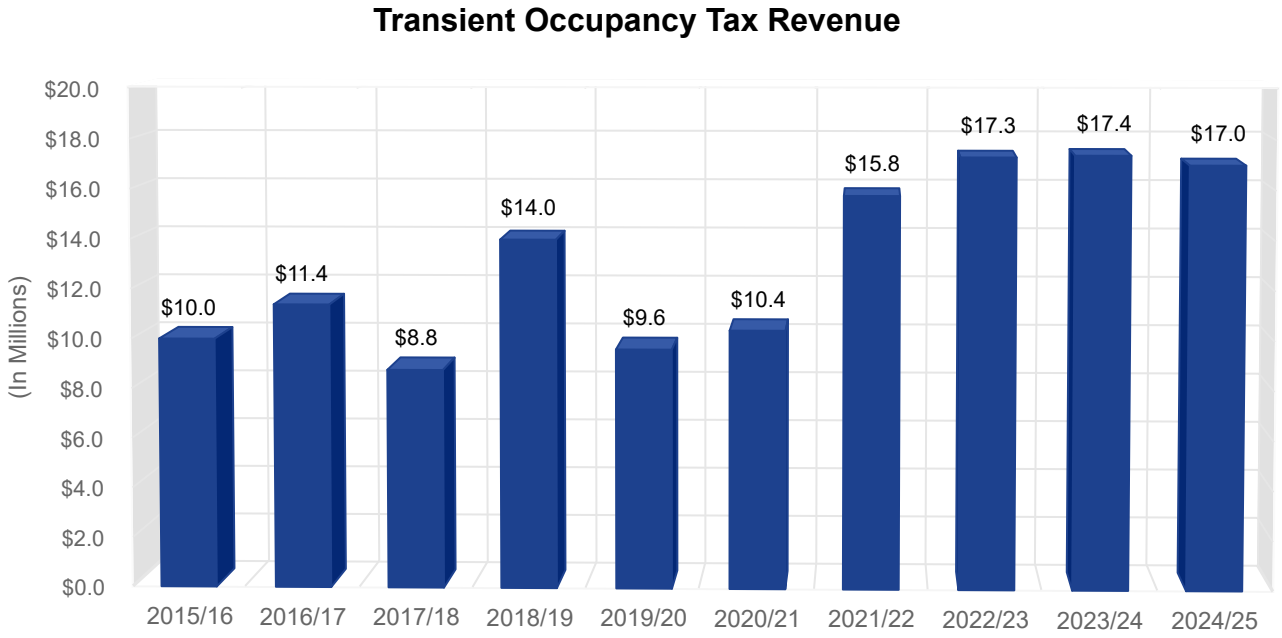
Historical Sales Tax Revenue



*Fiscal Year 2017/18 reflects nine months of data only due to the change in the City's fiscal year

Transient Occupancy Tax (TOT)

Transient Occupancy Tax (TOT), a 10 percent tax applied to hotel stays within the City remains strong. The City collected $16,990,000 in TOT revenues during FY 2024/25, which decreased by $409,000 or 2.4 percent.



*Fiscal Year 2017/18 reflects nine months of data only due to the change in the City's fiscal year.

Budget Development and Monitoring

The budget is prepared under the supervision of the City Manager and transmitted to the City Council for deliberation at least 30 days prior to the end of the fiscal year. Pursuant to the City's Charter, the City Council must adopt the annual budget by June 30th and may amend or revise it any time at a properly noticed meeting. Budgetary control is at the Department level within each fund and a Department Head, with the Chief Financial Officer's approval, may transfer funds within like categories (operating and capital expenditures) of the same Department. The transfer of funds for salaries and benefits requires additional approval by the City Manager or his /her designee.

Cash Management Policies and Practices

Surplus cash is invested by the elected City Treasurer, in investments allowed by the City's Investment Policy. The Investment Policy is adopted annually by the City Council after approval by the Investment Advisory Board. It outlines guidelines to meet the daily cash flow needs of the City, maximize the efficiency of the City's cash management system, and identifies prudent investment vehicles for cash balances. The City Treasurer, as required by California Government Code 53601, prepares an annual Statement of Investment Policy which allows the City to meet current obligations while earning a market rate of return. Further information regarding the City's cash and investments can be found in Note 2 of the financial statements.

Long-Term Financial Planning and Major Initiatives

The Strategic Goals provides the framework for the goals and objectives of the City. The City Council held a Strategic Planning Workshop on June 8, 2023, establishing eight goals to achieve over the next four years. The 2023-2027 Strategic Plan, approved by City Council, includes the eight Strategic Goals listed below to achieve over the next few years:

- ***Economic Development*** - greater business retention, investment and job growth in the City.
- ***Fiscal Stability*** - available funding to support a high-quality level of programs, services and capital investments and to build a structural surplus.
- ***High Performing Organization*** - an engaged City workforce committed to responsive and exceptional public service for all.
- ***Homelessness*** - A continuum of care that reduces homelessness and maintains quality of life for the entire community.
- ***Housing*** - proactive programs to address diverse housing needs within the City's jurisdiction.
- ***Infrastructure Investment*** - maintain and upgrade infrastructure that supports the community's day-to-day needs in accordance with the City's Infrastructure Report Card.
- ***Public Engagement*** - a community that has easy access to clear, accurate, and timely City information and expresses increased awareness and involvement in City activities.
- ***Public Safety*** - Ensure the safety and protection of all community members, both efficiently and effectively.

The goals drive both short and long-term budgetary decisions and the daily operations of the City by ensuring everyone is consistently working to achieve the goals outlined in the Strategic Plan.

"One Stop Shop"

The City is continuing the process of implementing a "One Stop Shop" to facilitate the permitting process. The "One Stop Shop" streamlines the permitting process and provides applicants with a comprehensive checklist to complete the necessary steps to obtain permits. The "One Stop Shop" approach aims to make the permitting process more efficient so that businesses and residents experience quicker and easier access to obtain permits for business licenses, short-term rentals, and building permits.

Infrastructure Report Card

Infrastructure provides essential services and affects quality of life for all Huntington Beach residents; to sustain these critical systems, it is important to routinely assess them. The City is preparing an Infrastructure Report Card (IRC) that will serve as a high-level summary to highlight the current condition of the City's Infrastructure. This report card will assign grades (A-F) to various infrastructure categories, communicating the status of each and identifying priorities for improvement. The project structure is made up of three separate committees including the Outreach and Communications Committee. The Outreach and Communications Committee is comprised of approximately 100 Huntington Beach residents appointed by the City Council and/or are recognized members of the community who will act as ambassadors of this process through their networks. This will promote resident participation, education, and awareness of the project both during the assessments and after the final report is released.

Awards and Acknowledgements

The City of Huntington Beach has once again received the "Certificate of Achievement for Excellence in Financial Reporting" award bestowed by the Government Finance Officers' Association (GFOA) of the United States and Canada for the 39th consecutive year. Receipt of the award requires government entities to publish transparent, easily readable and efficiently organized Annual Comprehensive Financial Reports, conforming to program, accounting, and legal standards.

The Certificate of Achievement earned for the fiscal year ended June 30, 2024, is valid for one year only. The City believes that this Annual Comprehensive Financial Report continues to conform to the Certificate of Achievement Program requirements and will be submitted to the GFOA for its consideration for another award.

I wish to thank the City Council, City Manager, and City Departments for their continued diligence in their role as fiscal stewards for the City of Huntington Beach. Without their leadership and support, the favorable financial results contained in this report would not have been possible. I would also like to thank the Finance Commission, a seven-member body appointed by the City Council, which has been instrumental in helping the City maintain its long term goal of financial sustainability.

The preparation of this report would also not have been possible without the professional dedicated staff of the Finance Department. Specifically, I would like to thank Ming Zhai, Andrew Rasmusson, Quyen Nguyen, and Ian Wuh for their hard work and dedication.

Respectfully,

Zack Zithisakthanakul
Assistant Chief Financial Officer

City of Huntington Beach

City Council

Mayor	Casey McKeon
Mayor Pro Tem	Butch Twining
Councilmember	Don Kennedy
Councilmember	Andrew Gruel
Councilmember	Pat Burns
Councilmember	Gracey Larrea-Van Der Mark
Councilmember	Chad Williams

Executive Team

City Manager	Travis Hopkins
Assistant City Manager	Marissa Sur

Elected Department Heads

City Treasurer	Jason Schmitt
City Clerk	Lisa Lane Barnes
City Attorney	Michael Vigliotta

Department Directors

Finance	Zack Zithisakthanakul
Fire	Chief Eric McCoy
Police	Chief Eric Parra
Public Works	Chau Vu
Community Development	Jennifer Villasenor
Human Resources	Vacant
Community & Library Services	Ashley Wysocki
Information Services	John Dankha

FY 2025 – 26 Organizational Chart

- Elected Offices
- Appointed Departments

THE PEOPLE OF HUNTINGTON BEACH

City Attorney
- Advisory
- Community Prosecution
- Litigation

City Clerk
- Admin, Public Support & Elections
- Records Management

City Council
- Mayor
- Mayor Pro-Tempore
- City Council Members

City Treasurer
- Investments
- Revenue Services

City Manager

Assistant City Manager

Community Development
- Building
- Code Enforcement
- Economic Development
- Housing
- Permit Counter
- Building

Community & Library Services
- Events & Rentals
- Library & Cultural Services
- Program & Services
- Facilities & Development

Finance
- Accounting Services
- Budget Management
- Business License

Fire
- Emergency Response
- Marine Safety
- Professional Standards

Human Resources
- Benefits & Training
- Labor Relations
- Recruitment & Selection
- Risk Management

Information Technology Services
- Business Applications
- Infrastructure Systems
- Technology Engagement & Support

Police
- Administrative Operations
- Investigations
- Patrol
- Special Operations
- Support Services

Public Works
- Engineering
- Maintenance & Operations
- Transportation
- Utilities

City Council Support
- Communications & HBTV
- Homelessness & Behavioral Health Services
- Sustainability

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Huntington Beach
California

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrill

Executive Director/CEO

THE PAGE INTENTIONALLY LEFT BLANK

Financial Section

Annual Comprehensive Financial Report 2025

DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

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

Independent Auditor's Report

City Council
City of Huntington Beach
Huntington Beach, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Huntington Beach (City), as of and for the year June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Huntington Beach as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

The financial statements for the year ended June 30, 2025, reflect certain prior period restatements as described further in note 18 to the financial statements. As described further in Note 18 to the financial statements, during the year ended June 30, 2025, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 101: Compensated Absences. Our opinion is not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis, budgetary comparison information and pension and other post employment benefit schedules* be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The *combining and individual nonmajor fund financial statements* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The *combining and individual nonmajor fund financial statements* are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the *combining and individual nonmajor fund financial statements* are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations,

contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Davis Farr LLP

Irvine, California
December 31, 2025

Management's Discussion and Analysis (Unaudited)

As management of the City of Huntington Beach, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Huntington Beach for the year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our Letter of Transmittal, which can be found on pages iii-ix of this report.

Financial Highlights

Below is a summary of the City's government-wide financial information (in thousands):

	Total Governmental and Business-Type Activities			
	June 30, 2025	June 30, 2024 (Restated)	Amount Increase (Decrease)	Percent Increase (Decrease)
Assets	$ 1,525,252	$ 1,461,477	$ 63,775	4.40%
Deferred Outflows of Resources	86,286	135,090	(48,804)	(36.10%)
Liabilities	667,852	681,964	(14,112)	(2.10%)
Deferred Inflows of Resources	16,885	18,868	(1,983)	(10.50%)
Total Net Position	926,801	895,735	31,066	3.50%
Unrestricted Net Position	(160,959)	(149,004)	(11,955)	8.00%
Long-Term Obligations	591,300	605,981	(14,681)	(2.40%)
Program Revenues	203,948	189,331	14,617	7.70%
Taxes	219,085	220,940	(1,855)	(0.80%)
Other General Revenues	29,697	53,534	(23,837)	(44.50%)
Expenses	421,664	403,080	18,584	4.60%

- The City of Huntington Beach's total assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $926,801,000. Total net position increased by $31,066,000 or 3.5 percent primarily as a result of a $53,454,000 increase in Cash and Investments. This change is related to the GASB 31 market adjustment, which compares the investment's market value to its booked value. In the prior fiscal year-end, the GASB 31 adjustment resulted in the booked value being higher than the market value. For Fiscal Year 2024/25, the booked value was lower than the market value.
- Long-term obligations decreased by $14,681,000 or 2.4 percent. The decrease is primarily the result of GASB 68 adjustments. The adjustment decreased net pension liability by $17,507,000 as a result of actuarial valuation adjustment of the City's current net pension liability. At the same time, long-term obligations due in more than one year are $899,000 due to normal debt obligations being paid down.
- Deferred outflows of resources decreased by $48,804,000 or 36.1 percent due to the differences between projected and actual earnings on Pension Plan investments used to determine the City's net pension liability. Deferred inflow of resources decreased by $1,983,000 or 10.5 percent, primarily due to a decrease of $1,835,000 related to difference between expected and actual experience on Pension Plan investments used to determine the City's net pension liability.
- Program revenues increased by $14,617,000 or 7.7 percent. The increase is due to the increase revenue from business-type activities from utility rate increase and increase in revenue in the Fire and Community Services departments.

- Expenses increased by $18,584,000 or 4.6 percent largely due to increases of $7,618,000 in Police and $7,427,000 in Public Works, and $2,000,000 in Community Development expenditures. This demonstrates City's ongoing commitment to fostering a safe and livable community supported by reliable and well-maintained infrastructure and strong Police department.

Overview of the Financial Statements

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

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's financial condition and are prepared similarly to those in the private sector.

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

The Statement of Activities presents information on how the City's net position changed during the most recent fiscal year. These changes are reported on the full accrual basis when the economic event occurs (not when the cash is received or paid).

The government-wide financial statements separate functions that are primarily supported by taxes and intergovernmental revenues (governmental activities) from functions that are supported by user fees (business-type activities). Governmental activities include the City Council, City Manager, City Treasurer, City Attorney, City Clerk, Finance, Human Resources, Community Development, Fire, Information Services, Police, Community Services, Library Services, and Public Works departments. Business-type activities include Water, Sewer, Refuse, and Hazmat Services.

The government-wide financial statements include the City and all of its component units that are legally separate but whose activities entirely support the City of Huntington Beach.

The government-wide financial statements can be found on pages 22-23 of this report.

Fund Financial Statements

The City separates financial activities into funds to maintain control over resources that have been legally separated. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for the same functions reported in governmental activities in the government-wide financial statements. However, the focus in the governmental fund section of these financial statements is on near-term resource inflows and outflows available for spending, as well as balances of resources available for spending at the end of the fiscal year.

It is useful to compare information presented for the governmental funds to information presented for governmental activities in the government-wide financial statements. The reconciliations indicate to the reader the differences in financial reporting between the governmental activities section and the governmental funds section.

The City maintains 25 individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenue, Expenditures, and Changes in Fund Balances for the General Fund, Grants Special Revenue Fund, Low and Moderate Income Housing Asset Fund (LMIHAF), Pension Liability Debt Service Fund, and Infrastructure Fund, all of which are considered to be major funds. Data from the other 19 smaller funds are combined into a single, aggregated presentation. Individual fund data for each of these other governmental funds is provided in combining statements elsewhere in this report.

The City provides an annual appropriated budget for its governmental funds. Budgetary comparison schedules for the General Fund and Grants Special Revenue Fund are required to be presented and are included on pages 103-104. Other major governmental funds (LMIHAF Capital Projects Fund, Pension Liability Debt Service Fund and Infrastructure Fund) are presented in the Supplementary Information section on pages 134-135 of this report and demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 24 and 27 of this report.

Proprietary Funds

The City maintains two different types of proprietary funds, which are used to account for the same activities as the business-type activities in the government-wide financial statements. 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, Sewer Service, Refuse, and Hazmat Service activities. Internal Service funds are used in accounting as a device to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its self-insurance worker's compensation activities, self-insurance general liability activities, and equipment replacement needs. Because these services predominantly benefit governmental rather than business-type functions, they have been included with governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for Water, Sewer Service, Refuse, Hazmat Service, Self-Insurance Workers' Compensation, Self-Insurance General Liability, and Equipment Replacement Funds.

The basic proprietary fund financial statements can be found on pages 29-32 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Huntington Beach's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 33-34 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 on pages 37-99 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension and OPEB benefits to its employees and General Fund and major special revenue funds budget-to-actual comparisons. Required supplementary information can be found on pages 102-112 of this report.

The combining statements and schedules referred to earlier in connection with other governmental funds is presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 115-135 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve, over time, as a useful indicator of a government's financial position. At the end of the current fiscal year, the City reported positive net position balances for both governmental and business-type activities. Ttotal assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $926,801,000.

Below is a summary schedule of the City's net position at June 30, 2025 (in thousands):

Governmental Activities	June 30, 2025	June 30, 2024 (Restated)	Amount Increase (Decrease)	Percent Increase (Decrease)
Current and Other Assets	$ 467,950	$ 429,299	$ 38,651	9.00%
Other Non-Current Assets	9,820	4,653	5,167	111.00%
Capital Assets	804,824	791,511	13,313	1.70%
Total Assets	**1,282,594**	**1,225,463**	**57,131**	**4.70%**
Deferred Outflows of Resources	**81,596**	**126,835**	**(45,239)**	**(35.70%)**
Current and Other Liabilities	62,258	61,904	354	0.60%
Long-Term Obligations	560,911	573,492	(12,581)	(2.20%)
Total Liabilities	**623,169**	**635,396**	**(12,227)**	**(1.90%)**
Deferred Inflows of Resources	**15,932**	**17,935**	**(2,003)**	**(11.20%)**
Net Position:				
Net Investment in Capital Assets	771,109	751,578	19,531	2.60%
Restricted	144,388	127,535	16,853	13.20%
Unrestricted	(190,408)	(180,146)	(10,262)	5.70%
Total Net Position	**$ 725,089**	**$ 698,967**	**$ 26,122**	**3.70%**

Business-Type Activities	June 30, 2025	June 30, 2024 (Restated)	Amount Increase (Decrease)	Percent Increase (Decrease)
Current and Other Assets	$ 96,838	$ 94,226	$ 2,612	2.80%
Other Non-Current Assets	1,067	554	513	92.60%
Capital Assets	144,753	141,234	3,519	2.50%
Total Assets	**242,658**	**236,014**	**6,644**	**2.80%**
Deferred Outflows of Resources	**4,690**	**8,255**	**(3,565)**	**(43.20%)**
Current and Other Liabilities	14,294	14,079	215	1.50%
Long-Term Obligations	30,389	32,489	(2,100)	(6.50%)
Total Liabilities	**44,683**	**46,568**	**(1,885)**	**(4.00%)**
Deferred Inflows of Resources	**953**	**933**	**20**	**2.10%**
Net Investment in Capital Assets	144,753	141,232	3,521	2.50%
Restricted	27,510	24,394	3,116	12.80%
Unrestricted	29,449	31,142	(1,693)	(5.40%)
Total Net Position	**$ 201,712**	**$ 196,768**	**$ 4,944**	**2.50%**

Analysis of the City's Net Position

Current and Other Assets: The increase in current and other assets of $38,651,000 for governmental activities is mainly due to increases in Cash and Investment. As mentioned above, this section increased to $31,136,000. PARS Section 115 Trust increased receipts of $5,744,000, General fund receipts increased by $7,451,000, GASB 31 Market adjustments increased by $7,651,000, the rest of increase related to the receipts for internal service funds.

The increase in current and other assets of $2,612,000 for business-type activities is primarily due to increased cash and investment balance in the Water Fund, Sewer fund and Hazmat Service fund. This growth was driven by higher revenues in Fiscal Year 2024/25, resulting from utility rate increases, which contributed to the overall rise in collections.

Non-current Assets: Non-current Assets increased by $5,167,000 in governmental activities and increased by $513,000 in business-type activities due to GASB 75 Other Postemployment Benefit adjustments.

Current and Other Liabilities: Current and Other Liabilities for governmental activities increased by $354,000 and increased by $215,000 for business-type activities. The increase in business-type activities is due to normal fluctuations in payroll cycles.

Deferred Outflows and Inflows of Resources: The decrease in deferred outflows of resources of $45,239,000 and $3,565,000 for governmental activities and business-type activities and decrease of deferred inflows of resources of $2,003,000 for governmental activities and increase of $20,000 for business-type activities is the result of actuarially determined amortization differences between projected and actual earnings on pension plan investments, and differences between expected and actual experience used to determine Net Pension and Other Postemployment Benefits Liabilities. See Notes 6, 7, and 8 for additional information.

Long-Term Obligations: Long-term obligations decreased by $12,581,000 for governmental activities and $2,100,000 for business-type activities primarily due to the GASB 68 Financial Report for Pension Plans adjustments resulting in a $17,507,000 overall decrease of net pension liability.

Net Investment in Capital Assets: The largest portion of the City's net position reflects investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that are still outstanding. The City uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets are reported net of related debt, the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities. Net position invested in capital assets, net of related debt from governmental activities increased by $19,531,000 or 2.6 percent, street improvements and construction projects, such as improvements to the Police station, various park improvements, pump station improvements, Central Library improvement, and fiber expansion projects throughout the city. Net position invested in capital assets net of related debt from business-type activities increased by $3,521,000 or 2.5 percent primarily due sewer improvement.

Restricted Net Position: An additional portion of the City's net position is subject to external (legally imposed or statutory) restrictions ($144,388,000 for governmental activities, and $27,510,000 for business-type activities). These amounts represent 19.9 percent and 13.6 percent of net position for governmental activities and business-type activities, respectively. Restricted net position from governmental activities increased by $16,853,000 or 13.2 percent, largely due to the increase in restricted net position in the Debt Service Fund and Grants Special Revenue Funds. Debt Service increased due to revenues from the voter-approved property tax override dedicated to pension cost payments being set aside. In addition, higher property tax revenues were collected as a result of increased home values. Grants Special Revenue Fund increase is due to the City recognizing more grant revenue than prior year. Total grant revenue exceeded expenditures by $3,338,000.

Unrestricted Net Position: The unrestricted net position (negative $190,408,000 for governmental activities and positive $29,449,000 for business-type activities) represent negative 26.3 percent and positive 14.6 percent, respectively, of net position for governmental activities and business-type activities. Unrestricted net position for governmental activities decreased by $10,262,000 or 5.7 percent. Unrestricted net position for business-type activities decreased by $1,693,000 or 5.4 percent. These changes can be attributed to changes in Net Pension Liability and Other Postemployment Benefits.

A condensed summary of governmental activities (in thousands) follows:

	Governmental Activities			
Revenues:	**June 30, 2025**	**June 30, 2024**	**Amount Increase (Decrease)**	**Percent Increase (Decrease)**
Program Revenues:				
Charges for Current Services	$ 90,368	$ 86,911	$ 3,457	4.00%
Operating Grants and Contributions	15,139	11,678	3,461	29.60%
Capital Grants and Contributions	17,541	17,266	275	1.60%
Total Program Revenues	**123,048**	**115,855**	**7,193**	**6.20%**
General Revenues:				
Property Taxes	118,237	114,630	3,607	3.10%
Sales Taxes	52,384	56,003	(3,619)	(6.50%)
Utility Taxes	22,706	23,283	(577)	(2.50%)
Franchise Taxes	8,768	9,625	(857)	(8.90%)
Transient Occupancy Tax	16,990	17,399	(409)	(2.40%)
Use of Money and Property (Loss)	22,256	12,361	9,895	80.10%
From Other Agencies - Unrestricted	1,952	5,883	(3,931)	(66.80%)
Gain from Elimination of Allowances	-	31,136	(31,136)	(100.00%)
Total General Revenues	**243,293**	**270,320**	**(27,027)**	**(10.00%)**
Total Revenues	**366,341**	**386,175**	**(19,834)**	**(5.10%)**
Expenses:				
City Council	469	441	28	6.30%
City Manager	5,733	7,699	(1,966)	(25.50%)
City Treasurer	2,368	2,124	244	11.50%
City Attorney	4,093	4,156	(63)	(1.50%)
City Clerk	1,750	1,674	76	4.50%
Finance	6,491	6,499	(8)	(0.10%)
Human Resources	2,585	2,786	(201)	(7.20%)
Community Development	21,124	19,124	2,000	10.50%
Fire	78,393	78,253	140	0.20%
Information Services	9,997	8,682	1,315	15.10%
Police	115,058	107,440	7,618	7.10%
Community Services	16,377	15,176	1,201	7.90%
Library Services	7,268	7,409	(141)	(1.90%)
Public Works	58,987	51,560	7,427	14.40%
Interest on Long-Term Debt	9,469	9,710	(241)	(2.50%)
Total Expenses	**340,162**	**322,733**	**17,429**	**5.40%**
Increase in Net Position Before Transfers	**26,179**	**63,442**		
Transfers	(57)	(55)		
Change in net position	**26,122**	**63,387**		
Net Position - Beginning of Year	**699,968**	**636,581**		
Restatements	(1,001)	-		
Net Position - Beginning of Year, as Restated	**698,967**	**636,581**		
Net Position - End of Year	**$ 725,089**	**$ 699,968**		

The cost of all governmental activities this year was $340,162,000. However, as shown in the Statement of Activities, the amount that taxpayers ultimately financed for these activities was $217,114,000, as costs of $90,368,000 were paid by those who directly benefited from the programs, or by other governments and organizations that subsidized certain programs with operating grants and contributions of $15,139,000, and capital grants and contributions of $17,541,000. Overall, the City's governmental program revenues were $123,048,000. The City paid for the remaining "public benefit" portion of governmental activities with $243,293,000 in taxes and general revenue (some of which may only be used for certain programs) and with other revenues, such as interest and general entitlements.

Charges for current services increased by $3,457,000 or 4.0 percent. This increase is mainly from reimbursement of liability claim paid out by the City, Emergency Medical Services (EMS) and Emergency Medical transportation (GEMT) VRRP IGT revenue. Other noteworthy increases in revenue occurred in Community Services, Fire, and Police. Community Services experienced an increase of $940,000, attributable to Quimby Fund revenues, special events, land lease income, film permits, facility rentals, and higher parking fee rates resulting from increased tourism. The Fire Department reported an increase of $4,225,000 due to the City's participation in EMS billing services. Police program revenues increased by $2,220,000, primarily attributable to parking fines. Community Development and Public Works reported an increase of $978,000.

Operating Grants and Contributions increased by $3,461,000 or 29.6 percent and Capital Grants and Contributions have increased by $275,000 or 1.6 percent. The Operating Grants and Contributions increase is due to Hazard Mitigation Grant Program revenue of $1,803,000 and CalTrans reimbursement Grant of $2,418,000. The majority of the increase in Capital Grants and Contributions is related to several funding sources, including FEMA COVID-19 grant of $1,141,000; Clean California reimbursement grant of $2,583,000 from Caltrans; Arterial Rehabilitation and Bolsa Chica Traffic Signal grant increase of $618,000; LMIHAF principal increase of $349,000; and Commercial Sanitation Sewer revenue increase of $350,000. These gains were partially offset by a $4,900,000 decrease in capital grants , which received in the prior year for various capital improvement projects, a decrease of $578,000 related to the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), and a decrease of $211,000 in OCA/CIP grant funding.

Program expenses increased by $17,429,000 or 5.4 percent primarily due to increases in Police and Fire cost. Both departments had an overall increase of $24,325,000 which is due to increase in personal cost and pension expense.

Total resources available during the year to finance governmental operations were $1,065,308,000 consisting of net position at July 1, 2024 of $698,967,000, program revenues of $ $123,048,000, and general revenues of $243,293,000. Total expenses for governmental activities during the year were $340,162,000 plus transfers of $57,000. Thus, net position increased by $25,121,000 or 3.6 percent, to $725,089,000.

A condensed summary of business-type activities (in thousands) follows:

	Business-Type Activities			
	June 30, 2025	June 30, 2024	Amount Increase (Decrease)	Percent Increase (Decrease)
Program Revenues:				
Charges for Current Services	$ 80,900	$ 73,476	$ 7,424	10.10%
Total Program Revenues	**80,900**	**73,476**	**7,424**	**10.10%**
Use of Money and Property (Loss)	5,489	4,154	1,335	32.10%
Total Revenues	**86,389**	**77,630**	**8,759**	**11.30%**
Expenses:				
Water Utility	52,846	52,397	449	0.90%
Sewer Service	12,473	12,213	260	2.10%
Refuse Collection	16,009	15,543	466	3.00%
Hazmat Service	174	194	(20)	(10.30%)
Total Expenses	**81,502**	**80,347**	**1,155**	**1.40%**
Increase (Decrease) in Net Position Before Transfers	**4,887**	**(2,717)**		
Transfers	57	55		
Change in net position	**4,944**	**(2,662)**		
Net Position - Beginning of Year	**196,816**	**199,478**		
Restatements	(48)	-		
Net Position - Beginning of Year, as Restated	**196,768**	**199,478**		
Net Position - End of Year	**$ 201,712**	**$ 196,816**		

The City's net position from business-type activities increased $4,887,000 before transfers. This is mainly due to increased charges for current services revenue.

Charges for current services for business-type activities increased by $7,424,000 due to higher rates for the Water Fund and Sewer Services.

The cost of all business-type activities this year was $81,502,000. As shown in the Statement of Activities, the amount paid by users of the systems was $80,900,000, and transfers totaling $57,000. Beginning net position was $196,768,000 and ending net position was $201,712,000, an increase of $4,896,000, or 2.5 percent. Of the ending net position, $144,753,000, or 71.8 percent, was invested in capital assets, $27,510,000 or 13.6 percent was restricted for expenses for the Water Master Plan, and $29,449,000, or 14.6 percent was unrestricted.

Transfers in for business-type activities were $57,000 for the current year.

Financial Analysis of the City's Major Governmental Funds

Below is an analysis of the City's major governmental fund activities for the year (in thousands):

	Governmental Funds			
	June 30, 2025	June 30, 2024	Amount Increase (Decrease)	Percent Increase (Decrease)
Total Fund Equity:				
General Fund	$ 146,585	$ 132,319	$ 14,266	10.80%
Grants Special Revenue	6,050	2,712	3,338	123.10%
LMIHAF Capital Projects	9,627	7910	1,717	21.70%
Pension Liability	42,378	36,119	6,259	17.30%
Infrastructure	28,982	29,397	(415)	(1.40%)
Total Fund Equity	**$ 233,622**	**$ 208,457**	**$ 25,165**	**12.10%**

The General Fund Balance increased by $14,266,000 largely due to increases in Intergovernmental revenue, property taxes and other revenues. The General Fund had Emergency Medical transportation (GEMT) VRRP IGT revenue of $6,886,000, and a revenue of $6,887,000 from Successor Agency's Redevelopment Obligation Retirement Fund (RORF).

The Grants Special Revenue Fund Balance increased by $3,338,000 primarily due to increase in Use of Money and Property tax and intergovernmental revenue. Unavailable revenue decreased $1,933,000 which have been earned or are measurable but are not yet available to finance in Fiscal Year 2024/25.

The LMIHAF Capital Projects Fund Balance increased by $1,717,000 primarily due to a $1,719,000 revenue transfer from the Successor Agency's Redevelopment Obligation Retirement Fund (RORF).

The Pension Liability Fund increased by $6,259,000, largely due to revenues set aside from the voter-approved property tax override and amount charged to other funds dedicated to the payment of Public Safety pension costs.

The Infrastructure Fund decreased by $415,000 due to the City spending more on needed infrastructure improvement throughout the City. Major projects include Oil Well Abandonment, construction of fiber optic communications along Garfield Avenue, Residential Zone Maintenance, residential pavements, Central Library Fountain improvement, and Civic Center Cooling Tower Replacement.

Financial Analysis of the City's Major Proprietary Funds

Below is an analysis of the fund equity of the City's proprietary funds (in thousands):

	Enterprise Funds			
	June 30, 2025	June 30, 2024	Amount Increase (Decrease)	Percent Increase (Decrease)
Net Position:				
Water Fund	$ 118,097	$ 116,368	$ 1,729	1.50%
Sewer Service Fund	82,651	79,813	2,838	3.60%
Refuse Fund	362	216	146	67.60%
Hazmat Service Fund	602	419	183	43.70%
Total Net Position	**$ 201,712**	**$ 196,816**	**$ 4,896**	**2.50%**
Unrestricted Net Position:				
Water Fund	$ 6,401	$ 5,923	$ 478	8.10%
Sewer Service Fund	22,155	24,722	(2,567)	(10.40%)
Refuse Fund	298	132	166	125.80%
Hazmat Service Fund	595	413	182	44.10%
Total Unrestricted Net Position	**$ 29,449**	**$ 31,190**	**$ (1,741)**	**(5.60%)**

The Water Fund total net position increased by $1,729,000 due to water pipeline replacement of $1,532,000. The Sewer Fund's total net position increased by $2,838,000 due to an increase in capital assets related to the Humboldt LCS Station improvement of $1,785,000. All other enterprise funds generated revenue that exceeded expenses in Fiscal Year 2024/25 due to increases in unbilled receivables and decreases in long-term payments.

Long-Term Obligations

Below is a schedule of the changes to the City's long-term obligations (in thousands):

Governmental Activities:	June 30, 2024 (Restated)	Additions	Retirements	June 30, 2025
Revenue Bonds	$ 22,910	$ -	$ (2,295)	$ 20,615
Compensated Absences (Restated)	16,534	5,656	(5,061)	17,129
Claims Payable	61,095	41,784	(23,149)	79,730
Pollution Remediation	2,000	-	-	2,000
LED Lighting Phase I	65	-	(65)	-
I-Bank CLEEN Loan	973	-	(317)	656
CEC Loan	1,528	-	(272)	1,256
Pension Obligation Bonds	305,322	-	(12,767)	292,555
Finance Purchase Agreement	14,290	-	(2,473)	11,817
Leases Payable	240	-	(155)	85
Subscriptions Payable	3,800	-	(1,480)	2,320
Total Long-Term Obligations Governmental Activities	**428,757**	**47,440**	**(48,034)**	**428,163**
Business-Type Activities:				
Compensated Absences	1,806	581	(547)	1,840
Pension Obligation Bonds	19,589	-	(897)	18,692
Business-Type Activities:	**21,395**	**581**	**(1,444)**	**20,532**
Total Long-Term Obligations	**$ 450,152**	**$ 48,021**	**$ (49,478)**	**$ 448,695**

Additional information on the City's long-term debt is shown in Note 11 and Note 14 to the financial statements. Note 14, Leases, provides detail related to GASB 87 related Lease Payable while Note 11 provides detail related to all other long-term debt. The City of Huntington Beach is legally restricted to issuing general obligation bonds to 12 percent of its assessed valuation. Since the City has no general obligation bonds outstanding, the limit does not apply. The City's total long-term obligations decreased by $1,457,000 or 0.3 percent from the prior fiscal year as the reduction in total debt related to annual debt service payments was partially offset by new claims payable liabilities and lease obligations.

The City continues to maintain strong credit ratings on all of its debt issues. Most notably, on August 27, 2014 Fitch Ratings issued an AAA Implied General Obligation Bond rating to the City of Huntington Beach and that same rating was most recently reaffirmed in September 2025.

The following are the ratings as determined by Standard and Poor's and Fitch Ratings as of June 30, 2025.

Debt Instrument	S & P	Fitch
1999 Tax Allocation Refunding Bonds	N/A	AA
2002 Tax Allocation Refunding Bonds	N/A	N/A
2014 Lease Revenue Bonds, Series A	AA	AA+
2020(a) Lease Revenue Bonds	AA	AA+
2020(b) Lease Revenue Bonds	AA	AA+
2021 Pension Obligation Bonds	AA+	AAA

Capital Assets

The capital assets of the City are those assets which are used in the performance of the City's functions including infrastructure assets. The City has elected to use the "Basic Approach" as defined by GASB Statement No. 34 for infrastructure reporting. The following infrastructure networks are recorded as capital assets in the government-wide financial statements:

- Storm drain system including pump stations, drainage system and manholes.
- Streets (including land underneath streets), traffic signals, curbs, gutters, and sidewalks.

Below is a schedule of the City's capital assets, net of accumulated depreciation (in thousands):

Governmental Activities:	June 30, 2025	June 30, 2024	Amount Increase (Decrease)	Percent Increase (Decrease)
Land	$ 369,643	$ 369,538	$ 105	-%
Buildings	124,850	125,878	(1,028)	(0.80%)
Machinery and Equipment	39,264	38,543	721	1.90%
Construction in Progress	12,500	15,141	(2,641)	(17.40%)
Infrastructure	255,755	237,968	17,787	7.50%
Right to Use Leased Land	-	22	(22)	(100.00%)
Right to Use Leased Machinery and Equipment	86	221	(135)	(61.10%)
Right to Use SBITA Asset	2,726	4,200	(1,474)	(35.10%)
Total Governmental Activities	**804,824**	**791,511**	**13,313**	**1.70%**
Business-Type Activities:				
Land	3,907	3,907	-	-%
Buildings	65,228	63,515	1,713	2.70%
Machinery and Equipment	5,104	6,142	(1,038)	(16.90%)
Construction in Progress	6,293	3,383	2,910	86.00%
Infrastructure	64,221	64,287	(66)	(0.10%)
Total Business-Type Activities	**144,753**	**141,234**	**3,519**	**2.50%**
Total Capital Assets	**$ 949,577**	**$ 932,745**	**$ 16,832**	**1.80%**

Capital assets from governmental activities increased by $13,313,000 or 1.7 percent. This increase is largely due to street replacement infrastructure costs and construction improvements throughout the City. Capital assets from business-type activities increased by $3,519,000 or 2.5 percent largely due to continued construction and improvements to utility stations. Further information on the City's capital assets can be found in Note 12 of the financial statements.

Furthermore, GASB Statement No. 87, Leases, requires a lessee to recognize a lease liability and intangible right-to-use lease asset. As noted above, the right-to-use lease asset is to be included as a capital asset. For Fiscal Year 2024/25, the City reported $86,000 in right-to-use lease assets.

General Fund Budgetary Highlights

Changes to Original Budget

Comparing the Fiscal Year 2024/25 General Fund Original (i.e. Adopted) Budget expenditures amount of $238,642,000 to the final budgeted amount of $291,174,000 shows a net increase of $52,532,000increase $52,532,000 or 22.0 percent. This overall increase is primarily due to budget carryforward of $8,248,000 and increased transfers to Equipment Fund of $10,105,000, Infrastructure Fund of $17,540,000, Section 155 Trust of $3,170,000, Self Insurance General Liability Fund of $17,552,000, Self Insurance Worker's Compensation Fund of $4,000,000 increase.

Final budgeted revenues for the General Fund increased $18,570,000 or 6.3 percent from the original (adopted) budget for the Fiscal Year ended June 30, 2025. The change from original to final budget occurred primarily as a result of adjustments made to budgeted Use of Money and Property Fund, Intergovernmental Fund and Other Fund.

Variance with Final Budget

General Fund actual revenues were more than the final budget by $3,673,000 for the Fiscal Year ended June 30, 2025. This budget variance is due in large part to increases in activity related to Licenses and Permits, and Fines and Forfeitures.

General Fund expenditures were $9,514,000 less than the final budget. The favorable budget variance is due in large part to the following:

- The Information Services Departments realized $1,237,000 in savings primarily due to differences in projected versus actual cost of providing services.
- Community Development Departments realized $4,880,000 in savings primarily due to differences in the projected versus actual timing of design, construction, and maintenance contracts for projects, as well as the deferral of various building and planning contracts.

Analysis of City's Other Major Governmental Funds

Grants Special Revenue Fund

The fund balance in the Grant Special Revenue Fund increased by $3,338,000 primarily due an increase in grant revenue. The two largest amounts received is $2,545,000 from CalTrans and $2,101,000 from FEMA Fiscal Year 2024/25.

LMIHAF Capital Projects Fund

The LMIHAF Capital Projects Fund Balance increased by $1,717,000 due to the Department of Finance agreeing to the Waterfront promissory note issued by the former Redevelopment Agency to the City as an enforceable obligation. This decision resulted in $1,719,000 revenue for the fund.

Pension Liability Debt Service Fund

The fund balance in the Pension Liability Debt Service Fund increased by $6,259,000 due to revenues set-aside from the voter-approved property tax override dedicated to the payment of Public Safety pension costs and employee's contribution to the fund.

Economic Factors and Next Year's Budget

The Adopted Fiscal Year 2025/26 Budget totals $541.1 million in all funds. This reflects a $13.8 million, or 2.6 percent increase from the Fiscal Year 2024/25 Adopted All Funds Budget of $527.2 million. A significant portion of the increase is due to the Enterprise Fund.

General Fund expenditures total $299.4 million and are supported by revenues of $300.1 million. The Adopted General Fund Budget has no reliance on one-time revenues to fund ongoing operations, which is critical to maintaining the City's financial viability and success, and represents a $0.5 million, or 0.2 percent, decrease compared to the Fiscal Year 2024/25 Adopted Budget of $300.0 million.

Public Safety: Funding for Public Safety represents 54 cents of every dollar spent in the General Fund. With more than half of the General Fund Budget committed to the Police and Fire Departments, the City has dedicated a large share of its resources, or $161.2 million, to these core services to ensure the safety and protection of all community members.

The Police Department Adopted Budget includes $591,000 for body worn cameras, tasers, training and supplies and approximately $233,000 for replacement of helicopter searchlights and gimbals. In addition, the General Fund Equipment budget includes $910,000 for new police vehicles.

In the Fire Department, the Adopted Budget includes $1.5 million for the purchase of a fire engine and $1.1 million for Emergency Medical Services (EMS) monitors.

The Adopted FY 2025/26 city budget establishes the roadmap for the City's direction in the year ahead. Like many local area cities, the City of Huntington Beach is grappling with increased costs in all areas, but in particular with regard to the cost of personnel. Our challenge is to continue to provide needed services to our citizens, and visitors. We can only be successful if we continue to maintain a highly qualified and motivated workforce. At the same time, a few major revenues,in particular the sales tax, are under performing.

General Fund Revenue

General Fund revenues are anticipated to be $300.1 million, a $1.6 million, or 0.5 percent decrease from the Fiscal Year 2024/25 Adopted Budget. The largest decreases are in Revenue from Other Agencies, projected to decrease $4.8 million due largely to planned elimination of the prior-year one-time receipt of funds from the Voluntary Rate Range Intergovernmental Transfer (VRRP) Program. The VRRP allows CalOptima Health to secure additional Medi-Cal dollars for the City of Huntington Beach and other California government entities. The revenue received annually by the City is dependent on factors such as the number of program participants in the County and number of Medi-Cal calls for service. Increases in VRRP participants have decreased the amount of available funding to existing participants in Fiscal Year 2025/26.

- Property Tax is the largest revenue category for the City, remains strong and is expected to increase by $5.7 million or 5.3 percent with expected revenues totaling $113.9 million due to increases in assessed property values.
- Charges for Current Services are projected to increase $1.7 million from prior year primarily as the result of lower anticipated building plan reviews and lower Emergency Medical Service billings.

Contacting the City's Financial Management Team

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report, separate reports of the City's component units or need any additional financial information, contact the Finance Department at 2000 Main Street, Huntington Beach, California, 92648-2702, phone (714) 536-5630 or email tvi@surfcity-hb.org.

Basic Financial Statements

STATEMENT OF NET POSITION
JUNE 30, 2025
(In Thousands)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets:			
Cash and Investments	$ 382,448	$ 82,773	$ 465,221
Cash and Investments with Fiscal Agent	3,047	-	3,047
Receivables, Net	43,339	8,643	51,982
Advances to Successor Agency	23,903	-	23,903
Lease Receivable	7,776	-	7,776
Inventories	-	2,188	2,188
Prepaids	7,130	-	7,130
Joint Venture	307	3,234	3,541
Total Current Assets	**467,950**	**96,838**	**564,788**
Non-Current Assets:			
Capital Assets:			
Non-Depreciable	382,143	10,200	392,343
Depreciable, Net	422,681	134,553	557,234
Total Capital Assets	**804,824**	**144,753**	**949,577**
Net Pension Asset	4,345	415	4,760
Net Other Postemployment Benefits Asset	5,475	652	6,127
Total Non-Current Assets	**814,644**	**145,820**	**960,464**
Total Assets	**1,282,594**	**242,658**	**1,525,252**
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	78,142	4,279	82,421
Deferred Outflows Related to Other Postemployment Benefits	3,454	411	3,865
Total Deferred Outflows of Resources	**81,596**	**4,690**	**86,286**
LIABILITIES			
Current Liabilities:			
Accounts Payable	12,948	10,649	23,597
Accrued Payroll	4,832	438	5,270
Unearned Revenue	4,217	-	4,217
Accrued Interest Payable	584	21	605
Deposits	2,987	1,777	4,764
Long-Term Obligations Due Within One Year	36,690	1,409	38,099
Total Current Liabilities	**62,258**	**14,294**	**76,552**
Long-Term Obligations:			
Long-Term Obligations Due in More than One Year	391,473	19,123	410,596
Net Pension Liability	169,438	11,266	180,704
Total Long-Term Obligations	**560,911**	**30,389**	**591,300**
Total Liabilities	**623,169**	**44,683**	**667,852**
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	2,240	222	2,462
Deferred Inflows Related to Other Postemployment Benefits	6,130	731	6,861
Deferred Inflows Lease Related	7,562	-	7,562
Total Deferred Inflows of Resources	**15,932**	**953**	**16,885**
NET POSITION			
Net Investment in Capital Assets	771,109	144,753	915,862
Restricted for:			
Debt Service	46,968	-	46,968
Capital Projects	27,413	26,858	54,271
Public Works and Community Services Projects	64,532	-	64,532
OPEB Benefits	5,475	652	6,127
Total Restricted Net Position	**144,388**	**27,510**	**171,898**
Unrestricted	(190,408)	29,449	(160,959)
Total Net Position	**$ 725,089**	**$ 201,712**	**$ 926,801**

See Notes to the Financial Statements

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025
(In Thousands)

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
					Primary Government		
Functions/Programs	Expenses	Charges for Current Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
City Council	$ 469	$ 157	$ -	$ -	$ (312)	$ -	$ (312)
City Manager	5,733	3,970	534	70	(1,159)	-	(1,159)
City Treasurer	2,368	134	-	-	(2,234)	-	(2,234)
City Attorney	4,093	7	-	-	(4,086)	-	(4,086)
City Clerk	1,750	221	-	-	(1,529)	-	(1,529)
Finance	6,491	3,499	-	-	(2,992)	-	(2,992)
Human Resources	2,585	2,098	-	-	(487)	-	(487)
Community Development	21,124	11,530	2,966	953	(5,675)	-	(5,675)
Fire	78,393	24,454	635	5	(53,299)	-	(53,299)
Information Services	9,997	681	-	-	(9,316)	-	(9,316)
Police	115,058	7,779	1,723	-	(105,556)	-	(105,556)
Community Services	16,377	27,894	686	291	12,494	-	12,494
Library Services	7,268	251	461	-	(6,556)	-	(6,556)
Public Works	58,987	7,693	8,134	16,222	(26,938)	-	(26,938)
Interest on Long-Term Debt	9,469	-	-	-	(9,469)	-	(9,469)
Total Governmental Activities	**340,162**	**90,368**	**15,139**	**17,541**	**(217,114)**	**-**	**(217,114)**
Business-Type Activities:							
Water Utility	52,846	51,153	-	-	-	(1,693)	(1,693)
Sewer Service	12,473	13,366	-	-	-	893	893
Refuse Collection	16,009	16,042	-	-	-	33	33
Hazmat Service	174	339	-	-	-	165	165
Total Business-Type Activities	**81,502**	**80,900**	**-**	**-**	**-**	**(602)**	**(602)**
Total Governmental and Business Type Activities	**$ 421,664**	**$ 171,268**	**$ 15,139**	**$ 17,541**	**$ (217,114)**	**$ (602)**	**$ (217,716)**
	General Revenues:						
	Taxes:						
	Property Taxes				118,237	-	118,237
	Sales Taxes				52,384	-	52,384
	Utility Taxes				22,706	-	22,706
	Franchise Taxes				8,768	-	8,768
	Transient Occupancy Tax				16,990	-	16,990
	Total Taxes				**219,085**	**-**	**219,085**
	Other:						
	Use of Money and Property				22,256	5,489	27,745
	From Other Agencies - Unrestricted				1,952	-	1,952
	Total General Revenues				**243,293**	**5,489**	**248,782**
	Transfers				**(57)**	**57**	**-**
	Total General Revenues and Transfers				**243,236**	**5,546**	**248,782**
	Change in Net Position				**26,122**	**4,944**	**31,066**
	Net Position - Beginning of Year, as Previously Reported				**699,968**	**196,816**	**896,784**
	Restatement - See Note 18				(1,001)	(48)	(1,049)
	Net Position - Beginning of Year, as Restated				**698,967**	**196,768**	**895,735**
	Net Position - End of Year				**$ 725,089**	**$ 201,712**	**$ 926,801**

See Notes to the Financial Statements

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025
(in Thousands)

	Major Governmental Funds						
	General Fund	Grants Special Revenue	LMIHAF Capital Projects	Pension Liability	Infrastructure	Nonmajor Governmental Funds	Total
ASSETS							
Cash and Investments	$ 140,269	$ 8,650	$ 8,219	$ 41,946	$ 32,274	$ 72,025	$ 303,383
Cash and Investments with Fiscal Agent	-	-	-	-	-	3,047	3,047
Taxes Receivable	12,749	-	-	116	-	2,015	14,880
Other Receivables, Net	9,052	9,098	7,456	316	245	1,732	27,899
Lease Receivable	7,776	-	-	-	-	-	7,776
Advances to Successor Agency	18,032	-	5,871	-	-	-	23,903
Prepaids	44	64	-	-	-	5,165	5,273
Total Assets	**$ 187,922**	**$ 17,812**	**$ 21,546**	**$ 42,378**	**$ 32,519**	**$ 83,984**	**$ 386,161**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
LIABILITIES							
Accounts Payable	$ 5,687	$ 2,088	$ 7	$ -	$ 3,473	$ 1,370	$ 12,625
Accrued Payroll	4,637	50	9	-	64	57	4,817
Unearned Revenue	1,178	3,039	-	-	-	-	4,217
Deposits Payable	2,986	1	-	-	-	-	2,987
Total Liabilities	**14,488**	**5,178**	**16**	**-**	**3,537**	**1,427**	**24,646**
DEFERRED INFLOWS OF RESOURCES							
Deferred Inflows Lease Related	7,562	-	-	-	-	-	7,562
Unavailable Revenue	19,287	6,584	11,903	-	-	1,454	39,228
Total Deferred Inflows of Resources	**26,849**	**6,584**	**11,903**	**-**	**-**	**1,454**	**46,790**

See Notes to the Financial Statements

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025
(in Thousands) (continued)

	Major Governmental Funds						
	General Fund	Grants Special Revenue	LMIHAF Capital Projects	Pension Liability	Infrastructure	Nonmajor Governmental Funds	Total
FUND BALANCES (DEFICITS)							
Nonspendable:							
Prepaids	44	64	-	-	-	5,165	5,273
Restricted:							
Underground Utilities	364	-	-	-	-	-	364
Restitution	317	-	-	-	-	-	317
Donations	811	-	-	-	-	-	811
Section 115 Trust	25,956	-	-	-	-	-	25,956
Pollution Remediation	-	-	-	-	-	359	359
Debt Service	-	-	-	42,378	-	4,590	46,968
Highways, Streets and Transportation	-	-	-	-	-	19,546	19,546
Low Income Housing	-	-	9,627	-	-	12,882	22,509
Air Quality	-	-	-	-	-	982	982
Other Capital Projects	-	-	-	-	-	12,065	12,065
Other Purposes	-	5,986	-	-	-	3,795	9,781
Committed:							
Economic Uncertainties	49,756	-	-	-	-	-	49,756
Parks	-	-	-	-	-	8,176	8,176
Other Capital Projects	1,712	-	-	-	28,982	3,423	34,117
Other Purposes	1,486	-	-	-	-	4,278	5,764
Assigned:							
Litigation Reserves	3,650	-	-	-	-	-	3,650
Capital Improvement Reserve	9,758	-	-	-	-	5,842	15,600
Equipment Replacement	8,295	-	-	-	-	-	8,295
General Plan Maintenance	1,776	-	-	-	-	-	1,776
HB Recovery Fund	10,886	-	-	-	-	-	10,886
Oceanview Estates	1,010	-	-	-	-	-	1,010
General Liability Plan Migration	2,801	-	-	-	-	-	2,801
Pension Rate Stabilization	6,849	-	-	-	-	-	6,849
Section 115 Trust	4,381	-	-	-	-	-	4,381
Year-End Fair Value	6,330	-	-	-	-	-	6,330
Other Purposes	10,403	-	-	-	-	-	10,403
Total Fund Balances	**146,585**	**6,050**	**9,627**	**42,378**	**28,982**	**81,103**	**314,725**
Total Liabilities, Deferred Inflows of Resources and Fund Balances	**$ 187,922**	**$ 17,812**	**$ 21,546**	**$ 42,378**	**$ 32,519**	**$ 83,984**	**$ 386,161**

See Notes to Financial Statements

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2025
(In Thousands)

Amounts reported for governmental activities in the statement of net position are different because:		
Total Fund Balances Governmental Funds		**$ 314,725**
Net Other Postemployment Benefits Asset is not available to pay in the current period and therefore are not reported in the funds.		
Net Other Postemployment Benefits Asset		5,445
Net Capital Assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. Amounts exclude Net Capital Assets of the Internal Service Funds.		
Capital Assets	1,226,022	
Accumulated Depreciation	(437,076)	
Total Capital Assets		788,946
Joint Venture		307
Right to Use Leased/SBITA Assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.		
Right to Use Leased Assets	398	
Right to Use SBITA Assets	6,178	
Accumulated Amortization	(3,764)	
Total Right to Use Assets		2,812
Internal Service Funds are used by management to charge the cost of various city activities to individual governmental and business-like funds. The assets and liabilities of the Internal Service Fund must be added to the Statement of Net Position.		13,206
Revenues that are measurable but not available are not recognized as revenue in governmental funds. Such amounts are recorded as Unavailable Revenue under the modified accrual basis of accounting.		39,228
Deferred Outflows Related to Pensions		77,935
Deferred Outflows Related to Other Postemployment Benefits (OPEB)		3,435
Governmental Funds report all pension contributions as expenditures; however, in the Statement of Net Position, the excess of the total pension liability over the plan Fiduciary Net Position is reported as a Net Pension Liability.		(164,569)
Deferred Inflows Related to Pensions		(2,230)
Deferred Inflows Related to Other Postemployment Benefits (OPEB)		(6,097)
Other long-term liabilities are not due in the current period and, therefore, are not recorded in the governmental funds.		
Accrued Interest Payable		(583)
Long-term liabilities, including bonds and certificates of participation payable, are not due and payable in the current period and therefore are not reported in the governmental funds. Amounts exclude Long-Term Obligation of the Internal Service Fund.		
Long-Term Obligations Due in One Year		(21,158)
Long-Term Obligations Due in More than One Year		(326,313)
Net Position of Governmental Activities		**$ 725,089**

See Notes to the Financial Statements

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2025 (In Thousands)

	Major Governmental Funds						
	General Fund	Grants Special Revenue	LMIHAF Capital Projects	Pension Liability	Infrastructure	Nonmajor Governmental Funds	Total
REVENUES							
Property Taxes	$ 109,379	$ -	$ -	$ 8,858	$ -	$ -	$ 118,237
Sales Taxes	49,310	-	-	-	-	3,074	52,384
Utility Taxes	22,706	-	-	-	-	-	22,706
Other Taxes	25,365	-	-	-	-	393	25,758
Licenses and Permits	10,355	-	-	-	-	388	10,743
Fines and Forfeitures	6,040	-	-	-	-	-	6,040
Use of Money and Property (Loss)	33,440	328	1,204	1,258	1,868	4,916	43,014
Intergovernmental	18,586	18,927	1,719	-	15	11,419	50,666
Charges for Current Services	35,081	-	-	15,727	-	2,931	53,739
Other	7,198	518	-	-	11	108	7,835
Total Revenues	**317,460**	**19,773**	**2,923**	**25,843**	**1,894**	**23,229**	**391,122**
EXPENDITURES							
Current:							
City Council	492	-	-	-	-	-	492
City Manager	3,810	966	-	-	-	386	5,162
City Treasurer	2,425	-	-	-	-	-	2,425
City Attorney	4,098	-	-	-	-	-	4,098
City Clerk	1,796	-	-	-	-	-	1,796
Finance	6,249	-	-	-	-	17	6,266
Human Resources	2,578	-	-	-	-	-	2,578
Community Development	15,830	3,471	1,206	-	-	1,180	21,687
Fire	77,345	359	-	-	-	153	77,857
Information Services	8,614	-	-	-	-	1,393	10,007
Police	104,277	2,558	-	-	-	230	107,065
Community Services	13,562	331	-	-	160	903	14,956
Library Services	6,949	170	-	-	-	69	7,188
Public Works	28,394	8,580	-	-	19,688	17,028	73,690
Debt Service:							
Principal	4,761	-	-	12,724	-	2,295	19,780
Interest	480	-	-	8,360	-	660	9,500
Total Expenditures	**281,660**	**16,435**	**1,206**	**21,084**	**19,848**	**24,314**	**364,547**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**35,800**	**3,338**	**1,717**	**4,759**	**(17,954)**	**(1,085)**	**26,575**
OTHER FINANCING SOURCES (USES)							
Transfers In	543	-	-	1,500	17,539	2,968	22,550
Transfers Out	(22,077)	-	-	-	-	(530)	(22,607)
Total Other Financing Sources (Uses)	**(21,534)**	**-**	**-**	**1,500**	**17,539**	**2,438**	**(57)**
Net Change in Fund Balances	**14,266**	**3,338**	**1,717**	**6,259**	**(415)**	**1,353**	**26,518**
Fund Balances - Beginning of Year	**132,319**	**2,712**	**7,910**	**36,119**	**29,397**	**79,750**	**288,207**
Fund Balances - End of Year	**$ 146,585**	**$ 6,050**	**$ 9,627**	**$ 42,378**	**$ 28,982**	**$ 81,103**	**$ 314,725**

See Notes to the Financial Statements

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities for the Year Ended June 30, 2025 (In Thousands)

Amounts reported for governmental activities in the statement of activities are different because:

Net Changes in Fund Balances - Total Governmental Funds	$	**26,518**
Capital expenditures - governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets are allocated over their estimated useful lives and reported as depreciation expense.		
Depreciable Assets Purchased		33,849
Depreciable Assets Disposition		(36)
Non-Depreciable Assets Purchased		4,707
Non-Depreciable Assets Disposition		(7,243)
Capital Asset Depreciation		(19,828)
Joint Venture		40
Accrual of revenues - certain revenues in the Statement of Activities do not meet the "availability" criteria for revenue recognition in the governmental funds and are not reported in the governmental funds as revenue.		
Current Year Grant and Other Revenue Accrual		30,091
Prior Year Grant and Other Revenue Accrual		(39,145)
Repayments on long-term receivables provide current financial resources to governmental funds, while loans provided consume the current financial resources of governmental funds. These transactions, however, have no effect on net position.		(718)
Pension income reported in the statement of activities includes the change in the the net pension liability and related changes in pension amounts for deferred outflows and deferred inflows of resources.		(28,894)
Other Postemployment Benefits Payments - Expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds (expenses).		814
Internal Service Funds are used by management to charge the costs of certain activities, such as self insurance workers' compensation charges. The net revenue of this internal service fund is reported as governmental activities.		6,751
Liabilities not liquidated with current resources - some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Current Year Interest Accrual		(583)
Prior Year Interest Accrual		614
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		19,780
The repayment of some expenses such as compensated absences, claims, and pension expenses, reported in the statement of activities, do not require the use of current resources, and therefore are not reported as expenditures in the governmental funds.		(595)
Change in Net Position of Governmental Activities	**$**	**26,122**

See Notes to the Financial Statements

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025
(In Thousands)

	Business-type Activities - Enterprise					Governmental Activities
	Major Enterprise Funds					
	Water Fund	Sewer Service Fund	Refuse Fund	Hazmat Service Fund	Total	Internal Service Funds
ASSETS						
Current Assets:						
Cash and Investments	$ 25,342	$ 28,760	$ 837	$ 976	$ 55,915	$ 79,065
Restricted Cash and Investments	26,858	-	-	-	26,858	-
Other Receivables, Net	2,997	738	750	12	4,497	560
Prepaids	-	-	-	-	-	1,857
Joint Ventures	3,234	-	-	-	3,234	-
Inventories	2,188	-	-	-	2,188	-
Unbilled Receivables	2,616	705	825	-	4,146	-
Total Current Assets	**63,235**	**30,203**	**2,412**	**988**	**96,838**	**81,482**
Non-Current Assets:						
Capital Assets:						
Land	3,907	-	-	-	3,907	-
Buildings and Improvements	57,934	51,977	-	-	109,911	67
Machinery and Equipment	16,117	4,751	215	-	21,083	20,881
Infrastructure	110,301	47,798	-	-	158,099	290
Construction in Progress	591	5,702	-	-	6,293	-
Less Accumulated Depreciation	(104,481)	(49,892)	(167)	-	(154,540)	(8,172)
Total Capital Assets	**84,369**	**60,336**	**48**	**-**	**144,753**	**13,066**
Net Other Postemployment Benefits Asset	469	160	16	7	652	30
Net Pension Asset	292	109	10	4	415	19
Total Non-Current Assets	**85,130**	**60,605**	**74**	**11**	**145,820**	**13,115**
Total Assets	**148,365**	**90,808**	**2,486**	**999**	**242,658**	**94,597**
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Outflows Related to Pensions	2,994	1,120	100	65	4,279	207
Deferred Outflows Related to Other Postemployment Benefits	296	101	10	4	411	19
Total Deferred Outflows of Resources	**3,290**	**1,221**	**110**	**69**	**4,690**	**226**
Total Assets and Deferred Outflows of Resources	**$ 151,655**	**$ 92,029**	**$ 2,596**	**$ 1,068**	**$ 247,348**	**$ 94,823**
LIABILITIES						
Current Liabilities:						
Accounts Payable	$ 8,744	$ 672	$ 1,233	$ -	$ 10,649	$ 323
Accrued Payroll	310	115	10	3	438	15
Deposits Payable	1,499	92	186	-	1,777	-
Interest Payable	15	6	-	-	21	1
Long-Term Obligations Due Within One Year:						
Current Portion of Claims Payable	-	-	-	-	-	15,471
Current Portion of Compensated Absences	367	113	22	-	502	17
Current Portion of Pension Obligation Bonds	635	237	21	14	907	44
Total Current Liabilities	**11,570**	**1,235**	**1,472**	**17**	**14,294**	**15,871**
Non-Current Liabilities:						
Long-Term Obligations Due in More than One Year:						
Claims Payable	-	-	-	-	-	64,259
Compensated Absences	978	301	58	1	1,338	45
Pension Obligation Bonds	12,445	4,655	417	268	17,785	856
Net Pension Liability	7,883	2,949	264	170	11,266	543
Total Non-Current Liabilities	**21,306**	**7,905**	**739**	**439**	**30,389**	**65,703**
Total Liabilities	**32,876**	**9,140**	**2,211**	**456**	**44,683**	**81,574**
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows Related to Pensions	157	58	5	2	222	10
Deferred Inflows Related to Other Postemployment Benefits	525	180	18	8	731	33
Total Deferred Inflows of Resources	**682**	**238**	**23**	**10**	**953**	**43**

See Notes to the Financial Statements

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025
(In Thousands) (continued)

	Business-type Activities - Enterprise					Governmental Activities
	Major Enterprise Funds					
	Water Fund	Sewer Service Fund	Refuse Fund	Hazmat Service Fund	Total	Internal Service Funds
NET POSITION						
Investment in Capital Assets	84,369	60,336	48	-	144,753	13,066
Restricted for:						
Capital Projects	26,858	-	-	-	26,858	-
OPEB Benefits	469	160	16	7	652	19
Unrestricted	6,401	22,155	298	595	29,449	121
Total Net Position	**118,097**	**82,651**	**362**	**602**	**201,712**	**13,206**
Total Liabilities, Deferred Inflows of Resources, and Net Position	**$ 151,655**	**$ 92,029**	**$ 2,596**	**$ 1,068**	**$ 247,348**	**$ 94,823**

See Notes to the Financial Statements

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025
(In Thousands)

	Business-type Activities - Enterprise					Governmental Activities
	Major Enterprise Funds					
	Water Fund	Sewer Service Fund	Refuse Fund	Hazmat Service Fund	Total	Internal Service Funds
OPERATING REVENUES						
Sales	$ 46,269	$ -	$ -	$ -	$ 46,269	$ -
Fees and Charges for Service	-	13,362	15,956	339	29,657	42,321
Other	4,884	4	86	-	4,974	1,441
Total Operating Revenues	**51,153**	**13,366**	**16,042**	**339**	**80,900**	**43,762**
OPERATING EXPENSES						
Water Purchases	20,069	-	-	-	20,069	-
Supplies and Operations	11,839	9,980	15,975	166	37,960	5,348
Engineering	2,127	-	-	-	2,127	-
Production and Distribution	11,128	-	-	-	11,128	-
Water Meters	2,149	-	-	-	2,149	-
Water Quality	921	-	-	-	921	-
Water Use Efficiency	321	-	-	-	321	-
Claims and Judgments	-	-	-	-	-	32,417
Depreciation	3,924	2,356	21	-	6,301	2,537
Total Operating Expenses	**52,478**	**12,336**	**15,996**	**166**	**80,976**	**40,302**
Operating Income (Loss)	**(1,325)**	**1,030**	**46**	**173**	**(76)**	**3,460**
NON-OPERATING REVENUES (EXPENSES)						
Investment Income	3,455	1,958	45	31	5,489	3,316
Interest Expense	(368)	(138)	(12)	(8)	(526)	(25)
Total Non-Operating Revenues	**3,087**	**1,820**	**33**	**23**	**4,963**	**3,291**
Income Before Transfers	**1,762**	**2,850**	**79**	**196**	**4,887**	**6,751**
TRANSFERS						
Transfers In	-	-	70	-	70	-
Transfers Out	-	-	-	(13)	(13)	-
Total Transfers	**-**	**-**	**70**	**(13)**	**57**	**-**
Change in Net Position	**1,762**	**2,850**	**149**	**183**	**4,944**	**6,751**
Net Position - Beginning of Year, as Previously Reported	**116,368**	**79,813**	**216**	**419**	**196,816**	**6,459**
Prior Year Corrections	(33)	(12)	(3)	-	(48)	(4)
Net Position - Beginning of Year, as Restated	**116,335**	**79,801**	**213**	**419**	**196,768**	**6,455**
Net Position - End of Year	**$ 118,097**	**$ 82,651**	**$ 362**	**$ 602**	**$ 201,712**	**$ 13,206**

See Notes to the Financial Statements

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025
(In Thousands)

	Business-type Activities - Enterprise					Governmental Activities
	Major Enterprise Funds					
	Water Fund	Sewer Service Fund	Refuse Fund	Hazmat Service Fund	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash Received from Customers and Users	$ 50,380	$ 13,235	$ 16,023	$ 342	$ 79,980	$ 44,594
Cash Paid to Employees for Services	(9,931)	(3,925)	(389)	(131)	(14,376)	(431)
Cash Paid to Suppliers of Goods and Services	(37,396)	(6,639)	(15,476)	(3)	(59,514)	(18,820)
Net Cash and Investment Provided by Operating Activities	**3,053**	**2,671**	**158**	**208**	**6,090**	**25,343**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers In	-	-	70	-	70	-
Transfers Out	-	-	-	(13)	(13)	-
Debt Service	(627)	(235)	(21)	(13)	(896)	(43)
Interest Paid	(368)	(138)	(13)	(8)	(527)	(24)
Net Cash and Investments Provided (Used) by Noncapital Financing Activities	**(995)**	**(373)**	**36**	**(34)**	**(1,366)**	**(67)**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchase of Capital Assets	(2,084)	(7,736)	-	-	(9,820)	(4,401)
Net Cash and Investments Used by Capital and Related Financing Activities	**(2,084)**	**(7,736)**	**-**	**-**	**(9,820)**	**(4,401)**
CASH FLOWS FROM INVESTING ACTIVITIES						
Investment Income	3,455	1,958	45	31	5,489	3,316
Net Cash and Investments Provided by Investing Activities	**3,455**	**1,958**	**45**	**31**	**5,489**	**3,316**
Net Increase (Decrease) in Cash and Investments	**3,429**	**(3,480)**	**239**	**205**	**393**	**24,191**
Cash and Investments - Beginning of Year	**48,771**	**32,240**	**598**	**771**	**82,380**	**54,874**
Cash and Investments - End of Year	**$ 52,200**	**$ 28,760**	**$ 837**	**$ 976**	**$ 82,773**	**$ 79,065**
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH AND INVESTMENTS PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating Income (Loss)	$ (1,325)	$ 1,030	$ 46	$ 173	$ (76)	$ 3,460
Adjustments to Reconcile Operating Income (Loss) to Net Cash and Investments Provided (Used) by Operating Activities						
Depreciation	3,924	2,356	21	-	6,301	2,537
(Increase) Decrease in Other Receivables, Net	(249)	(15)	51	3	(210)	832
(Increase) in Unbilled Receivables	(514)	(143)	(106)	-	(763)	-
Decrease in Prepaids	-	-	-	-	-	638
(Increase) in Joint Ventures	(587)	-	-	-	(587)	-
(Increase) in Inventory	(657)	-	-	-	(657)	-
(Increase) in Net Other Postemployment Benefits Asset	(70)	(24)	(2)	(1)	(97)	(5)
Increase (Decrease) in Accounts Payable	1,058	(1,126)	39	-	(29)	(852)
Increase in Accrued Payroll	126	43	1	1	171	5
Increase (Decrease) in Deposits Payable	(9)	28	36	-	55	-
Increase in Claims Payable	-	-	-	-	-	18,635
Increase (Decrease) in Compensated Absences	(5)	12	27	(2)	32	(1)
Decrease in Deferred Pension Outflow	2,357	882	79	51	3,369	162
Increase in Deferred Pension Inflow	151	56	5	2	214	9
(Decrease) in Net Pension Liability	(855)	(319)	(29)	(15)	(1,218)	(57)
Decrease in Deferred Other Postemployment Benefits Outflow	140	48	5	2	195	8
(Decrease) in Deferred Other Postemployment Benefits Inflow	(140)	(48)	(5)	(2)	(195)	(9)
(Increase) Decrease in Net Pension Asset	(292)	(109)	(10)	(4)	(415)	(19)
Net Cash and Investments Provided by Operating Activities	**$ 3,053**	**$ 2,671**	**$ 158**	**$ 208**	**$ 6,090**	**$ 25,343**

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

There were no noncash investing, capital, or financing activities during the year ended June 30, 2025.

See Notes to the Financial Statements

STATEMENT OF FIDUCIARY FUND NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2025
(in Thousands)

	Custodial Funds	Pension Trust Fund - Retirement Supplemental Fund	Huntington Beach Redevelopment Successor Agency Private Purpose Trust
Assets			
Cash and Investments	$ 4,807	$ -	$ 6,790
Cash and Investments with Fiscal Agent	3,457	-	-
Mutual Funds	-	68,733	-
Accounts Receivable, Net	1,113	-	-
Interest Receivable	-	-	52
Total Assets	**9,377**	**68,733**	**6,842**
Liabilities			
Current Liabilities:			
Accounts Payable	2,263	-	226
Accrued Payroll	-	-	3
Advances from City of Huntington Beach	-	-	23,903
Long-Term Obligations Due Within One Year	-	-	1,328
Total Current Liabilities	**2,263**	**-**	**25,460**
Long-Term Obligations:			
Long-Term Obligations Due in More than One Year	-	-	12,458
Total Long-Term Obligations	**-**	**-**	**12,458**
Total Liabilities	**2,263**	**-**	**37,918**
Net position			
Restricted for:			
Pension Benefits	-	68,733	-
Individuals and Organizations	7,114	-	(31,076)
Total Net Position	**$ 7,114**	**$ 68,733**	**$ (31,076)**

See Notes to the Financial Statements

STATEMENT OF CHANGES IN FIDUCIARY FUND NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025
(in Thousands)

	Custodial Funds	Pension Trust Fund - Retirement Supplemental Fund	Huntington Beach Redevelopment Successor Agency Private Purpose Trust
Additions			
Employer Contributions	$ -	$ 1,429	$ -
Special Assessments or Special Taxes Collected from Property Owners	1,574	-	8,666
Business Improvement District Taxes	10,266	-	-
Parking Assessments	3,019	-	-
Total Additions Before Investment Income	**14,859**	**1,429**	**8,666**
Investment Income (Loss):			
Investment Income	184	7,406	326
Less: Investment Expense	-	(130)	-
Net Investment Income	**184**	**7,276**	**326**
Total Additions	**15,043**	**8,705**	**8,992**
Deductions			
Benefits	-	5,743	-
Administrative Costs	21	377	-
Payments to Other Organizations	11,574	-	-
Economic Development	-	-	250
Interest and Fiscal Agency Expenses	1,177	-	757
Principal	1,990	-	-
Total Deductions	**14,762**	**6,120**	**1,007**
Change in Net Position	**281**	**2,585**	**7,985**
Net Position - Beginning of Year	**6,833**	**66,148**	**(39,061)**
Net Position - End of Year	**$ 7,114**	**$ 68,733**	**$ (31,076)**

See Notes to the Financial Statements

THE PAGE INTENTIONALLY LEFT BLANK

Notes to Financial Statements
For Fiscal Year Ended June 30, 2025

Footnote Number	Description	Page
1.	Summary of Significant Accounting Policies	37
2.	Cash and Investments	52
3.	Other Receivables	58
4.	Unearned Revenue	59
5.	Unavailable Revenue	59
6.	Retirement Plan - Normal	60
7.	Retirement Plan - Supplemental	69
8.	Other Post Employment Benefits	73
9.	Risk Management	79
10.	Interfund Transactions	81
11.	Long-Term Obligations	82
12.	Capital Assets	89
13.	Investment in Joint Ventures	91
14.	Leases	91
15.	Successor Agency Trust for Assets of the Former Redevelopment Agency of the City of Huntington Beach	91
16.	Commitments and Contingencies	95
17.	Other Information	99
18.	Restatements of Net Position	99

1. Summary of Significant Accounting Policies

a. Reporting Entity

The City of Huntington Beach is the primary government. It was incorporated in 1909 as a charter, full-service city. The form of government is Council-Manager. Component units are legally separate organizations for which the City Council is financially accountable, or organizations that if excluded from the accompanying financial statements, would make them misleading. The component units described below are blended (presented as if they are part of the primary government) or presented as a fiduciary trust fund with the primary government for financial reporting purposes. The criteria used in determining the scope of the reporting entity are based on the provisions of Governmental Accounting Standards Board (GASB) Statement 14, *The Financial Reporting Entity*, as amended by GASB Statement 39, *Determining Whether Certain Organizations Are Component Units, and GASB Statement 61, The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*. A legally separate, tax exempt organization should be reported as a blended component unit of the City if all of the following criteria are met:

1. The governing board is substantively the same as the primary government and there is a financial benefit or burden relationship between the primary government and the component unit;
2. The component unit provides services entirely, or almost entirely, to the primary government or otherwise exclusively, or almost exclusively, benefits the primary government even though it does not provide services directly to it; and
3. The component unit's total debt outstanding, including leases, is expected to be repaid entirely or almost entirely with the resources of the primary government.

Based on the application of the criteria listed above, the following component units have been included.

Huntington Beach Housing Authority

The Housing Authority (the Authority) was established in March 2011 pursuant to Housing Authority Laws of California to provide rental assistance programs to low-income families and senior citizens, and to operate a Housing Rehabilitation Loan Program and other approved programs. The Authority is governed by a commission of seven members comprised of the City Council, which appoints management and has full accountability for the Authority's fiscal affairs. The Authority's financial data and transactions are included within the capital projects Low and Moderate Income Housing Asset Fund (LMIHAF). On January 9, 2012, the City adopted a resolution designating the Housing Authority of the City of Huntington Beach to serve as the Housing Successor Agency. The Housing Successor Agency's financial data and transactions are included within the LMIHAF Capital Projects Fund. There is no separate Component Unit Financial Report (CUFR) prepared for the Authority.

1. Summary of Significant Accounting Policies (Continued)

Huntington Beach Public Financing Authority (Public Financing Authority) -This Corporation was formed in March 1988 to issue debt to finance public improvements and other capital purchases for the City and the former Redevelopment Agency. The Public Financing Authority's governing body is the City Council, which also adopts its annual budget. The Public Financing Authority is financially dependent on the City. There are no separately issued financial statements available for the Public Financing Authority.

The City of Huntington Beach Supplemental Retirement Plan and Trust (Supplemental Retirement Plan and Trust) - The Trust was formed to provide a supplemental retirement plan for all employees hired prior to 1997 (exact dates differed for various associations). The governing board of the Supplemental Retirement Plan consists of the City Treasurer, Chief Financial Officer, and the City Manager (or designee). The Retirement Board is responsible for supervising all investments, resolving benefit disputes, and ensuring that contributions are made in order to pay the required benefits. There are no separate financial statements for this plan and trust.

b. Government-wide Financial Statements

The government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements. These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets, deferred inflows/outflows of resources, and liabilities, 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.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses are allocated to the various functions based on a proportionate use of services. The types of transactions reported as program revenues for the City are reported in three categories: 1) charges for current services; 2) operating grants and contributions; and, 3) capital grants and contributions. Taxes and other items not properly included among program revenues are reported as general revenues. As a general rule, the effects of interfund activity have been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

1. Summary of Significant Accounting Policies (Continued)

Financial Statement Classification

In the government-wide financial statements, net position is classified in the following categories:

Net Investment in Capital Assets - This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce this category.

Restricted Net Position - This category presents restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. The government-wide Statement of Net Position reports $144,388,000 of governmental activities restricted net position. The government-wide Statement of Net Position reports $27,510,000 of business-type activities restricted net position, of which all is restricted by enabling legislation. This category presents restrictions placed on the categories of Capital Projects, Debt Service, and Specific Projects and Programs.

Unrestricted Net Position - This category represents the net position of the City, not restricted for any project or other purpose. The government-wide Statement of Net Position reports negative $190,408,000 of governmental activities unrestricted net position, which is largely a result of the City's Long-Term Obligations at June 30, 2025 is $591,300,000, of which, $560,911,000 is payable from Governmental Activities. The government-wide Statement of Net Position reports $29,449,000 of business-type activities unrestricted net position.

c. Fund Financial Statements

Separate fund financial statements are prepared for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Only current assets, current liabilities, and deferred inflows are included on the Balance Sheets. The Statement of Revenues, Expenditures, and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

1. Summary of Significant Accounting Policies (Continued)

Revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property tax, sales tax, use of money and property, intergovernmental revenues, charges for current services, and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred. However, debt service expenditures as well as expenditures related to compensated absences and claims are recorded only when payment is due.

Governmental Funds Financial Statements

Governmental Funds Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. Accompanying schedules are presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the government-wide financial statements. The City presents all major funds that meet those qualifications.

The City's Governmental Fund Balances are comprised of the following components:

- Nonspendable fund balance includes amounts that are not in spendable form and typically includes inventories, prepaid items, and other items that by definition cannot be appropriated.
- The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City Council. The City Council has authority to establish, modify, or rescind a fund balance commitment by formal action as specified by the City's Fund Balance Policy. Commitments to fund balance are made through adoption of a resolution by City Council.
- Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. The City Manager or designee has the authority to establish, modify, or rescind a fund balance assignment as specified by the City's Fund Balance Policy.
- Unassigned fund balance is the residual classification for the City's General Fund and includes all spendable amounts not contained in the other classifications. Unassigned fund balance in other governmental funds is limited to any negative residual fund balance after fund balance has been classified as restricted, committed, or assigned.

1. Summary of Significant Accounting Policies (Continued)

In the government-wide statements, the City considers restricted funds to be spent first then unrestricted amounts when expenditures are incurred for purposes for which unrestricted fund balance is available. In the governmental fund statements, when expenditures are incurred, the City uses the most restrictive funds first. The City would use the appropriate funds in the following order: committed, assigned, and lastly unassigned amounts.

The City establishes encumbrances to record the amount of purchase orders, contracts, and other obligations, which have not yet been fulfilled, cancelled, or discharged. Encumbrances outstanding at year-end are recorded as part of committed or assigned fund balance.

Encumbrances outstanding as of June 30, 2025, by major fund (in thousands):

General Fund	$	10,191
Grants Special Revenue		11,098
LMIHAF Capital Projects		9
Infrastructure		17,073
Other Governmental Funds		16,012
Total Encumbrance All Funds	$	54,383

Economic Uncertainties Reserve

The City Council established an Economic Uncertainties Reserve in the General Fund through a resolution with a goal to commit the value of two months of the General Fund expenditure adopted budget amount. Appropriations from the Economic Uncertainties Reserve commitments can only be made by formal City Council action. Generally, appropriations and access to these funds will be reserved for emergency situations. Examples of such emergencies include, but are not limited to:

- An unplanned, major event such as catastrophic disaster requiring expenditures over 5% of the General Fund adopted budget;
- Budgeted revenue in excess of $1 million taken by another government entity;
- Drop in projected/actual revenue of more than 5% of the General Fund adopted revenue budget; and,
- Should the Economic Uncertainties Reserve be used, and its level falls below the minimum amount of two months of General Fund expenditures adopted budget, the goal is to replenish the fund within three fiscal years.

Proprietary Fund Financial Statements

The City's enterprise and internal service funds are proprietary funds. Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund.

1. Summary of Significant Accounting Policies (Continued)

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred inflows/outflows, and liabilities (whether current or non-current) are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Fund Net Position present 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.

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

The internal service funds, which provide services to the other funds of the City, are presented in a single column in the proprietary funds financial statements. Because the principal users of the internal services funds are the City's governmental activities, the assets and liabilities of the internal service funds are consolidated into the governmental activities column of the government-wide Statement of Net Position. The costs of the internal service fund services are spread to the appropriate function or program on the government-wide Statement of Activities and the revenues and expenses within the internal service funds are eliminated from the government-wide financial statements to avoid any doubling effect of these revenues and expenses.

Fiduciary Funds Financial Statements

Fiduciary Funds Financial Statements include a Statement of Net Position and a Statement of Changes in Net Position for Custodial and Trust Funds. These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. The City's fiduciary funds include Custodial and Trust Funds. Custodial Funds report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. The Custodial Funds present results of operations and include net position. Trust Funds present results of operations and include net position. The Retirement Supplemental Trust Fund accounts for the activities of the Supplemental Retirement Plan for all employees hired prior to 1997, which accumulates resources for pension benefits to qualified employees. Contributions are made to the Supplemental Plan based on the City's policy to fund the required contributions as determined by the Plan's actuary and are recognized when they are made. The Retiree Medical Insurance Trust Fund accounts for the activities of the City's Other Post- Employment Benefits plans, which provide postemployment medical insurance to retirees.

The Huntington Beach Redevelopment Successor Agency Private Purpose Trust Fund accounts for the Successor Agency for the former Redevelopment Agency pursuant to Assembly Bill X1 26. Fiduciary funds are not presented in the government-wide financial statements because these funds do not represent net position available to the City.

1. Summary of Significant Accounting Policies (Continued)

The City reports the following major funds:

Governmental Funds

General Fund - accounts for activity not required to be accounted for in another fund.

Grants Special Revenue - accounts for grant revenues received from federal, state, and local agencies restricted for related project expenditures.

LMIHAF Capital Projects - accounts for the activity related to the development of affordable housing.

Pension Liability Debt Service - accounts for the City's contribution to its pension plan obligations, as provided by the voter-approved property tax override and other sources of revenue, including the allocable share from Enterprise Funds and Other Governmental Funds.

Infrastructure - accounts for expenditures related to certain designate infrastructure.

Proprietary Funds

Water Fund - used to account for water sales to customers.

Sewer Service Fund - accounts for user fees charged to residents and businesses for sewer service.

Refuse Fund - used to account for activities related to refuse collection and disposal.

Hazmat Service Fund - accounts for user fees charged for the City's hazardous waste material program.

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

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Internal Service Funds

Self Insurance Workers' Comp Fund - accounts for the City's self insurance workers' compensation program in an internal service fund.

Self Insurance General Liability Fund - accounts for the City's self insurance general liability program in an internal service fund.

Equipment Replacement Fund - accounts for the City's equipment replacement needs in an internal service fund.

1. Summary of Significant Accounting Policies (Continued)

Fiduciary Funds

Custodial Funds - are used to account for debt service activities related to the Parking Structure - Bella Terra and Community Facilities District conduit debt issues, in which the City acts as an agent, not as a principal. The Business Improvement District fund is used to account for taxes received and held until disbursement.

Pension Trust Fund - Retirement Supplemental Fund - accounts for the City's supplemental retirement plan.

Huntington Beach Redevelopment Successor Agency Private Purpose Trust Fund - accounts for the Successor Agency of the former Redevelopment Agency in accordance with the State's Dissolution Act.

d. Cash and Investments

The City pools cash resources of its various funds to facilitate cash management. Cash in excess of daily needs is invested and reported as investments. It is the City's intent to hold investments until maturity. However, the City may, in response to market conditions, sell investments prior to maturity in order to improve the quality, liquidity, or yield of the portfolio. Interest earnings are apportioned among funds based on month-end cash and investment balances. The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and highly liquid investments, such as money market funds, and any investment with a maturity of 90 days or less at the time of purchase.

For financial reporting purposes, investments are adjusted to their fair value whenever the difference between fair value and the carrying amount is material.

Changes in fair value that occur during the fiscal year are recognized as investments income reported for that fiscal year. Investment income includes interest earnings, changes in fair value and any gains or losses realized upon the liquidation or sale of investments.

The City pools all non-restricted cash for investment purchases and allocates interest income to the funds based on month-end cash balances. Funds that have restricted cash record interest income in the respective fund.

e. Prepaid Items

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

1. Summary of Significant Accounting Policies (Continued)

f. Capital Assets

Capital assets are tangible and intangible assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary funds financial statements. Capital assets have an acquisition cost of $50,000 or greater ($100,000 for infrastructure) and a useful life of one year or more.

The City records all purchased capital assets at historical cost (where historical records are available) and at estimated historical cost where no historical records exist. The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset's capacity or efficiency or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

In the government-wide and proprietary funds financial statements, tangible and intangible property, plant, equipment, the right to use leased assets, and infrastructure are depreciated/amortized using the straight-line method over the estimated useful life of the assets as shown below and charged to the respective activity or fund. Land and construction in progress are not depreciated. No depreciation is recorded in the governmental funds of the fund financial statements.

Buildings	20 to 50 years
Machinery and Equipment	5 to 30 years
Infrastructure	50 Years

g. Leases

The City is a lessee for a noncancellable lease of equipment and property. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of $50,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

1. Summary of Significant Accounting Policies (Continued)

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

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

The City is a lessor for a noncancellable lease of a building, land, and infrastructure. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

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

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

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

h. Unearned Revenue

In the government-wide and the fund-level financial statements, unearned revenues are those where the asset recognition (availability criteria) has been met, but the revenue recognition criteria have not been met.

1. Summary of Significant Accounting Policies (Continued)

i. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows related to pensions and OPEB which are the result of the implementation of GASB Statement Nos. 68 and 75.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City reported the following in this category:

1. Unavailable revenues (which include revenues, notes, and long-term receivables) measured under the modified accrual basis of accounting reported in governmental funds. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available.
2. Changes in the net pension liability not included in pension expense.
3. Changes in the net other postemployment benefits liability not included in OPEB expense.
4. Lease related deferrals

j. Inventories

Proprietary fund inventories are valued at weighted-average cost and consist of expendable supplies and repair parts. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

k. Interfund Transactions

As a general rule, interfund transactions have been eliminated from the government-wide financial statements. Exceptions to this rule are payments in-lieu or charges for current service between the City's enterprise activities and the City's governmental activities. Elimination of these transactions would distort the direct costs and program revenues for the various functions. Certain eliminations have been made regarding 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.

Numerous transactions occur between funds of the City resulting in transfers and amounts due to or from other funds. Amounts due to or from are the current (due within one year) portion of monies that are to be paid or to be received from other funds.

1. Summary of Significant Accounting Policies (Continued)

l. Long-Term Obligations

In the government-wide and proprietary funds financial statements, long-term obligations are recorded as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the debt. In the governmental fund financial statements, bond discounts and premiums are recognized as another financing source or use. Issuance costs are recorded as a current year debt service expenditure.

m. Employee Compensated Absences

Effective July 1, 2024, the City adopted GASB Statement No. 101, Compensated Absences (GASB 101). In accordance with GASB 101, liabilities for compensated absences are recognized for : (a) leave that is attributable to services already rendered, (b) leave that accumulates, and (c) leave that is more likely than not to be used for the time off or otherwise paid in cash or settled through noncash means.

The City records the cost of all accumulated and unused leave time (general, sick, administrative, executive and comp) as a liability when earned in the government-wide and proprietary funds financial statements. In the governmental funds financial statements these amounts are recorded as expenditures when due and payable.

n. Property Tax Revenue

Property tax in California is levied according to Article 13-A of the California Constitution. The basic levy is a countywide-levy of one percent of total assessed valuation and is allocated to county governments, school districts, cities and special districts. Additional levies require two-thirds approval by voters and are allocated directly to the specific government.

In the government-wide financial statements, property tax is recorded when earned, regardless of when levied, due, or received. City property tax revenues are recognized when levied in the governmental funds to the extent that they result in current receivables collectible within 60 days after year-end.

The County acts as a collection agent for property tax for all of the local governmental units. Property taxes are normally collected twice per year. The property tax calendar is as follows:

- Lien Date, January 1 - Prior Fiscal Year
- Levy Date, July 1 - Levy Fiscal Year
- Due Date, First Installment - November 1
- Due Date, Second Installment - February 1
- Delinquent Date, First Installment - December 10
- Delinquent Date, Second Installment - April 10

1. Summary of Significant Accounting Policies (Continued)

o. Redevelopment Property Tax Trust Funds

Under ABX1 26, revenues that were previously distributed to redevelopment agencies (prior to their dissolution) in the form of property tax increment will no longer be received. Instead, revenues are deposited by County Auditors into Redevelopment Property Tax Trust Funds (RPTTF) created in the County Treasury for each Successor Agency. The County Auditor administers the RPTTF and disburses twice annually from this fund pass-through payments to affected taxing entities, an amount equal to the total of obligation payments that are required to be paid from tax increment as denoted on the Recognized Obligation Payment Schedules (ROPS) to Recognized Obligation Retirement Funds (RORF) established in the treasury of the Successor Agencies, and various allowed administrative fees and allowances. Any remaining balance is then distributed by the County Auditor back to affected taxing entities under a prescribed method that accounts for pass-through payments.

The calendar for distribution of RPTTF funds is as follows:

- Annual ROPS submission due to Department of Finance, February 1
- Distribution of RPTTF to Successor Agencies for the July-December ROPS period, June 1
- Distribution of RPTTF to Successor Agencies for the January-June ROPS period, January 2

p. Cash Flow Statements

For purposes of the Statement of Cash Flows, the Proprietary Funds consider all cash and investments to be cash equivalents, as these funds participate in the citywide cash and investment pool.

q. Estimates

The accompanying financial statements require management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

r. Pensions and OPEB

For purposes of measuring the net pension liability, net OPEB liability, related deferred outflows of resources and deferred inflows of resources, pension/OPEB expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the CalPERS' Financial Office and the City's Defined Benefit Pension Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. Net pension liability and OPEB liability has historically been liquidated through the General Fund, certain special revenue funds and proprietary funds, depending on the employees' departmental assignments.

1. Summary of Significant Accounting Policies (Continued)

GASB Statement Nos. 68 and 75 require reported results to pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

	Supplemental Employee Retirement Plan	CalPERS Pension Plans	Other Post-Employment Benefit Plan
Valuation Date (VD)	June 30, 2023	June 30, 2023	June 30, 2023
Measurement Date (MD)	June 30, 2025	June 30, 2024	June 30, 2024
Measurement Period (MP)	July 1, 2024 to June 30, 2025	July 1, 2023 to June 30, 2024	July 1, 2023 to June 30, 2024

s. Fair Value Measurements

Certain assets and liabilities are required to be reported at fair value. The fair value framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly and fair value is determined through the use of models or other valuation methodologies including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in markets that are inactive;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement. These unobservable inputs reflect the City's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). These unobservable inputs are developed based on the best information available in the circumstances and may include the City's own data.

t. Effects of New Pronouncements

As of July 1, 2024, the City implemented the following GASB Statements:

1. Summary of Significant Accounting Policies (Continued)

In June 2022, the GASB issued Statement No. 101, Compensated Absences. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under the unified model and by amending certain previous required disclosures. See note 18 for the effects of implementation.

In December 2023, the GASB issued Statement No. 102, Certain Risk Disclosures. The objective of this statement is to provide information to users of government financial statements about risks that could impact a government's financial health. The statement aims to improve the consistency and transactions. Implementation of this statement did not have a significant impact on the City's financial statements for the fiscal year ended June 30, 2025.

The City is currently analyzing its accounting practices to determine the potential impact on the financial statements for the following GASB Statements :

GASB Statement No. 103, Financial Reporting Model Improvements. The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain application issues. The requirements of this statement are effective for the City's fiscal year ending June 30, 2026.

GASB Statement No. 104, Disclosure of Certain Capital Assets. The objective of this statement is to establish requirements for certain types of capital assets to be disclosed separately for purposes of note disclosures, and to establish requirements for capital assets held for sale and note disclosures for those capital assets. The requirements of this statement are effective for the City's financial statements for the year ending June 30, 2026.

2. Cash and Investments

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

The table below identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code Section 53601 (or the City's investment policy, where more restrictive) that address interest rate risk and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

INVESTMENT TYPE	MAXIMUM MATURITY	MAXIMUM SPECIFIED % OF PORTFOLIO / MAXIMUM PER ISSUER	MINIMUM RATING REQUIREMENTS
Bankers' Acceptances	180 days	25% (up to 40% with Council approval) / 10%	A1/P1, "A" Rating
Negotiable Certificates of Deposit	3 years (Up to 5 years with Council approval)	30% / 10%	A1/P1, "A" Rating
Commercial Paper	270 days	25% / 10%	A1, "A" Rating
State Obligations-- CA And Others	5 years	None / 10%	A Rating
City/Local Agency of CA Obligations	5 years	None / 10%	A Rating
U.S. Treasury Obligations	5 years	None	None
U.S. Government Agency Obligations	5 years	None	None
Supranationals: IBRD, IFC, IDB	5 years	30%	AA Rating
Repurchase Agreements	3 Months	None	None
Reverse Repurchase Agreements	92 days	20% of the base value of the portfolio. Requires City Council Approval	None
Medium-Term Corporate Notes	5 years	30% / 10%	A Rating
Non-negotiable Certificates of Deposit	3 years	None / 10%	A1/P1, "A" Rating
Money Market Mutual Funds	60 days	15% / 10%	AAA Rating
Local Agency Investment Fund (LAIF)	N/A	Up to $75,000,000	None
Orange County Investment Pool (OCIP)	N/A	Up to $75,000,000	None
Joint Powers Authority	N/A	None / $75,000,000	See 10.0N of IPS

2. Cash and Investments (Continued)

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by a bond trustee, but bond indentures do allow for other forms of investments if approved in writing by the bond insurer that are not identified below. The table also identifies certain provisions of these debt agreements that address interest rate risk and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Securities	5 Years	No Limit	No Limit
Federal Agency Securities	5 Years	No Limit	No Limit
Bankers' Acceptances	180 Days	No Limit	No Limit
Time CDs	360 Days	No Limit	No Limit
Negotiable CDs	360 Days	No Limit	No Limit
LAIF	N/A	No Limit	No Limit
Commercial Paper	270 Days	No Limit	No Limit
Municipal Bonds from Any State	Life of Bond	No Limit	No Limit
Money Market Funds	N/A	No Limit	No Limit
Investment Agreements	Life of Bond	No Limit	No Limit
Corporate Bonds	5 Years	No Limit	No Limit
California Asset Mgmt. Program	N/A	No Limit	No Limit
Forward Purchase/Delivery Agreements	Life of Bond	No Limit	No Limit

2. Cash and Investments (Continued)

Investment of the Pension Trust Fund - Retirement Supplemental Fund

The Investment Policy Statement (IPS) of the Huntington Beach Supplemental Pension Trust is established in accordance with the assignment of fiduciary duties by the State of California Constitution and State and Local Government Codes. The purpose of the Investment Policy is to set guidelines for a prudent investment-making process. The policy was established with the assumption that the longer-term nature of the portfolio provides for higher risk tolerance and short-term volatility, but more potential for capital growth. The Investment Manager will be responsible for carrying out the activities related to the portfolio in accordance with the IPS to meet the goals of an agreed upon risk/return profile, and in accordance with the mix of parameters outlined below:

Authorized Investment Type	Minimum Allocation	Target Asset Allocation	Maximum Allocation
Cash or Equivalents	0%	0%	10%
Money Market	0%	0%	10%
Fixed Income	32%	42%	52%
Intermediate Bond	32%	42%	52%
Short-Term Bond	0%	0%	10%
Long-Term Bond	0%	0%	10%
High Yield Bond	0%	0%	10%
Inflation Protected Bond	0%	0%	10%
World Bond	0%	0%	10%
Domestic Equity	18%	28%	38%
Large Cap Equity (Value, Blend, Growth)	9%	19%	29%
Mid Cap Equity (Value, Blend, Growth)	0%	6%	16%
Small Cap Equity (Value, Blend, Growth)	0%	3%	13%
Foreign Equity	12%	22%	32%
Foreign Large Equity (Value, Blend, Growth)	8%	18%	28%
Foreign Sm / Mid Equity (Value, Growth)	0%	0%	10%
Emerging Markets	0%	4%	14%
Real Estate	0%	2%	12%
Real Estate	0%	2%	12%
Commodities	0%	2%	12%
Natural Resources	0%	2%	12%

At year-end, the City had the following deposits and investments (amounts in thousands):

Primary Government:	
Cash and Investments	$ 465,221
Cash and Investments with Fiscal Agent	3,047
Total Primary Government	**468,268**
Fiduciary Funds:	
Cash and Investments	11,597
Cash and Investments with Fiscal Agent	72,190
Total Fiduciary Funds	**83,787**
Total Deposits and Investments	**$ 552,055**

2. Cash and Investments (Continued)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. Information about the sensitivity of the fair values of the City's investments, including investments held by bond trustees, to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity (in thousands).

		Investment Maturities (In Years)			
INVESTMENTS:	**Fair Value**	**Less than 1**	**1 to 3**	**3 to 5**	**Total**
US Treasuries	$ 85,673	$ 14,933	$ 40,551	$ 30,189	$ 85,673
US Agency Securities*	151,859	62,628	52,792	36,439	151,859
Mutual Funds	71,438	71,438	-	-	71,438
Money Market Funds	21,825	21,825	-	-	21,825
Medium Term Notes - IADB	60,178	14,805	25,241	20,132	60,178
Corporate Bonds	77,697	20,879	46,592	10,226	77,697
California Asset Mgmt Program	49,130	49,130	-	-	49,130
PARS Pension Rate Stabilization Program	25,956	25,956	-	-	25,956
Total Investments	**$ 543,756**	**$ 281,594**	**$ 165,176**	**$ 96,986**	**543,756**
			Total Deposits		8,299
			Total Deposits and Investments		**$ 552,055**

* Security is callable, but classified above according to original maturity date

Disclosures Relating to Credit Risk

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

	Minimum Legal		Remaining as of Year End			
INVESTMENTS:	**Rating**	**Total**	**AAA**	**AA**	**A**	**Not Rated**
US Treasuries	N/A	$ 85,673	$ 85,673	$ -	$ -	$ -
US Agency Securities*	N/A	151,859	151,859	-	-	-
Mutual Funds	N/A	71,438	-	-	-	71,438
Money Market Funds	AAA	21,825	21,825	-	-	-
Medium Term Notes - IADB	AA	60,178	-	60,178	-	-
Corporate Bonds	A	77,697	-	19,014	58,683	-
California Asset Mgmt Program	N/A	49,130	49,130	-	-	-
PARS Pension Rate Stabilization Program	N/A	25,956	-	-	-	25,956
Total Investments		**$ 543,756**	**$ 308,487**	**$ 79,192**	**$ 58,683**	**$ 97,394**

Note: All US Agencies are rated AAA by Moody's and AA by S&P

2. Cash and Investments (Continued)

Concentration of Credit Risk

The City's investment policy limits investments in any one issuer, except for U.S. Treasury Securities, U.S. Government Agencies and the Local Agency Investment Fund, to no more than 10% of the portfolio. In addition, no more than 50% can be invested in a single security type or with a single financial institution and every security type has a specific limit. This is in addition to the limits placed on investments by State law. Investments in any one issuer (other than U.S. Treasury Securities, external investment pools, or Money Market Funds) that represent 5% or more of the City's total investments are as follows (in thousands):

Issuer	Investment Type	Fair Value Amount
Federal Home Loan Bank	U.S. Government Sponsored Enterprise Securities	$ 95,585
Int'l Bank for Recon & Development	Supranational Securities	$ 34,789
U.S. Treasury Notes	Obligations of the United States Treasury	$ 85,673
Fannie Mae	U.S. Government Sponsored Enterprise Securities	$ 22,994

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provisions for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits. As of June 30, 2025, the City's deposits with financial institutions were covered by FDIC up to $250,000, and the remaining amounts were collateralized as described above. None of the City's investments were subject to custodial credit risk. Per the Investment Policy's statement, the City of Huntington Beach is the registered owner of all investments in the portfolio.

2. Cash and Investments (Continued)

Investment in California Asset Management Program Pool

The City is a voluntary participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the Trust). The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act (California Government Code Sections 6500 et seq., or the "Act") for the purpose of exercising the common power of its Participants to invest certain proceeds of debt issues and surplus funds. The Trust's activities are directed by a Board of Trustees, all of whom are employees of the California public agencies which are participants in the Trust. The City reports investments in CAMP at the fair value amounts provided by CAMP, which is the same as the value of the pool share. The Pool is managed to maintain a dollar-weighted average portfolio maturity of 60 days or less and seeks to maintain a constant net asset value (NAV) per share of $1.00. The Pool invests in obligations of the United States Government and its agencies, high-quality, short-term debt obligations of U.S. companies and financial institutions. The Pool is a permitted investment for all local agencies under California Government Code Section 53601(p).

Investment in Public Agency Retirement Services Pension Rate Stabilization Program

The City established a Section 115 pension trust account within the Public Agency Retirement Services Pension Rate Stabilization Program (PARS PRSP) to hold assets that are legally restricted for use in administering the City's defined benefit pension plan. The pension trust fund's specific cash and investments are managed by a third-party portfolio manager under guidelines approved by the City.

Fair Value Measurement

The City categorizes its fair value investments within the fair value hierarchy established by generally accepted accounting principles. The City has the following recurring fair value measurements as of June 30, 2025 (in thousands):

	Fair Value Hierarchy			
INVESTMENTS:	**Level 1**	**Level 2**	**Level 3**	**Total**
U.S. Treasuries	$ -	$ 85,673	$ -	$ 85,673
U.S. Agency Securities	-	151,859	-	151,859
Mutual Funds	-	71,438	-	71,438
Medium Term Notes - IADB	-	60,178	-	60,178
Corporate Bonds	-	77,697	-	77,697
Total Investments	**$ -**	**$ 446,845**	**$ -**	**$ 446,845**

3. Other Receivables

A summary of Other Receivables as of June 30, 2025 is as follows (in thousands):

Description	FY2024-25 Amount
Developer Loans Receivable	$ 39,135
Emerald Cove Loan Receivable	5,832
Housing Rehabilitation Loans Receivable	1,742
First Time Homebuyers Receivable	1,563
Emergency Medical Fee Receivable	3,261
CDBG Program Receivable	173
Other Grants Receivable	7,183
Other Receivable	8,145
Total Other Receivables	**67,034**
Allowance for Uncollectible Developer Loans	(39,135)
Net Other Receivables on Governmental Fund Financial Statements	**$ 27,899**
Other Receivables Reconciliation	
Net Receivable on Government-wide Financial Statements	**$ 43,339**
Taxes Receivable on Governmental Fund Financial Statements	(14,880)
Other Receivables on Internal Service Fund	(560)
Net Other Receivables on Governmental Fund Financial Statements	**$ 27,899**

a. Developer Loans

Loans made to developers to construct or rehabilitate certain facilities under deferred loan agreements total $39,135,000 at year-end. These loans are allowed until a future event occurs. Loans to the Low and Moderate Income Housing Asset Fund total $21,493,000, loans made under the Home Program total $15,340,000 and loans made under the Affordable Housing In-Lieu Program total $2,302,000. Interest rates on these loans range from 0% to 10%. The allowance for uncollectible developer loans is negative $39,135,000 due to the terms of the agreement to forgive the balance of loans after a specified time period if all the conditions of loan forgiveness are met.

b. Emerald Cove Loan

On June 15, 2010, the former Redevelopment Agency loaned Emerald Cove, LP $8,000,000 to acquire and rehabilitate Emerald Cove Senior Apartments. The loan has an interest rate of 3% and is to be repaid annually from residual receipts over 60 years. The loan was transferred to the Low and Moderate Income Housing Asset Fund in Fiscal Year 2011/12. The loan balance as of June 30, 2025 is $5,832,000.

c. Housing Rehabilitation Loans

Loans made to qualified homeowners and landlords in the City of Huntington Beach to rehabilitate certain single-family homes or multifamily rental housing under deferred loan agreements total $1,742,000 at year-end. These loans are deferred until a future event occurs. The interest rates on these loans range from 0% to 6%.

3. Other Receivables (Continued)

d. Deferred Loans - First Time Homebuyers and Down Payment Assistance

Loans made for down payment assistance of qualified first time homebuyers under deferred loan agreements total $1,563,000 at year-end. These loans are deferred until a future event occurs.

4. Unearned Revenue

Governmental and enterprise funds defer revenue recognition in connection with resources that have been received as of year-end, but not yet earned (unearned revenue). The amounts are as follows (in thousands):

	General Fund	Grants Special Revenue	Total Unearned Revenue
Community Services Unearned Revenue (Classes)	$ 1,178	$ -	$ 1,178
Grants	-	3,039	3,039
Total	**$ 1,178**	**$ 3,039**	**$ 4,217**

5. Unavailable Revenue

Certain revenues in governmental funds are considered unavailable revenue until received. All revenues including property and sales tax are recognized in the year earned or levied in the government-wide financial statements but are recorded as unavailable revenue in the fund financial statements to the extent they are not collected within 60 days after year-end. The amounts are as follows (in thousands):

	General Fund	Grants Special Revenue	LMIHAF	Other Governmental Funds	Total Unavailable Revenue
Grants	$ -	$ 4,842	$ -	$ -	$ 4,842
Deferred Loans:					
Emerald Cove	-	-	5,832	-	5,832
Housing Rehabilitation	-	1,742	-	-	1,742
First Time Homebuyers	-	-	1,563	-	1,563
Waterfront	18,032	-	4,508	-	22,540
Other Unavailable Revenue	1,255	-	-	1,454	2,709
Total	**$ 19,287**	**$ 6,584**	**$ 11,903**	**$ 1,454**	**$ 39,228**

Deferred Loans to developers and qualified individuals for housing rehabilitation and to first time homebuyers are discussed in Note 3.

6. Retirement Plan – Normal (Continued)

a. Summary

Net Pension Liability/(Asset)

Net Pension Liability/(Asset) is reported in the accompanying statement of net position as follows:

	Net Pension Liability/(Asset)
CalPERS Miscellaneous Plan	$ 67,789
CalPERS Safety Plan	112,915
Supplemental Plan (Note 7)	(4,760)
Total	**$ 175,944**

Deferred Outflows of Resources

Deferred Outflows of Resources are reported in the accompanying statement of net position as follows:

	Change to Net Difference Between Projected and Actual Investment Earnings	Changes in assumptions	Differences between Expected and Actual Experience	Deferred employer pension contributions made after measurement date	Total
CalPERS Miscellaneous Plan	$ 13,643	$ -	$ 4,225	$ 7,828	$ 25,696
CalPERS Safety Plan	19,442	7,723	13,856	15,704	56,725
Total	**$ 33,085**	**$ 7,723**	**$ 18,081**	**$ 23,532**	**$ 82,421**

Deferred Inflows of Resources

Deferred Inflows of Resources are reported in the accompanying statement of net position as follows:

	Change to Net Difference Between Projected and Actual Investment Earnings	Total
Supplemental Plan (Note 7)	2,462	2,462
Total	**$ 2,462**	**$ 2,462**

6. Retirement Plan - Normal (Continued)

Pension expenses for the measurement period ending June 30, 2024 (the measurement date), are included in the accompanying financial statements as follows:

	Net Pension Expense/(Income)
CalPERS Miscellaneous Plan	$ 23,021
CalPERS Safety Plan	38,095
Supplemental Plan (Note 7)	(482)
Total	**$ 60,634**

b. Plan Description

Substantially all City employees working the equivalent of 1,000 hours per fiscal year are eligible to participate in the Safety Plan and Miscellaneous Plan Agent multiple-employer defined benefit plans administered by California Public Employees Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit Provisions under the Plans are established by State statutes within the Public Employee's Retirement Law. Following the passage of AB340, Public Employees' Pension Reform Act (PEPRA) by the California Legislature, employees hired on or after January 1, 2013, who were not previously enrolled in the PERS system elsewhere, or who have had a break in service of at least six months are required to be enrolled in this retirement program which provides a benefit level that is lower than the benefits provided for CalPERS employees that do not meet the PEPRA qualifications previously described. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office - 400 P Street, Sacramento, CA 95814.

Benefits Provided

CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Benefit provisions and all other requirements are established by State statute and may be amended by city contracts with employee bargaining groups.

Participant is eligible for non-industrial disability retirement if becomes disabled and has at least 5 years of credited service. There is no special age requirement. The standard non-industrial disability retirement benefit is a monthly allowance equal to 1.8 percent of final compensation, multiplied by service.

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

6. Retirement Plan - Normal (Continued)

An employee's beneficiary may receive the basic death benefit if the employee dies while actively employed. The employee must be actively employed with the City to be eligible for this benefit. An employee's survivor who is eligible for any other 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 currently credited at 7.5 percent per year, plus a lump sum in the amount of one month's salary for each completed year of current service, up to a maximum of six months' salary. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death.

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

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

The Plans' provisions and benefits in effect at June 30, 2025 are summarized as follows:

	Miscellaneous Agent Plans	
	Classic	**PEPRA**
Hire date	Prior to January 1, 2013	January 1, 2013 and after
Benefit formula	2.5% @ 55	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	minimum 50 years	minimum 52 years
Monthly benefits, as a % of eligible compensation	2.0% - 2.5%, 50 years - 63+ years, respectively	1.0% - 2.5%, 52 years - 67+ years, respectively
Required employee contribution rates	8.000%	7.250%
Required employer contribution rates July 1, 2024 - June 30, 2025	11.060%	11.060%

	Safety Agent Plans	
	Classic	**PEPRA**
Hire date	Prior to January 1, 2013	January 1, 2013 and after
Benefit formula	3% @ 50	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	minimum 50 years	minimum 52 years
Monthly benefits, as a % of eligible compensation	3%, 50+ years	2.0% - 2.7%, 50 years - 57+ years, respectively
Required employee contribution rates	9.00%	12.5%/13.00% (Fire PEPRA)
Required employer contribution rates July 1, 2024 - June 30, 2025	21.910%	21.910%

6. Retirement Plan – Normal (Continued)

c. Contributions

Section 20814(c) of the California Public Employees' Retirement Law ("PERL") requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2024, miscellaneous participants under the Classic and PEPRA plans are required to contribute 8.00% and 7.25% of their annual covered salary, respectively. Safety participants under the Classic and PEPRA plans are required to contribute 9.00% and 12.5%/ of their annual covered salary, respectively. Fire PEPRA participants are now required to contribute 13.00%. In addition, the City is required to make employer contributions at the actuarially determined rates of 11.06% and 21.91% for the miscellaneous and safety plans, respectively, for the period July 1, 2024 through June 30, 2025.

At June 30, 2023, the valuation date, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous	Safety
Active members	617	359
Transferred members	546	80
Terminated members	443	83
Retired members and beneficiaries	1127	682

d. Net Pension Liability

The City's net pension liability is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2024, using an annual actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is illustrated below:

6. Retirement Plan - Normal (Continued)

Actuarial Assumptions - The total pension liability in the June 30, 2023 actuarial valuation, rolled forward to June 30, 2025 using standard update procedures, were determined using the following actuarial assumptions:

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

Actuarial Cost Method	Entry Age Actuarial Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by entry age and service
Mortality Rate Table*	Derived using CalPERS' membership data for all funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

*The mortality table used was 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 2021 CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

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

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

6. Retirement Plan - Normal (Continued)

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

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

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

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

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

6. Retirement Plan - Normal (Continued)

e. Changes in the Net Pension Liability/(Asset)

The following table shows the changes in net pension liability/(asset) recognized over the measurement period:

Miscellaneous Plan

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2023 (Valuation Date)	**$ 679,952**	**$ 607,044**	**$ 72,908**
Changes in the year:			
Service cost	9,364	-	9,364
Interest on the total pension liabilities	46,276	-	46,276
Differences between expected and actual experience	5,289	-	5,289
Benefit payments, including refunds of members contributions	(38,523)	(38,523)	-
Contributions - employer	-	5,808	(5,808)
Contributions - employee	-	4,090	(4,090)
Net investment income	-	56,644	(56,644)
Administrative expenses	-	(494)	494
Net changes	**22,406**	**27,525**	**(5,119)**
Balance at June 30, 2024 (Measurement Date)	**$ 702,358**	**$ 634,569**	**$ 67,789**

Safety Plan

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2023 (Valuation Date)	**$ 921,228**	**$ 804,904**	**$ 116,324**
Changes in the year:			
Service cost	15,083	-	15,083
Interest on the total pension liabilities	63,005	-	63,005
Differences between expected and actual experience	10,024	-	10,024
Benefit payments, including refunds of members contributions	(51,355)	(51,355)	-
Contributions - employer	-	11,525	(11,525)
Contributions - employee	-	5,482	(5,482)
Net investment income	-	75,169	(75,169)
Administrative expenses	-	(655)	655
Net changes	**36,757**	**40,166**	**(3,409)**
Balance at June 30, 2024 (Measurement Date)	**$ 957,985**	**$ 845,070**	**$ 112,915**

6. Retirement Plan – Normal (Continued)

Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate – The following presents the City's net pension liability, calculated using the discount rate, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	Plan's Aggregate Net Pension Liability/(Asset)		
	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
Miscellaneous Plan	$ 158,464	$ 67,789	$ (6,730)
Safety Plan	240,107	112,915	8,877
Aggregate Total	$ 398,571	$ 180,704	$ 2,147

Pension Plan Fiduciary Net Position – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Pension Income and Deferred Outflows/Inflows of Resources Related to Pensions

As of the start of the measurement period (July 1, 2023), the net pension liability was $72,908,000 for the Miscellaneous Plan and $116,324,000 for the Safety Plan. For the measurement period ending June 30, 2024 (the measurement date), the City incurred a pension expense of $23,021,000 and $38,095,000 for the Miscellaneous and Safety Plans, respectively.

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

The Expected Average Remaining Service Lifetime ("EARSL") is calculated by dividing the total future service years of active employees by the total number of plan participants (active, inactive, and retired) in the risk pool. For the 2023-24 measurement period, the EARSL for each plan is as follows:

	Miscellaneous	Safety
Expected Average Remaining Service Lifetime	2.5	3.8

At June 30, 2025 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous Plan	
	Deferred outflows of Resources	Deferred inflows of Resources
Difference between projected and actual earning on pension plan investments	$ 13,643	$ -
Difference between expected and actual experience	4,225	-
Contributions made subsequent to the measurement date	7,828	-
Total	**$ 25,696**	**$ -**

6. Retirement Plan – Normal (Continued)

	Safety Plan	
	Deferred outflows of Resources	Deferred inflows of Resources
Difference between projected and actual earning on pension plan investments	$ 19,442	$ -
Changes in assumptions	7,723	-
Difference between expected and actual experience	13,856	-
Contributions made subsequent to the measurement date	15,704	-
Total	**$ 56,725**	**$ -**

For the Miscellaneous Plan and Safety Plan, $7,828,000 and $15,704,000, respectively, was reported as deferred outflows of resources related to pensions resulting from City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Periods Ended June 30,	Deferred Outflows / (Inflows) of Resources	
	Miscellaneous	Safety
2025	$ 5,585	$ 17,877
2026	17,777	28,291
2027	(2,331)	(977)
2028	(3,162)	(4,170)
	$ 17,869	**$ 41,021**

7. Retirement Plan - Supplemental

a. Plan Description and Benefits

The City administers a supplemental single-employer defined benefit retirement plan (Supplemental Plan) for all employees hired prior to 1997 (exact dates are different for various associations). The Plan is governed by a three-member Supplemental Employee Retirement Plan and Trust Board consisting of the City Treasurer, Chief Financial Officer, and the City Manager, or his/her designee. The Board has the authority, under the terms of the Trust agreement, to control and manage the operation and administration of the Plan. Benefit provisions are established and may be amended through negotiations between the City and employee bargaining associations during each bargaining period, which are then approved through resolutions of the City Council. In Fiscal Year 2008/09, the City established the Supplemental Employee Retirement Plan and Trust, and transferred $24,918,000 to an irrevocable trust from the prefunded amounts. The plan and trust are reported as a pension trust fund in the City's financial statements on a full accrual basis.

The Supplemental Plan will pay the retiree an additional amount to his or her CalPERS retirement benefit for life. In order to be eligible for the benefit, the retiree must retire from the City. The amount that is computed as a factor of an employee's normal retirement allowance is computed at retirement and remains constant for his or her life. This benefit is payable by the City for the duration of the life of the member, and shall cease upon the employee's death. As of June 30, 2023, the date of the Plan's most recent actuarial valuation, the average monthly benefit received by inactive plan members and beneficiaries receiving benefits is $675. Effective in 1998 (exact dates are different for various associations), new City employees are ineligible to participate in the Supplemental Employee Retirement Plan.

Employees Covered: At June 30, 2025, the measurement date, the following employees were covered by the benefit terms for the Plan:

Inactive employees receiving benefits	717
Active employees	36
Total	**753**

b. Employer Contributions

The City's policy is to make required contributions as determined by the Supplemental Plan's actuary. The required contributions were determined as part of the June 30, 2023 actuarial valuation. The City is required to contribute the actuarially determined rate of 3.6% of total payroll for all permanent employees for the year ended June 30, 2025. There are no employee contributions required for the plan. Survivor and termination benefits are not included in the plan. Administrative costs of this plan are financed through investment earnings.

For the year ended June 30, 2025, the contributions were (in thousands):

Contributions - employer	$	6,120

7. Retirement Plan – Supplemental (Continued)

c. Investments

Investments of the Supplemental Plan are held separately from those of other City funds by investment custodians. The Supplemental Employee Retirement Plan and Trust Board is responsible for supervising all investments. Changes to the Investment Policy require approval by the Board. The policy remained the same as last fiscal year. The most recent policy was reviewed in June 2025 with an effective date of July 1, 2025. Please refer to Note 2 for a detailed description of the Supplemental Plan's Investment Policy. The major asset class allocation for the Supplemental Plan as of June 30, 2025 is listed below:

Asset Class	Strategic Allocation	Allocation as of June 30,2025	Long-Term Expected Rate of Return
Fixed Income	42.00%	39.52%	1.85%
Equities	50.00%	57.80%	5.78%
Real Estate	2.00%	-%	9.36%
Commodities	2.00%	-%	5.31%
Cash and Equivalents	-%	2.68%	0.76%
Total	**96.00%**	**100.00%**	

Quoted market prices have been used to value investments as of June 30, 2025. These investments are held by the Trust or by an agent in the Trust's name. A portion of these investments is subject to credit risk (including custodial credit risk and concentrations of credit risk), interest rate risk and/or foreign currency risk. GASB Statement No. 40 requires the disclosure of such risk. Please see below for a list of investments held in any one organization that represents five percent or more of the Plan's investment portfolio at June 30, 2025:

Concentration of Investments Equaling or Exceeding 5%	
Fidelity 500 Index Fund	20.20%
Vanguard FTSE	18.95%
Baird Aggregate Bond Fd Instl	10.22%
Dodge Cox Income	5.28%
Fidelity US Bond Index	21.18%

All Supplemental Plan investments are reflected in the schedule included in Section c of the Note, with the exception of amounts held in the City's investment pool account. The City maintains an investment pool account for City funds. Monthly contributions for the Plan are held in the City's investment pool account and are used to pay recurring expenditures. Refer to Note 2 for a description of the City's investments.

For the Fiscal Year ended June 30, 2025, the annual money-weighted rate of return on the Plan's investments, net of pension plan investment expenses, was 11.19%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

7. Retirement Plan – Supplemental (Continued)

d. Net Pension Liability

The City's net pension liability is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2025, using an annual actuarial valuation as of June 30, 2023 rolled forward to June 30, 2025 using standard update procedures. A summary of principal assumptions and methods used to determine the City's net pension liability is shown on the following page.

Actuarial Assumptions - The total pension liabilities in the June 30, 2023 actuarial valuations for the June 30, 2025 measurement date were determined using the following actuarial assumptions:

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

Actuarial Cost Method	Entry Age Normal, Level Percentage of Payroll
Actuarial Assumptions:	
Discount Rate	5.75%
Inflation	2.50%
Salary Increases	CalPERS 2000-2019 Experience Study plus 2.75% aggregate increase
Investment Rate of Return	5.75% Net of Investment Expenses
Mortality Rate Table	CalPERS 2000-2019 Experience Study, mortality projected fully generational with Scale MP-2021
Retirement, Disability, Withdrawal	CalPERS 2000-2019 Experience Study plus 23% load on future service retirement liability added to reflect recent benefits experience.

The changes in actuarial assumptions include the following:

All other actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from 2000 to 2019, including updates to salary increase, mortality, and retirement rates. The future service retirement liabilities load increased from 15% to 23% to reflect recent experience of benefits being larger than anticipated.

e. Discount Rate & Sensitivity

The discount rate is used in the measurement of the Total Pension Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employee contributions, benefit payments, expenses, and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount is used. For this valuation, the discount rate is 5.75%, based on the inflation assumption of 2.50% and a long-term asset allocation of 70% equities and 30% fixed income.

7. Retirement Plan – Supplemental (Continued)

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. An investment return excluding administrative expenses would have been 5.75 percent.

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

In determining the long-term expected rate of return, both short-term and long-term market return expectations were taken into account along with expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

Changes in the Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period (in thousands):

Supplemental Plan	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2024	$ 70,356	$ 66,137	$ 4,219
Changes in the year:			
Service cost	151	-	151
Interest on the total pension liabilities	3,889	-	3,889
Benefit payments, including refunds of members contributions	(5,743)	(5,743)	-
Contributions - employer	-	6,120	(6,120)
Net investment income	-	7,276	(7,276)
Administrative expenses	-	(377)	377
Net changes	(1,703)	7,276	(8,979)
Balance at June 30, 2025	$ 68,653	$ 73,413	$ (4,760)

7. Retirement Plan – Supplemental (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the City's net pension liability, calculated using the discount rate, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

Plan's Aggregate Net Pension Liability/(Asset) (in thousands)		
Discount Rate -1% (4.75%)	Current Discount Rate (5.75%)	Discount Rate +1% (6.75%)
$ 1,486	$ (4,760)	$ (10,132)

f. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2025, the City recognized pension income in the amount of $482,000 for the Supplemental Plan.

At June 30, 2025, the City reported deferred inflows of resources related to the supplemental pension plan from the following source (in thousands):

	Deferred Inflows of Resources
Difference between projected and actual earnings on pension plan investments	$ 2,462

For the Supplemental Plan, $2,462,000 was reported as deferred inflows of resources related to pensions which will be recognized in pension expense as follows (in thousands):

Year Ended June 30,	Deferred Outflows/ (Inflows) of of Resources
2026	$ 1,312
2027	(1,698)
2028	(1,383)
2029	(693)
	$ (2,462)

8. Other Post Employment Benefits

a. Plan Description

The City administers the following two other post employment benefit (OPEB) plans:

Postemployment Medical Insurance

The City agreed, via contract, with each employee association to provide postemployment medical insurance to retirees. These Other Postemployment Benefits (OPEB) are based on years of service and are available to all retirees who meet all three of the following criteria:

- At the time of retirement, the employee is employed by the City.

8. Other Post Employment Benefits (Continued)

- At the time of retirement, the employee has a minimum of ten years of service credit or is granted a service connected disability retirement.
- Following official separation from the City, CalPERS grants a retirement allowance.

The City's obligation to provide the benefits to a retiree ceases when either of the following occurs:

- During any period the retiree is eligible to receive health insurance at the expense of another employer; and/or
- The retiree becomes eligible to enroll automatically or voluntarily in Medicare.

The subsidy a retiree is entitled to receive is based on the retiree's years of service credit and is limited to $344 per month after 25 years of service. If a retiree dies, the benefits that would be payable for his or her insurance are provided to the spouse or family for 12 months. The retiree may use the subsidy for any of the medical insurance plans that the City's active employees may enroll in. Employees hired on or after October 1, 2014 are not eligible for this benefit.

PEMHCA

The City provides an agent multiple-employer defined benefit healthcare plan to retirees through CalPERS under the California Public Employees Medical and Hospital Care Act (PEMHCA), commonly referred to as PERS Health. PEMHCA provides health insurance through a variety of Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO) options. The PEMHCA benefits are applied to all safety employee groups, based on retirement plan election. The benefits continue to the surviving spouse for one year. The Huntington Beach Firefighters' Association (HBFA) joined PEMHCA in 2011. All other safety groups -Fire Management Association (FMA), Marine Safety Management Association (MSOA), Police Management Association (PMA), and Police Officers' Association (POA) - joined in 2004.

Safety employees are eligible for PEMHCA benefits if they retire from the City on or after age 50 with at least five years of service or disability, and are eligible for a PERS pension.

As of the June 30, 2024 measurement date, the following current and former employees were covered by the benefit terms under the plan:

	Postemployment Medical Insurance	PEMHCA
Retirees and beneficiaries receiving benefits	281	210
Inactive employees not yet receiving benefits	383	-
Active Plan Members	846	320
Total Plan Participants	1,510	530

8. Other Post Employment Benefits (Continued)

b. Accounting and Funding

The City utilizes the California Employers' Retiree Benefit Trust (CERBT), an agent multiple-employer plan, for the postemployment medical insurance benefit. Benefits paid from the CERBT were $838,000 for year ended June 30, 2025. The assets of the CERBT are excluded from the accompanying financial statements since they are in an irrevocable trust administered by CalPERS. Copies of CalPERS' annual financial report may be obtained from their executive office: 400 P Street, Sacramento, CA, 95814 or on their website: www.calpers.ca.gov. The City's policy is to make 100% of each year's ARC, with an additional amount to prefund benefits as determined annually by City Council in order to improve the funded status of the plan.

For PEMHCA, the City selected the "unequal" method for the contribution. Under this method, the City offered a lesser contribution for retirees than for active employees. The City paid the PEMHCA minimum for actives ($143 in 2021, $149 in 2022, $151 in 2023 and $157 in 2024). Beginning in 2008, Assembly Bill 2544 changed the computation for annual increases to annuitant health care under the unequal method. Under the new provisions, the City increases annuitant health care contributions equal to an amount not less than five percent of the active employee contributions, multiplied by the number of years in PEMHCA. The City's contribution for retirees is $110.60 per employee for the Huntington Beach Firefighter's Association (HBFA) and $158.00 for all other Safety groups in 2025. The annual increase in minimum PEMHCA contribution to CalPERS will continue until the time that the City contribution for retirees equals the City contribution paid for active employees.

The City's net OPEB liability was measured as of June 30, 2024 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2023, based on the following actuarial methods and assumptions:

- Actuarial Cost Method - Entry Age Normal
- Discount rate - 5.75%
- Projected salary increases for covered employees due to inflation - aggregate increases of 2.75% per annum
- Investment Rate of Return - 5.75%, assuming actuarially determined contributions funded into CERBT Investment Strategy 2
- Mortality Rate1 - Derived using CalPERS' membership data for all funds
- Pre-Retirement Turnover2 - Derived using CalPERS' membership data for all funds
- PEMHCA minimum increases for actives - $157 in 2025, with 3.50% annual increases thereafter

8. Other Post Employment Benefits (Continued)

- Healthcare Trend Rate - The medical trend rate represents the long-term expected growth of medical benefits paid by the plan, due to non-age-related factors such as general medical inflation, utilization, new technology, and the like. The following table sets forth the inflation trend assumption used for the valuation:

	Annual Rate				Annual Rate		
Calendar Year	Non - Medicare	Medicare Kaiser	Medicare Other	Calendar Year	Non - Medicare	Medicare Kaiser	Medicare Other
2025	Actual Premiums			2031	5.05%	4.65%	4.85%
2026	7.90%	5.65%	6.90%	2032-38	4.45%	4.45%	4.45%
2027	7.35%	5.45%	6.50%	2039-40	4.35%	4.35%	4.35%
2028	6.75%	5.25%	6.10%	2041-2075	4.30%	4.30%	4.30%
2029	6.20%	5.05%	5.70%	2076+	3.45%	3.45%	3.45%
2030	5.60%	4.85%	5.25%				

(1) Mortality information was derived from data collected during 2000 to 2019 CalPERS Experience Study released in 2021, which may be accessed on the CalPERS website www.calpers.ca.gov under Forms and Publications. Post-retirement mortality rates include mortality projected fully generational with Scale MP-21.
(2) The pre-retirement turnover information was developed based on CalPERS' specific data. For more details, please refer to the 2000 to 2019 Experience Study Report. The Experience Study Report may be accessed on the CalPERS website www.calpers.ca.gov under Forms and Publications.

Long-Term Expected Rate of Return

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

	CERBT Strategy 2	
Asset Class	**Target Allocation**	**Long-Term Expected Real Rate of Return**
Global Equity	34%	4.56%
Fixed Income	41%	1.56%
Treasury Inflation-Protected Securities ("TIPS")	5%	(0.08%)
Commodities	3%	1.22%
Real Estate Investment Trusts ("REITS")	17%	4.06%
Total	**100%**	

* Long-term expected rate of return is 5.75%

8. Other Post Employment Benefits (Continued)

Discount Rate

The discount rate used to measure the total OPEB liability was 5.75 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The changes in the net OPEB Liability/(Asset) for the plan are as follows (in thousands):

	Increase / (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability / (Asset) (c) = (a) - (b)
Balance at June 30, 2024 (Measurement Date June 30, 2023)	$ 27,630	$ 32,837	$ (5,207)
Changes recognized for the measurement period:			
Service Cost	970	-	970
Interest	1,593	-	1,593
Contributions - Employer	-	935	(935)
Net Investment Income	-	2,693	(2,693)
Benefit Payments	(1,800)	(1,800)	-
Administrative Expenses	-	(145)	145
Net Changes	**763**	**1,683**	**(920)**
Balance at June 30, 2025 (Measurement Date June 30, 2024)	**$ 28,393**	**$ 34,520**	**$ (6,127)**

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Discount Rate

The following presents the net OPEB liability of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for the measurement period ended June 30, 2024 (in thousands):

	1% Decrease (4.75%)	Current Discount Rate (5.75%)	1% Increase (6.75%)
Net OPEB Liability	$ (2,865)	$ (6,127)	$ (8,867)

8. Other Post Employment Benefits (Continued)

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for the measurement period ended June 30, 2024 (in thousands):

	1% Decrease	Current Trend	1% Increase
	7.50% Non-Medicare / 6.50% Medicare (Non-Kaiser) / 5.25% Medicare (Kaiser), decreasing to 2.45% Non-Medicare / 2.45% Medicare (Non-Kaiser), 2.45% Medicare (Kaiser)	8.50% Non-Medicare / 7.50% Medicare (Non-Kaiser) / 6.25% Medicare (Kaiser), decreasing to 3.45% Non-Medicare / 3.45% Medicare (Non-Kaiser), 3.45% Medicare (Kaiser)	9.50% Non-Medicare / 8.50% Medicare (Non-Kaiser) / 7.25% Medicare (Kaiser), decreasing to 4.45% Non-Medicare / 4.45% Medicare (Non-Kaiser), 4.45% Medicare (Kaiser)
Net OPEB Liability	$ (9,177)	$ (6,127)	$ (2,306)

OPEB Plan Fiduciary Net Position

The CERBT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained from the California Public Employees' Retirement System, CERBT, P.O. Box 942703, Sacramento, CA 94429-2703.

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time.

Amounts are first 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 recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on OPEB plan investments	5 Years

8. Other Post Employment Benefits (Continued)

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

As of June 30, 2025, the City incurred OPEB income of $37,000. As of June 30, 2025, the City reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contributions subsequent to the measurement date	$ 881	$ -
Difference between expected and actual experience	253	5,608
Changes in Assumptions	1,158	1,253
Net difference between projected and actual earnings on OPEB Plan Investments	1,573	-
	$ 3,865	$ 6,861

The $881,000 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2024 measurement date will be recognized as a reduction of the net OPEB liability during the Fiscal Year ending June 30, 2026. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows (in thousands):

Measurement Periods Ended June 30,	Deferred Outflows/ (Inflows) of Resources
2026	$ (907)
2027	106
2028	(1,116)
2029	(1,115)
2030	(454)
Thereafter	(391)
	$ (3,877)

9. Risk Management

The City is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City records the liability claims as expenditures in the Self Insurance General Liability Internal Service Fund and the workers' compensation claims in the Self Insurance Workers' Compensation Internal Service Fund.

BICEP was created in 1988 by a joint powers agreement between the City of Huntington Beach and four other local entities including Oxnard, Ventura, Santa Ana, and West Covina, for the purpose of providing joint insurance coverage and related risk management services for member cities. BICEP allows member entities to finance a claims payment pool for certain liability claims in excess of $1,000,000 to a maximum coverage limit of $27,000,000 for claims incurred through June 30, 2015, and $24,000,000 thereafter.

9. Risk Management (Continued)

Effective July 1, 2019, the member agencies of BICEP agreed to dissolve the Joint Powers Authority. BICEP continues to exist for the purpose of disposing of all claims, the distribution of assets, and any other functions necessary to conclude the affairs of BICEP as provided in the Bylaws of the Authority. Upon dissolution of BICEP, the City purchased liability insurance in the open marketplace, which provides insurance for claims costs exceeding the City's self-insured retention of $1,000,000. The maximum coverage limit is $30,000,000, which is inclusive of the self-insured retention. Claims that exceed the maximum limit of liability are covered by the City's Self-Insurance General Liability Internal Service Fund.

There were no liability claims in the past three years that exceeded the coverage limit.

Liability Claims

Claims up to $1,000,000 are paid from the City's Self Insurance General Liability Internal Service Fund. Payments for claims from $1,000,000 to the maximum limit discussed above are covered by the excess liability coverage purchased by the City. Any claims exceeding the maximum limit are covered by the Self Insurance General Liability Internal Service Fund. The liability for these claims is recorded as part of long-term obligations in the Self Insurance General Liability Fund and government-wide financial statements. Liabilities include amounts incurred, but not reported.

Workers' Compensation Claims

Workers' compensation claims of up to $1,000,000 per claim are paid from the Self Insured Workers' Comp Internal Service Fund. Excess workers' compensation coverage is purchased through the CSAC/Prism-Excess Insurance Authority. Payments for claims from $1,000,000 to statutory limits are covered by CSAC/Prism-Excess Insurance Authority.

The Self Insurance Workers' Comp Internal Service Fund has negative $33,518,000 net position at year-end at the 55 percent confidence level. The City has established plans to help reduce the deficit in this fund. This will be accomplished by additional transfers from the General Fund, Proprietary funds, and other governmental funds in which employees are charged over the next nine years.

Claims activity and liabilities relating to the current and prior year are (in thousands):

	Workers' Compensation	General Liability	Total
Balance June 30, 2023	**$ 44,087**	**$ 22,534**	**$ 66,621**
Additions	14,488	7,085	21,573
Reductions	(7,244)	(19,855)	(27,099)
Net Increase (Decrease)	7,244	(12,770)	(5,526)
Balance June 30, 2024	**$ 51,331**	**$ 9,764**	**$ 61,095**
Additions	30,802	10,982	41,784
Reductions	(15,401)	(7,748)	(23,149)
Net Increase (Decrease)	15,401	3,234	18,635
Balance June 30, 2025	**$ 66,732**	**$ 12,998**	**$ 79,730**

10. Interfund Transactions

a. Advances to/from Other Funds

The amounts at year-end were (in thousands):

	Advances to (Payable): Redevelopment Agency Private Purpose Trust
Advances from (Receivable):	
General Fund	$ 18,032
Major Governmental Funds LMIHAF Capital Projects	5,871
	$ 23,903

There is a total $5,871,000 advance from the General Fund and LMIHAF Capital Projects Fund to the Redevelopment Agency Private Purpose Trust Fund as of June 30, 2025. $1,363,000 is for Main Pier property acquisitions, and $22,540,000 is for Waterfront property acquisition prior to the dissolution of the Redevelopment Agency on February 1, 2012. No set interest rates or fixed repayment terms have been established.

b. Transfers In/Out

The amounts at year-end were (in thousands):

	Transfers Out				
Transfers In	General Fund	Other Governmental Funds	Total Governmental Funds	Hazmat Service Fund	Total Transfers In
General Fund	$ -	$ 530	$ 530	$ 13	$ 543
Pension Liability	1,500	-	1,500	-	1,500
Infrastructure	17,539	-	17,539	-	17,539
Other Governmental Funds	2,968	-	2,968	-	2,968
Total Governmental Funds	**22,007**	**530**	**22,537**	**13**	**22,550**
Refuse Fund	70	-	70	-	70
Total Enterprise Funds	**70**	**-**	**70**	**-**	**70**
Total Transfers Out	**$ 22,077**	**$ 530**	**$ 22,607**	**$ 13**	**$ 22,620**

The following is a summary of the significant transfers:

- $2,968,000 was transferred for Lease Revenue Bonds debt service payments.
- $70,000 was transferred from General Fund to Refuse Enterprise Fund to fund senior citizen rate reduction on refuse charges.
- $1,500,000 was transferred from General Fund to Pension Liability Fund to cover debt service payments related to Pension Obligation Bond.
- $13,000 was transferred from Hazmat Service Enterprise Fund to General Fund to cover administrative and overhead expenditures.
- $17,539,000 was transferred from General Fund to Infrastructure Fund for infrastructure-related projects such as road repairs and enhancement and other capital improvement projects.
- $530,000 was transferred from Other Government Funds to General Fund to cover administrative cost related to 5th and PCH parking structure.

11. Long-Term Obligations (Continued)

Below is a schedule of changes in long-term governmental obligations for the year (in thousands):

Governmental Activities:	June 30, 2024 Restated	Additions	Retirements	June 30, 2025	Accrued Interest	Due Within One Year
Public Financing Authority:						
2014(a) Lease Revenue Bonds	$ 9,810	$ -	$ (750)	$ 9,060	$ 99	$ 785
2020(a) Lease Revenue Bonds	4,835	-	-	4,835	36	-
2020(b) Lease Revenue Bonds	8,265	-	(1,545)	6,720	17	1,560
Total Public Financing Authority	**22,910**	**-**	**(2,295)**	**20,615**	**152**	**2,345**
Other Long-Term Obligations:						
Compensated Absences (Restated)	16,534	5,656	(5,061)	17,129	-	2,045
Claims Payable	61,095	41,784	(23,149)	79,730	-	15,471
Pollution Remediation	2,000	-	-	2,000	-	-
LED Lighting Phase I	65	-	(65)	-	-	-
I-Bank CLEEN Loan	973	-	(317)	656	6	324
CEC Loan	1,528	-	(272)	1,256	-	274
Pension Obligation Bonds	305,322	-	(12,767)	292,555	339	12,899
Finance Purchase Agreement	14,290	-	(2,473)	11,817	39	2,266
Leases Payable	240	-	(155)	85	-	85
Subscriptions Payable	3,800	-	(1,480)	2,320	48	981
Total Other Long-Term Obligations	**405,847**	**47,440**	**(45,739)**	**407,548**	**432**	**34,345**
Total Long-Term Obligations - Governmental Activities	**$ 428,757**	**$ 47,440**	**$ (48,034)**	**$ 428,163**	**$ 584**	**$ 36,690**

a. Public Financing Authority

(1) 2014(a) Public Financing Authority Lease Revenue Bonds

Year of Issuance	2014
Type of Debt	Lease Revenue Bonds
Original Principal Amount	$15,295,000
Security	Lease with City
Interest Rates	3.0% to 5.0%
Interest Payment Dates	March 1st, September 1st
Principal Payment Dates	September 1st
Purpose of Debt	Finance the construction of a new Senior Center

Debt service requirements to maturity are (in thousands):

Year Ending June 30	Principal	Interest	Total
2026	$ 785	$ 289	$ 1,074
2027	810	265	1,075
2028	835	240	1,075
2029	860	215	1,075
2030	885	188	1,073
2031-2035	4,885	469	5,354
Total	**$ 9,060**	**$ 1,666**	**$ 10,726**

11. Long-Term Obligations (Continued)

(2) 2020(a) Public Financing Authority Lease Revenue Bonds

Year of Issuance	2020
Type of Debt	Lease Revenue Bonds
Original Principal Amount	$4,835,000
Security	Lease with City
Interest Rates	4.0% to 5.0%
Interest Payment Dates	May 1st, November 1st
Principal Payment Dates	May 1st
Purpose of Debt	Defease 2010(a) Lease revenue Bonds which Defeased 1997 Leasehold Revenue Bonds (Construct Pier Plaza and Purchase 800 MHZ system), 2000 Lease Revenue Bonds (Capital Improvements and defeasance of Emerald Cove Certificate of Participation)

Debt service requirements to maturity are (in thousands):

Year Ending June 30	Principal	Interest	Total
2026	$ -	$ 224	$ 224
2027	-	224	224
2028	-	224	224
2029	-	224	224
2030	1,295	224	1,519
2031-2032	3,540	231	3,771
Total	**$ 4,835**	**$ 1,351**	**$ 6,186**

(3) 2020(b) Public Financing Authority Lease Revenue Bonds

Year of Issuance	2020
Type of Debt	Lease Revenue Bonds
Original Principal Amount	$14,440,000
Security	Lease with City
Interest Rates	0.329% to 1.831%
Interest Payment Dates	May 1st, November 1st
Principal Payment Dates	May 1st
Purpose of Debt	Defease 2011(a) Lease revenue Bonds which Defeased 2001(a) Leasehold Revenue Bonds (Construct Sports Complex and South Beach Phase II Improvements) and 2001(b) Lease Revenue Bonds (Defeased Civic Improvement Corporation Certificates)

Debt service requirements to maturity are (in thousands):

Year Ending June 30	Principal	Interest	Total
2026	$ 1,560	$ 103	$ 1,663
2027	1,575	83	1,658
2028	1,600	61	1,661
2029	1,625	35	1,660
2030	360	7	367
Total	**$ 6,720**	**$ 289**	**$ 7,009**

11. Long-Term Obligations (Continued)

b. Other Long-Term Obligations

(1) Compensated Absences

There is no repayment schedule to pay the compensated absences amount of $17,129,000 relating to governmental operations. The General Fund typically liquidates the vacation and sick leave liability.

(2) Claims Payable

There is no repayment schedule for the claims payable for governmental activities of $79,730,000 described in Note 9. The City pays the claims upon final settlement. The General Fund typically liquidates the claims payable liability.

(3) Pollution Remediation

The City plans to remediate hazardous materials contamination of land located within Huntington Central Park used as a gun range facility prior to its close in 1997. The City is voluntarily planning to remediate the site in order to use the area for park purposes. The cost of the gun range remediation is estimated to be $2,000,000 and is reported as a long-term liability in the government-wide financial statements. The liability was measured by estimating a reasonable range of potential outlays and multiplying those outlays by their probability of occurring.

(4) LED Lighting Phase I

Year of Issuance	2014
Type of Debt	Leaseback from Capital One Public Funding, LLC
Principal Amount	Original $1,062,924
Security	Loan Agreement with Capital One Public Funding, LLC
Interest Rate	2.32%
Interest Payment Dates	February 1st and August 1st
Principal Payment Dates	August 1st
Purpose of Debt	To purchase and upgrade street, area and pole lighting to energy efficient lEd light sources

The LED Light Phase I Loan had an outstanding balance of $65,000 as of June 30, 2024. This balance was fully retired during Fiscal Year 2024/25.

11. Long-Term Obligations (Continued)

(5) I-Bank CLEEN Loan

Year of Issuance	2016
Type of Debt	CLEEN Loan from the California Infrastructure and Economic Development Bank (I-Bank)
Principal Amount	Original $3,000,000
Security	Edwards Fire Station
Interest Rate	2.32%
Interest Payment Dates	February 1st and August 1st
Principal Payment Dates	August 1st
Purpose of Debt	To purchase and upgrade street pole lighting to energy efficient LED light sources

Debt service requirements to maturity are (in thousands):

Year Ending June 30	Principal	Interest	Total
2026	$ 324	$ 11	$ 335
2027	332	4	336
Total	**$ 656**	**$ 15**	**$ 671**

(6) California Energy Commission (CEC) Loan

Year of Issuance	2016
Type of Debt	Loan from the California Energy Commission (CEC)
Principal Amount	Original $3,000,000
Security	Loan Agreement with CEC
Interest Rate	1.00%
Interest Payment Dates	June 22nd and December 22nd
Principal Payment Dates	June 22nd and December 22nd
Purpose of Debt	To upgrade street pole lighting to energy efficient LED light sources

Debt service requirements to maturity are (in thousands):

Year Ending June 30	Principal	Interest	Total
2026	$ 274	$ 12	$ 286
2027	277	9	286
2028	280	6	286
2029	283	4	287
2030	142	1	143
Total	**$ 1,256**	**$ 32**	**$ 1,288**

11. Long-Term Obligations (Continued)

(7) Pension Obligation Bonds

Year of Issuance	2021
Type of Debt	Pension Obligation Bonds
Principal Amount	Original $341,501,000
Interest Rates	0.221% to 3.376%
Interest Payment Dates	June 15th and December 15th
Principal Payment Dates	June 15th
Purpose of Debt	Pay 85% of CalPERS UAL as of the June 30, 2019 valuation report.

Debt service requirements to maturity are (in thousands):

Year Ending June 30	Principal	Interest	Total
2026	$ 12,899	$ 8,248	$ 21,147
2027	13,075	8,074	21,149
2028	13,291	7,855	21,146
2029	13,548	7,601	21,149
2030	13,842	7,305	21,147
2031-2035	74,565	31,173	105,738
2036-2040	86,139	19,599	105,738
2041-2044	65,196	5,119	70,315
Total	**$ 292,555**	**$ 94,974**	**$ 387,529**

(8) Finance Purchase Agreement

Year of Issuance	2021
Type of Debt	Capital Purchase Agreement
Principal Amount	Various
Security	Master Lease Agreement
Interest Rates	1.249% and 1.775%
Interest Payment Dates	Semi-Annually
Principal Payment Dates	Semi-Annually
Purpose of Debt	Public Safety Equipment Financing

Debt service requirements to maturity are (in thousands):

Year Ending June 30	Principal	Interest	Total
2026	$ 2,266	$ 302	$ 2,568
2027	2,324	245	2,569
2028	2,038	186	2,224
2029	2,093	131	2,224
2030	2,150	75	2,225
2031	946	17	963
Total	**$ 11,817**	**$ 956**	**$ 12,773**

11. Long-Term Obligations (Continued)

(9) Lease Payable

The City of Huntington Beach has entered into three leases as a lessee for the use of land and equipment and is required to make monthly fixed payments ranging from $5,000 to $7,000 over the lease terms. As of June 30, 2025, the value of the lease liability was $85,000. The future principal and interest lease payments as of June 30, 2025, were as follows:

Year Ending June 30	Principal	Interest	Total
2026	$ 85	$ 1	$ 86
Total	**$ 85**	**$ 1**	**$ 86**

(10) Subscription Payable

For the year ended June 30, 2023, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset.

The City of Huntington Beach has entered into seven subscription agreements for the use of various IT software and is required to make annual fixed payments ranging from $16,000 to $545,000 over the subscription terms. As of June 30, 2025, the value of the subscription liability was $2,320,000. The future principal and interest subscription payment as of June 30, 2025, were as follows:

Year Ending June 30	Principal	Interest	Total
2026	$ 981	$ 47	$ 1,028
2027	655	28	683
2028	684	14	698
Total	**$ 2,320**	**$ 89**	**$ 2,409**

c. Long-Term Obligations – Business-Type Activities

Below is a schedule of the long-term obligations of business-type activities (in thousands):

Long-Term Obligations - Business-Type Activities:	June 30, 2024 Restated	Additions	Retirements	June 30, 2025	Accrued Interest	Due Within One Year
Compensated Absences (Restated)	$ 1,806	$ 581	$ (547)	$ 1,840	$ -	$ 502
Pension Obligation Bonds	19,589	-	(897)	18,692	21	907
Total Long-Term Obligations - Business-Type Activities	**$ 21,395**	**$ 581**	**$ (1,444)**	**$ 20,532**	**$ 21**	**$ 1,409**

11. Long-Term Obligations (Continued)

(1) Compensated Absences

There is no repayment schedule for the compensated absences amount of $1,840,000 relating to business-type activities. The balance for the outstanding business-type compensated absences is predominately related to the Water and Sewer funds.

(2) Pension Obligation Bond

Year of Issuance	2021
Type of Debt	Pension Obligation Bonds
Principal Amount	Original $22,144,000
Interest Rates	0.221% to 3.376%
Interest Payment Dates	June 15th and December 15th
Principal Payment Dates	June 15th
Purpose of Debt	Pay 85% of CalPERS UAL as of the June 30, 2019 valuation report.

Debt service requirements to maturity are (in thousands):

Year Ending June 30	Principal	Interest	Total
2026	$ 907	$ 517	$ 1,424
2027	919	504	1,423
2028	934	489	1,423
2029	952	471	1,423
2030	973	450	1,423
2031-2035	5,241	1,875	7,116
2036-2040	6,055	1,061	7,116
2041-2042	2,711	138	2,849
Total	**$ 18,692**	**$ 5,505**	**$ 24,197**

d. Long-Term Conduit Debt Obligations

Below is a schedule of the conduit debt obligations for which the City is not liable in any manner (in thousands):

Community Facilities Districts:	**June 30, 2024**	**Additions**	**Retirements**	**June 30, 2025**
Community Facilities District No. 2000-1 2013 Special Tax Refunding Bonds	$ 7,025	$ -	$ (740)	$ 6,285
Community Facilities District No. 2002-1 Special Assessment Tax Bonds	3,185	-	(240)	2,945
Community Facilities District No. 2003-1 2013 Special Tax Refunding Bonds	12,780	-	(1,010)	11,770
Total Community Facilities Districts	**22,990**	**-**	**(1,990)**	**21,000**
Total Obligations Not Recorded in Financial Statements	**$ 22,990**	**$ -**	**$ (1,990)**	**$ 21,000**

12. Capital Assets

a. Changes in Capital Assets

Capital asset activity for the year was (in thousands):

	June 30, 2024	Additions	Dispositions	June 30, 2025
Governmental Activities Capital Assets, Not Depreciated:				
Land	$ 369,538	$ 105	$ -	$ 369,643
Construction in Progress	15,141	4,602	(7,243)	12,500
Total Capital Assets - Not Depreciated	**384,679**	**4,707**	**(7,243)**	**382,143**
Capital Assets Being Depreciated				
Buildings	230,490	4,330	-	234,820
Machinery and Equipment	101,765	7,390	(1,051)	108,104
Infrastructure	496,978	26,530	(1,315)	522,193
Right to Use Leased Land	274	-	(274)	-
Right to Use Leased Machinery and Equipment	398	-	-	398
Right to Use SBITA	6,317	-	(139)	6,178
Total Capital Assets Being Depreciated	**836,222**	**38,250**	**(2,779)**	**871,693**
Less Accumulated Depreciation:				
Buildings	(104,612)	(5,358)	-	(109,970)
Machinery and Equipment	(63,222)	(6,669)	1,051	(68,840)
Infrastructure	(259,010)	(8,743)	1,315	(266,438)
Right to Use Leased Land	(252)	-	252	-
Right to Use Leased Machinery and Equipment	(177)	(135)	-	(312)
Right to Use SBITA	(2,117)	(1,460)	125	(3,452)
Total Accumulated Depreciation	**(429,390)**	**(22,365)**	**2,743**	**(449,012)**
Total Depreciated - Net	**406,832**	**15,885**	**(36)**	**422,681**
Total Capital Assets	**1,220,901**	**42,957**	**(10,022)**	**1,253,836**
Total Accumulated Depreciation	**(429,390)**	**(22,365)**	**2,743**	**(449,012)**
Capital Assets of Governmental Activities - Net	**$ 791,511**	**$ 20,592**	**$ (7,279)**	**$ 804,824**

Business-Type Activities:	June 30, 2024	Additions	Dispositions	June 30, 2025
Capital Assets, Not Depreciated:				
Land	$ 3,907	$ -	$ -	$ 3,907
Construction in Progress	3,383	4,442	(1,532)	6,293
Total Capital Assets - Not Depreciated	**7,290**	**4,442**	**(1,532)**	**10,200**
Capital Assets Being Depreciated				
Buildings	105,623	4,288	-	109,911
Machinery and Equipment	20,931	235	(83)	21,083
Infrastructure	155,956	2,387	(244)	158,099
Total Capital Assets Being Depreciated	**282,510**	**6,910**	**(327)**	**289,093**
Less Accumulated Depreciation:				
Buildings	(42,108)	(2,575)	-	(44,683)
Machinery and Equipment	(14,789)	(1,273)	83	(15,979)
Infrastructure	(91,669)	(2,453)	244	(93,878)
Total Accumulated Depreciation	**(148,566)**	**(6,301)**	**327**	**(154,540)**
Total Depreciated - Net	**133,944**	**609**	**-**	**134,553**
Total Capital Assets	**289,800**	**11,352**	**(1,859)**	**299,293**
Total Accumulated Depreciation	**(148,566)**	**(6,301)**	**327**	**(154,540)**
Capital Assets of Business Activities - Net	**$ 141,234**	**$ 5,051**	**$ (1,532)**	**$ 144,753**

12. Capital Assets (Continued)

b. Depreciation Expense

Depreciation in governmental activities was charged to the following functions/programs in the Statement of Activities (in thousands):

Department:		
City Council	$	5
City Manager		92
City Treasurer		27
City Attorney		46
City Clerk		20
Finance		405
Human Resources		29
Community Development		352
Fire		1,060
Information Services		828
Police		2,056
Community Services		2,757
Library Services		368
Public Works		11,783
Internal Service Fund depreciation charged to functions		2,537
Total	**$**	**22,365**

Depreciation in business-type activities was charged to the following functions/programs in the Statement of Activities (in thousands):

Fund:		
Water	$	3,924
Sewer Service		2,356
Refuse		21
Total	**$**	**6,301**

13. Investment in Joint Ventures

The City participates in a firefighter training center called Central Net Operations Authority (CNOA) through a joint powers agreement with the City of Fountain Valley. The City of Huntington Beach records 76 percent of CNOA net assets as Joint Venture Investments. There is no separate Component Unit Financial Report (CUFR) prepared for the CNOA.

14. Leases

The City of Huntington Beach has entered into 27 leases as a lessor for the use of City land and infrastructures. The lessees are required to make fixed monthly payments ranging from $322 to $44,000 over the lease terms. The City recognized $1,629,000 in lease revenue and $96,000 in interest revenue during the current fiscal year related to these agreements. As of June 30, 2025, the lease receivable is $7,776,000 and deferred inflow of resources is $7,562,000. The future principal and interest payments as of June 30, 2025, were as follows:

Year Ending June 30,	Principal	Interest	Total
2026	$ 1,501	$ 87	$ 1,588
2027	1,423	78	1,501
2028	833	70	903
2029	470	65	535
2030	327	60	387
2031-2035	1,102	242	1,344
2036-2040	807	175	982
2041-2045	814	114	928
2046-2050	499	56	555
Total	**$ 7,776**	**$ 947**	**$ 8,723**

15. Successor Agency Trust for Assets of the Former Redevelopment Agency of the City of Huntington Beach

a. General Discussion

On December 29, 2011, the California Supreme Court upheld ABX1 26 that provided for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Huntington Beach that was previously reported as a Redevelopment Agency within the City as a blended component unit.

ABX1 26 provides that upon dissolution of a Redevelopment Agency, either the City or another unit of local government will agree to serve as the "Successor Agency" to hold the assets until they are distributed to other units of state and local government. On January 9, 2012, the City Council elected to become the Successor Agency for the former Redevelopment Agency in accordance with ABX1 26 as part of City resolution number 2012-01.

15. Successor Agency Trust for Assets of the Former Redevelopment Agency of the City of Huntington Beach (Continued)

After enactment of the law, effective June 28, 2011, Redevelopment Agencies in the State of California generally cannot enter into new projects, obligations or commitments. Subject to the control of a newly established Oversight Board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, Successor Agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior Redevelopment Agency have been paid in full and all assets have been liquidated.

ABX1 26 directs the State Controller of the State of California to review the propriety of any transfers of assets between Redevelopment Agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as of successor agency by ABX1 26.

b. Long-Term Debt

Below is a schedule of changes in long-term obligations of the Successor Agency for the year (in thousands):

Successor Agency:	June 30, 2024	Additions	Retirements	June 30, 2025	Accrued Interest	Due Within One Year
Bonds Payable						
1999 Tax Allocation Refunding Bonds	$ 360	$ -	$ (360)	$ -	$ -	$ -
2002 Tax Allocation Bonds	780	-	(780)	-	-	-
Total Bonds Payable	**1,140**	**-**	**(1,140)**	**-**	**-**	**-**
Other Long-Term Obligations						
Bella Terra AHA (Phase II)	10,494	-	(903)	9,591	-	903
CIM DDA (Parking & Infrastructure)	4,288	-	(378)	3,910	205	404
CIM DDA (Additional Parking)	304	-	(19)	285	21	21
Total Other Long-Term Obligations	**15,086**	**-**	**(1,300)**	**13,786**	**226**	**1,328**
Total Long-Term Obligations	**$ 16,226**	**$ -**	**$ (2,440)**	**$ 13,786**	**$ 226**	**$ 1,328**

15. Successor Agency Trust for Assets of the Former Redevelopment Agency of the City of Huntington Beach (Continued)

(1) 1999 Tax Allocation Refunding Bonds

Year of Issuance	1999
Type of Debt	Tax Allocation Refunding Bonds
Original Principal Amount	$10,835,000
Security	Tax Increment
Interest Rates	3.00% to 5.05%
Interest Payment Dates	February 1st and August 1st
Principal Payment Dates	August 1st
Purpose of Debt	Prepay Agency's 1992 Loans to Public Financing Authority

The 1999 Tax allocation refunding bonds had an outstanding balance of $360,000 as of June 30, 2024. This balance was fully retired during Fiscal Year 2024/25.

(2) 2002 Tax Allocation Refunding Bonds

Year of Issuance	2002
Type of Debt	Tax Allocation Refunding Bonds
Original Principal Amount	$20,900,000
Security	Tax Increment
Interest Rates	2.00% to 5.00%
Interest Payment Dates	February 1st and August 1st
Principal Payment Dates	August 1st
Purpose of Debt	Prepay Agency's 1992 Loans to Public Financing Authority and fully defease 1992 Public Financing Authority bonds

The 2002 Tax allocation refunding bonds had an outstanding balance of $780,000 as of June 30, 2024. This balance was fully retired during Fiscal Year 2024/25 .

Pledged Revenues

The Successor Agency will repay a total of $1,169,000, principal and interest, for the outstanding 1999 and 2002 Tax Allocation Refunding Bonds as of June 30, 2025 from semi-annual Redevelopment Property Tax Trust Fund (RPTTF) revenue allocations.

The 1999 and 2002 Tax Allocation Refunding Bonds are not a debt of the City of Huntington Beach, the State of California, nor any of its political subdivisions, and neither the City, the State nor any of its political subdivision is liable therefore, not in any event shall the bonds be payable out of funds or properties other than those of the Redevelopment Agency as set forth in the bond indenture.

15. Successor Agency Trust for Assets of the Former Redevelopment Agency of the City of Huntington Beach (Continued)

(3) Bella Terra Phase II

In Fiscal Year 2010/11, the Agency entered into an affordable housing agreement with BTDJM Phase II Associates (DJM). The agreement would facilitate the construction of a 467 unit mixed use project, including 43 moderate units and 28 very low units. Under the terms of the agreement, the Agency would reimburse DJM for the construction of the affordable units up to $17,000,000. DJM has transferred the site to UDR, and as of year-end, the Successor Agency obligation under the agreement amounted to $9,591,000. Reimbursement of the affordable units will be based upon the site-generated tax increment for the mixed use project as well as the 20% housing fund from the site-generated Bella Terra I. The interest rate of this obligation is 4.00%. The agreement has been approved as an enforceable obligation by the DOF.

(4) CIM/Huntington Disposition and Development Agreement - Strand Parking Structure and Infrastructure

Year of Issuance	2009
Type of Debt	Loan from CIM Group, LLC
Original Principal Amount	$7,900,000
Security	Tax Increment
Interest Rates	7.00%
Interest Payment Dates	September 30th
Principal Payment Dates	September 30th
Purpose of Debt	Strand Parking Structure and Infrastructure

As of year-end, the Successor Agency obligation under the agreement amounted to $3,910,000. Repayment shall be made solely from RPTTF revenues received by the Huntington Beach Redevelopment Successor Agency Private Purpose Trust Fund in the amounts included in the Oversight Board approved Recognized Obligation Payment Schedule (ROPS) to the County Auditor Controller (CAC) and the DOF. The Disposition and Development Agreement (DDA) has been approved as an enforceable obligation by the DOF.

(5) CIM/Huntington Disposition and Development Agreement – Additional Strand Parking

Year of Issuance	2009
Type of Debt	Loan from CIM Group, LLC
Original Principal Amount	$950,000
Security	Tax Increment
Interest Rates	10.00%
Interest Payment Dates	September 30th
Principal Payment Dates	September 30th
Purpose of Debt	Additional Strand Parking Structure and Infrastructure

15. Successor Agency Trust for Assets of the Former Redevelopment Agency of the City of Huntington Beach (Continued)

As of year-end, the Successor Agency obligation under the agreement amounted to $285,000. Repayment shall be made solely from RPTTF revenues received by the Huntington Beach Redevelopment Successor Agency Private Purpose Trust Fund in the amounts included in the Oversight Board approved ROPS to the CAC and the DOF. The DDA has been approved as an enforceable obligation by the DOF.

c. Advances from the City Housing Fund

The Successor Agency has recorded advances from the City totaling $23,903,000 from the Low-Income Housing Fund and General Fund to the Redevelopment Agency Capital Projects Fund for Main Pier property acquisitions and Waterfront property acquisitions.

16. Commitments and Contingencies

a. Legal Actions

There are legal actions pending against the City resulting from normal operations. In the opinion of management and the City Attorney, the financial resolution of these actions should not have a significant impact on these financial statements.

b. Sales Tax Sharing Agreements

City Council has agreed to provide sales tax rebates to various companies, based upon various factors such as increased job-base or new sales tax to the City. The sales tax rebates serve to attract and retain various companies in the City of Huntington Beach. The City of Huntington Beach has three sales tax sharing agreements with Pinnacle Petroleum (2029), (McKenna Subaru HB) 2033, and Surf City Auto Group II, Inc. (2038). Pinnacle Petroleum receives a 65% rebate after base sales exceed $25,000, McKenna Subaru HB receives a 45% rebate after base sales exceed $150,800, and Surf City Auto Group II, Inc. receives a 50% rebate after base sales exceed $1,785,261 (which increases by 1% annually). Sales tax rebates totaled $706,806 for the year ending June 30, 2025.

16. Commitments and Contingencies (Continued)

c. Cooperation and Owner Participation Agreements

On September 2, 2003, the Redevelopment Agency Approved a Cooperation Agreement Regarding Capital Improvements in the Southeast Coastal Redevelopment Project with the City. This agreement commits the Redevelopment Agency to reimburse the City for a number of capital improvement projects to be undertaken as part of the Five Year Capital Improvement Program in the Southeast Redevelopment project area starting in FY 2003/04 as they are undertaken. The Successor Agency received its Finding of Completion notice from the Department of Finance on May 13, 2014. The Oversight Board (to the Successor Agency) have approved and reauthorization of the loans between the City and former Redevelopment Agency in FY 2016/17. The DOF has denied the validity of the loans and the City has filed suit against the State. On April 22, 2022, the Superior Court of California issued a Proposed Judgment stating that the agreement did not constitute an enforceable obligation and that repayment was not required. The City requested a hearing with the Court to appeal this determination. On February 17, 2023, the Superior Court of California issued a final ruling stating that the agreement did not constitute an enforceable obligation; thus, repayment was not required.

d. Redevelopment Successor Agency Debt to City

The City has advanced money to the Redevelopment Agency for major capital improvements, economic development projects, and operations. In January 2011, the City Council and Redevelopment Agency Board approved a revised Cooperation Agreement, which included a Promissory Note that memorialized indebtedness previously incurred by the Agency and owed to the City from a series of loans made from the City to the Agency from 1982 to present.

The City and Successor Agency have not recorded the advances in the accompanying financial statements due to uncertainties related to Health and Safety Code Section 34191.4, which establishes certain restrictions and limitations on the repayment of city-agency loans. In accordance with Health and Safety Code Section 34191.4(b)(3), all other loans between the city and former Redevelopment Agency will begin to be repaid, at a 3% interest rate, as determined by SB 107 upon approval of the Oversight Board and the DOF. The Oversight Board (to the Successor Agency) have approved and reauthorized the loans between the City and former Redevelopment Agency in FY 2016/17. The DOF has denied the validity of the loans and the City has filed suit against the State. On April 22, 2022, the Superior Court of California issued a Proposed Judgment stating that the majority of the agreements between the City and the former Redevelopment Agency were not considered enforceable obligations and that repayment was not required, with the exception of the $22,400,000 loan for the purchase of the Waterfront property. The DOF denied this obligation in a follow up letter to the City dated August 24, 2022. The City has requested a hearing with the Court to appeal this determination. On February 17, 2023, the Superior Court of California issued a final ruling confirming the April 22, 2022 determination. As of June 30, 2025, the City recognizes $22,540,000 of receivables relating to the Waterfront property purchase to be paid in future ROPS.

16. Commitments and Contingencies (Continued)

Below is a schedule of the activity for the year (in thousands):

	June 30, 2024	Additions	Reductions	June 30, 2025
General Fund				
Direct Advances	$ 2,312	$ -	$ -	$ 2,312
Indirect Advances	6,567	-	-	6,567
Land Sales	10,433	-	-	10,433
Interest	32,206	2,345	-	34,551
Total General Fund	**51,518**	**2,345**	**-**	**53,863**
Sewer Fund				
Direct Advances	321	15	-	336
Deferred Development Fees	200	9	-	209
Total Sewer Fund	**521**	**24**	**-**	**545**
Drainage Fund				
Direct Advances	774	35	-	809
Deferred Development Fees	213	10	-	223
Total Drainage Fund	**987**	**45**	**-**	**1,032**
Park Acquisition and Development Fund				
Direct Advances	6,374	290	-	6,664
Deferred Development Fees	473	22	-	495
Total Park Acquisition and Development Fund	**6,847**	**312**	**-**	**7,159**
Water Fund				
Direct Advances	4,796	219	-	5,015
Total Water Fund	**4,796**	**219**	**-**	**5,015**
Total All Funds	**$ 64,669**	**$ 2,945**	**$ -**	**$ 67,614**

e. Successor Agency Litigation

Until 2012, the Huntington Beach Redevelopment Agency existed and received property tax increment from property within the "City Redevelopment Project Area." In 2012, the State Legislature dissolved all redevelopment agencies, and all tax increment was returned to the County for payment to other taxing entities. The only exception was that tax increment would continue to be paid to the Successor Agency to the City Redevelopment Agency to pay any pre-dissolution, legally binding obligations established prior to the dissolution of the agencies. Further, the City transferred the former Redevelopment Agency's housing obligations to the Huntington Beach Housing Authority pursuant to Health and Safety Code section 34176.

The Successor Agency contended that the 2012 Pacific City Development Agreement was a pre-dissolution, legally binding obligation. Pacific City is a development project that was conditioned on providing 77 affordable housing units, of which the Successor Agency now was obliged to construct 26 units off-site, at a cost of $6,500,000. This would not be a City General Fund obligation.

16. Commitments and Contingencies (Continued)

On April 22, 2022, the Superior Court of California issued a Proposed Judgment stating that the majority of the agreements between the City and the former Redevelopment Agency were not considered enforceable obligations and that repayment was not required, with the exception of the $22,400,000 loan for the purchase of the Waterfront property and the Promissory Note related to the Emerald Cove Housing Project. The City has requested a hearing with the Court to appeal this determination. On February 17, 2023, the Superior Court of California issued a final ruling confirming the April 22, 2022 determination. On May 19, 2023, the DOF issued a letter confirming the Court ruling. In Fiscal year 2024/25, the City recognizes $22,540,000 of receivables relating to the Waterfront property purchase to be paid in future ROPS.

The Housing Authority is reviewing options on meeting the affordable housing requirements for Pacific City with other projects. The City itself does not require a reserve for either case.

17. Other Information

Fund and Accumulated Deficits

The following fund has a total fund deficits at year-end (in thousands):

Internal Service Fund:	
Self Insurance Workers' Comp	$ (33,518)

The Self Insurance Workers' Compensation fund has a deficit due to increases in statutory benefits related to workers' compensation claims and rising healthcare costs.

The City has established plans to reduce and eliminate the deficits in these funds. Additional transfers will be made over the next ten to twenty years from the General Fund, Proprietary funds, and other governmental funds to address the deficits in the Self Insurance Workers' Compensation and General Liability Internal Service Funds.

18. Restatements of Net Position

For the fiscal year ending June 30, 2025, the City implemented GASB Statement No. 101, Compensated Absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled.

This GASB resulted in the restatement of beginning net position of governmental and business-type activities as follows:

	Government-Wide		
	Governmental Activities	Business-Type Activities	Total
Net position of fund balances, Beginning of Year, As previously Reported	$ 699,968	$ 196,816	$ 896,784
Adoption of GASB 101	(1,001)	(48)	(1,049)
Total adjustments	**(1,001)**	**(48)**	**(1,049)**
Net position of fund balances, Beginning of Year, As restated	**$ 698,967**	**$ 196,768**	**$ 895,735**

18. Restatements of Net Position (Continued)

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances			
	Water Fund	Sewer Service Fund	Refuse Fund	Self Insurance Worker's Comp
Net position of fund balances, Beginning of Year, As previously Reported	$ 116,368	$ 79,813	$ 216	$ (26,415)
Adoption of GASB 101	(33)	(12)	(3)	(4)
Total adjustments	**(33)**	**(12)**	**(3)**	**(4)**
Net position of fund balances, Beginning of Year, As restated	**$ 116,335**	**$ 79,801**	**$ 213**	**$ (26,419)**

Required Supplemental Information

Notes to Required Supplementary Information For the Year Ended June 30, 2025

Budgetary Information

The City Council must annually adopt a budget by June 30 of the prior fiscal year. The budgeted expenditures become the appropriations to the various departments. The budget includes estimates for revenue that, along with the appropriations, compute the budgetary fund balance. The appropriated budget covers substantially all governmental fund expenditures with the exception of capital improvement projects (capital projects funds) carried forward from prior years, which constitute a legally authorized non-appropriated budget. The City Council may amend the budget at any time. The City Manager may transfer funds from between object purposes (personal services, operating expenditures, or capital outlay expenditures) within the same department without changing the total departmental budget. Department heads, with the Chief Financial Officer's approval, may transfer funds from like object categories of the same department. The City Council must approve any changes to departmental budgets. Expenditures may not exceed appropriations at the departmental level. All unused appropriations lapse at year-end. During the year, the City Council made several supplemental appropriations which included carryovers of prior year encumbrances, all of which were within available fund balance and estimated revenue amounts.

The City Council adopts governmental fund budgets consistent with generally accepted principles as legally required. There are no significant non-budgeted financial activities. Revenues for special revenue funds are budgeted by entitlements, grants and estimates of future development and economic growth. Expenditures and transfers are budgeted based upon available financial resources.

On or before February 28th of each year, each department submits data to the City Manager for budget preparation. Staff prepares the budget by fund, function, and activity. The budget includes information on past years, current year estimates and requested appropriations for the next fiscal year. Before May 1st, the City Council receives the proposed budget. The City Council holds public hearings and may amend the budget by a majority vote. Changes to the budget must be within the available revenues and reserves.

These financial schedules show budgetary data for the General and Grants Special Revenue. The original budget, revised budget, actual expenditures, and variance amounts are shown.

The City uses an encumbrance system as an aid in controlling expenditures. When the City issues a purchase order for goods or services, it records an encumbrance until the vendor delivers the goods or performs the service. At year-end, the City reports all outstanding encumbrances as committed or assigned fund balance in governmental fund types. The City reappropriates these encumbrances into the new fiscal year.

The following pages present schedules of budget to actual comparison of the General and Grants Special Revenue Fund's Revenues, and Expenditures and Changes in Fund Balance (in thousands).

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2025 (In Thousands)

General Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Property Taxes	$ 108,152	$ 109,378	$ 109,379	$ 1
Sales Taxes	53,488	49,310	49,310	-
Utility Taxes	23,000	23,000	22,706	(294)
Other Taxes	27,400	25,400	25,365	(35)
Licenses and Permits	8,837	8,965	10,355	1,390
Fines and Forfeitures	4,625	4,625	6,040	1,415
Use of Money and Property (Loss)	22,583	33,435	33,440	5
Intergovernmental	8,811	17,399	18,586	1,187
Charges for Current Services	36,641	35,082	35,081	(1)
Other	1,680	7,193	7,198	5
Total Revenues	**295,217**	**313,787**	**317,460**	**3,673**
EXPENDITURES				
Current:				
City Council	500	555	492	63
City Manager	3,504	4,335	3,810	525
City Treasurer	1,831	2,425	2,425	-
City Attorney	4,073	4,772	4,098	674
City Clerk	1,400	1,796	1,796	-
Finance	5,524	6,661	6,249	412
Human Resources	2,759	3,419	2,578	841
Community Development	14,205	20,710	15,830	4,880
Fire	61,659	77,345	77,345	-
Information Services	8,343	9,851	8,614	1,237
Police	89,612	104,277	104,277	-
Community Services	11,377	13,863	13,562	301
Library Services	5,658	7,116	6,949	167
Public Works	24,449	28,806	28,394	412
Debt Service:				
Principal	3,352	4,763	4,761	2
Interest	396	480	480	-
Total Expenditures	**238,642**	**291,174**	**281,660**	**9,514**
Excess of Revenues Over Expenditures	**56,575**	**22,613**	**35,800**	**13,187**
OTHER FINANCING SOURCES (USES)				
Transfers In	10,623	10,623	543	(10,080)
Transfers Out	(62,473)	(29,747)	(22,077)	7,670
Total Other Financing Uses	**(51,850)**	**(19,124)**	**(21,534)**	**(2,410)**
Net Change in Fund Balances	**4,725**	**3,489**	**14,266**	**10,777**
Fund Balances - Beginning of Year	**132,319**	**132,319**	**132,319**	**-**
Fund Balances - End of Year	**$ 137,044**	**$ 135,808**	**$ 146,585**	**$ 10,777**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2025 (In Thousands)

Grants Special Revenue

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Use of Money and Property (Loss)	$ -	$ 3	$ 328	$ 325
Intergovernmental	3,674	9,133	18,927	9,794
Other	192	192	518	326
Total Revenues	**3,866**	**9,328**	**19,773**	**10,445**
EXPENDITURES				
Current:				
City Manager	-	1,118	966	152
Community Development	2,277	5,949	3,471	2,478
Fire	893	1,398	359	1,039
Police	566	4,175	2,558	1,617
Community Services	324	443	331	112
Library Services	60	169	170	(1)
Public Works	1,034	22,702	8,580	14,122
Total Expenditures	**5,154**	**35,954**	**16,435**	**19,519**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**(1,288)**	**(26,626)**	**3,338**	**29,964**
OTHER FINANCING SOURCES (USES)				
Transfers Out	(65)	-	-	-
Total Other Financing Uses	**(65)**	**-**	**-**	**-**
Net Change in Fund Balances	**(1,353)**	**(26,626)**	**3,338**	**29,964**
Fund Balances - Beginning of Year	**2,712**	**2,712**	**2,712**	**-**
Fund Balances (Deficits) - End of Year	**$ 1,359**	**$ (23,914)**	**$ 6,050**	**$ 29,964**

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS DURING THE MEASUREMENT PERIOD
(IN THOUSANDS)

Last Ten Fiscal Years
CalPERS City Miscellaneous Plan - 99

Measurement Period	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
Total Pension Liability										
Service cost	$ 9,364	$ 9,167	$ 8,174	$ 8,005	$ 7,779	$ 8,327	$ 8,314	$ 8,084	$ 7,436	$ 7,102
Interest on total pension liability	46,275	44,775	43,253	42,217	41,058	40,150	38,769	37,749	37,194	35,653
Differences between expected and actual experience	5,289	5,260	451	(891)	(6,087)	(183)	(2,042)	(9,148)	1,072	(2,900)
Changes of Benefit Terms	-	658	-	-	-	-	-	-	-	-
Changes in assumptions	-	-	19,824	-	-	-	(3,634)	30,762	-	(8,565)
Benefit payments, including refunds of employee contributions	(38,523)	(36,633)	(34,942)	(33,392)	(30,321)	(28,508)	(26,685)	(25,312)	(24,316)	(23,377)
Net change in total pension liability	22,405	23,227	36,760	15,939	12,429	19,786	14,722	42,135	21,386	7,913
Total pension liability - beginning	679,953	656,726	619,966	604,027	591,598	571,812	557,090	514,955	493,569	485,656
Total pension liability - ending (a)	$702,358	$ 679,953	$656,726	$619,966	$ 604,027	$591,598	$571,812	$557,090	$514,955	$493,569
Plan Fiduciary Net Position										
Contributions - employer	$ 5,808	$ 7,450	$ 6,951	$150,917	$ 16,879	$ 14,816	$ 13,495	$ 12,316	$ 10,982	$ 9,747
Contributions - employee	4,090	3,741	3,533	3,450	3,630	3,779	3,649	3,869	3,736	3,790
Investment income	56,643	36,077	(49,840)	107,447	21,485	27,288	32,963	40,328	1,856	8,230
Administrative Expense	(494)	(439)	(419)	(443)	(609)	(296)	(614)	(536)	(226)	(418)
Benefit payments	(38,523)	(36,633)	(34,942)	(33,392)	(30,321)	(28,508)	(26,685)	(25,312)	(24,316)	(23,377)
Plan to Plan Resource Movement	-	1	-	-	-	(13)	1	-	-	-
Other	-	-	-	-	-	1	(1,166)	-	-	2
Net change in plan fiduciary net position	27,524	10,197	(74,717)	227,979	11,064	17,067	21,643	30,665	(7,968)	(2,026)
Plan fiduciary net position - beginning	607,045	596,848	671,565	443,586	432,522	415,455	393,812	363,147	371,115	373,141
Plan fiduciary net position - ending (b)	$634,569	$ 607,045	$596,848	$671,565	$ 443,586	$432,522	$415,455	$393,812	$363,147	$ 371,115
Net pension liability - beginning	72,908	59,878	(51,599)	160,441	159,076	156,357	163,278	151,808	122,454	112,515
Net pension liability (asset) - ending (a)-(b)	$ 67,789	$ 72,908	$ 59,878	$ (51,599)	$ 160,441	$159,076	$156,357	$163,278	$151,808	$122,454
Plan fiduciary net position as a percentage of the total pension liability (asset)	90.35%	89.28%	90.88%	108.32%	73.44%	73.11%	72.66%	70.69%	70.52%	75.19%
Covered payroll	$ 52,161	$ 51,089	$ 46,824	$ 45,740	$ 45,952	$ 45,419	$ 45,431	$ 44,848	$ 44,365	$ 44,233
Net pension liability as a percentage of covered payroll	129.96%	142.71%	127.88%	N/A	349.15%	350.24%	344.16%	364.07%	342.18%	276.84%

Notes to Schedule:

Benefit changes: the figures above include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary. In 2022, SB 1168 increased the standard retiree lump sum death benefit from $500 to $2,000 for any death occurring on or after July 1, 2023. The impact, if any, is included in the changes of benefit terms.

Changes in assumptions: There were no assumption changes in 2024. Effective with the June 30, 2021 valuation date (June 30, 2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017 through June 30, 2021, 7.65% for measurement dates June 30, 2015 through June 30, 2016, and 7.50% for measurement date June 30, 2014.

* For covered payroll, the measurement period of July 1, 2023 to June 30, 2024 was used.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS DURING THE MEASUREMENT PERIOD
(IN THOUSANDS)

Last Ten Fiscal Years
CalPERS City Safety Plan - 100

Measurement Period	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
Total Pension Liability										
Service cost	$ 15,083	$ 15,176	$ 14,683	$ 13,386	$ 13,226	$ 13,644	$ 13,509	$ 13,657	$ 12,159	$ 11,119
Interest on total pension liability	63,005	60,569	57,872	56,114	54,597	53,048	51,223	49,350	48,390	46,160
Differences between expected and actual experience	10,024	13,601	102	(3,882)	(4,721)	(1,220)	2,584	(10,819)	2,678	(820)
Changes of Benefit Terms	-	374	-	-	-	-	-	-	-	-
Changes in assumptions	-	-	28,785	-	-	-	(3,657)	40,352	-	(11,054)
Benefit payments, including refunds of employee contributions	(51,355)	(49,495)	(45,876)	(44,362)	(41,247)	(38,958)	(37,128)	(34,222)	(32,116)	(30,535)
Net change in total pension liability	36,757	40,225	55,566	21,256	21,855	26,514	26,531	58,318	31,111	14,870
Total pension liability - beginning	921,228	881,003	825,437	804,181	782,326	755,812	729,281	670,963	639,852	624,982
Total pension liability - ending (a)	$957,985	$ 921,228	$881,003	$825,437	$ 804,181	$782,326	$755,812	$729,281	$670,963	$639,852
Plan Fiduciary Net Position										
Contributions - employer	$ 11,525	$ 13,219	$ 13,579	$257,381	$ 25,848	$ 23,063	$ 21,058	$ 20,629	$ 18,703	$ 17,791
Contributions - employee	5,482	4,949	4,985	4,395	4,355	4,337	4,164	4,570	4,058	4,110
Investment income	75,169	47,901	(65,933)	133,170	25,784	32,776	39,336	48,413	2,144	9,661
Administrative Expense	(655)	(580)	(549)	(532)	(731)	(355)	(736)	(640)	(270)	(497)
Benefit payments	(51,355)	(49,495)	(45,876)	(44,362)	(41,247)	(38,958)	(37,128)	(34,222)	(32,116)	(30,535)
Net Plan to Plan Resource Movement	-	(1)	-	-	-	13	(3)	-	(29)	-
Other	-	-	-	-	-	1	(1,398)	-	-	-
Net change in plan fiduciary net position	40,166	15,993	(93,794)	350,052	14,009	20,877	25,293	38,750	(7,510)	530
Plan fiduciary net position - beginning	804,904	788,911	882,705	532,653	518,644	497,767	472,474	433,724	441,234	440,704
Plan fiduciary net position - ending (b)	$845,070	$ 804,904	$788,911	$882,705	$ 532,653	$518,644	$ 497,767	$ 472,474	$433,724	$441,234
Net pension liability - beginning	116,324	92,092	(57,268)	271,528	263,682	258,045	256,807	237,239	198,618	184,278
Net pension liability (asset) - ending (a)-(b)	$ 112,915	$ 116,324	$ 92,092	$ (57,268)	$ 271,528	$263,682	$258,045	$256,807	$ 237,239	$198,618
Plan fiduciary net position as a percentage of the total pension liability (asset)	88.21%	87.37%	89.55%	106.94%	66.24%	66.30%	65.86%	64.79%	64.64%	68.96%
Covered payroll	$ 55,724	$ 48,194	$ 48,023	$ 45,665	$ 43,783	$ 43,684	$ 43,371	$ 43,283	$ 42,619	$ 42,252
Net pension liability as a percentage of covered payroll	202.63%	241.37%	191.77%	N/A	620.17%	603.61%	594.97%	593.32%	556.65%	470.08%

Notes to Schedule:

Benefit changes: the figures above include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary. In 2022, SB 1168 increased the standard retiree lump sum death benefit from $500 to $2,000 for any death occurring on or after July 1, 2023. The impact, if any, is included in the changes of benefit terms.

Changes in assumptions: There were no assumption changes in 2024. Effective with the June 30, 2021 valuation date (June 30, 2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017 through June 30, 2021, 7.65% for measurement dates June 30, 2015 through June 30, 2016, and 7.50% for measurement date June 30, 2014.

* For covered payroll, the measurement period of July 1, 2023 to June 30, 2024 was used.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS DURING THE MEASUREMENT PERIOD
(IN THOUSANDS)

Last Ten Fiscal Years
Supplemental Retirement Plan

Measurement Period	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18**	2016-17	2015-16
Total Pension Liability										
Service cost	$ 151	$ 203	$ 237	$ 299	$ 350	$ 338	$ 398	$ 344	$ 487	$ 552
Interest on total pension liability	3,889	3,848	3,934	3,897	4,292	3,954	3,990	2,964	3,976	3,945
Differences between expected and actual experience	-	781	-	492	-	4,594	-	(794)	-	982
Changes in assumptions	-	(1,375)	-	(1,638)	6,547	1,756	-	2,115	1,515	2,928
Benefit payments, including refunds of employee contributions	(5,743)	(5,711)	(5,712)	(5,668)	(5,494)	(5,012)	(4,771)	(3,388)	(4,144)	(3,773)
Net change in total pension liability	(1,703)	(2,254)	(1,541)	(2,618)	5,695	5,630	(383)	1,241	1,834	4,634
Total pension liability - beginning	70,356	72,610	74,151	76,769	71,074	65,444	65,827	64,586	62,752	58,118
Total pension liability - ending (a)	$ 68,653	$ 70,356	$ 72,610	$ 74,151	$ 76,769	$ 71,074	$ 65,444	$ 65,827	$ 64,586	$ 62,752
Plan Fiduciary Net Position										
Contributions - employer	$ 6,120	$ 1,422	$ 6,046	$ 6,006	$ 1,435	$ 3,506	$ 4,962	$ 3,507	$ 5,346	$ 7,277
Investment income	7,276	6,954	4,823	(11,362)	15,717	2,114	2,582	2,128	6,373	4,282
Administrative Expense	(377)	(350)	(334)	(338)	(314)	(444)	(191)	(145)	(182)	(189)
Benefit payments	(5,743)	(5,711)	(5,712)	(5,668)	(5,494)	(5,012)	(4,771)	(3,388)	(4,144)	(3,773)
Section 115 Trust Segregation	-	-	-	-	-	-	-	(3,788)	-	-
Net change in plan fiduciary net position	7,276	2,315	4,823	(11,362)	11,344	164	2,582	(1,686)	7,393	7,597
Plan fiduciary net position - beginning	66,137	63,822	58,999	70,361	59,017	58,853	56,271	57,957	50,564	42,967
Plan fiduciary net position - ending (b)	$ 73,413	$ 66,137	$ 63,822	$ 58,999	$ 70,361	$ 59,017	$ 58,853	$ 56,271	$ 57,957	$ 50,564
Net pension liability - beginning	4,219	8,788	15,152	6,408	12,057	6,591	9,556	6,629	12,188	15,151
Net pension liability - ending (a)-(b)	$ (4,760)	$ 4,219	$ 8,788	$ 15,152	$ 6,408	$ 12,057	$ 6,591	$ 9,556	$ 6,629	$ 12,188
Plan fiduciary net position as a percentage of the total pension liability	106.93%	94.00%	87.90%	79.57%	91.65%	83.04%	89.93%	85.48%	89.74%	80.58%
Covered payroll	$ 4,821	$ 5,590	$ 5,497	$ 6,670	$ 7,684	$ 8,469	$ 12,863	$ 10,890	$ 17,167	$ 19,517
Net pension liability as a percentage of covered payroll	N/A	75.47%	159.87%	227.17%	83.39%	142.37%	51.24%	87.75%	38.61%	62.45%

** The 2017-18 period reflects nine months of activity only as the fiscal year change resulted in a nine-month reporting period from October 1, 2017 to June 30, 2018.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
FOR THE MEASUREMENT PERIODS ENDED JUNE 30
(IN THOUSANDS)

Last Ten Fiscal Years*
Other Post Employment Benefits Plan

Measurement Period	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability								
Service cost	$ 970	$ 968	$ 1,004	$ 1,120	$ 1,096	$ 1,241	$ 1,205	$ 877
Interest on the total OPEB liability	1,593	1,709	1,655	2,119	2,064	1,859	1,787	1,293
Actual and expected experience difference	-	(3,372)	-	(6,296)	-	1,411	-	-
Changes in assumptions	-	503	(891)	1,603	(298)	(3,358)	-	-
Benefit payments	(1,800)	(1,870)	(2,352)	(2,129)	(1,848)	(1,742)	(1,683)	(1,036)
Net change in total OPEB liability	763	(2,062)	(584)	(3,583)	1,014	(589)	1,309	1,134
Total OPEB liability - beginning	27,630	29,692	30,276	33,859	32,845	33,434	32,125	30,991
Total OPEB liability - ending (a)	**$ 28,393**	**$ 27,630**	**$ 29,692**	**$ 30,276**	**$ 33,859**	**$ 32,845**	**$ 33,434**	**$ 32,125**
Plan Fiduciary Net Position								
Contribution - employer**	$ 935	$ 1,997	$ 2,499	$ 1,882	$ 1,959	$ 2,270	$ 4,191	$ 1,036
Net investment income	2,693	1,130	(4,561)	6,025	1,580	1,901	1,126	471
Benefit payments	(1,800)	(1,870)	(2,352)	(2,129)	(1,848)	(1,742)	(1,683)	(1,036)
Administrative expense	(145)	(136)	(156)	(111)	(245)	(61)	(131)	(9)
Net change in plan fiduciary net position	1,683	1,121	(4,570)	5,647	1,446	2,368	3,503	462
Plan fiduciary net position - beginning	32,837	31,716	36,286	30,639	29,193	26,825	23,322	22,860
Plan fiduciary net position - ending (b)	**$ 34,520**	**$ 32,837**	**$ 31,716**	**$ 36,286**	**$ 30,639**	**$ 29,193**	**$ 26,825**	**$ 23,322**
Net OPEB liability (asset) - ending (a)-(b)	$ (6,127)	$ (5,207)	$ (2,024)	$ (6,010)	$ 3,220	$ 3,652	$ 6,609	$ 8,803
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	121.58%	118.85%	106.82%	119.85%	90.49%	88.88%	80.23%	72.60%
Covered employee payroll	$ 74,640	$ 72,558	$ 72,524	$ 70,881	$ 76,521	$ 79,682	$ 81,458	$ 60,985
Net OPEB liability as a percentage of covered employee payroll	N/A	N/A	N/A	N/A	4.21%	4.58%	8.11%	14.43%

Notes to Schedule:

* Fiscal year 2017/18 was the first year of implementation, therefore only eight years of information are shown.

**Contributions to the OPEB plan are not based on employee pay.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)

Last Ten Fiscal Years
CalPERS City Miscellaneous Plan - 99

	2024-25 [1]	2023-24 [1]	2022-23 [1]	2021-22 [1]	2020-21 [1]	2019-20 [1]	2018-19 [1]	2017-18 [1,2]	2016-17 [1]	2015-16 [1]
Actuarially determined contribution	$ 7,828	$ 5,808	$ 7,451	$ 6,951	$ 18,086	$ 16,878	$ 14,819	$ 9,734	$ 11,921	$ 11,238
Contributions in relation to the actuarially determined contributions	(7,828)	(5,808)	(7,451)	(6,951)	(18,086)	(16,878)	(14,819)	(9,734)	(11,921)	(11,238)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 45,587	$ 52,161	$ 51,089	$ 46,824	$ 45,740	$ 45,952	$ 45,419	$ 33,210	$ 45,118	$ 44,253
Contributions as a percentage of covered payroll	17.17%	11.13%	14.58%	14.84%	39.54%	36.73%	32.63%	29.31%	26.42%	25.39%

[1] Historical information is required only for measurement periods for which GASB 68 is applicable.
[2] The 2017-18 period reflects nine months of activity only as the fiscal year change resulted in a nine-month reporting period from October 1, 2017 to June 30, 2018.

Notes to Schedule
Valuation date: 6/30/2013 through 06/30/2023

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method/ period	For details, see Miscellaneous Plan of the City of Huntington Beach Annual Valuation Report as of June 30, 2024.
Asset valuation method	For 10/1/14-6/30/15, 15 Year Smoothed Market (for details, see June 30, 2012 Funding Valuation Report). For 7/1/15-6/30/24, Fair Value (for details, see the Funding Valuation Reports for the years ended June 30, 2013-2024).
Inflation	2.75% for 10/1/2013-6/30/2019, 2.50% for 7/1/2019-6/30/2020, and 2.30% for 7/1/2020-6/30/2024.
Salary increases	Varies by entry age and service
Payroll growth	2.75% for 10/1/2013-6/30/2020, and 2.80% for 7/1/2020-6/30/2024.
Discount Rate	The prescribed discount rate assumption, adopted by the board on November 17, 2021, is 6.90 percent compounded annually (net of investment and administrative expenses) as of June 30, 2024.
Retirement age	For 10/1/13-6/30/16, the probabilities of retirement are based on the 2014 CalPERS Experience study for the period from 1997 to 2007. For 7/1/16-6/30/19, the probabilities of retirement are based on the 2014 CalPERS Experience study for the period from 1997 to 2011. For 7/1/19-6/30/24, the probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	For 10/1/13-6/30/16, the probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. For 7/1/166/30/19, the probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. For 7/1/16-6/30/18, Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries. For 7/1/18-6/30/19, Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries. For 7/1/19-6/30/23, the probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For 7/1/23-6/30/24, the probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

*Beginning with the June 30, 2013 valuations, CalPERS employed an amortization and smoothing policy that will pay for all gains and losses over a fixed 30-year period with the increases or decreases in the rate spread directly over a 5-year period.
Note: The CalPERS Board of Administration has adopted a new amortization policy effective with the June 30, 2019 actuarial valuation. The new policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed using a level dollar amount. In addition, the new policy removes the 5-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy removes the 5-year ramp-down on investment gains/losses. These changes will apply only to new UAL bases established on or after June 30, 2019.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)

Last Ten Fiscal Years
CalPERS City Safety Plan - 100

	2024-25	2023-24 [1]	2022-23 [1]	2021-22 [1]	2020-21 [1]	2019-20 [1]	2018-19 [1]	2017-18 [1,2]	2016-17 [1]	2015-16 [1]
Actuarially determined contribution	$ 15,704	$ 11,484	$ 13,220	$ 13,579	$ 27,691	$ 25,847	$ 23,062	$ 15,223	$ 19,468	$ 19,129
Contributions in relation to the actuarially determined contributions	(15,704)	(11,484)	(13,220)	(13,579)	(27,691)	(25,847)	(23,062)	(15,223)	(19,468)	(19,129)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 62,599	$ 51,351	$ 48,601	$ 48,023	$ 45,665	$ 43,783	$ 43,684	$ 31,943	$ 43,269	$ 42,607
Contributions as a percentage of covered payroll	25.09%	22.36%	27.20%	28.28%	60.64%	59.03%	52.79%	47.66%	44.99%	44.90%

[1] Historical information is required only for measurement periods for which GASB 68 is applicable.
[2] The 2017-18 period reflects nine months of activity only as the fiscal year change resulted in a nine-month reporting period from October 1, 2017 to June 30, 2018.

Notes to Schedule
Valuation date: 6/30/2013 through 06/30/2023

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method/ period	For details, see Safety Plan of the City of Huntington Beach Annual Valuation Report as of June 30, 2023.
Asset valuation method	For 10/1/14-6/30/15, 15 Year Smoothed Market (for details, see June 30, 2012 Funding Valuation Report). For 7/1/15-6/30/23, Fair Value (for details, see the Funding Valuation Reports for the years ended June 30, 2013-2023).
Inflation	2.75% for 10/1/2013-6/30/2019, 2.50% for 7/1/2019-6/30/2020, and 2.30% for 7/1/2020-6/30/2023.
Salary increases	Varies by entry age and service.
Payroll growth	2.75% for 10/1/2013-6/30/2020, and 2.80% for 7/1/2020-6/30/2023.
Discount Rate	The prescribed discount rate assumption, adopted by the board on November 17, 2021, is 6.90% compounded annually (net of investment and administrative expenses) as of June 30, 2023.
Retirement age	For 10/1/13-6/30/16, the probabilities of retirement are based on the 2014 CalPERS Experience study for the period from 1997 to 2007. For 7/1/16-6/30/19, the probabilities of retirement are based on the 2014 CalPERS Experience study for the period from 1997 to 2011. For 7/1/19-6/30/24, the probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	For 10/1/13-6/30/16, the probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. For 7/1/16-6/30/19, the probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. For 7/1/16-6/30/18, Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries. For 7/1/18-6/30/19, Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries. For 7/1/19-6/30/23, the probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For 7/1/23-6/30/24, the probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

*Beginning with the June 30, 2013 valuations, CalPERS employed an amortization and smoothing policy that will pay for all gains and losses over a fixed 30-year period with the increases or decreases in the rate spread directly over a 5-year period.
Note: The CalPERS Board of Administration has adopted a new amortization policy effective with the June 30, 2019 actuarial valuation. The new policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed using a level dollar amount. In addition, the new policy removes the 5-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy removes the 5-year ramp-down on investment gains/losses. These changes will apply only to new UAL bases established on or after June 30, 2019.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)

Last Ten Fiscal Years
Supplemental Retirement Plan

	2024-25 [1]	2023-24 [1]	2022-23 [1]	2021-22 [1]	2020-21 [1]	2019-20 [1]	2018-19 [1]	2017-18 [1,2]	2016-17 [1]	2015-16 [1]
Actuarially determined contribution	$ 1,202	$ 1,388	$ 1,413	$ 889	$ 933	$ 1,689	$ 2,258	$ 2,879	$ 3,895	$ 3,576
Contributions in relation to the actuarially determined contributions	(6,120)	(1,422)	(6,046)	(6,006)	(1,435)	(3,506)	(4,962)	(3,507)	(5,346)	(7,277)
Contribution deficiency (excess)	$ (4,918)	$ (34)	$ (4,633)	$ (5,117)	$ (502)	$ (1,817)	$ (2,704)	$ (628)	$ (1,451)	$ (3,701)
Covered payroll	$ 4,821	$ 5,590	$ 5,497	$ 6,670	$ 7,684	$ 8,469	$ 12,863	$ 10,890	$ 17,167	$ 19,517
Contributions as a percentage of covered payroll	126.94%	25.44%	109.99%	90.04%	18.68%	41.40%	38.58%	32.20%	31.14%	37.29%

[1] Historical information is required only for measurement periods for which GASB 68 is applicable.
[2] The 2017-18 period reflects nine months of activity only as the fiscal year change resulted in a nine-month reporting period from October 1, 2017 to June 30, 2018.

Notes to Schedule

Valuation date:	6/30/2023	6/30/2023	6/30/2021	6/30/2021	6/30/2019	6/30/2019	9/30/2017	9/30/2017	9/30/2015	9/30/2013

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal, Level Percentage of Payroll
Amortization method/ period	9/30/12 UAAL: fixed 10-year period, Gains/Losses: fixed 15-year period, Discount rate change loss: 10-year period, 6/30/18 UAAL: fixed 5-year period fresh start. 19-year closed period for 2021/2022. 20-year fixed period for 2022/23. 19-year fixed period for 2023/24. 18-year fixed period for 2024/25. Level dollar amortization.
Asset valuation method	Market value of assets.
Inflation	3% for 10/1/2013-6/30/2020 and 2.50% per annum for 7/1/2020-6/30/2025.
Salary increases	Aggregate - 2.75% annually. Merit - CalPERS 2000-2019 Experience Study.
Payroll growth	Merit - CalPERS 1997-2011 Experience Study plus 3.25% aggregate increase for the October 1, 2013 to June 30, 2018 measurement period. 3% aggregate increase for the July 1, 2018 - June 30, 2019 measurement period. Merit - CalPERS 1997-2015 Experience Study plus 2.75% annually increase for the July 1, 2021 - June 30, 2023 period. Merit - CalPERS 2000-2019 Experience Study plus 2.75% annually increase for the July 1, 2023 -June 30, 2025 period.
Investment rate of return	6.5%, net of pension plan investment and administrative expenses, including inflation for the October 1, 2013 to June 30, 2018 measurement period. 6.25%, net of pension plan investment and administrative expenses, for the July 1, 2019 - June 30, 2022 measurement period. 5.50%, net of pension plan investment and administrative expenses, for the July 1, 2022 - June 30, 2023 measurement period. 5.75%, net of pension plan investment and administrative expenses, for the July 1, 2023 - June 30, 2024 measurement period.
Retirement age	The probabilities of retirement are based on the CalPERS 1997-2015 Experience Study.
Mortality	The probabilities of mortality are based on the CalPERS 1997-2015 Experience Study. Pre-retirement and Post-retirement mortality rates include mortality projected fully generational with Scale MP-2019, modified to converge to ultimate improvement rates in 2022 for the October 1, 2013 to June 30, 2018 measurement period. Mortality projected fully generational with Scale MP-2019 for the July 1, 2021 to June 30, 2022 measurement period. Mortality projected fully generational with Scale MP-2021 for the July 1, 2022 to June 30, 2025 measurement period.

Schedule of Money Market Weighted Rate of Return

	2025	2024	2023	2022	2021	2020	2019	2019	2017	2016
Annual Money Weighted Rate of Return, net of investment expense	3.08%	11.10%	8.37%	(15.97%)	26.88%	3.79%	4.79%	4.04%	12.87%	10.20%

[1] Historical information is required only for measurement periods for which GASB 68 is applicable.
[2] The 2017-18 period reflects nine months of activity only as the fiscal year change resulted in a nine month reporting period from October 1, 2017 to June 30, 2018.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS FOR THE OPEB PLAN
FOR THE YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)

	Last Ten Fiscal Years*						
Fiscal Year Ended June 30	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**
Actuarially Determined Contribution (ADC)	$ 659	$ 793	$ 856	$ 1,401	$ 1,364	$ 1,793	$ 1,746
Contributions in relation to the ADC***	(881)	(935)	(1,997)	(2,499)	(1,882)	(1,959)	(2,270)
Contribution deficiency (excess)	$ (222)	$ (142)	$ (1,141)	$ (1,098)	$ (518)	$ (166)	$ (524)
Covered-employee payroll**	$ 79,569	$ 74,640	$ 72,558	$ 72,524	$ 70,881	$ 76,521	$ 79,682
Contributions as a percentage of covered-employee payroll	1.11%	1.25%	2.75%	3.45%	2.66%	2.56%	2.85%
Notes to Schedule:							
Valuation date:	6/30/2023	6/30/2023	6/30/2021	6/30/2021	6/30/2019	6/30/2017	6/30/2017

Methods and assumptions used to determine contributions:

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	Level percent of payroll over a 20-year fixed period
Asset Valuation Method	Investment gains and losses spread over 5-year fixed period.
Inflation	3% for 10/1/17-6/30/18 and 2.75% per annum for the measurement period 7/1/2018 to 6/30/2022. 2.50% per annum for the measurement period 7/1/2022 to 6/30/2024.
Payroll Growth	2.75% per annum, in aggregate.
Investment Rate of Return	6% for the October 1, 2017 - June 30, 2018 period. 6.25% for the July 1, 2018 - June 30, 2020. 5.50% for the July 1, 2020 - June 30, 2021 period. 5.75% for the July 1, 2021 to June 30, 2023 period. Assumes investing in California Employers' Retiree Benefit Trust asset allocation Strategy 3, moving to Strategy 2 beginning March 2019.
Healthcare cost-trend rates	8.50%, 1.0% - 2.0% near term increase then decreasing by 0.15%-0.60% per year to trend rate that reflects medical price inflation to an ultimate rate of 3.45% in 2076.
Retirement Age	Tier 1 employees - 2.5% @55 and Tier 2 employees - 2.0% @62. The probabilities of retirement are based on the 2014 CalPERS Experience Study for the period from 1997-2011. Tier 1 employees - 2.5% @55 and Tier 2 employees - 2.0% @ 62. The probabilities of retirement are based on the CalPERS 2000-2019-2015 experience Study for Measurement period as of 6/30/23.
Mortality	Pre-retirement mortality probability based on 2014 CalPERS 1997-2011 Experience Study covering CalPERS participants. Post-retirement mortality probability based on CalPERS Experience Study 2007-2011 covering participants in CalPERS. Mortality based on CalPERS 1997-2015 Experience Study covering participants in CalPERS. Mortality based on CalPERS 2000-2019 Experience Study covering participants in CalPERS.

*Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.
**For the nine-month period ending June 30, 2018. The City changed its fiscal year effective October 1, 2017.
***Contributions to the OPEB plan are not based on employee pay.

Supplementary Information

Other Governmental Funds

Special Revenue Funds account for revenues and expenditures legally constrained to a specific purpose.

- The **Air Quality Fund** accounts for revenues from the local agencies used to improve local air quality.
- The **Development Impact Fee Fund** accounts for fees collected for new developments to be used for transportation, park land acquisition and development, library and other public facilities in an effort to mitigate the impacts of those new developments.
- The **Disability Access Fund** accounts for the State Mandated Disability Access Fee (SB 1186) to fund increased training certified access specialist (CASp) services for the public and to facilitate compliance with construction related accessibility requirements.
- The **Drainage Fund** accounts for fees received from developers to construct and maintain the City's drainage system.
- The **Strand Parking Structure Fund** accounts for the activities of the Strand Parking Structure.
- The **Gas Tax Fund** accounts for monies allocated under the Streets and Highways Code of California. Expenditures may be made for any street related purpose allowed under the code.
- The **Housing Residual Receipt Fund** accounts for residual receipts received for housing activities.
- The **Park Acquisition and Development Fund** accounts for fees received from developers to develop and maintain the City's park system.
- The **Surf City "3" Fund** accounts for revenues and expenditures related to a 1% fee on cable television and other video subscription services to fund the purchase and acquisition of capital equipment and facilities necessary to program and broadcast PEG (public, education and government) events on the City's cable channel.
- The **ELM Automation Fund** accounts for automation fee revenues and Enterprise Land Management (ELM) replacement costs and maintenance expenditures.
- The **Traffic Congestion Relief Fund** accounts for moneys allocated for roadway maintenance as established by Assembly Bill 2928.
- The **Traffic Impact Fee Fund** accounts for moneys received from the traffic impact fee levied on new developments in the City.
- The **Transportation Fund** accounts for moneys received from the countywide half cent sales tax and other specific sources to be spent on transportation related expenditures.

Debt Service Funds account for the receipts for and payment of general long-term debt.

- The **Public Financing Authority** accounts for the activity of the Huntington Beach Public Financing Authority.

Capital Projects Funds account for the acquisition and construction of capital assets other than those financed by proprietary fund types.

- The **Affordable Housing In-Lieu Fund** accounts for the Affordable Housing In-Lieu Fee from developers of housing projects who have elected to pay the fee in-lieu of building the affordable housing in their project.

- The **Lease Capital Project Fund** records activity for leases project expenditures.
- The **Parking In-Lieu Fund** records construction activity from developers who pay fees in-lieu of directly providing parking facilities to the City.
- The **Sewer Development Fund** accounts for fees received from developers to construct and maintain sewer facilities.
- The **Technology Fund** accounts for technology infrastructure project expenditures.
- The **Senior Center Development** accounts for senior center development project expenditures.

COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
JUNE 30, 2025
(in Thousands)

	Special Revenue Funds					
	Air Quality	Development Impact Fee	Disability Access	Drainage	Strand Parking Structures	Gas Tax
ASSETS						
Cash and Investments	$ 759	$ 6,747	$ 547	$ 2,758	$ 4,405	$ 8,199
Cash and Investments with Fiscal Agent	-	-	-	-	-	-
Taxes Receivable	-	-	-	-	-	323
Other Receivables, Net	251	51	4	21	33	1,016
Prepaids	-	-	-	-	-	-
Total Assets	**$ 1,010**	**$ 6,798**	**$ 551**	**$ 2,779**	**$ 4,438**	**$ 9,538**
LIABILITIES						
Accounts Payable	$ 19	$ 50	$ 2	$ 110	$ 160	$ 387
Accrued Payroll	-	4	-	-	-	22
Total Liabilities	**19**	**54**	**2**	**110**	**160**	**409**
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue	9	-	-	-	-	-
Total Deferred Inflows of Resources	**9**	**-**	**-**	**-**	**-**	**-**
FUND BALANCES (DEFICITS)						
Nonspendable:						
Prepaids	-	-	-	-	-	-
Restricted:						
Pollution Remediation	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Highways, Streets and Transportation	-	-	-	-	-	9,129
Low Income Housing	-	-	-	-	-	-
Air Quality	982	-	-	-	-	-
Other Capital Projects	-	6,744	-	2,669	-	-
Other Purposes	-	-	549	-	-	-
Committed:						
Parks	-	-	-	-	-	-
Other Capital Projects	-	-	-	-	-	-
Other Purposes	-	-	-	-	4,278	-
Assigned:						
Capital Improvement Reserve	-	-	-	-	-	-
Total Fund Balances	**982**	**6,744**	**549**	**2,669**	**4,278**	**9,129**
Total Liabilities, Deferred Inflows of Resources and Fund Balances	**$ 1,010**	**$ 6,798**	**$ 551**	**$ 2,779**	**$ 4,438**	**$ 9,538**

COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
JUNE 30, 2025
(in Thousands)
(continued)

	Special Revenue Funds					
	Housing Residual Receipt	Park Acquisition and Development	Surf City "3"	ELM Automation Fund	Traffic Congestion Relief	Traffic Impact Fee
ASSETS						
Cash and Investments	$ 2,307	$ 8,472	$ 2,102	$ 1,038	$ 2,078	$ 3,742
Cash and Investments with Fiscal Agent	-	-	-	-	-	-
Taxes Receivable	-	-	92	-	155	-
Other Receivables, Net	17	63	16	8	26	28
Prepaids	-	-	-	-	-	-
Total Assets	**$ 2,324**	**$ 8,535**	**$ 2,210**	**$ 1,046**	**$ 2,259**	**$ 3,770**
LIABILITIES						
Accounts Payable	$ -	$ -	$ 10	$ -	$ 169	$ 302
Accrued Payroll	-	-	-	-	-	-
Total Liabilities	**-**	**-**	**10**	**-**	**169**	**302**
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue	-	-	-	-	-	-
Total Deferred Inflows of Resources	**-**	**-**	**-**	**-**	**-**	**-**
FUND BALANCES (DEFICITS)						
Nonspendable:						
Prepaids	-	-	-	-	-	-
Restricted:						
Pollution Remediation	-	359	-	-	-	-
Debt Service	-	-	-	-	-	-
Highways, Streets and Transportation	-	-	-	-	2,090	3,468
Low Income Housing	2,324	-	-	-	-	-
Air Quality	-	-	-	-	-	-
Other Capital Projects	-	-	-	-	-	-
Other Purposes	-	-	2,200	1,046	-	-
Committed:						
Parks	-	8,176	-	-	-	-
Other Capital Projects	-	-	-	-	-	-
Other Purposes	-	-	-	-	-	-
Assigned:						
Capital Improvement Reserve	-	-	-	-	-	-
Total Fund Balances	**2,324**	**8,535**	**2,200**	**1,046**	**2,090**	**3,468**
Total Liabilities, Deferred Inflows of Resources and Fund Balances	**$ 2,324**	**$ 8,535**	**$ 2,210**	**$ 1,046**	**$ 2,259**	**$ 3,770**

COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
JUNE 30, 2025
(in Thousands)
(continued)

	Special Revenue Funds		Debt Service Funds		Capital Projects Funds	
	Transportation	Total Special Revenue Funds	Public Financing Authority	Total Debt Service Funds	Affordable Housing In-Lieu	Lease Capital Project
ASSETS						
Cash and Investments	$ 5,015	$ 48,169	$ 3,405	$ 3,405	$ 10,479	$ 540
Cash and Investments with Fiscal Agent	-	-	1,173	1,173	-	1,874
Taxes Receivable	1,445	2,015	-	-	-	-
Other Receivables, Net	31	1,565	14	14	79	12
Prepaids	-	-	-	-	-	4,576
Total Assets	**$ 6,491**	**$ 51,749**	**$ 4,592**	**$ 4,592**	**$ 10,558**	**$ 7,002**
LIABILITIES						
Accounts Payable	$ 156	$ 1,365	$ 2	$ 2	$ -	$ -
Accrued Payroll	31	57	-	-	-	-
Total Liabilities	**187**	**1,422**	**2**	**2**	**-**	**-**
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue	1,445	1,454	-	-	-	-
Total Deferred Inflows of Resources	**1,445**	**1,454**	**-**	**-**	**-**	**-**
FUND BALANCES (DEFICITS)						
Nonspendable:						
Prepaids	-	-	-	-	-	4,576
Restricted:						
Pollution Remediation	-	359	-	-	-	-
Debt Service	-	-	4,590	4,590	-	-
Highways, Streets and Transportation	4,859	19,546	-	-	-	-
Low Income Housing	-	2,324	-	-	10,558	-
Air Quality	-	982	-	-	-	-
Other Capital Projects	-	9,413	-	-	-	2,426
Other Purposes	-	3,795	-	-	-	-
Committed:						
Parks	-	8,176	-	-	-	-
Other Capital Projects	-	-	-	-	-	-
Other Purposes	-	4,278	-	-	-	-
Assigned:						
Capital Improvement Reserve	-	-	-	-	-	-
Total Fund Balances	**4,859**	**48,873**	**4,590**	**4,590**	**10,558**	**7,002**
Total Liabilities, Deferred Inflows of Resources and Fund Balances	**$ 6,491**	**$ 51,749**	**$ 4,592**	**$ 4,592**	**$ 10,558**	**$ 7,002**

COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
JUNE 30, 2025
(in Thousands)
(continued)

	Capital Projects Funds					
	Parking In-Lieu	Sewer Development	Technology	Sr. Center Development	Total Capital Projects Funds	Total
ASSETS						
Cash and Investments	$ 1,216	$ 2,191	$ 5,801	$ 224	$ 20,451	$ 72,025
Cash and Investments with Fiscal Agent	-	-	-	-	1,874	3,047
Taxes Receivable	-	-	-	-	-	2,015
Other Receivables, Net	-	16	44	2	153	1,732
Prepaids	-	-	589	-	5,165	5,165
Total Assets	**$ 1,216**	**$ 2,207**	**$ 6,434**	**$ 226**	**$ 27,643**	**$ 83,984**
LIABILITIES						
Accounts Payable	$ -	$ -	$ 3	$ -	$ 3	$ 1,370
Accrued Payroll	-	-	-	-	-	57
Total Liabilities	**-**	**-**	**3**	**-**	**3**	**1,427**
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue	-	-	-	-	-	1,454
Total Deferred Inflows of Resources	**-**	**-**	**-**	**-**	**-**	**1,454**
FUND BALANCES (DEFICITS)						
Nonspendable:						
Prepaids	-	-	589	-	5,165	5,165
Restricted:						
Pollution Remediation	-	-	-	-	-	359
Debt Service	-	-	-	-	-	4,590
Highways, Streets and Transportation	-	-	-	-	-	19,546
Low Income Housing	-	-	-	-	10,558	12,882
Air Quality	-	-	-	-	-	982
Other Capital Projects	-	-	-	226	2,652	12,065
Other Purposes	-	-	-	-	-	3,795
Committed:						
Parks	-	-	-	-	-	8,176
Other Capital Projects	1,216	2,207	-	-	3,423	3,423
Other Purposes	-	-	-	-	-	4,278
Assigned:						
Capital Improvement Reserve	-	-	5,842	-	5,842	5,842
Total Fund Balances	**1,216**	**2,207**	**6,431**	**226**	**27,640**	**81,103**
Total Liabilities, Deferred Inflows of Resources and Fund Balances	**$ 1,216**	**$ 2,207**	**$ 6,434**	**$ 226**	**$ 27,643**	**$ 83,984**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OTHER GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2025 (In Thousands)

	Special Revenue Funds					
	Air Quality	Development Impact Fee	Disability Access	Drainage	Strand Parking Structures	Gas Tax
REVENUES						
Sales Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Other Taxes	-	-	-	-	-	-
Licenses and Permits	-	-	72	-	-	-
Use of Money and Property (Loss)	29	219	17	210	1,824	254
Intergovernmental	424	-	-	-	-	9,088
Charges for Current Services	-	556	-	234	-	-
Other	-	-	-	-	-	-
Total Revenues	**453**	**775**	**89**	**444**	**1,824**	**9,342**
EXPENDITURES						
Current:						
City Manager	-	-	-	-	-	-
Finance	-	-	11	-	-	-
Community Development	-	-	-	-	1,168	-
Fire	-	-	-	-	-	-
Information Services	-	-	-	-	-	-
Police	-	230	-	-	-	-
Community Services	-	631	-	-	-	-
Library Services	-	69	-	-	-	-
Public Works	299	-	-	1,371	-	8,963
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Expenditures	**299**	**930**	**11**	**1,371**	**1,168**	**8,963**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**154**	**(155)**	**78**	**(927)**	**656**	**379**
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	(530)	-
Total Other Financing Uses	**-**	**-**	**-**	**-**	**(530)**	**-**
Net Change in Fund Balances	**154**	**(155)**	**78**	**(927)**	**126**	**379**
Fund Balances - Beginning of Year	**828**	**6,899**	**471**	**3,596**	**4,152**	**8,750**
Fund Balances - End of Year	**$ 982**	**$ 6,744**	**$ 549**	**$ 2,669**	**$ 4,278**	**$ 9,129**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OTHER GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2025 (In Thousands) (continued)

	Special Revenue Funds					
	Housing Residual Receipt	Park Acquisition and Development	Surf City "3"	ELM Automation Fund	Traffic Congestion Relief	Traffic Impact Fee
REVENUES						
Sales Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Other Taxes	-	-	393	-	-	-
Licenses and Permits	-	-	-	-	-	-
Use of Money and Property (Loss)	78	486	70	63	61	130
Intergovernmental	-	-	-	-	1,895	-
Charges for Current Services	-	843	-	639	-	148
Other	72	-	-	-	36	-
Total Revenues	**150**	**1,329**	**463**	**702**	**1,992**	**278**
EXPENDITURES						
Current:						
City Manager	-	-	386	-	-	-
Finance	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Fire	-	-	-	-	-	-
Information Services	-	-	-	675	-	-
Police	-	-	-	-	-	-
Community Services	-	272	-	-	-	-
Library Services	-	-	-	-	-	-
Public Works	-	-	-	-	1,385	1,115
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Expenditures	**-**	**272**	**386**	**675**	**1,385**	**1,115**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**150**	**1,057**	**77**	**27**	**607**	**(837)**
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	**-**	**-**	**-**	**-**	**-**	**-**
Net Change in Fund Balances	**150**	**1,057**	**77**	**27**	**607**	**(837)**
Fund Balances - Beginning of Year	**2,174**	**7,478**	**2,123**	**1,019**	**1,483**	**4,305**
Fund Balances - End of Year	**$ 2,324**	**$ 8,535**	**$ 2,200**	**$ 1,046**	**$ 2,090**	**$ 3,468**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OTHER GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2025 (In Thousands) (continued)

	Special Revenue Funds		Debt Service Funds		Capital Projects Funds	
	Transportation	Total Special Revenue Funds	Public Financing Authority	Total Debt Service Funds	Affordable Housing In-Lieu	Lease Capital Project
REVENUES						
Sales Taxes	$ 3,074	$ 3,074	$ -	$ -	$ -	$ -
Other Taxes	-	393	-	-	-	-
Licenses and Permits	-	72	-	-	27	-
Use of Money and Property (Loss)	169	3,610	71	71	400	91
Intergovernmental	-	11,407	-	-	-	-
Charges for Current Services	-	2,420	-	-	-	-
Other	-	108	-	-	-	-
Total Revenues	**3,243**	**21,084**	**71**	**71**	**427**	**91**
EXPENDITURES						
Current:						
City Manager	-	386	-	-	-	-
Finance	-	11	6	6	-	-
Community Development	-	1,168	-	-	-	-
Fire	-	-	-	-	-	153
Information Services	-	675	-	-	-	-
Police	-	230	-	-	-	-
Community Services	-	903	-	-	-	-
Library Services	-	69	-	-	-	-
Public Works	3,521	16,654	-	-	-	-
Debt Service:						
Principal	-	-	2,295	2,295	-	-
Interest	-	-	660	660	-	-
Total Expenditures	**3,521**	**20,096**	**2,961**	**2,961**	**-**	**153**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**(278)**	**988**	**(2,890)**	**(2,890)**	**427**	**(62)**
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	2,968	2,968	-	-
Transfers Out	-	(530)	-	-	-	-
Total Other Financing Sources (Uses)	**-**	**(530)**	**2,968**	**2,968**	**-**	**-**
Net Change in Fund Balances	**(278)**	**458**	**78**	**78**	**427**	**(62)**
Fund Balances - Beginning of Year	**5,137**	**48,415**	**4,512**	**4,512**	**10,131**	**7,064**
Fund Balances - End of Year	**$ 4,859**	**$ 48,873**	**$ 4,590**	**$ 4,590**	**$ 10,558**	**$ 7,002**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OTHER GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2025 (In Thousands) (continued)

	Capital Projects Funds					
	Parking In-Lieu	Sewer Development	Technology	Sr. Center Development	Total Capital Projects Funds	Total
REVENUES						
Sales Taxes	$ -	$ -	$ -	$ -	$ -	$ 3,074
Other Taxes	-	-	-	-	-	393
Licenses and Permits	289	-	-	-	316	388
Use of Money and Property (Loss)	-	131	387	226	1,235	4,916
Intergovernmental	-	12	-	-	12	11,419
Charges for Current Services	-	511	-	-	511	2,931
Other	-	-	-	-	-	108
Total Revenues	**289**	**654**	**387**	**226**	**2,074**	**23,229**
EXPENDITURES						
Current:						
City Manager	-	-	-	-	-	386
Finance	-	-	-	-	-	17
Community Development	12	-	-	-	12	1,180
Fire	-	-	-	-	153	153
Information Services	-	-	718	-	718	1,393
Police	-	-	-	-	-	230
Community Services	-	-	-	-	-	903
Library Services	-	-	-	-	-	69
Public Works	-	374	-	-	374	17,028
Debt Service:						
Principal	-	-	-	-	-	2,295
Interest	-	-	-	-	-	660
Total Expenditures	**12**	**374**	**718**	**-**	**1,257**	**24,314**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**277**	**280**	**(331)**	**226**	**817**	**(1,085)**
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	2,968
Transfers Out	-	-	-	-	-	(530)
Total Other Financing Sources	**-**	**-**	**-**	**-**	**-**	**2,438**
Net Change in Fund Balances	**277**	**280**	**(331)**	**226**	**817**	**1,353**
Fund Balances - Beginning of Year	**939**	**1,927**	**6,762**	**-**	**26,823**	**79,750**
Fund Balances - End of Year	**$ 1,216**	**$ 2,207**	**$ 6,431**	**$ 226**	**$ 27,640**	**$ 81,103**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL OTHER GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2025 (In Thousands)

Air Quality

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Use of Money and Property (Loss)	$ -	$ -	$ 29	$ 29
Intergovernmental	250	250	424	174
Total Revenues	**250**	**250**	**453**	**203**
EXPENDITURES				
Current:				
Public Works	250	1,265	299	966
Total Expenditures	**250**	**1,265**	**299**	**966**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**-**	**(1,015)**	**154**	**1,169**
Net Change in Fund Balances	**-**	**(1,015)**	**154**	**1,169**
Fund Balances - Beginning of Year	**828**	**828**	**828**	**-**
Fund Balances (Deficits) - End of Year	**$ 828**	**$ (187)**	**$ 982**	**$ 1,169**

Development Impact Fee

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Use of Money and Property (Loss)	$ -	$ -	$ 219	$ 219
Charges for Current Services	559	559	556	(3)
Total Revenues	**559**	**559**	**775**	**216**
EXPENDITURES				
Current:				
Fire	-	826	-	826
Police	-	337	230	107
Community Services	1,001	2,337	631	1,706
Library Services	400	647	69	578
Total Expenditures	**1,401**	**4,147**	**930**	**3,217**
Deficiency of Revenues Under Expenditures	**(842)**	**(3,588)**	**(155)**	**3,433**
OTHER FINANCING SOURCES (USES)				
Transfers Out	(17)	-	-	-
Total Other Financing Uses	**(17)**	**-**	**-**	**-**
Net Change in Fund Balances	**(859)**	**(3,588)**	**(155)**	**3,433**
Fund Balances - Beginning of Year	**6,899**	**6,899**	**6,899**	**-**
Fund Balances - End of Year	**$ 6,040**	**$ 3,311**	**$ 6,744**	**$ 3,433**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL OTHER GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2025 (In Thousands)

Disability Access

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Licenses and Permits	$ 74	$ 74	$ 72	$ (2)
Use of Money and Property (Loss)	-	-	17	17
Total Revenues	**74**	**74**	**89**	**15**
EXPENDITURES				
Current:				
Finance	74	74	11	63
Total Expenditures	**74**	**74**	**11**	**63**
Excess of Revenues Over Expenditures	**-**	**-**	**78**	**78**
Net Change in Fund Balances	**-**	**-**	**78**	**78**
Fund Balances - Beginning of Year	**471**	**471**	**471**	**-**
Fund Balances - End of Year	**$ 471**	**$ 471**	**$ 549**	**$ 78**

Drainage

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Use of Money and Property (Loss)	$ -	$ -	$ 210	$ 210
Charges for Current Services	200	200	234	34
Total Revenues	**200**	**200**	**444**	**244**
EXPENDITURES				
Current:				
Public Works	-	3,420	1,371	2,049
Total Expenditures	**-**	**3,420**	**1,371**	**2,049**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**200**	**(3,220)**	**(927)**	**2,293**
Net Change in Fund Balances	**200**	**(3,220)**	**(927)**	**2,293**
Fund Balances - Beginning of Year	**3,596**	**3,596**	**3,596**	**-**
Fund Balances - End of Year	**$ 3,796**	**$ 376**	**$ 2,669**	**$ 2,293**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL OTHER GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2025 (In Thousands)

Strand Parking Structure

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Use of Money and Property (Loss)	$ 1,630	$ 1,630	$ 1,824	$ 194
Total Revenues	**1,630**	**1,630**	**1,824**	**194**
EXPENDITURES				
Current:				
Community Development	1,189	1,506	1,168	338
Total Expenditures	**1,189**	**1,506**	**1,168**	**338**
Excess of Revenues Over Expenditures	**441**	**124**	**656**	**532**
OTHER FINANCING SOURCES (USES)				
Transfers Out	(530)	(530)	(530)	-
Total Other Financing Uses	**(530)**	**(530)**	**(530)**	**-**
Net Change in Fund Balances	**(89)**	**(406)**	**126**	**532**
Fund Balances - Beginning of Year	**4,152**	**4,152**	**4,152**	**-**
Fund Balances - End of Year	**$ 4,063**	**$ 3,746**	**$ 4,278**	**$ 532**

Gas Tax

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Use of Money and Property (Loss)	$ -	$ -	$ 254	$ 254
Intergovernmental	8,787	8,787	9,088	301
Total Revenues	**8,787**	**8,787**	**9,342**	**555**
EXPENDITURES				
Current:				
Public Works	8,473	14,757	8,963	5,794
Total Expenditures	**8,473**	**14,757**	**8,963**	**5,794**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**314**	**(5,970)**	**379**	**6,349**
OTHER FINANCING SOURCES (USES)				
Transfers Out	(104)	-	-	-
Total Other Financing Uses	**(104)**	**-**	**-**	**-**
Net Change in Fund Balances	**210**	**(5,970)**	**379**	**6,349**
Fund Balances - Beginning of Year	**8,750**	**8,750**	**8,750**	**-**
Fund Balances - End of Year	**$ 8,960**	**$ 2,780**	**$ 9,129**	**$ 6,349**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL OTHER GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2025 (In Thousands)

Housing Residual Receipt

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Use of Money and Property (Loss)	$ -	$ -	$ 78	$ 78
Other	30	30	72	42
Total Revenues	**30**	**30**	**150**	**120**
EXPENDITURES				
Current:				
Community Development	30	35	-	35
Total Expenditures	**30**	**35**	**-**	**35**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**-**	**(5)**	**150**	**155**
Net Change in Fund Balances	**-**	**(5)**	**150**	**155**
Fund Balances - Beginning of Year	**2,174**	**2,174**	**2,174**	**-**
Fund Balances - End of Year	**$ 2,174**	**$ 2,169**	**$ 2,324**	**$ 155**

Park Acquisition and Development

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Use of Money and Property (Loss)	$ -	$ -	$ 486	$ 486
Charges for Current Services	400	400	843	443
Total Revenues	**400**	**400**	**1,329**	**929**
EXPENDITURES				
Current:				
Community Services	2,865	3,419	272	3,147
Total Expenditures	**2,865**	**3,419**	**272**	**3,147**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**(2,465)**	**(3,019)**	**1,057**	**4,076**
Net Change in Fund Balances	**(2,465)**	**(3,019)**	**1,057**	**4,076**
Fund Balances - Beginning of Year	**7,478**	**7,478**	**7,478**	**-**
Fund Balances - End of Year	**$ 5,013**	**$ 4,459**	**$ 8,535**	**$ 4,076**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL OTHER GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2025 (In Thousands)

Surf City "3"

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Other Taxes	$ 480	$ 480	$ 393	$ (87)
Use of Money and Property (Loss)	-	-	70	70
Total Revenues	**480**	**480**	**463**	**(17)**
EXPENDITURES				
Current:				
City Manager	150	494	386	108
Total Expenditures	**150**	**494**	**386**	**108**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**330**	**(14)**	**77**	**91**
Net Change in Fund Balances	**330**	**(14)**	**77**	**91**
Fund Balances - Beginning of Year	**2,123**	**2,123**	**2,123**	**-**
Fund Balances - End of Year	**$ 2,453**	**$ 2,109**	**$ 2,200**	**$ 91**

ELM Automation Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Use of Money and Property (Loss)	$ -	$ -	$ 63	$ 63
Charges for Current Services	450	450	639	189
Total Revenues	**450**	**450**	**702**	**252**
EXPENDITURES				
Current:				
Information Services	845	845	675	170
Total Expenditures	**845**	**845**	**675**	**170**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**(395)**	**(395)**	**27**	**422**
Net Change in Fund Balances	**(395)**	**(395)**	**27**	**422**
Fund Balances - Beginning of Year	**1,019**	**1,019**	**1,019**	**-**
Fund Balances - End of Year	**$ 624**	**$ 624**	**$ 1,046**	**$ 422**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL OTHER GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2025 (In Thousands)

Traffic Congestion Relief

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Use of Money and Property (Loss)	$ -	$ -	$ 61	$ 61
Intergovernmental	1,762	1,762	1,895	133
Other	-	-	36	36
Total Revenues	**1,762**	**1,762**	**1,992**	**230**
EXPENDITURES				
Current:				
Public Works	1,140	2,441	1,385	1,056
Total Expenditures	**1,140**	**2,441**	**1,385**	**1,056**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**622**	**(679)**	**607**	**1,286**
Net Change in Fund Balances	**622**	**(679)**	**607**	**1,286**
Fund Balances - Beginning of Year	**1,483**	**1,483**	**1,483**	**-**
Fund Balances - End of Year	**$ 2,105**	**$ 804**	**$ 2,090**	**$ 1,286**

Traffic Impact Fee

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Use of Money and Property (Loss)	$ -	$ -	$ 130	$ 130
Charges for Current Services	100	100	148	48
Total Revenues	**100**	**100**	**278**	**178**
EXPENDITURES				
Current:				
Public Works	155	3,154	1,115	2,039
Total Expenditures	**155**	**3,154**	**1,115**	**2,039**
Deficiency of Revenues Under Expenditures	**(55)**	**(3,054)**	**(837)**	**2,217**
Net Change in Fund Balances	**(55)**	**(3,054)**	**(837)**	**2,217**
Fund Balances - Beginning of Year	**4,305**	**4,305**	**4,305**	**-**
Fund Balances - End of Year	**$ 4,250**	**$ 1,251**	**$ 3,468**	**$ 2,217**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL OTHER GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2025 (In Thousands)

Transportation

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Sales Taxes	$ 5,118	$ 5,118	$ 3,074	$ (2,044)
Use of Money and Property (Loss)	-	-	169	169
Total Revenues	**5,118**	**5,118**	**3,243**	**(1,875)**
EXPENDITURES				
Current:				
Public Works	5,347	6,569	3,521	3,048
Total Expenditures	**5,347**	**6,569**	**3,521**	**3,048**
Deficiency of Revenues Under Expenditures	**(229)**	**(1,451)**	**(278)**	**1,173**
OTHER FINANCING SOURCES (USES)				
Transfers Out	(181)	-	-	-
Total Other Financing Uses	**(181)**	**-**	**-**	**-**
Net Change in Fund Balances	**(410)**	**(1,451)**	**(278)**	**1,173**
Fund Balances - Beginning of Year	**5,137**	**5,137**	**5,137**	**-**
Fund Balances - End of Year	**$ 4,727**	**$ 3,686**	**$ 4,859**	**$ 1,173**

Public Financing Authority

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Use of Money and Property (Loss)	$ -	$ -	$ 71	$ 71
Total Revenues	**-**	**-**	**71**	**71**
EXPENDITURES				
Current:				
Finance	13	14	6	8
Debt Service:				
Principal	2,295	2,295	2,295	-
Interest	660	660	660	-
Total Expenditures	**2,968**	**2,969**	**2,961**	**8**
Deficiency of Revenues Under Expenditures	**(2,968)**	**(2,969)**	**(2,890)**	**79**
OTHER FINANCING SOURCES (USES)				
Transfers In	2,968	2,968	2,968	-
Total Other Financing Sources	**2,968**	**2,968**	**2,968**	**-**
Net Change in Fund Balances	**-**	**(1)**	**78**	**79**
Fund Balances - Beginning of Year	**4,512**	**4,512**	**4,512**	**-**
Fund Balances - End of Year	**$ 4,512**	**$ 4,511**	**$ 4,590**	**$ 79**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL OTHER GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2025 (In Thousands)

Affordable Housing In-Lieu

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Licenses and Permits	$ -	$ -	$ 27	$ 27
Use of Money and Property (Loss)	100	100	400	300
Total Revenues	**100**	**100**	**427**	**327**
Excess of Revenues Over Expenditures	**100**	**100**	**427**	**327**
Net Change in Fund Balances	**100**	**100**	**427**	**327**
Fund Balances - Beginning of Year	**10,131**	**10,131**	**10,131**	**-**
Fund Balances - End of Year	**$ 10,231**	**$ 10,231**	**$ 10,558**	**$ 327**

Lease Capital Project

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Use of Money and Property (Loss)	$ -	$ -	$ 91	$ 91
Total Revenues	**-**	**-**	**91**	**91**
EXPENDITURES				
Current:				
Fire	-	6,011	153	5,858
Total Expenditures	**-**	**6,011**	**153**	**5,858**
Deficiency of Revenues Under Expenditures	**-**	**(6,011)**	**(62)**	**5,949**
Net Change in Fund Balances	**-**	**(6,011)**	**(62)**	**5,949**
Fund Balances - Beginning of Year	**7,064**	**7,064**	**7,064**	**-**
Fund Balances - End of Year	**$ 7,064**	**$ 1,053**	**$ 7,002**	**$ 5,949**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL OTHER GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2025 (In Thousands)

Parking In-Lieu

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Licenses and Permits	$ 57	$ 57	$ 289	$ 232
Total Revenues	**57**	**57**	**289**	**232**
EXPENDITURES				
Current:				
Community Development	-	49	12	37
Total Expenditures	**-**	**49**	**12**	**37**
Excess of Revenues Over Expenditures	**57**	**8**	**277**	**269**
Net Change in Fund Balances	**57**	**8**	**277**	**269**
Fund Balances - Beginning of Year	**939**	**939**	**939**	**-**
Fund Balances - End of Year	**$ 996**	**$ 947**	**$ 1,216**	**$ 269**

Sewer Development

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Use of Money and Property (Loss)	$ -	$ -	$ 131	$ 131
Intergovernmental	12	12	12	-
Charges for Current Services	155	155	511	356
Total Revenues	**167**	**167**	**654**	**487**
EXPENDITURES				
Current:				
Public Works	-	700	374	326
Total Expenditures	**-**	**700**	**374**	**326**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**167**	**(533)**	**280**	**813**
Net Change in Fund Balances	**167**	**(533)**	**280**	**813**
Fund Balances - Beginning of Year	**1,927**	**1,927**	**1,927**	**-**
Fund Balances - End of Year	**$ 2,094**	**$ 1,394**	**$ 2,207**	**$ 813**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL OTHER GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2025 (In Thousands)

Technology

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Use of Money and Property (Loss)	$ -	$ -	$ 387	$ 387
Total Revenues	-	-	387	387
EXPENDITURES				
Current:				
Information Services	-	2,255	718	1,537
Total Expenditures	-	2,255	718	1,537
Deficiency of Revenues Under Expenditures	-	(2,255)	(331)	1,924
Net Change in Fund Balances	-	(2,255)	(331)	1,924
Fund Balances - Beginning of Year	6,762	6,762	6,762	-
Fund Balances - End of Year	$ 6,762	$ 4,507	$ 6,431	$ 1,924

Sr. Center Development

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Use of Money and Property (Loss)	$ -	$ -	$ 226	$ 226
Total Revenues	-	-	226	226
Excess of Revenues Over Expenditures	-	-	226	226
Net Change in Fund Balances	-	-	226	226
Fund Balances (Deficits) - Beginning of Year	-	-	-	-
Fund Balances - End of Year	$ -	$ -	$ 226	$ 226

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL MAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2025 (In Thousands)

LMIHAF Capital Projects Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Use of Money and Property (Loss)	$ 200	$ 200	$ 1,204	$ 1,004
Intergovernmental	-	-	1,719	1,719
Total Revenues	**200**	**200**	**2,923**	**2,723**
EXPENDITURES				
Current:				
Community Development	408	1,270	1,206	64
Total Expenditures	**408**	**1,270**	**1,206**	**64**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**(208)**	**(1,070)**	**1,717**	**2,787**
OTHER FINANCING SOURCES (USES)				
Transfers In	1,719	1,719	-	(1,719)
Transfers Out	(42)	-	-	-
Total Other Financing Sources	**1,677**	**1,719**	**-**	**(1,719)**
Net Change in Fund Balances	**1,469**	**649**	**1,717**	**1,068**
Fund Balances - Beginning of Year	**7,910**	**7,910**	**7,910**	**-**
Fund Balances - End of Year	**$ 9,379**	**$ 8,559**	**$ 9,627**	**$ 1,068**

Pension Liability Debt Service Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Property Taxes	$ 7,148	$ 7,148	$ 8,858	$ 1,710
Use of Money and Property (Loss)	-	-	1,258	1,258
Charges for Current Services	-	15,428	15,727	299
Total Revenues	**7,148**	**22,576**	**25,843**	**3,267**
EXPENDITURES				
Debt Service:				
Principal	13,665	13,665	12,724	941
Interest	8,911	8,911	8,360	551
Total Expenditures	**22,576**	**22,576**	**21,084**	**1,492**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**(15,428)**	**-**	**4,759**	**4,759**
OTHER FINANCING SOURCES (USES)				
Transfers In	16,928	1,500	1,500	-
Total Other Financing Sources	**16,928**	**1,500**	**1,500**	**-**
Net Change in Fund Balances	**1,500**	**1,500**	**6,259**	**4,759**
Fund Balances - Beginning of Year	**36,119**	**36,119**	**36,119**	**-**
Fund Balances - End of Year	**$ 37,619**	**$ 37,619**	**$ 42,378**	**$ 4,759**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL MAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2025 (In Thousands)

Infrastructure

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Use of Money and Property (Loss)	$ -	$ -	$ 1,868	$ 1,868
Intergovernmental	-	-	15	15
Other	-	-	11	11
Total Revenues	**-**	**-**	**1,894**	**1,894**
EXPENDITURES				
Current:				
Community Services	158	158	160	(2)
Public Works	14,129	43,187	19,688	23,499
Total Expenditures	**14,287**	**43,345**	**19,848**	**23,497**
Deficiency of Revenues Under Expenditures	**(14,287)**	**(43,345)**	**(17,954)**	**25,391**
OTHER FINANCING SOURCES (USES)				
Transfers In	14,500	17,540	17,539	(1)
Transfers Out	(212)	-	-	-
Total Other Financing Sources	**14,288**	**17,540**	**17,539**	**(1)**
Net Change in Fund Balances	**1**	**(25,805)**	**(415)**	**25,390**
Fund Balances - Beginning of Year	**29,397**	**29,397**	**29,397**	**-**
Fund Balances - End of Year	**$ 29,398**	**$ 3,592**	**$ 28,982**	**$ 25,390**

THE PAGE INTENTIONALLY LEFT BLANK

Internal Service Funds

Internal Services Funds are used to accumulate and allocate costs internally among the City's various functions.

- The **Self Insurance Workers' Comp Fund** accounts for the City's self insurance workers' compensation program.
- The **Self Insurance General Liability Fund** accounts for the City's self insurance general liability program.
- The **Equipment Replacement Fund** accounts for the City's equipment replacement needs.

STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2025
(In Thousands)

	Governmental Activities			
	Self Insurance Workers' Comp	Self Insurance General Liability	Equipment Replacement Fund	Internal Service Fund Total
ASSETS				
Current Assets:				
Cash and Investments	$ 33,881	$ 26,908	$ 18,276	$ 79,065
Other Receivables, Net	236	202	122	560
Prepaids	600	-	1,257	1,857
Total Current Assets	**34,717**	**27,110**	**19,655**	**81,482**
Non-Current Assets:				
Capital Assets:				
Buildings and Improvements	-	-	67	67
Machinery and Equipment	-	-	20,881	20,881
Infrastructure	-	-	290	290
Less Accumulated Depreciation	-	-	(8,172)	(8,172)
Total Capital Assets	**-**	**-**	**13,066**	**13,066**
Net Other Postemployment Benefits Asset	21	9	-	30
Net Pension Asset	19	-	-	19
Total Non-Current Assets	**40**	**9**	**13,066**	**13,115**
Total Assets	**34,757**	**27,119**	**32,721**	**94,597**
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows Related to Pensions	207	-	-	207
Deferred Outflows Related to Other Postemployment Benefits	13	6	-	19
Total Deferred Outflows of Resources	**220**	**6**	**-**	**226**
Total Assets and Deferred Outflows of Resources	**$ 34,977**	**$ 27,125**	**$ 32,721**	**$ 94,823**
LIABILITIES				
Current Liabilities:				
Accounts Payable	$ 224	$ 31	$ 68	$ 323
Accrued Payroll	8	7	-	15
Interest Payable	1	-	-	1
Long-Term Obligations Due Within One Year:				
Current Portion of Claims Payable	10,017	5,454	-	15,471
Current Portion of Compensated Absences	15	2	-	17
Current Portion of Pension Obligation Bonds	44	-	-	44
Total Current Liabilities	**10,309**	**5,494**	**68**	**15,871**
Non-Current Liabilities:				
Long-Term Obligations Due in More than One Year:				
Claims Payable	56,715	7,544	-	64,259
Compensated Absences	39	6	-	45
Pension Obligation Bonds	856	-	-	856
Net Pension Liability	543	-	-	543
Total Non-Current Liabilities	**58,153**	**7,550**	**-**	**65,703**
Total Liabilities	**68,462**	**13,044**	**68**	**81,574**
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows Related to Pensions	10	-	-	10
Deferred Inflows Related to Other Postemployment Benefits	23	10	-	33
Total Deferred Inflows of Resources	**33**	**10**	**-**	**43**
NET POSITION				
Investment in Capital Assets	-	-	13,066	13,066
Restricted for:				
OPEB Benefits	13	6	-	19
Unrestricted	(33,531)	14,065	19,587	121
Total Net Position	**(33,518)**	**14,071**	**32,653**	**13,206**
Total Liabilities, Deferred Inflows of Resources, and Net Position	**$ 34,977**	**$ 27,125**	**$ 32,721**	**$ 94,823**

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION INTERNAL SERVICE FUNDS FOR THE YEAR ENDED JUNE 30, 2025 (In Thousands)

	Governmental Activities			
	Self Insurance Workers' Comp	Self Insurance General Liability	Equipment Replacement Fund	Internal Service Fund Total
OPERATING REVENUES				
Fees and Charges for Service	$ 14,664	$ 17,552	$ 10,105	$ 42,321
Other	1,391	50	-	1,441
Total Operating Revenues	**16,055**	**17,602**	**10,105**	**43,762**
OPERATING EXPENSES				
Supplies and Operations	2,355	393	2,600	5,348
Claims and Judgments	22,343	10,074	-	32,417
Depreciation	-	-	2,537	2,537
Total Operating Expenses	**24,698**	**10,467**	**5,137**	**40,302**
Operating Income (Loss)	**(8,643)**	**7,135**	**4,968**	**3,460**
NON-OPERATING REVENUES (EXPENSES)				
Investment Income	1,569	910	837	3,316
Interest Expense	(25)	-	-	(25)
Total Non-Operating Revenues	**1,544**	**910**	**837**	**3,291**
Income (Loss) Before Transfers	**(7,099)**	**8,045**	**5,805**	**6,751**
Change in Net Position	**(7,099)**	**8,045**	**5,805**	**6,751**
Net Position - Beginning of Year, as Previously Reported	**(26,415)**	**6,026**	**26,848**	**6,459**
Prior Year Corrections	(4)	-	-	(4)
Net Position - Beginning of Year, as Restated	**(26,419)**	**6,026**	**26,848**	**6,455**
Net Position - End of Year	**$ (33,518)**	**$ 14,071**	**$ 32,653**	**$ 13,206**

STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2025
(In Thousands)

	Governmental Activities			
	Self Insurance Workers' Comp	Self Insurance General Liability	Equipment Replacement Fund	Internal Service Fund Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers and Users	$ 17,052	$ 17,502	$ 10,040	$ 44,594
Cash Paid to Employees for Services	(262)	(169)	-	(431)
Cash Paid to Suppliers of Goods and Services	(9,299)	(7,047)	(2,474)	(18,820)
Net Cash and Investment Provided by Operating Activities	**7,491**	**10,286**	**7,566**	**25,343**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Debt Service	(43)	-	-	(43)
Interest Paid	(24)	-	-	(24)
Net Cash and Investments Used by Noncapital Financing Activities	**(67)**	**-**	**-**	**(67)**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of Capital Assets	-	-	(4,401)	(4,401)
Net Cash and Investments Used by Capital and Related Financing Activities	**-**	**-**	**(4,401)**	**(4,401)**
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment Income	1,569	910	837	3,316
Net Cash and Investments Provided by Investing Activities	**1,569**	**910**	**837**	**3,316**
Net Increase in Cash and Investments	**8,993**	**11,196**	**4,002**	**24,191**
Cash and Investments - Beginning of Year	**24,888**	**15,712**	**14,274**	**54,874**
Cash and Investments - End of Year	**$ 33,881**	**$ 26,908**	**$ 18,276**	**$ 79,065**
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH AND INVESTMENTS PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	$ (8,643)	$ 7,135	$ 4,968	$ 3,460
Adjustments to Reconcile Operating Income (Loss) to Net Cash and Investments Provided (Used) by Operating Activities				
Depreciation	-	-	2,537	2,537
(Increase) Decrease in Other Receivables, Net	997	(100)	(65)	832
Decrease in Prepaids	-	-	638	638
(Increase) in Net Other Postemployment Benefits Asset	(4)	(1)	-	(5)
Increase (Decrease) in Accounts Payable	(361)	21	(512)	(852)
Increase in Accrued Payroll	4	1	-	5
Increase in Claims Payable	15,401	3,234	-	18,635
Increase (Decrease) in Compensated Absences	2	(3)	-	(1)
Decrease in Deferred Pension Outflow	162	-	-	162
Increase in Deferred Pension Inflow	9	-	-	9
(Decrease) in Net Pension Liability	(57)	-	-	(57)
Decrease in Deferred Other Postemployment Benefits Outflow	6	2	-	8
(Decrease) in Deferred Other Postemployment Benefits Inflow	(6)	(3)	-	(9)
(Increase) Decrease in Net Pension Asset	(19)	-	-	(19)
Net Cash and Investments Provided by Operating Activities	**$ 7,491**	**$ 10,286**	**$ 7,566**	**$ 25,343**
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				

There were no noncash investing, capital, or financing activities during the year ended June 30, 2025.

Fiduciary Funds

Fiduciary Funds account for assets held by the City as a custodian for other organizations or individuals.

- The **Community Facilities Districts Funds** accounts for the debt service activity of the City's three community
- facilities districts.
- The **Huntington Beach Business Improvement District Fund** accounts for the activities of the City's business improvement district.
- The **Bella Terra Parking Structure Fund** accounts for the activities of the Bella Terra Parking Structure.

COMBINING STATEMENT OF FIDUCIARY FUND NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2025
(in Thousands)

	Custodial Funds			
	Community Facilities Districts	Business Improvement Districts	Parking Structure - Bella Terra	Total Custodial Funds
Assets				
Cash and Investments	$ 1,527	$ 1,196	$ 2,084	$ 4,807
Cash and Investments with Fiscal Agent	1,693	-	1,764	3,457
Accounts Receivable, Net	17	1,079	17	1,113
Total Assets	**3,237**	**2,275**	**3,865**	**9,377**
Liabilities				
Current Liabilities:				
Accounts Payable	-	1,944	319	2,263
Total Current Liabilities	**-**	**1,944**	**319**	**2,263**
Total Liabilities	**-**	**1,944**	**319**	**2,263**
Net position				
Restricted for:				
Individuals and Organizations	3,237	331	3,546	7,114
Total Net Position	**$ 3,237**	**$ 331**	**$ 3,546**	**$ 7,114**

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025
(in Thousands)

	Custodial Funds			
	Community Facilities Districts	Business Improvement Districts	Parking Structure - Bella Terra	Total Custodial Funds
Additions				
Special Assessments or Special Taxes Collected from Property Owners	$ 1,574	$ -	$ -	$ 1,574
Business Improvement District Taxes	-	10,266	-	10,266
Parking Assessments	-	-	3,019	3,019
Total Additions Before Investment Income	**1,574**	**10,266**	**3,019**	**14,859**
Investment Income (Loss):				
Investment Income	78	-	106	184
Net Investment Income	**78**	**-**	**106**	**184**
Total Additions	**1,652**	**10,266**	**3,125**	**15,043**
Deductions				
Administrative Costs	21	-	-	21
Payments to Other Organizations	-	10,172	1,402	11,574
Interest and Fiscal Agency Expenses	531	-	646	1,177
Principal	980	-	1,010	1,990
Total Deductions	**1,532**	**10,172**	**3,058**	**14,762**
Change in Net Position	**120**	**94**	**67**	**281**
Net Position - Beginning of Year	**3,117**	**237**	**3,479**	**6,833**
Net Position - End of Year	**$ 3,237**	**$ 331**	**$ 3,546**	**$ 7,114**

THE PAGE INTENTIONALLY LEFT BLANK

Statistical Section

Annual Comprehensive Financial Report 2025

THE PAGE INTENTIONALLY LEFT BLANK

Statistical Section

This part of the City of Huntington Beach's Annual Comprehensive Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the City's overall financial health.

Financial Trends – contains trend information to help the reader understand how the City's financial performance has changed over time.

Revenue Capacity – contains information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity – presents information to assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information – offers information to help the reader understand the environment within which the City's financial activities take place.

Operating Information – contains service and infrastructure data to help the reader understand how the City's financial report relates to the services the City provides and the activities it performs.

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

NET POSITION BY COMPONENT - LAST TEN FISCAL YEARS
(In Thousands)

	Fiscal Year Ended June 30, 2025	2024	2023	2022	2021
Governmental Activities					
Net investment in capital assets	$ 771,109	$ 751,578	$ 727,051	$ 712,289	$ 699,204
Restricted	144,388	127,535	82,564	68,460	65,755
Unrestricted	(190,408)	(179,145)	(173,034)	(223,438)	(275,159)
Total Governmental Activities Net Position	**$ 725,089**	**$ 699,968**	**$ 636,581**	**$ 557,311**	**$ 489,800**
Business-Type Activities					
Net investment in capital assets	$ 144,753	$ 141,232	$ 141,581	$ 143,998	$ 142,469
Restricted	27,510	24,394	21,213	19,309	20,332
Unrestricted	29,449	31,190	36,684	34,120	39,129
Total Business-Type Activities Net Position	**$ 201,712**	**$ 196,816**	**$ 199,478**	**$ 197,427**	**$ 201,930**
Primary Government					
Net investment in capital assets	$ 915,862	$ 892,810	$ 868,632	$ 856,287	$ 841,673
Restricted	171,898	151,929	103,777	87,769	86,087
Unrestricted	(160,959)	(147,955)	(136,350)	(189,318)	(236,030)
Total Primary Government Net Position	**$ 926,801**	**$ 896,784**	**$ 836,059**	**$ 754,738**	**$ 691,730**

CHANGES IN NET POSITION - LAST TEN FISCAL YEARS
(In Thousands)

	Fiscal Year Ended June 30, 2025	2024	2023	2022	2021
Expenses:					
Governmental Activities:					
City Council	$ 469	$ 441	$ 429	$ 382	$ 423
City Manager	5,733	7,699	5,780	5,412	11,163
City Treasurer	2,368	2,124	396	259	340
City Attorney	4,093	4,156	3,248	2,183	3,140
City Clerk	1,750	1,674	1,370	1,060	1,147
Finance	6,491	6,499	6,211	5,581	6,828
Human Resources****	2,585	2,786	-	-	-
Community Development*	21,124	19,124	20,550	11,634	19,716
Fire	78,393	78,253	71,737	52,808	65,960
Information Services	9,997	8,682	8,565	6,469	6,230
Police	115,058	107,440	89,430	73,964	102,415
Community Services	16,377	15,176	13,389	11,517	11,365
Library Services	7,268	7,409	7,225	5,212	6,181
Public Works	58,987	51,560	49,151	42,598	40,270
Non-Departmental***	-	-	-	-	-
Interest on Long-Term Debt	9,469	9,710	9,587	9,548	2,706
Total Governmental Activities	**340,162**	**322,733**	**287,068**	**228,627**	**277,884**
Business-Type Activities					
Water Utility	52,846	52,397	47,974	44,182	46,054
Sewer Service	12,473	12,213	11,422	10,390	9,284
Refuse Collection	16,009	15,543	14,935	13,738	12,936
Hazmat Service	174	194	103	236	241
Total Business-Type Activities	**81,502**	**80,347**	**74,434**	**68,546**	**68,515**
Total Business and Government Type Activities	**$ 421,664**	**$ 403,080**	**$ 361,502**	**$ 297,173**	**$ 346,399**

* Planning and Building departments were combined in Fiscal Year ended September 30, 2011. The combined department was later renamed to Community Development in Fiscal Year ended September 30, 2016.
** The 2018 period reflects nine months of activity only as the fiscal year change resulted in reporting period from October 1, 2017 to June 30, 2018.

NET POSITION BY COMPONENT - LAST TEN FISCAL YEARS
(In Thousands)
(continued)

	Fiscal Year Ended				
	2020	June 30, 2019	2018**	September 30, 2017	2016
Governmental Activities					
Net investment in capital assets	$ 673,498	$ 664,281	$ 650,466	$ 646,336	$ 624,180
Restricted	79,926	66,089	58,537	41,888	41,555
Unrestricted	(274,523)	(251,022)	(254,528)	(262,874)	(222,863)
Total Governmental Activities Net Position	**$ 478,901**	**$ 479,348**	**$ 454,475**	**$ 425,350**	**$ 442,872**
Business-Type Activities					
Net investment in capital assets	$ 142,785	$ 145,696	$ 143,954	$ 140,478	$ 142,566
Restricted	22,248	21,153	25,886	30,444	32,049
Unrestricted	38,482	36,747	27,492	22,228	21,997
Total Business-Type Activities Net Position	**$ 203,515**	**$ 203,596**	**$ 197,332**	**$ 193,150**	**$ 196,612**
Primary Government					
Net investment in capital assets	$ 816,283	$ 809,977	$ 794,420	$ 786,814	$ 766,746
Restricted	102,174	87,242	84,423	72,332	73,604
Unrestricted	(236,041)	(214,275)	(227,036)	(240,646)	(200,866)
Total Primary Government Net Position	**$ 682,416**	**$ 682,944**	**$ 651,807**	**$ 618,500**	**$ 639,484**

CHANGES IN NET POSITION - LAST TEN FISCAL YEARS
(In Thousands)
(continued)

	Fiscal Year Ended				
	2020	June 30, 2019	2018**	September 30, 2017	2016
Expenses:					
Governmental Activities:					
City Council	$ 405	$ 360	$ 218	$ 347	$ 321
City Manager	3,328	4,501	2,063	4,691	3,849
City Treasurer	317	246	101	216	208
City Attorney	3,136	2,886	1,536	3,307	2,598
City Clerk	949	976	475	889	806
Finance	6,661	6,245	3,455	6,201	5,765
Human Resources****	-	6,261	4,760	5,693	6,814
Community Development*	15,722	6,144	4,301	7,576	7,208
Fire	62,840	56,494	26,688	52,941	47,965
Information Services	8,643	7,530	4,375	7,047	6,852
Police	97,204	87,355	42,109	84,786	74,943
Community Services	12,539	13,369	6,768	15,558	9,935
Library Services	5,776	5,206	2,890	5,064	4,611
Public Works	45,834	40,803	23,898	35,373	31,791
Non-Departmental***	-	-	18,164	29,368	35,240
Interest on Long-Term Debt	1,686	1,823	1,467	2,063	2,119
Total Governmental Activities	**265,040**	**240,199**	**143,268**	**261,120**	**241,025**
Business-Type Activities					
Water Utility	44,463	43,405	28,414	45,940	41,643
Sewer Service	9,828	9,442	6,127	9,351	8,729
Refuse Collection	12,609	12,051	8,916	10,821	11,277
Hazmat Service	235	234	117	224	244
Total Business-Type Activities	**67,135**	**65,132**	**43,574**	**66,336**	**61,893**
Total Business and Government Type Activities	**$ 332,175**	**$ 305,331**	**$ 186,842**	**$ 327,456**	**$ 302,918**

*** Beginning with Fiscal Year ended June 30, 2019, non-departmental expenditures are no longer presented separately but are included as part of functional expenditures.
**** Human Resources was combined with the City Manager's Office in Fiscal Year ended June 30, 2020. Human Resources was seperated in Fiscal Year ended June 30, 2024.

CHANGES IN NET POSITION - LAST TEN FISCAL YEARS
(In Thousands)

	Fiscal Year Ended June 30, 2025	2024	2023	2022	2021
Program Revenues:					
Governmental Activities:					
Charges for Services					
City Council	$ 157	$ 175	$ 167	$ 162	$ 162
City Manager	3,970	4,057	4,976	4,131	4,208
City Treasurer	134	161	153	149	149
City Attorney	7	6	5	5	6
City Clerk	221	508	299	269	30
Finance	3,499	3,280	3,125	3,036	3,055
Human Resources****	2,098	7,670	-	-	-
Community Development*	11,530	11,102	18,817	10,953	8,353
Fire	24,454	20,228	14,166	13,401	8,877
Information Services	681	654	623	604	610
Police	7,779	5,558	6,139	6,687	6,477
Community Services	27,894	24,713	22,545	21,117	15,558
Library Services	251	229	388	302	153
Public Works	7,693	8,570	11,301	7,235	6,045
Non-Departmental***	-	-	-	-	-
Total Charges for Services	90,368	86,911	82,704	68,051	53,683
Operating Grants	15,139	11,678	43,005	9,301	6,013
Capital Grants	17,541	17,266	11,202	8,537	10,192
Total Governmental Activities Program Revenue	**123,048**	**115,855**	**136,911**	**85,889**	**69,888**
Business-Type Activities:					
Water Utility	51,153	45,739	48,934	43,590	42,523
Sewer Service	13,366	11,798	10,982	10,791	10,828
Refuse Collection	16,042	15,637	14,899	13,675	13,014
Hazmat Service	339	302	276	276	266
Total Business-Type Activities Program Revenues	**80,900**	**73,476**	**75,091**	**68,332**	**66,631**
Total Primary Government Program Revenue	**203,948**	**189,331**	**212,002**	**154,221**	**136,519**
Net (Expense) Revenue:					
Governmental Activities	(217,114)	(206,878)	(150,157)	(142,738)	(207,996)
Business-Type Activities	(602)	(6,871)	657	(214)	(1,884)
Total Net (Expense) Revenue	**(217,716)**	**(213,749)**	**(149,500)**	**(142,952)**	**(209,880)**
General Revenue and Other Changes in Net Position					
Governmental Activities:					
Property Taxes	118,237	114,630	109,467	102,539	99,958
Sales Taxes	52,384	56,003	57,164	57,652	51,162
Utility Taxes	22,706	23,283	22,558	19,528	18,374
Other Taxes	25,758	27,024	32,418	26,134	17,293
Use of Money and Property	22,256	12,361	5,153	(1,895)	4,399
From Other Agencies	1,952	5,883	3,225	4,631	22,000
Gain on Sale of Property	-	-	(520)	1,699	-
Gain from Elimination of Allowances	-	31,136	-	-	-
Other	-	-	-	-	-
Transfers	(57)	(55)	(38)	(39)	(38)
Total Governmental Activities General Revenues	**243,236**	**270,265**	**229,427**	**210,249**	**213,148**
Business-Type Activities:					
Use of Money and Property	5,489	4,154	1,356	(4,328)	261
Transfers	57	55	38	39	38
Total Business-Type Activities General Revenues	**5,546**	**4,209**	**1,394**	**(4,289)**	**299**
Total General Revenues and Transfers	**248,782**	**274,474**	**230,821**	**205,960**	**213,447**
Changes in Net Position - Governmental Activities	**26,122**	**63,387**	**79,270**	**67,511**	**5,152**
Changes in Net Position - Business-Type Activities	**4,944**	**(2,662)**	**2,051**	**(4,503)**	**(1,585)**
Total Changes in Net Position	**31,066**	**60,725**	**81,321**	**63,008**	**3,567**
Net Position - Beginning of Year	**896,784**	**836,059**	**754,738**	**691,730**	**682,416**
Prior Period Adjustment - Governmental Activities	**(1,001)**	**-**	**-**	**-**	**5,747**
Prior Period Adjustment - Business-Type Activities	**(48)**	**-**	**-**	**-**	**-**
Net Position - Beginning of Year as restated	**895,735**	**836,059**	**754,738**	**691,730**	**688,163**
Net Position - End of Year	**$ 926,801**	**$ 896,784**	**$ 836,059**	**$ 754,738**	**$ 691,730**

* Planning and Building departments were combined in the Fiscal Year ended September 30, 2011. The combined department was later renamed to Community Development in Fiscal Year ended September 30, 2016.
** The 2018 period reflects nine months of activity only as the fiscal year change resulted in reporting period from October 1, 2017 to June 30, 2018

CHANGES IN NET POSITION - LAST TEN FISCAL YEARS
(In Thousands)
(continued)

	Fiscal Year Ended				
	June 30,			September 30,	
	2020	2019	2018**	2017	2016
Program Revenues:					
Governmental Activities:					
Charges for Services					
City Council	$ 177	$ 149	$ 91	$ 108	$ 116
City Manager	5,315	3,300	2,374	3,515	3,029
City Treasurer	163	135	81	100	101
City Attorney	7	7	4	5	4
City Clerk	220	327	229	257	201
Finance	3,302	2,899	1,746	2,047	2,277
Human Resources****	-	751	373	654	513
Community Development*	10,037	7,459	5,448	7,448	9,252
Fire	10,122	9,831	9,104	10,296	9,894
Information Services	636	628	381	501	521
Police	5,329	6,044	4,703	4,968	5,958
Community Services	17,631	23,530	19,245	21,693	18,853
Library Services	266	308	237	476	408
Public Works	6,614	6,368	4,392	5,392	5,733
Non-Departmental***	-	-	916	1,116	1,290
Total Charges for Services	59,819	61,736	49,324	58,576	58,150
Operating Grants	8,141	6,644	3,976	7,329	4,723
Capital Grants	14,483	8,361	6,055	3,408	5,939
Total Governmental Activities Program Revenue	**82,443**	**76,741**	**59,355**	**69,313**	**68,812**
Business-Type Activities:					
Water Utility	40,518	43,958	29,530	39,938	35,765
Sewer Service	10,900	11,868	8,362	10,854	11,280
Refuse Collection	12,573	12,022	8,820	11,282	11,215
Hazmat Service	279	276	25	287	235
Total Business-Type Activities Program Revenues	**64,270**	**68,124**	**46,737**	**62,361**	**58,495**
Total Primary Government Program Revenue	**146,713**	**144,865**	**106,092**	**131,674**	**127,307**
Net (Expense) Revenue:					
Governmental Activities	(182,597)	(163,458)	(83,913)	(191,807)	(172,213)
Business-Type Activities	(2,865)	2,992	3,163	(3,975)	(3,398)
Total Net (Expense) Revenue	**(185,462)**	**(160,466)**	**(80,750)**	**(195,782)**	**(175,611)**
General Revenue and Other Changes in Net Position					
Governmental Activities:					
Property Taxes	94,263	89,124	61,185	82,925	87,128
Sales Taxes	44,616	47,437	33,844	43,551	34,289
Utility Taxes	18,149	18,788	14,014	19,303	19,482
Other Taxes	18,635	20,227	14,883	17,991	17,313
Use of Money and Property	3,208	8,746	2,158	3,370	3,618
From Other Agencies	3,317	4,046	2,263	3,896	4,397
Gain on Sale of Property	-	-	-	-	-
Gain from Elimination of Allowances	-	-	-	-	-
Other	-	-	2,811	2,438	5,693
Transfers	(38)	(37)	(332)	(51)	(38)
Total Governmental Activities General Revenues	**182,150**	**188,331**	**130,826**	**173,423**	**171,882**
Business-Type Activities:					
Use of Money and Property	2,746	3,235	279	462	939
Transfers	38	37	332	51	38
Total Business-Type Activities General Revenues	**2,784**	**3,272**	**611**	**513**	**977**
Total General Revenues and Transfers	**184,934**	**191,603**	**131,437**	**173,936**	**172,859**
Changes in Net Position - Governmental Activities	**(447)**	**24,873**	**46,913**	**(18,384)**	**(331)**
Changes in Net Position - Business-Type Activities	**(81)**	**6,264**	**3,774**	**(3,462)**	**(2,421)**
Total Changes in Net Position	**(528)**	**31,137**	**50,687**	**(21,846)**	**(2,752)**
Net Position - Beginning of Year	**682,944**	**651,807**	**618,500**	**639,484**	**642,236**
Prior Period Adjustment - Governmental Activities	**-**	**-**	**(17,788)**	**862**	**-**
Prior Period Adjustment - Business-Type Activities	**-**	**-**	**408**	**-**	**-**
Net Position - Beginning of Year as restated	**682,944**	**651,807**	**601,120**	**640,346**	**642,236**
Net Position - End of Year	**$ 682,416**	**$ 682,944**	**$ 651,807**	**$ 618,500**	**$ 639,484**

*** Beginning with the Fiscal Year ended June 30, 2019, non-departmental expenditures are no longer presented separately but are included as part of functional expenditures.
**** Human Resources was combined with the City Manager's Office in Fiscal Year ended June 30, 2020. Human Resources was seperated in Fiscal Year ended June 30, 2024.

FUND BALANCES - GOVERNMENTAL FUNDS - LAST TEN FISCAL YEARS
(In Thousands)
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30, 2025	2024	2023	2022	2021
General Fund:					
Nonspendable	$ 44	$ 148	$ 51	$ 82	$ 115
Restricted	27,448	21,670	19,578	14,623	13,561
Committed	52,954	52,023	51,230	26,665	25,565
Assigned	66,139	58,478	55,678	61,454	55,368
Total General Fund	**$ 146,585**	**$ 132,319**	**$ 126,537**	**$ 102,824**	**$ 94,609**
Other Governmental Funds:					
Nonspendable	$ 5,229	$ -	$ -	$ -	$ 105
Restricted	112,210	105,569	87,866	75,774	70,161
Committed	44,859	43,557	45,820	28,559	26,857
Assigned	5,842	6,762	6,197	3,021	3,280
Unassigned	-	-	-	(4,311)	-
Total Other Governmental Funds	**$ 168,140**	**$ 155,888**	**$ 139,883**	**$ 103,043**	**$ 100,403**

	Fiscal Year Ended June 30, 2020	2019	2018	September 30, 2017	2016
General Fund:					
Nonspendable	$ 120	$ 23	$ 41	$ -	$ -
Restricted	9,320	8,154	6,384	2,671	2,637
Committed	25,010	25,011	25,011	25,011	25,011
Assigned	45,638	45,825	34,464	33,498	35,199
Unassigned	-	-	2,734	-	-
Total General Fund	**$ 80,088**	**$ 79,013**	**$ 68,634**	**$ 61,180**	**$ 62,847**
Other Governmental Funds:					
Nonspendable	$ 50	$ 64	$ 726	$ -	$ -
Restricted	71,671	59,213	52,742	40,588	40,293
Committed	21,735	20,308	20,800	17,686	21,368
Assigned	3,527	3,614	2,701	826	838
Total Other Governmental Funds	**$ 96,983**	**$ 83,199**	**$ 76,969**	**$ 59,100**	**$ 62,499**

THE PAGE INTENTIONALLY LEFT BLANK

CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS - LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(In Thousands)

	Fiscal Year Ended June 30,				
	2025	2024	2023	2022	2021
REVENUES:					
Property Taxes	$ 118,237	$ 114,630	$ 109,467	$ 102,539	$ 99,958
Sales Taxes	52,384	56,003	57,164	57,652	51,162
Utility Taxes	22,706	23,283	22,558	19,528	18,374
Other Taxes	25,758	27,465	40,738	33,720	25,745
Licenses and Permits	10,743	10,593	15,688	9,596	8,213
Fines and Forfeitures	6,040	3,666	3,945	5,144	4,619
From Use of Money and Property	43,014	37,769	22,726	14,365	19,163
From Other Agencies	50,666	38,922	47,426	13,060	29,836
Charges for Current Service/Other Revenue	61,574	59,496	66,363	52,809	27,428
TOTAL REVENUES	**391,122**	**371,827**	**386,075**	**308,413**	**284,498**
EXPENDITURES					
Current:					
City Council	492	464	453	426	1,043
City Manager	5,162	7,117	6,501	5,265	15,976
City Treasurer	2,425	2,059	417	326	837
City Attorney	4,098	3,994	3,404	2,995	7,714
City Clerk	1,796	1,653	1,442	1,295	2,810
Finance	6,266	5,999	7,420	7,259	16,173
Human Resources*****	2,578	2,636	-	-	-
Community Development**	21,687	19,412	21,569	14,412	39,212
Fire	77,857	76,247	72,499	62,880	149,726
Information Systems	10,007	8,916	8,563	7,871	19,095
Police	107,065	103,468	97,000	93,976	232,438
Community Services	14,956	14,179	16,610	18,455	25,064
Library Services	7,188	7,235	7,244	6,300	14,099
Public Works	73,690	69,169	62,161	50,158	88,007
Non-Departmental****	-	-	-	-	-
Capital Outlay***	-	-	-	-	-
Debt Service:					
Principal	19,780	20,375	18,799	15,918	3,983
Interest	9,500	9,728	9,542	11,299	937
TOTAL EXPENDITURES	**364,547**	**352,651**	**333,624**	**298,835**	**617,114**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**26,575**	**19,176**	**52,451**	**9,578**	**(332,616)**
OTHER FINANCING SOURCES (USES):					
Transfers In	22,550	28,764	65,369	21,642	13,058
Issuance of Long-Term Debt	-	-	-	-	372,010
Issuance Premium	-	-	-	-	1,743
Issuance Discount	-	-	-	-	(649)
Payments to Escrow	-	-	-	-	(28,256)
Lease (as Lessee)	-	-	398	448	-
Issuance of Finance Purchase Agreement	-	-	7,742	868	-
Subscription Based IT Arrangement	-	2,666	-	-	-
Transfers Out	(22,607)	(28,819)	(65,407)	(21,681)	(13,096)
TOTAL OTHER FINANCING SOURCES (USES)	(57)	2,611	8,102	1,277	344,810
INCREASE (DECREASE) IN FUND BALANCES	**$ 26,518**	**$ 21,787**	**$ 60,553**	**$ 10,855**	**$ 12,194**
DEBT SERVICE AS A PERCENTAGE OF NON-CAPITAL EXPENDITURES	**9.1%**	**9.7%**	**9.7%**	**10.1%**	**0.9%**

* The 2017/18 period reflects nine months of activity only as the fiscal year change resulted in a nine month reporting period from October 1, 2017 to June 30, 2018.

** Planning and Building departments were combined in Fiscal Year ended September 30, 2011. The department was later renamed to Community Development in Fiscal Year ended September 30, 2016.

*** Beginning with the Fiscal Year ended September 30, 2017, capital outlay expenditures are no longer presented separately but are included as part of functional expenditures. However, capital outlay expenditures are excluded in the calculation of debt service as a percentage of non-capital expenditures.

CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS - LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(In Thousands)
(continued)

	Fiscal Year Ended				
	June 30,			September 30,	
	2020	2019	2018*	2017	2016
REVENUES:					
Property Taxes	$ 94,263	$ 89,367	$ 80,614	$ 80,826	$ 86,382
Sales Taxes	44,616	47,437	33,844	43,551	39,305
Utility Taxes	18,149	18,788	14,014	19,303	19,482
Other Taxes	24,578	27,196	18,409	17,991	17,313
Licenses and Permits	11,266	8,574	6,293	8,812	9,820
Fines and Forfeitures	3,403	4,300	3,048	3,995	5,144
From Use of Money and Property	27,863	23,276	11,600	17,210	18,055
From Other Agencies	11,309	13,072	10,384	15,293	13,712
Charges for Current Service/Other Revenue	34,772	33,787	30,216	32,351	32,506
TOTAL REVENUES	**270,219**	**265,797**	**208,422**	**239,332**	**241,719**
EXPENDITURES					
Current:					
City Council	394	369	279	333	318
City Manager	4,342	6,598	3,143	4,116	3,092
City Treasurer	297	248	134	201	204
City Attorney	2,898	2,874	2,037	3,052	2,539
City Clerk	886	981	602	830	790
Finance	6,200	6,484	4,376	5,763	5,659
Human Resources*****	-	6,362	5,323	5,535	6,776
Community Development**	14,692	8,138	5,554	6,963	7,062
Fire	56,477	54,431	36,347	46,831	46,200
Information Systems	8,473	8,342	5,385	6,603	6,742
Police	87,682	83,546	57,916	75,015	72,612
Community Services	14,429	11,720	7,958	14,124	10,768
Library Services	5,199	4,944	3,436	4,422	4,247
Public Works	47,655	46,878	30,357	38,635	23,659
Non-Departmental****	-	-	22,432	28,396	24,670
Capital Outlay***	-	-	-	-	27,269
Debt Service:					
Principal	5,122	5,346	311	5,091	5,933
Interest	1,748	1,890	965	2,066	2,138
TOTAL EXPENDITURES	**256,494**	**249,151**	**186,555**	**247,976**	**250,678**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**13,725**	**16,646**	**21,867**	**(8,644)**	**(8,959)**
OTHER FINANCING SOURCES (USES):					
Transfers In	10,009	11,190	13,261	6,692	9,034
Issuance of Long-Term Debt	1,172	-	-	2,767	10,197
Issuance Premium	-	-	-	-	-
Issuance Discount	-	-	-	-	-
Payments to Escrow	-	-	-	-	-
Lease (as Lessee)	-	-	-	-	-
Issuance of Finance Purchase Agreement	-	-	-	-	-
Subscription Based IT Arrangement	-	-	-	-	-
Transfers Out	(10,047)	(11,227)	(13,593)	(6,743)	(17,053)
TOTAL OTHER FINANCING SOURCES (USES)	1,134	(37)	(332)	2,716	2,178
INCREASE (DECREASE) IN FUND BALANCES	**$ 14,859**	**$ 16,609**	**$ 21,535**	**$ (5,928)**	**$ (6,781)**
DEBT SERVICE AS A PERCENTAGE OF NON-CAPITAL EXPENDITURES	**3.0%**	**3.3%**	**0.7%**	**3.2%**	**3.6%**

**** Beginning with the Fiscal Year ended June 30, 2019, non-departmental expenditures are no longer presented separately but are included as part of functional expenditures.

***** Human Resources was combined with the City Manager's Office in Fiscal Year ended June 30, 2020. Human Resources was seperated in Fiscal Year ended June 30, 2024.

ASSESSED AND ACTUAL VALUATION OF ALL TAXABLE PROPERTY (EXCLUDING REDEVELOPMENT AGENCY) LAST TEN FISCAL YEARS (In Thousands)

Fiscal Year	Common Property	Public Utilities	Total Secured	Unsecured	Total Assessed Valuation	Total Direct Tax Rate
2015-2016	31,193,211	66,802	31,260,013	1,132,728	32,392,741	0.17082
2016-2017	32,540,317	55,802	32,596,119	1,067,760	33,663,879	0.17082
2017-2018	34,199,035	41,102	34,240,137	1,100,077	35,340,214	0.17082
2018-2019	35,941,648	61,202	36,002,850	1,117,879	37,120,729	0.17082
2019-2020	37,741,095	518	37,741,613	1,145,838	38,887,451	0.17082
2020-2021	39,449,688	518	39,450,206	1,111,018	40,561,224	0.17082
2021-2022	40,789,946	518	40,790,464	1,041,429	41,831,893	0.17082
2022-2023	43,432,681	948	43,433,629	1,232,123	44,665,752	0.17082
2023-2024	45,689,554	948	45,690,502	1,174,043	46,864,545	0.17082
2024-2025	47,920,669	948	47,921,617	1,178,888	49,100,505	0.17082

Source: County of Orange Auditor Controller

PROPERTY TAX RATES ALL DIRECT AND OVERLAPPING GOVERNMENTS TAX RATE 04-001 LARGEST AREA IN CITY LAST TEN FISCAL YEARS

	Direct		Overlapping			Total
Fiscal Year	City Basic Rate (1), (2)	City Other	School Districts	Metro Water District	Others	Direct and Overlapping
2015-2016	0.15582	0.01500	0.07615	0.00350	0.84418	1.09465
2016-2017	0.15582	0.01500	0.07786	0.00350	0.83599	1.08817
2017-2018	0.15582	0.01500	0.09970	0.00350	0.84418	1.11820
2018-2019	0.15582	0.01500	0.09246	0.00350	0.84418	1.11096
2019-2020	0.15582	0.01500	0.08788	0.00350	0.84418	1.10638
2020-2021	0.15582	0.01500	0.07983	0.00350	0.84418	1.09833
2021-2022	0.15582	0.01500	0.07541	0.00350	0.84418	1.09391
2022-2023	0.15582	0.01500	0.07449	0.00350	0.84418	1.09299
2023-2024	0.15582	0.01500	0.08163	0.00350	0.84418	1.10013
2024-2025	0.15582	0.01500	0.08056	0.00700	0.84418	1.10256

Note: Rates are per $100 of assessed valuation
Source: County of Orange Auditor Controller

(1) Excludes rates associated with Mello-Roos Districts
(2) In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1% fixed amount. This 1% is shared by all taxing agencies for which the subject property resides. In 1986, the State Constitution was amended to allow rates over the 1% base rate for voter approved general obligation debt. Valuations of real property are frozen at the value of the property in 1975, with an allowable adjustment up to 2% per year for inflation. However, property is assessed to its current value when a change of ownership occurs. New construction, including tenant improvements, is assessed at its current value.

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(In Thousands)

		Collected within the Fiscal Year of the Levy			Total Collections			
Fiscal Year	Total Levy	Amount	Percentage of Levy	Delinquent Tax Collections	Amount	Percentage of Levy	Delinquent Taxes Receivable	Delinquency Percent
Secured Taxes								
2015-2016	55,886	53,916	96.5%	546	54,462	97.5%	1,263	2.3%
2016-2017	58,258	56,481	96.9%	525	57,006	97.9%	1,253	2.2%
2017-2018	62,418	59,731	95.7%	474	60,205	96.5%	2,073	3.3%
2018-2019	63,934	62,222	97.3%	622	62,844	98.3%	920	1.4%
2019-2020	66,411	64,767	97.5%	496	65,263	98.3%	1,092	1.6%
2020-2021	69,341	67,887	97.9%	626	68,513	98.8%	926	1.3%
2021-2022	72,014	69,871	97.0%	714	70,585	98.0%	1,510	2.1%
2022-2023	78,388	76,256	97.3%	547	76,803	98.0%	1,501	1.9%
2023-2024	80,457	78,570	97.7%	658	79,228	98.5%	1,205	1.5%
2024-2025	83,807	81,524	97.3%	731	82,255	98.1%	1,465	1.7%
Unsecured Taxes								
2015-2016	1,925	1,740	90.4%	35	1,775	92.2%	39	2.0%
2016-2017	1,899	1,692	89.1%	23	1,715	90.3%	34	1.8%
2017-2018	1,964	1,829	93.1%	28	1,857	94.6%	26	1.3%
2018-2019	1,964	1,804	91.9%	20	1,824	92.9%	29	1.5%
2019-2020	2,038	1,906	93.5%	15	1,921	94.3%	43	2.1%
2020-2021	2,143	1,955	91.2%	26	1,981	92.4%	82	3.8%
2021-2022	2,267	2,059	90.8%	46	2,105	92.9%	90	4.0%
2022-2023	2,233	2,102	94.1%	42	2,144	96.0%	59	2.6%
2023-2024	2,586	2,240	86.6%	33	2,273	87.9%	174	6.7%
2024-2025	2,790	2,528	90.6%	32	2,560	91.8%	226	8.1%
Community Facilities Districts								
2015-2016	4,121	4,106	99.6%	9	4,115	99.9%	2	-%
2016-2017	4,098	4,085	99.7%	2	4,087	99.7%	-	-%
2017-2018	4,141	4,128	99.7%	5	4,133	99.8%	-	-%
2018-2019	4,099	4,086	99.7%	3	4,089	99.8%	1	-%
2019-2020	4,053	4,027	99.4%	2	4,029	99.4%	14	0.3%
2020-2021	3,949	3,937	99.7%	-	3,937	99.7%	-	-%
2021-2022	3,987	3,975	99.7%	-	3,975	99.7%	-	-%
2022-2023	4,006	3,962	98.9%	-	3,962	98.9%	31	0.8%
2023-2024	4,207	4,194	99.7%	35	4,229	100.5%	-	-%
2024-2025	4,738	4,590	96.9%	3	4,593	96.9%	135	2.8%

Source: County of Orange Auditor Controller's Office

Note:
The levy and tax year is for July 1st through June 30th and does not include the Redevelopment Agency.
2015-2016 to current fiscal year includes the following:

Secured: includes supplemental, st ltg reorg, nuisance abatement, weed abatement, retirement override, tax admin charges, and community interest. Does not include Community Facilities District CFDs.
Unsecured: includes aircraft unsecured tax. Does not include CFDs.
Miscellaneous: excluded from all tables.
Delinquency Amount: reflects the "unpaid" amounts as stated in the OC Auditor-Controller website.

TOP TEN PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

	2024-2025 Taxable Assessed Value (In Thousands)	Percent of Total TAV
AES Huntington Beach Energy, LLC	$ 744,667	1.52%
Bella Terra Associates LLC	417,770	0.85%
Huntington Gateway Industrial LLC	309,320	0.63%
DCO Pacific City	237,841	0.48%
Catalyst Housing Group	212,788	0.43%
PCH Beach Resort LLC	210,402	0.43%
Mc Donnell Douglas West Federal Credit Union	158,105	0.32%
Socal Holding LLC	157,785	0.32%
The Waterfront Hotel LLC	155,532	0.32%
Monogram Residential Huntington Beach	147,580	0.30%
Total Top Ten	**2,751,790**	**5.60%**
All Other Property Taxpayers	46,348,715	94.40%
City Total	**$ 49,100,505**	**100.00%**

	2015-2016 Taxable Assessed Value (In Thousands)	Percent of Total TAV
OXY USA Inc	$ 509,827	2.07%
McDonnell Douglas West Federal Credit Union	410,913	1.10%
Bella Terra Associates LLC	237,726	0.76%
Mayer Financial LP	194,790	0.62%
United Dominion Realty	123,773	0.47%
Capref Strand LLC	102,955	0.34%
Bella Terra Villas LLC	100,141	0.32%
PR One Pacific Plaza LLC	95,536	0.29%
SARM Five Points Plaza LLC	94,331	0.29%
Pacific Sands LLC	90,918	0.24%
Total Top Ten	**1,960,910**	**6.50%**
All Other Property Taxpayers	30,431,831	93.50%
City Total	**$ 32,392,741**	**100.00%**

Source: County of Orange Auditor Controller's Office
Note: Information provided for the period from July 1st through June 30th.

THE PAGE INTENTIONALLY LEFT BLANK

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(In Thousands)

	Fiscal Year Ended June 30,				
	2025	2024	2023	2022	2021
Long-Term Indebtedness					
Governmental Activities:					
Judgement Obligation Bonds	$ -	$ -	$ -	$ -	$ -
Public Financing Authority:					
2010(a) Lease Revenue Bonds	-	-	-	-	-
2011(a) Lease Revenue Bonds	-	-	-	-	-
2014(a) Lease Revenue Bonds	9,060	9,810	10,530	11,215	11,880
2020(a) Lease Revenue Bonds	4,835	4,835	4,835	4,835	4,835
2020(b) Lease Revenue Bonds	6,720	8,265	9,795	11,315	12,830
Total Public Financing Authority	**20,615**	**22,910**	**25,160**	**27,365**	**29,545**
Other Long-Term Obligations:					
Finance Purchase Agreement	11,817	14,290	17,388	11,714	12,753
Leases Payable	85	240	456	247	-
Subscriptions Payable	2,320	3,800	2,600	-	-
Section 108 Loan City	-	-	-	-	-
LED Lighting Phase I	-	65	191	314	432
CEC	1,256	1,528	1,797	2,063	2,457
I-Bank	656	973	1,283	1,586	1,882
Pension Obligation Bonds	292,555	305,322	318,005	330,642	341,501
Total Other Long-Term Obligations	**308,689**	**326,218**	**341,720**	**346,566**	**359,025**
Total Long-Term Obligations - Governmental Activities	**329,304**	**349,128**	**366,880**	**373,931**	**388,570**
Long-Term Obligations - Business-Type Activities:					
Pension Obligation Bonds	18,692	19,588	20,480	21,368	22,144
Total Long-Term Obligations - Business-Type Activities	**18,692**	**19,588**	**20,480**	**21,368**	**22,144**
Total Long Term Obligations - Governmental Activities and Business-Type Activities	**$ 347,996**	**$ 368,716**	**$ 387,360**	**$ 395,299**	**$ 410,714**

	2025	2024	2023	2022	2021
Population	195,332	195,332	198,373	197,437	198,039
Debt Per Capita	$ 1,782	$ 1,888	$ 1,953	$ 2,002	$ 2,074
Total Personal Income (In Thousands)*	$11,847,667	$11,847,667	$10,841,878	$ 9,995,248	$ 9,659,154
Per Capita Personal Income*	$ 60,654	$ 60,654	$ 54,654	$ 50,625	$ 48,774
Unemployment Rate**	3.90%	3.90%	3.60%	2.80%	4.70%
Total Employment**	101,700	101,700	103,900	104,300	100,700

* Source: Claritas, Inc.
** Source: State of California Employment Development Department
*** The 2017/18 period reflects nine months of activity only as the fiscal year change resulted in a nine month reporting period from October 1, 2017 to June 30, 2018.

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(In Thousands)

	Fiscal Year Ended				
	June 30,			September 30,	
	2020	2019	2018***	2017	2016
Long-Term Indebtedness					
Governmental Activities:					
Judgement Obligation Bonds	$ -	$ -	$ -	$ -	$ 659
Public Financing Authority:					
2010(a) Lease Revenue Bonds	7,410	8,235	9,030	9,030	9,795
2011(a) Lease Revenue Bonds	15,725	17,770	19,735	19,735	21,650
2014(a) Lease Revenue Bonds	12,530	13,145	13,740	13,740	14,315
2020(a) Lease Revenue Bonds	-	-	-	-	-
2020(b) Lease Revenue Bonds	-	-	-	-	-
Total Public Financing Authority	**35,665**	**39,150**	**42,505**	**42,505**	**45,760**
Other Long-Term Obligations:					
Finance Purchase Agreement	5,241	5,083	6,079	6,286	4,130
Leases Payable	-	-	-	-	-
Subscriptions Payable	-	-	-	-	-
Section 108 Loan City	-	-	430	430	625
LED Lighting Phase I	546	656	762	866	966
CEC	2,588	2,818	3,000	3,000	3,000
I-Bank	2,171	2,454	2,730	2,730	3,000
Pension Obligation Bonds	-	-	-	-	-
Total Other Long-Term Obligations	**10,546**	**11,011**	**13,001**	**13,312**	**11,721**
Total Long-Term Obligations - Governmental Activities	**46,211**	**50,161**	**55,506**	**55,817**	**58,140**
Long-Term Obligations - Business-Type Activities:					
Pension Obligation Bonds	-	-	-	-	-
Total Long-Term Obligations - Business-Type Activities	**-**	**-**	**-**	**-**	**-**
Total Long Term Obligations - Governmental Activities and Business-Type Activities	**$ 46,211**	**$ 50,161**	**$ 55,506**	**$ 55,817**	**$ 58,140**

	2020	2019	2018***	2017	2016
Population	200,748	202,265	201,761	202,413	201,919
Debt Per Capita	$ 230	$ 248	$ 275	$ 276	$ 288
Total Personal Income (In Thousands)*	$ 9,450,814	$ 9,222,677	$ 8,849,843	$ 8,878,441	$ 8,880,801
Per Capita Personal Income*	$ 47,078	$ 45,597	$ 43,863	$ 43,863	$ 43,982
Unemployment Rate**	8.60%	2.60%	2.70%	2.80%	3.90%
Total Employment**	96,200	107,700	106,900	103,200	107,200

LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS
(In Thousands)

Fiscal Year	Assessed Valuation	Debt Limit - 12% of Assessed Valuation	Debt Applicable to Limit	Legal Debt Margin
2015-2016	$ 32,392,741	$ 3,887,129	$ -	$ 3,887,129
2016-2017	33,663,879	4,039,665	-	4,039,665
2017-2018	35,340,214	4,240,826	-	4,240,826
2018-2019	37,120,729	4,454,487	-	4,454,487
2019-2020	38,887,451	4,666,494	-	4,666,494
2020-2021	40,561,224	4,867,347	-	4,867,347
2021-2022	41,831,893	5,019,827	-	5,019,827
2022-2023	44,665,752	5,359,890	-	5,359,890
2023-2024	46,864,545	5,623,745	-	5,623,745
2024-2025	49,100,505	5,892,061	-	5,892,061

STATEMENT OF DIRECT AND OVERLAPPING BONDED DEBT JUNE 30, 2025

202-25 Assessed Valuation: $53,409,090,551

Debt Repaid with Property Taxes (Tax and Assessment Debt):

	Percent Applicable*	Debt Applicable to City
Overlapping Tax and Assessment Debt		
Metropolitan Water District	1.320%	224,731
Coast Community College District	27.865%	236,459,225
Los Alamitos Unified School District Facilities Improvement District No. 1	1.121%	2,347,500
Huntington Beach Union High School District	72.664%	89,241,419
Fountain Valley School District	26.687%	14,993,529
Huntington Beach School District	99.946%	149,137,672
Ocean View School District	93.632%	138,670,185
Westminster School District	23.935%	36,743,544
City of Huntington Beach Community Facilities Districts (2000-1, 2002-1, 2003-1)	100.000%	21,000,000
Total Overlapping Tax and Assessment Debt		**$ 688,817,805**
Direct and Overlapping General Fund Debt		
Orange County General Fund Obligations	6.647%	28,266,802
Orange County Board of Education General Fund Obligations	6.647%	600,826
North Orange County Regional Occupation Program Certificates of Participation	0.082%	5,504
Coast Community College District General Fund Obligations	27.865%	182,569
Coast Community College District Pension Obligation Bonds	27.865%	128,628
Huntington Beach Union High School District Certificates of Participation	72.664%	34,434,919
Los Alamitos Unified School District Certificates of Participation	1.007%	297,686
Huntington Beach School District General Fund Obligations	99.946%	11,986,279
Ocean View School District Certificates of Participation	93.632%	10,136,901
Westminster School District General Fund Obligations	23.935%	10,593,101
City of Huntington Beach General Fund Obligations	100.000%	26,460,235
City of Huntington Beach Pension Obligation Bonds	100.000%	292,554,148
Total Direct and Overlapping General Fund Obligation Debt		**$ 415,647,598**
Total Direct Debt		**$ 319,014,383**
Total Overlapping Debt		785,451,020
Combined Total Debt		**$1,104,465,403**

(1) Percentage of overlapping agency's assessed valuation located within boundaries of the City.
(1) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue, and non-bonded leases obligations.

PRINCIPAL PRIVATE EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	2025	% of total
The Boeing Company	3,200	3.16%
Cambro Manufacturing	650	0.64%
Hyatt Regency Huntington Beach	641	0.63%
Huntington Beach Hospital	527	0.52%
No Ordinary Moments	494	0.49%
Wal-mart	462	0.46%
Waterfront Hilton Beach Resort	450	0.44%
Home Depot USA Inc	436	0.43%
Home and Body Company	418	0.41%
Harbor Distributing LLC	354	0.35%
Total of top 10	**7,632**	**7.53%**
All others	93,568	92.47%
Total employment (public and private)	**101,200**	**100.00%**

	2016	% of total
Boeing	4,391	4.67%
Cambro MFG Co.	1015	0.91%
Ensign United States Drilling	925	0.89%
GWC	900	0.62%
Hyatt Regency Huntington Beach	641	0.53%
C & D Aerospace	555	0.52%
Zodiac Aerospace / Driessen Aircraft	542	0.51%
Huntington Beach Hospital	503	0.50%
Huntington Valley Healthcare	381	0.46%
Quiksilver	350	0.39%
Total of top 10	**10,203**	**10.00%**
All others	96,997	90.00%
Total employment (public and private)	**107,200**	**100.00%**

Source: Finance Department, City of Huntington Beach

FULL-TIME ACTUAL AND BUDGETED CITY EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	Actual									
General Government:	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018*****	**2017**	**2016**
City Council	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
City Manager	15.00	16.00	14.00	27.00	20.00	18.00	12.50	12.50	11.50	11.50
City Treasurer	9.50	9.50	9.50	9.50	1.50	1.50	2.00	2.00	2.00	1.50
City Attorney	14.00	15.00	11.00	11.00	11.00	11.00	11.00	11.00	12.00	11.00
City Clerk	6.00	6.00	5.00	5.00	4.00	4.00	4.00	4.00	4.00	4.00
Finance	28.50	28.50	28.50	28.50	32.50	31.50	33.00	33.00	33.00	32.50
Human Resources **	14.00	15.00	13.00	-	-	-	15.00	15.00	15.00	15.00
Community Development	62.00	63.00	57.50	57.50	57.50	54.00	44.00	44.00	44.00	43.50
Information Systems	26.00	26.00	25.00	25.00	26.00	22.00	30.00	30.00	30.00	30.00
Library Services	29.25	29.25	29.25	29.25	29.25	23.25	28.25	28.25	28.25	28.25
Fire	208.00	202.00	201.00	201.00	201.00	200.00	198.00	198.00	198.00	198.00
Police	350.00	350.00	353.00	353.00	357.00	356.00	365.50	364.50	364.50	364.50
Community Services	34.00	33.00	33.00	33.00	33.00	37.00	36.00	36.00	44.00	44.00
Public Works	208.50	210.50	211.00	211.00	207.00	199.00	207.00	207.00	199.00	199.00
	1,005.75	**1,004.75**	**991.75**	**991.75**	**980.75**	**958.25**	**987.25**	**986.25**	**986.25**	**983.75**

Source: Finance Department, City of Huntington Beach

* Economic Development was combined with Community Development in the year ended June 30, 2020. Previously, it was combined with the City Manager's Office as of the year ended September 30, 2014.

** Human Resources was combined with City Manager's Office in the year ended June 30, 2020. Human Resources was seperated in Fiscal Year ended June 30, 2024.

*** The 2017-18 period reflects nine months of activity only as the fiscal year change resulted in a nine month reporting period from October 1, 2017 to June 30, 2018.

OPERATING INDICATORS BY FUNCTION/ACTIVITY
LAST TEN FISCAL YEARS

Function/Program	2025	2024	2023	2022	2021
Finance:					
Water Bills Processed	639,312	639,300	638,052	637,956	637,920
Active Business Licenses	19,229	18,851	18,787	18,849	19,011
Accounts Receivable Billings Processed	11,904	10,813	10,649	12,437	20,183
City Clerk:					
Passports Issued ****	4,186	4,570	6,455	5,721	418
Planning:					
Entitlements Processed	133	131	143	154	112
Plan Reviews	646	398	442	606	1,955
Field Inspection Complaints	10,460	12,108	15,247	7,403	11,899
Code Violation Cases	4,296	3,957	5,599	5,051	4,473
Building:					
Number of Permits Issued	11,648	11,464	11,536	10,292	9,075
Number of Inspections Completed	41,016	44,613	33,983	31,080	26,710
Value of Construction Permits (Thousands of Dollars)	226,258	272,596	369,060	237,945	166,000
Processed Number of Certificate of Occupancies*	364	592	521	641	655
Completed Plan Reviews	5,247	4,812	6,916	5,701	4,673
Counter Visits	3,883	3,318	6,264	14,289	115
Fire:					
Inspections	7,911	7,209	7,557	7,311	4,008
Responses	22,319	22,016	21,936	22,076	20,428
Ocean Rescues	4,380	3,554	3,027	4,160	4,116
Estimated Beach Visitors	7,788,800	8,984,500	9,101,188	8,345,139	7,910,293
Police:					
Physical Arrests	5,895	5,507	5,358	5,585	5,363
Parking Violations	130,218	75,355	75,408	97,299	95,753
Traffic Violations	4,690	5,221	6,544	8,869	10,920
Community Services:					
Park/Open Space Acreage	1,072	1,072	1,072	1,072	1,072
Enrollment in Recreation Classes	42,914	33,312	35,192	34,616	15,511
Public Works:					
Water Sold (Acre Feet)**	25,128	23,153	23,358	26,459	27,731
Gallons of Sewage Pumped Per Day**	17 million	17 million	17 million	19 million	19 million
Library:					
Items in Collection	282,276	280,595	289,299	290,351	291,444
Items Borrowed	856,209	846,059	811,837	796,882	481,523

* Beginning the 2013/14 Fiscal Year, the Building Department no longer processes Certificate of Occupancies.
** Reduction of estimate is the result of the Governor's executive order to reduce water consumption.
*** The 2017-18 period reflects nine months of activity only as the fiscal year change resulted in a nine month reporting period from October 1, 2017 to June 30, 2018.
**** Passport acceptance was closed to the public from June 2020 through May 2021 due to COVID-19. It was reopened on June 15, 2021.
Source: Various departments of the City of Huntington Beach

OPERATING INDICATORS BY FUNCTION/ACTIVITY
LAST TEN FISCAL YEARS
(Continued)

Function/Program	2020	2019	2018***	2017	2016
Finance:					
Water Bills Processed	636,708	639,245	476,290	632,997	635,052
Active Business Licenses	20,910	21,414	21,782	22,074	21,420
Accounts Receivable Billings Processed	25,687	30,217	25,000	34,963	30,826
City Clerk:					
Passports Issued ****	4,579	7,024	5,757	7,408	5,623
Planning:					
Entitlements Processed	162	221	206	216	221
Plan Reviews	1,358	1,542	1,466	1,376	1,653
Field Inspection Complaints	11,610	8,183	7,005	8,459	7,951
Code Violation Cases	3,260	4,786	4,219	3,981	4,324
Building:					
Number of Permits Issued	8,855	9,807	7,490	9,728	10,981
Number of Inspections Completed	32,859	36,562	30,501	38,796	39,380
Value of Construction Permits (Thousands of Dollars)	169,393	135,910	109,462	216,252	283,910
Processed Number of Certificate of Occupancies*	515	686	523	740	n/a
Completed Plan Reviews	3,469	3,491	2,771	4,172	4,172
Counter Visits	14,922	21,409	16,498	21,731	23,492
Fire:					
Inspections	5,965	6,140	3,963	2,758	5,132
Responses	21,068	20,354	14,490	20,555	20,279
Ocean Rescues	2,487	4,953	3,530	3,639	3,977
Estimated Beach Visitors	6,712,125	10,577,290	12,522,640	13,339,518	12,272,030
Police:					
Physical Arrests	5,785	5,979	4,614	5,298	5,112
Parking Violations	59,484	79,069	54,500	70,846	90,361
Traffic Violations	12,105	13,314	11,869	19,916	17,639
Community Services:					
Park/Open Space Acreage	1,066	1,066	1,065	1,065	1,062
Enrollment in Recreation Classes	28,952	37,978	27,152	37,968	34,424
Public Works:					
Water Sold (Acre Feet)**	25,966	26,251	19,777	25,944	24,505
Gallons of Sewage Pumped Per Day**	19 million	19 million	19 million	22 million	19 million
Library:					
Items in Collection	294,849	293,995	292,037	288,599	285,814
Items Borrowed	779,124	942,821	655,626	943,642	921,105

CAPITAL ASSET STATISTICS BY FUNCTION/ACTIVITY
JUNE 30, 2025

Library Services	One Main Library and Four Branches
Fire:	
Fire Stations	8
Police:	
Stations	One Main Station and Three Substations
Community Services:	
Acreage of Parks	1,072
Community Centers	6
Public Works:	
Centerline Square Miles of Streets Maintained	451
Miles of Beach Maintained	4.7
Miles of Storm Drains Maintained	120
Miles of Sewer Maintained	362

Source: Various departments of the City of Huntington Beach

THE PAGE INTENTIONALLY LEFT BLANK

City of Huntington Beach
2000 Main Street
Huntington Beach, CA 92648