

**REQUIRED SUPPLEMENTARY  
INFORMATION (UNAUDITED)**

**CITY OF HERMOSA BEACH**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule - General Fund**  
**For the Year Ended June 30, 2023**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Fund balance, July 1, 2022</b>	\$ 20,651,406	\$ 20,651,406	\$ 20,651,406	\$ -
Revenues (inflows):				
Property taxes	22,055,924	22,359,658	22,712,284	352,626
Other taxes	11,607,920	13,265,999	13,514,058	248,059
Licenses and permits	1,408,690	1,504,280	1,049,519	(454,761)
Fines and forfeitures	1,753,010	1,740,260	1,431,512	(308,748)
Use of money and property	869,364	1,322,408	1,336,263	13,855
Intergovernmental	146,636	155,781	120,277	(35,504)
Charges for services	7,686,027	7,455,785	7,567,352	111,567
Miscellaneous	107,980	258,113	249,399	(8,714)
Interest earned on investments	118,864	349,208	(113,810)	(463,018)
Transfers in	1,732,489	1,732,489	1,687,526	(44,963)
Proceeds from subscriptions	-	-	64,378	64,378
Amount available for appropriations	<u>47,486,904</u>	<u>50,143,981</u>	<u>49,618,758</u>	<u>(525,223)</u>
Charges to appropriations (outflows):				
Legislative and legal	1,580,494	1,672,531	1,538,192	134,339
General government	5,941,645	6,509,317	5,765,635	743,682
Public safety	26,464,111	26,987,788	24,921,286	2,066,502
Community development	2,345,647	2,488,101	2,012,178	475,923
Culture and recreation	1,912,641	1,934,311	1,941,106	(6,795)
Public works	7,456,433	7,883,034	7,234,390	648,644
Capital outlay	130,411	448,470	223,680	224,790
Principal	-	-	15,839	(15,839)
Interest and fiscal charges	-	-	2,580	(2,580)
Transfers out	<u>3,899,643</u>	<u>7,433,605</u>	<u>7,464,343</u>	<u>(30,738)</u>
Total charges to appropriations	<u>49,731,025</u>	<u>55,357,157</u>	<u>51,119,229</u>	<u>4,237,928</u>
Fund balance, June 30, 2023	<u>\$ 18,407,285</u>	<u>\$ 15,438,230</u>	<u>\$ 19,150,935</u>	<u>\$ 3,712,705</u>

## CITY OF HERMOSA BEACH

### Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual Budgetary Comparison Schedule - Grants Special Revenue Fund For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Fund balance, July 1, 2022</b>	\$ 138,036	\$ 138,036	\$ 138,036	\$ -
Revenues (inflows):				
Intergovernmental	507,578	2,002,394	214,849	(1,787,545)
Miscellaneous	<u>214,355</u>	<u>440,950</u>	<u>86,538</u>	<u>(354,412)</u>
Amount available for appropriations	<u>721,933</u>	<u>2,443,344</u>	<u>301,387</u>	<u>(2,141,957)</u>
Charges to appropriations (outflows):				
General government	-	1,076,487	9,900	1,066,587
Public safety	8,458	8,458	-	8,458
Community development	25,455	25,455	25,455	-
Capital outlay	<u>1,042,974</u>	<u>3,792,340</u>	<u>1,589,477</u>	<u>2,202,863</u>
Total charges to appropriations	<u>1,076,887</u>	<u>4,902,740</u>	<u>1,624,832</u>	<u>3,277,908</u>
Fund balance (deficit), June 30, 2023	<u>\$ (216,918)</u>	<u>\$ (2,321,360)</u>	<u>\$ (1,185,409)</u>	<u>\$ 1,135,951</u>

## CITY OF HERMOSA BEACH

### Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual Budgetary Comparison Schedule - Tyco Special Revenue Fund For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Fund balance, July 1, 2022</b>	\$ 2,012,109	\$ 2,012,109	\$ 2,012,109	\$ -
Revenues (inflows):				
Use of money and property	337,932	337,932	161,268	(176,664)
Miscellaneous	-	-	134,369	134,369
Interest earned on investments	15,368	49,648	(9,299)	(58,947)
Amount available for appropriations	353,300	387,580	286,338	(101,242)
Charges to appropriations (outflows):				
Public works	120,789	120,789	-	120,789
Capital outlay	2,321,067	2,281,373	309,959	1,971,414
Transfers out	1,590	21,090	21,090	-
Total charges to appropriations	2,443,446	2,423,252	331,049	2,092,203
Fund balance, June 30, 2023	\$ (78,037)	\$ (23,563)	\$ 1,967,398	\$ 1,990,961

## CITY OF HERMOSA BEACH

### Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual Budgetary Comparison Schedule - RTI Undersea Cable Special Revenue Fund For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Fund balance, July 1, 2022</b>	\$ 728,893	\$ 728,893	\$ 728,893	\$ -
Revenues (inflows):				
Use of money and property	179,250	417,547	251,663	(165,884)
Miscellaneous	-	-	147,884	147,884
Interest earned on investments	<u>7,004</u>	<u>19,574</u>	<u>(3,772)</u>	<u>(23,346)</u>
Amount available for appropriations	<u>186,254</u>	<u>437,121</u>	<u>395,775</u>	<u>(41,346)</u>
Charges to appropriations (outflows):				
Capital outlay	1,036,692	1,078,952	-	1,078,952
Transfers out	<u>239,245</u>	<u>239,245</u>	<u>239,245</u>	<u>-</u>
Total charges to appropriations	<u>1,275,937</u>	<u>1,318,197</u>	<u>239,245</u>	<u>1,078,952</u>
Fund balance, June 30, 2023	<u>\$ (360,790)</u>	<u>\$ (152,183)</u>	<u>\$ 885,423</u>	<u>\$ 1,037,606</u>

**City of Hermosa Beach**  
**Required Supplementary Information (Unaudited) (Continued) Notes to the Budgetary Comparison**  
**Schedule For the Year Ended June 30, 2023**

**Budgetary Control and Accounting Policy**

Budgets are annually adopted for all governmental fund types (with the exception of the Tyco Tideland, Myrtle District Administrative Expense, and Greenwich Underground Special Revenue Funds) and all proprietary fund types on a basis consistent with generally accepted accounting principles. The City is required by its municipal code to adopt an annual budget on or before June 30 for the ensuing fiscal year. From the effective date of the budget, the amounts become the “*annual appropriated budget.*”

The appropriated budget is prepared by fund, department and division. The City Council may amend the budget by motion during the fiscal year. Expenditures may not legally exceed appropriations at the fund level. The City Manager is authorized to transfer budgeted amounts between departments within the same fund; however, any transfers between funds or revisions that alter total appropriations of any fund require City Council approval. The legal level of control is therefore at the fund level.

Supplemental appropriations, which increase appropriations, were made during the fiscal year, therefore, “final” budgeted revenue and appropriation amounts shown in the financial statements represent the original budget, modified for adjustments during the year. Appropriations lapse at the end of the fiscal year.

Encumbrances - Under encumbrance accounting, purchase orders, contracts and other commitments for expenditures are recorded to reserve that portion of the applicable appropriation. Encumbrance accounting is employed as an extension of formal budgetary accounting. Unexpended appropriations lapse at year-end.

**CITY OF HERMOSA BEACH**  
**Required Supplementary Information**  
**Schedule of City's Proportionate Share of the Net Pension Liability and Related Ratios**  
**For the Year Ended June 30, 2023**

**Last Ten Fiscal Years**

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

	June 30, 2022 <sup>1</sup> Fiscal Year 2022-23	June 30, 2021 <sup>1</sup> Fiscal Year 2021-22	June 30, 2020 <sup>1</sup> Fiscal Year 2020-21	June 30, 2019 <sup>1</sup> Fiscal Year 2019-20	June 30, 2018 <sup>1</sup> Fiscal Year 2018-19
City's Proportion of the Net Pension Liability/(Asset)	0.38672%	0.47112%	0.37245%	0.37079%	0.37090%
City's Proportionate share of the Net Pension Liability/(Asset)	\$ 18,095,347	\$ 8,945,705	\$ 15,710,118	\$ 14,848,242	\$ 13,978,150
City's Covered payroll	\$ 8,730,571	\$ 7,613,425	\$ 7,191,189	\$ 7,192,641	\$ 7,402,032
City's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its covered payroll	207.26%	117.50%	218.46%	206.44%	188.84%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	78.19%	85.66%	74.14%	75.95%	74.50%
	June 30, 2017 <sup>1</sup> Fiscal Year 2017-18	June 30, 2016 <sup>1</sup> Fiscal Year 2016-17	June 30, 2015 <sup>1</sup> Fiscal Year 2015-16	June 30, 2014 <sup>1</sup> Fiscal Year 2014-15	
City's Proportion of the Net Pension Liability/(Asset)	0.14664%	0.14882%	0.15099%	0.16331%	
City's Proportionate share of the Net Pension Liability/(Asset)	\$ 14,452,712	\$ 12,877,883	\$ 10,364,015	\$ 10,161,668	
City's Covered payroll	\$ 6,785,443	\$ 6,540,869	\$ 5,700,485	\$ 5,355,599	
City's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its covered payroll	213.00%	196.88%	181.81%	189.74%	
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	72.80%	73.59%	78.00%	78.34%	

<sup>1</sup> Historical information is presented only for measurement periods for which GASB 68 is applicable. The Measurement date 2014 was the first year of implementation, therefore only nine years are presented.

**CITY OF HERMOSA BEACH**  
**Required Supplementary Information**  
**Schedule of City's Proportionate Share of the Net Pension Liability and Related Ratios**  
**For the Year Ended June 30, 2023**

**Last Ten Fiscal Years**

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

	June 30, 2022 <sup>1</sup> Fiscal Year 2022-23	June 30, 2021 <sup>1</sup> Fiscal Year 2021-22	June 30, 2020 <sup>1</sup> Fiscal Year 2020-21	June 30, 2019 <sup>1</sup> Fiscal Year 2019-20	June 30, 2018 <sup>1</sup> Fiscal Year 2018-19
City's Proportion of the Net Pension Liability/(Asset)	0.60049%	0.65417%	0.53686%	0.54687%	0.57283%
City's Proportionate share of the Net Pension Liability/(Asset)	\$ 41,263,238	\$ 22,957,889	\$ 35,767,664	\$ 34,138,671	\$ 33,611,333
City's Covered payroll	\$ 4,520,539	\$ 4,516,727	\$ 4,130,518	\$ 4,108,280	\$ 5,320,583
City's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its covered payroll	912.79%	508.29%	865.94%	830.97%	631.72%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	75.53%	82.03%	71.20%	71.77%	71.23%
	June 30, 2017 <sup>1</sup> Fiscal Year 2017-18	June 30, 2016 <sup>1</sup> Fiscal Year 2016-17	June 30, 2015 <sup>1</sup> Fiscal Year 2015-16	June 30, 2014 <sup>1</sup> Fiscal Year 2014-15	
City's Proportion of the Net Pension Liability/(Asset)	0.35213%	0.37217%	0.40019%	0.42012%	
City's Proportionate share of the Net Pension Liability/(Asset)	\$ 34,921,802	\$ 32,204,127	\$ 27,469,000	\$ 26,141,972	
City's Covered payroll	\$ 5,597,657	\$ 5,342,937	\$ 5,492,822	\$ 5,065,109	
City's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its covered payroll	623.86%	602.74%	500.09%	516.12%	
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	69.01%	68.78%	72.40%	74.24%	

<sup>1</sup> Historical information is presented only for measurement periods for which GASB 68 is applicable. The Measurement date 2014 was the first year of implementation, therefore only nine years are presented.



**CITY OF HERMOSA BEACH**  
**Required Supplementary Information**  
**Schedule of City's Contributions - Pensions**  
**For the Year Ended June 30, 2023**

**Last Ten Fiscal Years**

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

	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>
Actuarially determined contribution	\$ 742,817	\$ 690,001	\$ 693,322	\$ 618,021	\$ 575,931
Contributions in relation to the actuarially determined contributions	<u>\$ (2,025,370)</u>	<u>\$ (1,769,850)</u>	<u>\$ (1,632,690)</u>	<u>\$ (1,907,072)</u>	<u>\$ (1,682,561)</u>
Contribution deficiency (excess)	<u>\$ (1,282,553)</u>	<u>\$ (1,079,849)</u>	<u>\$ (939,368)</u>	<u>\$ (1,289,051)</u>	<u>\$ (1,106,630)</u>
Covered payroll <sup>1</sup>	\$ 8,730,570	\$ 7,661,955	\$ 7,613,425	\$ 7,191,189	\$ 7,192,641
Contributions as a percentage of covered employee payroll	23.20%	23.10%	21.44%	26.52%	23.39%
	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>
Actuarially determined contribution	\$ 527,115	\$ 518,722	\$ 469,656	\$ 883,493	\$ 799,637
Contributions in relation to the actuarially determined contributions	<u>\$ (1,516,745)</u>	<u>\$ (1,379,151)</u>	<u>\$ (1,245,120)</u>	<u>\$ (883,493)</u>	<u>\$ (799,637)</u>
Contribution deficiency (excess)	<u>\$ (989,630)</u>	<u>\$ (860,429)</u>	<u>\$ (775,464)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll <sup>1</sup>	\$ 7,402,032	\$ 6,785,443	\$ 6,540,869	\$ 5,700,485	\$ 5,355,599
Contributions as a percentage of covered employee payroll	20.49%	20.33%	19.04%	15.50%	14.93%

<sup>1</sup> Covered Payroll represented above is based on pensionable earnings provided by the employer.

**Notes to Schedule**

None.

**CITY OF HERMOSA BEACH**  
**Required Supplementary Information**  
**Schedule of City's Contributions - Pensions**  
**For the Year Ended June 30, 2023**

**Last Ten Fiscal Years**

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

	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>
Actuarially determined contribution	\$ 896,751	\$ 1,119,497	\$ 996,107	\$ 753,728	\$ 804,633
Contributions in relation to the actuarially determined contributions	<u>\$ (3,982,811)</u>	<u>\$ (3,813,932)</u>	<u>\$ (3,342,664)</u>	<u>\$ (2,799,261)</u>	<u>\$ (3,878,196)</u>
Contribution deficiency (excess)	<u>\$ (3,086,060)</u>	<u>\$ (2,694,435)</u>	<u>\$ (2,346,557)</u>	<u>\$ (2,045,533)</u>	<u>\$ (3,073,563)</u>
Covered payroll <sup>1</sup>	\$ 4,520,539	\$ 5,171,993	\$ 4,516,727	\$ 4,130,518	\$ 4,108,280
Contributions as a percentage of covered employee payroll	88.10%	73.74%	74.01%	67.77%	94.40%
	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>
Actuarially determined contribution	\$ 1,016,858	\$ 1,029,129	\$ 1,033,371	\$ 2,842,420	\$ 1,923,392
Contributions in relation to the actuarially determined contributions	<u>\$ (4,226,782)</u>	<u>\$ (3,921,179)</u>	<u>\$ (3,698,115)</u>	<u>\$ (2,842,420)</u>	<u>\$ (1,923,392)</u>
Contribution deficiency (excess)	<u>\$ (3,209,924)</u>	<u>\$ (2,892,050)</u>	<u>\$ (2,664,744)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll <sup>1</sup>	\$ 5,320,583	\$ 5,597,651	\$ 5,342,937	\$ 5,492,822	\$ 5,065,109
Contributions as a percentage of covered employee payroll	79.44%	70.05%	69.22%	51.75%	37.97%

<sup>1</sup> Covered Payroll represented above is based on pensionable earnings provided by the employer.

**Notes to Schedule**

None.

**CITY OF HERMOSA BEACH**  
**Required Supplementary Information**  
**Schedule of Changes in the Net OPEB Liability and Related Ratios**  
**For the Year Ended June 30, 2023**

<b>For the Measurement Period:</b>	<b>Last Ten Fiscal Years</b>				
	2022-23	2021-22	2020-21	2019-20	2018-19
<b>Total OPEB Liability</b>					
Service cost	\$ 328,880	\$ 396,550	\$ 385,000	\$ 385,000	\$ 327,066
Interest on the total OPEB Liability	819,527	818,124	779,630	779,630	661,475
Actual and expected experience difference	-	(1,303,579)	-	-	632,713
Changes in assumptions	-	2,010,094	-	-	771,624
Changes in benefit terms	-	-	-	-	-
Benefit payments	<u>(613,220)</u>	<u>(563,618)</u>	<u>(505,591)</u>	<u>(505,591)</u>	<u>(457,550)</u>
Net change in total OPEB liability	535,187	1,357,571	659,039	659,039	1,935,328
Total OPEB liability - beginning	<u>14,878,244</u>	<u>13,520,673</u>	<u>12,861,634</u>	<u>12,861,634</u>	<u>10,926,306</u>
Total OPEB liability - ending (a)	<u>\$ 15,413,431</u>	<u>\$ 14,878,244</u>	<u>\$ 13,520,673</u>	<u>\$ 13,520,673</u>	<u>\$ 12,861,634</u>
<b>Plan Fiduciary Net Position</b>					
Contribution - employer	\$ 1,047,488	\$ 982,442	\$ 870,427	\$ 870,427	\$ 1,486,916
Net investment income	(2,363,706)	3,126,022	504,213	504,213	838,766
Benefit payments	(613,220)	(563,618)	(505,591)	(505,591)	(457,550)
Administrative expense	<u>(38,864)</u>	<u>(36,347)</u>	<u>(32,328)</u>	<u>(32,328)</u>	<u>(29,410)</u>
Net change in plan fiduciary net position	(1,968,302)	3,508,499	836,721	836,721	1,838,722
Plan fiduciary net position - beginning	<u>17,758,290</u>	<u>14,249,791</u>	<u>13,413,070</u>	<u>13,413,070</u>	<u>11,574,348</u>
Plan fiduciary net position - ending (b)	<u>15,789,988</u>	<u>17,758,290</u>	<u>14,249,791</u>	<u>14,249,791</u>	<u>13,413,070</u>
Net OPEB liability (asset) - ending (a)-(b)	<u>\$ (376,557)</u>	<u>\$ (2,880,046)</u>	<u>\$ (729,118)</u>	<u>\$ (729,118)</u>	<u>\$ (551,436)</u>
Fiduciary net position as a % of total OPEB liability	102.44%	119.36%	105.39%	105.39%	104.29%
Covered payroll	14,578,182	13,037,862	12,297,066	12,297,066	10,461,266
Net OPEB liability as a percentage of payroll	-2.58%	-22.09%	-5.93%	-5.93%	-5.27%

\* 2017 is the first year of implementation, therefore only seven years are available for the required 10-year schedule.

**CITY OF HERMOSA BEACH**  
**Required Supplementary Information (Continued)**  
**Schedule of Changes in the Net OPEB Liability and Related Ratios**  
**For the Year Ended June 30, 2023**

<b>For the Measurement Period:</b>	<b>Last Ten Fiscal Years</b>	
	2017-18	2016-2017
<b>Total OPEB Liability</b>		
Service cost	\$ 317,540	\$ 326,000
Interest on the total OPEB Liability	631,597	624,000
Actual and expected experience difference	-	-
Changes in assumptions	-	-
Changes in benefit terms	-	(381,000)
Benefit payments	<u>(463,831)</u>	<u>(399,000)</u>
Net change in total OPEB liability	485,306	170,000
Total OPEB liability - beginning	<u>10,441,000</u>	<u>10,271,000</u>
Total OPEB liability - ending (a)	<u>\$ 10,926,306</u>	<u>\$ 10,441,000</u>
 <b>Plan Fiduciary Net Position</b>		
Contribution - employer	\$ 1,569,307	\$ 1,050,000
Net investment income	645,729	906,000
Benefit payments	(463,831)	(399,000)
Administrative expense	<u>(26,857)</u>	<u>(23,000)</u>
Net change in plan fiduciary net position	1,724,348	1,534,000
Plan fiduciary net position - beginning	<u>9,850,000</u>	<u>8,316,000</u>
Plan fiduciary net position - ending (b)	<u>11,574,348</u>	<u>\$ 9,850,000</u>
 Net OPEB liability (asset) - ending (a)-(b)	 <u>\$ (648,042)</u>	 <u>\$ 591,000</u>
 Fiduciary net position as a % of total OPEB liability	 105.93%	 94.34%
 Covered payroll	 11,551,135	 11,551,135
 Net OPEB liability as a percentage of payroll	 -5.61%	 5.12%

**CITY OF HERMOSA BEACH**  
**Required Supplementary Information**  
**Schedule of City's Contributions - OPEB**  
**For the Year Ended June 30, 2023**

**Last Ten Fiscal Years**

**For the Measurement**

<b>Period:</b>	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>
Actuarially determined contributions	\$ 224,000	\$ 367,000	\$ 373,000	\$ 314,000	\$ 324,000
Contributions in relation to the actuarially determined contribution	<u>(1,081,220)</u>	<u>(1,047,488)</u>	<u>(982,447)</u>	<u>(870,427)</u>	<u>(1,486,916)</u>
Contribution deficiency (excess)	<u>\$ (857,220)</u>	<u>\$ (680,488)</u>	<u>\$ (609,447)</u>	<u>\$ (556,427)</u>	<u>\$ (1,162,916)</u>
Covered payroll	<u>\$ 15,230,981</u>	<u>\$ 14,578,182</u>	<u>\$ 13,037,862</u>	<u>\$ 12,297,066</u>	<u>\$ 10,461,266</u>
Contributions as a percentage of covered payroll	7.10%	7.19%	7.54%	7.08%	14.21%

**For the Measurement**

<b>Period:</b>	<u>2017-18</u>	<u>2016-17</u>
Actuarially determined contributions	\$ 818,000	\$ 818,000
Contributions in relation to the actuarially determined contribution	<u>(1,569,000)</u>	<u>(1,050,000)</u>
Contribution deficiency (excess)	<u>\$ (751,000)</u>	<u>\$ (232,000)</u>
Covered payroll	<u>\$ 11,551,135</u>	<u>\$ 10,955,041</u>
Contributions as a percentage of covered payroll	13.58%	9.58%

\* 2017 is the first year of implementation, therefore only seven years are available for the required 10-year schedule.