



ANNUAL COMPREHENSIVE FINANCIAL REPORT

MANHATTAN BEACH
CALIFORNIA

FISCAL YEAR ENDED
JUNE 30, 2025

CITY OF MANHATTAN BEACH, CALIFORNIA

Annual Comprehensive Financial Report

For the Year Ended June 30, 2025



Prepared by the Finance Department

Libby Bretthauer, Finance Director



CITY OF MANHATTAN BEACH, CALIFORNIA

Annual Comprehensive Financial Report

For the Year Ended June 30, 2025

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INTRODUCTION

MANHATTAN BEACH
CITY HALL





CITY OF MANHATTAN BEACH
1400 Highland Avenue, Manhattan Beach, CA 90266

www.manhattanbeach.gov • (310) 802-5550

December 22, 2025

Honorable Mayor, Councilmembers and Manhattan Beach Community
Manhattan Beach City Hall
Manhattan Beach, California 90266

We are pleased to present the Annual Comprehensive Financial Report of the City of Manhattan Beach for the Fiscal Year ended June 30, 2025. This report has been prepared in accordance with generally accepted accounting principles as set forth in the pronouncements of the Governmental Accounting Standards Board (GASB). We are also pleased to report that the City has received an unmodified opinion from the independent auditor, meaning that financial statements are presented, in all material respects, in accordance with the applicable financial reporting framework.

The City's financial policies require an external independent audit be performed annually, and that the auditor's opinions be included in the Annual Comprehensive Financial Report (ACFR). Further, it states that the results be reviewed with the Finance Subcommittee, which met with the auditor and discussed the results on December 18, 2025.

Responsibility for the accuracy of the data and the fairness of presentation, including all footnotes and disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All material statements and disclosures necessary for the reader to obtain a thorough understanding of the City's financial activities have been included.

City management is responsible for establishing and maintaining fiscal internal controls designed to safeguard the assets of the government from loss, theft or misuse, and to ensure that accounting data is accurately compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of controls should not exceed the benefits likely to be derived, and the valuation of costs and benefits require estimates and judgments by management.

The City's financial statements have been audited by LSL, LLP, an accounting firm selected by the City Council, based on a recommendation from the Finance Subcommittee. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion and that the City of Manhattan Beach's financial statements for the fiscal year ended June 30, 2025, are fairly presented in conformity with generally accepted accounting principles (GAAP).

The independent auditors' report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the Management Discussion and Analysis. This letter of transmittal is designed to complement the Management Discussion and Analysis (MD&A) and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditor.

Profile of the Government

The City of Manhattan Beach is located in the South Bay region of Los Angeles County. The current population¹ is 34,051. The City encompasses approximately four square miles.

Incorporated in 1912 under the general laws of the State of California, the City operates under the Council-Manager form of government. The City Council is comprised of five members elected at-large for overlapping four-year terms. Each member may serve as Mayor for a nine-month period once during his or her four-year term in office. The City Treasurer is also elected to a four-year term and serves as the chairperson for the Finance Subcommittee. City Councilmembers are limited to two consecutive terms. The City conducts its elections with statewide elections scheduled in November.

The City Council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and appointing the City Manager and City Attorney. The City Councilmembers also serve as the governing body of the Manhattan Beach Capital Improvements Corporation (please see Note 1 in the ACFR for more information).

In addition, the City Council appoints the members of the following advisory Boards and Commissions:

- | | |
|-------------------------------|---|
| Planning Commission | Parking and Public Improvements Commission |
| Parks & Recreation Commission | Board of Building Appeals |
| Library Commission | Business Improvement District Advisory Boards |
| Cultural Arts Commission | |

The City is a full-service municipality, and provides a variety of services to the community, including:

- | | |
|----------------------------------|--------------------------------|
| Police services | Fire and paramedic services |
| Culture and recreation | Building and safety |
| General government | Water and wastewater utilities |
| Stormwater management | Parking facilities |
| Street and landscape maintenance | |

Budget Process

The City operates on an annual budget schedule. The budget development process begins in January of each year. Line-item budget development is accomplished through the City’s financial system, which allows each department to build its budget using computerized worksheets. Each department is responsible for developing the Materials & Services line items and part-time employee salaries. The remaining Salary & Benefit information is calculated and entered by the Finance Department.

The Finance Director, in coordination with the applicable operating departments, provides the City Manager with proposed revenue projections. These revenue estimates are reviewed with the department budget requests to determine available funding levels for the fiscal year. Supplemental budget requests (new personnel, services or equipment) are subject to City Manager review and approval before becoming part of the proposed operating budget. This process applies to all governmental and enterprise funds.

The City Manager and Finance Director meet with the departments to review all operating expenditures and budget change requests. After this final review and approval by the City Manager, the proposed budget document is presented to the City Council in May. Budget study sessions and a public hearing are then held by the City Council. The budget is adopted by resolution prior to June 30.

During the fiscal year, the budget can be amended as necessary to meet the City’s needs. The City Council has the legal authority to amend the budget at any time. Department Heads and their designated representatives may only authorize expenditures based on appropriations approved by City Council action, and only from accounts under their organizational responsibility. Actual expenditures may exceed budget appropriations by line-item. However,

¹ State of California, Department of Finance, E-1 Population Estimates for Cities. Sacramento, California, May 2025.

total expenditures within each fund may not exceed the total appropriation for that fund. The City Manager has the authority and discretion to approve interdepartmental appropriation transfers as long as they are within the same fund. Inter-fund transfers require a budget amendment by the City Council.

Financial Policies

In fiscal year 1997-1998, the City Council approved the City's first set of financial policies, designed to promote sound financial management and ensure that the City's fiscal integrity remains intact as staff and Councilmembers change. The Policies are reviewed and re-adopted every year with the City's Operating Budget in June.

While presenting General Fund balance in accordance with GASB pronouncements, the City Council has established certain policy "reserves" within what GASB defines as the unassigned category. The unassigned category is the residual classification of fund balance that is not in restricted or committed classifications. In the General Fund section of this transmittal letter, General Fund unassigned balance is broken down in accordance with City Council Financial Policy.

Long Term Planning

Each year during the budget process, the City develops a five-year forecast of revenues and expenditures for all funds. The Street Lighting and Landscape Fund is still operating at a deficit and will continue to require General Fund subsidies, which may only be mitigated by a Proposition 218 vote. The most recent five-year forecast can be found in the fiscal year 2025-2026 Adopted Budget, available online at www.manhattanbeach.gov/budget.

Major Initiatives

Project Pulse

In summer 2024, the City closed and subsequently demolished the Lot 3 parking structure in Downtown Manhattan Beach due to safety concerns. The emergency demolition was completed by November 2024, and a new interim surface lot opened in June of 2025, restoring parking capacity and improving accessibility.

The interim facility includes solar lighting, EV charging stations, drought-tolerant landscaping with irrigation, and a trash enclosure supporting private refuse agreements. The design also provides ADA-compliant access, enhanced circulation, and bicycle parking, improving safety, efficiency, and overall user experience.

Separately, the City purchased the former bank site at 400 Manhattan Beach Boulevard, increasing the City's assets in the downtown area.

In spring 2025, the City initiated a planning effort, dubbed *Project Pulse*, to coordinate synergistic redevelopment of both downtown properties. As part of the Project Pulse work effort, the City is conducting a comprehensive community engagement and visioning process which will run through July 2026 to gather public input on the redevelopment plans for the properties. Ultimately, the City Council will decide on the future use of both properties, which is anticipated to occur in August 2026.

Upon receipt of direction from the City Council in summer 2026, City staff will engage a consultant to prepare preliminary plans for selected projects and process the necessary entitlements, which will vary depending on the projects proposed. Once entitlements are obtained, construction drawings will be prepared for the projects and development of the sites will occur upon allocation of funding.

Additional information on Project Pulse can be found at www.manhattanbeach.gov/projectpulse.

Housing Element Implementation

In September 2022, the City Council adopted the City's 6th Cycle Housing Element. Upon making additional revisions, the final version was certified by the California Department of Housing and Community Development (HCD) in July 2023, affirming compliance with State housing law. Since then, the City has been working on implementing a series of programs to further the goals in the document and maintain its certified status. At this stage, a series of amendments to the Manhattan Beach Municipal Code (MBMC) and the Manhattan Beach Local

Coastal Program (MBLCP) have been approved by the City Council to address mixed-use and multi-family residential development standards, density bonus provisions, permit processes for housing development projects, and related topics. The amendments to the MBMC are in effect at this time, however the amendments to the MBLCP are still under review with the California Coastal Commission. Additional amendments to the MBMC and MBLCP are being prepared to address other programs contained in the 6th Cycle Housing Element.

Another aspect of the implementation work was the creation of a Residential Overlay District (ROD) to allow development of high-density residential projects on select commercial properties in the City. Over the past two years, staff has engaged with a number of interested developers to discuss potential ROD projects on eligible sites, and building plans are under review for projects totaling over 300 units. Ultimately, implementation of the Housing Element will help achieve its goal of facilitating housing production to meet the City's housing needs during the 6th Cycle planning period of 2021 – 2029.

Long-Term Outdoor Dining Program

During the COVID-19 pandemic, the City allowed temporary outdoor uses for a variety of businesses due to restrictions on indoor operations. As the focus gradually shifted from temporary uses to post-pandemic operations, the City Council directed staff to form a 15-member ad hoc task force to develop a long-term outdoor dining program. In April 2023, the Outdoor Dining Task Force was established, comprised of community members representing residential, commercial, and quasi-judicial stakeholders. Since September 2023, staff has provided five periodic status updates before the City Council summarizing the progress of the program development and task force recommendations that include, but are not limited to, the program vision, scope, and regulations.

Staff also engaged an outdoor dining consultant team in June 2023 to supplement the necessary resources that are currently not available in-house. Specifically, consultants provided services in subject areas such as engineering and design, community outreach, environmental documentation, fiscal impact analysis, and other related topics. The consultant's work was completed in summer 2025, and the City Council adopted the code amendments and outdoor dining guidelines in early December 2025. Currently, staff is working on submitting the code amendments to the California Coastal Commission for their review and certification into the City's Local Coastal Program.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local Economy

The South Bay region is home to a number of industries including aerospace, entertainment, technology, leisure and tourism, and manufacturing. Economists report that the South Bay area has strong fundamentals including high levels of education, high incomes and competitive industries. The most recently available figures indicate that the unemployment rate in Manhattan Beach has risen to 5.5%, in line with the trend compared to Los Angeles County at 6.3% and the State of California at 5.5%².

The City's largest General Fund revenue source, Property Tax, grew by 4.4% (\$1.9 million) in FY 2024-2025. Assessed valuations, which indicate tax revenue and help propel property tax growth, are projected to increase by 5.29% in FY 2025-2026, driven by the value added from reassessments from the sales of large parcels. The median home price in Manhattan Beach increased 11.1% to \$3.3 million compared to the previous year. Single-family homes valued at pre-1978 levels (before Proposition 13) continue to turn over, resulting in higher assessed valuations being added to the property tax rolls.



² State of California, Employment Development Department, August 2025 (Preliminary)

The City's Sales Tax, Transient Occupancy Tax and Business License Taxes all performed well in FY 2024-2025. However, these critical revenue sources are vulnerable to broader economic conditions. Inflation and tariffs continue to pressure consumer spending. Although there is optimism for future interest rate reductions, national tariffs and higher prices for basic necessities diminish overall spending power. The economy in 2025 continues to be sluggish with only modest expansion expected due to unprecedented uncertainty in these larger economic trends.

Staff continues to monitor the effects of tariffs on the price of materials and services needed for City operations and capital purchases. With these ongoing inflationary pressures, cost containment and efficiency improvements are a top priority.

EXECUTIVE FINANCIAL OVERVIEW

This top-level overview is presented as a supplement to the more detailed and comprehensive analysis presented in the MD&A. As such, it serves to highlight key financial performance indicators for our major funds. We encourage readers to review the MD&A for a further analysis of the City's financial condition.

General Fund

The General Fund is the primary operating fund of the City of Manhattan Beach. The General Fund balance decreased by \$9.9 million from the prior year. The decrease is primarily attributable to outgoing transfers of \$15.9 million for the purchase of property located at 400 Manhattan Beach Boulevard (400 MBB), funding capital projects, and \$258,535 of subsidies to the Street Lighting and Landscape Fund, which continues to run a deficit year over year.

The Pension Trust Fund and the PARS Investment Trust Fund are included in the General Fund balance. At the end of fiscal year 2025, the total General Fund balance equaled \$30.5 million, of which \$6.8 million is either non-spendable or restricted and \$24,925 is assigned to City retirement plans, leaving an unassigned fund balance of \$23.6 million. Within the unassigned fund balance, City Council has established earmarks for financial policies (20% of operating expenditures) and economic uncertainties (\$4 million) of \$24.0 million. Due to the purchase of 400 MBB, the General Fund is temporarily not meeting financial policy for FY 2024-2025. However, in the subsequent fiscal year, the City reimbursed the General Fund for the land acquisition with bond proceeds from the issuance of certificates of participation totaling \$12.5 million.

Nearly all General Fund revenue categories increased from the prior year except for interfund charges. Changes from the prior year for each category are noted in the table below:

Revenue Category	2025 Actual	2024 Actual	Increase/ (Decrease)	%
Property Tax	\$44,973,260	\$43,067,610	\$1,905,650	4.4%
Other Taxes (Sales, Hotel, Business License, etc.)	30,366,372	27,890,305	\$2,476,067	8.9%
Licenses and Permits (Building, Construction, Film Permits)	4,421,097	4,340,758	\$80,339	1.9%
Fines (Parking Citations, Vehicle Code Fines)	2,480,865	1,953,584	\$527,281	27.0%
Use of Money and Property (Interest, Rents and Ground Leases)	7,459,748	7,146,781	\$312,967	4.4%
Received From Other Agencies (Vehicle License Fees, Grants)	747,194	742,757	\$4,437	0.6%
Service Charges (Plan Check Fees, P&R Class, Ambulance Fees)	12,006,519	9,693,124	\$2,313,395	23.9%
Interfund Charges (Admin and Engineering Service Charge)	3,540,490	3,731,200	(\$190,710)	(5.1%)
Miscellaneous*	1,282,371	1,202,262	\$80,109	6.7%
Total	\$107,277,916	\$99,768,381	\$7,509,535	7.5%

*Includes proceeds from the Sale of Capital Assets.

With the City's relatively high property values, Property Taxes continue to be the main revenue source totaling 41.9% of all General Fund revenues.

In the Other Taxes category, Sales Tax, totaling \$13.0 million in FY 2024-2025 was nearly \$2 million over the prior year due to the passage Measure MMB, which added a one-half cent (0.5%) transaction and use tax as of April 2025. Transient Occupancy (Hotel) Taxes, which totaled \$9.0 million, increased by \$314,719 (3.6%) compared to the prior year driven by an increase in the number of short-term rentals operating within the City's coastal zone. Business License Tax, which is based on gross receipts, increased \$166,836 (3.1%) over the prior year to \$5.6 million. Additionally, Real Estate Transfer Tax increased \$233,765 (32.6%) over the prior year to \$950,553.

In the Fines category, the most significant driver of the increase was due to Parking Citations, which increased \$580,357 over the prior year. Additionally, the increase in service charges is primarily due to reimbursements for wildfire staffing (\$1.1 million over prior year) and building plan check fees (\$460,977 over prior year).

On an overall basis, General Fund revenues totaled \$107.3 million, up by \$7.5 million or 7.5% from the prior year and outperformed the final budget by \$5.5 million (excluding transfers in).

General Fund expenditures totaled \$102.8 million in FY 2024-2025, a decrease of \$604,439 compared to the prior fiscal year and \$356,714 under the final budget.

Other Funds

Underground Assessment District

Three Utility Undergrounding Assessment Districts (19-4, 19-12, 19-14) were approved by property owners in FY 2019-2020. Construction of all other previously approved underground districts was completely managed by the utility companies for lump sum pricing. For these three districts, the City's Public Works Department is directly overseeing construction and, as a result, the bond proceeds (revenues) and expenditures are flowing through a City governmental fund. Property owners were given an opportunity to prepay their assessment in cash or to pay in annual installments following the issuance of bonds. Construction commenced in 2020 following the cash collection period and subsequent sale of bonds for remaining assessments. Construction on District 19-4 was completed in June 2024, and Districts 19-12 and 19-14 are estimated to be completed mid-2027.

Capital Improvement Fund

The Capital Improvement Projects (CIP) Fund is important to highlight given its significance in managing general governmental infrastructure and facilities capital projects. In FY 2024-2025, CIP Fund total revenues were nearly \$2.0 million, net transfers-in were \$15.4 million, and expenditures were \$16.4 million.

As of June 30, 2025, the total balance of the CIP Fund is \$13.7 million. A list of major capital projects at year end include:

- \$2,168,481 – Senior & Scout House
- \$1,075,525 – City Facility Renovations
- \$1,016,002 – Citywide Security Cameras
- \$852,357 – Begg Pool Facility Upgrades
- \$665,327 – Deferred Park Maintenance
- \$3,245,872 – Other projects in design or construction including various facility projects and park projects.

Enterprise, Internal Service, and Special Revenue Funds

This group includes the City's enterprises such as Water, Wastewater, Storm Drain and Parking funds; internal service funds such as Fleet, Insurance, Building Maintenance and Information Technology; and Special Revenue funds including Gas Tax, Proposition A & C, Measure R, Measure M, Measure W, Asset Forfeiture, Grant Fund, etc. Among this group, several funds deserve attention.

In FY 2024-2025, net income from Water Fund operations totaled \$1.9 million, which increased compared to \$1.6 million in the prior year. Operating revenue from sales and service charges increased by \$2.3 million (14.8%) due to higher consumption and a rate increase, while operating expenses (labor, materials, services, etc.) increased by \$2.0 million (14.2%). The Water Fund is currently not meeting the financial reserve policy due to revenues falling behind projections in previous years after heavy rainfall and conservation efforts led to lower consumption. A new Water/Wastewater Rate Study is planned for 2026 to rebuild reserves for future capital needs.

In FY 2024-2025, the net operating income for the Wastewater Fund was \$1,287,125, an increase of \$453,827 (54.5%) compared to the prior year. Operating revenue increased \$686,367 (19.0%) due to new wastewater rates. Since the Wastewater revenues are based on water consumption, higher water consumption translates into higher revenue for the wastewater fund.

The Parking Fund had a net operating loss for FY 2024-2025 of \$451,592, a decrease of \$2.1 million from the prior year. Operating revenue remains relatively flat compared to the prior year at \$4.5 million. Total operating expenses were \$4.8 million, an increase of \$2.1 million (79.5%) from the prior year due to the demolition of Parking Lot 3 and construction of an interim parking lot. Future capital improvement projects, such as the reconstruction of dated parking structures, as well as debt service on bond principal will require an increase in cash flow. Parking meter rates were increased in May 2025 and a Citywide Parking Management Study is underway to develop long-term strategies to meet current and future parking demands.

Street Lighting and Landscape Fund

The Street Lighting and Landscape Fund continues to run deficits each year. For FY 2024-2025, expenditure exceeded revenues by \$269,519. District assessments have not changed for over 20 years. Because there is no fund balance to draw upon, the General Fund contributes the entire deficit amount needed for continued operations. These contributions will be necessary until a Proposition 218 assessment vote is successful in raising the assessment rates and revenues.

Insurance Reserve Fund

For FY 2024-2025, the net position for the Insurance Fund decreased \$1.7 million. Unpredictable nature of claims payments, compounded by rising medical costs and claim judgments, cause internal service fund charge-outs to fall behind funding needs. The City plans to address the equity needs of the Insurance Fund in the upcoming fiscal year.

Custodial Funds

The custodial fund group includes debt service funds held in trust on behalf of Utility Undergrounding Assessment Districts (UUAD). The City refunded the outstanding bonds of five Underground Districts in March 2018 to take advantage of lower interest rates and reduce assessments for property owners. Interest rates for the new refunding bonds were set at a uniform annual rate of 3.00%, compared to the previous rates that ranged from 4.72% to 4.95%. The 2018 refunding bonds mature in September 2026.

Debt service on the bonds issued for the three UUAD Districts (19-4, 19-12, and 19-14) formed in FY 2019-2020 range in interest rates from 2.00% to 3.00%. These bonds mature in September 2040.

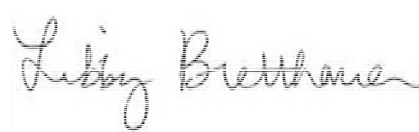
OTHER INFORMATION

Manhattan Beach's history of prudent financial decision-making has earned and maintained a sound financial condition. In fact, Standard & Poor's reaffirmed the City's AAA Credit Rating on July 25, 2025. The City continues to operate efficiently and effectively, all while continuing to provide outstanding services for the community.

Acknowledgments: This report was made possible through the efforts and teamwork of the highly dedicated Finance staff. Special thanks to Julie Bondarchuk, Emy-Rose Hanna, Amira Khodari, and Marcelo Serrano. Appreciation is also expressed to the City Council and City Treasurer for their interest and support, which made this presentation possible. Finally, thanks to the City's auditing firm of LSL, LLP for their professionalism and diligence in preparing this year-end financial report.



Talyn Mirzakhania, City Manager



Libby Bretthauer, Finance Director

ELECTED OFFICIALS



MAYOR
Amy Thomas Howorth



MAYOR PRO TEM
David Lesser



COUNCILMEMBER
Joe Franklin



COUNCILMEMBER
Nina Trieu Tarnay



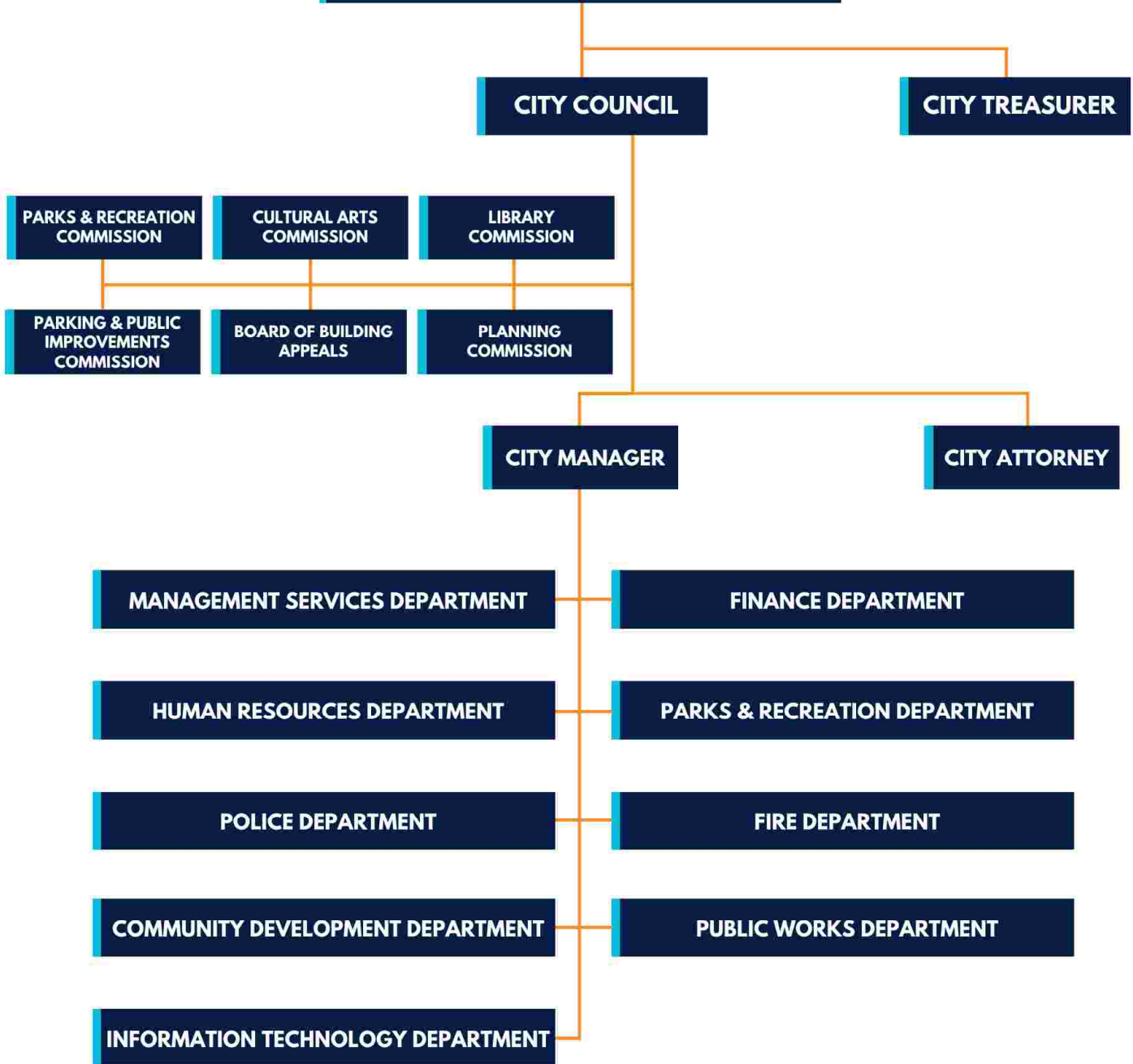
COUNCILMEMBER
Steve S. Charelian



CITY TREASURER
Tim Lilligren
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MANHATTAN BEACH RESIDENTS





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Manhattan Beach
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION







INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Manhattan Beach, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Manhattan Beach, California, (hereafter, the City) as of and for the year ended 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate, each major fund, and the aggregate remaining fund information of the City 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2025, the City adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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



To the Honorable Mayor and Members of the City Council
City of Manhattan Beach, California

Auditors' Responsibilities for the Audit of the Financial Statements

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



To the Honorable Mayor and Members of the City Council
City of Manhattan Beach, California

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 accompanying combining and individual fund financial statements and schedules (supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 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 the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

LSL, LLP

Irvine, California
December 22, 2025



MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)



MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Manhattan Beach, we offer our readers of these financial statements this narrative overview and analysis of the financial activities of the City of Manhattan Beach for the Fiscal Year ended June 30, 2025. We encourage readers to consider this information in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i to vii of this report.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which is comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Reporting on the City as a Whole

Government-wide financial statements: The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business.

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

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

The government-wide statement of activities has two components:

Governmental Activities

This is a consolidation of all governmental funds and includes the General Fund, Capital Improvements Funds, Special Revenue Funds and Internal Service Funds. These funds are supported by taxes, intergovernmental revenues, grants, and charges for services. Expenses include materials and labor, depreciation, and amortization of prepaid pension obligations. Governmental fund expenditures for payment of principal on long-term debt and capital assets are excluded. All intra-governmental charges and expenses and transfers within governmental funds are eliminated.

All internal service fund expenses and depreciation on capital assets are fully allocated to each functional program. Expenses are classified among the following programs: general government, public safety, culture and recreation, and public works. Program activities that produce revenues or receive grant support are applied against program expenses to yield the net expenses. Revenues that cannot be attributed to a specific program, such as taxes and interest (e.g. General Revenues), are shown separately. The total of General Revenues, less net program expenses, generates the change in net position. Total net position of governmental activities differs from fund balances of governmental funds by long-term assets (capital and prepaid pension), long-term liabilities and the total of internal service fund net position.

Business Type Activities

All enterprise funds (Water, Wastewater, Stormwater and Parking Funds) are included in Business Type activities. These activities have been traditionally presented as enterprise funds and tie directly to the *Statement of Revenues, Expenses, and Change in Net position – Proprietary Funds*, as shown in the Funds section of this report.

The government-wide financial statements can be found on pages 25 to 27 of this report.

Reporting on the City's Most Significant Funds

Fund financial statements: A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Manhattan Beach, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. 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 essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the Fiscal Year. In effect, the budgetary governmental fund statements are working capital flow of funds statements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Following the governmental funds *Balance Sheet*, and *Statement of Revenues, Expenditures and Changes in Fund Balances*, there are respective reconciliations of the fund balance to *Statement of Net position*, and *Net Change in Fund Balances* – total governmental funds to change in net position of governmental activities. As discussed above, the reconciliations include treatment of capital expenditures, depreciation, changes in capital assets, long-term debt, prepaid pension costs, full accrual versus modified accrual and change in net position of internal service funds.

The City of Manhattan Beach maintains thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Capital Improvement Fund, which are considered to be major funds. Data from the other nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these *non-major* governmental funds is provided in the form of *combining statements* elsewhere in the fund financial statements section of this report.

The City of Manhattan Beach currently operates on an annual budget cycle. The FY 2024-2025 Budget was adopted on June 4, 2024. A budgetary comparison statement has been provided for each governmental fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 31 to 34 of this report.

Proprietary funds: Proprietary funds account for goods and services provided to customers and for cost recovery via service charges. There are two types of proprietary funds: enterprise funds which provide services to outside users (residents and businesses of Manhattan Beach), and internal service funds, which provide services to City departments. The City uses internal service funds to account for its fleet of vehicles, information technology, shared building and maintenance costs, and City-wide insurance costs. Because these services predominantly benefit the governmental function, they have been included within governmental activities in the government-wide financial statements and related intra-governmental charges and transfers have been eliminated accordingly, except for charges and transfers to the enterprise funds, which are quasi-internal transactions.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. All four internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements. Three of the City's six enterprise funds are considered major funds and presented as such in the fund financial statements. The three non-major funds, Storm Drain, County Parking Lot, and State Pier and Parking Lots, are presented individually in the combining statements.

The combining statements referred to earlier in connection with non-major governmental funds, proprietary and internal service funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 114 to 146 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 43 to 91 of this report.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents the City's progress in funding its obligation to provide pension benefits to its employees and the budget-to-actual financial comparisons for the General Fund. The City has elected to present this information within the basic financial statement and financial statement sections of the report. Note 11 and Note 12 provides detailed analysis of City retirement plans.

The City as Trustee

All of the City's fiduciary activities are reported distinctly in a separate Statement of Fiduciary Assets and Liabilities. These figures are not combined with other financial statements because the City cannot use these assets to finance present or future operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The net position serves as an indicator of a government's financial position. In the case of the City of Manhattan Beach, net position totaled \$252,318,646 on June 30, 2025, versus \$244,932,754 at June 30, 2024 – an increase of \$7,385,892.

City of Manhattan Beach Net Position

	Governmental Activities		Business Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current Assets	\$ 97,073,255	\$ 107,906,630	\$ 45,661,695	\$ 42,988,158	\$ 142,734,950	\$ 150,894,788
Total Capital Assets Net of Depreciation	170,566,783	152,823,086	103,343,525	101,584,307	273,910,308	254,407,393
Other Non-Current Assets	21,726,755	22,922,368	-	-	21,726,755	22,922,368
Total Assets	\$ 289,366,793	\$ 283,652,084	\$ 149,005,220	\$ 144,572,465	\$ 438,372,013	\$ 428,224,549
Deferred Charge on Refunding	\$ 209,220	\$ 241,407	\$ -	\$ -	\$ 209,220	\$ 241,407
Deferred Pension Related Items	20,263,369	43,155,092	634,897	1,006,726	20,898,266	44,161,818
Deferred OPEB Related Items	5,148,199	6,583,415	510,471	652,779	5,658,670	7,236,194
Deferred Outflows of Resources	\$ 25,620,788	\$ 49,979,914	\$ 1,145,368	\$ 1,659,505	\$ 26,766,156	\$ 51,639,419
Current Liabilities	\$14,236,392	\$34,006,674	\$4,389,285	\$5,462,538	\$18,625,677	\$39,469,212
Non-Current Liabilities	149,275,761	138,792,586	7,697,213	7,833,424	156,972,974	146,626,010
Total Liabilities	\$ 163,512,153	\$172,799,260	\$ 12,086,498	\$13,295,962	\$ 175,598,651	\$ 186,095,222
Deferred Leases Inflows	\$ 21,290,299	\$ 22,380,509	\$ -	\$ -	\$ 21,290,299	\$ 22,380,509
Deferred Pension Related Items	10,406,089	20,667,060	10,516	43,960	10,416,605	20,711,020
Deferred OPEB related items	5,016,551	5,226,251	497,417	518,212	5,513,968	5,744,463
Deferred Inflows of Resources	\$ 36,712,939	\$ 48,273,820	\$ 507,933	\$ 562,172	\$ 37,220,872	\$ 48,835,992
Net Investment in Capital Assets	\$ 145,294,713	\$ 126,578,644	\$ 98,549,824	\$ 95,964,968	\$ 243,844,537	\$ 222,543,612
Restricted	20,608,871	17,991,538	364,628	362,020	20,973,499	18,353,558
Unrestricted	(51,141,095)	(32,011,264)	38,641,705	36,046,848	(12,499,390)	4,035,584
Total Net Position	\$ 114,762,489	\$ 112,558,918	\$ 137,556,157	\$ 132,373,836	\$ 252,318,646	\$ 244,932,754

Net position of the City's *Governmental* activities amounted to \$114,762,489, an increase from the prior year of \$2,203,571, including the restatement to beginning net position to implement GASB Statement No. 101. On the table of Net Position above, \$145,294,713 is net investment in capital assets such as land, buildings, machinery, infrastructure, equipment and other improvements; restricted net position of \$20,608,871 is equal to the total of Section 115 investments, restricted City capital projects and Special Revenue Fund resources that are restricted in use. Governmental activities' unrestricted net position decreased by \$19,129,831 from the prior year to negative \$51,141,095 primarily due to an increase in net investment of capital assets of \$18,716,069. Significant components of non-current liabilities include 1) net pension liability of \$19,463,627; 2) net OPEB liability of \$2,787,253; 3) subscription and leases payable of \$9,351,633; 4) bonds payable totaling \$90,753,915; 5) accrued workers compensation and liability claims and judgments of \$19,193,031; and 6) accrued employee benefits of \$6,256,645.

Net position of the City's *Business-type* activities totaled \$137,556,157. This represents an increase from prior year of \$5,182,321, including restatement of beginning net position to implement GASB Statement No. 101. Net investments in capital assets (land, buildings, machinery, equipment, etc.) totals \$98,549,822, while \$364,628 is restricted for business improvement district use. Significant components of non-current liabilities include: 1) bonds payable totaling \$5,631,085; 2) net pension liability of \$725,916; 3) net OPEB liability of \$276,372; and 4) accrued employee benefits of \$295,137. Business-type activities' unrestricted net position increased by \$2,596,164 from the prior year to \$38,641,707, primarily driven by an increase of capital project activity.

The following table condenses the Government-wide Statement of Activities and Change in Net Position for the Fiscal Years ending June 30, 2025 and June 30, 2024:

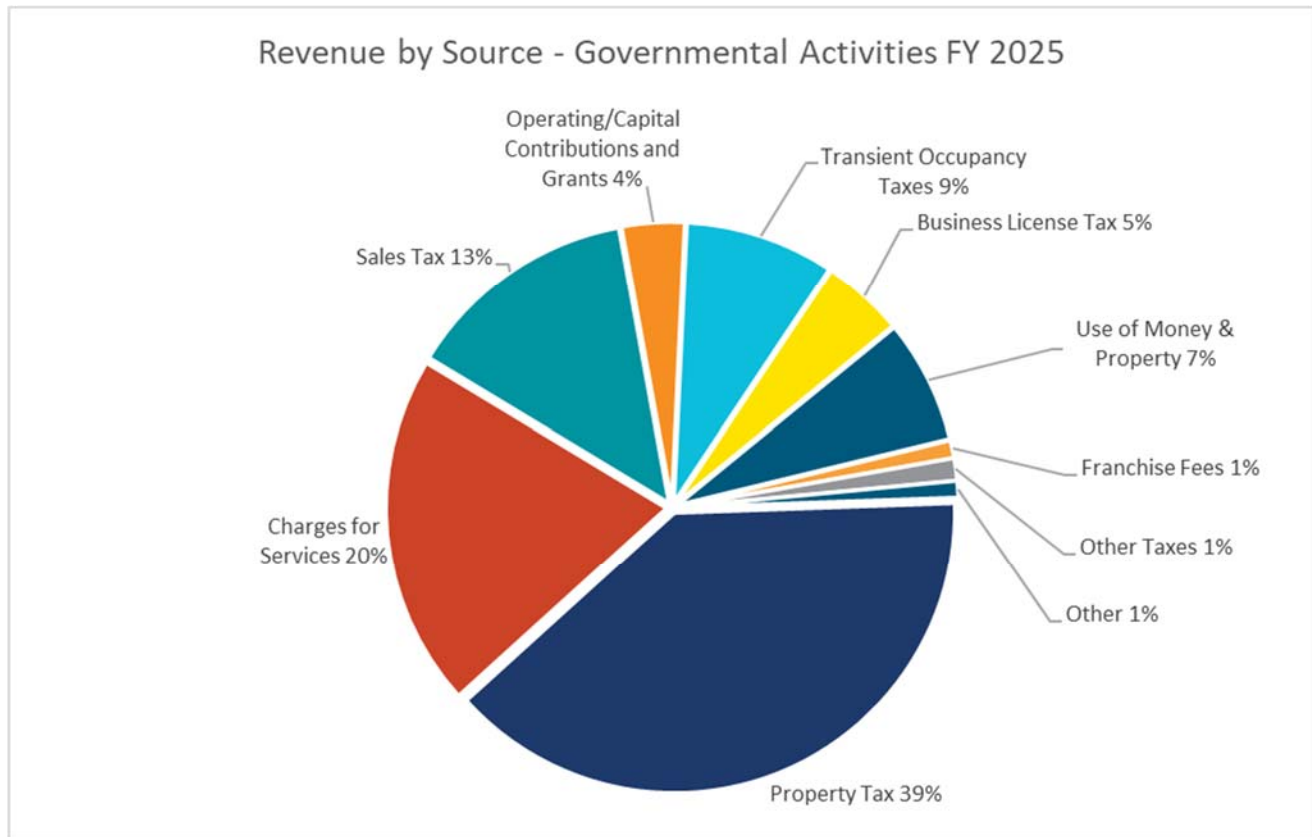
City of Manhattan Beach Changes in Net Position

	Governmental Activities		Business Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Program Revenues:						
Charges for Services	\$ 23,972,590	\$ 21,481,881	\$ 30,873,943	\$ 25,920,701	\$ 54,846,533	\$ 47,402,582
Operating Contributions and Grants	1,443,051	2,017,113	-	103,860	1,443,051	2,120,973
Capital Contributions and Grants	2,812,465	3,192,377	-	-	2,812,465	3,192,377
General Revenues:						
Property Taxes	45,757,094	43,851,831	-	-	45,757,094	43,851,831
Other Taxes	34,288,848	31,871,453	-	-	34,288,848	31,871,453
Use of Money and Property	8,379,834	7,912,600	2,525,741	2,311,719	10,905,575	10,224,319
Other	1,227,980	734,724	-	-	1,227,980	734,724
Total Revenues	\$ 117,881,862	\$ 111,061,979	\$ 33,399,684	\$ 28,336,280	\$ 151,281,546	\$ 139,398,259
Expenses:						
General Government	\$ 21,890,491	\$ 20,658,755	\$ -	\$ -	\$ 21,890,491	\$ 20,658,755
Public Safety	62,301,498	68,071,122	-	-	62,301,498	68,071,122
Public Works	16,331,137	16,407,350	-	-	16,331,137	16,407,350
Culture & Recreation	11,705,634	11,262,864	-	-	11,705,634	11,262,864
Interest on Long-Term Debt	2,695,310	2,515,534	-	-	2,695,310	2,515,534
Water, Waste, Storm	-	-	21,075,908	18,265,447	21,075,908	18,265,447
Parking	-	-	6,701,144	5,486,349	6,701,144	5,486,349
Total Expenses	\$ 114,924,070	\$ 118,915,625	\$ 27,777,052	\$ 23,751,796	\$ 142,701,122	\$ 142,667,421
Revenues Over Expenses	2,957,792	(7,853,646)	5,622,632	4,584,484	8,580,424	(3,269,162)
Special Items	-	-	-	-	-	-
Transfers In (Out)	343,174	(1,304,507)	(343,174)	1,304,507	-	-
Increase (Decrease) in Net Position	\$ 3,300,966	\$ (9,158,153)	\$ 5,279,458	\$ 5,888,991	\$ 8,580,424	\$ (3,269,162)
Net Position - Beginning	\$ 112,558,918	\$ 121,022,553	\$ 132,373,836	\$ 124,291,125	\$ 244,932,754	\$ 245,313,678
Restatement of Net Position	(1,097,395)	694,518	(97,137)	2,193,720	(1,194,532)	2,888,238
Net Position - June 30 (Year End)	\$ 114,762,489	\$ 112,558,918	\$ 137,556,157	\$ 132,373,836	\$ 252,318,646	\$ 244,932,754

Changes in Net Position - Governmental Activities

Total revenues increased by \$6,819,883, while total expenses decreased by \$3,991,555. Property taxes increased by \$1,905,263, other taxes, which include sales and transient occupancy tax, increased by \$2,417,395. Charges for services increased by \$2,490,709. The restatement of negative \$1,097,395 was due to the implementation of GASB 101 for compensated absences.

Total governmental activities revenue of \$117,881,862, excluding transfers-in of \$343,174, is distributed as follows:



The City's three largest revenue sources were property tax (38.8%), charges for services (20.4%), and sales tax (13.5%). Property taxes remain a stable source of revenue and increased by \$1,905,263 (4.4%) compared to the prior year due to an increase in assessed valuations. Charges for services increased by \$2,490,709 (11.6%) from the prior year due primarily due to Fire reimbursements for mutual aid deployments during California wildfires (\$1.1 million over the prior year) and an increase in building plan check fees due to increased construction activity from large developments (\$460,977 over the prior year). Lastly, sales tax increased by \$1,892,529 (13.5%) compared to the prior year primarily due to the recent Transactions and Use Tax (TUT) Measure MMB which is a 0.50% local sales tax rate that took effect on April 1, 2025.

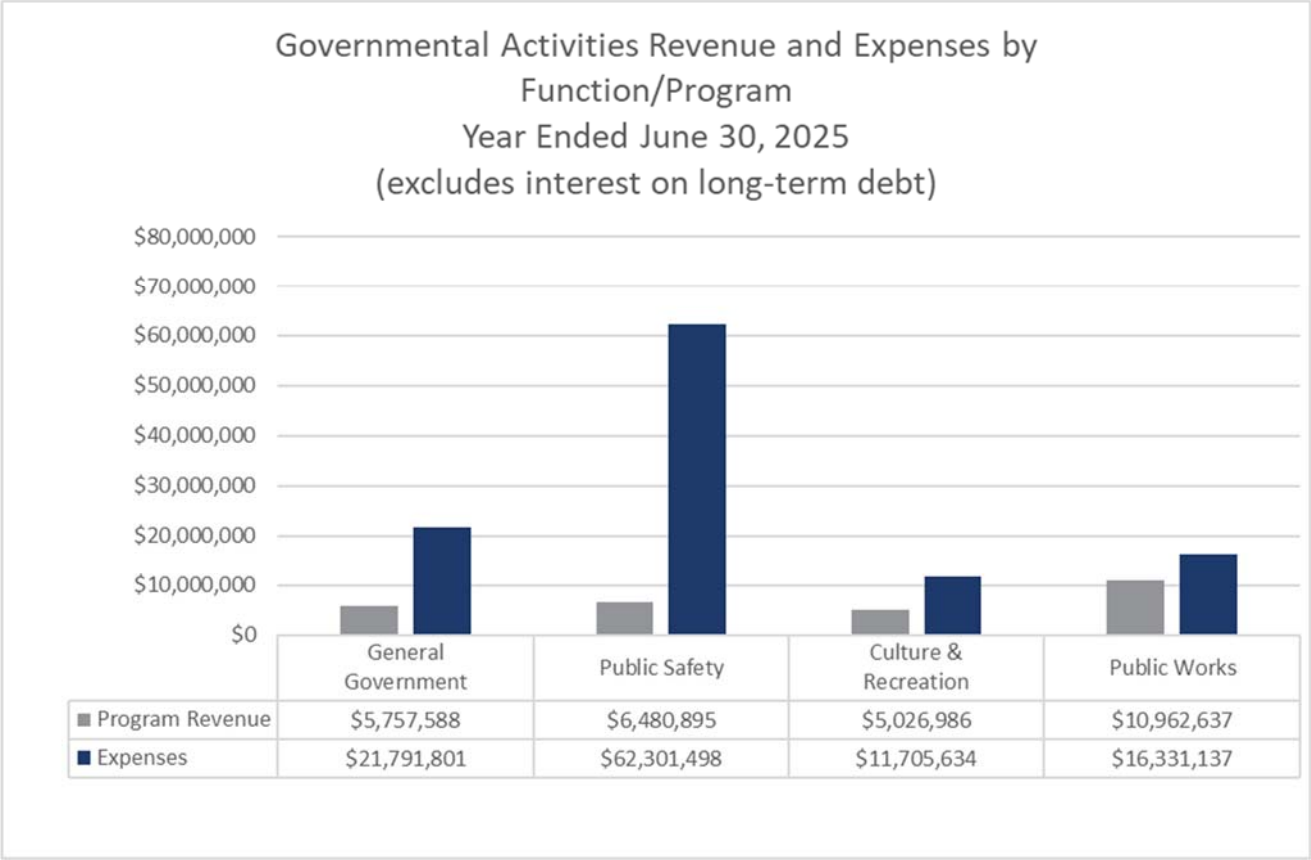
Functional expenses (excluding interest on debt) for the years ending June 30, 2025 and June 30, 2024 were as follows:

	Total Cost of Services		Net Cost of Services	
	2025	2024	2025	2024
General Government	21,890,491	20,658,755	(16,132,903)	(15,003,418)
Public Safety	62,301,498	68,071,122	(55,820,603)	(63,072,495)
Culture and Recreation	11,705,634	11,262,864	(6,678,648)	(6,647,052)
Public Works	16,331,137	16,407,350	(5,368,500)	(4,985,755)
Total	\$112,228,760	\$116,400,091	(\$84,000,654)	(\$89,708,720)

**Excludes interest on long-term debt.*

The total cost of services decreased from the prior year by \$4,171,331 (3.6%), while the net cost of services decreased by \$5,806,759 (6.5%) from the prior year. The decrease is primarily attributable to recording pension expenses of \$8,419,847. Total costs for Public Safety decreased by \$5,769,624, General Government increased by \$1,231,736, Culture and Recreation increased by \$442,770, and Public Works decreased by \$76,213.

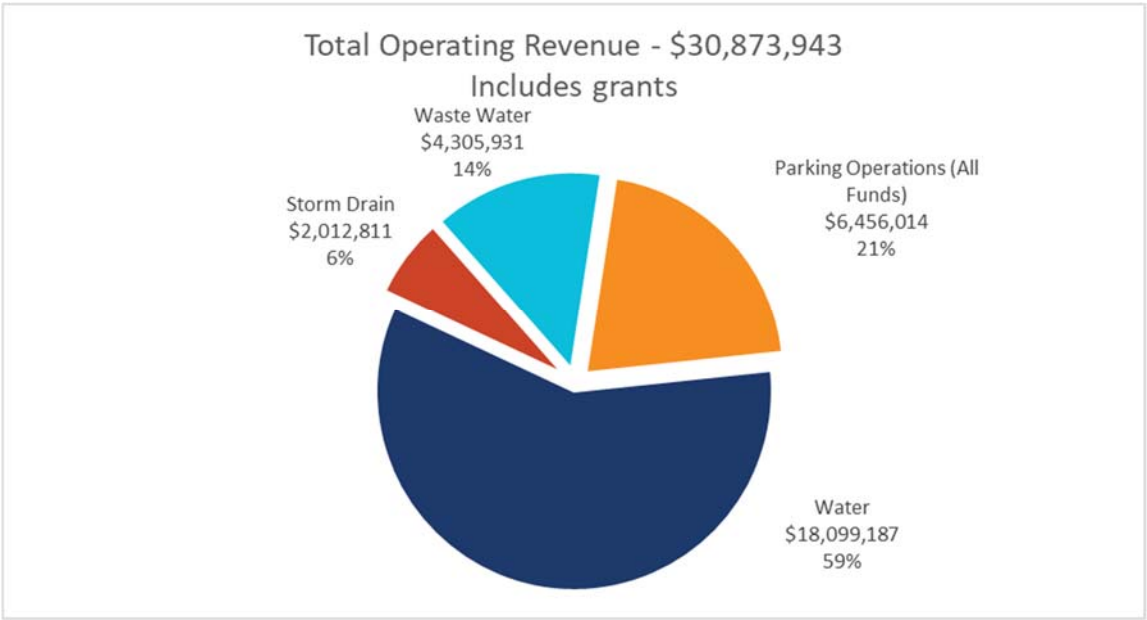
The following chart illustrates governmental revenues and expenses by function for the year ended June 30, 2025.



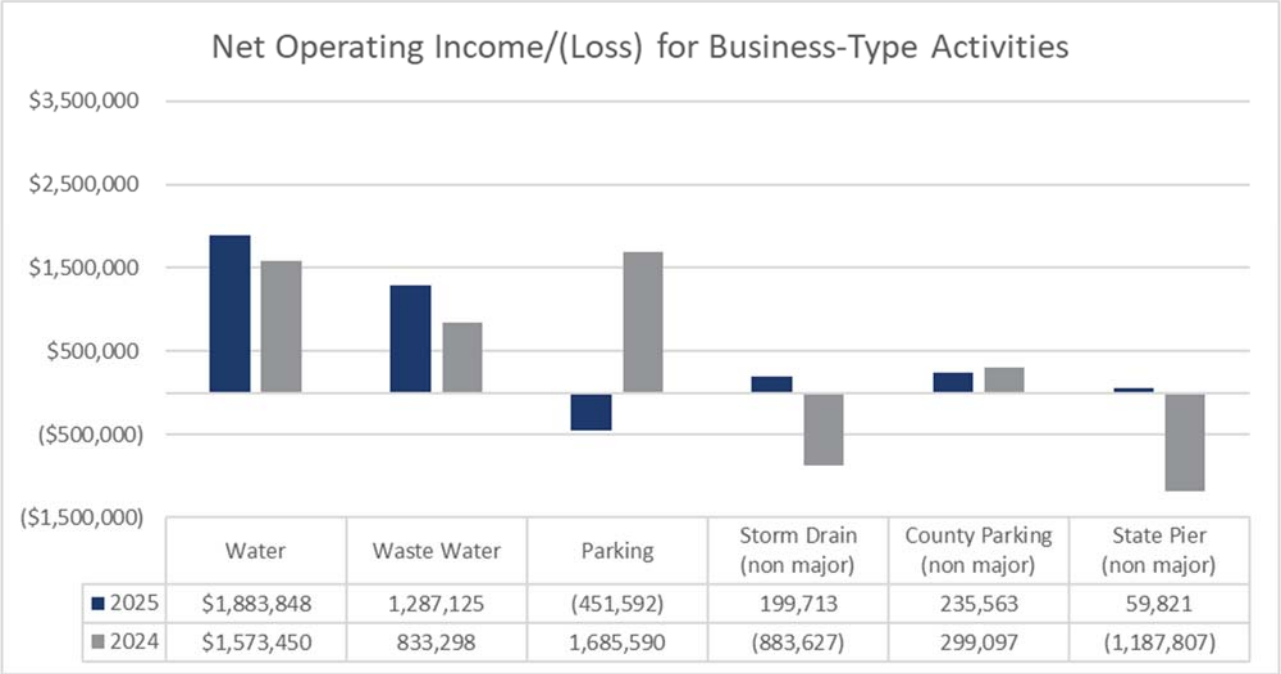
Change in Net Position - Business Type Activities

In Fiscal Year 2024-2025, total revenues for the City's business-type operating activities amounted to \$30,873,943 and interest revenues totaled \$2,525,741. Operating expenses totaled \$27,659,465 and non-operating expenses totaled \$117,587. Total income from operations was \$3,214,478 while net income before transfers was \$5,730,763. After net transfers-in totaling negative \$343,174, net position increased by \$5,622,632 compared to an increase of \$5,279,458 in FY 2023-2024. The restatement of net position was due to the implementation of GASB 101 for compensated absences totaling negative \$97,137.

Operating Revenues by Source - Business Type Activities FY 2025



Operating Income varied across the business-type activities in FY 2024-2025. A year-over-year comparison is presented below. Further analysis of the major funds is discussed later in this report.



FUND FINANCIAL STATEMENTS

Governmental Funds

As of the end of the 2025 Fiscal Year, the City's governmental funds ending fund balances totaled \$59,337,991, a decrease of \$7,253,372 in comparison with the prior year.

Within the Governmental Funds total, \$23,617,324 (39.8%) constitutes unassigned fund balance. The unassigned fund balance exists only in the General Fund. The remainder of the fund balance (\$35,720,667) is non-spendable, restricted or committed indicating these funds are not available for new spending because it has already been committed for on-going capital projects, advanced to other funds for legally restricted use, long term notes receivable, or for legally-required debt service reserves.

Notwithstanding Governmental Accounting Standards Board (GASB) pronouncements, the City Council has established earmarks within the unassigned category for working capital and budgetary capital planning initiatives. Of the \$23.6 million unassigned governmental fund balance noted above, \$24.0 million has been designated by City Council policy. The City is temporarily not meeting policy at the end of FY 2025 due to a significant one-time purchase of property. However, in Fiscal Year 2025-2026, the City issued certificates of participation to reimburse the General Fund balance for the land acquisition, providing sufficient funds to meet policy in subsequent years.

General Fund

The General Fund is the chief operating fund of the City of Manhattan Beach. At the end of FY 2024-2025, unassigned fund balance of the General Fund was \$23,617,324 while total fund balance was \$30,481,726. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 2.8 months of total General Fund expenditures, while total fund balance represents 3.6 months of General Fund expenditures.

During the year, General Fund revenues exceeded expenditures by \$4,463,630. This is primarily driven by an increase in property tax, sales tax, charges for services, and fines. After factoring in net transfers out of negative \$15,709,713, and lease and subscription financing of \$1,346,048, there was a net decrease in fund balance of \$9,900,035.

Net transfer activity of negative \$15,709,713 was due to the following transfers:

- \$15,415,471 was transferred to the Capital Improvement Fund for the purchase of property at 400 Manhattan Beach Boulevard and to provide funding for capital projects;
- \$258,535 was transferred to the Street Lighting and Landscape Fund to relieve a deficit fund balance;
- \$266,114 was transferred to the Fleet Fund for the purchase of vehicles;
- \$230,407 of excess revenues from the County Parking Lot Fund was transferred to the General Fund in line with the contract with the County of Los Angeles.

Please see Note 4 for more information.

Capital Improvement Fund

Capital project funds serve to plan and manage the construction and maintenance of non-enterprise projects that are funded through dedicated revenue sources and General Fund transfers. The City adopts an updated five-year capital improvement plan every year in conjunction with the budget process. The Capital Improvement Fund is a major fund in FY 2024-2025, while the Bond Construction Fund and Underground Assessment District Fund are non-major funds covered in that City-wide plan.

At the end of Fiscal Year 2024-2025, total fund balance of \$13,684,973 in the Capital Improvement Fund was committed to capital projects.

During Fiscal Year 2024-2025, the Capital Improvement Project Fund balance increased by \$978,543 (7.7%) due to operating transfers in from the General Fund of \$15,415,471. Of the \$1,961,611 in total revenues to the Capital Improvement Fund, certain dedicated revenues described below totaled \$1,700,627 in FY 2024-2025. The following revenues are earmarked for funding general government capital improvement projects in the effort to maintain and enhance City infrastructure:

Hotel Tax: 15% of the Transient Occupancy Tax has been dedicated to funding capital improvements, generating \$900,789 in revenue for the year, which is \$20,079 (2.2%) less than prior year.

Parking Meter Rates: Fifty cents of the \$2.50 per hour on-street parking meter rates is dedicated to capital improvements. This source generated revenue of \$688,803, up \$91,854 (15.4%) from the prior year.

Parking Citation Rates: Most parking citations include four dollars dedicated to the CIP Fund. For FY 2024-2025, revenue of \$111,036 was realized; an increase of \$32,752 (41.8%) from the prior year.

Capital Improvement Fund expenditures totaled \$16,398,539. Capital outlay expenditures totaled \$15,042,620, operating expenditures of \$184,456, and debt service of \$1,171,463. Capital project expenditures exceeding \$500,000 consisted of:

- \$13,004,145 – Purchase of property located at 400 Manhattan Beach Boulevard
- \$558,307 – Various street-related capital projects
- \$1,480,168 – Other projects in design or construction including various facility projects and HVAC replacement projects

Other Governmental Funds

The Street Lighting Fund continues to run deficits each year. For FY 2024-2025, expenditures exceeded revenues by \$275,358. Since there is no fund balance to draw upon, the General Fund contributes the entire amount to make up for any deficit in the Street Lighting Fund. These contributions will be necessary until a Proposition 218 assessment vote is successful in raising the assessment rates and revenues. In Fiscal Year 2024-2025, \$253,515 was transferred in providing an ending fund balance of \$0.

Other non-major governmental funds include all Special Revenue funds used exclusively to account for intergovernmental and assessment proceeds, which are restricted in use by law. The funds within this category include the Gas Tax, Prop C and A Funds, the Measure R, Measure M, and Measure W Funds, the AB2766 Fund, the Asset Forfeiture Fund, Police Safety Grant Fund, Grants Fund, the Bond Construction Fund, and the Underground Assessment Fund. Monies received in these funds are primarily used for the maintenance of streets, parks, local transportation programs, the purchase of safety and fuel-efficient equipment, and bond funded construction.

Underground Assessment District Fund

In Fiscal Year 2019-20, residents in three districts (19-4, 19-12, and 19-14) approved the undergrounding of utilities by a Proposition 218 ballot. As a result, the Manhattan Beach City Council authorized the issuance of bonds to finance Utility Underground Projects in these three assessment districts. Bond assessments are paid by homeowners over a period of 20 years through the annual consolidated property tax bill.

Bond proceeds and payoffs totaling \$18,573,325 were received in FY 2019-20 to fund the projects and will be drawn down upon as the projects progress. In FY 2024-2025, revenues of \$138,708 were reported and expenditures totaled \$262,705, resulting in an ending fund balance of \$1,320,696.

Proprietary Funds

The City's proprietary funds consist of enterprise funds and internal service funds. The enterprise funds include Water, Wastewater and Parking Funds (major funds), as well as Storm Drain and both the County Lots and State Pier & Parking Lot Funds (which are considered non-major). Internal service funds include Insurance Reserve, Information Technology, Fleet Management and Building Maintenance and Operations.

Enterprise (Business) Funds

Overall, the combined net income of enterprise funds was \$5,622,632 before transfers. Operations resulted in a \$3,214,478 increase in net position. Transfer activity included a net transfer-out of \$343,174 which included a transfer out of \$230,407 from the Parking and County Parking Lots Fund to the General Fund, and a transfer of \$112,767 from various enterprise funds to the Fleet Fund for the purchase of vehicles.

Several enterprise funds are worth noting:

The Water Fund has been utilizing its reserves for planned capital improvements needed to sustain the utility's operation and infrastructure. Net income from operations totaled \$1,883,848, an increase from the prior year which had net operating income of \$1,573,450. Revenue from sales increased by 14.8% due to higher consumption and a rate increase. Operating expenses (labor, materials, services, etc.) increased by 14.2% due to an increase in costs in all operating categories.

The Wastewater Fund net operating income for FY 2024-2025 was \$1,287,125 versus \$833,298 in FY 2023-2024, an increase of \$453,827, or 54.5%. Operating revenues increased \$686,367 (19.0%) compared to the prior year while operating expenses increased \$232,540 or 8.3%. It is important to note that Wastewater revenues are based on water consumption, and increases or decreases in consumption due to excessive rainfall and water conservation efforts also impact Wastewater revenues.

Although Water and Wastewater Fund operating revenues increased in FY 2024-2025, these two funds are currently not meeting reserve policy due to prior year revenues falling behind projections after heavy rainfall and conservation efforts that led to lower consumption. As a result, a new Water/Wastewater Rate Study is planned for 2026 to rebuild reserves for future capital needs.

The Parking Fund net operating loss for FY 2024-2025 was \$451,592, down \$2,137,182 or negative 126.8% from the prior year. Operating revenue increased \$107,489, up 2.5% compared to the prior year primarily due to the hourly parking meter rate increase from \$2.00 to \$2.50 (25% increase), which took effect in May 2025. Total operating expenses of \$4,933,433 were up \$2,136,540 or 79.5% from the prior year primarily due to the demolition of Parking Lot 3 and construction of an interim parking lot. Total net position for FY 2024-2025 was \$17,834,580 while unrestricted net position is \$4,625,379. Future capital improvement projects for aging infrastructure as well as debt service on bond principal will require an increase in cash flow. Additionally, a Citywide Parking Management Study is underway to develop long-term strategies to meet current and future parking needs.

Internal Service Funds

Total net position of the Internal Service Funds was \$6,989,951, a decrease of \$461,711 from the prior year, including restatement of beginning net position. Unrestricted net position of the internal service funds at the end of the year was negative \$1,907,359, a decrease of \$3,427,852 from the prior year which can be primarily attributable to expenditures exceeding revenues and an increase in liabilities.

The Insurance Fund net position at year-end was negative \$2,244,506, compared to negative \$468,825 in the prior year primarily due to expenditures exceeding revenues by \$1,697,124. Claims expense increased by \$1,809,021 to \$10,305,085. For comparison, prior year workers compensation and liability claims expense are below:

FY 2024-2025	\$10.31 million
FY 2023-2024	8.50 million
FY 2022-2023	9.10 million
FY 2021-2022	9.60 million
FY 2020-2021	5.74 million
FY 2019-2020	5.65 million
FY 2018-2019	5.10 million
FY 2017-2018	8.08 million
FY 2016-2017	6.35 million
FY 2015-2016	6.66 million

The unpredictable nature of workers compensation and liability claims activity causes these fluctuations in claims expense from year to year. The City continually looks for ways to proactively manage risk and reduce these costs.

Net position in the Fleet Fund increased by \$1,607,559, to \$10,215,910. Capital additions totaled \$2,628,554 in FY 2024-2025. Accumulated working capital will be used for the replacement of vehicles such as fire engines, maintenance trucks and police vehicles.

Net position in the Building Maintenance and Operations Fund is negative \$533,584 due to the Pension Obligation Bonds (POB) Payable of \$557,433, Net Pension Liability of \$162,563 and Net OPEB liability of \$3,487. The negative net position will be relieved by increased charges to user departments, which will be used to pay down liabilities.

The Information Technology Fund has a net position of negative \$447,869. The operating expenditure is offset by departmental charge-outs borne primarily by the General Fund.

General Fund Budgetary Highlights

Estimated and Actual Revenues

General Fund revenues were estimated at \$101,734,847, an increase of \$2,435,504 from the adopted budget. Subsequent budget adjustments were due to the following amendments:

- \$75,000 Office of Traffic Safety Grant
- \$80,000 Homeland Security Grant
- \$1,978,651 FY 2024-2025 Mid-Year Revenue Budget Adjustments including:
 - \$1,200,000 for Measure MMB Local Transactions and Use Tax
 - \$475,000 for Fire Mutual Aid Reimbursement
 - \$303,651 for Business License Tax

Actual General Fund Revenues of \$107,277,916 (excluding transfers) exceeded the final budget of \$101,734,847 by \$5,543,069, primarily due to taxes, charges for services, and use of money and property categories exceeding budget.

Revenues other than property tax that are driven by the economy are sales tax (including transaction and use tax), transient occupancy tax (TOT), and business license tax. Sales tax exceeded the original budget by \$1,688,500 and business License exceeded original budget by \$389,153. Transient occupancy tax was in line with the original budget.

Appropriations and Expenditures

The General Fund adopted budget included \$99,700,482 in appropriations. The final amended General Fund appropriations budget increased overall to \$103,044,613 due to several budget adjustments including the carry forward of prior year encumbrances and budget adjustments approved by City Council as follows:

- \$75,000 Office of Traffic Safety Grant
- \$80,000 Homeland Security Grant
- \$175,000 CDTFA Agreement
- \$1,198,568 FY 2024-2025 Mid-Year Expenditure Budget Adjustments including:
 - Salary and operational cost adjustments that aligned with year-to-date trends
 - New mid-year requests related to sales tax ballot measure outreach, advertising/printing for city events/activities, increased warehouse supply costs, legal services, Fire/EMS contract services to meet service level demands, and plan check services to address increase construction activity
- \$3,123 Pension Fund Year End Appropriation to comply with Financial Policies. Increased retiree medical costs caused by a higher than anticipated number of employee retirements.

Overall, revenues exceeded expenditure (excluding transfers) by \$4,463,630. When accounting for the net transfers out of \$15,709,713 and the financing of lease and subscriptions of \$1,346,048, the net change results in a decrease in fund balance of \$9,900,035. The ending fund balance was \$30,481,726 and subsequent bond issuance in FY 2025-26 will provide sufficient liquidity to meet General Fund expenditures in Fiscal Year 2025-26.

Capital Asset and Debt Administration

Capital Assets: Government-wide, the City's investment in capital assets (net of accumulated depreciation) as of June 30, 2025 is \$273,910,308. This is an increase from the prior year of \$19,907,914. This investment in capital assets includes land, buildings, park improvements, roadways, sewer, storm drains, vehicles, computer equipment, furniture and other equipment.

City of Manhattan Beach Capital Assets (Net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$46,638,710	\$33,634,565	\$2,607,434	\$2,607,434	\$49,246,144	\$36,241,999
Buildings	26,021,482	26,873,390	13,397,981	13,486,896	39,419,463	40,360,286
Machinery & Equipment	804,910	917,155	2,522,564	2,750,382	3,327,474	3,667,537
Vehicles	7,273,147	5,857,097	-	-	7,273,147	5,857,097
Infrastructure	49,456,739	48,194,953	33,420,514	27,815,284	82,877,253	76,010,237
Intangible Assets	629,755	719,720	77,292	88,335	707,047	808,055
Invested in Joint Venture (RCC)	1,521,820	1,651,391	-	-	1,521,820	1,651,391
Right-To-Use Assets	7,912,480	8,463,404	-	-	7,912,480	8,463,404
SBITAs	1,055,673	397,229	-	7,770	1,055,673	
Work in Progress	29,252,067	26,114,182	51,317,740	54,828,206	80,569,807	80,942,388
Total	\$170,566,783	\$152,823,086	\$103,343,525	\$101,584,307	\$273,910,308	\$254,002,394

Governmental

Capital assets additions totaled \$13,004,145 for land, \$3,137,885 for projects in progress and \$6,618,334 for capital additions for depreciable assets for a total capital asset addition of \$22,760,364. This increase was offset by net depreciation of \$5,016,667, resulting in a net increase in assets of \$17,743,697.

Business-type

During the fiscal year, Business-type capitalized asset additions totaled \$3,103,887 with a decrease of \$3,510,466 for projects in progress and an increase of \$6,614,353 for depreciable assets. This increase was offset by net depreciation of \$1,344,669, resulting in a net increase in assets of \$1,759,218.

Please refer to Note 7 for additional information on the City's capital assets.

Long-Term Liabilities: Total long-term liabilities Citywide (excluding unamortized bond premiums) equal \$131,481,446, a decrease of \$4,424,917 from Fiscal Year 2023-2024. The decrease was attributable to principal payments (\$5,265,000) in FY 2024-2025 decreasing lease liability and a decrease of insurance claim reserves of \$524,777. An increase of \$1,188,316 was recorded for the implementation of GASB 101 Compensated Absences and an increase of \$176,544 for subscription. Governmental liabilities decreased by \$3,795,056 while business type liabilities decreased by \$629,861. The following table is a condensation of Note 8, Note 9 and Note 15.

City of Manhattan Beach Outstanding Liabilities
(Excluding Bond Premium)

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Marine Avenue Park Refunding COPs	\$3,370,000	\$3,730,000	-	-	3,370,000	3,730,000
Police & Fire Facility Refunding COPs	4,355,000	4,955,000	-	-	4,355,000	4,955,000
2021 Fire Station No. 2 COPs	6,935,000	7,075,000	-	-	6,935,000	7,075,000
Leases Payable	8,356,190	8,718,073	-	-	8,356,190	8,718,073
Subscription Payable	995,443	443,963	-	13,053	995,443	457,016
Accrued Employee Leave & Benefits	6,256,645	5,193,806	295,137	169,660	6,551,782	5,363,466
2021 Refunding COPs	-	-	4,025,000	4,695,000	4,025,000	4,695,000
Pension Obligation Bonds	76,093,915	79,516,630	1,606,085	1,678,370	77,700,000	81,195,000
Insurance Claim Reserves	19,193,031	19,717,808	-	-	19,193,031	19,717,808
Total Long Term Liabilities	\$125,555,224	\$129,350,280	\$5,926,222	\$6,556,083	\$131,481,446	\$135,906,363
Current portion of Long Term (due within one year)	20,509,413	18,789,763	965,730	785,950	21,475,143	19,575,713
Long Term Liabilities - Non Current	\$105,045,811	\$110,560,517	\$4,960,492	\$5,770,133	\$110,006,303	\$116,330,650

Principal obligations for existing long-term bonded debt were reduced in accordance with existing debt service schedules. For the details regarding components of long-term liabilities including debt service schedules, please refer to Note 8.

Ongoing claims in Insurance Claim Reserves are due to liability and workers compensation claims. The decrease of \$524,777 is due to the decrease of liability claim reserves of \$1,106,723, while worker's compensation reserves increased by \$581,946.

State statutes limit the amount of general obligation debt a governmental entity may issue to 3.75% of its total assessed valuation. The current debt limitation for the City of Manhattan Beach (Fiscal Year 2024-2025) is \$935 million.

EFFECT OF PENSION ACTIVITY ON NET POSITION

The City contracts with the California Public Employees Retirement System (CalPERS) to provide retirement benefits for all full-time employees and qualified part-time employees. To determine the accrued pension liability, CalPERS makes actuarial assumptions and projections regarding the population of employees such as salary progression, expected date of retirement, mortality, turnover and, most importantly, the rate of return on investments. CalPERS also determines the value of its fiduciary net position (cash and investments). If the fiduciary net position is less than the accrued pension liability, the difference is the net pension liability (NPL).

The implementation of GASB 68 in Fiscal Year 2014-15 fundamentally changed the presentation of financial statements and required public agencies to recognize NPL. Further, public agencies rely on CalPERS to provide valuations of these pension-related fiduciary assets and liabilities. Due to the timing of CalPERS reports, the measurement date for the City's retirement reporting lags by one year. Therefore, measurement date for this year's ACFR is June 30, 2024.

In May 2021, the City issued \$91 million in pension obligations bonds (POBs), which eliminated unfunded liability as of FY 2018-2019 by replacing it with bonded debt. The decision to issue POBs was made based on (1) an escalating amortization table that would incrementally increase NPL payments up to \$4 million annually in the next 10 years, (2) historically low interest rates, and (3) a CalPERS discount rate of 7.0% at the time of issuance. By issuing the POBs, the City was able to finance 100% of the current NPL at a true interest cost of 2.72%, 4.43% lower than the CalPERS discount rate. Moreover, the POBs allowed the City to budget debt service payments at a level of \$5.5 million annually rather than trying to balance the budget for escalating NPL payments that will eventually rise up to \$10 million by 2032. The POBs are expected to save the City \$43.5 million in NPL payments over the life of the bonds.

The discount rate is the assumed rate of return used when calculating pension liabilities. CalPERS put a risk mitigation policy in place to potentially lower the discount rate and derisk the plan for years when the investment returns exceed the discount rate. Due to the high returns generated in FY 2020-2021, the discount rate was lowered from 7.0% to 6.8%. In the years that CalPERS does not generate investment returns equal to or higher than the discount rate, it typically results in additional unfunded liability for the City. By lowering the discount rate, it enables CalPERS to meet their investment goals more easily. Below are the historical returns reported by CalPERS:

FY 2024-2025	11.6% (preliminary)
FY 2023-2024	9.3%
FY 2022-2023	5.8%
FY 2021-2022	-6.1%
FY 2020-2021	21.3%
FY 2019-2020	4.7%

In FY 2024-2025, the City recorded a net pension liability of \$20,189,543, a decrease of \$4,098,134 from the prior year due to the FY 2023-2024 investment returns (9.3%) being higher than the discount rate (6.8%). The City's pension expense for CalPERS was \$15,626,519 (based on the measurement date of June 30, 2024) and changes in net deferrals decreased \$12,969,137. The City's contribution (deferred) to CalPERS in FY 2024-2025 was \$6.0 million. Contributions in FY 2025-2026 are budgeted at \$6.2 million.

Note 11 provides a breakdown by group (Miscellaneous and Public Safety) and other relevant information. Managing future pension costs and meeting retirement obligations remain one of the City's biggest challenges. Over 95% of retirement costs are attributable to the City's Governmental Funds and growing pension costs have the potential to crowd out other funding needs. The City has therefore developed an Unfunded Pension Liability Policy to provide a guideline on addressing future NPL. Future pension costs and liabilities will be monitored continuously and addressed so that it does not grow substantially.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

On June 3, 2025, the City Council adopted the budget for FY 2025-2026. The original budget estimates General Fund revenues at \$125,419,628 (compared to FY 2024-2025 at \$98,993,155) and expenditures of \$105,580,229 (compared to FY 2024-2025 at \$98,484,891), resulting in an anticipated surplus of \$19,839,399 in FY 2025-2026. This extraordinary surplus is primarily due to anticipated bond proceeds budgeted at \$13.2 million. Excluding these one-time funds, the anticipated General Fund surplus is \$6,618,399.

Of the City's major General Fund revenue sources, the single biggest revenue source, property tax, has remained stable and growing as assessed values continue to rise based on higher home sale prices given low inventories and high demand. Property tax is expected to increase in FY 2025-2026 by 5.2% over the FY 2024-2025 budget. Sales tax is conservatively projected to increase 0.8% from the FY 2024-2025 budget. Additionally, the new local transaction and use tax (Measure MMB) approved by voters in November 2024 took effect in April 2025. This new revenue source is anticipated to collect about \$5.9 million in FY 2025-2026. Growth in Transient Occupancy Taxes (5.0%) is anticipated due to the growing number of short-term rentals and Business License Taxes (12.5%) is expected to result from the annual CPI increase to the business license tax rates along with enhanced compliance, discovery and enforcement activities.

General Fund budgeted expenditures are higher by \$7,095,338 compared to the Fiscal Year 2024-2025 budget primarily due to increases in contract services, departmental supplies, and adjustments for inflation. Budgeted salaries and benefits (\$63,063,837) increased by \$4,377,086 compared to the FY 2024-2025 budget due to negotiated cost of living increases and necessary position changes to meet organizational needs and service requests from the community. Materials and services (\$21,496,227) are higher by \$612,646 due to cost increases in utilities, legal services and other contract services such as tree management and janitorial services.

The City continues its focus on capital improvements. As of Fiscal Year 2025-2026, expenditures of \$202.6 million (including carryover projects) are planned for the next five years for utility, street and facility projects. \$103.2 million of that amount is for water, wastewater, and storm drain projects. Approximately \$57.7 million has been budgeted for street and roadway needs as well as \$41.7 million for general facilities (including parking facilities). These projects will ensure continued functionality of vital systems, traffic flow and community facilities.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the financial position of the City of Manhattan Beach for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, 1400 Highland Avenue, Manhattan Beach, CA 90266.



GOVERNMENT-WIDE FINANCIAL STATEMENTS





CITY OF MANHATTAN BEACH, CALIFORNIA
Statement of Net Position
June 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 78,390,074	\$ 43,446,491	\$ 121,836,565
Receivables:			
Accounts	1,606,879	1,282,808	2,889,687
Taxes	5,399,783	-	5,399,783
Accrued interest	664,583	-	664,583
Due from other governments	1,465,663	-	1,465,663
Grants	2,005,446	-	2,005,446
Notes and loans	25,668	-	25,668
Leases	21,726,755	-	21,726,755
Restricted assets:			
Cash and investments	4,711,798	-	4,711,798
Cash with fiscal agent	1,264,316	100,628	1,364,944
Due from OPEB trust fund	381,988	-	381,988
Inventories	97,947	757,218	855,165
Prepaid costs	1,059,110	74,550	1,133,660
Capital assets (not being depreciated/amortized)	75,890,777	53,925,174	129,815,951
Capital assets (net of accumulated depreciation/amortization)	94,676,006	49,418,351	144,094,357
Total assets	289,366,793	149,005,220	438,372,013
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	209,220	-	209,220
Pension-related	20,263,369	634,897	20,898,266
OPEB-related	5,148,199	510,471	5,658,670
Total deferred outflows of resources	25,620,788	1,145,368	26,766,156
LIABILITIES			
Accounts payable	4,812,065	3,641,935	8,454,000
Accrued liabilities	2,366,875	354,002	2,720,877
Accrued payroll	1,141,345	141,900	1,283,245
Accrued interest	203,342	91,945	295,287
Deposits payable	3,705,273	159,503	3,864,776
Unearned revenue	2,007,492	-	2,007,492
Noncurrent liabilities:			
Due within one year: bonds, notes, leases, SBITA, claims, and compensated absences	20,509,413	965,730	21,475,143
Due in more than one year:			
Net pension liability	19,463,627	725,916	20,189,543
Net OPEB liability	2,787,253	276,372	3,063,625
Bonds, notes, leases, SBITA, claims, and compensated absences	106,515,468	5,729,195	112,244,663
Total liabilities	163,512,153	12,086,498	175,598,651
DEFERRED INFLOWS OF RESOURCES			
Pension-related	10,406,089	10,516	10,416,605
OPEB-related	5,016,551	497,417	5,513,968
Lease-related	21,290,299	-	21,290,299
Total deferred inflows of resources	36,712,939	507,933	37,220,872
NET POSITION			
Net investment in capital assets	145,294,713	98,549,824	243,844,537
Restricted:			
Public safety	712,311	-	712,311
Parks and recreation	1,357,874	-	1,357,874
Public works	331,061	-	331,061
Capital projects	12,526,173	-	12,526,173
Pension Benefits	4,711,798	-	4,711,798
Debt service	1,059,081	-	1,059,081
Business improvement districts	-	364,628	364,628
Unrestricted	(51,230,522)	38,641,705	(12,588,817)
Total net position	\$ 114,762,489	\$ 137,556,157	\$ 252,318,646

See Notes to Financial Statements.

CITY OF MANHATTAN BEACH, CALIFORNIA
Statement of Activities
For the Year Ended June 30, 2025

	Program Revenues			
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Functions/Programs:				
Primary government:				
Governmental activities:				
General government	\$ 21,890,491	\$ 5,117,728	\$ 639,860	\$ -
Public safety	62,301,498	6,124,100	356,795	-
Culture and recreation	11,705,634	5,001,986	-	25,000
Public works	16,331,137	7,728,776	446,396	2,787,465
Interest on long-term debt	2,695,310	-	-	-
Total governmental activities	114,924,070	23,972,590	1,443,051	2,812,465
Business-type activities:				
Water	16,234,081	18,099,187	-	-
Storm drain	1,815,477	2,012,811	-	-
Wastewater	3,026,350	4,305,931	-	-
Parking	5,020,583	4,481,841	-	-
County Parking Lot	913,471	1,148,148	-	-
State Pier and Parking Lot	767,090	826,025	-	-
Total business-type activities	27,777,052	30,873,943	-	-
Total primary government	\$ 142,701,122	\$ 54,846,533	\$ 1,443,051	\$ 2,812,465

General revenues and transfers:

General revenues:

Property taxes
Sales taxes
Transient occupancy taxes
Franchise taxes
Business licenses taxes
Other taxes
Use of money and property
Other
Transfers

Total general revenues and transfers

Change in net position

Net position-beginning

Restatement of net position - change in accounting principle

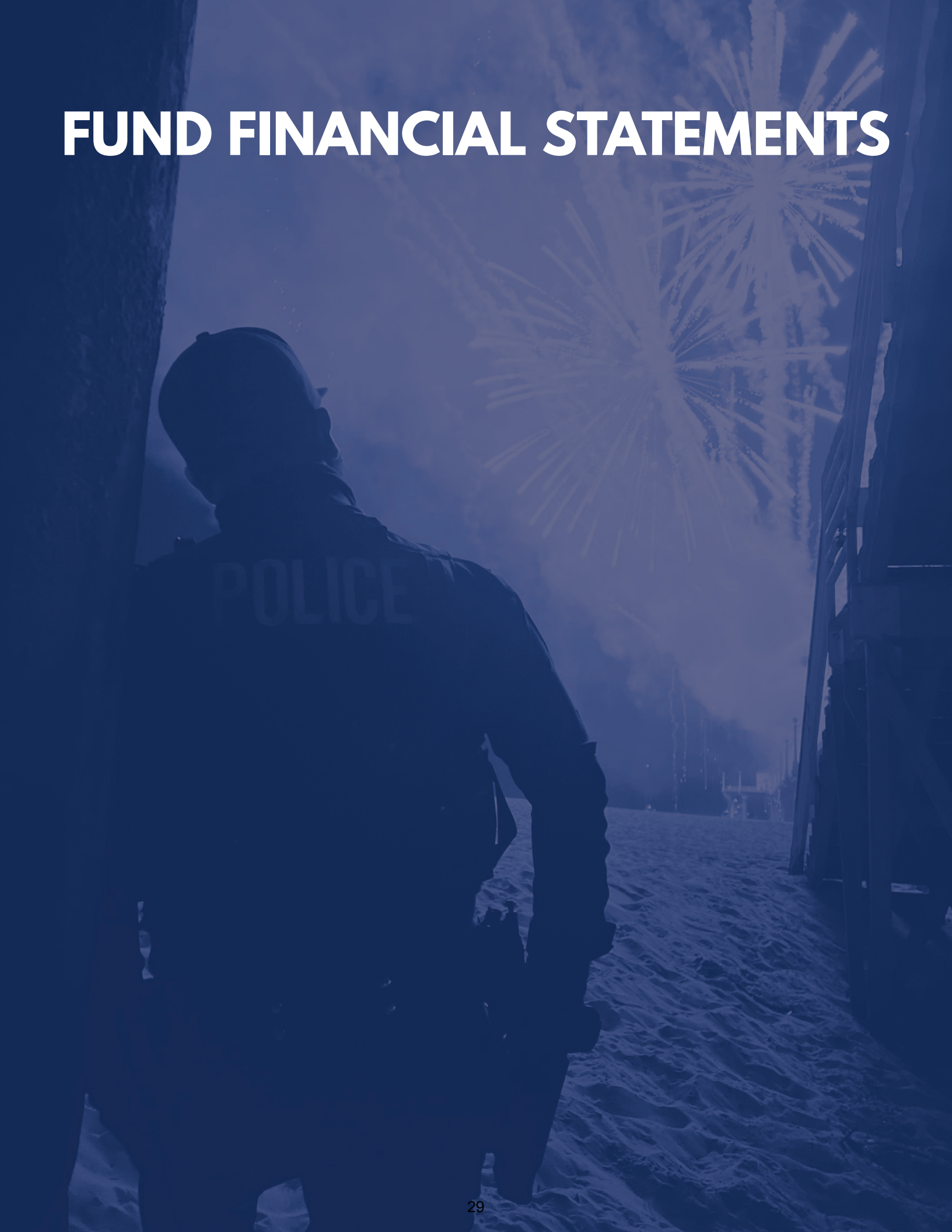
Net position-ending

Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (16,132,903)	\$ -	\$ (16,132,903)
(55,820,603)	-	(55,820,603)
(6,678,648)	-	(6,678,648)
(5,368,500)	-	(5,368,500)
(2,695,310)	-	(2,695,310)
(86,695,964)	-	(86,695,964)
-	1,865,106	1,865,106
-	197,334	197,334
-	1,279,581	1,279,581
-	(538,742)	(538,742)
-	234,677	234,677
-	58,935	58,935
-	3,096,891	3,096,891
(86,695,964)	3,096,891	(83,599,073)
45,757,094	-	45,757,094
15,877,679	-	15,877,679
10,132,620	-	10,132,620
1,183,181	-	1,183,181
5,589,153	-	5,589,153
1,506,215	-	1,506,215
8,379,834	2,525,741	10,905,575
1,227,980	-	1,227,980
343,174	(343,174)	-
89,996,930	2,182,567	92,179,497
3,300,966	5,279,458	8,580,424
112,558,918	132,373,836	244,932,754
(1,097,395)	(97,137)	(1,194,532)
\$ 114,762,489	\$ 137,556,157	\$ 252,318,646

See Notes to Financial Statements.



FUND FINANCIAL STATEMENTS





CITY OF MANHATTAN BEACH, CALIFORNIA
Balance Sheet
Governmental Funds
June 30, 2025

	Capital Projects Fund		Total Nonmajor Funds	Total Governmental Funds
	General	Capital Improvement		
ASSETS				
Cash and investments	\$ 26,286,480	\$ 13,676,593	\$ 17,069,640	\$ 57,032,713
Receivables (net of allowance for uncollectible):				
Accounts	1,563,198	126	9,470	1,572,794
Taxes	5,299,839	99,944	-	5,399,783
Accrued interest	664,583	-	-	664,583
Due from other governments	296,856	-	266,380	563,236
Grants	6,023	-	2,901,850	2,907,873
Notes and loans	25,668	-	-	25,668
Leases	21,726,755	-	-	21,726,755
Due from OPEB Trust Fund	381,988	-	-	381,988
Inventories	11,366	-	-	11,366
Prepaid costs	1,031,544	-	-	1,031,544
Restricted assets:				
Cash and investments	4,711,798	-	-	4,711,798
Cash and investments with fiscal agents	1,059,081	205,235	-	1,264,316
Total assets	\$ 63,065,179	\$ 13,981,898	\$ 20,247,340	\$ 97,294,417
LIABILITIES				
Accounts payable	\$ 2,904,667	\$ 77,038	\$ 1,600,892	\$ 4,582,597
Accrued liabilities	1,678,683	16,628	276,942	1,972,253
Accrued payroll	1,108,435	-	32,910	1,141,345
Deposits payable	3,703,532	-	1,741	3,705,273
Unearned revenues	1,757,682	-	249,810	2,007,492
Interest payable	-	203,259	-	203,259
Total liabilities	11,152,999	296,925	2,162,295	13,612,219
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	140,155	-	2,913,753	3,053,908
Lease-related	21,290,299	-	-	21,290,299
Total deferred inflows of resources	21,430,454	-	2,913,753	24,344,207
FUND BALANCES (DEFICITS)				
Nonspendable	1,068,598	-	-	1,068,598
Restricted	5,770,879	-	14,927,419	20,698,298
Committed	-	13,684,973	243,873	13,928,846
Assigned	24,925	-	-	24,925
Unassigned	23,617,324	-	-	23,617,324
Total fund balances (deficits)	30,481,726	13,684,973	15,171,292	59,337,991
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 63,065,179	\$ 13,981,898	\$ 20,247,340	\$ 97,294,417

See Notes to Financial Statements.

CITY OF MANHATTAN BEACH, CALIFORNIA
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2025

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

Total fund balances - governmental funds		\$ 59,337,991
Capital assets, net of accumulated depreciation/amortization, used in governmental activities are not financial resources and, therefore, are not reported in the funds.		161,477,682
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings, and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the Statement of Net Position.		
Deferred outflows-pension related	\$ 19,569,650	
Deferred outflows-OPEB related	4,985,553	
Deferred inflows-pension related	(10,394,266)	
Deferred inflows-OPEB related	<u>(4,858,066)</u>	
Total deferred outflows and inflows related to postemployment benefits		9,302,871
Other long-term assets that are not available to pay for current period expenditures and, therefore, are either labeled unavailable or not reported in the funds.		
Long-term receivables	<u>3,053,908</u>	
Total other long-term assets		3,053,908
Internal service funds provide services to other funds on a cost-reimbursement basis. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the Statement of Activities.		6,989,951
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.		
Pension Obligation Bonds	(73,106,794)	
COPS Payable	(14,660,000)	
Leases and SBITA payable	(9,159,054)	
Compensated absences	(5,866,922)	
Net pension liability	(18,647,507)	
Net OPEB liability	<u>(2,699,199)</u>	
Total long-term liabilities		(124,139,476)
Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the Statement of Activities.		
Deferred amount on refunding	209,220	
Bond premiums	<u>(1,469,658)</u>	
Total premiums, discounts, and deferred items		<u>(1,260,438)</u>
Net position of governmental activities		<u><u>\$ 114,762,489</u></u>

CITY OF MANHATTAN BEACH, CALIFORNIA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

		Capital Projects Fund		
	General	Capital Improvement	Total Nonmajor Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 75,339,632	\$ 1,083,296	\$ 3,623,014	\$ 80,045,942
Licenses and permits	4,421,097	10,902	-	4,431,999
Intergovernmental	747,194	35,957	3,350,631	4,133,782
Charges for services	15,547,009	688,803	2,313	16,238,125
Use of money and property	7,459,748	1,617	918,469	8,379,834
Fines and forfeitures	2,480,865	111,036	-	2,591,901
Contributions	-	30,000	-	30,000
Miscellaneous	1,282,371	-	38,862	1,321,233
Total revenues	107,277,916	1,961,611	7,933,289	117,172,816
EXPENDITURES				
Current:				
General government	18,309,285	-	91,364	18,400,649
Public safety	54,368,997	-	356,396	54,725,393
Culture and recreation	9,962,626	-	624,711	10,587,337
Public works	11,921,311	184,456	1,127,370	13,233,137
Capital outlay	294,248	15,042,620	3,889,517	19,226,385
Debt service:				
Principal retirement	5,722,147	740,000	18,956	6,481,103
Interest and fiscal charges	2,234,072	425,963	10,989	2,671,024
Trustee fees and bond issuance cost	1,600	5,500	-	7,100
Total expenditures	102,814,286	16,398,539	6,119,303	125,332,128
Excess (deficiency) of revenues over (under) expenditures	4,463,630	(14,436,928)	1,813,986	(8,159,312)
OTHER FINANCING SOURCES (USES)				
Transfers in	230,407	15,415,471	266,885	15,912,763
Transfers out	(15,940,120)	-	(412,751)	(16,352,871)
Lease and subscriptions financing	1,346,048	-	-	1,346,048
Total other financing sources (uses)	(14,363,665)	15,415,471	(145,866)	905,940
Net change in fund balances	(9,900,035)	978,543	1,668,120	(7,253,372)
Fund balances (deficit)-beginning	40,381,761	12,706,430	13,503,172	66,591,363
Fund balances (deficit)-ending	\$ 30,481,726	\$ 13,684,973	\$ 15,171,292	\$ 59,337,991

See Notes to Financial Statements.

CITY OF MANHATTAN BEACH, CALIFORNIA**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**

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

Net change in fund balances - total governmental funds: \$ (7,253,372)

Governmental funds report capital outlays are expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization expense in the current period as well as the amount of losses recorded for disposal of capital assets.

Capital outlay	\$ 19,591,932	
Losses on disposal of capital assets	(98,690)	
Depreciation/amortization expense	<u>(4,843,824)</u>	
Total adjustment		14,649,418

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Earned but unavailable grant revenues	<u>709,046</u>	
Total adjustment		709,046

Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Leases issued	(382,350)	
Subscriptions issued	(851,200)	
Amortization of bond premiums and discounts	94,155	
Amortization of deferred amounts on refunding	(32,187)	
Principal payments on leases	877,432	
Principal payments on subscriptions	294,999	
Principal payments on pension obligation bonds	3,288,269	
Principal payments on certificates of participation	<u>1,100,000</u>	
Total adjustment		4,389,118

Internal service funds provide services to other funds on a cost-reimbursement basis. The net revenue of certain activities of internal service funds is reported with governmental activities.

(126,984)

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 the governmental funds.

Accrued interest on long-term debt	-	
Compensated absences	89,552	
Changes in pension liabilities and related deferred outflows and inflows of resources	(8,382,184)	
Changes in OPEB liabilities and related deferred outflows and inflows of resources	<u>(773,628)</u>	
Total adjustment		<u>(9,066,260)</u>

Change in net position of governmental activities		<u>\$ 3,300,966</u>
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CITY OF MANHATTAN BEACH, CALIFORNIA
Statement of Net Position
Proprietary Funds
June 30, 2025

	Business-Type Activities					Governmental Activities
	Water	Wastewater	Parking	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 11,389,662	\$ 19,509,132	\$ 5,733,733	\$ 6,813,964	\$ 43,446,491	\$ 21,357,361
Receivables:						
Accounts	914,715	300,090	4,278	63,725	1,282,808	34,085
Inventories	757,218	-	-	-	757,218	86,581
Prepays	-	-	74,550	-	74,550	27,566
Restricted:						
Cash with fiscal agent	-	-	100,628	-	100,628	-
Total current assets	13,061,595	19,809,222	5,913,189	6,877,689	45,661,695	21,505,593
Noncurrent:						
Advances to other funds	-	-	450,000	-	450,000	-
Capital assets, net	67,600,463	11,783,881	17,380,100	6,579,081	103,343,525	9,089,101
Total noncurrent assets	67,600,463	11,783,881	17,830,100	6,579,081	103,793,525	9,089,101
Total assets	80,662,058	31,593,103	23,743,289	13,456,770	149,455,220	30,594,694
DEFERRED OUTFLOWS OF RESOURCES						
Pension-related	354,568	181,875	51,060	47,394	634,897	693,719
OPEB-related	214,978	88,567	22,545	184,381	510,471	162,646
Total deferred outflows of resources	569,546	270,442	73,605	231,775	1,145,368	856,365
LIABILITIES						
Current liabilities:						
Accounts payable	1,279,606	338,449	1,027,435	996,445	3,641,935	488,053
Accrued liabilities	103,426	17,962	75,941	156,673	354,002	136,037
Accrued payroll	77,829	38,907	12,713	12,451	141,900	-
Accrued interest	-	-	91,945	-	91,945	83
Deposits payable	25	-	410	159,068	159,503	-
Worker's compensation claims	-	-	-	-	-	9,360,860
Claims and judgments	-	-	-	-	-	1,828,171
Compensated absences	116,220	41,013	17,705	12,847	187,785	195,255
Leases	-	-	-	-	-	33,678
Subscriptions	-	-	-	-	-	17,959
Bonds	206,578	98,250	465,890	7,227	777,945	135,667
Total current liabilities	1,783,684	534,581	1,692,039	1,344,711	5,355,015	12,195,763
Noncurrent liabilities:						
Advances from other funds	-	-	-	450,000	450,000	-
Compensated absences	82,116	-	5,716	19,520	107,352	194,468
Worker's compensation claims	-	-	-	-	-	7,100,500
Claims and judgments	-	-	-	-	-	903,500
Leases	-	-	-	-	-	122,494
Subscriptions	-	-	-	-	-	18,447
Bonds	899,269	371,370	4,199,317	151,887	5,621,843	2,851,454
Net pension liability	410,846	222,073	50,339	42,658	725,916	816,120
Net OPEB liability	116,390	47,951	12,206	99,825	276,372	88,054
Total noncurrent liabilities	1,508,621	641,394	4,267,578	763,890	7,181,483	12,095,037
Total liabilities	3,292,305	1,175,975	5,959,617	2,108,601	12,536,498	24,290,800
DEFERRED INFLOWS OF RESOURCES						
Pension-related	5,952	3,217	729	618	10,516	11,823
OPEB-related	209,480	86,303	21,968	179,666	497,417	158,485
Total deferred inflows of resources	215,432	89,520	22,697	180,284	507,933	170,308
NET POSITION						
Net investment in capital assets	67,427,421	11,698,749	12,844,573	6,579,081	98,549,824	8,897,310
Restricted for business improvement district	-	-	364,628	-	364,628	-
Unrestricted	10,296,446	18,899,301	4,625,379	4,820,579	38,641,705	(1,907,359)
Total net position	\$ 77,723,867	\$ 30,598,050	\$ 17,834,580	\$ 11,399,660	137,556,157	\$ 6,989,951

See Notes to Financial Statements.

CITY OF MANHATTAN BEACH, CALIFORNIA
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2025

	Business-Type Activities					Governmental Activities
	Water	Wastewater	Parking	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES						
Charges for services	\$ 18,093,314	\$ 4,305,931	\$ 4,459,582	\$ 3,986,398	\$ 30,845,225	\$ -
Interdepartmental charges for services	-	-	-	-	-	20,574,675
Miscellaneous	5,873	-	22,259	586	28,718	136,155
Total operating revenues	18,099,187	4,305,931	4,481,841	3,986,984	30,873,943	20,710,830
OPERATING EXPENSES						
Salaries	1,556,843	671,836	249,655	292,308	2,770,642	2,740,677
Employee benefits	742,487	312,937	90,642	111,119	1,257,185	1,036,141
Contract for professional services	9,399,312	296,768	942,903	831,027	11,470,010	2,597,534
Materials and services	852,585	163,181	2,602,455	1,168,552	4,786,773	3,784,604
Utilities	259,950	88,410	113,472	58,337	520,169	155,369
Administrative service charges	1,475,258	831,497	534,000	276,240	3,116,995	-
Internal services	1,297,287	327,274	81,039	17,100	1,722,700	-
Leases and rents	-	-	-	631,482	631,482	-
Claims	-	-	-	-	-	10,305,085
Depreciation/amortization	631,617	326,903	319,267	105,722	1,383,509	1,029,071
Total operating expenses	16,215,339	3,018,806	4,933,433	3,491,887	27,659,465	21,648,481
Operating income (loss)	1,883,848	1,287,125	(451,592)	495,097	3,214,478	(937,651)
NONOPERATING REVENUES (EXPENSES)						
Interest revenue	693,869	1,148,974	324,945	357,953	2,525,741	-
Interest expense	(18,742)	(7,544)	(87,150)	(4,151)	(117,587)	(79,155)
Gain (loss) on disposal of capital assets	-	-	-	-	-	106,540
Total nonoperating revenues (expenses)	675,127	1,141,430	237,795	353,802	2,408,154	27,385
Income (loss) before transfers	2,558,975	2,428,555	(213,797)	848,899	5,622,632	(910,266)
Transfers in	-	-	-	-	-	792,150
Transfers out	(38,460)	(1,270)	(34,457)	(268,987)	(343,174)	(8,868)
Change in net position	2,520,515	2,427,285	(248,254)	579,912	5,279,458	(126,984)
Net position-beginning	75,214,014	28,218,366	18,101,216	10,840,240	132,373,836	7,451,662
Restatements	(10,662)	(47,601)	(18,382)	(20,492)	(97,137)	(334,727)
Net position-beginning, as restated	75,203,352	28,170,765	18,082,834	10,819,748	132,276,699	7,116,935
Net position-ending	\$ 77,723,867	\$ 30,598,050	\$ 17,834,580	\$ 11,399,660	\$ 137,556,157	\$ 6,989,951

CITY OF MANHATTAN BEACH, CALIFORNIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2025

	Business-Type Activities					Governmental Activities
	Water	Wastewater	Parking	Nonmajor Enterprise Funds	Totals	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 18,102,109	\$ 4,331,669	\$ 4,483,498	\$ 3,982,795	\$ 30,900,071	\$ -
Receipts from interfund charges	-	-	-	-	-	20,688,363
Payments to suppliers and service providers	(14,640,446)	(1,550,429)	(3,526,549)	(3,062,146)	(22,779,570)	(6,933,478)
Payments to employees for salaries and benefits	(2,035,446)	(852,468)	(311,527)	(351,832)	(3,551,273)	(3,302,705)
Other receipts (payments)	-	-	-	586	586	(10,829,862)
Net cash provided by (used for) operating activities	1,426,217	1,928,772	645,422	569,403	4,569,814	(377,682)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers from other funds	-	-	-	-	-	792,150
Transfers to other funds	(38,460)	(1,270)	(34,457)	(268,987)	(343,174)	(8,868)
Principal paid on non-capital debt	(41,984)	(17,305)	(5,836)	(7,159)	(72,284)	(134,445)
Interest paid on non-capital debt	(24,338)	(18,047)	(3,385)	(4,151)	(49,921)	(79,155)
Payments from other funds on interfund borrowings	-	-	225,000	-	225,000	-
Payments to other funds on interfund borrowings	-	-	-	(225,000)	(225,000)	-
Net cash provided by (used for) noncapital financing activities	(104,782)	(36,622)	181,322	(505,297)	(465,379)	569,682
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and construction of capital assets	(1,305,154)	(836,527)	-	(1,001,046)	(3,142,727)	(4,123,350)
Principal paid on capital debt	(154,158)	(88,895)	(440,000)	-	(683,053)	(47,320)
Interest paid on capital debt	(37,531)	(11,177)	(177,319)	-	(226,027)	(2,217)
Proceeds from sales of assets	-	-	-	-	-	106,540
Net cash provided by (used for) capital and related financing activities	(1,496,843)	(936,599)	(617,319)	(1,001,046)	(4,051,807)	(3,890,550)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on investments	693,869	1,148,974	324,945	357,953	2,525,741	-
Net cash provided by (used for) investing activities	693,869	1,148,974	324,945	357,953	2,525,741	-
Net increase (decrease) in cash and cash equivalents	518,461	2,104,525	534,370	(578,987)	2,578,369	(3,698,550)
Cash and cash equivalents-beginning	10,871,201	17,404,607	5,299,991	7,392,951	40,968,750	25,055,911
Cash and cash equivalents-ending	\$ 11,389,662	\$ 19,509,132	\$ 5,834,361	\$ 6,813,964	\$ 43,547,119	\$ 21,357,361

See Notes to Financial Statements.

CITY OF MANHATTAN BEACH, CALIFORNIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2025

	Business-Type Activities					Governmental Activities
	Water	Wastewater	Parking	Nonmajor Enterprise Funds	Totals	Internal Service Funds
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION						
Cash and investments	\$ 11,389,662	\$ 19,509,132	\$ 5,733,733	\$ 6,813,964	\$ 43,446,491	\$ 21,357,361
Cash with fiscal agent	-	-	100,628	-	100,628	-
Total cash and cash equivalents	<u>\$ 11,389,662</u>	<u>\$ 19,509,132</u>	<u>\$ 5,834,361</u>	<u>\$ 6,813,964</u>	<u>\$ 43,547,119</u>	<u>\$ 21,357,361</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES						
Operating income (loss)	\$ 1,883,848	\$ 1,287,125	\$ (451,592)	\$ 495,097	\$ 3,214,478	\$ (937,651)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation/amortization expense	631,617	326,903	319,267	105,722	1,383,509	1,029,071
(Increase) decrease in accounts receivable	2,922	25,738	1,657	(56,809)	(26,492)	(22,467)
(Increase) decrease in inventories	5,877	-	-	-	5,877	18,838
(Increase) decrease in prepaid items	-	-	(74,550)	-	(74,550)	(27,566)
Increase (decrease) in accounts payable	(1,345,090)	139,131	745,929	(167,625)	(627,655)	(387,243)
Increase (decrease) in accrued liabilities	60,988	56,477	88,654	96,800	302,919	136,037
Increase (decrease) in deposits payable	-	-	-	53,206	53,206	-
Increase (decrease) in compensated absences	18,014	(6,588)	5,039	11,875	28,340	54,996
Increase (decrease) in claims and judgments	-	-	-	-	-	(524,777)
Increase (decrease) in net pension liability and related items	134,684	86,243	7,520	2,527	230,974	257,845
Increase (decrease) in net OPEB liability and related items	33,357	13,743	3,498	28,610	79,208	25,235
Total adjustments	<u>(457,631)</u>	<u>641,647</u>	<u>1,097,014</u>	<u>74,306</u>	<u>1,355,336</u>	<u>559,969</u>
Net cash provided by (used for) operating activities	<u>\$ 1,426,217</u>	<u>\$ 1,928,772</u>	<u>\$ 645,422</u>	<u>\$ 569,403</u>	<u>\$ 4,569,814</u>	<u>\$ (377,682)</u>

CITY OF MANHATTAN BEACH, CALIFORNIA
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2025

	Custodial Funds Special Assessment Redemption
ASSETS	
Cash and cash equivalents	\$ 1,329,874
Cash and investments with fiscal agents	1,258,743
Receivables:	
Accounts	3,064
Total assets	2,591,681
LIABILITIES	
Payable to bondholders	2,591,681
Total liabilities	2,591,681
NET POSITION	
Restricted for bondholders	-
Total net position	\$ -

CITY OF MANHATTAN BEACH, CALIFORNIA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2025

	Custodial Funds Special Assessment Redemption
ADDITIONS	
Special assessments	\$ 1,476,653
Interest income	49,635
Total additions	1,526,288
DEDUCTIONS	
Professional services	7,580
Principal payment	1,290,000
Interest expense	228,708
Total deductions	1,526,288
Net increase (decrease) in fiduciary net position	-
Net position-beginning	-
Net position-ending	\$ -

NOTES TO FINANCIAL STATEMENTS





NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Reporting Entity

The City of Manhattan Beach, California (the City), was incorporated on December 12, 1912, under the laws of the State of California and enjoys all the rights and privileges applicable to a general law city. It is governed by an elected five-member council. As required by accounting principles generally accepted in the United States of America, these financial statements present the City of Manhattan Beach (the primary government) and its component unit, the Manhattan Beach Capital Improvements Corporation. The component unit is included in the reporting entity because of the significance of its operational or financial relationships with the City of Manhattan Beach. It is governed by the City Council of the City of Manhattan Beach and its activities exclusively benefit the City, therefore it is presented as a blended component unit. Separate financial statements are not prepared for the Manhattan Beach Capital Improvements Corporation.

Blended Component Unit

Manhattan Beach Capital Improvements Corporation - The Manhattan Beach Capital Improvements Corporation (the Corporation) is a nonprofit public benefits corporation, organized under the laws of the State of California in September 1996, pursuant to the Nonprofit Public Benefit Corporation Laws (Title I, Division 2, Part 2, Section 5110). The sole purpose of the Corporation is to issue debt for capital improvements. Certificates of participation are debt issued by the Corporation providing the holder an interest, i.e. the right to participate in the lease payments paid by the City to the Corporation. There are no separately issued financial statements for this entity.

B. Description of Funds

The accounts of the City are organized and operated on the basis of funds, each of which is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances and changes therein. These funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

In accordance with the City's municipal code and budget, several different types of funds are used to record the City's financial transactions. For financial reporting purposes, such funds have been categorized and are presented as follows:

Governmental Fund Types

General Fund - to account for all unrestricted resources except those required to be accounted for in another fund.

Special Revenue Funds - to account for the proceeds of specific revenue sources (other than for major capital projects) that are restricted by law or administrative action to expenditures for specified purposes.

Capital Projects Funds - to account for financial resources segregated for the acquisition or construction of major capital facilities, other than those financed by Enterprise or Internal Service Funds. In recent years, the Underground Assessment District Fund was added to this category.

Proprietary Fund Types

Enterprise Funds - to account for operations where it is the stated intent that costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges, or where determination of net income is deemed appropriate.

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

Internal Service Funds - to account for insurance reserve, information systems, building maintenance and operations, and fleet management services provided to the departments of the City on a continuing basis, which are financed or recovered primarily by charges to the user departments. Interest is not allocated to internal service funds as those funds are intended to operate on a cost reimbursement basis.

Fiduciary Fund Types

Custodial Funds - to account for special assessment collections for debt service for the underground assessment bonds that the City remits to the fiscal agent.

C. Basis of Accounting/Measurement Funds

Government-Wide Financial Statements

The City government-wide financial statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of Governmental Activities and Business-Type Activities for the City. 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 and outflows of resources, and liabilities, including capital assets and infrastructure as well as long-term debt 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 the benefit is incurred. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. The types of program revenues for the City are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions. Charges for services include revenues from customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function. Grants and contributions include revenues restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenue are reported instead as general revenue.

Government-wide financial statements do not provide information by fund; they simply distinguish between governmental and business-type activities. The City’s Statement of Net Position includes current and noncurrent assets and liabilities, as well as deferred inflows and outflows of resources.

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 into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of capital assets reduce this category.

Restricted Net Position - This category presents restrictions imposed by creditors, grantors, contributions or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position - This category represents the net position of the City, not restricted for any project or other purpose.

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

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenue, Expenditures and Change in Fund Balances for all major governmental funds and aggregated nonmajor funds. An accompanying schedule is presented to reconcile and explain the differences in fund balance as presented in these statements to the net position presented in the government-wide financial statements. The City has presented all major funds that met the qualifications of GASB Statement No. 34.

All governmental funds are accounted for by using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included in the governmental fund balance sheet. Related operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance.

The modified accrual basis of accounting is used by all governmental funds as the basis for recognizing revenues. Under the modified accrual basis of accounting, revenues are susceptible to accrual and consequently recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be readily determined, and "available" means that the transaction amount is collectible within the current period or soon thereafter (generally 60 days after year-end) to be used to pay liabilities of the current period. Revenues considered susceptible to accrual include property taxes and sales taxes collected after year-end, earned and uncollected investment interest income, uncollected rents and leases and unbilled service receivables. Revenues from such items as license and permit fees, fines and forfeitures and general service charges are not susceptible to accrual because they are generally not measurable until received in cash.

The government reports unearned revenue on its balance sheet for grant monies received before the City has a legal claim to them, such as grant funds received prior to incurring qualified expenses. In subsequent periods, the unearned revenue is removed once revenue recognition criteria are met and the City has established legal claim to the resources.

Governmental fund expenditures are recorded when the related fund liability is incurred. Principal and interest on long-term debt are recorded as fund liabilities when they are due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Proprietary Funds Financial Statements

Proprietary funds financial statements include a Statement of Fund Net Position, a Statement of Revenues, Expenses and Change in Fund Net Position, and a Statement of Cash Flows. All proprietary fund types are accounted for on a flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. With this measurement focus, all assets, deferred outflows/inflows of resources and liabilities (current and long-term) resulting from the operations of these funds are included in the Statement of Net Position. Accordingly, the proprietary fund Statement of Net Position presents assets, deferred inflows/outflows of resources and liabilities classified into their respective current and long-term categories.

The City's internal service funds are presented in the proprietary funds financial statements. Because the principal users of the internal services are the City's governmental activities, the financial statements of the internal service funds are consolidated into the governmental activities column when presented in the government-wide financial statements. To the extent possible, the cost of these services is reported in the appropriate functional activity.

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

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

There is no look-back adjustment on the statement of fund net position and the statement of revenues, expenses and changes in fund net position for the enterprise funds' participation in the internal services funds because these transactions are paid in cash, therefore there is no internal balance related to what can be considered a quasi-external transaction.

Major Funds

Governmental Accounting Standards Board Statement 34 (GASB 34) requires the City to report all major funds in the basic financial statements. In accordance with GASB 34, the following funds are classified as major governmental funds:

General Fund – used to account for all unrestricted resources except those required to be accounted for in another fund. This fund accounts for general citywide operations.

Capital Improvement Fund – used to account for financial resources segregated for the acquisition or construction of major capital facilities, other than those financed by Enterprise, Internal Service Funds, or other project specific funds.

The following funds are classified as major proprietary funds:

Water Fund - used to account for the operation of the City's water utility system. Revenues are generated from user fees, which are adjusted periodically to meet the costs of administration, operation, maintenance and capital improvements to the system. In fiscal year 1997, the City completed a comprehensive utility fee study and issued certificates of participation for the purpose of upgrading the City's water and wastewater systems.

Wastewater Fund - used to account for the maintenance and improvements of the City's sewer system. Revenues are derived from a user charge placed on the water bills. In fiscal year 1997, the City completed a comprehensive utility fee study and issued certificates of participation for the purpose of upgrading the City's water and wastewater system.

Parking Fund - used to account for the general operations and maintenance of City parking lots and spaces. Revenues are generated from the use of these properties.

D. Property Tax Calculator

Property tax revenue is recognized on the modified accrual basis, that is, in the fiscal year for which the taxes have been levied providing they become available. Available means due or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter (not to exceed 60 days) to be used to pay liabilities of the current period. The County of Los Angeles collects property taxes for the City. Tax liens attach annually as of 12:01 AM on the first day in January prior to the fiscal year for which the taxes are levied. Taxes are levied on both real and personal property, as it exists on that date. The tax levy covers the fiscal period July 1 to June 30. All secured personal property taxes and one-half of the taxes on real property are due November 1; the second installment is due February 1. All taxes are delinquent, if unpaid, by December 10 and April 10, respectively. Unsecured personal property taxes become due on March 1 of each year and are delinquent, if unpaid, on August 31.

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

E. Cash and Investments

Cash and Cash Equivalents

For purpose of the Statement of Cash Flows, the City considers cash and cash equivalents as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. The City follows the practice of pooling cash and investments of all funds except for funds in its 125 medical flex plan; its Section 115 Trust, and its outstanding Water and Wastewater; Marine Avenue Sports Field; and Metlox, Police & Fire Facility bonded debt, which are held by outside trustees.

Investments

Investments are shown at fair value, in accordance with GASB Statements No. 31 and No. 72. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

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

F. Restricted Cash and Investments

Certain proceeds of debt issues, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Additionally, the City established the PARS Post-Employment Benefits Trust as a tax-exempt trust within the meaning of Section 115 of the IRS Code and relevant statutory provisions of the State of California for the purpose of pre-funding pension obligation and/or OPEB obligation. The City's adoption and operation of the Trust has no effect on any of the current or former employee's entitlement to post-employment benefits. The balances and activities of the Trust are irrevocably dedicated to funding future post-employment benefit obligations. The assets will benefit the City through reduced future cash flow demands on the City's General fund resources and continue to be assets of the City. These amounts are reflected as restricted cash and investments in the General fund.

G. Capital Assets

Capital assets, which include land, machinery and equipment, buildings and improvements, leases, subscriptions, intangibles, and infrastructure (roads, bridges, curbs and gutters, streets, walk-streets and sidewalks, parks and recreation improvements), are reported in the government-wide financial statements. Capital assets and infrastructure are defined by the City as assets with an initial, individual cost of more than \$5,000 and \$100,000 respectively (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

Capital assets are reported net of accumulated depreciation and amortization on the Statement of Net Position. Depreciation and amortization is provided for on the straight-line method over the estimated useful lives of the assets as follows:

<u>Asset</u>	<u>Years</u>
Equipment	5-20
Vehicles	3-20
Buildings/Improvements	40-100
Leases	5-100
Subscriptions	10
Intangible Assets	10
Water and Sewer Systems	30-50
Other Infrastructure	15-100

Major outlays for capital assets and improvements are capitalized as projects are constructed.

H. Leases

Leases are defined as the right to use an underlying asset. As lessee, the City recognizes a lease liability and an intangible lease asset at the beginning of a lease unless the lease is considered a short-term lease or transfers ownership of the underlying asset. Right-to-use lease assets are measured based on the net present value of the future lease payments at inception, using the weighted average cost of capital, which approximate the incremental borrowing rate. Remeasurement of a lease liability occurs when there is a change in the lease term and/or other changes that are likely to have a significant impact on the lease liability. The City calculates the amortization of the discount on the lease liability and reports that amount as outflows of resources. Payments are allocated first to accrued interest liability and then to the lease liability. Variable lease payments based on the usage of the underlying assets are not included in the lease liability calculations but are recognized as outflows of resources in the period in which the obligation was incurred. As lessor, the City recognizes a lease receivable. The lease receivable is measured using the net present value of future lease payments to be received for the lease term and deferred inflow of receivables at the beginning of the lease term. Periodic amortization of the discount on the receivable are reported as interest revenue for that period. Deferred inflows of resources are recognized as inflows on a straight-line basis over the term of the lease. This recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases. Any initial direct costs are reported as an outflow of resources for that period. Re-measurement of lease receivables occur when there are modifications, including but not limited to changes in the contract price, lease term, and adding or removing an underlying asset to the lease agreements. In the case of a partial or full lease termination, the carrying value of the lease receivable and the related deferred inflow of resources will be reduced and will include a gain or loss for the difference. For lease contracts that are short-term, the City recognizes short-term lease payments as inflows of resources (revenues) based on the payment provisions of the lease contract. Liabilities are only recognized if payments are received in advance, and receivables are only recognized if payments are received subsequent to the reporting period.

I. Subscriptions

Subscription-Based Information Technology Arrangements (SBITAs) are contracts that convey control of the right to use another party's IT software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction. To determine whether a contract conveys control of the right to use the underlying IT assets, the City assesses both the right to obtain the present service capacity from use of the underlying IT assets and the right to determine the nature and manner of use of the underlying IT assets as specified in the contract. Contracts that solely provide IT support services are excluded from the definition of a SBITA. The subscription term is the period during which the City has a noncancellable right to use the underlying IT assets, plus the periods covered by the City's option to extend the SBITA if it is reasonably certain, based on all relevant factors, that the government will exercise that option. Periods for which both the government and the SBITA vendor have an option to terminate the SBITA without permission from the other party (or if both parties have to agree to extend) are cancellable periods and are excluded from the subscription term.

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

J. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Financial Position reports 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 government reports deferred outflows of resources for pension contributions made after the actuarial measurement date which will be recognized in the following year, for the net difference between projected and actual earnings on pension and OPEB plan investments, the difference between expected and actual experience, the changes of assumptions, adjustments due to the difference in proportions, and the difference in proportionate share. The government also reports deferred outflows for deferred charges on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the Statement of Financial Position and the Governmental Fund Balance Sheet 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 government has several items that qualify for reporting in this category:

1. Unavailable revenue reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from grant revenues. These amounts are deferred and recognized as an inflow of resources in the period when they become available.
2. Pension and OPEB related deferred inflows are reported only on the Statement of Net Position. The government reports deferred inflows of resources related to pensions arising from certain changes in the net pension liability, net pension asset, or net OPEB asset. Deferred inflows and outflows of resources related to changes in the net pension liability, net pension asset, and net OPEB asset are recognized systematically over time. Amounts are first recognized in the year the change occurs. The remaining amounts are to be recognized in future periods. The recognition period differs depending on the source of the change, and they currently are amortized over 5 years or the average remaining service lifetime.
3. A deferred inflow of resources related to leases is reported for the value of lease receivable payments to be recognized as an inflow of resources in a systematic and rational manner over the term of the lease agreements.

K. Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the 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. 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.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For the pension plan administered under the California Public Employee's Retirement System (CalPERS), the following timeframes are used:

Valuation Date: June 30, 2023
Measurement Date: June 30, 2024
Measurement Period: July 1, 2023 to June 30, 2024

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

L. Net Other Post-Employment Benefits (OPEB) Liability

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date: June 30, 2023
Measurement Date: June 30, 2024
Measurement Period: July 1, 2023 to June 30, 2024

M. Interfund Transfers

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 activity and the City's governmental funds. 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. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental, business-type, and fiduciary activities have not been eliminated.

N. 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 using the effective interest method. In the governmental fund financial statements, long-term obligation, bond discounts and premiums are recognized as other financing sources or uses when incurred. Issuance costs are recorded as a current year expenditure.

The City has recorded all judgment and claim liabilities resulting from workers' compensation and liability insurance claims in the Insurance Reserve Fund, which is a component of the Internal Service funds group. The recorded liability is based upon an estimate of reported claims as provided by an analysis of a third-party administrator.

Only the short-term liability is reflected as a current liability in all applicable governmental fund types; the remainder of the liability is reported as long-term debt in the Statement of Net Position.

O. Vacation and Sick Leave

The City's policy is to record the cost of vested vacation and sick leave as it is earned. Vacation is payable to employees at the time a vacation is taken or upon termination of employment. At termination, employees are eligible to convert 50% of unused sick time to service credit; however, sworn fire safety personnel, upon service retirement, may opt to cash out 50% of the value of unused sick leave. Miscellaneous and sworn police employees may accrue compensated time off in lieu of payment for overtime hours. Overtime hours are banked at either time-and-a-half or straight-time hours depending upon the nature of the overtime worked. With the implementation of GASB 101, the City records a sick leave liability based on a 3-year average of sick leave used by bargaining unit. The City may choose to eliminate years with abnormal usage from the evaluation (ex. leave usage during pandemic). The sworn fire personnel will be evaluated with the higher of 50% of unused sick leave or the average of 3-years of sick leave used.

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

P. Allocation of Interest Income

The City pools all non-restricted cash for investment purchases and allocates interest income based on month-end cash balances. Interest earned by restricted Cash is posted to their respective accounts.

Q. Other Accounting Policies

Inventories - Inventories of materials and supplies are carried at cost on a weighted-average basis. The City uses the consumption method of accounting for inventories.

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

R. 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.

S. Net Position Flow Assumption

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

T. Fund Balance Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

U. Fund Balance Policy

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes.

- Non-spendable fund balance is the portion of fund balance that cannot be spent due to form. Examples include inventories, prepaid amounts, long-term loans, and notes receivable, unless the proceeds are restricted, committed or assigned. Also, amounts that must be maintained intact legally or contractually, such as the principal of a permanent fund are reported within the non-spendable category.
- Restricted fund balance is the portion of fund balance that is subject to externally enforceable limitations by law, enabling legislation or limitations imposed by creditors or grantors. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

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

- The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.
- Assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing council (council) has by resolution authorized the finance director to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.
- Unassigned fund balance is the residual classification that includes all spendable amounts in the General Fund not contained in other classifications.

U. New GASB Pronouncements Effective during Fiscal Year

The following Government Accounting Standards Board (GASB) pronouncement was effective for and implemented for the fiscal year ended June 30, 2025:

1. *GASB Statement No. 101, Compensated Absences*

The requirements of this Statement will improve financial reporting by implementing a unified recognition and measurement model that will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. Establishing the unified model will result in consistent application to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave. This Statement will also result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences.

2. *GASB Statement No. 102, Certain Risk Disclosures*

The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition.

Management has assessed the impact of this Statement on the City's financial statements and determined that it did not have a material impact.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Balance and Net Position

At June 30, 2025, the Insurance Reserve, Information Systems, Building Maintenance and Operations, and County Parking Lot Fund have deficit net positions of \$2,244,506, \$447,869, \$533,584, and \$58,632 respectively. The deficit is the result of non-current liabilities and will be resolved by future revenues and contributions from other funds.

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 3: CASH AND INVESTMENTS

As of June 30, 2025, cash and investments were reported in the accompanying financial statements as follows:

Governmental Funds	\$ 63,008,859
Internal Service Funds	21,357,329
Business-Type Activities	43,547,119
Fiduciary Funds	2,588,617
	<u>\$ 130,501,924</u>

The City pools all cash and investments that is available for use for all funds, including fiduciary funds. Unrestricted and restricted cash and investments, as indicated in the government-wide statement of net position, do not include fiduciary cash and investments. These cash amounts are included in the Statement of Fiduciary Net Position – Fiduciary Funds. Each fund type's position in the pool is reported on the Combined Balance Sheet as cash and investments. The City has adopted an investment policy, which authorizes it to invest in various investments.

A. Deposits

At June 30, 2025, the carrying amount of the City's deposits after outstanding checks and deposits in transit was \$21,916,229 and the bank balance was \$22,309,520. The \$(393,291) difference represents outstanding checks and other reconciling items.

The California Government Code requires California banks and savings and loan associations to secure a City's deposits by pledging government securities with a value of 110% of an entity's deposits. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits. The City's Treasurer may waive the collateral requirement for deposits that are fully insured up to \$250,000 by the FDIC. The collateral for deposits in federal and state-chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the City.

B. Authorized Investments

Under provisions of the City's Investment Policy, and in accordance with Section 53601 of the California Government Code, the City may invest in the following types of investments:

- Securities of the U.S. Government, or its agencies
- Certificates of Deposit (or Time Deposits) placed with commercial banks and/or savings and loan associations.
- Negotiable Certificates of Deposit
- Bankers Acceptances
- Commercial Papers
- Local Agency Investment Fund (State Pool) Demand Deposits
- Passbook Savings Account Demand Deposits
- Federally Insured Thrift and Loan
- Repurchase Agreements
- Medium-Term Corporate Notes
- Floaters or step-ups with market driven interest rate adjustments
- Mutual Funds of highest ratings

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

The City's investment policy does not allow the use of reverse-repurchase agreements and, accordingly, the City did not borrow through the use of reverse-repurchase agreements at any time during the year.

C. Investments Authorized by Debt Agreements

The above investments do not address investment of debt proceeds held by a bond trustee. Investments of debt proceeds held by a bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the Entity's investment policy.

D. Investments in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer's Office audits the fund annually. The fair value of the position in the investment pool is the same as the value of the pool shares. The City is required to disclose its methods and assumptions used to estimate the fair value of its holdings in LAIF. The City relied upon information provided by the State Treasurer in estimating the City's fair value position of its holdings in LAIF. The City had a contractual withdrawal value of \$20,375,284 whose pro-rata share of fair value was estimated by the State Treasurer to be \$20,399,700.

E. GASB Statement No. 31

The City adopted GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, as of July 1, 1997. GASB Statement No. 31 establishes fair value standards for investments in participating interest earning investment contracts, external investment pools, equity securities, option contracts, stock warrants and stock rights that have readily determinable fair values. Accordingly, the Entity reports its investments at fair value in the balance sheet. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statement. The City maintains investment accounting records and adjusts those records to "fair value" on an annual basis for material amounts. The City's investment custodian provides market values on each investment instrument on a monthly basis for material amounts. The investments held by the City are widely traded in the financial markets and trading values are readily available from numerous published sources. Material unrealized gains and losses are recorded on an annual basis and the carrying value of its investments is considered fair value. For the year ended June 30, 2025, the book value of investments exceeded fair value the by \$1,154,500.

F. Credit Risk

The City's investment policy limits investments in medium-term notes (MTN's) to those rated in the top three rating categories by two of the three largest nationally recognized rating services at time of purchase. As of June 30, 2025, the City's investment in medium-term notes consisted of investments with Microsoft Corp., Coca Cola Co., Costco Wholesale Corp., Apple Inc., Toyota Motor Credit Corp., Bank of New York Mellon Corp., Walt Disney Company, Merck & Co., Amazon.com Inc., Walmart Inc., Johnson & Johnson, Colgate-Palmolive, and Pepsico. All MTN's were rated "A" or higher by Moody's at time of purchase. Investment in government agencies issued by the Federal National Mortgage Association, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, and the Federal Farm Credit Banks were rated "Aaa" by Moody's and "AA+" by Standard & Poor's. Asset-Backed Securities were rated "Aaa" by Moody's and "AAA" by Standard & Poor's. All securities were investment grade and were legal under state and city policies. Investments in U.S. government securities are not considered to have credit risk; therefore, their credit quality is not disclosed. As of June 30, 2025, the City's investments in external investment pools and money market mutual funds are unrated.

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

G. Custodial Credit Risk

The 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 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 to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City does not have a policy for custodial credit risk. As of June 30, 2025, none of the City's deposits or investments were exposed to custodial credit risk.

H. Concentration of Credit Risk

The City's investment policy imposes restrictions for certain types of investments with any one issuer for the following types of investments. With respect to concentration of credit risk, as of June 30, 2025, the City is in compliance with its investment policy's restrictions. In accordance with GASB Statement No. 40, the city is exposed to credit risk if it has invested more than 5% of its total investments in any one issuer. The following issuers are above 5% of the total investments: Federal Farm Credit (7.32%), Federal Home Loan Bank (11.1%), and Fannie Mae (7.44%). These government-sponsored investments are backed by the federal government and are below the City's investment policy limit of 33.33% of total investments.

I. Interest Rate Risk

The City's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City's investment policy states that no investment can mature more than five years from the date of purchase in line with state code requirements. The only exception to these maturity limits shall be the investment of the gross proceeds of tax-exempt bonds. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk.

J. Fair Value Measurement and Application

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Debt securities classified in Level 2 of the fair value hierarchy use a market approach to measure fair value. The City's pricing vendor, through rules based logic, utilizes valuation techniques that reflect market participants' assumptions and vary by asset class and per methodology, and maximizes the use of relevant observable data including quoted prices for similar assets, benchmark yield curves and market corroborated inputs.

The City has the following recurring fair value measurements as of June 30, 2025:

Investment Type	Total	Uncategorized	Fair Value Level	
			1	2
Local Agency Investment Fund (LAIF)	\$ 20,399,700	\$ 20,399,700	\$ -	\$ -
US Treasury and Agency Notes	40,281,460	-	40,281,460	-
US Agencies	19,028,650	-	1,007,200	18,021,450
Medium-Term Corporate Notes	21,535,390	-	-	21,535,390
Total Investments	<u>\$ 101,245,200</u>	<u>\$ 20,399,700</u>	<u>\$ 41,288,660</u>	<u>\$ 39,556,840</u>

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

As of June 30, 2025, the City had the following investments and original maturities:

	Remaining Investment Maturities				Fair Value
	6 months or less	6 months to 1 year	1 to 3 years	More than 3 years	
<u>Pooled investments:</u>					
LAIF	\$ 20,399,700	\$ -	\$ -	\$ -	\$ 20,399,700
US Securities	10,909,720	1,940,120	18,458,210	8,973,410	40,281,460
Government Agency Securities	4,979,800	970,640	6,907,380	6,170,830	19,028,650
Medium Corporate Notes		1,951,580	15,604,430	3,979,380	21,535,390
Total pooled investments	<u>\$ 36,289,220</u>	<u>\$ 4,862,340</u>	<u>\$ 40,970,020</u>	<u>\$ 19,123,620</u>	<u>101,245,200</u>
<u>Restricted cash and investments:</u>					
PARS pension					4,711,798
<u>Cash and investments with fiscal agent</u>					
Money market mutual funds					
Utility undergrounding					1,258,743
Water/Wastewater, Metlox Refunding bonds					100,628
Marine certificates of participation					54,350
Police & Fire certificate of participation refunding bonds					75,734
Fire Station 2 COPs					129,501
Pension Obligation Bonds					1,004,731
					<u>7,335,485</u>
<u>Other cash and investments:</u>					
Demand deposits					21,846,548
Other deposits					69,681
Petty cash					5,010
Total other cash and investments					<u>21,921,239</u>
Total cash and investments					<u>\$ 130,501,924</u>

NOTE 4: INTERFUND TRANSACTIONS

Advances

During fiscal year 2022-23, the Parking fund made an advance of \$900,000 to the State Pier and Parking Lot fund to assist in financing the Pier Railing Replacement Project. The advance will be repaid with parking meter revenues over an estimated four-year period or sooner if parking meter revenues exceed estimates. A payment of \$225,000 was made during the fiscal year, the balance of the advance was \$450,000 as of June 30, 2025.

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 4: INTERFUND TRANSACTIONS (CONTINUED)

Interfund Transfers

With City Council approval, resources may be transferred from one fund to another. Transfers between individual funds during the fiscal year ended June 30, 2025, are presented below:

Transfers Out	Transfers in				Total
	General Fund	Major Capital Improvement Fund	Nonmajor Governmental Funds	Internal Service Funds	
General Fund	\$ -	\$ 15,415,471	\$ 258,535	\$ 266,114	\$ 15,940,120
Nonmajor Governmental Funds	-	-	-	412,751	412,751
Water	-	-	-	38,460	38,460
Wastewater	-	-	-	1,270	1,270
Parking Fund	-	-	-	34,457	34,457
Nonmajor Enterprise Funds	230,407	-	-	38,580	268,987
Internal Service Funds	-	-	8,350	518	8,868
Total	<u>\$ 230,407</u>	<u>\$ 15,415,471</u>	<u>\$ 266,885</u>	<u>\$ 792,150</u>	<u>\$ 16,704,913</u>

The interfund transfers scheduled above resulted from a variety of City initiatives including the following:

- The General Fund transferred a total of \$15,415,471 to the Major Capital Improvement Fund to support capital projects.
- The General Fund also transferred \$258,535 to support operations in the Street Light Nonmajor Governmental Fund.
- The Nonmajor County Parking Fund transferred \$230,407 to the general fund to fund operations based on an operating agreement.
- Fleet Internal Service Fund received a total of \$792,150 from various funds for the purchase of vehicles.
- Fleet Internal Service Fund transferred \$8,350 to Nonmajor Governmental Funds to record the credit of a surplus.

NOTE 5: LEASES

Leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right-to-use lease asset. A lessor is required to recognize a lease receivable and a deferred inflow of resources.

A. Leases Receivable and Deferred Inflows of Resources

The City is reporting lease receivable of \$21,726,755 at June 30, 2025. For the fiscal year, the City reported lease revenue of \$1,349,562 and lease interest revenue of \$270,571. The leases have interest rate of 1.1620% to 3.2380%. The value of the deferred inflow of resources as of June 30, 2025 is \$21,290,299.

Lease	Lease Receivable	Lease Revenue	Lease Interest Revenue
Bay Club Manhattan Beach, LLC	\$ 9,883,041	\$ 528,556	\$ 120,393
Verizon 16/Valley Lease	922,851	83,584	11,459
Manhattan Beach Hotel TRS, LLC	2,917,389	376,341	38,116
Metlox LLC	6,395,972	198,592	76,237
New Cingular Wireless PCS, LLC	1,456,592	107,552	17,794
United State Post Office	150,910	54,937	6,572
	<u>\$ 21,726,755</u>	<u>\$ 1,349,562</u>	<u>\$ 270,571</u>

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 5: LEASES (CONTINUED)

Bay Club Manhattan Beach LLC. – In May 2017, the City entered into an amended lease with Bay Club Manhattan Beach, LLC for the property known as the Manhattan Country Club which includes an office building, a tennis complex, a parking lot and slope easement parcels. Based on the lease agreement, the City will receive monthly payment through December 2043.

Verizon 16/Valley Lease – In June 2010, the City entered into a lease agreement with SMSA Limited Partnership d/b/a Verizon Wireless for certain parcel of property for the installation and maintenance of utility wires, poles, cables, conduits and pipes for an initial term of 5 years with extensions up to four five-years terms. The City will receive monthly installments on the first day of each month.

Manhattan Beach Hotel TRS, LLC – In March 1983, the City entered into a ground lease with Manhattan Beach Hotel properties, a California general partnership for unimproved property for tenant to build and operate a hotel and golf course. The term of the lease is for fifty (50) years commencing March 1983. The City is receiving an initial annual rent of \$400,000 payable in monthly installments.

Metlox LLC – in May 2002, the City entered into a disposition & development agreement and ground lease with Metlox LLC for three building pad parcels located on top of a subterranean parking structure to be constructed as part of the project. The term of the lease is for 55 years commencing on May 2002 with the right. Rent to the City is due in monthly installments.

New Cingular Wireless PCS, LLC – In September 2018, the City entered into a structure lease agreement with New Cingular Wireless PCS, LLC for ground and rooftop space for the placement of tenant's antenna and communication equipment. The original term of the lease is for five years with four automatic five-year terms renewal. Rent is due to the city in monthly installments and will increase annually by 5% in year two of the initial agreement.

United State Post Office – in April 2018, the City leased approximately 1,900 square feet of interior space and additional space to the United States Postal Service. The lease renewed in March 2024 and was extended through 2028. The annual rent to the City is \$53,000 payable in equal installments at the end of each month.

The principal and interest payments expected to maturity are as follows:

Fiscal Year	Governmental Activities		
	Principal Payment	Interest Payment	Total
2026	\$ 1,215,833	\$ 255,598	\$ 1,471,431
2027	1,239,836	240,361	1,480,197
2028	1,250,016	224,809	1,474,825
2029	1,231,359	209,405	1,440,764
2030	1,255,815	195,096	1,450,911
2031 - 2035	5,733,757	758,344	6,492,101
2036 - 2040	4,083,738	470,018	4,553,756
2041 - 2045	3,048,972	244,906	3,293,878
2046 - 2050	1,074,710	130,290	1,205,000
2051 - 2055	1,138,619	66,381	1,205,000
2056 - 2060	454,100	7,814	461,914
	<u>\$ 21,726,755</u>	<u>\$ 2,803,022</u>	<u>\$ 24,529,777</u>

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 5: LEASES (CONTINUED)

B. Lease Payable and Lease Assets

Governmental Activities:

The City leases certain facilities from the Manhattan Beach Unified School District and miscellaneous equipment from various companies for the City's operation. The terms of these leases expire in fiscal year 2033-34 and 2033-34. As of June 30, 2025, the value of the lease payable is \$8,356,190. In fiscal year 2024-25, the City paid \$1,735,723 on these leases including embedded interest rates between 2.6070% and 2.9480%.

The following is a summary of changes in lease payable for the year ended June 30, 2025:

Lease Underlying Asset	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025	Due in One Year
Manhattan Beach Unified School District facilities	\$ 8,412,787	\$ 88,102	\$ 713,188	\$ 7,787,701	\$ 764,817
Solar trash bins	246,885	-	95,970	150,915	99,868
Canon multifunction copiers	-	470,045	52,471	417,574	90,048
AIS multifunction copiers	58,401	-	58,401	-	-
	<u>\$ 8,718,073</u>	<u>\$ 558,147</u>	<u>\$ 920,030</u>	<u>\$ 8,356,190</u>	<u>\$ 954,733</u>

Future principal and interest requirements to maturity for lease liability are as follows:

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2026	\$ 954,733	\$ 207,654	\$ 1,162,387
2027	962,623	181,832	1,144,455
2028	970,978	156,721	1,127,699
2029	1,033,183	130,462	1,163,645
2030	1,039,170	102,957	1,142,127
2031 - 2035	3,395,503	140,276	3,535,779
	<u>\$ 8,356,190</u>	<u>\$ 919,902</u>	<u>\$ 9,276,092</u>

Lease assets at June 30, 2025 include the following:

Lease Underlying Asset	Amount of Leased Capital Assets	Accumulated Amortization
Manhattan Beach Unified School District facilities	\$ 9,184,768	\$ 1,836,954
Solar trash bins	318,297	169,099
Canon multifunction copiers	470,044	54,577
AIS multifunction copiers	400,812	400,811
Total	<u>\$ 10,373,921</u>	<u>\$ 2,461,441</u>

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 6: SUBSCRIPTION BASED TECHNOLOGY ARRANGEMENTS

Subscription Liability

	Balance as of June 30, 2024	Additions	Reductions	Balance as of June 30, 2025	Due in One Year
Governmental activities	\$ 443,963	\$ 906,556	\$ 355,076	\$ 995,443	\$ 261,990
Business-type activities	13,054	-	13,054	-	-
Total Subscription Liability	<u>\$ 457,017</u>	<u>\$ 906,556</u>	<u>\$ 368,130</u>	<u>\$ 995,443</u>	<u>\$ 261,990</u>

Governmental Activities:

As of June 30, 2025, the City had 12 active subscriptions. The subscriptions have payments that range from \$7,260 to \$183,463 and interest rates that range from 1.890% to 3.628%. As of June 30, 2025, the total combined value of the subscription liability is \$995,443, and the total combined value of the short-term subscription liability is \$261,990. The combined value of the right to use assets as of June 30, 2025 is \$1,596,623 with accumulated amortization of \$540,951.

Future principal and interest requirements to maturity are as follows:

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2025	\$ 261,990	\$ 34,868	\$ 296,858
2026	194,007	26,402	220,409
2027	173,447	19,571	193,018
2028	179,738	13,277	193,015
	<u>\$ 995,443</u>	<u>\$ 100,876</u>	<u>\$ 1,096,319</u>

The amount of subscription assets at June 30, 2025 was as follows:

Asset Class	As of Fiscal Year-End	
	Subscription Asset Value	Accumulated Amortization
Governmental activities		
Software subscription	\$ 1,596,622	\$ (540,949)
Total subscriptions	<u>\$ 1,596,622</u>	<u>\$ (540,949)</u>

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 7: CAPITAL ASSETS AND DEPRECIATION

In accordance with GASB Statement No. 34, the City has reported all capital assets including infrastructure in the Government-Wide Statement of Net Position. The City elected to use the basic approach as defined by GASB Statement No. 34 for all infrastructure reporting, whereby depreciation and amortization expense and accumulated depreciation and amortization have been recorded. The following table presents the capital assets activity for the year ended June 30, 2025:

	Balance June 30, 2024	Additions	Deletions	Transfers	Balance June 30, 2025
Governmental activities:					
Capital assets, not being depreciated/amortized					
Land	\$ 33,634,565	\$ 13,004,145	\$ -	\$ -	\$ 46,638,710
Construction-in-progress	26,114,182	5,470,263	-	(2,332,378)	29,252,067
Total capital assets, not being depreciated/amortized	59,748,747	18,474,408	-	(2,332,378)	75,890,777
Capital assets, being depreciated/amortized					
Buildings and structures	44,106,833	-	-	-	44,106,833
Machinery and equipment	6,265,098	125,701	-	-	6,390,799
Intangible assets	1,060,072	-	-	-	1,060,072
Vehicles	15,604,736	1,391,387	(721,541)	964,082	17,238,664
Infrastructure					
Streets/ Roadways	75,964,066	2,120,846	-	746,813	78,831,725
Parks & Recreation	22,703,311	-	-	621,483	23,324,794
Lease assets					
Building and structure	9,071,298	113,470	-	-	9,184,768
Machinery and equipment	829,980	470,045	(110,872)	-	1,189,153
Subscriptions	724,796	974,243	(102,417)	-	1,596,622
Investment in RCC Joint Venture	3,704,486	45,182	(20,088)	-	3,729,580
Total capital assets, being depreciated/amortized	180,034,676	5,240,874	(954,918)	2,332,378	186,653,010
Less accumulated depreciation/amortization					
Buildings and structures	(17,233,443)	(851,908)	-	-	(18,085,351)
Machinery and equipment	(5,347,943)	(237,946)	-	-	(5,585,889)
Intangible asset	(340,352)	(89,965)	-	-	(430,317)
Vehicles	(9,747,639)	(939,419)	721,541	-	(9,965,517)
Infrastructure					
Streets/ Roadways	(41,452,019)	(1,822,473)	-	-	(43,274,492)
Parks & Recreation	(9,020,405)	(404,883)	-	-	(9,425,288)
Lease assets					
Building and structure	(907,130)	(929,824)	-	-	(1,836,954)
Machinery and equipment	(530,744)	(111,835)	18,092	-	(624,487)
Subscriptions	(327,567)	(315,803)	102,421	-	(540,949)
Investment in RCC Joint Venture	(2,053,095)	(168,839)	14,174	-	(2,207,760)
Total accumulated depreciation/amortization	(86,960,337)	(5,872,895)	856,228	-	(91,977,004)
Total capital assets, being depreciated/amortized, net	93,074,339	(632,021)	(98,690)	2,332,378	94,676,006
Total governmental activities capital assets	\$ 152,823,086	\$ 17,842,387	\$ (98,690)	\$ -	\$ 170,566,783

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 7: CAPITAL ASSETS AND DEPRECIATION (CONTINUED)

Depreciation expense was charged to functions of the primary government as follows:

General government	\$ 189,116
Public safety	1,267,137
Public works	554,476
Parks and recreation	2,833,095
Internal service funds	1,029,071
Total depreciation/amortization expense	<u>\$ 5,872,895</u>

	Balance June 30, 2024	Additions	Deletions	Transfers	Balance June 30, 2025
Business-type activities:					
Capital assets, not being depreciated/amortized					
Land - Water	\$ 307,967	\$ -	\$ -	\$ -	\$ 307,967
Land - Storm Drain	857,650	-	-	-	857,650
Land - Parking	1,441,817	-	-	-	1,441,817
Construction-in-progress	54,828,206	3,117,352	-	(6,627,818)	51,317,740
Total capital assets, not being depreciated/amortized	<u>57,435,640</u>	<u>3,117,352</u>	<u>-</u>	<u>(6,627,818)</u>	<u>53,925,174</u>
Capital assets, being depreciated/amortized					
Buildings and structures - Parking	18,086,181	-	-	(1,396,710)	16,689,471
Machinery and equipment					
Parking	3,314,879	-	-	1,396,710	4,711,589
Water	34,503,851	25,375	-	4,805,480	39,334,706
Storm Drain	7,703,405	-	-	1,822,338	9,525,743
Wastewater	16,431,020	-	-	-	16,431,020
Intangible assets					
Parking	28,507	-	-	-	28,507
Water	62,177	-	-	-	62,177
Wastewater	33,302	-	-	-	33,302
Subscriptions	38,840	-	(38,840)	-	-
Total capital assets, being depreciated/amortized	<u>80,202,162</u>	<u>25,375</u>	<u>(38,840)</u>	<u>6,627,818</u>	<u>86,816,515</u>
Less accumulated depreciation/amortization					
Buildings and structures - Parking	(3,007,457)	(165,744)	-	(118,289)	(3,291,490)
Machinery and equipment					
Parking	(2,156,325)	(150,989)	-	118,289	(2,189,025)
Water	(17,125,842)	(626,069)	-	-	(17,751,911)
Storm Drain	(5,179,928)	(105,722)	-	-	(5,285,650)
Wastewater	(8,517,222)	(316,172)	-	-	(8,833,394)
Intangible assets					
Parking	(8,235)	(2,534)	-	-	(10,769)
Water	(17,796)	(5,548)	-	-	(23,344)
Wastewater	(9,620)	(2,961)	-	-	(12,581)
Subscriptions	(31,070)	(7,770)	38,840	-	-
Total accumulated depreciation/amortization	<u>(36,053,495)</u>	<u>(1,383,509)</u>	<u>38,840</u>	<u>-</u>	<u>(37,398,164)</u>
Total capital assets, being depreciated/amortized, net	<u>44,148,667</u>	<u>(1,358,134)</u>	<u>-</u>	<u>6,627,818</u>	<u>49,418,351</u>
Total business-type activities capital assets	<u>\$ 101,584,307</u>	<u>\$ 1,759,218</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 103,343,525</u>

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 7: CAPITAL ASSETS AND DEPRECIATION (CONTINUED)

Depreciation expense was charged to functions of the primary government as follows:

Water	\$ 631,617
Wastewater	326,903
Parking	319,267
Storm Drain	105,722
Total depreciation/amortization expense	<u>\$ 1,383,509</u>

NOTE 8: LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended June 30, 2025:

	Balance June 30, 2024	Adjustments *	Additions**	Deletions	Balance June 30, 2025	Due in One Year
Governmental Activities:						
Leases payable (Note 5)	\$ 8,718,073	\$ -	\$ 558,147	\$ 920,030	\$ 8,356,190	\$ 954,733
Subscription payable (Note 6)	443,963	-	906,556	355,076	995,443	261,990
Compensated absences (Note 9)	5,193,806	1,103,720	(40,881)	-	6,256,645	3,511,603
Claims liability (Note 15)	19,717,808	-	6,935,242	7,460,019	19,193,031	11,189,031
Certificates of participation:						
Marine Ave Park Refunding COP Series 2016	3,730,000	-	-	360,000	3,370,000	370,000
2013 Police and Fire Refunding COP	4,955,000	-	-	600,000	4,355,000	620,000
2021 Fire Station No. 2 COP	7,075,000	-	-	140,000	6,935,000	145,000
2021 Pension Obligation Bonds	79,516,630	-	-	3,422,715	76,093,915	3,457,056
Deferred loss on refunding	(241,407)	-	-	(32,187)	(209,220)	-
Unamortized premium	1,563,813	-	-	94,156	1,469,657	-
Total Governmental	<u>\$ 130,672,686</u>	<u>\$ 1,103,720</u>	<u>\$ 8,359,064</u>	<u>\$ 13,319,809</u>	<u>\$ 126,815,661</u>	<u>\$ 20,509,413</u>
Business-Type Activities:						
Subscription payable (Note 6)	\$ 13,053	\$ -	\$ -	\$ 13,053	\$ -	\$ -
Compensated absences (Note 9)	169,660	96,285	29,192	-	295,137	187,785
Certificates of Participation						
2021 Refunding COPs	4,695,000	-	-	670,000	4,025,000	705,000
2021 Pension Obligation Bonds	1,678,370	-	-	72,285	1,606,085	72,944
Unamortized premium	911,287	-	-	142,584	768,703	-
Total Business Type	<u>\$ 7,467,370</u>	<u>\$ 96,285</u>	<u>\$ 29,192</u>	<u>\$ 897,922</u>	<u>\$ 6,694,925</u>	<u>\$ 965,729</u>

* - Adjustments related to implementation of GASB 101

** - Compensated absences presented net of deletions

A. Marine Avenue Certificates of Participation Series 2016

On November 9, 2016, the City issued \$5,905,000 Certificate of Participation Series 2016 (Marine Field Refunding) to refund the outstanding balance of the Variable Rate Demand Refunding Certificates of Participation Series 2002. The Certificates represents the proportionate interest on the lease payments to be made by the City as rent for the use of certain real property located in the City and consisting of the police department and fire department headquarter facility. The Certificates bear interest at a rate of 3% to 4% with principal ranging from \$265,000 to \$465,000 and maturing on January 2033. The balance at June 30, 2025, includes an unamortized bond premium of \$206,382 which will be amortized over the life of the issue.

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 8: LONG-TERM DEBT (CONTINUED)

Annual debt service requirements to maturity for the Marine Avenue Certificates of Participation Series 2016 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	\$ 370,000	\$ 108,700	\$ 478,700
2027	390,000	93,900	483,900
2028	405,000	78,300	483,300
2029	415,000	66,150	481,150
2030	430,000	47,250	477,250
2031-2033	1,360,000	61,950	1,421,950
Total	<u>\$ 3,370,000</u>	<u>\$ 456,250</u>	<u>\$ 3,826,250</u>

In the event of a default, there is no remedy of acceleration of the total lease payments due over the term of the lease agreement and the trustee is not empowered to sell the leased premises and use the proceeds of such a sale to redeem the 2016 certificates or pay debt service thereon. The city will be liable only for lease payments on an annual basis, and the trustee will be required to seek a separate judgment each year for the year's defaulted lease payments.

B. 2013 Police and Fire Facility Refunding Certificates of Participation

In February 2013, the City issued \$10,510,000 of Certificates of Participation, Series 2013, to advance refund the 2004 Police and Fire Certificates of Participation (2004 COP). The payments under the lease agreement are due January and July of each year until maturity in January 2032 and include interest rates ranging from 2% to 4%. The proceeds were used to purchase U.S. Government securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. The balance at June 30, 2024, includes an unamortized bond premium of \$171,342 which will be amortized over the life of the issue.

The reacquisition price exceeded the net carrying amount of the old debt by \$595,473. This amount is being deferred as an outflow of resources and amortized over the remaining life of the refunded debt. The outstanding balance at June 30, 2025 is \$209,220.

Annual debts service requirements to maturity for the 2013 Police and Fire Certificates of Participation are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	\$ 620,000	\$ 151,463	\$ 771,463
2027	650,000	126,663	776,663
2028	675,000	100,663	775,663
2029	695,000	79,569	774,569
2030	720,000	45,281	765,281
2031-2033	995,000	42,019	1,037,019
Total	<u>\$ 4,355,000</u>	<u>\$ 545,658</u>	<u>\$ 4,900,658</u>

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 8: LONG-TERM DEBT (CONTINUED)

In the event of a default, there is no remedy of acceleration of the total lease payments due over the term of the lease agreement and the trustee is not empowered to sell the leased premises and use the proceeds of such a sale to redeem the 2013 certificates or pay debt service thereon. The city will be liable only for lease payments on an annual basis, and the trustee will be required to seek a separate judgment each year for the year's defaulted lease payments.

C. 2021 Fire Station COP

In August 2021, the City of Manhattan Beach issued \$7,440,000 of Certificates of Participation (COP) to pay a portion of the costs to constructing and equipping a fire station and related improvements and pay certain costs of issuance. The payments under the lease agreement are due January and July of each year until maturity in January 2051 and include interest rates ranging from 3% to 5%. The COP includes an unamortized premium of \$1,091,934 at June 30, 2025, which will be amortized over the life of the issue.

Annual debt service requirements to maturity for the 2021 Fire Station Certificates of Participation are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	\$ 145,000	\$ 255,375	\$ 400,375
2027	155,000	247,875	402,875
2028	165,000	239,875	404,875
2029	170,000	231,500	401,500
2030	180,000	222,750	402,750
2031-2035	1,050,000	966,150	2,016,150
2036-2040	1,300,000	714,250	2,014,250
2041-2045	1,560,000	452,525	2,012,525
2046-2050	1,815,000	198,825	2,013,825
2051-2055	395,000	5,925	400,925
Total	<u>\$ 6,935,000</u>	<u>\$ 3,535,050</u>	<u>\$ 10,470,050</u>

In the event of default, there is no remedy of acceleration of the total lease payments due over the term of the lease agreement and the Trustee is not empowered to sell the leased premises and use the proceeds of such a sale to redeem the 2022 Certificates or pay debt service. The City will be liable for the Lease payment on an annual basis and the Trustee would be required to seek a separate judgement each year for the year's defaulted lease payments.

D. 2021 Refunding Certificates of Participation

In November 2021, the City of Manhattan Beach issued \$5,925,000 of fixed rate Refunding Certificates of Participation Series 2021 to refund the Certificates of Participation (Metlox and Water/Wastewater Refunding) Series 2012 ("the Certificates"). The payments under the lease agreement are due January and July of each year with an interest rate of 5% and mature through 2032. The COP includes an unamortized premium of \$768,703 at June 30, 2025, which will be amortized over the life of the issue.

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 8: LONG-TERM DEBT (CONTINUED)

Annual debt service requirements to maturity for the Metlox and Water/Wastewater Refunding Certificates of Participation are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	\$ 705,000	\$ 201,250	\$ 906,250
2027	490,000	166,000	656,000
2028	515,000	141,500	656,500
2029	540,000	115,750	655,750
2030	560,000	88,750	648,750
2031-2032	1,215,000	91,750	1,306,750
Total	<u>\$ 4,025,000</u>	<u>\$ 805,000</u>	<u>\$ 4,830,000</u>

In the event of default, there is no remedy of acceleration of the total lease payments due over the term of the lease agreement and the Trustee is not empowered to sell the leased premises and use the proceeds of such a sale to redeem the 2021 Certificates or pay debt service. The City will be liable for the Lease payment on an annual basis and the Trustee would be required to seek a separate judgement each year for the year's defaulted lease payments.

E. 2021 Taxable Pension Obligation Bonds

In May 2021, the City of Manhattan Beach issued \$91,275,000 of Taxable Pension Obligation Bonds (POB). The bonds were issued to pay the City's unfunded accrued actuarial liability to the California Public Employees Retirement System with respect to the City's defined benefit retirement plans for City employees. The payments under the agreement are due January and July of each year with interest rates ranging from 0.12% to 2.79% and mature through January 2043.

Annual debt service requirements to maturity for the 2022 Taxable Pension Obligation Bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	\$ 3,530,000	\$ 2,009,411	\$ 5,539,411
2027	3,580,000	1,967,546	5,547,546
2028	3,635,000	1,911,375	5,546,375
2029	3,710,000	1,845,255	5,555,255
2030	3,785,000	1,729,757	5,514,757
2031-2035	20,330,000	7,258,922	27,588,922
2036-2040	23,330,000	4,256,793	27,586,793
2041-2045	15,800,000	748,690	16,548,690
Total	<u>\$ 77,700,000</u>	<u>\$ 21,727,749</u>	<u>\$ 99,427,749</u>

The bonds are not secured by any property other than the funds that the City has actually deposited with the trustee. If the City is in bankruptcy, it may not be obligated to make any further deposits with the Trustee, it may not be obligated to make any further allocations to the Bonds, and it may not be obligated to turn over to the Trustee any moneys that have been allocated to the Bonds in the City treasury. As a result, the Bonds would likely be treated as unsecured obligations of the City in the bankruptcy case.

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 9: COMPENSATED ABSENCES

At June 30, 2025, the total citywide accrued liability for compensated absences amounted to \$6,551,782. \$6,256,645 relates to general government services and \$295,137 to business-type activities.

NOTE 10: NON-CITY OBLIGATION

Reported in the custodial fund are special assessment tax bonds related to various special assessment districts included within the City. In March 2018, the City refunded the outstanding bonds for Underground Assessment Districts 04-1, 04-3, 04-5, 05-2 and 05-6. These bonds were issued for the purpose of financing the construction of certain public improvements within the underground utility assessment districts. The amount refunded was \$6,245,000. The sources of the refunding were bond proceeds of \$4,995,000, balance in the capital improvement fund, current year assessments, and net reduction in bond reserve requirements. In December 2019, the City issued two separate limited obligation improvement bonds totaling \$9,390,000 under provisions of the Improvement Bond Act of 1915, for Underground Assessment Districts 19-12 and 19-14 and in March 2020, the City issued \$5,245,000 for Underground District 19-4. These bonds were issued for the purpose of financing the construction of certain public improvements within the underground utility assessment districts. The bonds are secured solely by the subject properties and the amounts held in respective reserve and bond funds. The bonds are not secured by the general taxing power of the City of Manhattan Beach and the City has not pledged credit for payment thereof. The debt outstanding as June 30, 2025, consists of the following:

Description	Original Amount	Outstanding 6/30/2025
Reassessment District No. 2018 Limited Obligation Refunding Bonds, Series 2018	\$ 4,995,000	\$ 965,000
Assessment District No. 19-12 Limited Obligation Improvement Bonds, 2019 Series A	4,605,000	3,725,000
Assessment District No. 19-14 Limited Obligation Improvement Bonds 2019, Series A	4,785,000	3,935,000
Assessment District No. 19-4 Limited Obligation Improvement Bonds, 2020 Series A	5,245,000	4,210,000
Total		<u>\$ 12,835,000</u>

NOTE 11: CALPERS RETIREMENT PLANS

	Net Pension Liability/(Asset)	Deferred Pension Outflows	Deferred Pension Inflows	Pension Expense/(Income)
CalPERS Plans				
Miscellaneous Plan	\$ 8,253,639	\$ 6,722,867	\$ 119,569	\$ 2,787,731
Safety - Police Plan	7,642,016	9,412,259	7,141,482	3,900,657
Safety - Fire Plan	4,185,735	4,763,140	3,155,554	1,989,304
Total CalPERS	<u>20,081,390</u>	<u>20,898,266</u>	<u>10,416,605</u>	<u>8,677,692</u>
City Plans				
Supplemental Retirement Plan	40,268	-	-	7,564
Single Highest Year Plan	67,885	-	-	30,099
Total City Plans	<u>108,153</u>	<u>-</u>	<u>-</u>	<u>37,663</u>
Total	<u>\$ 20,189,543</u>	<u>\$ 20,898,266</u>	<u>\$ 10,416,605</u>	<u>\$ 8,715,355</u>

NOTE 11: CALPERS RETIREMENT PLANS (CONTINUED)

A. Miscellaneous Employee Pension Plan

Plan Description

The Miscellaneous Plan of the City of Manhattan Beach is an agent multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in their respective June 30, 2023 Annual Actuarial Valuation Reports. Details of the benefits provided can be obtained in Appendix B of the actuarial valuation reports. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

Benefit Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law. The plan provisions and benefits in effect at June 30, 2024 measurement date, are summarized as follows:

	Miscellaneous Plan	
	Tier I *	PEPRA
Hire date	Prior to or on December 31, 2012	On or after January 1, 2013
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	minimum 50 yrs	minimum 52 yrs
Monthly benefits, as a % of eligible compensation	1.426% - 2.418% 50 yrs - 63+ yrs, respectively	1.000% - 2.500%, 52 yrs - 67+ yrs, respectively
Required employee contribution rates	7.000%	7.750%
Required employer contribution rates (1)	9.760%	9.760%

* Closed to new entrants

(1) Blended rate.

Benefit payments are calculated using the benefit formula above multiplied by the number of years of service and highest single year of compensation for Tier 1 or highest three year average of compensation for PEPRA.

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 11: CALPERS RETIREMENT PLANS (CONTINUED)

At June 30, 2025, the following employees were covered by the benefit terms of the plan:

Description	Number of Participants Miscellaneous Plan	
	Classic	PEPRA
Active members	85	175
Transferred members	-	148
Terminated members	-	202
Retired members and beneficiaries	-	297
Total	85	822

Contribution Description

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

For the year ended June 30, 2025, the employer contributions recognized as a reduction to net pension liability for the Miscellaneous Plan was \$2,372,832.

Net Pension Liability/(Asset)

The City's net pension liability/(asset) is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability/(asset) of the Miscellaneous Plans is measured as of June 30, 2024, using an annual actuarial valuation as of June 30, 2023. A summary of principal assumptions and methods used to determine the net pension liability/(asset) is shown below.

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 11: CALPERS RETIREMENT PLANS (CONTINUED)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability/(Asset)

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table ¹	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

¹ The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

Long-term Expected Rate of Return

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

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

Asset Class (1)	Assumed Asset Allocation	Real Return Years 1 - 10 (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%
Total	100.00%	

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

(2) Figures are based on the 2022 Asset Liability Management study.

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 11: CALPERS RETIREMENT PLANS (CONTINUED)

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.

Changes in the Net Pension Liability/(Asset)

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

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability/(Assets) (c)=(a)-(b)
Balance at: 6/30/2023 (Valuation Date)	\$ 145,262,433	\$ 134,468,965	\$ 10,793,468
Changes Recognized for the Measurement Period:			
Service Cost	3,558,852	-	3,558,852
Interest on the Total Pension Liability	9,939,907	-	9,939,907
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	380,620	-	380,620
Net Plan to Plan Resource Movement	-	(12,726)	12,726
Contribution from the Employer	-	2,205,544	(2,205,544)
Contributions from Employees	-	1,650,807	(1,650,807)
Net Investment Income	-	12,685,001	(12,685,001)
Benefit Payments including Refunds of Employee Contributions	(6,731,717)	(6,731,717)	-
Administrative Expense	-	(109,418)	109,418
Net Changes During 2023-24	7,147,662	9,687,491	(2,539,829)
Balance at: 6/30/2024 (Measurement Date)	\$ 152,410,095	\$ 144,156,456	\$ 8,253,639

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

The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 6.90 percent, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90 percent) or 1 percentage-point higher (7.90 percent) than the current rate:

	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate +1% (7.90%)
Plan's Net Pension Liability/(Assets)	\$ 29,251,737	\$ 8,253,639	\$ (8,941,134)

Pension Plan Fiduciary Net Position

The plan fiduciary net position disclosed in the GASB 68 accounting valuation report may differ from the plan assets reported in the funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and OPEB expense

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 11: CALPERS RETIREMENT PLANS (CONTINUED)

included as assets. These amounts are excluded for rate setting purposes in the funding actuarial valuation. In addition, differences may result from early Annual Comprehensive Financial Report closing and final reconciled reserves. Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports. See CalPERS website for additional information.

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

As of the start of the measurement period (July 1, 2023), the net pension liability was \$10,793,468. For the measurement period ending June 30, 2024 (the measurement date), the City incurred a pension expense/(income) of \$2,787,731 for the Plan.

As of June 30, 2025, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	Miscellaneous Pension Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
City pension contributions subsequent to measurement date	\$ 2,372,832	\$ -
CalPERS deferrals		
Changes of Assumptions	415,739	-
Differences Between Expected and Actual Experience	872,337	119,569
Net Difference between Projected and Actual Earnings on Pension Plan Investments	3,061,959	-
Total CalPERS deferrals	4,350,035	119,569
Total	\$ 6,722,867	\$ 119,569

The \$2,372,382 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period ended June 30:	Net Deferred Outflows/(Inflows) of Resources
2025	\$ 1,557,211
2026	3,836,386
2027	(459,254)
2028	(703,877)
	\$ 4,230,466

NOTE 11: CALPERS RETIREMENT PLANS (CONTINUED)

Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss:

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

The EARSL for the Plan for the measurement period ending June 30, 2024 is 3.5 years, which was obtained by dividing the total service years of 3,173 (the sum of remaining service lifetimes of the active employees) by 907 (the total number of participants: active, inactive, and retired). Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

B. Safety Police Pension Plan and Safety Fire Pension Plan

Plan Description

All qualified permanent and probationary safety employees are eligible to participate in the Safety Risk Pool Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of a safety risk pool, which are comprised of individual employer safety rate plans, respectively. Individual employers may sponsor more than one safety rate plan. Each individual employer rate plan generally has less than 100 active members.

Benefits Provided

The Plan was established to provide retirement, death and disability benefits to public agency rate plans with generally less than 100 active members. The benefit provisions for PERF C employees are established by statute. A full description regarding the number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information for the respective rate plan is listed in the respective rate plan's June 30, 2019 Annual Valuation Report (funding valuation). Details of the benefits provided can be obtained in Appendix B of the funding evaluation report. This report and CalPERS' audited financial statements are publicly available reports that can be found on CalPERS' website at <https://www.calpers.ca.gov/page/forms-publications>.

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 11: CALPERS RETIREMENT PLANS (CONTINUED)

Below is a summary of the plan provisions and benefits in effect at June 30, 2024 measurement date, for which the City of Manhattan Beach has contracted:

	Safety Police Plan		Safety Fire Plan	
	Tier I *	PEPRA	Tier I *	PEPRA
Hire date	Prior to or on December 31, 2012	On or after January 1, 2013	Prior to or on December 31, 2012	On or after January 1, 2013
Benefit formula	3.0% @ 50	2.7% @ 57	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	minimum 50 yrs	minimum 50 yrs	minimum 50 yrs	minimum 50 yrs
Monthly benefits, as a % of eligible compensation	3.000%, 50+ yrs	2.700%, 50 yrs - 57+ yrs,	3.000%, 50 yrs - 55+ yrs,	2.700%, 50 yrs - 57+ yrs,
Required employee contribution rates	9.000% (1)	14.500%	9.000% (1)	14.500%
Required employer contribution rates	29.09% (3)	14.500%	26.11% (2)	14.500%
Management safety				
Employee	9.000%	14.500%	9.000%	14.500%
Employer	29.300%	14.720%	26.290%	14.720%

* Closed to new entrants

(1) Not including 3% cost share, which would increase rate to 12%.

(2) Not including cost share, which will lower rate to 23.110%.

(3) Not including cost share, which will lower rate to 26.090%.

Benefit payments are calculated using the benefit formula above multiplied by the number of years of service and highest single year of compensation for Tier 1 or highest three year average of compensation for PEPRA.

Employees Covered

At June 30, 2024 measurement date, the following employees were covered by the benefit terms of the Plan:

Description	Number of members			
	Safety Police Plan		Safety Fire Plan	
	Classic	PEPRA	Classic	PEPRA
Active members	38	21	24	4
Transferred members	10	2	3	1
Terminated members	10	8	2	-
Retired members and beneficiaries	130	-	56	-
Total	188	31	85	5

Contribution Description

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. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 11: CALPERS RETIREMENT PLANS (CONTINUED)

For the year ended June 30, 2025, the employer contributions recognized as a reduction to the net pension liability was \$2,276,614 for the Safety Police Plan and \$1,341,800 for the Safety Fire Plan for a total of \$3,618,414 for the safety plans.

Pension Liabilities/Assets, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

The City of Manhattan Beach reported net a pension liability at June 30, 2025, of \$7,642,016 and \$4,185,735 for its proportionate shares of the Safety Police Plan and the Safety Fire Plan respectively.

The City's net pension liability/(asset) for the safety plan is measured as the proportionate share of the net pension liability/asset. The net pension liability/(asset) of the Plan is measured as of June 30, 2024, and the total pension liability for the Plan used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of June 30, 2023. The City's proportion of the net pension liability/(asset) was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability/(asset) for the safety plan as of June 30, 2023 and 2024, was as follows:

	<u>Safety Fire Plan</u>	<u>Safety Police Plan</u>
Proportion - June 30, 2023	0.030311%	0.086170%
Proportion - June 30, 2024	0.047438%	0.091299%
Changes - Increase (Decrease)	0.017127%	0.005129%

For the year ended June 30, 2024, the City recognized pension expense/(income) of \$3,900,657 and \$1,989,304 for the Safety Police Plan and the Safety Fire Plan respectively. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Safety - Police</u>		<u>Safety - Fire</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
City pension contribution subsequent to measurement date	\$ 2,276,614	\$ -	\$ 1,341,800	\$ -
CalPERS Deferrals:				
Difference between expected and actual experience	623,656	20,278	341,593	11,107
Change in Assumptions	188,284	-	103,128	-
Net difference between projected and actual earnings on pension plan investments	369,380	-	202,319	-
Adjustment due to difference in proportions	5,954,325	-	2,774,300	-
Difference in proportionate share	-	7,121,204	-	3,144,447
Total CalPERS Deferrals	7,135,645	7,141,482	3,421,340	3,155,554
Total	\$ 9,412,259	\$ 7,141,482	\$ 4,763,140	\$ 3,155,554

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 11: CALPERS RETIREMENT PLANS (CONTINUED)

The \$2,276,614 and \$1,341,800 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ended June 30,	Net Deferred Outflows/ (inflows of Resources)	
	Safety Police Plan	Safety Fire Plan
2025	\$ 780,594	\$ 359,738
2026	(307,086)	35,064
2027	(352,960)	(80,640)
2028	(126,385)	(48,376)
Total	\$ (5,837)	\$ 265,786

Actuarial Methods and Assumptions

The collective total pension liability for the June 30, 2024 measurement period was determined by an actuarial valuation as of June 30, 2022. The collective total pension liability was based on the following assumptions:

Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table (1)	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.3% thereafter

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

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.

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 11: CALPERS RETIREMENT PLANS (CONTINUED)

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

Asset Class (1)	Assumed Asset Allocation	Real Return Years 1 - 10 (1, 2)
Global Equiry - Cap-weighted	30.00%	4.54%
Global Equiry - 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%
Total	100.00%	

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

(2) Figures are based on the 2022 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.

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

The following presents the City's proportionate share of the net pension liability/(asset) of the Plan, calculated using the discount rate for each Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% point lower (5.90 percent) or 1% point higher (7.90 percent) than the current rate:

PERS Cost Sharing Plans	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate +1% (7.90%)
Safety police	\$ 31,993,933	\$ 7,642,016	\$ (12,274,428)
Safety Fire	15,610,566	4,185,735	(5,158,170)

NOTE 11: CALPERS RETIREMENT PLANS (CONTINUED)

Pension Plan Fiduciary Net Position

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

NOTE 12: CITY RETIREMENT PLANS

	Total Pension Liability	Pension Expense/(Income)
Supplemental Retirement Plan	\$ 40,268	\$ 5,915
Single Highest Year Plan	67,885	(12,908)
Total	<u>\$ 108,153</u>	<u>\$ (6,993)</u>

A. Supplemental Retirement Plan

General Information about the Pension Plan

Plan Description

The Supplemental Retirement Plan is a single employer defined benefit pension plan that covers Police, Fire and Management/Confidential employees who retired prior to January 1995. This plan is currently dormant and does not issue a separate annual financial report.

Benefits Provided

The plan provides the employee the difference between the benefit provided by the California Public Employees Retirement System (PERS) calculated under the life annuity option and the PERS benefit had the City adopted the Police Officers' Standards and Training (POST) widows and orphans salary continuation plan. The plan states, "The City shall pay each retiring officer, sergeant, lieutenant, firefighter and management employee upon retirement, a monthly amount which would make up the difference for that option of which the officer will receive from PERS under Government Code Section 21330 through 21335 and what only the officer would have received while alive had the City adopted the Police Officers' Standards and Training (POST) widows and orphans salary continuation plan. The payment shall be made to the officer only while the officer is alive and will cease upon death. Upon retirement, the right to their payment shall be regarded as a vested pension benefit to the same extent as the individual's retirement allowance." The benefit is payable for the life of the employee. The benefit is subject to a 2% annual cost-of-living increase. This plan is currently dormant.

Employees Covered

Employees covered includes sworn law enforcement officers, fire and management/confidential employees who retired prior to January 1995. Therefore, the plan is dormant. The number of participants covered under the plan as of June 30, 2025, was as follows:

Retirees and beneficiaries receiving benefits	
Miscellaneous	<u>5</u>

Total Pension Liability

The total pension liability of \$40,268 for the plan is measured as of June 30, 2025 using an annual actuarial valuation dated June 30, 2025. The City is funding the plan on a pay as you go basis.

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 12: CITY RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions

A summary of principal assumptions and methods used to determine the pension liability is shown below.

Valuation Date	June 30, 2025
Measurement date	June 30, 2025
Actuarial cost method	Entry age
Pre-retirement mortality rates	2021 CalPERS Retiree Mortality for Miscellaneous Employees
Asset valuation method	Fair Market Value
Inflation Rate	2.50% per year
Discount rate	5.20 % based on the Bond Buyer 20 Bond Index

The City incurred the accrued liabilities of active participants under the City's PERS plan as of January 1995. The City's remaining obligation is to fund the benefits for those participants who were then and are currently retired.

Change of Assumptions

In 2025, the accounting discount rate increased from 3.93 percent to 5.20 percent.

Discount Rate

The discount rate used to measure the total pension liability was based on the Bond Buyer 20 Bond Index.

Change in Total Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Assets)
	(a)	(b)	(c)=(a)-(b)
Balance at: 6/30/2024	\$ 47,832	\$ -	\$ 47,832
Changes Recognized for the Measurement Period:			
Interest on the Total Pension Liability	1,652	-	1,652
Employer Contributions	-	13,479	(13,479)
Benefit Payments	(13,479)	(13,479)	-
Experience (Gains)/Losses	5,251	-	5,251
Changes of Assumptions	(988)	-	(988)
Net Change	(7,564)	-	(7,564)
Balance at: 6/30/2025	\$ 40,268	\$ -	\$ 40,268

Sensitivity of the Total Pension Liability to Change in the Discount Rate

The following presents the total pension liability of the Plan, calculated using the discount rate of 5.20%, as well as what the Employer's total pension liability would be if it were calculated using a discount rate that is 1% lower (4.20%) or 1% higher (6.20%) than the current rate:

	1% Lower (4.20%)	Current Discount Rate (5.20%)	1% Higher (6.20%)
Total pension liability	\$ 41,144	\$ 40,268	\$ 39,439

NOTE 12: CITY RETIREMENT PLANS (CONTINUED)

Pension Expense

Pension expense/(income) for fiscal year 2024-25 of \$7,564 is equal to cash payments of \$13,479 less reduction in total pension liability of \$5,915.

B. Single Highest Year Plan

General Information about the Pension Plan

Plan Description

The Single Highest Year Plan is a single employer defined benefit pension plan of the City. This plan was adopted effective January 1, 1990, covering Management/Confidential Employees and Non-management/Confidential Sworn Police Employees on July 1, 1990, and is for employees who retired prior to May 1993. The plan is known as the City Funded Single Highest Year Plan. This plan is currently dormant and does not issue a separate annual financial report.

Benefits Provided

The plan pays a retiring employee the difference between the pension payable from PERS and what the PERS pension would be if it were based on the single highest year only. "The payment shall be made to the member only while the member is alive and will cease upon death." Upon retirement, the right to their payment shall be regarded as a vested pension benefit to the same extent as the individual's PERS retirement. Benefits vest after five years of service. Retirees must qualify for PERS retirement to qualify for the Single Highest Year Plan. The benefit is payable for the life of the employee and is subject to a 2% annual cost of living increase.

Employees Covered

Employees covered include sworn law enforcement officers, fire, management or confidential and miscellaneous employees who retired prior to May 1993. Therefore, the plan is dormant. The number of participants covered under the plan as of June 30, 2025, was as follows:

Retirees receiving benefits	
Miscellaneous	3
Safety	2
	<hr/>
Total	5
	<hr/>

Total Pension Liability

The total pension liability of \$67,885 for the plan is measured as of June 30, 2025 using an annual actuarial valuation dated June 30, 2025. The City is funding the plan on a pay as you go basis.

Actuarial Assumptions

A summary of principal assumptions and methods used to determine the pension liability is shown below.

Valuation Date	June 30, 2025
Measurement date	June 30, 2025
Actuarial cost method:	Entry age
Pre-retirement mortality rates	2021 CalPERS Retiree Mortality for Miscellaneous Employees
Asset valuation method	Fair Market Value
Inflation Rate	2.50% per year
Discount rate	5.20 % based on the Bond Buyer 20 Bond Index

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 12: CITY RETIREMENT PLANS (CONTINUED)

The City incurred the accrued liabilities of active participants under the City's PERS plan as of May 1993. The City's remaining obligation is to fund the benefits for those participants who were then and are currently retired.

Change of Assumptions

In 2025, the accounting discount rate increased from 3.93 percent to 5.20 percent.

Discount Rate

The discount rate used to measure the total pension liability was based on the Bond Buyer 20 Bond Index.

Change in Total Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Assets) (c)=(a)-(b)
Balance at: June 30, 2023	\$ 97,984	\$ -	\$ 97,984
Changes Recognized for the Measurement Period:			
Interest on the Total Pension Liability	3,383	-	3,383
Employer Contributions	-	17,191	(17,191)
Benefit Payments	(17,191)	(17,191)	-
Experience (Gains)/Losses	(14,268)	-	(14,268)
Changes of Assumptions	(2,023)	-	(2,023)
Net Changes During 2023-24	(30,099)	-	(30,099)
Balance at: June 30, 2024	\$ 67,885	\$ -	\$ 67,885

Sensitivity of the Total Pension Liability to Change in the Discount Rate

The following presents the total pension liability of the Plan, calculated using the discount rate of 5.20%, as well as what the Employer's total pension liability would be if it were calculated using a discount rate that is 1% lower (4.20%) or 1% higher (6.20%) than the current rate:

	1% Lower (4.20%)	Current Discount Rate (5.20%)	1% Higher (6.20%)
Total pension liability	\$ 69,362	\$ 67,885	\$ 66,487

Pension Expense

Pension expense/(income) for fiscal year 2024-25 of \$30,099 is equal to cash payment of \$17,191 plus increase in total pension liability of \$(12,908).

C. Payable to the Pension Plan

For the Supplemental Retirement Plan and the Single Highest Year Plan, the City's remaining obligation is to fund the benefits for those participants who are currently retired. The City has assigned \$24,925 of the General Fund's fund balance to pay future benefits.

NOTE 13: POST-EMPLOYMENT BENEFITS PLAN

Plan Description - City of Manhattan Beach Retiree Medical Program

The City Retiree Medical Program is a Single Employer Plan that provides a fixed stipend to qualifying retirees and a contribution to all retirees enrolled in PERS medical plan. The City of Manhattan Beach contracts with PERS to participate in the Public Employee Medical and Hospital Care Act (PEMHCA). Under this contract, both active employees and retirees are provided access to health insurance.

Benefits Provided

The following is a description of the current retiree benefit plan under the employee Memoranda of Understanding (MOU):

	Firefighters	General Employees & Non-sworn Management	Department Heads	Police Officers
Benefit types provided	Contribution of HRA	Contribution of HRA	Contribution of HRA	Contribution of HRA
Duration of benefits	To age 65	To age 65	To age 65	To age 65
Required service	20 years	15 years	15 years	20 years in law enforcement ***
Minimum age	50	50	50	50
Dependent coverage	n/a *	n/a *	n/a *	n/a *
Contribution	\$400 per month **	\$250 per month **	\$400 per month for Department Heads	\$400 per month **

* Contribution to HRA does not vary by dependent content

** \$300 per month for firefighters retiring prior to August 1, 2008. \$300 for police hired before December 31, 2007.

*** 10 years with the City

Employees Covered

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

Inactive employees currently receiving benefits payment	134
Participating active employees	286
Total	<u>420</u>

Contributions

The plan is financed via actuarially determined contributions deposited into a trust fund managed by PERS. PERS has dual independent capacities as a provider of medical plans and as a trustee. In its capacity as a trustee, PERS will be referred to as CERBT (California Employees' Retirement Benefit Trust). City payments to employees and PERS will be reimbursed by payments from CERBT. For fiscal year 2024, the City paid \$101,072 for retiree medical benefits and was reimbursed \$381,988 from CERBT.

NOTE 13: POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

Net OPEB Liability

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, 2024 based on the following actuarial methods and assumptions:

Valuation Date:	June 30, 2024
Actuarial Cost Method:	Entry Age
Actuarial Assumptions:	
Discount Rate	4.76% per year net of expenses
Inflation	2.5% per year
Salary Increase	2.75% per year
Healthcare Trend	4.0% per year
Mortality	2021 CalPERS mortality for active safety employees 2021 CalPERS mortality for active safety employees 2021 CalPERS active mortality for miscellaneous employees
Retirement Rates	Police: Hired 2013 and later: 2021 CalPERS 2.7%@57 Rates for Police Employees Hired 2012 and earlier: 2021 CalPERS 3.0%@50 Rates for Police Employees Firefighters: Hired 2013 and later: 2021 CalPERS 2.7%@57 Rates for Police Employees Hired 2012 and earlier: 2021 CalPERS 3.0%@55 Rates for Police Employees Miscellaneous: Hired 2012 and earlier: 2021 CalPERS 2.0%@55 Rates for Miscellaneous Employees Hired 2013 and later: 2021 CalPERS 2.0%@62 Rates for Police Employees

Expected Long-Term Rate of Return

Asset Class Component	Percentage of Portfolio	Assumed Gross Return
All Equities	34%	7.250%
All Fixed Income	41%	4.250%
Real Estate Investment Trusts	17%	7.250%
All Commodities	3%	7.250%
Treasury Inflation Protected Securities (TIPS)	5%	3.000%

Discount Rate

The discount rate used to measure the total OPEB liability was 4.76%. The rate used for the plan is the real rate of return expected for the plan assets plus the long term inflation assumption.

Change of Assumptions

In 2024, the accounting discount rate increased from 4.43 percent to 4.76 percent.

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 13: POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

Changes in the Net OPEB Liability

The changes in the net OPEB liability for the Plan are as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (c) = (a) - (b)
Balance at June 30, 2023 Measurement Date	\$ 14,386,505	\$ 10,853,922	\$ 3,532,583
Changes recognized for the measurement period:			
Service cost	597,707	-	597,707
Interest on total OPEB liability	637,969	882,352	(244,383)
Employer contributions*	-	270,207	(270,207)
Benefit Payments *	(631,959)	(631,959)	-
Administrative expenses	-	(3,506)	3,506
Experience (gains)/losses	63,443	-	63,443
Changes in assumptions	(619,024)	-	(619,024)
Net changes	48,136	517,094	(468,958)
Balance at June 30, 2024 Measurement Date	\$ 14,434,641	\$ 11,371,016	\$ 3,063,625

* Includes \$270,207 implied rate subsidy.

Sensitivity of the Net OPEB Liability 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 measurement period ended June 30, 2024:

	1% Decrease (3.76%)	Current Discount Rate (4.76%)	1% Increase (5.76%)
Net OPEB Liability	\$ 5,037,595	\$ 3,063,625	\$ 1,491,761

Sensitivity of the Net OPEB Liability 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 measurement period ended June 30, 2024:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability	\$ 1,218,222	\$ 3,063,625	\$ 5,361,450

OPEB Plan Fiduciary Net Position

CERBT issues a publicly available financial report that includes financial statements and required supplementary information available on the CalPERS website under the California Employers' Retiree Benefit Trust (CERBT) Fund.

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 13: POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

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

For the fiscal year ended June 30, 2024, the City recognized OPEB expense of \$1,148,278. As of June 30, 2025, the City reported deferred outflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 60,241	\$ (4,733,408)
Change in assumptions	4,936,873	(780,560)
Net differences between projected and actual return on assets	661,556	-
Total	<u>\$ 5,658,670</u>	<u>\$ (5,513,968)</u>

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

Year ended June 30:	Deferred Outflows/(Inflows) of Resources
2026	\$ 554,973
2027	848,813
2028	367,765
2029	311,281
2030	(677,779)
Thereafter	(1,260,351)
	<u>\$ 144,702</u>

NOTE 14: RETIREMENT PLAN FOR PART-TIME, SEASONAL AND TEMPORARY EMPLOYEES

On June 6, 1997, the City dissolved the City-administered retirement plan for part-time, seasonal and temporary employees and selected the Public Agency Retirement System (PARS) as the retirement program for this group.

The PARS plan is a defined contribution pension plan, which is administered by PARS. Benefits and funding requirements are determined by PARS' governing board. All members' earnings are subject to contribution from the employee and the employer. Historically, the contribution rate for both employee and employer has been 3.75% of payroll. In April 2011, the City exercised its option not to pick up 50% share of the required 7.50%. Consequently, for fiscal year ending June 30, 2025, 100% of contribution is derived from employee deduction.

Total payroll for employees covered by this plan for the year was \$1,821,565. The amount of employee contribution was \$136,489.

NOTE 15: RISK MANAGEMENT

The City is exposed to various risks of losses related to torts, theft, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City maintains a comprehensive risk management program to mitigate these risks, including self-insured general liability and workers' compensation programs. For general liability, the City is self-insured for the first \$500,000 of each claim. For workers' compensation, the City is self-insured for the first \$750,000 of each claim. A contracted third-party administrator collaborates with staff to administer the claims.

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 15: RISK MANAGEMENT (CONTINUED)

Additionally, the City is a member of Public Risk Innovation, Solutions, and Management (PRISM), formerly known as the CSAC-Excess Insurance Authority, a public entity risk sharing pool. Through PRISM, the City maintains excess liability coverage up to a limit of \$25,000,000 and excess workers' compensation coverage up to statutory limits. The City is also a member of PRISM's cyber liability program, crime coverage program, and property program, which covers "all-risk" perils, including flood (included automatically), and earthquake, which is optional.

Claims expenditures and liabilities (general and worker's compensation) are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Reserves for claims have been estimated based on actuarial valuation. Total reserves for both workers' compensation and general liability on June 30, 2025 are as follows:

	Estimated Claims Value at Fiscal Year End	Additional Reserves for Incurred But Not Report Claims	Total Claims Reserve
Workers' Compensation Claims	\$ 9,360,860	\$ 7,100,500	\$ 16,461,360
General Liability Claims	1,828,171	903,500	2,731,671
	<u>\$ 11,189,031</u>	<u>\$ 8,004,000</u>	<u>\$ 19,193,031</u>

The following is a summary of the changes in the claims liability over the past two fiscal years.

Fiscal Year	Beginning Balance	Increase	Decrease	Ending Balance
2023-2024				
Workers'comp	\$ 15,354,930	\$ 4,477,824	\$ 3,953,340	\$ 15,879,414
General liabilities	2,772,055	3,352,866	2,286,527	3,838,394
Total	<u>\$ 18,126,985</u>	<u>\$ 7,830,690</u>	<u>\$ 6,239,867</u>	<u>\$ 19,717,808</u>
2024-2025				
Workers'comp	\$ 15,879,414	\$ 4,931,328	\$ 4,349,382	\$ 16,461,360
General liabilities	3,838,394	2,003,914	3,110,637	2,731,671
Total	<u>\$ 19,717,808</u>	<u>\$ 6,935,242</u>	<u>\$ 7,460,019</u>	<u>\$ 19,193,031</u>

During the past three fiscal (claims) years, none of the above programs has had settlements or judgments that exceed the City's pooled or insured coverage. There have been no significant reductions in pooled or insured coverages from coverage in the prior year.

PRISM has published its own annual comprehensive financial report for the year ended June 30, 2024, which can be obtained at the following link: <https://www.prismrisk.gov/resources/prism-documents/financial-information/annual-comprehensive-financial-report-acfr/acfr-fy-ended-6-30-2024/>

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 16: JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATIONS

A. Joint Venture

South Bay Regional Public Communications Authority

The City is a member of the South Bay Regional Public Communications Authority (SBRPCA), a joint powers authority of the cities of Manhattan Beach, Gardena and Hawthorne. SBRPCA was formed October 14, 1975, for the purpose of financing a public safety communications system for the member cities. The Governing Board is composed of an elected official of each member city. An executive committee is composed of the city managers of each member city. The City's participation percentage at June 30, 2025, was 22.85%.

Summarized audited financial information for SBRPCA at June 30, 2024*, is presented below:

Statement of Net Position

Assets	
Current assets	\$ 9,986,276
Noncurrent assets	6,660,045
Total Assets	<u>16,646,321</u>
Deferred Outflows of Resources	<u>5,229,661</u>
Liabilities	
Current liabilities	549,568
Noncurrent liabilities	11,938,607
Total Liabilities	<u>12,488,175</u>
Deferred Inflows of Resources	<u>2,317,166</u>
Net Position	<u>\$ 7,070,641</u>

Statement of Activities

Operating Revenues	\$ 14,360,147
Operating Expenses	<u>12,269,704</u>
Operating income before depreciation	<u>2,090,443</u>
Depreciation	<u>738,898</u>
Operating income/loss	<u>1,351,545</u>
Non-operating revenues (expenses):	
Interest earnings	<u>529,944</u>
Non operating revenues (expenses)	<u>529,944</u>
Change in net position	1,881,489
Net Position - June 30, 2023	<u>5,189,152</u>
Net Position - June 30, 2024	<u>\$ 7,070,641</u>

*Most current information available. SBRPCA has issued its own separate financial statements, which are available at 4440 W. Broadway, Hawthorne, California 90250.

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 16: JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATIONS (CONTINUED)

B. Jointly Governed Organization

Los Angeles Interagency Metropolitan Police Apprehension Crime Task Force

The City of Manhattan Beach is a member of Los Angeles Interagency Metropolitan Police Apprehension Crime Task Force (L.A. IMPACT), a joint powers authority of the police departments of cities and other institutions in Los Angeles County. The Organization was formed July 1, 1991, with the mission to promote coordinated law enforcement efforts and to address emerging criminal justice issues, mainly in the areas of drug trafficking enterprise and money laundering. The Executive Council consists of 14 police chiefs and other various police officers. All financial decisions were made by the Executive Council. The members received monetary distributions from the asset seizures based on their respective contribution to the effort.

Summarized audited financial information for L.A. IMPACT at June 30, 2024*, is presented below:

Statement of Net Position

Assets

Current assets	\$ 15,699,598
Noncurrent assets	1,602,629
Total Assets	<u>17,302,227</u>

Liabilities

Current liabilities	2,182,279
Noncurrent liabilities	69,800
Total liabilities	<u>2,252,079</u>
Net Position	<u>\$ 15,050,148</u>

Statement of Activities

Program Revenues	\$ 12,603,862
Expenses	<u>6,897,303</u>
Excess of Revenues Over Expenses	<u>5,706,559</u>

Non operating revenues (expenses)

Investment earnings	823,423
Non operating revenues (expenses)	<u>823,423</u>

Change in net position 6,529,982

Net Position - June 30, 2023 8,520,166

Net Position - June 30, 2024 \$ 15,050,148

*LA Impact has issued its own separate financial statements, which are available at 5700 S. Eastern Avenue, Commerce, California 90040.

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 17: COMMITMENTS AND CONTINGENCIES

Contingencies

There are certain claims and lawsuits pending against the City that seek monetary damages. Potential liabilities due to these claims are accounted for in the Insurance Reserve Fund.

Construction Commitments

The following material construction commitments existed as of June 30, 2025:

Project Title	Contract Amount	Expenditure to date as of June 30, 2025	Remaining Commitments
MB Automated Traffic Sync	17,703,536	1,376,410	16,327,126
Voorhees Lift Station & Upgrades	5,417,326	847,447	4,569,879
TMDL Trash Treatment Project	4,040,475	1,773,789	2,266,686
Annual Street Resurfacing	1,618,739	249,034	1,369,705
MBB E/B LT At Aviation Blvd	873,643	132,290	741,353
Peck Ground LVL Reservoir Replacement	38,737,185	38,223,707	513,477
Pacific Lift Station & Upgrades	761,580	250,483	511,097

NOTE 18: FUND BALANCE

At June 30, 2025, the governmental funds report the following fund balance classifications:

	General	Capital Improvement	Total Nonmajor Funds	Total Governmental Funds
Nonspendable				
Notes and loans receivable	\$ 25,688	\$ -	\$ -	\$ 25,688
Inventories	11,366	-	-	11,366
Prepaid costs	1,031,544	-	-	1,031,544
Total nonspendable	1,068,598	-	-	1,068,598
Restricted				
Public safety	-	-	712,311	712,311
Recreation	-	-	1,357,874	1,357,874
Public works	-	-	331,061	331,061
Capital projects	-	-	12,526,173	12,526,173
Pension benefits	4,711,798	-	-	4,711,798
Debt service	1,059,081	-	-	1,059,081
Total restricted	5,770,879	-	14,927,419	20,698,298
Committed				
Capital Projects	-	13,684,973	243,873	13,928,846
Total committed	-	13,684,973	243,873	13,928,846
Assigned				
Assigned for City retirement plans	24,925	-	-	24,925
Total assigned	24,925	-	-	24,925
Unassigned	23,617,324	-	-	23,617,324
Total fund balances (deficits)	\$ 30,481,726	\$ 13,684,973	\$ 15,171,292	\$ 59,337,991

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 19: NET INVESTMENTS IN CAPITAL ASSETS

The computation of Net Investments in Capital Assets is as follows:

	Government Activities	Business-Type Activities
Total Capital Assets	\$ 170,566,783	\$ 103,343,525
Long-term debt		
Marine Avenue Park Refunding COP Series 2016	(3,370,000)	-
2013 Police & Fire Facility Refunding COP	(4,355,000)	-
2021 Fire Station No. 2 COP	(6,935,000)	-
2021 Refunding COPs	-	(4,025,000)
Lease liability	(8,356,189)	-
SBITA liability	(995,443)	-
Deferred charge on refunding	209,220	-
Bond premium/discount	(1,469,658)	(768,701)
	<u>\$ 145,294,713</u>	<u>\$ 98,549,824</u>

NOTE 20: NET POSITION AND FUND BALANCES RESTATEMENT

During fiscal year 2025, changes in accounting principle resulted in adjustments to and restatements of beginning net position and fund net position, as follows:

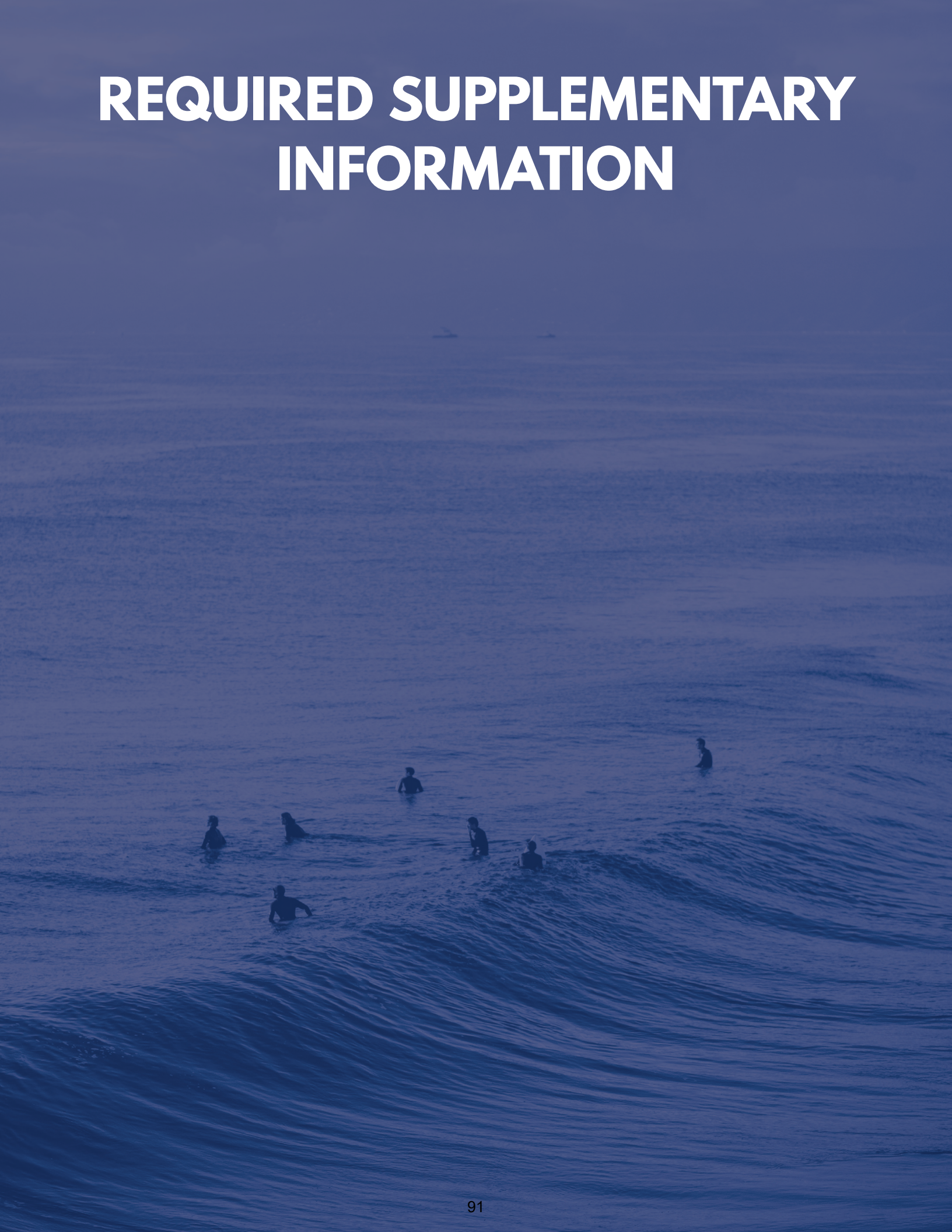
	June 30, 2024 As Previously Reported	Changes in Accounting Principle	June 30, 2024 As Restated
Government-wide			
Governmental activities	\$ 112,558,918	\$ (1,097,395)	\$ 111,461,523
Business-type activities	132,373,836	(97,137)	132,276,699
Total government-wide	<u>\$ 244,932,754</u>	<u>\$ (1,194,532)</u>	<u>\$ 243,738,222</u>
Proprietary funds			
Major funds			
Water	\$ 75,214,014	\$ (10,662)	\$ 75,203,352
Wastewater	28,218,366	(47,601)	28,170,765
Parking	18,101,216	(18,382)	18,082,834
Nonmajor enterprise	10,840,240	(20,492)	10,819,748
Internal service funds	7,451,662	(334,727)	7,116,935
Total proprietary funds	<u>\$ 139,825,498</u>	<u>\$ (431,864)</u>	<u>\$ 139,393,634</u>

Restatements are the result of implementation of GASB 101.

NOTE 21: SUBSEQUENT EVENTS

In August 2025, the City issued \$12,495,000 of Series 2025A and \$3,275,000 of Series 2025B Certificates of Participation. The 2025A Certificates were issued to reimburse the General Fund balance for the purchase of property at 400 Manhattan Beach Boulevard. The 2025B Certificates were issued to finance the purchase of public safety radio communications equipment. The proceeds of the Certificates also were applied to pay certain costs of issuance incurred in connection with the Certificates.

REQUIRED SUPPLEMENTARY INFORMATION





CITY OF MANHATTAN BEACH, CALIFORNIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

General Fund

For the Year Ended June 30, 2025

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 72,396,248	\$ 73,899,899	\$ 75,339,632	\$ 1,439,733
Licenses and permits	4,025,191	4,025,191	4,421,097	395,906
Intergovernmental	256,000	712,853	747,194	34,341
Charges for services	13,834,519	14,309,519	15,547,009	1,237,490
Use of money and property	5,248,600	5,248,600	7,459,748	2,211,148
Fines and forfeitures	2,401,397	2,401,397	2,480,865	79,468
Miscellaneous	1,137,388	1,137,388	1,282,371	144,983
Total revenues	99,299,343	101,734,847	107,277,916	5,543,069
EXPENDITURES				
Current:				
General government	19,575,883	20,158,685	18,309,285	1,849,400
Public safety	52,339,573	54,724,504	54,368,997	355,507
Culture and recreation	9,948,466	10,066,226	9,962,626	103,600
Public works	11,895,805	12,139,949	11,921,311	218,638
Capital outlay	315,650	296,534	294,248	2,286
Debt service:				
Principal	3,618,199	3,629,315	5,722,147	(2,092,832)
Interest and fiscal charges	2,005,306	2,027,800	2,234,072	(206,272)
Trustee fees and bond issuance cost	1,600	1,600	1,600	-
Total expenditures	99,700,482	103,044,613	102,814,286	230,327
Excess (deficiency) of revenues over (under) expenditures	(401,139)	(1,309,766)	4,463,630	5,773,396
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	230,407	230,407
Transfers Out	(13,134)	(13,134)	(15,940,120)	(15,926,986)
Lease and subscriptions financing	-	-	1,346,048	1,346,048
Total other financing sources (uses)	(13,134)	(13,134)	(14,363,665)	(14,350,531)
Net change in fund balances	\$ (414,273)	\$ (1,322,900)	(9,900,035)	\$ (8,577,135)
Fund balances (deficit)-beginning			40,381,761	
Fund balances (deficit)-ending			\$ 30,481,726	

CITY OF MANHATTAN BEACH, CALIFORNIA
Schedule of Changes in Net Pension Liability and Related Ratios
Miscellaneous Plan
As of June 30, for the Last Ten Fiscal Years

	2025	2024	2023	2022
Measurement Date	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>
TOTAL PENSION LIABILITY				
Service cost	\$ 3,558,852	\$ 3,134,299	\$ 2,943,841	\$ 2,650,267
Interest on total pension liability	9,939,907	9,482,836	8,978,056	8,598,669
Changes of benefit terms	-	186,466	1,093,755	-
Changes of assumptions	-	-	4,573,133	-
Difference between expected and actual experience	380,620	1,524,258	(1,315,243)	(820,321)
Benefit payments, including refunds of employee contributions	<u>(6,731,717)</u>	<u>(6,439,916)</u>	<u>(6,384,471)</u>	<u>(5,398,971)</u>
Net change in total pension liability	7,147,662	7,887,943	9,889,071	5,029,644
Total pension liability-beginning	<u>145,262,433</u>	<u>137,374,490</u>	<u>127,485,419</u>	<u>122,455,775</u>
Total pension liability-ending (a)	<u>152,410,095</u>	<u>145,262,433</u>	<u>137,374,490</u>	<u>127,485,419</u>
PLAN FIDUCIARY NET POSITION				
Contributions-employer	2,205,544	1,976,642	1,624,870	31,975,816
Contributions-employee	1,650,807	1,542,323	1,286,707	1,231,319
Net investment income	12,685,001	7,877,280	(10,719,243)	22,191,353
Benefit payments, including refunds of employee contributions	(6,731,717)	(6,439,916)	(6,384,471)	(5,398,971)
Net plan to plan resource movement	(12,726)	-	-	-
Administrative expense	(109,418)	(95,308)	(89,635)	(93,884)
Other miscellaneous income/(expense)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fiduciary net position	9,687,491	4,861,021	(14,281,772)	49,905,633
Plan fiduciary net position-beginning	<u>134,468,965</u>	<u>129,607,944</u>	<u>143,889,716</u>	<u>93,984,083</u>
Plan fiduciary net position-ending (b)	<u>144,156,456</u>	<u>134,468,965</u>	<u>129,607,944</u>	<u>143,889,716</u>
Net pension liability/(asset) (a) - (b)	<u>\$ 8,253,639</u>	<u>\$ 10,793,468</u>	<u>\$ 7,766,546</u>	<u>\$ (16,404,297)</u>
Plan fiduciary net position as a percentage of the total pension liability	94.6%	92.6%	94.3%	112.9%
Covered payroll	\$ 18,375,691	\$ 18,689,916	\$ 17,388,313	\$ 17,209,527
Plan net pension liability/(asset) as a percentage of covered payroll	44.9%	57.8%	44.7%	-95.3%

Notes to Schedule of Changes in the Net Pension Liability and Related Ratios:

Benefit Changes: The figures above generally 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.

Changes of Assumptions: There were no assumption changes in 2023 or 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, and 7.65% for measurement dates June 30, 2015, through June 30, 2016.

2021	2020	2019	2018	2017	2016
6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
\$ 2,737,868	\$ 2,657,779	\$ 2,639,954	\$ 2,582,619	\$ 2,116,750	\$ 1,906,947
8,237,478	7,803,956	7,282,132	6,931,655	6,725,647	6,365,282
-	-	-	-	-	-
-	-	11,137	5,953,464	-	(450,327)
261,490	1,833,076	(577,483)	(2,203,443)	(125,272)	(1,610,461)
<u>(4,720,240)</u>	<u>(4,679,793)</u>	<u>(4,251,920)</u>	<u>(3,897,657)</u>	<u>(3,694,517)</u>	<u>(3,387,918)</u>
6,516,596	7,615,018	5,103,820	9,366,638	5,022,608	2,823,523
115,939,179	108,324,161	103,220,341	93,853,703	88,831,095	86,007,572
122,455,775	115,939,179	108,324,161	103,220,341	93,853,703	88,831,095
3,088,142	2,699,124	2,257,840	2,139,788	1,856,633	1,619,438
1,148,119	1,183,069	1,194,936	1,142,808	1,110,014	986,936
4,500,278	5,590,075	6,733,944	8,057,534	357,760	1,618,145
(4,720,240)	(4,679,793)	(4,251,920)	(3,897,657)	(3,694,517)	(3,387,918)
-	-	(198)	-	(388)	-
(127,012)	(60,918)	(124,333)	(106,973)	(44,409)	(82,036)
-	199	(236,111)	-	-	-
3,889,287	4,731,756	5,574,158	7,335,500	(414,907)	754,565
90,094,796	85,363,040	79,788,882	72,453,382	72,868,289	72,113,724
93,984,083	90,094,796	85,363,040	79,788,882	72,453,382	72,868,289
\$ 28,471,692	\$ 25,844,383	\$ 22,961,121	\$ 23,431,459	\$ 21,400,321	\$ 15,962,806
76.7%	77.7%	78.8%	77.3%	77.2%	82.0%
\$ 17,472,037	\$ 16,866,425	\$ 16,557,666	\$ 16,051,083	\$ 14,974,179	\$ 13,348,365
163.0%	153.2%	138.7%	146.0%	142.9%	119.6%

CITY OF MANHATTAN BEACH, CALIFORNIA
Schedule of Changes in Net Pension Liability and Related Ratios
Pension Plan - Supplemental Retirement Plan
As of June 30, for the Last Ten Fiscal Years

	2025	2024	2023	2022
Measurement Date	<u>6/30/2025</u>	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>6/30/2022</u>
TOTAL PENSION LIABILITY				
Interest on total pension liability	\$ 1,652	\$ 1,617	\$ 1,743	\$ 1,143
Changes of assumptions	(988)	(353)	(3,108)	7,476
Difference between expected and actual experience	5,251	11,535	11,270	(2,564)
Benefit payments, including refunds of employee contributions	<u>(13,479)</u>	<u>(13,898)</u>	<u>(13,359)</u>	<u>(12,889)</u>
Net change in total pension liability	(7,564)	(1,099)	(3,454)	(6,834)
Total pension liability-beginning	<u>47,832</u>	<u>48,931</u>	<u>52,385</u>	<u>59,219</u>
Total pension liability-ending (a)	<u>40,268</u>	<u>47,832</u>	<u>48,931</u>	<u>52,385</u>
PLAN FIDUCIARY NET POSITION				
Contributions-employer	13,479	13,898	13,359	12,889
Net investment income	-	-	-	-
Benefit payments, including refunds of employee contributions	<u>(13,479)</u>	<u>(13,898)</u>	<u>(13,359)</u>	<u>(12,889)</u>
Net change in fiduciary net position	-	-	-	-
Plan fiduciary net position-beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Restatement	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position-ending (b)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net pension liability/(asset) (a) - (b)	<u>\$ 40,268</u>	<u>\$ 47,832</u>	<u>\$ 48,931</u>	<u>\$ 52,385</u>
Plan fiduciary net position as a percentage of the total pension liability	0.0%	0.0%	0.0%	0.0%
Covered payroll	N/A	N/A	N/A	N/A
Plan net pension liability/(asset) as a percentage of covered payroll	N/A	N/A	N/A	N/A

Notes to Schedule of Changes in the Net Pension Liability and Related Ratios:

The fiduciary net position has been restated since the assets held were not in a trust fund as defined by GASB Statement No. 68, but were pulled with the City's cash and investments.

In fiscal year 2024-25, the discount rate was changed from 3.93% to 5.20%.

2021	2020	2019	2018	2017	2016
<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>
\$ 1,787	\$ 4,057	\$ 4,045	\$ 4,837	\$ (552)	\$ 4,465
62	5,916	2,027	-	-	-
(34,482)	6,826	18,576	8,685	35,649	9,609
(14,382)	(22,327)	(22,125)	(21,690)	(21,340)	(21,728)
(47,015)	(5,528)	2,523	(8,168)	13,757	(7,654)
106,234	111,762	109,239	117,407	103,650	111,304
59,219	106,234	111,762	109,239	117,407	103,650
14,382	22,327	27,773	-	-	-
-	-	1,024	496	(552)	4,465
(14,382)	(22,327)	(22,125)	(21,690)	(21,340)	(21,728)
-	-	6,672	(21,194)	(21,892)	(17,263)
32,344	32,344	25,672	46,866	68,758	86,021
(32,344)	-	-	-	-	-
-	32,344	32,344	25,672	46,866	68,758
\$ 59,219	\$ 73,890	\$ 79,418	\$ 83,567	\$ 70,541	\$ 34,892
0.0%	30.4%	28.9%	23.5%	39.9%	66.3%
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A



CITY OF MANHATTAN BEACH, CALIFORNIA
Schedule of Investment Returns
Pension Plan - Supplemental Retirement Plan
As of June 30, for the Last Ten Fiscal Years

Fiscal Year Ending June 30,	Net Money-Weighted Rate of Return
2025	5.20%
2024	3.93%
2023	3.65%
2022	3.54%
2021	2.16%
2020	2.20%
2019	3.50%
2018	4.12%
2017	3.49%
2016	3.60%

CITY OF MANHATTAN BEACH, CALIFORNIA
Schedule of Changes in Net Pension Liability and Related Ratios
Pension Plan - Single Highest Year Plan
As of June 30, for the Last Ten Fiscal Years

	2025	2024	2023	2022
Measurement Date	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>
TOTAL PENSION LIABILITY				
Interest on total pension liability	\$ 3,383	\$ 3,311	\$ 3,680	\$ 2,421
Changes of assumptions	(2,023)	(722)	(6,560)	(5,433)
Difference between expected and actual experience	(14,268)	13,596	9,222	15,842
Benefit payments, including refunds of employee contributions	<u>(17,191)</u>	<u>(21,490)</u>	<u>(21,068)</u>	<u>(20,304)</u>
Net change in total pension liability	(30,099)	(5,305)	(14,726)	(7,474)
Total pension liability-beginning	<u>97,984</u>	<u>103,289</u>	<u>118,015</u>	<u>125,489</u>
Total pension liability-ending (a)	<u>67,885</u>	<u>97,984</u>	<u>103,289</u>	<u>118,015</u>
PLAN FIDUCIARY NET POSITION				
Contributions-employer	17,191	21,490	23,360	20,304
Benefit payments, including refunds of employee contributions	<u>(17,191)</u>	<u>(21,490)</u>	<u>(23,360)</u>	<u>(20,304)</u>
Net change in fiduciary net position	-	-	-	-
Plan fiduciary net position-beginning	-	-	-	-
Restatement	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position-ending (b)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net pension liability/(asset) (a) - (b)	<u>\$ 67,885</u>	<u>\$ 97,984</u>	<u>\$ 103,289</u>	<u>\$ 118,015</u>
Plan fiduciary net position as a percentage of the total pension liability	0.0%	0.0%	0.0%	0.0%
Covered payroll	N/A	N/A	N/A	N/A
Plan net pension liability/(asset) as a percentage of covered payroll	N/A	N/A	N/A	N/A

Notes to Schedule of Changes in the Net Pension Liability and Related Ratios:

The fiduciary net position has been restated since the assets held were not in a trust fund as defined by GASB Statement No. 68, but were pulled with the City's cash and investments.

In fiscal year 2024-25, the discount rate was changed from 3.93% to 5.20%.

2021	2020	2019	2018	2017	2016
6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
\$ 5,975	\$ 8,785	\$ 10,663	\$ 13,871	\$ (1,639)	\$ 13,610
207	15,460	6,053	-	-	-
(138,309)	17,838	41,951	(12,652)	94,614	19,167
(25,050)	(51,473)	(50,694)	(53,805)	(52,928)	(51,598)
(157,177)	(9,390)	7,973	(52,586)	40,047	(18,821)
282,666	292,056	284,083	336,669	296,622	315,443
125,489	282,666	292,056	284,083	336,669	296,622
25,050	51,473	72,227	-	-	-
(25,050)	(51,473)	(46,005)	(52,189)	(54,567)	(37,988)
-	-	26,222	(52,189)	(54,567)	(37,988)
118,394	118,394	92,172	144,361	198,928	236,916
(118,394)	-	-	-	-	-
-	118,394	118,394	92,172	144,361	198,928
\$ 125,489	\$ 164,272	\$ 173,662	\$ 191,911	\$ 192,308	\$ 97,694
0.0%	41.9%	40.5%	32.4%	42.9%	67.1%
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A



CITY OF MANHATTAN BEACH, CALIFORNIA
Schedule of Investment Returns
Pension Plan - Single Highest Year Plan
As of June 30, for the Last Ten Fiscal Years

Fiscal Year Ending June 30,	Net Money-Weighted Rate of Return
2025	5.20%
2024	3.93%
2023	3.65%
2022	3.54%
2021	2.16%
2020	2.20%
2019	3.50%
2018	4.12%
2017	3.49%
2016	3.60%

CITY OF MANHATTAN BEACH, CALIFORNIA
Schedules of Proportionate Share of Net Pension Liability
As of June 30, for the Last Ten Fiscal Years

Reporting Date ¹ as of June 30,	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a % of Covered Payroll	Plan's Fiduciary Net Position as a % of the Total Pension Liability
<u>Safety Plan</u>					
2025	0.1387%	\$ 11,827,751	\$ 14,520,026	81.5%	94.9%
2024	0.1165%	13,348,393	14,771,765	90.4%	94.7%
2023	0.0680%	7,851,465	13,651,265	57.5%	96.7%
2022	-1.0111%	(35,484,453)	13,731,032	-258.4%	115.6%
2021	0.9278%	61,811,652	13,904,770	444.5%	71.9%
2020	0.8885%	55,463,474	13,238,294	419.0%	73.9%
2019	0.8844%	51,890,006	13,377,912	387.9%	75.3%
2018	0.7380%	51,004,452	13,476,008	378.5%	73.3%
2017	0.8545%	44,229,612	13,396,233	330.2%	74.1%
2016	0.8167%	33,649,892	12,509,404	269.0%	78.3%

Notes to Schedule of Proportionate Share of the Net Pension Liability:

Benefit Changes: There were no changes to benefit terms that applied to all members of the Public Agency Pool. However, individual employers in the Plan may have provided a benefit improvement to their employees such as Golden Handshakes, service purchases, and other prior service costs. Employers that have done so may need to report this information as a separate liability in their financial statement as CalPERS considers such amounts to be separately financed employer-specific liabilities. These employers should consult with their auditors. Additionally, the figures above do not include any liability impact that occurred after the June 30, 2023, valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

Changes of Assumptions: There were no assumption changes in 2023 or 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, and 7.65% for measurement dates June 30, 2015, through June 30, 2016.

¹ The proportions and proportionate share of the net pension liability are measured as of one year behind the reporting date. Refer to notes to basic financial statements.

CITY OF MANHATTAN BEACH, CALIFORNIA
Schedules of Plan Contributions
As of June 30, for the Last Ten Fiscal Years

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Employer Contributions	Contribution Deficiency (Excess)	Covered/ Covered- Employee Payroll	Contribution as a % of Covered/ Covered Employee Payroll
<u>Miscellaneous Agent, Multiple-Employer Pension Plan</u>					
2025	\$ 2,205,544	\$ 2,372,832	\$ (167,288)	\$ 21,425,959	11.1%
2024	2,214,398	2,214,398	-	18,375,691	12.1%
2023	1,918,178	1,918,178	-	18,689,916	10.3%
2022	1,624,870	1,624,870	-	17,388,313	9.3%
2021	3,428,883	31,975,816	(28,546,933)	17,209,527	185.8%
2020	3,088,142	3,088,142	-	17,472,037	17.7%
2019	2,699,124	2,699,124	-	16,866,425	16.0%
2018	2,257,840	2,257,840	-	16,557,666	13.6%
2017	2,139,788	2,139,788	-	16,051,083	13.3%
2016	1,856,633	1,856,633	-	14,974,179	12.4%
<u>Supplemental Retirement Pension Plan</u>					
2025	\$ -	\$ 13,479	\$ (13,479)	N/A	N/A
2024	-	13,898	(13,898)	N/A	N/A
2023	-	13,359	(13,359)	N/A	N/A
2022	-	12,889	(12,889)	N/A	N/A
2021	-	-	-	N/A	N/A
2020	-	-	-	N/A	N/A
2019	-	-	-	N/A	N/A
2018	-	-	-	N/A	N/A
2017	-	-	-	N/A	N/A
2016	-	-	-	N/A	N/A
<u>Single Highest Year Pension Plan</u>					
2025	\$ -	\$ 17,191	\$ (17,191)	N/A	N/A
2024	-	21,490	(21,490)	N/A	N/A
2023	-	23,360	(23,360)	N/A	N/A
2022	-	20,304	(20,304)	N/A	N/A
2021	-	-	-	N/A	N/A
2020	-	-	-	N/A	N/A
2019	-	-	-	N/A	N/A
2018	-	-	-	N/A	N/A
2017	-	-	-	N/A	N/A
2016	-	-	-	N/A	N/A
<u>Safety Cost-Sharing, Multiple-Employer Pension Plan</u>					
2025	\$ 3,618,414	\$ 3,618,414	\$ -	\$ 14,014,046	25.8%
2024	3,410,036	3,410,036	-	14,520,026	23.5%
2023	3,085,036	3,085,036	-	14,771,765	20.9%
2022	2,798,477	2,798,477	-	13,651,265	20.5%
2021	6,572,770	68,788,953	(62,216,183)	13,731,032	501.0%
2020	5,997,853	5,997,853	-	13,904,770	43.1%
2019	5,071,642	5,071,642	-	13,238,294	38.3%
2018	4,413,119	4,413,119	-	13,377,912	33.0%
2017	4,035,127	4,035,127	-	13,476,008	29.9%
2016	4,000,319	4,000,319	-	13,396,233	29.9%
<u>Single Employer OPEB Plan</u>					
2025	\$ -	\$ -	-	\$ 37,345,127	0.0%
2024	-	-	-	35,117,049	0.0%
2023	-	-	-	33,042,483	0.0%
2022	-	-	-	31,281,530	0.0%
2021	-	-	-	31,108,248	0.0%
2020	-	-	-	30,039,928	0.0%
2019	-	-	-	28,955,206	0.0%
2018	-	-	-	28,350,135	0.0%

CITY OF MANHATTAN BEACH, CALIFORNIA
Schedule of Changes in Net OPEB Liability and Related Ratios
As of June 30, for the Last Ten Fiscal Years ¹

	2025	2024	2023	2022
Measurement Date	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>
TOTAL OPEB LIABILITY				
Service cost	\$ 597,707	\$ 696,531	\$ 680,762	\$ 912,539
Interest on total pension liability	637,969	745,715	721,654	741,118
Changes of benefit terms	-	-	(5,588)	8,110
Changes of assumptions	(619,024)	(226,367)	(40,688)	(47,483)
Difference between expected and actual experience	63,443	(4,382,036)	-	(2,139,728)
Benefit payments, including refunds of employee contributions	<u>(631,959)</u>	<u>(827,434)</u>	<u>(826,360)</u>	<u>(827,450)</u>
Net change in total OPEB liability	48,136	(3,993,591)	529,780	(1,352,894)
Total OPEB liability-beginning	<u>14,386,505</u>	<u>18,380,096</u>	<u>17,850,316</u>	<u>19,203,210</u>
Total OPEB liability-ending (a)	<u>14,434,641</u>	<u>14,386,505</u>	<u>18,380,096</u>	<u>17,850,316</u>
PLAN FIDUCIARY NET POSITION				
Contributions-employer	270,207	101,072	826,360	500,355
Contributions-employee	-	-	-	-
Net investment income	882,352	398,243	(1,602,871)	2,170,346
Benefit payments, including refunds of employee contributions	(631,959)	(827,434)	(826,360)	(827,450)
Net plan to plan resource movement	-	-	-	-
Administrative expense	(3,506)	(3,204)	(3,246)	(4,002)
Other miscellaneous income/(expense)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fiduciary net position	517,094	(331,323)	(1,606,117)	1,839,249
Plan fiduciary net position-beginning	<u>10,853,922</u>	<u>11,185,245</u>	<u>12,791,362</u>	<u>10,952,113</u>
Plan fiduciary net position-ending (b)	<u>11,371,016</u>	<u>10,853,922</u>	<u>11,185,245</u>	<u>12,791,362</u>
Net OPEB liability/(asset) (a) - (b)	<u>\$ 3,063,625</u>	<u>\$ 3,532,583</u>	<u>\$ 7,194,851</u>	<u>\$ 5,058,954</u>
Plan fiduciary net position as a percentage of the total OPEB liability	78.8%	75.4%	60.9%	71.7%
Covered-employee payroll	\$ 35,117,049	\$ 33,042,483	\$ 31,281,530	\$ 31,108,248
Plan net OPEB liability/(asset) as a percentage of covered-employee payroll	8.7%	10.7%	23.0%	16.3%

Notes to Schedule of Changes in the Net OPEB Liability and Related Ratios:

Benefit Changes: None

Changes of Assumptions: None

¹ Fiscal year 2018 was the first year of GASB Statement No. 75 implementation; therefore only eight years are shown.

2021	2020	2019	2018
6/30/2020	6/30/2019	6/30/2018	6/30/2017
\$ 860,600	\$ 162,042	\$ 157,705	\$ 153,484
726,498	405,961	389,029	373,003
-	14,816	-	-
301,994	11,785,934	-	-
(67,563)	(217,943)	-	-
(768,497)	(315,517)	(276,109)	(292,220)
1,053,032	11,835,293	270,625	234,267
18,150,178	6,314,885	6,044,260	5,809,993
19,203,210	18,150,178	6,314,885	6,044,260
458,552	-	-	-
-	-	-	-
579,074	723,910	620,328	696,310
(768,497)	(315,517)	(276,109)	(292,220)
-	-	-	-
(5,285)	(2,217)	(18,413)	(5,052)
-	-	-	-
263,844	406,176	325,806	399,038
10,688,269	10,282,093	9,956,287	9,557,249
10,952,113	10,688,269	10,282,093	9,956,287
\$ 8,251,097	\$ 7,461,909	\$ (3,967,208)	\$ (3,912,027)
57.0%	58.9%	162.8%	164.7%
\$ 30,039,928	\$ 28,955,206	\$ 28,350,135	\$ 27,942,810
27.5%	25.8%	-14.0%	-14.0%



NOTE 1: BUDGETARY COMPARISON INFORMATION

A. General Budget Policies

The operating budget serves as the annual financial plan for the City and serves as the policy document of the City Council for implementing Council goals and objectives. The budget provides the staff the resources necessary to accomplish City Council determined service levels.

The City Manager annually will prepare and present a proposed operating budget to the City Council no later than the second regular Council meeting in May of each year; and Council will adopt said budget no later than June 30 of each year. Funds may not be expended or encumbered for the following fiscal year until the budget has been adopted by the City Council.

The City's annual budget will be presented by department, with a logical breakdown of programs and proposed expenses. The budget document will also summarize expenditures at the personnel, operating and maintenance, and capital levels.

Where practical, the City's annual budget will include measures of workload, efficiency, and effectiveness.

B. Budgetary Control and Accountability

Budget control is maintained at the departmental level. The City Manager has the authority to approve appropriation transfers between programs or departments. In no case may total expenditures of a particular fund exceed that which is appropriated by the City Council without a budget amendment. Amendments to the budget are approved by the City Council with the exception of the appropriation and transfer of funds from employee leave reserves to a specific department's program budget to cover unplanned customary termination leave expenditures within a given year. Such amendments may be approved by the City Manager.

Budget accountability rests primarily with the operating departments of the City.

C. Basis of Budgeting

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and are used as a management control device.

D. Excess of Expenditures over Appropriations

Excess expenditures over appropriations were as follows:

	<u>Expenditures</u>	<u>Appropriations</u>	<u>Excess</u>
General Fund			
Principal	5,722,147	3,629,315	2,092,832
Interest and fiscal charges	2,234,072	2,027,800	206,272



COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS & SCHEDULES





COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS & SCHEDULES





NONMAJOR FUNDS

Special Revenue Fund Description

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted by law to expenditures for specified purposes.

Street Lighting and Landscape Fund provides the power, maintenance and capital improvements for the lighting system within the City of Manhattan Beach. Money is received from a special assessment placed on each tax bill in the City, the amount of which is determined by the benefit received by the owner of each property.

Gas Tax Fund is used to account for the City's share of the state and county gasoline tax collection in accordance with the provisions of the State of California Streets and Highway Code. Revenues are disbursed by the state based on population and must be used toward the maintenance and repair of City streets that serve as state and county thoroughfares.

Asset Forfeiture Fund is used to account for funds received through federal and state agencies for drug seizures in which the City participated. These funds must be used to supplement, not supplant, the Police Department's normal operating budget. The amount of revenue will vary from year to year based on activity levels.

Public Safety Grants Fund is used for monies received from the federal and state governments for the purposes of supplementing front-line law enforcement services.

Proposition A Fund is used to account for proceeds from the half-cent sales taxes generated by the approval of Proposition A by Los Angeles County voters. These funds, which are administered by the Los Angeles County Metropolitan Transportation Authority (MTA), are distributed based on population and must be used for transportation-related projects.

Proposition C Fund is used to account for the City's Proposition C revenue and expenditures. In November 1990, Los Angeles County voters approved a half -cent sales tax intended to support projects and programs related to transit.

AB 2766 Fund is used to account for proceeds received from the additional vehicle registration fee imposed by the state and regulated by the Air Quality Management District (AQMD). These funds are distributed based on population and must be used for programs designed to reduce air pollution from motor vehicles.

Measure R Fund is a half cent sales tax approved by Los Angeles voters to be used for new and existing transportation projects, including local bus operations and local city sponsored transportation improvements. Local cities are allocated 15% of collections on a per capita basis. The City of Manhattan Beach began receiving Measure R funds in fiscal 2010-2011, and established a separate fund to capture revenues and expenditures. Eligible expenditures are streets and signals, bikeways, pedestrian improvements, and transit service improvements.

Measure M Fund is a half-cent sales tax approved by Los Angeles County voters to ease traffic congestion; expand rail and rapid transit system; repave local streets, repair potholes, and synchronize signals; make public transportation more accessible for seniors, students, and the disabled; and earthquake-retrofit bridges. The City of Manhattan Beach began receiving Measure M funds in fiscal 2018 and established a separate fund to capture revenue and expenditures.

Measure W Fund is a voter approved parcel tax intended to fund projects, infrastructure, and program to capture, treat, and recycle storm water. The City began receiving Measure W funds in the fiscal year 2021-2022 and established a separate fund to capture revenues and expenditures.

Capital Project Fund Description

Capital Projects Funds are used to account for financial resources segregated for the acquisition or construction of major capital facilities, other than those financed by Enterprise or Internal Service Funds.

NONMAJOR FUNDS (CONTINUED)

Bond Construction Fund accounts for financial resources segregated for the acquisition or construction of major capital projects financed through the issuance of bonds.

Underground Assessment District Fund accounts for the financial resources used for underground utility assessment district (UUAD) projects. UUASs are initiated and formed by property owners who are interested in paying for the undergrounding of the overhead utility in their neighborhood.



CITY OF MANHATTAN BEACH, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds			
	Street Lighting and Landscape	Gas Tax	Asset Forfeiture	Public Safety Grants
ASSETS				
Cash and investments	\$ 164,482	\$ 5,742,661	\$ 224,742	\$ 521,027
Receivables (net of allowance for uncollectible):				
Accounts	9,054	-	-	-
Due from other governments	-	254,477	-	-
Grants	-	124,549	-	-
Total assets	173,536	6,121,687	224,742	521,027
LIABILITIES				
Accounts payable	173,536	597,437	-	30,073
Accrued liabilities	-	21,808	-	-
Accrued payroll	-	-	3,385	-
Deposits payable	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	173,536	619,245	3,385	30,073
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	124,549	-	-
Total deferred inflows of resources	-	124,549	-	-
FUND BALANCES (DEFICITS)				
Restricted	-	5,377,893	221,357	490,954
Committed	-	-	-	-
Total fund balances (deficits)	-	5,377,893	221,357	490,954
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 173,536	\$ 6,121,687	\$ 224,742	\$ 521,027

CITY OF MANHATTAN BEACH, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

(Continued)

	Special Revenue Funds			
	Proposition A	Proposition C	AB 2766	Measure R
ASSETS				
Cash and investments	\$ 1,392,512	\$ 1,849,296	\$ 340,136	\$ 2,396,864
Receivables (net of allowance for uncollectible):				
Accounts	416	-	-	-
Due from other governments	-	-	11,903	-
Grants	-	1,838,948	-	166,498
Total assets	1,392,928	3,688,244	352,039	2,563,362
LIABILITIES				
Accounts payable	5,529	10,406	9,075	529,726
Accrued liabilities	-	-	-	-
Accrued payroll	29,525	-	-	-
Deposits payable	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	35,054	10,406	9,075	529,726
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	1,838,948	11,903	166,498
Total deferred inflows of resources	-	1,838,948	11,903	166,498
FUND BALANCES (DEFICITS)				
Restricted	1,357,874	1,838,890	331,061	1,867,138
Committed	-	-	-	-
Total fund balances (deficits)	1,357,874	1,838,890	331,061	1,867,138
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 1,392,928	\$ 3,688,244	\$ 352,039	\$ 2,563,362

CITY OF MANHATTAN BEACH, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds			Capital Projects Funds
	Measure M	Measure W	Grants	Bond Construction
ASSETS				
Cash and investments	\$ 1,159,910	\$ 1,490,118	\$ 2	\$ 465,453
Receivables (net of allowance for uncollectible):				
Accounts	-	-	-	-
Due from other governments	-	-	-	-
Grants	127,685	644,170	-	-
Total assets	1,287,595	2,134,288	2	465,453
LIABILITIES				
Accounts payable	90,342	154,768	-	-
Accrued liabilities	31,554	2,000	-	221,580
Accrued payroll	-	-	-	-
Deposits payable	-	-	-	-
Unearned revenues	-	249,808	2	-
Total liabilities	121,896	406,576	2	221,580
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	127,685	644,170	-	-
Total deferred inflows of resources	127,685	644,170	-	-
FUND BALANCES (DEFICITS)				
Restricted	1,038,014	1,083,542	-	-
Committed	-	-	-	243,873
Total fund balances (deficits)	1,038,014	1,083,542	-	243,873
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 1,287,595	\$ 2,134,288	\$ 2	\$ 465,453

CITY OF MANHATTAN BEACH, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Capital Projects Funds	
	Underground Assessment District	Total Nonmajor Funds
ASSETS		
Cash and investments	\$ 1,322,437	\$ 17,069,640
Receivables (net of allowance for uncollectible):		
Accounts	-	9,470
Due from other governments	-	266,380
Grants	-	2,901,850
Total assets	1,322,437	20,247,340
LIABILITIES		
Accounts payable	-	1,600,892
Accrued liabilities	-	276,942
Accrued payroll	-	32,910
Deposits payable	1,741	1,741
Unearned revenues	-	249,810
Total liabilities	1,741	2,162,295
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenues	-	2,913,753
Total deferred inflows of resources	-	2,913,753
FUND BALANCES (DEFICITS)		
Restricted	1,320,696	14,927,419
Committed	-	243,873
Total fund balances (deficits)	1,320,696	15,171,292
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 1,322,437	\$ 20,247,340

CITY OF MANHATTAN BEACH, CALIFORNIA
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue Funds			
	Street Lighting and Landscape	Gas Tax	Asset Forfeiture	Public Safety Grants
REVENUES				
Taxes	\$ 374,051	\$ -	\$ -	\$ -
Intergovernmental	-	1,948,462	52,451	194,664
Charges for services	-	-	-	-
Use of money and property	-	259,598	12,497	30,195
Miscellaneous	1,280	-	-	-
Total revenues	375,331	2,208,060	64,948	224,859
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	118,336	238,060
Culture and recreation	-	-	-	-
Public works	650,689	61,540	-	-
Capital outlay	-	1,045,648	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	650,689	1,107,188	118,336	238,060
Excess (deficiency) of revenues over (under) expenditures	(275,358)	1,100,872	(53,388)	(13,201)
OTHER FINANCING SOURCES (USES)				
Transfers in	258,535	-	-	-
Transfers out	(5,020)	-	-	-
Total other financing sources (uses)	253,515	-	-	-
Net change in fund balances	(21,843)	1,100,872	(53,388)	(13,201)
Fund balances (deficit)-beginning	21,843	4,277,021	274,745	504,155
Fund balances (deficit)-ending	\$ -	\$ 5,377,893	\$ 221,357	\$ 490,954

CITY OF MANHATTAN BEACH, CALIFORNIA
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

(Continued)

	Special Revenue Funds			
	Proposition A	Proposition C	AB 2766	Measure R
REVENUES				
Taxes	\$ 899,568	\$ 746,167	\$ -	\$ 559,523
Intergovernmental	366,957	85,456	45,211	35,136
Charges for services	2,313	-	-	-
Use of money and property	62,612	85,946	16,575	122,862
Miscellaneous	-	-	-	-
Total revenues	1,331,450	917,569	61,786	717,521
EXPENDITURES				
Current:				
General government	85,364	-	-	-
Public safety	-	-	-	-
Culture and recreation	624,711	-	-	-
Public works	-	3,099	672	23,321
Capital outlay	-	195,827	10,616	672,289
Debt service:				
Principal	18,956	-	-	-
Interest and fiscal charges	10,989	-	-	-
Total expenditures	740,020	198,926	11,288	695,610
Excess (deficiency) of revenues over (under) expenditures	591,430	718,643	50,498	21,911
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	8,350
Transfers out	(407,731)	-	-	-
Total other financing sources (uses)	(407,731)	-	-	8,350
Net change in fund balances	183,699	718,643	50,498	30,261
Fund balances (deficit)-beginning	1,174,175	1,120,247	280,563	1,836,877
Fund balances (deficit)-ending	\$ 1,357,874	\$ 1,838,890	\$ 331,061	\$ 1,867,138

CITY OF MANHATTAN BEACH, CALIFORNIA
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue Funds			Capital Projects Funds
	Measure M	Measure W	Grants	Bond Construction
REVENUES				
Taxes	\$ 633,921	\$ 409,784	\$ -	\$ -
Intergovernmental	180,619	264,185	177,490	-
Charges for services	-	-	-	-
Use of money and property	68,939	109,398	-	48,721
Miscellaneous	-	-	-	-
Total revenues	883,479	783,367	177,490	48,721
EXPENDITURES				
Current:				
General government	6,000	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Public works	71,339	54,005	-	-
Capital outlay	816,261	971,386	177,490	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	893,600	1,025,391	177,490	-
Excess (deficiency) of revenues over (under) expenditures	(10,121)	(242,024)	-	48,721
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(10,121)	(242,024)	-	48,721
Fund balances (deficit)-beginning	1,048,135	1,325,566	-	195,152
Fund balances (deficit)-ending	\$ 1,038,014	\$ 1,083,542	\$ -	\$ 243,873

CITY OF MANHATTAN BEACH, CALIFORNIA
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Capital Projects Funds	
	Underground Assessment District	Total Nonmajor Funds
REVENUES		
Taxes	\$ -	\$ 3,623,014
Intergovernmental	-	3,350,631
Charges for services	-	2,313
Use of money and property	101,126	918,469
Miscellaneous	37,582	38,862
Total revenues	138,708	7,933,289
EXPENDITURES		
Current:		
General government	-	91,364
Public safety	-	356,396
Culture and recreation	-	624,711
Public works	262,705	1,127,370
Capital outlay	-	3,889,517
Debt service:		
Principal	-	18,956
Interest and fiscal charges	-	10,989
Total expenditures	262,705	6,119,303
Excess (deficiency) of revenues over (under) expenditures	(123,997)	1,813,986
OTHER FINANCING SOURCES (USES)		
Transfers in	-	266,885
Transfers out	-	(412,751)
Total other financing sources (uses)	-	(145,866)
Net change in fund balances	(123,997)	1,668,120
Fund balances (deficit)-beginning	1,444,693	13,503,172
Fund balances (deficit)-ending	\$ 1,320,696	\$ 15,171,292

CITY OF MANHATTAN BEACH, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Street Lighting and Landscape Fund
For the Year Ended June 30, 2025

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 377,468	\$ 377,468	\$ 374,051	\$ (3,417)
Miscellaneous	-	-	1,280	1,280
Total revenues	377,468	377,468	375,331	(2,137)
EXPENDITURES				
Current:				
Public works	704,331	722,260	650,689	71,571
Capital outlay	-	3,913	-	3,913
Total expenditures	704,331	726,173	650,689	75,484
Excess (deficiency) of revenues over (under) expenditures	(326,863)	(348,705)	(275,358)	73,347
OTHER FINANCING SOURCES (USES)				
Transfers In	13,517	13,517	258,535	245,018
Transfers Out	-	-	(5,020)	(5,020)
Total other financing sources (uses)	13,517	13,517	253,515	239,998
Net change in fund balances	\$ (313,346)	\$ (335,188)	(21,843)	\$ 313,345
Fund balances (deficit)-beginning			21,843	
Fund balances (deficit)-ending			\$ -	

CITY OF MANHATTAN BEACH, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Gas Tax Fund
For the Year Ended June 30, 2025

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 1,913,943	\$ 2,060,844	\$ 1,948,462	\$ (112,382)
Use of money and property	22,000	22,000	259,598	237,598
Total revenues	1,935,943	2,082,844	2,208,060	125,216
EXPENDITURES				
Current:				
Public works	60,138	60,138	61,540	(1,402)
Capital outlay	2,015,000	5,606,289	1,045,648	4,560,641
Total expenditures	2,075,138	5,666,427	1,107,188	4,559,239
Net change in fund balances	\$ (139,195)	\$ (3,583,582)	1,100,872	\$ 4,684,454
Fund balances (deficit)-beginning			4,277,021	
Fund balances (deficit)-ending			\$ 5,377,893	

CITY OF MANHATTAN BEACH, CALIFORNIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Asset Forfeiture Fund

For the Year Ended June 30, 2025

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 40,000	\$ 40,000	\$ 52,451	\$ 12,451
Use of money and property	1,800	1,800	12,497	10,697
Total revenues	41,800	41,800	64,948	23,148
EXPENDITURES				
Current:				
Public safety	78,000	148,000	118,336	29,664
Total expenditures	78,000	148,000	118,336	29,664
Net change in fund balances	\$ (36,200)	\$ (106,200)	(53,388)	\$ 52,812
Fund balances (deficit)-beginning			274,745	
Fund balances (deficit)-ending			\$ 221,357	

CITY OF MANHATTAN BEACH, CALIFORNIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Public Safety Grants Fund

For the Year Ended June 30, 2025

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 185,000	\$ 185,000	\$ 194,664	\$ 9,664
Use of money and property	4,000	4,000	30,195	26,195
Total revenues	189,000	189,000	224,859	35,859
EXPENDITURES				
Current:				
Public safety	215,000	373,032	238,060	134,972
Total expenditures	215,000	373,032	238,060	134,972
Net change in fund balances	\$ (26,000)	\$ (184,032)	(13,201)	\$ 170,831
Fund balances (deficit)-beginning			504,155	
Fund balances (deficit)-ending			\$ 490,954	

CITY OF MANHATTAN BEACH, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Proposition A Fund
For the Year Ended June 30, 2025

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 964,294	\$ 964,294	\$ 899,568	\$ (64,726)
Intergovernmental	-	-	366,957	366,957
Charges for services	3,800	3,800	2,313	(1,487)
Use of money and property	3,000	3,000	62,612	59,612
Miscellaneous	17,500	17,500	-	(17,500)
Total revenues	988,594	988,594	1,331,450	342,856
EXPENDITURES				
Current:				
Culture and recreation	741,634	741,634	624,711	116,923
Capital outlay	-	407,731	-	407,731
Debt service:				
Principal	17,589	17,589	18,956	(1,367)
Interest and fiscal charges	10,194	10,194	10,989	(795)
Total expenditures	769,417	1,276,148	740,020	536,128
Excess (deficiency) of revenues over (under) expenditures	219,177	(287,554)	591,430	878,984
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	(407,731)	(407,731)
Total other financing sources (uses)	-	-	(407,731)	(407,731)
Net change in fund balances	\$ 219,177	\$ (287,554)	183,699	\$ 471,253
Fund balances (deficit)-beginning			1,174,175	
Fund balances (deficit)-ending			\$ 1,357,874	

CITY OF MANHATTAN BEACH, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Proposition C Fund
For the Year Ended June 30, 2025

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 799,856	\$ 799,856	\$ 746,167	\$ (53,689)
Intergovernmental	-	7,027,495	85,456	(6,942,039)
Use of money and property	3,000	3,000	85,946	82,946
Total revenues	802,856	7,830,351	917,569	(6,912,782)
EXPENDITURES				
Current:				
Public works	60,138	60,138	3,099	57,039
Capital outlay	1,000,000	7,660,290	195,827	7,464,463
Total expenditures	1,060,138	7,720,428	198,926	7,521,502
Net change in fund balances	\$ (257,282)	\$ 109,923	718,643	\$ 608,720
Fund balances (deficit)-beginning			1,120,247	
Fund balances (deficit)-ending			\$ 1,838,890	

CITY OF MANHATTAN BEACH, CALIFORNIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

AB 2766 Fund

For the Year Ended June 30, 2025

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 46,000	\$ 46,000	\$ 45,211	\$ (789)
Use of money and property	1,500	1,500	16,575	15,075
Total revenues	47,500	47,500	61,786	14,286
EXPENDITURES				
Current:				
Public works	673	673	672	1
Capital outlay	-	272,755	10,616	262,139
Total expenditures	673	273,428	11,288	262,140
Net change in fund balances	\$ 46,827	\$ (225,928)	50,498	\$ 276,426
Fund balances (deficit)-beginning			280,563	
Fund balances (deficit)-ending			\$ 331,061	

CITY OF MANHATTAN BEACH, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Measure R Fund
For the Year Ended June 30, 2025

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 599,892	\$ 599,892	\$ 559,523	\$ (40,369)
Intergovernmental	350,000	898,250	35,136	(863,114)
Use of money and property	15,000	15,000	122,862	107,862
Total revenues	964,892	1,513,142	717,521	(795,621)
EXPENDITURES				
Current:				
Public works	60,138	60,138	23,321	36,817
Capital outlay	2,410,000	3,583,340	672,289	2,911,051
Total expenditures	2,470,138	3,643,478	695,610	2,947,868
Excess (deficiency) of revenues over (under) expenditures	(1,505,246)	(2,130,337)	21,911	2,152,248
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	8,350	8,350
Total other financing sources (uses)	-	-	8,350	8,350
Net change in fund balances	\$ (1,505,246)	\$ (2,130,337)	30,261	\$ 2,160,598
Fund balances (deficit)-beginning			1,836,877	
Fund balances (deficit)-ending			\$ 1,867,138	

CITY OF MANHATTAN BEACH, CALIFORNIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Measure M Fund

For the Year Ended June 30, 2025

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 679,878	\$ 679,878	\$ 633,921	\$ (45,957)
Intergovernmental	5,823,000	19,264,271	180,619	(19,083,652)
Use of money and property	8,000	8,000	68,939	60,939
Total revenues	6,510,878	19,952,149	883,479	(19,068,670)
EXPENDITURES				
Current:				
Public works	60,138	60,138	71,339	(11,201)
Capital outlay	6,158,000	20,039,762	816,261	19,223,501
Total expenditures	6,218,138	20,106,100	893,600	19,212,500
Net change in fund balances	\$ 292,740	\$ (153,951)	(10,121)	\$ 143,830
Fund balances (deficit)-beginning			1,048,135	
Fund balances (deficit)-ending			\$ 1,038,014	

CITY OF MANHATTAN BEACH, CALIFORNIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Measure W Fund

For the Year Ended June 30, 2025

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 410,000	\$ 410,000	\$ 409,784	\$ (216)
Intergovernmental	-	27,722,279	264,185	(27,458,094)
Use of money and property	1,500	1,500	109,398	107,898
Total revenues	411,500	28,133,779	783,367	(27,350,412)
EXPENDITURES				
Current:				
Public works	-	-	54,005	(54,005)
Capital outlay	100,000	28,071,967	971,386	27,100,581
Total expenditures	100,000	28,071,967	1,025,391	27,046,576
Net change in fund balances	\$ 311,500	\$ 61,812	(242,024)	\$ (303,836)
Fund balances (deficit)-beginning			1,325,566	
Fund balances (deficit)-ending			\$ 1,083,542	

CITY OF MANHATTAN BEACH, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Grants Fund
For the Year Ended June 30, 2025

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 4,945,000	\$ 6,580,849	\$ 177,490	\$ (6,403,359)
Miscellaneous	375,000	375,000	-	(375,000)
Total revenues	5,320,000	6,955,849	177,490	(6,778,359)
EXPENDITURES				
Capital outlay	5,320,000	6,919,849	177,490	6,742,359
Total expenditures	5,320,000	6,919,849	177,490	6,742,359
Net change in fund balances	\$ -	\$ 36,000	-	\$ (36,000)
Fund balances (deficit)-beginning			-	
Fund balances (deficit)-ending			\$ -	

CITY OF MANHATTAN BEACH, CALIFORNIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Capital Improvement Fund

For the Year Ended June 30, 2025

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 1,033,800	\$ 1,033,800	\$ 1,083,296	\$ 49,496
Licenses and permits	10,902	10,902	10,902	-
Intergovernmental	-	400,151	35,957	(364,194)
Charges for services	570,000	570,000	688,803	118,803
Use of money and property	-	-	1,617	1,617
Fines and forfeitures	99,600	99,600	111,036	11,436
Contributions	-	-	30,000	30,000
Total revenues	1,714,302	2,114,453	1,961,611	(152,842)
EXPENDITURES				
Current:				
Public works	184,456	184,456	184,456	-
Capital outlay	4,200,000	24,014,556	15,042,620	8,971,936
Debt service:				
Principal	740,000	740,000	740,000	-
Interest and fiscal charges	425,962	425,962	425,963	(1)
Trustee fees and bond issuance cost	3,650	3,650	5,500	(1,850)
Total expenditures	5,554,068	25,368,624	16,398,539	8,970,085
Excess (deficiency) of revenues over (under) expenditures	(3,839,766)	(23,254,171)	(14,436,928)	8,817,243
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	15,415,471	15,415,471
Total other financing sources (uses)	-	-	15,415,471	15,415,471
Net change in fund balances	\$ (3,839,766)	\$ (23,254,171)	978,543	\$ 24,232,714
Fund balances (deficit)-beginning			12,706,430	
Fund balances (deficit)-ending			\$ 13,684,973	

CITY OF MANHATTAN BEACH, CALIFORNIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Bond Construction Fund

For the Year Ended June 30, 2025

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ -	\$ -	\$ 48,721	\$ 48,721
Total revenues	<u>-</u>	<u>-</u>	<u>48,721</u>	<u>48,721</u>
EXPENDITURES				
Capital outlay	-	60	-	-
Total expenditures	<u>-</u>	<u>60</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (60)</u>	<u>48,721</u>	<u>\$ 48,721</u>
Fund balances (deficit)-beginning			195,152	
Fund balances (deficit)-ending			<u>\$ 243,873</u>	

CITY OF MANHATTAN BEACH, CALIFORNIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Underground Assessment District Fund

For the Year Ended June 30, 2025

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ -	\$ -	\$ 101,126	\$ 101,126
Miscellaneous	-	-	37,582	37,582
Total revenues	-	-	138,708	138,708
EXPENDITURES				
Current:				
Public works	-	1,159,056	262,705	896,351
Total expenditures	-	1,159,056	262,705	896,351
Net change in fund balances	\$ -	\$ (1,159,056)	(123,997)	\$ 1,035,059
Fund balances (deficit)-beginning			1,444,693	
Fund balances (deficit)-ending			\$ 1,320,696	



NONMAJOR ENTERPRISE FUNDS

The Enterprise Funds are used to account for City operations that are financed and operated in a manner similar to private business enterprises. The intent in using this type of fund is to see that the costs of providing these services to the general public on a continuing basis are financed or recovered primarily through user charges.

Storm Drain Fund is used to account for the maintenance and improvement of the City's storm drains. Revenues are derived from a storm drain assessment to property owners, which are based on size and use of the parcel, and collected through the property tax rolls.

County Parking Lot Fund is used to account for the operation and maintenance of parking lots that are owned by Los Angeles County but leased to the City. Proceeds from the meters and parking permits are divided 55% to the county, with an annual guaranteed minimum of \$130,000 and 45% to the City.

State Pier and Parking Lot Fund is used to account for the operation and maintenance of the Manhattan Beach Pier, comfort station and four adjacent parking lots. These properties are owned by the State of California but controlled by the City through an operating agreement.

CITY OF MANHATTAN BEACH, CALIFORNIA
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2025

	Storm Drain	County Parking Lot	State Pier and Parking Lot	Total Other Enterprise Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 4,924,108	\$ 545,373	\$ 1,344,483	\$ 6,813,964
Receivables:				
Accounts	63,725	-	-	63,725
Total current assets	4,987,833	545,373	1,344,483	6,877,689
Noncurrent:				
Capital assets, net	6,579,081	-	-	6,579,081
Total noncurrent assets	6,579,081	-	-	6,579,081
Total assets	11,566,914	545,373	1,344,483	13,456,770
DEFERRED OUTFLOWS OF RESOURCES				
Pension-related	22,532	13,209	11,653	47,394
OPEB-related	18,519	37,037	128,825	184,381
Total deferred outflows of resources	41,051	50,246	140,478	231,775
LIABILITIES				
Current liabilities:				
Accounts payable	430,009	539,963	26,473	996,445
Accrued liabilities	72,560	-	84,113	156,673
Accrued payroll	5,589	3,868	2,994	12,451
Accrued interest	-	-	-	-
Deposits payable	159,068	-	-	159,068
Compensated absences	3,556	4,781	4,510	12,847
Bonds	4,141	1,543	1,543	7,227
Total current liabilities	674,923	550,155	119,633	1,344,711
Noncurrent liabilities:				
Advances from other funds	-	-	450,000	450,000
Compensated absences	14,861	2,708	1,951	19,520
Worker's compensation claims	-	-	-	-
Claims and judgments	-	-	-	-
Leases	-	-	-	-
Subscriptions	-	-	-	-
Bonds	87,029	32,430	32,428	151,887
Net pension liability	18,354	12,367	11,937	42,658
Net OPEB liability	10,026	20,052	69,747	99,825
Total noncurrent liabilities	130,270	67,557	566,063	763,890
Total liabilities	805,193	617,712	685,696	2,108,601
DEFERRED INFLOWS OF RESOURCES				
Pension-related	266	179	173	618
OPEB-related	18,045	36,090	125,531	179,666
Total deferred inflows of resources	18,311	36,269	125,704	180,284
NET POSITION				
Net investment in capital assets	6,579,081	-	-	6,579,081
Unrestricted	4,205,380	(58,362)	673,561	4,820,579
Total net position	\$ 10,784,461	\$ (58,362)	\$ 673,561	\$ 11,399,660

CITY OF MANHATTAN BEACH, CALIFORNIA
Combining Statement of Revenues, Expenses and
Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2025

	Storm Drain	County Parking Lot	State Pier and Parking Lot	Total Other Enterprise Funds
OPERATING REVENUES				
Charges for services	\$ 2,012,811	\$ 1,148,148	\$ 825,439	\$ 3,986,398
Miscellaneous	-	-	586	586
Total operating revenues	2,012,811	1,148,148	826,025	3,986,984
OPERATING EXPENSES				
Salaries	171,092	69,117	52,099	292,308
Employee benefits	44,550	27,086	39,483	111,119
Contract for professional services	519,342	79,460	232,225	831,027
Materials and services	741,289	56,651	370,612	1,168,552
Utilities	33,715	5,865	18,757	58,337
Administrative service charges	194,712	37,356	44,172	276,240
Internal services	2,676	5,568	8,856	17,100
Leases and rents	-	631,482	-	631,482
Depreciation/amortization	105,722	-	-	105,722
Total operating expenses	1,813,098	912,585	766,204	3,491,887
Operating income (loss)	199,713	235,563	59,821	495,097
NONOPERATING REVENUES (EXPENSES)				
Interest revenue	230,134	-	127,819	357,953
Interest expense	(2,379)	(886)	(886)	(4,151)
Total nonoperating revenues (expenses)	227,755	(886)	126,933	353,802
Income (loss) before transfers	427,468	234,677	186,754	848,899
Transfers out	(19,436)	(242,312)	(7,239)	(268,987)
Change in net position	408,032	(7,635)	179,515	579,912
Net position-beginning	10,386,089	(45,277)	499,428	10,840,240
Restatements	(9,660)	(5,450)	(5,382)	(20,492)
Net position-beginning (as restated)	10,376,429	(50,727)	494,046	10,819,748
Net position-ending	\$ 10,784,461	\$ (58,362)	\$ 673,561	\$ 11,399,660

CITY OF MANHATTAN BEACH, CALIFORNIA
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2025

	Business-Type Activities			
	Storm Drain	County Parking Lot	State Pier and Parking Lot	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 2,009,208	\$ 1,148,148	\$ 825,439	\$ 3,982,795
Payments to suppliers and service providers	(1,200,759)	(756,994)	(1,104,393)	(3,062,146)
Payments to employees for salaries and benefits	(199,680)	(87,027)	(65,125)	(351,832)
Other receipts (payments)	-	-	586	586
Net cash provided by (used for) operating activities	608,769	304,127	(343,493)	569,403
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers to other funds	(19,436)	(242,312)	(7,239)	(268,987)
Principal paid on non-capital debt	(4,102)	(1,528)	(1,529)	(7,159)
Interest paid on on-capital debt	(2,379)	(886)	(886)	(4,151)
Payments to other funds on interfund borrowings	-	-	(225,000)	(225,000)
Net cash provided by (used for) noncapital financing activities	(25,917)	(244,726)	(234,654)	(505,297)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(1,001,046)	-	-	(1,001,046)
Net cash provided by (used for) capital and related financing activities	(1,001,046)	-	-	(1,001,046)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	230,134	-	127,819	357,953
Net cash provided by (used for) investing activities	230,134	-	127,819	357,953
Net increase (decrease) in cash and cash equivalents	(188,060)	59,401	(450,328)	(578,987)
Cash and cash equivalents-beginning	5,112,168	485,972	1,794,811	7,392,951
Cash and cash equivalents-ending	\$ 4,924,108	\$ 545,373	\$ 1,344,483	\$ 6,813,964
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES				
Operating income (loss)	\$ 199,713	\$ 235,563	\$ 59,821	\$ 495,097
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation/amortization expense	105,722	-	-	105,722
(Increase) decrease in accounts receivable	(56,809)	-	-	(56,809)
Increase (decrease) in accounts payable	218,415	55,520	(441,560)	(167,625)
Increase (decrease) in accrued liabilities	78,149	3,868	14,783	96,800
Increase (decrease) in deposits payable	53,206	-	-	53,206
Increase (decrease) in compensated absences	8,757	2,039	1,079	11,875
Increase (decrease) in net pension liability and related items	(1,257)	1,390	2,394	2,527
Increase (decrease) in net OPEB liability and related items	2,873	5,747	19,990	28,610
Total adjustments	409,056	68,564	(403,314)	74,306
Net cash provided by (used for) operating activities	\$ 608,769	\$ 304,127	\$ (343,493)	\$ 569,403

INTERNAL SERVICE FUNDS

Internal Service Funds have been established to finance, administer and account for the provision of goods and services to all funds and all departments on a cost-reimbursement basis.

Insurance Reserve Fund is used to account for the City's self-insured workers' compensation and general liability programs. The fund collects premiums from departments based on claims history.

Information Systems Fund is used to account for the operation, maintenance and replacement of the City's Information Systems including the citywide network and related hardware and software. Revenues are generated from charges to departments based on the number of PCs in use.

Fleet Management Fund is used to account for the operation, maintenance and replacement of City vehicles. Revenues are generated from vehicle rental charges to departments based upon the number, type and age of vehicles utilized.

Building Maintenance and Operations Fund is used to account for the operation and maintenance of certain City facilities. Revenues are generated by charges to user departments based on the number of personnel in the department.

CITY OF MANHATTAN BEACH, CALIFORNIA
Combining Statement of Net Position
Internal Service Funds
June 30, 2025

	Insurance Reserve	Information Systems	Fleet Management	Building Maintenance and Operations	Total Internal Service Funds
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 17,643,412	\$ 1,580,300	\$ 1,897,707	\$ 235,942	\$ 21,357,361
Receivables:					
Accounts	76	19	33,990	-	34,085
Inventories	-	-	-	86,581	86,581
Prepays	-	27,566	-	-	27,566
Total current assets	17,643,488	1,607,885	1,931,697	322,523	21,505,593
Noncurrent:					
Capital assets, net	-	67,399	8,866,317	155,385	9,089,101
Total noncurrent assets	-	67,399	8,866,317	155,385	9,089,101
Total assets	17,643,488	1,675,284	10,798,014	477,908	30,594,694
DEFERRED OUTFLOWS OF RESOURCES					
Pension-related	116,412	366,905	76,314	134,088	693,719
OPEB-related	64,414	85,348	6,442	6,442	162,646
Total deferred outflows of resources	180,826	452,253	82,756	140,530	856,365
LIABILITIES					
Current liabilities:					
Accounts payable	70,714	144,533	90,849	181,957	488,053
Accrued liabilities	23,110	72,867	12,598	27,462	136,037
Accrued interest	-	83	-	-	83
Worker's compensation claims	9,360,860	-	-	-	9,360,860
Claims and judgments	1,828,171	-	-	-	1,828,171
Compensated absences	46,061	93,433	27,967	27,794	195,255
Leases	-	-	-	33,678	33,678
Subscriptions	-	17,959	-	-	17,959
Bonds	21,774	67,937	19,434	26,522	135,667
Total current liabilities	11,350,690	396,812	150,848	297,413	12,195,763
Noncurrent liabilities:					
Compensated absences	25,781	168,687	-	-	194,468
Worker's compensation claims	7,100,500	-	-	-	7,100,500
Claims and judgments	903,500	-	-	-	903,500
Leases	-	-	-	122,494	122,494
Subscriptions	-	18,447	-	-	18,447
Bonds	457,649	1,427,898	408,474	557,433	2,851,454
Net pension liability	131,161	427,990	94,406	162,563	816,120
Net OPEB liability	34,873	46,207	3,487	3,487	88,054
Total noncurrent liabilities	8,653,464	2,089,229	506,367	845,977	12,095,037
Total liabilities	20,004,154	2,486,041	657,215	1,143,390	24,290,800
DEFERRED INFLOWS OF RESOURCES					
Pension-related	1,900	6,200	1,368	2,355	11,823
OPEB-related	62,766	83,165	6,277	6,277	158,485
Total deferred inflows of resources	64,666	89,365	7,645	8,632	170,308
NET POSITION					
Net investment in capital assets	-	30,993	8,866,317	-	8,897,310
Unrestricted	(2,244,506)	(478,862)	1,349,593	(533,584)	(1,907,359)
Total net position	\$ (2,244,506)	\$ (447,869)	\$ 10,215,910	\$ (533,584)	\$ 6,989,951

CITY OF MANHATTAN BEACH, CALIFORNIA
Combining Statement of Revenues, Expenses and
Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2025

	Insurance Reserve	Information Systems	Fleet Management	Building Maintenance and Operations	Total Internal Service Funds
OPERATING REVENUES					
Interdepartmental charges for services	\$ 10,309,294	\$ 4,660,056	\$ 2,967,860	\$ 2,637,465	\$ 20,574,675
Miscellaneous	-	857	135,298	-	136,155
Total operating revenues	10,309,294	4,660,913	3,103,158	2,637,465	20,710,830
OPERATING EXPENSES					
Salaries	450,796	1,422,718	237,244	629,919	2,740,677
Employee benefits	164,268	511,272	106,676	253,925	1,036,141
Contract for professional services	242,041	1,145,823	331,094	878,576	2,597,534
Materials and services	844,189	1,521,292	733,806	685,317	3,784,604
Utilities	39	260	-	155,070	155,369
Claims	10,305,085	-	-	-	10,305,085
Depreciation/amortization	-	35,489	950,644	42,938	1,029,071
Total operating expenses	12,006,418	4,636,854	2,359,464	2,645,745	21,648,481
Operating income (loss)	(1,697,124)	24,059	743,694	(8,280)	(937,651)
NONOPERATING REVENUES (EXPENSES)					
Interest and fiscal charges	(12,509)	(40,171)	(11,239)	(15,236)	(79,155)
Gain (loss) on disposal of capital assets	-	-	106,540	-	106,540
Total nonoperating revenues (expenses)	(12,509)	(40,171)	95,301	(15,236)	27,385
Income (loss) before transfers	(1,709,633)	(16,112)	838,995	(23,516)	(910,266)
Transfers in	-	-	792,150	-	792,150
Transfers out	-	-	(8,350)	(518)	(8,868)
Change in net position	(1,709,633)	(16,112)	1,622,795	(24,034)	(126,984)
Net position-beginning	(468,825)	(231,742)	8,608,351	(456,122)	7,451,662
Restatements	(66,048)	(200,015)	(15,236)	(53,428)	(334,727)
Net position-beginning, restated	(534,873)	(431,757)	8,593,115	(509,550)	7,116,935
Net position-ending	\$ (2,244,506)	\$ (447,869)	\$ 10,215,910	\$ (533,584)	\$ 6,989,951

CITY OF MANHATTAN BEACH, CALIFORNIA
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2025

	Insurance Reserve	Information Systems	Fleet Management	Building Maintenance and Operations	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from interfund charges	\$ 10,309,270	\$ 4,660,894	\$ 3,080,734	\$ 2,637,465	\$ 20,688,363
Payments to suppliers and service providers	(1,032,350)	(2,684,003)	(1,504,432)	(1,712,693)	(6,933,478)
Payments to employees for salaries and benefits	(541,420)	(1,648,492)	(287,790)	(825,003)	(3,302,705)
Other receipts (payments)	(10,829,862)	-	-	-	(10,829,862)
Net cash provided by (used for) operating activities	(2,094,362)	328,399	1,288,512	99,769	(377,682)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers from other funds	-	-	792,150	-	792,150
Transfers to other funds	-	-	(8,350)	(518)	(8,868)
Principal paid on noncapital debt	(21,578)	(67,325)	(19,260)	(26,282)	(134,445)
Interest paid on noncapital debt	(12,509)	(40,171)	(11,239)	(15,236)	(79,155)
Net cash provided by (used for) noncapital financing activities	(34,087)	(107,496)	753,301	(42,036)	569,682
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from capital debt	-	-	-	175,797	175,797
Acquisition and construction of capital assets	-	(55,356)	(3,892,196)	(175,798)	(4,123,350)
Principal paid on capital debt	-	2,465	(7,187)	(42,598)	(47,320)
Interest paid on capital debt	-	(1,804)	(413)	-	(2,217)
Proceeds from sales of assets	-	-	106,540	-	106,540
Net cash provided by (used for) capital and related financing activities	-	(54,695)	(3,793,256)	(42,599)	(3,890,550)
Net increase (decrease) in cash and cash equivalents	(2,128,449)	166,208	(1,751,443)	15,134	(3,698,550)
Cash and cash equivalents-beginning	19,771,861	1,414,092	3,649,150	220,808	25,055,911
Cash and cash equivalents-ending	\$ 17,643,412	\$ 1,580,300	\$ 1,897,707	\$ 235,942	\$ 21,357,361
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES					
Operating income (loss)	\$ (1,697,124)	\$ 24,059	\$ 743,694	\$ (8,280)	\$ (937,651)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation/amortization expense	-	35,489	950,644	42,938	1,029,071
(Increase) decrease in accounts receivable	(24)	(19)	(22,424)	-	(22,467)
(Increase) decrease in inventories	-	-	-	18,838	18,838
(Increase) decrease in prepaid items	-	(27,566)	-	-	(27,566)
Increase (decrease) in accounts payable	53,919	10,938	(439,532)	(12,568)	(387,243)
Increase (decrease) in accrued liabilities	23,110	72,867	12,598	27,462	136,037
Increase (decrease) in compensated absences	5,794	62,105	12,731	(25,634)	54,996
Increase (decrease) in claims and judgments	(524,777)	-	-	-	(524,777)
Increase (decrease) in pension and related items	34,746	137,283	29,802	56,014	257,845
Increase (decrease) in OPEB and related items	9,994	13,243	999	999	25,235
Total adjustments	(397,238)	304,340	544,818	108,049	\$ 559,969
Net cash provided by (used for) operating activities	\$ (2,094,362)	\$ 328,399	\$ 1,288,512	\$ 99,769	\$ (377,682)

STATISTICAL SECTION





Statistical Section (Unaudited)

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

Contents

Exhibits

Financial Trends

A-2 to A-5

These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.

Revenue Capacity

A-6 to A-14

These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property and sales taxes.

Debt Capacity

A-15 to A-18

These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.

Demographic and Economic Information

A-19 to A-21

These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time and with other governments.

Operating & Other Information

A-22 to A-25

These schedules contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the city provides and the activities it performs.

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. Where ever possible and practical the City provided historical data as far back as ten years.*



Statistical Section

Financial Trends

These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.

CITY OF MANHATTAN BEACH, CALIFORNIA
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Governmental activities					
Net Investment in capital assets	\$ 102,028,495	\$ 103,345,895	\$ 103,659,026	\$ 111,406,609	\$113,205,816
Restricted:					
Debt Service & Restricted Cash	12,586	-	-	-	-
Special Revenue Funds	10,784,745	11,329,103	9,897,701	7,004,222	20,404,297
Post-Employment Benefits	-	-	763,621	1,068,946	1,365,844
Total Restricted	10,797,331	11,329,103	10,661,322	8,073,168	21,770,141
Unrestricted (1,2,3)	(15,597,553)	(16,091,037)	(14,862,095)	(19,756,174)	(29,141,204)
Total governmental activities net position	<u>\$ 97,228,273</u>	<u>\$ 98,583,961</u>	<u>\$ 99,458,253</u>	<u>\$ 99,723,603</u>	<u>\$105,834,753</u>
Business-type activities					
Net Investment in capital assets	\$ 40,621,092	\$ 42,329,262	\$ 43,188,261	\$ 43,807,896	\$ 47,574,700
Restricted:					
Business Improvement district	541,863	552,266	553,653	571,598	508,505
Debt Service & Restricted Cash	-	-	-	-	-
Total Restricted	541,863	552,266	553,653	571,598	508,505
Unrestricted	38,979,894	43,669,078	48,387,171	56,303,666	60,652,282
Total business-type activities net position	<u>\$ 80,142,849</u>	<u>\$ 86,550,606</u>	<u>\$ 92,129,085</u>	<u>\$ 100,683,160</u>	<u>\$108,735,487</u>
Primary government					
Net Investment in capital assets	\$ 142,649,587	\$ 145,675,157	\$ 146,847,287	\$ 155,214,505	\$160,780,516
Restricted:					
Business Improvement district	541,863	552,266	553,653	571,598	508,505
Debt Service & Restricted Cash	12,586	-	-	-	-
Special Revenue Funds	10,784,745	11,329,103	9,897,701	7,004,222	20,404,297
Post-Employment Benefits	-	-	763,621	1,068,946	1,365,844
Total Restricted	554,449	552,266	11,214,975	8,644,766	22,278,646
Unrestricted	23,382,341	27,578,041	33,525,076	36,547,492	31,511,078
Total primary government net position	<u>\$ 166,586,377</u>	<u>\$ 173,805,464</u>	<u>\$ 191,587,338</u>	<u>\$ 200,406,763</u>	<u>\$214,570,240</u>

(1) Starting in Fiscal Year ending June 30, 2015, activities reflect pension expense in accordance with GASB 68.

(2) Starting in Fiscal Year ending June 30, 2018, activities reflect OPEB pronouncements in accordance with GASB 75.

(3) Starting in Fiscal Year ending June 30, 2022, activities reflect pronouncements in accordance with GASB 87.

Exhibit A-2

Fiscal Year Ending				
<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 110,223,781	\$ 105,850,112	\$ 114,823,240	\$ 126,578,644	\$ 145,294,713
-	1,113,451	1,102,123	1,083,533	1,059,081
11,034,877	11,872,909	1,693,107	13,308,020	14,927,419
<u>1,820,529</u>	<u>1,603,036</u>	<u>1,721,763</u>	<u>3,599,985</u>	<u>4,711,798</u>
12,855,406	14,589,396	4,516,993	17,991,538	20,698,298
<u>(31,912,766)</u>	<u>35,958,046</u>	<u>1,734,171</u>	<u>(31,962,853)</u>	<u>(51,230,522)</u>
<u>\$ 91,166,421</u>	<u>\$ 156,397,554</u>	<u>\$ 121,074,404</u>	<u>\$ 112,607,329</u>	<u>\$ 114,762,489</u>
\$ 59,896,315	\$ 75,545,929	\$ 89,903,527	\$ 95,964,968	\$ 98,549,824
420,300	390,867	373,149	362,020	364,628
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
420,300	390,867	373,149	362,020	364,628
<u>51,521,530</u>	<u>41,343,066</u>	<u>34,014,426</u>	<u>36,046,848</u>	<u>38,641,705</u>
<u>\$ 111,838,145</u>	<u>\$ 117,279,862</u>	<u>\$ 124,291,102</u>	<u>\$ 132,373,836</u>	<u>\$ 137,556,157</u>
\$ 170,120,096	\$ 181,396,041	\$ 204,726,767	\$ 222,543,612	\$ 243,844,537
420,300	390,867	373,149	362,020	364,628
-	1,113,451	1,102,123	1,083,533	1,059,081
11,034,877	11,872,909	1,693,107	13,308,020	14,927,419
<u>1,820,529</u>	<u>1,603,036</u>	<u>1,721,763</u>	<u>3,599,985</u>	<u>4,711,798</u>
13,275,706	14,980,263	4,890,142	18,353,558	21,062,926
<u>19,608,764</u>	<u>77,301,112</u>	<u>35,748,597</u>	<u>4,083,995</u>	<u>(12,588,817)</u>
<u>\$ 203,004,566</u>	<u>\$ 273,677,416</u>	<u>\$ 245,365,506</u>	<u>\$ 244,981,165</u>	<u>\$ 252,318,646</u>

CITY OF MANHATTAN BEACH, CALIFORNIA

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year Ending				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Expenses					
Governmental activities:					
General government	\$ 13,318,679	\$ 13,812,252	\$ 15,510,329	\$ 15,887,856	\$ 17,765,606
Public Safety	37,458,469	41,381,149	43,350,463	46,314,516	49,316,528
Culture and recreation	8,476,953	9,020,080	9,895,447	9,922,148	8,580,759
Public Works	8,396,503	9,572,971	10,188,714	10,805,410	18,749,101
Interest on long-term debt	416,551	616,179	465,472	439,858	415,642
Total governmental activities expenses	68,067,155	74,402,631	79,410,425	83,369,788	94,827,636
Business-type activities:					
Water	9,851,136	10,729,445	11,305,635	12,141,933	11,996,331
Stormwater	1,117,244	1,005,835	1,657,886	1,052,389	1,122,871
Wastewater	1,383,922	1,430,253	1,454,510	1,754,562	1,780,379
Refuse	4,110,197	3,999,131	4,223,690	4,109,233	4,241,681
Parking	4,000,175	3,785,249	4,463,751	3,561,198	3,471,329
Total business-type activities expenses	20,462,674	20,949,913	23,105,472	22,619,315	22,612,591
Total primary government expenses	\$ 88,529,829	\$ 95,352,544	\$ 102,515,897	\$ 105,989,103	\$ 117,440,227
Program Revenues					
Governmental activities:					
Charges for services:					
General Government	\$ 5,859,027	\$ 7,099,310	\$ 4,198,331	\$ 6,495,480	\$ 5,638,942
Public Safety	4,182,052	4,173,082	4,586,742	3,538,806	3,418,760
Culture and recreation	3,135,249	3,420,580	3,731,563	3,757,047	3,164,582
Public works	4,253,809	5,293,202	6,831,671	5,540,348	4,752,704
Operating grants and contributions	1,587,534	2,304,536	3,253,902	2,190,097	2,800,719
Capital grants and contributions	2,316,956	1,850,921	2,461,094	4,046,717	22,682,418
Total governmental activities program revenues	21,334,627	24,141,631	25,063,303	25,568,495	42,458,125
Business-type activities:					
Charges for services:					
Water	14,514,443	14,670,316	15,527,415	15,424,972	15,348,975
Stormwater	345,736	348,880	349,888	350,106	343,406
Wastewater	3,281,179	3,293,933	3,417,772	3,462,973	3,599,946
Refuse	4,242,316	4,205,361	4,306,957	4,131,074	4,474,113
Parking	3,828,054	3,715,624	3,862,585	4,439,452	4,326,827
Operating grants and contributions	19,611	9,353	331,705	117,833	23,090
Capital grants and contributions	850,000	-	-	-	-
Total business-type activities program revenues	27,081,339	26,243,467	27,796,322	27,926,410	28,116,357
Total primary government program revenues	\$ 48,415,966	\$ 50,385,098	\$ 52,859,625	\$ 53,494,905	\$ 70,574,482

Source: City of Manhattan Beach Finance Department

Exhibit A-3

Fiscal Year Ending				
<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 17,133,923	\$ 14,917,102	\$ 18,744,766	\$ 20,658,755	\$ 21,890,491
49,746,507	(8,739,663)	93,202,238	68,071,122	62,301,498
7,966,453	8,399,151	10,217,475	11,262,864	11,705,634
26,157,349	17,978,786	16,215,433	16,407,350	16,331,137
678,619	2,877,188	2,613,946	2,515,534	2,695,310
101,682,851	35,432,564	140,993,858	118,915,625	114,924,070
13,820,298	12,575,813	14,223,441	14,223,442	16,234,081
1,451,533	1,780,079	1,243,978	1,243,978	1,815,477
1,845,203	1,959,843	2,798,030	2,798,023	3,026,350
-	-	-	-	-
4,557,379	4,119,341	5,486,353	5,486,349	6,701,144
21,674,413	20,435,076	23,751,802	23,751,792	27,777,052
\$ 123,357,264	\$ 55,867,640	\$ 164,745,660	\$ 142,667,417	\$ 142,701,122
\$ 9,555,217	\$ 8,737,206	\$ 4,682,620	\$ 5,000,111	\$ 5,117,728
3,497,543	4,145,094	4,479,503	4,623,538	6,124,100
2,104,003	3,675,974	4,510,778	4,615,812	5,001,986
5,819,113	7,112,774	6,384,078	7,242,420	7,728,776
813,280	1,578,282	4,778,148	2,017,113	1,443,051
7,465,878	6,356,153	3,111,998	3,192,377	2,812,465
29,255,034	31,605,483	27,947,125	26,691,371	28,228,106
15,705,887	15,108,592	14,376,165	15,770,377	18,099,187
308,133	336,494	765,627	357,941	2,012,811
3,592,183	3,556,257	3,274,511	3,619,564	4,305,931
-	-	-	-	-
5,458,430	6,784,740	6,196,956	6,172,819	6,456,014
-	-	-	103,860	-
-	-	-	-	-
25,064,633	25,786,083	24,613,259	26,024,561	30,873,943
\$ 54,319,667	\$ 57,391,566	\$ 52,560,384	\$ 52,715,932	\$ 59,102,049

CITY OF MANHATTAN BEACH, CALIFORNIA

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year Ending				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Net (Expense)/Revenue					
Governmental activities (1,2)	\$ (46,732,528)	\$ (50,261,000)	\$ (54,347,122)	\$ (57,801,293)	\$ (52,369,511)
Business-type activities (1,2)	6,618,665	5,293,554	4,690,850	5,307,095	5,503,766
Total primary government net expense	<u>\$ (40,113,863)</u>	<u>\$ (44,967,446)</u>	<u>\$ (49,656,272)</u>	<u>\$ (52,494,198)</u>	<u>\$ (46,865,745)</u>
General Revenues and Other Changes					
Governmental activities:					
Taxes					
Property taxes	\$ 26,344,276	\$ 28,215,709	\$ 30,318,225	\$ 32,107,341	\$ 34,002,017
Sales taxes	8,826,767	9,088,502	9,083,389	9,734,444	8,817,192
Transient occupancy tax	5,139,425	5,201,518	4,429,080	5,140,858	4,203,026
Motor vehicle in lieu tax	14,430	15,812	18,680	17,276	28,431
Business license tax	3,475,792	3,658,194	3,718,418	4,053,020	3,652,228
Franchise taxes	1,439,957	1,256,125	1,262,037	1,234,752	1,167,345
Real estate transfer taxes	850,974	776,298	788,203	1,013,516	1,102,815
Rental income	3,028,151	3,299,373	2,402,463	3,394,762	2,815,741
Investment earnings	841,905	195,755	413,405	2,352,641	2,683,390
Other	809,976	724,240	10,345	27,943	42,997
Special Items (3)					
Transfers	(643,506)	(814,838)	(735,737)	(1,009,910)	(34,521)
Total governmental activities	<u>50,128,147</u>	<u>51,616,688</u>	<u>51,708,508</u>	<u>58,066,643</u>	<u>58,480,661</u>
Business-type activities:					
Investment earnings	479,475	70,885	224,471	2,237,070	2,554,232
Transfers	643,506	814,838	735,737	1,009,910	34,521
Special Items (3)	-	-	-	-	-
Other	60,678	258,030	2,580	-	76,430
Total business-type activities	<u>1,183,659</u>	<u>1,143,753</u>	<u>962,788</u>	<u>3,246,980</u>	<u>2,665,183</u>
Total primary government	<u>\$ 51,311,806</u>	<u>\$ 52,760,441</u>	<u>\$ 52,671,296</u>	<u>\$ 61,313,623</u>	<u>\$ 61,145,844</u>
Change in Net Position					
Governmental activities	\$ 3,395,619	\$ 1,355,688	\$ (2,638,614)	\$ 265,350	\$ 6,111,150
Business-type activities	<u>7,802,324</u>	<u>6,437,307</u>	<u>5,653,638</u>	<u>8,554,075</u>	<u>8,168,949</u>
Total primary government	<u>\$ 11,197,943</u>	<u>\$ 7,792,995</u>	<u>\$ 3,015,024</u>	<u>\$ 8,819,425</u>	<u>\$ 14,280,099</u>

(1) Starting in Fiscal Year ending June 30, 2015, activities reflect pension expense in accordance with GASB 68

(2) Starting in Fiscal Year ending June 30, 2018, activities reflect OPEB pronouncements in accordance with GASB 75

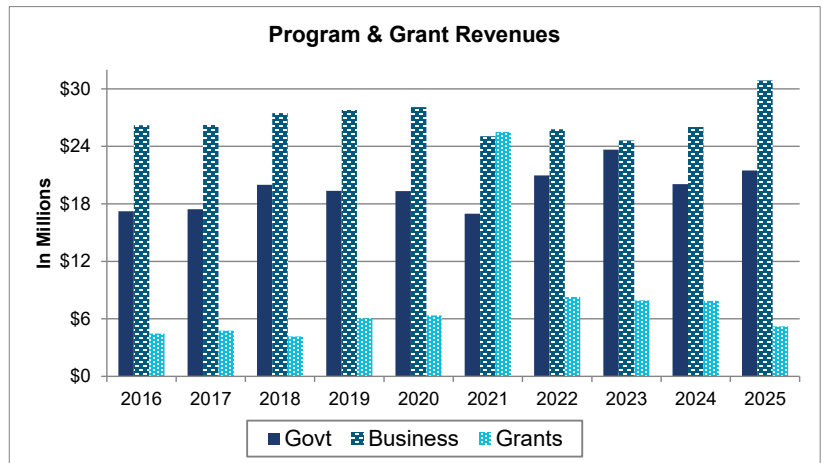
(3) Special Items in FY 2021 recorded the transfer of net pension and OPEB liabilities and related outflows/inflows due to the closure of the Refuse fund.

Exhibit A-3
Continued

Fiscal Year Ending				
<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ (72,427,817)	\$ (3,827,081)	\$ (113,046,733)	\$ (92,224,254)	\$ (86,695,964)
3,390,220	5,351,007	861,457	2,272,769	3,096,891
<u>\$ (69,037,597)</u>	<u>\$ 1,523,926</u>	<u>\$ (112,185,276)</u>	<u>\$ (89,951,485)</u>	<u>\$ (83,599,073)</u>
\$ 37,598,821	\$ 39,491,986	\$ 41,836,587	\$ 43,851,831	\$ 45,757,094
10,088,430	13,217,943	14,267,013	13,985,150	15,877,679
2,802,514	6,464,049	7,584,021	9,797,116	10,132,620
-	-	-	-	-
3,755,555	5,175,626	4,935,627	5,422,317	5,589,153
1,189,086	1,217,755	1,296,708	1,435,830	1,183,181
1,842,571	1,839,059	1,167,944	1,231,040	1,506,215
2,339,670	3,073,065	3,786,275	4,538,328	4,065,670
141,900	(1,922,527)	1,043,766	3,374,272	4,314,164
1,440,844	2,152,318	1,164,833	734,724	1,227,980
(148,434)	-	-	-	-
421,631	(1,651,060)	(547,908)	(1,304,507)	343,174
<u>61,472,588</u>	<u>69,058,214</u>	<u>76,534,866</u>	<u>83,066,101</u>	<u>89,996,930</u>
(21,070)	(1,458,512)	406,776	2,311,719	2,525,741
(421,631)	1,651,060	547,908	1,304,507	(343,174)
148,434	-	-	-	-
55,826	396,132	-	-	-
<u>(238,441)</u>	<u>588,680</u>	<u>954,684</u>	<u>3,616,226</u>	<u>2,182,567</u>
<u>\$ 61,234,147</u>	<u>\$ 69,646,894</u>	<u>\$ 77,489,550</u>	<u>\$ 86,682,327</u>	<u>\$ 92,179,497</u>
\$ (10,955,229)	\$ 65,231,133	\$ (36,511,867)	\$ (9,158,153)	\$ 3,300,966
3,151,779	5,939,687	1,816,141	5,888,995	5,279,458
<u>\$ (7,803,450)</u>	<u>\$ 71,170,820</u>	<u>\$ (34,695,726)</u>	<u>\$ (3,269,158)</u>	<u>\$ 8,580,424</u>

CITY OF MANHATTAN BEACH, CALIFORNIA
Program Revenues by Function/Program,
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2016	2017	2018	2019	2020
Program Revenues					
Governmental activities:					
Charges for services:					
General Government	\$ 5,859,027	\$ 7,099,310	\$ 4,198,331	\$ 6,495,480	\$ 5,638,942
Public Safety	4,182,052	4,173,082	4,586,742	3,538,806	3,418,760
Culture and recreation	3,135,249	3,420,580	3,731,563	3,757,047	3,164,582
Public works	4,253,809	5,293,202	6,831,671	5,540,348	4,752,704
Operating grants and contributions	1,587,534	2,304,536	3,253,902	2,190,097	2,800,719
Capital grants and contributions	2,316,956	1,850,921	2,461,094	4,046,717	22,682,418
Total governmental activities program revenues	21,334,627	24,141,631	25,063,303	25,568,495	42,458,125
Business-type activities:					
Charges for services:					
Water	14,514,443	14,670,316	15,527,415	15,424,972	15,348,975
Stormwater	345,736	348,880	349,888	350,106	343,406
Wastewater	3,281,179	3,293,933	3,417,772	3,462,973	3,599,946
Refuse	4,242,316	4,205,361	4,306,957	4,131,074	4,474,113
Parking	3,828,054	3,715,624	3,862,585	4,439,452	4,326,827
Operating grants and contributions	19,611	9,353	331,705	117,833	23,090
Capital grants and contributions	850,000	-	-	-	-
Total business-type activities program revenues	27,081,339	26,243,467	27,796,322	27,926,410	28,116,357
Total primary government program revenues	\$ 48,415,966	\$ 50,385,098	\$ 52,859,625	\$ 53,494,905	\$ 70,574,482



Source: City of Manhattan Beach Finance Department

CITY OF MANHATTAN BEACH, CALIFORNIA
Program Revenues by Function/Program,
Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit A-4

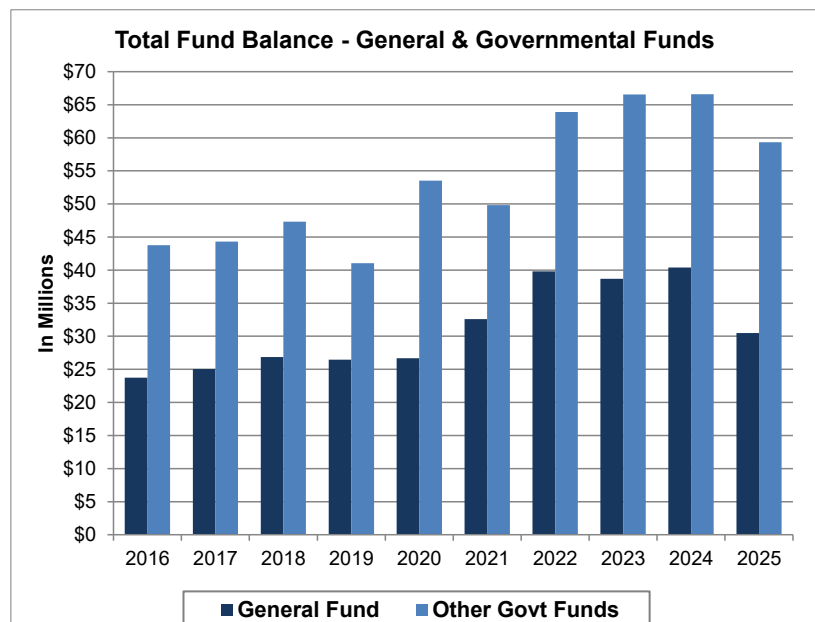
	Fiscal Year				
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General Government	\$ 9,555,217	\$ 8,737,206	\$ 4,682,620	\$ 5,000,111	\$ 5,117,728
Public Safety	3,497,543	4,145,094	4,479,503	4,623,538	6,124,100
Culture and recreation	2,104,003	3,675,974	4,510,778	4,615,812	5,001,986
Public works	5,819,113	7,112,774	6,384,078	7,242,420	7,728,776
Operating grants and contributions	813,280	1,578,282	4,778,148	2,017,113	1,443,051
Capital grants and contributions	7,465,878	6,356,153	3,111,998	3,192,377	2,812,465
Total governmental activities program revenues	29,255,034	31,605,483	27,947,125	26,691,371	28,228,106
Business-type activities:					
Charges for services:					
Water	15,705,887	15,108,592	14,376,165	15,770,377	18,099,187
Stormwater	308,133	336,494	765,627	357,941	2,012,811
Wastewater	3,592,183	3,556,257	3,274,511	3,619,564	4,305,931
Refuse	-	-	-	-	-
Parking	5,458,430	6,784,740	6,196,956	6,172,819	6,456,014
Operating grants and contributions	-	-	-	103,860	-
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	25,064,633	25,786,083	24,613,259	26,024,561	30,873,943
Total primary government program revenues	\$ 54,319,667	\$ 57,391,566	\$ 52,560,384	\$ 52,715,932	\$ 59,102,049

Source: City of Manhattan Beach Finance Department

Source: City of Manhattan Beach Finance department historical ACFRs

CITY OF MANHATTAN BEACH, CALIFORNIA
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ending				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Fund					
Nonspendable					
Inventory	\$ -	\$ -	\$ -	\$ 7,167	\$ 22,915
Prepaid costs	82,138	133,786	753,765	684,023	50,207
Notes and loans	3,771,864	1,546,266	1,494,268	-	-
Leases receivable	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Restricted					
Post-employment benefits	-	-	763,621	1,068,946	1,365,844
Debt service & restricted cash	12,586	-	-	-	-
Committed					
School safety/security	-	-	1,000,000	-	-
Assigned to City Retirement Plans	-	-	-	-	130,114
Unassigned	19,883,693	23,367,583	22,860,400	24,694,460	25,117,005
Total General fund	23,750,281	25,047,635	26,872,054	26,454,596	26,686,085
All Other Governmental Funds					
Nonspendable					
Notes and loans	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Restricted					
Public safety	873,595	809,361	730,541	724,355	696,359
Culture and recreation	-	-	-	-	87,389
Public works	5,272,830	5,495,829	348,127	44,857	11,082,956
Capital projects	4,638,320	5,023,913	8,819,033	6,235,010	8,537,593
Debt service	-	-	-	-	-
Committed					
Capital projects	9,270,230	7,961,065	10,569,488	7,598,135	6,430,018
Unassigned	(22,488)	(22,488)	-	-	-
Total all other governmental funds	20,032,487	19,267,680	20,467,189	14,602,357	26,834,315
Total all governmental funds	\$ 43,782,768	\$ 44,315,315	\$ 47,339,243	\$ 41,056,953	\$ 53,520,400



Source: City of Manhattan Beach Finance department historical ACFRs

CITY OF MANHATTAN BEACH, CALIFORNIA
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

Exhibit A-5

	Fiscal Year Ending				
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
General Fund					
Nonspendable					
Inventory	\$ 4,285	\$ 6,010	\$ 3,510	\$ 2,099	\$ 11,366
Prepaid costs	1,978	13,585	646,818	56,494	1,031,544
Notes and loans	555,299	200,064	98,321	49,088	25,688
Leases receivable	-	-	379,443	541,859	-
Advances to other funds	-	-	-	-	-
Restricted					
Post-employment benefits	1,820,529	1,603,036	1,721,763	3,599,985	4,711,798
Debt service & restricted cash	-	1,113,451	1,102,123	1,083,533	1,059,081
Committed					
School safety/security	-	-	-	-	-
Assigned to City Retirement Plans	92,390	58,007	58,120	57,289	24,925
Unassigned	30,136,420	36,823,324	34,675,754	34,991,414	23,617,324
Total General fund	32,610,901	39,817,477	38,685,852	40,381,761	30,481,726
All Other Governmental Funds					
Nonspendable					
Notes and loans	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Restricted					
Public safety	545,290	549,448	548,830	778,900	712,311
Culture and recreation	434,597	688,527	906,241	1,174,175	1,357,874
Public works	4,457,737	283,245	310,996	302,406	331,061
Capital projects	5,597,283	10,351,689	12,035,029	11,052,539	12,526,173
Debt service	-	-	-	-	-
Committed					
Capital projects	6,193,057	12,224,799	14,085,698	12,901,582	13,928,846
Unassigned	-	-	-	-	-
Total all other governmental funds	17,227,964	24,097,708	27,886,794	26,209,602	28,856,265
Total all governmental funds	\$ 49,838,865	\$ 63,915,185	\$ 66,572,646	\$ 66,591,363	\$ 59,337,991

Source: City of Manhattan Beach Finance department historical ACFRs



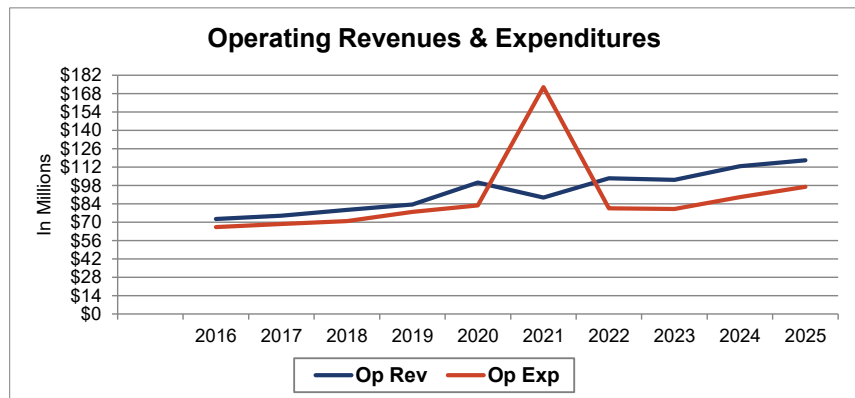
Statistical Section

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property and sales taxes.

CITY OF MANHATTAN BEACH, CALIFORNIA
Changes in Fund Balances
Governmental Funds, Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ending				
	2016	2017	2018	2019	2020
Revenues					
Tax and assessments	\$ 48,908,825	\$ 50,405,516	\$ 52,246,911	\$ 55,981,022	\$ 55,515,380
Licenses, fees, and permits	2,812,480	2,738,149	3,383,839	3,084,603	2,586,996
Intergovernmental	2,406,440	2,093,411	3,583,892	2,725,463	4,148,407
Charges for services	10,284,762	11,724,813	12,918,156	12,743,463	11,210,104
Interest and Rents	3,870,056	3,495,128	2,815,868	5,747,403	5,246,508
Fines and forfeitures	2,615,306	2,599,654	2,570,974	2,051,692	1,997,803
Net change fair value investments	254,377	(519,971)	(518,607)	1,062,513	18,496,956
Other revenues	1,267,893	2,348,814	2,417,724	69,816	941,260
Total revenues	72,420,139	74,885,514	79,418,757	83,465,975	100,143,414
Expenditures					
General government	13,360,320	13,290,308	14,018,117	15,581,223	14,304,120
Public Safety	37,189,782	38,522,882	39,685,053	42,890,892	43,739,598
Culture and recreation	8,335,111	8,656,533	8,873,425	9,350,246	7,827,704
Public works	7,356,842	8,113,384	8,206,580	9,966,290	16,831,713
Total operating expenditures	66,242,055	68,583,107	70,783,175	77,788,651	82,703,135
Excess of revenue over expenditures	6,178,084	6,302,407	8,635,582	5,677,324	17,440,279
Capital outlay	3,153,156	3,669,140	2,979,570	8,956,807	3,837,436
Debt service					
Interest	403,458	442,116	479,537	456,437	432,213
Principal	725,000	745,000	745,000	795,000	820,000
Fees			4,810	3,400	3,400
Cost of Issuance	-	-	-	-	-
Payment to refunding bond escrow agent	-	11,334	-	-	-
Total Non Operating expenditures	4,281,614	4,867,590	4,208,917	10,211,644	5,093,049
Excess of revenues over expenditures	1,896,470	1,434,817	4,426,665	(4,534,320)	12,347,230
Other financing sources (Uses)					
Bonds issued	-	5,905,000	-	-	-
Premium on bonds issues	-	438,570	-	-	-
Proceeds from sale of capital assets	838	-	-	-	-
Transfers in	714,082	1,685,005	639,686	1,004,433	460,262
Transfers out	(2,024,588)	(2,587,281)	(2,042,423)	(2,752,403)	(494,783)
Other financing sources	-	-	-	-	-
Other financing uses	-	(6,343,564)	-	-	-
Total other financing sources (uses)	(1,309,668)	(902,270)	(1,402,737)	(1,747,970)	(34,521)
Prior Period Adjustment					
Net change in fund balances	586,802	532,547	3,023,928	(6,282,290)	12,312,709
Debt - % of Operating Expenditures & Debt	1.7%	1.7%	1.7%	1.6%	1.5%

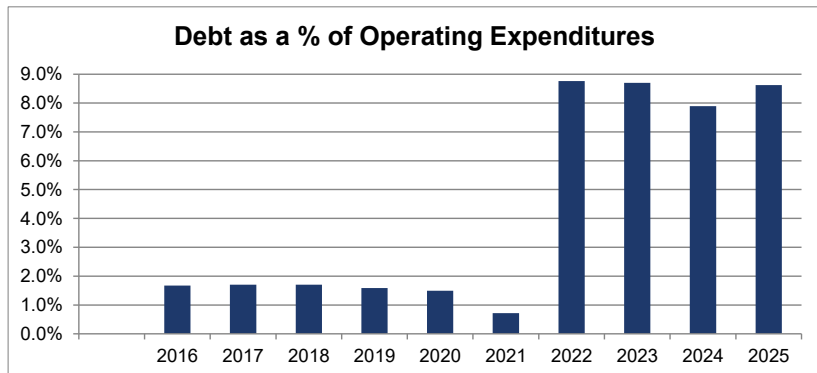


Source: City of Manhattan Beach Finance Department Historical ACFRs

CITY OF MANHATTAN BEACH, CALIFORNIA
Changes in Fund Balances
Governmental Funds, Last Ten Fiscal Years
(modified accrual basis of accounting)

Exhibit A-6

	Fiscal Year Ending				
	2021	2022	2023	2024	2025
Revenues					
Tax and assessments	\$ 57,509,332	\$ 67,470,637	\$ 70,815,982	\$ 75,723,284	\$ 80,045,942
Licenses, fees, and permits	3,590,052	3,986,713	3,353,163	4,382,549	4,431,999
Intergovernmental	11,235,911	13,688,939	5,645,466	6,965,665	4,133,782
Charges for services	10,728,270	12,380,756	12,546,935	14,024,075	16,238,125
Interest and Rents	2,734,193	1,747,756	4,830,041	7,138,974	6,804,962
Fines and forfeitures	1,517,113	2,451,283	2,710,161	2,031,868	2,591,901
Net change fair value investments	597,218	(597,218)	960,488	1,058,864	1,574,872
Other revenues	807,381	2,292,463	1,455,310	1,367,924	1,351,233
Total revenues	88,719,470	103,421,329	102,317,546	112,693,203	117,172,816
Expenditures					
General government	24,214,335	14,975,284	16,367,565	18,145,903	18,400,649
Public Safety	109,709,901	41,806,108	45,141,651	48,896,675	54,725,393
Culture and recreation	11,013,760	7,546,214	8,328,464	10,045,476	10,587,337
Public works	28,014,195	16,238,824	10,277,583	11,996,279	13,233,137
Total operating expenditures	172,952,191	80,566,430	80,115,263	89,084,333	96,946,516
Excess of revenue over expenditures	(84,232,721)	22,854,899	22,202,283	23,608,870	20,226,300
Capital outlay	4,499,063	7,882,958	22,349,983	22,349,983	19,226,385
Debt service					
Interest	407,312	2,877,605	2,777,496	2,777,496	6,481,103
Principal	840,000	4,858,805	4,858,805	4,858,805	2,671,024
Fees	3,400	208,043	3,450	3,450	7,100
Cost of Issuance	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	-
Total Non Operating expenditures	5,749,775	15,827,411	29,989,734	29,989,734	28,385,612
Excess of revenues over expenditures	(89,982,496)	7,027,488	(7,787,451)	(6,380,864)	(8,159,312)
Other financing sources (Uses)					
Bonds issued	85,879,300	7,440,000	-	-	-
Premium on bonds issues	-	1,259,922	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Transfers in	2,075,413	3,484,419	3,023,345	3,023,345	15,912,763
Transfers out	(1,653,782)	(5,135,479)	(4,838,966)	(4,838,966)	(16,352,871)
Other financing sources	-	-	-	-	1,346,048
Other financing uses	-	-	-	-	-
Total other financing sources (uses)	86,300,931	7,048,862	(1,815,621)	(1,815,621)	905,940
Prior Period Adjustment					
Net change in fund balances	(3,681,565)	14,076,350	(9,603,072)	(8,196,485)	(7,253,372)
Debt - % of Operating Expenditures & Debt	0.7%	8.8%	8.7%	7.9%	8.6%



Source: City of Manhattan Beach Finance Department Historical ACFRs



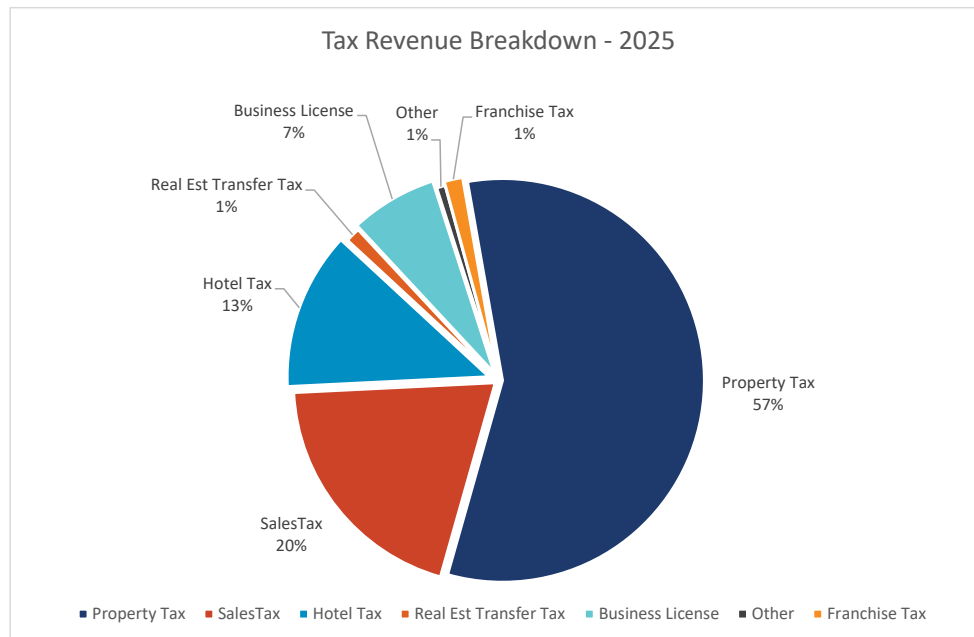
CITY OF MANHATTAN BEACH, CALIFORNIA

Exhibit A-7

Taxes & Assessment Revenues by Source, Governmental Funds, and Assessment
Last Ten Fiscal Years

(modified accrual basis of accounting)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales & Use</u>	<u>Hotel</u>	<u>Franchise</u>	<u>Real Est Transfer</u>	<u>Business License</u>	<u>Other Taxes Assessments</u>	<u>Total</u>
2025	\$ 45,757,095	\$ 15,877,679	\$ 10,132,620	\$ 1,183,181	\$ 950,553	\$ 5,589,153	\$ 555,661	\$ 80,045,942
2024	43,851,831	13,268,362	9,797,116	1,435,830	716,788	5,422,317	1,231,040	75,723,284
2023	41,836,586	13,387,211	7,495,260	1,296,708	696,646	4,935,627	1,167,944	70,815,982
2022	39,491,986	10,473,355	6,464,049	1,217,755	1,333,170	5,175,626	3,314,696	67,470,637
2021	37,598,821	10,088,430	2,802,514	1,189,086	1,842,571	3,755,555	232,355	57,509,332
2020	34,002,016	8,407,953	4,203,026	1,167,345	828,842	3,652,228	3,253,970	55,515,380
2019	32,107,341	9,339,304	5,140,858	1,234,752	783,516	4,053,020	3,322,231	55,981,022
2018	30,318,225	8,970,809	4,429,080	1,262,037	788,203	3,718,418	2,760,140	52,246,911
2017	28,215,709	8,962,617	5,201,518	1,256,125	756,049	3,658,194	2,355,304	50,405,516
2016	26,344,276	9,348,605	5,139,425	1,439,957	792,829	3,475,792	2,367,941	48,908,825
Change 2014-2023	93.5%	47.1%	93.1%	-11.9%	18.6%	58.0%	-52.9%	67.5%



CITY OF MANHATTAN BEACH, CALIFORNIA
Assessed Value and Estimated Actual Value of Taxable Property,
Last Ten Fiscal Years

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Other Property	Total Assessed Value
2015	12,500,544,975	959,518,199	281,151,363	791,941,297	14,533,155,834
2016	13,616,966,542	1,012,547,408	293,730,521	765,998,032	15,689,242,503
2017	14,551,610,225	1,105,261,590	298,209,901	824,621,493	16,779,703,209
2018	15,552,647,698	1,171,070,581	305,302,530	888,775,373	17,917,796,182
2019	16,543,536,695	1,199,124,711	311,408,568	950,206,556	19,004,276,530
2020	17,637,547,816	1,240,422,307	317,636,726	956,183,073	20,151,789,922
2021	18,698,835,090	1,320,682,796	495,751,708	1,049,831,342	21,565,100,936
2022	19,500,686,332	1,422,052,532	502,026,905	1,093,445,055	22,518,210,824
2023	20,859,717,575	1,529,657,039	513,911,783	1,109,943,068	24,013,229,465
2024	21,988,752,211	1,642,761,250	523,646,184	1,121,769,952	25,276,929,597
2025	23,131,613,568	1,758,317,457	534,119,098	1,155,369,465	26,579,419,588

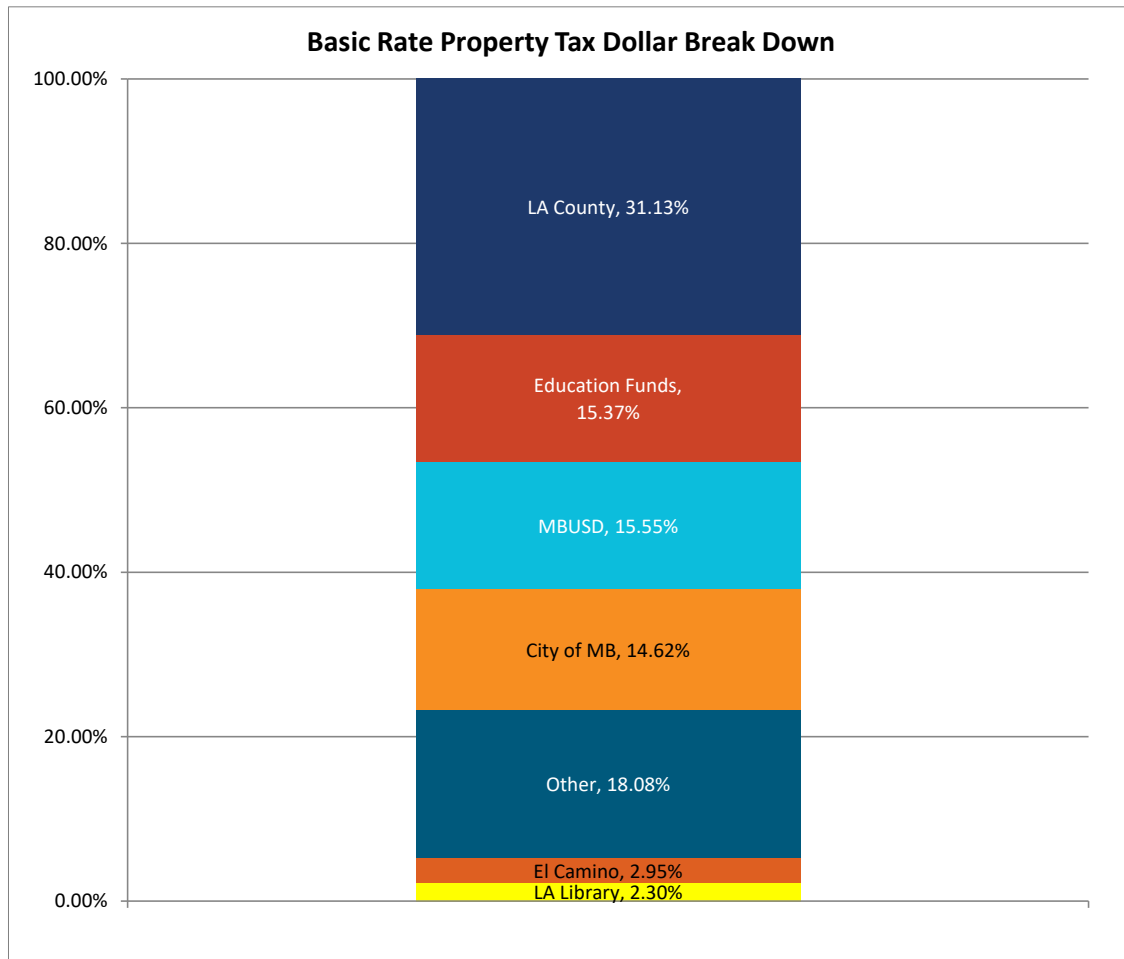
Exhibit A-8

Tax-Exempt Property	Total Direct Tax Rate	Net Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
301,114,939	0.14498%	14,196,903,333	102.368%
301,114,939	0.14514%	15,352,495,483	102.193%
301,127,715	0.14525%	16,442,347,904	102.052%
289,572,846	0.14535%	17,591,875,267	101.853%
289,572,846	0.14543%	18,676,191,358	101.757%
289,572,846	0.14552%	19,822,800,094	101.660%
289,572,846	0.14561%	21,235,867,296	101.550%
289,572,846	0.14566%	22,187,047,758	101.493%
289,572,846	0.14574%	23,681,804,263	101.399%
289,088,667	0.14581%	24,938,781,033	101.356%
289,649,527	0.14587%	26,227,077,038	101.343%

CITY OF MANHATTAN BEACH, CALIFORNIA
Direct and Overlapping Property Tax Rates,
Last Ten Fiscal Years

Exhibit A-9

Fiscal Year	City Direct Rates		Overlapping Rates						
	General Levy (Basic Rate)	City Direct Rate	LA County	Colleges & School Districts	Metro Water District	Flood Control District	Total Overlap Rate	General Levy	Total Rate
2015	1.00000%	0.14498%	0.00000	0.08928	0.00350	0.00000	0.09278	1.00000	1.09278
2016	1.00000%	0.14514%	0.00000	0.08403	0.00350	0.00000	0.08753	1.00000	1.08753
2017	1.00000%	0.14525%	0.00000	0.09062	0.00350	0.00000	0.09412	1.00000	1.09412
2018	1.00000%	0.14535%	0.00000	0.11581	0.00350	0.00000	0.11931	1.00000	1.11931
2019	1.00000%	0.14543%	0.00000	0.11507	0.00350	0.00000	0.11857	1.00000	1.11857
2020	1.00000%	0.14552%	0.00000	0.11371	0.00350	0.00000	0.11721	1.00000	1.11721
2021	1.00000%	0.14561%	0.00000	0.11210	0.00350	0.00000	0.11560	1.00000	1.11560
2022	1.00000%	0.14566%	0.00000	0.11106	0.00350	0.00000	0.11456	1.00000	1.11456
2023	1.00000%	0.14574%	0.00000	0.11140	0.00350	0.00000	0.11490	1.00000	1.11490
2024	1.00000%	0.14581%	0.00000	0.10912	0.00350	0.00000	0.11262	1.00000	1.11262
2025	1.00000%	0.14587%	0.00000	0.11090	0.00350	0.00000	0.11440	1.00000	1.11440



Source: HDL Coren Cone

CITY OF MANHATTAN BEACH, CALIFORNIA
Principal Property Tax Payers Based on Net Values,
Current Year and Nine Years Ago

Exhibit A-10

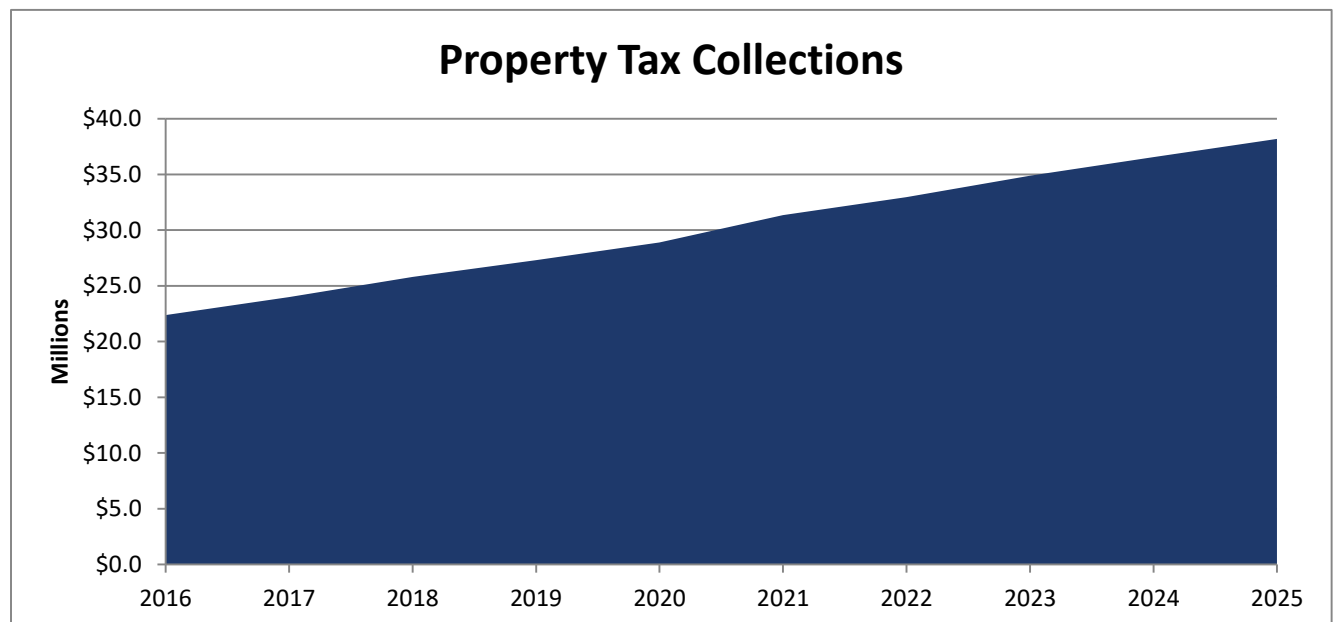
Taxpayer	2025			2016		
	Net Value	Rank	Percentage of Total City Net Value	Net Value	Rank	Percentage of Total City Net Value
MBS Media Campus	\$ 364,842,462	1	1.41%	\$ -		
RREEF America REIT II Corp	302,863,159	2	1.17%	168,057,533	1	1.11%
Northrop Grumman Systems Corp	164,695,699	3	0.64%	69,905,052	4	0.46%
ONNI Manhattan Towers LP	131,319,952	4	0.51%	61,347,540	6	0.41%
Manhattan Beach Hotel Owner LLC	114,898,014	5	0.44%	-		
Manhattan Beach Suites	62,280,900	6	0.24%			
Coastal Market Plaza LLC	56,890,812	7	0.22%	-		
Sepulveda BLVD Properties LLC	50,769,259	8	0.20%			
Bay Club Manhattan Beach LLC	50,246,537	9	0.19%	-		
Skechers USA Retail LLC	36,453,432	10	0.14%	30,937,721	10	0.20%
CRP MB Studios LLC	-		-	153,838,882	2	1.02%
Host Marriott Corporation Interstate	-		-	86,359,022	3	0.57%
Parstem Realty Company INC	-		-	69,870,790	5	0.46%
WH Manhattan Beach Lp	-		-	33,731,896	7	0.22%
Jeffrey K Hepper Company Trust	-		-	32,665,772	8	0.22%
St. Paul Properties	-		-	31,967,482	9	0.21%
Top Ten Total	<u>\$ 1,335,260,226</u>		<u>5.17%</u>	<u>\$ 738,681,690</u>		<u>4.88%</u>
City Total	<u>\$ 25,831,879,084</u>			<u>\$ 15,147,219,370</u>		



CITY OF MANHATTAN BEACH, CALIFORNIA
Property Tax Levies and Collections,
Last Ten Fiscal Years

Exhibit A-11

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Prior Year	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2016	22,195,519	21,697,312	97.76%	682,877	22,380,189	100.83%
2017	23,822,585	23,386,545	98.17%	596,471	23,983,016	100.67%
2018	25,520,518	25,119,981	98.43%	675,026	25,795,007	101.08%
2019	27,138,821	26,656,342	98.22%	654,244	27,310,586	100.63%
2020	28,839,478	28,162,858	97.65%	745,930	28,908,788	100.24%
2021	30,949,109	30,333,626	98.01%	1,014,827	31,348,453	101.29%
2022	32,347,837	31,736,342	98.11%	1,235,235	32,971,577	101.93%
2023	34,620,418	33,869,843	97.83%	1,022,916	34,892,759	100.79%
2024	36,503,284	35,862,535	98.24%	687,837	36,550,372	100.13%
2025	38,429,458	37,472,989	97.51%	716,960	38,189,949	99.38%

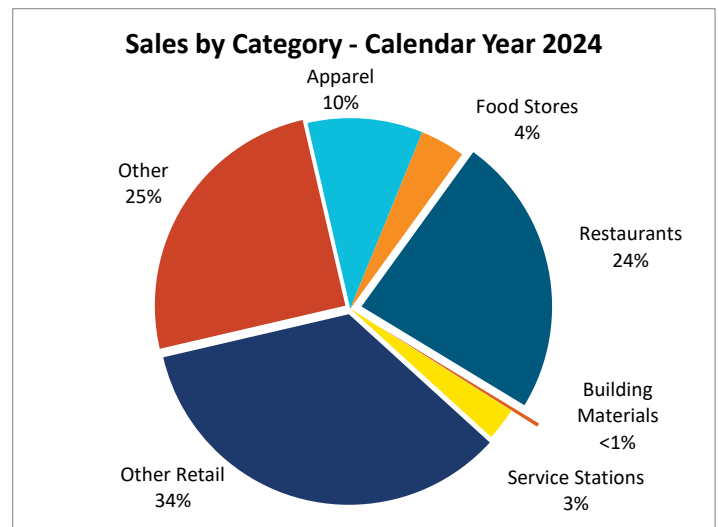


Percent of levy may be over 100% since collections include current and prior years

Source: Los Angeles County Assessor and City of Manhattan Beach Finance Department

CITY OF MANHATTAN BEACH, CALIFORNIA
Taxable Sales by Category,
Last Ten Calendar Years
(in thousands of dollars)

	Calendar Year				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Apparel Stores	\$ 75,919	\$ 74,515	\$ 77,995	\$ 78,622	\$ 78,443
General Merchandise	102,310	101,038	96,353	96,372	96,939
Food Stores	33,110	34,634	33,270	33,882	36,633
Eating and Drinking Establishments	200,840	202,915	202,646	205,363	206,532
Building Materials	2,605	2,623	2,829	4,122	4,083
Service Stations	37,000	31,670	32,992	36,706	36,052
Other Retail Stores	295,157	303,311	308,555	309,131	303,700
All Other Outlets	176,347	154,628	148,764	161,173	184,773
Total	\$ 923,288	\$ 905,334	\$ 903,404	\$ 925,371	\$ 947,155
City direct sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%



* Calendar Year Data available through December 2022.

CITY OF MANHATTAN BEACH, CALIFORNIA
Taxable Sales by Category,
Last Ten Calendar Years
(in thousands of dollars)

Exhibit A-12

	Calendar Year				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Apparel Stores	\$ 65,209	\$ 94,918	\$ 99,431	\$ 104,048	\$ 111,418
General Merchandise	-	-	-	-	-
Food Stores	41,294	40,190	41,485	43,261	43,457
Eating and Drinking Establishments	139,108	205,943	256,112	268,495	270,090
Building Materials	3,760	4,089	4,017	3,812	3,521
Service Stations	18,438	29,299	37,477	33,059	31,529
Other Retail Stores	298,660	370,379	410,685	408,104	394,516
All Other Outlets	<u>194,393</u>	<u>206,306</u>	<u>237,583</u>	<u>249,652</u>	<u>285,159</u>
Total	<u>\$ 760,862</u>	<u>\$ 951,124</u>	<u>\$ 1,086,790</u>	<u>\$ 1,110,431</u>	<u>\$ 1,139,690</u>
City direct sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%

* Calendar Year Data available through December 2022.

CITY OF MANHATTAN BEACH, CALIFORNIA
Direct and Overlapping Sales Tax Rates,
Last Ten Fiscal Years

Exhibit A-13

Fiscal Year	City Direct Rate	L.A. County
2024	1.00%	.25%
2023	1.00%	.25%
2022	1.00%	.25%
2021	1.00%	.25%
2020	1.00%	.25%
2019	1.00%	.25%
2018	1.00%	.25%
2017	1.00%	.25%
2016	1.00%	.25%
2015	1.00%	.25%
2014	1.00%	.25%

Source: State of California Board of Equalization

CITY OF MANHATTAN BEACH, CALIFORNIA
Principal Sales Tax Remitters,
Calendar Year Comparison

Exhibit A-14

Tax Remitter

2024

Apple
 BevMo
 California Pizza Kitchen
 Chevron
 CVS Pharmacy
 Fisker
 Joey Manhattan Beach
 Kettle
 Macy's
 Manhattan Beach Toyota Scion
 Marriott Manhattan Beach Hotel
 Nick's Manhattan Beach
 Old Navy
 Olive Garden
 Ralphs Fresh Fare
 REI
 Sephora
 Skechers by Mail
 Strand House Standbar
 Sushi Roku
 Target
 The Arthur J
 Tin Roof Bistro
 Trader Joe's
 Wrights

2015

Apple
 Arco
 AT&T Mobility
 Barnes & Noble
 BevMo
 Chevron
 Circle K
 CVS Pharmacy
 Dewitt Petroleum
 Frys Electronics
 Houston's
 Macy's
 Manhattan Beach Marriott
 Manhattan Beach Toyota Scion
 Old Navy
 Olive Garden
 Ralphs Fresh Fare
 REI
 Sephora
 Skechers
 Strand House Standbar
 Target
 Tin Roof Bistro
 Toyota Lease Trust
 Trader Joe's

* Listed Alphabetically



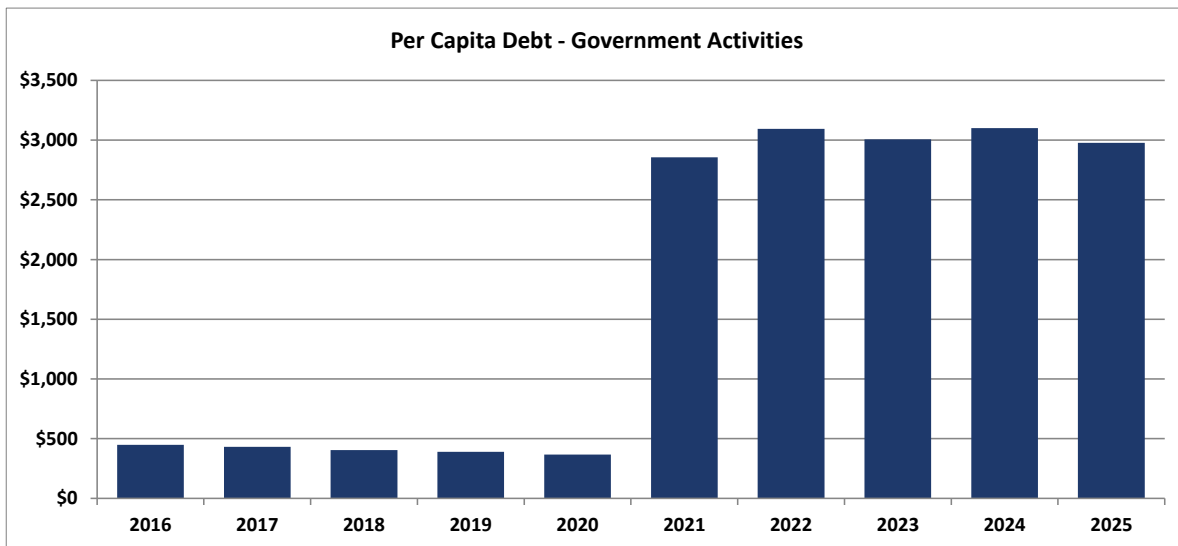
Statistical Section

Debt Capacity

These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.

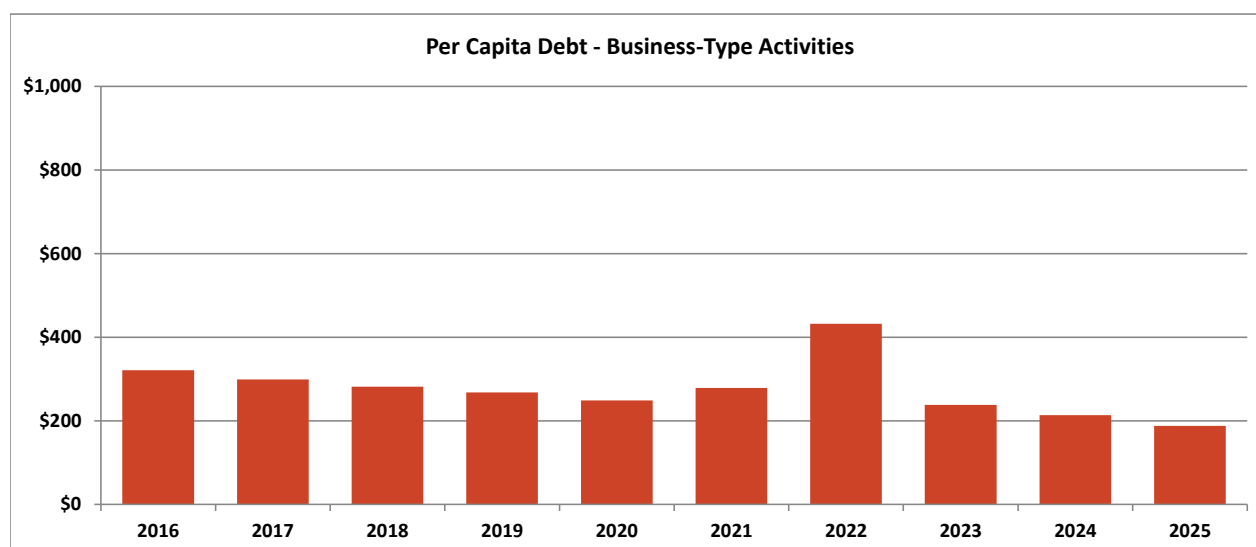
CITY OF MANHATTAN BEACH, CALIFORNIA
Ratios of Outstanding Debt by Type,
Last Ten Fiscal Years

Governmental Activities									
Fiscal Year	Pension Obligation Bonds	Marine Certificates of Participation	Marine Refunding Certificates of Participation	Fire Station Certificates of Participation	Police/Fire Refunding Bonds	Capital & Right to Use Leases	Subscription Payable	Total Governmental	Total Per Capita
2016	-	6,445,000	-	-	9,125,000	341,224	-	15,911,224	448
2017	-	-	6,317,766	-	9,042,225	147,506	-	15,507,497	431
2018	-	-	6,026,968	-	8,535,865	-	-	14,562,833	405
2019	-	-	5,706,170	-	8,009,505	-	-	13,715,675	389
2020	-	-	5,375,372	-	7,468,144	-	-	12,843,516	366
2021	89,388,310	-	5,039,574	-	6,972,970	-	-	101,400,854	2,856
2022	86,288,700	-	4,693,774	8,552,926	6,340,422	2,090,304	-	107,966,126	3,093
2023	82,910,000	-	4,332,979	8,385,927	5,754,063	1,095,503	584,503	103,062,975	3,006
2024	79,516,630	-	3,962,181	8,208,930	5,152,702	8,718,073	443,963	106,002,479	3,100
2025	76,093,918	-	3,576,382	8,026,934	4,317,122	8,356,190	995,443	101,365,989	2,977



Source: City of Manhattan Beach Finance Department Historical ACFRs Debt Schedules

Business-type Activities							Total		
Pension Obligation Bonds	Metlox Certificates of Participation	Utility Refunding Certificates of Participation	Metlox Refunding Certificates of Participation	Subscription Payable	Total Business Type	Total Per Capita	Total Primary Government	Percentage of Personal Income	Total Per Capita
-	-	2,317,328	9,079,279	-	11,396,607	321	27,307,831	0.92%	769
-	-	2,117,872	8,645,454	-	10,763,326	299	26,270,823	0.85%	730
-	-	1,913,417	8,191,630	-	10,105,047	281	24,667,880	0.77%	687
-	-	1,703,962	7,727,805	-	9,431,767	268	23,147,442	0.72%	657
-	-	1,484,506	7,243,981	-	8,728,487	249	21,572,003	0.67%	615
1,886,690	-	1,260,050	6,750,157	-	9,896,897	279	111,297,751	3.47%	3,135
1,821,300	-	7,121,457	6,129,232	-	15,071,989	432	123,038,115	3.84%	3,525
1,750,000	-	755,873	5,632,997	\$25,846	8,164,716	238	111,227,691	3.47%	3,244
1,678,370	-	514,524	5,091,762	13,053	7,297,709	213	113,300,188	3.53%	3,313
1,606,086	-	258,176	4,535,527	-	6,399,789	188	107,765,778	3.36%	3,165



Source: City of Manhattan Beach Finance Department Historical ACFRs Debt Schedules



CITY OF MANHATTAN BEACH, CALIFORNIA
Direct and Overlapping Governmental Activities Debt
As of June 30, 2025

Exhibit A-16

<u>Governmental Unit</u>	<u>Gross Bonded Debt Balance</u>	<u>Percentage Applicable To City</u>	<u>Net Bonded Debt</u>
Direct Debt			
City of Manhattan Beach:			
Los Angeles County General Fund Obligations	\$ 3,036,637,390	1.248%	\$ 37,897,235
Los Angeles County Superintendent of Schools COPs	2,331,775	1.248%	29,101
City of Manhattan Beach General Fund Obligations	30,065,773	100.000%	30,065,773
City of Manhattan Beach Pension Obligation Bonds	76,093,915	100.000%	76,093,915
Total Direct Debt			144,086,024
Overlapping Debt			
Metropolitan Water District	\$ 17,155,000	0.644%	110,478
El Camino College District	480,045,366	16.594%	79,658,728
Manhattan Beach Unified School District	194,199,705	99.999%	194,197,763
City of Manhattan Beach 1915 Act Bonds	12,835,000	100.000%	12,835,000
Total Overlapping Debt			286,801,969
Total Direct and Overlapping Debt			\$ 430,887,993

(1)The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.□

(2)Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.□

Ratios to 2024-25 Assessed Valuation:□

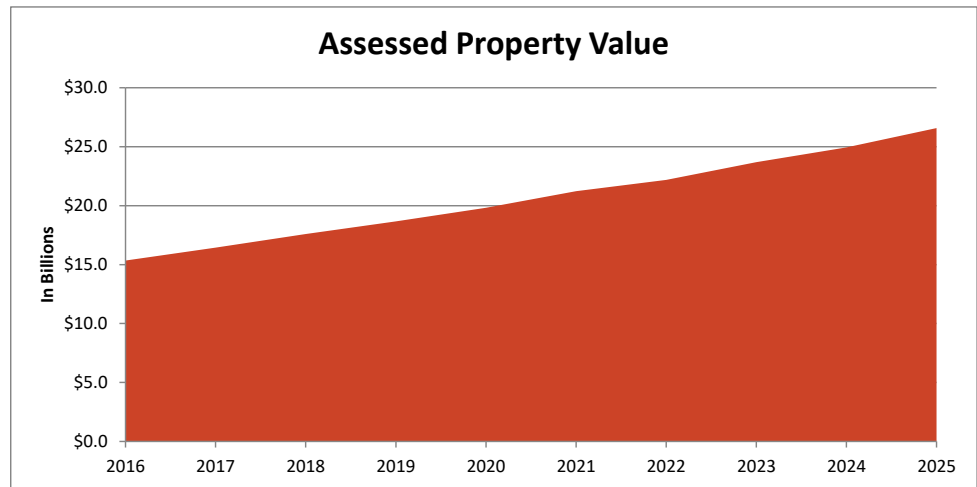
Total Overlapping Tax and Assessment Debt - 1.09%

Total Direct Debt - 0.37%

Combined Total Debt - 1.61%

CITY OF MANHATTAN BEACH, CALIFORNIA
Legal Debt Margin Information,
Last Ten Fiscal Years

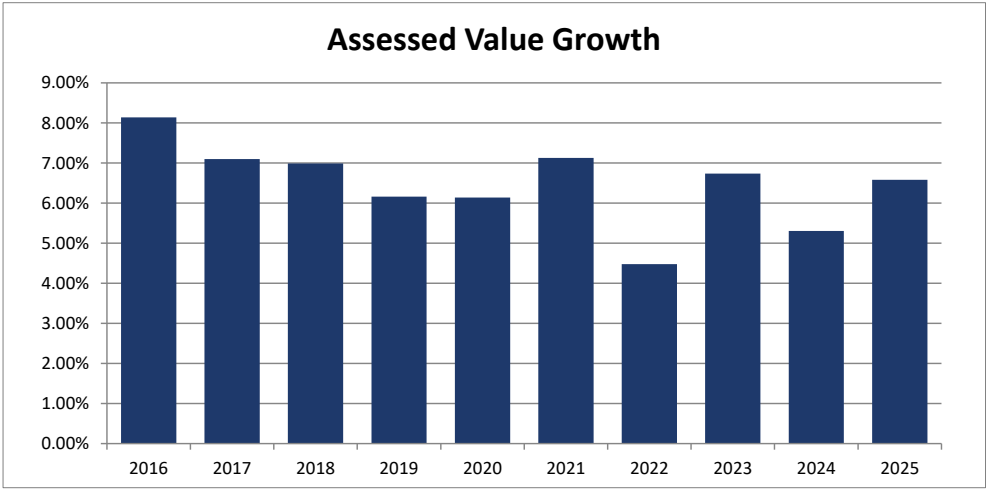
	Fiscal Year				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total Assessed Value	\$ 15,352,495,483	\$ 16,442,347,904	\$ 17,591,875,267	\$ 18,676,191,358	\$ 19,822,822,094
Legal debt limit (3.75%)	575,718,581	616,588,046	659,695,323	700,357,176	743,355,829
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$ 575,718,581</u>	<u>\$ 616,588,046</u>	<u>\$ 659,695,323</u>	<u>\$ 700,357,176</u>	<u>\$ 743,355,829</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%
Assessed Value Growth	8.14%	7.10%	6.99%	6.16%	6.14%



Source: HdL Coren & Cone

Fiscal Year				
2021	2022	2023	2024	2025
\$ 21,235,867,296	\$ 22,187,047,758	\$ 23,681,804,263	\$ 24,938,781,033	\$ 26,579,419,588
796,345,024	832,014,291	888,067,660	935,204,289	996,728,235
-	-	-	-	-
\$ 796,345,024	\$ 832,014,291	\$ 888,067,660	\$ 935,204,289	\$ 996,728,235

0.00%	0.00%	0.00%	0.00%	0.00%
7.13%	4.48%	11.52%	17.44%	19.80%



Source: City of Manhattan Beach Finance Department Historical ACFRs

CITY OF MANHATTAN BEACH, CALIFORNIA
Pledged-Revenue Coverage,
Last Ten Fiscal Years

Water - Wastewater Debt Service Principal and Interest						
Fiscal Year	Utility Service Charges	(a) Less: Operating Expenses	Net Available Revenue	Debt Service		Times Coverage
				Principal	Interest	
2016	17,814,103	10,389,899	7,424,204	175,000	83,350 (b)	28.74
2017	17,977,445	11,279,607	6,697,838	185,000	76,350 (b)	25.63
2018	18,947,767	11,818,853	7,128,914	190,000	68,950 (b)	27.53
2019	18,889,006	12,947,329	5,941,677	195,000	63,250 (b)	23.01
2020	18,951,923	12,806,497	6,145,426	205,000	55,450 (b)	23.60
2021	19,311,412	14,706,241	4,605,171	210,000	49,299 (b)	17.76
2022	19,037,166	13,525,873	5,511,293	220,000	43,000 (b)	20.96
2023	17,643,822	13,702,932	3,940,890	215,000	38,735 (b)	15.53
2024	19,335,804	16,983,197	2,352,607	230,000	- (b)	10.23
2025	22,399,245	19,234,145	3,165,100	245,000	18,000 (b)	12.03

(a) Operating Expense less depreciation expense

(b) Interest "expense" for this purpose reflects Footnote 6 Debt Service Requirements as presented in prior years' ACFRs and is presented

(c) Refunding bonds - please refer to footnotes regarding bond refunding

Parking Debt Service Principal and Interest					
Parking Fund Revenue	(a) Less: Operating Expenses	Net Available Revenue	Debt Service		Times Coverage
			Principal	Interest	
2,533,935	1,676,685	857,250	395,000	326,362 (b)	1.19
2,460,627	1,687,183	773,444	410,000	310,563 (b)	1.07
2,525,275	1,813,828	711,447	430,000	294,163 (b)	0.98
3,038,490	1,723,456	1,315,034	440,000	278,263 (b)	1.83
2,953,440	1,834,508	1,118,932	460,000	260,663 (b)	1.55
3,261,909	2,647,308	614,601	470,000	246,863 (b)	0.86
4,553,765	2,335,845	2,217,920	490,000	232,763 (b)	3.07
4,301,516	2,234,564	2,066,952	425,000	221,422 (b)	3.20
4,374,352	2,688,762	1,685,590	440,000	221,422 (b)	2.55
4,481,841	4,933,434	(451,593)	460,000	200,000 (b)	(0.68)

ented on a cash basis



Statistical Section

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time and with other governments.

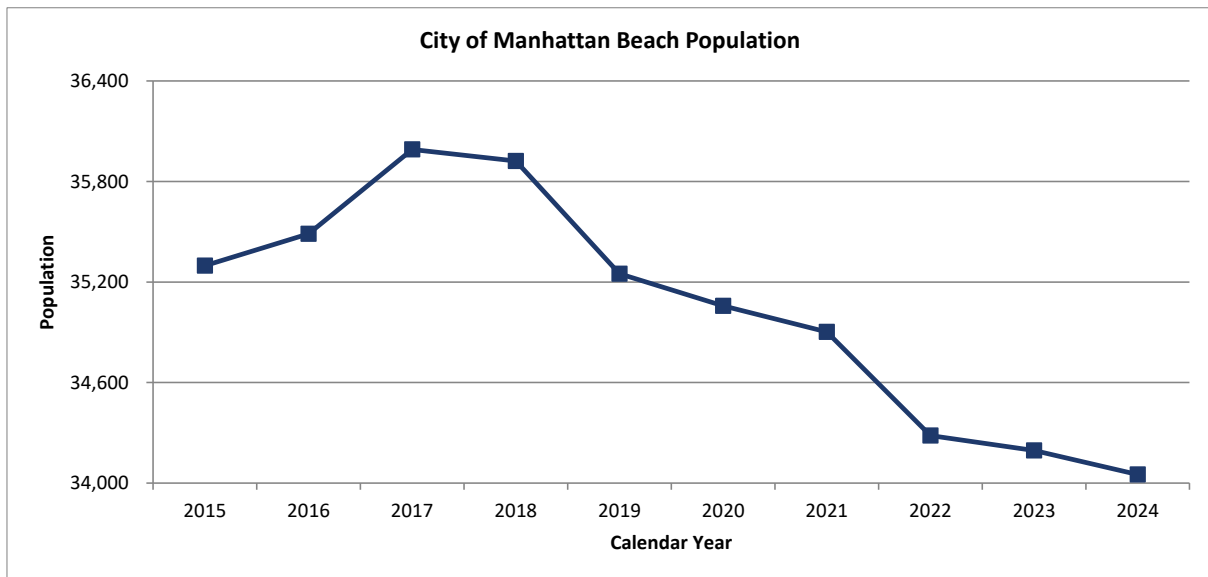
CITY OF MANHATTAN BEACH, CALIFORNIA
Demographic and Economic Statistics,
Last Ten Calendar Years

Exhibit A-19

Calendar Year	Population	Man Beach Personal Income (in thousands)	Personal Income L.A. County¹ (in thousands)	Per Capita Personal Income L.A. County¹	Per Capita Personal Income Man Beach	Unempl Rate	School Enrollment
2015	35,297	2,906,208	521,900,000	51,207	82,335	2.7%	6,687
2016	35,488	2,969,983	557,382,000	54,432	83,689	2.1%	6,682
2017	35,991	3,102,178	585,515,000	56,698	86,192	2.6%	6,776
2018	35,922	3,208,080	628,809,000	62,221	89,306	3.4%	6,647
2019	35,250	3,330,194	658,900,000	64,700	94,473	3.2%	6,524
2020	35,058	3,420,177	708,700,000	69,919	97,557	7.3%	6,030
2021	34,902	3,288,263	728,400,000	73,346	94,213	5.2%	5,852
2022	34,284	3,551,561	722,300,000	73,442	103,591	3.4%	5,895
2023	34,195	3,820,044	749,900,000	76,067	111,713	3.8%	5,925
2024	34,051	3,923,236	773,800,000	78,766	115,215	5.0%	5,895

Source: HdL Companies, County of Los Angeles Comprehensive Annual Financial Report

¹ Represents fiscal year ended June 30th.



Source: HdL Coren Cone, US Census Bureau; Manhattan Beach School District; Calif Labor Market; Bureau of Econ Analysis; Los Angeles County Economic Development Corp; Department of Transportation

CITY OF MANHATTAN BEACH, CALIFORNIA
Principal Employers
Current Year and Nine Years Ago

Exhibit A-20

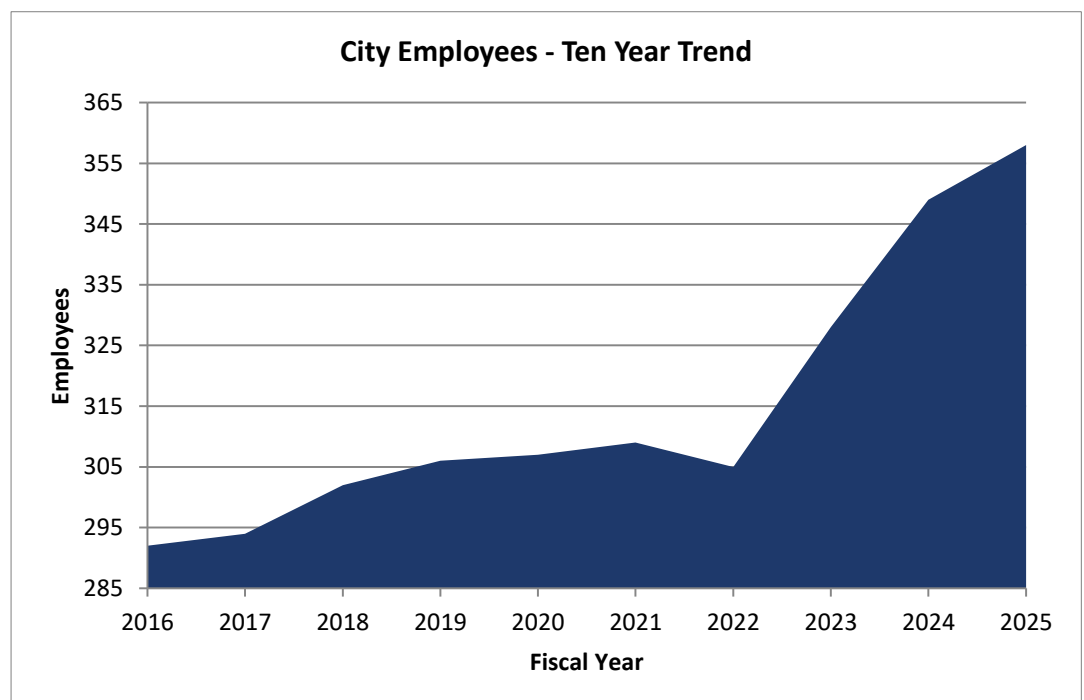
<u>Employer</u>	2025			2016		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
Northrop Grumman Systems Corp	2657	1	25.52%	2043	1	15.79%
Manhattan Beach Unified School District	656	2		732	2	
Skechers USA Inc (225 S Sepulveda Blvd)	593	3	5.70%	355	5	2.74%
Target Stores T199 Target Corp	405	4	3.89%	405	4	3.13%
City of Manhattan Beach		5		294	6	2.27%
Skechers USA Inc (330 Sepulveda Blvd)	314	6	3.02%	230	9	1.78%
Joey Manhattan Beach	180	7	1.73%			
Westdrift	180	8				
Manhattan Beach Country Club	175	9	1.68%			0.00%
Recreation Equipment Inc - REI	175	10				
Ralphs Grocery Company #166			0.00%	167	10	1.29%
Kinecta Federal Credit Union			0.00%	550	3	4.25%
Fry's Electronics, INC				264	7	2.04%
Marriott - HMC Interstate				233	8	1.80%
Total	<u>5,335</u>		<u>41.53%</u>	<u>5,273</u>		<u>35.09%</u>



CITY OF MANHATTAN BEACH, CALIFORNIA
Full-time Authorized City Employees by Function/Program,
Last Ten Fiscal Years

Exhibit A-21

<u>Function/Program</u>	Full-time Authorized Employees as of June 30									
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
General government										
Management services	17	17	17	15	15	14	16	16	16	17
Finance*	17	17	17	18	18	19	18	18	19	19
Information Technology*	9	9	9	9	9	9	9	10	10	10
Human Resources	8	8	8	8	8	8	8	8	8	8
Community Development	24	24	28	30	30	30	31	33	38	40
Parks and Recreation	25	25	25	25	25	25	21	21	21	21
Police										
Officers	65	65	65	65	65	65	65	72	76	78
Civilians	39.8	41.8	41.8	42.8	42.8	43.8	40.8	44.8	44	44
Fire										
Firefighters & officers	30	30	30	30	30	30	30	31	38	38
Civilians	1.2	1.2	1.2	1.2	1.2	1.2	2.2	3.2	3	3
Public works										
Engineering	7.5	8.5	11	12.5	13.5	13.5	13.5	16	16	17
Water	11.2	11.35	10.85	10.8	10.8	11.8	11.5	15	16	16
Wastewater	3.2	3.45	3	3.9	3.9	3.9	4.1	6	6	8
Other	34.1	32.7	35.15	34.8	34.8	34.8	34.9	34	38	39
Total	<u>292</u>	<u>294</u>	<u>302</u>	<u>306</u>	<u>307</u>	<u>309</u>	<u>305</u>	<u>328</u>	<u>349</u>	<u>358</u>



Source: City of Manhattan Beach Finance Department

CITY OF MANHATTAN BEACH, CALIFORNIA

SCHEDULE OF INSURANCE IN FORCE

June 30, 2025

<u>TYPE OF COVERAGE</u>	<u>POLICY NUMBER</u>	<u>FROM</u>
Liability		
Self-Insured	NA	07/01/25
Excess Liability		
Public Risk Innovation, Solutions, and Management (PRISM)		
General Liability 1 Program (GL1)	PRISM-PE 25 EL-109	07/01/25
Building & Property (All Risk, Flood, Earthquake, & \$100M Boiler and Machinery)		
Public Risk Innovation, Solutions and Management (PRISM)	PRISMPR25-26	03/31/25
Workers' Comp.		
Self-Insured	NA	07/01/25
Excess Workers' Comp.		
Public Risk Innovation, Solutions, and Management (PRISM)	PRISM-PE 25 EWC-153	07/01/25
Government Crime Policy		
PRISM Master Crime Program	15928719	06/30/25
Cyber Risk		
PRISM Cyber Liability Program	FN2233951	07/01/25
Excess Cyber	various	
Deadly Weapons Response		
Lloyd's of London	PJ25000500079	07/01/25

CITY OF MANHATTAN BEACH, CALIFORNIA

SCHEDULE OF INSURANCE IN FORCE

June 30, 2025

<u>TO</u>	<u>LIMITS OF COVERAGE</u>	<u>ANNUAL PREMIUM</u>
07/01/26	\$500,000 per occurrence	\$0
07/01/26	\$25,000,000 inclusive of self-insured retention	\$2,076,553
03/31/26	Various Limits and Sub-Limits	\$976,413
07/01/26	\$750,000 per occurrence	\$0
07/01/26	Statutory Limits	\$436,754
06/30/26	\$25,000,000	\$11,285
07/01/26	\$2,000,000 various limits/sub-limits	\$18,465 NA
07/01/26	\$500,000	\$11,721

CITY OF MANHATTAN BEACH, CALIFORNIA
Operating Indicators by Function/Program,
Last Ten Fiscal Years

Exhibit A-23

Function/Program	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government										
Building permits issued	1,853	1,223	1,644	1,353	1,595	2,312	2,174	2,000	2,069	1,928
Building inspections conducted	14,630	14,796	16,032	15,272	14,441	15,650	15,864	16,397	16,885	16,176
Police										
Arrests	1,590	1,371	1,095	1,019	795	650	607	730	708	761
Parking citations	66,255	64,105	57,624	47,422	41,133	44,613	58,625	59,809	44,968	61,513
Traffic citations	4,723	3,682	4,209	2,449	2,062	970	1,261	2,091	2,449	2,087
Fire (a)										
Emergency responses	3,690	3,760	3,637	3,653	3,642	3,439	3,771	3,930	3,768	3,974
Fires extinguished	63	76	87	87	88	73	81	88	67	47
Inspections	852	697	688	1,421	749	426	444	1,206	1,329	1,128
Refuse collection										
Refuse collected (tons per day)	53	53	51	54	53	57	44	31	56	54
Recyclables collected (tons per day)	48	42	35	35	28	33	52	26	29	34
Other public works										
Street resurfacing (miles)	1.0	0.7	2.9	4.0	1.3	3.8	2.6	1.6	1.5	0.5
Parks and recreation										
Athletic field permits issued	9,912	10,328	8,499	6,815	6,515	118	5,413	6,749	5,796	6,819
Community center admissions*	52,424	63,083	64,592	52,505	39,379	15,752	38,203	54,269	58,337	68,601
Water										
Water main breaks	4	9	8	7	7	7	3	4	4	11
Average daily consumption (thousands of gallons)	4,021	4,130	4,392	4,257	4,312	4,442	4,209	4,766	3,548	4,057
Peak daily consumption (thousands of gallons)	5,344	6,190	5,735	7,266	6,086	5,734	5,718	5,719	5,636	6,317
Transportation										
Total route miles	46,175	40,961	42,535	49,639	34,824	15,507	30,745	32,953	34,585	29,329
Passengers	22,067	26,810	25,963	26,223	16,750	4,275	6,267	7,357	11,558	9,225

(a) Represents calendar year data.

* The Community Centers underwent a full renovation. Both centers were fully operational by January 2013.

CITY OF MANHATTAN BEACH, CALIFORNIA
Capital Asset Statistics by Function/Program,
Last Ten Fiscal Years

Exhibit A-24 ~~Exhibit A-24~~

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	23	23	23	23	23	23	23	23	26	26
Fire stations	2	2	2	2	2	2	2	2	2	2
Other public works										
Streets (miles)	90.6	90.6	90.6	90.6	90.6	90.6	90.6	90.6	90.6	90.6
Highways (miles)	15.6	15.6	15.6	15.6	15.6	15.6	15.6	15.6	15.6	15.6
Parks and recreation										
Acreage	80.88	80.88	80.88	80.88	80.88	80.88	80.88	80.88	80.88	80.88
Baseball/softball diamonds	18*	18*	18*	18*	18*	18*	13	13	13	13
Soccer/football fields	19*	19*	19*	19*	19*	19*	13	13	13	13
Community centers	3	3	3	3	3	3	3	3	3	3
Water										
Water mains (miles)	106	106	106	106	106	113	113	113	113	113
Fire hydrants	774	774	774	775	640	640	640	640	640	640
Storage capacity (1000s Gallons)	9,800	9,800	9,800	9,800	9,800	10,300	1,856°	10,300	10,300	10,300
Wastewater										
Sanitary sewers (miles)	82.0	82.0	82.0	82.0	82.0	82.0	82.0	82.0	82.0	82.0
Storm sewers (miles)	25.0	25.0	25.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0
Transportation—minibuses	4	5	5	5	4	5	5	4	4	4

* Includes fields available through a Joint Use Agreement with Manhattan Beach Unified School District

° Storage capacity temporarily reduced with Peck Reservoir offline and under construction

CITY OF MANHATTAN BEACH, CALIFORNIA

DEMOGRAPHIC STATISTICAL DATA

Official Results from the 2020 US Census

Population distribution by ethnic group (one race):

	Number of Persons	Percent
White	26,141	78%
Asian	4,045	14%
Black or African American	332	1%
American Indian and Alaska Native	56	0%
Other	4,010	12%
	34,584	100%

Household Type:

	Number of Persons	Percent
Family:		
Married couple	8,011	60%
Female head	2,547	19%
Male head	2,164	16%
Nonfamily	601	5%
	13,323	100%

Population distribution by age group:

	Number of Persons	Percent
Under 5 years	1,655	5%
5-14	5,631	16%
15-24	3,278	9%
25-44	7,760	22%
45-59	8,144	24%
60-64	2,450	7%
65 and over	5,666	16%
	34,584	100%

Population distribution by gender:

	Number of Persons	Percent
Male	16,203	48%
Female	17,256	52%
	33,459	100%

Source: Latest data from the American Community Survey, US Census Bureau

BOND DISCLOSURE



Bond Disclosure Section

Continuing Disclosure Requirements

The following section provides information to fulfill the City's bond continuing disclosure requirements of material events, delinquencies, and other financial data not otherwise contained in the audited financial reports.

Continuing Disclosure Requirements

This section is provided in accordance with the Continuing Disclosure requirements, as set forth in the offering statements of the following debt issues:

- Metlox and Water/Wastewater Refunding Certificates of Participation, Series 2021
- Fire Station #2 Certificates of Participation, Series 2021
- Pension Obligation Bonds, Series 2021
- Assessment District No. 19-4 Limited Obligation Improvement Bonds, Series 2020 A
- Assessment District No. 19-12 Limited Obligation Improvement Bonds, Series 2019 A
- Assessment District No. 19-14 Limited Obligation Improvement Bonds, Series 2019 A
- Reassessment District Limited Obligation Refunding Bonds, Series 2018
- Marine Refunding Certificates of Participation, Series 2016
- Police and Fire Facility Refunding Certificates of Participation, Series 2013

The required Annual Report is contained herein as the Audited Financial Statements.

Reporting of Events with Respect to Debt Issuance during Fiscal Year 2024-2025

None. Subsequent to FY 2024-2025, the City issued \$12,495,000 of Series 2025A and \$3,275,000 of Series 2025B Certificates of Participation in August 2025.

Information relating to Reassessment District Bonds, Series 2018, for Fiscal Year 2024-2025

Principal Amount Outstanding	\$965,000
Balances as of June 30, 2025:	
Improvement Fund	\$13,565
Debt Service Reserve Fund	\$542,469

The balance in the Debt Service Reserve Fund exceeds the reserve requirement.

Taxes Levied and Delinquent for Fiscal Year 2024-2025

As of June 30, 2025

Total Parcels 339

Taxes Levied in FY 2024-25	\$ 511,583.90
Total Paid	505,815.30
Delinquencies	\$ 5,768.60

Prior Year Delinquencies	\$ 9,670.82
---------------------------------	--------------------------

PARCEL	ROLL YEAR	TAX LEVIED	TAX PAID	Delinquent
4169003001	2024	2,551.01	1,275.50	1,275.51
4179030063	2024	1,072.41	536.20	536.21
4178010019	2024	1,442.23	-	1,442.23
4178011008	2024	1,442.23	721.11	721.12
4178013014	2024	1,442.23	721.11	721.12
4178013081	2024	1,072.41	-	1,072.41
4169003001	2021	2,544.13	113.01	2,431.12
4169003001	2022	2,584.84	-	2,584.84
4169003001	2023	1,311.18	-	1,311.18
4175025027	2023	147.30	-	147.30
4178013081	2021	1,041.42	-	1,041.42
4178013081	2022	1,072.41	-	1,072.41
4178013081	2023	1,082.55	-	1,082.55
TOTAL DELIQUENCIES				\$15,439.42

<i># of Parcels Delinquent for FY 2024-25</i>	6
---	----------

<i>% of FY 2024-25 Levy Delinquent</i>	1.13%
--	--------------

Information relating to Assessment District Bonds 19-12, Series 2019, for Fiscal Year 2024-25

Principal Amount Outstanding	\$3,725,000
Balances as of June 30, 2025:	
Improvement Fund	\$58,368
Debt Service Reserve Fund	\$155,007

The balance in the Debt Service Reserve Fund exceeds the reserve requirement.

Taxes Levied and Delinquent for Fiscal Year 2024-2025

As of June 30, 2025

Total Parcels 158

Taxes Levied in FY 2024-25	\$ 291,038.34
Total Paid	287,308.52
Delinquencies	\$ 3,729.82

Prior Year Delinquencies	\$ 1,503.76
---------------------------------	----------------------

PARCEL	ROLL YEAR	TAX LEVIED	TAX PAID	Delinquent
4137006058	2024	1,775.06	1,685.51	89.55
4137008021	2024	1,773.07	797.88	975.19
4137006042	2024	1,596.94	798.47	798.47
4137008010	2024	1,776.66	1,686.71	89.95
4137008018	2024	1,776.66	-	1,776.66
4137008018	2023	1,800.35	296.59	1,503.76
TOTAL DELIQUENCIES				\$5,233.58

<i># of Parcels Delinquent for FY 2024-25</i>	<i>5</i>
---	----------

<i>% of FY 2024-25 Levy Delinquent</i>	<i>1.28%</i>
--	--------------

Information relating to Assessment District Bonds 19-14, Series 2019, for Fiscal Year 2024-2025

Principal Amount Outstanding	\$3,935,000
Balances as of June 30, 2025:	
Improvement Fund	\$64,962
Debt Service Reserve Fund	\$158,137

The balance in the Debt Service Reserve Fund exceeds the reserve requirement.

Taxes Levied and Delinquent for Fiscal Year 2024-2025

As of June 30, 2025

Total Parcels **179**

Taxes Levied in FY 2024-25	\$ 311,997.45
Total Paid	308,707.28
Delinquencies	\$ 3,290.17

Prior Year Delinquencies **\$ 8,068.19**

PARCEL	ROLL YEAR	TAX LEVIED	TAX PAID	Delinquent
4137009068	2024	1,530.04	-	1,530.04
4137009072	2024	1,760.13	-	1,760.13
4137009001	2021	1,291.29	-	1,291.29
4137009001	2022	2,549.88	-	2,549.88
4137009001	2023	2,558.07	-	2,558.07
4137009013	2022	810.88	768.91	41.97
4137009013	2023	1,626.98	-	1,626.98
TOTAL DELIQUENCIES				\$11,358.36

<i># of Parcels Delinquent for FY 2024-25</i>	<i>2</i>
<i>% of FY 2024-25 Levy Delinquent</i>	<i>1.07%</i>

Information relating to Assessment District Bonds 19-4, Series 2020, for Fiscal Year 2024-2025

Principal Amount Outstanding	\$4,210,000
Balances as of June 30, 2025:	
Improvement Fund	\$12,232
Debt Service Reserve Fund	\$171,477

The balance in the Debt Service Reserve Fund exceeds the reserve requirement.

Taxes Levied and Delinquent for Fiscal Year 2024-2025

As of June 30, 2025

Total Parcels **122**

Taxes Levied in FY 2024-25	\$ 155,609.65
Total Paid	152,046.95
Delinquencies	\$ 3,562.70

Prior Year Delinquencies	\$ 6,959.26
---------------------------------	--------------------

PARCEL	ROLL YEAR	TAX LEVIED	TAX PAID	Delinquent
4169019002	2024	1,235.16		1,235.16
4169022016	2024	1,235.10		1,235.10
4169023009	2024	1,092.44		1,092.44
4169023009	2023	2,323.39	-	2,323.39
4169023009	2021	2,315.87	-	2,315.87
4169023009	2022	2,320.00	-	2,320.00
TOTAL DELIQUENCIES				\$10,521.96

<i># of Parcels Delinquent for FY 2024-25</i>	3
<i>% of FY 2024-25 Levy Delinquent</i>	2.29%

Update of Financial Tables (Not Otherwise Contained in the Audited Financial Statements)

As required by the offering statements for the Series 2021 Refunding, 2021 Fire Station No. 2, 2021 Pension Obligation Bonds, 2016 and 2013 debt issues.

Investment Portfolio Summary

As of June 30, 2025

Type of Investment	Market Value
Cash	\$3,869,184
Local Government Fund	36,029,344
US Treasury & Agency Notes	73,239,400
Medium-Term Notes	21,853,390
Funds Held by Fiscal Agent	6,232,381
Petty Cash	1,376
Total	\$141,225,075

Unrepresented Unit and Employee Associations

As of June 30, 2025

Employee Unit	No. Full-Time Employees*	Percent of Workforce	Expiration Date of Current Agreement
Manhattan Beach Fire Association	30	8.6%	6/30/2026
Manhattan Beach Police Officers' Association	64	18.4%	6/30/2028
Manhattan Beach Police Management Association	7	2.0%	6/30/2028
Miscellaneous Unit - Teamsters Local 911	157	45.2%	6/30/2028
Manhattan Beach Mid-Managers Employee Association	60	17.3%	6/30/2028
Management/Confidential (not represented)	29	8.4%	N/A
Total	347	100.0%	
<i>* As Budgeted. Excludes elected officials.</i>			
Councilmember	5		
Treasurer	1		
	353		

Historical and Projected Payments to PERS

	<u>2025</u>	<u>2026 (Estimated)</u>
Police		
Employee	\$1,342,314	\$1,426,318
Employer	\$2,276,614	\$2,419,088
Subtotal	\$3,618,928	\$3,845,406
Fire		
Employee	\$803,617	\$769,207
Employer	\$1,341,800	\$1,284,345
Subtotal	\$2,145,417	\$2,053,552
Misc		
Employee	\$1,755,375	\$1,907,309
Employer	\$2,293,679	\$2,492,204
Subtotal	\$4,049,054	\$4,399,513
Total	\$9,813,400	\$10,298,471

Funding History

<u>Plan</u>	<u>Valuation Date</u>	<u>Accrued Liability</u>	Share of Pool's Market <u>Value of Assets</u>	Plan's Share of Pool's <u>Unfunded Liability</u>	Funded <u>Ratio</u>	Annual <u>Covered Payroll</u>
Police	6/30/2024	180,174,020	165,924,365	14,249,655	92%	9,735,754
Fire	6/30/2024	86,372,205	79,101,600	7,270,605	92%	5,496,271
Miscellaneous	6/30/2024	154,505,786	144,088,110	10,417,676	93%	23,015,409

Effective July 2025, the actuarial reports combined Classic and PEPRA plans.

Additional Information

The City maintains AAA general obligation ratings from Standard and Poor's. Standard & Poor's last reaffirmed the City's AAA Credit Rating on July 25, 2025.



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