



CITY OF SEAL BEACH CALIFORNIA

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2011**

City of Seal Beach

Comprehensive Annual Financial Report For the Year Ended June 30, 2011



**Prepared by the Administrative Services Department
Sean Crumby, P.E.
Assistant City Manager/Director of Public Works**

CITY OF SEAL BEACH
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR FISCAL YEAR ENDED JUNE 30, 2011

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City of Seal Beach

CITY HALL, 211 EIGHTH STREET
SEAL BEACH, CALIFORNIA 90740
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October 31, 2011

Honorable Mayor, Members of the City Council and Citizens of the City of Seal Beach:

It is a pleasure to submit for your information the Comprehensive Annual Financial Report (CAFR) of the City of Seal Beach (City) for the fiscal year ended June 30, 2011. Responsibility for both the accuracy of presented data and the completeness and fairness of the presentation including all disclosures rests with the City. In our opinion, the data is accurate in all material aspects, is presented in a manner designed to fairly set forth the financial position and results of operations of the City, and contains all disclosures necessary to enable the reader to gain an understanding of the City's financial affairs.

The financial statements are prepared in accordance with General Accepted Accounting Principals (GAAP) as promulgated by the Government Accounting Standards Board (GASB). This report consists of management's representations concerning the finance of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these presentations, management of the City has established a comprehensive internal control framework that is designed to protect the City's assets from loss, theft or misuse and to compile reliable information for the preparation of this report in conformity with GAAP. As Management, we assert to the best of our knowledge and belief, this financial report is complete and reliable in all material respects within the reasonable of internal control framework.

The City's financial statements have been audited by Lance, Soll & Lunghard LLP, a public accounting firm fully licensed and qualified to perform audits of the state and local governments within the State of California. The audit was designed to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Seal Beach's financial statements for the year ended June 30, 2011, are fairly presented in conformity with generally accepted accounting principles (GAAP). The independent auditor's 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 statement in the form of Management's Discussion and

Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors in the financial section of the CAFR.

PROFILE OF THE CITY

The City of Seal Beach is located on the coast of northwestern Orange County California, was incorporated on October 25, 1915. The City charter, which was adopted in 1964, established the form of government, states the powers and duties of the City Council, and establishes various City Offices. The City is operated under the City Council/City Manager form of government, and is governed by a five-member city council elected by district serving four-year alternating terms and who, in turn elect the Mayor and Mayor Pro Tem from among themselves for one year term. The governing council is responsible for, policy-making, passing local ordinances, adopting the budget, appointing committees and hiring the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City council, for overseeing the day-to-day operations of the City, and for appointing of all department heads. The City Clerk is an elected position and is responsible for maintaining city records and overseeing elections.

The City provides a full range of services for the citizens utilizing a mix of contracts with other governmental entities or private companies. The City has its own Police Department, but contracts for fire and paramedic services through the Orange County Fire Authority (OCFA). The City also operates water and sewer utilities and contracts for refuse and sanitation treatment services.

The Seal Beach Redevelopment Agency (Agency) is a component unit of the City. Component units are legally separate entities for which the primary government is financially accountable. The Seal Beach City Council Members, in separate session, serve as the governing board of the Agency and the City Manager serves as the Executive Director. The Agency has issued its own separate financial statement.

History of Seal Beach

The City has an area of 13.23 square miles, and sits on the coast as the gateway to Orange County between the cities of Long Beach and Huntington Beach. In 1901 J.C. Ord, a Civil War veteran known as "the father of Seal Beach," hired a 30-mule team to bring his small general store building from Los Alamitos to Bay City where he set it down at the southwest corner of crossroads now known as Main Street. J. C. Ord was the first Trustee, the first Mayor, Postmaster and the first Judge. His store on Main Street was the Post Office and Court House and the jail house when it was necessary.

The population in 1915 was 250 persons, including children. Bay City was renamed Seal Beach in 1916. California Seal Lions, commonly called Seals, were a regular part of the scene along the coast and a perfect name for the new town.

On January 16, 1916, it was reported in the newspaper, the POST, that Frank Burt, who had managed the concessions at the recent Panama Pacific Exposition just closing in San Francisco, was coming to Seal Beach. His purpose was to establish an amusement zone for Fun and Frolic in this small beach village. The Jewel City Amusement Company was formed and a new 1,865 feet long pier was constructed in early summer 1916, and is the second longest wooden pier in the California. The City became a popular recreation destination in the area, and featured a beach side amusement park before Disneyland was founded.

During World War II, the U.S. Navy purchased 5,256 acres of land and established the Naval Weapons and Net Depot for loading, unloading of ammunition for the Pacific Fleet. The Seal Beach National Wildlife Refuge was established in 1972.

In 1961, the Leisure World was built on 541 acres of the Hellman Ranch property and was annexed in 1964.

The Rossmoor Business Center was remodeled and now called the Shops at Rossmoor – was annexed by the City in 1962.

In 1964-65, the College Park East and West construction took place.

In 1969, the Surfside Colony was annexed into Seal Beach and the City population grew to 24,441 by 1970.

ECONOMIC CONDITIONS

Local Economy. Although the focus of this Comprehensive Annual Financial Report is the financial condition of the City at June 30, 2011, it may be best understood when it is considered from the broader perspective of the specific environment within which the City operates.

The City is the home of Boeing Company Integrated Defense System international headquarters, the U.S. Naval Weapons Station, the first Leisure World Retirement Community and the 1000 acre Seal Beach National Wildlife Refuge. The City's one and a half miles of beaches and the public pier attracts more than 2,000,000 visitors each year making recreation an important factor in the local economy. Seal Beach has varieties of local beach front stores at Main Street, fine dining and exciting community events which the residents and visitors could enjoy and participate.

Long-term financial planning. The City of Seal Beach economy and tax base continue to stay the course and maintain the present package of core services for our residents, businesses and visitors and protect all essential municipal service that contribute to the high quality of life within the City.

In FY 2010/11 the tax revenue continued stay flat and City has a 3% increase of property tax and 5.2% increase of sale tax compared with the projected revenues at the beginning of the FY 2011.

For the upcoming fiscal year, sales tax revenues are projected to increase of approximately \$300,000 due to the retail sales from Shops of Rossmoor and the price increase of gasoline.

The Southern California region, as well as the entire country, is in going through a slowdown in economic activity due to the continued softening in the housing market, high unemployment rate, cost of goods, increase price of gasoline and consumer slow down on their spending. Based on September 2011 UCLA Anderson Forecast Report called for economic growth to gradually rebound in mid-2012 with the economy advancing at modest 2.5%-3% rate. The report indicated that the coastal regions rebound from the depths of the recession compared with the inland regions which suffer economic “doldrums”.

Major initiatives. The City of Seal Beach will continue to be a major participant in improving ocean water quality as mandated in the Clean Water Act. The City has a National Pollution Discharge Elimination System Program operated for this purpose.

The City will continue to make improvements to the storm drain system. In November 2008, the City Council approved the update to the Master Plan of Drainage. The 10 years of Master Plan identified \$96.6 million storm drain improvements needed throughout the City. The City has recently completed the Candleberry Storm Drain Project (from Lampson Avenue to Aster Street), and the Electric Avenue Storm Drain Project (from Seal Beach Boulevard to 14th Street). The City is currently designing the Marina Ave Storm Drain Project and studying drainage improvement on Ironwood Avenue.

The City has been aggressively seeking and will continue to search for funding sources from other governmental agencies or use non-recurring or future developmental revenues to maintain and improve its infrastructure. The City completed several capital projects throughout the fiscal year of 2011, including the completion of Fire Station 48, McGaugh Pool and Police Department Interior Rehabilitation, Mary Wilson Library Improvement, resurfacing tennis court, Marina Park Basketball Court Rehabilitation, and Local streets and improvements. In addition, over \$3.5 million was spent to construct a new domestic water well on Lampson Avenue.

FINANCIAL POLICIES AND PROCEDURES

Internal Control Structure. Management of the City is responsible for establishing and maintaining an adequate internal control structure. Internal accounting controls are

designed to ensure that the assets of the City are protected from loss, theft or misuse and that adequate accounting data are 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: (1) the cost of the control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits require estimates and judgment by management.

Budgetary Controls. The annual budget serves as the foundation for the City of Seal Beach's financial planning and control. The City Council adopted annual budget and appropriated the fund to provide the services and operation for the fiscal year. The City Manager may make appropriation transfers within and between departments which do not result in an increase in appropriations. The City of Seal Beach City Council must approve all appropriation changes that results in an increase in appropriations.

Cash Management. The Director of Administrative Services/Treasurer invests in funds in accordance with the California Government Code and the investment policy adopted annually by the City Council. During the fiscal year, funds were invested in U.S. Treasuries, U.S. Government Agency Securities, Medium-Term Notes, Certificates of Deposits and the State of California Local Agency Investment Fund. The monthly investment reports are submitted by the Director of Finance/Treasurer to the City Council.

Investment interest totaled \$438 thousand for fiscal year ended June 30, 2011, or almost 1.4 percent of the total City revenues. This is a decline in the current fiscal year due to lower interest rates as a result of the downturn in the nation's economy.

AWARDS

GFOA Award Program – Comprehensive Annual Financial Report

The Government Finance Officers Association of the United States (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Seal Beach for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2010. This was the twelve consecutive years that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA again this year for award.

ACKNOWLEDGEMENTS

This report was made possible by the highly dedicated Finance staff with their special efforts and the teamwork, special thanks to Ms. Alayna Hoang, Sr. Accountant and the staff in the Finance Department. Appreciation is also expressed to the City Council and City Manager for their interest and support, which made this presentation possible; and finally to the City's auditing firm of Lance, Soll & Lunghard, LLP for their professional assistance.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Sean Crumby".

Sean Crumby, P.E.
Assistant City Manager

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Seal Beach
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

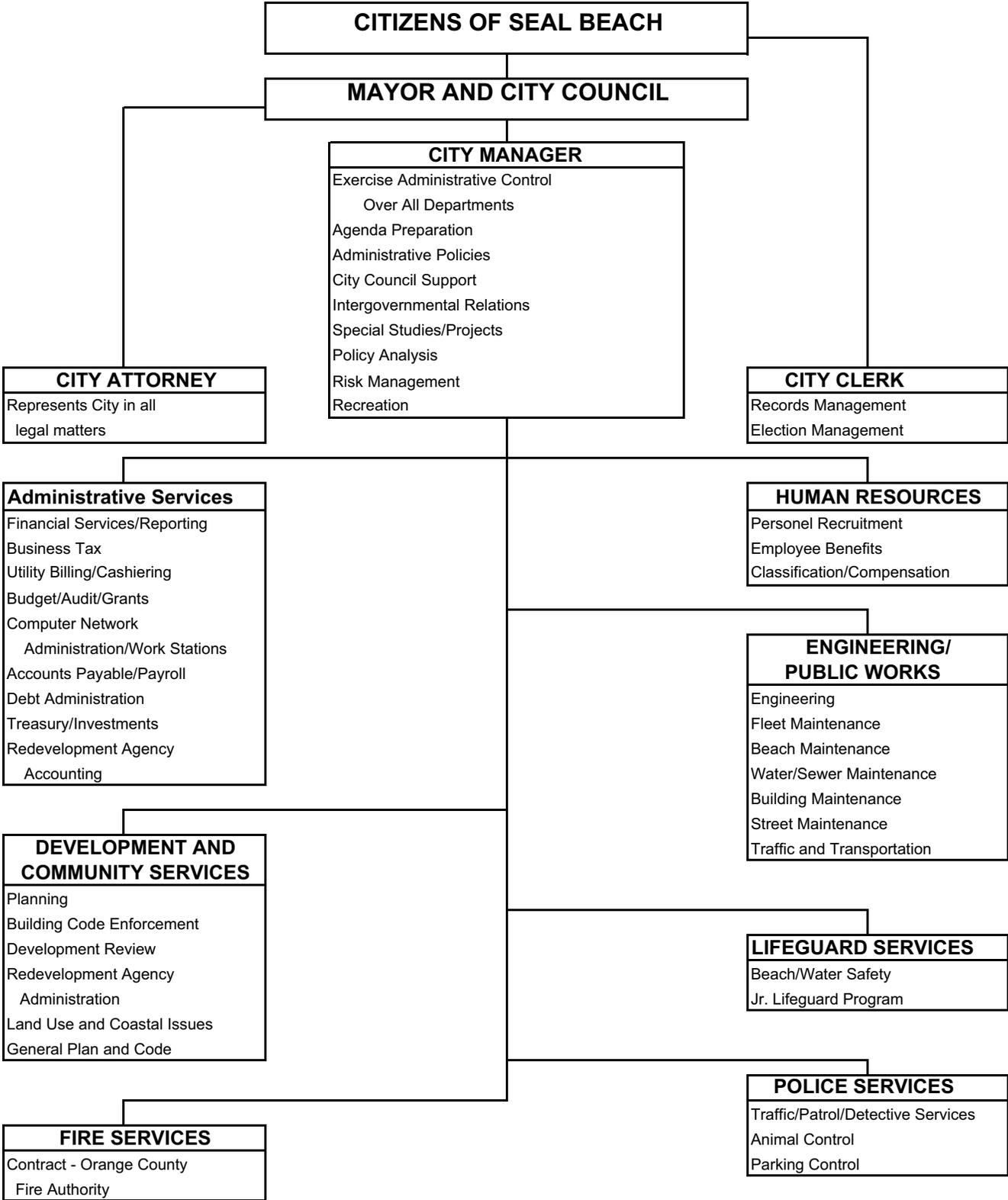
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

City of Seal Beach Organizational Chart



CITY OF SEAL BEACH CALIFORNIA

Principal Officers

City Council

Mike Levitt, Mayor
Gary Miller, Mayor Pro Tem
Ellery Deaton, Council Member
Gordon Shanks, Council Member
David Sloan, Council Member

Executive Officers

Jill R. Ingram, City Manager
Quinn Barrow, City Attorney

Administrative Personnel

Sean Crumby, Assistant City Manager/Director of Public Works
Shally Lin, Interim Director of Finance
Robert Luman, Interim Chief of Police
Mark Persico, Director of Development Services
Joe Bailey, Marine Safety Chief
Linda Devine, City Clerk

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CERTIFIED PUBLIC ACCOUNTANTS

- Brandon W. Burrows, CPA
- David E. Hale, CPA, CFP
A Professional Corporation
- Donald G. Slater, CPA
- Richard K. Kikuchi, CPA
- Susan F. Matz, CPA
- Shelly K. Jackley, CPA
- Bryan S. Gruber, CPA

INDEPENDENT AUDITOR'S REPORT

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

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 City of Seal Beach, California (the City), as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year partial comparative information has been derived from the financial statements of the City for the year ended June 30, 2010 and was audited by other auditors whose report thereon, dated November 24, 2010, expressed an unqualified opinion.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2011, and the respective changes in financial position, and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

We would like to draw the reader's attention to Note 16 – "California Redevelopment Agency Uncertainty". The note provides information on two bills passed, AB1X26 and 27 which dissolve redevelopment agencies effective October 1, 2011 and provide an option to avoid dissolution by making certain defined payments.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2011, 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information, 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Lance, Soll & Lughard, LLP

Brea, California
October 31, 2011

CITY OF SEAL BEACH

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management of the City of Seal Beach is pleased to offer this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the City's financial statements.

FINANCIAL HIGHLIGHTS

- Assets included in the City's combined governmental and business-type activities exceeded liabilities by \$144,040,969 for the fiscal year ended June 30, 2011, representing an increase of 1% in net assets from the prior fiscal year. Of this amount, an increase of \$5,791,040 was due to the increase in capital assets during the fiscal year. In addition, \$41,191,181 (unrestricted net assets) of the total net assets may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies. This amount includes City Council designations of fund balance.
- The City's change in net assets was \$273,631 less than last fiscal year. The major reason for the decrease in the change in net assets is attributable to a decrease in sales tax revenue of \$520,487, and use of money and property of \$17,689. In addition, general government expenses increased by \$1,673,018 for the fiscal year ended June 30, 2011.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$36,153,399, representing a decrease of 13% from the prior fiscal year. This resulted in an unassigned fund balance of \$16,818,727, or 47% of the total fund balance, after recording all restricted and assigned.
- At the end of the current fiscal year, unassigned fund balance in the General Fund was \$16,952,806 or 52.3% of total general fund expenditures and transfers out.
- Revenues associated with the City's business-type activities were \$985,310 more than the \$5,418,073 in expenses recorded. During the fiscal year ended June 30, 2010, a water rate study was conducted and as a result of that study, water rates were reduced in fiscal year 2009-2010 but increased in 2010-11 and for the next three years. This is expected to bring the gap between revenues and expenditures much closer in the future.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements – The government-wide financial statements are designed to provide readers with a view of the City's finances as a whole in a manner similar to a private-sector business.

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

The Statement of Activities presents information showing how the City's net assets changed during the fiscal year. All changes in net assets are reported when the underlying event giving rise to the change

occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government and administration, public safety, development services, public works and recreation. The business-type activities of the City include Water and Sewer operations.

Fund Financial Statements – The fund financial statements provide detailed information about the most significant funds and other funds – not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, management established many other funds to help control and manage money for particular purposes or to verify that all legal requirements for using certain taxes, grants, and other resources are being satisfied. The City's three types of funds are governmental, proprietary and fiduciary funds.

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

Proprietary funds – Customer charges for various City services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the City's enterprise funds are comprised of the business-type activities reported in the government-wide statements but provide more detail and additional information such as a statement of cash flows.

Fiduciary funds – The City utilizes Fiduciary Funds to account for assets held by the City in a trustee capacity, or as an agent for other governmental entities, private organizations, or individuals. All of the City's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the City's Government-wide Financial Statements because the City cannot use these assets to finance its operations.

Notes to the Financial Statements – The financial statements also include the Notes to the Financial Statements that provide important narrative details about the information contained in the financial statements. Information contained in the Notes to the Financial Statements is critical to a reader's full understanding of the Government-wide and Fund Financial Statements.

Supplementary Information – In addition to the required elements of the Basic Financial Statements, a Supplementary Information section is included which contains budgetary and combining schedules that provide additional details about the City's non-major Governmental Funds and Fiduciary Funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Our analysis focuses on the City's net asset position and changes in net assets resulting from the City's activities.

MANAGEMENT'S DISCUSSION & ANALYSIS (CONTINUED)
 JUNE 30, 2011

Net Assets – Net assets may serve over time as a useful indicator of a government's financial position. The City's combined net assets were \$144.0 million and \$142.9 million for the years ended June 30, 2011 and June 30, 2010, respectively, as shown in Table 1.

Table 1
 Net Assets
 (in Thousands)

	Governmental Activities		Business-Type Activities		Total Activities	
	2010	2011	2010	2011	2010	2011
Current and other assets	\$ 57,607	\$ 49,360	\$ 16,432	\$ 14,814	\$ 74,039	\$ 64,174
Capital assets	70,204	74,152	30,693	32,536	100,897	\$ 106,688
Total assets	<u>127,811</u>	<u>123,512</u>	<u>47,125</u>	<u>47,350</u>	<u>174,936</u>	<u>170,862</u>
Long-term liabilities outstanding	23,055	20,776	3,675	3,202	26,730	23,978
Other liabilities	3,907	1,882	1,363	962	5,270	2,844
Total liabilities	<u>26,962</u>	<u>22,658</u>	<u>5,038</u>	<u>4,164</u>	<u>32,000</u>	<u>26,822</u>
Net assets						
Invested in capital assets, net of debt	64,608	68,118	27,416	29,553	92,024	97,671
Restricted	6,191	5,179	295	-	6,486	5,179
Unrestricted	<u>30,050</u>	<u>27,557</u>	<u>14,376</u>	<u>13,634</u>	<u>44,426</u>	<u>41,191</u>
Total net assets	<u>\$ 100,849</u>	<u>\$ 100,854</u>	<u>\$ 42,087</u>	<u>\$ 43,187</u>	<u>\$ 142,936</u>	<u>\$ 144,041</u>

Investment in capital assets represents assets such as land, buildings, infrastructure, and equipment less any related outstanding debt used to acquire those assets. Investment in capital assets represents \$97.7 million, or 68%, of the total \$ 144.0 million net assets - an increase of 1% from the prior fiscal year. The City's capital assets do not represent a financial resource and consequently are not available for future spending.

Unrestricted assets represent the second largest portion of the City's net assets. The City is required by Council Policy to maintain 20% to 25% of operating expenditures to maintain the City's credit worthiness and to meet cash flow requirements. As of June 30, 2011, unrestricted net assets decreased less than 7% to \$41.2 million from \$44.4 million in the prior fiscal year. Restricted net assets represent resources that are legally restricted to specific uses. These restrictions are generally enforced by external agencies.

As of June 30, 2011, the City reported positive balances in all three categories of net assets for both Governmental and Business-type Activities.

With the exception of contracting the City's fire services with the Orange County Fire Authority, the City is a full service city providing residents and visitors with the following functional services:

General Government is comprised of the City Council, City Clerk, City Manager, Human Resources and Administrative Services. These departments provide general governance, executive management, records management, risk management, finance, accounting, and information technology services. An outside firm appointed by the City Council provides legal services.

Public Safety is comprised of the Police and Lifeguard Departments. The two departments provide general law enforcement, animal control services, ocean lifeguard services and parking control.

Public Works provides engineering, construction and maintenance of public streets, highways, buildings, beaches, parks and related infrastructure, as well as traffic engineering and street lighting.

Development Services is comprised of the Planning and Building Departments that provide planning and zoning services, economic development services, and building plan check and code enforcement services.

MANAGEMENT'S DISCUSSION & ANALYSIS (CONTINUED)
 JUNE 30, 2011

Community Services provides leisure classes, monitors use of community facilities, sports programs and aquatic services.

Business Enterprise Operations include water and sewer services and are administered by Public Works.

The following table provides a summary of the City's operations for the years ended June 30, 2011 and 2010.

	Governmental Activities		Business-Type Activities		Total Activities	
	2010	2011	2010	2011	2010	2011
Revenues:						
Program Revenues:						
Charges for services	\$ 6,563	\$ 5,933	\$ 7,840	\$ 6,404	\$ 14,403	\$ 12,337
Operating grants and capital contributions	1,999	1,776	-	-	1,999	1,776
Capital grants and contributions	423	24	-	-	423	24
General Revenues:						
Taxes						
Property taxes	10,738	10,794	-	-	10,738	10,794
Sales tax	4,681	4,160	-	-	4,681	4,160
Transient occupancy taxes	1,109	1,221	-	-	1,109	1,221
Other taxes	6,226	6,689	-	-	6,226	6,689
Use of money and property	753	735	92	109	845	844
Other	380	312	(48)	5	332	317
Loss on sale of assets	-	-	-	-	-	-
Gain on disposal of assets	-	-	-	-	-	-
Total revenues	<u>32,872</u>	<u>31,644</u>	<u>7,884</u>	<u>6,518</u>	<u>40,756</u>	<u>38,162</u>
Expenses:						
General government	6,462	8,135	-	-	6,462	8,135
Public safety	14,322	13,493	-	-	14,322	13,493
Community development	3,332	1,654	-	-	3,332	1,654
Parks and recreation	1,109	1,041	-	-	1,109	1,041
Public works	7,746	6,304	-	-	7,746	6,304
Interest on long-term debt	890	1,013	-	-	890	1,013
Water	-	-	4,063	4,006	4,063	4,006
Sewer	-	-	1,453	1,412	1,453	1,412
Total expenses	<u>33,861</u>	<u>31,640</u>	<u>5,516</u>	<u>5,418</u>	<u>39,377</u>	<u>37,058</u>
Excess/(deficiency) before special item	(989)	4	2,368	1,100	1,379	1,104
Changes in net assets	(989)	4	2,368	1,100	1,379	1,104
Net assets at beginning of year	<u>101,839</u>	<u>100,850</u>	<u>39,719</u>	<u>42,087</u>	<u>141,558</u>	<u>142,937</u>
Net assets at end of year	<u>\$ 100,850</u>	<u>\$ 100,854</u>	<u>\$ 42,087</u>	<u>\$ 43,187</u>	<u>\$ 142,937</u>	<u>\$ 144,041</u>

Analysis of the City's Operations – The City's Net Assets increased \$1.1 million during Fiscal Year 2010/2011 or 1%, over prior year results.

Governmental Activities experienced a small increase of \$5 thousand in net assets as of June 30, 2011 compared to a decrease of \$1 million at June 30, 2010. The reason for the increase in net assets is attributable to an increase in transient occupancy tax revenue of \$112 thousand.

The cost of all governmental activities during the current fiscal year was \$31.6 million compared to \$33.9 million in fiscal year 2009/2010. As shown on the statement of activities, those who directly benefited from the programs paid \$5.9 million of the cost, and \$1.8 million was financed by contributions and grants received from other governmental organizations. The remainder of the costs of operations, \$23.9 million was subsidized through general City taxes. The largest operating cost was comprised of Public Safety, representing 43% of total governmental expenditures compared to 42% of total governmental expenditures in fiscal year 2009/10.

Business-type Activities' net assets increased \$1.1 million primarily due to increases in sewer rates.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

As of June 30, 2011 the City's governmental funds reported combined ending fund balances of \$36.2 million. Approximately \$16.8 million, or 46.5%, of this total amount constitutes unassigned fund balance. The remainder of the fund balance is assigned to indicate that it is not available for new spending because it has already been committed to pay for encumbrances, loans, prepaid expenses and advances to other funds.

The General Fund ended the fiscal year with a fund balance of \$26.3 million, representing a net decrease of \$3.9 million in fund balance compared to the \$ 6.5 million increase experienced during the prior fiscal year. The primary reason for the decrease in fund balance was almost entirely due to 10 Year Storm Drain Improvement Master Plan, Local Paving Program, and Facility Improvements capital projects.

Proprietary funds – The City's proprietary funds financial statements provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net assets totaled \$8.5 million and \$5.1 million for the Water and Sewer funds, respectively. The Water Fund experienced a \$264 thousand increase in net assets due to the increase in water rates for fiscal year 2010/11 and for the next three years. The increase of \$836 thousand in Sewer Fund net assets resulted from the increase in sewer operating fees and the capital sewer fees charged to customers to rehabilitate and maintain the sewer infrastructure and satisfy future debt service commitments. Sewer operating fees represent 22% of customer water charges for both usage and capital costs.

General Fund Budgetary Highlights – The difference between the original and final amended budgeted revenues was a \$ \$31 thousand increase. The primary reason for the increase in the original and final budgeted numbers is mainly due to donated revenues.

The difference between the original and final amended budget in General Fund expenditures was an increase of \$7.1 million. This difference is due to a variety of budget amendments approved by the City Council during the fiscal year including the City Manager recruitment, zoning, DWP negotiation, CJPIA insurance retrospective, senior bus program, POA/PMA MOUs, Countywide Debt Service payment, various capital project (College Park Intersection/SR22/Studebaker ramp project, Nuisance abatement, Street Tree Master Plan project, Geotechnical at Gumgrove/PD, Marina Park/McGaugh School Improvement, Beverly Manor/Northgate Rd, Fire Station to Atom & Leisure World Pavement, charging station), building assessment, tree trimming and increases in attorney costs due to litigation.

General Fund revenues came in lower than projected in the final budget by approximately \$214 thousand. Actual revenues came in under the budgeted revenues were almost entirely due to sales tax coming in lower than budgeted as a result of the slow down of the economy that is being experienced nationwide.

MANAGEMENT'S DISCUSSION & ANALYSIS (CONTINUED)
 JUNE 30, 2011

General Fund actual expenditures were \$3.3 million less than appropriations. This difference is entirely due to budgeted capital projects that were not either started or completed during the fiscal year. These appropriations will be carried forward to the 2011-12 fiscal year.

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2011, amounts to \$106.7 million compared to \$100.9 million (net of accumulated depreciation) for FY 2009/10. This investment in capital assets includes land, building, equipment, improvements, infrastructure and construction in progress. Total capital assets for governmental activities for the current fiscal year increased 6% and the City's investment in capital assets for business-type activities for the current fiscal year increased 6%.

Table 3
 Capital Assets At Year-End
 (Net of Depreciation, in Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2010	2011	2010	2011	2010	2011
Land	\$ 10,544	\$ 10,544	\$ 24	\$ 24	\$ 10,568	\$ 10,568
intangible	-	900	-	-	-	900
Buildings and Improvements	3,943	4,703	5	4	3,948	4,707
Machinery and Equipment	751	634	781	737	1,532	1,371
Vehicles	797	637	114	91	911	728
Infrastructure	41,720	46,488	26,933	27,349	68,653	73,837
Construction-in-progress	12,449	10,246	2,835	4,331	15,284	14,577
Totals	<u>\$ 70,204</u>	<u>\$ 74,152</u>	<u>\$ 30,692</u>	<u>\$ 32,536</u>	<u>\$ 100,896</u>	<u>\$ 106,688</u>

During fiscal year 2010/11, major capital projects formally completed include:

- 10 Year Storm Drain Improvements. This project constructs storm drain improvements identified within the Master Plan of Drainage (2008). Two construction projects are included with this year's budget. The two projects were constructed for a cost of \$3,809,829 and are described as follows: Candleberry Storm Drain Improvements: This project constructed the second phase of Storm Drain improvements on Candleberry Avenue. Additional phases are identified within the Master Plan of Drainage. The improvements were located within Candleberry Avenue between Lampson Avenue and Aster Street. Electric Avenue Storm Drain Improvements: This project constructed storm drain improvements within Electric Avenue between Seal Beach Boulevard and 14th Street. The improvements were identified within the Master Plan of Drainage (adopted in 2008). This project constructed the first phase of Storm Drain Improvements on Electric Avenue. Additional phases are identified within the Master Plan of Drainage. The improvements were located within Electric Avenue between Seal Beach Boulevard and 14th Street.
- Police Department Building Renovations: This project constructed improvements to the City's Police Department. The improvements consisted of an interior remodel and were constructed for a cost of \$845,501.
- Local Street Resurfacing Program: This project resurfaced numerous streets within Old Town and College Park East. The improvements include rehabilitation of the streets and sidewalks. The project was constructed for a cost of \$3,240,682
- Tennis Court Resurfacing: This project resurfaced the Tennis Courts within the Seal Beach Tennis Club. The resurfacing replaces the top coat of the courts and has an expected life of 3-5 years. The project was done for a cost of \$48,366

MANAGEMENT'S DISCUSSION & ANALYSIS (CONTINUED)
 JUNE 30, 2011

- Eisenhower Park Restroom Remodel: This project remodeled the restrooms within Eisenhower Park. The remodel replaced the fixtures, and installed a ventilation system. The project was constructed with State of California grant funds for a cost of \$89,679.
- Seal Beach Blvd/I-405 overcrossing Approach Widening: This project constructs improvements to Seal Beach Boulevard that are necessary due to the West County Connectors project. The project was constructed with Grant and Developer Impact Fees for a cost of \$279,094.
- Annual Concrete Repair Program: This project rehabilitates concrete sidewalks throughout the City. The City has a Master Concrete Inspection Report that identifies needed repairs throughout the City. These improvements were constructed for a cost of \$94,297.
- San Gabriel Bikeway and Rivers project: This project constructs improvements within the River's End 1st Street parking lot and along the San Gabriel Bicycle Trail. This is the design phase of the project and was completed for a cost of \$214,161.

Additional information on the City's capital assets can be found in note 6 in the Financial Section of this report.

DEBT ADMINISTRATION

As of June 30, 2011, the City had bonded debt, notes payable, compensated absences, and capital leases totaling \$24 million compared to \$26.7 million at the end of fiscal year 2009/10. The City's governmental activities maintained \$20.8 million in bonds, capital leases, compensated absences, and claims payable versus \$23.1 million last year, representing a decrease of approximately \$2.3 million from the previous fiscal year. This decrease reflects interest and principal payments made during fiscal year 2010/11.

The City's business-type activities debt decreased \$0.5 million from \$3.7 million to \$3.2 million. Debt in the business-type activities consists of Sewer Certificates of Participation Payable to provide funds for improvements to the City's sewer system, and a Water Economic Development Administration Loan for drought relief. The decrease in outstanding debt was attributable to payments of interest and principal made during the fiscal year.

Table 4
 Outstanding Debt, At Year-End
 (in Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2010	2011	2010	2011	2010	2011
Compensated absences	\$ 716	\$ 745	\$ 104	\$ 120	\$ 820	\$ 865
Promissory note	-	-	111	99	111	99
Capital leases	434	324	-	-	434	324
Revenue bonds	230	120	-	-	230	120
Tax Allocation bonds	6,005	5,575	-	-	6,005	5,575
Pension Obligation Bonds	9,307	8,311	-	-	9,307	8,311
Lease Revenue Bonds	5,775	5,355	-	-	5,775	5,355
Certificates of participations	-	-	3,460	3,200	3,460	3,200
Self-insured claims payable	588	345	-	-	588	345
Total	\$ 23,055	\$ 20,775	\$ 3,675	\$ 3,419	\$ 26,730	\$ 24,194

Additional information on the City's long-term debt can be found in notes 7-12 in the Financial Section of the report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The economy and tax base in the City of Seal Beach declined slightly during 2010/11. This was due to the downturn in the economy. For the next fiscal year, property tax is expected to decline approximately 2% and sales tax revenues are projected to increase approximately \$300 thousand due to the retail sales from Shops of Rossmoor and the price increase of gasoline. However, due to the recession not only locally but nationally, the City will continue to monitor revenues in the coming year and make adjustments as deemed necessary to preserve the fiscal health of the City. Based on a consensus of most economists, the national recession has bottomed out and minor recovery is expected in the last half of the fiscal year; however, even if the economists are correct, that does not always translate into the same recovery locally. Planning and building permits are expected to decrease also due to the economic stagnation. All other revenue sources are expected to remain relatively constant.

The City prepared a two-year budget for FY's 2010 - 2011. The two-year budget represents a General Fund surplus of operating revenues over operating expenditures (excluding capital projects) in each fiscal year. Expenditures of the City were budgeted at the current level of service with capital improvement projects to be supported primarily by the City's General Fund reserves. The revenue projections for the 2010 - 2011 budget years are very conservative due to the uncertainty in the economy. The City will continue to monitor revenue streams throughout the coming years and will reduce spending levels as deemed necessary.

The most significant issues facing the City are the aging condition of the City's infrastructure. The City has prepared numerous infrastructure planning documents e.g. (Water Master Plan, Sewer Master Plan, Master Plan of Drainage, and Pavement Management Plan). These plans identify well over \$100 million in needed improvements throughout the City. The City has prepared and adopted a 5 year Capital Improvement Program (CIP) that strategically plans construction of these need improvements. The CIP recommends \$39.9 million in improvements over the next 5 years. The 5 Year Capital Improvement Program identifies needs in the following areas: Beach and Pier (\$3.5m), Buildings and Facilities (\$5.5m), Sewer System (\$10.3m), Storm Drain System (\$2.0m), Streets and Transportation (\$5.7m) and Water System (\$8.9m). This is over \$50 million of capital improvements needed in the near future.

REQUEST FOR INFORMATION

This financial report is designed to provide the City's citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the funds it receives. If you have questions about this report or need additional financial information, contact the City's Administrative Services Department at 211 8th Street, Seal Beach, CA 90740 or call (562) 431-2527.

CITY OF SEAL BEACH

STATEMENT OF NET ASSETS
JUNE 30, 2011

	Primary Government		Totals	
	Governmental Activities	Business-Type Activities	2011	2010
Assets:				
Cash and investments (note 3)	\$ 35,150,948	\$ 12,599,023	\$ 47,749,971	\$ 55,781,365
Receivables:				
Accounts	862,051	934,914	1,796,965	2,093,345
Taxes	2,144,327	-	2,144,327	2,076,090
Notes and loans (note 5)	1,957,603	-	1,957,603	1,848,230
Accrued interest	64,227	-	64,227	74,496
Internal balances	(1,200,000)	1,200,000	-	-
Prepaid costs	100	172	272	-
Due from other governments	185,070	-	185,070	332,375
Deferred charges	-	80,528	80,528	153,382
Restricted assets:				
Cash with fiscal agent (note 3)	1,571,646	4	1,571,650	2,038,047
Net OPEB asset (note 13)	312,512	-	312,512	317,825
Net pension prepaid (note 7)	8,311,000	-	8,311,000	9,324,074
Capital assets not being depreciated (note 6)	21,690,565	4,355,483	26,046,048	25,851,709
Capital assets, net of depreciation (note 6)	52,461,830	28,180,185	80,642,015	75,045,314
Total Assets	123,511,879	47,350,309	170,862,188	174,936,252
Liabilities:				
Accounts payable	1,076,269	653,351	1,729,620	4,263,746
Accrued liabilities	429,787	62,591	492,378	500,613
Accrued interest	134,800	-	134,800	150,027
Unearned revenue	17,000	-	17,000	-
Deposits payable	192,013	3,630	195,643	73,436
Retentions payable	32,275	242,151	274,426	282,255
Noncurrent liabilities (note 7):				
Due within one year	2,904,018	186,885	3,090,903	2,505,669
Due in more than one year	17,871,446	3,015,003	20,886,449	24,224,186
Total Liabilities	22,657,608	4,163,611	26,821,219	31,999,932
Net Assets:				
Invested in capital assets, net of related debt	68,117,517	29,552,934	97,670,451	92,024,052
Restricted for:				
Community development projects	548,638	-	548,638	482,264
Public safety	134,337	-	134,337	216,529
Parks and recreation	214,418	-	214,418	207,558
Public works	632,420	-	632,420	675,370
Debt service	2,227,601	-	2,227,601	1,786,999
General government - grants	52,346	-	52,346	-
Low and moderate income housing	1,369,577	-	1,369,577	3,116,539
Unrestricted	27,557,417	13,633,764	41,191,181	44,427,009
Total Net Assets	\$ 100,854,271	\$ 43,186,698	\$ 144,040,969	\$ 142,936,320

CITY OF SEAL BEACH

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2011

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Contributions and Grants</u>	<u>Contributions and Grants</u>
Functions/Programs				
Primary Government:				
Governmental Activities:				
General government	\$ 8,135,200	\$ 1,770,024	\$ 45,088	\$ 18,967
Public safety	13,493,413	1,515,727	210,129	-
Community development	1,654,009	92,131	275,585	-
Parks and Recreation	1,040,723	815,779	165,267	-
Public works	6,304,343	1,738,965	1,079,756	5,000
Interest on long-term debt	1,012,516	-	-	-
Total Governmental Activities	31,640,204	5,932,626	1,775,825	23,967
Business-Type Activities:				
Water Utility	4,005,747	4,190,824	-	-
Sewer Utility	1,412,326	2,212,559	-	-
Total Business-Type Activities	5,418,073	6,403,383	-	-
Total Primary Government	\$ 37,058,277	\$ 12,336,009	\$ 1,775,825	\$ 23,967

General Revenues:

Taxes:

Property taxes, levied for general purpose
 Transient occupancy taxes
 Sales taxes
 Franchise taxes
 Utility users tax
 Other taxes

Motor vehicle in lieu - unrestricted

Use of money and property

Other

**Total General Revenues, Contributions,
Special Items and Transfers**

Change in Net Assets

Net Assets at Beginning of Year

Net Assets at End of Year

**Net (Expenses) Revenues
and Changes in Net Assets
Primary Government**

Governmental Activities	Business-Type Activities	2011	2010
\$ (6,301,121)	\$ -	\$ (6,301,121)	\$ (3,862,628)
(11,767,557)	-	(11,767,557)	(12,298,071)
(1,286,293)	-	(1,286,293)	(2,946,403)
(59,677)	-	(59,677)	(188,130)
(3,480,622)	-	(3,480,622)	(4,691,188)
(1,012,516)	-	(1,012,516)	(889,721)
(23,907,786)	-	(23,907,786)	(24,876,141)
-	185,077	185,077	1,591,936
-	800,233	800,233	731,539
-	985,310	985,310	2,323,475
(23,907,786)	985,310	(22,922,476)	(22,552,666)
10,794,375	-	10,794,375	10,738,530
1,221,491	-	1,221,491	1,108,785
4,160,359	-	4,160,359	4,680,846
1,030,736	-	1,030,736	941,785
5,310,666	-	5,310,666	5,056,233
228,449	-	228,449	151,724
119,022	-	119,022	76,234
735,082	109,160	844,242	845,030
312,316	5,469	317,785	331,779
23,912,496	114,629	24,027,125	23,930,946
4,710	1,099,939	1,104,649	1,378,280
100,849,561	42,086,759	142,936,320	141,558,040
\$ 100,854,271	\$ 43,186,698	\$ 144,040,969	\$ 142,936,320

CITY OF SEAL BEACH

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011**

	<u>Capital Projects Funds</u>			
	<u>General</u>	<u>Capital Projects and Equipment</u>	<u>Capital Projects RDA</u>	<u>Other Governmental Funds</u>
Assets:				
Pooled cash and investments	\$ 25,354,343	\$ 158,034	\$ 3,974,594	\$ 3,670,496
Receivables:				
Accounts	840,412	-	7,893	13,746
Taxes	2,137,480	-	-	6,847
Notes and loans (note 5)	-	-	-	1,957,603
Accrued interest	64,227	-	-	-
Prepaid costs	100	-	-	-
Due from other governments	-	-	-	185,070
Due from other funds (note 4)	217,516	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	10,930	70,847	-	1,489,869
Total Assets	\$ 28,625,008	\$ 228,881	\$ 3,982,487	\$ 7,323,631
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 883,866	\$ 109,231	\$ 43,609	\$ 39,563
Accrued liabilities	425,168	-	300	4,319
Deferred revenues	754,677	-	-	87,071
Unearned revenues	17,000	-	-	-
Deposits payable	192,013	-	-	-
Due to other funds (note 4)	27,699	-	-	189,817
Advances from other funds	-	-	1,200,000	-
Retentions payable	-	32,275	-	-
Total Liabilities	2,300,423	141,506	1,243,909	320,770
Fund Balances:				
Nonspendable:				
Prepaid costs	100	-	-	-
Notes and loans	-	-	-	1,957,603
Restricted for:				
Community development projects	-	-	-	548,638
Public safety	-	-	-	134,337
Parks and recreation	-	-	-	214,418
Public works	-	-	-	632,420
Debt service	-	-	-	2,227,601
General government - grants	-	-	-	52,346
Low and moderate income housing	-	-	-	1,369,577
Assigned to:				
Capital Projects	-	87,375	2,738,578	-
Buildings	1,010,727	-	-	-
Storm drain	1,919,481	-	-	-
Street improvements	698,932	-	-	-
Traffic impact fees	829,321	-	-	-
Swimming pool	4,884,575	-	-	-
City clerk donation	28,643	-	-	-
Unassigned	16,952,806	-	-	(134,079)
Total Fund Balances	26,324,585	87,375	2,738,578	7,002,861
Total Liabilities and Fund Balances	\$ 28,625,008	\$ 228,881	\$ 3,982,487	\$ 7,323,631

CITY OF SEAL BEACH

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011**

	<u>Totals</u>	
	<u>2011</u>	<u>2010</u>
Assets:		
Pooled cash and investments	\$ 33,157,467	\$ 38,813,473
Receivables:		
Accounts	862,051	1,100,102
Taxes	2,144,327	2,076,090
Notes and loans (note 5)	1,957,603	1,848,230
Accrued interest	64,227	74,496
Prepaid costs	100	-
Due from other governments	185,070	332,375
Due from other funds (note 4)	217,516	233,138
Restricted assets:		
Cash and investments with fiscal agents	1,571,646	1,743,640
Total Assets	<u>\$ 40,160,007</u>	<u>\$ 46,221,544</u>
Liabilities and Fund Balances:		
Liabilities:		
Accounts payable	\$ 1,076,269	\$ 3,045,674
Accrued liabilities	429,787	442,841
Deferred revenues	841,748	751,077
Unearned revenues	17,000	-
Deposits payable	192,013	67,737
Due to other funds (note 4)	217,516	233,138
Advances from other funds	1,200,000	-
Retentions payable	32,275	200,656
Total Liabilities	<u>4,006,608</u>	<u>4,741,123</u>
Fund Balances:		
Nonspendable:		
Prepaid costs	100	-
Notes and loans	1,957,603	1,848,230
Restricted for:		
Community development projects	548,638	489,313
Public safety	134,337	159,640
Parks and recreation	214,418	207,558
Public works	632,420	640,400
Debt service	2,227,601	1,922,685
General government - grants	52,346	56,889
Low and moderate income housing	1,369,577	1,268,309
Assigned to:		
Capital Projects	2,825,953	4,126,432
Buildings	1,010,727	1,162,511
Storm drain	1,919,481	3,496,459
Street improvements	698,932	2,252,554
Traffic impact fees	829,321	3,029,351
Swimming pool	4,884,575	4,885,984
City clerk donation	28,643	41,143
Unassigned	<u>16,818,727</u>	<u>15,892,963</u>
Total Fund Balances	<u>36,153,399</u>	<u>41,480,421</u>
Total Liabilities and Fund Balances	<u>\$ 40,160,007</u>	<u>\$ 46,221,544</u>

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CITY OF SEAL BEACH

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2011**

Fund balances of governmental funds	\$ 36,153,399
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets net of depreciation have not been included as financial resources in governmental fund activity	73,916,112
Long-term debt and compensated absences that have not been included in the governmental fund activity:	
Long-term liabilities	(19,684,595)
Compensated Absences	(745,349)
Claims and judgements	(345,520)
Governmental funds report all OPEB contributions as expenditures, however in the Statement of Net Assets any excesses or deficiencies in contributions in relation to the Annual Required Contribution (ARC) are recorded as a asset or liability.	312,512
Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds	(134,800)
Revenues reported as deferred revenue in the governmental funds and recognized in the Statement of Activities. These are included in the intergovernmental revenues in the governmental fund activity.	841,748
Pension benefit contributions funded by the 2008 Taxable Pension Obligation Bonds recorded as expenditures in governmental funds are reported on the statements of net assets as prepaid pension obligation.	8,311,000
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net assets	<u>2,229,764</u>
Net assets of governmental activities	<u>\$ 100,854,271</u>

CITY OF SEAL BEACH

**STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011**

	<u>Capital Projects Funds</u>			Other Governmental Funds
	<u>General</u>	<u>Capital Projects and Equipment</u>	<u>Capital Projects RDA</u>	
Revenues:				
Taxes	\$ 20,180,512	\$ -	\$ -	\$ 3,444,413
Licenses and permits	1,179,759	-	-	-
Intergovernmental	393,254	-	-	556,040
Charges for services	3,756,039	-	-	13,126
Use of money and property	683,616	-	24,334	27,132
Fines and forfeitures	983,702	-	-	-
Miscellaneous	312,316	-	-	-
Total Revenues	<u>27,489,198</u>	<u>-</u>	<u>24,334</u>	<u>4,040,711</u>
Expenditures:				
Current:				
General government	6,096,454	-	904,868	210,548
Public safety	13,064,452	-	-	232,605
Community development	795,110	-	-	854,811
Parks and recreation	965,222	-	-	-
Public works	4,039,894	-	-	19,107
Capital outlay	-	5,722,692	900,000	-
Debt service:				
Principal retirement	201,610	-	18,763	1,846,000
Interest and fiscal charges	27,349	-	3,546	996,848
Total Expenditures	<u>25,190,091</u>	<u>5,722,692</u>	<u>1,827,177</u>	<u>4,159,919</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,299,107</u>	<u>(5,722,692)</u>	<u>(1,802,843)</u>	<u>(119,208)</u>
Other Financing Sources (Uses):				
Transfers in (note 4)	1,059,154	5,725,769	467,987	2,117,423
Transfers out (note 4)	(7,233,147)	-	-	(2,137,186)
Proceeds from sale of capital asset	18,614	-	-	-
Total Other Financing Sources (Uses)	<u>(6,155,379)</u>	<u>5,725,769</u>	<u>467,987</u>	<u>(19,763)</u>
Net Change in Fund Balances	<u>(3,856,272)</u>	<u>3,077</u>	<u>(1,334,856)</u>	<u>(138,971)</u>
Fund Balances, Beginning of Year	<u>30,180,857</u>	<u>84,298</u>	<u>4,073,434</u>	<u>7,141,832</u>
Fund Balances, End of Year	<u>\$ 26,324,585</u>	<u>\$ 87,375</u>	<u>\$ 2,738,578</u>	<u>\$ 7,002,861</u>

CITY OF SEAL BEACH

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011

	Totals	
	2011	2010
Revenues:		
Taxes	\$ 23,624,925	\$ 22,689,660
Licenses and permits	1,179,759	1,586,337
Intergovernmental	949,294	1,644,511
Charges for services	3,769,165	4,150,239
Use of money and property	735,082	626,019
Fines and forfeitures	983,702	1,029,510
Miscellaneous	312,316	337,986
Total Revenues	31,554,243	32,064,262
Expenditures:		
Current:		
General government	7,211,870	6,280,260
Public safety	13,297,057	13,377,245
Community development	1,649,921	3,346,961
Parks and recreation	965,222	1,036,376
Public works	4,059,001	2,817,379
Capital outlay	6,622,692	9,438,315
Debt service:		
Principal retirement	2,066,373	1,942,476
Interest and fiscal charges	1,027,743	903,286
Total Expenditures	36,899,879	39,142,298
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,345,636)	(7,078,036)
Other Financing Sources (Uses):		
Transfers in (note 4)	9,370,333	12,577,549
Transfers out (note 4)	(9,370,333)	(12,780,799)
Proceeds from sale of capital asset	18,614	-
Total Other Financing Sources (Uses)	18,614	(203,250)
Net Change in Fund Balances	(5,327,022)	(7,281,286)
Fund Balances, Beginning of Year	41,480,421	48,761,707
Fund Balances, End of Year	\$ 36,153,399	\$ 41,480,421

CITY OF SEAL BEACH

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2011**

Net change in fund balances - total governmental funds	\$ (5,327,022)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period	3,981,924
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets	2,308,483
Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.	15,227
Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	(29,399)
Governmental funds report all contributions in relation to the annual required contribution (ARC) for OPEB as expenditures, however in the Statement of Activities only the ARC is an expense.	(5,313)
Revenues reported as deferred revenue in the governmental funds and recognized in the Statement of Activities. These are included in the intergovernmental revenues in the governmental fund activity.	90,671
Pension benefit contributions funded by the 2008 Taxable Pension Obligation Bonds are recorded as expenditures in the government wide statements as the principal on the liability becomes due.	(996,000)
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The net revenues (expenses) of the internal service funds is reported with governmental activities	<u>(33,861)</u>
Change in net assets of governmental activities	<u><u>\$ 4,710</u></u>

CITY OF SEAL BEACH

**BUDGETARY COMPARISON STATEMENT
GENERAL FUND
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 30,180,857	\$ 30,180,857	\$ 30,180,857	\$ -
Resources (Inflows):				
Taxes	20,451,000	20,451,000	20,180,512	(270,488)
Licenses and permits	1,174,500	1,174,500	1,179,759	5,259
Intergovernmental	229,100	229,100	393,254	164,154
Charges for services	3,276,800	3,276,800	3,756,039	479,239
Use of money and property	1,175,300	1,175,300	683,616	(491,684)
Fines and forfeitures	909,000	909,000	983,702	74,702
Miscellaneous	236,800	268,100	312,316	44,216
Transfers in	1,294,700	1,294,700	1,059,154	(235,546)
Proceeds from sale of capital asset	2,000	2,000	18,614	16,614
Amounts Available for Appropriation	58,930,057	58,961,357	58,747,823	(213,534)
Charges to Appropriation (Outflow):				
General government	4,854,400	6,787,100	6,096,454	690,646
Public safety	13,801,900	13,891,000	13,064,452	826,548
Community development	846,700	881,500	795,110	86,390
Parks and recreation	1,108,000	1,124,900	965,222	159,678
Public works	3,650,200	4,171,800	4,039,894	131,906
Capital outlay	162,300	159,500	-	159,500
Debt service:				
Principal retirement	1,513,700	201,700	201,610	90
Interest and fiscal charges	713,700	27,500	27,349	151
Transfers out	1,941,900	8,443,400	7,233,147	1,210,253
Total Charges to Appropriations	28,592,800	35,688,400	32,423,238	3,265,162
Budgetary Fund Balance, June 30	\$ 30,337,257	\$ 23,272,957	\$ 26,324,585	\$ 3,051,628

CITY OF SEAL BEACH

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 JUNE 30, 2011

	<u>Business-Type Activities - Enterprise Funds</u>			
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>2011</u>	<u>2010</u>
Assets:				
Current:				
Cash and investments	\$ 8,978,512	\$ 3,620,511	\$ 12,599,023	\$ 14,974,148
Receivables:				
Accounts	605,188	329,726	934,914	993,243
Prepaid costs	172	-	172	17,074
Restricted:				
Cash with fiscal agent	-	4	4	294,407
Total Current Assets	9,583,872	3,950,241	13,534,113	16,278,872
Noncurrent:				
Deferred Charges	-	80,528	80,528	153,382
Advances to other funds	-	1,200,000	1,200,000	-
Capital assets(note 6):				
Land	-	24,200	24,200	24,200
Buildings and improvements	73,284	-	73,284	73,284
Machinery and equipment	531,044	785,802	1,316,846	1,316,846
Vehicles	216,471	109,303	325,774	325,774
Infrastructure	25,121,383	28,449,500	53,570,883	52,167,051
Construction in progress	4,073,039	258,244	4,331,283	2,834,869
Accumulated depreciation	(14,544,789)	(12,561,813)	(27,106,602)	(26,049,333)
Total Noncurrent Assets	15,470,432	18,345,764	33,816,196	30,846,073
Total Assets	\$ 25,054,304	\$ 22,296,005	\$ 47,350,309	\$ 47,124,945
Liabilities:				
Current:				
Accounts payable	\$ 588,448	\$ 64,903	\$ 653,351	\$ 1,217,809
Accrued liabilities	45,852	16,739	62,591	57,772
Deposits payable	3,630	-	3,630	5,699
Retentions payable	242,151	-	242,151	81,599
Accrued compensated absences	43,333	16,483	59,816	56,595
Bonds, notes, and capital leases	12,069	115,000	127,069	111,494
Total Current Liabilities	935,483	213,125	1,148,608	1,530,968
Noncurrent:				
Accrued compensated absences	43,334	16,483	59,817	47,696
Bonds, notes, and capital leases	87,452	2,867,734	2,955,186	3,459,522
Total Noncurrent Liabilities	130,786	2,884,217	3,015,003	3,507,218
Total Liabilities	1,066,269	3,097,342	4,163,611	5,038,186
Net Assets:				
Invested in capital assets, net of related debt	15,470,432	14,082,502	29,552,934	27,416,082
Restricted for debt service	-	-	-	294,407
Unrestricted	8,517,603	5,116,161	13,633,764	14,376,270
Total Net Assets	23,988,035	19,198,663	43,186,698	42,086,759
Total Liabilities and Net Assets	\$ 25,054,304	\$ 22,296,005	\$ 47,350,309	\$ 47,124,945

CITY OF SEAL BEACH

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 JUNE 30, 2011

	Governmental Activities - Vehicle Replacement Internal Service Fund	
	2011	2010
Assets:		
Current:		
Cash and investments	\$ 1,993,481	\$ 1,993,744
Receivables:		
Accounts	-	-
Prepaid costs	-	-
Restricted:		
Cash with fiscal agent	-	-
Total Current Assets	1,993,481	1,993,744
Noncurrent:		
Deferred Charges	-	-
Advances to other funds	-	-
Capital assets(note 6):		
Land	-	-
Buildings and improvements	-	-
Machinery and equipment	-	-
Vehicles	270,144	270,144
Infrastructure	-	-
Construction in progress	-	-
Accumulated depreciation	(33,861)	-
Total Noncurrent Assets	236,283	270,144
Total Assets	\$ 2,229,764	\$ 2,263,888
Liabilities:		
Current:		
Accounts payable	\$ -	\$ 263
Accrued liabilities	-	-
Deposits payable	-	-
Retentions payable	-	-
Accrued compensated absences	-	-
Bonds, notes, and capital leases	-	-
Total Current Liabilities	-	263
Noncurrent:		
Accrued compensated absences	-	-
Bonds, notes, and capital leases	-	-
Total Noncurrent Liabilities	-	-
Total Liabilities	-	263
Net Assets:		
Invested in capital assets, net of related debt	236,283	270,144
Restricted for debt service	-	-
Unrestricted	1,993,481	1,993,481
Total Net Assets	2,229,764	2,263,625
Total Liabilities and Net Assets	\$ 2,229,764	\$ 2,263,888

CITY OF SEAL BEACH

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2011

	Business-Type Activities - Enterprise Funds			
	Water Utility	Sewer Utility	2011	2010
Operating Revenues:				
Sales and service charges	\$ 4,190,824	\$ 2,212,559	\$ 6,403,383	\$ 7,839,720
Miscellaneous	2,465	3,004	5,469	12,645
Total Operating Revenues	4,193,289	2,215,563	6,408,852	7,852,365
Operating Expenses:				
Administration and general	3,477,470	742,648	4,220,118	4,292,151
Amortization and depreciation expense	522,697	534,574	1,057,271	1,021,566
Total Operating Expenses	4,000,167	1,277,222	5,277,389	5,313,717
Operating Income (Loss)	193,122	938,341	1,131,463	2,538,648
Nonoperating Revenues (Expenses):				
Interest revenue	75,922	33,238	109,160	92,259
Interest expense	(5,580)	(135,104)	(140,684)	(202,528)
Total Nonoperating Revenues (Expenses)	70,342	(101,866)	(31,524)	(110,269)
Income (Loss) Before Transfers	263,464	836,475	1,099,939	2,428,379
Transfers in	-	-	-	-
Transfers out	-	-	-	(60,375)
Changes in Net Assets	263,464	836,475	1,099,939	2,368,004
Net Assets:				
Beginning of Year	23,724,571	18,362,188	42,086,759	39,718,755
End of Fiscal Year	\$ 23,988,035	\$ 19,198,663	\$ 43,186,698	\$ 42,086,759

CITY OF SEAL BEACH

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2011**

	Governmental Activities - Vehicle Replacement Internal Service Fund	
	2011	2010
Operating Revenues:		
Sales and service charges	\$ -	-
Miscellaneous	-	-
Total Operating Revenues	-	-
Operating Expenses:		
Administration and general	-	-
Amortization and depreciation expense	33,861	-
Total Operating Expenses	33,861	-
Operating Income (Loss)	(33,861)	-
Nonoperating Revenues (Expenses):		
Interest revenue	-	-
Interest expense	-	-
Total Nonoperating Revenues (Expenses)	-	-
Income (Loss) Before Transfers	(33,861)	-
Transfers in	-	263,625
Transfers out	-	-
Changes in Net Assets	(33,861)	263,625
Net Assets:		
Beginning of Year	2,263,625	2,000,000
End of Fiscal Year	\$ 2,229,764	\$ 2,263,625

CITY OF SEAL BEACH

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2011

	Business-Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Water Utility	Sewer Utility	Totals	
Cash Flows from Operating Activities:				
Cash received from customers and users	\$ 4,266,453	\$ 2,198,660	\$ 6,465,113	\$ -
Cash paid to suppliers for goods and services	(357,272)	(29,733)	(387,005)	(263)
Cash paid to employees for services	(3,460,841)	(739,116)	(4,199,957)	-
Net Cash Provided (Used) by Operating Activities	448,340	1,429,811	1,878,151	(263)
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	(2,846,919)	(53,329)	(2,900,248)	-
Principal paid on capital debt	-	(260,000)	(260,000)	-
Interest paid on capital debt	(17,075)	(279,516)	(296,591)	-
Advance to other funds	-	(1,200,000)	(1,200,000)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(2,863,994)	(1,792,845)	(4,656,839)	-
Cash Flows from Investing Activities:				
Interest received	75,922	33,238	109,160	-
Net Cash Provided (Used) by Investing Activities	75,922	33,238	109,160	-
Net Increase (Decrease) in Cash and Cash Equivalents	(2,339,732)	(329,796)	(2,669,528)	(263)
Cash and Cash Equivalents at Beginning of Year	11,318,244	3,950,311	15,268,555	1,993,744
Cash and Cash Equivalents at End of Year	\$ 8,978,512	\$ 3,620,515	\$ 12,599,027	\$ 1,993,481
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 193,122	\$ 938,341	\$ 1,131,463	\$ (33,861)
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:				
Depreciation	522,697	534,574	1,057,271	33,861
(Increase) decrease in accounts receivable	73,789	(15,459)	58,330	-
(Increase) decrease in prepaid expense	16,902	-	16,902	-
Increase (decrease) in accounts payable	(534,726)	(29,733)	(564,459)	(263)
Increase (decrease) in retentions payable	160,552	-	160,552	-
Increase (decrease) in deposits payable	(625)	(1,444)	(2,069)	-
Increase (decrease) in accrued liabilities	2,976	1,843	4,819	-
Increase (decrease) in compensated absences	13,653	1,689	15,342	-
Total Adjustments	255,218	491,470	746,688	33,598
Net Cash Provided (Used) by Operating Activities	\$ 448,340	\$ 1,429,811	\$ 1,878,151	\$ (263)

CITY OF SEAL BEACH

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2011

	<u>2011</u>	<u>2010</u>
Assets:		
Pooled cash and investments	\$ 767,530	\$ 765,643
Receivables:		
Accounts	28,272	26,051
Restricted assets:		
Cash and investments with fiscal agents	<u>1,292,530</u>	<u>1,360,613</u>
Total Assets	<u>\$ 2,088,332</u>	<u>\$ 2,152,307</u>
Liabilities:		
Accounts payable	\$ -	\$ 4,788
Deposits payable	347,608	283,964
Due to bondholders	<u>1,740,724</u>	<u>1,863,555</u>
Total Liabilities	<u>\$ 2,088,332</u>	<u>\$ 2,152,307</u>

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I. SIGNIFICANT ACCOUNTING POLICIES

Note 1: Organization and Summary of Significant Accounting Policies

The basic financial statements of the City of Seal Beach, California (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to Government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below:

a. Description of the Reporting Entity

The City of Seal Beach (City) was incorporated on October 27, 1915, under the laws of the State of California and enjoys all the rights and privileges applicable to a charter city. It is governed by an elected five-member board. As required by accounting principles generally accepted in the United States of America, these financial statements present the City of Seal Beach (the primary government) and its component units. The component units discussed below are included in the reporting entity because of their operational or financial relationships with the City of Seal Beach.

Blended Component Units:

The Seal Beach Redevelopment Agency (Agency) was formed in 1967 pursuant to Section 33000 of the California Health and Safety Code for the purpose of preparing and carrying out plans for the improvement, rehabilitation and development of blighted areas within the territorial limits of the City of Seal Beach. The Agency is governed by a five-member board that is the City Council of the City of Seal Beach,

The Agency has established two redevelopment project areas. The first area is known as the Riverfront Redevelopment Project, and the second area is known as the Surfside Redevelopment Project. The Surfside Redevelopment Project was established to build a seawall to prevent beach erosion and protect dwellings from water damage. The Surfside Redevelopment Project area is currently inactive.

The Seal Beach Public Financing Authority (Authority) was formed May 8, 2000 pursuant to Articles 1 through 4 of Chapter 5, Division 7, Title 1 of the California Government Code, to create a joint exercise of powers authority between the City of Seal Beach and the Seal Beach Redevelopment Agency. The City Council of the City of Seal Beach is the governing board. The Authority was formed to undertake the financing of public capital improvements.

The criteria used in determining the scope of the reporting entity are based on the provisions of Statement 14 of the Governmental Accounting Standards Board (GASB). The City of Seal Beach is the primary government unit. Component units are those entities which are financially accountable to the primary government, either because the City appoints a voting majority of the component unit's Board, or because the component unit will provide a financial benefit or impose a financial burden on the City. The City has accounted for the Agency and the Authority as "blended" component units. Despite being legally separate, the Agency and the Authority are so intertwined with the City that they are, in substance, part of the City's operations. Balances for the Agency are reported as separate funds in the Debt Service and Capital Projects Funds. The Authority has not had any activity for the year ended June 30, 2011.

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

b. Government-Wide and Fund Financial Statements

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

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

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

c. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The Agency funds, however, are unlike all other types of funds, reporting only assets and liabilities. Therefore, the Agency funds cannot be said to have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

d. Fund Classification

The City reports the following major governmental funds:

General Fund - This fund is used to account for most of the day-to-day operations of the City, which are financed from property taxes, utility user taxes, sales tax and other general revenues. Activities financed by the General Fund include police services, fire services, general administration, engineering, and planning.

Capital Projects and Equipment Fund – This fund accounts for financial transactions of general capital improvements.

RDA Capital Projects Fund – This fund accounts for the financial resources to be used for property acquisition, improvement, and rehabilitation within project areas authorized under provisions for the California Redevelopment Law.

The City reports the following major proprietary funds:

Water Utility Enterprise Fund – This fund accounts for the operation and maintenance of the City's water distribution system.

Sewer Utility Enterprise Fund – This fund accounts for the financial transactions of the City's waste water collection system.

Additionally, the City reports the following fund types:

Special Revenue Funds – These funds are used to account for the proceeds of specific revenue source that are legally restricted or otherwise designated for specific purposes.

Debt Service Funds – These funds account for the servicing of the long-term debt not being financed by proprietary or nonexpendable trust funds.

Internal Service Fund – This fund accounts for vehicle replacements. Departments of the City are charged for services provided or benefits received from these funds.

Agency Funds – These funds are used to account for money and property held by the City as trustee or custodian. They are also used to account for various assessment districts for which the City acts as an agent for debt service activity.

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Private-sector standards of accounting and financial reporting issued prior to December 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's proprietary funds function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

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

e. Assets, Liabilities and Net Assets or Equity

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. For financial statement presentation purposes, cash and cash equivalents are shown as both restricted and unrestricted cash and investments in the proprietary funds.

Investments for the City, as well as for its component units, are reported at fair value. The City's policy is generally to hold investments until maturity or until market values equal or exceed cost. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

2. Receivables and Payables

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

All trade and property tax receivables are shown net of an allowance for uncollectible amounts. 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 then due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period.

3. Functional Classifications

Expenditures of the Governmental Funds are classified by function. Functional classifications are defined as follows:

General government includes legislative activities, which have a primary objective of providing legal and policy guidelines for the City. Also included in this classification are those activities which provide management or support services across more than one functional area.

Public safety includes those activities which involve the protection of people and property.

Community development includes those activities which involve the enhancing of the general quality of life.

Parks and recreation includes those activities which involve the community cultural and leisure activities.

Public works includes those activities which involve the maintenance and improvement of City streets and roads, and park department development and maintenance.

4. 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. These payments are recorded as expenditures when consumed rather than when purchased. The fund balances in the governmental fund types have been reserved for amounts equal to the prepaid items in the fund-level statements, since these amounts are not available for appropriation.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2011

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 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 fair market value at the date of donation.

Capital assets are public domain (infrastructure) consisting of certain improvements including roads, bridges, curbs, gutters, streets and sidewalks, medians, sewer and storm drains.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building and Improvements	20-99
Machinery and Equipment	5-25
Vehicles	4-10
Infrastructure	20-60

6. Compensated Absences

In accordance with GASB Statement No. 16, a liability is recorded for compensated absences (unpaid vacation, sick leave and compensatory time) since the employees' entitlement to these balances are attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payments upon termination or retirement.

Under GASB Statement No. 16 a liability is recorded for unused sick leave balances only to the extent that it is probable that the unused balances will result in termination payments. This is estimated according to the Memorandum of Understanding for each employee bargaining group. Other amounts of unused sick leave are excluded from the liability since their payment is contingent solely upon the occurrence of a future event (illness) which is outside the control of the City and the employee.

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

7. Long Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Fund Equity

In the fund financial statements, government funds report the following fund balance classification:

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

Restricted includes amounts that are constrained on the use of resources by either (a) external creditors, grantors, contributors, or laws of regulations of other governments or (b) by law through constitutional provisions or enabling legislation.

Assigned include amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The City Manager, and/or the Director of Finance are authorized to assign amounts to a specific purpose, which was established by the governing body in a minute action.

Unassigned include the residual amounts that have not been restricted, committed, or assigned to specific purposes.

An individual governmental fund could include nonspendable resources and amounts that are restricted or unrestricted (assigned or unassigned) or any combination of those classifications. Restricted amounts are to be considered spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available assigned, then unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2011

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

f. Reconciliation of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statements of net assets:

The governmental fund balance sheet includes reconciliation between fund balance – governmental fund and net assets of governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term debts are not due and payable in the current period and therefore, have not been included in the governmental fund activity.”

The detail of the \$19,684,595 long-term debt difference is as follows:

Capital property improvement lease	\$ 323,595
CFA lease	120,000
Bonds payable	<u>19,241,000</u>
Net adjustment to decrease net changes in fund balances of total government funds to arrive at changes in net assets of governmental activities	<u>\$ 19,684,595</u>

Explanation of certain differences between the governmental fund statement of revenues, expenditures and changes in fund balances and the government-wide statement of activities:

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between net changes in fund balances - of total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.”

The details of this \$3,081,924 difference are as follows:

Capital outlay	\$ 6,121,931
Depreciation expense	(2,129,413)
Loss on disposal of capital assets	<u>(10,594)</u>
Net adjustment to increase net changes in fund balances of total government funds to arrive at changes in net assets of governmental activities	<u>\$ 3,981,924</u>

II. STEWARDSHIP

Note 2: Stewardship, Compliance and Accountability

a. Budget Data

General Budget Policies

Budgets for the general, special revenue, debt service, and capital projects funds (for which biannual budgets are adopted) are adopted on a basis consistent with generally accepted accounting principles (GAAP). The City Council approves each year's budget submitted by the City Manager prior to the beginning of the new fiscal year. Public hearings are conducted prior to its adoption by the Council.

Supplemental appropriations, where required during the period, are also approved by the Council. The City Manager may make transfers of appropriations within and between functions and programs, in accordance with Fiscal Policy, as long as such transfers do not increase the adopted annual budget appropriations. Budget amendments which exceed total adopted appropriations require the approval of the City Council. The legal level of budgetary control is at the function level. During the year, several supplemental appropriations were necessary. At fiscal year-end, all operating budget appropriations lapse.

b. Expenditures in Excess of Appropriations

For the year ended June 30, 2011, expenditures did not exceeded the appropriations of any funds.

c. The following funds had a deficit fund balance as of June 30, 2011:

<u>Fund</u>	<u>Amount</u>
Special Revenue Funds:	
Street Lighting	\$ (50,843)
Roberti-Z'berg Harris Urban Open Space	(12,081)
Police Grants	(36,177)
Citywide Grants	(34,978)

d. Property Taxes

Under California law, property taxes are assessed and collected by the counties up to 1 % of assessed value, plus other increases approved by the voters. The property taxes go into a pool, and are then allocated to the cities based on complex formulas.

CITY OF SEAL BEACH

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011**

Note 2: Stewardship, Compliance and Accountability (Continued)

Accordingly, the City recognizes as revenue only those taxes which are received within 60 days after year end.

The property tax calendar is as follows:

Lien Date:	January 1
Livy Date:	July 1
Due Date:	First Installment- November 1 Second Installment- February 1
Delinquent Date:	First Installment- December 10 Second Installment- April 10

e. Prior Year Data

Selected information regarding the prior year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's prior year financial statements, from which this selected financial data was derived.

f. Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

III. DETAILED NOTES ON ALL FUNDS

Note 3: Cash and Investments

Cash and investments as of June 30, 2011 are classified in the accompanying financial statements as follows:

Statement of Net Assets:	
Cash and investments	\$ 47,749,971
Restricted:	
Cash and investments with fiscal agent	1,571,650
Fiduciary Funds:	
Statement of Net Assets:	
Cash and investments	767,530
Cash and investments with fiscal agent	<u>1,292,530</u>
Total cash and investments	<u><u>\$ 51,381,681</u></u>

CITY OF SEAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2011

Note 3: Cash and Investments (Continued)

Cash and investments as of June 30, 2011 consist of the following:

Cash on hand	\$ 7,491
Deposits with financial institutions	2,086,745
Investments	<u>49,287,445</u>
 Total cash and investments	 <u>\$ 51,381,681</u>

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

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer*
U S treasury securities	5 years	100%	None
U S agency securities	5 years	100%	None
Bankers' acceptance	180 days	40%	30%
Commercial paper	180 days	25%	10%
Negotiable CDs	5 years	30%	None
Medium term notes	5 years	30%	None
Money market mutual funds	89 days	15%	10%
Local Agency Investment Fund (LAIF)	None	100%	None

*Based on state law requirements or investment policy requirements whichever is more restrictive.

Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the *investment types* that are authorized for investments held by bond trustees. The table also identifies certain provisions of these debt agreements that address *interest rate risk, credit risk, and concentration of credit risk*.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer*
U S treasury securities	None	None	None
U S agency securities	None	None	None
Bankers' acceptance	180 days	None	30%
Commercial paper	270 days	None	None
Money market mutual funds	89 days	None	None
Investment contracts	30 years	None	None
Local Agency Investment Fund (LAIF)	None	None	None

CITY OF SEAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

Note 3: Cash and Investments (Continued)

Disclosures Relating to Interest Rate Risk

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

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

Investment Type	Total	Remaining Maturity (in Months)		
		12 Months or Less	13 to 24 Months	25 to 60 Months
U.S. Agency Securities	\$ 2,435,406	\$ -	\$ -	\$ 2,435,406
Certificates of Deposit	9,508,878	242,244	1,474,607	7,792,027
Local Agency Investment Fund (LAIF)	34,478,983	34,478,983	-	-
Held by Fiscal Agent:				
Money Market Mutual Funds	2,864,178	2,864,178	-	-
Total	\$ 49,287,445	\$ 37,585,405	\$ 1,474,607	\$ 10,227,433

Credit Risk

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

On August 5, 2011, Standard & Poor's Ratings Services lowered its long-term sovereign credit rating on the United States of America to AA+ from AAA. As a result, on August 8, 2011, Standard & Poor's Ratings Services lowered its issuer credit ratings and related issue ratings on various Federal Home Loan Bank, Federal Farm Credit Bank, Fannie Mae and Freddie Mac to AA+ from AAA. In addition, the ratings on 126 Federal Deposit Insurance Corp.-guaranteed debt issues from 30 financial institutions under the Temporary Liquidity Guarantee Program (TLGP), and four National Credit Union Association-guaranteed debt issues from two corporate credit unions under the Temporary Corporate Credit Union Guarantee Program (TCCUGP) have also been downgraded to AA+ from AAA. The City also invests in LAIF which invests in various underlying securities, including the federal agency securities listed above. While LAIF is not rated, the federal agency securities are, and these have been affected by this rating change as well.

CITY OF SEAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2011

Note 3: Cash and Investments (Continued)

Investment Type	Minimum Legal Rating	Total	Remaining as of Year End	
			AAA	Unrated
U.S. Agency Securities	A	\$ 2,435,406	\$ 2,435,406	\$ -
Certificates of Deposit	N/A	9,508,878	-	9,508,878
Local Agency Investment Fund (LAIF)	N/A	34,478,983	-	34,478,983
Held by Fiscal Agent:				
Money Market Mutual Fund:	N/A	2,864,178	-	2,864,178
Total		<u>\$49,287,445</u>	<u>\$ 2,435,406</u>	<u>\$46,852,039</u>

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the City. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured City deposits. Investments held by a bond trustee are selected under the terms of the applicable trust agreement. The trustee acquires the investment and holds the investment on behalf of the reporting government.

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond what is stipulated by the California Government Code. The City did not have any investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represents 5% or more of total City investments.

Investment in State Investment Pool

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

CITY OF SEAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2011

Note 4: Interfund Receivable, Payable and Transfers

The composition of interfund balances as of June 30, 2011 was as follows:

Due From and To Other Funds

Funds	Due To Other Funds:
Due From Other Funds:	Nonmajor Governmental Funds
General Fund	\$ 217,516

These interfund balances are a result of short-term borrowings to cover deficit cash balances in the Tidelands Beach Fund, Police Grant Fund, Grants Fund, Capital Grants Fund, Community Development Block Grant Fund, and Roberti-Z'berg-Harris Urban Open Space Fund at June 30, 2011.

Advances To/From Other Funds

Advances To Other Funds	Advances From Other Funds
Sewer Fund	RDA Capital Projects
	\$ 1,200,000

During the current year, the City of Seal Beach made a loan to the Agency in the amount of \$1,200,000 for the acquisition of a sewer easement from the Bay City Partners (BCP). The loan bears interest at 6% per year, and the Agency will repay the City the original balance of the loan, plus accrued interest, in three equal installments commencing July 10, 2012.

Interfund Transfers

Transfers in:	Transfers Out:		Total
	General Fund	Nonmajor Governmental Funds	
Funds			
General Fund	\$ -	\$ 1,059,154	\$ 1,059,154
Capital Project and Equipment	5,115,724	610,045	5,725,769
Capital Projects RDA	-	467,987	467,987
Non-Major Governmental Fund	2,117,423	-	2,117,423
Total	<u>\$ 7,233,147</u>	<u>\$ 2,137,186</u>	<u>\$ 9,370,333</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

Note 4: Interfund Receivable, Payable and Transfers (Continued)

Transfers from the State Gasoline Tax Fund, City Debt Service Fund, Landscape District Fund, Heron Pointe Fund, and Pacific Gateway Fund were made to the General Fund primarily to fund various street maintenance projects and reimburse the General Fund for certain administrative costs.

The General Fund and various other non-major special revenue funds transferred \$5,725,769 to the Capital Projects and Equipment Fund for infrastructure projects such as street improvements, development of Fire Station No. 48, rehabilitation of police and public work facilities, and storm drain improvements.

Transfers of \$2,113,823 from the General Fund were made to the City Debt Service Fund to cover debt service payments related to the 2008 Taxable Pension Obligation Bonds and the 2009 Lease Revenue Bonds. Transfers of \$710,104 made from the General Fund to the Tidelands Beach Fund were for general operating expenses such as beach cleaning and maintenance projects on the pier. The remaining \$3,600 from the General Fund was transferred to the Street Lighting Fund to cover excess street lighting costs.

Note 5: Loans Receivable

As of June 30, 2011, the following loans receivable were outstanding:

Housing rehabilitation	<u>\$ 1,957,603</u>
------------------------	---------------------

The City has made several housing rehabilitation loans totaling \$1,957,603 to qualified applicants using housing set-aside funds.

CITY OF SEAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

Note 6: Capital Assets

Capital asset activity for the year ended June 30, 2011 was as follows:

	Beginning Balance	Transfers	Increases	Decreases	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 10,544,047	\$ -	\$ -	\$ -	\$ 10,544,047
Intangible asset - land easement	-	-	900,000	-	900,000
Construction-in-progress	12,448,593	(5,376,785)	3,174,710	-	10,246,518
Total Capital Assets, Not Being Depreciated	22,992,640	(5,376,785)	4,074,710	-	21,690,565
Capital assets, being depreciated:					
Building and improvements	7,698,102	-	983,546	-	8,681,648
Machinery and equipment	2,174,754	-	17,187	41,863	2,150,078
Vehicles	1,683,069	-	-	186,199	1,496,870
Infrastructure	59,748,304	5,376,785	1,046,488	-	66,171,577
Total Capital Assets, Being Depreciated	71,304,229	5,376,785	2,047,221	228,062	78,500,173
Less accumulated depreciation:					
Building and improvements	3,754,637	-	224,034	-	3,978,671
Machinery and equipment	1,423,257	-	134,616	41,863	1,516,010
Vehicles	886,082	-	149,163	175,605	859,640
Infrastructure	18,028,561	-	1,655,461	-	19,684,022
Total Accumulated Depreciation	24,092,537	-	2,163,274	217,468	26,038,343
Total Capital Assets, Being Depreciated, Net	47,211,692	5,376,785	(116,053)	10,594	52,461,830
Governmental Activities Capital Assets, Net	\$ 70,204,332	\$ -	\$ 3,958,657	\$ 10,594	\$ 74,152,395

Depreciation expense was charged in the following functions in the Statement of Activities for the year ended June 30, 2011 as follows:

Governmental Activities:	
General Government	\$ 159,937
Public safety	141,111
Public works	1,751,579
Community development	3,873
Parks and recreation	72,913
Internal Service funds	33,861
Total Depreciation Expense - Governmental Activities	\$ 2,163,274

CITY OF SEAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

Note 6: Capital Assets (Continued)

	Beginning Balance	Transfers	Increases	Decreases	Ending Balance
Business-type Activities:					
Capital assets, not being depreciated:					
Construction-in-progress - water	\$ 1,501,267	\$ (275,147)	\$ 2,846,919	\$ -	\$ 4,073,039
Construction-in-progress - sewer	1,333,602	(1,128,685)	53,327	-	258,244
Land & Land Improvements	24,200	-	-	-	24,200
Total Capital Assets, Not Being Depreciated	2,859,069	(1,403,832)	2,900,246	-	4,355,483
Capital assets, being depreciated:					
Building and improvements - water	73,284	-	-	-	73,284
Machinery and equipment - water	531,044	-	-	-	531,044
Machinery and equipment - sewer	785,802	-	-	-	785,802
Vehicles - water	216,471	-	-	-	216,471
Vehicles - sewer	109,303	-	-	-	109,303
Infrastructure - water	24,846,236	275,147	-	-	25,121,383
Infrastructure - sewer	27,320,815	1,128,685	-	-	28,449,500
Total Capital Assets, Being Depreciated	53,882,955	1,403,832	-	-	55,286,787
Less accumulated depreciation:					
Building and improvements - water	68,223	-	675	-	68,898
Machinery and equipment - water	407,806	-	28,203	-	436,009
Machinery and equipment - sewer	127,929	-	16,149	-	144,078
Vehicles - water	144,506	-	14,585	-	159,091
Vehicles - sewer	67,291	-	8,913	-	76,204
Infrastructure - water	13,401,559	-	479,232	-	13,880,791
Infrastructure - sewer	11,832,019	-	509,512	-	12,341,531
Total Accumulated Depreciation	26,049,333	-	1,057,269	-	27,106,602
Total Capital Assets, Being Depreciated, Net	27,833,622	1,403,832	(1,057,269)	-	28,180,185
Business-type Activities Capital Assets, Net	\$ 30,692,691	\$ -	\$ 1,842,977	\$ -	\$ 32,535,668

Depreciation expense was charged in the following programs of the primary government for the year ended June 30, 2011 as follows:

Business-type Activities:	
Water	\$ 522,695
Sewer	534,574
Total Depreciation Expense - Business-type Activities	\$ 1,057,269

CITY OF SEAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

Note 7: Long-Term Debt

The following is a schedule of changes in long-term debt of the City for the year ended June 30, 2011:

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011	Due Within One Year
<u>Redevelopment Agency:</u>					
Capital property improvement lease	\$ 73,775	\$ -	\$ 18,763	\$ 55,012	\$ 20,572
2000 Tax allocations bonds series A	5,575,000	-	390,000	5,185,000	410,000
2000 Tax allocation bonds series B	430,000	-	40,000	390,000	40,000
<u>Countrywide Financing Authority</u>					
CFA lease	230,000	-	110,000	120,000	120,000
<u>City:</u>					
2008 Taxable Pension Obligation Bonds, Series A-1	1,389,000	-	441,000	948,000	462,000
2008 Taxable Pension Obligation Bonds, Series A-2	7,918,000	-	555,000	7,363,000	622,000
2009 Lease Revenue Bonds	5,775,000	-	420,000	5,355,000	420,000
Capital Property improvement lease	360,193	-	91,610	268,583	100,441
Claims payable	587,630	-	242,110	345,520	242,110
Compensated absences	715,950	477,878	448,479	745,349	466,895
Total	<u>\$ 23,054,548</u>	<u>\$ 477,878</u>	<u>\$ 2,756,962</u>	<u>\$ 20,775,464</u>	<u>\$ 2,904,018</u>

For the governmental activities, claims payable and compensated absences are generally liquidated by the general fund.

A description of the governmental activities long-term debt outstanding as of June 30, 2011, follows:

Agency 2000 Tax Allocation Refunding Bonds

On December 20, 2000, the Agency issued 2000 Tax Allocation Refunding Bonds for the Riverfront Redevelopment Project in the amounts of \$8,520,000 and \$685,000 for Series A and B, respectively. Interest rate on the bonds varies from 4% to 5.375%. The Agency used the proceeds of Series A Bonds to finance the refunding and defeasance of \$1,380,000 of 1986 Tax Allocation Bonds and \$3,715,000 of 1991 Tax Allocation Bonds.

Series B Bonds were used to pay bond issuance costs and finance certain redevelopment activities of the Agency.

The Series A Bonds are payable exclusively from Tax Revenues and certain funds and accounts held under the indenture. Series B Bonds are to be paid exclusively from Surplus Tax Revenues and certain funds and accounts held under the indenture.

The balances in the Series A and B bonds outstanding at June 30, 2011 were \$5,185,000 and \$390,000, respectively.

CITY OF SEAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2011

Note 7: Long-Term Debt (Continued)

The annual debt service requirements on the tax allocation bonds as of June 30, 2011 are as follows:

Year Ending June 30,	2000 Tax Allocation Refunding Bonds, Series A		2000 Tax Allocation Refunding Bonds, Series B	
	Principal	Interest	Principal	Interest
2012	\$ 410,000	\$ 253,315	\$ 40,000	\$ 21,150
2013	430,000	233,780	40,000	18,975
2014	450,000	212,875	45,000	16,531
2015	470,000	190,325	45,000	13,944
2016	495,000	166,200	50,000	11,213
2017-2021	2,405,000	423,721	170,000	14,950
2022-2026	525,000	43,403	-	-
Total	<u>\$ 5,185,000</u>	<u>\$ 1,523,619</u>	<u>\$ 390,000</u>	<u>\$ 96,763</u>

Countrywide Public Financing Authority Lease

The Countywide Public Financing Authority issued its 1996 Revenue Bonds in the amount of \$27,725,000 in July 1996. The City of Seal Beach received \$1,265,000 of the proceeds for the purpose of financing a portion of its share of the costs of the Orange County Countywide 800 MHZ communications system, financing the refurbishment of beach restrooms, and to provide alternative parking facilities. Rental payments are made which correspond to the debt service payments on the bonds. The City of Seal Beach's rental payments vary from 3.62% to 19.35% of the total debt service on the bonds. Payments are made semi-annually starting February 1, 1997. The interest rate on the bonds varies from 4.10% to 5.75%. The outstanding balance at June 30, 2011 was \$120,000.

The calculation of the present value of the future lease payments for obligations under the capital lease is as follows:

Year Ending June 30,	Countrywide Financing Authority Lease	
	Principal	Interest
2012	\$ 120,000	\$ 3,450
Total	<u>\$ 120,000</u>	<u>\$ 3,450</u>

2008 Taxable Pension Obligation Bonds

On June 1, 2008, the City issued Taxable Pension Obligation Bonds for the purpose of refunding the City's obligations to the California Public Employees' Retirement System for pension benefits accruing for its members in the amounts of \$2,170,000 and \$8,775,000 for Series 2008A-1 and 2008A-2, respectively. Interest rate on the bonds varies from 4.9% to 5.66%. Payments have been presented as expenditures in the fund financial statements and as prepaid assets in the government-wide financial statements.

The balances in the Series 2008A-1 and 2008A-2 bonds at June 30, 2011 were \$948,000 and \$7,363,000, respectively.

CITY OF SEAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2011

Note 7: Long-Term Debt (Continued)

Year Ending June 30,	2000 Tax Allocation Refunding Bonds, Series A-1		2000 Tax Allocation Refunding Bonds, Series A-2	
	Principal	Interest	Principal	Interest
2012	\$ 462,000	\$ 36,215	\$ 622,000	\$ 400,827
2013	486,000	13,038	696,000	363,735
2014	-	-	775,000	322,299
2015	-	-	859,000	276,307
2016	-	-	950,000	225,320
2017-2021	-	-	3,461,000	315,342
Total	<u>\$ 948,000</u>	<u>\$ 49,253</u>	<u>\$ 7,363,000</u>	<u>\$ 1,903,830</u>

2009 Series Lease Revenue Bonds

On January 14, 2009, the City issued 2009 Series Lease Revenue Bonds for the purpose of financing the construction of a new fire station in the City in the amount of \$6,300,000. Interest rate on the bonds is 3.71 %.

The balances of the 2009 Series Lease Revenue bonds at June 30, 2011 were \$5,355,000.

Year Ending June 30,	2009 Series Lease Revenue Bonds	
	Principal	Interest
2012	\$ 420,000	\$ 192,827
2013	420,000	177,245
2014	420,000	161,663
2015	420,000	146,081
2016	420,000	130,499
2017-2021	2,100,000	418,766
2022-2026	<u>1,155,000</u>	<u>64,277</u>
Total	<u>\$ 5,355,000</u>	<u>\$ 1,291,358</u>

Capital Property Improvement Lease

The City has entered into a lease agreement for capital improvements for various City facilities that are owned and operated by the City and Agency. Accordingly, a portion of the lease payments have been allocated to the City (representing approximately 83%) and the remainder has been allocated to the Agency (representing approximately 17%). The original cost of the improvements aggregating \$1,493,080 has been capitalized.

The combined balance of this capital improvement lease obligation that is outstanding at June 30, 2011 is \$323,595. The calculation of the present value of the future lease payments for obligations under the capital lease is as follows:

CITY OF SEAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2011

Note 7: Long-Term Debt (Continued)

Year Ending June 30,	Capital Improvement Lease- City (83%)		Capital Improvement Lease- RDA (17%)	
	Principal	Interest	Principal	Interest
2012	100,441	12,286	20,572	2,516
2013	109,930	6,777	22,516	1,388
2014	58,212	1,160	11,924	238
Total	<u>\$ 268,583</u>	<u>\$ 20,223</u>	<u>\$ 55,012</u>	<u>\$ 4,142</u>

Compensated Absences Payable

The City's policy relating to compensated absences is described in Note 1 of the Notes to Financial Statements. This liability will be paid in future years from future resources. The outstanding liability for compensated absences earned was \$745,349.

Claims Payable

The City is exposed to various risks of loss to its operation, including losses associated with errors and omissions, injuries to employees and members of the public. The claims and judgments reported in the Government-wide financial statements is based on the requirements of Governmental Accounting Standards Board No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. As of June 30, 2011, claims payable including estimated claims for incurred but not reported claims, amounted to \$345,520.

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2009-10	\$ 515,377	\$ 132,555	\$ (60,302)	\$ 587,630
2010-11	587,630	-	(242,110)	345,520

The following is a summary of changes in Proprietary Fund long-term debt for the year ended June 30, 2011:

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011	Due Within One Year
Economic development administration loan	\$ 111,016	\$ -	\$ 11,495	\$ 99,521	\$ 12,069
2000 Sewer Certificate of Participation	3,460,000	-	3,460,000	-	-
2011 Sewer Revenue Refunding Bonds	-	3,310,000	110,000	3,200,000	115,000
Compensated absences	104,291	113,797	98,455	119,633	59,816
Total	<u>\$ 3,675,307</u>	<u>\$ 3,423,797</u>	<u>\$ 3,679,950</u>	3,419,154	<u>\$ 186,885</u>
			Defeasance (Gain) Loss:	<u>(217,266)</u>	
				<u>\$ 3,201,888</u>	

CITY OF SEAL BEACH

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011**

Note 7: Long-Term Debt (Continued)

A description of long-term debt outstanding as of June 30, 2011, follows:

Economic Development Administration Loan

The City received a loan on September 16, 1977 from the Economic Development Administration for drought relief in the amount of \$288,000. Repayment terms of the loan were to be interest only at the rate of 5% per annum through June 30, 1980.

Thereafter, commencing on July 1, 1980, payments of \$17,074 principal and interest at the rate of 5% per annum were to be made annually through July 1, 2017.

Future debt service requirements on the loan at June 30, 2011 were as follows:

Year Ending June 30,	Economic Development Administration Loan	
	Principal	Interest
2012	\$ 12,069	\$ 5,005
2013	12,672	4,402
2014	13,306	3,768
2015	13,971	3,103
2016	14,670	2,404
2017-2021	32,833	2,571
Total	<u>\$ 99,521</u>	<u>\$ 21,253</u>

2000 Sewer Certificates of Participation Payable

The 2000 Sewer System Certificates of Participation were issued on June 13, 2000 to provide funds for improvements to the City's sewer system. Payment of interest and principal is secured by a lien against the net revenues generated from the Sewer Utility Fund.

The Certificates were issued in denominations of \$5,000 each and carry interest ranging from 5.00% to 5.625% with principal payable each June 1. Certificates maturing on or after June 1, 2010 are subject to early redemption at a redemption price equal to the principal amount thereof, plus accrued interest to the date of redemption and premium. Interest paid on the certificates is capitalized as construction-in-progress in the Sewer Utility Fund. The 2000 Sewer System Certificates of Participation were paid in full as of June 30, 2011.

2011 Sewer System Revenue Refunding Bonds

On March 2, 2011, the City issued 2011 Sewer System Revenue Refunding Bonds in the amount of \$3,310,000 to pay off the 2000 Sewer System Certificates of Participation. The 2000 Sewer System Certificates of Participation were issued to provide for improvements to the City's sewer system.

Interest rate on the 2011 Sewer System Revenue Refunding Bonds is 4.8%, and the balance of the 2011 Sewer System Revenue Refunding Bonds at June 30, 2011 was \$3,200,000.

CITY OF SEAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2011

Note 7: Long-Term Debt (Continued)

Year Ending June 30,	2011 Sewer System Revenue Refunding Bonds	
	Principal	Interest
2012	\$ 115,000	\$ 152,280
2013	120,000	146,640
2014	130,000	140,760
2015	130,000	134,520
2016	140,000	128,160
2017-2021	2,565,000	914,640
Total	<u>\$ 3,200,000</u>	<u>\$ 1,617,000</u>

Note 8: Pledged Revenue

The City and its component units have debt issuances outstanding that are collateralized by the pledging of certain revenues. The amount and term of the remainder of these commitments are indicated in the debt service to maturity tables presented in the accompanying notes. The purposes for which the proceeds of the related debt issuances were utilized are disclosed in the debt descriptions in the accompanying notes. For the current year, debt service payments as a percentage of the pledged gross revenue (or net of certain expenses where so required by the debt agreement) are indicated in the table below. These percentages also approximate the relationship of debt service to pledged revenue for the remainder of the term of the commitment:

Description of Pledged Revenue	Annual Amount of Revenue	Annual Debt Service Payments (of all debt secured by this revenue)	Debt Service as a Percentage of Pledged Revenue
Tax increment- Riverfront Project Area	\$ 1,782,706	\$ 726,183	40.7%

Note 9: Debt Issued Without Government Commitment

Surfside Colony Reassessment District No. 2000-1

The Surfside Colony Reassessment District No. 2000-1 was formed to finance improvements within the Surfside Colony and to refund the outstanding unmatured portion of the Assessment District 94-1 (Surfside Colony) limited obligation improvement bonds. The debt service payments on the bonds will be included on property tax bills within the reassessment district and will be collected by the City and then forwarded to the paying agent. A Reserve Fund was established in which the City may make withdrawals enough to cover any delinquent payments on the reassessments. The City has no liability for the bonds beyond the amount held in the Reserve Fund. The bonds are not secured by the general taxing power of the City, county, state, or any political subdivision of the state nor have the City, county, state, or any political subdivision thereof pledged its full faith and credit for the repayment thereof. Since the City has no liability for these bonds, the reserve fund and debt service monies are stored in the Agency Fund and the debt is not included in the financial statements. The outstanding balance at June 30, 2011 was \$565,000.

Note 9: Debt Issued Without Government Commitment (Continued)

Heron Pointe Community Facilities District No. 2002-01

The Heron Pointe Community Facilities District No. 2002-01 was formed to finance public facilities improvements within Heron Pointe. The debt service payments on the bonds will be included on property tax bills within community facilities district and will be collected by the City and then forwarded to the paying agent. A Reserve Fund was established in which the City may make withdrawals enough to cover any delinquent payments on the reassessments. The City has no liability for the bonds beyond the amount held in the Reserve Fund. The bonds are not secured by the general taxing power of the City, county, state, or any political subdivision of the state nor has the City, county, state, or any political subdivision thereof pledged its full faith and credit for the repayment thereof. Since the City has no liability for these bonds, the reserve fund and debt service monies are stored in the Agency Fund and the debt is not included in the financial statements. The outstanding balance at June 30, 2011 was \$3,765,000.

Pacific Gateway Business Center Community Facilities District No 2005-01

The Pacific Gateway Business Center community Facilities District No. 2005-01 (District) was formed to finance public facilities within the District. The debt service payments on the bonds will be included on property tax bills within the community facilities district and will be collected by the City and then forwarded to the paying agent. A Reserve Fund was established in which the City may make withdrawals enough to cover any delinquent payments on the reassessments. The City has no liability for the bonds beyond the amount held in the Reserve Fund. The bonds are not secured by the general taxing power of the City, county, state, or any political subdivision of the state nor has the City, county, state, or any political subdivision thereof pledged its full faith and credit for the repayment thereof. Since the City has no liability for these bonds, the reserve fund and debt service monies are stored in the Agency Fund and the debt is not included in the financial statements. The outstanding balance at June 30, 2011 was \$8,710,000.

Note 10: Retirement Plans

California Public Employees Retirement System (PERS) - Plan Description

The City of Seal Beach contributes to the California Public Employees Retirement System (PERS), a cost sharing multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and City ordinance. PERS issues a publicly available financial report that includes financial statements and required supplementary information for the cost sharing plans that are administered by PERS. Copies of PERS' annual financial report may be obtained from their executive office: 400 P Street, Sacramento, California 95814.

Note 10: Retirement Plans (Continued)

Contributions

Miscellaneous and safety participants are required to contribute 7% and 9%, respectively, of their annual covered salary. The City is required to contribute at an actuarially determined rate. The rates for the year ended June 30, 2011 are 8.040% and 20.880% for miscellaneous and safety participant respectively, of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by City Council in conjunction with applicable labor contracts. The City's contributions to the miscellaneous plan for the years ending June 30, 2009, 2010, and 2011 were \$346,169, \$397,612, and \$364,153, respectively, and were equal to the required contributions for each year. The City's contributions to the safety plan for the years June 30, 2009, 2010, and 2011 were \$609,389, \$691,428, and \$766,374, respectively, and were equal to the required contributions for each year.

Public Agency Retirement System (PARS)

The City of Seal Beach contributed to the California Public Agency Retirement System (PARS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State of California. The system operates independently as a public employer trust, as provided for under the California Government Code and the United States Internal Revenue Code and as a local district plan as provided for under the California Education Code.

PARS is a defined contribution retirement plan in which the City contributes 1.3% and the participants contribute 6.2% of the participant's before tax compensation. All City employees who are not participating in PERS are required to participate in PARS. Employees are 100% vested in employee and City contributions upon enrollment.

The City's contribution to PARS for 2010-2011 was \$11,383 (of covered payroll), and the employees' contributions to PARS were \$54,288 (of covered payroll).

Note 11: Joint Ventures

Orange County Fire Authority

The City of Seal Beach entered into a joint powers agreement with seventeen other cities and the County of Orange in January 1995, and subsequently amended on September 23, 1999, to create the Orange County Fire Authority (the Authority). Since 1995, other cities within the County have also joined the Authority to bring the total members in the Authority to twenty-two. The purpose of the Authority is to provide for mutual fire protection, prevention and suppression services and related and incidental services including, but not limited to, emergency medical and transport services, hazardous materials regulation as well as providing facilities and personnel for such services. The effective date of formation was March 1, 1995. The Authority's governing board consists of one representative from each City and two from the County. The operations of the Authority are funded with structural fire fees collected by the County through either the property tax roll or with cash contributions based on the Authority's annual budget. The County pays all structural fire fees it collects to the Authority. In 2010-2011 the City of Seal Beach paid \$3,878,073 to the Authority.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

Note 11: Joint Ventures (Continued)

No determination has been made as to each participant's proportionate share of fund equity as of June 30, 2011. Upon dissolution of the Authority, all surplus money and property of the Authority will be conveyed or distributed to each member in proportion to all funds provided to the Authority by that member or by the County on behalf of that member during its membership. The following audited financial data is presented as of and for the year ended June 30, 2010 (the most recent data available).

<u>Governmental Activities</u>	
Total Assets	<u>\$ 383,473,164</u>
Total Liabilities	<u>\$ 82,166,911</u>
Total Revenues	\$ 251,842,703
Total Expenses	245,336,424
Changes in Net Assets	6,506,279
Net Assets, Beginning	<u>294,799,974</u>
Net Assets, Ending	<u>\$ 301,306,253</u>

Complete financial statements may be obtained from the Orange County Fire Authority, 1 Fire Authority Road, Irvine, California 92602.

County Public Financing Authority

The Countywide Public Financing Authority was established in accordance with the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the California Government Code (the "Act"), and pursuant to the terms of that certain Joint Exercise of Powers Agreement, dated June 19, 1996, by and among the Members. Under the Act, the Authority is authorized to borrow money for the purpose of financing the acquisition of bonds, notes, and other obligations of, or making loans to, public entities, including the Members, and to provide financing for the public capital improvements of public entities, including the Members.

The Authority's membership consists of the cities of Brea, Buena Park, Fullerton, Garden Grove, Orange, Santa Ana, Seal Beach, Stanton, and Tustin. The governing body of the Authority consists of nine directors, appointed by the governing bodies of each member. Each director has one vote over budgeting and financial matters. The Authority is a public entity separate from the cities, and is not included in the financial statements of those entities.

The Authority issued its 1996 Revenue Bonds in the amount of \$27,725,000 in July 1996. The bond proceeds will be used to provide financing for the portions of a Countywide communications system within Orange County allocable to the members and to finance other capital projects for certain members within their respective geographical boundaries.

Note 11: Joint Ventures (Continued)

In order to provide for repayment of the bonds, each member has agreed to lease certain real property and improvements to the Authority and lease back said premises from the Authority pursuant to separate lease agreements. Each member will pay installments of rent to the Authority in an amount sufficient to cover the debt service on the bonds.

Separate financial statements are not prepared for the Countywide Public Financing Authority. Financial information is accumulated by U.S. Trust in Los Angeles, California, which is the escrow agent.

See Note 7 for information regarding the City's share of lease payments.

West Communications Financing Authority

The West Communications Financing Authority (Authority) was established December 23, 1996, pursuant to a Joint Exercise of Powers Agreement by the Cities of Seal Beach, Cypress, and Los Alamitos for the purpose of operating a public safety communications center.

The Board of Directors is comprised of three elected officials, one designated by each participating City. Each Director has one vote over budgeting and financial matters. The Authority is a public entity separate from the Cities, and is not included in the financial statements of those entities.

Each City pays a contractual fee to the Authority, which consists of personnel costs, capital expenditures and reserves to fund accrued employee leave and equipment purchases. The contractual fee remains stable from year to year. In 2010-2011 the City of Seal Beach paid \$645,798 to the Authority.

Audited information is not available. Unaudited financial information may be obtained from the City of Cypress.

Note 12: Liability, Property and Workers Compensation Protection

a. Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

The City is a member of the California Joint Powers Insurance Authority (the Authority). The Authority is composed of 121 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group-purchased insurance for property and other coverages. The Authority's pool began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine member Executive Committee.

Note 12: Liability, Property and Workers Compensation Protection (Continued)

b. Self-Insurance Programs of the Authority

A revised cost allocation methodology was introduced in 2010-11, however it retains many elements of the previous cost allocation methodology. Each member pays an annual contribution (formerly called the primary deposit) to cover estimated losses for the coverage period. This initial funding is paid at the beginning of the coverage period. After the close of the coverage period, outstanding claims are valued. A retrospective deposit computation is then conducted annually thereafter until all claims incurred during the coverage period are closed on a pool-wide basis. This subsequent cost re-allocation among members based on actual claim development can result in adjustments of either refunds or additional deposits required.

The total funding requirement for self-insurance programs is estimated using actuarial models and pre-funded through the annual contribution. Costs are allocated to individual agencies based on exposure (payroll) and experience (claims) relative to other members of the risk-sharing pool. Additional information regarding the cost allocation methodology is provided below.

General Liability

In the liability program claims are pooled separately between police and non-police exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$30,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$30,000 to \$750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of \$750,000 up to the reinsurance attachment point of \$5 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$5 million to \$10 million are paid under a reinsurance contract subject to a \$2.5 million annual aggregate deductible. Costs of covered claims from \$10 million to \$15 million are paid under two reinsurance contracts subject to a combined \$3 million annual aggregate deductible. On a cumulative basis for all 2010-11 reinsurance contracts the annual aggregate deductible is \$5.5 million. (6) Costs of covered claims from \$15 million up to \$50 million are covered through excess insurance policies.

The overall coverage limit for each member including all layers of coverage is \$50 million per occurrence.

Costs of covered claims for subsidence losses are paid by reinsurance and excess insurance with a pooled sub-limit of \$35 million per occurrence. This \$35 million subsidence sub-limit is composed of (a) \$5 million retained within the pool's SIR, (b) \$10 million in reinsurance and (c) \$20 million in excess insurance. The excess insurance layer has a \$20 million annual aggregate.

Note 12: Liability, Property and Workers Compensation Protection (Continued)

Workers' Compensation

In the workers' compensation program claims are pooled separately between public safety (police and fire) and non-public safety exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$50,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$50,000 to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of \$100,000 up to the reinsurance attachment point of \$2 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$2 million up to statutory limits are paid under a reinsurance policy. Protection is provided per statutory liability under California Workers' Compensation Law.

Employer's Liability losses are pooled among members to \$2 million. Coverage from \$2 million to \$4 million is purchased as part of a reinsurance policy, and Employer's Liability losses from \$4 million to \$10 million are pooled among members.

c. Purchased Insurance

Environmental Insurance

The City participates in the pollution legal liability insurance program (formerly called environmental insurance) which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City. Coverage is on a claims made basis. There is a \$50,000 deductible. The Authority has a limit of \$50 million for the 3-year period from July 1, 2008 through July 1, 2011. Each member of the Authority has a \$10 million sub-limit during the 3-year term of the policy.

Property Insurance

The City participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City property is currently insured according to a schedule of covered property submitted by the City to the Authority. City property currently has all-risk property insurance protection in the amount of \$40,592,550. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

Earthquake and Flood Insurance

The City purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. City property currently has earthquake protection in the amount of \$32,919,468. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

Note 12: Liability, Property and Workers Compensation Protection (Continued)

Crime Insurance

The City purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority. Premiums are paid annually and are not subject to retrospective adjustments.

Special Events

The City purchases special event insurance coverage through Alliance Insurance Services Inc. on a quarterly basis based on the special events activities. The special event coverage includes a \$1,000,000 limit per each occurrence with no deductible.

d. Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2010-11.

Note 13: Other Post Employment Benefits Other than Pension

Plan Descriptions

The City of Seal Beach provides postretirement medical benefits to employees who retire directly from the City under CalPERS under a single-employer defined benefit post-employment benefits plan. Eligible retirees can continue participation in the City medical plans (PEMHCA). For miscellaneous retirees, the City contributes up to a capped dollar amount which varies by bargaining unit, medical coverage, and years of service. For police safety retirees, the City contribution rate varies by date of hire and date of retirement.

City's Funding Policy

The contribution requirements of plan members and the City are established and may be amended by City Council. For fiscal year 2009-10, the City contributed \$543,000 to the plan, including premiums.

The City uses CalPERS to hold irrevocable employer contributions in a trust restricted for benefits under this program. CalPERS publishes a publically available financial report conforming to GASB Statement No. 43 that includes separately issued financial statements for the CalPERS OPEB Trust. Copies of PERS' annual financial reports for its

OPEB Trust may be obtained from its executive office at 400 "Q" Street, Sacramento, California 95811.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

Note 13: Other Post Employment Benefits Other than Pension (Continued)

Annual OPEB Cost and Net OPEB Obligation

The City's annual other postemployment benefit (OPEB) cost (expense) for each plan is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the value of employer promised benefits expected to be earned or allocated for each fiscal year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The City's annual OPEB cost for the current year and the related information for the plan are as follows:

Annual required contribution	\$ 543,000
Interest on net OPEB obligation	(15,097)
Adjustment to annual required contribution	<u>20,410</u>
Annual OPEB cost (expense)	548,313
Contributions made (including premiums paid)	<u>(543,000)</u>
Increase (decrease) in net OPEB obligation	5,313
Net OPEB obligation – beginning of year	<u>(317,825)</u>
Net OPEB obligation (asset) – end of year	<u><u>\$ (312,512)</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation (Asset)
6/30/2009	\$ 600,000	119.6%	\$ (117,686)
6/30/2010	523,000	138.3%	(317,825)
6/30/2011	543,000	100.0%	(312,512)

Funded Status and Funding Progress

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented below, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

CITY OF SEAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2011

Note 13: Other Post Employment Benefits Other than Pension (Continued)

Schedule of Funding Progress (dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded ratio (a/b)	Covered Payroll	UAAL as a Percentage of covered payroll (b-a)/c)
1/1/2007	\$ -	\$ 6,667	\$ 6,667	0%	\$ 6,757	98.69%
1/1/2009	447	6,486	6,039	7%	6,997	86.31%

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial assets, consistent with the long-term perspective of the calculations. Significant methods and assumptions were as follows:

Actuarial valuation date	1/1/2009
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll, closed
Amortization period	30 years
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return*	7.75%
Projected salary increases*	3.25%
Healthcare inflation rate*	9 - 11%
* Includes an inflation assumption of 3.0%.	

Note 14: Construction Commitments

As of June 30, 2011, budgeted funds committed for major capital projects included the following:

	Contract Amount	Expenditures To Date	Unexpended Balance
Seal Beach Blvd/ 405 Overcross Approach Widening	\$ 1,582,074	\$ 279,094	\$ 1,302,980
Annual Concrete Repair Program	114,812	94,297	20,515
Fire Station	65,359	-	65,359
San Gabriel River Bikeway and Rivers	267,223	214,161	53,062
Total	<u>\$ 2,029,468</u>	<u>\$ 587,552</u>	<u>\$ 1,441,916</u>

Note 15: Transactions with the State of California

SERAF Shift for fiscal year 2010-2011

On July 23, 2009, the State adopted legislation, requiring a shift of monies during fiscal years 2009-2010 and 2010-2011 to be deposited into the County "Supplemental" Educational Revenue Augmentation Fund (SERAF). These monies were to be distributed to meet the State's Prop 98 obligations to schools. The California Redevelopment Association (CRA) and its member agencies filed a legal action in an attempt to stop these amounts from having to be paid; however, in May 2010, the Sacramento Superior Court upheld the legislation.

The payment of the SERAF was due on May 10, 2011, for fiscal year 2010-2011 and it was made in the amount of \$253,512. The legislation allowed this payment to be made from any available monies present in any project area(s). Subsequent legislation was passed which even allowed the funding for this payment to be borrowed from the Low and Moderate Income Housing Fund with appropriate findings from its legislative body. Any amounts borrowed from Low and Moderate Income Housing (including any suspended set-aside amounts) are to be repaid by June 30, 2015. If those amounts are not repaid, by that date, then the set-aside percentage to Low and Moderate Income Housing will increase from 20% to 25% for the remainder of the life of the Agency.

To accomplish the payment, the Agency utilized \$253,512 from its available resources.

Note 16: California Redevelopment Agency Uncertainty

On July 18, 2011, the California Redevelopment Association ("CRA") and the League of California Cities ("League") filed a petition for writ of mandate with the California Supreme Court, requesting the Court to declare unconstitutional two bills that were passed as part of the 2011-12 State Budget, AB1X 26 and 27. AB1X 26 dissolves redevelopment agencies effective October 1, 2011. AB1X 27, give redevelopment agencies an option to avoid dissolution if it commits to making defined payments for the benefit of the State, school districts and certain special districts. In 2011-12, these payments amount to a state-wide total of \$1.7 billion. In 2012-13 and subsequent years, the payments total \$400 million, annually. Each city or county's share of these payments is determined based on its proportionate share of state-wide tax increment.

In accordance with AB1X 27, the City Council of the City of Seal Beach adopted Ordinance No. 1612 on August 8, 2011 to provide for the continuation of the Agency and make the defined payments. However, because of the effect of the Stay Order, the authority for the Agency to engage in most activities, as of the date of this Annual Report, continues to be in suspension.

The Supreme Court heard oral arguments on November 10, 2011, but has not issued its decision as of the date of this Annual Report. It is uncertain whether the Supreme Court will strike down, uphold or modify some or all of the provisions of AB X1 26 and 27. If AB X1 26 and 27 are upheld in whole or in part, it may take some time to ascertain the mechanics and practical effects of the implementation of the upheld provisions. For example, under AB X1 26, if a redevelopment agency is dissolved, a successor agency to the redevelopment agency will be required to make payments for enforceable obligations, including previously issued agency bonds, listed in Recognized Obligation Payment Schedules. However, AB X1 26 establishes a flow of revenues to repay bonds that is different from the flow of tax increment currently provided in the Community Redevelopment Law.

CITY OF SEAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

Note 16: California Redevelopment Agency Uncertainty (Continued)

As of the time of the issuance of this report, the outcome of AB1X 26 and 27 upon the Agency is unknown and consequently the status and even future existence of the Agency is uncertain as such. If AB1X 27 is upheld, the Agency will be required to make a payment to the State in the estimated amount of \$937,868, by January 15, 2012 to avoid dissolution.

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CITY OF SEAL BEACH

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2011

	Special Revenue Funds			
	Street Lighting	Supplemental Law Enforcement	Detention Center	Police Asset Forfeiture
Assets:				
Pooled cash and investments	\$ -	\$ 116,003	\$ 5,555	\$ 4,755
Receivables:				
Accounts	-	-	50	-
Taxes	2,785	-	-	-
Notes and loans	-	-	-	-
Due from other governments	-	11,316	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 2,785	\$ 127,319	\$ 5,605	\$ 4,755
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 16,305	\$ 872	\$ 97	\$ -
Accrued liabilities	-	2,373	-	-
Deferred revenues	-	-	-	-
Due to other funds	37,323	-	-	-
Total Liabilities	53,628	3,245	97	-
Fund Balances:				
Nonspendable:				
Notes and loans	-	-	-	-
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	124,074	5,508	4,755
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Debt service	-	-	-	-
General government - grants	-	-	-	-
Low and moderate income housing	-	-	-	-
Unassigned	(50,843)	-	-	-
Total Fund Balances	(50,843)	124,074	5,508	4,755
Total Liabilities and Fund Balances	\$ 2,785	\$ 127,319	\$ 5,605	\$ 4,755

CITY OF SEAL BEACH

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011

(Continued)

	Special Revenue Funds			
	Air Quality Improvement	Parks and Recreation	State Gasoline Tax	Measure M
Assets:				
Pooled cash and investments	\$ 48,487	\$ 214,418	\$ 176,080	\$ 379,425
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Due from other governments	-	-	-	31,100
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 48,487	\$ 214,418	\$ 176,080	\$ 410,525
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 1,524	\$ -	\$ 1,148	\$ -
Accrued liabilities	-	-	-	-
Deferred revenues	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	1,524	-	1,148	-
Fund Balances:				
Nonspendable:				
Notes and loans	-	-	-	-
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Parks and recreation	-	214,418	-	-
Public works	46,963	-	174,932	410,525
Debt service	-	-	-	-
General government - grants	-	-	-	-
Low and moderate income housing	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	46,963	214,418	174,932	410,525
Total Liabilities and Fund Balances	\$ 48,487	\$ 214,418	\$ 176,080	\$ 410,525

CITY OF SEAL BEACH

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2011

	Special Revenue Funds			
	Roberti-Z'berg Harris Urban Open Space	Grants	Community Development Block Grant	Police Grants
Assets:				
Pooled cash and investments	\$ -	\$ 56,158	\$ -	\$ -
Receivables:				
Accounts	-	-	11,898	-
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Due from other governments	50,588	16,324	-	40,764
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 50,588	\$ 72,482	\$ 11,898	\$ 40,764
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 89
Accrued liabilities	-	-	-	1,946
Deferred revenues	12,081	3,812	-	36,200
Due to other funds	50,588	16,324	11,898	38,706
Total Liabilities	62,669	20,136	11,898	76,941
Fund Balances:				
Nonspendable:				
Notes and loans	-	-	-	-
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Debt service	-	-	-	-
General government - grants	-	52,346	-	-
Low and moderate income housing	-	-	-	-
Unassigned	(12,081)	-	-	(36,177)
Total Fund Balances	(12,081)	52,346	-	(36,177)
Total Liabilities and Fund Balances	\$ 50,588	\$ 72,482	\$ 11,898	\$ 40,764

CITY OF SEAL BEACH

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2011

(Continued)

	Special Revenue Funds			
	Traffic Relief Grant	Citywide Grants	Landscape District	Heron Pointe
Assets:				
Pooled cash and investments	\$ -	\$ -	\$ 334,053	\$ 34,086
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	267	-
Notes and loans	-	-	-	-
Due from other governments	-	34,978	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ -	\$ 34,978	\$ 334,320	\$ 34,086
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 3,952	\$ -
Accrued liabilities	-	-	-	-
Deferred revenues	-	34,978	-	-
Due to other funds	-	34,978	-	-
Total Liabilities	-	69,956	3,952	-
Fund Balances:				
Nonspendable:				
Notes and loans	-	-	-	-
Restricted for:				
Community development projects	-	-	330,368	34,086
Public safety	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Debt service	-	-	-	-
General government - grants	-	-	-	-
Low and moderate income housing	-	-	-	-
Unassigned	-	(34,978)	-	-
Total Fund Balances	-	(34,978)	330,368	34,086
Total Liabilities and Fund Balances	\$ -	\$ 34,978	\$ 334,320	\$ 34,086

CITY OF SEAL BEACH

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2011

	Special Revenue Funds		Debt Service Funds	
	Pacific Gateway	Special Revenue RDA	City Debt Service	Debt Service RDA
Assets:				
Pooled cash and investments	\$ 188,364	\$ 1,378,995	\$ -	\$ 734,117
Receivables:				
Accounts	-	1,798	-	-
Taxes	180	-	-	3,615
Notes and loans	-	1,957,603	-	-
Due from other governments	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	749,100	740,769
Total Assets	\$ 188,544	\$ 3,338,396	\$ 749,100	\$ 1,478,501
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 4,360	\$ 11,216	\$ -	\$ -
Accrued liabilities	-	-	-	-
Deferred revenues	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	4,360	11,216	-	-
Fund Balances:				
Nonspendable:				
Notes and loans	-	1,957,603	-	-
Restricted for:				
Community development projects	184,184	-	-	-
Public safety	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Debt service	-	-	749,100	1,478,501
General government - grants	-	-	-	-
Low and moderate income housing	-	1,369,577	-	-
Unassigned	-	-	-	-
Total Fund Balances	184,184	3,327,180	749,100	1,478,501
Total Liabilities and Fund Balances	\$ 188,544	\$ 3,338,396	\$ 749,100	\$ 1,478,501

CITY OF SEAL BEACH

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2011

	Total Governmental Funds
Assets:	
Pooled cash and investments	\$ 3,670,496
Receivables:	
Accounts	13,746
Taxes	6,847
Notes and loans	1,957,603
Due from other governments	185,070
Restricted assets:	
Cash and investments with fiscal agents	1,489,869
	<u>1,489,869</u>
Total Assets	<u>\$ 7,323,631</u>
Liabilities and Fund Balances:	
Liabilities:	
Accounts payable	\$ 39,563
Accrued liabilities	4,319
Deferred revenues	87,071
Due to other funds	189,817
	<u>189,817</u>
Total Liabilities	<u>320,770</u>
Fund Balances:	
Nonspendable:	
Notes and loans	1,957,603
Restricted for:	
Community development projects	548,638
Public safety	134,337
Parks and recreation	214,418
Public works	632,420
Debt service	2,227,601
General government - grants	52,346
Low and moderate income housing	1,369,577
Unassigned	<u>(134,079)</u>
Total Fund Balances	<u>7,002,861</u>
Total Liabilities and Fund Balances	<u>\$ 7,323,631</u>

CITY OF SEAL BEACH

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011

	Special Revenue Funds			
	Street Lighting	Supplemental Law Enforcement	Detention Center	Police Asset Forfeiture
Revenues:				
Taxes	\$ 143,629	\$ -	\$ -	\$ -
Intergovernmental	-	100,016	-	-
Charges for services	-	-	13,126	-
Use of money and property	(29)	1,040	-	42
Total Revenues	143,600	101,056	13,126	42
Expenditures:				
Current:				
General government	198,442	-	-	-
Public safety	-	124,728	14,799	-
Community development	-	-	-	-
Public works	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	198,442	124,728	14,799	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(54,842)	(23,672)	(1,673)	42
Other Financing Sources (Uses):				
Transfers in	3,600	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	3,600	-	-	-
Net Change in Fund Balances	(51,242)	(23,672)	(1,673)	42
Fund Balances, Beginning of Year	399	147,746	7,181	4,713
Fund Balances, End of Year	\$ (50,843)	\$ 124,074	\$ 5,508	\$ 4,755

CITY OF SEAL BEACH

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011

(Continued)

	Special Revenue Funds			
	Air Quality Improvement	Parks and Recreation	State Gasoline Tax	Measure M
Revenues:				
Taxes	\$ -	\$ -	\$ 614,414	\$ 264,435
Intergovernmental	30,198	5,000	-	-
Charges for services	-	-	-	-
Use of money and property	363	1,860	352	2,628
Total Revenues	30,561	6,860	614,766	267,063
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Public works	17,959	-	1,148	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	17,959	-	1,148	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	12,602	6,860	613,618	267,063
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	(585,624)	(350,000)
Total Other Financing Sources (Uses)	-	-	(585,624)	(350,000)
Net Change in Fund Balances	12,602	6,860	27,994	(82,937)
Fund Balances, Beginning of Year	34,361	207,558	146,938	493,462
Fund Balances, End of Year	\$ 46,963	\$ 214,418	\$ 174,932	\$ 410,525

CITY OF SEAL BEACH

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011

	Special Revenue Funds			
	Roberti-Z'berg Harris Urban Open Space	Grants	Community Development Block Grant	Police Grants
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	38,507	12,512	206,092	59,994
Charges for services	-	-	-	-
Use of money and property	(29)	(3)	-	-
Total Revenues	38,478	12,509	206,092	59,994
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	93,078
Community development	-	-	204,540	-
Public works	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	-	204,540	93,078
Excess (Deficiency) of Revenues Over (Under) Expenditures	38,478	12,509	1,552	(33,084)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(51,168)	(17,052)	-	-
Total Other Financing Sources (Uses)	(51,168)	(17,052)	-	-
Net Change in Fund Balances	(12,690)	(4,543)	1,552	(33,084)
Fund Balances, Beginning of Year	609	56,889	(1,552)	(3,093)
Fund Balances, End of Year	\$ (12,081)	\$ 52,346	\$ -	\$ (36,177)

CITY OF SEAL BEACH

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011

(Continued)

	Special Revenue Funds			
	Traffic Relief Grant	Citywide Grants	Landscape District	Heron Pointe
Revenues:				
Taxes	\$ -	\$ -	\$ 143,212	\$ -
Intergovernmental	-	53,721	-	25,000
Charges for services	-	-	-	-
Use of money and property	2,473	-	2,541	299
Total Revenues	2,473	53,721	145,753	25,299
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	86,111	7,853
Public works	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	-	86,111	7,853
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,473	53,721	59,642	17,446
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(527,606)	(88,699)	(12,000)	(11,000)
Total Other Financing Sources (Uses)	(527,606)	(88,699)	(12,000)	(11,000)
Net Change in Fund Balances	(525,133)	(34,978)	47,642	6,446
Fund Balances, Beginning of Year	525,133	-	282,726	27,640
Fund Balances, End of Year	\$ -	\$ (34,978)	\$ 330,368	\$ 34,086

CITY OF SEAL BEACH

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011

	Special Revenue Funds		Debt Service Funds	
	Pacific Gateway	Special Revenue RDA	City Debt Service	Debt Service RDA
Revenues:				
Taxes	\$ 50,340	\$ 445,677	\$ -	\$ 1,782,706
Intergovernmental	25,000	-	-	-
Charges for services	-	-	-	-
Use of money and property	1,555	7,436	169	6,435
Total Revenues	76,895	453,113	169	1,789,141
Expenditures:				
Current:				
General government	-	-	-	12,106
Public safety	-	-	-	-
Community development	38,609	242,472	-	275,226
Public works	-	-	-	-
Debt service:				
Principal retirement	-	-	1,416,000	430,000
Interest and fiscal charges	-	-	700,665	296,183
Total Expenditures	38,609	242,472	2,116,665	1,013,515
Excess (Deficiency) of Revenues Over (Under) Expenditures	38,286	210,641	(2,116,496)	775,626
Other Financing Sources (Uses):				
Transfers in	-	-	2,113,823	-
Transfers out	(26,000)	-	(50)	(467,987)
Total Other Financing Sources (Uses)	(26,000)	-	2,113,773	(467,987)
Net Change in Fund Balances	12,286	210,641	(2,723)	307,639
Fund Balances, Beginning of Year	171,898	3,116,539	751,823	1,170,862
Fund Balances, End of Year	\$ 184,184	\$ 3,327,180	\$ 749,100	\$ 1,478,501

CITY OF SEAL BEACH

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011

	Total Governmental Funds
Revenues:	
Taxes	\$ 3,444,413
Intergovernmental	556,040
Charges for services	13,126
Use of money and property	27,132
	<hr/>
Total Revenues	4,040,711
	<hr/>
Expenditures:	
Current:	
General government	210,548
Public safety	232,605
Community development	854,811
Public works	19,107
Debt service:	
Principal retirement	1,846,000
Interest and fiscal charges	996,848
	<hr/>
Total Expenditures	4,159,919
	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(119,208)
	<hr/>
Other Financing Sources (Uses):	
Transfers in	2,117,423
Transfers out	(2,137,186)
	<hr/>
Total Other Financing Sources (Uses)	(19,763)
	<hr/>
Net Change in Fund Balances	(138,971)
	<hr/>
Fund Balances, Beginning of Year	7,141,832
	<hr/>
Fund Balances, End of Year	\$ 7,002,861
	<hr/> <hr/>

CITY OF SEAL BEACH

**BUDGETARY COMPARISON SCHEDULE
STREET LIGHTING
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 399	\$ 399	\$ 399	\$ -
Resources (Inflows):				
Taxes	146,700	146,700	143,629	(3,071)
Use of money and property	4,000	4,000	(29)	(4,029)
Transfers in	-	3,600	3,600	-
Amounts Available for Appropriation	151,099	154,699	147,599	(7,100)
Charges to Appropriation (Outflow):				
General government	174,000	198,600	198,442	158
Total Charges to Appropriations	174,000	198,600	198,442	158
Budgetary Fund Balance, June 30	\$ (22,901)	\$ (43,901)	\$ (50,843)	\$ (6,942)

CITY OF SEAL BEACH

**BUDGETARY COMPARISON SCHEDULE
SUPPLEMENTAL LAW ENFORCEMENT
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 147,746	\$ 147,746	\$ 147,746	\$ -
Resources (Inflows):				
Intergovernmental	100,000	100,000	100,016	16
Use of money and property	2,500	2,500	1,040	(1,460)
Amounts Available for Appropriation	250,246	250,246	248,802	(1,444)
Charges to Appropriation (Outflow):				
Public safety	119,700	183,800	124,728	59,072
Total Charges to Appropriations	119,700	183,800	124,728	59,072
Budgetary Fund Balance, June 30	\$ 130,546	\$ 66,446	\$ 124,074	\$ 57,628

CITY OF SEAL BEACH

**BUDGETARY COMPARISON SCHEDULE
DETENTION CENTER
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 7,181	\$ 7,181	\$ 7,181	\$ -
Resources (Inflows):				
Charges for services	1,000	1,000	13,126	12,126
Use of money and property	100	100	-	(100)
Amounts Available for Appropriation	8,281	8,281	20,307	12,026
Charges to Appropriation (Outflow):				
Public safety	5,000	18,800	14,799	4,001
Total Charges to Appropriations	5,000	18,800	14,799	4,001
Budgetary Fund Balance, June 30	\$ 3,281	\$ (10,519)	\$ 5,508	\$ 16,027

CITY OF SEAL BEACH

**BUDGETARY COMPARISON SCHEDULE
POLICE ASSET FORFEITURE
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,713	\$ 4,713	\$ 4,713	\$ -
Resources (Inflows):				
Intergovernmental	39,000	39,000	-	(39,000)
Use of money and property	1,000	1,000	42	(958)
Amounts Available for Appropriation	44,713	44,713	4,755	(39,958)
Charges to Appropriation (Outflow):				
Public safety	40,000	40,000	-	40,000
Total Charges to Appropriations	40,000	40,000	-	40,000
Budgetary Fund Balance, June 30	\$ 4,713	\$ 4,713	\$ 4,755	\$ 42

CITY OF SEAL BEACH

**BUDGETARY COMPARISON SCHEDULE
AIR QUALITY IMPROVEMENT
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 34,361	\$ 34,361	\$ 34,361	\$ -
Resources (Inflows):				
Intergovernmental	30,000	30,000	30,198	198
Use of money and property	1,000	1,000	363	(637)
Amounts Available for Appropriation	65,361	65,361	64,922	(439)
Charges to Appropriation (Outflow):				
Public works	31,000	31,000	17,959	13,041
Transfers out	800	800	-	800
Total Charges to Appropriations	31,800	31,800	17,959	13,841
Budgetary Fund Balance, June 30	\$ 33,561	\$ 33,561	\$ 46,963	\$ 13,402

CITY OF SEAL BEACH

**BUDGETARY COMPARISON SCHEDULE
PARKS AND RECREATION
YEAR ENDED JUNE 30, 2011**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 207,558	\$ 207,558	\$ 207,558	\$ -
Resources (Inflows):				
Intergovernmental	5,000	5,000	5,000	-
Use of money and property	4,000	4,000	1,860	(2,140)
Amounts Available for Appropriation	<u>216,558</u>	<u>216,558</u>	<u>214,418</u>	<u>(2,140)</u>
Budgetary Fund Balance, June 30	<u>\$ 216,558</u>	<u>\$ 216,558</u>	<u>\$ 214,418</u>	<u>\$ (2,140)</u>

CITY OF SEAL BEACH

**BUDGETARY COMPARISON SCHEDULE
STATE GASOLINE TAX
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 146,938	\$ 146,938	\$ 146,938	\$ -
Resources (Inflows):				
Taxes	426,000	426,000	614,414	188,414
Use of money and property	2,200	2,200	352	(1,848)
Amounts Available for Appropriation	575,138	575,138	761,704	186,566
Charges to Appropriation (Outflow):				
Public works	-	1,200	1,148	52
Transfers out	610,000	609,900	585,624	24,276
Total Charges to Appropriations	610,000	611,100	586,772	24,328
Budgetary Fund Balance, June 30	\$ (34,862)	\$ (35,962)	\$ 174,932	\$ 210,894

CITY OF SEAL BEACH

**BUDGETARY COMPARISON SCHEDULE
MEASURE M
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 493,462	\$ 493,462	\$ 493,462	\$ -
Resources (Inflows):				
Taxes	350,000	350,000	264,435	(85,565)
Use of money and property	24,000	24,000	2,628	(21,372)
Amounts Available for Appropriation	867,462	867,462	760,525	(106,937)
Charges to Appropriation (Outflow):				
Transfers out	350,000	350,000	350,000	-
Total Charges to Appropriations	350,000	350,000	350,000	-
Budgetary Fund Balance, June 30	\$ 517,462	\$ 517,462	\$ 410,525	\$ (106,937)

CITY OF SEAL BEACH

**BUDGETARY COMPARISON SCHEDULE
ROBERTI-Z'BERG HARRIS URBAN OPEN SPACE
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 609	\$ 609	\$ 609	\$ -
Resources (Inflows):				
Intergovernmental	-	-	38,507	38,507
Use of money and property	-	-	(29)	(29)
Amounts Available for Appropriation	609	609	39,087	38,478
Charges to Appropriation (Outflow):				
Transfers out	-	51,168	51,168	-
Total Charges to Appropriations	-	51,168	51,168	-
Budgetary Fund Balance, June 30	\$ 609	\$ (50,559)	\$ (12,081)	\$ 38,478

CITY OF SEAL BEACH

**BUDGETARY COMPARISON SCHEDULE
GRANTS
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 56,889	\$ 56,889	\$ 56,889	\$ -
Resources (Inflows):				
Intergovernmental	-	-	12,512	12,512
Use of money and property	-	-	(3)	(3)
Amounts Available for Appropriation	56,889	56,889	69,398	12,509
Charges to Appropriation (Outflow):				
Transfers out	-	17,052	17,052	-
Total Charges to Appropriations	-	17,052	17,052	-
Budgetary Fund Balance, June 30	\$ 56,889	\$ 39,837	\$ 52,346	\$ 12,509

CITY OF SEAL BEACH

**BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (1,552)	\$ (1,552)	\$ (1,552)	\$ -
Resources (Inflows):				
Intergovernmental	140,000	160,000	206,092	46,092
Amounts Available for Appropriation	138,448	158,448	204,540	46,092
Charges to Appropriation (Outflow):				
Community development	140,000	204,600	204,540	60
Total Charges to Appropriations	140,000	204,600	204,540	60
Budgetary Fund Balance, June 30	\$ (1,552)	\$ (46,152)	\$ -	\$ 46,152

CITY OF SEAL BEACH

**BUDGETARY COMPARISON SCHEDULE
POLICE GRANTS
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (3,093)	\$ (3,093)	\$ (3,093)	\$ -
Resources (Inflows):				
Intergovernmental	91,000	91,000	59,994	(31,006)
Amounts Available for Appropriation	87,907	87,907	56,901	(31,006)
Charges to Appropriation (Outflow):				
Public safety	91,000	116,000	93,078	22,922
Total Charges to Appropriations	91,000	116,000	93,078	22,922
Budgetary Fund Balance, June 30	\$ (3,093)	\$ (28,093)	\$ (36,177)	\$ (8,084)

CITY OF SEAL BEACH

**BUDGETARY COMPARISON SCHEDULE
TRAFFIC RELIEF GRANT
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 525,133	\$ 525,133	\$ 525,133	\$ -
Resources (Inflows):				
Intergovernmental	260,000	260,000	-	(260,000)
Use of money and property	1,600	1,600	2,473	873
Amounts Available for Appropriation	786,733	786,733	527,606	(259,127)
Charges to Appropriation (Outflow):				
Transfers out	260,000	527,700	527,606	94
Total Charges to Appropriations	260,000	527,700	527,606	94
Budgetary Fund Balance, June 30	\$ 526,733	\$ 259,033	\$ -	\$ (259,033)

CITY OF SEAL BEACH

**BUDGETARY COMPARISON SCHEDULE
CITYWIDE GRANTS
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	-	790,500	53,721	(736,779)
Amounts Available for Appropriation	-	790,500	53,721	(736,779)
Charges to Appropriation (Outflow):				
Transfers out	-	2,652,200	88,699	2,563,501
Total Charges to Appropriations	-	2,652,200	88,699	2,563,501
Budgetary Fund Balance, June 30	\$ -	\$ (1,861,700)	\$ (34,978)	\$ 1,826,722

CITY OF SEAL BEACH

**BUDGETARY COMPARISON SCHEDULE
LANDSCAPE DISTRICT
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 282,726	\$ 282,726	\$ 282,726	\$ -
Resources (Inflows):				
Taxes	138,000	138,000	143,212	5,212
Use of money and property	5,000	5,000	2,541	(2,459)
Amounts Available for Appropriation	425,726	425,726	428,479	2,753
Charges to Appropriation (Outflow):				
Community development	133,000	133,000	86,111	46,889
Transfers out	12,000	12,000	12,000	-
Total Charges to Appropriations	145,000	145,000	98,111	46,889
Budgetary Fund Balance, June 30	\$ 280,726	\$ 280,726	\$ 330,368	\$ 49,642

CITY OF SEAL BEACH

**BUDGETARY COMPARISON SCHEDULE
HERON POINTE
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 27,640	\$ 27,640	\$ 27,640	\$ -
Resources (Inflows):				
Intergovernmental	25,000	25,000	25,000	-
Use of money and property	900	900	299	(601)
Amounts Available for Appropriation	53,540	53,540	52,939	(601)
Charges to Appropriation (Outflow):				
Community development	14,000	14,000	7,853	6,147
Transfers out	11,000	11,000	11,000	-
Total Charges to Appropriations	25,000	25,000	18,853	6,147
Budgetary Fund Balance, June 30	\$ 28,540	\$ 28,540	\$ 34,086	\$ 5,546

CITY OF SEAL BEACH

**BUDGETARY COMPARISON SCHEDULE
PACIFIC GATEWAY
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 171,898	\$ 171,898	\$ 171,898	\$ -
Resources (Inflows):				
Taxes	85,000	85,000	50,340	(34,660)
Intergovernmental	25,000	25,000	25,000	-
Use of money and property	2,500	2,500	1,555	(945)
Amounts Available for Appropriation	284,398	284,398	248,793	(35,605)
Charges to Appropriation (Outflow):				
Community development	84,000	84,000	38,609	45,391
Transfers out	26,000	26,000	26,000	-
Total Charges to Appropriations	110,000	110,000	64,609	45,391
Budgetary Fund Balance, June 30	\$ 174,398	\$ 174,398	\$ 184,184	\$ 9,786

CITY OF SEAL BEACH

**BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE RDA
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 3,116,539	\$ 3,116,539	\$ 3,116,539	\$ -
Resources (Inflows):				
Taxes	483,200	483,200	445,677	(37,523)
Use of money and property	80,000	80,000	7,436	(72,564)
Amounts Available for Appropriation	3,679,739	3,679,739	3,569,652	(110,087)
Charges to Appropriation (Outflow):				
Community development	796,500	796,500	242,472	554,028
Total Charges to Appropriations	796,500	796,500	242,472	554,028
Budgetary Fund Balance, June 30	\$ 2,883,239	\$ 2,883,239	\$ 3,327,180	\$ 443,941

CITY OF SEAL BEACH

**BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS AND EQUIPMENT CAPITAL PROJECTS
YEAR ENDED JUNE 30, 2011**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 84,298	\$ 84,298	\$ 84,298	\$ -
Resources (Inflows):				
Transfers in	1,645,000	9,168,520	5,725,769	(3,442,751)
Amounts Available for Appropriation	1,729,298	9,252,818	5,810,067	(3,442,751)
Charges to Appropriation (Outflow):				
Capital outlay	1,645,000	9,168,520	5,722,692	3,445,828
Total Charges to Appropriations	1,645,000	9,168,520	5,722,692	3,445,828
Budgetary Fund Balance, June 30	\$ 84,298	\$ 84,298	\$ 87,375	\$ 3,077

CITY OF SEAL BEACH

**BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS RDA
YEAR ENDED JUNE 30, 2011**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 4,073,434	\$ 4,073,434	\$ 4,073,434	\$ -
Resources (Inflows):				
Use of money and property	83,000	83,000	24,334	(58,666)
Transfers in	865,600	865,600	467,987	(397,613)
Amounts Available for Appropriation	5,022,034	5,022,034	4,565,755	(456,279)
Charges to Appropriation (Outflow):				
General government	22,000	905,100	904,868	232
Capital outlay	-	900,000	900,000	-
Debt service:				
Principal retirement	18,800	18,800	18,763	37
Interest and fiscal charges	3,500	3,600	3,546	54
Total Charges to Appropriations	44,300	1,827,500	1,827,177	323
Budgetary Fund Balance, June 30	\$ 4,977,734	\$ 3,194,534	\$ 2,738,578	\$ (455,956)

CITY OF SEAL BEACH

**BUDGETARY COMPARISON SCHEDULE
CITY DEBT SERVICE
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 751,823	\$ 751,823	\$ 751,823	\$ -
Resources (Inflows):				
Use of money and property	-	-	169	169
Transfers in	-	2,118,300	2,113,823	(4,477)
Amounts Available for Appropriation	751,823	2,870,123	2,865,815	(4,308)
Charges to Appropriation (Outflow):				
Debt service:				
Principal retirement	-	1,417,100	1,416,000	1,100
Interest and fiscal charges	-	701,100	700,665	435
Transfers out	-	100	50	50
Total Charges to Appropriations	-	2,118,300	2,116,715	1,585
Budgetary Fund Balance, June 30	\$ 751,823	\$ 751,823	\$ 749,100	\$ (2,723)

CITY OF SEAL BEACH

**BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE RDA
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,170,862	\$ 1,170,862	\$ 1,170,862	\$ -
Resources (Inflows):				
Taxes	2,016,000	1,966,000	1,782,706	(183,294)
Use of money and property	84,000	84,000	6,435	(77,565)
Amounts Available for Appropriation	3,270,862	3,220,862	2,960,003	(260,859)
Charges to Appropriation (Outflow):				
General government	16,500	20,000	12,106	7,894
Community development	-	275,500	275,226	274
Debt service:				
Principal retirement	430,000	430,000	430,000	-
Interest and fiscal charges	296,200	296,200	296,183	17
Transfers out	-	865,600	467,987	397,613
Total Charges to Appropriations	742,700	1,887,300	1,481,502	405,798
Budgetary Fund Balance, June 30	\$ 2,528,162	\$ 1,333,562	\$ 1,478,501	\$ 144,939

CITY OF SEAL BEACH

COMBINING BALANCE SHEET
 ALL AGENCY FUNDS
 JUNE 30, 2011

	<u>Deposits</u>	<u>Seal Beach Cable</u>	<u>Assessment District 94-1 and 2000-1</u>	<u>Community Facilities District 2002-01</u>	<u>Community Facilities District 2005-01</u>	<u>Totals</u>
Assets:						
Pooled cash and investments	\$ 93,069	\$ 228,311	\$ 46,745	\$ 263,806	\$ 135,599	\$ 767,530
Receivables:						
Accounts	-	24,194	399	1,800	1,879	28,272
Restricted assets:						
Cash and investments with fiscal agents	-	-	196,861	270,598	825,071	1,292,530
Total Assets	\$ 93,069	\$ 252,505	\$ 244,005	\$ 536,204	\$ 962,549	\$ 2,088,332
Deposits payable	\$ 93,069	\$ 252,505	\$ 2,034	\$ -	\$ -	\$ 347,608
Due to bondholders	-	-	241,971	536,204	962,549	1,740,724
Total Liabilities	\$ 93,069	\$ 252,505	\$ 244,005	\$ 536,204	\$ 962,549	\$ 2,088,332

CITY OF SEAL BEACH

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2011

	<u>Balance 7/1/2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/2011</u>
<u>Deposits</u>				
Assets:				
Pooled cash and investments	\$ 57,339	\$ 47,900	\$ 12,170	\$ 93,069
Total Assets	<u>\$ 57,339</u>	<u>\$ 47,900</u>	<u>\$ 12,170</u>	<u>\$ 93,069</u>
Liabilities:				
Accounts payable	\$ 4,736	\$ 3,575	\$ 8,311	\$ -
Deposits payable	52,603	40,940	474	93,069
Total Liabilities	<u>\$ 57,339</u>	<u>\$ 44,515</u>	<u>\$ 8,785</u>	<u>\$ 93,069</u>
<u>Seal Beach Cable</u>				
Assets:				
Pooled cash and investments	\$ 198,348	\$ 97,847	\$ 67,884	\$ 228,311
Receivables:				
Accounts	23,526	24,194	23,526	24,194
Total Assets	<u>\$ 221,874</u>	<u>\$ 122,041</u>	<u>\$ 91,410</u>	<u>\$ 252,505</u>
Liabilities:				
Deposits payable	\$ 221,874	\$ 98,516	\$ 67,885	\$ 252,505
Total Liabilities	<u>\$ 221,874</u>	<u>\$ 98,516</u>	<u>\$ 67,885</u>	<u>\$ 252,505</u>
<u>Assessment District 94-1 and 2000-1</u>				
Assets:				
Pooled cash and investments	\$ 43,967	\$ 147,673	\$ 144,895	\$ 46,745
Receivables:				
Accounts	403	398	402	399
Restricted assets:				
Cash and investments with fiscal agents	198,872	2,539	4,550	196,861
Total Assets	<u>\$ 243,242</u>	<u>\$ 150,610</u>	<u>\$ 149,847</u>	<u>\$ 244,005</u>
Liabilities:				
Accounts payable	\$ 52	\$ 144,779	\$ 144,831	\$ -
Deposits payable	9,486	152,521	159,973	2,034
Due to bondholders	233,704	241,970	233,703	241,971
Total Liabilities	<u>\$ 243,242</u>	<u>\$ 539,270</u>	<u>\$ 538,507</u>	<u>\$ 244,005</u>
<u>Community Facilities District 2002-01</u>				
Assets:				
Pooled cash and investments	\$ 323,856	\$ 141,822	\$ 201,872	\$ 263,806
Receivables:				
Accounts	2,122	1,800	2,122	1,800
Restricted assets:				
Cash and investments with fiscal agents	344,117	30	73,549	270,598
Total Assets	<u>\$ 670,095</u>	<u>\$ 143,652</u>	<u>\$ 277,543</u>	<u>\$ 536,204</u>
Liabilities:				
Due to bondholders	\$ 670,095	\$ 145,308	\$ 279,199	\$ 536,204
Total Liabilities	<u>\$ 670,095</u>	<u>\$ 145,308</u>	<u>\$ 279,199</u>	<u>\$ 536,204</u>

CITY OF SEAL BEACH

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2011

	<u>Balance 7/1/2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/2011</u>
<u>Community Facilities District 2005-01</u>				
Assets:				
Pooled cash and investments	\$ 142,133	\$ 524,341	\$ 530,875	\$ 135,599
Receivables:				
Accounts	-	1,879	-	1,879
Restricted assets:				
Cash and investments with fiscal agents	817,624	7,450	3	825,071
Total Assets	<u>\$ 959,757</u>	<u>\$ 533,670</u>	<u>\$ 530,878</u>	<u>\$ 962,549</u>
Liabilities:				
Due to bondholders	\$ 959,757	\$ 533,482	\$ 530,690	\$ 962,549
Total Liabilities	<u>\$ 959,757</u>	<u>\$ 533,482</u>	<u>\$ 530,690</u>	<u>\$ 962,549</u>
<u>Totals - All Agency Funds</u>				
Assets:				
Pooled cash and investments	\$ 765,643	\$ 959,583	\$ 957,696	\$ 767,530
Receivables:				
Accounts	26,051	28,271	26,050	28,272
Restricted assets:				
Cash and investments with fiscal agents	1,360,613	10,019	78,102	1,292,530
Total Assets	<u>\$ 2,152,307</u>	<u>\$ 997,873</u>	<u>\$ 1,061,848</u>	<u>\$ 2,088,332</u>
Liabilities:				
Accounts payable	\$ 4,788	\$ 148,354	\$ 153,142	\$ -
Deposits payable	283,963	291,977	228,332	347,608
Due to bondholders	1,863,556	920,760	1,043,592	1,740,724
Total Liabilities	<u>\$ 2,152,307</u>	<u>\$ 1,361,091</u>	<u>\$ 1,425,066</u>	<u>\$ 2,088,332</u>

CITY OF SEAL BEACH
Comprehensive Annual Financial Report
Year Ended June 30, 2011

STATISTICAL SECTION

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

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CITY OF SEAL BEACH
Net Assets by Component
Last Eight Fiscal Years
(accrual basis of accounting)

	2004	2005	2006
Governmental activities:			
Invested in capital assets, net of related debt	\$ 14,783,027	\$25,851,629	\$ 33,739,073
Restricted	3,139,244	8,678,624	9,936,453
Unrestricted	10,070,449	13,109,461	15,966,882
Total governmental activities net assets	<u>\$ 27,992,720</u>	<u>\$47,639,714</u>	<u>\$ 59,642,408</u>
Business-type activities:			
Invested in capital assets, net of related debt	\$ 9,004,042	\$ 9,297,434	\$ 10,210,695
Restricted	644,515	369,415	363,315
Unrestricted	5,789,917	7,520,372	9,344,222
Total business-type activities net assets	<u>\$ 15,438,474</u>	<u>\$17,187,221</u>	<u>\$ 19,918,232</u>
Primary government:			
Invested in capital assets, net of related debt	\$ 23,787,069	\$35,149,063	\$ 43,949,768
Restricted	3,783,759	9,048,039	10,299,768
Unrestricted	15,860,366	20,629,833	25,311,104
Total primary government net assets	<u>\$ 43,431,194</u>	<u>\$64,826,935</u>	<u>\$ 79,560,640</u>

The City of Seal Beach implemented GASB 34 for the fiscal year ended June 30, 2003. The City has elected to show only eight years of data for this schedule.

Source: Administrative Services Department, City of Seal Beach.

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 58,919,775	\$ 62,319,804	\$ 64,630,230	\$ 64,607,970	\$ 68,117,517
8,845,953	4,725,123	5,004,891	6,190,852	5,179,337
<u>19,200,089</u>	<u>30,271,762</u>	<u>32,204,164</u>	<u>30,050,739</u>	<u>27,557,417</u>
<u>\$ 86,965,817</u>	<u>\$ 97,316,689</u>	<u>\$ 101,839,285</u>	<u>\$ 100,849,561</u>	<u>\$ 100,854,271</u>
\$ 22,586,551	\$ 24,136,274	\$ 27,007,845	\$ 27,416,082	\$ 29,552,934
380,669	-	396,321	294,407	-
<u>10,268,364</u>	<u>12,471,364</u>	<u>12,314,589</u>	<u>14,376,270</u>	<u>13,633,764</u>
<u>\$ 33,235,584</u>	<u>\$ 36,607,638</u>	<u>\$ 39,718,755</u>	<u>\$ 42,086,759</u>	<u>\$ 43,186,698</u>
\$ 81,886,995	\$ 86,456,078	\$ 91,638,075	\$ 92,024,052	\$ 97,670,451
5,468,213	4,725,123	5,401,212	6,485,259	5,179,337
<u>32,846,193</u>	<u>42,743,126</u>	<u>44,518,753</u>	<u>44,427,009</u>	<u>41,191,181</u>
<u>\$ 120,201,401</u>	<u>\$ 133,924,327</u>	<u>\$ 141,558,040</u>	<u>\$ 142,936,320</u>	<u>\$ 144,040,969</u>

CITY OF SEAL BEACH
Changes in Net Assets
Last Eight Fiscal Years
(accrual basis of accounting)

	Fiscal Year		
	2004	2005	2006
Expenses:			
Governmental activities:			
General government	\$ 4,256,046	\$ 5,538,286	\$ 4,498,204
Public safety	11,006,449	10,676,633	9,988,768
Community development	1,890,036	1,414,738	1,811,381
Parks and Recreation	966,467	806,193	897,967
Public works	2,150,897	2,284,377	2,668,879
Interest on long-term debt	596,494	656,124	536,868
Total governmental activities expenses	<u>20,866,389</u>	<u>21,376,351</u>	<u>20,402,067</u>
Business-type activities:			
Water utility	2,848,523	2,926,019	3,275,444
Sewer utility	603,155	855,889	842,588
Total business-type activities expenses	<u>3,451,678</u>	<u>3,781,908</u>	<u>4,118,032</u>
Total primary government expenses	<u>24,318,067</u>	<u>25,158,259</u>	<u>24,520,099</u>
Program revenues:			
Governmental activities:			
Charges for services:			
General government	3,231,306	2,783,203	3,060,286
Public safety	1,765,808	1,599,352	1,507,372
Community Development	629,933	668,756	1,002,351
Parks and Recreation	473,617	489,425	496,873
Public works	1,219,972	1,262,793	1,476,967
Operating contributions and grants	995,190	951,270	1,087,239
Capital grants and contributions	6,034,896	3,174,431	2,306,791
Total governmental activities program revenues	<u>14,350,722</u>	<u>10,929,230</u>	<u>10,937,879</u>
Business-type activities:			
Charges for services:			
Water utility	3,854,843	4,353,645	5,440,216
Sewer utility	1,180,201	1,149,147	1,534,440
Operating grants and contributions	203,646	-	-
Total business-type activities program revenues	<u>5,238,690</u>	<u>5,502,792</u>	<u>6,974,656</u>
Total primary government program revenues	19,589,412	16,432,022	17,912,535
Net revenues (expenses):			
Governmental activities	(6,515,667)	(10,447,121)	(9,464,188)
Business-type activities	1,787,012	1,720,884	2,856,624
Total net revenues (expenses)	<u>\$ (4,728,655)</u>	<u>\$ (8,726,237)</u>	<u>\$ (6,607,564)</u>

2007	2008	2009	2010	2011
\$ 5,252,803	\$ 6,099,316	\$ 5,713,338	\$ 6,462,182	\$ 8,135,200
12,155,295	13,477,966	13,191,707	14,322,026	13,493,413
1,988,868	2,279,543	1,979,889	3,332,329	1,654,009
888,007	1,033,362	978,504	1,109,303	1,040,723
3,929,349	3,889,902	5,307,470	7,745,817	6,304,343
439,217	525,974	1,083,063	889,721	1,012,516
<u>24,653,539</u>	<u>27,306,063</u>	<u>28,253,971</u>	<u>33,861,378</u>	<u>31,640,204</u>
3,644,561	3,770,266	3,815,798	4,063,497	4,005,747
1,095,827	1,050,711	1,331,610	1,452,748	1,412,326
<u>4,740,388</u>	<u>4,820,977</u>	<u>5,147,408</u>	<u>5,516,245</u>	<u>5,418,073</u>
<u>29,393,927</u>	<u>32,127,040</u>	<u>33,401,379</u>	<u>39,377,623</u>	<u>37,058,277</u>
2,427,303	2,515,890	2,506,070	2,190,386	1,770,024
1,461,110	1,265,791	1,424,996	1,725,519	1,515,727
883,928	71,084	95,824	92,163	92,131
569,657	564,504	619,334	737,470	815,779
1,396,895	2,159,284	1,909,011	1,817,794	1,738,965
1,021,226	1,484,287	1,604,904	1,999,260	1,775,825
1,759,424	642,433	224,264	422,645	23,967
<u>9,519,543</u>	<u>8,703,273</u>	<u>8,384,403</u>	<u>8,985,237</u>	<u>7,732,418</u>
5,754,606	5,783,125	5,818,135	5,655,433	4,190,824
1,872,906	1,901,950	2,075,431	2,184,287	2,212,559
-	-	-	-	-
<u>7,627,512</u>	<u>7,685,075</u>	<u>7,893,566</u>	<u>7,839,720</u>	<u>6,403,383</u>
17,147,055	16,388,348	16,277,969	16,824,957	14,135,801
(15,133,996)	(18,602,790)	(19,869,568)	(24,876,141)	(23,907,786)
2,887,124	2,864,098	2,746,158	2,323,475	985,310
<u>\$ (12,246,872)</u>	<u>\$ (15,738,692)</u>	<u>\$ (17,123,410)</u>	<u>\$ (22,552,666)</u>	<u>\$ (22,922,476)</u>

CITY OF SEAL BEACH
Changes in Net Assets
Last Eight Fiscal Years
(accrual basis of accounting)

	Fiscal Year		
	2004	2005	2006
General revenues and other changes in net assets:			
Governmental activities:			
Taxes:			
Property taxes	\$ 5,655,637	\$ 7,108,677	\$ 7,887,186
Transient occupancy taxes	608,487	623,836	669,229
Sales tax	3,214,275	3,866,138	3,618,456
Franchise taxes	763,455	812,675	772,348
Utility users taxes	-	4,546,007	4,749,038
Other taxes	4,783,648	253,508	442,700
Motor vehicle in lieu, unrestricted	1,114,482	707,861	155,846
Use of money and property	127,128	681,647	1,015,768
Other	-	1,770,848	30,938
Loss on disposal of asset	-	(20,793)	1,737,859
Transfers	-	-	387,514
Total governmental activities	<u>16,267,112</u>	<u>20,350,404</u>	<u>21,466,882</u>
Business-type activities:			
Use of money and property	39,379	136,137	261,601
Other	552	400	300
Transfers			
Total business-type activities	<u>39,931</u>	<u>136,537</u>	<u>261,901</u>
Total primary government	<u>16,307,043</u>	<u>20,486,941</u>	<u>21,728,783</u>
Changes in net assets:			
Governmental activities	9,751,445	19,550,656	12,002,694
Business-type activities	1,826,943	1,857,421	3,118,525
Total primary government	<u>\$ 11,578,388</u>	<u>\$ 21,408,077</u>	<u>\$ 15,121,219</u>

The City of Seal Beach implemented GASB 34 for the fiscal year ended June 30, 2003. The City has elected to show only eight years of data for this schedule.

Source: Administrative Services Department, City of Seal Beach

	2007	2008	2009	2010	2011
\$	10,329,372	\$ 10,304,847	\$ 11,054,451	\$ 10,738,530	\$ 10,794,375
	894,784	1,065,996	1,198,376	1,108,785	1,221,491
	3,746,801	5,127,969	3,974,341	4,680,846	4,160,359
	941,702	1,053,907	980,148	941,785	1,030,736
	5,131,264	5,599,065	5,326,486	5,056,233	5,310,666
	569,412	355,169	393,570	151,724	228,449
	156,603	115,074	88,304	76,234	119,022
	1,789,051	1,576,333	892,341	752,771	735,082
	178,582	441,440	43,881	319,134	312,316
	-	-	-	-	-
	-	-	-	60,375	-
	<u>23,737,571</u>	<u>25,639,800</u>	<u>23,951,898</u>	<u>23,886,417</u>	<u>23,912,496</u>
	533,847	507,453	278,754	92,259	109,160
	600	503	800	12,645	5,469
				(60,375)	-
	<u>534,447</u>	<u>507,956</u>	<u>279,554</u>	<u>44,529</u>	<u>114,629</u>
	<u>24,272,018</u>	<u>26,147,756</u>	<u>24,231,452</u>	<u>23,930,946</u>	<u>24,027,125</u>
	8,603,575	7,037,010	4,082,330	(989,724)	4,710
	3,421,571	3,372,054	3,025,712	2,368,004	1,099,939
\$	<u>12,025,146</u>	<u>\$ 10,409,064</u>	<u>\$ 7,108,042</u>	<u>\$ 1,378,280</u>	<u>\$ 1,104,649</u>

CITY OF SEAL BEACH
Fund Balances of Governmental Funds
Last Eight Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year		
	2004	2005	2006
General fund:			
Reserved	\$ 4,964,691	\$ 492,152	\$ 772,053
Unreserved	11,212,112	20,735,249	22,185,704
Total general fund	<u>\$ 16,176,803</u>	<u>\$ 21,227,401</u>	<u>\$ 22,957,757</u>
All other governmental funds:			
Reserved	\$ 2,734,605	\$ 2,548,469	\$ 2,026,130
Unreserved, reported in:			
Low and moderate housing	-	-	-
Special revenue funds	2,556,308	2,442,139	2,060,453
Debt service funds	969,151	1,010,430	1,401,913
Capital project funds	3,046,167	2,733,516	5,212,313
Total all other governmental funds	<u>\$ 9,306,231</u>	<u>\$ 8,734,554</u>	<u>\$ 10,700,809</u>
General fund:			
Nonspendable			
Restricted			
Assigned			
Unassigned			
Total general fund			
All other governmental funds:			
Nonspendable			
Restricted			
Assigned			
Unassigned			
Total all other governmental funds			

The City of Seal Beach has elected to show only eight years of data for this schedule.

Source: Administrative Services Department, City of Seal Beach

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 677,599	\$ 182,500	\$ 211,000	\$ 30,300	
24,854,264	33,262,310	36,254,127	29,988,551	
<u>\$25,531,863</u>	<u>\$33,444,810</u>	<u>\$36,465,127</u>	<u>\$30,018,851</u>	
\$ 1,738,667	\$ 2,126,571	\$ 1,888,229	\$ 1,880,130	
1,832,513	1,538,662	1,699,688	1,268,309	
1,930,642	2,087,018	2,397,828	2,264,014	
1,456,799	1,363,543	2,108,727	1,922,685	
3,505,313	2,569,235	4,202,108	4,126,432	
<u>\$10,463,934</u>	<u>\$ 9,685,029</u>	<u>\$12,296,580</u>	<u>\$11,461,570</u>	
				\$ 100
				-
				9,371,679
				16,952,806
				<u>\$26,324,585</u>
				\$ 1,957,603
				5,179,337
				2,825,953
				(134,079)
				<u>\$ 9,828,814</u>

CITY OF SEAL BEACH

Changes in Fund Balances of Governmental Funds

Last Eight Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year		
	2004	2005	2006
Revenues:			
Taxes	\$16,868,192	\$18,666,583	\$19,173,642
Licenses and permits	2,001,374	2,151,459	2,322,072
Intergovernmental	6,251,344	3,321,721	2,576,224
Charges for services	3,732,045	3,181,714	3,963,495
Use of money and property	127,128	901,298	1,007,514
Fines and forfeitures	1,421,034	1,196,161	1,218,261
Miscellaneous	216,717	1,066,111	106,605
Total revenues	<u>30,617,834</u>	<u>30,485,047</u>	<u>30,367,813</u>
Expenditures			
Current:			
General government	4,173,192	4,479,987	4,359,784
Public safety	10,348,113	10,537,323	11,071,935
Community development	1,874,580	1,410,467	1,903,662
Parks and recreation	677,971	732,713	825,565
Public works	1,591,603	2,019,489	2,126,095
Capital outlay	7,013,614	6,082,861	7,978,443
Debt service:			
Principal retirement	680,894	765,720	1,943,186
Interest and fiscal charges	618,815	626,711	588,050
Bond issuance costs	-	-	-
Total expenditures	<u>26,978,782</u>	<u>26,655,271</u>	<u>30,796,720</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,639,052</u>	<u>3,829,776</u>	<u>(428,907)</u>
Other financing sources (uses):			
Transfers in	3,168,302	2,986,795	9,970,170
Transfers out	(3,168,302)	(2,986,795)	(9,582,656)
Debt issuance	-	38,700	-
Proceeds on sale of assets	-	-	3,680,000
Proceeds of Debt	-	-	-
Capital leases issued	54,000	216,113	58,004
Total other financing sources (uses)	<u>54,000</u>	<u>254,813</u>	<u>4,125,518</u>
Net change in fund balances	<u>\$ 3,693,052</u>	<u>\$ 4,084,589</u>	<u>\$ 3,696,611</u>
Debt service as a percentage of noncapital expenditures	6.1%	6.8%	11.8%

The City of Seal Beach has elected to show only eight years of data for this schedule.

Source: Administrative Services Department, City of Seal Beach

2007	2008	2009	2010	2011
\$ 22,637,028	\$ 24,051,063	\$ 23,399,203	\$ 22,689,660	\$ 23,624,925
1,766,907	1,903,316	1,527,024	1,586,337	1,179,759
2,567,415	1,417,738	1,572,675	1,644,511	949,294
3,801,832	3,821,352	4,183,018	4,150,239	3,769,165
1,779,370	1,594,900	893,879	626,019	735,082
1,113,813	1,005,130	944,950	1,029,510	983,702
148,851	364,746	76,510	337,986	312,316
<u>33,815,216</u>	<u>34,158,245</u>	<u>32,597,259</u>	<u>32,064,262</u>	<u>31,554,243</u>
5,034,026	5,968,260	5,611,104	6,280,260	7,211,870
12,064,298	24,267,574	12,485,796	13,377,245	13,297,057
1,980,898	2,272,462	1,949,425	3,346,961	1,649,921
810,916	958,757	908,708	1,036,376	965,222
2,315,399	2,214,002	3,557,704	2,817,379	4,059,001
8,198,781	5,192,028	4,725,348	9,438,315	6,622,692
622,965	570,036	1,418,230	1,942,476	2,066,373
450,702	421,528	1,048,026	903,286	1,027,743
-	91,510	1,316	-	-
<u>31,477,985</u>	<u>41,956,157</u>	<u>31,705,657</u>	<u>39,142,298</u>	<u>36,899,879</u>
2,337,231	(7,797,912)	891,602	(7,078,036)	(5,345,636)
10,484,425	7,029,205	11,180,500	12,577,549	9,370,333
(10,484,425)	(7,029,205)	(13,180,500)	(12,780,799)	(9,370,333)
-	-	6,300,000	-	-
-	-	-	-	18,614
-	10,945,000	-	-	-
-	-	-	-	-
-	10,945,000	4,300,000	(203,250)	18,614
<u>\$ 2,337,231</u>	<u>\$ 3,147,088</u>	<u>\$ 5,191,602</u>	<u>\$ (7,281,286)</u>	<u>\$ (5,327,022)</u>
4.8%	2.9%	9.2%	9.6%	10.2%

CITY OF SEAL BEACH
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30	City		Taxable Assessed Value
	Secured	Unsecured	
2002	2,221,360,164	80,381,355	2,301,741,519
2003	2,446,973,371	114,401,105	2,561,374,476
2004	2,619,962,658	141,792,348	2,761,755,006
2005	2,793,482,456	175,371,171	2,968,853,627
2006	3,018,869,834	171,000,511	3,189,870,345
2007	3,373,750,311	211,551,053	3,585,301,364
2008	3,691,176,766	184,725,523	3,875,902,289
2009	4,031,469,067	225,415,156	4,256,884,223
2010	4,067,713,475	173,507,894	4,241,221,369
2011	4,114,053,573	167,978,268	4,282,031,841

The City of Seal Beach has elected to show only ten years of data for this schedule.

¹ Beginning with the fiscal year ended June 30, 2003, exemptions are netted directly against the individual property categories.

NOTE:

In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed at the time it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source: County of Orange, Auditor - Controller Assessed Valuations Detail

Redevelopment Agency

Secured	Unsecured	Taxable Assessed Value	Total Direct Tax Rate
226,010,385	2,413,698	228,424,083	1.00%
239,503,990	2,633,649	242,137,639	1.00%
255,392,811	3,474,244	258,867,055	1.00%
277,264,510	3,656,768	280,921,278	1.00%
291,579,619	2,720,275	294,299,894	1.00%
391,953,993	37,126,974	429,080,967	1.00%
415,609,878	7,010,892	422,620,770	1.00%
427,188,898	5,536,607	432,725,505	1.00%
434,606,835	9,702,557	444,309,392	1.00%
408,349,567	10,330,287	418,679,854	1.00%

CITY OF SEAL BEACH
Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

	Fiscal Year			
	2002	2003	2004	2005
City Direct Rates:				
City Direct Rate	1.00000	1.00000	1.00000	1.00000
Overlapping Rates:				
Orange County Bonds	0.00000	0.00000	0.00051	0.02754
Metropolitan Water District	0.00770	0.00670	0.00610	0.00580
Other Districts	0.00000	0.00000	0.00000	0.00000
Total Direct Rate	1.00770	1.00670	1.00661	1.03334

NOTE:

In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of the School District bonds.

Source: County of Orange, Auditor-Controller's Office

Fiscal Year					
<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
0.01545	0.01599	0.01501	0.01472	0.01673	0.01750
0.00520	0.00470	0.00450	0.00430	0.00430	0.03347
<u>0.00000</u>	<u>0.00000</u>	<u>0.00000</u>	<u>0.00000</u>	<u>0.01995</u>	<u>0.00370</u>
<u>1.02065</u>	<u>1.02069</u>	<u>1.01951</u>	<u>1.01902</u>	<u>1.04098</u>	<u>1.05467</u>

CITY OF SEAL BEACH
Principal Property Tax Payers
Current Year and Nine Years Ago

Taxpayer	2011		2002	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Seal Beach Mutual	\$ 622,715,127	14.55%	\$ 422,752,009	18.37%
Western National Life Insurance Co.	129,741,780	3.03%		
Boeing North American	124,055,687	2.90%	135,405,576	5.88%
OXY Long Beach Inc	118,396,375	2.77%		
ASN Long Beach LLC	60,000,000	1.40%		
Rossmoor Shops LLC	52,288,966	1.22%		
Al United States Seal Beach Senior Housing	45,638,842	1.07%		
Ranch Town Center LLC	41,179,587	0.96%		
Hellman Properties	33,928,466	0.79%	14,881,340	0.65%
Old Ranch Country Club LLC	25,386,737	0.62%		
Bixbybit - Bixby Office Park LLC			49,678,080	2.16%
Century National Properties			24,745,990	1.08%
Centex Homes			15,750,000	0.68%
Golden Rain Foundation			13,220,351	0.57%
Old Ranch Town Center LL			13,010,490	0.57%
Seal Beach Shopping			13,002,035	0.56%
Target Corporaion			11,620,833	0.50%
Seal Beach Country Club Apartments			11,930,614	0.54%
	<u>\$ 1,253,331,567</u>	<u>29.31%</u>	<u>\$ 725,997,318</u>	<u>31.56%</u>

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

Source: HDL Coren & Cone

CITY OF SEAL BEACH
Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2002	4,732,736	4,652,300	98.30%	58,258	4,710,558	99.53%
2003	5,115,649	5,040,493	98.53%	95,233	5,135,726	100.39%
2004	5,463,989	5,469,398	100.10%	63,561	5,532,959	101.26%
2005	5,982,450	5,480,672	91.61%	63,301	5,543,973	92.67%
2006	6,318,985	6,154,444	97.40%	91,264	6,245,708	98.84%
2007	8,332,294	8,055,355	96.68%	91,659	8,147,014	97.78%
2008	8,102,060	\$7,854,441	96.94%	151,578	8,006,019	98.81%
2009	8,567,293	\$8,285,120	96.71%	107,589	8,392,709	97.96%
2010	8,362,560	7,314,382	87.47%	257,026	7,571,408	90.54%
2011	8,385,415	8,190,860	97.68%	178,283	8,369,142	99.81%

NOTE:

The amounts presented include City property taxes and Redevelopment Agency tax increment. This schedule also includes amounts collected by the City and Redevelopment Agency that were passed-through to other agencies.

Source: Orange County Tax Ledger

CITY OF SEAL BEACH
Ratios of Outstanding Debt by Type
Last Nine Fiscal Years

Government-wide Activities

Fiscal Year Ended June 30	Capital Lease	Countrywide Financing Authority Lease	Tax Allocation Bonds	Pension Obligation Bonds	Fire Station Bonds	Advance to RDA	Promissory Note	Total Governmental Activities
2003	\$2,073,948	\$ 865,000	\$ 8,495,000	\$ -	\$ -	\$ -	\$ 687,014	\$ 12,120,962
2004	1,918,387	785,000	8,180,000	-	-	-	610,680	11,494,067
2005	1,845,323	705,000	7,860,000	-	-	-	534,346	10,944,669
2006	914,675	620,000	7,525,000	-	-	-	-	9,059,675
2007	736,710	530,000	7,170,000	-	-	-	-	8,436,710
2008	631,674	435,000	6,800,000	10,945,000	-	-	-	18,811,674
2009	534,444	335,000	6,410,000	10,219,000	6,195,000	-	-	23,693,444
2010	433,968	230,000	6,005,000	9,307,000	5,775,000	-	-	21,750,968
2011	323,595	120,000	5,575,000	8,311,000	5,355,000	1,200,000	-	20,884,595

The City of Seal Beach has elected to show only nine years of data for this schedule.

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

¹See the schedule of Demographic and Economic Statistics on page 125 for personal income and population data.

*Data not readily available.

Source: Administrative Services Department, City of Seal Beach

CITY OF SEAL BEACH
Ratios of Outstanding Debt by Type
Last Nine Fiscal Years

Business-type Activities

	Economic Development Administration Loan	Capital Equipment Lease	Sewer Certificates of Participation	Sewer 2011 Installment Agreement	Total Business-type Activities	Total Primary Government	Percentage of Personal Income ¹	Debt Per Capita ¹
\$	177,035	\$ -	\$ 4,040,000	\$ -	\$ 4,217,035	\$ 16,337,997	1.77%	\$ 651
	169,356	45,514	3,970,000	-	4,184,870	15,678,937	1.60%	624
	160,779	27,883	3,895,000	-	4,083,662	15,028,331	1.43%	592
	151,773	9,492	3,815,000	-	3,976,265	13,035,940	*	513
	142,317	-	3,730,000	-	3,872,317	12,309,027	*	478
	132,388	-	3,645,000	-	3,777,388	22,589,062	*	874
	121,962	-	3,555,000	-	3,676,962	27,370,406	*	1,058
	111,016	-	3,460,000	-	3,571,016	25,321,984	*	974
	99,521	-	-	3,299,521	3,399,042	24,283,637	*	934

CITY OF SEAL BEACH

Ratio of General Bonded Debt Outstanding

Last Nine Fiscal Years

Fiscal Year Ended June 30	Tax Allocation Bonds	Percent of Assessed Value ¹	Per Capita
2003	\$ 8,495,000	0.30%	\$ 338.54
2004	8,180,000	0.27%	325.68
2005	7,860,000	0.24%	309.61
2006	7,525,000	0.22%	296.40
2007	7,170,000	0.18%	278.42
2008	6,800,000	0.16%	263.05
2009	22,824,000	0.49%	881.88
2010	21,087,000	0.45%	810.73
2011	19,241,000	0.41%	739.75

The City of Seal Beach has elected to show only nine years of data for this schedule.

General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds (of which, the City has none).

¹ Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

Source: Administrative Services Department, City of Seal Beach

CITY OF SEAL BEACH
Schedule of Direct and Overlapping Debt
June 30, 2011

2010-11 Assessed Valuation:	\$4,282,031,841
Redevelopment Incremental Valuation:	<u>385,249,165</u>
Adjusted Assessed Valuation:	<u><u>\$3,896,782,676</u></u>

	% Applicable ⁽¹⁾	Total Debt 6/30/2011	City's Share of Debt 6/30/11
OVERLAPPING TAX AND ASSESSMENT DEBT:			
Metropolitan Water District	0.218 %	\$ 264,220,000	\$ 496,321
Coast Community College District	3.009	334,718,867	9,832,475
North Orange Jt. Community College District	1.577	221,604,001	3,382,886
Los Alamitos Unified School District School Facilities Imp District No.1	48.537	27,000,000	24,268,516
Other School Districts	0.0004-0.002	392,115,839	4,197
Los Alamitos Unified School District Community Facilities District No. 90-1	53.393	7,735,000	4,129,949
City of Seal Beach Community Facilities District No. 2002-1	100	3,765,000	3,765,000
City of Seal Beach Community Facilities District No. 2005-1	100	8,710,000	8,710,000
City of Seal Beach 1915 Act Bonds	100	<u>565,000</u>	<u>565,000</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			<u>55,154,344</u>
OVERLAPPING GENERAL FUND DEBT:			
Orange County General Fund Obligations	1.043 %	316,898,000	3,305,246
Orange County Pension Obligations	1.043	54,682,497	570,338
Orange County Board of Education Certificates of Participation	1.043	19,000,000	198,170
Municipal Water District of Orange County Water Facilities Corporation	1.233	14,120,000	174,100
North Orange County Regional Occupation Program Certificates of Participa	5.128	11,340,000	581,515
Los Alamitos Unified School District Certificates of Participation	53.393	20,224,234	10,796,190
Other School District General Fund Obligations	0.0004-0.002	90,576,000	789
City of Seal Beach General Fund Obligations	100.00	5,895,000	5,895,000
City of Seal Beach Taxable Pension Obligations	100.00	8,311,000	8,311,000
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT			29,832,348
Less: MWDOC Water Facilities Corporation (100% self-supporting)			<u>174,100</u>
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			<u>29,658,248</u>
TOTAL DIRECT DEBT			14,206,000
TOTAL GROSS OVERLAPPING DEBT			70,780,692
Total NET OVERLAPPING DEBT			70,606,592
GROSS COMBINED TOTAL DEBT			<u>\$ 84,986,692</u> ⁽²⁾
NET COMBINED TOTAL DEBT			<u>\$ 84,812,592</u>

⁽¹⁾ Percentage of overlapping agency's assessed valuation located within boundaries of the city.

⁽²⁾ Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2010-11 Assessed Valuation:

Total Overlapping Tax and Assessment Debt.....1.05%

Ratios to Adjusted Assessed Valuation:

Combined Direct Debt (\$14,206,000) 0.36%

Gross Combined Total Debt.....2.18%

Net Combined Total Debt.....2.18%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/10: \$0

Source: California Municipal Statistics, Inc.

CITY OF SEAL BEACH

Legal Debt Margin Information

Last Nine Ten

	Fiscal Year			
	2002	2003	2004	2005
Debit limit	\$ 379,524,840	\$ 420,526,817	\$ 453,093,309	\$ 487,466,236
Total net debt applicable to limit	-	-	-	-
Legal debt margin	<u>\$ 379,524,840</u>	<u>\$ 420,526,817</u>	<u>\$ 453,093,309</u>	<u>\$ 487,466,236</u>
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%

Legal Debt Margin Calculation for Fiscal Year 2011

Assessed Valuation	\$ 4,700,711,695
Debt percentage ¹	<u>15%</u>
Debt limit	705,106,754
Debt applicable to limit	<u>-</u>
Legal debt margin	<u>\$ 705,106,754</u>

The City has elected to show only nine years of data for this schedule.

Note: ¹Under state finance law, the City of Seal Beach's outstanding general obligation debt should not exceed 15 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Source: Orange County Tax Assessor's Office

CITY OF SEAL BEACH

Legal Debt Margin Information

Last Nine Ten

Fiscal Year					
2006	2007	2008	2009	2010	2011
\$ 522,625,536	\$ 602,157,350	\$ 644,778,459	\$ 703,441,459	\$ 702,829,614	\$ 705,106,754
-	-	-	-	-	-
<u>\$ 522,625,536</u>	<u>\$ 602,157,350</u>	<u>\$ 644,778,459</u>	<u>\$ 703,441,459</u>	<u>\$ 702,829,614</u>	<u>\$ 705,106,754</u>
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

CITY OF SEAL BEACH
Pledged-Revenue Coverage
Last Eight Fiscal Years

2000 Tax Allocation Refunding Bonds				
Fiscal Year	Tax	Debt Service		Coverage
Ended June 30	Increment	Principal	Interest	
2004	\$ 1,051,089	\$ 315,000	\$ 424,135	1.42
2005	888,015	320,000	403,755	1.23
2006	1,138,441	335,000	389,316	1.57
2007	2,426,176	355,000	373,933	3.33
2008	1,933,042	370,000	357,514	2.66
2009	1,930,719	390,000	338,879	2.65
2010	1,768,919	405,000	318,054	2.45
2011	1,784,964	430,000	296,183	2.46

The City has elected to show only eight years of data for this schedule.

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Source: Administrative Services Department, City of Seal Beach

CITY OF SEAL BEACH
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate
2001	24,574	868,515	35,343	2.9%
2002	24,859	882,946	35,518	3.6%
2003	25,093	920,672	36,690	3.5%
2004	25,117	982,880	39,132	3.1%
2005	25,387	1,053,223	41,487	2.7%
2006	25,388	1,142,089	44,985	2.5%
2007	25,752	1,218,343	47,311	2.8%
2008	25,851	1,236,921	47,848	3.8%
2009	25,881	1,194,776	46,164	6.6%
2010	26,010	1,045,654	40,202	7.1%

The City has elected to show only ten years of data for this schedule.

Sources: HDL Coren & Cone

CITY OF SEAL BEACH
Principal Employers
Current Year

Employer	2010		2001**	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Boeing Co.	2,505	24.92%		
US Healthcare Services	500	4.97%		
Accurate Metal Fabricators	300	2.98%		
MAG TEK	250	2.49%		
Target	200	1.99%		
Country Villa	185	1.84%		
First Team Real Estate	175	1.74%		
KOHL's Department Store	135	1.34%		
Old Ranch Country Club	130	1.29%		
Olson Company	120	1.19%		
Custom Building Products	101	1.00%		
McGaugh Elementry School	100	0.99%		
Romano's Macaroni Grill	100	0.99%		
Marie Calender's	90	0.90%		
Walt's Wharf Restaurant	90	0.90%		
Total	<u>4,981</u>	<u>49.53%</u>		

Based upon HDL Coren & Cone estimate of 10,053 residents employed
**Information not available

Source: HDL Coren & Cone

CITY OF SEAL BEACH

Full-time and Part-time City Employees
by Function

Last Six Fiscal Years

Function	Full-Time and Part-Time Employees as of June 30,					
	2006	2007	2008	2009	2010	2011
General government	11.50	13.58	13.09	13.12	14.52	14.52
Public safety	57.00	55.70	58.94	59.07	65.88	65.88
Public works	16.25	14.21	14.76	14.76	15.40	15.40
Community development	17.40	12.82	13.36	13.70	10.18	10.18
Water	10.60	12.69	13.00	13.00	12.55	12.68
Sewer	3.45	3.89	3.95	3.95	3.42	3.75
Total	<u>116.20</u>	<u>112.89</u>	<u>117.10</u>	<u>117.60</u>	<u>121.95</u>	<u>122.41</u>

The City of Seal Beach has elected to show only the previous six years of data for this schedule.

Source: City Budget Office

CITY OF SEAL BEACH

Operating Indicators
by Function

Last Six Fiscal Years

	Fiscal Year					
	2006	2007	2008	2009	2010	2011
Police:						
Arrests	447	555	734	851	1,151	834
Parking citations issued	20,147	14,135	18,181	18,464	18,824	17,377
Public works:						
Street centerline miles resurfaced	3	1	1	-	4	3
Number of public right of way permits issued	232	210	194	208	420	141
Number of street related service requests	132	154	298	282	25	124
Parks and recreation:						
Number of recreation classes	827	885	552	423	799	457
Number of facility rentals	279	476	371	342	402	308
Water:						
Number of water meters replaced	310	210	250	172	148	158
Acre feet of water used	3,922	4,303	4,025	3,900	3,680	3,498
Sewer:						
Number of feet of sewer cleaned	204,297	225,384	209,400	158,400	239,209	184,047
Number of catch basins cleaned	384	422	429	400	388	350

The City of Seal Beach has elected to show only the previous six years of data for this schedule.

Source: City of Seal Beach

CITY OF SEAL BEACH

Capital Asset Statistics
by Function

Last Six Fiscal Years

	Fiscal Year					
	2006	2007	2008	2009	2010	2011
Police:						
Stations	2	2	2	2	2	2
Patrol units	31	31	37	35	36	36
Public works:						
Streets (center line miles)	43	43	43	43	43	43
Sidewalk (miles)	86	86	86	86	86	86
Signalized intersections	23	23	23	23	23	23
Parks and recreation:						
Parks	10	10	10	10	10	10
Community centers	3	3	3	3	3	3
Water:						
Water pipe (miles)	72	72	72	72	72	72
Reservoirs	2	2	2	2	2	2
Sewer						
Sanitary sewers (miles)	37	37	37	37	37	37
Storm sewers (miles)	4	4	4	4	4	4
Sewer lift/pump stations	7	7	7	7	7	7

The City of Seal Beach has elected to show only the previous six years of data for this schedule.

Source: City of Seal Beach

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