AGENDA

REGULAR MEETING
CYPRESS CITY COUNCIL
March 24, 2025
4:00 P.M. - Workshop - Open to the public
6:00 P.M. - General Session

www.cypressca.org

5275 Orange Avenue
Cypress, California

Interested in speaking to the City Council? Information about participating in the City Council meeting appears at the end of the agenda.

CALL TO ORDER - Open to the public
4:00 P.M.
Executive Board Room

ROLL CALL
Cypress City Council, also acting as the Ex-Officio Governing Board of Directors of the Cypress Recreation and Park District

Mayor David Burke
Mayor Pro Tem Leo Medrano
Council Member Kyle Chang
Council Member Scott Minikus
Council Member Bonnie Peat

ORAL COMMUNICATIONS ON CLOSED SESSION / WORKSHOP ITEMS (Limited to 30 minutes - three minutes per speaker. The City Council may adjust the time allotted per speaker.)

The public may address the City Council on Closed Session/Workshop items prior to any action taken. Although Council Members may provide brief responses, the City Council may not engage in a discussion with members of the public during the meeting. Please complete a Speaker's Card to address the City Council in-person. Members of the public are encouraged to communicate with the City Council via email at adm@cypressca.org or by calling 714-229-6699.

WORKSHOP SESSION - Open to the public

Review of Fiscal Strategies, Reserves, Pension Liabilities and Pension Trust

Review of Non-Profit Grant Award Requests for FY 2025-26 and FY 2026-27

RECONVENE
6:00 P.M.
Council Chambers

ROLL CALL
Cypress City Council, also acting as the Ex-Officio Governing Board of Directors of the Cypress Recreation and Park District

Mayor David Burke
Mayor Pro Tem Leo Medrano
Council Member Kyle Chang
Council Member Scott Minikus
Council Member Bonnie Peat

INVOCATION First Baptist Church of Cypress

PLEDGE OF ALLEGIANCE

REPORT OF CLOSED SESSION / WORKSHOP
City Manager/City Attorney

ORAL COMMUNICATIONS ON AGENDA ITEMS (Three minutes per speaker. The City Council may adjust the time allotted per speaker.)

The public may address the City Council on agenda items prior to any action taken. Although Council Members may provide brief responses, the City Council may not engage in a discussion with members of the public during the meeting. Please complete a Speaker's Card to address the City Council in-person. Please follow the instructions at the end of the agenda and wait for the Mayor/City Clerk to call on you to address the City Council virtually. Speakers providing in-person comments will be called first. Members of the public are encouraged to communicate with the City Council via email at adm@cypressca.org or by calling 714-229-6699.

CONSENT CALENDAR
All matters listed on the Consent Calendar are to be approved with one motion unless a Council Member requests separate action on a specific item. Council Members voting no or abstaining on a Consent Calendar item may do so without removing the item from the Consent Calendar.

1. **Introduce and/or Adopt All Ordinances and Resolutions Presented for Consideration by Title Only and to Waive Further Reading**

2. **Receive an Update on the Strategic Plan Six-Month Objectives**
   Prepared by: Peter Grant, City Manager

   Recommendation: Receive an update on the Strategic Plan six-month objectives.

3. Approve the Second Amendment to the West Cities Communications Center Joint Powers Authority Agreement

Prepared by: Peter Grant, City Manager

Recommendation: Approve the Second Amendment to the West Cities Communications Center Joint Powers Authority Agreement.

4. Accept the Arterial Street Rehabilitation, Project 377

Prepared by: Nick Mangkalakiri, Acting Director of Public Works

Recommendation:

1. Accept the Arterial Street Rehabilitation, Project 377, in the amount of $2,732,750.41 and approve the final payment of $136,637.52 to All American Asphalt; and

2. Authorize the City Engineer to file a Notice of Completion with County Recorder.

5. Approve a Solid Waste Consulting Services Task Order

Prepared by: Nick Mangkalakiri, Acting Director of Public Works

Recommendation:

1. Approve a $100,000 Task Order with CityGreen Consulting for Solid Waste Consulting Services; and

2. Approve a $25,000 appropriation increase in the General Fund; and

3. Increase estimated revenues by $137,092 in the General Fund for a CalRecyle Organic Recycling Local Assistance Grant.

6. Receive and File the 2024 General Plan Annual Progress Report on the Implementation of the Housing Element

Prepared by: Alicia Velasco, Planning Director

Recommendation: Receive and file the 2024 General Plan Annual Progress Report on the implementation of the Housing Element.

7. Certify a Special Assessment for Collection of Delinquent City Nuisance Abatement Costs

Prepared by: Alicia Velasco, Planning Director

Recommendation: Adopt a Resolution certifying a special assessment against 9751 Graham Street (APN 244-151-20) for collection of delinquent city nuisance abatement costs.

8. Approve a Contract to Hinderliter, De Lamas & Associates (HdL) for Sales and Use Tax Consulting Services

Prepared by: Matt Burton, Director of Finance and Administrative Services

Recommendation:

1. Approve a contract with Hinderliter, De Lamas & Associates (HdL) for Sales and Use Tax Consulting Services; and

2. Adopt an updated Resolution authorizing the examination of sale and use tax records of the California Department of Tax and Fee Administration.

9. Receive and File the Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2024

Prepared by: Matt Burton, Director of Finance and Administrative Services

Recommendation: Receive and file the Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2024.

10. Receive and File the Audit Letter to the City Council for the Fiscal Year Ended June 30, 2024

Prepared by: Matt Burton, Director of Finance and Administrative Services

Recommendation: Receive and file the audit letter from Lance, Soll and Lunghard LLP to the City Council for the Fiscal Year ended June 30, 2024.

11. Receive and File the Report on the City's Appropriations Limit for the Fiscal Year Ended June 30, 2024

Prepared by: Matt Burton, Director of Finance and Administrative Services

Recommendation: Receive and file the attached Independent Accountants' Report on Agreed-Upon Procedures Applied to the City's Appropriations Limit Worksheet for the Fiscal Year ended June 30, 2024.

12. Receive and File the Independent Accountants' Report on the Cypress Recreation and Park District's Appropriations Limit for the Fiscal Year Ended June 30, 2024

Prepared by: Matt Burton, Director of Finance and Administrative Services

Recommendation: Receive and file the attached Independent Accountants' Report on Agreed-Upon Procedures Applied to the Appropriations Limit Worksheet for the Fiscal Year ended June 30, 2024.

13. Receive and File the Investment Report for the Month Ended February 28, 2025

Prepared by: Matt Burton, Director of Finance and Administrative Services

Recommendation: Receive and file the attached investment report.

14. Receive and File Register of Warrants, Transfers, and Wires Issued for the Period of February 8, 2025 through March 7, 2025

Prepared by: Matt Burton, Director of Finance and Administrative Services

Recommendation: Receive and file the attached payment register summarized below for the period of February 8, 2025 through March 7, 2025:

- Electronic Funds Transfers 16678 through 16846
- Warrants 67219 through 67439
- Payroll Transfers W1550 through W1551

NEW BUSINESS

None.

ITEMS REMOVED FROM CONSENT CALENDAR

ITEMS FROM CITY COUNCIL MEMBERS

15. Consider Updating Municipal Code Section 2-2.20 Council Meetings – Voting – Disqualification and Abstention

Agendized by: Bonnie Peat, Council Member

Recommendation: Consider updating Municipal Code section 2-2.20 Council meetings – Voting – Disqualification and abstention.

ORAL COMMUNICATIONS (Three minutes per speaker. The City Council may adjust the time allotted per speaker.)

The public may address the City Council on any item within the subject matter jurisdiction of the City Council. Although Council Members may provide brief responses, the City Council may not discuss nor take action on items that are not on the agenda. Please complete a Speaker's Card to address the City Council in-person. Members of the public are encouraged to communicate with the City Council via email at adm@cypressca.org or by calling 714-229-6699.

COUNCIL MEMBER REPORTS FROM CITY-AFFILIATED BOARDS AND COMMITTEES AND REMARKS

Since the February 24 City Council meeting, the following regular meetings have occurred:

- Joint Forces Training Base Regional Military Affairs Committee - February 25
- Economic Development Ad Hoc Subcommittee - February 25
- Orange County Sanitation District - February 26
- League of California Cities Orange County Division - March 13
- Orange County Mosquito and Vector Control District - March 20

COUNCIL MEMBER ITEMS FOR FUTURE CONSIDERATION

CITY MANAGER REMARKS

ADJOURNMENT - IN MEMORY OF SAN BERNARDINO COUNTY SHERIFF'S DEPUTY HECTOR CUEVAS JR.

The next meeting will be an adjourned Regular Meeting, to be held on Monday, April 28, 2025, beginning at 5:30 p.m. in the Executive Board Room.

Council Members and the public should promptly exit the Council Chambers and proceed through the Civic Center to the parking lot.

I hereby certify under penalty of perjury under the laws of the State of California, that the foregoing Agenda was posted on the City Hall bulletin board and City website not less than 72 hours prior to the meeting. Dated this 21st day of March, 2025.

_____

Alisha Farnell, City Clerk

PUBLIC PARTICIPATION

Members of the public can participate in the City Council meeting in the following ways:

1. Attend In-Person. First-come, first-served seating is available. All attendees must be free of any symptoms associated with contagious illnesses.

2. Attend Virtually via Webinar. Follow this link: **https://attendee.gotowebinar.com/register/7834169227991636568**. Advanced registration is recommended.

The public may address the City Council virtually during Oral Communications on Agenda Items and Public Hearings. Virtual participants must click the 'hand raise' button prior to the end of the first in-person speaker to indicate they wish to address the City Council. Upon clicking the 'hand raise' button, please unmute your microphone and wait for the Mayor/City Clerk to call on you.

 = Hand Raise  = Unmute

3. Submit Public Comments Prior to the Meeting. The public may submit comments via email to cityclerk@cypressca.org. Comments submitted by 3:00 p.m. on the day of the meeting will be added to the meeting record.

4. Watch the Meeting. The City Council meeting can be viewed on Spectrum Cable Channel 36 or on the City's website at **www.cypressca.org/watchlive**.

5. Listen to the Meeting. Listen-only teleconferencing is available by calling (914) 614-3221 and entering Access Code 915-953-030. No registration or audio pin is necessary.

INVOCATION POLICY

The City Council does not endorse the content of the invocation and does not endorse the invocational speaker's particular faith, belief and/or religious denomination. The City Council has an established neutral policy for selecting and scheduling invocational speakers. The City Council's policy on invocations is available from the City Clerk.

AMERICANS WITH DISABILITIES ACT

In compliance with the Americans With Disabilities Act, if you need special assistance to participate in this meeting, you should contact the City Clerk at (714) 229-6685 at least 72 hours prior to the meeting to enable the City to make reasonable arrangements to assure accessibility to this meeting.

CITY OF CYPRESS

CITY COUNCIL REPORT

City Council Regular **2.**

FROM: Peter Grant, City Manager

DATE: 03/24/2025

SUBJECT: **Receive an Update on the Strategic Plan Six-Month Objectives**

RECOMMENDATION

Receive an update on the Strategic Plan six-month objectives.

DISCUSSION

The Strategic Plan establishes major goals and objectives for the City. It provides the principal guidance for the preparation of the budget and a plan for implementation and accountability. The Strategic Plan is among the City Council's most effective tools to improve services and preserve Cypress' high quality of life.

The City Council updated the Strategic Plan in September 2024, including a review of the existing plan, development of new six-month objectives, and a discussion of the City's strengths and accomplishments during the past six months. The attached matrices report the progress on the six-month objectives as of March 24, 2025.

A special City Council meeting will be held on April 16 to update the plan for the next six months.

BUDGET IMPACT

None.

LEGAL REVIEW

None required.

APPROVED BY: Peter Grant, City Manager

Attachments

Six-month Objectives

CITY OF CYPRESS

SIX-MONTH STRATEGIC OBJECTIVES

September 2024 – March 2025

THREE-YEAR GOAL: MAINTAIN INFRASTRUCTURE AND FACILITIES						
WHEN	**WHO**	**WHAT**	**STATUS**			**COMMENTS**
			DONE	ON TARGET	REVISED	
1. February 28, 2025	Public Works Director	Recommend a strategy and funding to increase sustainability in the City's civilian vehicle fleet to the City Manager	X			
2. March 10, 2025	Public Works Director	Recommend options for streamlining capital improvement projects to increase efficiency and contain costs to the City Manager	X			
3. November 30, 2024	Public Works Director & Planning Director	Issue a Request for Proposals for Building Inspection and Plan Check Services	X			
4. Ongoing	Public Works Director & Finance Director	Pursue outside funding to offset the cost to replace Myra Avenue pump station No. 1				
5. April 28, 2025	Public Works Director	Recommend options to modernize the Executive Board Room			X	
6. FUTURE	Public Works Director	Recommend an agreement to undertake an organizational and best practices review of the Public Works department				

CITY OF CYPRESS

SIX-MONTH STRATEGIC OBJECTIVES

September 2024 – March 2025

MAINTAIN FINANCIAL STABILITY AND PROMOTE ECONOMIC ACTIVITY						
WHEN	**WHO**	**WHAT**	**STATUS**			**COMMENTS**
			DONE	ON TARGET	REVISED	
1. February 10, 2025	Finance Director	Present a Pandemic Recovery Plan update to the City Council as part of the mid-year Budget report	X			
2. February 24, 2025	Planning Director	Recommend updates to the Lincoln Avenue Specific Plan to implement the Housing Element	X			
3. FUTURE	Planning Director	Recommend an agreement for the development of an Economic Development Strategy			X	Strategy being revised
4. FUTURE	Planning Director	Recommend the Business Park Specific Plan Modernization			X	Pending review by the Airport Land Use Commission

CITY OF CYPRESS

SIX-MONTH STRATEGIC OBJECTIVES

September 2024 – March 2025

THREE-YEAR GOAL: **ENHANCE AND MAINTAIN PUBLIC SAFETY**						
WHEN	**WHO**	**WHAT**	**STATUS**			**COMMENTS**
			DONE	ON TARGET	REVISED	
1. By March 15, 2025	Police Chief	Provide Emergency Operations Center training to City staff	X			
2. January 6, 2025	Police Chief working with Anaheim Union High School District	Develop an e-bike safety initiative with Lexington Junior High School, Cypress High School and Oxford Academy	X			
3. February 12, 2025	Police Chief working with RCS Director	Present a safety education and fraud prevention program (S.A.I.L.S.) to the Senior Citizens Commission	X			
4. FUTURE	Police Chief working with an ad hoc subcommittee	Explore a campus safety partnership with Cypress School District				

C I T Y O F C Y P R E S S

SIX-MONTH STRATEGIC OBJECTIVES

September 2024 – March 2025

THREE-YEAR GOAL: **ENHANCE RECREATION FACILITIES AND PROGRAMS**						
WHEN	**WHO**	**WHAT**	**STATUS**			**COMMENTS**
			DONE	ON TARGET	REVISED	
1. February 14, 2025	RCS Director	Develop a RCS Foundation sponsorship program	X			
2. Spring 2025	RCS Director & PW Director	Hold a grand opening celebration for Arnold Cypress Park		X		
3. February 10, 2025	RCS Director, Cypress Festival Board and City Council	Hold a public City Council workshop with the Cypress Community Festival Association	X			
4. FUTURE	RCS Director	Recommend updates to the Non-Profit Grant Program policy				

CITY OF CYPRESS

SIX-MONTH STRATEGIC OBJECTIVES

September 2024 – March 2025

THREE-YEAR GOAL: **MAINTAIN HIGH QUALITY AND HIGH VALUE SERVICES FOR THE COMMUNITY**						
WHEN	**WHO**	**WHAT**	**STATUS**			**COMMENTS**
			DONE	ON TARGET	REVISED	
1. November 12, 2024	Finance Director	Recommend updates to purchasing thresholds based on analysis of other OC cities	X			
2. March 24, 2025	Finance Director	Recommend an agreement for sales tax audit services	X			
3. By February 28, 2025	City Council & City Manager	Conduct a teambuilding workshop with the 2025 City Council	X			
4. January 13, 2025	City Clerk	Recommend creating an ad hoc subcommittee to advise the development of questions for the 2025 Community Survey	X			
5. Ongoing	City Manager & City Clerk working with Communications LAB	Complete Phase 1 of the rebranding process				
6. FUTURE	Finance Director, IT Manager & Police Chief	Present an updated Business Continuity Plan to the City Manager				
7. FUTURE	Planning Director & RCS Director	Recommend adjustments to align City and RCS District boundaries through the Local Agency Formation Commission				

CITY OF CYPRESS

CITY COUNCIL REPORT

City Council Regular **3.**

FROM: Peter Grant, City Manager

DATE: 03/24/2025

SUBJECT: **Approve the Second Amendment to the West Cities Communications Center Joint Powers Authority Agreement**

RECOMMENDATION

Approve the Second Amendment to the West Cities Communications Center Joint Powers Authority Agreement.

DISCUSSION

The cities of Cypress, Los Alamitos, and Seal Beach are member cities of the West Cities Communications Center (West Comm) Joint Powers Authority, which provides police dispatch services. West Comm is a vital, but relatively small operation with a stable and predictable budget.

The recommended amendment to the Joint Powers Authority Agreement provides West Comm with the option to operate on a one- or two-year budget cycle and cleans up administrative language (particularly updating the title of the position that leads West Comm). If the amendment is approved by the member cities, it is anticipated West Comm will transition to a two-year budget (covering FY 2025-26 and FY 2026-27) in July. This transition will create administrative efficiencies for West Comm and its member cities, and make it easier to forecast the annual dispatch costs incorporated into the budgets of its member cities. Should it become appropriate for West Comm and/or the member cities, the Board has the flexibility to return to a one-year budget in the future.

The West Comm Board of Directors unanimously approved the amendment at its March 12 meeting and the amendment requires approval by all three members' City Council.

BUDGET IMPACT

None.

LEGAL REVIEW

The amendment was prepared by West Comm's attorney and approved as to form by the City Attorney.

APPROVED BY: Peter Grant, City Manager

Attachments

Second Amendment to West Comm JPA

West Comm Resolution

West Comm JPA Agreement

Second Amendment to
West Cities Communications Center (West-Comm)
Joint Powers Authority Agreement

1. PARTIES AND DATE.

This Second Amendment to the West Cities Communications Center Joint Powers Authority Agreement is made and entered into this 12th day of March, 2025 ("Effective Date"), by and among the cities of Cypress, Los Alamitos and Seal Beach (hereinafter collectively referred to as the "Parties").

2. RECITALS.

2.1 The Parties entered into the West-Comm Joint Powers Authority Agreement dated December 23, 1996 ("JPA Agreement"), which was subsequently amended by the First Amendment to the West-Comm Joint Powers Authority Agreement dated June 16, 2005 (collectively, the "JPA Agreement").

2.2 In accordance with Section 12 of the JPA Agreement, the Parties now wish to amend the JPA Agreement to provide greater flexibility in the West-Comm budget process by allowing the Board of Directors, at its discretion, to adopt either an annual or biennial fiscal year budget.

3. TERMS.

3.1 Governance – Police Communications Director. Paragraph (C) of Section 3 of the JPA Agreement is amended to read as follows (deletions shown in ~~strikethrough~~; new text underlined):

> C. Police Communications Director
>
> The Administrative Oversight Staff shall appoint the Police Communications Director for the Authority. Prior to making any such appointments, the Administrative Oversight Staff shall consider any recommendations provided by the Technical Operations Committee. The Police Communications Director shall be responsible for the day-to-day operations of the Center and shall also be custodian of the property and records of the Authority.
>
> To the extent authorized by the Administrative Oversight Staff, the Police Communications Director is authorized to act on behalf of the Administrative Oversight Staff and Technical Operations Committee in all matters of personnel administration, given the positions and funding authorized by the Board of Directors in the Authority's approved ~~annual~~ budget. This includes, but is not limited to, hiring, supervisory direction, performance evaluations, disciplinary actions, and terminations.

3.2 Governance – Treasurer. Subsections (1) – (3) of Paragraph (D) of Section 3 of the JPA Agreement are amended to read as follows (deletions shown in ~~strikethrough~~):

(1) With the approval of the Administrative Oversight Staff, create the ~~annual~~ budget format, accounts, and documentation pertaining thereto, which most nearly reflect the objectives of the Authority and the operation of the Center and which are consistent with standard municipal budgetary format;

(2) Establish and maintain the particular funds and accounts as required by generally accepted accounting practices and which most accurately and appropriately record and report the operations of the Authority as represented by the ~~annual~~ budget document;

(3) Enforce strict compliance with the approved ~~annual~~ budget and approve only expenditures authorized therein;

3.3 Meetings of the Board of Directors – Time of Meetings. Paragraph (A) of Section 4 of the JPA Agreement is amended to read as follows (deletions shown in ~~strikethrough~~; new text underlined):

A. Time of Meetings

The Board of Directors shall meet at least once ~~twice~~ annually~~, once to approve and adopt the budget and once in mid year to review budget compliance and address any adjustment recommendations~~. The Board may provide for additional meetings as may be needed depending upon the pressure of business or as may reasonably be requested by any Board Member. The date and hour of any regular meeting shall be scheduled by order of the Board. The location for the conduct of meetings shall be the Westcomm Center, unless otherwise specified in the meeting notice.

3.4 Fiscal Year, Annual Budget/Financing and Assessments. Section 6 of the JPA Agreement is amended to read as follows (deletions shown in ~~strikethrough~~; new text underlined):

Section 6. Fiscal Year, Annual or Biennial Budget/Financing and Assessments.

A. Fiscal Year

The Authority's fiscal year shall be the twelve-month period commencing each July 1~~, except if the effective date of this Agreement is other than July 1, the first fiscal year shall be the short year commencing the effective date~~ and ending the following June 30.

B. Annual or Biennial Budget

(1) The Authority shall operate only under a fiscal year budget approved and adopted either annually or biennially by the Board of Directors at its discretion as set forth in this Section. The Authority may not operate at a deficit. The Parties shall pay for the entire operation of the Authority, with the annual expenditure budget determining the total amount of assessments required.

(2) The total annual assessment shall be divided among the Parties as follows: The City of Seal Beach shall pay 30.3%, the City of Cypress shall pay 45.3% and the City of Los Alamitos shall pay 24.4% of the entire operating and capital cost of the Authority.

(3) Each annual or biennial operating budget shall be approved and adopted by majority vote of the Board of Directors of the Authority.

C. Budget Elements

The Board of Directors, in adopting an annual or biennial budget, thereby fixes the assessment against the Parties which shall be binding on each of them. The budget shall include, but is not limited to, the following components:"

[*no further changes to paragraph (C)*]

D. Assessments

Upon adoption of the ~~fiscal year~~ budget by the Board of Directors, and the forwarding thereof to the governing bodies of the Parties by the Police Communications Director, the assessments fixed therein are automatically due and payable without further notice as follows:

[*no further changes to paragraph (D)*]

E. Budget Authority of Police Communications Director

The Police Communications Director for the Authority shall have the authority to fully implement the approved budget. However, the Police Communications Director may not exceed the personnel staffing authorized in the budget, either in number, position, or classification or salary. In addition, the Police Communications Director may not alter the capital budget, utilize the reserve contingency, or increase the total amount of the

approved expenditure budget without the approval of the Board of Directors. Transfer between expenditure categories must be approved by the Administrative Oversight Staff or its authorized designee.

3.5 Force and Effect. Except as modified by this Second Amendment, all provisions of the JPA Agreement shall remain in full force and effect and shall govern the actions of the Parties under this Second Amendment.

3.6 Counterparts. This Second Amendment may be executed in counterparts with the same effect as if all original signatures were placed on one document and all of which together shall be one and the same agreement.

IN WITNESS WHEREOF, the Parties have caused this Second Amendment to be executed and attested by their duly authorized officers, and their official seals to be hereto affixed, as of the Effective Date first written above.

CITY OF CYPRESS

By: _____
David Burke, Mayor

Attest:

By: _____
Alisha Farnell, City Clerk

Approved as to form:

By: _____
Fred Galante, City Attorney

CITY OF LOS ALAMITOS

By: _____
Shelly Hasselbrink, Mayor

Attest:

By: _____
Windmera Quintanar, City Clerk

Approved as to form:

By: _____
Michael S. Daudt, City Attorney

CITY OF SEAL BEACH

By: _____
Lisa Landau, Mayor

Attest:

By: _____
Gloria Harper, City Clerk

Approved as to form:

By: _____
Nicholas Ghirelli, City Attorney

RESOLUTION NO. 2025-_02__

A RESOLUTION OF THE WEST CITIES POLICE COMMUNICATIONS CENTER JOINT POWERS AUTHORITY RECOMMENDING APPROVAL OF THE SECOND AMENDMENT TO THE WEST-COMM JOINT POWERS AGREEMENT

WHEREAS, the West Cities Police Communications Center (West-Comm) provides emergency call receiving and dispatching services to the cities of Cypress, Los Alamitos, and Seal Beach ("Member Cities"); and

WHEREAS, the Member Cities entered into the West-Comm Joint Powers Authority Agreement dated December 23, 1996 ("JPA Agreement"), which was subsequently amended by the First Amendment to the West-Comm Joint Powers Authority Agreement dated June 16, 2005 (collectively, the "JPA Agreement"); and

WHEREAS, the Board of Directors of West-Comm now desires to amend the JPA Agreement to provide greater flexibility in the West-Comm budget process by allowing the Board of Directors, at its discretion, to adopt either an annual or biennial fiscal year budget; and

WHEREAS, in accordance with Section 12 of the JPA Agreement, the JPA Agreement may be amended only by a unanimous vote of the Member Cities.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF WEST-COMM DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The recitals set forth above are true and correct and are incorporated by reference herein.

SECTION 2. In accordance with Section 12 of the JPA Agreement, the Board of Directors of West-Comm has reviewed and recommends approval by the Member Cities of the proposed Second Amendment to the JPA Agreement, attached hereto.

SECTION 3. The Police Communications Director is hereby directed to forward the Board of Directors' recommendation and a copy of the proposed Second Amendment to the JPA Agreement to the governing body of each Member City for consideration.

PASSED, APPROVED, AND ADOPTED at a Special Meeting of the Board of Directors of the West Cities Communications Center Joint Powers Authority held this 12th day of March 2025.

JORDAN KEEULDA, CHAIRPERSON

ATTEST:

STATE OF CALIFORNIA}
COUNTY OF ORANGE} SS

I, KASANDRA EDWARDS, Secretary of West-Comm, DO HEREBY CERTIFY that the foregoing Resolution was duly approved and adopted by the West-Comm Board of Directors at the special meeting of said Board held on this 12th day of March 2025, by the following roll call vote:

AYES: 3
NOES: Ø
ABSENT: Ø
ABSTAIN: Ø

KASANDRA EDWARDS, SECRETARY

APPROVED AS TO FORM:

MICHAEL S. DAUDT, ~~GENERAL~~ COUNSEL

Attachments:

- Second Amendment to West Cities Communications Center (West-Comm) Joint Powers Authority Agreement

WESTCOMM JOINT POWERS AUTHORITY AGREEMENT

BETWEEN

THE CITY OF CYPRESS;

THE CITY OF LOS ALAMITOS; and

THE CITY OF SEAL BEACH

Dated as of December 23, 1996
and as modified by
that certain First Amendment dated as of June 16, 2005,
and that certain Second Amendment dated as of March 12, 2025

WESTCOMM JOINT POWERS AUTHORITY AGREEMENT
BETWEEN
THE CITY OF CYPRESS;
THE CITY OF LOS ALAMITOS; and
THE CITY OF SEAL BEACH

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WEST CITIES COMMUNICATIONS CENTER (Westcomm)
JOINT POWERS AUTHORITY AGREEMENT

In order to establish, operate and maintain a public safety communications center for the Cities of Cypress, Los Alamitos, and Seal Beach, the parties agree to the following:

This Agreement, effective December 23, 1996, by and among the Cities of Cypress, Los Alamitos, and Seal Beach (hereinafter referred to collectively as "Parties" and individually as "Party") is entered into pursuant to the provisions of Title I, Division 7, Chapter 5, Article I (Sections 6500, *et seq.)* of the California Government Code, (hereinafter the "Act"), relating to joint exercise of powers, for the purpose of operating a public safety communications center.

W I T N E S S E T H

WHEREAS, the Parties are each empowered by law to construct, equip, staff, maintain, operate public buildings and related facilities for the purposes of public safety communications; and,

WHEREAS, the Parties desire to acquire, equip, staff, and operate a West Orange County public safety communications center (hereinafter referred to as "Center") and to provide a structure for the accomplishment thereof; and,

WHEREAS, the Parties desire to accomplish the aforesaid purpose of jointly exercising their common powers in the manner set forth in this Agreement.

NOW, THEREFORE, the Parties, for and in consideration of the mutual benefits, promises, and agreements set forth herein, and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, agree as follows:

Section 1. Purpose.

The purpose of this Agreement is to establish and operate the Center by equipping, maintaining, operating, and staffing a single site facility which provides emergency call receiving and dispatching services to the Parties. The Center may also provide services on a contractual basis to other governmental entities and may amend the Agreement to add additional parties.

The intention of the parties in the creation of the Authority is to share communications obligations and responsibilities and to accordingly save the Parties some of the individual expense of such obligations and responsibilities. In furtherance of that goal, the Parties intend to utilize the personnel and resources of the Parties to provide financial, legal, personnel, risk management and other services and functions to the Authority on a basis which is acceptable to all of the Parties.

Section 2. Creation of Authority.

Pursuant to Section 6506 of the Act, there is hereby created a public entity, separate and apart from the individual Parties, to be known as the "West Cities Communications Center Joint Powers Authority," hereinafter referred to as the "Authority," for the purpose of operating the West Communications Center.

Section 3. Governance.

A. Board of Directors

The Board of Directors, comprised of three (3) elected officials, one designated by each Party, shall establish policy for the Authority and shall exercise the responsibilities and powers set forth in State law. It shall also have the budget duties set forth in Section 6.B. hereof. The powers of the Board of Directors shall include decisions to acquire, hold, lease, or dispose of real property, to incur debt not included in the annual operating budget, to amend this Agreement and to provide communications services to non-Party entities, public or private.

B. Administrative Oversight Staff

The Authority shall be managed by an Administrative Oversight Staff of three (3) persons. The Administrative Oversight Staff shall be composed of the City Manager of each City. The Administrative Oversight Staff shall recommend policy, and shall exercise appropriate management powers.

C. Police Communications Director

The Administrative Oversight Staff shall appoint the Police Communications Director for the Authority. Prior to making any such appointments, the Administrative Oversight Staff shall consider any recommendations provided by the Technical Operations Committee. The Police Communications Director shall be responsible for the day to day operations of the Center and shall also be custodian of the property and records of the Authority.

To the extent authorized by the Administrative Oversight Staff, the Police Communications Director is authorized to act on behalf of the Administrative Oversight Staff and Technical Operations Committee in all matters of personnel administration, given the positions and funding authorized by the Board of Directors in the Authority's approved budget. This includes, but is not limited to, hiring, supervisory direction, performance evaluations, disciplinary actions, and terminations.

D. Treasurer

The Board of Directors shall appoint the Treasurer of the Authority who shall also be the Treasurer of one of the Parties. The Treasurer shall attend the meetings of the Board of Directors and advise the Board in connection with any accounting, budgetary, monetary, or other financial matters relating to the Authority. The duties and responsibilities of the Treasurer include, but are not limited to, those set forth in California Government Code Sections 6505, 6505.5, and 6509.5 and shall include the following:

(1) With the approval of the Administrative Oversight Staff, create the budget format, accounts, and documentation pertaining thereto, which most nearly reflect the objectives of the Authority and the operation of the Center and which are consistent with standard municipal budgetary format;

(2) Establish and maintain the particular funds and accounts as required by generally accepted accounting practices and which most accurately and appropriately record and report the operations of the Authority as represented by the budget document;

(3) Enforce strict compliance with the approved budget and approve only expenditures authorized therein;

(4) Ensure that all available cash on hand is at all times fully invested in a cash management program and investment portfolio pertaining thereto which is consistent with the practices of the City providing the finance services to the Authority; and to further ensure that sufficient liquidity is maintained to meet the Authority's cash disbursement needs;

(5) Furnish monthly revenue, expenditure, and funds status reports to the Police Communications Director and the Administrative Oversight Staff;

(6) Maintain an inventory of all property of the Authority;

(7) Make all books and records of the Authority in his/her hands open to inspection at all reasonable times to Board Members; and

(8) Make a report on, at least a quarterly basis, the amount of money held for the Authority and the amount of receipts and expenses since the last report. Such report shall be verified and provided to the Police Communications Director, the Administrative Oversight Staff, the Board of Directors, and all Parties to this Agreement.

E. General Counsel

The Board of Directors shall engage the services of one of the Parties' City Attorney as the General Counsel for the Authority. The Authority General Counsel shall be responsible for providing all legal services to the Authority.

F. Auditor and Depositary

The Treasurer of one of the Parties shall be the depositary and have custody of the money of the Authority. In the event the Authority ceases to employ one of the Parties' Treasurer, the Board of Directors shall appoint a qualified person or firm to act as the independent auditor for the Authority. In such event, the Board of Directors shall also appoint a depositary for the Authority's money. The Authority's Auditor shall perform such functions as may be required by this Agreement, the Bylaws, the direction of the Administrative Oversight Staff, or other applicable laws. The Authority's Auditor shall specifically be responsible for ensuring that the Authority's filing requirements with each party pursuant to Government Code Section 6505 are completed.

G. Technical Operations Committee

The Technical Operations Committee shall be composed of the Police Chief from each City, and shall oversee the Police Communications Director's day to day operations of the JPA, through oversight, direction, and assistance. The Technical Operations Committee shall make recommendations to the Administrative Oversight Staff whenever directed regarding the Administrative Oversight Staff's duties.

Section 4. Meetings of the Board of Directors.

A. Time of Meetings

The Board of Directors shall meet at least once annually. The Board may provide for additional meetings as may be needed depending upon the pressure of business or as may reasonably be requested by any Board Member. The date and hour of any regular meeting shall be scheduled by order of the Board. The location for the conduct of meetings shall be Westcomm Center, unless otherwise specified in the meeting notice.

B. Minutes

The Police Communications Director shall keep minutes of regular, adjourned and special meetings. As soon as possible after each meeting, a copy of the minutes shall be provided to each of the Parties.

C. Quorum

A majority of the Board of Directors shall constitute a quorum for the transaction of business, except that a lesser number may adjourn for lack of a quorum.

D. Conflict of Interest Code

Pursuant to the provisions of the Political Reform Act, the Board of Directors shall cause to be prepared a Conflict of Interest Code which shall be adopted by the Board and filed and amended as required by State law.

E. Brown Act

All meetings of the Board of Directors shall be called, noticed and conducted in accordance with the provisions of the Ralph M. Brown Act (Government Code Section 54950 *a seq).*

Section 5. Powers and Duties of the Authority.

The Authority shall have the powers common to the Parties as set forth in the recitals of this Agreement and the Authority is authorized in its own name to perform all acts necessary for the exercise of common powers, including, but not limited to, any and all of the following:

1. To make and enter into contracts;

2. To employ agents and employees;

3. To acquire, construct, manage, maintain, and operate any buildings, works, or improvements;

4. To acquire, hold, lease, or dispose of property;

5. To incur debts, liabilities, or obligations;

6. To receive gifts, contributions, and donations of property and funds, services, and other forms of financial assistance, from persons, firms, and corporations and any governmental entity;

7. To rent or lease communications services to non-public agencies; and

8. To sue and be sued in its own name.

Section 6. Fiscal Year, Annual or Biennial Budget/Financing and Assessments.

A. Fiscal Year

The Authority's fiscal year shall be the twelve month period commencing each July 1 and ending the following June 30.

B. Annual or Biennial Budget

(1) The Authority shall operate only under a fiscal year budget approved and adopted either annually or biennially by the Board of Directors at its discretion as set forth in this Section. The Authority may not operate at a deficit. The Parties shall pay for the entire operation of the Authority, with the annual expenditure budget determining the total amount of assessments required.

(2) The total annual assessment shall be divided among the Parties as follows: The City of Seal Beach shall pay 30.3%, the City of Cypress shall pay 45.3% and the City of Los Alamitos shall pay 24.4% of the entire operating and capital cost of the Authority.

(3) Each annual or biennial operating budget shall be approved and adopted by majority vote of the Board of Directors of the Authority.

C. Budget Elements

The Board of Directors, in adopting an annual or biennial budget, thereby fixes the assessment against the Parties which shall be binding on each of them. The budget shall include, but is not limited to, the following components:

(1) Operation and Maintenance Expenses

The costs of operating and maintaining a facility and the communications/computer equipment housed therein shall include, but is not limited to, personnel salaries and benefits, office and computer supplies and other consumables, payments to lease a facility, and replacement parts necessary to repair Facility equipment due to normal wear and tear from ordinary usage.

(2) Capital Expenditures

Capital expenditures shall include the costs of original purchase of communications and computer equipment, hardware, software, and other fixed asset items typically having a useful life of more than one (1) year, including equipment improvements and additions, as opposed to replacement parts from ordinary maintenance during the useful life of the capital items. All costs

associated with such purchase, such as installation, shall be capitalized Replacement of equipment at the end of its useful life shall be a capital item.

Capital expenditures shall be shared by the Parties in conformance with the costs formula as established under Section 6.B.2 of this Agreement, except capital expenditures which are incurred for and which are unique to a minority of the Parties, in which case such minority shall share the expense equally.

D. Assessments

Upon adoption of the budget by the Board of Directors, and the forwarding thereof to the governing bodies of the Parties by the Police Communications Director, the assessments fixed therein are automatically due and payable without further notice as follows:

July 15:	35% of total assessment
October 15:	25% of total assessment
January 15:	25% of total assessment
April 15:	15% of total assessment

The Board of Directors may set a different payment schedule to accommodate capital, if sufficient monies would not otherwise be on hand for such purchases.

A five percent (5%) late charge shall be imposed upon assessment payments not received by the Authority within thirty (30) calendar days following the scheduled dates for payment. An additional five percent (5%) shall be imposed if payment is not received within an additional thirty (30) calendar days. If an assessment, including late charges, is not paid in full within seventy-five (75) calendar days following any scheduled due date, the Party shall be in default and subject to immediate and automatic termination as a Party in accordance with Section 10 of this Agreement.

E. Budget Authority of Police Communications Director

The Police Communications Director for the Authority shall have the authority to fully implement the approved budget. However, the Police Communications Director may not exceed the personnel staffing authorized in the budget, either in number, position, or classification or salary In addition, the Police Communications Director may not alter the capital budget, utilize the reserve contingency, or increase the total amount of the approved expenditure budget without the approval of the Board of Directors. Transfer between expenditure categories must be approved by the Administrative Oversight Staff or its authorized designee.

Section 7. Term of Agreement.

This Agreement shall become effective as of the date hereof and shall be binding upon all parties hereto until the close of five (5) full fiscal years following said effective date, and shall thereafter continue in full force and effect from year to year.

Section 8. Liability, Indemnity, and Insurance.

A. Liabilities

Except as otherwise provided herein, the debts, liabilities, and obligations of the Authority shall be the debts, liabilities, or obligations of the Authority alone and not of the Parties of this Agreement.

B. Several Liability

Each Party's responsibility for the debts, liabilities, and obligations of the Authority shall be strictly several, and not joint and several, and nothing herein shall be construed as creating any type of partnership, joint venture, association, or trust between the Parties. The debts, liabilities, and obligations of the Authority shall be the debts, liabilities, or obligations of the Authority alone and not of Parties, unless expressly specified herein.

C. Indemnification and Insurance

(1) From and after the effective date of this Agreement, the Authority shall fully indemnify, defend, protect, and hold harmless each Party and their respective officers, employees, agents, and representatives ("Party" hereinafter) with respect to any loss, damage, injury, claim, demand, action, litigation, or liability and all expenses and costs relating thereto (including actual attorneys' fees) arising out of or in any way related to (a) the performance of this Agreement; (b) any contract or agreement assumed by or otherwise transferred to the Authority; and (c) any asset transferred to and accepted by the Authority, including but not limited to real property, personal property, equipment and apparatus. It is also understood and agreed that, pursuant to California Government Code Section 895.4, the Authority shall fully indemnify, defend, protect, and hold harmless each Party from any liability imposed for injury (as defined by Government Code Section 810.8) occurring by reason of any acts or omissions on the part of the Authority. In the event that, notwithstanding Government Code Section 6508.1 and this subsection (1), the Parties are found jointly and severally liable for any negligent or wrongful act or omission committed by the Authority in the performance of this Agreement pursuant to Section 895.2 of the Government Code, which imposes certain tort liability jointly upon public entities solely by reason of such entities being parties to an agreement as defined in Section 895 of said Code, or in the event the Authority's liability exceeds its insurance coverage, the parties hereto, as between themselves, pursuant to the authorization contained in Section 895.4 and 859.6 of said Code, allocate said Party's

responsibility for that liability in accordance with the formula set forth in Subsection B(2) of Section 6 herein.

(2) From and after the effective date, the Authority shall maintain during the term of this Agreement, Workers compensation insurance as required by law and, in addition, general comprehensive liability insurance in the minimum limit of $10,000,000 combined single limit per occurrence and annual aggregate. Each of the Parties' members shall be named as an insured on the general comprehensive liability policy. Alternatively, the Authority may self-insure, subject to the approval of the Parties. Prior to the Effective Date, the Authority shall provide each of the Parties with certificates of insurance or proof of self-insurance evidencing the coverage. Such insurance is a condition precedent to performance under this Agreement, and until the Authority obtains insurance as provided for in this Paragraph, performance under this Agreement is excused and no Party shall have any right against any other member in equity or law. "

(3) Each Party hereto agrees to fully indemnify, defend, protect, and hold harmless the Authority and the other parties and their respective officers, employees, agents, and representatives from any liability for damages, actual or alleged, to persons or property arising out of or resulting from negligent or wrongful acts or omissions of that Party. It is also understood and agreed that, pursuant to Government Code Section 895.4, each Party shall fully indemnify, defend, protect and hold harmless the Authority and the other parties and their respective officers, employees, agents, and representatives from any liability imposed for injury (as defined by Government Code Section 810.8) occurring by reason of any negligent or wrongful acts or omissions on the part of that Party. In the event liability arises out of or results from negligent or wrongful acts or omissions of two or more of the Parties, those Parties will assume the full liability imposed respectively upon them or any of their officers, employees, agents, and representatives by law to the same extent that such liability would be imposed in the absence of Section 895.2 of said Code. To achieve the above stated purposes, each Party indemnifies and holds harmless the other parties for any cost or expense that may be imposed upon such other parties solely by virtue of said Section 895.2.

(4) The Parties agree that no immunity available to the Parties under state or federal law or regulation shall be waived with respect to any third party claim.

Section 9. Termination, Withdrawal.

A. Termination

Each Party shall remain a Party to this Agreement and share in the costs of start up and operation of the Facility for the term of this Agreement. If, in the interim, a Party defaults on payment of any assessment as defined in Section 6, or otherwise breaches this Agreement, such Party shall be automatically terminated as a Party to this Agreement. The terminated Party remains liable for the defaulted payment and late charges for the balance of the year's assessment, and for assessments for years remaining in the minimum five (5) year term of agreed participation. Such subsequent assessments will be determined as if the terminated Party were still a Party to the Agreement; the assessment will be due and payable in full on the first day of the fiscal year for which it is levied.

After expiration of the five (5) full year of participation, any Party defaulting on payment shall be automatically terminated as a Party to this Agreement and shall be liable for any defaulted payments and late charges.

B. Withdrawal

A Party may withdraw as a Party to this Agreement without penalty provided the effective date of the withdrawal shall not be sooner than the close of the initial five year term of this Agreement and provided the withdrawing party has given at least two years' prior written notice of withdrawal to the Authority. A withdrawing Party shall perform all obligations required by this Agreement until the noticed date of withdrawal.

C. Legal Redress

The Authority retains the right to seek legal redress, if necessary, to obtain payment on amounts due. A terminated Party which withdraws forfeits any claim to any assets of the Authority.

Section 10. Dissolution.

The Board of Directors may mutually agree to terminate this Agreement and the Authority shall thereby dissolve in accordance with applicable law. The vote of the Board of Directors to dissolve shall be unanimous. Dissolution shall only be effective upon the last day of the fiscal year, but shall in no event be effective until the requirements of Section 12 are met.

Section 11. Disposition of Assets.

A. Process

This Agreement may not be terminated or disposition of assets made to the Parties to the Agreement until the Authority reasonably exhausts all means of collecting any monies due

the Authority, and identifies and satisfies all obligations and liabilities of the Authority. The Board of Directors must formally accept a final accounting prepared by the Treasurer before any final disposition of net assets may be made and termination of the Agreement consummated.

B. Asset Ownership

In the event of the withdrawal of one of the member parties to this agreement, the Authority shall distribute to the withdrawing party that party's *pro rata* share of the operating equipment and other liquid assets determined in proportion to the withdrawing party's relative assessment as set forth in Section 6.B.2. of this agreement. Such distribution shall be made by the Board of Directors, in the form of either a cash payment, operating equipment, or a combination thereof.

In the event of a dissolution, the assets of the Authority shall be divided among the parties in proportion to each party's respective assessment percentage as set forth in Section 6.B.2.

For purposes of this section, operating equipment shall not include the structure, radio and telephone lines or other permanent fixtures, which shall become the property of the City of Seal Beach upon any dissolution.

The value of assets for purposes of this section shall be the fair market value and such value shall be established as of the effective date of the withdrawal or dissolution.

C. Debt Obligation

If the Authority issues debt, each Party at the time of the issuance is responsible for its share of the annual debt service payment regardless of whether it has withdrawn as a Party.

Section 12. Amendment to Agreement.

This Agreement may be amended only by a unanimous vote of the Parties to the Agreement. Any proposed amendment shall be formally directed to the Board of Directors. The Board shall then review the proposed amendment and forward it with a Board recommendation to the governing body of each Party to the Agreement. The proposal shall be accompanied by a copy of the proposed amendments to the Agreement, which shall be adopted, properly executed, and returned to the Board of Directors if the Party concurs with the amendment. The Police Communications Director shall notify each Party of the resultant action.

Section 13. Additional Parties to Agreement.

Public entities which are not Parties to this Agreement, may become Parties hereto only by amendment to this Agreement as defined in Section 12 and subject to the following terms and conditions:

A. The Board of Directors shall determine a buy-in fee for long term fixed assets (capital expenditures) and associated debt owed by the Authority at the time of the buy-in.

B. The effective date of the amendment to this Agreement and inclusion as an additional Party shall only occur on the first day of the fiscal year. Such public agencies which become Parties hereto shall be entitled to all rights and obligations of the Authority and shall become Board Members as defined in this Agreement.

Section 14. Miscellaneous.

A. Bonding

Any officer, official, or employee of the Authority who has charge or disbursement authority over Authority funds or property shall obtain a surety bond in the amount of $100,000. The premium, if any, of any such bond shall be a lawful charge and obligation of the Authority.

B. Notice of Creation

A notice of the creation of the Authority by this Agreement shall be filed by the Authority with the Secretary of State, pursuant to Section 6503.5 of the Act.

C. Dispatch Service to Other Agencies

The Authority may provide dispatch service to public agencies not a party to this Agreement (hereinafter referred to as "User Agency" or "User Agencies" as appropriate), but only upon majority approval of the Board of Directors. Such service shall be by annual contract approved by the Board of Directors.

Section 15. Severability.

Should any part, term, portion, or provision of this Agreement, or the application thereof to any person or circumstances, be in conflict with any State or Federal law, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining parts, terms, portions or provisions, or the application thereof to other persons or circumstances, shall be deemed severable and shall not be affected thereby, provided such remaining portions or provisions can be construed in substance to continue to constitute the Agreement that the Parties intended to enter into in the first instance.

Section 16. Successors.

This Agreement shall be binding upon and shall inure to the benefit of the successors of the Parties hereto.

CITY OF CYPRESS

CITY COUNCIL REPORT

City Council Regular **4.**

FROM: Nick Mangkalakiri, Acting Director of Public Works

DATE: 03/24/2025

SUBJECT: **Accept the Arterial Street Rehabilitation, Project 377**

RECOMMENDATION

1. Accept the Arterial Street Rehabilitation, Project 377, in the amount of $2,732,750.41 and approve the final payment of $136,637.52 to All American Asphalt; and

2. Authorize the City Engineer to file a Notice of Completion with County Recorder.

DISCUSSION

In August 2024, the City Council awarded a construction contract to All American Asphalt to resurface approximately 13 lane miles of pavement, including Valley View Street (Katella Avenue to Ball Road), Ball Road (Bloomfield Street and Denni Street), and Orange Avenue (Bloomfield Street and Denni Street). The work began in November 2024 and was completed in January 2025.

Public Works will release the Labor and Materials Bond and the Faithful Performance Bond upon expiration of the required lien period.

BUDGET IMPACT

The original estimated cost of construction and inspection was $2,982,854, and final project costs total $2,843,482.62, as summarized in the attached table. Sufficient amounts are budgeted in the RMRA Gas Tax Fund to pay for the project.

LEGAL REVIEW

None required.

APPROVED BY: Peter Grant, City Manager

Attachments

Cost Table

PROJECT COST TABLE

Arterial Street Rehabilitation
Project 377

Item Description	Original Amount	Actual Expenditures	Difference
Construction			
Construction	$ 2,496,688.00	$ 2,496,688.00	$ -
Construction Contingency	374,500.00	236,062.41*	138,437.59
Sub-total Construction	$ 2,871,188.00	$ 2,732,750.41	$ 138,437.59
Construction Management & Inspection			
Inspection	$ 97,101.00	$ 97,101.00	$ -
Inspection Contingency	14,565.00	13,631.21	933.79
Sub-total Construction Inspection	$ 111,666.00	$ 110,732.21	$ 933.79
Total Project	**$ 2,982,854.00**	**$ 2,843,482.62**	**$ 139,371.38**

* Includes change orders for weekend work and addressing unforseen site conditions.

Note: CM/Inspection expenditures are based on actual hours inspectors are needed on the job site. This figure will vary for each job based on actual project duration, required special inspections/material testing and other factors. Original Contract Amounts are cost estimates/proposals based on the project description, scope of work, and anticipated needs.

CITY OF CYPRESS

CITY COUNCIL REPORT

City Council Regular **5.**

FROM: Nick Mangkalakiri, Acting Director of Public Works

DATE: 03/24/2025

SUBJECT: **Approve a Solid Waste Consulting Services Task Order**

RECOMMENDATION

1. Approve a $100,000 Task Order with CityGreen Consulting for Solid Waste Consulting Services; and

2. Approve a $25,000 appropriation increase in the General Fund; and

3. Increase estimated revenues by $137,092 in the General Fund for a CalRecyle Organic Recycling Local Assistance Grant.

DISCUSSION

CityGreen assists Public Works in implementing and monitoring State-mandated organic recycling programs and conducts organics outreach to businesses and food recovery partners (an effort Valley Vista Services supplements through its own education campaign). CityGreen (formerly Michael Balliet Consulting) has worked for the city since April 2021 and its current task order is nearly complete. The recommended extension is necessary for CityGreen to continue work through FY 2024-25 and into FY 2025-26. While task orders typically provide 12 to 14 months of service, CalRecycle's increased compliance initiatives require the services recommended in the recommended task order:

CalRecycle Compliance	$40,250
Food Recovery Program	15,600
Hauler Compliance Monitoring	9,600
Education & Outreach	7,100
Procurement Assistance	9,200
General Consulting	18,250
Total	**$100,000**

The recommended task order is attached along with a summary of CityGreen's activities in 2024.

BUDGET IMPACT

Approximately $75,000 is available in the Solid Waste Program for the task order and an additional appropriation of $25,000 is necessary to fund all the State requirements. The task order is funded by a one-time, $137,092 Cal Recycle Organic Recycling Local Assistance grant which the City Council accepted in June 2024. The remaining grant proceeds ($37,092) will fund staff time, training, and organic recycling education.

LEGAL REVIEW

None required.

APPROVED BY: Peter Grant, City Manager

Attachments

Task Order
CityGreen Work Summary

PROPOSAL TO PROVIDE

Solid Waste Consulting Services

Prepared by

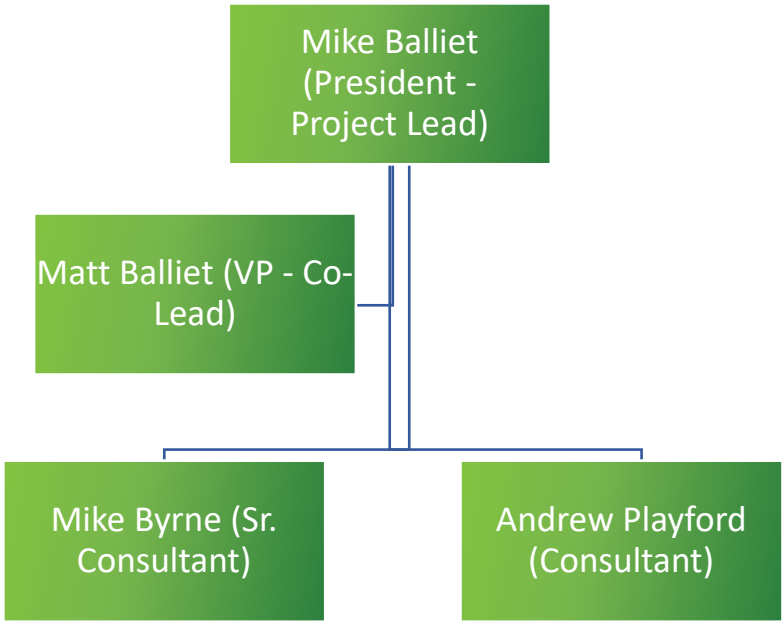
CityGreen Consulting, LLC
30181 Outpost Road
San Juan Capistrano, CA 92675

March 10, 2025

Prepared for

City of Cypress
Attn: Kirsten Graham
5275 Orange Avenue
Cypress, CA 90630

1-Project Team



Our project team is very familiar with the City of Cypress as we are your current consultant. Mike Balliet will continue to serve as project lead, planning and refining all aspects of project work through active communication with the city staff. He will also serve as the primary point of contact.

Matt Balliet will act as co-project lead, assisting in project management and administration tasks. In addition to directly performing task work, Matt Balliet will track staff consultant hours and deliverables and lead bi-weekly internal meetings to review the efficiency and quality of project work. Matt will lead project efforts dealing with outreach and education, any website updates, and also with technical assistance related to commercial recycling and edible food programs.

Mike Byrne will continue to bring his 35-years of experience managing solid waste and compliance programs to this project. He is in his 5th year with our firm and is responsible for edible food programs, business technical assistance programs, hauler and generator compliance reviews, and additional SB 1383 compliance programs that include procurement, records management, and program monitoring/enforcement activities.

Andrew Playford will perform technical assistance site visits and inspections. In Andrew's 4 years with the firm, he has worked and excelled in all areas of our compliance consulting practice.

2-Company Information

CityGreen Consulting, LLC (CGC) is a California Corporation in good standing. Our Entity Number is 202359519603. Our Federal Tax ID number is 93-4489144. Michael Balliet (34 years' experience) is the President and CEO. Matthew Balliet (6 years' experience) is the Vice President. Mike Byrne (35 years' experience) and Andrew Playford (4 years' experience) are our project consultants.

More information about our company can be found on our website.

http://www.citygreenconsulting.com/

3-Proposed Scope of Work

Our suggested scope of work retains most current tasks as they encompass: 1) ongoing monitoring and technical assistance with compliance programs; 2) vendor compliance activities; or 3) assisting the City in complying with State regulations and State/County regulators. What is suggested herein are slight revisions to certain tasks to address more timely compliance items in preparation for your JACE review, assist the City in expanding SB 1383 monitoring of non-franchised hauling, and address new regulations such as SB 54.

As in the past, proposed task work can be adjusted by City staff to best meet your needs throughout the upcoming year. The proposed work establishes the projected hours and not-to-exceed cost for our assistance.

Task 1 – CalRecycle Compliance

This category of work encompasses development and maintenance of the City's implementation records, tracking and assisting with complaints, inspections and enforcement actions required by law, assembling and providing all collection and compliance reports in a easy to use format, developing general notices and educational items for and providing technical assistance to waste collectors and generators, and providing compliance assistance as needed to the City of Cypress to ensure compliance.

Extra efforts are needed this year as you will either have your detailed records review this calendar year, or for certain this review will occur in calendar year 2026. The State's Jurisdiction and Agency Compliance and Enforcement Branch (JACE for short) will perform a detailed review of all city compliance efforts and records, note any areas of non-compliance, and (as applicable) mandate compliance through orders or similar mechanisms. Their review process (which we are currently assisting two jurisdictions with) include meetings, phone calls, site visits, questions and draft reports that allow the City to respond and address certain deficiencies, a final draft report where timelines for compliance are discussed, prior to completing their review and issuing final compliance orders (if applicable).

We will continue to utilize the CityGreen Connect platform to organize your Implementation Records and record both the City and your franchise hauler's activities in an easy to access database. We will continue our push to create and assemble all records in this format. This contract period we also plan to work with CalRecycle's Local Government Assistance Branch in the CityGreen Connect platform. This branch will be

provided access to the program so they can help identify any areas they believe need improvement prior to the JACE review.

This task also included other communications and coordination with State and County regulators (annual call and site visit), development and/or assistance in developing all required reports, survey, etc., including the annual report of the City's compliance to CalRecycle.

Task 1 activities will add SB 54 compliance assistance. We recommend working with the City's business license records to identify any producers of single use plastics in the city. These businesses should be contacted to see if they are aware of the regulations, what measures they have taken to date to reduce the weight of single use plastics they sell and/or reduce the number of plastic components. A 25% reduction in both is required. Second, identification of wholesalers or retailers in the city that are selling single-use plastics. We recommend a survey to identify products they sell that would fall under SB 54. Lastly, work with the City's franchised hauler to identify the approximate percentage of single-use plastics (listed as covered materials by the State), to identify the approximate cost impact to the city. The last task we propose in the short-term is an internal review of single-use plastics by the city and developing an alternative products list for consideration.

Task 2 – Edible Food Recovery

We will continue work to annually request and record edible food donation information from all Tier 1 and Tier 2 generators. We will also review City business license lists to see if any businesses that fall under this mandate have begun operations in the City. If so, we will include them in our annual distribution of educational material, to meet SB 1383's annual education requirement. We will prepare draft notices for City distribution to any non-compliant generators and perform follow-up inspections/technical assistance as needed. We will perform detailed compliance inspections to 1/3rd of the generators this contract period, beginning the once every three-year review process. We will also contact all edible food recovery organizations and collectors to see if any updates to their records are needed (types of food accepted, capacity, contact information for volunteers or financial contributions), and perform detailed compliance inspections to locations that could not be completed during the current contract period.

Task 3 – Franchise Hauler Compliance

Quarterly check-ins with Valley Vista Services (VVS) on status of all compliance programs they and handling for the City, review all reporting and document uploads, and work with VVS staff to ensure all reports and documents are current in the City's implementation record. Annually review the franchise agreement and confirm that VVS is meeting all requirements. Identify any shortfalls and prepare a draft non-compliance notice (if applicable) for the City to send to VVS requiring a written response. On an annual basis (June), review RDRS landfill and recycling facility data for the City of Cypress and work with VVS to verify actual and accurate numbers for franchise hauling.

Task 4 – Public Education & Outreach

Twice per-year review of City website and all print and electronic media generated by the City. Assist in uploading and retention of these records, in a report that lists the number of residents and businesses that received each media item. Assist the City in developing new education notices and hand-outs to

support technical assistance efforts. Review and assist in approving hauler education/outreach items and confirming all have been properly uploaded into the City's implementation record and quarterly reports.

Task 5 – Procurement Assistance

We will help the City perform an annual procurement study, with all departments, identifying opportunities to procure qualifying recycled content products that qualify for SB 1383 procurement credits. As part of this process we will create, distribute, and answer questions covering:

1. Qualifying compost, mulch, and energy product procurement credits, and how the City must meet SB 1383 mandated levels.
2. Importance of recycled content paper procurement tracking and obtaining certifications and vendor data.

Task work will also include training staff in use of required planning and projection tools in CityGreen Connect, as well as tracking ongoing procurement and automatic conversion into ton-equivalents through simple data input screens therein. We will provide training in use of these procurement tracking tools and the uploading of required vendor certifications and proof of procurement with any department staff in the City who wishes to assist in reporting procurement through CityGreen Connect.

This contract year we will perform an ROWP review for calendar year 2024 to identify all qualifying purchases or vendor purchases/donations. We will make sure appropriate documentation and procurement records are on file. We will then go through the various vendor procurement opportunities to make sure vendor agreements have the proper wording to ensure City procurement credit.

Task 6 – General Consulting Services

This task is in place to address unforeseen issues that arise each year, through clarification of regulations, new regulations, rate and landfill fee increases beyond CPI, regulatory agency inquiries or requests for reports, or to provide additional funding for identified task work.

4-Cost for Services

We will provide the project work discussed herein within the established $100,000 annual budget used since 2021. We will also retain the discounted $125/$105 hourly rates for project work. The table below shows our proposed hours, rates, and costs by task and overall:

Task	*Classification*	*Hours*	*Hourly Rate*	*$*
Task 1 - CalRecycle Compliance				**$ 40,250.00**
	Consulting	280.00	$ 125.00	$ 35,000.00
	Project Support	50.00	$ 105.00	$ 5,250.00
Task 2 - Edible Food Recovery				**$ 15,600.00**
	Consulting	24.00	$ 125.00	$ 3,000.00
	Project Support	120.00	$ 105.00	$ 12,600.00
Task 3 - Franchise Hauler Compliance				**$ 9,600.00**
	Consulting	60.00	$ 125.00	$ 7,500.00
	Project Support	20.00	$ 105.00	$ 2,100.00
Task 4 - Public Education & Outreach				**$ 7,100.00**
	Consulting	40.00	$ 125.00	$ 5,000.00
	Project Support	20.00	$ 105.00	$ 2,100.00
Task 5 - Procurement Assistance				**$ 9,200.00**
	Consulting	40.00	$ 125.00	$ 5,000.00
	Project Support	40.00	$ 105.00	$ 4,200.00
Task 6 - General Consulting				**$ 18,250.00**
	Consulting	104.00	$ 125.00	$ 13,000.00
	Project Support	50.00	$ 105.00	$ 5,250.00
		Total Proposed Budget =		**$ 100,000.00**

Solid Waste Consultant Summary
CityGreen Consulting, LLC (CGC)
Calendar Year 2024

In 2024 CGC continued to work with Valley Vista Services (VVS) staff to address SB 1383 compliance requirements. At the conclusion of calendar year 2023, full compliance with collection program requirements had not been completed, as shown in our tracking table below:

SB 1383 Program Implementation — **4th Quarter 2023**

		Commercial Programs							NON-COMPLIANT ACCOUNTS	
Hauler	Customers	BLACK	BLACK	BLUE	GREEN	BROWN	DeMinimis	Space	RECYCLING	ORGANICS
		Trash	Mixed MRF	Recycle	Green Wst.	Food Only	Waivers		Non-Compliant	Non-Compliant
Multi-Family	134	104	30	20	3	4	0	84	84	43
Business Only	573	443	130	82	7	170	189	0	361	207
All Customers	**707**	**547**	**160**	**102**	**10**	**174**	**189**	**84**	**445**	**250**
									62.94%	**35.36%**
Residential Program	12797	12797	N/A	12797	11910	11910				

Part of the compliance issue stemmed from VVS' planned transition to high diversion organic waste processing facility status at its Grand Central Recycling facility. Through cooperative efforts, full roll-out of both 2-cart and 3-cart programs was accomplished, as was interim usage of mixed waste processing of organics at the Sun Valley Recycling Park and Grand Central Recycling. Designated multi-family and commercial business properties, whose waste generation metrics and/or space constraints made 2-container programs desirable, were enrolled and provided services that would be deemed compliance once high-diversion facility status was obtained by VVS.

By mid-2024 full compliance was achieved following this approach:

SB 1383 Program Implementation — **4th Quarter 2024**

		Commercial Programs					NON-COMPLIANT ACCOUNTS	
Hauler	Customers	2-Cart Program	2-Cart Program	3-Cart Program	DeMinimis	Space	RECYCLING	ORGANICS
		Trash/Food Mixed	Trash/Dry Recyclables	Trash/Dry Recyclables	Waivers		Non-Compliant	Non-Compliant
Multi-Family	134	46	84	4	0	84	0	0
Business Only	573	302	189	82	189	0	0	0
All Customers	**707**	**348**	**273**	**86**	**189**	**84**	**0**	**0**
							0.00%	**0.00%**
Residential Program	12798	12798	12798	12798				

To defend the City's compliance approach, we sent mid-year and year-end compliance review notices to VVS, requesting facility construction and permit application status updates. We also updated CalRecycle on this progress.

During the 1st Quarter of 2025, Grand Central Recycling received its high diversion facility status. The first such facility in Southern California.

Page 2 - Solid Waste Consultant Summary

We worked with VVS to transition both existing and new compliance reporting to a compliance software program we created to help the City of Cypress effectively house it Implementation Records and automate a significant portion of compliance monitoring, as well as inspection and enforcement activities required by SB 1383. At this juncture the follow compliance reports are input quarterly by VVS into the compliance reporting software:

Collected Tons – by program type and facilities used.
Customer Compliance – by customer type and showing SB 1383, AB 341, and AB 1826 compliance levels.
Route Reviews – showing routes covered, containers inspected, and contamination identifies by collection route types.
Education & Outreach – quantifying various materials distributed in a report that references and attaches a copy of the actual print or electronic media used.
C&D Projects – showing projects services, diversion rates achieved, and identifying any project that failed to divert 65% of the waste generated.

To support the required Edible Food Recovery Program, 2024 activity included multiple site visits to all edible food generators falling under SB 1383 requirements (13 generators with 9 brought into compliance). Program support activities included:

- Confirmed written agreements are in place.
- Identified collection organizations operating in the City and their donation acceptance capacity available to the City.
- Provided required annual education material.
- Performed required annual inspections of each current program.
- Identified edible food recovery organizations and pantries operating in the City and established their capacity to accept donations.
- Compiled organization contact information for City website.

At this juncture, the 4 generators who remain out of compliance (all were required to implement programs in 2024) have been provided 60-day notices to comply and are expected to be brought into compliance in April, prior to our annual CalRecycle site visit.

We transitioned all edible food program data into the CityGreen Connect software program and organized all inspection reports and other documents into the City's Implementation Records.

We did this same transition for the City's waiver program and contamination inspections. Created new tools and compliant tracking systems for receiving compliance, performing required inspections, and to properly track required enforcement actions. We also developed planning tools and a procurement recording system to tracks annual compliance by converting various procurement types into the ton-equivalent

measurement used by the State. We made the City aware of new procurement opportunities and outlined activities that are required for 2025.

We have compiled all 2024 records needed for upcoming CalRecycle site visits and annual compliance reporting, in the software program. This will make the State's inspection of records process very simple and straightforward, as the City can now just simply grant them online access to review all program records. In addition, the City can now run multiple reports online to gather information to complete its annual compliance reporting obligations.

In Summary, CY 2024 saw the City come into full compliance with collection program provision and program contamination review requirements, CalGreen monitoring of franchise hauler collections, education of all waste generators and inspections of all edible food recovery programs, and establishment of required capacity for organic waste and edible food programs.

Additional consultant activities in 2024 included:

- Assistance and final reporting on the OWR-1 grant.
- Assistance on final budget modifications for new OWR-4 grant.
- Non-compliance notice delivery and site visits to 55 businesses and 14 multi-family properties that were out-of-compliance with SB 1383 collection programs for organic waste.
- Site inspections at 32 businesses claiming compliance through 3rd Party recycling programs.
- Provided new Self-Haul Permit system structure, fees and implementation guidance what we believe provides expanded oversite of collectors to improve SB 1383 compliance.
- Reviewed and provided updates and opinions of the County's proposed WISE agreement.

CITY OF CYPRESS

CITY COUNCIL REPORT

City Council Regular **6.**

FROM: Alicia Velasco, Planning Director

DATE: 03/24/2025

SUBJECT: **Receive and File the 2024 General Plan Annual Progress Report on the Implementation of the Housing Element**

RECOMMENDATION

Receive and file the 2024 General Plan Annual Progress Report on the implementation of the Housing Element.

DISCUSSION

Background

California Government Code Section 65400 requires that cities submit an annual report to the State Office of Planning and Research (OPR) and the Department of Housing and Community Development (HCD) that provides the progress of Housing Element implementation. Cities must also submit a General Plan Annual Progress Report to HCD and OPR. The attached report satisfies both requirements.

General Plan Status

The City Council adopted the General Plan on September 10, 2001. It contains the seven State- required elements plus three optional elements:

General Plan Elements	Last Revised
Land Use	February 2025
Circulation	September 2021
Housing	June 2022
Conservation/Open Space/Recreation (combined)	September 2021
Safety	October 2013
Noise	September 2021
Optional: Air Quality	September 2021
Optional: Growth Management	September 2021
Optional: Implementation	September 2021

Cities are required to keep their General Plans current and internally consistent. There is no requirement to comprehensively update the General Plan. However, recent State legislation requires certain individual elements be updated. The Safety Element is required to be updated on a similar cycle to the Housing Element. Open Space/Conservation Element and Circulation Element updates are required within the next three years to address state mandates related to air quality and climate resilience.

Land Use Element
There were no amendments to the General Plan Land Use Element, nor were there any land use designation changes on individual properties. There were no amendments to the Zoning Ordinance of the Municipal Code which could affect consistency with the Land Use Element, nor were there any zone changes on properties.

In November 2024, voters ratified an amended Cypress Town Center and Commons Specific Plan (CTCC) to increase the number of residential units permitted in the specific plan area. The amended CTCC triggered necessary amendments to the Land Use Element to ensure consistency with the Housing Element and CTCC, which were approved by City Council on February 24, 2025.

The City Council approved an ordinance amending the McDonnell Center Specific Plan on November 18, 2024, to address allowable building square footage and expand light industrial uses. These amendments were consistent with the Land Use Element.

Housing Element
HCD certified the 2021-2029 Housing Element on September 9, 2022. This report is for calendar year 2024, which is the third reporting year of the housing element cycle.

Having a certified Housing Element makes the City eligible for State housing grants/programs and provides protection against housing-related lawsuits. Cypress' Regional Housing Need Assessment (RHNA) for the 2021-2029 Housing Element cycle is 3,936 units.

In 2024, the City processed:

Housing Permit Processing Stage	Applications	Units
Housing entitlement applications received and deemed complete	29	48
Housing entitlement applications approved	29	48
Housing permits issued	47	54
Housing units completed	NA	73

Below is a summary of the 2021-2029 Housing Element cycle totals, which count toward the City’s RHNA based on income level:

Income Level	2021-2029 RHNA	Units-to-Date (2021-2024)	Remaining
Very Low	1,150	21	1,129
Low	657	0	657

Moderate	623	45	578
Above Moderate	1,506	464	1,042
Total	**3,936**	**530**	**3,406**

Other General Plan Element Amendments
There were no amendments to the other elements of the General Plan. The City continues to implement the goals and policies of all General Plan elements.

Alternative Action:
Provide further direction.

BUDGET IMPACT
None.

LEGAL REVIEW
None required.

APPROVED BY: Peter Grant, City Manager

Attachments

2024 Annual Progress Report

Please Start Here

General Information	
Jurisidiction Name	Cypress
Reporting Calendar Year	2024
Contact Information	
First Name	Alicia
Last Name	Velasco
Title	Planning Director
Email	avelasco@cypressca.org
Phone	7142296720
Mailing Address	
Street Address	5275 Orange Avenue
City	Cypress
Zipcode	90630

Optional: Click here to import last year's data. This is best used when the workbook is new and empty. You will be prompted to pick an old workbook to import from. Project and program data will be copied exactly how it was entered in last year's form and must be updated. If a project is no longer has any reportable activity, you may delete the project by selecting a cell in the row and typing ctrl + d.

Click here to download APR Instructions

Click here to add rows to a table. If you add too many rows, you may select a cell in the row you wish to remove and type ctrl + d.

v_02_12_25

Optional: This runs a macro which checks to ensure all required fields are filled out. The macro will create two files saved in the same directory this APR file is saved in. One file will be a copy of the APR with highlighted cells which require information. The other file will be list of the problematic cells, along with a description of the nature of the error.

Optional: Save before running. This copies data on Table A2, and creates another workbook with the table split across 4 tabs, each of which can fit onto a single page for easier printing. Running this macro will remove the comments on the column headers, which contain the instructions. Do not save the APR file after running in order to preserve comments once it is

Optional: This macro identifies dates entered that occurred outside of the reporting year. RHNA credit is only given for building permits issued during the reporting year.

Link to the online system: https://hcd.my.site.com/hcdconnect

Toggles formatting that turns cells green/yellow/red based on data validation rules.

Submittal Instructions

Please save your file as Jurisdictionname2024 (no spaces). Example: the city of San Luis Obispo would save their file as SanLuisObispo2024

Housing Element Annual Progress Reports (APRs) forms and tables must be submitted to HCD and the Governor's Office of Planning and Research (OPR) on or before April 1 of each year for the prior calendar year; submit separate reports directly to both HCD and OPR pursuant to Government Code section 65400. There are two options for submitting APRs:

1. **Online Annual Progress Reporting System - Please see the link to the online system to the left.** This allows you to upload the completed APR form into directly into HCD's database limiting the risk of errors. If you would like to use the online system, email APR@hcd.ca.gov and HCD will send you the login information for your jurisdiction. *Please note: Using the online system only provides the information to HCD. The APR must still be submitted to OPR. Their email address is opr.apr@opr.ca.gov.*

2. **Email -** If you prefer to submit via email, you can complete the excel Annual Progress Report forms and submit to HCD at APR@hcd.ca.gov and to OPR at opr.apr@opr.ca.gov. Please send the Excel workbook, not a scanned or PDF copy of the tables.

Jurisdiction	Cypress	
Reporting Year	2024	(Jan. 1 - Dec. 31)
Housing Element Planning Period	6th Cycle	10/15/2021 - 10/15/2029

Building Permits Issued by Affordability Summary		
Income Level		**Current Year**
Very Low	Deed Restricted	2
	Non-Deed Restricted	2
Low	Deed Restricted	0
	Non-Deed Restricted	0
Moderate	Deed Restricted	44
	Non-Deed Restricted	0
Above Moderate		6
Total Units		**54**

Note: Units serving extremely low-income households are included in the very low-income

Units by Structure Type	**Entitled**	**Permitted**	**Completed**
Single-family Attached	20	44	66
Single-family Detached	0	0	0
2 to 4 units per structure	0	0	0
5+ units per structure	0	8	0
Accessory Dwelling Unit	0	2	7
Mobile/Manufactured Home	0	0	0
Total	**20**	**54**	**73**

Infill Housing Developments and Infill Units Permitted	**# of Projects**	**Units**
Indicated as Infill	3	10
Not Indicated as Infill	44	44

Housing Applications Summary	
Total Housing Applications Submitted:	29
Number of Proposed Units in All Applications Received:	48
Total Housing Units Approved:	1
Total Housing Units Disapproved:	0

Use of SB 423 Streamlining Provisions - Applications	
Number of SB 423 Streamlining Applications	0
Number of SB 423 Streamlining Applications Approved	0

Units Constructed - SB 423 Streamlining Permits			
Income	**Rental**	**Ownership**	**Total**
Very Low	0	0	0
Low	0	0	0
Moderate	0	0	0
Above Moderate	0	0	0
Total	**0**	**0**	**0**

Streamlining Provisions Used - Permitted Units	**# of Projects**	**Units**
SB 9 (2021) - Duplex in SF Zone	0	0
SB 9 (2021) - Residential Lot Split	0	0
AB 2011 (2022)	0	0
SB 6 (2022)	0	0
SB 423 (2023)	0	0

Ministerial and Discretionary Applications	**# of**	**Units**
Ministerial	28	28
Discretionary	1	20

Density Bonus Applications and Units Permitted	
Number of Applications Submitted Requesting a Density Bonus	1
Number of Units in Applications Submitted Requesting a Density Bonus	20
Number of Projects Permitted with a Density Bonus	1
Number of Units in Projects Permitted with a Density Bonus	8

Housing Element Programs Implemented and Sites Rezoned	**Count**
Programs Implemented	20
Sites Rezoned to Accommodate the RHNA	0

Jurisdiction	Cypress	
Reporting Year	2024	(Jan. 1 - Dec. 31)
Planning Period	6th Cycle	10/15/2021 - 10/15/2029

ANNUAL ELEMENT PROGRESS REPORT

Housing Element Implementation

Note: "+" indicates an optional field

Cells in grey contain auto-calculation formulas

Table A
Housing Development Applications Submitted

Project Identifier					Unit Types		Date Application Submitted	Proposed Units - Affordability by Household Incomes								Total Approved Units by Project	Total Disapproved Units by Project	Streamlining	Density Bonus Law Applications		Application Status	Project Type	Notes
1					2	3	4	5							6	7	8	9	10		11	12	13
Prior APN+	Current APN	Street Address	Project Name+	Local Jurisdiction Tracking ID	Unit Category (SFA,SFD,2 to 4,5+,ADU,MH)	Tenure R=Renter O=Owner	Date Application Submitted (see instructions)	Very Low-Income Deed Restricted	Very Low-Income Non Deed Restricted	Low-Income Deed Restricted	Low-Income Non Deed Restricted	Moderate-Income Deed Restricted	Moderate-Income Non Deed Restricted	Above Moderate-Income	Total PROPOSED Units by Project	Total APPROVED Units by project	Total DISAPPROVED Units by Project	Please select state streamlining provision/s the application was submitted pursuant to.	Did the housing development application seek incentives or concessions pursuant to Government Code section 65915?	Were incentives or concessions requested pursuant to Government Code section 65915 approved?	Please indicate the status of the application.	Is the project considered a ministerial project or discretionary project?	Notes+
Summary Row: Start Data Entry Below								0	22	5	0	2	3	16	48	1	0						
242-126-16	242-126-16	4234 Marion Ave.	ADU	BS-24-65	ADU	O	1/15/2024		1						1	1		NONE	No	No	Approved	Ministerial	
241-141-08	241-141-08	5753 Marion Cir.	ADU	BS-24-88	ADU	O	1/19/2024		1						1			NONE	No	No	Pending	Ministerial	Pending applicant's plan check resubmittal
262-432-09	262-432-09	5428 Delong St.	ADU	BS-24-135	ADU	R	1/31/2024		1						1			NONE	No	No	Approved	Ministerial	
262-432-09	262-432-09	5430 Delong St.	ADU	BS-24-135	ADU	R	1/31/2024		1						1			NONE	No	No	Approved	Ministerial	
244-042-08	244-042-08	4593 Newman Ave.	ADU	BS-24-175	ADU	O	2/6/2024		1						1			NONE	No	No	Approved	Ministerial	
244-031-07	244-031-07	4933 Merten Ave.	ADU	BS-24-185	ADU	R	2/8/2024		1						1			NONE	No	No	Approved	Ministerial	
241-154-14	241-154-14	5503 Cathy Cir.	ADU	BS-24-195	ADU	R	2/12/2024		1						1			NONE	No	No	Approved	Ministerial	
242-124-10	242-124-10	10273 Pimlico Dr.	ADU	BS-24-208	ADU	O	2/14/2024		1						1			NONE	No	No	Approved	Ministerial	
134-525-11	134-525-11	9813 Holder St.	ADU	BS-24-293	ADU	R	3/5/2024		1						1			NONE	No	No	Pending	Ministerial	
242-133-15	242-133-15	10314 Ethel St.	ADU	BS-24-400	ADU	R	3/29/2024		1						1			NONE	No	No	Pending	Ministerial	
242-133-15	242-133-15	10316 Ethel St.	ADU	BS-24-449	ADU	R	4/8/2024		1						1			NONE	No	No	Pending	Ministerial	
244-044-28	244-044-28	4524 Newman Ave.	ADU	BS-24-558	ADU	R	4/21/2024		1						1			NONE	No	No	Pending	Ministerial	
262-271-24	262-271-24	8426 Gay St.	ADU	BS-24-592	ADU	R	4/27/2024		1						1			NONE	No	No	Approved	Ministerial	
242-025-20	242-025-20	10194 Mardel Dr.	ADU	BS-24-978	ADU	O	6/25/2024		1						1			NONE	No	No	Approved	Ministerial	
134-142-09	134-142-09	9372 Valley View St.	ADU	BS-24-1102	ADU	R	7/3/2024						1		1			NONE	No	No	Approved	Ministerial	
244-511-13	244-511-13	9253 Graham Cr.	ADU	BS-24-1500	ADU	O	8/9/2024		1						1			NONE	No	No	Approved	Ministerial	
244-641-29	244-641-29	4654 Amalfi St.	ADU	BS-24-1524	ADU	R	8/15/2024		1						1			NONE	No	No	Approved	Ministerial	
244-512-13	244-512-13	5644 Karen Ave.	ADU	BS-24-1535	ADU	R	8/18/2024						1		1			NONE	No	No	Pending	Ministerial	
262-462-23	262-462-23	5675 Vonnie Ln.	ADU	BS-24-1584	ADU	R	8/28/2024						1		1			NONE	No	No	Approved	Ministerial	
224-062-05	224-062-05	11574 Luzon St.	ADU	BS-24-1620	ADU	R	9/4/2024		1						1			NONE	No	No	Pending	Ministerial	
262-431-44	262-431-44	8703 Walker St.	ADU	BS-24-1665	ADU	R	9/11/2024		1						1			NONE	No	No	Approved	Ministerial	
262-355-16	262-355-16	8814 Belday St.	ADU	BS-24-1740	ADU	R	9/23/2024					1			1			NONE	No	No	Approved	Ministerial	
262-251-08	262-251-08	8333 Monique Way	ADU	BS-24-1763	ADU	R	9/25/2024		1						1			NONE	No	No	Pending	Ministerial	
262-472-22	262-472-22	5604 Danny Ave	ADU	BS-24-1856	ADU	R	10/14/2024		1						1			NONE	No	No	Approved	Ministerial	
242-061-22	242-061-22	10493 Christopher St.	ADU	BS-24-1960	ADU	O	11/5/2024		1						1			NONE	No	No	Pending	Ministerial	
242-344-14	242-344-14	10324 Barbara Anne St.	ADU	BS-24-2122	ADU	R	12/14/2024		1						1			NONE	No	No	Pending	Ministerial	
262-462-23	262-462-23	5673 Vonnie Ln.	ADU	BS-24-1744	SFD	R	9/24/2024					1			1			NONE	No	No	Approved	Ministerial	
244-472-09	244-472-09	5732 Lincoln Ave.	Lincoln & Los Altos	CUP#2024-03/ TTM#19339	5+	O	9/22/2024			5				15	20			NONE	Yes	Yes	Approved	Discretionary	
244-512-13	244-512-13	5646 Karen Ave.	Trang Ho	BS-24-1656	SFD	O	9/10/2024							1	1			SB 9 (2021) - Duplex in SF Zone	No	No	Approved	Ministerial	

Jurisdiction	Cypress	
Reporting Year	2024	(Jan. 1 - Dec. 31)
Planning Period	6th Cycle	10/15/2021 - 10/15/2029

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation

Note: "+" indicates an optional field

Cells in grey contain auto-calculation formulas

Table A2
Annual Building Activity Report Summary - New Construction, Entitled, Permits and Completed Units

Project Identifier (1): Prior APN+	Project Identifier (1): Current APN	Project Identifier (1): Street Address	Project Identifier (1): Project Name+	Project Identifier (1): Local Jurisdiction Tracking ID	Unit Types (2): Unit Category (SFA,SFD,2 to 4,5+,ADU,MH)	Unit Types (3): Tenure R=Renter O=Owner	Completed Entitlement (4): Very Low-Income Deed Restricted	Completed Entitlement (4): Very Low-Income Non Deed Restricted	Completed Entitlement (4): Low-Income Deed Restricted	Completed Entitlement (4): Low-Income Non Deed Restricted	Completed Entitlement (4): Moderate-Income Deed Restricted	Completed Entitlement (4): Moderate-Income Non Deed Restricted	Completed Entitlement (4): Above Moderate-Income	(5) Entitlement Date Approved	(6) # of Units issued Entitlements	Building Permits (7): Very Low-Income Deed Restricted	Building Permits (7): Very Low-Income Non Deed Restricted	Building Permits (7): Low-Income Deed Restricted	Building Permits (7): Low-Income Non Deed Restricted	Building Permits (7): Moderate-Income Deed Restricted	Building Permits (7): Moderate-Income Non Deed Restricted	Building Permits (7): Above Moderate-Income	(8) Building Permits Date Issued	(9) # of Units Issued Building Permits	Certificates of Occupancy (10): Very Low-Income Deed Restricted	Certificates of Occupancy (10): Very Low-Income Non Deed Restricted	Certificates of Occupancy (10): Low-Income Deed Restricted	Certificates of Occupancy (10): Low-Income Non Deed Restricted	Certificates of Occupancy (10): Moderate-Income Deed Restricted	Certificates of Occupancy (10): Moderate-Income Non Deed Restricted	Certificates of Occupancy (10): Above Moderate-Income	(11) Certificates of Occupancy or other forms of readiness (see instructions) Date Issued	(12) # of Units issued Certificates of Occupancy or other forms of readiness	(13) How many of the units were Extremely Low Income?	Streamlining (14): Please select the state streamlining provision the project was APPROVED pursuant to. (may select multiple)	Infill (15): Infill Units? Y/N+	Housing with Financial Assistance and/or Deed Restrictions (16): Assistance Programs for Each Development (may select multiple - see instructions)	Housing with Financial Assistance and/or Deed Restrictions (17): Deed Restriction Type (may select multiple - see instructions)	Housing without Financial Assistance or Deed Restrictions (18): For units affordable without financial assistance or deed restrictions, explain how the locality determined the units were affordable (see instructions)	Term of Affordability or Deed Restriction (19): Term of Affordability or Deed Restriction (years) (if affordable in perpetuity enter 1000)+	Demolished/Destroyed Units (20): Number of Demolished/Destroyed Units	Demolished/Destroyed Units (20): Demolished or Destroyed Units	Demolished/Destroyed Units (20): Demolished/Destroyed Units Owner or Renter	Density Bonus (21): Total Density Bonus Applied to the Project (Percentage Increase in Total Allowable Units or Total Maximum Allowable Residential Gross Floor Area)	Density Bonus (22): Number of Other Incentives, Concessions, Waivers, or Other Modifications Given to the Project (Excluding Parking Waivers or Parking Reductions)	Density Bonus (23): List the incentives, concessions, waivers, and modifications (Excluding Parking Waivers or Parking Modifications)	Density Bonus (24): Did the project receive a reduction or waiver of parking standards? (Y/N)	Notes (25): Notes+
Summary Row: Start Data Entry Below							0	0	5	0	0	0	15		20	2	2	0	0	44	0	6		54	0	7	0	0	18	0	48		73	0							2							
244-092-30	244-092-30	5000 Clementine Ln.	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O					1			10/25/2021	1					1			3/20/2024	1					1			11/22/2024	1	0	NONE	N		Other		1000								98-unit project
244-092-30	244-092-30	5006 Clementine Ln.	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O					1			10/25/2021	1					1			3/20/2024	1					1			11/22/2024	1	0	NONE	N		Other		1000								98-unit project
244-092-30	244-092-30	5008 Clementine Ln.	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O					1			10/25/2021	1					1			3/20/2024	1					1			11/22/2024	1	0	NONE	N		Other		1000								98-unit project
244-092-30	244-092-30	5010 Clementine Ln.	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O					1			10/25/2021	1					1			3/20/2024	1					1			11/22/2024	1	0	NONE	N		Other		1000								98-unit project
244-092-30	244-092-30	5012 Clementine Ln.	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O					1			10/25/2021	1					1			3/20/2024	1					1			11/21/2024	1	0	NONE	N		Other		1000								98-unit project
244-092-30	244-092-30	6001 Clementine Ln.	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O					1			10/25/2021	1					1			3/20/2024	1					1			11/21/2024	1	0	NONE	N		Other		1000								98-unit project
244-092-30	244-092-30	6003 Clementine Ln.	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O					1			10/25/2021	1					1			3/20/2024	1					1			11/21/2024	1	0	NONE	N		Other		1000								98-unit project
244-092-30	244-092-30	6005 Clementine Ln.	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O					1			10/25/2021	1					1			3/20/2024	1					1			11/21/2024	1	0	NONE	N		Other		1000								98-unit project
244-092-30	244-092-30	6007 Clementine Ln.	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O					1			10/25/2021	1					1			3/20/2024	1					1			11/21/2024	1	0	NONE	N		Other		1000								98-unit project
244-092-30	244-092-30	6009 Clementine Ln.	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O					1			10/25/2021	1					1			3/20/2024	1					1			11/21/2024	1	0	NONE	N		Other		1000								98-unit project
244-092-30	244-092-30	6011 Clementine Ln.	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O					1			10/25/2021	1					1			3/20/2024	1					1			11/18/2024	1	0	NONE	N		Other		1000								98-unit project
244-092-30	244-092-30	6017 Clementine Ln.	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O					1			10/25/2021	1					1			3/20/2024	1					1			11/18/2024	1	0	NONE	N		Other		1000								98-unit project
244-092-30	244-092-30	6019 Clementine Ln.	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O					1			10/25/2021	1					1			3/20/2024	1					1			11/18/2024	1	0	NONE	N		Other		1000								98-unit project
244-092-30	244-092-30	6021 Clementine Ln.	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O					1			10/25/2021	1					1			3/20/2024	1					1			11/18/2024	1	0	NONE	N		Other		1000								98-unit project
244-092-30	244-092-30	6023 Clementine Ln.	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O					1			10/25/2021	1					1			3/20/2024	1					1			11/18/2024	1	0	NONE	N		Other		1000								98-unit project
244-092-30	244-092-30	6025 Clementine Ln.	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O					1			10/25/2021	1					1			3/20/2024	1					1			11/18/2024	1	0	NONE	N		Other		1000								98-unit project
244-092-30	244-092-30	6027 Clementine Ln.	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O					1			10/25/2021	1					1			3/20/2024	1					1			11/18/2024	1	0	NONE	N		Other		1000								98-unit project
244-092-30	244-092-30	7003 Citron Ln.	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O							1	10/25/2021	1							1	5/2/2023	1							1	2/22/2024	1	0	NONE	N												98-unit project
244-092-30	244-092-30	7005 Citron Ln.	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O							1	10/25/2021	1							1	5/2/2023	1							1	2/22/2024	1	0	NONE	N												98-unit project
244-092-30	244-092-30	7007 Citron Ln.	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O							1	10/25/2021	1							1	5/2/2023	1							1	2/22/2024	1	0	NONE	N												98-unit project
244-092-30	244-092-30	7009 Citron Ln.	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O							1	10/25/2021	1							1	5/2/2023	1							1	2/22/2024	1	0	NONE	N												98-unit project
244-092-30	244-092-30	7011 Citron Ln.	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O							1	10/25/2021	1							1	5/2/2023	1							1	2/22/2024	1	0	NONE	N												98-unit project
244-092-30	244-092-30	7013 Citron Ln.	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O							1	10/25/2021	1							1	5/2/2023	1							1	2/22/2024	1	0	NONE	N												98-unit project
244-092-30	244-092-30	7002 Citron Ln.	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O							1	10/25/2021	1							1	5/2/2023	1							1	2/22/2024	1	0	NONE	N												98-unit project
244-092-30	244-092-30	7006 Citron Ln.	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O							1	10/25/2021	1							1	5/2/2023	1							1	2/22/2024	1	0	NONE	N												98-unit project
244-092-30	244-092-30	7008 Citron Ln.	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O							1	10/25/2021	1							1	5/2/2023	1							1	2/22/2024	1	0	NONE	N												98-unit project
244-092-30	244-092-30	7010 Citron Ln.	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O							1	10/25/2021	1							1	5/2/2023	1							1	2/22/2024	1	0	NONE	N												98-unit project
244-092-30	244-092-30	7012 Citron Ln.	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O							1	10/25/2021	1							1	5/2/2023	1							1	2/22/2024	1	0	NONE	N												98-unit project
244-092-30	244-092-30	7016 Citron Ln.	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O							1	10/25/2021	1							1	5/2/2023	1							1	2/22/2024	1	0	NONE	N												98-unit project
244-092-30	244-092-30	9001 Cerise Ln. #101	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O							1	10/25/2021	1							1	5/2/2023	1							1	5/23/2024	1	0	NONE	N												98-unit project
244-092-30	244-092-30	9001 Cerise Ln. #102	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O							1	10/25/2021	1							1	5/2/2023	1							1	5/23/2024	1	0	NONE	N												98-unit project
244-092-30	244-092-30	9001 Cerise Ln. #103	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O							1	10/25/2021	1							1	8/9/2022	1							1	5/23/2024	1	0	NONE	N												98-unit project
244-092-30	244-092-30	9001 Cerise Ln. #104	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O							1	10/25/2021	1							1	8/9/2022	1							1	5/23/2024	1	0	NONE	N												98-unit project
244-092-30	244-092-30	9001 Cerise Ln. #105	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O							1	10/25/2021	1							1	8/9/2022	1							1	5/23/2024	1	0	NONE	N												98-unit project
244-092-30	244-092-30	9001 Cerise Ln. #107	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O							1	10/25/2021	1							1	8/9/2022	1							1	5/23/2024	1	0	NONE	N												98-unit project
244-092-30	244-092-30	9001 Cerise Ln. #109	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O							1	10/25/2021	1							1	8/9/2022	1							1	5/23/2024	1	0	NONE	N												98-unit project
244-092-30	244-092-30	9001 Cerise Ln. #110	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O							1	10/25/2021	1							1	8/9/2022	1							1	5/23/2024	1	0	NONE	N												98-unit project
244-092-30	244-092-30	9001 Cerise Ln. #111	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O							1	10/25/2021	1							1	8/9/2022	1							1	5/23/2024	1	0	NONE	N												98-unit project
244-092-30	244-092-30	9001 Cerise Ln. #115	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O							1	10/25/2021	1							1	8/9/2022	1							1	5/23/2024	1	0	NONE	N												98-unit project
244-092-30	244-092-30	9001 Cerise Ln. #201	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O							1	10/25/2021	1							1	8/9/2022	1							1	5/23/2024	1	0	NONE	N												98-unit project
244-092-30	244-092-30	9001 Cerise Ln. #202	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O							1	10/25/2021	1							1	8/9/2022	1							1	7/2/2024	1	0	NONE	N												98-unit project
244-092-30	244-092-30	9002 Cerise Ln. #203	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O							1	10/25/2021	1							1	8/9/2022	1							1	7/15/2024	1	0	NONE	N												98-unit project
244-092-30	244-092-30	9003 Cerise Ln. #204	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O							1	10/25/2021	1							1	8/9/2022	1							1	7/2/2024	1	0	NONE	N												98-unit project
244-092-30	244-092-30	9004 Cerise Ln. #205	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O							1	10/25/2021	1							1	8/9/2022	1							1	7/11/2024	1	0	NONE	N												98-unit project
244-092-30	244-092-30	9005 Cerise Ln. #207	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O							1	10/25/2021	1							1	8/9/2022	1							1	7/2/2024	1	0	NONE	N												98-unit project
244-092-30	244-092-30	9006 Cerise Ln. #209	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O							1	10/25/2021	1							1	8/9/2022	1							1	7/11/2024	1	0	NONE	N												98-unit project
244-092-30	244-092-30	9007 Cerise Ln. #210	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O							1	10/25/2021	1							1	8/9/2022	1							1	7/2/2024	1	0	NONE	N												98-unit project
244-092-30	244-092-30	9008 Cerise Ln. #211	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O							1	10/25/2021	1							1	8/9/2022	1							1	7/11/2024	1	0	NONE	N												98-unit project
244-092-30	244-092-30	9009 Cerise Ln. #212	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O							1	10/25/2021	1							1	8/9/2022	1							1	7/11/2024	1	0	NONE	N												98-unit project
244-092-30	244-092-30	9010 Cerise Ln. #213	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O							1	10/25/2021	1							1	8/9/2022	1							1	7/11/2024	1	0	NONE	N												98-unit project
244-092-30	244-092-30	9011 Cerise Ln. #214	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O							1	10/25/2021	1							1	8/9/2022	1							1	7/11/2024	1	0	NONE	N												98-unit project
244-092-30	244-092-30	9012 Cerise Ln. #215	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O							1	10/25/2021	1							1	8/9/2022	1							1	7/2/2024	1	0	NONE	N												98-unit project
241-09-36,-40	241-09-36,-40	5006 Belmont Ln.	Town Center-Melia	SPR#2021-02/ TTM#19114	SFA	O							1	5/10/2021	1							1	2/10/2022	1							1	1/9/2024	1	0	NONE	N												Unit 71 of 135
241-09-36,-40	241-09-36,-40	5012 Belmont Ln.	Town Center-Melia	SPR#2021-02/ TTM#19114	SFA	O							1	5/10/2021	1							1	2/10/2022	1							1	1/4/2024	1	0	NONE	N												Unit 74 of 135
241-09-36,-40	241-09-36,-40	5015 Belmont Ln.	Town Center-Melia	SPR#2021-02/ TTM#19114	SFA	O							1	5/10/2021	1							1	5/18/2023	1							1	3/20/2024	1	0	NONE	N												Unit 1 of 135
241-09-36,-40	241-09-36,-40	5017 Belmont Ln.	Town Center-Melia	SPR#2021-02/ TTM#19114	SFA	O							1	5/10/2021	1							1	5/18/2023	1							1	3/20/2024	1	0	NONE	N												Unit 2 of 135
241-09-36,-40	241-09-36,-40	5018 Belmont Ln.	Town Center-Melia	SPR#2021-02/ TTM#19114	SFA	O							1	5/10/2021	1							1	5/18/2023	1							1	2/15/2024	1	0	NONE	N												Unit 75 of 135
241-09-36,-40	241-09-36,-40	5019 Belmont Ln.	Town Center-Melia	SPR#2021-02/ TTM#19114	SFA	O							1	5/10/2021	1							1	5/18/2023	1							1	3/20/2024	1	0	NONE	N												Unit 3 of 135
241-09-36,-40	241-09-36,-40	5020 Belmont Ln.	Town Center-Melia	SPR#2021-02/ TTM#19114	SFA	O							1	5/10/2021	1							1	5/18/2023	1							1	2/15/2024	1	0	NONE	N												Unit 76 of 135
241-09-36,-40	241-09-36,-40	5021 Belmont Ln.	Town Center-Melia	SPR#2021-02/ TTM#19114	SFA	O							1	5/10/2021	1							1	5/18/2023	1							1	3/20/2024	1	0	NONE	N												Unit 4 of 135
241-09-36,-40	241-09-36,-40	5022 Belmont Ln.	Town Center-Melia	SPR#2021-02/ TTM#19114	SFA	O							1	5/10/2021	1							1	5/18/2023	1							1	2/15/2024	1	0	NONE	N												Unit 77 of 135
241-09-36,-40	241-09-36,-40	5023 Belmont Ln.	Town Center-Melia	SPR#2021-02/ TTM#19114	SFA	O							1	5/10/2021	1							1	5/18/2023	1							1	3/20/2024	1	0	NONE	N												Unit 5 of 135
241-09-36,-40	241-09-36,-40	5026 Belmont Ln.	Town Center-Melia	SPR#2021-02/ TTM#19114	SFA	O							1	5/10/2021	1							1	5/18/2023	1							1	2/15/2024	1	0	NONE	N												Unit 78 of 135
241-09-36,-40	241-09-36,-40	5028 Belmont Ln.	Town Center-Melia	SPR#2021-02/ TTM#19114	SFA	O							1	5/10/2021	1							1	5/18/2023	1							1	2/15/2024	1	0	NONE	N												Unit 79 of 135
241-09-36,-40	241-09-36,-40	5029 Belmont Ln.	Town Center-Melia	SPR#2021-02/ TTM#19114	SFA	O							1	5/10/2021	1							1	5/18/2023	1							1	2/29/2024	1	0	NONE	N												Unit 6 of 135
244-532-14	244-532-14	5882 Lemon Ave	ADU	BS-22-2024	ADU	R			1					12/22/2022	1		1						5/21/2024	1		1						10/31/2024	1	0	NONE	Y			Rents verify survey		0							New 2nd SFD on MFR Lot
262-471-10	262-471-10	5612 Vonnie Ln.	ADU	BS-23-1727	ADU	R			1					11/20/2023	1		1						4/17/2024	1		1						9/11/2024	1	0	NONE	Y			Rents verify survey		0							New 2nd SFD on SFR Lot
	262-353-04	262-353-04	ADU	BS-23-1462	ADU	R			1					9/21/2023	1		1						11/20/2023	1		1						5/6/2024	1	0	NONE	Y			Rents verify survey		0							New 2nd SFD on MFR Lot
	262-321-22	262-321-22	ADU	BS-23-1186	ADU	R			1					7/27/2023	1		1						10/9/2023	1		1						8/22/2024	1	0	NONE	Y			Rents verify survey		0							New 2nd SFD on SFR Lot
	134-541-02	134-541-02	ADU	BS-23-448	ADU	R			1					9/4/2023	1		1						5/31/2023	1		1						2/27/2024	1	0	NONE	Y			Rents verify survey		0							New 2nd SFD on SFR Lot
	262-322-05	262-322-05	ADU	BS-23-217	ADU	O			1					2/17/2023	1		1						9/19/2023	1		1						9/11/2024	1	0	NONE	Y			Rents verify survey		0							New 2nd SFD on MFR Lot
	244-262-13	244-462-13	ADU	BS-22-997	ADU	R			1					7/22/2022	1		1						6/26/2023	1		1						1/18/2024	1	0	NONE	Y			Rents verify survey		0							New 2nd SFD on MFR Lot
244-092-30	244-092-30	5002 Clementine Ln.	Citrus-Square-Melia	CUP#2021-03/ TTM#19147	SFA	O							1	10/25/2021	1					1			3/20/2024	1					1			11/21/2024	1	0	NONE	N		Other		1000								
244-092-30	244-092-30	9011 Cerise Ln. #117	Citrus-Square-Melia	CUP#2021-03/ TTM#19148	SFA	O					1			10/25/2021	1					1			8/1/2024	1									0	0	NONE	N		Other		1000								
244-092-30	244-092-30	9011 Cerise Ln. #118	Citrus-Square-Melia	CUP#2021-03/ TTM#19149	SFA	O					1			10/25/2021	1					1			8/1/2024	1									0	0	NONE	N		Other		1000								
244-092-30	244-092-30	9011 Cerise Ln. #119	Citrus-Square-Melia	CUP#2021-03/ TTM#19150	SFA	O					1			10/25/2021	1					1			8/1/2024	1									0	0	NONE	N		Other		1000								
244-092-30	244-092-30	9011 Cerise Ln.#120	Citrus-Square-Melia	CUP#2021-03/ TTM#19151	SFA	O					1			10/25/2021	1					1			8/1/2024	1									0	0	NONE	N		Other		1000								
244-092-30	244-092-30	9011 Cerise Ln. #121	Citrus-Square-Melia	CUP#2021-03/ TTM#19152	SFA	O					1			10/25/2021	1					1			8/1/2024	1									0	0	NONE	N		Other		1000								
244-092-30	244-092-30	9011 Cerise Ln. #122	Citrus-Square-Melia	CUP#2021-03/ TTM#19153	SFA	O					1			10/25/2021	1					1			8/1/2024	1									0	0	NONE	N		Other		1000								
244-092-30	244-092-30	9011 Cerise Ln. #123	Citrus-Square-Melia	CUP#2021-03/ TTM#19154	SFA	O					1			10/25/2021	1					1			8/1/2024	1									0	0	NONE	N		Other		1000								
244-092-30	244-092-30	9011 Cerise Ln. #125	Citrus-Square-Melia	CUP#2021-03/ TTM#19155	SFA	O					1			10/25/2021	1					1			8/1/2024	1									0	0	NONE	N		Other		1000								
244-092-30	244-092-30	9011 Cerise Ln. #127	Citrus-Square-Melia	CUP#2021-03/ TTM#19156	SFA	O					1			10/25/2021	1					1			8/1/2024	1									0	0	NONE	N		Other		1000								
244-092-30	244-092-30	9011 Cerise Ln.#128	Citrus-Square-Melia	CUP#2021-03/ TTM#19157	SFA	O					1			10/25/2021	1					1			8/1/2024	1									0	0	NONE	N		Other		1000								
244-092-30	244-092-30	9011 Cerise Ln. #129	Citrus-Square-Melia	CUP#2021-03/ TTM#19158	SFA	O					1			10/25/2021	1					1			8/1/2024	1									0	0	NONE	N		Other		1000								
244-092-30	244-092-30	9011 Cerise Ln. #130	Citrus-Square-Melia	CUP#2021-03/ TTM#19159	SFA	O					1			10/25/2021	1					1			8/1/2024	1									0	0	NONE	N		Other		1000								
244-092-30	244-092-30	9011 Cerise Ln. #131	Citrus-Square-Melia	CUP#2021-03/ TTM#19160	SFA	O					1			10/25/2021	1					1			8/1/2024	1									0	0	NONE	N		Other		1000								
244-092-30	244-092-30	9011 Cerise Ln. #217	Citrus-Square-Melia	CUP#2021-03/ TTM#19161	SFA	O					1			10/25/2021	1					1			8/1/2024	1									0	0	NONE	N		Other		1000								
244-092-30	244-092-30	9011 Cerise Ln. #218	Citrus-Square-Melia	CUP#2021-03/ TTM#19162	SFA	O					1			10/25/2021	1					1			8/1/2024	1									0	0	NONE	N		Other		1000								
244-092-30	244-092-30	9011 Cerise Ln. #219	Citrus-Square-Melia	CUP#2021-03/ TTM#19163	SFA	O					1			10/25/2021	1					1			8/1/2024	1									0	0	NONE	N		Other		1000								
244-092-30	244-092-30	9011 Cerise Ln. #220	Citrus-Square-Melia	CUP#2021-03/ TTM#19164	SFA	O					1			10/25/2021	1					1			8/1/2024	1									0	0	NONE	N		Other		1000								
244-092-30	244-092-30	9011 Cerise Ln. #221	Citrus-Square-Melia	CUP#2021-03/ TTM#19165	SFA	O					1			10/25/2021	1					1			8/1/2024	1									0	0	NONE	N		Other		1000								
244-092-30	244-092-30	9011 Cerise Ln. #222	Citrus-Square-Melia	CUP#2021-03/ TTM#19166	SFA	O					1			10/25/2021	1					1			8/1/2024	1									0	0	NONE	N		Other		1000								
244-092-30	244-092-30	9011 Cerise Ln. #223	Citrus-Square-Melia	CUP#2021-03/ TTM#19167	SFA	O					1			10/25/2021	1					1			8/1/2024	1									0	0	NONE	N		Other		1000								
244-092-30	244-092-30	9011 Cerise Ln. #224	Citrus-Square-Melia	CUP#2021-03/ TTM#19168	SFA	O					1			10/25/2021	1					1			8/1/2024	1									0	0	NONE	N		Other		1000								
244-092-30	244-092-30	9011 Cerise Ln. #227	Citrus-Square-Melia	CUP#2021-03/ TTM#19169	SFA	O					1			10/25/2021	1					1			8/1/2024	1									0	0	NONE	N		Other		1000								
244-092-30	244-092-30	9011 Cerise Ln. #228	Citrus-Square-Melia	CUP#2021-03/ TTM#19170	SFA	O					1			10/25/2021	1					1			8/1/2024	1									0	0	NONE	N		Other		1000								
244-092-30	244-092-30	9011 Cerise Ln. #229	Citrus-Square-Melia	CUP#2021-03/ TTM#19171	SFA	O					1			10/25/2021	1					1			8/1/2024	1									0	0	NONE	N		Other		1000								
244-092-30	244-092-30	9011 Cerise Ln. #230	Citrus-Square-Melia	CUP#2021-03/ TTM#19172	SFA	O					1			10/25/2021	1					1			8/1/2024	1									0	0	NONE	N		Other		1000								

Jurisdiction	Cypress	
Reporting Year	2024	(Jan. 1 - Dec. 31)
Planning Period	6th Cycle	10/15/2021 - 10/15/2029

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Note: "+" indicates an optional field

Cells in grey contain auto-calculation formulas

244-092-30	244-092-30	9011 Cerise Ln. #231	Citrus-Square-Melia	CUP#2021-03/ TTM#19173	SFA	O					1			10/25/2021	1					1			8/1/2024	1									0	0	NONE	N		Other		1000								
262-311-09	262-311-09	8561 Belmont St.	Belmont 8	CUP#2023-02	5+	R	2						6	4/24/2023	8	2						6	1/11/2024	8									0	0	NONE	Y		DB		55	2	Demolished		50.0%	5	Development Standards Modification	Yes	
244-472-09	244-472-09	5732 Lincoln Ave.	Lincoln & Los Altos	CUP#2024-03/ TTM#19339	SFA	O			5				15	10/28/2024	20									0									0	0	NONE	Y		DB		45				0.0%	3	Development Standards Modification	No	

Jurisdiction	Cypress	
Reporting Year	2024	(Jan. 1 - Dec. 31)
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This table is auto-populated once you enter your jurisdiction name and current year data. Past year information comes from previous APRs.

Please contact HCD if your data is different than the material supplied here

Table B
Regional Housing Needs Allocation Progress
Permitted Units Issued by Affordability

		1	Projection Period	2									3	4
Income Level		**RHNA Allocation by Income Level**	**Projection Period - 06/30/2021-10/14/2021**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**Total Units to Date (all years)**	**Total Remaining RHNA by Income Level**
Very Low	Deed Restricted	1,150	-	-	-	-	2	-	-	-	-	-	21	**1,129**
	Non-Deed Restricted		1	1	7	8	2	-	-	-	-	-		
Low	Deed Restricted	657	-	-	-	-	-	-	-	-	-	-	-	**657**
	Non-Deed Restricted		-	-	-	-	-	-	-	-	-	-		
Moderate	Deed Restricted	623	-	-	-	-	44	-	-	-	-	-	45	**578**
	Non-Deed Restricted		-	-	-	1	-	-	-	-	-	-		
Above Moderate		1,506	1	4	408	45	6	-	-	-	-	-	464	**1,042**
Total RHNA		**3,936**												
Total Units			**2**	**5**	**415**	**54**	**54**	**-**	**-**	**-**	**-**	**-**	**530**	**3,406**

Progress toward extremely low-income housing need, as determined pursuant to Government Code 65583(a)(1).

	5		2021	2022	2023	2024	2025	2026	2027	2028	2029	6	7
	Extremely low-Income Need											**Total Units to Date**	**Total Units Remaining**
Extremely Low-Income Units*	575		-	-	-	-	-	-	-	-	-	**-**	**575**

*Extremely low-income housing need determined pursuant to Government Code 65583(a)(1). Value in Section 5 is default value, assumed to be half of the very low-income RHNA. May be overwritten.

Please Note: Table B does not currently contain data from Table F or Table F2 for prior years. You may login to the APR system to see Table B that contains this data.

Note: units serving extremely low-income households are included in the very low-income RHNA progress and must be reported as very low-income units in section 7 of Table A2. They must also be reported in the extremely low-income category (section 13) in Table A2 to be counted as progress toward meeting the extremely low-income housing need determined pursuant to Government Code 65583(a)(1).

Please note: For the last year of the 5th cycle, Table B will only include units that were permitted during the portion of the year that was in the 5th cycle. For the first year of the 6th cycle, Table B will only include units that were permitted since the start of the planning period. Projection Period units are in a separate column.

Please note: The APR form can only display data for one planning period. To view progress for a different planning period, you may login to HCD's online APR system, or contact HCD staff at apr@hcd.ca.gov.

VLI Deed Restricted
VLI Non Deed Restricted
LI Deed Restricted
LI Non Deed Restricted
MI Deed Restricted
MI Non Deed Restricted
Above Mod Income

Jurisdiction	Cypress	
Reporting Year	2024	(Jan. 1 - Dec. 31)
Planning Period	6th Cycle	10/15/2021 - 10/15/2029

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Note: "+" indicates an optional field

Cells in grey contain auto-calculation formulas

Table C

Sites Identified or Rezoned to Accommodate Shortfall Housing Need and No Net-Loss Law

Project Identifier				Date of Rezone	RHNA Shortfall by Household Income Category				Rezone Type	Sites Description							
1				2	3				4	5	6	7	8		9	10	11
APN	Street Address	Project Name+	Local Jurisdiction Tracking ID+	Date of Rezone	Very Low-Income	Low-Income	Moderate-Income	Above Moderate-Income	Rezone Type	Parcel Size (Acres)	General Plan Designation	Zoning	Minimum Density Allowed	Maximum Density Allowed	Realistic Capacity	Vacant/Nonvacant	Description of Existing Uses
Summary Row: Start Data Entry Below																	

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Jurisdiction	Cypress	
Reporting Year	2024	(Jan. 1 - Dec. 31)

Table D

Program Implementation Status pursuant to GC Section 65583

Housing Programs Progress Report

Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.

1	2	3	4
Name of Program	**Objective**	**Timeframe in H.E**	**Status of Program Implementation**
1. Home Enhancement Loan Program (HELP II)	Assist low- and moderate-income homeowners with the improvement of their homes.	Annual	HELP II Loans were last funded by CDBG to provide assistance to three households during FY 2020/21. The City continues to monitor the administration of the 29 active loans funded to-date.
2. Code Enforcement Program	Bring substandard units into compliance with City codes.	Ongoing	The code enforcement program continues to assure residential conformity to maintenance and building standards. Funding assistance for rehabilitation is offered via Help II Loans. One curbside pick-up event per year and individual curbsite pick-ups for large items on request continue to help neighborhood maintenance efforts.
3. Orange County Partnership Program	Promote resident awareness and application for County-run housing assistance programs (i.e. Section 8 and MCC program).	Ongoing	Information on County housing programs is disseminated by City staff and by advertising on the City's website.
4. Mobile Home Park Preservation	Preserve Cypress' two mobile home parks.	Ongoing	Mobile Home Park Zoning and General Plan designations are maintained in place. Mobile home replacement units & infrastructure improvements are processed as non-discretionary permits.
5. Preservation Of Affordable Housing Units At Risk Of Conversion	Preserve the 220 affordable units at risk of conversion to market rate between 2021 and 2031.	Ongoing	The City has contracted with a firm to monitor the deed-restricted affordable units within the City to ensure compliance with affordable housing agreements and other applicable regulations. The City is also developing a procedure manual to distribute to property managers to assist with compliance.
6. Replacement Of Existing Protected Units During Site Redevelopment	Preserve affordable housing stock by requiring replacement of protected units as part of redevelopment.	Ongoing	The City adopted a No Net Loss Policy in 2022. The City adopted Zoning Ordinance Section 3.11.170 in 2022 which established provisions for replacement of protected units upon redevelopment. All proposed development projects are evaluated to ensure compliance with the replacement provisions.
7. Alternative Housing Models	Encourage the provision of more innovative housing types that may be suitable for the community, including community care facilities, supportive housing, and assisted living for seniors and the disabled, including developmentally disabled persons.	Ongoing	In 2022, the City amended the zoning ordinance to update provisions for ADUs, SB 9 units and lot splits, Density Bonuses, employee housing, supportive housing, transitional housing, and reasonable accomodations for disabled persons.
8. Affordable Housing Development Assistance	Facilitate affordable housing development by for-profit and non-profit housing developers/ corporations.	Ongoing	The City actively pursues securing long term affordability covenants on projects in exchange for increased density. The City approved the Citrus Square project in 2021, which includes 50 affordable senior housing units. In 2023, an 8-unit apartment building with 2 affordable units was approved with a density bonus. In 2024, the City facilitated the sale of a City-owned property to a developer for a 20-unit townhome project, including 5 affordable units.
9. Accessory Dwelling Units	Allow and promote ADU development which can serve as a valuable housing source for seniors, students, and other small households.	Ongoing	Cypress currently allows accessory dwelling units (ADU's) by right in appropriate residential zones pursuant to State law. The City's ADU ordinance was last updated in 2023 and is currently being evaluated for future potential revisions to comply with new State requirements. The city participates in Orange County's pre-approved ADU plan program, and advertises this program on the Citys' website.
10. Sustainability and Green Building	Review ordinances and recommend changes where necessary to encourage energy-efficient housing design and practices that are consistent with State regulations. Encourage energy conservation devices for all new and existing residential projects.	Ongoing	The building code incorporates extensive energy efficiency provisions. During the reporting period, the City issued many EV charging permits and solar panel permits.
11. Services for Individuals and Families Experiencing Homelessness	Provide services to individuals/families experiencing homelessness including social services and referrals to emergency housing and other resources.	Ongoing	Appropriated annual funding for the Buena Park and Placentia Navigation Centers in conjunction with other North Orange County Service Planning Area cities and refer individuals to the shelters as necessary.
12. Residential and Mixed-Use Sites Inventory	Ensure the provision of adequate and appropriate sites for future housing development.	Ongoing	In November 2024, Cypress voters ratified amendments to the Cypress Town Center and Commons Specific Plan to implement the HE sites inventory in this area. Amendments to the Lincoln Avenue Specific Plan were adopted in February 2025 to expand residential uses throughout the specific plan area and remove development constraints. The City adopted a No Net Loss Policy and Procedure in 2022. The City continues to maintain an up-to-date sites inventory and provide this information to interested developers in conjunction with information on
13. Lot Consolidation Program	Establish a lot consolidation program which offers incentives such as a reduction in development standards to merge adjacent lots.	Ongoing	The Lincoln Avenue Specific Plan amendments adopted in February 2025 clarify and enhance the lot consolidation incentives, including priority project reivew, fee waivers, and more flexibility with parking standards.

14. By Right Approval of Projects with 20% Affordable Units on “Reuse” and Shortfall Sites	Further incentivize affordable housing development on “reuse” and shortfall sites.	Ongoing	The Cypress Town Center and Commons Specific Plan amendments (ratified by voters in Nov. 2024) include a provision that projects including at least 20% affordable units be approved by right. The Lincoln Avenue Specific Plan amendments adopted in February 2025 allow by right approval of all standalone residential projects. There are no "reuse" or shortfall sites located outside of these areas.
15. Remove Development Constraints	Identify and remove development standards and other regulations that may constrain the development of affordable and market rate housing.	Ongoing	The City completed Zoning Ordinance/Specific Plan amendments to remove development constraints and comply with state law as follows: 2021: amendments to comply with state laws regarding emergency shelters 2022: amendments to comply with state laws regarding ADUs, SB 9 lot splits/units, supportive housing, transitional housing, employee housing, and low barrier navigation centers 2023: amendments to remove the CUP requirement for multi-family development in the City's residential zones and implement an administrative review procedure, implement objective design standards for multi-family development, modify residential parking requirements, and update ADU requirements to comply with state law 2024: Voter approval of Measure S, amending the Cypress Commons and Town Center Specific Plan, including modification of development standards to encourage residential development at the designated densities 2025: amendments to the Lincoln Avenue Specific Plan to modify development
16. Affordable Housing Density Bonus	Facilitate the development of mixed-income housing projects by offering density and other incentives.	Ongoing	Amended the Zoning Ordinance in 2022 and 2023 to comply with state density bonus law. Continued to advertise and administer the City’s updated density bonus provisions throughout the planning period.
17. Efficient Project Processing	Provide efficient development processing procedures.	Ongoing	The City established and implemented a streamlined, ministerial review process for multi-family projects qualifying under SB 35, developed objective design standards in compliance with SB 330, removed the CUP requirement for multifamily projects with four or more units in the RM-15 and RM-20 zones and replaced it with a streamlined site plan review process. The February 2025 amendments to the Lincoln Avenue Specific Plan removed the CUP requirement for multi-family residential development throughout the plan area.
18. Water and Sewer Service Providers	Ensure that service providers are updated on long-term planning activities in the City.	Ongoing	Delivered a copy of the 2021-2029 Housing Element to all public agencies or private entities that provide water or sewer services to properties within Cypress.
19. Reasonable Accommodations	Ensure that measures are in place to accommodate the unique housing needs of persons with disabilities.	Ongoing	Amended the Zoning Ordinance in May 2022 to establish formal reasonable accommodation provisions and procedures.
20. Affirmatively Furthering Fair Housing	Promote housing opportunities for all people and segments of the community.	Ongoing	Continue to administer all programs and activities related to housing and community development in a manner which affirmatively furthers fair housing in compliance with Government Code Section 8899.50(b). The City also provides contact information to the public for the Fair Housing Council of Orange County and their services related to rental dispute resolution. The majority of new residential development activity/interest has been focused along the Lincoln Avenue corridor, a High Resource area. The City conducted an inclusionary housng feasibility study in 2023. The study did not support implementation of inclusionary requirements in Cypress. The City's Economic Development Division has an assistance program targeting small businesses, including those that may be impacted by residential redevelopment on Lincoln Ave.

Jurisdiction	Cypress	
Reporting Period	2024	(Jan. 1 - Dec. 31)
Planning	6th Cycle	10/15/2021 - 10/15/2029

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(CCR Title 25 §6202)

Note: "+" indicates an optional field
Cells in grey contain auto-calculation formulas

Table E									
Commercial Development Bonus Approved pursuant to GC Section 65915.7									
Project Identifier				Units Constructed as Part of Agreement				Description of Commercial Development Bonus	Commercial Development Bonus Date Approved
1				2				3	4
APN	Street Address	Project Name+	Local Jurisdiction Tracking ID+	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Description of Commercial Development Bonus	Commercial Development Bonus Date Approved
Summary Row: Start Data Entry Below									

Jurisdiction	Cypress	
Reporting Period	2024	31)
Planning Period	6th Cycle	10/15/2021 - 10/15/2029

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Note: "+" indicates an optional field

Cells in grey contain auto-calculation formulas

Table F

Units Rehabilitated, Preserved and Acquired for Alternative Adequate Sites pursuant to Government Code section 65583.1(c)

Please note this table is optional: The jurisdiction can use this table to report units that have been substantially rehabilitated, converted from non-affordable to affordable by acquisition, and preserved, including mobilehome park preservation, consistent with the standards set forth in Government Code section 65583.1, subdivision (c). Please note, motel, hotel, hostel rooms or other structures that are converted from non-residential to residential units pursuant to Government Code section 65583.1(c)(1)(D) are considered net-new housing units and must be reported in Table A2 and not reported in Table F.

Activity Type	Units that Do Not Count Towards RHNA+ Listed for Informational Purposes Only				Units that Count Towards RHNA + Note - Because the statutory requirements severely limit what can be counted, please contact HCD at apr@hcd.ca.gov and we will unlock the form which enable you to populate these fields.				The description should adequately document how each unit complies with subsection (c) of Government Code Section 65583.1+. For detailed reporting requirements, see the chcklist here:
	Extremely Low-Income+	Very Low-Income+	Low-Income+	TOTAL UNITS+	Extremely Low-Income+	Very Low-Income+	Low-Income+	TOTAL UNITS+	https://www.hcd.ca.gov/community-development/docs/adequate-sites-checklist.pdf
Rehabilitation Activity									
Preservation of Units At-Risk									
Acquisition of Units									
Mobilehome Park Preservation									
Total Units by Income									

Jurisdiction	Cypress	
Reporting Period	2024	(Jan. 1 - Dec. 31)
Planning Period	6th Cycle	10/15/2021 - 10/15/2029

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Housing Element Implementation

Note: "+" indicates an optional field

Cells in grey contain auto-calculation formulas

Table F2

Above Moderate Income Units Converted to Moderate Income Pursuant to Government Code section 65400.2

For up to 25 percent of a jurisdiction's moderate-income regional housing need allocation, the planning agency may include the number of units in an existing multifamily building that were converted to deed-restricted rental housing for moderate-income households by the imposition of affordability covenants and restrictions for the unit. Before adding information to this table, please ensure housing developments meet the requirements described in Government Code 65400.2(b).

Project Identifier					Unit Types		Affordability by Household Incomes After Conversion							Units credited toward Moderate Income RHNA		Notes
1					2	3	4							5		6
Prior APN+	**Current APN**	**Street Address**	**Project Name+**	**Local Jurisdiction Tracking ID**	**Unit Category** (2 to 4,5+)	**Tenure** R=Renter	**Very Low-Income Deed Restricted**	**Very Low-Income Non Deed Restricted**	**Low- Income Deed Restricted**	**Low- Income Non Deed Restricted**	**Moderate-Income Deed Restricted**	**Moderate-Income Non Deed Restricted**	**Above Moderate-Income**	**Total Moderate Income Units Converted from Above Moderate**	**Date Converted**	**Notes**
Summary Row: Start Data Entry Below							0	0	0	0	0	0	0	0		

Jurisdiction	Cypress	
Reporting Period	2024	(Jan. 1 - Dec. 31)
Period	6th Cycle	10/15/2021 - 10/15/2029

NOTE: This table must only be filled out if the housing element sites inventory contains a site which is or was owned by the reporting jurisdiction, and has been sold, leased, or otherwise disposed of during the reporting

Note: "+" indicates an optional field

Cells in grey contain auto-calculation formulas

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Table G
Locally Owned Lands Included in the Housing Element Sites Inventory that have been sold, leased, or otherwise disposed of

Project Identifier						
1				2	3	4
APN	**Street Address**	**Project Name+**	**Local Jurisdiction Tracking ID+**	**Realistic Capacity Identified in the Housing Element**	**Entity to whom the site transferred**	**Intended Use for Site**
Summary Row: Start Data Entry Below						

Jurisdiction	Cypress	**NOTE: This table must contain an invenory of ALL surplus/excess lands the reporting jurisdiction owns**	Note: "+" indicates an optional field Cells in grey contain auto-calculation formulas
Reporting Period	2024 (Jan. 1 - Dec. 31)		

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For Orange County jurisdictions, please format the APN's as follows:999-999-99

Table H
Locally Owned Surplus Sites

Parcel Identifier				Designation	Size	Notes
1	2	3	4	5	6	7
APN	**Street Address/Intersection**	**Existing Use**	**Number of Units**	**Surplus Designation**	**Parcel Size (in acres)**	**Notes**
Summary Row: Start Data Entry Below						
244-472-09	5732 Lincoln Ave	Vacant		Surplus Land	1.1	Sold to developer for 20-unit development approved 10/28/24. See Table A

Jurisdiction	Cypress	
Reporting Period	2024	(Jan. 1 - Dec. 31)
Planning Period	6th Cycle	10/15/2021 - 10/15/2029

NOTE: STUDENT HOUSING WITH DENSITY BONUS ONLY. This table only needs to be completed if there were student housing projects WITH a density bonus approved pursuant to Government Code65915(b)(1)(F)

ANNUAL ELEMENT PROGRESS REPORT

Housing Element Implementation

Note: "+" indicates an optional field

Cells in grey contain auto-calculation formulas

Table J

Student housing development for lower income students for which was granted a density bonus pursuant to subparagraph (F) of paragraph (1) of subdivision (b) of Section 65915

Project Identifier				Project Type	Date	Units (Beds/Student Capacity) Approved							Units (Beds/Student Capacity) Granted	Notes
1				2	3	4							5	6
APN	**Street Address**	**Project Name+**	**Local Jurisdiction Tracking ID+**	**Unit Category** (SH - Student Housing)	**Date**	**Very Low-Income Deed Restricted**	**Very Low-Income Non Deed Restricted**	**Low- Income Deed Restricted**	**Low- Income Non Deed Restricted**	**Moderate-Income Deed Restricted**	**Moderate-Income Non Deed Restricted**	**Above Moderate-Income**	**Total Additional Beds Created Due to Density Bonus**	**Notes**
Summary Row: Start Data Entry Below														

Jurisdiction	Cypress	
Reporting Period	2024	(Jan. 1 - Dec. 31)
Planning Period	6th Cycle	10/15/2021 - 10/15/2029

ANNUAL ELEMENT PROGRESS REPORT

Table K
Tenant Preference Policy

Local governments are required to inform HCD about any local tenant preference ordinance the local government maintains when the jurisdiction submits their annual progress report on housing approvals and production, per Government Code 7061 (SB 649, 2022, Cortese). Effective January 1, 2023, local governments adopting a tenant preference are required to create a webpage on their internet website containing authorizing local ordinance and supporting materials, no more than 90 days after the ordinance becomes operational.

Does the Jurisdiction have a local tenant preference policy?	
If the jurisdiction has a local tenant preference policy, provide a link to the jurisdiction's webpage containing authorizing local ordinance and supporting materials.	
Notes	

Jurisdiction	Cypress	
Reporting Year	2024	(Jan. 1 - Dec. 31)

ANNUAL ELEMENT PROGRESS REPORT
Local Early Action Planning (LEAP) Reporting
(CCR Title 25 §6202)

Please update the status of the proposed uses listed in the entity's application for funding and the corresponding impact on housing within the region or jurisdiction, as applicable, categorized based on the eligible uses specified in Section 50515.02 or 50515.03, as applicable.

Total Award Amount	$ -	*Total award amount is auto-populated based on amounts entered in rows 15-26.*

Task	$ Amount Awarded	$ Cumulative Reimbursement Requested	Task Status	Other Funding	Notes

Summary of entitlements, building permits, and certificates of occupancy (auto-populated from Table A2)

Completed Entitlement Issued by Affordability Summary		
Income Level		**Current Year**
Very Low	Deed Restricted	0
	Non-Deed Restricted	0
Low	Deed Restricted	5
	Non-Deed Restricted	0
Moderate	Deed Restricted	0
	Non-Deed Restricted	0
Above Moderate		15
Total Units		**20**

Building Permits Issued by Affordability Summary		
Income Level		**Current Year**
Very Low	Deed Restricted	2
	Non-Deed Restricted	2
Low	Deed Restricted	0
	Non-Deed Restricted	0
Moderate	Deed Restricted	44
	Non-Deed Restricted	0
Above Moderate		6
Total Units		**54**

Certificate of Occupancy Issued by Affordability Summary		
Income Level		**Current Year**
Very Low	Deed Restricted	0
	Non-Deed Restricted	7
Low	Deed Restricted	0
	Non-Deed Restricted	0
Moderate	Deed Restricted	18
	Non-Deed Restricted	0
Above Moderate		48
Total Units		**73**

CITY OF CYPRESS

CITY COUNCIL REPORT

City Council Regular **7.**

FROM: Alicia Velasco, Planning Director

DATE: 03/24/2025

SUBJECT: **Certify a Special Assessment for Collection of Delinquent City Nuisance Abatement Costs**

RECOMMENDATION

Adopt a Resolution certifying a special assessment against 9751 Graham Street (APN 244-151-20) for collection of delinquent city nuisance abatement costs.

DISCUSSION

Municipal Code Section 13-20 authorizes special assessments against a property to collect nuisance abatement costs. On December 9, 2024, the City removed an inoperable vehicle and performed landscape nuisance abatement on the property at 9751 Graham Street at a cost of $3,565.

The property owner has not responded to the City's repeated attempts to collect the abatement costs and was notified the City will place a special assessment on the property. The City sent the property owner a notice by certified and regular mail that provided information on how to pay or appeal the assessment. The property owner has not responded to the notices.

The Orange County Auditor-Controller requires the City Council adopt the attached Resolution to place the special assessment on the property tax bill: Assessor’s Parcel No. 244-151-20 (9751 Graham Street).

BUDGET IMPACT

The special assessment will reimburse $3,565 to the City's General Fund.

LEGAL REVIEW

None required.

APPROVED BY: Peter Grant, City Manager

Attachments

Resolution

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CYPRESS CERTIFYING SPECIAL ASSESSMENTS FOR COLLECTING DELINQUENT CITY NUISANCE ABATEMENT COSTS FOR NUISANCE VIOLATIONS OF THE MUNICIPAL CODE

WHEREAS, the City Council has adopted Cypress Municipal Code ("CMC") sections 13-20(a-d), authorizing the City to keep a record of expenses, including administrative and legal costs, incurred by the City in its removal of the nuisance and provide notice to the Property Owner of the costs owed to the City, with an opportunity to appeal the assessment of a lien of City's abatement costs of the property-related nuisance violations of the CMC; and

WHEREAS, under CMC section 13-20(d), the City may enter a special assessment against the parcel of property in order to collect the cost of abatement, and transmit it to the County assessor and tax collector for inclusion on tax rolls; and

WHEREAS, to compel code compliance, the City may seek to abate the nuisance and collect the costs incurred by means of a special assessment against the property where a property-related violation occurred as part of the nuisance abatement procedures authorized by Government code section 38773.5 and CMC section 13-20(d); and

WHEREAS, the City Council desires to certify certain-property related nuisance abatement costs as delinquent and have them collected as a special assessment against the real property involved, for collection in the same manner as ordinary municipal ad valorem taxes, as provided in Section 38773.5 of the Government Code.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CYPRESS DOES FIND, DETERMINE, AND RESOLVE AS FOLLOWS:

Section 1. The foregoing recitals are true and correct and are hereby incorporated within this Resolution.

Section 2. The special assessment designated in "Exhibit A," which is attached and incorporated herein by this reference, are hereby certified as being delinquent fines, penalties, and abatement costs owing to the City of Cypress and qualified for collection as special assessments under CMC section 13-20(d).

Section 3. The City Council, as part of the City's nuisance abatement, program orders that these delinquent fines, penalties, and costs of abatement be collected as special assessments against the respective properties shown in "Exhibit A" pursuant to the provisions of CMC section 13-20(d) and Government Code section 38773.5.

Section 4. The City Council of the City of Cypress orders a copy of this resolution

to be transmitted to the Orange County Treasurer-Tax Collector, who shall enter the amounts of the respective assessments against the respective parcels of land as they appear in the current assessment roll, and shall collect said assessments at the same time in the same manner as ordinary municipal ad valorem taxes, as provided in Section 38773.5 of the Government Code.

Section 5. The costs against any parcel of land listed in Exhibit "A" attached hereto shall be deemed discharged and released upon payment for said parcel of the property taxes for the above-referenced fiscal year.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Cypress at a regular meeting held on the 24th day of March, 2025.

_____
David Burke, Mayor

ATTEST:

_____
Alisha Farnell, City Clerk

STATE OF CALIFORNIA)
COUNTY OF ORANGE) SS

I, ALISHA FARNELL, City Clerk of the City of Cypress, DO HEREBY CERTIFY that the foregoing Resolution was duly adopted at a regular meeting of the said City Council held on the 24th day of March, 2025, by the following roll call vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

_____
Alisha Farnell, City Clerk

EXHIBIT “A”

List of Costs of Abatement and Respective Parcel of Land

Parcel Number	Property Address	Owner of Record	Amount of Cost of Abatement
244-151-20	9751 Graham St, Cypress, CA 90630	Baldomero Pedroza Ortiz Trust	$3,565.00

CITY OF CYPRESS

CITY COUNCIL REPORT

City Council Regular **8.**

FROM: Matt Burton, Director of Finance and Administrative Services

DATE: 03/24/2025

SUBJECT: **Approve a Contract to Hinderliter, De Lamas & Associates (HdL) for Sales and Use Tax Consulting Services**

RECOMMENDATION

1. Approve a contract with Hinderliter, De Lamas & Associates (HdL) for Sales and Use Tax Consulting Services; and

2. Adopt an updated Resolution authorizing the examination of sale and use tax records of the California Department of Tax and Fee Administration.

DISCUSSION

Sales Tax Consulting Overview

Sales and use tax is historically one of the City's two largest General Fund revenue sources and is administered and collected by the California Department of Tax and Fee Administration (CDTFA) and remitted to Cypress monthly. The ongoing receipt of its proper share of sales and use tax from the State is critical to Cypress' financial health and having a subject-matter expert to assist the City with sales and use tax matters is essential to maximize revenue generation.

Avenu Insights and Analytics, formerly Muniservices, has provided sales tax consulting services to the City since 1990. These sales tax services are comprised of two products: reporting and auditing. Reporting services include forecasting future sales tax for budgeting purposes, reporting on the quarterly data provided by the CDTFA, analyzing the different sectors comprising the City's sales tax base, providing legislative and economic updates on sales tax matters, and delivering as-needed consultation and analysis on any sales tax matter impacting Cypress. Audit recovery services consist of identifying and researching errors in the calculation and/or allocation of the sales tax revenue by individual businesses to the City. The audit process also involves working with the CDTFA to ensure the timely recovery of misallocated revenues, and the ongoing monitoring of the data submitted by the CDTFA.

The most recent contract amendment approved by the City Council with Avenu in 2020 adjusted the compensation for audit services to be consistent with the current market, and indicated that a competitive process to award a new contract would be forthcoming. The Strategic Plan approved earlier this year includes an objective to award a new agreement for sales tax reporting and audit services.

Selection Process

An RFP process was recently conducted and Hinderliter, De Lamas & Associates (HdL) was selected as the most qualified firm. HdL has been in business since 1983 specializing in sales and use tax analysis and has extensive experience identifying and correcting “point of sale” allocation errors, misallocations and other misreported sales transactions that result in recovered sales tax revenues to cities. HdL currently provides sales tax reporting and auditing services to over 700 cities, counties and special districts nationwide, including 30 of the 34 cities in Orange County.

Sales and use tax reporting services are billed at a fixed monthly rate of $850, while the costs related to audit services are unknown since the fees are based on 15% of the actual sales tax misallocations recovered by HdL. If HdL recovers new revenue for the City, it receives 15% of the recovered sales tax revenue for eight consecutive reporting quarters. This means that the City will retain the remaining 85% during that time, and 100% after two years. The proposed agreement is for three years with the option for two, one-year extensions at the City's discretion.

Resolution to Access CDTFA Data

The State of California Revenue and Taxation Code gives local agencies the ability to examine the sales, use, and transactions tax records of the CDTFA, provided that the examination of confidential tax information is authorized by a resolution of the City Council. Access to this information is limited to individual employees listed in the resolution as well as contracted sales and use tax consultants engaged by the City. The attached resolution includes necessary revisions to outdated language, and gives HdL the authority to access these records on behalf of the City in accordance with the recommended contract agreement. In addition, the resolution also allows Avenu to continue to access the data so they can wrap-up and complete their quarterly reporting and audit processes on data previously released by the CDTFA.

BUDGET IMPACT

Sufficient amounts are budgeted in the City's General Fund for sales tax reporting services through the end of the fiscal year, and future budgets will incorporate the $10,200 annual cost for these services. The portion of any revenue recovered during audit of CDTFA records and remitted to HdL per the terms of the recommended agreement, will be applied against budgeted sales tax revenue in the City's General Fund.

LEGAL REVIEW

The City Attorney’s Office has reviewed the proposed Agreement and resolution and approved them as to form.

APPROVED BY: Peter Grant, City Manager

Attachments

Resolution
Agreement

RESOLUTION NO. ____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CYPRESS AUTHORIZING EXAMINATION OF SALES AND USE TAX RECORDS AND RESCINDING RESOLUTION NO. 5568

WHEREAS, Pursuant to Ordinance No.519, the City of Cypress entered into a contract with the State Board of Equalization to perform all functions incident to the administration and collection of sales and use taxes, and these responsibilities have been transferred by the State to the California Department of Tax and Fee Administration (Department); and

WHEREAS, the City Council of the City of Cypress deems it desirable and necessary for authorized officers, employees and representatives of the City to examine confidential sales or transactions and use tax records of the Department pertaining to sales and use taxes collected by the Department for the City pursuant to that contract; and

WHEREAS, Section 7056 of the California Revenue and Taxation Code sets forth certain requirements and conditions for the disclosure of Department records, and Section 7056.5 of the California Revenue and Taxation Code establishes criminal penalties for the unlawful disclosure of information contained in, or derived from, the sales or transactions and use tax records of the Department;

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Cypress hereby resolves as follows:

Section 1. That the City Manager, Director of Finance and Administrative Services and the Assistant Director of Finance and Administrative Services or other officer or employee of the City designated in writing by the City Manager to the California Department of Tax and Fee Administration is hereby appointed to represent the City with authority to examine sales or transactions and use tax records of the Department pertaining to sales and use taxes collected for the City by the Department pursuant to the contract between the City and the Department.

Section 2. The information obtained by examination of Department records shall be used only for purposes related to the collection of City sales and use taxes by the Department pursuant to that contract.

Section 3. That Hinderliter de Llamas and Associates is hereby designated to examine the sales or transactions and use tax records of the Department pertaining to sales and use taxes collected for the City by the Department. The person or entity designated by this section meets all of the following conditions, which are also included in the contract between the City and the Hinderliter de Llamas and Associates:

a) has an existing contract with the City to examine those sales or transactions and use tax records;

b) is required by that contract to disclose information contained in, or derived from, those sales or transactions and use tax records only to the officer or employee authorized under Section 1 of this resolution to examine the information.

c) is prohibited by that contract from performing consulting services for a retailer during the term of that contract.

d) is prohibited by that contract from retaining the information contained in or derived from those sales or transactions and use tax records, after that contract has expired.

THEREFORE, BE IT FURTHER RESOLVED that the information obtained by examination of Department records shall be used only for purposes related to the collection of City sales and use taxes by the Department pursuant to the contract between the City and the Department.

Section 4. That Avenu Insights & Analytics is hereby designated to examine the sales or transactions and use tax records of the Department pertaining to any petition or appeal for the reallocation/redistribution of sales or transactions and use taxes that were filed by Avenu Insights & Analytics behalf of the City pursuant to the contract between Avenu Insights & Analytics and City. The person or entity designated by this section meets all of the following conditions, which are also included in the contract between the City and the Avenu Insights & Analytics.

a) has an existing contract with the City to examine those sales or transactions and use tax records;

b) is required by that contract to disclose information contained in, or derived from, those sales or transactions and use tax records only to the officer or employee authorized under Section 1 of this resolution to examine the information.

c) is prohibited by that contract from performing consulting services for a retailer during the term of that contract;

d) is prohibited by that contract from retaining the information contained in, or derived from those sales or transactions and use tax records, after that contract has expired.

Section 5. That this resolution supersedes and rescinds resolution No. 5568 of the City Council of the City of Cypress adopted pursuant to subdivision (b) of Revenue and Taxation Code section 7056.

PASSED AND ADOPTED by the City Council of the City of Cypress, at a regular meeting held on the 24th day of March, 2025.

_____
MAYOR OF THE CITY OF CYPRESS

ATTEST:

_____
CITY CLERK OF THE CITY OF CYPRESS

STATE OF CALIFORNIA)
COUNTY OF ORANGE) SS

I, ALISHA FARNELL, City Clerk of the City of Cypress, DO HEREBY CERTIFY that the foregoing Resolution was duly adopted at a regular meeting of the said City Council held on the 24th day of March, 2025, by the following roll call vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

_____
CITY CLERK OF THE CITY OF CYPRESS

CITY OF CYPRESS
AGREEMENT FOR CONTRACT SERVICES FOR SALES AND USE TAX CONSULTING

THIS AGREEMENT FOR CONTRACT SERVICES (herein "Agreement") is made and entered into this 1st day of April, 2025, by and between the CITY OF CYPRESS, a California municipal corporation ("City") and Hinderliter, de Llamas and Associates, a California Corporation (herein "Contractor").

NOW, THEREFORE, the parties hereto agree as follows:

1. SERVICES OF CONTRACTOR

1.1 Scope of Services. In compliance with all of the terms and conditions of this Agreement, the Contractor shall perform the work or services set forth in the "Scope of Services" attached hereto as Exhibit "A" and incorporated herein by reference. Contractor warrants that it has the experience and ability to perform all work and services required hereunder and that it shall diligently perform such work and services in a professional and satisfactory manner.

1.2 Compliance With Law. All work and services rendered hereunder shall be provided in accordance with all ordinances, resolutions, statutes, rules, and regulations of the City and any Federal, State or local governmental agency of competent jurisdiction.

1.3 Licenses, Permits, Fees and Assessments. Contractor shall obtain at its sole cost and expense such licenses, permits, and approvals as may be required by law for the performance of the services required by the Agreement.

1.4 Special Requirements. Additional terms and conditions of this Agreement, if any, which are made a part hereof are set forth in the "Special Requirements" attached hereto as Exhibit "B" and incorporated herein by this reference. In the event of a conflict between the provisions of Exhibit "B" and any other provisions of this Agreement, the provisions of Exhibit "B" shall govern.

2. COMPENSATION

2.1 Contract Sum. For the services rendered pursuant to this Agreement, Contractor shall be compensated in accordance with the "Schedule of Compensation" attached hereto as Exhibit "C" and incorporated herein by this reference, but not exceeding available amounts contained in the City Council approved budget for services and purchases herein (See Exhibits "B" and C") (the "Contract Sum").

2.2 Invoices. Each month Contractor shall furnish to City an original invoice for all work performed and expenses incurred during the preceding month in a form approved by City's Director of Finance. By submitting an invoice for payment under this Agreement, Contractor is certifying compliance with all provisions of the Agreement. The invoice shall detail charges for all necessary and actual expenses by the following categories: labor (by sub-category), travel, materials, equipment, supplies, and sub-contractor contracts. Sub-contractor charges shall

also be detailed by such categories. Contractor shall not invoice City for any duplicate services performed by more than one person.

City shall independently review each invoice submitted by the Contractor to determine whether the work performed and expenses incurred are in compliance with the provisions of this Agreement. Except as to any charges for work performed or expenses incurred by Contractor which are disputed by City, City will use its best efforts to cause Contractor to be paid within forty-five (45) days of receipt of Contractor's correct and undisputed invoice; however, Contractor acknowledges and agrees that due to City warrant run procedures, the City cannot guarantee that payment will occur within this time period. In the event any charges or expenses are disputed by City, the original invoice shall be returned by City to Contractor for correction and resubmission. Review and payment by the City of any invoice provided by the Contractor shall not constitute a waiver of any rights or remedies provided herein or any applicable law.

2.3 Additional Services. City shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written order is first given by the Contract Officer to the Contractor, incorporating therein any adjustment in (i) the Contract Sum for the actual cost of the extra work, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Contractor. Any increase in compensation of up to ten percent (10%) of the Contract Sum but not exceeding a total contract amount of Five Thousand Dollars ($5,000) or in the time to perform of up to ninety (90) days may be approved by the Contract Officer. Any greater increases, taken either separately or cumulatively, must be approved by the City Council. No claim for an increase in the Contract Sum or time for performance shall be valid unless the procedures established in this Section are followed.

3. PERFORMANCE SCHEDULE

3.1 Time of Essence. Time is of the essence in the performance of this Agreement.

3.2 Schedule of Performance. Contractor shall commence the services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all services within the time period(s) established in the "Schedule of Performance" attached hereto as Exhibit "D" and incorporated herein by this reference. When requested by the Contractor, extensions to the time period(s) specified in the Schedule of Performance may be approved in writing by the Contract Officer but not exceeding thirty (30) days cumulatively.

3.3 Force Majeure. The time period(s) specified in the Schedule of Performance for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the City, if the Contractor shall within ten (10) days of the commencement of such delay notify the Contract Officer in writing of the causes of the delay. The Contract Officer shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the Contract Officer such delay is

justified. The Contract Officer's determination shall be final and conclusive upon the parties to this Agreement. In no event shall Contractor be entitled to recover damages against the City for any delay in the performance of this Agreement, however caused, Contractor's sole remedy being extension of the Agreement pursuant to this Section.

3.4 Term. Unless earlier terminated in accordance with Article 7 of this Agreement, this Agreement shall continue in full force and effect until completion of the services but not exceeding one (1) year from the date hereof, except as otherwise provided in the Schedule of Performance (Exhibit "D").

4. COORDINATION OF WORK

4.1 Representative of Contractor. Bobby Young, Client Services Director, is hereby designated as being the representative of Contractor authorized to act on its behalf with respect to the work and services specified herein and make all decisions in connection therewith. All personnel of Contractor and any authorized agents shall be under the exclusive direction of the representative of Contractor. Contractor shall utilize only competent personnel to perform services pursuant to this Agreement. Contractor shall make every reasonable effort to maintain the stability and continuity of Contractor's staff and subcontractors, and shall keep City informed of any changes.

4.2 Contract Officer. Director of Finance & Administrative Services, or such person as may be designated by the City Manager, is hereby designated as being the representative the City authorized to act in its behalf with respect to the work and services specified herein and to make all decisions in connection therewith ("Contract Officer").

4.3 Prohibition Against Subcontracting or Assignment. Contractor shall not contract with any entity to perform in whole or in part the work or services required hereunder without the express written approval of the City. Neither this Agreement nor any interest herein may be assigned or transferred, voluntarily or by operation of law, without the prior written approval of City. Any such prohibited assignment or transfer shall be void.

4.4 Independent Contractor. Neither the City nor any of its employees shall have any control over the manner, mode or means by which Contractor, its agents or employees, perform the services required herein, except as otherwise set forth. Contractor shall perform all services required herein as an independent contractor of City with only such obligations as are consistent with that role. Contractor shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City, or that it is a member of a joint enterprise with City.

5. INSURANCE AND INDEMNIFICATION

5.1 Insurance Coverages. The Contractor shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to City, during the entire term of this Agreement including any extension thereof, the following policies of insurance which shall cover all elected and appointed officers, employees and agents of City:

(a) Commercial General Liability Insurance (Occurrence Form CG0001 or equivalent). A policy of comprehensive general liability insurance written on a per occurrence

basis for bodily injury, personal injury and property damage. The policy of insurance shall be in an amount not less than $1,000,000.00 per occurrence or if a general aggregate limit is used, either the general aggregate limit shall apply separately to this contract/location, or the general aggregate limit shall be twice the occurrence limit.

(b) Worker's Compensation Insurance. A policy of worker's compensation insurance in such amount as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for the Contractor against any loss, claim or damage arising from any injuries or occupational diseases occurring to any worker employed by or any persons retained by the Contractor in the course of carrying out the work or services contemplated in this Agreement.

(c) Automotive Insurance (Form CA 0001 (Ed 1/87) including "any auto" and endorsement CA 0025 or equivalent). A policy of comprehensive automobile liability insurance written on a per occurrence for bodily injury and property damage in an amount not less than either (i) bodily injury liability limits of $100,000 per person and $300,000 per occurrence and property damage liability limits of $150,000 per occurrence or (ii) combined single limit liability of $1,000,000. Said policy shall include coverage for owned, non-owned, leased, hired cars, and any other automobile.

(d) Professional Liability. Professional liability insurance appropriate to the Contractor's profession. This coverage may be written on a "claims made" basis, and must include coverage for contractual liability. The professional liability insurance required by this Agreement must be endorsed to be applicable to claims based upon, arising out of or related to services performed under this Agreement. The insurance must be maintained for at least 5 consecutive years following the completion of Contractor's services or the termination of this Agreement. During this additional 5-year period, Contractor shall annually and upon request of the City submit written evidence of this continuous coverage.

(e) Additional Insurance. Policies of such other insurance, as may be required in the Special Requirements in Exhibit "B".

(f) Subcontractors. Contractor shall include all subcontractors as insureds under its policies or shall furnish separate certificates and certified endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

5.2 General Insurance Requirements.

All of the above policies of insurance shall be primary insurance and shall name the City, elected and appointed officers, employees and agents as additional insureds and any insurance maintained by City or officers, employees or agents may apply in excess of, and not contribute with Contractor's insurance. The insurer is deemed hereof to waive all rights of subrogation and contribution it may have against the City, officers, employees and agents and their respective insurers. The insurance policy must specify that where the primary insured does not satisfy the self-insured retention, any additional insured may satisfy the self-insured retention. All of said policies of insurance shall provide that said insurance may not be amended or cancelled by the insurer or any party hereto without providing thirty (30) days prior written notice by certified mail return receipt requested to the City. In the event any of said policies of insurance are cancelled,

the Contractor shall, prior to the cancellation date, submit new evidence of insurance in conformance with this Section 5.1 to the Contract Officer. No work or services under this Agreement shall commence until the Contractor has provided the City with Certificates of Insurance, additional insured endorsement forms or appropriate insurance binders evidencing the above insurance coverages and said Certificates of Insurance or binders are approved by the City. City reserves the right to inspect complete, certified copies of and endorsement to all required insurance policies at any time. Any failure to comply with the reporting or other provisions of the policies including breaches or warranties shall not affect coverage provided to City.

The insurance required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated "A" or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the City's Risk Manager or other designee of the City due to unique circumstances.

5.3 Indemnification. To the full extent permitted by law, Contractor agrees to indemnify, defend and hold harmless the City, its officers, employees and agents ("Indemnified Parties") against, and will hold and save them and each of them harmless from, any and all actions, either judicial, administrative, arbitration or regulatory claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities whether actual or threatened (herein "claims or liabilities") that may be asserted or claimed by any person, firm or entity arising out of or in connection with the negligent performance of the work, operations or activities provided herein of Contractor, its officers, employees, agents, subcontractors, or invitees, or any individual or entity for which Contractor is legally liable ("indemnitors"), or arising from Contractor's or indemnitors' reckless or willful misconduct, or arising from Contractor's or indemnitors' negligent performance of or failure to perform any term, provision, covenant or condition of this Agreement, and in connection therewith:

a. Contractor will defend any action or actions filed in connection with any of said claims or liabilities and will pay all costs and expenses, including legal costs and attorney's fees incurred in connection therewith;

b. Contractor will promptly pay any judgment rendered against the City, its officers, agents or employees for any such claims or liabilities arising out of or in connection with the negligent performance of or failure to perform such work, operations or activities of Contractor hereunder; and Contractor agrees to save and hold the City, its officers, agents, and employees harmless therefrom;

c. In the event the City, its officers, agents or employees is made a party to any action or proceeding filed or prosecuted against Contractor for such damages or other claims arising out of or in connection with the negligent performance of or failure to perform the work, operation or activities of Contractor hereunder, Contractor agrees to pay to the City, its officers, agents or employees, any and all costs and expenses incurred by the City, its officers, agents or employees in such action or proceeding, including but not limited to, legal costs and attorney's fees.

Contractor shall incorporate similar indemnity agreements with its subcontractors and if it fails to do so Contractor shall be fully responsible to indemnify City hereunder therefore, and failure of City to monitor compliance with these provisions shall not be a waiver hereof. This

indemnification includes claims or liabilities arising from any negligent or wrongful act, error or omission, or reckless or willful misconduct of Contractor in the performance of professional services hereunder. The provisions of this Section do not apply to claims or liabilities occurring as a result of City's sole negligence or willful acts or omissions, but, to the fullest extent permitted by law, shall apply to claims and liabilities resulting in part from City's negligence, except that design professionals' indemnity hereunder shall be limited to claims and liabilities arising out of the negligence, recklessness or willful misconduct of the design professional. The indemnity obligation shall be binding on successors and assigns of Contractor and shall survive termination of this Agreement.

6. RECORDS, REPORTS, AND RELEASE OF INFORMATION

6.1 Records. Contractor shall keep, and require subcontractors to keep, such ledgers, books of accounts, invoices, vouchers, canceled checks, reports, studies or other documents relating to the disbursements charged to City and services performed hereunder (the "books and records"), as shall be necessary to perform the services required by this Agreement and enable the Contract Officer to evaluate the performance of such services and shall keep such records for a period of three years following completion of the services hereunder. The Contract Officer shall have full and free access to such books and records at all times during normal business hours of City, including the right to inspect, copy, audit and make records and transcripts from such records.

6.2 Reports. Contractor shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement or as the Contract Officer shall require.

6.3 Confidentiality and Release of Information.

(a) All information gained or work product produced by Contractor in performance of this Agreement shall be considered confidential, unless such information is in the public domain or already known to Contractor. Contractor shall not release or disclose any such information or work product to persons or entities other than the City without prior written authorization from the Contract Officer.

(b) Contractor shall not, without prior written authorization from the Contract Officer or unless requested by the City Attorney, voluntarily provide documents, declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement. Response to a subpoena or court order shall not be considered "voluntary" provided Contractor gives the City notice of such court order or subpoena.

(c) If Contractor provides any information or work product in violation of this Agreement, then the City shall have the right to reimbursement and indemnity from Contractor for any damages, costs and fees, including attorney's fees, caused by or incurred as a result of Contractor's conduct.

(d) Contractor shall promptly notify the City should Contractor be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party

regarding this Agreement and the work performed thereunder. The City retains the right, but has no obligation, to represent Contractor or be present at any deposition, hearing or similar proceeding. Contractor agrees to cooperate fully with the City and to provide the City with the opportunity to review any response to discovery requests provided by Contractor.

6.4 Ownership of Documents. All studies, surveys, data, notes, computer files, reports, records, drawings, specifications, maps, designs, photographs, documents and other materials (the "documents and materials") prepared by Contractor in the performance of this Agreement shall be the property of the City and shall be delivered to the City upon request of the Contract Officer or upon the termination of this Agreement, and Contractor shall have no claim for further employment or additional compensation as a result of the exercise by the City of its full rights of ownership use, reuse, or assignment of the documents and materials hereunder. Moreover, Contractor with respect to any documents and materials that may qualify as "works made for hire" as defined in 17 U.S.C. § 101, such documents and materials are hereby deemed "works made for hire" for the City.

7. ENFORCEMENT OF AGREEMENT AND TERMINATION

7.1 California Law. This Agreement shall be interpreted, construed and governed both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Orange, State of California. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Central District of California, in the County of Orange, State of California.

7.2 Disputes; Default. In the event that Contractor is in default under the terms of this Agreement, the City shall not have any obligation or duty to continue compensating Contractor for any work performed after the date of default. Instead, the City may give notice to Contractor of the default and the reasons for the default. The notice shall include the timeframe in which Contractor may cure the default. This timeframe is presumptively thirty (30) days, but may be extended, if circumstances warrant. During the period of time that Contractor is in default, the City shall hold all invoices and shall, when the default is cured, proceed with payment on the invoices. If Contractor does not cure the default, the City may take necessary steps to terminate this Agreement under this Article.

7.3 Legal Action. In addition to any other rights or remedies, either party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement. Notwithstanding any contrary provision herein, Contractor shall file a statutory claim pursuant to Government Code Sections 905 et. seq. and 910 et. seq., in order to pursue any legal action under this Agreement.

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

7.4 Termination Prior to Expiration of Term. This Section shall govern any termination of this Contract except as specifically provided in the following Section for termination for cause. The City reserves the right to terminate this Contract at any time, with or without cause, upon written notice to Contractor. In addition, the Contractor may terminate this Contract at any time for cause, upon sixty (60) days' advance written notice to City. Upon receipt of any notice of termination, Contractor shall immediately cease all services hereunder except such as may be specifically approved by the Contract Officer. Except where the Contractor has initiated termination, the Contractor shall be entitled to compensation for all services rendered prior to the effective date of the notice of termination and for any services authorized by the Contract Officer thereafter in accordance with the Schedule of Compensation or such as may be approved by the Contract Officer. In the event the Contractor has initiated termination, the Contractor shall be entitled to compensation only for the reasonable value of the work product actually produced hereunder, but not exceeding the compensation provided therefore in the Schedule of Compensation Exhibit "C". In the event of termination without cause pursuant to this Section, the terminating party need not provide the non-terminating party with the opportunity to cure pursuant to Section 7.2.

7.5 Termination for Default of Contractor. If termination is due to the failure of the Contractor to fulfill its obligations under this Agreement, City may, after compliance with the provisions of Section 7.2, take over the work and prosecute the same to completion by contract or otherwise, and the Contractor shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that the City shall use reasonable efforts to mitigate such damages), and City may withhold any payments to the Contractor for the purpose of set-off or partial payment of the amounts owed the City as previously stated.

8. MISCELLANEOUS

8.1 Covenant Against Discrimination. Contractor covenants that, by and for itself, its heirs, executors, assigns and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry, or other protected class in the performance of this Agreement. Contractor shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry, or other protected class

8.2 Non-liability of City Officers and Employees. No officer or employee of the City shall be personally liable to the Contractor, or any successor in interest, in the event of any default or breach by the City or for any amount, which may become due to the Contractor or to its successor, or for breach of any obligation of the terms of this Agreement.

8.3 Notice. Any notice, demand, request, document, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail, in the case of the City, to the City Manager and to the attention of the Contract Officer (with her/his name and City title), City of Cypress, 5275 Orange Avenue, Cypress, California 90630 and in the case of the Contractor, to the person(s) at the address designated on the execution page of this Agreement.

Either party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed communicated at the time personally delivered or in seventy-two (72) hours from the time of mailing if mailed as provided in this Section.

8.4 Integration; Amendment. It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. This Agreement may be amended at any time by the mutual consent of the parties by an instrument in writing.

8.5 Severability. In the event that part of this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining portions of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

8.6 Waiver. No delay or omission in the exercise of any right or remedy by non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. A party's consent to or approval of any act by the other party requiring the party's consent or approval shall not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

8.7 Attorney's Fees. If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which any be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees, whether or not the matter proceeds to judgment.

8.8 Interpretation.

The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

8.9 Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

8.10 Warranty & Representation of Non-Collusion. No official, officer, or employee of City has any financial interest, direct or indirect, in this Agreement, nor shall any official, officer, or employee of City participate in any decision relating to this Agreement which may affect his/her financial interest or the financial interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any State or municipal statute or regulation. The determination of "financial interest" shall be

consistent with State law and shall not include interests found to be "remote" or "noninterests" pursuant to Government Code Sections 1091 or 1091.5. Contractor warrants and represents that it has not paid or given, and will not pay or give, to any third party including, but not limited to, any City official, officer, or employee, any money, consideration, or other thing of value as a result or consequence of obtaining or being awarded any agreement. Contractor further warrants and represents that (s)he/it has not engaged in any act(s), omission(s), or other conduct or collusion that would result in the payment of any money, consideration, or other thing of value to any third party including, but not limited to, any City official, officer, or employee, as a result of consequence of obtaining or being awarded any agreement. Contractor is aware of and understands that any such act(s), omission(s) or other conduct resulting in such payment of money, consideration, or other thing of value will render this Agreement void and of no force or effect.

Contractor's Authorized Initials _____

8.11 Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound. This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the parties.

[Signatures on the following page.]

Docusign Envelope ID: BAB17590-7FE1-4C63-B5AD-CD21E676B2C6

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first-above written.

CITY:
City of Cypress, a municipal corporation

David Burke, Mayor

ATTEST:

Alisha Farnell, City Clerk

APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP

Fred Galante, City Attorney

CONTRACTOR:
Hinderliter de Llamas and Associates

By: Signed by: Andrew Mckerson 2A8393594812482...
Name: Andrew Mckerson
Title: President/CEO

By: DocuSigned by: Richard Park 4DD130EE7C3A4A2...
Name: Richard Park
Title: CFO

Address: 120 S. State College Blvd. #200
Brea, CA 92821

Two corporate officer signatures required when Contractor is a corporation, with one signature required from each of the following groups: 1) Chairman of the Board, President or any Vice President; and 2) Secretary, any Assistant Secretary, Chief Financial Officer or any Assistant Treasurer.

EXHIBIT "A"

SCOPE OF SERVICES

1. Sales and Use Tax and Economic Analysis/Forecasting Services/Reports

1.1. Establish a special database identifying the name, address, and quarterly allocations of all sales tax producers within the City. This database will be utilized to generate special reports to City on major sales tax producers by rank and category, sales tax activity by categories, or business districts, identification of reporting aberrations, and per capita and outlet comparisons with regional and statewide sales.

1.2. Provide periodic updated reports to City identifying changes in sales by individual businesses, business groups and categories, and by geographic area. These reports may include, without limitation, quarterly aberrations due to State audits, fund transfers, and receivables, along with late or double payments, and quarterly reconciliation worksheets to assist with budget forecasting. Consultant shall meet quarterly by in person or virtually with City.

1.3. Shall additionally provide following each calendar quarter a summary analysis for City to share with Council Members, Chamber of Commerce, other economic development interest groups and the public that analyze City's sales tax trends by major groups and geographic areas without disclosing confidential individual tax records.

1.4. Establish a special database with California Department of Tax and Fee Administration ("CDTFA") registration data for businesses within applicable district boundaries holding seller's permit accounts.

1.5. Periodically license for the limited, non-exclusive, non-transferable use by City's staff certain of Consultant's web-based sales, use and/or transactions tax program(s) containing sellers permit, registration, allocation and related information for business outlets within City's jurisdiction registered with the CDTFA.

1.6. Provide periodic updated reports endeavoring to identify and assist with budget forecasting (i) changes in allocation totals by individual businesses, business groups and categories, and (ii) aberrations due to State audits, fund transfers, and receivables, along with late or double payments.

2. Allocation and Audit Recovery Services

2.1. Conduct (when mutually agreed with City) initial and on-going sales and use tax audits of businesses to help identify and correct distribution and allocation errors, and to proactively affect favorable registration, reporting or formula changes thereby generating previously unrealized sales and use tax income for the City and/or recovering misallocated tax from registered taxpayers. Common errors that will be monitored and corrected include but are not limited to: transposition errors resulting in misallocations; erroneous consolidation of multiple outlets; formula errors; misreporting of "point of sale" to the wrong location; delays in reporting new outlets; misallocating use tax

payments to the allocation pools or wrong jurisdiction; and erroneous fund transfers and adjustments.

2.2. Initiate contacts with the CDTFA and sales management and accounting officials in companies that have businesses where a probability of error exists to endeavor to help verify whether current tax receipts accurately reflect the local sales activity. Such contacts will be conducted in a professional and courteous manner.

2.3. Prepare and submit to the CDTFA information for the purpose of correcting any identified allocation errors, and follow-up with individual businesses and the CDTFA to promote recovery by the City of back or prospective quarterly payments that may be owing.

2.4. If, during the course of its audit, Consultant finds businesses located in the City's jurisdiction that are properly reporting sales and use tax but have the potential for modifying their operation to provide an even greater share to City, Consultant may so advise City and collaborate with those businesses and City to encourage such changes.

3. Consulting and Other Optional Services

Consultant may from time to time in its sole discretion, consult with City's staff, including without limitation, regarding (i) technical questions and other issues related to sales and use tax, (ii) utilization of reports to enhance business license collection efforts; (iii) sales tax projections for proposed annexations, economic development projects and budget planning, (iv) negotiating/review of tax sharing agreements, (v) establishing purchasing corporations, (vi) meeting with taxpayers to encourage self-assessment of tax obligations, and (vii) other sales and use tax revenue-related matters.

4. Software Use and Proprietary Information

Software Use. Consultant hereby provides authorization to City to access Consultant's Sales Tax website if City chooses to subscribe to the software and reports option. The website shall only be used by authorized City staff. No access will be granted to any third party without explicit written authorization by Consultant. City shall not sublet, duplicate, modify, decompile, reverse engineer, disassemble, or attempt to derive the source code of said software. The software use granted hereunder shall not imply ownership by City of said software, or any right of City to sell said software or the use of same, or any right to use said software for the benefit of others. This software use authorization is not transferable. Upon termination or expiration of this Agreement, the software use authorization shall expire, and all City staff website logins shall be de-activated.

Proprietary Information. As used herein, the term "proprietary information" means all information or material that has or could have commercial value or other utility in Consultant's business, including without limitation: Consultant's (i) computer or data processing programs; (ii) data processing applications, routines, subroutines, techniques or systems; desktop or web-based software; (iii) business processes; (iv) marketing plans, analysis and strategies; and (v) materials and techniques used; as well as the terms and conditions of this Agreement. Except

as otherwise required by law, City shall hold in confidence and shall not use (except as expressly authorized by this Agreement) or disclose to any other party any proprietary information provided, learned of or obtained by City in connection with this Agreement. The obligations imposed by this Section shall survive any expiration or termination of this Agreement or otherwise. The terms of this Section shall not apply to any information that is public information

5. Confidentiality Information

Section 7056 of the State of California Revenue and Taxation Code ("R&T Code") specifically limits the disclosure of confidential taxpayer information contained in the records of the CDTFA. Section 7056 specifies the conditions under which a city, county or district may authorize persons other than such city, county or district's officers and employees to examine state sales and use tax records.

The following conditions specified in Section 7056-(b)(1) of the State of California R&T Code are hereby made part of this Agreement:

- Consultant is authorized by this Agreement to examine sales, use or transactions and use tax records of the CDTFA provided to City pursuant to contract under the Bradley-Burns Uniform Local Sales and Use Tax Law R&T Code Section 7200 et.seq.
- Consultant is required to disclose information contained in, or derived from, those sales or transactions and use tax records only to an officer or employee of City who is authorized by City resolution provided to the CDTFA to examine the information.
- Consultant is prohibited from performing consulting services for a retailer (as defined in R&T Code Section 6015), during the term of this agreement.
- Consultant is prohibited from retaining the information contained in or derived from those sales, use or transactions and use tax records after this agreement has expired. Information obtained by examination of the CDTFA records shall be used only for purposes related to collection of local sales and use tax or for other governmental functions of the City as set forth by resolution adopted pursuant to Section 7056 (b) of the Revenue and Taxation Code. The resolution shall designate the Consultant as a person authorized to examine sales and use tax records and certify that this agreement meets the requirements set forth above and in Section 7056 (b), (1) of the Revenue and Taxation Code.

EXHIBIT "B"

SPECIAL REQUIREMENTS
(Superseding Contract Boilerplate)

I. **Section 2.1 shall be amended to read as follows:**

2.1 Contract Sum. For services rendered pursuant to this Agreement, the Contractor shall be compensated in accordance with the "Schedule of Compensation" attached hereto as Exhibit "C" and incorporated herein by this reference in an amount not to exceed available amounts contained in the City Council approved budget for services and purchases herein ("Contract Sum"). Contractor shall provide estimate of work pursuant to Exhibit "C", Section II, III and IV for approval by the Contract Officer prior to the commencement of services or related services.

II. **Section 2.3 shall be deleted**

~~Additional Services. City shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written order is first given by the Contract Officer to the Contractor, incorporating therein any adjustment in (i) the Contract Sum for the actual cost of the extra work, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Contractor. Any increase in compensation of up to ten percent (10%) of the Contract Sum but not exceeding a total contract amount of Five Thousand Dollars ($5,000) or in the time to perform of up to ninety (90) days may be approved by the Contract Officer. Any greater increases, taken either separately or cumulatively, must be approved by the City Council. No claim for an increase in the Contract Sum or time for performance shall be valid unless the procedures established in this Section are followed.~~

III **Section 3.4 shall be amended to read as follows:**

3.4 Term. Unless earlier terminated in accordance with Article 7 of this Agreement, this Agreement shall continue in full force and effect from and after April 1, 2025, and for thirty (36) consecutive calendar months thereafter. City reserves the right, in its sole and unfettered discretion, to extend the Term of this Agreement, upon the same terms and conditions set forth herein, for up to a maximum of two (2) one-year extended terms (an "Extended Term"). City shall exercise its right to extend the Term of the Agreement by providing Contractor with written notice of its intent to extend the Term or any Extended Term of this Agreement not less than forty-five (45) calendar days prior to the expiration of the Term or any Extended Term of this Agreement.

EXHIBIT "C"

SCHEDULE OF COMPENSATION

I. Sales and Use Tax and Economic Analysis/Forecasting Services/Reports

Fees for performing the sales tax and economic analysis/forecasting Services as described above shall initially be **$850** per month, commencing with the month of the Effective Date (hereafter referred to as "monthly fee"). The monthly fee shall be invoiced quarterly in arrears and shall be paid by City no later than 30 days after the invoice date.

Consultant may increase the non-hourly Fees established above once a year, beginning July 1, 2027, with reference to the 12-month percent change in the published annual Consumer Price Index for All Urban Consumers (CPI-U) for the month of April, as reported by the U.S. Bureau of Labor Statistics (the "CPI Change").

II. Allocation and Audit Recovery Services

Fees for performing the allocation and audit recovery Services described above shall be **15%** of all new, increased and recovered sales and use tax revenue received by the City as a result, in whole or in part, of the allocation audit and recovery services (hereafter referred to as "audit fee"). The fee shall be paid notwithstanding any related City assistance, work in parallel, and/or incurrence of attorneys' fees or other costs or expenses in connection, with the relevant Services.

In the event Consultant identifies a possible misallocation for an existing Top 25 taxpayer, Consultant will not file a petition until City provides approval. Consultant and City will negotiate reasonable alternative billing parameters for any correction of a misallocation impacting an existing Top 25 taxpayer.

The Fee described above in Section 5.1 include, without limitation, State fund transfers received for back quarter reallocations and monies received in the first eight (8) consecutive reporting quarters following completion of Consultant's allocation audit and confirmation of the corrections by the CDTFA.

These Fees shall be paid by City upon Consultant's submittal of evidence of Consultant's relevant Services in support thereof, including, without limitation, copies of relevant communications between Consultant and the California Department of Tax and Fee Administration (CDTFA) and/or taxpayers.

III. Consulting and Other Optional Services

Fees for performing the consulting and other optional services described above shall be based on the following initial hourly rates:

(i) Principal - $325;
(ii) Programmer - $295;
(iii) Senior Analyst - $245; and
(iv) Analyst - $195.

If the contract is extended beyond the initial three - year term, consultant may increase the hourly fees established above once a year with reference to the 12-month percent change in the annual Consumer Price Index for All Urban Consumers (CPI-U) for the month of April, as reported by the U.S. Bureau of Labor Statistics (the "CPI Change").

Any services performed under section III must be approved prior to the commencement of work by the Contract Manager. Services which exceed the City's administrative approval authority must be approved by the City Council prior to the commencement of work.

IV. General Provisions Relating to Fees

Fees for travel and lodging expenses will be invoiced at cost and applied to all meetings (including implementation, training, operations, and support). Travel expenses only apply to out of scope travel and must therefore be pre-approved by City.

Fees will be invoiced monthly to City for Services performed during the prior month.

EXHIBIT "D"

SCHEDULE OF PERFORMANCE

Refer to Exhibit "A" for Details

CITY OF CYPRESS

CITY COUNCIL REPORT

City Council Regular **9.**

FROM: Matt Burton, Director of Finance and Administrative Services

DATE: 03/24/2025

SUBJECT: **Receive and File the Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2024**

RECOMMENDATION

Receive and file the Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2024.

SUMMARY

The Director of Finance is required to annually submit a complete financial statement and report to the City Council. Additionally, the State requires all California cities undergo an annual audit. Attached is the City's Annual Comprehensive Financial Report (ACFR) for the Fiscal Year ended June 30, 2024. The Basic Financial Statements contained in the ACFR have been audited by the firm of Lance, Soll and Lunghard, LLP. Based on the results of this audit, the City has received an unqualified, or “clean”, opinion.

DISCUSSION

The ACFR is comprised of three major sections: Introductory, Financial, and Statistical. Each of these sections contains required information in a prescribed format.

- The Introductory Section contains a transmittal letter, a directory of City officials, and an organizational chart.
- The Financial Section incorporates critical information on the financial condition of the City and includes all the information in the ACFR which is part of the scope of the audit, as well as required supplementary information and supplemental schedules. The Financial Section includes the basic financial statements, note disclosures and a management discussion and analysis (MD&A) narrative. The basic financial statements contain two types of statements: the government-wide financial statements and the fund financial statements. The government-wide financial statements present a broad overview of the City’s financial information on a full accrual basis, similar to the private sector, which provides a long-term perspective on the City's finances. The fund financial statements are presented on a modified accrual basis focusing on a short-term view of the City’s current and available financial resources. When both sets

of financial statements are reviewed in conjunction with the other information presented in the Financial Section (note disclosures and the MD&A), the reader of the ACFR should be able to gain a thorough and complete picture of the City's financial condition.

- The Statistical Section includes a variety of financial and demographic information related to financial trends, revenue and debt capacity, and operating and economic data. The contents of the statistical section are intended to provide the reader with additional analysis to help in the understanding of the overall financial health of the City.

The audit process also includes a report on internal control over financial reporting and on compliance and other matters, found at the end of the ACFR. No material weaknesses in internal controls were identified by the auditors.

The City has received national recognition for the past 38 years for its ACFR by receiving a "Certificate of Achievement of Excellence in Financial Reporting" from the Government Finance Officers Association of the United States and Canada (GFOA). The current year's ACFR has been submitted to the GFOA for FY 2023-24 award consideration.

BUDGET IMPACT

Sufficient amounts are included in the General Fund budget to pay for the cost of the annual audit and ACFR preparation.

LEGAL REVIEW

None required.

APPROVED BY: Peter Grant, City Manager

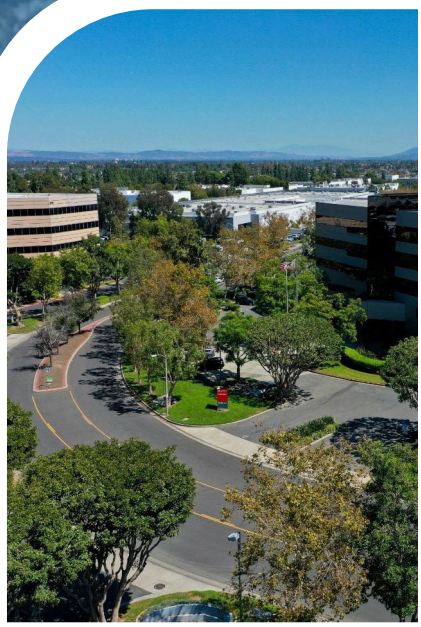
Attachments

Annual Comprehensive Financial Report

Annual Comprehensive

FINANCIAL REPORT

For Fiscal Year Ended June 30, 2024



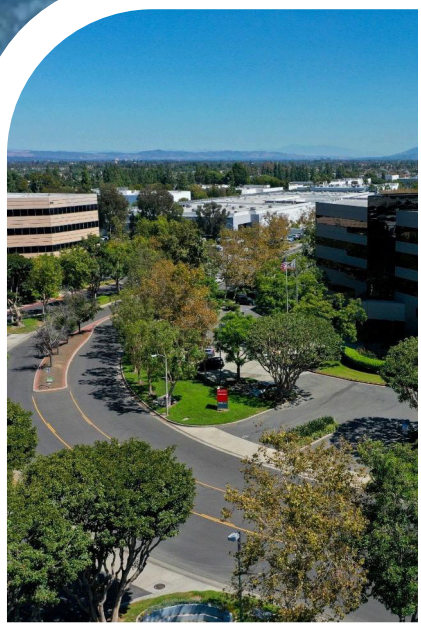




Annual Comprehensive

FINANCIAL REPORT

For Fiscal Year Ended June 30, 2024







Prepared by the

Department of Finance & Administrative Services

CITY OF CYPRESS

Annual Comprehensive Financial Report

Year ended June 30, 2024

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CITY OF CYPRESS

Annual Comprehensive Financial Report

Year ended June 30, 2024

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INTRODUCTORY SECTION

CITY of CYPRESS
5275 Orange Avenue, Cypress, California 90630
Phone 714-229-6700 www.cypressca.org

March 20, 2025

To the City Manager, Honorable Mayor, Members of the City Council and Residents of the City of Cypress, California:

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of the City of Cypress for the fiscal year ended June 30, 2024. This report is published in accordance with local ordinance and state law requirements that financial statements be presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants.

This ACFR consists of management's representations concerning the finances of the City of Cypress. 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 representations, management of the City of Cypress has established a comprehensive internal control framework designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Cypress' financial statements. Because the cost of internal controls should not outweigh their benefits, the City of Cypress' comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects. The report is presented in three sections: Introductory, Financial and Statistical. While there have been no significant changes in the City's fiscal policies that impact the current year financial statements, we urge readers of the report to pay particular attention to the overview and analysis presented in the Management's Discussion and Analysis (MD&A) found in the financial section of the ACFR.

City policy requires its financial statements be audited by independent certified public accountants. The firm of LSL, LLP has performed the audit for the fiscal year ended June 30, 2024. The goal of the independent audit is to provide reasonable assurance the financial statements of the City of Cypress are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded there was a reasonable basis for rendering an unmodified opinion that the City of Cypress' financial statements for fiscal year ended June 30, 2024 are fairly presented in conformity with accounting principles generally accepted in the United States of America. The Independent Auditors' Report is presented as the first component of the financial section of this report.

As a recipient of federal, state and county financial assistance, the City of Cypress is responsible for having an adequate internal control structure in place to ensure compliance with applicable laws and regulations related to such programs. This internal control structure is subject to periodic evaluation by management. In years when over $750,000 is expended on Federal financial assistance programs, the City is required to undergo an annual single audit in conformity with the provisions of the Federal Single Audit Act Amendments of 1996 and the Office of Management and Budget Circular A-133 regulating Single Audits, and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. For the year ended June 30, 2024, less than $750,000 was expended on Federal financial assistance programs and a single audit was not required.

CITY OF CYPRESS PROFILE

The City of Cypress, incorporated in July 1956, is located in the northwestern part of Orange County, California, where two of the nation's largest metropolitan areas, Los Angeles and Orange counties, meet. Cypress is primarily a residential community occupying 6.7 square miles of land and serving a population of 49,345. In addition to its residential communities, Cypress has an 800-acre business park that includes a diverse array of well-known companies. People are drawn to Cypress for its quality housing, business park, educational facilities, citizen-oriented social and recreational activities, and progressive City government. Some of the major attractions in Cypress include: Los Alamitos Race Course, Forest Lawn Memorial Park, and Cypress Community College.

The City of Cypress is a charter city and operates under the Council-Manager form of government. Policymaking and legislative authority are vested in the City Council, which consists of a Mayor, Mayor Pro Tem, and three Council Members. The City Council, among other things, is responsible for the City's ordinances, operating resolutions, adoption of the annual budget, appointing commissions and committees, and hiring the City Manager, the City Clerk and the City Attorney. The City Manager is responsible for implementing the policies, ordinances and directives of the City Council, for overseeing the day-to-day operations of the City, and for appointing the Directors of the City's departments. The City Council is elected on a nonpartisan basis. Council Members are elected to four-year staggered terms and may serve a maximum of two terms. The Mayor and Mayor Pro Tem are selected annually by the Council Members.

The City of Cypress provides a full range of services, including police protection; the construction and maintenance of streets, public facilities and other infrastructure; sanitary sewer; building safety regulations and inspections; and recreational activities and cultural events. The City is a member of the Orange County Fire Authority which provides fire protection and emergency medical aid services. Independent special districts provide educational and library services, while private entities offer utility services to Cypress residents.

The annual budget serves as the foundation for the City of Cypress' financial planning and control. The City operates on a fiscal year basis, beginning July 1 and ending June 30. The budget is prepared under the supervision of the City Manager and submitted to the City Council for deliberation and adoption prior to the beginning of the fiscal year.

The City follows these procedures in establishing the budgetary data reflected in the financial statements: After January 1, department directors prepare estimates for required appropriations for the fiscal year commencing the following July 1. The proposed budget includes estimated expenditures and forecasted revenues for the fiscal year. The data is presented to the City Manager for review. The operating budget includes a summary of the proposed expenditures and financial resources, as well as data for the preceding fiscal period. Prior to July 1, the budget is legally enacted through passage of an adopting resolution. Upon adoption by the City Council, the City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual budget. The City Manager may make transfers of appropriations within a department if within the same fund. However, appropriation transfers between departments, funds or relating to personnel costs or capital purchases require approval by the City Council, as do any supplemental appropriations.

Budget to actual comparisons are provided in this report for each individual government fund for which an appropriated annual budget has been adopted. With the exception of the General fund, where budgetary control is maintained at the department level, budgetary control is maintained at the fund level. The General fund departments are General government, Community development, Public safety, and Public works. Additional budget information is presented in the Notes to the Basic Financial Statements and Required Supplementary Information Sections of the financial section of this report.

FACTORS AFFECTING FINANCIAL CONDITION

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

Local economy. Cypress is home to a wide range of businesses, particularly in the 800-acre Cypress Business Park, which has historically generated a significant percentage of City General fund revenues. Major industries with headquarters or divisions located within the City's boundaries include electronic equipment, managed healthcare, horseracing and flooring distribution. A variety of professional businesses, aerospace, hotels, and other retail businesses are also based in Cypress.

The local economy in Orange County has experienced steady economic growth and job creation for the better part of the last two decades. While a handful of events created great economic uncertainties during this time, the local economy has proved resilient and the ongoing negative impacts to Cypress' revenue base have been less than feared. Inevitably, new economic uncertainties will continue to pop up and have an impact on the Orange County region, including Cypress, for the foreseeable future.

The City has been financially vigilant and focused on building up its reserves and limiting growth in operations in order to be in a position to effectively handle periods of uncertainty. This strategy has served Cypress well over the past decades as the City has been able to keep a balanced budget while maintaining service levels. Property taxes remain a stable source of income, while sales tax revenues are more volatile and unpredictable. Sales tax

concerns exist due to relying on a small number of businesses to generate the majority of sales tax receipts, and experiencing significant revenue declines over the last fifteen years (when compared to inflation). City leaders will continue to monitor revenue trends to best determine methods for strengthening the City's economic base.

Volatility in the financial markets will continue to have a direct impact on the City, most significantly in the form of required annual pension costs associated with being a member of the California Public Employees' Retirement System (CalPERS). Substantial decreases in value of CalPERS assets during periods of financial instability, combined with changes in actuarial assumptions and the discount rates to strengthen the pension system over the long-term, have been passed on to members of CalPERS in the form of higher payments for the foreseeable future. Cypress, like most other California cities, has seen its annual required contributions more than double over the last seven years.

In recent years, inflation has become the latest threat to the City's financial health. The evolving impact on City expenditures cannot be overstated, as cost increases for all City services and projects have far outpaced revenue growth and have yet to stabilize. Particularly concerning are the staggering increases in the costs associated with capital project investment.

Despite being subjected to all the aforementioned issues outside the control of the City's decision makers, the City has effectively managed its budget and used the positive results of past economic growth to build up fund balances and net position. It has been the City's practice to set-aside a portion of these fund balances and net position for potential future budget shortfalls and contingencies, and to offset significant long-term liabilities. Nearly $14.5 million has been accumulated in the General fund for contingencies and budget stabilization at June 30, 2024. In addition, a pension trust was set-up in 2017 in response to pension and budget stabilization concerns and in early 2024, the City Council established a goal and funding plan for pension trust assets to fully offset unfunded CalPERS pension liabilities by 2030. The pension trust provides a vehicle to restrict and invest monies for future pension obligations, while maintaining asset control at the local level. More than $31.9 million is invested in the trust at June 30, 2024, and is projected to grow to $53.1 million in 2030.

The remaining fund balances and net position are available for use on non-operating expenditures and provide for the payment of any other long-term obligations. Assuming the City remains fiscally responsible and disciplined with regards to budget decisions in the future, accumulated fund balance and net position amounts are at a level which should allow the City to withstand negative short-term economic impacts without affecting the primary service levels currently provided to its residents and businesses. However, the City's long-term ability to maintain the high-level of services currently offered to its residents and businesses is uncertain due to economic instability and risk of recession, inflation, sales tax stagnation and rising pension costs brought on by market volatility.

Another ongoing financial challenge remains funding the necessary maintenance and improvements required for the City's facilities and infrastructure systems. The seven-year capital funding plan is updated annually based on the most recent condition assessments of the various infrastructure systems and facilities. While significant progress has been

made in the last quarter century by way of improvements and setting aside reserves, there are still significant investments necessary to improve aging city and park facilities and storm drainage infrastructure. The funding plans for these assets, as well as the other infrastructure components (sidewalks, trees, streets, traffic signals), indicates a need for additional revenue sources to achieve the City's goal of maintaining its infrastructure systems and facilities at high standards. One of the largest concerns continues to be the lack of a dedicated revenue source (outside the General fund) to pay for facilities and storm drainage improvements identified in the condition assessments. Due to all the uncertainties discussed previously regarding the City's long-term financial health, it continues to be necessary to identify viable future funding solutions (other than the General fund) in order to address the issues facing aging infrastructure systems and facilities.

Long-term financial planning. The City of Cypress seeks to assure a high quality of life for its residents and businesses. As such, strategic planning is utilized to establish major goals and objectives of the City which provide principal guidance for the budget established by the City Council. The three year goals established for 2023 through 2026 include the following (not in priority order):

- Maintain financial stability and promote economic activity.
- Maintain high quality and high value services for the community.
- Maintain infrastructure and facilities.
- Enhance and maintain public safety.
- Enhance recreation facilities and programs.

The City's pursuit of these goals is achieved by establishing strategic objectives, which are incorporated into the annual budget. Most of the identified strategic objectives were completed during the past year and included transitioning City Council elections to districts, adopting a pension trust funding plan to fully offset CalPERS unfunded pension liabilities by 2030, approving a Housing Element implementation public outreach plan, presenting the Cypress Business Park Specific Plan modernization to the City Council, implementing the use of body-worn cameras by Police department patrol personnel, and awarding a construction contract for the rehabilitation of Arnold Cypress Park.

The City of Cypress maintains a seven-year Capital Improvement Program to plan for capital and infrastructure needs, and evaluates its annual budget in coordination with longer-term revenue projections. It is the City's policy to fund many capital projects by accumulating and setting aside a portion of excess General fund revenues over General fund expenditures for future infrastructure needs in the City's Capital Projects fund. However, due to the factors discussed in detail earlier, the ability to continue setting aside sufficient General fund amounts to meet future capital needs will become increasingly difficult in the coming years.

In addition, a five-year forecast for the General fund is included in the budget. This forecast provides a longer term analysis, which when viewed in conjunction with the current year budget, creates parameters for charting a prudent and sustainable financial course. Despite seeing improvements in the last two annual forecasts brought on by higher interest earnings, Cypress remains dogged by a modest, stubborn structural deficit. While these deficits are expected to be manageable, future challenges (both those that we are aware of and those

that are currently unknown) make it difficult to create a five-year forecast that can be relied on with confidence.

AWARDS AND ACKNOWLEDGEMENTS

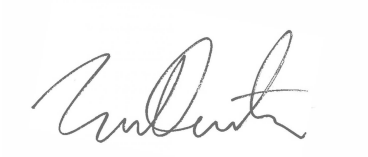
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cypress for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. This is the 38th consecutive year that the City has received this prestigious award. The Certificate of Achievement is a national award that recognizes conformance with the highest standards for preparation of state and local government financial reports.

In order to receive a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized ACFR. The report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we will be submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the dedicated service of the entire staff of the City's Finance Division and I want to extend my thanks to all the Finance staff involved in the process. Appreciation must also be extended to the Cypress City Council for their ongoing commitment to fiscal prudence and allowing the City to remain financially prepared for future challenges. This strategic and disciplined approach has greatly benefited Cypress residents and businesses through the years and continues to be more important than ever as a variety of threats to the City's fiscal stability evolve. I look forward to working with the City Manager and the City Council on ensuring the strength of Cypress' short-term and long-term fiscal health remains the highest priority so that future generations will be put in a position to thrive.

Respectfully submitted,



Matt Burton
Director of Finance and Administrative Services

City of Cypress, California

Directory of City Officials

For the Fiscal Year Ended June 30, 2024

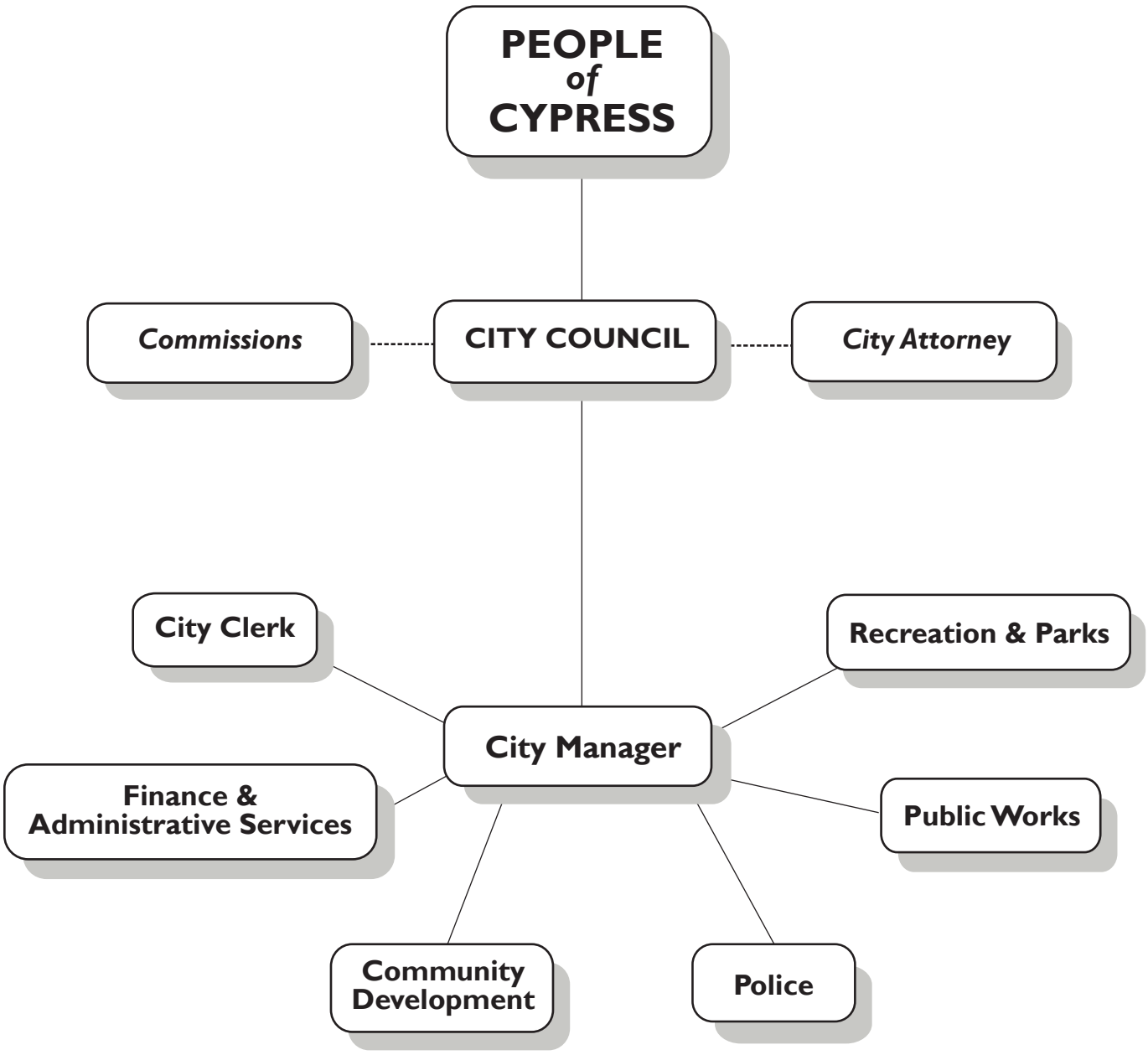
Legislative Body

Scott Minikus	Mayor
Bonnie Peat	Mayor Pro-Tem
David Burke	Council Member
Anne Mallari	Council Member
Frances Marquez, PhD	Council Member

Staff Members

Peter Grant	City Manager
Matt Burton	Director of Finance & Admin. Services
Mark Lauderback	Chief of Police
Nick Mangkalakiri	Acting Director of Public Works
Alicia Velasco	Director of Planning
Jeff Draper	Director of Rec. & Comm. Services
Alisha Farnell	City Clerk

City of Cypress
ORGANIZATIONAL CHART



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Cypress
California

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Cypress, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cypress, California (the "City"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

To the Honorable Mayor and Members of the City Council
City of Cypress, California

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated March 21, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

LSL, LLP

Irvine, California
March 21, 2025

As management of the City of Cypress (City), we offer readers of the City's financial statements this overview and analysis of the financial activities for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report, and with the City's financial statements, which follow this discussion.

Financial Highlights

- The assets and deferred outflows of resources of the City exceed its liabilities and deferred inflows of resources at the close of the fiscal year ended June 30, 2024 by $366,660,046 (*net position*). Of this amount, $92,395,384 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by $9,472,137 during the fiscal year.
- As of June 30, 2024, the City's governmental funds reported combined ending fund balances of $147,318,113, a decrease of $10,897,084 in comparison with the prior year. A total of $1,697,062 is unassigned within the General fund and is available for spending at the government's discretion, while a deficit fund balance of $2,911,297 is included in the Recreation and Park District major governmental fund and a $31,122 deficit fund balance is included in the nonmajor governmental funds (*unassigned fund balance of the governmental funds*).
- As of June 30, 2024, the total fund balance of the General fund was $32,354,846. Of this total, $10.0 million has been committed by the City Council as part of a stabilization agreement to be used should General fund revenues decrease or expenditures increase unexpectedly due to unforeseen factors or emergencies. In addition to these commitments, over $20.5 million of the fund balance has been assigned – including for use on future capital improvements, investment in the City's pension trust, potential budget shortfalls, pandemic recovery programs and storm drainage purposes. While these assigned amounts are not legally restricted, it continues to be the City Council's practice to set-aside and annually transfer surplus amounts (if available) both to the City's Capital Project Fund for future infrastructure improvement projects as outlined in the City's Seven-Year Capital Improvement Plan and for pension investment to offset the City's unfunded pension liabilities.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (which includes the required supplementary information). 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 broad overview of the City's finances, in a manner similar to a private-sector business.

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

The *statement of activities* presents how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. unpaid accrued interest).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other 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, community development, public safety, public works and recreation. The business-type activities of the City are related to the sanitary sewer system.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also two legally separate entities: the Cypress Recreation and Park District (District), and the Cypress Recreation and Community Services Foundation (Foundation). The City is financially accountable for both the District and the Foundation, and the financial information for these *blended component units* is reported within the financial information presented for the primary government itself.

The government-wide financial statements can be found in the financial section of this report immediately following Management's Discussion and Analysis (MD&A).

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable*

resources, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds and governmental activities*.

The City maintains various individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General fund, the Recreation and Park District Special Revenue fund, and the City Capital Projects fund, all of which are considered to be major funds. Also presented is the Streets Special Revenue fund which management has designated as a major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the *nonmajor* governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for each of its major funds. The required supplementary information section of the basic financial statements includes budgetary comparison schedules for the General fund, the Recreation and Park District Special Revenue fund and the Streets Special Revenue fund to demonstrate budgetary compliance with the annual budget. A budgetary comparison schedule has been provided elsewhere in this report for the other major governmental fund, the City Capital Projects fund.

The basic governmental fund financial statements can be found in the financial section of this report immediately following the government-wide financial statements.

As part of this annual discussion and analysis, management will discuss financial highlights of the City's General fund, all other major funds, and any funds experiencing a significant change in fund balances or any other noteworthy activity.

Proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for its sanitary sewer system. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its central services, the District's central services, employee benefits, liability insurance and workers' compensation insurance.

Because these services benefit governmental functions, they have been included in *governmental activities* within the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the *business-type activities* of the Sewer fund, which is considered a major fund of the City. The *internal service funds* are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found immediately following the basic governmental fund financial statements.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. The City's lone type of fiduciary fund is classified as *custodial funds,* which are used for assets held in a custodial capacity that cannot be used to support the City's own programs. These custodial funds include amounts held on behalf of the West Cities Police Communications Joint Powers Authority, which is provided administrative support by the City. The basic fiduciary fund financial statements can be found immediately following the basic proprietary fund financial statements.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found in the financial section of this report immediately following the basic fiduciary fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. The required supplementary information section includes the City's progress in funding its obligation to provide pension benefits and post-retirement health care benefits to its employees, and the previously discussed budgetary comparison schedules for the General fund, the Recreation and Park District Special Revenue fund and the Streets Special Revenue fund. Required supplementary information can be found immediately following the notes to the basic financial statements.

The combining statements (referred to previously in connection with nonmajor governmental funds and the internal service funds) are presented immediately following the required supplementary information.

The *blended component units* (referred to earlier in connection with the government-wide financial statements), although legally separate, function at the discretion and direction of

the City's management. Their financial position and results of operations, therefore, have been included as an integral part of the primary government, and are presented in the fund financial statements.

Government-wide Financial Analysis

The government-wide financial statements provide long-term and short-term information about the City's overall financial condition. This analysis addresses the financial statements of the City as a whole.

CITY OF CYPRESS
Summary of Net Position
As of June 30, 2024 and 2023

	Governmental Activites		Business-type Activites		Total	
	2024	2023	2024	2023	2024	2023
Assets:						
Current and other assets	$ 226,200,456	$ 221,787,974	$ 9,134,368	$ 7,721,594	$ 235,334,824	$ 229,509,568
Capital assets	183,996,942	171,325,019	18,490,199	18,871,533	202,487,141	190,196,552
Total assets	410,197,398	393,112,993	27,624,567	26,593,127	437,821,965	419,706,120
Deferred Outflows of Resources:						
Deferred outflows	26,745,944	28,432,314		-	26,745,944	28,432,314
Total deferred outflows	26,745,944	28,432,314	-	-	26,745,944	28,432,314
Liabilities:						
Long-term liabilities outstanding	15,784,354	14,796,311		-	15,784,354	14,796,311
Net pension liability	66,097,882	61,876,486		-	66,097,882	61,876,486
Other liabilities	10,892,104	7,096,386	43,694	121,615	10,935,798	7,218,001
Total liabilities	92,774,340	83,769,183	43,694	121,615	92,818,034	83,890,798
Deferred Inflows of Resources:						
Deferred inflows	5,089,829	7,059,727		-	5,089,829	7,059,727
Total deferred outflows	5,089,829	7,059,727	-	-	5,089,829	7,059,727
Net Position:						
Net investment in capital assets	182,784,606	170,286,779	18,490,199	18,871,533	201,274,805	189,158,312
Restricted	64,540,657	51,055,320	9,090,674	7,599,979	73,631,331	58,655,299
Unrestricted	91,753,910	109,374,298		-	91,753,910	109,374,298
Total net position	$ 339,079,173	$ 330,716,397	$ 27,580,873	$ 26,471,512	$ 366,660,046	$ 357,187,909

Net position of the City increased by nearly $9.5 million (2.7 percent) to $366.7 million at June 30, 2024, of which $201.3 million is invested in capital assets such as land, buildings and improvements, equipment, and infrastructure. Of the remaining total, $73.6 million is restricted as to use by specifically stipulated spending agreements originated by law, contract or other agreements with external parties. The remaining $91.8 million classified as unrestricted net position decreased $17.6 million (16.1 percent) from $109.4 million at June 30, 2023, and while subject to being designated for specific purposes as approved by the City Council and management, these amounts may be used to meet the City's ongoing obligations. The decrease in unrestricted net position is due to many factors, with the most impact related to the City's ongoing commitment to invest available unrestricted net position amounts in capital assets. For FY 2023-24, this commitment includes the first year of costs for a major park renovation which is expected to be completed in FY 2024-25. Other factors that tend to annually impact unrestricted net position include: tax revenues exceeding estimates, recording the financial impacts of the latest pension plan

actuarial valuations, and realizing budget savings associated with personnel vacancies throughout all departments of the City.

The City's investment in capital assets (less any related outstanding debt used to acquire those assets) is the largest portion of the City's net position and represents 54.9 percent of total net position, which is an increase from the percentage of overall net position at the conclusion of the prior year. While the City uses these capital assets to provide services to citizens; these assets are *not* available for future spending.

CITY OF CYPRESS
Changes in Net Position
For the fiscal year ended June 30, 2024 and 2023

	Governmental Activites		Business-type Activites		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program Revenues:						
Charges for services	$ 4,682,667	$ 6,877,076	$ 1,593,387	$ 1,632,171	$ 6,276,054	$ 8,509,247
Operating grants and contributions	5,541,054	4,789,491	39	36	5,541,093	4,789,527
Capital grants and contributions	2,271,831	2,153,338	-	-	2,271,831	2,153,338
General Revenues:						
Sales tax	12,930,992	13,561,206	-	-	12,930,992	13,561,206
Property taxes	22,738,100	21,868,125	42,876	36,250	22,780,976	21,904,375
Other taxes	6,833,479	6,743,014	-	-	6,833,479	6,743,014
Other	9,672,762	5,519,425	381,847	180,972	10,054,609	5,700,397
Total Revenues	64,670,885	61,511,675	2,018,149	1,849,429	66,689,034	63,361,104
Expenses						
General government	7,620,519	4,434,609	-	-	7,620,519	4,434,609
Community development	2,566,292	2,109,834	-	-	2,566,292	2,109,834
Public safety	22,380,579	16,762,572	-	-	22,380,579	16,762,572
Public works	16,733,394	11,321,069	-	-	16,733,394	11,321,069
Recreation	7,007,325	5,137,475	-	-	7,007,325	5,137,475
Sewer	-	-	908,788	892,783	908,788	892,783
Total Expenses	56,308,109	39,765,559	908,788	892,783	57,216,897	40,658,342
Increase (Decrease) in Net Position	8,362,776	21,746,116	1,109,361	956,646	9,472,137	22,702,762
Net Position						
Beginning Net Position	330,716,397	308,970,281	26,471,512	25,514,866	357,187,909	334,485,147
Ending Net Position	$ 339,079,173	$ 330,716,397	$ 27,580,873	$ 26,471,512	$ 366,660,046	$ 357,187,909

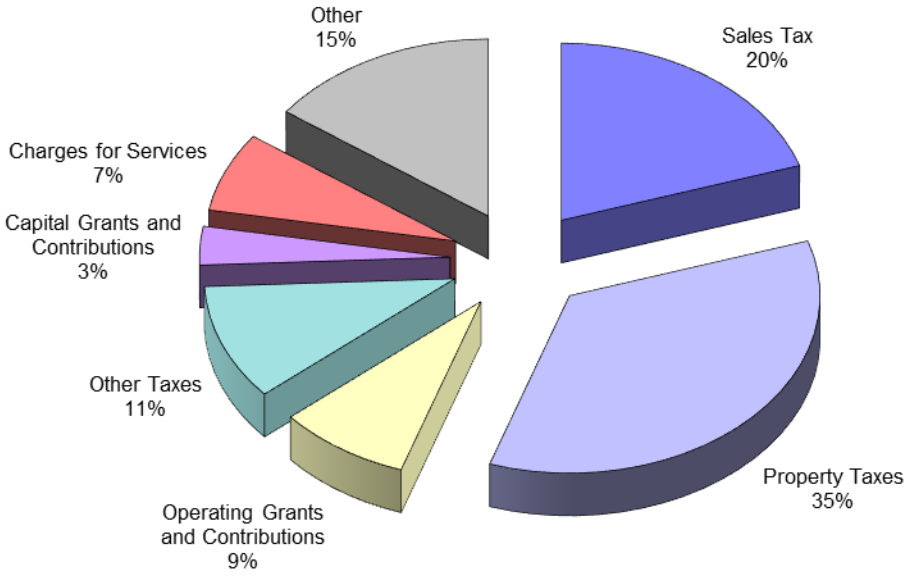
The following revenue impacts contributed to the change in net position for governmental activities for the fiscal year ended June 30, 2024:

- City program revenues accounted for 19.3 percent of total revenues and were $1.3 million less than the prior year total. Charges for services (which include items such as planning and building fees, city services, and recreation user fees) experienced a 31.9 percent decrease due to receiving $2.1 million of park development fees in the prior year. These park development fees declined over $1.6 million and tend to fluctuate year to year based on development activity. Grants and contributions tend to fluctuate annually based on availability and project timing. In the past year, operating grants and contributions increased by just over $750,000, in most part due to the receipt of additional Measure M2 tax revenue restricted for use on transportation purposes and higher interest earnings received on restricted cash balances held as net position throughout the year.
- The City's general revenues represent 80.7 percent of total revenues. General revenues increased by $4.5 million (9.4 percent) from the prior year. Sales taxes, which represent 24.8 percent of total general revenues, stagnated across several sectors in FY 2023-24 despite the overall resiliency of the economy. Property tax

revenues, the City's largest revenue source, experienced solid year-over-year growth due to new development, turnover of existing properties, and the impacts of Proposition 13 growth and their impacts on assessed values. Other general revenues totaled nearly $9.7 million, which is almost $4.2 million more than the prior year. The large jump relates almost exclusively to investment earnings and the impacts of earning an average interest rate of 4.4 percent on cash balances in FY 2023-24, compared to 2.7 percent in the prior year.

All revenues from governmental activities are summarized in the following graph.

Revenues by Source – Governmental Activities



Total expenses for governmental activities increased by $16.5 million for the fiscal year ended June 30, 2024, (41.6 percent), compared to the prior year. The largest contributing factor to the overall rise in expenses, approximately $7.1 million, is attributed to the annual allocation of changes in the internal service funds' net position. These changes can fluctuate drastically from one year to the next due to recording the impacts of the latest actuarial valuations on pensions, net of any transfers from the City for pension trust investment. In years where net pension liabilities decrease significantly and net transfers to the City are modest, such as in the prior year, the expense offsets allocated across all departments throughout the City are significant, resulting in year over year expense fluctuations in all departments. In addition to these allocations of net position, there are other factors impacting FY 2023-24 expenses associated with governmental activities.

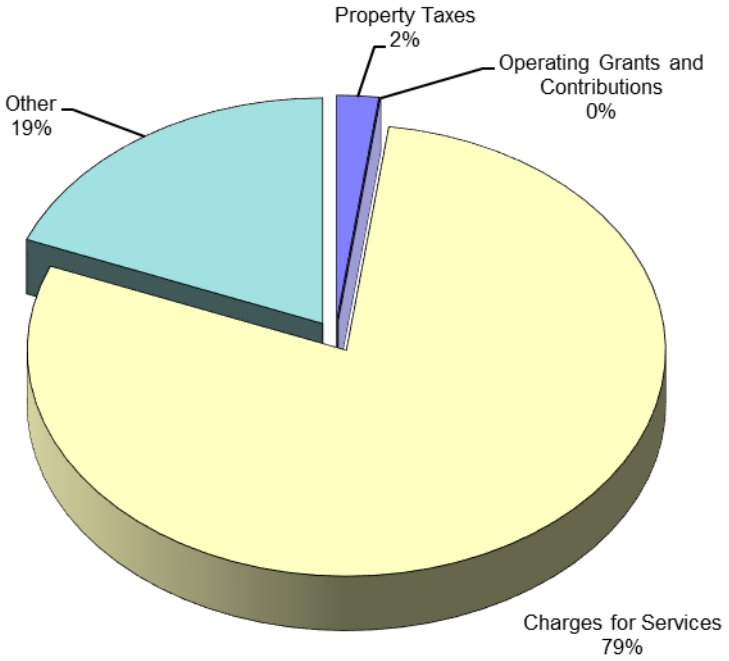
- General government expenses increased due to a significantly higher volume of city attorney litigation activities, including a large settlement payment to reimburse for attorney costs and fees on a lawsuit.
- Community Development expenses included non-recurring costs for the ongoing implementation of the State-mandated Housing Element which was certified in late 2022.
- Public safety (police) continues to account for the largest portion (39.7 percent) of total expenses related to governmental activities. In addition to the increases to overall public safety expenses resulting from the net position allocation discussed earlier, public safety expenses in FY 2023-24 include the impacts of implementing the second year of a four-year labor agreement covering sworn police officers' salary and benefits. The ongoing impacts of contract cost increases brought on by inflation also contributed to higher year-over-year expenses.
- Public works expenses include higher employee costs associated with cost-of-living adjustments and higher right-of-way and park maintenance costs associated with the new contract costs.
- Recreation expenses include cost of living salary and benefit increases and higher contract costs brought on by inflation for landscape and facility maintenance.
- Total expenses for business-type activities increased $16,005 (1.8 percent). Ongoing investments to improve the sewer system occur each year, and the modest change in expenses is largely attributable to small fluctuations in costs for personnel and consulting charges associated with sewer operations.

The following revenue items contributed to the change in net position for business-type activities for the fiscal year ended June 30, 2024:

- Program revenues for the sewer system are the major revenue source for the City's lone business-type activity. Charges for sewer services comprise nearly 80 percent of total revenues and decreased by 2.4 percent from the prior year. Since sewer fees are directly tied to water consumption, any annual revenue fluctuations can reasonably be attributed to relatively high precipitation levels experienced in the last year. The current sewer fee collections represent a dedicated revenue source which provides full funding for ongoing maintenance and annual capital improvements to the City's sewer system.
- General revenues for business-type activities are largely limited to investment earnings on cash balances and a small amount of property tax that is allocated to the City and is restricted to use for sewer purposes. Higher interest rates earned throughout the entire year on cash balances yielded larger investment earnings than in the prior year.

All revenues from business-type activities are summarized in the following graph.

Revenues by Source – Business-type Activities



Financial Analysis of the Governmental Funds

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

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information may be useful in assessing the City's financing requirements and operating needs.

As of the end of the current fiscal year, the City's governmental funds reported total combined ending fund balances of $147,318,113, a decrease of $10,897,084 over total fund balances at June 30, 2023. The decline in fund balance is the result of a variety of factors, which will be highlighted in the discussion of each of the City's major funds.

Total fund balance is broken down into five categories – ranging from nonspendable to unassigned. Restricted fund balance totals $20.4 million and decreased by $7.5 million from the prior year end and equals 13.8 percent of total fund balance. The restricted amounts at June 30, 2024 can only be used for specific purposes, with the major restrictions being limited for street maintenance and improvements and street lighting. The decrease in restricted fund balance is directly attributed to Recreation amounts which are required to be netted against the outstanding interfund loans due to the City capital

projects fund. Committed fund balance amounts total $24.8 million (16.8 percent) and are $2.5 million higher than the prior year. The increase to committed fund balance is directly attributed to contingency set-asides established by the City Council which are tied to budgeted expenditures in the General fund and grow annually in conjunction with the budget. An additional $88.8 million of fund balance is categorized as assigned. These assignments of fund balance are made by City management for specific purposes – with the vast majority of the assignments being for future capital improvements, potential future budget shortfalls and future pandemic recovery programs. It continues to be the City's strategy to set aside available resources to provide a funding mechanism to pay for future improvements to the City's infrastructure and public facilities, as well as accumulating monies to offset unfunded pension liabilities. The remaining amount of fund balance is categorized as unassigned and is available in the General fund for any purpose the City Council deems appropriate, while two negative amounts are recorded across other funds of the City.

Proprietary funds. The City's *proprietary funds* provide the same type of information found in the government-wide financial statements, but in more detail. The City's major proprietary fund is the Sewer enterprise fund. Net position of the Sewer fund at the end of the fiscal year ending June 30, 2024 total $27.6 million, which is just over $1.1 million higher than the prior year. The increase in net position is largely attributed to allocating resources for the ongoing investment in capital improvement projects for the sanitary sewer system.

Major Fund Financial Highlights

General Fund

The General fund is the primary operating fund of the City. At June 30, 2024, the total fund balance of the General fund was $32,354,846 (compared to $34,992,008 at the beginning of the year). The fund balance of the General fund is composed of five different categories – nonspendable, restricted, committed, assigned and unassigned. The City continues to implement the practice of accumulating monies for future infrastructure improvements in the City Capital Projects fund through transfers out of the General fund, as well as setting aside monies to invest in the City's pension trust. A total of $2.67 million was transferred out for future infrastructure and facility needs, and an additional $5.05 million for pension trust investment, during the fiscal year ended June 30, 2024. It is important to note the annual General Fund monies transferred to the City Capital Projects fund for the intended purpose of providing infrastructure and facility improvements are available for other uses at the City Council's discretion should the need arise. Additionally, the amount transferred for pension trust investment was significantly higher than a typical year due to the City Council establishing a goal to have pension trust assets equal net pension liabilities by 2030. This goal required a one-time infusion of $4.5 million from the General Fund ($2.5 million) and the City Capital Projects Fund ($2.0 million) for pension trust investment in FY 2023-24.

As a measure of the General fund's liquidity, it may be useful to compare the total of assigned and unassigned fund balances to total fund expenditures since assigned and unassigned amounts are essentially available for any purpose. Total assigned and unassigned fund balance represents 59.8 percent (down from 75.1 percent the previous year) of the total expenditures in the General fund. The major components of assigned fund balance include amounts set-aside for the City's one-time Pandemic Recovery Plan, future capital infrastructure and pension trust investments, and budget stabilization purposes. Despite the City Council's and management's policy to actively set-aside monies for future infrastructure and facility needs, the annual General fund amounts expected to be available for transfer to the City's Capital Project fund will likely be insufficient to pay for all future capital needs due to expenditure growth outpacing projected revenue growth.

For the fiscal year ended June 30, 2024, cash and investments in the General fund totaled $32,911,226, a decrease of $2,223,582 from the prior fiscal year, and is primarily the result of making an additional one-time transfer out for pension trust investment to meet the City Council's goal of fully offsetting net pension liabilities by 2030.

CITY OF CYPRESS

Summary of Changes in Fund Balances - General Fund
For the fiscal year ended June 30, 2024 and 2023

	2024	2023	Change
Revenues			
Taxes:			
Sales	$ 12,930,992	$ 13,561,206	$ (630,214)
Property	13,736,036	13,169,426	566,610
Other	7,229,311	7,149,006	80,305
Total taxes	33,896,339	33,879,638	16,701
Licenses and permits	1,029,241	1,437,526	(408,285)
Fines and forfeitures	251,811	228,114	23,697
From use of property	3,414,359	2,068,635	1,345,724
From other agencies	595,210	715,738	(120,528)
Charges for services	3,785,592	3,596,365	189,227
Other	253,885	823,017	(569,132)
Total Revenues	43,226,437	42,749,033	477,404
Expenditures			
General government	6,914,401	5,071,688	1,842,713
Community development	2,424,114	2,497,289	(73,175)
Public safety	20,738,949	19,863,447	875,502
Public works	7,117,062	6,395,623	721,439
Capital Outlay	10,918	-	10,918
Total Expenditures	37,205,444	33,828,047	3,377,397
Other Financing Sources/(Uses)			
Net Transfers	(8,669,073)	(5,346,503)	(3,322,570)
Inception of Lease	10,918	-	-
Total Other Financing Sources/(Uses)	(8,658,155)	(5,346,503)	(3,322,570)
Increase (decrease) in fund balance	$ (2,637,162)	$ 3,574,483	$ (6,222,563)

Total General fund revenues for the fiscal year ended June 30, 2024 increased by nearly $0.5 million from the prior year. Individual components of this change are highlighted as follows:

- Sales tax receipts, historically the largest revenue source of the General fund, saw a decrease of $630,214 when compared to the prior year. Despite the overall strength of the economy, the City's sales tax growth across all sectors has largely stagnated. In addition, recent declines by one of the City's largest generators and the County pool allocation have further contributed to lower revenues.
- Annual property tax revenue grew 4.3 percent due to increases in the City's secured property tax base related to new development, changes in ownership, and the annual growth associated with the Proposition 13 inflation adjustment. Included in General fund property tax revenue is $6.0 million of in lieu Motor Vehicle License Fees (MVLF), which represents an increase over the prior year.

- Other taxes increased due to several factors, including higher receipts for transient occupancy tax, real property tax and franchise fees.
- Licenses and permit revenues increased due to lower building development activity when compared to the prior year. These revenues tend to vary year to year, and while development activity in the City remained fairly strong throughout the year, new development activity levels were down when compared to the prior year.
- Revenue from use of property experienced another large year over year growth brought on by both higher yields earned on City cash balances for the entire fiscal year as well as market value increases to the underlying investments. The big jump in interest rates on government-backed securities experienced in the prior fiscal year, carried over into FY 2023-24 and resulted in a full 12 months of earnings based on rates significantly higher than prior years. In addition, accounting standards require all investments be recorded at their fair market value on June 30, 2024, which yielded $540,000 of revenues. It should be noted that the City's investment policy provides for all investments to be held to maturity, so any gain or loss required to be recorded at year end will never be realized.
- Other revenue decreased due to the prior year receipt of a $582,967 one-time class action settlement with the Monsanto Company for potential waterway contamination occurring over the last several decades. These amounts are set-aside for the future funding of water quality and storm water related programs.

Changes in General fund expenditures, by function, occurred as follows during the year ended June 30, 2024:

- General government expenditures rose by $1.8 million (36.3 percent) and is a result of increases in several programs. City attorney expenditures increased by $945,000 from the prior year, which is a result of a higher volume of litigation activities, as well as the City Council approving an $835,000 settlement payment for the reimbursement of fees and litigation expenses associated with a lawsuit. Higher contract animal control services and required contributions to regional homeless outreach efforts also contributed to the large year over year increase.
- Community development expenditures declined slightly due to two offsetting factors. Higher contract costs were incurred to provide support for the implementation of the City's state-mandated Housing Element which was certified in late 2022. Implementing the components of the housing element will take several years and is expected to cost in excess of $1 million. In the prior year, significant costs were incurred in the implementation of the first phase of the business recovery and support plan, which assisted the business community in its post-pandemic recovery efforts. These programs included development and permit fee refunds for eligible businesses, as well as a local catering program for the business park to promote efforts to support local restaurants.
- Public safety (police) expenditures increased by $875,502 (4.4 percent) when compared to the prior fiscal year. Cost increases associated with implementing the second year of a four-year labor agreement, which provided healthy salary and

benefit increases for sworn officers, and inflationary impacts driving contract cost increases, accounted for the change in expenditures.
- Public works expenditures were $721,439 (11.3 percent) higher than the prior year due to many factors, including higher employee costs associated with cost of living adjustments, implementing the first year of a new contract for right-of-way and park landscaping which cost nearly 50 percent more than the previous contract, and higher water costs for irrigation.

The difference in General fund net transfers are slightly over $3.3 million higher when compared to the prior fiscal year and are summarized as follows:

- The General fund transferred $1,606,912, as compared to $1,655,562 in the prior year, to the City's Capital Projects fund for current year projects. Additionally, $2.67 million of accumulated fund balance, up from $2.15 million in the prior year, was transferred from the General fund to the City's Capital Projects fund for future infrastructure projects.
- $5.05 million was transferred to the City's Internal Service Employee Benefits fund during the past year, compared to $1.75 million in the prior year. This annual transfer is typically limited to available prior year budget savings which are used to fund the City's pension trust. The pension trust was established in 2017 to help offset the City's growing pension liabilities and in March 2024 the City Council established a goal to have pension trust assets fully offset unfunded pension liabilities by 2030. In response to this new goal, an additional $2.5 million of General fund monies were transferred for pension trust investment in the Employees' Benefit Internal Service fund.

General Fund Budgetary Highlights

Differences between the original appropriations budget and the final amended budget totaled a net increase of $4,290,907. The annual carryover of appropriations to the new fiscal year for encumbrances and services not completed in the prior fiscal year accounted for $1,783,618 of the change. The majority of the carryover appropriations related to contingency amounts, unexpended grant awards, one-time allocations to businesses for pandemic recovery support, and planning services for the State-mandated implementation of the City's housing element. The remaining major changes in appropriations are summarized as follows:

- $1,142,000 increase in Legislative for legal services which tend to fluctuate based on the legal matters that arise during the year. Litigation activity was significantly higher than in a typical year due to several lawsuits, including the California Voting Rights Act (CVRA). The resulting CVRA settlement agreement included an $835,000 reimbursement by the City for attorney fees and litigation expenses.
- $208,500 increase in Administration for contract animal control services with the County of Orange. The additional costs are due to higher overall costs to provide

services throughout the County, higher animal in-takes in Cypress, and an isolated hoarding incident in Cypress which resulted in one-time charges of $147,000.

- $324,900 increase in Administration for higher required contributions for regional homelessness efforts. The City contributes a portion of the annual costs to operate two navigation centers in the County, and these charges vary each year depending on cash flow needs and available State funding.
- $180,000 in Administration to extend the development fee waiver program as part of the second phase of the City's Pandemic Recovery Plan. The program is designed to attract and encourage business investment by reducing city fees, and has been remarkably successful. The initial $500,000 committed for the program has been fully expended and the City Council approved additional funding through the end of 2024.
- $325,000 in Planning for the second phase of a Pandemic Recovery Plan's Business Recovery and Support Program designed to stimulate business growth, and attract and retain businesses in the City through the creation of Cypress University to assist small businesses.

Total actual General fund revenues exceeded the final amended revenue budget by over $2.1 million. Tax revenue exceeded the amended budget by $1.5 million due to several factors, with property tax and sales tax being the largest impacts and exceeding initial estimates by $780,000 and $325,000 respectively. Property tax growth is a product of new development, parcel turnover and the overall strength of the housing market. The relatively modest sales tax overage was driven by our ongoing approach to conservatively, but realistically, estimate revenues directly tied to the overall economy. Other tax sources contributed to the overage and include real property transfer tax, transient occupancy tax and franchise taxes. Another major contributor to the overall budget excess is revenue from the use of property (which includes interest earnings on the City's investments). Actions by the Federal Reserve over the last two years drastically raised the interest rate earned on the City's investment portfolio, and FY 2023-24 saw a full year of earnings at a much higher average rate of return than earned in prior years. The impacts of these increases were not fully-known during budget development and provided over $1.6 million of additional revenues to the City's General fund.

Total operating expenditures were $5.6 million below the final amended budget (before any carryover amounts to the fiscal year ended June 30, 2025) and these savings were across all departments throughout the City. The reason for the large budget variance is similar to prior fiscal years, in that a portion is related to personnel savings during periods with staffing vacancies throughout the course of the year. The bulk of these staffing vacancies are associated with positions (such as police officers) in which active recruitments are ongoing and the periods of vacancy are temporary. Further savings were realized due to one-time amounts budgeted for contingency purposes, the City's pandemic recovery plan, and contract housing element implementation services not being expended prior to June 30, 2024. These unexpended amounts have been carried over and appropriated in FY 2024-25 budget and are expected to be expended prior to June 30, 2025.

Other Major Funds and Other Funds

Management annually discusses financial highlights of the City's major funds and any other funds experiencing significant changes in fund balance during the year. Also included in the annual discussion are any activities management considers relevant to the operations of the City.

Recreation and Park District Special Revenue Fund

The Recreation and Park District special revenue fund is the sole operating fund of the Cypress Recreation and Park District. At the end of the current fiscal year, total fund balance was a negative $2,905,952 as compared to a positive $10,247,330 at the beginning of the year. This represents a $13.1 million turnaround and gives the impression the District's financial health has greatly deteriorated over the past year – which is both misleading and inaccurate. The reason for the large decrease is solely the result of a GASB accounting pronouncement that requires loans between the City and District be recorded as a liability on the District's books. During the past year, the City and District approved a $33.5 million project to reconstruct the aging Arnold Cypress Park that will be funded by loans from the City. These loans are long-term and will be repaid over the next 20 years using available property tax revenues. If the District had used other forms of financing to pay for this $33.5 million project, the long-term debt would not be presented as a liability in the District's governmental funds. However, since the loan is considered an advance between funds of the City and District (a component unit) GASB requires the full amount of the advance is recorded as a liability even though its repayment will be made over the next two decades. The outstanding amount of the advance ($14.4 million) is required to be recorded as a negative amount, netted against unassigned fund balance. While this results in an inaccurate portrayal of the District's financial condition on the face of the financial statements, it is important to understand the underlying health of the District remains strong and is essentially unchanged from the prior year.

For fund balance analysis purposes, it is probably best to remove the negative $14.4 million netted against unassigned fund balance from the calculations to yield a useful comparison. By doing so, fund balance represents 207.4 percent (compared with 194.8 percent from the previous year) of the fund's total current Recreation operating expenditures and the adjusted, remaining fund balance would be properly categorized as restricted since these amounts can legally only be used for recreation purposes. These adjusted fund balance amounts at June 30, 2024 are required to be used for improvements to open space, for use on youth league renovations and those amounts that may be used for general recreation activities. Since the bulk of the District's operations are funded with annual property tax revenues, a portion of the fund balance for general recreation usage is needed to meet cash flow shortages between property tax receipts. The remaining amounts (for both open space and recreation) are being

accumulated for future non-recurring expenditures such as facility and infrastructure improvements.

For the fiscal year ended June 30, 2024, the cash and investments balance in the Recreation and Park District special revenue fund was $14,804,481, a decrease of $1,371,446 from the prior fiscal year. Total receivables at the end of the fiscal year were $600,136, an increase from the prior year total of $267,268. These balances tend to fluctuate from year to year based on the timing of receipts and disbursements.

CITY OF CYPRESS
Summary of Changes in Fund Balances
Recreation and Park District Special Revenue Fund
For the fiscal year ended June 30, 2024 and 2023

	2024	2023	Change
Revenues			
Taxes:			
Property	$ 7,326,746	$ 7,080,645	$ 246,101
From use of property	1,029,302	752,086	277,216
From other agencies	113,618	62,665	50,953
Charges for services	1,202,161	2,890,860	(1,688,699)
Other	57,093	21,063	36,030
Total Revenues	9,728,920	10,807,319	(1,078,399)
Expenditures			
Recreation	5,775,792	5,260,829	514,963
Capital outlay	16,950,867	1,070,103	15,880,764
Total Expenditures	22,726,659	6,330,932	16,395,727
Excess of revenues over expenditures	(12,997,739)	4,476,387	(17,474,126)
Other Uses - Transfers	(155,543)	(635,571)	480,028
Increase/(decrease) in fund balance	$ (13,153,282)	$ 3,840,816	$ (16,994,098)

Total Recreation and Park District Special Revenue fund revenues for the fiscal year ended June 30, 2024 declined by nearly $1.1 million from the prior year. Individual components of this change are highlighted as follows:

- Property tax revenues, the District's largest recurring revenue source, were 3.5 percent more than the prior year. The District continues to benefit from higher assessed values and new developments being added to the tax roll.
- Revenues from the use of property increased due to a full year of earning higher interest rates on District cash balances than the prior year.
- The large decline to charges for services was anticipated and relates to park development fee receipts. These receipts are difficult to predict due to uncertainties associated with development activity and economic conditions, and revenues can fluctuate drastically from year to year. A few major developments generated fees totaling nearly $2.1 million in the prior fiscal year while receipts for

the fiscal year ended June 30, 2024 declined to $445,000. All eligible park development fee receipts are used to pay down the District's outstanding advances from the City's General fund associated with the construction of Lexington Park.

Notable changes in expenditures during the fiscal year ended June 30, 2024 follow:

- Recreation expenditures increased $514,963 (9.8 percent) due to multiple factors, including the impacts of cost of living salary and benefit increases for all full-time employees and the impacts of inflation on contract costs for facility and landscape maintenance.
- Capital expenditures rose by nearly $15.9 million due primarily to a $2.7 million one-time purchase of land for the expansion of Baroldi Sycamore Park and incurring $10.9 million on the rehabilitation of Arnold Cypress Park. The Arnold Cypress Park project will completely rebuild the 74 year-old, 14.5 acre park at a cost of $33.5 million. The new park will provide a variety of sports courts and softball fields, and is expected to be completed in the first half of 2025. In addition to these one-time major projects, the District continued to invest in other park facility improvements as amounts were expended in the fiscal year ended June 30, 2024 for extensive interior upgrades at the Senior Center, the replacement of the Community Center's HVAC system and roof, sports lighting replacement at Oak Knoll Park, and a variety of other enhancements at park sites throughout the Cypress.

District net transfers decreased by $480,028 and totaled a net outflow of $155,543. These District transfers occur each year and are comprised of multiple components. First, for the last decade the District annually transferred additional property tax amounts to the City that were previously apportioned to the Agency. The City Council established this repayment when the State disallowed loans from the City to the Agency which had been used to pay for several recreation capital projects (including the construction of the Senior Center and the remodel of the Community Center). The final repayment of $382,160 under the terms of this agreement occurred in the fiscal year ended June 30, 2023. The other recurring component relates to a $150,000 annual transfer to the employees' benefits internal service fund to help offset any unfunded pension liability owed to the Orange County Employees Retirement System (OCERS). This liability represents monies owed on behalf of vested District employees who earned OCERS pension benefits prior to 2000 when all employees were transitioned to CalPERS. The final component of net transfers is for new and replacement capital outlay acquisitions, which tend to be fairly small in a typical year like the fiscal year ended June 30, 2024. However, in the prior fiscal year the District took delivery of a replacement mobile stage and canopy used for community events (showmobile) which was partially paid for with a $103,411 transfer out of the District's operating fund.

Streets Special Revenue Fund

The Streets Special Revenue Fund accounts for receipts and expenditures of amounts apportioned under Streets and Highway Code (Highway Users' Tax), the Road Repair and Accountability Act of 2017, Measure M2 sales tax revenues, and Traffic Mitigation Fees charged by the City. These funds are used to maintain and improve streets and traffic signals.

Summary of Changes in Fund Balances
Streets Special Revenue Fund
For the fiscal year ended June 30, 2024 and 2023

	2024	2023	Change
Revenues			
From use of property	$ 386,288	$ 157,020	$ 229,268
From other agencies	4,061,577	3,398,480	663,097
Charges for services	380,373	106,752	273,621
Other revenue	157,871	-	157,871
Total Revenues	4,986,109	3,662,252	1,323,857
Expenditures			
Public works	2,726,741	39,136	2,687,605
Capital outlay	205,394	389,572	(184,178)
Total Expenditures	2,932,135	428,708	2,503,427
Other Uses - Transfers	(1,867,079)	(316,396)	(1,550,683)
Increase (decrease) in fund balance	$ 186,895	$ 2,917,148	$ (2,730,253)

Total revenues for the fiscal year ended June 30, 2024 increased by more than $1.3 million from the prior fiscal year. Like other funds of the City, the Streets fund saw increases in interest revenue due to higher yields earned on idle cash balances. The largest recurring income source in this fund is revenue from other agencies which includes State Gas Tax, Road Repair and Accountability Act of 2017 and County Measure M2 allocations. These allocations increased during the year due to a portion of FY 2022-23 Measure M2 allocations, which were unavailable during the prior year, becoming available during FY 2023-24. Charges for services, which includes traffic mitigation fees and regional traffic impact fees, increased $273,621 year over year and these annual receipts tend to fluctuate based on development activity in the City.

Total expenditures and net transfers also tend to vary from year-to-year depending on resource availability and the specific timing and scope of recurring projects such as the arterial and residential street rehabilitation and concrete/sidewalk improvements. Expenditures and net transfers out increased in the past year as annual funding for the arterial rehabilitation project and street maintenance was shifted back to the Streets fund. In the prior year, a higher level of funding for these programs came from the City General fund to ensure Maintenance of Effort requirements were met.

City Capital Projects Fund

The City Capital Projects Fund provides a cost center for City projects funded (either partially or in full) with General fund monies. In accordance with City Council policy, an annual transfer is made from the General fund to the Capital Projects Fund to pay for a portion of the projects approved as part of the Seven-Year Capital Improvement Program. Annual transfers are also made from the General fund to accumulate monies for future projects. The following table summarizes the activity during the past two years.

CITY OF CYPRESS
Summary of Changes in Fund Balances
City Capital Projects Fund
For the fiscal year ended June 30, 2024 and 2023

	2024	2023	Change
Revenues			
From use of property	$ 4,219,295	$ 2,222,575	$ 1,996,720
Other revenue	-	8,040	(8,040)
Total Revenues	4,219,295	2,230,615	1,988,680
Expenditures			
Public works	2,393,478	2,741,998	(348,520)
Capital outlay	977,238	1,474,937	(497,699)
Total Expenditures	3,370,716	4,216,935	(846,219)
Other Sources - Transfers	3,458,734	4,504,118	(1,045,384)
Increase (decrease) in fund balance	$ 4,307,314	$ 2,517,798	$ 1,789,516

Total revenues for the fiscal year ended June 30, 2024 increased nearly $2.0 million from the prior fiscal year. The increase is due largely to higher interest income resulting from a full-year of earning a significantly higher interest rate on available cash balances than the rate earned in the prior year. Also contributing to the increase are the interest amounts paid by the Recreation and Park District on the outstanding loans from the City for the construction of Lexington Park and Arnold Cypress Park.

Total expenditures tend to vary from year-to-year depending on the status of non-recurring projects such as public facility renovations, median improvements and other major infrastructure improvements such as storm drainage construction. Expenditures declined year over year due to the acquisition of land in the prior year for an upcoming major storm drain project, which will rebuild a 60 year-old pump station to meet current design standards and prevent flooding along Myra Avenue.

The amounts recorded as net transfers are typically comprised of annual transfers in from various restricted funds of the City and two transfers from the General fund. These recurring transfers were over $1.0 million higher than the prior year. However, a $2.0

million non-recurring transfer out in FY 2023-24 accounted for the year over year decline. The individual components of net transfers are discussed below:

- Total net transfers from restricted funds increased year over year, due to using $550,000 more of restricted Street funds on residential street resurfacing projects in FY 2023-24 than the prior year.
- The two annual General fund transfers are for 1) the annual funding requirement approved by the City Council to fund current year projects, and 2) an allocation for future infrastructure improvements that will be appropriated in upcoming years. The amount available for future improvements is directly tied to available General fund surplus amounts from the prior fiscal year and these amounts can fluctuate greatly from year to year due to a variety of factors. The available surplus amounts from FY 2022-23, and transferred to the City Capital Projects fund in FY 2023-24, increased nearly $500,000 from the prior year.
- The City Council approved additional funding for the City's pension trust in FY 2023-24 to reach a goal of having pension trust assets fully offset pension liabilities by 2030. Two million dollars of the additional funding required to meet this goal took set-asides for future capital improvements in the City's Capital Projects fund and transferred them to the Employees' Benefits Internal Service fund for investment in the pension trust.

Sewer Enterprise Fund

The Sewer Enterprise fund accounts for the maintenance and improvements made to the City's sewer system. The primary revenue source associated with this fund is fees collected from users of the sewer system. The Sewer fund is an enterprise fund in accordance with the requirements of GASB Statement No. 54 and all infrastructure assets associated with the sanitary sewer system are recorded as assets in the Sewer fund and the full-accrual method of accounting is used to account for sewer activities within the fund. The net position increased by just over $1.1 million during the year and the following is a comparison of the enterprise activity in the fund for the past two years:

CITY OF CYPRESS

Summary of Changes in Net Position
Business-type Activities - Sewer Enterprise Fund
For the fiscal year ended June 30, 2024 and 2023

	2024	2023	Change
Operating Revenues			
Charges for services	$ 1,593,387	$ 1,632,171	$ (38,784)
Other	-	7,397	(7,397)
Total Operating Revenues	1,593,387	1,639,568	(46,181)
Operating Expenditures			
Sewer Maintenance	323,082	298,928	24,154
Depreciation	585,706	593,855	(8,149)
Total Operating Expenditures	908,788	892,783	16,005
Non-Operating Revenues (Expenses)			
Property Taxes	42,876	36,250	6,626
From other agencies	39	36	3
Interest income	381,847	173,575	208,272
Total Non-operating Revenues	424,762	209,861	214,901
Increase (decrease) in net position	$ 1,109,361	$ 956,646	$ 152,715

Total Sewer fund operating revenues for the fiscal year ended June 30, 2024 are comprised primarily of sewer fee revenues, which decreased by $38,784 from the prior year. Sewer fees are charged to both residential and commercial accounts based on water consumption and can change year over year based on many factors, including precipitation levels and drought restrictions. The 2.4 percent year over year decline appears reasonable given the extremely wet winter experienced in FY 2023-24.

Maintenance expenditures tend to be consistent from year to year except in years in which the comprehensive update to the Sewer System Management Plan (SSMP) is required. This update occurs every five years and was last performed in the fiscal year ended June 30, 2020 with a cost of nearly $100,000.

Most non-operating revenues and expenses remain consistent over a typical two year period. However, interest income can vary year to year due to changes in the City's investment portfolio earnings rate of return and average cash balances held for sewer purposes. The City experienced a full year of earning a higher market rate than the average rate earned in the prior fiscal year.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets as of June 30, 2024 amounts to $202,487,143 (net of accumulated depreciation) and consists of $183,996,994 for governmental activities and $18,490,199 for business-type activities. The investment in

capital assets for governmental activities includes land, buildings and improvements, vehicles and equipment, furniture and fixtures, roads, storm drains, sidewalks, street lights, and construction in progress. The investment in business-type activities is limited to the City's sanitary sewer system. The City's investment in capital assets for governmental activities increased during the past fiscal year by $18.2 million (5.6 percent) before depreciation. The following table summarizes capital asset activity for the fiscal year ended June 30, 2024.

Summary of Capital Assets
As of June 30, 2024 and 2023

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Governmental Activities:						
Capital Assets, Not Depreciated:						
Land	$ 12,442,593	$ 9,734,882	$	$ -	$ 12,442,593	$ 9,734,882
Construction in Progress	14,203,403	1,867,115	23,042	146,810	14,226,445	2,013,925
Total, Not Depreciated	26,645,996	11,601,997	23,042	146,810	26,669,038	11,748,807
Capital Assets, Being Depreciated:						
Buildings and Improvements	63,665,962	62,107,516	-	-	63,665,962	62,107,516
Machinery and Equipment	12,499,613	11,774,630	-	-	12,499,613	11,774,630
Infrastructure	237,297,391	236,931,361	35,468,602	35,140,462	272,765,993	272,071,823
Lease Assets	65,484	53,896	-	-	65,484	53,896
Subscription Assets	1,800,688	1,289,619		-	1,800,688	1,289,619
Total, Being Depreciated	315,329,138	312,157,022	35,468,602	35,140,462	350,797,740	347,297,484
Less Accumulated Depreciation/Amortization:						
Buildings and Improvements	(23,076,834)	(22,553,255)	-	-	(23,076,834)	(22,553,255)
Machinery and Equipment	(8,950,251)	(8,722,991)	-	-	(8,950,251)	(8,722,991)
Infrastructure	(125,434,719)	(120,937,785)	(17,001,445)	(16,415,739)	(142,436,164)	(137,353,524)
Lease Assets	(15,397)	(2,455)	-	-	(15,397)	(2,455)
Subscription Assets	(500,989)	(217,514)		-	(500,989)	(217,514)
Total Accumulated Depreciation	(157,978,190)	(152,434,000)	(17,001,445)	(16,415,739)	(174,979,635)	(168,849,739)
Total Depreciated, Net	157,350,948	159,723,022	18,467,157	18,724,723	175,818,105	178,447,745
Governmental Activities Capital Assets, Net	$ 183,996,944	$ 171,325,019	$ 18,490,199	$ 18,871,533	$ 202,487,143	$ 190,196,552

Major governmental activities capital asset transactions during the fiscal year ended June 30, 2024 included the following:

- The large increase to construction in progress is due to starting construction on the rehabilitation of Arnold Cypress Park in late 2023. This $33.5 million, multi-year project was less than half complete at June 30, 2024 and is expected to be completed and reopened in Spring 2025.
- The increase to machinery and equipment is attributed to the purchase of new copiers, a new phone system, a city-wide computer replacement, a new in-car police audio video system, and new gym equipment for the police department. In addition, ten replacement vehicles were purchased and included a replacement dump truck, a new boom truck, a forklift and several unmarked police vehicles.
- Infrastructure additions of nearly $0.4 million are comprised mostly of traffic signal improvements, including the city-wide illuminated street sign upgrade project.

Major business-type activities capital asset transactions during the most recent fiscal year included the following:

- Just over $328,000 was invested in sewer capacity and condition improvement projects at various locations and recorded as capital asset additions to the sewer system at June 30, 2024.

Additional information on the City's capital assets can be found in the Capital Assets and Depreciation note (7) and the Subscription-Based Information Technology Arrangements note (8) in the notes to the basic financial statements section of this report.

Long-Term debt. The City had total debt outstanding of $81,882,236 at June 30, 2024. The following schedule summarizes the City's long-term liabilities.

Summary of Long-Term Debt
As of June 30, 2024 and 2023

	2024	2023	Change
Claims Payable	$ 2,683,169	$ 2,145,872	$ 537,297
Compensated Absences	2,588,237	2,433,267	154,970
Retirees' Health Payable	9,300,612	9,178,933	121,679
Accrued Pension Liability	66,097,882	61,876,486	4,221,396
Subscription/Lease Liabilities	1,212,336	1,038,240	174,096
Total	$ 81,882,236	$ 76,672,798	$ 5,209,438

Long-term debt activity during the fiscal year ended June 30, 2024 included:

- The change in claims payable is a result of higher outstanding claims for both workers' compensation and general liability matters when compared to the prior year. These amounts tend to fluctuate from year to year based on the timing of when claims are filed and eventually finalized. In recent years workers compensation claims, especially those involving police officers, have trended upward and total nearly $2.4 million at June 30, 2024.
- Compensated absences increased by $154,970. Compensated absence liabilities experience growth in years where there are few retirements or resignations of long-term employees, and when there are significant impacts related to negotiated cost of living wage adjustments, such as in the past year.
- In conjunction with GASB 75, the City had an actuarial valuation performed to determine the liability for other postemployment benefit (OPEB) plans as of June 30, 2024. The results of the actuarial valuation resulted in a modest increase to the City's liability for retiree's health benefits. Any changes in liability from year to year are due to many factors, including adjustment of the discount rate, as well as the ongoing impact of the actuarial requirement of an "implied subsidy" which results when the premiums paid by both active employees and retirees are the same. In these situations, such as with the City, the underlying assumption is the value of benefits to retirees exceeds those provided to active employees.

- The City's pension liability associated with its defined benefit plans increased by over $4.2 million during the fiscal year ended June 30, 2024. Year to year fluctuations in the pension liability can be large, and the most recent increases are directly attributable to the results of the annual actuarial valuations performed by the plan's administrators, CalPERS and OCERS.

The City has set aside over $3 million in the Employees Benefits Internal Service Fund to offset and pay a portion of both the OPEB and pension liabilities. However, these monies have not been placed in an irrevocable trust and therefore are not considered funded assets for actuarial purposes. In addition to these cash balances, $31.9 million is invested in the City's pension trust as of June 30, 2024. These trust amounts are legally restricted and may only be used to pay pension obligations.

Additional information on the City's long-term debt, pension plans and other postemployment retirement benefits can be found in the Subscription-Based Information Technology Arrangements note (8), the Other Long-Term Liabilities note (10), the Public Employees' Retirement System (CalPERS) note (11), the Terminated Orange County Employees Retirement System (OCERS) Defined Benefit Pension Plan note (13) and the Post-Employment Health Care Benefits note (14) in the notes to the basic financial statements section of this report.

Economic Factors and their impact on future City Budgets

Cypress has achieved enviable fiscal health through strategic financial management and oversight. Its long history of fiscal discipline has enabled Cypress to successfully handle economic downturns; maintain a commitment to first class infrastructure; and further establish its reputation as one of Southern California's best cities for families and businesses.

The City's long-term financial position remains strong amidst a challenging, confused economy, high interest rates, and rising personnel costs. As was the case in FY 2023-24, the FY 2024-25 Budget is balanced thanks to interest earnings, but as the Five Year forecast included in the Budget highlights, Cypress remains dogged by a stubborn structural deficit that limits the City's options to absorb cost increases or enhance community service levels.

The projected deficits have two primary causes. The first cause is one that all California cities face: costs – especially personnel costs – increase faster than revenues and cities have very little ability to raise revenue. The second cause is unique to Cypress: the annual $1.55 million of General Fund operating revenue dedicated to capital and infrastructure projects. City Councils have made this important annual investment for more than 20 years and Cypress' high-quality infrastructure and public facilities reflect it. However, this commitment is funded with revenues that would otherwise be available for operations and budget balancing.

The $1.55 million investment in capital and infrastructure is highlighted to underscore its importance to Cypress' success – not to suggest the City Council should abandon or decrease it. In fact, adjusting for inflation, the $1.55 million investment has less than half the buying power it did in 2004. The community would be well served to increase the investment of operating revenue in capital and infrastructure projects if it could be accomplished without reducing services or staffing.

Fortunately, the deficits projected in the Five-Year Forecast can likely be offset by using amounts set-aside in the Budget Stabilization Reserve, which was established to bridge small budget deficits that are anticipated to rectify through operational efficiencies and prior fiscal year end budget savings.

The City has experienced small, projected budget deficits for the past several years. Fortunately, the deficits have proven to be *on paper only* and resolved when revenues exceeded sensible projections and/or some planned spending and projects did not come to pass.

Nonetheless, Cypress' long-term financial future must remain a top consideration for the City Council. In particular, City operations are heavily dependent on sales tax – a volatile revenue that is not generated evenly throughout the business community. Cypress relies on a handful of businesses for the majority of its sales tax, which means a disruption to any of those businesses could imperil City operations. To mitigate this risk, the City Council updated the City's sales tax estimating and budgeting practice a few years ago to limit reliance on sales tax funding for annual operations.

While the City's ability to generate additional revenue is limited, preserving Cypress' strong financial position requires the City Council to do all it can to support the success and vitality of Cypress' business parks and the Katella Avenue commercial corridor.

The result of a visionary public-private partnership more than 40 years ago that deftly blended Cypress' residential and commercial land uses, the business parks are Cypress' economic engine. The City's ongoing role in this partnership is to provide the regulatory environment and flexibility our business community needs to succeed. As the first generation of business park buildings are modernized and their uses evolve with the regional economy, the City must approach projects focused on the whole community and balance competing interests with an eye to the horizon.

City Councils, past and present, recognize the value of a balanced residential and commercial community and have approved many business support initiatives. These initiatives present the community the opportunity to bolster City revenues without increasing taxes. Cypress is one of just a few established, fully-developed cities in

southern California that have not increased its local sales tax rate and does not have a utility user tax.

Investing in the business community to avoid higher taxes benefits residents and makes Cypress more attractive to businesses - a success sustaining cycle results in a community that is less likely to need to consider new taxes.

Our industry leading financial management practices are a justifiable source of community pride. Cypress is the only city to be recognized twice by former State Senator (and Certified Public Accountant) John Moorlach for having the strongest unrestricted net (fiscal) position of Orange County's 34 cities.

FY 2024-25 finds the City's short-term financial condition healthy, but navigating a variety of inflation-related challenges, an extraordinarily difficult employment market, and wobbling sales tax.

Inflation has hit capital projects especially hard. The estimated cost for every CIP project has increased dramatically because of inflation and supply shortages. Annual projects, like residential street resurfacing, have had their scope of work reduced compared to prior years or rely on funding from accumulated General Fund set-asides in the City's Infrastructure Bank. Fortunately, Cypress' strong financial management practices enable the City to fund CIP projects on a pay-as-you-go basis and avoid high borrowing costs.

Personnel costs are up $2 million from FY 2023-24 and place considerable strain on City finances. While spending on personnel is an important investment in ensuring Cypress is served by highly capable professionals who are committed to preserving and promoting our community, the costs will be a challenge to sustain.

Employer pension costs are forecasted to continue to increase as CalPERS navigates high interest rates, international crises, and rising employee wages. Fortunately, the City Council recently approved a plan to fully offset Cypress' unfunded pension liabilities by 2030, likely making Cypress one of the first cities in the state with a public safety department to fully offset its pension liability without issuing debt. This remarkable accomplishment not only strengthens the City's financial position, it is an indelible commitment to our employees and their retirement security.

Revenues. The City's projected revenues for Fiscal Year 2024-25 are $53.5 million and do not include any tax rate increases from the previous year. The Fiscal Year 2024-25 revenues included in the budget are five percent higher than the Fiscal Year 2023-24 adopted revenue budget.

The City's largest General fund revenue sources remain property tax ($14 million including State backfills) and sales tax ($12.9 million). Together, these two sources

comprise nearly two-thirds of General Fund revenues. Budgeted property tax revenues have increased by $1 million (7.9 percent) from the FY 2023-24 Budget. The increase is primarily attributed to higher assessed property values due to ownership turnover and the new construction of apartments and senior living dwellings. Sales tax receipts continue to grow year over year, which can be attributed to the ongoing impacts of inflation on the cost of taxable goods. While sales tax receipts can be volatile, especially during periods of economic uncertainty, the latest forecasts indicate modest growth for FY 2024-25.

Until about two years ago, investment earnings received on cash balances, had not been a major revenue source in the General Fund for well over a decade. However, Federal Reserve actions resulted in unprecedented interest rate hikes in 2022 which have held steady into 2024. While these increases are generally viewed as economically risky with the potential for negative short-term financial impacts to residents, local businesses and the City's revenue base, higher interest paid on Treasury-backed securities generates significant additional revenues to the City. Over the last few years, interest rates on Treasury notes have gone from close to zero to well over four percent. As such, investment earnings in FY 2024-25 continue to increase and are expected to be $450,000 higher than the prior budget and nearly $2 million more than the FY 2022-23 adopted budget. In short, the growth in investment earnings have been responsible for the FY 2023-24 Budget and FY 2024-25 Proposed Budget being balanced without the use of reserves.

Expenditures. Fiscal Year 2024-25 expenditures accomplish Strategic Plan goals and operating costs grow in response to a variety of factors, which includes the ongoing impacts inflation has on the cost of goods and services. Major expenditure highlights in the Fiscal Year 2024-25 Budget are as follows:

- Maintaining current service levels.
- Funding required CalPERS unfunded pension liability amortization increases.
- Incorporating negotiated and anticipated employee salary and benefit increases.
- Year one of the City's updated Seven Year Capital Improvement Program which totals $14.6 million.
- Capital Outlay funding of just over $0.7 million to acquire and/or replace computer software/hardware items, six vehicles and various tools and equipment.

Requests for Information

This financial report is designed to provide a general overview of the financial position of the City for all interested parties. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, 5275 Orange Avenue, Cypress, CA 90630.

BASIC FINANCIAL STATEMENTS

CITY OF CYPRESS

STATEMENT OF NET POSITION

June 30, 2024

ASSETS	Governmental Activities	Business-type Activities	Total
Cash and investments	$ 184,885,757	$ 8,916,384	$ 193,802,141
Restricted cash and investments	31,931,565	-	31,931,565
Receivables:			
Taxes	3,397,030	965	3,397,995
Interest	1,729,156	75,572	1,804,728
Notes, net of allowance	125,846	-	125,846
Accounts	1,851,566	141,447	1,993,013
Leases	39,497	-	39,497
Prepaid items	169,864	-	169,864
Inventory	6,992	-	6,992
Net Pension Asset	641,475	-	641,475
Assets available for resale	1,421,708	-	1,421,708
Capital assets	26,645,994	23,042	26,669,036
Capital assets, net of depreciation/amortization	157,350,948	18,467,157	175,818,105
TOTAL ASSETS	410,197,398	27,624,567	437,821,965
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount from pension plans	25,895,640	-	25,895,640
Deferred amount from OPEB	622,967	-	622,967
Deferred amount from OCERS	227,337	-	227,337
TOTAL DEFERRED OUTFLOWS OF RESOURCES	26,745,944	-	26,745,944
LIABILITIES			
Accounts payable and other accrued liabilities	7,782,283	43,694	7,825,977
Deposits	1,683,121	-	1,683,121
Unclaimed property	101,931	-	101,931
Unearned revenue	1,115,507	-	1,115,507
Due to bondholders	153,575	-	153,575
Due to other governments	55,687	-	55,687
Long-term liabilities:			
Due within one year			
Subscriptions/Leases payable	326,770	-	326,770
Claims payable	670,792	-	670,792
Retirees' health payable (OPEB liability)	523,500	-	523,500
Compensated absences	647,059	-	647,059
Due in more than one year			
Subscriptions/Leases payable	885,566	-	885,566
Claims payable	2,012,377	-	2,012,377
Retirees' health payable (OPEB liability)	8,777,112	-	8,777,112
Compensated absences	1,941,178	-	1,941,178
Net pension liability	66,097,882	-	66,097,882
TOTAL LIABILITIES	92,774,340	43,694	92,818,034
DEFERRED INFLOWS OF RESOURCES			
Deferred amount from leases	38,725	-	38,725
Deferred amount from CalPERS Pensions	2,933,670	-	2,933,670
Deferred amount from OPEB	1,674,355	-	1,674,355
Deferred amount from OCERS	443,079	-	443,079
TOTAL DEFERRED INFLOWS OF RESOURCES	5,089,829	-	5,089,829
NET POSITION			
Net investment in capital assets	182,784,606	18,490,199	201,274,805
Restricted:			
Pension trust	31,931,565	-	31,931,565
Net Pension Asset	641,475		641,475
Public safety	1,368,339	-	1,368,339
Public works	16,628,687	-	16,628,687
Recreation	11,514,880	-	11,514,880
Sanitary sewer	-	9,090,674	9,090,674
Other	2,455,711	-	2,455,711
Unrestricted	91,753,910	-	91,753,910
TOTAL NET POSITION	$ 339,079,173	$ 27,580,873	$ 366,660,046

See Accompanying Notes to the Basic Financial Statements.

CITY OF CYPRESS

STATEMENT OF ACTIVITIES

For the fiscal year ended June 30, 2024

		Program Revenues			Net (Expense) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General government	$ 7,620,519	$ 284,795	$ 82,423	$ 67,958	$ (7,185,343)	$ -	$ (7,185,343)
Community development	2,566,292	1,152,110	31,823	-	(1,382,359)	-	(1,382,359)
Public safety	22,380,579	408,438	1,210,954	-	(20,761,187)	-	(20,761,187)
Public works	16,733,394	1,322,443	3,328,561	2,203,873	(9,878,517)	-	(9,878,517)
Recreation	7,007,325	1,514,881	887,293	-	(4,605,151)	-	(4,605,151)
Total Governmental Activities	56,308,109	4,682,667	5,541,054	2,271,831	(43,812,557)	-	(43,812,557)
Business-type Activities:							
Sewer	908,788	1,593,387	39	-	-	684,638	684,638
Total	$ 57,216,897	$ 6,276,054	$ 5,541,093	$ 2,271,831	$ (43,812,557)	$ 684,638	$ (43,127,919)
General Revenues:							
Taxes:							
Property tax, levied for general purpose					7,711,466	-	7,711,466
Property tax, levied for recreation purposes					7,326,746	-	7,326,746
Property tax, levied for lighting purposes					1,675,318	-	1,675,318
Property tax, levied for sewer purposes					-	42,876	42,876
Property tax, backfill of vehicle license fees					6,024,570	-	6,024,570
Sales tax					12,930,992	-	12,930,992
Transient occupancy tax					2,892,555	-	2,892,555
Franchise tax					2,112,395	-	2,112,395
Other taxes					1,828,529	-	1,828,529
Total taxes					42,502,571	42,876	42,545,447
Investment earnings (loss)					9,618,170	381,847	10,000,017
Miscellaneous					54,592	-	54,592
Total General Revenues					52,175,333	424,723	52,600,056
Change in Net Position					8,362,776	1,109,361	9,472,137
Net Position at Beginning of Year					330,716,397	26,471,512	357,187,909
Net Position at End of Year					$ 339,079,173	$ 27,580,873	$ 366,660,046

See Accompanying Notes to the Basic Financial Statements.

CITY OF CYPRESS

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2024

	Major Funds	
		Special Revenue
ASSETS	**General**	**Recreation and Park District**
Cash and investments	$ 32,911,226	$ 14,804,481
Receivables:		
Taxes	3,266,372	92,991
Accrued interest	648,920	134,147
Notes, net of allowance	59,117	-
Accounts	620,411	372,998
Leases	39,497	
Prepaids	27,445	3,130
Inventory	-	2,215
Due from other funds	21,848	-
Advances to other funds	31,122	-
Land available for resale	-	-
TOTAL ASSETS	$ 37,625,958	$ 15,409,962
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
LIABILITIES:		
Accounts payable and other accrued liabilities	$ 2,533,542	$ 3,629,259
Deposits	1,664,726	18,395
Unclaimed property	101,631	300
Unearned revenue	634,503	247,128
Due to other funds	-	-
Advances from other funds	-	14,420,832
Due to bondholders	153,575	-
Due to other governments	55,687	-
TOTAL LIABILITIES	5,143,664	18,315,914
DEFERRED INFLOWS OF RESOURCES:		
Unavailable revenue	88,723	-
Leases	38,725	-
TOTAL DEFERRED INFLOWS OF RESOURCES	127,448	-
FUND BALANCES:		
Nonspendable	117,684	5,345
Restricted	28,944	-
Committed	9,983,343	-
Assigned	20,527,813	-
Unassigned	1,697,062	(2,911,297)
TOTAL FUND BALANCES	32,354,846	(2,905,952)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 37,625,958	$ 15,409,962

See Accompanying Notes to the Basic Financial Statements.

Major Funds (Continued)				
Special Revenue	City	Nonmajor		
Streets	Capital Projects Fund	Governmental Funds	Total	
$ 9,584,342	$ 82,714,015	$ 9,829,080	$ 149,843,144	
-	-	37,667	3,397,030	
74,143	738,694	76,642	1,672,546	
-	-	66,729	125,846	
537,077	55,766	41,884	1,628,136	
			39,497	
-	-	-	30,575	
-	-	-	2,215	
-	-	-	21,848	
-	14,420,832	-	14,451,954	
-	-	1,421,708	1,421,708	
$ 10,195,562	$ 97,929,307	$ 11,473,710	$ 172,634,499	
$ 890,888	$ 289,050	$ 262,576	$ 7,605,315	
-	-	-	1,683,121	
-	-	-	101,931	
-	87,000	146,876	1,115,507	
-	-	21,848	21,848	
-	-	31,122	14,451,954	
-	-	-	153,575	
-	-	-	55,687	
890,888	376,050	462,422	25,188,938	
-	-	-	88,723	
-	-	-	38,725	
-	-	-	127,448	
-	14,420,832	-	14,543,861	
9,304,674	-	11,042,410	20,376,028	
-	14,820,800	-	24,804,143	
-	68,311,625	-	88,839,438	
-	-	(31,122)	(1,245,357)	
9,304,674	97,553,257	11,011,288	147,318,113	
$ 10,195,562	$ 97,929,307	$ 11,473,710	$ 172,634,499	

CITY OF CYPRESS

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION

June 30, 2024

Fund Balances of Governmental Funds	$ 147,318,113
Amounts reported for governmental funds in the Balance Sheet differ from the amounts reported in the Statement of Net Position for governmental activities due to the following:	
Capital assets of governmental activities are not financial resources and, therefore, are not reported in the governmental funds. Except for the internal service fund amount of $4,570,177 which is included in the amount reported below, the capital assets net of accumulated depreciation were equal to the following amount.	179,426,765
Unavailable revenue is comprised of long-term receivables, which are not current available resources, and grants, which are resources not received within the proper revenue recognition period, and are therefore offset by deferred inflow of resources amounts equal to the receivable in the governmental funds.	88,723
Long-term liabilities are not reported in the governmental funds.	
Leases payable	(41,189)
Subscriptions payable	(240,072)
Internal service funds are used by management to charge the costs of certain activities (including central services, employee benefits, liability insurance, and workers compensation insurance) to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in the Statement of Net Position for governmental activities.	12,526,833
Net Position of Governmental Activities	$ 339,079,173

See Accompanying Notes to the Basic Financial Statements.

CITY OF CYPRESS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the fiscal year ended June 30, 2024

	Major Funds	
REVENUES:	General	Special Revenue Recreation and Park District
Taxes	$ 33,896,339	$ 7,326,746
Licenses and permits	1,029,241	-
Fines and forfeitures	251,811	-
Use of property	3,414,359	1,029,302
From other agencies	595,210	113,618
Charges for services	3,785,592	1,202,161
Other revenue	253,885	57,093
TOTAL REVENUES	43,226,437	9,728,920
EXPENDITURES:		
Current:		
General government	6,914,401	-
Community development	2,424,114	-
Public safety	20,738,949	-
Public works	7,117,062	-
Recreation	-	5,775,792
Capital outlay	10,918	16,950,867
TOTAL EXPENDITURES	37,205,444	22,726,659
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	6,020,993	(12,997,739)
OTHER FINANCING SOURCES (USES):		
Transfers in	940,237	-
Transfers out	(9,609,310)	(155,543)
Leases (as lessee)	10,918	-
TOTAL OTHER FINANCING SOURCES (USES)	(8,658,155)	(155,543)
NET CHANGE IN FUND BALANCES	(2,637,162)	(13,153,282)
FUND BALANCE - BEGINNING OF YEAR	34,992,008	10,247,330
FUND BALANCES - END OF YEAR	$ 32,354,846	$ (2,905,952)

See Accompanying Notes to the Basic Financial Statements.

Major Funds (Continued)				
Special Revenue Streets	City Capital Projects Fund	Nonmajor Governmental Funds	Total
$ -	$ -	$ 1,743,276	$ 42,966,361
-	-	-	1,029,241
-	-	59,107	310,918
386,288	4,219,295	393,001	9,442,245
4,061,577	-	259,276	5,029,681
380,373	-	98,789	5,466,915
157,871	-	123,556	592,405
4,986,109	4,219,295	2,677,005	64,837,766
-	-	-	6,914,401
-	-	12,970	2,437,084
-	-	269,088	21,008,037
2,726,741	2,393,478	1,305,822	13,543,103
-	-	-	5,775,792
205,394	977,238	407,323	18,551,740
2,932,135	3,370,716	1,995,203	68,230,157
2,053,974	848,579	681,802	(3,392,391)
-	5,458,734	-	6,398,971
(1,867,079)	(2,000,000)	(282,651)	(13,914,583)
-	-	-	10,918
(1,867,079)	3,458,734	(282,651)	(7,504,694)
186,895	4,307,314	399,151	(10,897,084)
9,117,779	93,245,943	10,612,137	158,215,197
$ 9,304,674	$ 97,553,257	$ 11,011,288	$ 147,318,113

CITY OF CYPRESS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the fiscal year ended June 30, 2024

Net Change in Fund Balances - Total Governmental Funds	$	(10,897,084)
Amounts reported for governmental activities in the Statement of Activities differ from the amounts reported in the Statement of Revenues, Expenditures, and Changes in Fund Balances as follows:		
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 as depreciation expense, or are allocated to the appropriate functional expense when the cost is below the capitalization threshold. This activity is reconciled as follow:		
Cost of assets capitalized		18,551,740
Depreciation/amortization expense (less $894,490 recorded in the Internal Service Funds)		(6,441,386)
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the Statement of Activties, a gain or loss is reported for each disposal.		(52,380)
The issuance of long-term debt, including leases and subscription-based information technology arrangements, provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of the governmental funds.		
Principal payments on subscriptions		96,383
Leases entered into		(10,918)
Principal payments on leases		12,623
Certain revenues in the governmental funds are classified as deferred inflows of resources because they are not collected within the prescribed time period after year-end to provide for current operations. However, the revenues are included under the accrual basis used in the government-wide statements and are as follows:		
Unavailable revenue		(27,827)
Internal service funds are used by management to charge the costs of certain activities (including central services, employee benefits, liability insurance, and workers compensation insurance) to individual funds. The changes in net position of the internal service funds are reported with governmental activities.		7,131,625
Change in Net Position of Governmental Activities	$	8,362,776

See Accompanying Notes to the Basic Financial Statements.

CITY OF CYPRESS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

June 30, 2024

	Business-type Activities - Enterprise Funds	Governmental Activities -
	Sewer Fund	Internal Service Funds
ASSETS		
CURRENT ASSETS:		
Cash and investments	$ 8,916,384	$ 35,042,613
Restricted cash with fiscal agents	-	31,931,565
Receivables:		
Taxes	965	-
Accrued interest	75,572	56,610
Accounts	141,447	223,430
Prepaid items	-	139,289
Inventory	-	4,777
TOTAL CURRENT ASSETS	9,134,368	67,398,284
NON-CURRENT ASSETS:		
Net pension asset	-	641,475
Construction in progress	23,042	17,257
Equipment (Net)	-	3,543,820
Subscription assets (Net)	-	1,009,100
Infrastructure (Net)	18,467,157	-
TOTAL NON-CURRENT ASSETS	18,490,199	5,211,652
TOTAL ASSETS	27,624,567	72,609,936
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount from PERS pension plans	-	25,895,640
Deferred amount from OPEB	-	622,967
Deferred amount from OCERS pension plans	-	227,337
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	26,745,944
LIABILITIES		
CURRENT:		
Accounts payable and other accrued liabilities	43,694	176,967
Subscriptions		229,571
Accrued claims and judgments	-	670,792
Retiree's health payable	-	523,500
Accrued compensated absences	-	647,059
TOTAL CURRENT LIABILITIES	43,694	2,247,889
NONCURRENT:		
Subscriptions	-	701,504
Accrued claims and judgments	-	2,012,377
Retirees' health payable	-	8,777,112
Accrued compensated absences	-	1,941,178
Net pension liability	-	66,097,882
TOTAL NONCURRENT LIABILITIES	-	79,530,053
TOTAL LIABILITIES	43,694	81,777,942
DEFERRED INFLOWS OF RESOURCES		
Deferred amount from PERS pension plans	-	2,933,670
Deferred amount from OPEB	-	1,674,355
Deferred amount from OCERS pension plan	-	443,079
TOTAL DEFERRED INFLOWS OF RESOURCES	-	5,051,104
NET POSITION		
Net investment in capital assets	18,490,199	3,639,102
Restricted:		
PARS trust	-	31,931,565
Net Pension Asset	-	641,475
Sanitary sewer	9,090,674	-
Unrestricted	-	(23,685,309)
TOTAL NET POSITION	$ 27,580,873	$ 12,526,833

See Accompanying Notes to the Basic Financial Statements.

CITY OF CYPRESS

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS

For the fiscal year ended June 30, 2024

	Business-type Activities - Enterprise Funds	Governmental Activities -
	Sewer Fund	Internal Service Funds
OPERATING REVENUES:		
Charges for services	$ 1,593,387	$ 19,724,730
Other revenue	-	1,366,214
TOTAL OPERATING REVENUES	1,593,387	21,090,944
OPERATING EXPENSES:		
Personnel services	-	1,410,633
Contractual services	-	14,232,668
Supplies and other services	-	6,334,047
Claim payments and changes in estimates	-	856,958
Sewer maintenance	323,082	-
Depreciation/amortization	585,706	894,490
TOTAL OPERATING EXPENSES	908,788	23,728,796
OPERATING INCOME	684,599	(2,637,852)
NON-OPERATING REVENUES (EXPENSES):		
Taxes	42,876	-
From other agencies	39	-
Interest income (loss)	381,847	2,238,667
Gain (loss) on disposal of equipment	-	15,198
TOTAL NON-OPERATING REVENUES (EXPENSES)	424,762	2,253,865
INCOME BEFORE TRANSFERS	1,109,361	(383,987)
TRANSFERS:		
Transfers in	-	7,587,356
Transfers out	-	(71,744)
TOTAL TRANSFERS	-	7,515,612
CHANGE IN NET POSITION	1,109,361	7,131,625
NET POSITION - BEGINNING OF YEAR	26,471,512	5,395,208
NET POSITION - END OF YEAR	$ 27,580,873	$ 12,526,833

See Accompanying Notes to the Basic Financial Statements.

CITY OF CYPRESS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the fiscal year ended June 30, 2024

	Business-type Activities - Enterprise Funds	Governmental Activities -
	Sewer Fund	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from users	$ 1,593,387	$ 20,966,743
Cash payments to suppliers for goods and services	(260,058)	(17,057,229)
Cash payments to employees	(140,943)	(1,413,155)
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,192,386	2,496,359
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
From taxes and other agencies	42,915	-
Transfers in	-	7,587,356
Transfers out	-	(71,744)
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	42,915	7,515,612
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from disposal of capital assets	-	19,336
Acquisition of capital assets	(204,372)	(1,518,786)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(204,372)	(1,499,450)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on investments	381,847	2,247,092
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	381,847	2,247,092
INCREASE (DECREASE) IN CASH AND INVESTMENTS	1,412,776	10,759,613
CASH AND INVESTMENTS - BEGINNING OF YEAR	7,526,523	56,214,565
CASH AND INVESTMENTS - END OF YEAR	$ 8,939,299	$ 66,974,178
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	$ 684,599	$ (2,637,852)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation/amortization	585,706	894,490
Changes in assets and liabilities:		
Accounts receivable decreased (increased)	-	(21,141)
Prepaid items decreased (increased)	-	(121,201)
Inventory decreased (increased)	-	5,296
Deferred outflows decreased (increased)	-	1,686,370
Accounts payable and other accrued liabilities increased (decreased)	(77,919)	(18,532)
Other accrued liabilities increased (decreased)	-	269,967
Insurance claims payable increased (decreased)	-	537,297
Accrued retirees' health payable increased (decreased)	-	121,680
Accrued leave payable increased (decreased)	-	154,971
Accrued pension liability increased (decreased)	-	3,579,921
Deferred inflows increased (decreased)	-	(1,954,907)
TOTAL ADJUSTMENTS	507,787	5,134,211
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 1,192,386	$ 2,496,359

See Accompanying Notes to the Basic Financial Statements.

CITY OF CYPRESS

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

June 30, 2024

	Custodial Funds
ASSETS	
Cash and cash equivalents	$ 4,571,407
Receivables:	
Accrued interest	40,671
Accounts	24,078
Prepaid items	38,528
TOTAL ASSETS	4,674,684
LIABILITIES	
Current liabilities	
Accounts payable and other accrued liabilities	125,964
Unearned revenue	40,965
Accrued leave payable	77,908
Total current liabilities	244,837
Noncurrent liabilities	
Accrued leave payable	233,724
Retirees' health payable	946,947
Due to other governments	1,208,342
Total noncurrent liabilities	2,389,013
TOTAL LIABILITIES	2,633,850
NET POSITION	
Restricted for:	
Member agencies	2,040,834
TOTAL NET POSITION	$ 2,040,834

See Accompanying Notes to the Basic Financial Statements.

CITY OF CYPRESS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

For the fiscal year ended June 30, 2024

	Custodial Funds
ADDITIONS:	
Member contributions	$ 3,174,994
Investment income	214,367
Other revenue	161,532
TOTAL ADDITIONS	3,550,893
DEDUCTIONS:	
Dispatch services	3,315,144
TOTAL DEDUCTIONS	3,315,144
CHANGE IN NET POSITION	235,749
NET POSITION - BEGINNING OF YEAR,	1,805,085
NET POSITION - END OF YEAR	$ 2,040,834

See Accompanying Notes to the Basic Financial Statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Cypress (City) is a municipal corporation, incorporated in 1956, and governed by an elected five-member council which, along with the Cypress Recreation and Park District (District), and Cypress Recreation and Community Services Foundation (Foundation), comprise the reporting entity. As required by generally accepted accounting principles, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The District, although a legally separate entity, is in substance part of the City's operations and, accordingly, District data are combined with the data of the City within these financial statements. The balances and transactions of the District and Foundation are blended within this report in all fund types except the General Fund. Separate financial statements are prepared for the District and are available from the City. A description of the District and Foundation and discussion of the criteria used for inclusion in the reporting entity follows.

Cypress Recreation and Park District

The Cypress Recreation and Park District was formed in 1949 to provide park and recreational facilities for the areas now known as the cities of Cypress and La Palma and adjacent unincorporated areas plus small portions of the adjacent cities of Los Alamitos, Buena Park and Anaheim. The District was under the control of the Orange County Board of Supervisors until 1971, when the City of La Palma and the other aforementioned cities withdrew from the District. On June 29, 1971, the District was established as a subsidiary district of the City, effective July 1, 1971. The members of the City Council act as the governing board of the District. The District is managed by employees of the City and overhead expenses are billed to the District each year. The fiscal year-end is June 30, the same as the City.

Cypress Recreation and Community Services Foundation

The Cypress Recreation and Community Services Foundation was created in 2019 to support and enhance safe, attractive, and high quality recreation facilities, programs, and services in the City of Cypress. The Foundation is organized and operates under section 501(c)(3) of the Internal Revenue Code as a charitable organization. The members of the City Council act as the Board of Directors for the Foundation. The Foundation is managed by employees of the City. The fiscal year-end is also June 30.

B. Accounting and Reporting Policies

The City has conformed to the pronouncements of the Governmental Accounting Standards Board (GASB), which are primary authoritative statements of accounting principles generally accepted in the United States of America applicable to state and local governments.

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

Government–Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government and its component units. Generally, the effect of interfund activity has been removed from the government- wide financial statements, except for interfund services provided and used. 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 expenses that are clearly identifiable with a specific program, project, function or segment. Program revenues of the City 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 of the City. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes and other items that are properly not included among program revenues.

The government-wide financial statements are reported using the flow of economic resources measurement focus and the accrual basis of accounting. With the flow of economic resources measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the government are included on the statement of net position. Net position is segregated into three primary components: net investment in capital assets, restricted net position and unrestricted net position. Under the accrual basis of accounting, 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 providers have been met.

Governmental Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With the current financial resources measurement focus, only current assets and deferred outflows of resources, and current liabilities and deferred inflows of resources, are generally included on the balance sheet. Under 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 collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City 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 other long-term liabilities, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual, and are therefore recognized as revenues of the current fiscal period. Grant funds earned but not received are reported as a receivable and deferred inflow of resources, and grant funds received before the revenue recognition criteria have been met are reported as unearned revenue. Other revenue items are considered to be measurable and available only when cash is received by the City.

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

The City reports the following major governmental funds:

The General Fund – The General Fund is the City's primary operating fund and accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Recreation and Park District Special Revenue Fund – This fund accounts for all resources, and operating and capital project activity of the Cypress Recreation and Park District. The primary resources of the District include a portion of the base property tax rate and user fee revenues.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Streets Special Revenue Fund – This fund accounts for receipts and expenditures of money apportioned under the State of California Streets and Highway Code Sections 2103, 2105, 2106, 2107 and 2107.5 (Gas Tax) and Section 2032(h) (Road Maintenance and Rehabilitation Act); Measure "M2" money from Orange County; and Traffic Mitigation Fees charged by the City.

The City Capital Projects Fund – This fund accounts for construction of major transportation infrastructure and public facilities. The resources of the fund are limited to transfers from the City's General fund and grant reimbursements for eligible projects.

The City reports the following major proprietary fund:

The Sewer Fund – This fund accounts for all of the operating and capital project activities associated with the City's sanitary sewer system. The resources of the fund are primarily fees charged to the users of the system.

Additionally, the City reports the following fund types:

Governmental Funds

The Special Revenue Funds – These funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Proprietary Funds

Internal Service Funds – Internal Service Funds are used to account for the financing of goods and services provided by one department of the City to other departments or agencies of the City on a pro-rata cost-sharing basis. The City currently uses internal service funds for the following activities: central services (which includes print shop, information systems, phone and equipment maintenance, building and grounds maintenance for the City's Civic Center and Corporate Yard, fleet maintenance for City vehicles and equipment, and for accumulating and expending monies for capital equipment acquisition and replacement), recreation central services (which includes the District's maintenance of equipment and the accumulation and expending of monies for the acquisition and replacement of District capital equipment items), employees' benefits, general liability insurance, and workers' compensation.

Proprietary funds are accounted for using the economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. All proprietary funds are accounted for on a cost of services or economic resources measurement focus. This means that all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with their activity are included on the Statement of Net Position. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 fund are charges to customers for use of the sanitary sewer system, while the principal operating revenues of the internal service funds are charges to departments in the governmental funds of the City for services. Operating expenses for the enterprise fund and the internal service 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 non-operating revenues and expenses.

The City's internal service funds are presented in the proprietary funds financial statements. Because the principal users of the internal services are the City's governmental activities, the financial statements of the internal service funds are consolidated into the governmental activities column when presented in the government-wide financial

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

statements. To the extent possible, the cost of these services is reported in the appropriate functional activity (general government, public safety, public works, etc.)

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are reported in a separate Statement of Fiduciary Net Position. These funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's operations. Fiduciary funds are reported using the economic resources measurement focus and accrual basis of accounting.

Custodial Funds – Custodial funds are used to report fiduciary activities in which the City acts as an agent.. The City's only custodial funds are the amounts held on behalf of the West Cities Communication Center Joint Powers Authority.

D. Cash and Investments

Investments are classified within the financial statements as "Cash and investments" and are stated at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statement.

All cash and investments of proprietary funds are held in the City's investment pool. Therefore, all cash and investments in the proprietary funds are considered cash and cash equivalents for purposes of the statement of cash flows as these cash pools have the general characteristics of a demand deposit account.

Restricted Cash and Investments

The City established a Post-Employment Benefits Trust (Trust) as a tax-exempt trust within the meaning of Section 115 of the Internal Revenue Service Code to accumulate resources for the CalPERS pension obligations. The trust may also be used to stabilize the amount of General Fund resources needed to meet future required contributions to CalPERS. The balances and activities of the Trust are irrevocably dedicated to funding future obligations to CalPERS. These amounts are reflected as restricted cash and investments in the Employees' Benefit Internal Service Fund.

E. Inventories and Prepaid Items

Inventories are valued at average cost and consist primarily of fuel and postage. The City follows the consumption method for inventory control whereby inventory items are reported as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to a future accounting period and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are recorded as expenditures/expenses when consumed rather than when purchased.

F. Advances to Other Funds

Long-term interfund advances are reported as a receivable in the advancing fund, and a long-term liability is recorded in the fund receiving the advance.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Capital Assets

Capital assets, which include land, machinery and equipment (vehicles, computers, etc.), buildings and improvements, and infrastructure assets (street systems, storm drains, sewer systems, etc.), are reported in governmental activities column of the government-wide financial statements. Capital assets are defined by the City as all land and buildings, vehicles, computers and equipment with an initial individual cost of more than $1,000; and improvements and infrastructure assets with costs of more than $10,000, and a life in excess of one year. Purchased or constructed assets are recorded at historical cost or estimated historical cost. Donated or annexed capital assets are recorded at acquisition value at the date of donation or annexation.

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. Depreciation/amoritization is recorded in the government-wide financial statements on a straight-line basis over the estimated useful life of the assets as follows:

Building and Improvements	10 to 40 years	Leased assets	2 to 10 years
Machinery and Equipment	3 to 10 years	Subscription assets	2 to 10 years
Infrastructure	20 to 65 years		

H. Compensated Absences

Compensated leave for all permanent employees is paid by the Employees' Benefit Internal Service Fund. The accrued leave payable represents the estimated liability for all accrued vacation, compensatory time, and 50% of the sick leave, as noted below, for all employees of the reporting entity. However, amounts greater than 50% of the sick leave have been accrued for certain Police Association members eligible for Service Retirement. The Employee Benefit Fund is funded by payroll charges to other funds based on benefits earned during that year. Compensated absences are primarily considered a long-term liability, as accruals earned in each fiscal year are generally sufficient to cover leave taken during the same fiscal year. An estimate has been made for the portion of the liability at fiscal year-end that will be due within one year for any employees terminating employment and receiving a payoff of their accrued leave balances.

Permanent employees may accumulate unlimited sick leave hours. Employees with 5 or more years of service terminated for any reason, and having 60 days or more of accumulated sick leave (equal to 480 hours), will be paid for 50% of their accumulated sick leave. Employees with 5 or more years of service terminated for any reason, and having between 240 hours and 480 hours, will be paid for 50% of their accumulated sick leave in excess of 240 hours. Employees having less than 240 hours will not be paid for their accumulated sick leave. The accumulation of vacation leave is generally limited to twice an employees' annual accrual. Employees who terminate for any reason are paid 100% of their accumulated vacation pay.

I. 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 or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

The Employees' Benefit Internal Service Fund, which is funded primarily through charges from the General Fund, is typically used to liquidate OPEB liabilities.

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

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

Gains and losses related to changes in total OPEB liability are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period may differ depending on the source of the gain or loss. The net difference between projected and actual earnings on OPEB plan investments are amortized over a closed 5-year period. The City, however, does not have an OPEB trust, so there are no deferred inflows or outflows related to this item. All other amounts are amortized over the expected average remaining service lifetime of plan participants.

K. Net Position and Fund Equity

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

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation, and reduced by outstanding debt attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Position – This component of net position is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Position – This component of net position consists of all net position that does not meet the definition of "net investment in capital assets" or "restricted net position."

In the governmental fund financial statements, fund balances are classified in the following categories in accordance with GASB Statement No. 54:

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Committed – Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the government imposes upon itself at its highest level of decision making, normally the governing body, and that remain binding unless removed in the same manner. The City Council is considered the highest authority for the City and the adoption of a formal resolution or the formal award of a contract by the City Council is required to establish a fund balance commitment. Additionally, commitments (other than those associated with the award of a contract) can only be modified or rescinded by the adoption of a formal resolution of the City Council.

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

Unassigned – Unassigned fund balances encompass the residual balance for the City's General Fund and includes all spendable amounts not contained in other classifications. In other funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

L. Spending Policy

In the government-wide financial statements, when expenses are incurred for purposes for which both restricted and unrestricted net position are available, the City's policy is to apply restricted net position first.

In the governmental fund financial statements, when expenditures are incurred for purposes for which all categories of fund balances are available, the City's general policy is to apply the expenditures against fund balance in the following order: restricted, committed, assigned, and unassigned.

M. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates and assumptions.

N. New Accounting Pronouncements

Current Year Standards:

The City adopted the following new accounting pronouncements:

- GASB Statement No. 99 – "Omnibus 2022" effective for fiscal years beginning after June 15, 2023.
- GASB Statement No. 100 – "Accounting Changes and Error Corrections" effective for fiscal years beginning after June 15, 2023.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position and governmental funds' Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represent a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expenditure) until that time. The deferred outflows of resources relate to pensions and other postemployment benefits.

There are various deferred outflow amounts related to CalPERS pensions. First is the amount of employer contributions made after the measurement date of the net pension liability, which will be recognized in the following fiscal year. The second item is a deferred outflow related to pensions for the net difference between projected and actual earnings on pension plan investments, which will be amortized over five years. Other items include the difference between expected and actual experience, changes in assumptions, and the adjustments due to differences in proportions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions determined for the June 30, 2023 measurement date, which is 3.8 years for both Safety Plan and Miscellaneous Plan members.

The deferred outflows related to the OCERS pension plan is the combined difference between expected and actual experience and assumption changes, which will be recognized over the average expected remaining service lives of all employees that are provided with pensions through OCERS, which for this measurement period is 5.35 years.

The deferred outflows related to other postemployment benefits is combined of the difference between expected and actual experience and assumption changes. These amounts are amortized over the average expected remaining active and inactive service lives as of the June 30, 2024 measurement date, which is 8.4 years.

In addition to liabilities, the Statement of Net Position and governmental funds' Balance Sheet may report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The City reported three items in this category. The first item, which arises only under the modified accrual basis of accounting, is unavailable revenues, which is reported only in the governmental funds' Balance Sheet. The governmental funds report unavailable revenues from one source, accounts receivable. Unavailable revenues are primarily capital project grants, or other revenues, which have been earned, but not received within 60 days after year-end. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

The second item is a deferred inflow related to pensions. For CalPERS pensions, the deferred inflow is the result of differences in expected and actual actuarial experience, changes in actuarial assumptions, adjustments due to changes in proportions, and differences between employer's contributions, the proportionate share of contributions, and differences between projected and actual earnings. The changes in projected and actual investment earnings are recognized over five years, beginning with the year in which they occur. The remaining items are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions. For CalPERS pensions, the remaining service life as determined for the June 30, 2024 measurement date is 3.8 years for both the Safety Plan and the Miscellaneous Plan.

The deferred inflow related to the OCERS pension plan is the net difference between projected and actual earnings on pension plan investments, which will be recognized over a period of five years, beginning with the year in which they occur. The third item is a deferred inflow related to other postemployment benefits. The deferred inflow is the result of changes in actuarial assumptions. This amount is amortized over a closed period equal to the expected average remaining service lives of plan participants.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the City's fiduciary net position in the California Public Employees' Retirement System (CalPERS) and Orange County Employees Retirement System (OCERS) plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS and OCERS, respectively. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The Employees' Benefit Internal Service Fund, which is funded primarily through charges from the General Fund and the Recreation and Park District General Fund, is typically used to liquidate CalPERS and OCERS pension liabilities, respectively.

NOTE 2: PROPERTY TAXES

Property taxes include assessments on both secured and unsecured property. Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on July 1 and are payable in two installments on December 10 and April 10. The County of Orange (County) bills and collects the property taxes and remits them to the City in installments during the year. City property tax revenues are recognized when levied to the extent that they result in current receivables, defined as being received within 60 days after year-end.

The County is permitted by State Law (Proposition 13) to levy taxes at 1% of full market value (at time of purchase) and can increase the property tax rate no more than 2% per year. The City receives a share of this basic levy proportionate to what it received in the 1976 to 1978 period adjusted by State mandated transfers to the various school districts in fiscal years ended June 30, 1993 and June 30, 1994.

NOTE 3: CASH AND INVESTMENTS

The City follows the practice of pooling cash and investments for all funds. Certain restricted funds that are held and invested by independent outside custodians through contractual bond indenture agreements are not pooled, and are reported as restricted cash and investments.

Investment income earned on pooled cash and investments is allocated quarterly to the various funds based on the average cash balance in each fund. Investment income from cash and investments with fiscal agents is credited directly to the fund earning the income.

Authorized Investments

Under provision of the City's annually adopted investment policy, and in accordance with Section 53601 of the California Government Code, the City may deposit and invest in the following:

- Securities of the U.S. Government
- Federal Agency Issues
- Certificates of Deposit (or Time Deposits) placed with commercial banks and/or savings and loan companies
- Bankers' Acceptances
- Commercial Paper
- Negotiable Certificates of Deposit
- Medium-term Corporate Notes
- Local Agency Investment Fund (LAIF)

NOTE 3: CASH AND INVESTMENTS (continued)

- Investment Trust of California (CalTRUST)
- Money Market Mutual Fund
- Passbook Savings Account Demand Deposits

A five-year maximum maturity for each investment is allowed unless an extension of maturity is expressly permitted by the City Council, with the exception of Certificates of Deposit, Bankers' Acceptances, and Commercial Paper, which are one year, 180 days, and 270 days respectively.

The above policy 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.

Deposits and Risks

At June 30, 2024, the carrying amount of the City's demand deposits was $1,550,364. The bank balances of these funds totaled $2,276,553 and were either covered by federal depository insurance or were held in collateralized accounts. If there were amounts not covered by federal depository insurance, the California Government Code requires California banks and savings and loans associations to secure a City's deposit by pledging government securities with a value of 110% of a City's deposits, or by pledging first trust deed mortgage notes having a total value of 150% of the City's total deposits.

The following is a summary of pooled cash and investments, including restricted cash and investments, as of June 30, 2024:

	Government Wide Statement of Net Position		Fiduciary Funds	
	Governmental Activities	Business-type Activities	Statement of Net Position	Totals
Cash and investments	$ 184,885,757	$ 8,916,384	$ 4,571,407	$ 198,373,548
Restricted cash and investments	31,931,565	-	-	31,931,565
Totals	$ 216,817,322	$ 8,916,384	$ 4,571,407	$ 230,305,113

Restricted cash and investments held by the fiscal agent which are reported in governmental activities include the pension trust fund, which includes restricted pension obligations. In the fiduciary agency fund, restricted cash and investments relate to monies held by fiscal agents for special assessment bonds.

NOTE 3: CASH AND INVESTMENTS (continued)

Cash and investments, as of June 30, 2024, consist of the following deposits, and investments and maturities:

	Total	12 Months or Less	13 to 24 Months	25 to 60 Months
Deposits:				
Demand Deposits	$ 1,550,364	$ 1,550,364	$ -	$ -
Investments:				
State of California Local Agency Investment Fund	53,801,066	53,801,066	-	-
Federal Farm Credit Bank	41,574,646	21,833,330	4,806,766	14,934,550
Federal Home Loan Mortgage Corporation	37,415,682	32,439,632	4,976,050	-
Federal Home Loan Bank	54,436,940	2,909,940	16,923,470	34,603,530
United States Treasury	9,594,850	-	-	9,594,850
Restricted Cash and Investments:				
PARS Mutual Funds	31,931,565	31,931,565	-	-
Total Cash and Investments	$230,305,113	$144,465,897	$26,706,286	$ 59,132,930

The City's investment policy and the California Government Code generally limit the amount that can be invested in any one issuer, except for U.S. Treasury securities and U.S. government-sponsored enterprises. At June 30, 2024, investments in one issuer representing 5% or more of the City's total investments were as follows:

Issuer	Investment Type	Fair Value
Federal Farm Credit Bank	U.S. Government-Sponsored Enterprise Securities	$ 41,574,646
Federal Home Loan Bank	U.S. Government-Sponsored Enterprise Securities	$ 54,436,940
Federal Home Loan Mortage Corp	U.S. Government-Sponsored Enterprise Securities	$ 37,415,682

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy provides that final maturities of securities cannot exceed five years. At June 30, 2024, the City's pooled cash and investment portfolio had a maturity of less than one year with an average life of the portfolio of approximately 566 days.

Credit Risk. State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). It is the City's practice to limit its investments in these investment types to the top rating issued by NRSROs, including raters Standard & Poor's and Moody's Investors Service. At June 30, 2024, the City's money market mutual accounts were rated AAAm by Standard & Poor's. The Federal Farm Credit Bank and Federal Home Loan Bank investments were rated AA+ rated by Standard & Poor's and Aaa by Moody's. The California Local Agency Investment Fund (LAIF) is not rated, but has a separate investment policy governed by Government Code Sections 16480-16481.2 that provides credit standards for its investments. There is no minimum legal rating.

Custodial Credit Risk. 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. All securities owned by the City with the exception of LAIF and CalTRUST are deposited in trust for safekeeping with a custodial bank. Securities are

NOTE 3: CASH AND INVESTMENTS (continued)

not held in broker accounts. 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: California Government Code requires a financial institution to secure deposits made by local governments by pledging securities in an undivided collateral pool held by a depository regulated under state law. The fair value of pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the governments. The investment in a Repurchase Agreement is uninsured with the collateral for the repurchase agreement held in the name of the bank but not the name of the City. For investments identified herein as held by a fiscal agent, the trustee selects the investment under the terms of the applicable trust agreement, acquires the investment, and holds the investment on behalf of the City.

External Investment Pool

The City is a voluntary participant in LAIF, which is an external investment pool regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California through which local governments may pool investments. The City and the District each may invest up to $75,000,000 in the fund. Investments in LAIF are considered highly liquid, as deposits can be converted to cash within 24 hours without loss of interest.

The City values its investments in LAIF at a fair value provided by LAIF. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available, and on amortized cost or best estimate for those securities where market value is not readily available. At June 30, 2024 the factor used was 0.996316042. The City's investment with LAIF includes a portion of pool funds invested in structured notes and asset-backed securities. As of June 30, 2024, the City had total deposits of $54,000,000 invested in LAIF, with a fair value of $53,801,066. LAIF had invested 1.40% of its portfolio in structured notes and medium-term asset- backed securities.

The City may participate in the Investment Trust of California (CalTrust), a joint powers authority and public agency established by its members under the provisions of Section 6509.7 of the California Government Code. Members and participants are limited to California public agencies. CalTrust is governed by a Board of Trustees comprised of experienced local agency finance professionals, members of the governing body, or officers or personnel of public agency CalTrust members. The City reports any investment in CalTrust at the fair value amount provided by CalTrust, which is the same as the value of the pool shares. There is no legal minimum or maximum investment in CalTrust, however, the City has set a policy limit of $50,000,000.

Fair Value Measurements

The City categorizes its fair value measurement within the fair value hierarchy established by Generally Accepted Accounting Principles. The hierarchy is based on the relative inputs used to measure the fair value of the investments. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the City has the ability to access.

Level 2: Inputs to the valuation methodology include:

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

NOTE 3: CASH AND INVESTMENTS (continued)

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

The asset's level within the hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The determination of what constitutes observable requires judgment by the City's management. City management considers observable data to be that market data which is readily available, regularly distributed or updated, reliable, and verifiable, not proprietary, and provided by multiple independent sources that are actively involved in the relevant market.

The categorization of an investment within the hierarchy is based upon the relative observability of the inputs to its fair value measurement and does not necessarily correspond to City management's perceived risk of that investment.

The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

When available, quoted prices are used to determine fair value. When quoted prices in active markets are available, investments are classified within Level 1 of the fair value hierarchy. When quoted prices in active markets are not available, fair values are based on evaluated prices received by the City's asset broker or custodian.

The following is a description of the recurring valuation methods and assumptions used by the City to estimate the fair value of its investments.

The City's management has valued the Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Federal Home Loan Bank in Level 2 based on quoted prices for similar assets. LAIF, Money Market and Mutual Funds are uncategorized.

NOTE 4: NOTES RECEIVABLE

Changes in Notes Receivable

The following is a summary of note receivable transactions for governmental activities for the year ended June 30, 2024:

Description	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Classification: Due Within One Year	Classification: Due in More than One Year
Home Loans	$ 414,280	$ -	$ (62,890)	$ 351,390	$ 10,000	$ 341,390
Housing Covenants	10,687,256	272,879	-	10,960,135	-	10,960,135
Other Notes	4,710	-	(429)	4,281	428	3,853
Subtotal	11,106,246	272,879	(63,319)	11,315,806	10,428	11,305,378
Less: Allowance	(10,977,700)	(272,879)	60,619	(11,189,960)	-	(11,189,960)
Total	$ 128,546	$ -	$ (2,700)	$ 125,846	$ 10,428	$ 115,418

NOTE 4: NOTES RECEIVABLE (continued)

Home Loans

The dissolved Cypress Redevelopment Agency (Agency) administered two loan programs to assist qualified low and/or moderate income applicants. Upon dissolution of the Agency, the administration and the outstanding notes associated with these two loan programs were transferred to the City's Low and Moderate Housing Assets Special Revenue Fund. The Home Equity Loan Program (HELP provided loans in the form of notes up to $25,000 for down payment assistance to eligible first time homebuyers. Payments on the notes were deferred for the first five (5) years with no interest during the deferral period. The loan becomes due and payable on a monthly basis in years 6 through 30 with a 5% interest rate assessed during the amortization period. Effective with the dissolution of the Agency on February 1, 2012, the HELP I program assets were transferred to the City's Low and Moderate Housing Assets Fund and no new HELP I loans are expected to be issued.

The Home Enhancement Loan Program (HELP II) provides loans to assist single family homeowners with home improvement costs. Moderate income applicants are eligible for loans of up to $20,000 with a 5% interest rate and payment deferred for the full 15-year term of the loan. The loans become due and payable in full upon sale, transfer of title, cash out refinances, or the end of the loan term, whichever comes first. Lower income applicants can qualify for no interest, forgivable loans of up to $20,000. The principal amounts for the forgivable loans are reduced by ten percent (10%) annually and are completely forgiven after ten years. Some of the HELP II notes are eligible for federal grant reimbursement to the City upon issuance and are recorded in the General Fund. Effective with the dissolution of the Agency on February 1, 2012, the HELP II program assets previously funded by the Agency were transferred to the City's Low and Moderate Housing Assets Special Revenue Fund. Any new loan issuances will be limited to those that are funded with federal grant reimbursements and recorded in the General Fund.

In the fund financial statements and government-wide statements for all loans, a note receivable is recorded when issued to the homeowner and is decreased upon repayment. The City holds notes due from homeowners totaling $121,565 (which is net of an allowance of $229,825 for forgivable loans) at June 30, 2024 in both the fund financial statements and the government-wide statements.

Housing Covenants

The City holds notes receivable totaling $10,960,135 (including accrued interest) related to affordability covenants entered into by the dissolved Agency associated with the following five projects described below. Upon dissolution of the Agency on February 1, 2012, the notes were transferred to the City and are recorded in the Low and Moderate Housing Assets Special Revenue Fund.

In 2004, the 13-unit Lincoln Glen townhome project was constructed in the Lincoln Avenue Redevelopment Project Area. To address the inclusionary affordability requirement triggered by the development, five (5) units were restricted for sale to affordable households. Silent second first-time homebuyer loans were provided to secure long term (45 year) affordability covenants on these units. The loans provide for interest to accrue at a rate of 7% per year. Two (2) units received $57,700 loans and were reserved for low income households (80% or less of County median income), and three (3) units received $37,350 loans and were reserved for moderate income households (up to 120% of County median income). Four of the loans (and their associated affordability covenants) were recorded in late 2004 and the remaining loan closed in early 2005. These loans, totaling $227,450 plus accrued interest of $595,129 at June 30, 2024, will be forgiven at the end of the 45 year covenant term.

To address the inclusionary affordability requirement triggered by the construction of the 63-unit Lincoln Square town project in 2007, ten (10) units received $35,000 silent second loans which covenanted them as affordable to moderate income households for a period of 45 years. All the loans were recorded in 2007 and provide for interest to accrue at a rate of 7% per year. All of the loans, totaling $350,000 plus accrued interest of $712,189 at June 30, 2024, are forgivable at the end of the covenant term.

NOTE 4: NOTES RECEIVABLE (continued)

In 2004, the Agency entered into an affordable housing agreement to provide a $774,473 loan to Habitat for Humanity of Orange County to acquire a property and build seven (7) townhome units known as the Cypress Heather development. The units were sold to very low income families (with incomes not exceeding 50% of the County's median). Each family assumed one-seventh of the Agency's loan with Habitat and these loans were recorded in 2007 and secured 45 year affordability covenants on the units. The loans provide for interest to accrue at a rate of 7% and be added to the loan principal each year. The loans, totaling $774,473 plus accrued interest of $1,511,898 at June 30, 2024, are forgivable at the end of the 45 year term.

In 2009, the Agency entered into an agreement to purchase long-term affordability covenants at the Tara Village apartment complex. The agreement provided a $6,788,996 loan to the owner of the apartment complex in exchange for reserving 80 units for rental to lower income households for 55 years, with 40 units reserved for very low income families and 40 units reserved for low income families. The loan is forgivable at the end of the covenant term.

In the fund financial statements, a note receivable is recorded upon initial funding of the loan with a corresponding amount recorded as an allowance for uncollectable amount since these notes will likely be forgiven prior to payment being due. This results in no impact to the fund balance reported in the fund financial statements. Similarly, in the government-wide statements, a note receivable is recorded when issued to the homeowner and would be decreased upon a repayment. However since all the loans associated with covenants are forgivable and will likely never be repaid, an allowance for forgivable loans of $10,960,135 has fully offset the amount reported as notes receivable in the government-wide statements at June 30, 2024.

Other Notes

The City receives an annual refund from Golden State Water related to the extension of a main water line in 1994. This annual payment of $428 will end in 2034.

NOTE 5: INTERFUND TRANSACTIONS

Interfund Balances

The following summarizes the total due and due from other funds as of June 30, 2024:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	$ 21,848
		$ 21,848

The outstanding balances between funds result from interfund borrowings and to cover cash flow deficits resulting from annual operating transfers to other funds.

Interfund Advances

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	$ 31,122
Capital Projects Fund	Recreation and Park District	14,420,832
		$ 14,451,954

NOTE 5: INTERFUND TRANSACTIONS (continued)

On February 26, 2018, the City approved an advance of $490,874 from the General Fund to the AB 2766 Trip Reduction Fund for the purchase of a compressed natural gas sewer cleaning truck. The advance occurred on May 3, 2019 after the sewer truck was received and payment was made. The advance is to be repaid, at zero percent interest, by annual payments from the Assembly Bill 2766 revenues which are to be used to reduce air pollution from motor vehicles. The use of this funding was approved by the South Coast Air Quality Management District. During fiscal year 2023-24, $67,461 was repaid, leaving a remaining balance of $31,122 at June 30, 2024. It is anticipated the advance will be fully repaid by fiscal year 2024-25.

On February 8, 2021, the City approved an advance of up to $12,800,000 from the City Capital Projects Fund to the Cypress Recreation and Park District Special Revenue Fund for the construction of Lexington Park. Note repayment will use eligible park development fee revenues, with the majority of revenues available for repayment expected to be associated with the development of the Los Alamitos Race Course. The note has an initial repayment term of five years, with the understanding the note will be renewed and repayment deferred until sufficient park development receipts are available. The District will pay annual interest to the City on the outstanding note balance at the rate earned by the California Local Agency Investment Fund (LAIF)

A total of $12,293,975 was loaned to the District for Lexington Park construction, and repayments to the City using available park development fees total $8,484,563 through June 30, 2024. All interest has been paid through the end of the fiscal year and the outstanding balance on the note totaled $3,809,413 at June 30, 2024. The project is complete and no further advances will be made. Future repayments will be determined based on the availability of park development revenues.

On February 13, 2023, the City approved an advance of up to $1,275,000 from the City Capital Projects Fund to the Cypress Recreation and Park District Special Revenue Fund for design costs associated with the reconstruction of Arnold Cypress Park. The note establishes an applicable interest rate equal to the amount earned on the California Local Agency Investment Fund. A total of $874,206 was advanced for the design. This advance was fully repaid on June 30, 2024, including interest of $36,001, in accordance with the terms of the note.

On November 13, 2023, the City approved an advance of up to $33,500,000 from the City Capital Projects Fund to the Cypress Recreation and Park District Special Revenue Fund for the reconstruction of Arnold Cypress Park. The note establishes an interest rate of 2.0% per annum. Annual payments of $2 million per year, inclusive of interest, will be made from District resources beginning June 30, 2025. Fiscal Year 2023-24 advances totaled $10,611,419, which equals the outstanding balance at June 30, 2024. Additional proceeds up to $22,888,581, which represents the remaining authorized limit on the note, will occur in the coming year.

Interfund Transfers

With City Council approval, resources may be transferred from one City fund to another. The purpose of transfers is to move funding from its original source to the fund in which the authorized expenditures occur. Transfers between funds during the fiscal year ended June 30, 2024 are as follows:

NOTE 5: INTERFUND TRANSACTIONS (continued)

		Transfers Out						
		General Fund	Recreation and Park District Fund	Streets Fund	Capital Projects Fund - City	Internal Services Funds	Non-major Governmental Funds	Totals
Transfers In	General Fund	$ -	$ -	$ 685,257	$ -	$ -	$ 254,980	$ 940,237
	Capital Projects Fund - City	4,276,912	-	1,181,822	-	-		5,458,734
	Internal Service Funds	5,332,398	155,543	-	2,000,000	71,744	27,671	7,587,356
	Totals	$ 9,609,310	$ 155,543	$ 1,867,079	$ 2,000,000	$ 71,744	$ 282,651	$ 13,986,327

The transfer to the General Fund from the Streets Fund provided resources for street maintenance.

The transfer to the General Fund from the non-major Governmental Funds provided resources for Traffic Safety and administrative costs associated with the Stanton Channel Maintenance District and Lighting District funds.

The transfers to the Capital Projects Fund – City from the General Fund were for capital projects approved by City Council as part of the first year of the Seven-Year Capital Improvement Program and for the set-aside of monies for future capital improvement projects.

The transfer to the Capital Projects Fund – City from the Streets Fund provided funding for eligible capital improvements for residential street resurfacing, frontage road landscape improvements, and a water conservation study.

The transfer to the Internal Service Funds from the General Fund provided $4,850,000 to the Employees' Benefit Fund for investment in the pension trust and $282,000 for information technology and capital equipment.

The transfers to the Internal Service Funds from the Recreation and Park District fund provided $150,000 for future OCERS pension costs and $5,543 for the purchase of capital outlay items in the City's Central Services Funds.

The transfer to the Internal Service Funds from the Capital Projects Fund - City provided additional funds for the investment in the pension trust.

The transfer within the Internal Service Funds moved proceeds received in the Liability Self-Insurance Fund from a vehicle accident to the Central Services Internal Service Fund for the replacement of the vehicle.

The transfer to the Internal Service Funds from the Non-major Governmental Funds provided funds for the purchase of Police equipment.

NOTE 6: ASSETS AVAILABLE FOR RESALE

During the fiscal year ended June 30, 2004, the former Redevelopment Agency acquired a parcel of land with a cost of $1,421,708 located at 5732 Lincoln Avenue. At the time of purchase, it was the intent of the Agency to resell this parcel for the development of low and moderate income housing units. The parcel was transferred to the City upon dissolution of the Agency on February 1, 2012. In March 2024, the City entered into an agreement to sell the property. The sale is expected to be completed in FY 2024-25. As of June 30, 2024, the City maintains ownership of the parcel of land and $1,421,708 is classified as assets available for resale in the Low and Moderate Housing Assets Fund.

NOTE 7: CAPITAL ASSETS AND DEPRECIATION/AMORTIZATION

In accordance with GASB 34, the City has reported all capital assets including infrastructure in the Government-Wide Statement of Net Position. The City elected to use the basic approach (as defined by GASB 34) for all infrastructure reporting in which depreciation expense and accumulated depreciation/amortization has been recorded. At June 30 2024, the City's capital assets consisted of the following:

	Governmental Activities				
	Balance June 30, 2023	Additions	Deletions	Transfers	Balance June 30, 2024
Capital Assets, Not Depreciated/Amortized:					
Land	$ 9,734,882	$ 2,707,711	$ -	$ -	$ 12,442,593
Construction in Progress	1,867,115	12,970,288	-	(634,002)	14,203,401
Total, Not Depreciated/Amortized	11,601,997	15,677,999	-	(634,002)	26,645,994
Capital Assets, Being Depreciated/Amortized:					
Buildings and Improvements	62,107,516	2,607,512	(1,346,706)	297,640	63,665,962
Machinery and Equipment	11,774,630	994,763	(495,422)	225,642	12,499,613
Infrastructure	236,931,361	255,310	-	110,720	237,297,391
Lease Assets	53,896	11,588	-	-	65,484
Subscription Assets	1,289,619	523,354	(12,285)	-	1,800,688
Total, Being Depreciated/Amortized	312,157,022	4,392,527	(1,854,413)	634,002	315,329,138
Less Accumulated Depreciation/Amortization:					
Buildings and Improvements	(22,553,255)	(1,811,696)	1,288,117	-	(23,076,834)
Machinery and Equipment	(8,722,991)	(718,544)	491,284	-	(8,950,251)
Infrastructure	(120,937,785)	(4,496,934)	-	-	(125,434,719)
Lease Assets	(2,455)	(12,942)	-	-	(15,397)
Subscription Assets	(217,514)	(295,760)	12,285	-	(500,989)
Total Accumulated Depreciation/Amortization	(152,434,000)	(7,335,876)	1,791,686	-	(157,978,190)
Total Depreciated/Amortized, Net	159,723,022	(2,943,349)	(62,727)	634,002	157,350,948
Governmental Activities Capital Assets, Net	$ 171,325,019	$ 12,734,650	$ (62,727)	$ -	$ 183,996,942

Depreciation/amortization expense was charged to functions/programs of governmental activities for the fiscal year ended June 30, 2024 as follows:

General Government	$ 422,139
Community Development	35,956
Recreation	1,147,178
Public Safety	272,482
Public Works	4,563,631
Internal Service Funds Depreciation/Amortization (Charged to Programs Based on Usage)	894,490
Total Depreciation/Amortization Expense - Governmental Activities	$ 7,335,876

NOTE 7: CAPITAL ASSETS AND DEPRECIATION/AMORTIZATION (continued)

The following is a summary of changes in the capital assets for business-type activities during the fiscal year:

	Business-type Activities				
	Balance June 30, 2023	Additions	Deletions	Transfers	Balance June 30, 2024
Capital Assets, Not Depreciated:					
Construction in Progress	$ 146,810	$ 23,042	$ -	$ (146,810)	$ 23,042
Total, Not Depreciated	146,810	23,042	-	(146,810)	23,042
Capital Assets, Being Depreciated:					
Infrastructure	35,140,462	181,330	-	146,810	35,468,602
Total, Being Depreciated	35,140,462	181,330	-	146,810	35,468,602
Less Accumulated Depreciation:					
Infrastructure	(16,415,739)	(585,706)	-	-	(17,001,445)
Total Accumulated Depreciation	(16,415,739)	(585,706)	-	-	(17,001,445)
Total Depreciated, Net	18,724,723	(404,376)	-	146,810	18,467,157
Business-type Activities Capital Assets, Net	$ 18,871,533	$ (381,334)	$ -	$ -	$ 18,490,199

Depreciation expense for business-type activities for the fiscal year ended June 30, 2024 was charged as follows:

Sewer	$ 585,706
Total Depreciation Expense - Business-type Activities	$ 585,706

Construction Commitments

The City has active construction projects as of June 30, 2024. The projects include traffic signals, streets, and sewers. At fiscal year-end, the City's encumbrances with contractors were as follows:

	Remaining Commitment
Capital Projects - Park District	$ 23,292,350
Capital Projects - City	2,684,055
Streets Fund	429,124
Lighting Fund	1,139,344
Totals	$ 27,544,873

NOTE 8: SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

For the year ended June 30, 2024, the City reported the following Subscription-Based Information Technology Arrangements under GASB Statement No. 96. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. Information on the subscription asset and liability as of June 30, 2024 is as follows:

Major Class of Underlying Asset	Amount of Subscription Assets	Accumulated Amortization
Software as a service	$ 1,800,688	$ 500,989

Description	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due Within One Year	Due in More Than One Year
Subscription Liability	$ 995,346	$ 523,353	$ 347,552	$ 1,171,147	$ 314,099	$ 857,048

The future principal and interest subscription payments as of June 30, 2024 are as follows:

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2025	$ 314,099	$ 19,951	$ 334,050
2026	318,851	14,207	333,058
2027	223,584	7,922	231,506
2028	205,942	5,821	211,763
2029	108,671	1,043	109,714
	$ 1,171,147	$ 48,944	$ 1,220,091

NOTE 9: LEASES

For the year ended June 30, 2024, the City reported the following leases under GASB Statement No. 87:

Major Class of Underlying Asset	Amount of Leased Assets	Accumulated Amortization
Equipment		
Governmental Funds	$ 65,484	$ 15,397
Totals	$ 65,484	$ 15,397

NOTE 9: LEASES (Continued)

Description	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due Within One Year	Due in More Than One Year
Lease Liability						
Governmental Funds	$ 42,894	$ 10,918	$ 12,623	$ 41,189	$ 12,671	$ 28,518
	$ 42,894	$ 10,918	$ 12,623	$ 41,189	$ 12,671	$ 28,518

The future principal and interest lease payments as of June 30, 2024 are as follows:

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2025	$ 12,671	$ 956	$ 13,627
2026	12,963	665	13,628
2027	13,261	366	13,627
2028	2,294	61	2,355
	$ 41,189	$ 2,048	$ 43,237

NOTE 10: OTHER LONG-TERM LIABILITIES

During the year ended June 30, 2024, in addition to the subscription-based information technology arrangements in Note 8, leases in Note 9, net pension liability in Notes 12 and 14, other post-employment benefits in Note 15, and claims payable in Note 17, the City had the following changes in Other Long-Term Liabilities:

					Classification	
Description	**Balance July 1, 2023**	**Additions**	**Deletions**	**Balance June 30, 2024**	**Due Within One Year**	**Due in More than One Year**
Compensated Absences	$ 2,433,267	$ 1,617,039	$ (1,462,069)	$ 2,588,237	$ 647,059	$ 1,941,178
	$ 2,433,267	$ 1,617,039	$ (1,462,069)	$ 2,588,237	$ 647,059	$ 1,941,178

All compensated absence amounts above relate to the internal service funds and are generally liquidated by the General Fund through charges from the internal service funds.

NOTE 11: PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CALPERS)

Pension Plan Summaries

	Net Pension Liability/(Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense/ (Revenue)
CalPERS				
Safety	$ 38,058,614	$ 15,463,193	$ 1,463,773	$ 6,009,012
Miscellaneous	28,039,268	10,432,447	1,469,897	4,002,470
OCERS *	(641,475)	227,337	443,079	(91,758)
	$ 65,456,407	$ 26,122,977	$ 3,376,749	$ 9,919,724

* See Note 14 for information on the OCERS Pension Plan

A. General Information about the Pension Plan

Plan Descriptions: All qualified permanent and probationary employees are eligible to participate in the City's Safety (Police) or the Miscellaneous (all other employees) cost-sharing multiple-employer defined benefit pension plan, administered by the California Public Employees Retirement System (CalPERS). CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and city resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided: CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 to 62 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for the plan are applied as specified by the Public Employees' Retirement Law. The plans' provisions and benefits in effect at June 30, 2024, are summarized as follows:

NOTE 11: PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CALPERS) (Continued)

	Miscellaneous	
Hire date	Prior to January 1, 2013	On or After January 1, 2013
Benefit formula	2.0% at 55	2.0% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50-63	52-67
Monthly benefits, as a percentage of eligible compensation	1.426% - 2.418%	1.000% - 2.500%
Required employee contribution rates	7.000%	8.250%
Required employer contribution rates:		
Normal cost rate	13.120%	8.620%
Payment of unfunded liability	$2,041,771	$0

	Safety	
Hire date	Prior to January 1, 2013	On or After January 1, 2013
Benefit formula	3.0% at 50	2.7% at 57
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50	50-57
Monthly benefits, as a percentage of eligible compensation	3.00%	2.00% - 2.70%
Required employee contribution rates	9.000%	14.500%
Required employer contribution rates:		
Normal cost rate	29.090%	14.500%
Payment of unfunded liability	$2,550,240	$6,967

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

NOTE 11: PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CALPERS) (continued)

B. Net Pension Liability

The City's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each Plan is measured as of June 30, 2023, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions: The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by entry age and service
Mortality Rate Table (1)	Derived using CalPERS membership data for all funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter

(1) The mortality table used was developed based on the CalPERS-specific data. The probabilities are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study from November 2021 that can be found on the CalPERS website.

Change of Assumptions: There were no changes in assumptions.

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

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

NOTE 11: PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CALPERS) (continued)

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

Asset Class	Assumed Asset Allocation	Real Return [(1),(2)]
Global Equity - Cap-Weighted	30.00%	4.54%
Global Equity - Non-Cap-Weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)
Total	100.00%	

(1) An expected inflation rate of 2.30% was used for this period.
(2) Figures are based on the 2022 Asset Liability Management Study

C. Changes in the Net Pension Liability

Proportionate Share of Net Pension Liability: As of June 30, 2023, the City reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

	Proportionate Share of Net Pension Liability
Safety Plan	$ 38,058,614
Miscellaneous Plan	28,039,268
Total Net Pension Liability	$ 66,097,882

NOTE 11: PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CALPERS) (continued)

The City's net pension liability for both the Safety and Miscellaneous Plans is measured as the proportionate share of the net pension liability. The net pension liability is measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the Plans relative to the projected contributions of all participating employers, as actuarially determined. The City's proportionate share of the net pension liability for the Plans as of June 30, 2022 and 2023 was as follows:

	Miscellaneous	Safety
Proportion - June 30, 2022	0.2288%	0.1887%
Proportion - June 30, 2023	0.2248%	0.2823%
Change - Increase (Decrease)	(0.0040%)	0.0936%

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

		Net Pension Liability		
	Discount Rate	Miscellaneous Plan	Safety Plan	Total
1 % Decrease	5.90%	$41,565,732	$54,924,932	$96,490,664
Current Discount Rate	6.90%	28,039,268	38,058,614	66,097,882
1 % Increase	7.90%	16,905,827	24,269,200	41,175,027

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

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

For the year ended June 30, 2024, the City recognized pension expense of $4,022,470 in the Miscellaneous Plan; $6,009,012 in the Safety Plan; and ($91,758) in the Terminated OCERS Plan (Note 14) for a total of $9,919,724. At June 30, 2024, the City reported deferred outflows and deferred inflows of resources related to CalPERS pensions as follows:

NOTE 11: PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CALPERS) (continued)

Miscellaneous Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
City contributions subsequent to measurement date	$ 2,767,382	$ -
Changes of assumptions	1,692,856	-
Differences between expected and actual experience	1,432,399	(222,199)
Net difference between projected and actual earnings on pension plan investments	4,539,810	-
Adjustments due to differences in proportions	-	(346,763)
Changes in proportion and differences between contributions and proportionate share of	-	(900,935)
Total	$ 10,432,447	$ (1,469,897)

Safety Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
City contributions subsequent to measurement date	$ 4,043,188	$ -
Changes of assumptions	2,221,151	-
Differences between expected and actual experience	2,794,204	(239,213)
Net difference between projected and actual earnings on pension plan investments	5,208,311	-
Adjustments due to differences in proportions	837,724	(34,448)
Changes in proportion and differences between contributions and proportionate share of	358,615	(1,190,112)
Total	$ 15,463,193	$ (1,463,773)

The amount reported as deferred outflows of resources related to contributions subsequent to the measurement date of $2,767,382 for the Miscellaneous Plan and $4,043,188 for the Safety Plan, totaling $6,810,570,will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ending June 30,	Deferred Outflows/(Inflows) of Resources		
	Miscellaneous Plan	Safety Plan	Total
2025	$ 1,578,689	$ 3,224,552	$ 4,803,241
2026	1,129,709	2,302,671	3,432,380
2027	3,356,505	4,283,636	7,640,141
2028	130,265	145,373	275,638
2029	-	-	-
	$ 6,195,168	$ 9,956,232	$ 16,151,400

NOTE 12: OTHER DEFINED CONTRIBUTION PENSION PLANS

Nationwide Retirement Solutions Deferred Compensation Plan

Under the Omnibus Budget Reconciliation Act of 1990 (OBRA), the City is required to provide a retirement plan to all City employees, including part-time temporary and seasonal employees. OBRA law allows the City to provide any retirement plan in which benefits are comparable to those provided under Social Security and meet certain criteria or "safe harbor formulas" for defined benefit retirement systems. To comply with this Federal law, the City currently provides a 457 deferred compensation plan through Nationwide Retirement Solutions for part-time temporary and seasonal employees. These employees pay a mandatory contribution of 7.5% of their compensation to the plan, which may be withdrawn upon employment separation.

For the year ended June 30, 2024, the City's payroll covered by the plan was $723,053. Employee contributions to the plan totaled $54,229. The City does not contribute to the plan.

NOTE 13: TERMINATED ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN

A. General Information about the Pension Plan

Plan Description: The Cypress Recreation and Park District (District) participated in the Orange County Employees' Retirement System (OCERS), a cost-sharing multiple-employer defined benefit pension plan, for employees' service prior to October 12, 2000.

OCERS was established in 1945, under the provisions of the County Employees Retirement Law of 1937. OCERS is governed by a ten-member Board of Retirement comprised of nine voting members and one alternate member. Board membership consists of four members appointed by the County of Orange Board of Supervisors and five members elected by the members of the pension system – two by the general members, two by the safety members (one voting and one alternate), and one by the retired members. The County of Orange Treasurer-Tax Collector, who is elected by the voters registered in the County, serves as an ex-officio member. The OCERS Board of Retirement is responsible for establishing policies governing the administration of the retirement plan, making disability determinations, assuring benefit payments, establishing investment policies, and monitoring execution of its policies.

OCERS issues a publicly available financial report that includes financial statements and required supplementary information for the cost-sharing plans administered by OCERS. The report can be obtained online at www.ocers.org, or from its executive office at 2223 Wellington Avenue, Santa Ana, CA 92701.

Benefits Provided: OCERS provides retirement, disability, and death benefits to safety and general members. Safety membership includes those members serving in active law enforcement, fire suppression, and probation officers. General membership applies to all other occupations, including all eligible District employees. Plan retirement benefits are tiered based upon date of OCERS membership. Members employed prior to September 21, 1979 are designated as Tier I members and will have their highest one-year average salary used to determine their retirement allowance. Tier II members, hired on or after September 21, 1979 will have their highest three-year average salary used to determine their retirement allowance. Member rate groups are determined by the employer, bargaining unit, and benefit plan. The benefit plan represents the benefits formula and tier that will be used in calculating a retirement benefit.

NOTE 13: TERMINATED ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN (continued)

Contributions: The participating entities in OCERS share proportionately in all risks and costs, including benefit costs. The District's discontinuance of the OCERS plan precludes the District from sharing the risks and costs of the plan in the same manner as actively participating entities, but the District remains liable for its share of pension liabilities. To ensure the District pays its fair share of the costs associated with its eligible employees, OCERS and the District entered into a Withdrawing Employer and Continuing Contribution Agreement (Agreement) on October 15, 2018.

Per the terms of the Agreement, OCERS will recalculate the unfunded actuarial accrued liability (UAAL) attributable to the District every three years beginning December 31, 2020, and at least every three years thereafter. For purposes of the recalculation, the District's employees are treated as a closed group and the District's assets and liabilities will be segregated from the remaining assets of the retirement system. Based on the recalculation, in the event there is any new pension liability, the District shall satisfy the obligation to OCERS within three years following the effective date of the recalculation, including accrued interest. If the recalculation determines there is a surplus attributable to the District, it shall remain with OCERS as a credit against future pension liabilities.

B. Pension Liability/(Asset), Pension Expenses, and Deferred Outflows/Inflows of Resources

As of December 31, 2023, the District reported a net pension asset for the OCERS plan of $641,475. The net pension liability(asset) was measured as of December 31, 2022, and 2021. The Plan's Fiduciary Net Position (plan assets) was valued as of the measurement date while the Total Pension Liability (TPL) was determined based upon rolling forward the TPL from actuarial valuations as of December 31, 2022 and 2021, respectively.

The District's net pension liability/(asset) and proportionate share of the total net pension liability as of December 31, 2023 and 2023 was as follows:

	OCERS	Proportionate Share
Net Pension Liability - December 31, 2022	61,016	0.001%
Net Pension Liability/(Asset) - December 31, 2023	(641,475)	(0.013%)
Change in Liability/(Asset)	(702,491)	(0.014%)

NOTE 13: TERMINATED ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN (continued)

Actuarial Assumptions: The actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2022
Measurement Date	December 31, 2023
Actuarial Experience Study	Three-year period ended December 31, 2022 and dated August 11, 2023.
Actuarial Cost Method	Entry age normal
Actuarial Assumptions	
Inflation	2.50%
Salary Increases	General: 3.9% to 8.0%
Investment Rate of Return	7%, net of pension plan investment expense
Discount Rate	7.00%

Mortality Assumptions: The underlying mortality assumptions used in the actuarial valuation were based on the results of the actuarial experience study for the period January 1, 2020 through December 31, 2022 using the Public Retirement Plans Mortality tables (Pub-2010) published by the Society of Actuaries. Within the Pub-2010 family of mortality tables, OCERS has adopted both the General and Safety Amount-Weighted Above-Median Mortality Tables (adjusted for OCERS experience), projected generationally with the two-dimensional mortality improvement scale MP- 2021, and adjusted separately for healthy and disabled for both general and safety members.

Discount Rate: The discount rate used to determine the total pension liability was 7.00% as of December 31, 2023 and 2022. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and employer contributions will be made at rates equal to the actuarially determined contribution rates. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of December 31, 2023 and December 31, 2022.

Long-Term Expected Rate of Return: The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses (beginning with December 31, 2023, including only investment consultant fees, custodian fees and other miscellaneous investment expenses and fees but excluding investment manager fees) and a risk margin. Beginning with December 31, 2023 this portfolio return is futher adjusted to an expected geometric real rate of return for the portfolio. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, are shown in the following table. For December 31, 2022 these rates are before deducting investment management expenses while for December 31, 2023 they are after deducting applicable investment management expenses. This information was used in the derivation of the long-term expected investment rate of return assumption in the actuarial valuations for December 31, 2023 and December 31, 2022. This information will change every three years based on the results of an actuarial experience study.

NOTE 13: TERMINATED ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN (continued)

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return [1]
Global Equity	45.00%	7.05%
Investment Grade Bonds	9.00%	1.97%
High Yield Bond	0.50%	4.63%
TIPS	2.00%	1.77%
Emerging Market Debt	0.50%	4.72%
Long-Term Government Bonds	3.30%	2.82%
Real Estate	3.00%	3.86%
Private Equity	15.00%	9.84%
Private Credit	3.50%	6.47%
Value Added Real Estate	3.00%	7.38%
Opportunistic Real Estate	1.00%	9.74%
Energy	2.00%	10.89%
Infrastructure (Core Private)	1.00%	5.98%
Infrastructure (Non-Core Private)	3.00%	8.88%
Global Macro	1.70%	3.17%
CTA (Trend Following)	3.30%	3.15%
Alternative Risk Premia	1.70%	3.24%
Special Situations Lending	1.50%	8.96%
Total	100.00%	6.55%

(1) Arithmetic real rates of return are net of inflation.

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

Net Pension Liability/(Asset)		
Discount Rate		
1% Decrease	Current Rate	1% Increase
6.00%	7.00%	8.00%
$372,692	($641,475)	($1,470,530)

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

NOTE 13: TERMINATED ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN (continued)

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

For the year ended June 30, 2024, the District recognized pension income of $91,758 in the OCERS Plan. At June 30, 2024, the District reported deferred outflows and deferred inflows of resources related to pensions as follows:

OCERS Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 101,487	$ (438,432)
Net difference between projected and actual earnings on pension plan investments	108,620	-
Changes of assumptions	17,230	(4,647)
Total	$ 227,337	$ (443,079)

The amounts reported as deferred inflows, net of the remaining deferred outflows, will be recognized as pension expense as follows:

Measurement Periods Ending June 30,	OCERS Plan Deferred Outflows/ (Inflows) of Resources
2025	$ (48,338)
2026	(25,370)
2027	27,736
2028	(137,758)
2029	(32,012)
Thereafter	-
	$ (215,742)

NOTE 14: POST-EMPLOYMENT HEALTH CARE BENEFITS

Plan Description

The City, through a single-employer defined benefit plan, provides post-employment health care benefits to eligible retirees through the CalPERS healthcare program entitled Public Employees' Medical and Hospital Care Act (PEMHCA). All eligible employees become participants in PEMHCA in the month following their date of hire. Upon retirement, the City pays the PEMHCA minimum amount ($157 per month in 2024) for all eligible retirees who choose to continue with their coverage through PEMHCA. Retired PEMHCA members receiving benefits make contributions at premium rates identical to active City employees, less the PEMHCA minimum.

NOTE 14: POST-EMPLOYMENT HEALTH CARE BENEFITS (continued)

In addition to the PEMHCA minimum amount, certain members of all retiree groups with at least ten years of continuous service receive a Supplemental Health Care Benefit directly from the City. The benefits are based on negotiated memorandums of understanding with the various employee associations. The City provides a monthly contribution from $100 to $300 based on years of continuous service and employee classification, which can be used by the retiree to either continue their health care benefits as may be available under the City's current health care contract through PEMHCA or to use the monthly contribution amount to purchase alternative health care benefits. The Supplemental Health Care Benefit terminates for retirees on the date the retiree reaches age 65 or becomes Medicare eligible whichever comes first. This plan is closed to new members. New employees are only eligible for the PEMHCA benefit and the Retiree Health Savings plan.

All other City employees that are either ineligible or have elected out of the above Supplemental Health Care Benefit are members of the City's Retiree Health Savings defined-contribution plan in which the City contributes monthly amounts on behalf of the employee to an account in the employee's name. These monthly contributions are $75, $125, or $185 per month for full-time employees based on employee association.

Employees Covered

As of the June 30, 2024 actuarial valuation, the following current and former employees were covered by the benefit terms under the OPEB plans:

	Defined Benefit Plans		Defined Contribution
	PEMHCA Minimum	Supplemental Health Care Benefit	Retiree Health Savings
Active Employees	105	9	118
Eligible Retirees - Enrolled	71	24	n/a
Eligible Retirees - Not Enrolled	82	0	n/a

The minimum contribution for PEMHCA is established and amended by CalPERS. The City's contribution towards the Supplemental Health Care Benefit and Retiree Health Savings OPEB plans are established by Memoranda of Understanding with the applicable employee bargaining units and may be amended by agreements between the City and the bargaining units.

The City pays the monthly contribution for all employees and retirees on a pay-as-you-go basis. As of June 30, 2024, 71 retirees were receiving the PEMHCA benefit and the cost to the City for the year ended June 30, 2024 was $133,509. The City paid an additional $81,228 to 24 retirees during the year for the Supplemental Health Care Benefit. For the measurement date ended June 30, 2024, the City's cash contributions were $214,737, which were recognized as a reduction to the OPEB liability.

While the City does not directly make contributions above the required pay-as-you-go amounts, the ability of the retiree to obtain health insurance at an active employee rate constitutes a significant economic benefit to the retiree, called an implicit subsidy. The implicit subsidy is considered to be an other post-employment benefit (OPEB) of the City. For the year ended June 30, 2024, the City's contribution towards the implicit subsidy was $293,525.

The Retiree Health Savings Plan (RHS) is a defined contribution plan. Eligible employees receive either $75, $125, or $185 per month, depending on bargaining unit, deposited in an individual Retiree Health Savings Account. During the fiscal year ended June 30, 2024, the City paid $133,425 into RHS accounts for eligible employees. The monthly payments are recognized as expenditures when the payments are made into the RHS. Because the RHS is a defined contribution plan there is no unfunded liability associated with it.

NOTE 14: POST-EMPLOYMENT HEALTH CARE BENEFITS (continued)

Total OPEB Liability

The City's total OPEB liability of $9,300,612 was based on an actuarial valuation as of June 30, 2024, a measurement date of June 30, 2024 and a discount rate of 3.97%. The total OPEB liability was determined using the following assumptions

Actuarial Cost Method	Entry Age, Level Percent of Pay
Actuarial Assumptions	
Discount Rate [1]	
As of 6/30/24	3.97%
Inflation	2.50%
Salary increases	2.75%
Mortality rate	(2)
Healthcare cost-trend rates	5.50 percent for 2024, 5.25 percent for 2025-2029, 5.00 percent for 2030-2039, 4.75 precent for 2040-2049, 4.50 percent for 2050-2069, and 4.00 percent for 2070 and later years; Medicare ages: 4.50 percent for 2024-2029 and 4.00 percent for 2030 and later years.

(1) The discount rate was based on the Bond Buyer's 20-year bond General Obligation Index.
(2) Mortality rates were based on the 2000-2019 CalPERS Experience Study Mortality Rates for Safety and Miscellaneous Employees, as appropriate for the population.

Changes in the OPEB Liability

The changes in the Total OPEB Liability for the Plan are as follows:

Balance at June 30, 2023	$	9,178,932
Changes recognized for the measurement period:		
Service cost		388,301
Interest		359,579
Change of benefit terms		-
Difference between expected and actual experience		-
Changes of assumptions *		(117,938)
Benefit payments, including implicit subsidy		(508,262)
Net changes		121,680
Balance at June 30, 2024	$	9,300,612

NOTE 14: POST-EMPLOYMENT HEALTH CARE BENEFITS (continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability as of June 30, 2024 calculated using the discount rate of 3.97%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.97%) or one percentage point higher (4.97%) than the current rate:

	1% Decrease (2.97%)	Current Rate (3.97%)	1% Increase (4.97%)
Plan's net OPEB liability/(asset)	$ 10,465,097	$ 9,300,612	$ 8,327,213

Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the total OPEB liability as of June 30, 2024, as well as what the total OPEB liability would be if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates:

	1% Decrease	Current Healthcare Trend Rate	1% Increase
Plan's net OPEB liability/(asset)	$ 8,118,650	$ 9,300,612	$ 10,776,840

OPEB Expense

The annual OPEB expense can be calculated as the change in the amounts reported on the Statement of Net Position that are not attributable to employer contributions. It is the change in total liability minus the changes in deferred outflows plus the changes in deferred inflows. For the fiscal year ended June 30, 2024, the City recognized OPEB expense of $812,173.

Deferred Outflows/Inflows of Resources Related to OPEB

As of the fiscal year ended June 30, 2024, the City reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 227,511	$ (185,473)
Changes of assumptions	395,456	(1,488,882)
Total	$ 622,967	$ (1,674,355)

NOTE 14: POST-EMPLOYMENT HEALTH CARE BENEFITS (continued)

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

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	Deferred Outflows/ (Inflows) of Resources
2025	$ (3,779)
2026	(236,055)
2027	(236,055)
2028	(236,055)
2029	(224,268)
Thereafter	(115,176)
Total	$ (1,051,388)

NOTE 15: PUBLIC AGENCY RETIREMENT SERVICES (PARS) POST-EMPLOYMENT BENEFITS TRUST

The City established the PARS Post-Employment Benefits Trust (Trust) as a tax-exempt trust within the meaning of Section 115 of the Internal Revenue Service Code to accumulate resources to "stabilize" the amount of General Fund resources that it will need to meet future contribution requirements to the California Public Employees Retirement System (PERS). The balances and activities of the Trust are not part of the pension plan. Instead, the assets will benefit the employer through reduced future cash flow demands on the General Fund resources and continue to be assets of the City. At June 30, 2024, $31,931,565 in restricted cash and investment in the Employees' Benefit Internal Service Fund is restricted for pension contribution stabilization.

NOTE 16: SELF INSURANCE

At June 30, 2024 the City was self-insured for workers' compensation and general liability. The self- insured portion for workers' compensation and general liability is limited to the first $300,000 and $150,000 respectively, of liability per occurrence. Coverage in excess of these amounts is maintained in layers to a maximum of $43,000,000 for general liability and the statutory limit for workers compensation (of which $3,000,000 per occurrence is for each employee accident or disease) through the California Insurance Pool Authority (CIPA). CIPA is a consortium of 14 cities in Southern California, established to pool resources, share risks, purchase excess insurance and to share costs for professional risk management and claims administration. Member agencies make payments based on underwriting estimates. Each agency may be assessed the difference between funds available and the $33,000,000 annual aggregate in proportion to their annual premiums.

The Governing Board is comprised of one member from each City and is responsible for the selection of management, and for the budgeting and financial management of CIPA. No determination has been made as to each participant's proportionate share of the fund equity as of June 30, 2024. Upon termination of CIPA, and after settlement of all claims, any excess or deficit will be divided among the cities in proportion to the amount of their contributions.

NOTE 16: SELF INSURANCE (Continued)

Liabilities associated with the self-insurance program area are accrued when incurred in the internal service funds (using the accrual basis of accounting). The amount accrued represents estimates of amounts to be paid for reported claims and incurred-but-not-yet-reported claims based upon past experience, modified for current trends and information. While the ultimate amount of losses incurred through June 30, 2024 is dependent on futuredevelopments, based upon information from the City Attorney, the City's claims administrators and others involved with the administration of programs, City management believes the accrual is adequate to cover such losses. Settled claims have not exceeded commercial coverage during the last three years. There have been no significant reductions in insurance coverage from the prior year.

All City departments participate in the self-insurance program. Payments made to the Liability Insurance and Workers' Compensation Internal Service Funds are based on estimates of amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses. At June 30, 2024, the Liability Insurance Fund and the Workers' Compensation Fund had reserves for catastrophic losses of $1,931,796 and $1,205,741, respectively, which are reported as net position in these funds. The claims liabilities of $332,733 and $2,350,436 reported in the Liability Insurance and Workers' Compensation Funds, respectively, at June 30, 2024, are based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that the liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the claims liability amounts during the fiscal years ended June 30, 2023 and June 30, 2024 are as follows:

	Liability Insurance	Workers' Compensation	Total Claims
Liability - June 30, 2022	$ 196,094	$ 2,294,321	$ 2,490,415
Current year claims	47,259	313,014	360,273
Changes in estimates	5,646	(350,189)	(344,543)
Claims payments	(47,259)	(313,014)	(360,273)
Liability - June 30, 2023	$ 201,740	$ 1,944,132	$ 2,145,872
Current year claims	48,135	136,829	184,964
Changes in estimates	130,993	406,304	537,297
Claims payments	(48,135)	(136,829)	(184,964)
Liability - June 30, 2024	$ 332,733	$ 2,350,436	$ 2,683,169
Due within one year	$ 83,183	$ 587,609	$ 670,792
Due in more than one year	249,550	1,762,827	2,012,377
	$ 332,733	$ 2,350,436	$ 2,683,169

Copies of CIPA's annual financial statements may be obtained from its offices located at 366 San Miguel Drive, Suite 312, Newport Beach, CA 92660.

NOTE 17: CLASSIFICATION OF NET POSITION

	Government Wide Statement of Net Position		
	Governmental Activities	Business-type Activities	Totals
Capital Assets	$ 341,975,132	$35,491,644	$ 377,466,776
Less: Accumulated Depreciation	(157,978,190)	(17,001,445)	(174,979,635)
Less: Subscriptions and Leases Payable	(1,212,336)	-	-
Net Investment in Capital Assets	182,784,606	18,490,199	201,274,805
Restricted for:			
Public Safety	1,368,339	-	1,368,339
Public Works-Street Maintenance and Improvements	9,304,674	-	9,304,674
Public Works-Street Lighting	6,006,255	-	6,006,255
Public Works-Local Drainage Improvements	1,125,357	-	1,125,357
Public Works-Other	192,401	-	192,401
Total - Public Works	16,628,687	-	16,628,687
Sanitary Sewer System	-	9,090,674	9,090,674
Recreation	11,477,275	-	11,477,275
Recreation-Open Space Improvements	3,631	-	3,631
Recreation-Facility and Service Enhancements	33,974	-	33,974
Total-Recreation	11,514,880	-	11,514,880
Other-Pension Trust	31,931,565	-	31,931,565
Other-Promotional Activities	28,944	-	28,944
Other-Low and Moderate Income Housing	1,503,704	-	1,503,704
Other-Net Pension Asset	641,475		641,475
Other-Cable Television Equipment	846,354	-	846,354
Other-Tobacco Grant	55,508	-	55,508
Other-Office of Traffic Safety Grant	20,827	-	20,827
Other-Department of Justice Grant	374	-	374
Total-Other	3,097,186	-	3,097,186
Total Restricted	64,540,657	9,090,674	73,631,331
Unrestricted	91,753,910	-	91,753,910
Total Net Position	$ 339,079,173	$27,580,873	$ 366,660,046

NOTE 17: CLASSIFICATION OF NET POSITION (continued)

The City's Net Position at June 30, 2024 is summarized as follows:

Net Investment in Capital Assets – This net position amount represents capital assets, net of accumulated depreciation and reduced by outstanding debt attributed to acquisition, construction, or improvement of the assets.

Restricted for Public Safety – These funds are restricted for law enforcement purposes, supplementing but not supplanting other public safety funding.

Restricted for Public Works – Street Maintenance and Improvements – This restriction represents amounts received from State and Local governments and developers that are required to be used for the construction and maintenance of streets within the City.

Restricted for Public Works – Street Lighting – This restriction represents property tax amounts assessed for expenditures for streetlights, traffic signal maintenance and construction.

Restricted for Public Works – Local Drainage Improvements – These amounts received from developers are restricted for expenditures for master planned drainage projects.

Restricted for Public Works – Other Purposes – These amounts are restricted to support a variety of grant funded and special programs as designated by law, the grant terms, or administrative regulations.

Restricted for Sanitary Sewer System – These amounts received from system users are restricted for maintenance and capital expenditures for the City's sanitary sewer system.

Restricted for Recreation – This restriction represents amounts required to be used for future Recreation and Park District operating and capital activities.

Restricted for Recreation – Open Space Improvements – This restriction represents amounts received from developers that are required to be used for Recreation and Park District open space use.

Restricted for Recreation – Facility and Service Enhancements – This restriction represents amounts received from grants or other funding that are required to be used for the support of Recreation and Park District facilities, programs and services.

Restricted for Other – Pension Trust – This restriction represents the balance of the Pension Trust, a tax-exempt, irrevocable pension trust designed to pre-fund retirement plan obligations.

Restricted for Other – Promotional Activities – This restriction represents amounts contributed to the City by developers for the promotion of the City.

Restricted for Other – Low and Moderate Income Housing – This restriction represents amounts received to the City from the Agency upon dissolution that are required to be used for the rehabilitation and/or replacement of low and moderate income housing within the City.

Restricted for Other – Net Pension Asset – This restriction represents the Net Pension Asset for the Terminated Orange County Employees Retirement System.

Restricted for Other – Cable Television Equipment – These amounts are restricted to provide enhancements to the City's equipment used for video PEG access services as designated by the terms of the cable franchise transfer agreement.

NOTE 17: CLASSIFICATION OF NET POSITION (continued)

Restricted for Other – Tobacco Grant – This restriction represents grant funds to be used for the School Resource Officer position and related activities.

Restricted for Other – Office of Traffic Safety Grant – This restriction represents federal grant funds to be used to prevent serious injuries and deaths resulting from vehicle crashes on California highways.

Restricted for Other – Department of Justice Grant – This restriction represents federal grant funds to be used for the purchase of bulletproof vests for public safety personnel. .

NOTE 18: CLASSIFICATIONS OF FUND BALANCES

The City has adopted the provisions of GASB Statement No. 54, "Fund Balance and Governmental Fund Type Definitions". GASB 54 establishes fund balance classifications based largely upon the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The governmental fund statements conform to the new classification and are summarized as follows.

	General Fund	Recreation and Park District Fund	Streets Fund	City Capital Projects Fund	Nonmajor Governmental Funds	Totals
Nonspendable						
Prepaids	$ 27,445	$ 3,130	$ -	$ -	$ -	$ 30,575
Notes Receivable	59,117	-	-	-	-	59,117
Inventory	-	2,215	-	-	-	2,215
Advances to Other Funds	31,122	-	-	14,420,832	-	14,451,954
Total Nonspendable	117,684	5,345	-	14,420,832	-	14,543,861
Restricted						
Notes Receivable	-	-	-	-	66,729	66,729
Prepaids	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Community Promotion	28,944	-	-	-	-	28,944
Open Space	-	-	-	-	-	-
Youth League Renovations	-	-	-	-	-	-
Senior Center Enhancements	-	-	-	-	-	-
Facility and Service Enhancements	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Streets	-	-	9,304,674	-	-	9,304,674
Local Drainage	-	-	-	-	1,125,357	1,125,357
Landscape Maintenance	-	-	-	-	192,401	192,401
Street Lighting	-	-	-	-	6,006,255	6,006,255
Cable Television Equipment	-	-	-	-	846,354	846,354
Police	-	-	-	-	1,368,339	1,368,339
Low and Moderate Income Housing	-	-	-	-	1,436,975	1,436,975
Total Restricted	28,944	-	9,304,674	-	11,042,410	20,376,028
Committed						
Stabilization Agreement	9,983,343	-	-	-	-	9,983,343
Captial Improvements	-	-	-	14,820,800	-	14,820,800
Total Committed	9,983,343	-	-	14,820,800	-	24,804,143
Assigned						
Future Capital Improvements	4,950,000	-	-	68,311,625	-	73,261,625
Pension Investment	2,000,000	-	-	-	-	2,000,000
Business Relocation Stabilization	2,500,000	-	-	-	-	2,500,000
Budget Stabilization	2,000,000	-	-	-	-	2,000,000
Pandemic Recovery Plan	5,585,437	-	-	-	-	5,585,437
Storm Drainage	2,098,475	-	-	-	-	2,098,475
Carryover Appropriations	1,393,901	-	-	-	-	1,393,901
Total Assigned	20,527,813	-	-	68,311,625	-	88,839,438
Unassigned	1,697,062	(2,911,297)	-	-	(31,122)	(1,245,357)
Total Fund Balances	$ 32,354,846	$ (2,905,952)	$ 9,304,674	$ 97,553,257	$ 11,011,288	$ 147,318,113

NOTE 18: CLASSIFICATIONS OF FUND BALANCES (continued)

The stabilization agreement amount of $9,983,343 presented as committed fund balance in the General Fund has been formally approved by the City Council and is for unforeseen situations (such as a temporary revenue interruption due to business activity or disaster). The amount is equal to 25% of the General Fund's original annual operating budget for the upcoming fiscal year and may only be used should annual estimated revenues decrease by a minimum of 10 percent or annual expenditures are estimated to increase by over 10 percent. In addition to these variances in revenues or expenditures, it is further established that in order for these fund balance amounts to be expended such variances must create a situation in which the City's ability to provide basic services (as defined by the City Council) is threatened. Further, City Council authorization is required for use of this amount.

NOTE 19: CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial. The City is a defendant in various other lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

NOTE 20: JOINT VENTURE

On December 23, 1996, the West Cities Communications Center Joint Powers Authority (JPA) was created under a joint exercise of powers agreement. It was formed to consolidate law enforcement communications for the cities of Cypress, Los Alamitos and Seal Beach. The governing board consists of one member appointed from each participating agency. The approval of budget and assumption of financial obligations must be approved by all members. The participant contributions are City of Cypress 45.3%, City of Los Alamitos 24.4% and the City of Seal Beach 30.3%.

The purpose of the JPA is to save the participants some individual expense through the sharing of communication obligations. The JPA intends to utilize the personnel and resources of the member agencies to provide financial, legal, personnel, risk management and other services as needed. The City of Cypress provides the JPA with financial and human resources services. The City has no equity interest in the JPA and does not receive a share of the operating results. Accordingly, the assets and liabilities of the JPA are shown in the City's Custodial Fund. Separate audited financial statements of the West Cities Communications Center Joint Powers Authority are available by contacting the City of Cypress, 5275 Orange Ave., Cypress, CA 90630.

NOTE 21: ECONOMIC ASSISTANCE AGREEMENT TAX ABATEMENT

On November 27, 2017 the City Council adopted Ordinance No. 1171, approving a Third Amendment to a development agreement with a commercial landlord located in the City. The purpose of the amendment is to provide a sales tax reimbursement to the landlord in exchange for attracting and retaining a tenant who can provide significant employment opportunities to Cypress residents and increase sales tax revenue to the City.

To be eligible for a sales tax reimbursement the landlord was required to enter into a lease with a qualified tenant who could reasonably be expected to generate gross sales tax revenue to the City of at least $10 million over any 10-year period during the term of the lease.

Effective January 1, 2018, the City pays a monthly sales tax reimbursement payment to the landlord, who in turn credits the amount toward the tenant's lease. The payment amount is based on annual sales tax generated by the tenant as follows:

NOTE 21: ECONOMIC ASSISTANCE AGREEMENT TAX ABATEMENT (continued)

Annual Sales Tax Generated	Annual Reimbursement Payment to Landlord
$0 - $699,999	$0
$700,000 - $799,999	$360,000
$800,000 and up	$450,000

If the sales tax generated falls below the $700,000 minimum annual threshold, the reimbursement payments are suspended until sales tax meets or exceeds the minimum annual threshold. The agreement also includes periodic cumulative review periods to ensure the City receives sufficient sales tax revenue to meet predefined minimum thresholds over defined time periods. If the sales tax received during these review periods does not meet the minimum threshold, the tenant is required to pay the City the amount of the shortfall in accordance with the following schedule:

Cumulative Review Period	Minimum Cumulative Threshold
January 1, 2018 - June 30, 2019	$1,500,000
July 1, 2019 - June 30, 2024	$5,000,000
July 1, 2024 - June 30, 2029	$5,000,000

During the fiscal year ended June 30, 2024, the landlord received $450,000 in economic assistance under this Third Amendment, and the minimum cumulative threshold was met.

NOTE 22: OTHER REQUIRED FUND DISCLOSURES

The Recreation and Park District Special Revenue Fund had a deficit fund balance of ($2,905,952) at June 30, 2024 due to outstanding advances payable to the City Capital Project Fund. The proceeds from these advances, totaling $14,420,832 at June 30, 2024, were used to pay for the reconstruction of Arnold Cypress Park and are scheduled to be repaid over the next 20 years.

The Employees' Benefit Internal Service Fund had a deficit net position of ($16,515,051) at June 30, 2024 primarily due to the net pension liability associated with the City's CalPERS pension plans. The City has made all required annual contributions toward this long-term liability, and has committed to set-aside additional monies in the form of a trust to reduce or offset the liability.

The AB 2766 Special Revenue Fund had a deficit fund balance of ($31,122) at June 30, 2024 due to the purchase of a compressed natural gas sewer cleaning truck. The General Fund advanced $490,874 to the AB 2766 Fund for the purchase. The AB 2766 Fund will repay the advance with annual payments from the AB 2766 revenues, which are to be used to reduce air pollution from motor vehicles. The remaining balance of the advance at June 30, 2024 was $31,122.

NOTE 23: SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 20, 2025, the date the financial statements were available for issuance, and determined no subsequent events occurred that require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

(1) Budgets and Budgetary Accounting

A. Budgetary Control and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. The City follows these procedures in establishing the budgetary data reflected in the financial statements: After January 1, department heads prepare estimates for required appropriations for the fiscal year commencing the following July 1. The proposed budget includes estimated expenditures and forecasted revenues for the fiscal year. The data is presented to the City Manager for review. Prior to June 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes a summary of the proposed expenditures and financial resources of the City, as well as historical data for the preceding two fiscal periods. Prior to July 1, the budget is legally enacted through passage of an adopting resolution. All of the Governmental Funds have legally adopted budgets.

The City Manager is authorized to transfer budgeted amounts as follows: (1) Appropriations budgeted within a department or activity and capital outlay, may be transferred between accounts within the department; (2) Transfers of appropriations between departments and funds, and additional appropriation of fund balances may be made only by authority of the City Council. For budgeting purposes, the general fund is composed of several departments with budgetary control at the department level, while all other budgeted funds are considered a single department with budgetary control at the fund level. Formal budgetary integration is employed as a management control device during the fiscal year for governmental fund types. The budgets are adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts contained within this report are the original and final amended amounts, as approved by the City Council. No budgetary comparisons are presented for the Internal Service and Fiduciary funds.

B. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds, and the Capital Projects Fund. Encumbrances outstanding at year-end do not constitute expenditures or liabilities.

Since unexpended and encumbered appropriations of the governmental funds automatically lapse at the end of the fiscal year, they are not included in reported expenditures and the authorization for expenditure must be reestablished through inclusion in the subsequent year’s appropriation.

C. Budgetary Comparison Schedules

The following are the budget comparison schedules for the General Fund, the Recreation and Park District Special Revenue Fund, and the Streets Special Revenue Fund.

Budgetary Comparison Schedule, General Fund

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Taxes	$ 32,375,000	$ 32,375,000	$ 33,896,339	$ 1,521,339
Licenses and permits	1,012,330	1,012,330	1,029,241	16,911
From other agencies	581,045	1,254,252	595,210	(659,042)
Charges for services	4,338,210	4,338,210	3,785,592	(552,618)
From use of property	1,806,739	1,806,739	3,414,359	1,607,620
Fines and forfeitures	202,000	202,000	251,811	49,811
Other revenue	62,500	62,500	253,885	191,385
TOTAL REVENUES	40,377,824	41,051,031	43,226,437	2,175,406
EXPENDITURES				
Current:				
General government - Legislative	910,014	2,052,014	2,033,962	18,052
General government - Administration	2,383,058	3,545,155	2,766,303	778,852
General government - Finance	2,437,302	2,463,767	2,114,136	349,631
Public safety - Police	22,072,588	22,276,763	20,738,949	1,537,814
Community development - Planning	1,692,373	3,292,103	1,783,231	1,508,872
Community development - Building	838,743	838,743	640,883	197,860
Public works - Engineering	1,961,380	2,033,709	1,877,448	156,261
Public works - Maintenance	6,219,034	6,303,145	5,239,614	1,063,531
Capital outlay	-	-	10,918	(10,918)
TOTAL EXPENDITURES	38,514,492	42,805,399	37,205,444	5,599,955
EXCESS OF REVENUES OVER EXPENDITURES	1,863,332	(1,754,368)	6,020,993	(3,424,549)
OTHER FINANCING SOURCES (USES):				
Transfers in	1,029,730	1,776,610	940,237	(836,373)
Transfers out	(2,967,841)	(10,317,011)	(9,609,310)	(707,701)
Leases (as lessee)	-	-	10,918	(10,918)
TOTAL OTHER FINANCING SOURCES (USES)	(1,938,111)	(8,540,401)	(8,658,155)	(1,554,992)
NET CHANGE IN FUND BALANCE	$ (74,779)	$ (10,294,769)	(2,637,162)	$ (4,979,541)
FUND BALANCE - BEGINNING OF YEAR			34,992,008	
FUND BALANCE - END OF YEAR			$ 32,354,846	

Budgetary Comparison Schedule, Recreation and Park District Special Revenue Fund

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	$ 6,772,000	$ 6,772,000	$ 7,326,746	$ 554,746
From use of property	857,210	857,210	1,029,302	172,092
From other agencies	286,000	286,000	113,618	(172,382)
Charges for services	717,000	717,000	1,202,161	485,161
Other revenue	-	-	57,093	57,093
TOTAL REVENUES	8,632,210	8,632,210	9,728,920	1,096,710
EXPENDITURES				
Current:				
Recreation	6,329,019	6,616,242	5,775,792	840,450
Capital outlay	29,560,000	41,494,941	16,950,867	24,544,074
TOTAL EXPENDITURES	35,889,019	48,111,183	22,726,659	25,384,524
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(27,256,809)	(39,478,973)	(12,997,739)	(24,287,814)
OTHER FINANCING SOURCES (USES):				
Transfers out	(176,962)	(176,962)	(155,543)	(21,419)
TOTAL OTHER FINANCING SOURCES (USES)	(176,962)	(176,962)	(155,543)	(21,419)
NET CHANGE IN FUND BALANCE	$ (27,433,771)	$ (39,655,935)	(13,153,282)	$ (24,309,233)
FUND BALANCE - BEGINNING OF YEAR			10,247,330	
FUND BALANCE - END OF YEAR			$ (2,905,952)	

Budgetary Comparison Schedule, Streets Special Revenue Fund

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
REVENUES				
From use of property	$ 130,000	$ 130,000	$ 386,288	$ 256,288
From other agencies	4,109,650	4,109,650	4,061,577	(48,073)
Charges for services	500	500	380,373	379,873
Other revenue	-	-	157,871	157,871
TOTAL REVENUES	4,240,150	4,240,150	4,986,109	745,959
EXPENDITURES				
Current:				
Public works	3,150,000	3,851,428	2,726,741	1,124,687
Capital outlay	360,000	594,783	205,394	389,389
TOTAL EXPENDITURES	3,510,000	4,446,211	2,932,135	1,514,076
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	730,150	(206,061)	2,053,974	(768,117)
OTHER FINANCING USES				
Operating transfers in	-	-	-	-
Transfers out	(835,350)	(3,854,068)	(1,867,079)	(1,986,989)
TOTAL OTHER FINANCING USES	(835,350)	(3,854,068)	(1,867,079)	(1,986,989)
NET CHANGE IN FUND BALANCE	$ (105,200)	$ (4,060,129)	186,895	$ (2,755,106)
FUND BALANCE - BEGINNING OF YEAR			9,117,779	
FUND BALANCE - END OF YEAR			$ 9,304,674	

CITY OF CYPRESS
Required Supplementary Information, Continued
For the Fiscal Year Ended June 30, 2024

Schedules of Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years [1]

Reporting Date [2] as of June 30,	Proportion of the Net Pension Liability/(Asset)	Proportionate Share of Net Pension Liability/(Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability as a % of Covered Payroll	Plan's Fiduciary Net Position as a % of the Total Pension Liability	Proportionate Share of Aggregate Employer Contributions
CalPERS Miscellaneous Cost-Sharing, Multiple Employer Pension Plan						
2024	0.2248%	$ 28,039,268	$ 6,189,228	453.0%	76.2%	$ 2,992,113
2023	0.2288%	26,433,257	5,866,594	450.6%	76.7%	3,613,771
2022	0.2433%	13,156,618	6,135,709	214.4%	85.7%	3,094,471
2021	0.2079%	22,615,628	6,072,109	372.5%	74.7%	2,980,733
2020	0.2039%	20,897,731	6,385,921	327.2%	75.9%	2,722,708
2019	0.1986%	19,136,711	6,863,694	278.8%	76.8%	2,418,263
CalPERS Safety Cost-Sharing, Multiple Employer Pension Plan						
2024	0.2823%	$ 38,058,614	$ 6,596,839	576.9%	76.2%	$ 3,382,844
2023	0.1887%	35,382,213	6,228,738	568.0%	76.7%	5,468,129
2022	0.3621%	19,580,447	5,651,021	346.5%	82.1%	4,784,748
2021	0.2801%	30,471,506	5,590,681	545.0%	71.4%	3,927,236
2020	0.2715%	27,821,165	5,953,364	467.3%	72.5%	3,222,885
2019	0.2665%	25,683,654	5,823,413	441.0%	73.4%	2,986,119
2018	0.2553%	25,320,193	5,539,232	457.1%	72.7%	2,331,004
2017	0.2542%	21,996,187	5,634,190	390.4%	73.9%	2,149,038
2016	0.2462%	16,900,538	5,200,954	325.0%	79.0%	2,163,119
2015	0.2388%	14,861,787	5,075,058	292.8%	81.0%	1,792,684
Terminated Orange County Employees Retirement System Plan (OCERS)						
2024	-0.0130%	$ (641,475)	$ -	N/A	115.2%	N/A
2023	0.0010%	61,016	-	N/A	98.7%	N/A
2022	-0.0050%	(103,379)	-	N/A	102.2%	N/A
2021	0.0040%	185,117	-	N/A	96.0%	N/A
2020	0.0050%	262,415	-	N/A	94.2%	N/A
2019	0.0700%	408,781	-	N/A	90.8%	N/A

Benefit Changes: None

Changes of Assumptions: None

[1] The City's CalPERS Miscellaneous Plan was previously adminisered and reported as an agent multiple-employer plan, however, because the number of active members in the plan fell below 100, it is now administered as a cost-sharing multiple-employer plan, effective with the reporting for the fiscal year ended June 30, 2019.

The Cypress Recreation and Park District (District) withdrew from OCERS in October 2000. At that time, OCERS did not have a policy addressing how the District's liability would be funded, nor was a liability recognized by the District. The District and OCERS entered into a Withdrawing Employer and Continuing Contribution Agreement on October 15, 2018, therefore, fiscal year 2018-19 is the first year reporting the OCERS pension liability/(asset).

[2] The proportions and proportionate share of the net pension liability are measured as of one year behind the reporting date.

CITY OF CYPRESS
Required Supplementary Information, Continued
For the Fiscal Year Ended June, 30, 2024

Schedule of Changes in the Net Pension Liability and Related Ratios
Last Ten Fiscal Years [1]

CalPERS Miscellaneous Plan

	2018	2017	2016	2015
Total Pension Liability:				
Service cost	$ 1,241,908	$ 1,042,402	$ 983,336	$ 1,067,782
Interest on total pension liability	5,374,496	5,227,927	4,985,622	4,778,432
Differences between expected and actual experience	(726,719)	177,725	(249,155)	-
Changes in assumptions	4,509,183	-	(1,246,317)	-
Changes in benefits	-	-	-	-
Benefit payments, including refunds of employee contributions	(3,538,721)	(3,108,674)	(2,909,007)	(2,789,811)
Net Change in Total Pension Liability	6,860,147	3,339,380	1,564,479	3,056,403
Total Pension Liability - Beginning of Year	72,533,703	69,194,323	67,629,844	64,573,441
Total Pension Liability - End of Year (a)	$ 79,393,850	$ 72,533,703	$ 69,194,323	$ 67,629,844
Plan Fiduciary Net Position:				
Contributions - employer	$ 1,298,683	$ 1,242,386	$ 997,118	$ 859,007
Contributions - employee	552,260	622,404	529,141	529,155
Net investment income	6,191,774	274,070	1,253,565	8,456,694
Benefit payments	(3,538,721)	(3,108,674)	(2,909,007)	
Administrative expense	(81,255)	(34,153)	(63,073)	
Plan to plan resource movement	-	-	(406)	(2,789,811)
Net Change in Plan Fiduciary Net Position	4,422,741	(1,003,967)	(192,662)	7,055,045
Plan Fiduciary Net Position - Beginning of Year	55,035,012	56,038,979	56,231,641	49,176,596
Plan Fiduciary Net Position - End of Year (b)	$ 59,457,753	$ 55,035,012	$ 56,038,979	$ 56,231,641
Net Pension Liability - Ending (a)-(b)	$ 19,936,097	$ 17,498,691	$ 13,155,344	$ 11,398,203
Plan fiduciary net position as a percentage of the total pension liability	74.89%	75.88%	80.99%	83.15%
Covered Payroll	$ 6,994,962	$ 7,139,555	$ 6,539,007	$ 6,744,885
Net pension liability as percentage of covered payroll	285.01%	245.09%	201.18%	168.99%

Notes to Schedule:

Benefit Changes: There were no changes to benefits.

Changes in Assumptions: In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan adminstrative expense.)

[1] Historical information is required only for measurement periods for which GASB 68 is applicable. The fiscal year ended June 30, 2015 was the first year of implementation.

(1) The CalPERS Miscellaneous Plan was previously administered and reported as an agent multiple-employer plan, however, because the number of active members in the plan fell below 100, it is now administered as a cost-sharing multiple-employer plan, effective with the reporting for the fiscal year ended June 30, 2019.

CITY OF CYPRESS
Required Supplementary Information, Continued
For the Fiscal Year Ended June 30, 2024

Schedules of Plan Contributions
Last Ten Fiscal Years [1]

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Employer Contributions	Contriubution Deficiency/ (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
CalPERS Miscellaneous Cost-Sharing, Multiple Employer Pension Plan					
2024	$ 2,767,382	$ (2,767,382)	$ -	$ 6,819,050	40.6%
2023	2,718,424	(2,718,424)	-	6,189,228	43.9%
2022	2,447,524	(2,447,524)	-	5,866,594	41.7%
2021	2,230,654	(2,230,654)	-	6,135,709	36.4%
2020	2,002,390	(2,002,390)	-	6,072,109	33.0%
2019	1,729,721	(1,729,721)	-	6,385,921	27.1%
2018	1,487,869	(1,487,869)	-	6,863,694	21.7%
2017	1,298,683	(1,298,683)	-	6,994,942	18.6%
2016	1,244,868	(1,244,868)	-	7,139,555	17.4%
2015	1,001,586	(1,001,586)	-	6,539,007	15.3%
CalPERS Safety Cost-Sharing, Multiple Employer Pension Plan					
2024	$ 4,043,188	$ (4,043,188)	$ -	$ 7,085,166	57.1%
2023	3,869,536	(3,869,536)	-	6,596,839	58.7%
2022	3,558,957	(3,558,957)	-	6,228,738	57.1%
2021	3,130,711	(3,130,711)	-	5,651,021	55.4%
2020	2,821,054	(2,821,054)	-	5,590,681	50.5%
2019	2,546,099	(2,546,099)	-	5,953,364	42.8%
2018	2,222,915	(2,222,915)	-	5,823,413	38.2%
2017	1,967,405	(1,967,405)	-	5,539,232	35.5%
2016	1,807,579	(1,807,579)	-	5,634,190	32.1%
2015	1,503,960	(1,503,960)	-	5,200,954	28.9%
Terminated Orange County Employees Retirement System Plan (OCERS)					
2024	$ -	$ -	$ -	$ -	N/A
2023	595,600	(595,600)	-	-	N/A
2022	-	-	-	-	N/A
2021	-	-	-	-	N/A
2020	-	-	-	-	N/A
2019	739,966	(739,966)	-	-	N/A

[1] In accordance with the Withdrawing Employer and Continuing Contribution Agreement between the Cypress Recreation and Park District (District) and OCERS, OCERS will recalculate the District's unfunded accrued actuarial liability commencing December 31, 2020 and every three years thereafter. The next UAAL payment is due on or before December 31, 2026. Refer to the notes to the basic financial statements.

CITY OF CYPRESS
Required Supplementary Information, Continued
For the Fiscal Year Ended June 30, 2024

Post-Employment Health Care Benefits

Schedule of Changes in the Total OPEB Liability and Related Ratios
for the Measurement Period Ended June 30

Last Ten Fiscal Years [1]

	2024	2023
Total OPEB Liability:		
Service cost	$ 388,301	$ 362,667
Interest on the total OPEB liability	359,579	323,301
Actual and expected experience difference	-	(211,113)
Changes in assumptions	(117,938)	183,206
Changes in benefit terms		
Benefit payments, including implicit subsidy	(508,262)	(494,196)
Net Change in Total OPEB Liability	121,680	163,865
Total OPEB Liability - Beginning of Year	9,178,932	9,015,067
Total OPEB Liability - End of Year (a)	$ 9,300,612	$ 9,178,932
Plan fiduciary net position as a percentage of the Total OPEB liability	0.00%	0.00%
Covered-employee payroll	$ 16,605,071	$ 14,021,323
Total OPEB liability as percentage of covered- employee payroll	56.01%	65.46%

Notes to Schedule:

Benefit Changes:

Changes in Assumptions: The discount rate, which is based on the Bond Buyer 20-year bond, changed as follows:

Fiscal year ended June 30, 2024 - The discount rate was increased from 3.86% to 3.97%
Fiscal year ended June 30, 2023 - The discount rate was increased from 3.54% to 3.86%
Fiscal year ended June 30, 2022 - The discount rate was increased from 2.16% to 3.54%
Fiscal year ended June 30, 2021 - The discount rate was decreased from 2.20% to 2.16%
Fiscal year ended June 30, 2020 - The discount rate was decreased from 3.50% to 2.20%
Fiscal year ended June 30, 2019 - The discount rate was decreased from 3.90% to 3.50%

[1] Historical information is required only for measurement periods for which GASB 75 is applicable. The fiscal year ended June 30, 2018 was the first year of implementation.

GASB Statement No. 75 also requires the presentation of a 10-year schedule of contributions if an actuarially determined contribution is calculated. The City's plan is not funded by an OPEB trust; therefore, an actuarially determined contribution is not calculated nor presented here.

2022	2021	2020	2019	2018
$ 411,807	$ 382,033	$ 370,906	$ 293,425	$ 304,903
227,512	232,699	232,807	330,023	306,496
2,850	428,577	(155,120)	63,400	10,351
(1,671,292)	(593,595)	1,491,035	447,917	(324,881)
	-	-	-	-
(562,914)	(460,068)	(394,969)	(397,959)	(329,123)
(1,592,037)	(10,354)	1,544,659	736,806	(32,254)
10,607,104	10,617,458	9,072,799	8,335,993	8,368,247
$ 9,015,067	$ 10,607,104	$ 10,617,458	$ 9,072,799	$ 8,335,993
0.00%	0.00%	0.00%	0.00%	0.00%
$ 14,464,271	$ 13,846,871	$ 14,180,802	$ 14,518,971	$ 14,482,504
62.33%	76.60%	74.87%	62.49%	57.56%

Supplemental Schedules

CITY OF CYPRESS

Budgetary Comparison Schedules for Other Major Governmental Fund

June 30, 2024

Budgetary comparison schedules are presented as part of the basic financial statements for the General Fund and all Major Special Revenue Funds as provided for by GASB 34. The budgetary comparison schedules for the remaining Major Fund is presented to aid in additional analysis and is not a required part of the basic financial statements. The other Major Fund is as follows:

City Capital Projects – To account for construction of major transportation infrastructure and public facilities.

CITY OF CYPRESS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CITY CAPITAL PROJECTS FUND

For the fiscal year ended June 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
From use of property	$ 2,000,000	$ 2,000,000	$ 4,219,295	$ 2,219,295
TOTAL REVENUES	2,000,000	2,000,000	4,219,295	2,219,295
EXPENDITURES				
Current:				
Public works	2,200,000	3,385,661	2,393,478	992,183
Capital outlay	3,400,000	4,413,999	977,238	3,436,761
TOTAL EXPENDITURES	5,600,000	7,799,660	3,370,716	4,428,944
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,600,000)	(5,799,660)	848,579	(2,209,649)
OTHER FINANCING USES				
Transfers in	2,470,000	5,094,508	5,458,734	364,226
Transfers out	-	-	(2,000,000)	(2,000,000)
TOTAL OTHER FINANCING SOURCES	2,470,000	5,094,508	3,458,734	(1,635,774)
NET CHANGE IN FUND BALANCE	$ (1,130,000)	$ (705,152)	4,307,314	$ (3,845,422)
FUND BALANCE - BEGINNING OF YEAR			93,245,943	
FUND BALANCE - END OF YEAR			$ 97,553,257	

CITY OF CYPRESS

Nonmajor Governmental Funds

June 30, 2024

The combining statements for Nonmajor Governmental Funds represent a consolidation of the information for specific funds contained in the Supplementary Financial Statements. These statements, along with the budgetary comparison schedules, summarize the financial information contained in the other Special Revenue Funds.

Special Revenue Fund Descriptions

Special Revenue Funds are used to account for taxes and other revenues required to be set aside in accordance with law or administrative regulation for a specific purpose. A brief description of each of the City's Special Revenue Funds follows:

Pandemic Response – To account for the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the American Rescue Plan Act revenues received from county, state and federal sources in response to the COVID-19 pandemic.

Local Drainage – To account for developer receipts and expenditures for master planned drainage projects.

Stanton Channel Maintenance District – To account for a special assessment for maintenance of the Stanton Channel landscaped berm in the business park.

Lighting District – To account for property taxes assessed specifically for expenditures for city street lights, traffic signal maintenance and construction.

CATV PEG Grant - To account for monies received from the City's cable franchise transfer agreement that are restricted to use for costs associated with the City's video PEG access services.

AB 2766 – To account for receipts and expenditures of money funded under AB 2766 legislation for emission reduction.

Traffic Safety – To account for receipts of vehicle code violation fines and expenditures for traffic safety.

Supplemental Law Enforcement – To account for receipts and expenditures of money funded under AB 3229 legislation for law enforcement.

Narcotics Asset Seizure – To account for funds seized by the Police Department during narcotic investigations and allocated to the City.

Low and Moderate Housing Assets – To account for housing assets transferred to the City upon the dissolution of the Redevelopment Agency on February 1, 2012.

CITY OF CYPRESS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2024

	Special Revenue Funds				
	Pandemic Response	Local Drainage	Stanton Channel Maintenance District	Lighting District	CATV Peg Grant
ASSETS					
Cash and investments	$ 6,276	$ 1,115,870	$ 209,544	$ 6,290,996	$ 829,788
Receivables:					
Accounts	-	-	-	16,784	-
Taxes	-	-	-	21,101	16,566
Notes, net of allowance	-	-	-	-	-
Accrued interest	-	9,487	-	54,619	-
Land held for Resale	-	-	-	-	-
TOTAL ASSETS	$ 6,276	$ 1,125,357	$ 209,544	$ 6,383,500	$ 846,354
LIABILITIES AND FUND BALANCES					
Accounts payable and other accrued liabilities	$ -	$ -	$ 17,143	$ 236,645	$ -
Unearned revenues	6,276	-	-	140,600	-
Due to other funds	-	-	-	-	-
Advances to other funds	-	-	-	-	-
TOTAL LIABILITIES	6,276	-	17,143	377,245	-
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-
FUND BALANCE:					
Restricted	-	1,125,357	192,401	6,006,255	846,354
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	-	1,125,357	192,401	6,006,255	846,354
TOTAL LIABILITIES AND FUND BALANCES	$ 6,276	$ 1,125,357	$ 209,544	$ 6,383,500	$ 846,354

Special Revenue Funds (Continued)						
AB 2766	Traffic Safety	Supplemental Law Enforcement	Narcotics Asset Seizure	Low & Moderate Housing Assets	Total Nonmajor Governmental Funds
$ -	$ -	$ 402	$ 1,360,651	$ 15,553	$ 9,829,080
16,761	5,087	-	3,252	-	41,884
-	-	-	-	-	37,667
-	-	-	-	66,729	66,729
-	-	776	11,633	127	76,642
-	-	-	-	1,421,708	1,421,708
$ 16,761	$ 5,087	$ 1,178	$ 1,375,536	$ 1,504,117	$ 11,473,710
$ -	$ -	$ 1,178	$ 7,197	$ 413	$ 262,576
-	-	-	-	-	146,876
16,761	5,087	-	-	-	21,848
31,122	-	-	-	-	31,122
47,883	5,087	1,178	7,197	413	462,422
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,368,339	1,503,704	11,042,410
(31,122)	-	-	-	-	(31,122)
(31,122)	-	-	1,368,339	1,503,704	11,011,288
$ 16,761	$ 5,087	$ 1,178	$ 1,375,536	$ 1,504,117	$ 11,473,710

CITY OF CYPRESS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

For the fiscal year ended June 30, 2024

	Special Revenue Funds				
	Pandemic Response	Local Drainage	Stanton Channel Maintenance District	Lighting District	CATV Peg Grant
REVENUES					
Taxes	$ -	$ -	$ -	$ 1,675,318	$ 67,958
From other agencies	-	-	-	6,106	-
From use of property	-	49,601	-	280,155	-
Fines and forfeitures	-	-	-	-	-
Charges for services	-	-	98,789	-	-
Other revenue	-	-	-	29,310	-
TOTAL REVENUES	-	49,601	98,789	1,990,889	67,958
EXPENDITURES					
Current:					
Public safety	-	-	-	-	-
Community development	-	-	-	-	-
Public works	-	-	76,109	1,229,713	-
Capital outlay	-	-	-	407,323	-
TOTAL EXPENDITURES	-	-	76,109	1,637,036	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	49,601	22,680	353,853	67,958
OTHER FINANCING USES					
Transfers out	-	-	(11,416)	(184,457)	-
TOTAL OTHER FINANCING USES	-	-	(11,416)	(184,457)	-
NET CHANGE IN FUND BALANCES BEFORE EXTRAORDINARY ITEM	-	49,601	11,264	169,396	67,958
NET CHANGE IN FUND BALANCES	-	49,601	11,264	169,396	67,958
FUND BALANCE - BEGINNING OF YEAR	-	1,075,756	181,137	5,836,859	778,396
FUND BALANCE - END OF YEAR	$ -	$ 1,125,357	$ 192,401	$ 6,006,255	$ 846,354

Special Revenue Funds (Continued)						
AB 2766	Traffic Safety	Supplemental Law Enforcement	Narcotics Asset Seizure	Low & Moderate Housing Assets	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ -	$	$ 1,743,276
67,011	-	186,159	-	-	259,276
-	-	3,170	59,152	923	393,001
-	59,107	-	-		59,107
-	-	-	-		98,789
-	-	-	87,994	6,252	123,556
67,011	59,107	189,329	147,146	7,175	2,677,005
-	-	189,329	79,759	-	269,088
-	-	-	-	12,970	12,970
-	-	-	-	-	1,305,822
-	-	-	-	-	407,323
-	-	189,329	79,759	12,970	1,995,203
67,011	59,107	-	67,387	(5,795)	681,802
-	(59,107)	-	(27,671)	-	(282,651)
-	(59,107)	-	(27,671)	-	(282,651)
67,011	-	-	39,716	(5,795)	399,151
67,011	-	-	39,716	(5,795)	399,151
(98,133)	-	-	1,328,623	1,509,499	10,612,137
$ (31,122)	$ -	$ -	$ 1,368,339	$ 1,503,704	$ 11,011,288

CITY OF CYPRESS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
PANDEMIC RESPONSE SPECIAL REVENUE FUND

For the fiscal year ended June 30, 2024

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
From other agencies	$ 6,277	$ 6,277	$ -	$ (6,277)
TOTAL REVENUES	6,277	6,277	-	(6,277)
OTHER FINANCING USES				
Transfers out	(6,277)	(6,277)	-	(6,277)
TOTAL OTHER FINANCING USES	(6,277)	(6,277)	-	(6,277)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	$ -	$ -	-	$ (12,554)
FUND BALANCE - BEGINNING OF YEAR			-	
FUND BALANCE - END OF YEAR			$ -	

CITY OF CYPRESS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
LOCAL DRAINAGE SPECIAL REVENUE FUND

For the fiscal year ended June 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
From use of property	$ 25,000	$ 25,000	$ 49,601	$ 24,601
Other revenue	5,000	5,000	-	(5,000)
TOTAL REVENUES	30,000	30,000	49,601	19,601
EXCESS OF REVENUES OVER EXPENDITURES	30,000	30,000	49,601	19,601
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	$ 30,000	$ 30,000	49,601	$ 19,601
FUND BALANCES - BEGINNING OF YEAR			1,075,756	
FUND BALANCES - END OF YEAR			$ 1,125,357	

CITY OF CYPRESS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
STANTON CHANNEL MAINTENANCE DISTRICT SPECIAL REVENUE FUND

For the fiscal year ended June 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Charges for services	$ 102,000	$ 102,000	$ 98,789	$ (3,211)
TOTAL REVENUES	102,000	102,000	98,789	(3,211)
EXPENDITURES				
Current:				
Public works	100,975	100,975	76,109	24,866
TOTAL EXPENDITURES	100,975	100,975	76,109	24,866
EXCESS OF REVENUES OVER EXPENDITURES	1,025	1,025	22,680	(28,077)
OTHER FINANCING USES				
Transfers out	(15,147)	(15,147)	(11,416)	(3,731)
TOTAL OTHER FINANCING USES	(15,147)	(15,147)	(11,416)	(3,731)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	$ (14,122)	$ (14,122)	11,264	$ (31,808)
FUND BALANCE - BEGINNING OF YEAR			181,137	
FUND BALANCE - END OF YEAR			$ 192,401	

CITY OF CYPRESS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
LIGHTING DISTRICT SPECIAL REVENUE FUND

For the fiscal year ended June 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Taxes	$ 1,504,300	$ 1,504,300	$ 1,675,318	$ 171,018
From other agencies	6,300	6,300	6,106	(194)
From use of property	165,000	165,000	280,155	115,155
Other revenue	10,000	10,000	29,310	19,310
TOTAL REVENUES	1,685,600	1,685,600	1,990,889	305,289
EXPENDITURES				
Current:				
Public works	1,259,703	1,295,103	1,229,713	65,390
Capital outlay	925,000	2,269,252	407,323	1,861,929
TOTAL EXPENDITURES	2,184,703	3,564,355	1,637,036	1,927,319
EXCESS OF REVENUES OVER EXPENDITURES	(499,103)	(1,878,755)	353,853	(1,622,030)
OTHER FINANCING USES				
Transfers out	(188,956)	(188,956)	(184,457)	(4,499)
TOTAL OTHER FINANCING USES	(188,956)	(188,956)	(184,457)	(4,499)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	$ (688,059)	$ (2,067,711)	169,396	$ (1,626,529)
FUND BALANCE - BEGINNING OF YEAR			5,836,859	
FUND BALANCE - END OF YEAR			$ 6,006,255	

CITY OF CYPRESS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
CABLE TV PEG GRANT SPECIAL REVENUE FUND

For the fiscal year ended June 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Taxes	$ 77,500	$ 77,500	$ 67,958	$ (9,542)
TOTAL REVENUES	77,500	77,500	67,958	(9,542)
OTHER FINANCING USES				
Transfers out	(55,000)	(90,000)	-	(90,000)
TOTAL OTHER FINANCING USES	(55,000)	(90,000)	-	(90,000)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING USES	$ 22,500	$ (12,500)	67,958	$ (99,542)
FUND BALANCE - BEGINNING OF YEAR			778,396	
FUND BALANCE - END OF YEAR			$ 846,354	

CITY OF CYPRESS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
AB 2766 SPECIAL REVENUE FUND

For the fiscal year ended June 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
From other agencies	$ 64,000	$ 64,000	$ 67,011	$ 3,011
TOTAL REVENUES	64,000	64,000	67,011	3,011
OTHER FINANCING USES				
Transfers out	(64,000)	(64,000)	-	(64,000)
TOTAL OTHER FINANCING USES	(64,000)	(64,000)	-	(64,000)
EXCESS (DEFICIENCY) OF REVENUES OVER OTHER FINANCING USES	$ -	$ -	67,011	$ (60,989)
FUND BALANCES - BEGINNING OF YEAR			(98,133)	
FUND BALANCES - END OF YEAR			$ (31,122)	

CITY OF CYPRESS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
TRAFFIC SAFETY SPECIAL REVENUE FUND

For the fiscal year ended June 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Fines and forfeitures	$ 84,000	$ 84,000	$ 59,107	$ (24,893)
TOTAL REVENUES	84,000	84,000	59,107	(24,893)
Excess (deficiency) of revenues over (under) expenditures	84,000	84,000	59,107	(24,893)
OTHER FINANCING USES				
Transfers out	(84,000)	(84,000)	(59,107)	(24,893)
TOTAL OTHER FINANCING USES	(84,000)	(84,000)	(59,107)	(24,893)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING USES	$ (84,000)	$ (84,000)	-	$ (49,786)
FUND BALANCE - BEGINNING OF YEAR			-	
FUND BALANCE - END OF YEAR			$ -	

CITY OF CYPRESS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SUPPLEMENTAL LAW ENFORCEMENT SPECIAL REVENUE FUND

For the fiscal year ended June 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
From use of property	$ 500	$ 500	$ 3,170	$ 2,670
From other agencies	168,063	188,863	186,159	(2,704)
TOTAL REVENUES	168,563	189,363	189,329	(34)
EXPENDITURES				
Current:				
Public safety	168,563	189,363	189,329	34
TOTAL EXPENDITURES	168,563	189,363	189,329	34
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ -	$ -	-	$ -
FUND BALANCE - BEGINNING OF YEAR			-	
FUND BALANCE - END OF YEAR			$ -	

CITY OF CYPRESS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
NARCOTICS ASSET SEIZURE SPECIAL REVENUE FUND

For the fiscal year ended June 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Use of property	$ 28,500	$ 28,500	$ 59,152	$ 30,652
Other revenue	20,000	20,000	87,994	67,994
TOTAL REVENUES	48,500	48,500	147,146	98,646
EXPENDITURES				
Current:				
Public safety	102,612	123,351	79,759	43,592
TOTAL EXPENDITURES	102,612	123,351	79,759	43,592
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(54,112)	(74,851)	67,387	55,054
OTHER FINANCING USES				
Transfers out	(574,000)	(608,243)	(27,671)	(580,572)
TOTAL OTHER FINANCING USES	(574,000)	(608,243)	(27,671)	(580,572)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	$ (628,112)	$ (683,094)	39,716	$ (525,518)
FUND BALANCE - BEGINNING OF YEAR			1,328,623	
FUND BALANCE - END OF YEAR			$ 1,368,339	

CITY OF CYPRESS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LOW AND MODERATE HOUSING ASSETS SPECIAL REVENUE FUND

For the fiscal year ended June 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
From use of property	$ 100	$ 100	$ 923	$ 823
Other revenue	6,480	6,480	6,252	(228)
TOTAL REVENUES	6,580	6,580	7,175	595
EXPENDITURES				
Current:				
Community Development	80,441	90,741	12,970	77,771
TOTAL EXPENDITURES	80,441	90,741	12,970	77,771
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ (73,861)	$ (84,161)	(5,795)	$ (77,176)
FUND BALANCE - BEGINNING OF YEAR			1,509,499	
FUND BALANCE - END OF YEAR			$ 1,503,704	

CITY OF CYPRESS

Internal Service Funds

June 30, 2024

The Internal Service Funds are used to finance and account for goods and services provided by one City department to other City departments on a cost-reimbursement basis, including depreciation.

Central Services – To account for the costs of the strategic technology plan, building maintenance, vehicle and equipment maintenance, print production, and accumulated equipment replacement funds.

Recreation District Central Services – To account for the costs of building maintenance, vehicle and equipment maintenance, and accumulated equipment replacement funds for the Recreation District.

Employees' Benefit – To account for employee fringe benefits.

Liability Insurance – To account for the cost of the City's public liability/risk management program.

Workers' Compensation Insurance – To account for the cost of the City's workers' compensation insurance program.

CITY OF CYPRESS

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS

June 30, 2024

	Central Services	Recreation District Central Services
ASSETS		
CURRENT ASSETS		
Cash and investments	$ 21,507,445	$ 737,746
Restricted cash and investments	-	-
Receivables:		
Accounts	-	-
Accrued interest	-	-
Prepaid items	130,419	-
Inventory	4,777	-
TOTAL CURRENT ASSETS	21,642,641	737,746
NON-CURRENT ASSETS:		
Construction in Progress	17,257	-
Net pension asset	-	-
Equipment (Net)	3,192,581	351,239
Subscription Assets (Net)	1,009,100	-
TOTAL NON-CURRENT ASSETS	4,218,938	351,239
TOTAL ASSETS	25,861,579	1,088,985
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount from PERS pension plans	-	-
Deferred amount from OPEB	-	-
Deferred amount from OCERS pension plan	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	-
LIABILITIES		
CURRENT:		
Accounts payable and other accrued liabilities	115,142	-
Subscriptions	229,571	
Accrued compensated absences	-	-
Accrued claims and judgments	-	-
Retirees' health payable	-	-
TOTAL CURRENT LIABILITIES	344,713	-
Noncurrent:		
Subscriptions payable	701,504	-
Accrued compensated absences	-	-
Accrued claims and judgments	-	-
Retirees' health payable	-	-
Net pension liability	-	-
TOTAL NONCURRENT LIABILITIES	701,504	-
TOTAL LIABILITIES	1,046,217	-
DEFERRED INFLOWS OF RESOURCES		
Deferred amount from PERS pension plans	-	-
Deferred amount from OCERS pension plan	-	-
Deferred amount from OPEB	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-
NET POSITION:		
Net investment in capital assets	3,287,863	351,239
Restricted for PARS trust	-	-
Restricted for Net Pension Asset		
Unrestricted	21,527,499	737,746
TOTAL NET POSITION	$ 24,815,362	$ 1,088,985

Employees' Benefit	Liability Insurance	Workers' Compensation	Total
$ 6,958,872	$ 2,264,529	$ 3,574,021	$ 35,042,613
31,931,565	-	-	31,931,565
223,430	-	-	223,430
56,610	-	-	56,610
8,870	-	-	139,289
-	-	-	4,777
39,179,347	2,264,529	3,574,021	67,398,284
-	-	-	17,257
641,475	-	-	641,475
			3,543,820
-	-	-	1,009,100
641,475	-	-	5,211,652
39,820,822	2,264,529	3,574,021	72,609,936
25,895,640	-	-	25,895,640
622,967	-	-	622,967
227,337	-	-	227,337
26,745,944	-	-	26,745,944
43,980	-	17,845	176,967
			229,571
647,059	-	-	647,059
-	83,183	587,609	670,792
523,500	-	-	523,500
1,214,539	83,183	605,454	2,247,889
-	-	-	701,504
1,941,178	-	-	1,941,178
-	249,550	1,762,827	2,012,377
8,777,112	-	-	8,777,112
66,097,882	-	-	66,097,882
76,816,172	249,550	1,762,827	79,530,053
78,030,711	332,733	2,368,281	81,777,942
2,933,670	-	-	2,933,670
443,079	-	-	443,079
1,674,355	-	-	1,674,355
5,051,104	-	-	5,051,104
-	-	-	3,639,102
31,931,565	-	-	31,931,565
641,475			641,475
(49,088,090)	1,931,796	1,205,740	(23,685,309)
$ (16,515,050)	$ 1,931,796	$ 1,205,740	$ 12,526,833

CITY OF CYPRESS

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS

For the fiscal year ended June 30, 2024

	Central Services	Recreation District Central Services
OPERATING REVENUES:		
Charges for services	3,922,760	74,390
Other revenue	86,197	-
TOTAL OPERATING REVENUES	4,008,957	74,390
OPERATING EXPENSES:		
Personnel services	1,345,000	-
Contractual services	333,289	6,979
Supplies and other services	1,086,235	5,543
Claim payments and changes in estimates	-	-
Depreciation/amortization	823,099	71,391
TOTAL OPERATING EXPENSES	3,587,623	83,913
OPERATING INCOME (LOSS)	421,334	(9,523)
NON-OPERATING REVENUES (EXPENSES):		
Interest income (loss)	(8,425)	-
Gain (loss) on disposal of equipment	15,931	(733)
TOTAL NON-OPERATING REVENUES (EXPENSES)	7,506	(733)
INCOME (LOSS) BEFORE TRANSFERS	428,840	(10,256)
TRANSFERS:		
Transfers in	381,813	5,543
Transfers out	-	-
TOTAL TRANSFERS	381,813	5,543
CHANGE IN NET POSITION	810,653	(4,713)
NET POSITION - BEGINNING OF YEAR	24,004,709	1,093,698
NET POSITION - END OF YEAR	$ 24,815,362	$ 1,088,985

Employees' Benefit	Liability Insurance	Workers' Compensation	Total
14,316,864	617,000	793,716	19,724,730
1,276,699	-	3,318	1,366,214
15,593,563	617,000	797,034	21,090,944
-	-	65,633	1,410,633
13,784,604	-	107,796	14,232,668
4,510,293	489,872	242,104	6,334,047
-	179,128	677,830	856,958
-	-	-	894,490
18,294,897	669,000	1,093,363	23,728,796
(2,701,334)	(52,000)	(296,329)	(2,637,852)
2,247,092	-	-	2,238,667
-	-	-	15,198
2,247,092	-	-	2,253,865
(454,242)	(52,000)	(296,329)	(383,987)
7,200,000	-	-	7,587,356
-	(71,744)	-	(71,744)
7,200,000	(71,744)	-	7,515,612
6,745,758	(123,744)	(296,329)	7,131,625
(23,260,808)	2,055,540	1,502,069	5,395,208
$ (16,515,050)	$ 1,931,796	$ 1,205,740	$ 12,526,833

CITY OF CYPRESS

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

For the fiscal year ended June 30, 2024

	Central Services	Recreation District Central Services
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from users	$ 3,915,227	$ 74,390
Cash payments to suppliers for goods and services	(1,210,685)	(12,522)
Cash payments to employees	(1,348,507)	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,356,035	61,868
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers in	381,813	5,543
Transfers out	-	-
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	381,813	5,543
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from disposal of capital assets	19,336	-
Acquisition of capital assets	(1,502,961)	(15,825)
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(1,483,625)	(15,825)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on investments	-	-
NET CASH PROVIDED BY INVESTING ACTIVITIES	-	-
INCREASE IN CASH AND CASH EQUIVALENTS	254,223	51,586
CASH AND INVESTMENTS - BEGINNING OF YEAR	21,253,220	686,161
CASH AND INVESTMENTS - END OF YEAR	$ 21,507,443	$ 737,747
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating income (loss)	$ 421,334	$ (9,523)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation/amortization	823,099	71,391
Changes in assets and liabilities:		
Accounts receivable decreased (increased)	460	-
Prepaid items decreased (increased)	(112,331)	-
Inventory decreased (increased)	5,296	-
Deferred outflows decreased (increased)	-	-
Accounts payable increased (decreased)	(51,790)	-
Other accrued liabilities increased (decreased)	269,967	
Insurance claims payable increased (decreased)	-	-
Accrued retirees' health payable increased (decreased)	-	-
Accrued leave payable increased (decreased)	-	-
Accrued pension liability increased (decreased)	-	-
Deferred inflows increased (decreased)	-	-
TOTAL ADJUSTMENTS	934,701	71,391
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 1,356,035	$ 61,868

Employees' Benefit	Liability Insurance	Workers' Compensation	Total
$ 15,532,751	$ 617,000	$ 827,375	$ 20,966,743
(14,690,987)	(538,007)	(605,028)	(17,057,229)
-	-	(64,648)	(1,413,155)
841,764	78,993	157,699	2,496,359
7,200,000	-	-	7,587,356
-	(71,744)	-	(71,744)
7,200,000	(71,744)	-	7,515,612
-	-	-	19,336
-	-	-	(1,518,786)
-	-	-	(1,499,450)
2,247,092	-	-	2,247,092
2,247,092	-	-	2,247,092
10,288,856	7,249	157,699	10,759,613
28,601,582	2,257,280	3,416,322	56,214,565
$ 38,890,438	$ 2,264,529	$ 3,574,021	$ 66,974,178
$ (2,701,334)	$ (52,000)	$ (296,329)	$ (2,637,852)
-	-	-	894,490
(51,941)	-	30,340	(21,141)
(8,870)	-	-	(121,201)
-	-	-	5,296
1,686,370	-	-	1,686,370
15,874	-	17,384	(18,532)
			269,967
-	130,993	406,304	537,297
121,680	-	-	121,680
154,971	-	-	154,971
3,579,921	-	-	3,579,921
(1,954,907)	-	-	(1,954,907)
3,543,098	130,993	454,028	5,134,211
$ 841,764	$ 78,993	$ 157,699	$ 2,496,359

STATISTICAL SECTION

CITY OF CYPRESS

Statistical Section
Year ended June 30, 2024
Table of Contents

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

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

Schedule 1 - Net Position by Component
Schedule 2 - Changes in Net Position
Schedule 3 - Fund Balances – Governmental Funds
Schedule 4 - Changes in Fund Balances – Governmental Funds

Revenue Capacity
These schedules contain information to help the reader assess the City's property tax.

Schedule 5 - Assessed Value and Estimated Actual Value of Taxable Property
Schedule 6 - Direct and Overlapping Property Tax Rates
Schedule 7 - Principal Property Tax Payers
Schedule 8 - Property Tax Levies and Collections

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

Schedule 9 - Ratios of Outstanding Debt by Types
Schedule 10 - Direct and Overlapping Governmental Activities Debt
Schedule 11 - Legal Debt Margin Information

Demographic and Economic Information
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Schedule 12 - Demographic and Economic Statistics
Schedule 13 - Principal Employers

Operating Information
These schedules contain services and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Schedule 14 - Full-time Equivalent City Government Employees by Function/Program
Schedule 15 - Operating Indicators by Function/Program
Schedule 16 - Capital Assets Statistics by Function/Program

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

Note: The City of Cypress did not have General Bonded Debt Outstanding or Pledged Revenue during the Fiscal Year Ended June 30, 2024.

CITY OF CYPRESS

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

Schedule 1

	Fiscal Year			
	2024	2023	2022	2021
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	$ 182,784,607	$ 170,286,779	$ 172,804,367	$ 166,272,625
Restricted for:				
Debt service	-	-	-	-
Specific projects and programs	64,540,657	51,055,320	40,650,390	37,532,553
Total restricted	64,540,657	51,055,320	40,650,390	37,532,553
Unrestricted	91,753,909	109,374,298	95,515,524	88,119,499
Total governmental activities net position	$ 339,079,173	$ 330,716,397	$ 308,970,281	$ 291,924,677
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	$ 18,490,199	$ 18,871,533	$ 18,876,495	$ 19,322,767
Restricted for:				
Specific projects and programs	9,090,674	7,599,979	6,638,371	5,253,793
Total business-type activities net position	$ 27,580,873	$ 26,471,512	$ 25,514,866	$ 24,576,560
TOTAL GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	$ 201,274,806	$ 189,158,312	$ 191,680,862	$ 185,595,392
Restricted for:				
Debt service	-	-	-	-
Specific projects and programs	73,631,331	58,655,299	47,288,761	42,786,346
Total restricted	73,631,331	58,655,299	47,288,761	42,786,346
Unrestricted	91,753,909	109,374,298	95,515,524	88,119,499
Total governmental and business-type activities net position	$ 366,660,046	$ 357,187,909	$ 334,485,147	$ 316,501,237

2020	2019	2018	2017	2016	2015
$ 160,408,903	$ 162,147,445	$ 162,818,741	$ 161,714,951	$ 153,270,346	$ 154,805,926
-	-	522,200	979,010	420,185	400,000
43,597,947	39,458,651	36,012,698	25,872,294	26,169,565	24,651,239
43,597,947	39,458,651	36,534,898	26,851,304	26,589,750	25,051,239
85,931,038	82,530,908	75,803,724	89,651,389	107,623,380	101,970,622
$ 289,937,888	$ 284,137,004	$ 275,157,363	$ 278,217,644	$ 287,483,476	$ 281,827,787
$ 19,672,894	$ 19,764,241	$ 20,004,444	$ 19,788,397	$ 18,245,712	$ 15,801,861
3,871,515	2,820,977	1,463,331	524,701	930,903	2,281,112
$ 23,544,409	$ 22,585,218	$ 21,467,775	$ 20,313,098	$ 19,176,615	$ 18,082,973
$ 180,081,797	$ 181,911,686	$ 182,823,185	$ 181,503,348	$ 171,516,058	$ 170,607,787
-	-	522,200	979,010	420,185	400,000
47,469,462	42,279,628	37,476,029	26,396,995	27,100,468	26,932,351
47,469,462	42,279,628	37,998,229	27,376,005	27,520,653	27,332,351
85,931,038	82,530,908	75,803,724	89,651,389	107,623,380	101,970,622
$ 313,482,297	$ 306,722,222	$ 296,625,138	$ 298,530,742	$ 306,660,091	$ 299,910,760

CITY OF CYPRESS

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

Schedule 2

	Fiscal Year			
	2024	2023	2022	2021
EXPENSES - GOVERNMENTAL ACTIVITIES:				
General government	$ 7,620,519	$ 4,434,609	$ 5,477,433	$ 6,295,641
Community development	2,566,292	2,109,834	2,333,245	2,100,332
Public safety	22,380,579	16,762,572	19,494,326	19,428,392
Public works	16,733,394	11,321,069	12,737,505	13,865,043
Recreation	7,007,325	5,137,475	5,583,107	5,303,581
Interest on long-term debt	-	-	-	-
Total government activities expenses	56,308,109	39,765,559	45,625,616	46,992,989
PROGRAM REVENUES - GOVERNMENTAL ACTIVITIES:	64,540,657			
Charges for services:				
General government	284,795	290,454	420,799	498,954
Community development	1,152,110	1,628,632	1,985,828	1,557,209
Public safety	408,438	455,417	277,816	406,077
Public works	1,322,443	1,305,718	873,072	770,403
Recreation	1,514,881	3,196,855	6,947,677	487,138
Operating grants and contributions	5,541,054	4,789,491	16,061,186	3,862,387
Capital grants and contributions	2,271,831	2,153,338	1,638,108	1,869,583
Total governmental activities program revenues	12,495,552	13,819,905	28,204,486	9,451,751
NET (EXPENSE/REVENUE) - GOVERNMENTAL ACTIVITIES	(43,812,557)	(25,945,654)	(17,421,130)	(37,541,238)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION - GOVERNMENTAL ACTIVITIES:				
Taxes				
Property taxes, levied for general purpose	7,711,466	7,470,455	6,530,911	6,261,310
Property taxes, levied for recreation purposes	7,326,746	7,080,645	6,222,354	5,958,450
Property taxes, levied for lighting purposes	1,675,318	1,618,054	1,425,207	1,363,781
Property taxes, backfill of vehicle license fees	6,024,570	5,698,971	5,322,016	5,136,804
Sales tax	12,930,992	13,561,206	13,292,177	11,249,720
Transient occupancy tax	2,892,555	2,849,004	2,602,233	1,648,030
Franchise tax	2,112,395	1,972,342	1,801,173	1,753,459
Other taxes	1,828,529	1,921,668	1,965,665	1,820,366
Total taxes	42,502,571	42,172,345	39,161,736	35,191,920
Investment earnings	9,618,170	5,420,204	(4,733,571)	2,245,090
Contributed capital			-	-
Miscellaneous	54,592	99,221	38,569	37,845
Total governmental activities	52,175,333	47,691,770	34,466,734	37,474,855
SPECIAL ITEMS:				
Market value adjustment - land held for resale	-	-	-	-
Gain on sale of land held for resale	-	-	-	2,053,172
Total special items	-	-	-	2,053,172
EXTRAORDINARY ITEMS:				
Gain on approval of repayment agreement	-	-	-	-
Loss on re-entered loan settlement agreement	-	-	-	-
Total extraordinary items	-	-	-	-
CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES	$ 8,362,776	$ 21,746,116	$ 17,045,604	$ 1,986,789
EXPENSES - BUSINESS-TYPE ACTIVITIES:				
Sewer	$ 908,788	$ 892,783	$ 902,389	$ 888,283
Total business-type activities expenses	908,788	892,783	902,389	888,283
PROGRAM REVENUES - BUSINESS-TYPE ACTIVITIES:				
Charges for services	1,593,387	1,632,171	1,779,495	1,861,974
Operating grants and contributions	39	36	35	37
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	1,593,426	1,632,207	1,779,530	1,862,011
NET (EXPENSE/REVENUE) - BUSINESS-TYPE ACTIVITIES	684,638	739,424	877,141	973,728
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION - BUSINESS TYPE ACTIVITIES:				
Taxes				
Property taxes, levied for sewer purposes	42,876	36,250	32,508	30,499
Total taxes	42,876	36,250	32,508	30,499
Investment earnings	381,847	173,575	26,215	25,145
Miscellaneous	-	7,397	2,442	2,779
Total business-type activities	424,723	217,222	61,165	58,423
CHANGE IN NET POSITION - BUSINESS-TYPE ACTIVITIES	$ 1,109,361	$ 956,646	$ 938,306	$ 1,032,151
CHANGE IN NET POSITION - TOTAL PRIMARY GOVERNMENT	$ 9,472,137	$ 22,702,762	$ 17,983,910	$ 3,018,940

2020	2019	2018	2017	2016	2015
$ 6,082,701	$ 4,683,324	$ 4,634,173	$ 4,688,064	$ 4,186,025	$ 3,762,129
1,915,912	2,200,508	2,545,902	2,092,444	2,045,322	1,792,626
19,357,512	17,423,654	17,185,826	15,793,707	14,193,759	13,823,314
11,597,788	10,800,313	13,608,594	11,949,123	11,467,198	11,818,556
5,003,445	5,042,590	5,296,640	5,077,877	4,659,025	4,675,847
-	1,300	25,145	48,597	70,731	89,610
43,957,358	40,151,689	43,296,280	39,649,812	36,622,060	35,962,082
154,716	388,378	477,787	517,051	247,368	155,590
899,680	1,156,997	1,125,447	957,395	1,038,354	767,379
268,225	324,497	221,319	217,567	190,861	229,721
741,487	740,542	723,444	773,597	820,048	854,062
573,479	1,727,459	1,509,692	1,489,518	1,499,750	1,160,898
5,998,794	3,728,589	3,625,304	4,550,919	4,474,668	3,549,872
1,488,480	1,299,265	1,029,329	1,462,551	693,977	856,247
10,124,861	9,365,727	8,712,322	9,968,598	8,965,026	7,573,769
(33,832,497)	(30,785,962)	(34,583,958)	(29,681,214)	(27,657,034)	(28,388,313)
6,273,159	5,703,464	5,373,717	4,838,954	4,634,994	4,735,392
5,958,511	5,435,431	5,133,137	4,598,132	4,420,347	4,450,954
1,358,550	1,240,367	1,173,368	1,055,329	1,015,521	1,013,028
4,942,234	4,708,074	4,429,211	4,241,925	4,061,360	3,835,515
11,969,246	12,616,015	11,141,720	11,346,462	12,435,166	11,891,754
2,185,978	2,761,917	2,836,842	2,711,306	2,558,974	2,209,939
1,727,101	1,686,218	1,660,665	1,607,621	1,728,236	1,724,232
1,742,289	1,750,241	1,728,281	1,745,849	1,647,782	1,678,288
36,157,068	35,901,727	33,476,941	32,145,578	32,502,380	31,539,102
3,423,255	3,806,673	1,281,234	694,455	748,457	344,668
-	-	1,460,026	-	-	-
53,058	57,203	55,078	69,209	61,886	65,861
39,633,381	39,765,603	36,273,279	32,909,242	33,312,723	31,949,631
-	-	-	-	-	(6,308,460)
-	-	-	-	-	-
-	-	-	-	-	(6,308,460)
-	-	-	-	-	25,323,775
-	-	-	(12,493,860)	-	-
-	-	-	(12,493,860)	-	25,323,775
$ 5,800,884	$ 8,979,641	$ 1,689,321	$ (9,265,832)	$ 5,655,689	$ 22,576,633
$ 871,750	$ 897,761	$ 795,737	$ 706,843	$ 757,503	$ 724,257
871,750	897,761	795,737	706,843	757,503	724,257
1,733,202	1,721,787	1,829,427	1,768,183	1,714,658	2,025,759
39	98,050	43	46	66,716	46,387
-	-	-	-	-	-
1,733,241	1,819,837	1,829,470	1,768,229	1,781,374	2,072,146
861,491	922,076	1,033,733	1,061,386	1,023,871	1,347,889
30,076	29,978	30,885	24,060	27,651	14,232
30,076	29,978	30,885	24,060	27,651	14,232
66,013	162,156	84,346	48,316	34,865	26,886
1,611	3,233	5,713	2,721	7,255	2,801
97,700	195,367	120,944	75,097	69,771	43,919
$ 959,191	$ 1,117,443	$ 1,154,677	$ 1,136,483	$ 1,093,642	$ 1,391,808
$ 6,760,075	$ 10,097,084	$ 2,843,998	$ (8,129,349)	$ 6,749,331	$ 23,968,441

CITY OF CYPRESS

FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

Schedule 3

	Fiscal Year			
	2024	2023	2022	2021
GENERAL FUND				
Nonspendable	$ 117,684	$ 176,552	$ 270,596	$ 400,475
Restricted	28,944	28,944	28,944	28,944
Committed	9,983,343	9,395,654	8,862,296	8,277,669
Assigned	20,527,813	23,550,418	21,212,203	15,425,574
Unassigned	1,697,062	1,840,440	1,043,486	1,060,000
Total General Fund	$ 32,354,846	$ 34,992,008	$ 31,417,525	$ 25,192,662
ALL OTHER GOVERNMENTAL FUNDS				
Nonspendable	$ 14,426,177	$ -	$ -	$ 5,915,695
Restricted	20,347,084	27,875,379	20,316,479	19,174,097
Committed	14,820,800	12,863,857	11,600,177	12,824,144
Assigned	68,311,625	82,582,086	81,327,970	70,479,670
Unassigned	(2,942,419)	(98,133)	(163,885)	(226,304)
Total all other Governmental Funds	$ 114,963,267	$ 123,223,189	$ 113,080,741	$ 108,167,302

Notes: 1) Nonspendable fund balance amounts related to land held for resale in All Other Governmental Funds have been reclassified to assigned fund balance as of June 30, 2013 to more properly reflect how the proceeds may be used by the City.

2020	2019	2018	2017	2016	2015
$ 4,106	$ 8,105	$ 54,299	$ 57,474	$ 8,759	$ 6,411
140,521	51,035	73,252	73,252	73,252	73,252
7,752,199	7,399,045	7,152,556	6,982,083	6,885,909	6,520,344
14,086,964	13,827,127	8,018,278	11,199,276	11,766,464	13,078,088
1,060,000	1,060,000	860,000	921,728	289,297	170,783
$ 23,043,790	$ 22,345,312	$ 16,158,385	$ 19,233,813	$ 19,023,681	$ 19,848,878
$ 3,242	$ 28,946	$ 26,013	$ 71,608	$ 59,660	$ 56,300
27,679,541	27,277,048	26,328,454	26,466,768	27,039,278	25,513,795
11,600,900	9,332,740	10,568,404	9,174,885	17,680,891	9,437,504
74,307,742	70,811,712	67,828,083	62,830,965	71,429,444	76,745,521
(290,643)	-	-	-	-	-
$ 113,300,782	$ 107,450,446	$ 104,750,954	$ 98,544,226	$ 116,209,273	$ 111,753,120

CITY OF CYPRESS

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

Schedule 4

	Fiscal Year			
	2024	2023	2022	2021
REVENUES:				
Taxes				
Property tax	$ 22,738,100	$ 21,868,125	$ 19,500,488	$ 18,720,344
Sales tax	12,930,992	13,561,206	13,292,177	11,579,445
Transient occupancy tax	2,892,555	2,849,004	2,602,233	1,648,030
Franchise tax	2,180,353	2,047,004	1,876,783	1,829,542
Other taxes	2,224,361	2,327,660	2,348,252	2,167,293
Licenses and permits	1,029,241	1,437,527	1,326,104	884,938
Fines and forfeitures	310,918	285,374	250,414	345,986
From use of property	9,442,245	5,400,358	(2,256,444)	88,710
From other agencies	5,029,681	4,348,451	16,312,535	4,103,799
Charges for services	5,466,915	6,689,289	11,079,347	4,051,764
Other revenues	592,405	1,341,712	746,421	811,084
Total Revenues	64,837,766	62,155,710	67,078,310	46,230,935
EXPENDITURES:				
General government	6,914,401	5,071,688	4,833,262	5,485,769
Community development	2,437,084	2,541,511	2,159,679	1,892,213
Public safety	21,008,037	20,099,644	17,939,338	17,401,215
Public works	13,543,103	10,373,878	9,262,250	10,056,426
Recreation	5,775,792	5,260,829	4,532,507	4,181,884
Capital outlay	18,551,740	3,002,215	12,527,779	11,805,601
Debt service				
Principal retired	-	-	-	-
Interest and charges	-	-	-	-
Total expenditures	68,230,157	46,349,765	51,254,815	50,823,108
Excess of revenues over (under) expenditures	(3,392,391)	15,805,945	15,823,495	(4,592,173)
OTHER FINANCING SOURCES (USES):				
Transfers in	6,398,971	4,740,932	21,115,221	7,692,812
Transfers out	(13,914,583)	(6,829,946)	(25,800,414)	(8,138,419)
Leases (as lessee)	10,918	-	-	-
Total other financing sources (uses)	(7,504,694)	(2,089,014)	(4,685,193)	(445,607)
Net change in fund balances before extraordinary items	(10,897,084)	13,716,931	11,138,302	(5,037,780)
SPECIAL ITEMS:				
Market value adjustment - land held for resale	-	-	-	-
Gain on sale of land held for resale	-	-	-	2,053,172
Total special items	-	-	-	2,053,172
EXTRAORDINARY ITEMS:				
Gain on approval of repayment agreement	-	-	-	-
Loss on re-entered loan settlement agreement	-	-	-	-
Total extraordinary items	-	-	-	-
Net change in fund balances	$ (10,897,084)	$ 13,716,931	$ 11,138,302	$ (2,984,608)
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	0.0%

2020	2019	2018	2017	2016	2015
$ 18,532,454	$ 17,087,338	$ 16,109,436	$ 14,734,339	$ 14,132,221	$ 14,034,888
12,252,711	12,332,551	11,141,720	11,451,407	12,540,112	11,681,865
2,185,978	2,761,917	2,836,842	2,711,306	2,558,974	2,209,939
1,806,177	1,766,326	1,740,802	1,665,820	1,774,268	1,770,259
2,063,126	2,095,035	2,052,850	2,061,297	1,957,223	1,986,873
628,630	806,907	675,894	700,437	700,510	455,781
277,716	390,365	275,909	289,271	239,845	254,997
3,511,171	3,890,564	1,660,035	1,027,004	1,044,996	594,030
5,300,369	3,878,871	3,856,558	3,113,673	3,021,416	3,178,481
3,293,571	4,317,800	4,700,201	4,397,340	4,376,424	3,963,964
652,143	673,986	701,596	1,585,339	1,401,191	788,618
50,504,046	50,001,660	45,751,843	43,737,233	43,747,180	40,919,695
5,206,978	4,131,110	4,037,765	4,380,176	4,147,614	3,555,118
1,714,979	2,056,311	2,351,459	2,070,995	2,160,255	1,772,835
17,225,985	16,174,228	15,762,018	15,508,454	14,861,961	13,905,373
7,732,879	7,394,724	10,081,750	9,541,509	9,630,040	9,625,309
3,951,650	4,158,366	4,498,225	4,612,076	4,450,788	4,305,974
4,495,945	4,251,602	2,275,198	11,813,186	2,295,678	4,386,607
-	475,000	445,000	420,000	400,000	380,000
-	13,175	36,826	59,622	80,131	98,350
40,328,416	38,654,516	39,488,241	48,406,018	38,026,467	38,029,566
10,175,630	11,347,144	6,263,602	(4,668,785)	5,720,713	2,890,129
8,335,896	6,468,442	9,020,684	8,189,632	7,466,801	7,991,193
(11,962,712)	(8,929,167)	(12,152,986)	(8,481,902)	(9,556,558)	(8,098,884)
-	-	-	-	-	-
(3,626,816)	(2,460,725)	(3,132,302)	(292,270)	(2,089,757)	(107,691)
6,548,814	8,886,419	3,131,300	(4,961,055)	3,630,956	2,782,438
-	-	-	-	-	(6,308,460)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	25,323,775
-	-	-	(12,493,860)	-	-
-	-	-	(12,493,860)	-	25,323,775
$ 6,548,814	$ 8,886,419	$ 3,131,300	$ (17,454,915)	$ 3,630,956	$ 28,106,213
0.0%	1.4%	1.3%	1.3%	1.3%	1.4%

CITY OF CYPRESS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

Schedule 5

Fiscal Year Ended June 30,	Secured *	Public Utility *	Unsecured Valuation *	Total Taxable Assessed Value *	Total Direct Tax Rate
2024	$ 9,161,268	$ 2,072	$ 424,756	$ 9,588,096	1.0000
2023	$ 8,701,907	$ 2,072	$ 365,927	$ 9,069,906	1.0000
2022	$ 8,136,669	$ 2,268	$ 331,045	$ 8,469,982	1.0000
2021	$ 7,872,105	$ 2,268	$ 300,844	$ 8,175,217	1.0000
2020	$ 7,516,002	$ 2,268	$ 347,290	$ 7,865,560	1.0000
2019	$ 7,181,037	$ 2,268	$ 309,590	$ 7,492,895	1.0000
2018	$ 6,755,533	$ 595	$ 292,957	$ 7,049,085	1.0000
2017	$ 6,452,310	$ 792	$ 297,917	$ 6,751,019	1.0000
2016	$ 6,180,488	$ 792	$ 282,370	$ 6,463,650	1.0000
2015	$ 5,831,344	$ 1,371	$ 271,503	$ 6,104,218	1.0000

Source: Orange County Assessor's Office

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 on the assessed value of the property being taxes. Each year, the assessed value of propety may be increased by an inflation factor (up to 2%). However, property is re-assessed to its current value when a change of ownership occurs. Other factors that may cause re-assessment include new construction, tenant improvements and appeals of value by the owner.

The assessed value data shown above represents the only data currently available with respect to the actual market value of taxable property and are subject to the limitations described above.

* Amount in Thousands

CITY OF CYPRESS

DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN FISCAL YEARS

Schedule 6

Fiscal Year Ended June 30,	City Direct Rates			Overlapping Rates *	
	Basic Rate	General Obligation Debt Service	Total Direct	School Districts	Water District
2024	1.0000	-	1.0000	0.0796	0.0035
2023	1.0000	-	1.0000	0.0900	0.0035
2022	1.0000	-	1.0000	0.0973	0.0035
2021	1.0000	-	1.0000	0.1049	0.0035
2020	1.0000	-	1.0000	0.0933	0.0035
2019	1.0000	-	1.0000	0.1002	0.0035
2018	1.0000	-	1.0000	0.0822	0.0035
2017	1.0000	-	1.0000	0.0950	0.0035
2016	1.0000	-	1.0000	0.1045	0.0035
2015	1.0000	-	1.0000	0.0642	0.0035

Source: Orange County Assessor's Office

Note: The City's basic property tax rate may only be increased by a majority vote of the City's residents. Rates for debt service are set based on each year's requirements.

* Overlapping rates are those of local and county governments that apply to property owners within the City of Cypress. Not all overlapping rates apply to all Cypress property owners.

CITY OF CYPRESS

PRINCIPAL PROPERTY TAX PAYERS

CURRENT YEAR AND NINE YEARS AGO

Schedule 7

	2024			2015		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Warland Investments Ltd	$ 288,059,256	1	3.01%	$ 241,217,093	1	4.00%
GLC Cypress LLC	130,836,554	2	1.37%	--		--
Katella Holder Street LLC	101,805,046	3	1.06%	--		--
Cypress Corporate Center	85,996,928	4	0.90%	63,166,866	3	1.05%
Duke Realty LP	73,682,958	5	0.77%	--		--
Inland American Cypress Katella	63,124,711	6	0.66%	40,000,000	5	0.66%
Los Alamitos Racecourse	45,207,144	7	0.47%	38,814,326	6	0.64%
Diasorin Molecular LLC	40,521,396	8	0.42%			
Yamaha Motor Corp USA Inc	40,059,739	9	0.42%	37,362,814	7	0.62%
Cadigan Peppertree LLC	35,926,137	10	0.38%	--		--
Mitsubishi Motor Sales	--		--	77,708,324	2	1.29%
RREEF America REIT	--		--	62,161,699	4	1.03%
CSKB Cypress LLC	--		--	33,059,000	8	0.55%
CRP-2 Holdings Cypress	--		--	32,607,850	9	0.54%
ROIC Cypress West LLC	--		--	26,352,612	10	0.44%
Total	$ 905,219,869		9.46%	$ 652,450,584		10.82%

Source: California Municipal Statistics, Inc. and Orange County Assessor's Office

CITY OF CYPRESS

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

Schedule 8

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquent Tax Collections	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2024	$ 15,473,642	$ 15,282,850	98.77%	$ 126,991	$ 15,409,841	99.59%
2023	$ 14,675,706	$ 14,506,750	98.85%	$ 91,094	$ 14,597,844	99.47%
2022	$ 23,758,834	$ 23,586,865	99.28%	$ 134,014	$ 23,720,879	99.84%
2021	$ 22,876,805	$ 22,743,440	99.42%	$ 174,530	$ 22,917,970	100.18%
2020	$ 21,444,968	$ 21,202,595	98.87%	$ 90,515	$ 21,293,110	99.29%
2019	$ 20,072,714	$ 19,889,386	99.09%	$ 137,711	$ 20,027,097	99.77%
2018	$ 18,670,282	$ 18,516,004	99.17%	$ 89,692	$ 18,605,696	99.65%
2017	$ 17,883,255	$ 17,742,578	99.21%	$ 100,982	$ 17,843,560	99.78%
2016	$ 17,146,468	$ 16,994,275	99.11%	$ 144,980	$ 17,139,255	99.96%
2015	$ 16,102,137	$ 15,896,810	98.72%	$ 159,324	$ 16,056,134	99.71%

Source: County of Orange Auditor-Controller

Notes: Includes General, Special Revenue and Debt Service Funds.
These amounts consist of "prior year" taxes (excluding penalties and interest) remitted in the subsequent fiscal year from Fiscal Year 2004-05 forward; the Orange County Auditor Controller's Office aggregates these payments and does not provide detail on allocations to particular years. Penalties and interest were not recorded separately prior to Fiscal Year 2004-05.

CITY OF CYPRESS

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

Schedule 9

	Governmental Activities				Business-type Activities				
Fiscal Year Ended June 30,	Lease Revenue Bonds	Leases [1]	Subscription-based Information Technology Arrangements [1]	Total Governmental Activities	Subscription-based Information Technology Arrangements [1]	Total Business-type Activities	Total Primary Government	Percentage of Personal Income [2]	Per Capita [3]
2024	$ -	41,189	240,072	$ 281,261	$ 931,075	$ 931,075	$ 1,212,336	0.04%	$ 25
2023	$ -	$ 42,894	$ 336,453	$ 379,347	$ 658,893	$ 658,893	$ 1,038,240	0.04%	$ 21
2022	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.00%	$ -
2021	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.00%	$ -
2020	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.00%	$ -
2019	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.00%	$ -
2018	$ 475,000	$ -	$ -	$ 475,000	$ -	$ -	$ 475,000	0.03%	$ 10
2017	$ 920,000	$ -	$ -	$ 920,000	$ -	$ -	$ 920,000	0.06%	$ 19
2016	$ 1,340,000	$ -	$ -	$ 1,340,000	$ -	$ -	$ 1,340,000	0.08%	$ 27
2015	$ 1,740,000	$ -	$ -	$ 1,740,000	$ -	$ -	$ 1,740,000	0.11%	$ 36

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

[1] The Leases and Subscription-based Information Technology Arrangements debt presented here do not represent money borrowed by the City. The amounts shown are present-value calculations of estimated future payment by the City for equipment and software based on assumptions specified in Governmental Accounting Standards Board (GASB) Statements No. 87 and 96. The City implemented GASB Statement No. 87 (Leases) for the fiscal year ended June 30, 2022. The City implemented GASB Statement No. 96 for the fiscal year ended June 30, 2023.

[2] See Schedule 12 for personal income.

[3] See Schedule 12 for population data.

CITY OF CYPRESS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

Schedule 10

Direct and Overlapping Tax and Assessment Debt:	Debt Outstanding	Estimated Percentage Applicable (1)	Sharing of Overlapping Debt
Metropolitan Water District	$ 18,210,000	0.248%	$ 45,161
North Orange County Joint Community College District	291,560,678	5.600%	16,327,398
Garden Grove Unified School District	517,805,000	3.525%	18,252,626
Los Alamitos USD School Facilities Improvement District No. 1	215,670,227	2.317%	4,997,079
Anaheim Union High School District	229,078,955	13.514%	30,957,730
Centralia School District	41,639,295	2.317%	964,782
Cypress School District	31,789,042	85.782%	27,269,276
Savanna School District	36,986,206	12.446%	4,603,303
Total Direct and Overlapping Tax and Assessment Debt			$ 103,417,355
Direct and Overlapping General Fund Debt:			
Orange County General Fund Obligations	$ 440,385,000	1.245%	$ 5,482,793
Orange County Pension Obligation Bonds	-	0.000%	-
Orange County Board of Education General Fund Obligations	10,030,000	1.245%	124,874
North O.C. Regional Occupational Program Certificates of Part.	7,350,000	5.026%	369,411
Anaheim Union High School District Certificates of Participation	28,320,000	13.514%	3,827,165
Los Alamitos Unified School District Certificates of Participation	30,432,816	2.081%	633,307
Cypress School District Certificates of Participation	2,726,000	85.782%	2,338,417
City of Cypress - Leases (2)	-	100.000%	41,189
City of Cypress - Subscription-based Information Technology Arrangements (2)		100.000%	1,171,147
Total Gross Direct and Overlapping Tax and Assessment Debt			$ 13,988,303
Total Direct Debt			$ 1,212,336
Total Overlapping Debt			$ 116,193,322
Combined Total Debt			$ 117,405,658 (3)

Source: California Municipal Statistics, Inc.

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

(2) The Leases and Subscription-based Information Technology Arrangements debt presented here do not represent money borrowed by the City. The amounts shown are present-value calculations of estimated future payments by the City for equipment and software applications based on assumptions specified in Governmental Accounting Standards Board (GASB) Statements No. 87 (Leases) and 96 (Subscription-based Information Technology Arrangements. The City implemented GASB Statement No. 87 for the fiscal year ended June 30, 2022. The City implemented GASB No. 96 for the fiscal year ended June 30, 2023.

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

CITY OF CYPRESS

LEGAL DEBT MARGIN INFORMATION

Schedule 11
(In thousands)

	Fiscal Year				
	2024	2023	2022	2021	2020
LEGAL DEBT MARGIN CALCULATION:					
Assessed valuation	$ 9,588,096	$ 9,069,906	$ 8,469,982	$ 8,175,217	$ 7,865,560
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	$ 2,397,024	$ 2,267,477	$ 2,117,496	$ 2,043,804	$ 1,966,390
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	359,554	340,121	317,624	306,571	294,959
Total Net Debt Applicable to Limit	-	-	-	-	-
Legal debt margin	$ 359,554	$ 340,121	$ 317,624	$ 306,571	$ 294,959
Total Net Debt Applicable to Limit as a percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%

Note: The Government Code of the State of Califonia provides for a legal debt limit of 15 percent of gross assessed valuation. However, this provision was enacted when assess valuation was based upon 25 percent of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100 percent of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25 percent level that was in effect at the time the legal debt margin was enacted.

2019	2018	2017	2016	2015
$ 7,492,895	$ 7,049,085	$ 6,751,019	$ 6,463,650	$ 6,104,218
25%	25%	25%	25%	25%
$ 1,873,224	$ 1,762,271	$ 1,687,755	$ 1,615,913	$ 1,526,055
15%	15%	15%	15%	15%
280,984	264,341	253,163	242,387	228,908
-	-	-	-	-
$ 280,984	$ 264,341	$ 253,163	$ 242,387	$ 228,908
0.00%	0.00%	0.00%	0.00%	0.00%

CITY OF CYPRESS

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

Schedule 12

Fiscal Year Ended June 30,	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	School Enrollment **	Unemployment Rate
2024	49,345	$ 2,986,131	$ 60,515	41.5 *	3,319	3.4%
2023	49,818	$ 2,692,508	$ 54,047	39.0 *	3,389	3.4%
2022	49,810	$ 2,308,023	$ 46,337	41.8 *	3,414	2.4%
2021	48,531	$ 1,957,777	$ 40,341	41.8 *	3,540	9.5%
2020	49,272	$ 1,841,471	$ 37,374	41.7 *	3,813	15.4%
2019	49,833	$ 1,790,699	$ 35,934	41.7 *	3,923	2.4%
2018	49,978	$ 1,713,796	$ 34,291	41.9 *	3,957	3.4%
2017	49,655	$ 1,645,120	$ 33,131	41.7 *	3,969	2.4%
2016	49,535	$ 1,642,473	$ 33,019	41.1 *	3,942	3.0%
2015	48,874	$ 1,568,904	$ 32,101	40.6 *	3,990	3.8%

Source: MuniServices, LLC/an Avenu Insights & Analytics Company, California Dept of Finance, U.S. Census Bureau, California Department of Education, and Employment Development Department

* Amount is estimated based on latest available information.

** Includes Cypress Elementary enrollment only. Cypress residents enrolled in middle and high schools are enrolled through the Anaheim Union High School District and the enrollment breakdown by individual city is not available.

CITY OF CYPRESS

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

Schedule 13

	2024			2015		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Cypress School District	643	1	2.61%			--
Cypress College	546	2	2.22%	945		3.76%
Costco - Cypress	464	3	1.89%	358	7	1.43%
UnitedHealth Group	455	4	1.85%	2,400	1	9.56%
Yamaha Motors Corporation USA	344	5	1.40%	372	6	1.48%
Christie Digital Systems USA Inc	336	6	1.37%	230	10	0.92%
Hybrid Apparel	290	7	1.18%			0.00%
Safran Group	254	8	1.03%			0.00%
Primary Color	238	9	0.97%			0.00%
Amazon Warehouse	184	10	0.75%			0.00%
Siemens Corporation*			0.00%	650	3	2.59%
Los Alamitos Race Course			0.00%	450	4	1.79%
Vans			0.00%	425	5	1.69%
GES			0.00%	300	8	1.20%
Manhattan Beachware			0.00%	275	9	1.10%
Total	3,754		15.27%	6,405		25.52%

Source: MuniServices, LLC/an Avenu Insights & Analytics Company, City Planning Department and State of California Employment Development Department

CITY OF CYPRESS

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Schedule 14

	Fiscal Years as of June 30									
Function/Program	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Government										
Administrative	4.8	5.8	5.3	5.3	5.3	5.3	5.3	6.0	6.0	6.0
Finance	13.8	14.8	14.3	14.3	14.3	14.3	14.3	15.0	15.0	15.0
Community Development	6.0	6.5	6.5	5.5	5.5	5.5	6.5	7.5	7.5	8.0
Police										
Officers	58.0	58.0	58.0	58.0	58.0	57.0	57.0	57.0	57.0	57.0
Civilians	23.8	23.8	23.8	23.8	22.8	22.8	22.8	23.4	24.4	24.4
Public Works										
Engineering	9.0	9.0	9.0	9.0	9.0	8.5	10.5	10.1	10.1	10.0
Maintenance	19.5	19.5	19.5	19.5	20.1	20.1	26.4	27.0	27.0	28.6
Parks and Recreation	29.4	29.4	29.6	28.8	29.2	30.0	28.2	28.4	28.4	28.8
Total	164.3	166.8	166.0	164.2	164.2	163.5	171.0	174.4	175.4	177.8

Source: City of Cypress adopted budget.

CITY OF CYPRESS

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Schedule 15

Function/Program	Fiscal Years as of June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Police										
Physical arrests	1,587	1,636	1,505	778	834	1,232	1,091	1,130	856	856
Parking violations	5,670	6,328	4,485	8,675	4,436	6,264	5,287	3,660	4,587	4,818
Traffic violations	2,304	2,376	2,099	2,368	2,353	3,754	4,260	3,290	2,878	1,830
Public Works - Maintenance										
Potholes repaired	184	212	259	235	108	59	13	109	53	56
Parks and Recreation										
Athletic field permits issued	2,218	6,130	2,486	2,698	4,812	6,783	7,197	8,383	7,975	8,786
Class participants	10,270	10,968	6,991	3,738	6,370	13,319	13,823	10,739	12,110	11,796
Facility rentals	533	1,134	1,277	10	653	895	1,127	1,225	1,334	1,255

Source: Various City Departments

CITY OF CYPRESS

CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Schedule 16

Function/Program	Fiscal Years as of June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	18	18	18	19	19	19	19	19	19	19
Public Works - Maintenance										
Streets (miles)	111	111	111	111	111	111	111	111	111	111
Streetlights	302	302	302	302	302	302	302	303	303	303
Traffic signals	61	61	61	61	61	61	61	60	60	57
Parks and Recreation										
Acreage	95	95	95	95	95	95	95	87	84	84
Playgrounds	20	20	20	19	19	19	19	19	18	18
Baseball/softball diamonds	9	9	9	9	9	9	8	8	8	8
Soccer/football fields	4	4	4	2	2	1	1	1	1	1
Pickleball courts	8	8	8	6	-	-	-	-	-	-
Community centers	1	1	1	1	1	1	1	1	1	1
Senior centers	1	1	1	1	1	1	1	1	1	1

Source: Various City Departments

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and Members of the City Council
City of Cypress, California

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Cypress, California (the "City"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 21, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

To the Honorable Mayor and Members of the City Council
City of Cypress, California

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

LSL, LLP

Irvine, California
March 21, 2025

CITY OF CYPRESS

CITY COUNCIL REPORT

City Council Regular **10.**

FROM: Matt Burton, Director of Finance and Administrative Services

DATE: 03/24/2025

SUBJECT: **Receive and File the Audit Letter to the City Council for the Fiscal Year Ended June 30, 2024**

RECOMMENDATION

Receive and file the audit letter from Lance, Soll and Lunghard LLP to the City Council for the Fiscal Year ended June 30, 2024.

SUMMARY

The City's auditors have completed the annual audit and the results of the audit were favorable. In addition to receiving a "clean" audit opinion, the auditors did not encounter any items of concern which need to be reported to the City Council or management.

DISCUSSION

Audit Letter

Auditing standards require auditors to issue an audit letter to communicate any significant findings, disagreements with management, and difficulties performing the audit. This audit letter must be issued to the City Council even if no problems are identified.

The attached audit letter was issued by Lance, Soll and Lunghard LLP (LSL) in conjunction with its audit work performed on the City, including the Cypress Recreation and Park District, for the fiscal year ended June 30, 2024. Accompanying the audit letter is the City's management representation letter which summarizes management's responsibilities for providing the information necessary to conduct the audit and prepare the financial statements. LSL did not encounter any significant issues or other matters that need to be communicated to the City Council or management.

Audit Report on Internal Control Matters

Auditing standards also provide guidance to the auditors regarding how internal control-related matters should be communicated to management and the City Council.

During the annual audit, the auditors review and observe the City's internal controls and operations to determine if there are any deficiencies. If any internal control related matters are noted, an audit report detailing these noted deficiencies must be provided to the City Council.

No deficiencies in the internal control structure, or any other matters deemed to be reportable to the governing board and management, were identified by LSL during the course of their audit. Therefore, no audit report was required to be issued for the fiscal year ended June 30, 2024.

BUDGET IMPACT

The audit letter and audit report on internal control matters (if required) are included as part of the cost of the annual audit and sufficient amounts have been included in the budget to pay for the audit.

LEGAL REVIEW

None required.

APPROVED BY: Peter Grant, City Manager

Attachments

Audit Letter

Management Representation Letter

March 21, 2025

To the Honorable Mayor and Members of the City Council
City of Cypress, California

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Cypress, California, (the "City") for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 21, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2024. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were:

> Management's estimates of the net pension liability and net, other postemployment benefits, and self-insured claims liabilities are based on actuarial valuations. We evaluated the methods, assumptions, and data used to develop the pension, other postemployment benefits, and self-insured claims liabilities in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

To the Honorable Mayor and Members of the City Council
City of Cypress, California

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We are pleased to report that no such disagreements arose during the course of our audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 21, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis, the budgetary comparison schedules for the general fund and major special revenue funds, and the required pension and other postemployment benefits schedules, which are required supplementary information ("RSI") that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual fund statements and schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on other information included in the annual report which is comprised of the introductory and statistical sections, which accompany the financial statements but are not RSI. Such information has 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 it.

To the Honorable Mayor and Members of the City Council
City of Cypress, California

Future GASB Pronouncements

The following Government Accounting Standards Board (GASB) pronouncements will be effective for the following fiscal years' audits and should be reviewed for proper implementation by management:

Fiscal Year 2024-2025

GASB Statement No. 101, *Compensated Absences.*

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

Fiscal Year 2025-2026

GASB Statement No. 103, *Financial Reporting Model Improvements.*

GASB Statement No. 104, *Disclosure of Certain Capital Assets.*

Future Projects

Comprehensive Project, *Revenue and Expense Recognition.*

Major Project, *Going Concern Uncertainties and Severe Financial Stress.*

Major Project, *Infrastructure Assets.*

Practice Issue, *Classification of Nonfinancial Assets.*

Practice Issue, *Risks and Uncertainties Disclosures.*

Practice Issue, *Subsequent Events.*

Restriction on Use

This information is intended solely for the information and use of the City Council and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

LSL, LLP

LSL, LLP

CITY of CYPRESS
5275 Orange Avenue, Cypress, California 90630
Phone 714-229-6700 www.cypressca.org

March 21, 2025

LSL, LLP
500 Technology Drive, Suite 350
Irvine, CA 92618

This representation letter is provided in connection with your audits of the financial statements of City of Cypress, California (the "City"), which comprise the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered to be material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of March 21, 2025, the following representations made to you during your audit.

Financial Statements

1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated April 10, 2024, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.

2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.

3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

5) The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.

David Burke, Mayor
Leo Medrano, Mayor Pro Tem **Kyle Chang**, Council Member
Scott Minikus, Council Member **Bonnie Peat**, Council Member

6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.

7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.

8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. each opinion unit.

9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.

10) Guarantees, whether written or oral, under which the City is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

11) We have provided you with:

    a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.

    b) Additional information that you have requested from us for the purpose of the audit.

    c) Unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence.

    d) Minutes of the meetings of the City Council or summaries of actions of recent meetings for which minutes have not yet been prepared.

12) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.

13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

14) We have no knowledge of any fraud or suspected fraud that affects the City and involves:

- Management,
- Employees who have significant roles in internal control, or
- Others where the fraud could have a material effect on the financial statements.

15) We have no knowledge of any allegations of fraud or suspected fraud affecting the City's financial statements communicated by employees, former employees, regulators, or others.

16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.

17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

18) We have disclosed to you the names of the City's related parties and all the related party relationships and transactions, including any side agreements.

Government-specific

19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

20) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.

21) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.

22) The City has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.

23) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.

24) We have appropriately identified, recorded, and disclosed all leases in accordance with GASB Statement No. 87.

25) We have appropriately disclosed or recognized conduit debt obligations and/or certain arrangements associated with conduit debt obligations in accordance with GASB Statement No. 91.

26) We have appropriately identified, recorded, and disclosed subscription-based information technology arrangements in accordance with GASB Statement No. 96.

27) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.

28) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

29) As part of your audit, you assisted with preparation of the financial statements and disclosures and schedule of expenditures of federal awards. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures and schedule of expenditures of federal awards.

30) The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

31) The City has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

32) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.

33) The financial statements include all fiduciary activities required by GASB Statement No. 84, as amended.

34) The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34, as amended.

35) All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

36) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.

37) Investments are properly valued.

38) Provisions for uncollectible receivables have been properly identified and recorded.

39) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.

40) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.

41) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

42) Deposits and investment securities and derivative instrument transactions are properly classified as to risk and are properly disclosed.

43) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.

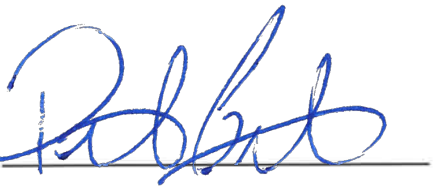
44) We have appropriately disclosed the City's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

45) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.

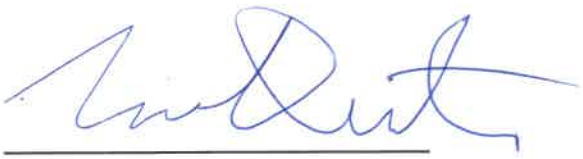
46) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

47) With respect to the combining and individual fund financial statements (supplementary information):

a) We acknowledge our responsibility for presenting the supplementary information in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

Signature: 

Title: City Manager

Signature: 

Title: Director of Finance and Administrative Services

CITY OF CYPRESS

CITY COUNCIL REPORT

City Council Regular **11.**

FROM: Matt Burton, Director of Finance and Administrative Services

DATE: 03/24/2025

SUBJECT: **Receive and File the Report on the City's Appropriations Limit for the Fiscal Year Ended June 30, 2024**

RECOMMENDATION

Receive and file the attached Independent Accountants' Report on Agreed-Upon Procedures Applied to the City's Appropriations Limit Worksheet for the Fiscal Year ended June 30, 2024.

DISCUSSION

All governments in California are required to have specific review procedures performed by independent accountants on the annual appropriation limit. Attached is a copy of the Independent Accountants' Report of Agreed-Upon Procedures Applied to the Appropriations Limit Worksheet for the fiscal year ended June 30, 2024, prepared by the City's independent accountants, Lance, Soll and Lunghard LLP (LSL). LSL did not note any exceptions during the course of performing the agreed-upon procedures.

Under Article XIIIB of the California Constitution, appropriations limitations are based on the City's 1978-79 actual appropriations adjusted annually by a formula utilizing the percentage growth in California Per Capita Income and either the growth in the City's or the County's population.

The City used the population growth in the City of Cypress to calculate the FY 2023-24 appropriation limitation of $101,128,979. The total appropriations subject to the limitation for FY 2023-24 were $33,364,829, which was $67,764,150 (67%) below the calculated appropriation limit.

BUDGET IMPACT

The review of the appropriation limit is included in the overall cost of the City's annual audit and sufficient amounts are budgeted to pay for the audit.

LEGAL REVIEW

None required.

APPROVED BY: Peter Grant, City Manager

Attachments

Report on the City's Appropriation Limit for the FYE 6/30/24

INDEPENDENT ACCOUNTANTS' REPORT ON AGREED-UPON
PROCEDURES APPLIED TO APPROPRIATIONS LIMIT WORKSHEETS

To the Honorable Mayor and Members of the City Council
City of Cypress, California

We have performed the procedures enumerated below to the accompanying Appropriations Limit Worksheet No. 6 (or other alternative computation) of the City of Cypress, California (the City), for the year ended June 30, 2024. These procedures, which were agreed to by the City and the League of California Cities (as presented in the publication entitled Agreed-Upon Procedures Applied to the Appropriations Limitation Prescribed by Article XIII-B of the California Constitution), were performed solely to assist the City in meeting the requirements of Section 1.5 of Article XIII-B of the California Constitution. The City's management is responsible for the Appropriations Limit Worksheet No. 6 (or other alternative computation).

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and our findings were as follows:

1. We obtained the completed Worksheets No. 1 through No. 7 (or other alternative computations) and compared the limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of the City Council. We also compared the population and inflation options included in the aforementioned worksheets to those that were selected by a recorded vote of the City Council.

   Finding: No exceptions were noted as a result of our procedures.

2. For the accompanying Appropriations Limit Worksheet No. 6, we multiplied line A, last year's limit, by line D, ratio of change, and agreed the resulting amount to line E, this year's limit.

   Finding: No exceptions were noted as a result of our procedures.

3. We compared the current year information presented in the accompanying Appropriations Limit Worksheet No. 6 to the other worksheets described in No. 1 above.

   Finding: No exceptions were noted as a result of our procedures.

4. We compared the prior year appropriations limit presented in the accompanying Appropriations Limit Worksheet No. 6 to the prior year appropriations limit adopted by the City Council for the prior year.

   Finding: No exceptions were noted as a result of our procedures.

To the Honorable Mayor and Members of the City Council
City of Cypress, California

We were not engaged to and did not perform an audit, the objective of which would be the expression of an opinion on the accompanying Appropriations Limit Worksheet No. 6. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. No procedures have been performed with respect to the determination of the appropriations limit for the base year, as defined by the League publication entitled Article XIIIB Appropriations Limitation Uniform Guidelines.

This report is intended solely for the use of the City of Cypress, California and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

Lance, Soll & Lunghard, LLP

Brea, California
August 26, 2024

CITY OF CYPRESS, CALIFORNIA
FISCAL YEAR 2023-2024
APPROPRIATIONS LIMIT CALCULATION

A.	2022-2023 APPROPRIATIONS LIMIT:	$ 95,519,320	
B.	2023-2024 CHANGE IN PER CAPITA PERSONAL INCOME:		6.00%
C.	2023-2024 CHANGE IN POPULATION:		-0.12%
D.	RATIO OF CHANGE (1.0600 X 0.9988):	x 1.05872800	
E.	2023-2024 APPROPRIATIONS LIMIT: ($95,519,320 x 1.05872800)	$ 101,128,979	

CITY OF CYPRESS

CITY COUNCIL REPORT

City Council Regular **12.**

FROM: Matt Burton, Director of Finance and Administrative Services

DATE: 03/24/2025

SUBJECT: **Receive and File the Independent Accountants' Report on the Cypress Recreation and Park District's Appropriations Limit for the Fiscal Year Ended June 30, 2024**

RECOMMENDATION

Receive and file the attached Independent Accountants' Report on Agreed-Upon Procedures Applied to the Appropriations Limit Worksheet for the Fiscal Year ended June 30, 2024.

DISCUSSION

All governments within California are required to have specific review procedures performed by independent accountants on the calculated annual appropriation limit. Attached is a copy of the Independent Accountants' Report of Agreed-Upon Procedures Applied to the Cypress Recreation and Park District's (District's) Appropriations Limit Worksheet for the fiscal year ended June 30, 2024, prepared by the District's independent accountants, Lance, Soll and Lunghard LLP (LSL). LSL did not note any exceptions during the course of performing the agreed-upon procedures.

Under Article XIIIB of the California Constitution, appropriations limitations are based on the District's 1978-79 actual appropriations adjusted annually by a formula utilizing the percentage growth in California Per Capita Income and either the growth in the City's or the County's population.

The District used the population growth in the City of Cypress to calculate the FY 2023-24 appropriations limit of $11,252,215. The total appropriations subject to the limitation for FY 2023-24 were $7,240,349, which was $4,011,866 (36%) below the calculated appropriation limit.

BUDGET IMPACT

The review of the appropriations limit is included in the overall cost of the District's annual audit and sufficient amounts are available in the District's General Fund budget to pay for the audit.

LEGAL REVIEW

None required.

APPROVED BY: Peter Grant, City Manager

Attachments

Report on the CRPD's Appropriation Limit for the FYE 6/30/24

INDEPENDENT ACCOUNTANTS' REPORT ON AGREED-UPON
PROCEDURES APPLIED TO APPROPRIATIONS LIMIT WORKSHEETS

To the Board of Directors
Cypress Recreation and Park District
City of Cypress, California

We have performed the procedures enumerated below on the accompanying Appropriations Limit Worksheet No. 6 (or other alternative computation) of the Cypress Recreation and Park District, for the year ended June 30, 2024. These procedures are the responsibility of the Cypress Recreation and Park District, which were agreed to by the Cypress Recreation and Park District and the League of California Cities (as presented in the publication entitled Agreed-Upon Procedures Applied to the Appropriations Limitation Prescribed by Article XIII-B of the California Constitution), were performed solely to assist the Cypress Recreation and Park District in meeting the requirements of Section 1.5 of Article XIII-B of the California Constitution. The Cypress Recreation and Park District's management is responsible for the Appropriations Limit Worksheet No. 6 (or other alternative computation).

The Cypress Recreation and Park District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of recomputing the Appropriations Limit Worksheet No. 6 (or other alternative computation). This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures performed and our findings were as follows:

1. We obtained the completed Worksheets No. 1 through No. 7 (or other alternative computations) and compared the limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of the City Council of the City of Cypress, Ex Officio Governing Board of Directors of the Cypress Recreation and Park District. We also compared the population and inflation options included in the aforementioned worksheets to those that were selected by a recorded vote of the Board of Directors.

   Finding: No exceptions were noted as a result of our procedures.

2. For the accompanying Appropriations Limit Worksheet No. 6, we multiplied line A, last year's limit, by line D, ratio of change and compared the resulting amount to line E, this year's limit.

   Finding: No exceptions were noted as a result of our procedures.

3. We compared the current year information presented in the accompanying Appropriations Limit Worksheet No. 6 to the other worksheets described in No. 1 above.

   Finding: No exceptions were noted as a result of our procedures.

To the Board of Directors
Cypress Recreation and Park District
City of Cypress, California

4. We compared the prior year appropriations limit presented in the accompanying Appropriations Limit Worksheet No. 6 to the prior year appropriations limit adopted by the City Council of the City of Cypress, Ex Officio Governing Board of Directors of the Cypress Recreation and Park District for the prior year.

   Finding: No exceptions were noted as a result of our procedures.

We were engaged by the Cypress Recreation and Park District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accompanying Appropriations Limit Worksheet No. 6 (or other alternative computation). Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Cypress Recreation and Park District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information of the Board of Directors and management of the Cypress Recreation and Park District and is not intended to be, and should not be, used by anyone other than these specified parties.

Lance, Soll & Lunghard, LLP

Brea, California
August 26, 2024

CYPRESS RECREATION AND PARK DISTRICT

2023-2024

APPROPRIATIONS LIMIT CALCULATION

A.	2022-2023 APPROPRIATIONS LIMIT:	$ 10,628,051	
B.	2023-2024 CHANGE IN CALIFORNIA PER CAPITA PERSONAL INCOME:		6.00%
C.	2023-2024 CHANGE IN POPULATION:		-0.12%
D.	RATIO OF CHANGE (1.0600 X 0.9988):	x 1.058728	
E.	2023-2024 APPROPRIATIONS LIMIT: ($10,628,051 X 1.058728)	$ 11,252,215	

CITY OF CYPRESS

CITY COUNCIL REPORT

City Council Regular **13.**

FROM: Matt Burton, Director of Finance and Administrative Services

DATE: 03/24/2025

SUBJECT: **Receive and File the Investment Report for the Month Ended February 28, 2025**

RECOMMENDATION

Receive and file the attached investment report.

DISCUSSION

California Government Code Section 53607 and Cypress Municipal Code Section 2-18(f) requires the submission of a monthly investment report to the City Council. As of February 28, 2025, the City had $180.5 million (current market value) in cash and investments and the interest return (yield) on the public funds investments was 4.27%. As required by the Government Code, all investments are in conformity with the City's investment policy and sufficient cash flows are available to meet the next six months of estimated expenditures.

The attached Summary of Cash and Investments presents the investments held by the City of Cypress as of February 28, 2025. The Investment Report consists of the following five summaries:

1. Summary of Cash and Investments - Provides the total portfolio of the City.
2. Changes in Cash and Investments - Provides a two-month cash flow analysis by fund type. These separate fund types allow for restricted monies to be segregated and tracked separately. The total ending amount agrees with the current market value shown in the Summary of Cash and Investments.
3. Investments at Market Value by Maturity Date - Provides a list of investments by maturity date, and an indication of the scheduled liquidity (ability to turn into cash) of the investments. The California Government Code restricts the type of investments eligible for public funds. The City’s Investment Policy further defines permitted investments. These restrictions on investment types and the terms of allowable investments tend to result in limited yields on City investments.
4. Interfund Investments - Summarizes all authorized and outstanding loans between City funds. The two loans from the City to the Cypress Recreation and Park District relate to the construction of Lexington Park and the rehabilitation of Arnold Cypress Park.

5. Summary of Cash and Investments Held In Trust - Indicates the investments held in trust by the Public Agency Retirement Services (PARS) to offset unfunded pension liabilities. Pension trust assets can only be used to pay for future pension obligations. The legal restrictions on the allowable investment types are less restrictive than those in the City's portfolio, which provides the ability for the trust to invest in more diverse assets which have the potential to yield a higher long-term rate of return.

As mentioned previously, the City had $180.5 million (current market value) in cash and investments on February 28, 2025. The investments include Federal Agencies and US Treasuries Debt ($116.6 million) and Investment Pools ($62.0 million). The City's bank accounts held $1.9 million on February 28, 2025.

A portion of the City's portfolio is invested in the State Investment Pool (Local Agency Investment Fund or LAIF), which provides a diversified investment pool for local agencies. By using the combined size of the participating cities and agencies, the State Pool provides a competitive yield, liquidity and investment diversification and management that would otherwise be unavailable to a single entity.

The amount of cash in the City’s checking accounts fluctuates based on the maturity of investments, daily cash receipts, and when vendors and employees are paid. The daily balances maintained in the checking accounts provide credits which offset monthly bank charges. In addition to the Federal Depository Insurance Corporation (FDIC) which insures the first $250,000, excess checking deposits are secured by banks, government, or mortgage securities valued between 110% and 150% of the deposits.

BUDGET IMPACT

None.

LEGAL REVIEW

None required.

APPROVED BY: Peter Grant, City Manager

Attachments

Investment Report for the Month Ended February 28, 2025

City of Cypress

Summary of Cash and Investments

As of February 28, 2025

	Type	Description	Bank/Agent	Investment Date	Maturity Date	Interest Rate	Carrying Value	Current Market Value (2)
(1)	Ckg	General Operating Account	BMO		3/1/2025	-	$ 1,828,471.62	$ 1,810,555.27
	Pool	Local Agency Investment Fund	State Treasurer		3/1/2025	4.366	33,000,000.00	32,987,525.51
	Pool	Local Agency Investment Fund	State Treasurer		3/1/2025	4.366	29,000,000.00	28,989,037.57
	FFCB	Federal Farm Credit Bank	BMO	3/22/2021	3/17/2025	0.700	4,000,000.00	3,993,440.00
	TSY	US Treasury Bill	BMO	11/21/2024	5/22/2025	4.393	4,892,822.22	4,953,450.00
	TSY	US Treasury Bill	BMO	12/6/2024	11/15/2025	4.393	9,614,200.00	9,718,900.00
	FFCB	Federal Farm Credit Bank	BMO	1/13/2023	1/13/2026	4.000	2,000,000.00	1,997,460.00
	FFCB	Federal Farm Credit Bank	BMO	3/2/2023	3/2/2026	4.478	5,001,500.00	5,017,400.00
	FFCB	Federal Farm Credit Bank	BMO	9/29/2023	4/20/2026	5.000	4,991,368.17	5,041,000.00
	FFCB	Federal Farm Credit Bank	BMO	6/23/2023	6/23/2026	4.820	5,000,000.00	5,003,300.00
	FHLB	Federal Home Loan Bank	BMO	11/30/2023	11/17/2026	4.420	5,018,700.00	5,046,950.00
	FHLB	Federal Home Loan Bank	BMO	12/19/2024	11/17/2026	4.310	4,725,000.00	4,730,055.75
	FHLB	Federal Home Loan Bank	BMO	4/18/2024	4/16/2027	5.000	3,015,000.00	3,018,949.65
	FHLB	Federal Home Loan Bank	BMO	4/18/2024	7/23/2027	5.300	3,000,000.00	3,003,210.00
	FNMA	Federal National Mortgage Association	BMO	11/4/2024	10/28/2027	4.399	3,620,000.00	3,621,267.00
	FFCB	Federal Farm Credit Bank	BMO	11/21/2024	11/12/2027	4.210	9,976,300.00	10,030,300.00
	FHLMC	Federal Home Loan Mortgage Corp	BMO	12/19/2024	12/17/2027	4.243	4,966,250.00	4,975,100.00
	FFCB	Federal Farm Credit Bank	BMO	6/30/2023	6/30/2028	5.000	5,000,000.00	4,993,100.00
	FNMA	Federal National Mortgage Association	BMO	11/4/2024	7/21/2028	4.152	6,988,455.17	6,981,590.00
	TSY	US Treasury Bill	BMO	6/24/2024	7/31/2028	4.288	4,974,026.31	5,024,400.00
	FHLB	Federal Home Loan Bank	BMO	2/14/2025	8/14/2028	4.500	5,000,000.00	5,020,750.00
	FHLB	Federal Home Loan Bank	BMO	2/15/2024	2/12/2029	4.411	4,648,140.00	4,652,325.00
	FFCB	Federal Farm Credit Bank	BMO	4/18/2024	4/10/2029	4.375	4,941,680.00	5,061,400.00
	TSY	US Treasury Bill	BMO	6/24/2024	5/31/2029	4.241	4,700,114.89	4,757,600.00
	TSY	US Treasury Bill	BMO	12/6/2024	9/30/2029	4.032	4,965,625.00	4,972,050.00
	FFCB	Federal Farm Credit Bank	BMO	2/19/2025	2/19/2030	4.820	5,000,000.00	5,006,800.00
	Ckg	Worker's Comp Account	BMO		3/1/2025	-	50,000.00	50,000.00
	Ckg	Liability Account	California Bank & Trust		3/1/2025	-	8,500.00	8,500.00
	Cash	Petty Cash	City		3/1/2025	-	8,350.00	8,350.00
							$ 179,934,503.38	$ 180,474,765.75

Average Weighted Yield to Maturity: 4.27%
Average Weighted Days to Maturity: 587.02

(1) Negative cash balance (if any) shown due to checks being issued at month end, transfer to cover checks not made until early in the following month.
(2) Current market value of securities with maturities in excess of 12 months (if any) are provided by third-party safekeeping agents.

I certify that this report reflects all Government Agency pooled investments and is in conformity with the Investment Policy of the City of Cypress. A copy of this Investment Policy is available on the City's website.
The Investment Program herein shown provides sufficient cash flow liquidity to meet six months estimated expenditures.

Signed: _____
Finance Director

City of Cypress

Changes in Cash/Investments

		12/31/2024	+RECEIPTS	(DISBURSEMENTS)	1/31/2025	+RECEIPTS	(DISBURSEMENTS)	2/28/2025
GENERAL								
111/114	GENERAL FUND/GENERAL FUND-GRANTS	$ 29,552,001	$ 7,219,989	$ (3,799,061)	$ 32,972,929	$ 3,176,770	$ (6,268,631)	$ 29,881,068
SPECIAL REVENUE								
115	PANDEMIC RELIEF	6,276	-	-	6,276	-	-	6,276
212	CRPD-GENERAL FUND	12,643,583	2,611,570	(1,608,926)	13,646,227	1,727,901	(1,899,853)	13,474,275
213	CRPD-PARK DEVELOPMENT	616,580	6,081	-	622,661	-	(616,580)	6,081
221	TRAFFIC SAFETY	32,535	5,030	-	37,565	6,872	-	44,437
230	STREETS	10,071,897	531,108	(1,656,315)	8,946,690	233,825	(45,557)	9,134,958
251	LIGHTING DISTRICT #2	6,618,354	284,795	(854,397)	6,048,752	3,183	(106,220)	5,945,715
261	STORM DRAIN	2,394,922	53,589	(105,651)	2,342,860	28,594	(31,161)	2,340,293
262	PLANNED LOCAL DRAINAGE FACILITY	1,136,351	11,210	-	1,147,561	-	-	1,147,561
271	CORP CNTR MAINT DISTRICT #1	197,767	42,971	(2,904)	237,834	-	(11,249)	226,585
280	ASSET SEIZURE	1,297,700	15,290	(8,894)	1,304,096	262	(69,223)	1,235,135
291	CABLE TV FRANCHISE AGREEMENT	862,318	938	-	863,256	15,064	-	878,320
301	SUPPLEMENTAL LAW ENFORCEMENT	85,876	27,258	(6,643)	106,491	-	(6,476)	100,015
321	SEWER FUND	9,635,300	248,618	(33,397)	9,850,521	132,583	(39,803)	9,943,301
471	LOW AND MODERATE HSG ASSET	16,000	158	-	16,158	298	-	16,456
CAPITAL PROJECTS								
415	CITY CAPITAL PROJECTS	15,148,266	-	(72,812)	15,075,454	-	(177,476)	14,897,978
416	INFRASTRUCTURE RESERVE	52,111,073	-	(692,126)	51,418,947	2,116,580	(1,587,010)	51,948,517
TRUST AND AGENCY								
600	TRUST AND AGENCY	1,700,210	71,662	(172,156)	1,599,716	73,670	(50,907)	1,622,479
611	BUSINESS ASSESSMENT DISTRICT	-	-	-	-	-	-	-
612	CFD #1 ASSESSMENT DISTRICT	153,575	-	-	153,575	-	-	153,575
620	REC & COMM SERVICES FOUNDATION	35,342	350	-	35,692	12,900	(600)	47,992
INTERNAL SERVICE								
710	CENTRAL SERVICES	3,945,851	241,291	(131,137)	4,056,005	241,958	(306,068)	3,991,895
720	CAPITAL REPLACEMENT	15,666,357	57,588	(498,433)	15,225,512	64,651	(1,900)	15,288,263
730	TECHNOLOGY IMPROVEMENT	2,273,110	-	-	2,273,110	-	-	2,273,110
750	EMPLOYEE BENEFITS	4,585,642	1,273,458	(1,250,994)	4,608,106	2,915,740	(2,257,054)	5,266,792
760	LIABILITY SELF INSURANCE	1,887,458	55,266	(183,000)	1,759,724	55,266	-	1,814,990
770	WORKERS COMP SELF INSURANCE	3,597,131	61,565	(95,020)	3,563,676	59,837	(33,040)	3,590,473
OTHER								
811/812	WESTCOMM JPA	5,190,438	529,085	(281,587)	5,437,936	105,061	(344,771)	5,198,226
		$ 181,461,913	$ 13,348,870	$ (11,453,453)	$ 183,357,330	$ 10,971,015	$ (13,853,579)	$ 180,474,766

City of Cypress

INVESTMENTS AT MARKET VALUE BY MATURITY DATE

As of February 28, 2025

Investments	1 day to 180 days	181 days to 1 year	1 year to 2 years	2 years to 3 years	3 years to 4 years	4 years to 5 years	Totals	Percent
CASH	$ 1,877,405	$ -	$ -	$ -	$ -	$ -	$ 1,877,405	1.04%
FFCB	3,993,440	1,997,460	15,061,700	10,030,300	4,993,100	10,068,200	46,144,200	25.57%
FHLB	-	-	9,777,006	6,022,160	9,673,075	-	25,472,241	14.11%
FHLMC	-	-	-	4,975,100	-	-	4,975,100	2.76%
FNMA		-	-	3,621,267	6,981,590	-	10,602,857	5.87%
STATE POOL	61,976,563	-	-	-	-	-	61,976,563	34.34%
TSY	4,953,450	9,718,900	-	-	5,024,400	9,729,650	29,426,400	16.30%
Totals	$ 72,800,858	$ 11,716,360	$ 24,838,706	$ 24,648,827	$ 26,672,165	$ 19,797,850	$ 180,474,766	100.00%
Percent	40.34%	6.49%	13.76%	13.66%	14.78%	10.97%	100.00%	

CITY OF CYPRESS
INTERFUND INVESTMENTS

As of February 28, 2025

Note No.	To/From	Purpose	Issue Date	Scheduled Maturity Date	Interest Rate	Authorized Amount	Advances To Date	Repayments To Date	Note Principal Outstanding
1	CRPD/City	Lexington Park Construction	02/08/21	06/30/25	LAIF	$ 12,800,000	$ 12,293,975	$ 9,101,142	$ 3,192,833
2	CRPD/City	Arnold Cypress Park Construction	11/13/23	06/30/45	2.00%	$ 33,500,000	$ 29,419,454	$ -	$ 29,419,454
									$ 32,612,287

1 The Lexington Park note is being repaid with park development fees as they become available. It is anticipated the maturity date of this note will be extended later this fiscal year.

2 Beginning June 30, 2025, the CRPD will repay $2 million annually from available CRPD property taxes over the next 20 years.

* No additional advances will be made for Lexington Park, however, construction is still ongoing for Arnold Cypress Park and additional advances are expected.

City of Cypress
Summary of Cash and Investments Held In Trust

As of February 28, 2025

Fund	Type	Issuer	Maturity Date	One Year Return *	Cost Amount	Current Market Value
PARS Public Agencies Post-Employment Benefits Trust						
Trustee: Public Agency Retirement Services (PARS)						
Section 115 Trust	Pension Trust	Various	Open	10.58%	$ 27,390,000.00	$ 35,794,589.20
			Total		$ 27,390,000.00	$ 35,794,589.20

* 12-month period ending with the current month.

CITY OF CYPRESS

CITY COUNCIL REPORT

City Council Regular **14.**

FROM: Matt Burton, Director of Finance and Administrative Services

DATE: 03/24/2025

SUBJECT: **Receive and File Register of Warrants, Transfers, and Wires Issued for the Period of February 8, 2025 through March 7, 2025**

RECOMMENDATION

Receive and file the attached payment register summarized below for the period of February 8, 2025 through March 7, 2025:

- Electronic Funds Transfers 16678 through 16846
- Warrants 67219 through 67439
- Payroll Transfers W1550 through W1551

DISCUSSION

Payments to vendors for goods and services received and/or rendered are initiated and approved by the requesting department in accordance with proper purchasing guidelines. Processing of these payments occurs centrally in the City's Finance Department with payments issued bi-weekly. A register listing of these payments is typically presented each month at the second regularly scheduled meeting of the City Council. This register also includes any Electronic Funds Transfers (EFT), outgoing payroll transfers or wires issued since the previous register was presented to the City Council. Voided payments (if any) are also identified.

All payments are processed on the City's financial management software system. This system generates a payment batch register, sorted by warrant number (or EFT/Wire number), and presents the invoice amount and a description of the payment issued.

BUDGET IMPACT

Total warrants, transfers, and wires issued (net of any voided payments) during the period of February 8, 2025 through March 7, 2025 are $5,224,366.95.

LEGAL REVIEW

None required.

APPROVED BY: Peter Grant, City Manager

Attachments

Payment Register for the Period 02-08-25 through 03-07-25

City of Cypress
Payment Register
02/08/25 - 03/07/25

EFT/ Warrant Number	Vendor	Payment Amount	Description	Invoice	Invoice Amount
16678	2107 - BYER, TOM	$ 500.00	Refund/Recycling Deposit/CDD-24-235/6353 Bataan St	Rfd 2/14/25	$ 500.00
16679	2107 - BYER, TOM	$ 500.00	Refund/Recycling Deposit/CDD-24-302/5452 Cathy Circle	Rfd(A) 2/14/25	$ 500.00
16680	2107 - BYER, TOM	$ 500.00	Refund/Recycling Deposit/CDD-24-314/11334 Tortuga	Rfd(B) 2/14/25	$ 500.00
16681	100505 - CITY OF CYPRESS-WORKERS COMP	$ 2,315.27	Workers Comp Claims/Professional Svcs/#28037-28067	Reimb 2/14/25	$ 2,315.27
16682	100505 - CITY OF CYPRESS-WORKERS COMP	$ 3,830.10	Workers Comp Claims/Medical/#28037-28067	Reimb(A) 2/14/25	$ 3,830.10
16683	100505 - CITY OF CYPRESS-WORKERS COMP	$ 6,145.99	Workers Comp Claims/Permanent Disability/#28037-28067	Reimb(B) 2/14/25	$ 6,145.99
16684	100505 - CITY OF CYPRESS-WORKERS COMP	$ 1,599.59	Workers Comp Claims/Temporary Disability/#28037-28067	Reimb(C) 2/14/25	$ 1,599.59
16685	2566 - HENRIQUEZ, WILLIAM	$ 500.00	Refund/Recycling Deposit/CDD-24-369/9798 Gene St	Rfd 2/14/25	$ 500.00
16686	2567 - KILEEN, MIKE	$ 500.00	Refund/Recycling Deposit/CDD-24-289/5581 Marcella Ave	Rfd 2/14/25	$ 500.00
16687	2570 - LEE, JONG	$ 500.00	Refund/Recycling Deposit/CDD-24-388/5314 Halifax	Rfd 2/14/25	$ 500.00
16688	2570 - LEE, JONG	$ 500.00	Refund/Recycling Deposit/CDD-24-331/6113 Lawrence St	Rfd(A) 2/14/25	$ 500.00
16689	2568 - TAIB, MICHAEL	$ 500.00	Refund/Recycling Deposit/CDD-24-392/6612 Reefton	Rfd 2/14/25	$ 500.00
16690	2569 - WILSON, JEANINE	$ 72.00	Refund/BS-24-2035	Rfd 2/14/25	$ 72.00
16691	1480 - ARCO BUSINESS SOLUTIONS	$ 60.30	Fuel/Community Development 1/3-2/2	NP67876568	$ 60.30
16692	1480 - ARCO BUSINESS SOLUTIONS	$ 55.17	Fuel/Engineering 1/3-2/2	NP67876568(A)	$ 55.17
16693	1480 - ARCO BUSINESS SOLUTIONS	$ 1,992.51	Fuel/Maint 1/3-2/2	NP67876568(B)	$ 1,992.51
16694	1480 - ARCO BUSINESS SOLUTIONS	$ 18.70	Fuel/Recreation 1/3-2/2	NP67876568(C)	$ 18.70
16695	1480 - ARCO BUSINESS SOLUTIONS	$ 15,720.53	Fuel/Police 1/3-2/2	NP67876568(D)	$ 15,720.53
16696	145 - AUSTIN, CHERYL	$ 56.52	W/C Retiree Health Care Benefits 3/25	3/25	$ 56.52
16697	128744 - AYRES, RICHARD	$ 300.00	Retiree Health Care Benefits 3/25	3/25	$ 300.00
16698	102038 - BALDWIN, DARRELL	$ 300.00	Retiree Health Care Benefits 3/25	3/25	$ 300.00
16699	102087 - BISH, EDWARD	$ 300.00	Retiree Health Care Benefits 3/25	3/25	$ 300.00
16700	100101 - BRUCE, THOMAS M	$ 300.00	Retiree Health Care Benefits 3/25	3/25	$ 300.00
16701	122419 - CLEMONS, MARK	$ 350.00	Retiree Health Care Benefits 3/25	3/25	$ 350.00
16702	129695 - COTE, ROBERT	$ 300.00	Retiree Health Care Benefits 3/25	3/25	$ 300.00
16703	128938 - COX, RODNEY	$ 123.85	Retiree Health Care Benefits 3/25	3/25	$ 123.85
16704	104003 - ESSEX, CLARE	$ 611.70	Retiree Health Care Benefits 3/25	3/25	$ 611.70

City of Cypress
Payment Register
02/08/25 - 03/07/25

EFT/ Warrant Number	Vendor	Payment Amount	Description	Invoice	Invoice Amount
16705	128044 - FORNISS, DANIEL	$ 300.00			
			Retiree Health Care Benefits 3/25	3/25	$ 300.00
16706	129816 - FOSTER, SCOTT	$ 300.00			
			Retiree Health Care Benefits 3/25	3/25	$ 300.00
16707	112187 - HEALY, BRIAN	$ 33.33			
			Retiree Health Care Benefits 3/25	3/25	$ 33.33
16708	100667 - LASSALLE, ISMAEL	$ 300.00			
			Retiree Health Care Benefits 3/25	3/25	$ 300.00
16709	123656 - MANUEL, DEAN	$ 300.00			
			Retiree Health Care Benefits 3/25	3/25	$ 300.00
16710	129700 - MCSHANE, CHRIS	$ 232.96			
			Retiree Health Care Benefits 3/25	3/25	$ 232.96
16711	2017 - MINIKUS, SCOTT	$ 1,025.34			
			Reimb/Medical Premiums 1/25	1/25	$ 341.78
			Reimb/Medical Premiums 2/25	2/25	$ 341.78
			Reimb/Medical Premiums 3/25	3/25	$ 341.78
16712	128832 - MORALES, PAULO	$ 300.00			
			Retiree Health Care Benefits 3/25	3/25	$ 300.00
16713	122 - MORROW, RICHARD L	$ 300.00			
			Retiree Health Care Benefits 3/25	3/25	$ 300.00
16714	129608 - OLSON, JAMES	$ 300.00			
			Retiree Health Care Benefits 3/25	3/25	$ 300.00
16715	128784 - RAMSEY, KENNETH	$ 125.00			
			Retiree Health Care Benefits 3/25	3/25	$ 125.00
16716	119027 - RAMSEY, STEVE	$ 300.00			
			Retiree Health Care Benefits 3/25	3/25	$ 300.00
16717	180 - SWIFT, JEFF	$ 300.00			
			Retiree Health Care Benefits 3/25	3/25	$ 300.00
16718	130138 - TIMNEY, MATTHEW	$ 350.00			
			Retiree Health Care Benefits 3/25	3/25	$ 350.00
16719	1024 - VALLEY VISTA SERVICES, INC	$ 242,549.26			
			Waste Disposal Fee 1/25	1/25	$ 242,549.26
16720	40 - WARLAND INVESTMENTS COMPANY	$ 37,500.00			
			Development Assistance 3/25	3/25	$ 37,500.00
16721	122756 - WINTERSOLE, MICHAEL	$ 300.00			
			Retiree Health Care Benefits 3/25	3/25	$ 300.00
16722	168 - CalPERS-Fiscal Services Division	$ 12.42			
			Pension Payment/Replacement Benefit Fund/Initial Adj 2025	17831194	$ 12.42
16723	100505 - CITY OF CYPRESS-WORKERS COMP	$ 742.77			
			Workers Comp Claims/Professional Svcs/#28068-28094	Reimb 2/28/25	$ 742.77
16724	100505 - CITY OF CYPRESS-WORKERS COMP	$ 1,824.57			
			Workers Comp Claims/Medical/#28068-28094	Reimb(A) 2/28/25	$ 1,824.57
16725	100505 - CITY OF CYPRESS-WORKERS COMP	$ 4,033.04			
			Workers Comp Claims/Permanent Disability/#28068-28094	Reimb(B) 2/28/25	$ 4,033.04
16726	100505 - CITY OF CYPRESS-WORKERS COMP	$ 95.90			
			Workers Comp Claims/Temporary Disability/#28068-28094	Reimb(C) 2/28/25	$ 95.90
16727	2577 - MABRY, KELLY	$ 15.18			
			Refund/Overpayment/Minor Zoning Adjustment/SPR 2024-01	Rfd 1/30/25	$ 15.18
16728	120801 - MISSION SQUARE - ICMA RETIREMENT TRUST - RHS	$ 15,510.00			
			Monthly Retiree Health Savings 2/25	2/25	$ 15,510.00
16729	120801 - MISSION SQUARE - ICMA RETIREMENT TRUST - RHS	$ 1,000.00			
			Deferred Comp/Exec Mgmt 2/25	401a-2/25	$ 1,000.00
16730	116005 - PERS - PUBLIC EMPLOYEES RETIREMENT SYS	$ 193,387.10			
			Med Insurance/City & Dist 3/25	17834373	$ 193,387.10

City of Cypress
Payment Register
02/08/25 - 03/07/25

EFT/ Warrant Number	Vendor	Payment Amount	Description	Invoice	Invoice Amount
16731	116005 - PERS - PUBLIC EMPLOYEES RETIREMENT SYS	$ 17,982.27			
			Med Insurance/West Comm 3/25	17834639	$ 17,982.27
16732	1247 - HINDERLITER, DE LLAMAS AND ASSOCIATES - HdL	$ 1,134.60			
			Svc/Business License Tax Admin 1/25	JAN25	$ 1,134.60
16733	2579 - GONSALVES, ANTONIO	$ 500.00			
			Refund/Recycling Deposit/CDD-24-309/5008 Cumberland	Rfd 2/28/25	$ 500.00
16734	2578 - VERGARA, VICTOR	$ 500.00			
			Refund/Recycling Deposit/CDD-24-424/6246 Aruba Ct	Rfd 2/28/25	$ 500.00
16735	2569 - WILSON, JEANINE	$ 829.00			
			Refund/Electrical Permit BS-24-15/Overpayment	Rfd 2/28/25	$ 829.00
16736	2344 - DIAZ, EVER	$ 500.00			
			Refund/Recycling Deposit/CDD-25-20/11591 Luzon St	Rfd 2/28/25	$ 500.00
16737	2471 - SANCHEZ, LUIS	$ 500.00			
			Refund/Recycling Deposit/CDD-22-132/6106 Jeffrey Mark St	Rfd 2/28/25	$ 500.00
16738	2471 - SANCHEZ, LUIS	$ 500.00			
			Refund/Recycling Deposit/CDD-23-414/9676 Kathleen Dr	Rfd(A) 2/28/25	$ 500.00
16739	2471 - SANCHEZ, LUIS	$ 500.00			
			Refund/Recycling Deposit/CDD-24-363/4375 Avenida Carmel	Rfd(B) 2/28/25	$ 500.00
16740	2471 - SANCHEZ, LUIS	$ 500.00			
			Refund/Recycling Deposit/CDD-22-106/9187 Christopher St	Rfd(C) 2/28/25	$ 500.00
16741	2139 - RUANO, CARLOS	$ 500.00			
			Refund/Recycling Deposit/CDD-22-145/10021 Saint Stephen Cir	Rfd 2/28/25	$ 500.00
16742	2526 - HAMMARSTROM, SARA	$ 500.00			
			Refund/Recycling Deposit/CDD-24-303/8372 Fontainbleau	Rfd 2/28/25	$ 500.00
16743	2567 - KILEEN, MIKE	$ 500.00			
			Refund/Recycling Deposit/CDD-25-13/6692 Forest St	Rfd 2/28/25	$ 500.00
16744	2587 - DEVJI, SAMEER	$ 151.00			
			Refund/Permit #BS-25-96	Rfd 2/28/25	$ 151.00
16745	2586 - ZAHN, JOHN	$ 500.00			
			Refund/Recycling Deposit/CDD-24-228/4321 Livermore Pl	Rfd 2/28/25	$ 500.00
16746	2585 - VENTURA, DIANA	$ 500.00			
			Refund/Recycling Deposit/CDD-24-383/11637 Wake Cir	Rfd 2/28/25	$ 500.00
16747	2584 - TOLEDO, FERNANDO	$ 500.00			
			Refund/Recycling Deposit/CDD-24-252/5185 Brunswick Dr	Rfd 2/28/25	$ 500.00
16748	2583 - REVAH, HRUND	$ 1,799.00			
			Refund/Recycling Deposit/CDD-24-244/6624 Fichot Way	Rfd 2/28/25	$ 1,799.00
16749	2582 - RAMIREZ, RYAN	$ 1,344.00			
			Refund/Cancelled Permit #GP-24-7	Rfd 2/28/25	$ 1,344.00
16750	2581 - AGARONYAN, TERESSE	$ 500.00			
			Refund/Recycling Deposit/CDD-25-16/5711 Marion Cir	Rfd 2/28/25	$ 500.00
16751	1608 - ALARM PROGRAM SYSTEMS, LLC	$ 273.96			
			PD Svc/Alarm Permit & False Alarm Collections 1/25	1/25	$ 273.96
16752	2170 - US BANK	$ (799.00)			
			PD Credit/Reg/Basic Crisis Negotiations/DA 4/7-4/11	0076 2/10/25	$ (799.00)
16753	2170 - US BANK	$ 1,598.00			
			PD Reg/Basic Crisis Negotiations/JH & DA 4/7-4/11	0076(A) 2/10/25	$ 1,598.00
16754	2170 - US BANK	$ 250.00			
			PD Reg/Internal Affairs/MM 2/4-2/5	0076(B) 2/10/25	$ 250.00
16755	2170 - US BANK	$ 116.00			
			PD Reg/First Aid/CPR/AED Refresher/AS 2/7	0076(C) 2/10/25	$ 116.00
16756	2170 - US BANK	$ 116.00			
			PD Reg/First Aid/CPR/AED Refresher/SC 3/3	0076(D) 2/10/25	$ 116.00
16757	2170 - US BANK	$ 116.00			
			PD Reg/First Aid/CPR/AED Refresher/YS 2/21	0076(E) 2/10/25	$ 116.00

City of Cypress
Payment Register
02/08/25 - 03/07/25

EFT/ Warrant Number	Vendor	Payment Amount	Description	Invoice	Invoice Amount
16758	2170 - US BANK	$ 44.56	Food/Interview Panel/Police Sergeant 1/21	0205 2/10/25	$ 44.56
16759	2170 - US BANK	$ 291.24	Meals(14)/Interview Panel/Police Sergeant 1/23	0205(A) 2/10/25	$ 291.24
16760	2170 - US BANK	$ 27.29	W/C Splitter Box(1)/Dispatch Headsets 1/15	0781 2/10/25	$ 27.29
16761	2170 - US BANK	$ 210.96	W/C Dispatch Headsets(2) 1/21	0781(A) 2/10/25	$ 210.96
16762	2170 - US BANK	$ 17.40	W/C Sub/Business Analytics/Reporting Software 1/7-2/6	0781(B) 2/10/25	$ 17.40
16763	2170 - US BANK	$ 135.98	W/C Svc/Satellite TV 1/25-2/24	0781(C) 2/10/25	$ 135.98
16764	2170 - US BANK	$ 23.35	W/C Data Storage/Amazon Cloud 1/25	0781(D) 2/10/25	$ 23.35
16765	2170 - US BANK	$ 85.47	W/C Batteries(2)/Dispatch UPS 2/6	0781(E) 2/10/25	$ 85.47
16766	2170 - US BANK	$ 774.64	Damp Mop System(1)/Towels(4)/Lexington Jr High 7/31	1504 2/10/25	$ 774.64
16767	2170 - US BANK	$ 165.00	Reg/Planning Directors Assoc Forum/AV 2/13	2518 2/10/25	$ 165.00
16768	2170 - US BANK	$ 150.00	Sub/Property Data/Code Enforcement & Planning 1/25	2518(A) 2/10/25	$ 150.00
16769	2170 - US BANK	$ 242.97	Airfare/League of CA Cities Conf/AV 3/5-3/7	2518(B) 2/10/25	$ 242.97
16770	2170 - US BANK	$ 107.74	Erroneous Charge/Reimbursed 2/21	2873 2/10/25	$ 107.74
16771	2170 - US BANK	$ 78.74	File Sorter(1)/Desk Tray(1)/Misc/NG 2/3	2873(A) 2/10/25	$ 78.74
16772	2170 - US BANK	$ 89.26	File Sorter(1)/Desk Mat(1)/Misc/NG 2/10	2873(B) 2/10/25	$ 89.26
16773	2170 - US BANK	$ (70.87)	Credit/W2 Tax Envelopes(100) 12/27	3071 2/10/25	$ (70.87)
16774	2170 - US BANK	$ 9.52	Certificate Holder(1)/CD Digital Marketing Program 1/23	3630 2/10/25	$ 9.52
16775	2170 - US BANK	$ 327.30	Certificate Holders(30)/CD Digital Marketing Program 2/5	3630(A) 2/10/25	$ 327.30
16776	2170 - US BANK	$ 218.73	PD Jr Officer Stickers(1K) 1/16	4142 2/10/25	$ 218.73
16777	2170 - US BANK	$ 385.88	PD Range Targets(1K) 1/15	4142(A) 2/10/25	$ 385.88
16778	2170 - US BANK	$ 383.58	PD Handgun Light(1) 1/16	4142(B) 2/10/25	$ 383.58
16779	2170 - US BANK	$ 179.37	PD Air Cleaner(1)/Tank Drain Kit(1) 2/10	4142(C) 2/10/25	$ 179.37
16780	2170 - US BANK	$ 363.42	PD Air Compressor(1)/Shooting Range 2/10	4142(D) 2/10/25	$ 363.42
16781	2170 - US BANK	$ 87.86	PD Dog Food(1 Bag)/Bono 2/2	4289 2/10/25	$ 87.86
16782	2170 - US BANK	$ 242.33	Supplies/Spring Egg Hunt 1/27	5178 2/10/25	$ 242.33
16783	2170 - US BANK	$ 68.50	Photo Backdrop(1)/Photo Booth Kit(1)/Misc 1/29	5178(A) 2/10/25	$ 68.50
16784	2170 - US BANK	$ 38.88	Network Cables(20)/IT 1/13	5350 2/10/25	$ 38.88

City of Cypress
Payment Register
02/08/25 - 03/07/25

EFT/ Warrant Number	Vendor	Payment Amount	Description	Invoice	Invoice Amount
16785	2170 - US BANK	$ 681.87	iPad(1)/KC 1/13	5350(A) 2/10/25	$ 681.87
16786	2170 - US BANK	$ (18.31)	Credit/Bracket(1)/IT Network Switch 1/16	5350(B) 2/10/25	$ (18.31)
16787	2170 - US BANK	$ 486.45	Software Licenses(2)/Comm Center Security Camera 1/14/25-1/13/28	5350(C) 2/10/25	$ 486.45
16788	2170 - US BANK	$ 164.86	Network Transceivers(4)/City Hall Switches 1/27	5350(D) 2/10/25	$ 164.86
16789	2170 - US BANK	$ 20.45	Sign Holders(10)/WiFi QR Codes 2/5	5350(E) 2/10/25	$ 20.45
16790	2170 - US BANK	$ 60.00	Facebook Ad/City Events 1/11	5530 2/10/25	$ 60.00
16791	2170 - US BANK	$ 60.00	Facebook Ad/City Events 1/17	5530(A) 2/10/25	$ 60.00
16792	2170 - US BANK	$ 60.00	Facebook Ad/City Events 1/22	5530(B) 2/10/25	$ 60.00
16793	2170 - US BANK	$ 7.31	Facebook Ad/City Events 1/23	5530(C) 2/10/25	$ 7.31
16794	2170 - US BANK	$ 110.00	Sub/Mailchimp/Email Distribution 1/25	5530(D) 2/10/25	$ 110.00
16795	2170 - US BANK	$ 196.16	Imprinted City Jackets(2)/Shirts(2)/LM & KC 1/30	5530(E) 2/10/25	$ 196.16
16796	2170 - US BANK	$ 4,000.00	Reg/Cypress College Foundation(1 Table)/Americana Awards 3/15	5530(F) 2/10/25	$ 4,000.00
16797	2170 - US BANK	$ 774.14	Reg/Dues/National Notary Assoc Training/CD 1/6/25-1/5/26	6013 2/10/25	$ 774.14
16798	2170 - US BANK	$ 250.00	Dues/City Clerks Assoc of CA/AF 2025	6013(A) 2/10/25	$ 250.00
16799	2170 - US BANK	$ 250.00	Dues/City Clerks Assoc of CA/CD 2025	6013(B) 2/10/25	$ 250.00
16800	2170 - US BANK	$ (116.00)	PD Credit/Reg/First Aid/CPR/AED Refresher/EC 1/14	6557 2/10/25	$ (116.00)
16801	2170 - US BANK	$ 15.56	PD Air Freshener Kit(1)/Front Lobby 1/15	6557(A) 2/10/25	$ 15.56
16802	2170 - US BANK	$ 96.30	PD Key Lock Box(1)/Watch Command Office 1/23	6557(B) 2/10/25	$ 96.30
16803	2170 - US BANK	$ 32.31	PD Disinfectant Spray(4 Cans) 2/11	6557(C) 2/10/25	$ 32.31
16804	2170 - US BANK	$ 23.65	PD 2025 Planner(1)/JM 1/28	6557(D) 2/10/25	$ 23.65
16805	2170 - US BANK	$ 20.90	PD Tab Dividers(3 Sets) 2/3	6557(E) 2/10/25	$ 20.90
16806	2170 - US BANK	$ 159.47	Breakfast Meeting/Schooner or Later/Executive Team 1/14	7052 2/10/25	$ 159.47
16807	2170 - US BANK	$ 76.38	Lunch Meeting/Chaba Thai/Staff Evaluation/PG/MB/ML/JM 1/22	7052(A) 2/10/25	$ 76.38
16808	2170 - US BANK	$ 615.00	Meals(6)/League of CA Cities New Mayors Conf/PG 1/29	7052(B) 2/10/25	$ 615.00
16809	2170 - US BANK	$ 116.00	Sub/LA Times Online/PG 2/3/25-2/2/26	7052(C) 2/10/25	$ 116.00
16810	2170 - US BANK	$ 25.13	Supplies/Sr Center 1/14	7072 2/10/25	$ 25.13
16811	2170 - US BANK	$ 22.62	Table Card Holders(16)/Sr Center 2/3	7072(A) 2/10/25	$ 22.62

City of Cypress
Payment Register
02/08/25 - 03/07/25

EFT/ Warrant Number	Vendor	Payment Amount	Description	Invoice	Invoice Amount
16812	2170 - US BANK	$ 21.54	Supplies/Sr Center 2/6	7072(B) 2/10/25	$ 21.54
16813	2170 - US BANK	$ 7.53	Table Number Cards(50)/Sr Center 2/7	7072(C) 2/10/25	$ 7.53
16814	2170 - US BANK	$ 4.00	Sub/OC Register Online/JD 2/5-3/5	7667 2/10/25	$ 4.00
16815	2170 - US BANK	$ 161.61	Table Tennis Set(1)/Teen Program 1/10	8543 2/10/25	$ 161.61
16816	2170 - US BANK	$ 234.60	Beanbag Chairs(4)/Teen Program 1/14	8543(A) 2/10/25	$ 234.60
16817	2170 - US BANK	$ 31.24	Air Hockey Table(1)/Teen Program 1/21	8543(B) 2/10/25	$ 31.24
16818	2170 - US BANK	$ 29.21	Supplies/Employee of the Quarter/Rec 1/27	8543(C) 2/10/25	$ 29.21
16819	2170 - US BANK	$ 53.88	Svc/Plaque Engraving/Employee of the Quarter 1/30	8543(D) 2/10/25	$ 53.88
16820	2170 - US BANK	$ 48.49	Supplies/Day Camp 2/4	8543(E) 2/10/25	$ 48.49
16821	2170 - US BANK	$ 50.29	Supplies/Youth Sports 1/24	8550 2/10/25	$ 50.29
16822	2170 - US BANK	$ 89.15	Volleyballs(2)/Kickball Set(1)/Youth Sports 1/24	8550(A) 2/10/25	$ 89.15
16823	2170 - US BANK	$ 193.71	Traffic Cones(12)/Volleyballs(7)/Youth Sports 1/24	8550(B) 2/10/25	$ 193.71
16824	2170 - US BANK	$ 52.65	Supplies/Lexington Park 2/18	8550(C) 2/10/25	$ 52.65
16825	2170 - US BANK	$ 89.51	PD Portable External Hard Drive(1)/STAR Team 1/29	8578 2/10/25	$ 89.51
16826	2170 - US BANK	$ 1,260.00	Svc/Quickbase/Bldg/Public Works 2/5-3/4	8756 2/10/25	$ 1,260.00
16827	2170 - US BANK	$ 32.16	Food/Playground/Kids Night Out 1/17	9103 2/10/25	$ 32.16
16828	2170 - US BANK	$ 145.00	Dues/CA Park & Rec Society/CP 3/1/25-2/28/26	9103(A) 2/10/25	$ 145.00
16829	2170 - US BANK	$ 89.42	Hand Sanitizer Refills(4)/Sr Center 1/14	9213 2/10/25	$ 89.42
16830	2170 - US BANK	$ 7.49	Tabbed Dividers(1 Set)/Sr Center 1/14	9213(A) 2/10/25	$ 7.49
16831	2170 - US BANK	$ 13.78	Presentation Remote(1)/Sr Center 1/31	9213(B) 2/10/25	$ 13.78
16832	2170 - US BANK	$ 87.83	Binders(4)/Markers(12)/Misc/Sr Center 1/25	9213(C) 2/10/25	$ 87.83
16833	2170 - US BANK	$ 26.65	Supplies/Give-Aways/Sr Dance 1/22	9213(D) 2/10/25	$ 26.65
16834	2170 - US BANK	$ 33.90	White Board Pencil Holder(1)/Erasers(4)/Misc 1/29	9213(E) 2/10/25	$ 33.90
16835	2170 - US BANK	$ 19.38	Laser Barcode Scanner(1)/Sr Center 1/30	9213(F) 2/10/25	$ 19.38
16836	2170 - US BANK	$ 12.81	Tabbed Dividers(3 Sets)/Sr Center 1/31	9213(G) 2/10/25	$ 12.81
16837	2170 - US BANK	$ 436.99	TV(1)/Sr Center 2/6	9213(H) 2/10/25	$ 436.99
16838	2170 - US BANK	$ 53.86	TV Stand(1)/Sr Center 2/7	9213(I) 2/10/25	$ 53.86

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EFT/ Warrant Number	Vendor	Payment Amount	Description	Invoice	Invoice Amount
16839	2170 - US BANK	$ 100.00			
			PD Dues/OC Homicide Invest Assoc/CO/JH/EC/NG 1/30/25-1/29/26	9844 2/10/25	$ 100.00
16840	2170 - US BANK	$ 485.31			
			PD Faraday Bags(3)/Portable Phone Chargers(6)/Investigations 2/5	9844(A) 2/10/25	$ 485.31
16841	2170 - US BANK	$ 153.59			
			Banner Stand(1)/Comm Center/Returned 2/10	9693 2/10/25	$ 153.59
16842	2170 - US BANK	$ 78.38			
			Erroneous Charge/NV 1/14	9131 2/10/25	$ 78.38
16843	2170 - US BANK	$ 118.00			
			Reg/City Engineers Assoc of OC Meeting/NM & DC 2/3	9131(A) 2/10/25	$ 118.00
16844	2170 - US BANK	$ 57.04			
			Reg/OC Traffic Engineering Council/BB & KC 1/30	9131(B) 2/10/25	$ 57.04
16845	2170 - US BANK	$ 10.00			
			Svc/Box/Staff Document Review/Engineering 1/29-2/28	9131(C) 2/10/25	$ 10.00
16846	2170 - US BANK	$ 60.00			
			Reg/City Engineers Assoc of OC/NM & DC 3/3	9131(D) 2/10/25	$ 60.00
67219	1570 - ADVANTAGE COLOR GRAPHICS ADVANTAGE MAILING, LLC	$ 4,959.42			
			Svc/Print/City & Recreation Newsletter 2/24	224279	$ 4,959.42
67220	130335 - AKM CONSULTING ENGINEERS	$ 8,319.00			
			Design/Sewer Systems Mgmt Plan Update & Audit 1/25	0013248	$ 8,319.00
67221	100723 - ALESHIRE & WYNDER, LLP	$ 23,712.19			
			Legal Svc/CA Aware 12/24	92503	$ 2,669.90
			Legal Svc/Code Enforcement 12/24	92501	$ 2,111.80
			Legal Svc/Engineering 12/24	92499	$ 660.00
			Legal Svc/General Admin 12/24	92495	$ 2,970.00
			Legal Svc/HR 12/24	92497	$ 2,763.00
			Legal Svc/Makkouk 12/24	92502	$ 85.20
			Legal Svc/Planning 12/24	92498	$ 165.00
			Legal Svc/Police 12/24	92500	$ 7,088.99
			Litigation Svc/General Admin 12/24	92496	$ 1,084.50
			Litigation Svc/Ihrig 12/24	92504	$ 1,657.80
			Litigation Svc/Marquez 12/24	92506	$ 2,456.00
67222	100723 - ALESHIRE & WYNDER, LLP	$ 130.00			
			Litigation Svc/Singh 12/24	92505	$ 130.00
67223	105442 - ALL CITY MANAGEMENT SERVICE INC	$ 27,271.53			
			Crossing Guard Svcs(27 Hrs)/Orange & Grindlay 11/10-11/23	97272(A)	$ 694.98
			Crossing Guard Svcs(30 Hrs)/Orange & Grindlay 1/5-1/18	98307(A)	$ 772.20
			Crossing Guard Svcs(430 Hrs) 1/5-1/18	98307	$ 11,068.20
			Crossing Guard Svcs(572.5 Hrs) 11/10-11/23	97272	$ 14,736.15
67224	102587 - AMERICAN RENTALS	$ 1,497.50			
			Rent/Scissor Lift/Civic Center Green 11/25	570969	$ 932.50
			Rent/Scissor Lift/Tennis Courts 11/20	570667	$ 565.00
67225	1200 - ANNEALTA GROUP	$ 6,000.00			
			Svc/City Planner 1/25	497-3484	$ 6,000.00
67226	2351 - ASPHALT, FABRIC & ENGINEERING, INC	$ 418,455.73			
			Install/Synthetic Turf/Arnold Cypress Park Rehab 1/25	52049	$ 279,457.24
			Install/Synthetic Turf/Arnold Cypress Park Rehab 12/24	52044	$ 138,998.49
67227	110860 - AT&T	$ 1,320.99			
			W/C Svc/Priority Radio Line 1/25	000022979805	$ 1,320.99
67228	110860 - AT&T	$ 1,196.12			
			Cell Svc/PD 1/25	1/25(H)	$ 1,115.64
			Svc/Engineering Mobile Hotspots 1/25	1/25(I)	$ 80.48
67229	110860 - AT&T	$ 4.43			
			2481347232-Admin Phone Svc 2/25	2/25	$ 4.43

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67230	110860 - AT&T	$ 1.79			
			East Wing Fax Line 1/25	1/25(G)	$ 1.79
67231	122652 - AVENU MUNISERVICES MUNISERVICES, LLC	$ 3,394.81			
			Svc/Sales Tax Audit Report Service QE 9/30/24	INV06-020323	$ 750.00
			Svc/Tax Audit QE 9/30/24	INV06-020301	$ 2,644.81
67232	1232 - BANNER BANK	$ 54,122.37			
			Retention/LA Engineering/AC Park Rehab 1/25	14-1/25	$ 54,122.37
67233	960 - BARTLETT, CHRISTEN	$ 12.00			
			Meal/First Aid/CPR/AED Refresher 1/13	Reimb 1/13/25	$ 12.00
67234	2573 - BASULTO, NANCY	$ 12.00			
			Meal/First Aid/CPR/AED Refresher 12/2	Reimb 12/2/24	$ 12.00
67235	630 - BATTERY SYSTEMS INC	$ 1,059.63			
			Vehicle Batteries(2) 1/30	5943203	$ 247.58
			Vehicle Batteries(2) 1/8	5721777	$ 457.55
			Vehicle Battery(1) 12/13	5555584	$ 354.50
67236	1822 - BENEFITS COORDINATORS CORPORATION BCC	$ 2,586.02			
			Insurance/Vision Claims/City & Dist 1/25	B0H2GZ	$ 2,586.02
67237	123 - BOB PETERS FIRE PROTECTION, INC	$ 1,500.00			
			Svc/Fire Sprinklers/Certification/City Hall 12/12	131558-1	$ 375.00
			Svc/Fire Sprinklers/Certification/Comm Center 12/12	131558-2	$ 375.00
			Svc/Fire Sprinklers/Certification/PD 12/12	131558-4	$ 375.00
			Svc/Fire Sprinklers/Certification/Sr Center 12/12	131558-3	$ 375.00
67238	103034 - BUENA PARK, CITY OF	$ 716.46			
			Signal Maint/Ball & Holder 1/1/24-3/31/24	CTSM000097	$ 295.01
			Signal Maint/Holder & Via Arroyo 1/1/24-3/31/24	CTSM000098	$ 421.45
67239	866 - C3 OFFICE SOLUTIONS	$ 11.42			
			W/C Copier Svc/Supplies 1/3-2/2	INV193229	$ 11.42
67240	103141 - CA FORENSIC PHLEBOTOMY, INC	$ 430.17			
			PD Blood/Alcohol Tests(3) 1/25	2805	$ 430.17
67241	2572 - CATALIS PAYMENTS, LLC	$ 1,020.00			
			Refund/Erroneous Payment/OCFA Charges 1/6	INV308343194	$ 1,020.00
67242	2171 - CENTENO, TIFFINY	$ 84.00			
			Meal/Coroner Death Investigation/Elder Abuse 12/6	Reimb 12/6/24	$ 12.00
			Meal/Human Trafficking 11/22	Reimb 11/22/24	$ 12.00
			Meals/Field Training Officer 1/6-1/10	Reimb 1/6-1/10	$ 60.00
67243	2090 - CHARTER COMMUNICATIONS HOLDINGS LLC SPECTRUM	$ 1,295.17			
			W/C CAD/RMS Ethernet Connection 2/5-3/4	187630201020125	$ 1,295.17
67244	2090 - CHARTER COMMUNICATIONS HOLDINGS LLC SPECTRUM	$ 563.75			
			W/C Svc/Internet 1/25	218496501020125	$ 563.75
67245	129539 - COAST RECREATION INC	$ 1,297.22			
			Playground Equipment Bolts(8)/Links(8) 10/25	16264	$ 1,297.22
67246	2035 - COMMUNICATIONS LAB BARRIOS & ASSOCIATES, LLC	$ 19,100.00			
			Svc/City Strategic Communication Support 1/25	25-1023	$ 10,000.00
			Svc/Recreation Activity Guide Support/Spring 2025	25-1026	$ 4,100.00
			Svc/Recreation Strategic Communication Support 1/25	25-1024	$ 5,000.00
67247	1617 - CONTROL AIR ENTERPRISES LLC	$ 11,131.00			
			Svc/HVAC Preventative Maint/City Hall & Council Chambers 1/20	3095384	$ 2,407.00
			Svc/HVAC Preventative Maint/Comm Center 1/15	3095324	$ 1,831.00
			Svc/HVAC Preventative Maint/Maint Yard 1/16	3095383	$ 1,113.00
			Svc/HVAC Preventative Maint/PD 1/15	3095251	$ 1,434.00
			Svc/HVAC Preventative Maint/PD Range 1/14	3095252	$ 4,346.00
67248	115003 - COUNTY OF ORANGE	$ 6,118.00			
			Parking Violations 12/24	12/24	$ 6,118.00

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67249	115003 - COUNTY OF ORANGE	$ 4,362.02			
			Svc/Coyote Creek TMDL Shared Costs 2024-25	PW250304	$ 4,362.02
67250	115003 - COUNTY OF ORANGE	$ 1,104.51			
			PD Svc/OC Automated Telecommunication System 1/25	SH70670	$ 1,104.51
67251	115003 - COUNTY OF ORANGE	$ 1,490.00			
			PD Svc/Automated Fingerprint Identification System 1/25	SH70710	$ 1,490.00
67252	766 - CPAC, INC	$ 8,768.64			
			W/C Sub/CAD/RMS Virtual Servers Support 9/6/24-9/5/27	SI-1300723	$ 8,768.64
67253	319 - DAS MANUFACTURING INC	$ 517.00			
			Curb Markers(100)/Metal Adhesive(3 Tubes) 1/2	5906	$ 517.00
67254	102123 - DELL MARKETING LP-DELL USA LP	$ 48,947.60			
			Sub/Office 365(175 Licenses) 2/1/25-1/31/26	10797329839	$ 48,947.60
67255	1296 - EDCO CNG	$ 6,698.36			
			Natural Gas(226.87 Gls)/Sweepers(2) 12/16-12/31	01032025-6	$ 730.52
			Natural Gas(30.56 Gls)/Sewer Truck(1) 12/16-12/31	01032025-6(A)	$ 98.40
			Natural Gas(37.17 Gls)/Sewer Truck(1) 1/16-1/31	02032025-6(A)	$ 119.69
			Natural Gas(411.56 Gls)/Sweepers(2) 12/1-12/15	12202024-6	$ 1,325.22
			Natural Gas(419.04 Gls)/Sweepers(2) 11/16-11/30	12022024-6	$ 1,349.31
			Natural Gas(42.1 Gls)/Sewer Truck(1) 11/16-11/30	12022024-6(A)	$ 135.56
			Natural Gas(430.88 Gls)/Sweepers(2) 1/1-1/15	01212025-6	$ 1,387.43
			Natural Gas(482.06 Gls)/Sweepers(2) 1/16-1/31	02032025-6	$ 1,552.23
67256	2574 - ELGOWHARY, MARIAN	$ 12.00			
			Meal/First Aid/CPR/AED Refresher 12/2	Reimb 12/2/24	$ 12.00
67257	129120 - EMPLOYMENT DEVELOPMENT DEPT	$ 206.00			
			Unemployment Insurance/West Comm 10/1/24-12/31/24	93204634 12/24	$ 206.00
67258	1488 - ENTERPRISE HOLDINGS INC	$ 2,585.04			
			PD Rental Car(1) 11/12-12/12	38066260	$ 821.82
			PD Rental Car(1) 12/12-1/11	38066260(A)	$ 819.70
			PD Rental Car(1) 12/6-12/24	38066260(B)	$ 943.52
67259	2508 - EWING IRRIGATION PRODUCTS INC	$ 17,273.91			
			Irrigation Backflow Security Cages(3)/Backflows(7)/Misc 11/25	24260151	$ 17,273.91
67260	104530 - EXPERIAN	$ 100.00			
			PD Credit Reports 1/25	6000019755	$ 100.00
67261	1770 - FAZE 1 CORP DBA PREMIER PIPE INC	$ 9,153.19			
			Svc/Clean/CCTV Inspect/Various Sewer Lines/Citywide 12/24	355-02	$ 9,153.19
67262	2132 - FERGUSON ENTERPRISES LLC	$ 490.99			
			Repair/Toilet/City Hall Restroom 12/5	4971388	$ 490.99
67263	1115 - FRONTIER	$ 3,061.87			
			W/C Phone Svc/5627955413 2/25	2/25(B)	$ 3,061.87
67264	2504 - GENERAL CODE LLC ICC CODIFICATION INC	$ 1,695.00			
			Svc/Codification Website Maint 1/1/25-12/31/25	GC00128814	$ 1,695.00
67265	119018 - GOLDEN STATE WATER COMPANY	$ 1,431.16			
			Svc/Community Center 12/24	12/24(M)	$ 43.25
			Svc/Parkway Maint 1/25	1/25(D)	$ 1,093.62
			Svc/Storm Drain 1/25	1/25(C)	$ 294.29
67266	1133 - GRANICUS SWAGIT PRODUCTIONS, LLC	$ 743.65			
			Svc/Video Stream/Council Meetings 2/25	196636	$ 743.65
67267	2283 - GREENFIELD LANDSCAPING & MAINT INC	$ 24,965.00			
			Install/Mulch(100 Tons)/Right-of-Way 12/24	L-4042(A)	$ 7,203.00
			Svc/Landscape/Right-of-Way 12/24	L-4042	$ 17,762.00
67268	110815 - GRIFFIN STRUCTURES INC	$ 44,116.80			
			Construct Mgmt/Arnold Cypress Park Rehab 12/24	GSI-CACPR448-13	$ 44,116.80
67269	1464 - HANLEY CHESS ACADEMY	$ 1,462.50			
			Instruct/Chess 1/7-2/4	2/4/25	$ 1,462.50

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67270	103008 - HARTZOG & CRABILL	$ 3,645.00			
			Consult/Traffic Plan Review & Signal Timing 1/25	25-0023	$ 1,080.00
			Consult/Traffic Signal Cabinet Replacement 10/24-1/25	25-0024	$ 1,080.00
			Svc/Monitor Traffic Signals 12/24	24-0796	$ 1,485.00
67271	1171 - HDL COREN & CONE	$ 3,627.50			
			Svc/Property Tax Auditing 1/1/25-3/31/25	SIN046866	$ 3,627.50
67272	1535 - HERNANDEZ, JENNIFER	$ 120.00			
			Meals/Homicide & Death Investigation 11/4-11/15	Reimb 11/4-11/15	$ 120.00
67273	128739 - HOME DEPOT CREDIT SVC-MAINT	$ 3,228.95			
			Supplies/Maint 10/24	2/14/25	$ 2,409.53
			Supplies/Maint 11/24	2/14/25(A)	$ 819.42
67274	120000 - INSIGHT PUBLIC SECTOR	$ 648.79			
			PD Sub/Racial & Identity Profiling Act Reporting 10/24	1101225759	$ 214.71
			PD Sub/Racial & Identity Profiling Act Reporting 11/24	1101233200	$ 213.81
			PD Sub/Racial & Identity Profiling Act Reporting 12/24	1101240086	$ 220.27
67275	102993 - ITERIS, INC	$ 7,120.59			
			Svc/Traffic Signal Timing Project 12/24	177480	$ 7,120.59
67276	103024 - JHM & CARSON SUPPLY	$ 568.59			
			Irrigation Filter(1)/Valve(1)/Misc 10/17	100061/3	$ 334.06
			Irrigation Parts(45) 11/12	100638/3	$ 234.53
67277	2039 - KELLY SPICERS INC KELLY SPICER STORES	$ 167.50			
			Specialty Paper(5 Rms) 2/3	11839843	$ 167.50
67278	2417 - KIDZ TALENT ACADEMY LLC ANIYAH WILLIAMS	$ 1,189.50			
			Instruct/Gymnastics & Tumbling 1/9-1/30	1/30/25	$ 1,189.50
67279	112006 - LEAGUE OF CALIF CITIES	$ 300.00			
			Dues/League of CA Cities/OC Division 2025	2294	$ 300.00
67280	122069 - LIEBERT CASSIDY WHITMORE	$ 4,730.00			
			Dues/OC Employment Relations Consortium/HR 2025	283931	$ 4,730.00
67281	1110 - LINE-X OF ORANGE COUNTY	$ 1,546.50			
			Install/Protective Hood Coating/Unit #621	12126	$ 515.50
			Install/Protective Hood Coating/Unit #627	12122	$ 515.50
			Install/Protective Hood Coating/Unit #628	12253	$ 515.50
67282	1779 - LINSCOTT LAW & GREENSPAN ENGINEERS LG2WB	$ 680.00			
			Svc/Traffic Study/LART Development 11/24-12/24	14394-00159	$ 680.00
67283	1202 - LOS ANGELES ENGINEERING INC	$ 1,028,325.11			
			Construct/Arnold Cypress Park Rehab 1/25	14-1/25	$ 1,028,325.11
67284	130198 - LOS ANGELES TRUCK CENTERS, LLC-LA FREIGHTLINER	$ 29,449.01			
			Replace/Cab Control Modules/Unit #138	RA210060250:01	$ 29,449.01
67285	933 - LSA ASSOCIATES, INC	$ 13,000.00			
			Consult/Mitigated Negative Declaration/5665 Plaza Dr 12/24	197525	$ 13,000.00
67286	109220 - MANHATTAN STITCHING CO, INC - BRENDAN SCREEN PRII	$ 452.55			
			Shirts(42)/Counselor In Training 2/4	106192	$ 452.55
67287	110492 - MCBAIN, MICHAEL	$ 138.00			
			Meals/Special Event Mgmt Seminar 12/3-12/5	Reimb 12/3-12/5	$ 138.00
67288	2181 - MCINTYRE-ST CLAIR DONALD E ST CLAIR	$ 4,125.00			
			Svc/Team Building Workshop/City Council 1/25	CYP01082025	$ 4,125.00
67289	2407 - MDJ MANAGEMENT	$ 8,764.56			
			Construct/Picnic Shelter/Veterans Park	CYP1001.4	$ 8,764.56
67290	578 - MIG-MOORE IACOFANO GOLTSMAN, INC	$ 25,721.25			
			Design/Arnold Cypress Park Rehab 10/24	0088884	$ 7,452.50
			Design/Arnold Cypress Park Rehab 11/24	0089316	$ 14,047.50
			Design/Arnold Cypress Park Rehab 12/24	0089846	$ 4,221.25
67291	122124 - MIKE RAAHAUGE SHOOTING ENTERPRISES	$ 29.00			
			PD Svc/Shooting Range(1)/SWAT 1/21	2059	$ 29.00

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67292	109269 - MILES, HILDA	$ 848.25			
			Instruct/Hula Dance 1/7-2/6	2/6/25	$ 848.25
67293	80 - MORRIS, LETICIA	$ 253.50			
			Instruct/Zumba 1/4-1/25	1/25/25	$ 253.50
67294	129801 - MUTUAL LIQUID GAS & EQUIP	$ 856.33			
			Propane(229.9 Gls) 11/26	772621	$ 856.33
67295	129724 - NAPA AUTO PARTS - SO CAL AUTO & TRUCK PARTS INC	$ 1,903.85			
			Brake Rotors(2)/Lube Spray(2 Cans)/Misc 12/6	473927	$ 236.41
			Brake Rotors(4)/Brake Pads(2)/Misc 12/16	474396	$ 534.52
			Brake Rotors(4)/Brake Pads(3)/Wiper Blades(12)/Misc 1/21	476670	$ 811.16
			Brakes(4) 12/20	474578	$ 316.79
			Credit/Brake Rotors(2) 12/20	475009	$ (114.22)
			Credit/Brake Rotors(2) 12/20	475010	$ (204.77)
			Hoses(27)/Connectors(2) 11/26	473297	$ 63.81
			Vehicle Battery(1) 8/19	466574	$ 199.28
			Wiper Blades(2)/Tire Patches(40)/Misc 1/7	475805	$ 60.87
67296	125848 - NATIONAL SAFETY COMPLIANCE INC	$ 150.00			
			Admin Fee/Random Drug & Alcohol Testing 1/1/25-12/31/25	100321	$ 150.00
67297	672 - O'REILLY AUTO PARTS	$ 1,414.92			
			Air Filters(2)/Wiper Blades(3)/Air Filter(1)/Misc 11/20	3078-121407	$ 223.92
			Fuel Filters(3)/Air Filter(1)/Oil Filters(2) 1/6	3078-130840	$ 72.54
			Motor Oil(60 Qts)/Blower Motor(1)/Misc 12/19	3078-127477	$ 449.55
			Oil Cooler Gasket(1) 1/7	3078-131064	$ 10.18
			Replace/Vehicle Battery/Unit #680	3078-131479	$ 408.40
			Replace/Vehicle Battery/Unit #696	3078-133307	$ 213.67
			Wiper Fluid(6 Gls)/Oil Filters(2)/Lamp(1) 1/28	3078-135506	$ 36.66
67298	108944 - OFFICE DEPOT	$ 1,408.14			
			Supplies/Citywide 1/25	2/14/25	$ 1,408.14
67299	122725 - ORANGE COUNTY SANITATION DISTRICT	$ 1,438.21			
			Sewer Connect Fees 1/25	1/25	$ 1,438.21
67300	828 - PACIFIC RIM AUTOMATION INC	$ 974.13			
			Install/Anti-Virus Upgrade/Pump Station Monitoring System 12/17	10498	$ 974.13
67301	492 - PAUL'S CAR WASH & LUBE CENTER-FIRESTONE HAND WASH	$ 1,199.99			
			Svc/Car Wash/PD(44)/Recreation(2) 11/24	2176	$ 532.55
			Svc/Car Wash/PD(55)/PW(2) 12/24	2177	$ 667.44
67302	100870 - POSTMASTER -CYPRESS POST OFFICE	$ 3,850.00			
			Postage/City & Recreation Newsletter 4/25	4/25	$ 3,850.00
67303	1310 - PRESTI, CAMERON	$ 84.00			
			Meals/Leadership Development Program 8/24-10/24	Reimb 8/24-10/24	$ 84.00
67304	484 - QUADIENT, INC	$ 786.14			
			E-Certified Mailing Labels(300)/Ink(1 Cartridge)/Misc 2/3	17633646	$ 786.14
67305	2218 - READWRITE EDUCATIONAL SOLUTIONS INC	$ 113.10			
			Instruct/Reading & Math Development 1/8-1/29	1/29/25	$ 113.10
67306	2233 - REYES, BRIANNA	$ 36.00			
			Meals/Standardized Field Sobriety Testing 1/20-1/22	Reimb 1/20-1/22	$ 36.00
67307	112104 - RIVERSIDE COUNTY SHERIFF'S DEPT-BCPSTC	$ 321.00			
			PD Reg/Vehicle Theft Investigations/SR 3/31-4/4	PD Reg 3/31-4/4	$ 321.00
67308	129917 - RUTAN & TUCKER	$ 226.84			
			Legal Svc/Public Records Act Assistance 12/24	1017649	$ 226.84
67309	109096 - S.C. SIGNS & SUPPLIES, LLC	$ 1,076.42			
			Reflective Markers(30)/Street Signs(5) 1/14	255404	$ 585.08
			Special Signs(12) 10/22	253050	$ 491.34
67310	106893 - SAFESHRED	$ 40.00			
			W/C Svc/Shredding 1/13	358059	$ 40.00

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67311	100453 - SAGONA'S ALL CITY BACKFLOW	$ 660.00			
			Svc/Test & Certify/Backflow Devices(10)/Right-of-Way 1/27	108614	$ 550.00
			Svc/Test & Certify/Backflow Devices(2)/Right-of-Way 12/26	108540	$ 110.00
67312	119141 - SANTA ANA RIVER FLOOD PROTECTION AGENCY	$ 1,300.00			
			Dues/Santa Ana River Flood Protection Agency 2024-25	Dues 2024-25	$ 1,300.00
67313	130328 - SHOETERIA	$ 474.80			
			Safety Shoes(1)/JLoyko 11/25	0076782IN	$ 126.06
			Safety Shoes(1)/KJones 2/3	0080167IN	$ 150.30
			Safety Shoes(1)/MChavez 1/7	0078592IN	$ 198.44
67314	1999 - SIRIGOS, ARTEMIOS	$ 72.00			
			Meals/Coroner Death Investigation/Elder Abuse 12/6	Reimb 12/6	$ 12.00
			Meals/Field Training Officer 1/6-1/10	Reimb 1/6-1/10	$ 60.00
67315	165 - SKYLINE SAFETY & SUPPLY-PATRICIA SONTAG	$ 1,895.14			
			Disposable Gloves(3K)/Work Gloves(24)/Misc 11/26	8868	$ 853.93
			Rain Pants(5)/Rain Boots(1) 11/14	8852	$ 195.67
			Safety Vests(18)/Rain Jackets(5)/Rain Boots(4) 10/28	8805	$ 845.54
67316	119051 - SMART & FINAL (REC & PARKS)	$ 36.97			
			Food/Playground/Kids Night Out 1/16	20012302 1/16/25	$ 24.05
			Supplies/Playground/Kids Night Out 1/16	20012202 1/16/25	$ 12.92
67317	108459 - SMART & FINAL-POLICE ACCT	$ 111.81			
			PD Supplies/Breakroom 1/23	013301 1/23/25	$ 111.81
67318	119016 - SO CAL EDISON	$ 92,165.07			
			700134894611 - Svc/Traffic Signal 1/25	1/25(B)	$ 31.49
			700351486618 Svc/Willow Park 1/25	1/25(C)	$ 486.48
			700370018870 - Svc/Traffic Signal 1/25	1/25(A)	$ 102.39
			700428641933 Svc/Mackay Park 1/25	1/25(D)	$ 124.44
			Svc/Citywide 12/11-1/10	12/11/24-1/10/25	$ 91,420.27
67319	119017 - SO CAL GAS CO	$ 3,423.57			
			00840909006 Svc/Comm Center 1/25	1/25(G)	$ 1,412.20
			12600890003 Svc/Maint Yard 1/25	1/25(C)	$ 323.55
			13230923008 Svc/Storm Drain 1/25	1/25(D)	$ 21.29
			18690942000 Svc/Sr Center 1/25	1/25(E)	$ 227.46
			19530910009 Svc/City Hall 1/25	1/25(F)	$ 1,439.07
67320	127516 - SO CAL MUNI ATHLETIC FEDERATION-SCMAF	$ 200.00			
			Dues/So CA Muni Athletic Federation/RCS 2025	25-MEM-Cypress	$ 200.00
67321	109312 - SONIC SOUNDS - VAZQUEZ, GONZALO	$ 400.00			
			Svc/DJ/Sr Center Event 2/14	2025-001	$ 400.00
67322	900 - SOUTHERN COMPUTER WAREHOUSE-SCW	$ 33,621.88			
			Software Maint(4 Licenses)/Firewall 2/10/25-2/9/28	INV00831062	$ 33,621.88
67323	125888 - SPARKLETTS	$ 48.89			
			W/C Bottled Water 1/25	4089647 1/25	$ 48.89
67324	116238 - STAPLES BUSINESS ADVANTAGE	$ 655.41			
			Supplies/Citywide 1/25	2/14/25	$ 655.41
67325	119024 - STATE COMP INSURANCE FUND	$ 2,089.50			
			W/C Workers Comp Insurance 1/30-2/28	1002745893	$ 2,089.50
67326	122963 - STERICYCLE INC	$ 47.86			
			PD Med Waste Removal 2/25	8009672548	$ 47.86
67327	1330 - SUPERIOR PROPERTY SERVICES, INC-SUPERIOR GRAFFITI	$ 6,776.00			
			Svc/Graffiti Removal/Streets & Parks 12/24	18289	$ 6,776.00
67328	2486 - SYNTRIO, INC	$ 1,600.00			
			Svc/Workplace Violence Prevention Training(100) 9/30/24-9/29/25	13165	$ 1,600.00
67329	588 - THE COUNSELING TEAM INTERNATIONAL	$ 2,000.00			
			PD Svc/Employee Counseling 1/25	102861	$ 1,000.00
			PD Svc/Employee Counseling 2/25	103274	$ 1,000.00

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67330	851 - THE UPS STORE, #5882	$ 25.00			
			Svc/Fingerprints(1)/Rec Volunteers 1/25	2/6/2025	$ 25.00
67331	1170 - TOM'S PLUMBING & DRAIN SERVICE CORP	$ 750.00			
			Svc/Hydro Jet Mainline/Willow Park 1/21	66263	$ 750.00
67332	1095 - TYLER TECHNOLOGIES, INC-NEW WORLD	$ 2,311.87			
			Annual Escrow 3/27/25-3/26/26	045-503805	$ 2,311.87
67333	100308 - UNITED MAINTENANCE SYSTEMS	$ 38,400.00			
			Svc/Custodial/City Facilities 1/25	15935	$ 6,925.00
			Svc/Custodial/City Facilities 12/24	15914	$ 6,925.00
			Svc/Custodial/Lexington Park 12/24	15915(A)	$ 1,250.00
			Svc/Custodial/Park Facilities 1/25	15937	$ 8,650.00
			Svc/Custodial/Park Facilities 12/24	15916	$ 8,650.00
			Svc/Custodial/Park Restrooms(5) 12/24	15915	$ 6,000.00
67334	2399 - WAYNE PERRY, INC	$ 5,715.00			
			Replace/Electrical Room & Server Room Doors(2)/City Hall 1/29	453480	$ 5,715.00
67335	112149 - WESTERN EXTERMINATOR COMPANY	$ 1,610.00			
			Svc/Pest Control/Citywide 11/24	482910C	$ 402.50
			Svc/Pest Control/Citywide 12/24	496610C	$ 402.50
			Svc/Pest Control/Citywide 8/24	446459C	$ 402.50
			Svc/Pest Control/Citywide 9/24	458168C	$ 402.50
67336	1974 - YUNEX LLC	$ 9,034.75			
			Repair/Traffic Signals 12/24	5610004171	$ 3,809.65
			Traffic Signal Maint 12/24	90003612	$ 5,225.10
67337	0 - DOOSA, VISHWAKSEN	$ 300.00			
			Refund/Facility Deposit/Contract #9648	Rfd 2/14/25	$ 300.00
67338	0 - GOVE, PETER	$ 100.00			
			Refund/Facility Deposit/Contract #9940	Rfd 2/14/25	$ 100.00
67339	0 - LEE, KENNETH	$ 500.00			
			Refund/Facility Deposit/Contract #9564	Rfd 2/14/25	$ 500.00
67340	0 - NELSON, REBECCA	$ 300.00			
			Refund/Facility Deposit/Contract #9926	Rfd 2/14/25	$ 300.00
67341	0 - SCHER, ADAM	$ 40.00			
			Refund/Citation #CP 486849	Rfd 2/14/25	$ 40.00
67342	0 - SHETTY, JAGAT	$ 26.14			
			Refund/Soccer 2 1/25	Rfd 2/14/25	$ 26.14
67343	0 - SIMPSON, ANIKA	$ 300.00			
			Refund/Facility Deposit/Contract #9905	Rfd 2/14/25	$ 300.00
67344	0 - SMOOT, SHAWN MARIE	$ 50.00			
			Refund/Citation #CP487012	Rfd 2/14/25	$ 50.00
67345	1223 - AON RISK INSURANCE SERVICES WEST, INC	$ 9,526.65			
			Insurance/Auto Liability/MCP 2/12/25-2/12/26	8200000375426	$ 5,447.00
			Insurance/Excess Auto Liability/MCP 2/12/25-2/12/26	8200000375465	$ 4,079.65
67346	106914 - ADMINSURE	$ 7,164.00			
			Workers Comp Claims Admin 2/25	17584	$ 3,582.00
			Workers Comp Claims Admin 3/25	17649	$ 3,582.00
67347	270 - AITHAL, DARSHINI	$ 533.65			
			Instruct/Chair Yoga 1/7-1/28	1/28/25	$ 327.60
			Instruct/Chair Yoga 2/4	2/4/25	$ 77.35
			Instruct/Flow Yoga 1/6-1/27	1/27/25	$ 93.60
			Instruct/Flow Yoga 2/3	2/3/25	$ 35.10
67348	130335 - AKM CONSULTING ENGINEERS	$ 43,344.80			
			Design/Pump Station #1 1/25	0013266	$ 36,263.80
			Svc/Pump Station Evaluation/Myra Ave & Veterans Park 1/25	0013257	$ 7,081.00

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67349	105442 - ALL CITY MANAGEMENT SERVICE INC	$ 14,110.41			
			Crossing Guard Svcs(24 Hrs)/Orange & Grindlay 1/19-2/1	98725(A)	$ 617.76
			Crossing Guard Svcs(524.19 Hrs) 1/19-2/1	98725	$ 13,492.65
67350	1461 - ARROYO BACKGROUND INVESTIGATIONS-ERIC JASON ARR(	$ 2,500.00			
			W/C Svc/Background Check(1) 11/20	3547	$ 1,500.00
			W/C Svc/Background Check(1) 8/6	3476	$ 1,000.00
67351	110860 - AT&T	$ 1,870.15			
			Svc/Internet 1/25	22978647	$ 1,870.15
67352	110860 - AT&T	$ 3,395.16			
			9391033694-PW Phone Svc 1/25	1/25(L)	$ 155.55
			9391033695-Civic Center Phone Svc 1/25	1/25(J)	$ 31.75
			9391033696-PD Phone Svc 2/25	2/25(A)	$ 31.81
			9391033698-PW Phone Svc 1/25	1/25(K)	$ 31.77
			Phone Svc/Multi-Line 1/13-2/12	1/13/25-2/12/25	$ 3,144.28
67353	1444 - AXON ENTERPRISE, INC	$ 64,720.00			
			PD Tasers(65) 2/19	INUS304187	$ 64,720.00
67354	109354 - B & M LAWN & GARDEN, INC	$ 200.32			
			Carburetor(1)/Harnesses(2)/Oil Tank(1)/Misc 2/7	670263	$ 200.32
67355	109327 - BEE REMOVERS - HONEYCOTT, INC	$ 170.00			
			Inspect/Bee Colony/Darrel Essex Park 8/19	602691	$ 85.00
			Inspect/Bee Colony/Pinewood Park 9/25	602797	$ 85.00
67356	1822 - BENEFITS COORDINATORS CORPORATION BCC	$ 9,724.70			
			Insurance/Life/LTD/STD/Optional 3/25	16085	$ 9,724.70
67357	1822 - BENEFITS COORDINATORS CORPORATION BCC	$ 9,934.75			
			Insurance/Dental & Vision/City & Dist 3/25	B0H4P7	$ 9,002.75
			Insurance/Dental & Vision/West Comm 3/25	B0HCMV	$ 932.00
67358	1600 - BRIGHTVIEW LANDSCAPE SERVICES, INC	$ 116,312.19			
			Svc/Fertilization/Lexington Park 1/25	9249120(A)	$ 298.98
			Svc/Fertilization/Lexington Park 12/24	8578159(A)	$ 298.98
			Svc/Fertilization/Lexington Park 2/25	9249174(A)	$ 298.98
			Svc/Landscape/Berm 1/25	9201697	$ 3,080.00
			Svc/Landscape/Berm 12/24	9167798	$ 3,080.00
			Svc/Landscape/Berm 2/25	9239207	$ 3,080.00
			Svc/Landscape/Citywide 1/25	9202439	$ 28,559.99
			Svc/Landscape/Citywide 12/24	9160270	$ 28,559.99
			Svc/Landscape/Citywide 2/25	9227408	$ 28,559.99
			Svc/Landscape/Lexington Park 1/25	9249120	$ 6,831.76
			Svc/Landscape/Lexington Park 12/24	8578159	$ 6,831.76
			Svc/Landscape/Lexington Park 2/25	9249174	$ 6,831.76
67359	536 - CHARLAND, MATTHEW	$ 206.00			
			Meals/CA Narcotic Officers Conference 11/22-11/26	Reimb 11/22-26	$ 206.00
67360	123012 - CHARLES ABBOTT ASSOCIATES	$ 9,200.00			
			Svc/Fats, Oil & Grease/NPDES Inspections 12/24	68334	$ 6,480.00
			Svc/Water Quality Mgmt/Plan Checks 1/25	68497	$ 2,720.00
67361	2090 - CHARTER COMMUNICATIONS HOLDINGS LLC SPECTRUM	$ 139.00			
			Svc/Cable TV 2/10-3/9	188680601020725	$ 139.00
67362	2090 - CHARTER COMMUNICATIONS HOLDINGS LLC SPECTRUM	$ 1,568.96			
			Svc/Internet Access 2/16-3/15	187625401021425	$ 1,568.96
67363	2035 - COMMUNICATIONS LAB BARRIOS & ASSOCIATES, LLC	$ 6,187.50			
			Svc/City Strategic Rebranding 1/25	25-1025	$ 6,187.50

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67364	1617 - CONTROL AIR ENTERPRISES LLC	$ 11,159.33			
			Svc/HVAC Preventative Maint/Civic Center 7/18	3091131	$ 2,230.33
			Svc/HVAC Preventative Maint/Comm Center 7/17	3091062	$ 1,831.00
			Svc/HVAC Preventative Maint/PD 7/18	3091132	$ 1,329.00
			Svc/HVAC Preventative Maint/PD Range 7/23	3091204	$ 4,025.00
			Svc/HVAC Preventative Maint/Sr Center 1/25	3095512	$ 872.00
			Svc/HVAC Preventative Maint/Sr Center 7/16	3093197	$ 872.00
67365	1439 - CORODATA MEDIA STORAGE, INC	$ 154.76			
			Offsite Data Storage 1/25	DS1311008	$ 154.76
67366	115003 - COUNTY OF ORANGE	$ 6,793.50			
			Parking Violations 1/25	1/25	$ 6,793.50
67367	115003 - COUNTY OF ORANGE	$ 63,953.25			
			Svc/Animal Care 10/1/24-12/31/24	AC2590042	$ 63,953.25
67368	116854 - DATA TICKET INC-MSB	$ 1,957.00			
			Parking Citation Processing 1/25	175087	$ 1,957.00
67369	100707 - DEPT OF JUSTICE ACCT OFFICE CASHIER UNIT	$ 79.00			
			Svc/Fingerprints(1)/City 1/25	794388	$ 79.00
67370	345 - DISCOUNT TIRE STORE	$ 60.00			
			Svc/Wheel Alignment/Unit #621	103009026	$ 60.00
67371	2508 - EWING IRRIGATION PRODUCTS INC	$ 3,038.97			
			Irrigation Backflow(1) 11/25	24342330	$ 3,038.97
67372	2235 - FACILITY SOLUTIONS GROUP, INC	$ 1,927.31			
			Lamps(120)/Boys & Girls Club 12/6	5503030-00	$ 386.33
			Lamps(180)/Parks 12/6	5503104-00	$ 566.07
			Light Bulbs(8)/City Hall Parking Lot 11/19	5499045-00	$ 974.91
67373	2461 - FCG CONSULTANTS INC	$ 46,729.71			
			Final/Inspect/Arterial Street Rehab 1/25	1135-1007D	$ 28,217.75
			Inspect/5757 Plaza Drive Improvements 1/25	1135-1007F	$ 1,492.90
			Inspect/Orange Ave Rehab 1/25	1135-1007A	$ 6,718.05
			Inspect/Various Non-CIP Engineering Permits 1/25	1135-1007C	$ 10,301.01
67374	100594 - FIVE STAR FIRE PROTECTION INC	$ 1,738.25			
			Inspect/Fire Suppression System/Comm Center 1/10	72900	$ 460.81
			Inspect/Fire Suppression System/Maint Yard 1/10	72899	$ 382.75
			Inspect/Fire Suppression System/Oak Knoll Park 1/10	72901	$ 460.81
			Inspect/Fire Suppression System/Sr Center 1/10	72898	$ 433.88
67375	1115 - FRONTIER	$ 95.77			
			W/C Phone Svc/5624931036 3/25	3/25	$ 95.77
67376	889 - FULL SAIL ENTERPRISES, INC	$ 106.59			
			Replace/Decals(6)/Unit #121	126-2501	$ 106.59
67377	2006 - GHATTAS, NICHOLE	$ 120.00			
			Meals/Criminal Investigations Core Course 1/27-2/7	Reimb 1/27-2/7	$ 120.00

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67378	119018 - GOLDEN STATE WATER COMPANY	$ 114,675.53			
			Svc/Athletic Fields 11/24-1/25	11/24-1/25(A)	$ 14,980.91
			Svc/Athletic Fields 2/25	2/25(E)	$ 106.14
			Svc/Civic Center 2/25	2/25(D)	$ 6,955.98
			Svc/Community Center 11/24-1/25	11/24-1/25	$ 55.27
			Svc/Lexington Park 2/25	2/25(C)	$ 2,330.56
			Svc/Maint Yard Landscaping 2/25	2/25(A)	$ 590.19
			Svc/Parks Landscaping 1/25	1/25(G)	$ 55,605.12
			Svc/Parks Landscaping 2/25	2/25(F)	$ 7,679.93
			Svc/Parkway Maint 1/25	1/25(H)	$ 6,016.67
			Svc/Parkway Maint 2/25	2/25(G)	$ 16,712.38
			Svc/Sr Center 1/25	1/25(E)	$ 104.64
			Svc/Sr Center 2/25	2/25	$ 974.91
			Svc/Stanton Channel Berm 1/25	1/25(F)	$ 1,947.68
			Svc/Storm Drain 2/25	2/25(B)	$ 615.15
67379	123002 - GRAINGER	$ 514.34			
			Batteries(8) 1/22	9381916437	$ 40.26
			Faucet(1)/PD 1/30	9391045979	$ 253.07
			Funnel(1)/Measuring Container(1) 1/28	9388226715	$ 29.44
			Thermostat Guards(2) 12/11	9343643681	$ 88.51
			Trailer Jack(1) 12/16	9343832805	$ 103.06
67380	110049 - GREAT SCOTT TREE SERVICE INC	$ 26,521.50			
			Svc/Trim Tree(1) 1/8	55388	$ 632.50
			Svc/Trim Trees(102) 9/26	54460	$ 5,519.75
			Svc/Trim Trees(20)/Remove Trees(3) 1/3	55385	$ 4,468.00
			Svc/Trim Trees(45)/Remove Trees(4) 1/6	55387	$ 8,480.00
			Svc/Trim Trees(63) 1/2	55386	$ 2,952.50
			Svc/Trim Trees(94) 9/25	54459	$ 4,468.75
67381	2283 - GREENFIELD LANDSCAPING & MAINT INC	$ 24,965.00			
			Install/Mulch(100 Tons) 2/25	L4128(A)	$ 7,203.00
			Svc/Landscape Maint/Right-Of-Way 2/25	L4128	$ 17,762.00
67382	110815 - GRIFFIN STRUCTURES INC	$ 41,990.37			
			Construct Mgmt/Arnold Cypress Park Rehab 1/25	GSI-CACPR448-14	$ 41,990.37
67383	103008 - HARTZOG & CRABILL	$ 2,066.25			
			Svc/Monitor Traffic Signals 1/25	25-0022	$ 2,066.25
67384	1535 - HERNANDEZ, JENNIFER	$ 60.00			
			Meals/Sexual Assault Investigations 2/10-2/14	Reimb 2/10-2/14	$ 60.00
67385	128739 - HOME DEPOT CREDIT SVC-MAINT	$ 1,221.51			
			Supplies/Maint 1/25	2/28/25	$ 1,221.51
67386	117233 - HOME DEPOT CREDIT SVC-REC #0720	$ 299.68			
			Supplies/Disaster Bin/Sr Center 2/4	6021760	$ 151.03
			Supplies/Facility Operations/Comm Center 1/23	8014684	$ 56.50
			Supplies/Lexington Park 2/4	6528458	$ 92.15
67387	120061 - HOSE MAN, THE	$ 336.71			
			Replace/Hydraulic Hose/Sweeper Unit #138	00080819	$ 336.71
67388	102993 - ITERIS, INC	$ 880.00			
			Svc/Maintain CCTV Network 1/25	177842	$ 880.00
67389	1588 - L.N. CURTIS AND SONS-CURTIS BLUE LINE	$ 209.89			
			PD Uniform/Aide BRosete	INV916460	$ 209.89
67390	2500 - LAN WAN ENTERPRISE, INC	$ 1,900.00			
			Install/Electrical Outlet/Maint Yard 10/31	75596	$ 1,900.00
67391	122069 - LIEBERT CASSIDY WHITMORE	$ 8,535.00			
			Legal Svc/HR Matter #CY020-00043 1/25	287079	$ 8,535.00

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67392	933 - LSA ASSOCIATES, INC	$ 16,197.25			
			Consult/Mitigated Negative Declaration/Business Park 1/25	197857	$ 118.75
			Svc/Environmental Impact Report/Tentative Tract Map/LART 1/25	197828	$ 16,078.50
67393	110492 - MCBAIN, MICHAEL	$ 164.56			
			Meals & Mileage/Internal Affairs Training 2/4-2/5	Reimb 2/4-2/5	$ 164.56
67394	1483 - MERCADO, HENRY	$ 206.00			
			Meals/CA Narcotic Officers Conference 11/22-11/26	Reimb 11/22-26	$ 206.00
67395	2217 - MI JALISCO NURSERY INC	$ 132.30			
			Plants(30)/Oak Knoll Park 2/20	4409	$ 132.30
67396	2396 - MILLIKEN SERVICES LLC	$ 83,822.55			
			Install/Carpet/Flooring/City Hall West Wing 6/16	9024643	$ 83,822.55
67397	672 - O'REILLY AUTO PARTS	$ 248.73			
			Mini Bulb(1) 2/20	3078-140430	$ 9.88
			Oil Filters(10)/Wiper Blades(4)/Misc 2/20	3078-140362	$ 176.10
			Replace/Tail Lights(2)/Unit #800	3078-137414	$ 62.75
67398	2563 - OC UNIFORMS & TAILORING INC	$ 867.67			
			PD Uniform/SReed	369	$ 867.67
67399	1140 - ORTIZ, JESSE	$ 24.00			
			Meals/Officer Involved Shooting 1/28-1/29	Reimb 1/28-1/29	$ 24.00
67400	194 - PAUL, BROCK	$ 24.00			
			Meals/Critical Incident Response 1/29-1/30	Reimb 1/29-1/30	$ 24.00
67401	736 - PEOPLESPACE INTERIOR OFFICE SOLUTIONS, INC	$ 38,831.20			
			Install/Workstations/HR 12/24	INV96669	$ 38,831.20
67402	871 - PEREZ, DIANA	$ 300.30			
			Instruct/Learn & Grow 1/15-2/12	2/12/25	$ 300.30
67403	1970 - PERFORMANCE PICKLEBALL, LLC	$ 1,693.90			
			Instruct/Pickleball 1/12-3/19	3/19/25	$ 1,693.90
67404	2565 - POSTMARK PLUS LLC	$ 963.04			
			Svc/Postage Processing 1/30-1/31	232	$ 963.04
67405	1310 - PRESTI, CAMERON	$ 206.00			
			Meals/CA Narcotic Officers Conference 11/22-11/26	Reimb 11/22-26	$ 206.00
67406	1966 - REIHANIFAM, CHRISTOPHER	$ 206.00			
			Meals/CA Narcotic Officers Conference 11/22-11/26	Reimb 11/22-26	$ 206.00
67407	130231 - RSG, INC ROSENOW SPEVACEK GROUP INC	$ 6,527.50			
			Consult/Affordable Housing/Citrus Square 1/25	12969	$ 4,065.00
			Svc/Affordable Housing Compliance Monitoring 1/25	12970	$ 2,462.50
67408	100453 - SAGONA'S ALL CITY BACKFLOW	$ 180.00			
			Repair/Backflow Leak/Civic Center 1/31	108624	$ 180.00
67409	2031 - SDI PRESENCE LLC	$ 2,353.83			
			W/C Svc/Cloud Backup 1/25	18413	$ 865.08
			W/C Svc/Monitor IT/CAD 1/25	18244	$ 1,417.50
			W/C Svc/Security Software 1/25	18401	$ 71.25
67410	1999 - SIRIGOS, ARTEMIOS	$ 12.00			
			Meals/First Aid CPR/AED Training 2/7	Reimb 2/7/25	$ 12.00
67411	165 - SKYLINE SAFETY & SUPPLY-PATRICIA SONTAG	$ 105.03			
			Rain Boots(12 Pr) 2/12	9064	$ 105.03
67412	119016 - SO CAL EDISON	$ 7,044.79			
			700003851853 Svc/Parkways 1/25	1/25(E)	$ 513.91
			700564248438 Svc/Traffic Signals 1/25	1/25(F)	$ 3,101.04
			700710877173 - Svc/Lexington Park 2/25	2/25	$ 3,429.84
67413	119017 - SO CAL GAS CO	$ 104.32			
			08131074000 Svc/Storm Drain 2/25	2/25	$ 23.06
			14011061398 Svc/Storm Drain 2/25	2/25(B)	$ 35.32
			16111070716 Svc/Storm Drain 2/25	2/25(A)	$ 45.94

City of Cypress
Payment Register
02/08/25 - 03/07/25

EFT/ Warrant Number	Vendor	Payment Amount	Description	Invoice	Invoice Amount
67414	543 - SORVILLO, BRYAN	$ 10,454.00			
			Instruct/Group Tennis 1/6-2/14	2/14/25	$ 10,062.00
			Instruct/Private Tennis 1/25	1/25	$ 224.00
			Instruct/Private Tennis 12/24	12/24	$ 168.00
67415	127941 - SOUTH COAST AIR QUALITY MGT DISTRICT	$ 1,414.00			
			Fee/Generator Emissions/PS #1 2024-25	4454353	$ 165.96
			Fee/Generator Emissions/PS #3 2024-25	4454418	$ 165.96
			Fee/Generator/PS #1 2024-25	4450540	$ 541.04
			Fee/Generator/PS #3 2024-25	4450576	$ 541.04
67416	1279 - SOUTHERN CALIFORNIA SHREDDING, INC	$ 65.00			
			PD Svc/Shredding 2/10	274975	$ 65.00
67417	125888 - SPARKLETTS	$ 314.12			
			Comm Center Bottled Water 1/25	41047224 1/25	$ 30.93
			Maint Bottled Water 1/25	410666 1/25	$ 146.50
			PD Bottled Water 1/25	4104648 1/25	$ 115.24
			Print Shop Bottled Water 1/25	4105217 1/25	$ 3.99
			Sr Center Bottled Water 1/25	4104716 1/25	$ 17.46
67418	103106 - STANTON, CITY OF	$ 1,092.44			
			Signal Maint/Knott & Cerritos 10/1/24-12/31/24	0000509	$ 432.63
			Signal Maint/Knott & Katella 10/1/24-12/31/24	0000509(A)	$ 659.81
67419	370 - SUPERIOR PAVEMENT MARKINGS, INC	$ 9,094.10			
			Svc/Red Curb Painting(5K LF)/Citywide 1/31	20083	$ 9,094.10
67420	1330 - SUPERIOR PROPERTY SERVICES, INC-SUPERIOR GRAFFITI	$ 7,084.00			
			Svc/Graffiti Removal/Streets & Parks 1/25	18343	$ 7,084.00
67421	108908 - ULINE SHIPPING SUPPLY SPECIALISTS	$ 50.20			
			Connection Sign(1) 1/28	188448300	$ 50.20
67422	127207 - UNDERGROUND SVS ALERT OF SO CA	$ 180.20			
			Svc/DigAlert Tickets 1/25	120250229	$ 180.20
67423	1242 - UNIFORM DEPOT, INC-MR UNIFORM	$ 83.71			
			PD Uniform/JMarquez	8077	$ 34.49
			PD Uniforms/Volunteer SDoerr	8591	$ 49.22
67424	129595 - VERIZON WIRELESS - CA	$ 61.68			
			Cell Svc/Rec 2/25	2/25	$ 61.68
67425	1992 - VOORHEES, RONDA	$ 1,309.75			
			Instruct/Piano 1/13-2/10	2/10/25	$ 1,309.75
67426	1993 - WATANABE , BRYCE I	$ 1,457.25			
			Instruct/Karate 1/6-2/5	2/5/25	$ 1,457.25
67427	2193 - WEST GROVE VOLLEYBALL, LLC	$ 509.60			
			Instruct/Volleyball 1/5-2/23	2/23/25	$ 509.60
67428	112149 - WESTERN EXTERMINATOR COMPANY	$ 402.50			
			Svc/Pest Control/Citywide 1/25	509181C	$ 402.50
67429	1962 - WEX HEALTH INC	$ 93.75			
			Admin Fee/FSA 1/25	00021401634IN	$ 93.75
67430	2273 - YOUNG REMBRANDTS NORTH ORANGE COUNTY BI DAN YU	$ 1,067.30			
			Instruct/Drawing 1/7-2/11	2/11/25	$ 1,067.30
67431	1974 - YUNEX LLC	$ 13,456.60			
			Repair/Traffic Signals 1/25	5610004401	$ 2,808.64
			Replace/Traffic Signal Pole/Knockdown/Cerritos & Holder 1/16	5610004388	$ 5,422.86
			Traffic Signal Maint 1/25	90003741	$ 5,225.10
67432	2450 - Z3 SAFETY ACME WORKPLACE SAFETY	$ 117.26			
			Supplies/First Aid/Maint Yard	INV8038	$ 117.26
67433	0 - AVILA, JESSICA	$ 300.00			
			Refund/Facility Deposit/Contract #9892	Rfd 2/28/25	$ 300.00

City of Cypress
Payment Register
02/08/25 - 03/07/25

EFT/ Warrant Number	Vendor	Payment Amount	Description	Invoice	Invoice Amount
67434	0 - CYPRESS INFLUENCE CHURCH	$ 300.00			
			Refund/Facility Deposit/Contract #9494	Rfd 2/28/25	$ 300.00
67435	0 - HSU, ELAINE	$ 97.98			
			Refund/Dance 2/5-3/12	Rfd 2/28/25	$ 97.98
67436	0 - JANTZEN, CYNTHIA	$ 300.00			
			Refund/Facility Deposit/Contract #9883	Rfd 2/28/25	$ 300.00
67437	0 - MOSLEY INSURANCE & FINANCIAL SERVICES	$ 300.00			
			Refund/Facility Deposit/Contract #9834	Rfd 2/28/25	$ 300.00
67438	0 - RIVERA, ANN	$ 300.00			
			Refund/Facility Deposit/Contract #9401	Rfd 2/28/25	$ 300.00
67439	2381 - CITYGREEN CONSULTING, LLC	$ 35,353.75			
			Consult/Solid Waste Program 1/25	1383-24-9	$ 10,576.25
			Consult/Solid Waste Program 11/1/24-12/31/24	1383-24-8	$ 10,688.75
			Consult/Solid Waste Program 7/1/24-8/31/24	1383-24-6	$ 8,017.50
			Consult/Solid Waste Program 9/1/24-10/31/24	1383-24-7	$ 6,071.25
Total EFTs		$ 589,018.28			$ 589,018.28
Total Warrants		$ 3,046,479.46			3,046,479.46
Transfer to Payroll (W1550)		$ 794,368.62	Payroll 01/31/25-02/14/25		794,368.62
Transfer to Payroll (W1551)		$ 794,500.59	Payroll 02/14/25-02/28/25		794,500.59
Grand Totals		$ 5,224,366.95			$ 5,224,366.95

CITY OF CYPRESS

CITY COUNCIL REPORT

City Council Regular **15.**

FROM: Bonnie Peat, Council Member

DATE: 03/24/2025

SUBJECT: **Consider Updating Municipal Code Section 2-2.20 Council Meetings – Voting – Disqualification and Abstention**

RECOMMENDATION

Consider updating Municipal Code section 2-2.20 Council meetings – Voting – Disqualification and abstention.

DISCUSSION

At the March 10 City Council meeting, Council Member Peat requested the City Council consider how abstentions from City Council votes are counted.

Currently, the Municipal Code counts abstentions as a vote in favor of a motion. The rule was established in 1965 by Ordinance No. 265 (attached). The minutes from the meeting at which the City Council approved Ordinance No. 265 are also attached but offer no insight into the City Council's deliberations.

Cypress' practice of counting abstentions as a vote in favor of a motion (without any qualification) is uncommon. None of the 14 Orange County cities that responded to a survey by the City Clerk (attached) operates in the same manner. Ten cities do not count an abstention as an affirmative or a negative vote, meaning that if there are two yeas, two nays, and one abstention, a motion fails. Four cities (Costa Mesa, Irvine, Santa Ana, and Yorba Linda) establish the expectation that Council Members should/shall vote unless disqualified by a conflict of interest. Irvine, Santa Ana, and Yorba Linda require Council Members to (at least) provide legal justification for an abstention. Unapproved disqualifications/abstentions count as affirmative votes in Costa Mesa, Irvine, Santa Ana, and Yorba Linda. The relevant section of each municipal code is attached.

Similarly, the City Attorney's firm represents dozens of public agencies and reports that its clients typically follow Robert's Rules of Order or Rosenberg's Rules of Order and do not count abstentions as affirmative votes.

Options for Consideration

#1: No change.

#2: Follow Robert's Rules of Order and do not count abstentions as affirmative votes. Under Robert's Rules of Order, motions that do not receive majority support fail. Agencies that follow Robert's Rules of Order typically prohibit withdrawing an abstention, meaning failed motions cannot be reconsidered.

Municipal Code Section 2-2.11 establishes that (except as otherwise provided) Robert's Rules of Order shall govern the conduct of the meetings of the City Council. How abstentions are counted is one of, if not the only, exception in the Municipal Code to Robert's Rules of Order.

#3: Prohibit abstentions unless a Council Member has established a legal justification for abstaining and record unapproved disqualifications and abstentions as an affirmative vote. Under this option, a motion yielding two yeas, two nays, and one abstention would pass.

The following example is from Irvine's Municipal Code: Except as otherwise provided by law, no member of the City Council shall be permitted to abstain from voting unless such disqualification shall have been approved by the City Attorney or by unanimous vote of the remainder of the Council present. Unapproved disqualifications and abstentions shall be recorded by the City Clerk as an affirmative vote. Costa Mesa, Irvine, Santa Ana, and Yorba Linda all count unapproved disqualifications and abstentions as an affirmative vote.

#4: Prohibit abstentions unless a Council Member has established a legal justification for abstaining and record unapproved disqualifications and abstentions as an abstention. This option is the same as #3 except that it applies Robert's Rules of Order, so a motion yielding two yeas, two nays, and one abstention would fail. Agencies that follow Robert's Rules of Order typically prohibit withdrawing an abstention, meaning failed motions cannot be reconsidered.

At least two other Orange County cities (Garden Grove and Stanton) operate in this manner.

#5: Provide other direction.

BUDGET IMPACT

None.

LEGAL REVIEW

The City Attorney contributed to this report and will draft any update to the Municipal Code.

APPROVED BY: Peter Grant, City Manager

Attachments

Ord No 265
May 18 1965 Minutes
OC City Abstention Survey
Other City MC Examples

ORDINANCE NO. 265

AN ORDINANCE OF THE CITY OF CYPRESS ESTABLISHING RULES OF ORDER FOR THE CONDUCT OF CITY COUNCIL MEETINGS

THE CITY COUNCIL OF THE CITY OF CYPRESS DOES ORDAIN AS FOLLOWS

Section 1. AGENDA. The City Clerk shall prepare an agenda of the Council proceedings which agenda shall be prepared in accordance with the Order of Business and shall furnish each member of the Council, the Mayor, and City Manager and City Attorney with a copy of the same prior to the Council meeting, but not later than 48 hours preceding each meeting. Matters that are not listed on the agenda shall not be presented to the Council by the City Manager except those of an urgent nature or upon unanimous consent of the Council.

Section 2 DUTIES OF PRESIDING OFFICER. The Mayor shall preside at the meetings of the Council and shall preserve strict order and decorum at all regular and special meetings of the Council. The Mayor shall state every question coming before the Council announce the decision of the Council on all subjects and decide all questions of order subject, however to an appeal to the Council in whichevent a majority vote of the Council shall govern and conclusively determine such question of order

Section 3. CALL TO ORDER - PRESIDING OFFICER. The Mayor or in his absence the Vice-Mayor (Mayor Pro tempore) shall take the chair precisely at the hour appointed for the meeting, and shall immediately call the Council to order In the absence of the Mayor or Vice Mayor (Mayor Pro tempore) the City Clerk shall call the Council to order, whereupon a temporary chairman shall be elected by the members of the Council present Upon the arrival of the Mayor or Vice-Mayor (Mayor Pro tempore) the temporary chairman shall immediately relinquish the chair upon the conclusion of the business immediately before the Council.

Section 4. ROLL CALL. Before proceeding with the business of the Council the City Clerk shall call the roll of the members and the names of those present shall be entered in the minutes.

Section 5. QUORUM. A majority of the Council constitutes a quorum for the transaction of business but a lesser number may adjourn from time to time and may cancel the meeting by a notice

Section 6 ORDER OF BUSINESS. All meetings of the Council shall be open to the public. Promptly at the hour set by law on the day of each regular meeting, the members of the Council the Mayor, and City Manager the City Clerk and the City Attorney shall take their regular stations in the Council Chambers and the business of the Council shall be taken up for consideration and disposition in the following order unless otherwise changed by resolution of the Council.

1 Roll Call
2. Minutes
3. Oral Communications
4. Bid Openings
5. Action on Previous Bids
6. Public Hearings
7 Written Communications
8. Deferred Business
9 Reports
10. Ordinances and Resolutions
11. Reports from Officers and Commissions
12 Oral Communications
13. Adjournment

Section 7 READING OF MINUTES Unless the reading of the minutes of a Council meeting is requested by a member of the Council, such minutes may be approved without reading if the Clerk has previously furnished each member with a copy thereof. Minutes shall be approved by voice or roll call vote.

Section 8. RULES OF DEBATE. (a) Presiding Officer May Debate and Vote. The Mayor or in his absence such other member of the Council as may be presiding may move, second and debate from the chair subject only to such limitations of debate as are by these rules imposed on all members and shall not be deprived of any of the rights and privileges of a Councilman by reason of his acting as the Presiding Officer

(b) Getting the floor Improper References to be Avoided. Every member desiring to speak shall address the Chair and upon recognition by the Presiding Officer shall confine himself to the question under debate avoiding all presonality and indecorous language.

(c) Interruptions A member once recognized shall not be interrupted when speaking unless it be to call him to order, or as herein otherwise provided. If a member, while speaking, be called to order he shall cease speaking until the question of order be determined and if in order he shall be permitted to proceed.

(d) Privilege of Closing Debate. The Councilman moving the adoption of an ordinance or resolution shall have the privilege of closing the debate.

(e) Remarks of Councilman - When entered in Minutes. Any Councilman may request, through the Presiding Officer the privilege of having a written abstract of his statement on any subject under consideration by the Council entered in the minutes If the Council consents thereto, such statement shall be entered in the minutes

(f) Remarks of Mayor The mayor may express his views on any subject for consideration by the Council and may file his written recommendations with the Clerk or at his request, may have a written abstract of his statement on any subject under consideration by the Council entered in the minutes.

(g) Motion to Reconsider A motion to reconsider any action taken by the Council may be made only on the day such action was taken. It may be made either immediately during the same session or at a recessed or adjourned session thereof Such motion must be made by one of the prevailing side but may be seconded by any member and may be made at any time and have precedence over all other motions or while a member has the floor it shall be debatable. Nothing herein shall be construed to prevent any member of the Council from making or remaking the same or other motion at a subsequent meeting of the Council.

(h) Rules of Order Except as otherwise provided in this chapter 'Robert's Rules of Order Revised 75th Anniversary Edition' shall govern the conduct of the meetings of the City Council.

Section 9 ADDRESSING THE COUNCIL. (a) Any person desiring to address the Council shall first secure the permission of the presiding officer so to do, provided, however that under the following headings of business unless the Presiding Officer rules otherwise, any qualified and interested person shall have the right to address the Council upon obtaining recognition by the Presiding Officer

1. Written Communications Interested parties or their authorized representatives may address the Council by written communications in regard to matters then under discussion.

2 Oral Communications. Taxpayers or residents of the City or their authorized legal representatives may address the Council by oral communications on any matter concerning the City's business or any matter over which the Council has control provided, however that preference shall be given to those persons who may have notified the City Clerk in advance of their desire to speak in order that the same may appear on the agenda of the Council.

3. Public Hearings and Protests. Interested persons or their authorized representatives may address the Council by reading of protests, petitions or communications relating to zoning sewer and street proceedings hearings on protests appeal and petitions, or similar matters in regard to matters then under consideration.

Section 10. ADDRESSING THE COUNCIL AFTER MOTION MADE. After a motion is made by the Council, no person shall address the Council without first securing the permission of the Council so to do.

Section 11 MANNER OF ADDRESSED THE COUNCIL, TIME LIMIT (a) Each person addressing the Council shall step up to the microphone in front of the lectern, shall give his name and address in an audible tone of voice for the records and unless further time is granted by the Council shall limit his address to ten minutes All remarks shall be addressed to the Council as a body and not to any member thereof No person, other than the Council and the person having the floor shall be permitted to enter into any discussion, either directly or through a member of the Council, without the permission of the Presiding Officer. No question shall be asked a Councilman except through the Presiding Officer

(b) Spokesman for Group of Persons Whenever any group of persons wishes to address the Council on the same subject matter it shall be proper for the Presiding Officer to request that a spokesman be chosen by the group to address the Council, and in case additional matters are to be presented at the time by any other member of said group to limit the number of persons so addressing the Council so as to avoid unnecessary repetitions before the Council.

Section 12 DECORUM. (a) By Council Members. While the Council is in session, the members must preserve order and decorum, and a member shall neither by conversation or otherwise delay or interrupt the proceedings or the peace of the Council nor disturb any member while speaking or refuse to obey the orders of the Council or the Presiding Officer, except as otherwise herein provided.

(b) By other Persons Any persons making personal, impertinent or slanderous remarks or who shall be come boisterous while addressing the Council shall be forthwith, by the Presiding Officer barred from further aduience at said meeting before the Council unless permission to continue be granted by a majority vote of the Council.

Section 13. MEMBERS MAY FILE PROTESTS AGAINST COUNCIL ACTION Any member at his request shall have the right to have the reasons for his dissent from, or protest against any action of the Council entered in the minutes

Section 14. ENFORCEMENT OF DECORUM. The Chief of Police or such member or members of the Police Department as he may designate shall be Sergeant-At-Arms of the Council meetings He or they shall carry out all orders and instructions given by the Presiding Officer for the purpose of maintaining order and decorum at the Council meeting. Upon instructions of the Presiding officer it shall be the duty of the Sergeant-at-Arms or any of them present to place any person who violates the order and decorum of the meeting under arrest, and cause him to be prosecuted under the provisions of this Code or state law the complaint to be signed by the Presiding Officer

Section 15 ORDINANCE, RESOLUTIONS, MOTIONS AND CONTRACTS. (a) Preparation of Ordinances All Ordinances shall be prepared by the City Attorney No ordinance shall be prepared for presentation to the Council unless ordered by a majority vote of the Council or requested in writing by any member of the Council, the Presiding Officer or the City Manager or prepared by the Citv Attorney on his own initiative.

(b) Prior Approval by Administrative Staff All ordinances resolutions and contract documents shall, before presentation to the Council have been approved as to form and legality by the City Attorny or his authorized representative, and shall have been examined and approved for the administation by the City Manager or his authorized representative where there are substantive matters of administration involved.

(c) Intorducing for Passage or Approval. Ordinances resolutions and other matters or subjects requiring action by the Council must be introduced and sponsored by a member of the Council, except that the Mayor, City Manager, or City Attorney may present ordinances resolutions and other matters or subject to the Council, and any Councilman may assume sponsorship thereof by moving that such ordinances resolutions matters or subejcts be adopted, otherwise, they shall not be considered.

Section 16 ROLL CALL VOTE. A roll call vote shall be taken upon the passage of all ordinances and resolutions and be entered upon the journal of the proceedings of the Council. Upon request of any member a roll call vote shall be taken and recorded on any vote. Whenever a recorded or roll call vote of the Council is in order the City Clerk shall call the names of the members in alphabetical order except that the name of the Presiding Officer shall be called last.

Section 17 ADJOURNMENT A motion to adjourn shall always be in order and decided without debate.

Section 18. REGULAR MEETINGS. The City Council shall hold regular meetings upon the 2nd and 4th Mondays of each month. The meetings shall be held in two sessions The first session shall commence at 3:00 o'clock p.m. and shall be recessed not later than 6:00 o'clock p.m. The second session shall commence at 7.30 p.m. o'clock p.m. Meetings falling upon a State Holiday shall be held upon the next succeeding night that is not a holiday

Section 19 ADJOURNED MEETINGS. Any regular or adjourned regular or special meeting may be adjourned to a time certain but not beyond the next regular meeting date

Section 20. SPECIAL MEETINGS Special meetings shall be held in the manner provided by and as limited by State law

Section 21 PLACE OF MEETINGS. All meetings shall be held in the Council Chambers located at 5311 Orange Avenue in the event of emergency or unusual conditions any meeting may be adjourned to another date and place certain within the City

Section 22. NOTICE. Notice shall be given of all meetings as required by state law

Section 23 VOTING Disqualification and Abstention. No City Councilman shall be permitted to disqualify himself if such disqualification results in a tied vote unless such disqualification shall have been approved by the City Attorney or by vote of the remainder of the Council. Unexcused disqualification and abstentions shall be counted by the City Clerk as a vote in favor of the particular motion.

PASSED AND ADOPTED by the City Council of the City of Cypress at a regular meeting held on the 24th day of May 1965.

Frank C Noe
MAYOR OF THE CITY OF CYPRESS

ATTEST

Darrell Essex
CITY CLERK OF THE CITY OF CYPRESS

STATE OF CALIFORNIA) SS
COUNTY OF ORANGE)

I DARRELL ESSEX, City Clerk of the City of Cypress DO HEREBY CERTIFY that the foregoing Ordinance was adopted at a regular meeting of the said City Council held on the 24th day of May 1965 by the following vote

AYES	5	COUNCILMEN	Gorzeman Kanel McCarney, Wright and Noe
NOES	0	COUNCILMEN	None
ABSENT	0	COUNCILMEN	None

Darrell Essex
CITY CLERK OF THE CITY OF CYPRESS

MINUTES OF THE CITY COUNCIL
OF THE CITY OF CYPRESS
AT A SPECIAL MEETING
HELD

May 18, 1965

The City Council of the City of Cypress met in Special Session on Tuesday, May 18, 1965, at 7:31 p.m. in the City Council Chambers, 5311 Orange Avenue, Cypress, California, all members having been notified as required by law, Mayor Frank P. Noe presiding.

PRESENT: Gorzeman, Kanel, McCarney, and Noe
ABSENT: Wright

Also present were City Manager/City Clerk Darrell Essex, Administrative Assistant Darrell Dalton, and City Attorney James Erickson.

CANVASS OF RESULTS OF SPECIAL MUNICIPAL ELECTION HELD ON MAY 11, 1965: The Mayor announced this was the time and place for the City Council to canvass the results of the Special Muncipal Election held on May 11, 1965.

The City Clerk presented the City Council with the Tally Sheets and the Result of Votes Cast as prepared by each of the five Election Precinct Boards and the Absentee Ballot Canvass Board for the election.

During the canvass it was noted that in Precinct No.3, the total number of votes cast was two more than the total ballots tallied on the tally sheet. The City Manager stated that he had checked this discrepancy with Martin & Chapman Company, Election Suppliers, who advised that since the number of votes cast did not exceed the number of voters who signed the roster, and since the difference did not affect the results of the election, the City Council, as the Canvassing Board, could accept the result of the vote as submitted by the precinct.

It was moved by Councilman Kanel, seconded by Councilman Gorzeman, and unanimously carried, the following Resolution be adopted:

RESOLUTION NO. 588

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CYPRESS, CALIFORNIA, DECLARING THE RESULTS OF THE CANVASS OF ELECTION RETURNS OF THE SPECIAL MUNICIPAL ELECTION HELD IN SAID CITY ON MAY 11, 1965.

The City Council of the City of Cypress, California, DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

SECTION 1. That a Special Municipal Election was duly called and regularly held in said City on the 11th day of May, 1965, at which election there was submitted to the qualified voters of said City the following measure, to wit:

MEASURE: CITY OF CYPRESS--ZONING ORDINANCE REFERENDUM. Shall Ordinance No. 242, changing the zone of territories referred to therein from M-1 (Light Manufacturing) to H-C (Highway Commercial), Zone Change No. Z-121, be adopted to become effective in the City of Cypress?

SECTION 2. That the returns of said election have been duly and regularly canvassed by this City Council as provided by law, and all absentee ballots, if any, returned have been canvassed as provided by law.

SECTION 3. That the votes cast in the precincts established for said election upon said measure and for and against said measure, the absentee votes, if any, cast upon said measure, and the total votes cast at said election for and against said measure and upon said measure are as follows:

PRECINCT	YES	NO	TOTAL
1	243	184	427
2	121	125	246
3	222	181	405
4	192	96	288
5	103	167	270
Total in Precincts	881	753	1636
Absentee Votes	0	2	2
Total Votes Including Absentee Votes	881	755	1638

SECTION 4. That the votes of a majority of all the voters voting at said election upon said measure were cast in favor of the measure, and said Ordinance No. 242 is hereby declared to be in effect in the City of Cypress.

SECTION 5. That the City Clerk of this City is hereby directed to enter this Resolution in full in the minutes of this City Council, which entry shall constitute the City Clerk's statement of the result of the election.

PASSED AND ADOPTED by the City Council of the City of Cypress, at a Special Meeting held on the 18th day of May, 1965.

/s/ Frank P. Noe
Frank P. Noe
MAYOR

ATTEST:
Darrell Essex
/s/ Darrell Essex
CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss

I, Darrell Essex, City Clerk of the City of Cypress, DO HEREBY CERTIFY that the foregoing Resolution was adopted at a special meeting of the said City Council held on the 18th day of May, 1965, by the following vote:

AYES:	4	COUNCILMEN:	Gorzeman, Kanel, McCarney, and Noe
NOES:	0	COUNCILMEN:	None
ABSENT:	1	COUNCILMEN:	Wright

Darrell Essex
/s/ Darrell Essex
CITY CLERK OF THE CITY OF CYPRESS

CONSIDERATION OF RULES OF ORDER FOR THE CITY COUNCIL: The City Manager stated that at the regular meeting of May 10, 1965, the City Council had voted to consider at this meeting an Ordinance adopting Rules of order for the City Council.

In answer to an inquiry from Mayor Noe, the City Manager stated that in his opinion the Ordinance appeared satisfactory as submitted with the exception of Section 6, which changed the order of business on City Council Agendas. The City Manager stated that it would be preferred to maintain the current agenda relative to the order of business.

Following a brief discussion, it was moved by Councilman Gorzeman, seconded by Councilman McCarney and carried, to read the proposed Ordinance by title only. The vote not being unanimous, the City Council was advised that the Ordinance would then have to be read in full rather than by title only. Councilman Kanel, who had voted in opposition to reading the Ordinance by title only stated that he would change his vote to a yes vote, but that he would like to have further discussion concerning the Ordinance. The City Clerk read the Ordinance by title only, title as follows:

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF CYPRESS ESTABLISHING RULES OF ORDER FOR THE CONDUCT OF CITY COUNCIL MEETINGS.

It was moved by Councilman Gorzeman and seconded by Councilman McCarney, to approve the first reading of this Ordinance, with Section 6 indicating the Order of the Agenda as presently used by the City Council. Prior to voting on this motion, further discussion was held.

Councilman Kanel asked various questions concerning several sections of the proposed Ordinance, all of which were answered by the City Attorney.

The following roll call vote was taken on Councilman Gorzeman's motion to approve the first reading of the proposed ordinance:

AYES:	4	COUNCILMEN:	Gorzeman, Kanel, McCarney, and Noe
NOES:	0	COUNCILMEN:	None
ABSENT:	1	COUNCILMEN:	Wright

ADJOURNEMENT:

There being no further business to come before the City Council, it was moved by Councilman Gorzeman, seconded by Councilman McCarney, and unanimously carried, the meeting adjourn at the hour of 8:15 p.m.

Frank P. Yorn
MAYOR

ATTEST:

Darrell Ensch
CITY CLERK

	Abstention Recorded As ____ Vote	
Costa Mesa	Yes	Abstention should only occur if a conflict of interest exists
Irvine	Yes	Abstention requires City Council/City Attorney approval
Santa Ana	Yes	Abstention only permitted in limited circumstances
Yorba Linda	Yes	Abstention requires City Council/City Attorney approval
Anaheim	No	
Brea	No	
Buena Park	No	Rosenberg's Rules of Order
Fullerton	No	Robert's Rules of Order
Garden Grove	No	Abstention should only occur if a conflict of interest exists
La Habra	No	Rosenberg's Rules of Order
Los Alamitos	No	
Seal Beach	No	
Stanton	No	Abstention should only occur if a conflict of interest exists
Westminster	No	Robert's Rules of Order

Municipal Code Language from Cities that Count Abstentions as Affirmative Votes

in limited circumstances

Costa Mesa

Every councilman should vote unless disqualified by reason of a conflict of interest. A councilman who abstains from voting acknowledges that a majority of the quorum may decide the question voted upon. A councilman who is silent or inattentive and fails to vote without stating his abstention or without being disqualified shall be deemed to have cast a "yes" vote.

A member may change his vote only if he makes a timely request to do so immediately following the announcement of the vote by the city clerk and prior to the time the next item in the order of business is taken up. A councilman who publicly announces that he is abstaining from voting on a particular matter shall not subsequently be allowed to withdraw his abstention.

Irvine

Except as otherwise provided by law, no member of the City Council shall be permitted to abstain from voting unless such disqualification shall have been approved by the City Attorney or by unanimous vote of the remainder of the Council present. Unapproved disqualifications and abstentions shall be recorded by the City Clerk as an affirmative vote.

Santa Ana

It is the policy of the Santa Ana City Council that all members present at a city council meeting fully participate in the discussion of a matter and shall vote for or against an ordinance, resolution, motion, or any other item requiring a vote, unless disqualified by conflict of interest or other legal reason as provided in this section.

No member of the council shall be permitted to recuse himself or herself from voting on any item on the city council agenda requiring a vote unless:

1. The councilmember is legally disqualified from voting due to a conflict of interest (including a disqualification under the Political Reform Act or Government Code Section 1090 et seq.) or other legal reason (such as common law conflict of interest or bias); or
2. The councilmember is awaiting advice from the fair political practices commission or the results of a pending investigation by the fair political practices commission; or

3. The councilmember states from the dais the possibility of a conflict arising from a source identified at the meeting, and, based on advice from the city attorney, recuses themself out of an abundance of caution.

If a councilmember is disqualified from voting due to a conflict, the member shall not participate in the consideration of the matter, shall not be counted for the purpose of the quorum, and shall leave the dais during the consideration of the matter; provided, however, that if the matter is being considered on the consent calendar and has not been removed from the consent calendar, the councilmember may remain on the dais and disclose the reason for disqualification. A disqualified councilmember may speak on the matter as a private citizen, but only to the extent allowed by the Section 18702.5 of the Regulations of the Fair Political Practices Commission, or its successor sections.

If a councilmember abstains on a vote in violation of this rule, the abstention shall be considered concurrence in the item being voted upon, and the city clerk shall record that councilmember's abstention as a "yes" vote.

A tie vote means that no action has been taken, and the item under consideration shall not be placed upon a future agenda, unless by a majority vote of the council, city staff is directed to place the item on a future agenda, or based on new information or changes in circumstances, the city manager places the item on a future agenda.

Yorba Linda

Disqualification and Abstention. No City Councilmember shall be permitted to disqualify himself and abstain from voting unless the disqualification shall have been approved by the City Attorney or by unanimous vote of the remainder of the City Council present. Unapproved disqualifications and abstentions shall be counted by the City Clerk as an affirmative vote.