



2025 ANNUAL COMPREHENSIVE FINANCIAL REPORT

CITY OF LA VERNE
Year Ended June 30, 2025

**City of
La Verne**
La Verne, California

Annual Comprehensive Financial Report

For the year ended June 30, 2025

Prepared by:
Finance Department

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City of La Verne
Annual Comprehensive Financial Report
For the year ended June 30, 2025

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CITY OF LA VERNE CITY HALL

3660 "D" Street, La Verne, California 91750-3599
www.cityoflaverne.org

December 30, 2025

To the Honorable Mayor, Members of the City Council, and Residents of the City of La Verne:

State law requires that every general-purpose local government publish an Annual Comprehensive Financial Report (ACFR) that presents the financial position and results of operations for the fiscal year. We are pleased to submit the City of La Verne's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2025. This report is published to fulfill that requirement and to provide residents, elected officials, creditors, and other interested parties with a comprehensive overview of the City's financial condition.

The ACFR has been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). Responsibility for the accuracy, completeness, and fairness of the information presented rests with the City's management. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the City's financial position and results of operations. Management has established and maintains a system of internal controls designed to ensure that financial information is reliable and that assets are protected from loss, theft, or misuse.

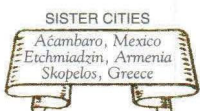
Organization and Governance

The City of La Verne operates under a council-manager form of government. The City Council is responsible for establishing policy and adopting the annual budget, while the City Manager is responsible for presenting the annual budget, implementing Council policies and overseeing daily operations. The City provides a full range of municipal services, including police, fire and emergency medical response, public works, community development, recreation, water, and sewer services.

Economic Environment and Long-Term Outlook

During fiscal year 2024-25, the City operated within a challenging and evolving economic environment shaped by elevated interest rates, moderated inflation, and continued shifts in consumer behavior. While employment conditions remained relatively stable and La Verne continues to function largely as a residential community, revenue growth remained constrained.

Sales tax revenues were flat year-over-year, reflecting the ongoing transition toward online purchasing and the redistribution of local sales tax associated with e-commerce fulfillment centers located outside the City. Property tax revenues increased modestly; however, growth continues to be limited by low residential turnover, a characteristic of La Verne's stable homeowner base under Proposition 13. These trends highlight structural constraints on revenue growth that will continue to influence fiscal planning in the near term.



General Administration 909/596-8726 • Water Customer Service 909/596-8744 • Community Services 909/596-8700
Public Works 909/596-8741 • Finance 909/596-8716 • Community Development 909/596-8706 • Building 909/596-8713
Police Department 909/596-1913 • Fire Department 909/596-5991 • General Fax 909/596-8737

Despite these constraints, the City remains fiscally resilient. Strong reserve policies, disciplined expenditure management, and conservative revenue assumptions have allowed the City to maintain service levels while addressing long-term obligations. The City continues to prioritize financial sustainability and structural balance as guiding principles in budget development.

Financial Position and Results of Operations

As of June 30, 2025, the City reported total net position of \$128 million, reflecting an increase of \$8 million from the prior fiscal year. This figure represents all City funds including the General Fund, all Special Revenue Funds, and the Water and Sewer Fund. This improvement was driven by reductions in long-term liabilities, accumulation of restricted revenues for future capital and voter-approved purposes, and favorable investment performance.

While the City's overall net position reflects long-term financial strength, it is important to distinguish between government-wide net position and the availability of General Fund resources for ongoing operations. Government-wide net position includes capital assets, restricted resources, and long-term liabilities, many of which are not available to fund current services or compensation costs.

At June 30, 2025, the General Fund reported a total fund balance of \$20.9 million; however, the majority of this balance is not available for discretionary use. Significant portions of the General Fund balance are either restricted by law, committed by City Council for specific purposes, or classified as non-spendable. When these constraints are considered, the portion of the General Fund available to support ongoing operations, including salaries and benefits, is substantially lower than the total balance reported.

In addition, General Fund financial reporting reflects accumulated resources at a point in time and does not represent surplus revenues available for permanent expenditure increases. The City continues to face structural cost pressures, particularly related to pensions, retiree medical benefits, and inflationary operating costs. As a result, recurring compensation commitments must be evaluated against long-term revenue sustainability rather than one-time balances or accounting-driven changes in net position.

Accordingly, the City's financial policies emphasize maintaining adequate reserves to manage economic uncertainty, fund emergencies, and address long-term obligations. These policies are intended to preserve fiscal stability and avoid reliance on non-recurring resources to support ongoing expenditures, which could compromise the City's financial position in future years.

Governmental funds reported combined ending fund balances of \$86 million, an increase of \$8.2 million from the prior year. While a significant portion of these balances is restricted for specific purposes, the City maintains committed and assigned reserves consistent with Council-adopted policies to address emergencies, economic uncertainty, and future obligations.

Business-type activities, consisting of the Water and Sewer utilities, experienced a modest decrease in net position during the year, primarily due to pension-related accounting adjustments. Utility operations remain supported by user fees, and comprehensive rate studies were completed during the year to address long-term infrastructure needs and operating cost pressures. Approved rate adjustments will take effect in calendar year 2026.

Pension and Long-Term Liabilities

Long-term fiscal pressures continue to be driven primarily by pension and retiree medical obligations associated with the City's participation in the California Public Employees' Retirement System (CalPERS). While CalPERS reported favorable investment returns during fiscal year 2024-25, which reduced the City's reported pension and OPEB liabilities, these investment gains do not result in immediate or proportional reductions to required employer contribution rates. Employer contribution requirements remain subject to market volatility and actuarial assumptions that are beyond the City's control.

Due to CalPERS' actuarial smoothing policies and two-year reporting lag, changes in investment performance are reflected in employer contribution rates several years after the measurement date. As a result, the City does not expect to experience significant near-term reductions in required pension contributions, and future contribution levels may continue to fluctuate based on subsequent market performance and assumption changes.

The City has taken proactive steps to manage pension-related risks, including the issuance of a Pension Obligation Bond, the establishment of a Section 115 Pension Stabilization Trust, and ongoing monitoring of long-term pension forecasts. While these actions have improved predictability and provided tools to address future contribution volatility, pension costs remain an escalating expense and a significant concern to the City's ability to preserve fiscal flexibility and long-term financial sustainability. These measures help manage risk over time but do not eliminate required contributions or guarantee immediate budgetary relief. Accordingly, pension obligations will continue to be a key factor in the City's long-term financial planning and budget decisions.

Internal Controls and Audit

The City maintains a comprehensive system of internal controls designed to safeguard assets and ensure the reliability of financial reporting. These controls are designed to provide reasonable assurance that transactions are properly authorized and recorded, and that financial statements are prepared in accordance with GAAP. Management believes that the City's internal control framework provides reasonable assurance regarding the reliability of financial reporting, compliance with applicable laws and regulations, and the safeguarding of assets.

The City's financial statements have been audited by Badawi & Associates, Certified Public Accountants. The independent auditor's report, which expresses an unmodified opinion on the City's financial statements, is included in this report. An "unmodified opinion," otherwise known as a clean or unqualified opinion which is the best audit outcome, means the auditor found the City's financial statements are presented fairly, in all material respects, according to accounting standards. The audit was conducted in accordance with auditing standards generally accepted in the United States of America and applicable Government Auditing Standards.

Awards and Acknowledgments

The City of La Verne was awarded the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. This prestigious national award recognizes conformance with the highest standards of governmental accounting and financial reporting. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR that satisfies both generally accepted accounting principles and

applicable legal requirements. We believe that this report continues to meet the Certificate of Achievement program's rigorous standards and is submitted for consideration for the award for the fiscal year ended June 30, 2025. The City has a longstanding commitment to transparency and high-quality financial reporting and continuously evaluates its reporting practices to ensure ongoing compliance with evolving accounting standards and best practices.

We would like to express our appreciation to the Finance Department staff for their dedication and professionalism in preparing this report. We also thank the City Council for their continued leadership and support of sound financial management practices.

We welcome questions or comments regarding this report and encourage interested parties to review the accompanying Management's Discussion and Analysis for additional context.

Respectfully submitted,

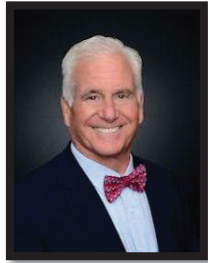
A handwritten signature in blue ink, appearing to read "Ken Domer".

Ken Domer
City Manager

A handwritten signature in black ink, appearing to read "Christy Lopez".

Christy Lopez
Director of Finance

MAYOR



Tim Hepburn
District 4

MAYOR PRO TEM



Meshal "Kash" Kashifalghita
District 3

COUNCIL MEMBERS



Rick Crosby
District 2



Steven F. Johnson
District 1



Wendy M. Lau
District 5

CITY STAFF

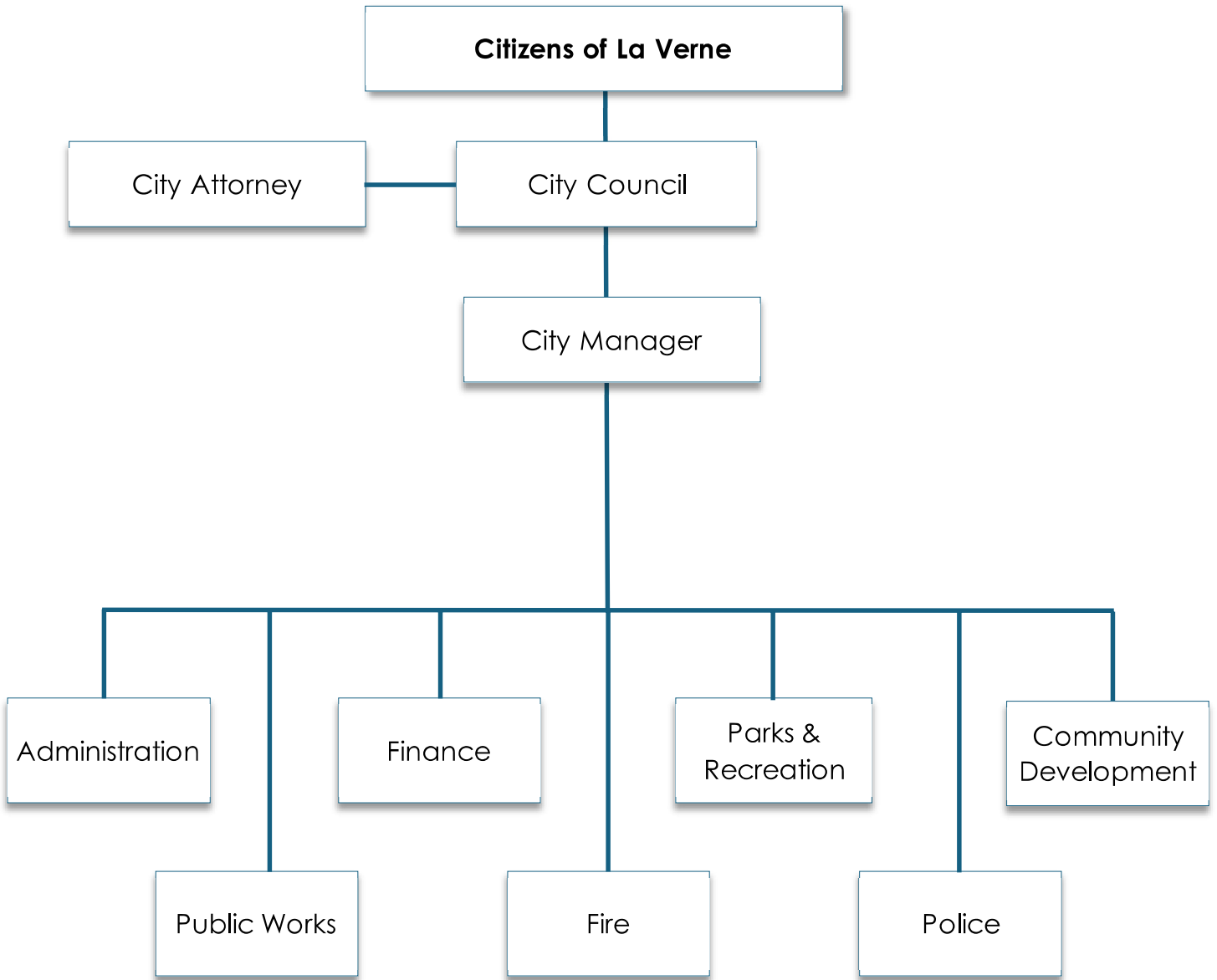


Kenneth Domer
City Manager



Christy Lopez
Finance Director

CITY OF LA VERNE
ORGANIZATIONAL CHART



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
of the City of La Verne
La Verne, California

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, 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 the required pension and OPEB schedules on pages 5-21 and 101-115 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The budgetary comparison information for General fund, combining nonmajor fund statements, and budgetary comparison information for nonmajor governmental funds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The General Fund budgetary comparison schedule, combining and individual nonmajor fund statements, and the budgetary comparison schedules for the nonmajor governmental funds are 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison information for capital project funds, combining nonmajor fund statements, and budgetary comparison information for nonmajor governmental funds 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 section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

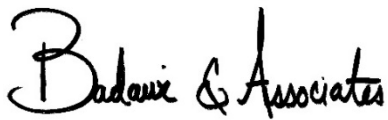
Report on Summarized Comparative Information

We have previously audited the City's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 31, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

To the Honorable Mayor and Members
of the City Council of the City of La Verne
La Verne, California
Page 4

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Badawi & Associates". The signature is written in a cursive, flowing style.

Badawi & Associates, CPAs
Emeryville, California
December 30, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

As the management of the City of La Verne ("City"), we present this narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2025. This discussion is intended to assist readers in understanding the City's official, audited financial position and results of operations for the completed fiscal year. It explains what the City owned, owed, received, and spent during the year. and should be read in conjunction with the transmittal letter at the beginning of this report and the basic financial statements that follow this section. Comparative information is presented where appropriate to highlight significant changes from the prior fiscal year. It is important to note that the Annual Comprehensive Financial Report represents a historical financial snapshot prepared after the close of the fiscal year in accordance with standardized governmental accounting principles and reviewed by independent auditors. By contrast, the City's budget is a forward-looking spending plan adopted prior to the fiscal year and reflects management's and the City Council's policy decisions and financial assumptions at the time of adoption. Accordingly, the budget represents the City's financial plan, while the ACFR provides the audited record of actual financial results.

Financial Highlights

As of June 30, 2025, the City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$128 million, representing the City's net position. Total net position increased by \$8 million during the fiscal year.

At the close of fiscal year 2024-25, the City's governmental funds reported combined ending fund balances of \$82.1 million, an increase of \$2.2 million compared to the prior year. Of this total, approximately 15.3 percent, or \$12.6 million, is available for discretionary spending in the form of committed, assigned, and unassigned fund balance.

The General Fund reported a total fund balance of \$20.9 million at year-end. This amount includes \$9.76 million committed by the City Council for contingencies, equal to 20 percent of the General Fund operating budget for fiscal year 2024-25. consistent with the City's adopted reserve policies intended to maintain fiscal stability and provide protection against economic uncertainty and unforeseen events.

The City's total long-term liabilities declined by \$4.3 million, ending the fiscal year at \$75.6 million. Compensated absences decreased by \$0.1 million or 38 percent. The decrease in compensated absences is primarily attributable to the implementation of GASB Statement No. 101, which revised the recognition criteria for compensated leave liabilities. The Other Post-Employment Benefits liability decreased by \$876,000, or 16.6 percent, reflecting favorable investment returns that were immediately recognized in the valuation. The City's Net Pension Liability declined by \$1.1 million, or 4.9 percent, primarily due to strong investment performance for the year ended June 30, 2024 and updated actuarial experience from the June 30, 2023 valuation.

Collectively, these results reflect continued improvement in the City's overall financial position, driven by liability reductions and restricted revenue accumulation, while discretionary resources remain constrained by long-term obligations.

Overview of the Financial Statements

This discussion and analysis serves as an introduction to the City's basic financial statements, which consist of three components, government-wide financial statements, fund financial statements, and notes to the basic financial statements. Required Supplementary Information and additional combining statements follow the basic financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide financial statements. The government-wide financial statements provide a long-term view of the City's financial position and are presented using an economic resources measurement focus and accrual basis of accounting, similar to private-sector financial statements. These statements address the question of whether the City's overall financial condition improved or declined as a result of the year's operations.

The Statement of Net Position reports the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference representing net position.

The Statement of Activities reports changes in net position during the fiscal year. Revenues and expenses are recognized when the underlying activity occurs, regardless of the timing of cash flows, providing a comprehensive view of the City's economic activity.

Government-wide statements distinguish between governmental activities, which are primarily supported by taxes and intergovernmental revenues, and business-type activities, which are intended to recover costs through user fees. Governmental activities include police, fire, public works, and general government functions, while business-type activities consist of the City's water and sewer utilities.

The government-wide financial statements also include three legally separate entities for which the City is financially accountable, the Successor Agency to the former Redevelopment Agency, the La Verne Housing Authority, and the La Verne Financing Authority. These entities are reported as part of the primary government because they function as integral components of the City. The government-wide financial statements begin on page 26.

These changes strengthen the City's long-term financial position but also highlight the importance of managing the timing of restricted revenues and capital investments to ensure alignment with future obligations.

Fund financial statements. Fund financial statements provide information about the City's individual funds and focus on short-term fiscal accountability. The City uses fund accounting to demonstrate compliance with legal and financial requirements.

Governmental funds. Governmental fund statements focus on near-term inflows and outflows of spendable resources and the balances available at fiscal year-end. Because this perspective differs from the long-term government-wide view, reconciliation schedules are provided to explain the differences.

The City maintains 43 governmental funds, five of which are reported as major funds, the General Fund, Measure LV, Measure A, ARPA, and the Forfeiture LA IMPACT Fund. All other governmental funds are presented in aggregate, with detailed combining statements included later in the report.

Proprietary funds. The City maintains enterprise funds for water and sewer operations and internal service funds for fleet replacement and risk management. Internal service fund activities primarily support governmental functions and are therefore reported within governmental activities in the government-wide statements. Proprietary fund statements begin on page 42.

Fiduciary funds. Fiduciary funds account for resources held for the benefit of external parties and are excluded from the government-wide statements. The City maintains one private-purpose trust fund for the Successor Agency and three custodial funds, including L.A. IMPACT-related activity. Fiduciary fund statements begin on page 49.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Analysis – Net Position

Net position is a key indicator of the City's overall financial condition. As of June 30, 2025, the City reported total net position of \$128.1 million, an increase of \$24.5 million compared to ten years ago, reflecting sustained long-term improvement driven largely by capital investment supported by voter-approved transportation, infrastructure, and watershed funding sources, including Measure LV, Measure A, Measure R, Measure M, Measure W, and increased gas tax revenues.

The largest component of net position, \$87.4 million, or 68 percent, represents the City's net investment in capital assets, including infrastructure, buildings, and equipment, net of related debt. These assets are essential to service delivery but are not available for discretionary spending.

Restricted net position totaled \$70.1 million, or 55 percent, and consists of resources subject to external legal restrictions.

Governmental activities reported negative unrestricted net position of \$43.3 million, reflecting the impact of long-term pension and OPEB liabilities. Business-type activities reported positive unrestricted net position of \$13.1 million, indicating financial flexibility within the Water and Sewer Funds.

Governmental activities accounted for \$86.0 million of total net position, up from \$77.8 million in the prior year, while business-type activities remained stable at \$42.0 million.

Net Position						
For the Year Ended June 30, 2025 and 2024						
(in thousands)						
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 97,100	\$ 96,157	\$ 23,569	\$ 22,401	\$ 120,668	\$ 118,559
Capital assets	61,643	54,179	28,940	28,889	90,583	83,069
Total Assets	158,743	150,337	52,509	51,291	211,252	201,627
Deferred Outflows	13,521	20,780	2,843	4,249	16,364	25,028
Long-term debt outstanding	66,665	70,355	8,927	9,522	75,592	79,878
Other Liabilities	10,676	12,531	2,099	1,230	12,775	13,761
Total liabilities	77,341	82,886	11,026	10,753	88,367	93,638
Deferred Inflows	8,913	10,415	2,279	2,567	11,192	12,982
Net Position:						
Invested in capital assets (net of debt)	58,411	50,584	28,940	28,889	87,351	79,473
Restricted	70,907	65,753			70,907	65,753
Unrestricted	(43,308)	(38,520)	13,106	13,330	(30,202)	(25,190)
Total net position	\$ 86,010	\$ 77,816	\$ 42,046	\$ 42,219	\$ 128,057	\$ 120,035

MANAGEMENT'S DISCUSSION AND ANALYSIS

Table 2
Changes in Net Position
For the Year Ended June 30, 2025 and 2024
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Program revenues:						
Charges for services	\$ 17,102	\$ 14,591	\$ 13,965	\$ 12,579	\$ 31,067	\$ 27,170
Operating contributions and grants	8,247	17,746	-	-	8,247	17,746
Capital grants and contributions	5,277	2,233	-	-	5,277	2,233
General revenues:						
Taxes:						
Property taxes	11,643	11,286	-	-	11,643	11,286
Sales Taxes	5,683	5,814	-	-	5,683	5,814
Utility & other taxes	13,322	14,586	-	-	13,322	14,586
Special assessments	2,322	2,172	-	-	2,322	2,172
Motor vehicle in lieu	4,749	4,572	-	-	4,749	4,572
Investment earnings	4,942	4,101	1,045	878	5,987	4,979
Other	1,459	3,383	46	51	1,506	3,434
Proceeds from sale of property	8	-	-	-	8	-
Total revenues	\$ 74,755	\$ 80,483	\$ 15,056	\$ 13,508	\$ 89,802	\$ 93,991
Expenses						
General Government	\$ 4,451	\$ 4,710	-	-	\$ 4,451	\$ 4,710
Public Safety	43,122	42,805	-	-	43,122	42,805
Community Development	4,895	4,645	-	-	4,895	4,645
Public Works	10,035	10,469	-	-	10,035	10,469
Community Services	3,857	4,164	-	-	3,857	4,164
Water	-	-	12,171	12,099	12,171	12,099
Sewer	-	-	1,809	1,915	1,809	1,915
Interest on long-term debt	1,962	2,100	-	-	1,962	2,100
Total expenses	\$ 68,322	\$ 68,892	\$ 13,980	\$ 14,014	\$ 82,302	\$ 82,906
Excess (deficiency) before transfers	\$ 6,433	\$ 11,592	\$ 1,076	\$ (506)	\$ 7,501	\$ 11,086
Transfers	1,308	2,768	(1,308)	(2,768)	-	-
Change in net position	7,741	14,360	(232)	(3,274)	7,509	11,086
Net position - beginning of year	77,816	63,456	42,219	45,494	120,035	108,950
Restatement	453	-	59	-	512	-
Net position - beginning (restated)	78,269	-	42,279	-	120,548	-
Net position - end	\$ 86,010	\$ 77,816	\$ 42,046	\$ 42,219	\$ 128,056	\$ 120,035

Government-wide Financial Analysis – Changes in Net Position

Net position increased by \$8 million, or 6.7 percent, during the fiscal year ended June 30, 2025, rising from \$120 million to \$128 million. This increase reflects a combination of retained earnings in several governmental funds, reductions in long-term liabilities, and the timing of capital project activity. The most significant contribution to this increase was a \$1.4 million rise in the Measure LV Fund, as revenues continued to exceed current-year expenditures and resources were accumulated for future voter-approved uses.

MANAGEMENT'S DISCUSSION AND ANALYSIS

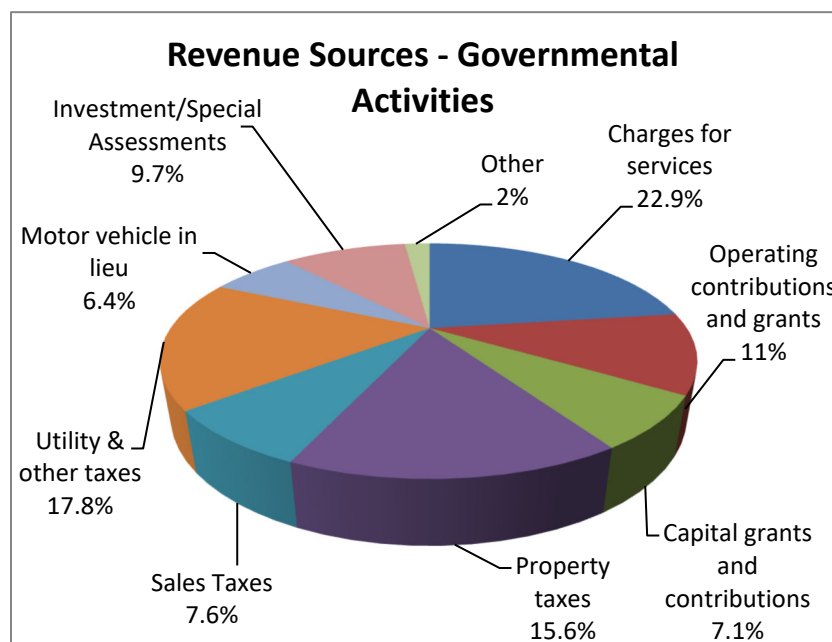
Investment earnings across all funds totaled \$3,953,548 for the fiscal year, reflecting favorable market conditions and contributing to improved unrestricted and restricted net position. Transportation-related revenues, including SB1 and Gas Tax, also increased as the City continued to accumulate resources for planned capital projects, including the Arrow rehabilitation project. Measure W revenues increased as funds continued to be set aside for a multi-year watershed improvement project that remains in the planning and design phase.

Investment earnings reported at the government-wide level include both realized and unrealized gains recognized in accordance with accrual accounting and therefore differ from fund-level investment income reported elsewhere in this report.

Total assets increased by \$9.6 million, or 4.8 percent, from \$201.6 million to \$211.3 million. Governmental activities accounted for \$8.4 million of this increase, or 5.6 percent, primarily due to the accumulation of cash and investments in transportation-related funds, Measure W, and the General Capital Improvement Fund. Business-type activities reported a \$1.2 million increase in assets, or 2.3 percent, reversing the prior year's decline. This increase reflects the timing of capital improvement projects currently in the planning stage, including the Plateau Summit project, which has been bid and carries an encumbrance exceeding \$3 million and is expected to be completed in fiscal year 2025-26.

Total liabilities decreased by \$5.3 million, or 5.6 percent, declining from \$93.6 million to \$88.4 million. Approximately \$1.0 million of this reduction relates to current liabilities, primarily due to the recognition of American Rescue Plan Act revenues that had previously been reported as unearned revenue. The remaining decrease occurred in long-term liabilities, including reductions in the City's OPEB liability, pension liability, and outstanding debt related to the Pension Obligation Bond. Reductions in pension and OPEB liabilities reflect positive market returns experienced during the fiscal year, which directly reduced the City's proportionate share of these obligations.

Governmental Activities



Total revenues from governmental activities, excluding transfers were \$74.8 million, representing a decrease of \$5.7 million, or 7 percent, compared to the prior fiscal year. The primary driver of this decline was the absence of \$8.8 million in adjudicated asset forfeiture revenues received in the prior year through the LA IMPACT Task Force. Asset forfeiture revenues are inherently volatile and can vary significantly based on the timing and outcome of individual cases. The prior fiscal year included several

MANAGEMENT'S DISCUSSION AND ANALYSIS

unusually large forfeiture distributions that did not recur in fiscal year 2024-25. Due to their non-recurring and unpredictable nature, asset forfeiture revenues are not relied upon to fund ongoing operations and are treated as one-time resources for restricted purposes.

Partially offsetting this decrease was an increase of more than \$2 million in the California Fire Assignment Aide (CFAA) Fund, which accounts for revenues related to fire assignment deployments. The fiscal year experienced an unusually active wildfire season, with fire assignments beginning in July and continuing through January, resulting in increased reimbursements for personnel and equipment deployed to state and federal incidents. In addition, the City recognized \$2.2 million in American Rescue Plan Act revenues compared to the prior year. Although these ARPA funds were received in calendar year 2022, revenue recognition occurs only as eligible expenditures are incurred, consistent with federal program requirements and accounting standards.

Sales tax and Measure LV use tax revenues declined modestly during the fiscal year, reflecting continued shifts in consumer purchasing behavior toward online sales. General Fund Bradley-Burns sales tax revenues totaled \$5,153,410 in fiscal year 2024-25, compared to \$5,276,308 in the prior year, representing a decrease of \$122,898, or approximately 2 percent. While the absolute decline was relatively small, the City has historically experienced annual sales tax growth of approximately 3 percent. When compared to this historical growth trend, the current year result represents a revenue shortfall of approximately \$281,187.

Measure LV sales tax revenues totaled \$4,882,911 for the fiscal year, compared to \$5,061,078 in the prior year, representing a decrease of \$178,167, or 3.5 percent. A significant portion of online sales tax revenue, particularly from large retailers such as Amazon, is allocated to distribution center locations rather than local jurisdictions. This structural shift has been further compounded by the closure of several brick-and-mortar retailers, including the nationwide closure of all 99 Cent Store locations, which reduced local taxable sales activity during the year.

Measure W revenues were lower by approximately \$1.3 million compared to the prior fiscal year. Measure W, also known as the Safe, Clean Water Program, is a voter-approved parcel tax administered by Los Angeles County to fund multi-benefit stormwater capture, water quality, and watershed improvement projects. The City receives an annual allocation of Measure W funds; however, revenue levels can vary significantly from year to year based on the timing of project approvals and grant awards.

In the prior fiscal year, the City received additional Measure W grant funding for a multi-year watershed improvement project that remains in the planning phase. That one-time grant award did not recur in the current fiscal year, resulting in lower reported revenues despite continued receipt of the City's annual allocation. Accordingly, Measure W revenues fluctuate based on project timing and grant cycles rather than reflecting ongoing operating trends.

The cost of governmental activities exceeded related program revenues by \$37.7 million during the fiscal year. As a result, taxes and other general revenues financed approximately 54 percent of total governmental activity costs, an increase of 4 percent compared to the prior year. This growing reliance on general revenues reflects not only the volatility of certain program revenues, but also the fact that expenditure growth, particularly in personnel-related and public safety costs, continues to outpace growth in recurring revenues. Absent corresponding increases in stable revenue sources, this trend places additional pressure on the General Fund and underscores the importance of ongoing expenditure management and long-term financial planning to maintain structural balance.

MANAGEMENT'S DISCUSSION AND ANALYSIS

These dynamics are discussed further in the Economic Factors and Next Year's Budget section, which outlines how the City is addressing the structural gap between rising expenditure obligations and constrained revenue growth through conservative budgeting, reserve preservation, and ongoing evaluation of service levels.

Expenditures by Function

Governmental Activities

Public safety expenditures totaled \$43.1 million during the fiscal year, representing 63.1 percent of total governmental activity costs and making it the largest expenditure category. This represents a decrease of \$317,412 Pension expense for governmental activities totaled \$4.6 million in the current year, compared to \$8.5 million in the prior year. This decrease reflects actuarial accounting adjustments under GASB 68, including the amortization of prior-year investment gains and losses and updated actuarial experience based on CalPERS valuations, rather

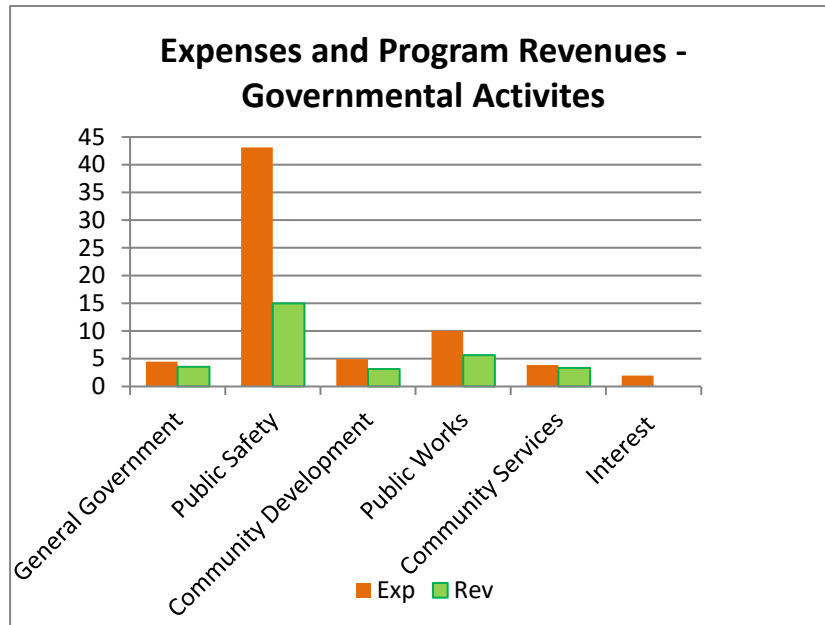
than changes in current-year payroll or benefit costs. Pension expense is an accounting allocation and can fluctuate significantly from year to year due to the timing of actuarial valuations and deferred recognition of investment performance.

Excluding pension-related impacts, public safety costs increased by \$3.48 million. Fire-related expenditures accounted for \$16.2 million of public safety costs, compared to \$13.2 million in the prior year. This increase was driven primarily by a \$2 million increase in fire assignment activity, as well as more than \$1 million in capital investments, including improvements at two fire stations, the purchase and outfitting of vehicles, and contractual and salary-related increases.

Police operations totaled \$15.6 million, compared to \$14.5 million in the prior year. The increase reflects overtime associated with special events and mutual aid deployments, including assistance provided during the Eaton Fire, as well as regular step increases and higher benefit costs. Increased unfunded accrued liability costs contributed approximately \$300,000 to the year-over-year increase.

Public safety expenditures also include \$7.6 million related to fiduciary public safety activities, including the Asset Forfeiture LA IMPACT Fund and the LA HIDTA Fund. These costs relate to regional task force operations and are not associated with day-to-day City police services. While charges for services and operating and capital grants covered approximately \$15 million of total public safety costs, \$7.6 million of these revenues are restricted for task force operations and are not available to support general City operations.

Excluding pension-related accounting adjustments, public safety operational and personnel costs



MANAGEMENT'S DISCUSSION AND ANALYSIS

increased during the year, driven primarily by higher fire assignment activity, overtime, and capital and equipment investments. While pension adjustments reduced total public safety expenditures in the current year, underlying service demands and personnel-related costs continue to exert upward pressure on future operating budgets. Accordingly, the year-over-year decrease in total public safety expenditures should be understood as an accounting-driven change rather than a reduction in the City's ongoing commitment to public safety services.

Community development expenditures totaled \$4.9 million, representing 7.2 percent of total governmental activity costs. Program revenues covered \$3.1 million of these costs, resulting in a net cost of \$1.7 million. Approximately \$330,000 of expenditures relate to pension adjustments, while reduced building permit activity resulted in a \$500,000 decline in charges for services compared to the prior year.

Public works expenditures totaled \$10.0 million, representing 14.7 percent of total governmental activity costs, a decrease of \$400,000 compared to the prior year. Program revenues which include sources such as gas tax funds, local measure revenues and grants offset \$5.6 million of these expenditures, including \$1.0 million in capital contributions and grants. During the fiscal year, the City anticipated potential revenue shortfalls and directed departments to identify opportunities to delay non-critical expenditures. In response, Public Works postponed selected maintenance and capital activities, providing short-term budget relief. While these actions helped reduce the anticipated General Fund shortfall, they are not sustainable as a long-term strategy given the City's extensive infrastructure and contractual service obligations. Public works expenditures include approximately \$370,000 in pension adjustments.

General government expenditures totaled \$4.5 million, or 6.5 percent of total governmental activity costs. This category includes administrative and support services such as finance, human resources, administration, City Council, and information systems. Information systems costs continue to be a significant driver within this category. Over a ten-year period, the information systems budget increased from \$330,000 to \$1.2 million, reflecting the growing reliance on technology, software subscriptions, cybersecurity, and network infrastructure across all City functions. Pension adjustment within this category totaled \$326,000 and contributed to an overall \$200,000 decrease compared to the prior fiscal year, largely due to reduced pension costs.

Community services expenditures totaled \$3.9 million during the fiscal year, representing 5.7 percent of total governmental activity costs. Program revenues supported \$3.3 million of these costs, resulting in a net cost of approximately \$521,000. Program revenues for this function consist primarily of charges for services such as recreation classes, aquatics programs, and facility rentals, as well as operating and capital grants, including voter-approved Proposition funds and Community Development Block Grant (CDBG) allocations that are restricted for specific program purposes.

Excluding pension-related accounting adjustments, community services operating costs increased by approximately \$120,000 compared to the prior year, driven primarily by lower enrollment and participation in aquatics programs, which reduced charges for services despite stable fee rates. The department is finalizing a parks master plan that includes a comprehensive review of user fees, with additional analysis planned in the next fiscal year to identify opportunities to reduce reliance on taxes and other general revenues.

Pension expense allocated to this function totaled approximately \$140,000 in the current year. Similar to other governmental functions, pension expense reflects actuarial accounting adjustments under GASB 68 and can fluctuate significantly from year to year based on valuation timing and deferred recognition of investment performance. As a result of reduced pension

MANAGEMENT'S DISCUSSION AND ANALYSIS

expense recognized in the current year, total reported community services expenditures decreased by more than \$1 million compared to the prior year. This decrease should be understood as an accounting-driven change rather than a reduction in community services programs or staffing levels.

Interest on long-term debt primarily from the Pension Obligation Bond, as well as the two revenue bonds totaled \$2.0 million, representing 2.9 percent of total governmental activity costs.

Business-Type Activities.

The net position of the City's business-type activities decreased by \$232,000 during the fiscal year, compared to a \$3.3 million decrease in the prior year. Similar to governmental activities, the change in net position was largely driven by pension-related adjustments. Pension adjustments for water services totaled \$620,133 in the current year, a significant decrease from \$1,408,492 in the prior fiscal year, while sewer services reported pension expenses of \$251,929 compared to \$572,200 previously.

The combined costs of the City's business-type activities, consisting of the Water and Sewer Funds, were funded through program revenues and available reserves. The Water Fund experienced a net reduction in net position of \$674,135, while the Sewer Fund reported an increase of \$441,906 in net position for the year. These results reflect differences in operating costs, capital timing, and pension adjustments between the two utilities.

Both the Water and Sewer Funds underwent a comprehensive rate study to address rates that have remained unchanged since 2018, and effective January 2019. The updated rates were approved by the City Council and will take effect in January 2026. The rate study evaluated long-term infrastructure needs, operating cost trends, and cash flow constraints, particularly within the Water Fund, where operating costs have steadily increased since the last rate adjustment. The approved rate changes are intended to ensure the long-term financial sustainability of the utility operations and to support critical infrastructure investments necessary to provide clean and reliable water service. While the City Council approved an increase, the amount of the first year increase was 15 percent below the recommended amount and a new rate study will need to be completed within three years to ensure continued sustainability of the water system.

Water services, the larger of the two business-type activities, accounted for 87 percent of total operating costs during the fiscal year and were fully financed by charges for services. Sewer services comprised the remaining 13 percent of total operating costs.

Financial Analysis of the City's Funds

As discussed previously, the City uses fund accounting to demonstrate compliance with finance-related legal requirements and to provide information on the availability and use of resources.

Governmental funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources, which is useful in assessing the City's short-term financing requirements and fiscal flexibility.

As of June 30, 2025, governmental funds reported a combined ending fund balance of \$82.0 million, representing a net increase of \$2.3 million. Significant contributors to this increase

MANAGEMENT'S DISCUSSION AND ANALYSIS

included a \$1.4 million increase in the Measure LV Fund, which is reserved for future salary and benefit costs in accordance with Measure LV spending guidelines. Measure LV will continue to generate more revenues to be placed in its reserve fund until approximately fiscal year 2026-27 when employee compensation expenditures begin to exceed Measure LV revenues. Additional contributors to the fund balance include a \$743,000 increase in Internal Service Funds.

Of the total governmental fund balance, approximately 6.2 percent, or \$5.1 million, is classified as assigned and is available for discretionary spending. The remaining fund balance is subject to varying levels of external or internal constraints. Fund balance classifications, listed in order of their relative strength of spending restrictions, consist of restricted balances totaling 84.4 percent, or \$69.3 million, committed balances totaling 11.9 percent, or \$9.8 million, assigned balances as noted above, unassigned balances of negative \$2.3 million, and non-spendable balances of 0.2 percent, or \$200,501.

The negative unassigned fund balance at year-end is primarily attributable to timing-related accounting classifications rather than fiscal imbalance. Approximately \$1.3 million relates to American Rescue Plan Act (ARPA) funds that have been received but not yet expended and therefore cannot be recognized as revenue. The remaining balance is largely the result of expenditures incurred for which reimbursement requests have been submitted but not yet received as of year-end. Although the unassigned fund balance is negative, the City maintains sufficient liquidity through restricted and committed reserves, and this presentation does not indicate a cash shortfall or an inability to meet current obligations.

General Fund

The General Fund, the City's primary operating fund, reported a total fund balance of \$20.9 million as of June 30, 2025, of which \$5.1 million is classified as assigned and available for discretionary purposes. To evaluate the General Fund's liquidity and financial flexibility, these balances are commonly compared to annual operating expenditures. The assigned fund balance represents approximately 10.5 percent of total General Fund operating expenditures, while the total fund balance represents approximately 43 percent. After excluding restricted and non-spendable amounts that are not available to support ongoing operations, the remaining General Fund balance represents approximately 30 percent of operating expenditures. This measure provides a more meaningful indication of the resources available to manage short-term risks, economic uncertainty, and unanticipated expenditures.

While the General Fund's total fund balance increased overall, the growth occurred primarily within restricted and non-spendable categories. Both committed and assigned fund balances declined during the year, reflecting a net use of approximately \$170,000 of discretionary fund balance.

To prepare for unforeseen events such as emergencies, adverse state budget impacts, economic downturns, or natural disasters, the City Council has adopted an emergency contingency policy requiring a minimum committed fund balance equal to 15 percent of the General Fund operating budget. In addition, the City maintains a Working Capital policy that preserves a five percent reserve to address economic uncertainties.

MANAGEMENT'S DISCUSSION AND ANALYSIS

During the most recent mid-year budget update, City Administration designated assigned fund balances to address potential unexpected expenditures. These allocations included \$500,000 for future workers' compensation claims, \$250,000 for litigation or legal expenses, and \$500,000 designated by the City Council for capital projects. These policies and allocations reflect the City's ongoing commitment to fiscal stability and preparedness.

The General Fund's total fund balance increased by \$605,482 during the fiscal year ended June 30, 2025. This increase was entirely attributable to investment income. Restricted fund balance includes the City's Section 115 Trust, which serves as a reserve for future unfunded pension liabilities and increased by \$574,754 during the year. The remaining increase, \$200,501 occurred within the non-spendable category, reflecting market value changes recognized during fiscal year 2024-25. With these two amounts being non-spendable or restricted the use of available reserves was \$169,773.

Other Major Governmental Funds

In addition to the General Fund, the City reports four major governmental funds, the ARPA Fund, Measure A, the Measure LV Fund, and the Forfeiture LA IMPACT Fund.

ARPA ended the fiscal year with a change in fund balance of \$1.3 million, due to the recognition of ARPA revenues during the year, which reduced the ending negative fund balance from the prior year by more than \$2 million.

Measure A activity was driven largely by capital park investments supported by voter-approved regional park funding administered by Los Angeles County. While Measure A allocations have been formally awarded to the City over several years, the related revenues are reimbursable in nature and are recognized only as eligible expenditures are incurred and reimbursement requests are approved. As of June 30, 2025, the Measure A Fund reported a negative fund balance of approximately \$770,000, reflecting capital expenditures incurred during the year, including improvements at Las Flores Park, for which County allocations had been approved but reimbursements had not yet been received. This timing difference does not represent a funding shortfall and is expected to be resolved upon receipt of Measure A reimbursements in subsequent periods.

The Measure LV Fund reported a year-end fund balance of \$12.5 million. Spending guidelines for Measure LV establish two tiers of use, with the primary purpose being the funding of past and future salary and benefit increases to maintain competitive compensation levels relative to comparable agencies.

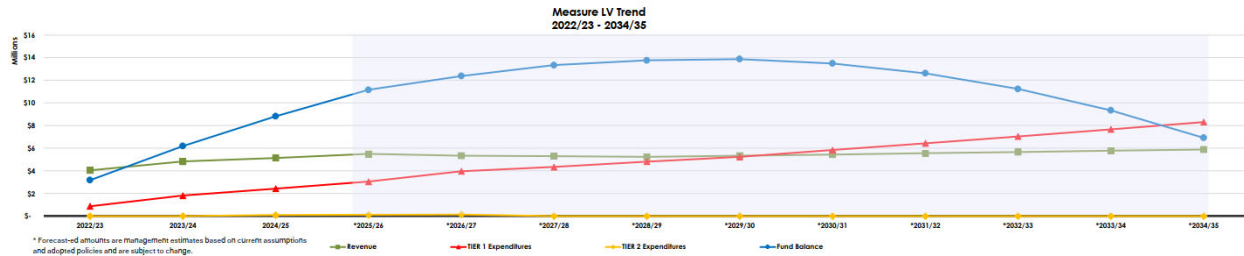
The Asset Forfeiture Fund reported a fund balance of \$9.6 million, which is restricted for task force operations.

Measure LV Fund

Measure LV is a voter-approved transactions and use tax with legally restricted spending guidelines adopted by the City Council. Revenues generated by Measure LV are intended to support public safety, infrastructure, and employee compensation and benefit costs in accordance with those guidelines. Because certain eligible expenditures, particularly compensation-related costs, are expected to occur in future fiscal years, Measure LV revenues may be accumulated over time rather than expended in the year received. The City's financial strategy for Measure LV focuses on long-term sustainability, ensuring that one-time or volatile revenues are not used to support permanent ongoing obligations without sufficient future funding capacity.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following chart illustrates the projected long-term use of Measure LV revenues under the City's existing Tier 1 and Tier 2 spending guidelines, including anticipated expenditures and the resulting projected fund balance over time.



The projections shown are based on current assumptions, adopted spending policies, and known cost drivers, including compensation and benefit obligations, and are intended to illustrate the long-term financial framework for Measure LV rather than serve as a budget commitment. Actual revenues and expenditures may differ due to changes in economic conditions, labor agreements, service demands, or future City Council actions. Accordingly, Measure LV fund balance levels fluctuate over time as revenues are set aside to support planned future expenditures, and the accumulation of fund balance does not represent surplus resources available for discretionary use outside the voter-approved spending guidelines.

The City places a strong emphasis on actively managing Measure LV revenues to ensure the long-term availability of resources for eligible future expenditures, including salary and benefit increases. Given the volatility of sales tax revenues and the ongoing growth in compensation and benefit costs, Measure LV is intentionally structured and monitored to avoid the use of one-time revenues for permanent obligations without sufficient future funding capacity. By accumulating fund balance during periods of stronger revenue performance and aligning expenditures with adopted Tier 1 and Tier 2 spending guidelines, the City seeks to maintain stability in labor funding over time while preserving fiscal flexibility and minimizing the risk of future structural imbalances.

Proprietary funds

The combined unrestricted net position of the City's proprietary funds, consisting of the Water and Sewer Enterprise Funds, totaled \$13.1 million at the end of fiscal year 2024-25. The combined change in unrestricted net position for the year was a decrease of approximately \$200,000. This change was driven in part by pension expense recognized for accounting purposes under GASB 68, which can fluctuate from year to year based on actuarial valuations and deferred recognition of investment performance, as well as increased operating costs. The pension-related adjustments reflected in the current year do not correspond to changes in utility staffing levels or service delivery.

A comprehensive utility rate study has been completed, and new rates approved by the City Council will take effect January 1, 2026. The rate adjustments are intended to address long-term operating and capital needs of the Water and Sewer systems and are not related to short-term pension accounting fluctuations.

MANAGEMENT'S DISCUSSION AND ANALYSIS

General Fund Budgetary Highlights

The final amended General Fund expenditure budget increased by \$1.6 million compared to the original budget. This increase was primarily driven by budget adjustments, including approximately \$620,000 in encumbrance rollovers from the prior fiscal year and a net increase of \$660,000 identified during the mid-year budget review. The largest mid-year adjustment was a \$1,071,447 increase in Fire Department personnel costs related to overtime, partially offset by a \$520,000 reduction in the Public Works Department budget.

Actual expenditures were \$1.3 million below the final amended budget, primarily due to savings in the Public Safety Department. Overtime budgeted for fire operations was ultimately not required, contributing significantly to these savings. Although year-end retained earnings totaled \$605,482, this amount included approximately \$775,000 in non-spendable market value increases. After excluding non-spendable amounts and accounting for \$433,000 in encumbrance rollovers from fiscal year 2024-25, the use of spendable General Fund reserves totaled approximately \$600,000.

Capital Assets and Depreciation

Capital Assets. Capital assets are those assets used in the performance of the City's functions, including land, buildings, and infrastructure. As of June 30, 2025, net capital assets for governmental activities totaled \$61.6 million, while net capital assets for business-type activities totaled \$28.9 million, for a combined total of \$90.6 million. Depreciation of capital assets is recognized in the government-wide financial statements. Total depreciation expense for the year was \$2.9 million, consisting of \$2.2 million for governmental activities and \$656,783 for business-type activities.

Table 3
Capital Assets
As of June 30, 2025 and 2024
(net of accumulated depreciation)
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 11,763	\$ 11,763	\$ 1,773	\$ 1,773	\$ 13,536	\$ 13,536
Investment in water rights			\$ 11,977	\$ 11,977	\$ 11,977	\$ 11,977
Rights of way	9,619	9,619	-	-	9,619	9,619
Buildings and improvements	12,572	9,693	1,020	1,030	13,592	10,723
Automotive equipment	6,532	6,733	397	420	6,929	7,152
Machinery & equipment	3,805	3,316	344	391	4,149	3,707
Office furniture & equipment	980	679	23	25	1,003	704
Infrastructure - streets, bridges and signals	14,378	10,159			14,378	10,159
Construction In-Progress	1,667	1,703			1,667	1,703
Property, plant & equipment SBITA	-	-	13,405	13,274	13,405	13,274
	324	515	-	-	324	515
Total	\$ 61,640	\$ 54,179	\$ 28,939	\$ 28,890	\$ 90,579	\$ 83,069

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Funds. Total capital asset additions for governmental activities amounted to \$7.4 million, an increase of \$2.6 million compared to the prior year. The largest components of these additions were \$3.8 million for infrastructure, primarily streets, and \$1.9 million for buildings and other improvements which included the addition of a new restroom at Las Flores Park.

Proprietary Funds. Total capital asset additions for business-type activities were \$616,472, with the major increase of \$391,398 in Water Distribution which included rehab of a booster pump and the purchase of water meters.

Additional information on Capital Assets can be found in Note 5 of the Notes to the Basic Financial Statements.

Long-Term Liabilities and Debt Administration

As of June 30, 2025, the City reported total long-term liabilities of \$88.3 million and non-current liabilities of \$75.6 million. These obligations consist of pension obligation bonds, revenue bonds, compensated absences, net pension and other post-employment benefit liabilities.

Total non-current liabilities decreased by a net \$4.29 million during the fiscal year. This reduction resulted from scheduled debt service payments, a \$1.1 million decrease in the City's net pension liability, and an \$876,000 decrease in the OPEB liability. The improvement in pension and OPEB liabilities reflects a combination of favorable actuarial experience and investment performance recognized during the valuation period.

While CalPERS experienced a significant negative investment return of -6.1 percent in fiscal year 2021-22, which materially increased pension liabilities in subsequent years, investment performance improved in fiscal year 2022-23, with a positive return of 5.8 percent. Although this return did not fully meet the assumed discount rate, it represented a substantial improvement from the prior year's loss and reduced the magnitude of investment-related actuarial losses. In addition, continued employer and employee contributions and favorable demographic experience further contributed to the reduction in the reported net pension liability.

Due to actuarial smoothing and the delayed recognition of investment gains and losses under GASB 68, changes in pension liabilities reflect multi-year trends rather than single-year market performance. As a result, the reduction in the City's net pension liability during fiscal year 2024-25 should be understood as an accounting-driven improvement influenced by improved market conditions and actuarial factors, rather than an indication that future pension costs or required employer contributions will decline in the near term.

The City maintained its credit ratings throughout fiscal year 2024-25. The City's issuer credit rating from Standard and Poor's remains AA+, reflecting strong financial management practices and stable credit quality. Under the California State Constitution, a city's general obligation debt is limited to 3.75 percent of its total assessed valuation. As of June 30, 2025, the City of La Verne's assessed valuation was \$234 million, providing substantial legal debt capacity.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Table 4
Long term Liabilities
As of June 30, 2025 and 2024
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenue bonds	\$ 4,590	\$ 5,340	\$ -	\$ -	\$ 4,590	\$ 5,340
Pension bonds	40,102	41,471	4,263	4,409	44,365	45,880
Compensated absences	3,282	2,896	227	177	3,509	3,073
Unpaid claims liability	1,584	1,387			1,584	1,387
SBITA Liability	162	412	-	-	162	412
Net Pension Liability	17,586	18,495	3,288	3,458	20,874	21,953
Net OPEB Obligation	2,984	3,580	1,404	1,684	4,388	5,264
Total	\$ 70,290	\$ 73,581	\$ 9,182	\$ 9,728	\$ 79,471	\$ 83,309

Additional information on the City's long-term liabilities can be found in notes 7, 8 and 9 of the Notes to the Basic Financial Statements.

Economic Factors and Next Year's Budget, Tax Rates and Fee Levels

As of June 2025, the City of La Verne continues to operate within a challenging and evolving economic environment influenced by broader national and statewide trends, including elevated interest rates, moderated inflation, and ongoing shifts in consumer behavior. Employment conditions remain relatively stable, and La Verne continues to function largely as a residential or "bedroom" community, with a significant portion of residents commuting to employment centers outside the City. While workforce reductions have occurred in select industries, these impacts have not materially altered overall employment stability within the community.

Inflationary pressures have moderated compared to prior years; however, the lingering effects of higher prices continue to influence household spending decisions. Consumers remain cautious, prioritizing essential goods and services while reducing discretionary spending. Sales tax revenues have shown no growth on a year-to-date basis through June 2025, reflecting constrained consumer activity. At the same time, the ongoing shift toward online purchasing and service-based consumption continues to challenge traditional brick-and-mortar retail establishments. This trend has been further compounded by the closure of several national retail chains, which has reduced local point-of-sale activity and increased volatility in sales tax receipts.

High interest rates, which have remained above six percent for much of the fiscal year, have significantly constrained housing market activity in La Verne. Elevated borrowing costs and limited housing inventory have reduced the number of residential transactions, resulting in relatively flat growth in property tax revenues despite continued increases in assessed values. While fewer homes are changing hands, property values remain strong, reflecting La Verne's desirability and the stability of its existing homeowner base. This dynamic has created a structural challenge for the City, as the cost of providing municipal services continues to rise while growth in property tax revenues remains comparatively limited due to low turnover.

MANAGEMENT'S DISCUSSION AND ANALYSIS

From a budgetary perspective, this environment underscores the City's reliance on economically sensitive revenue sources, particularly sales tax, while highlighting the importance of maintaining adequate reserves and exercising disciplined expenditure management. For fiscal year 2025-26, the City has continued to approach tax rates and user fees cautiously, balancing the need to fund essential services and infrastructure with affordability concerns for residents and businesses. Recent utility rate studies for the Water and Sewer Funds confirmed that rate adjustments were necessary to ensure long-term financial sustainability and to fund planned capital improvements, with approved rate increases scheduled to take effect beginning in calendar year 2026.

Pension Expense

This discussion is intentionally detailed due to the material impact of pension costs and unfunded liabilities on the City's long-term financial sustainability and budget planning.

Despite the City's relative economic stability, long-term fiscal pressures continue to be driven primarily by pension obligations associated with the City's participation in the California Public Employees' Retirement System. Pension costs are funded through a combination of employee contributions, employer contributions, and investment earnings. Required employer contributions are highly sensitive to actuarial assumptions and investment performance, both of which are outside the City's direct control.

The reduction of the CalPERS discount rate from seven percent to 6.8 percent, along with changes in demographic and economic assumptions related to salary growth, payroll trends, cost-of-living adjustments, mortality, and retirement behavior, has increased the City's long-term pension liabilities over time. While these assumptions are intended to improve the long-term sustainability of the system, they have also resulted in higher required contributions for participating employers, including the City.

The City has taken proactive steps to manage pension-related risks and costs. These actions include adopting the Public Employees' Pension Reform Act in 2013 for new employees, issuing a Pension Obligation Bond in 2018 to address a portion of the unfunded liability at a fixed interest rate, and establishing a Pension Stabilization Fund to help mitigate contribution volatility. These measures have improved predictability and provided short-term relief; however, they have not eliminated the underlying exposure to market-driven fluctuations.

CalPERS actuarial valuations are released annually and establish employer contribution rates with a two-year lag between the measurement date and the fiscal year in which the rates are applied. As a result, pension costs can change significantly from year to year based on investment performance that occurred several years earlier. This lag complicates long-term financial planning and limits the City's ability to respond quickly to changing conditions.

Investment performance has demonstrated considerable volatility in recent years. Strong returns in fiscal year 2020-21 significantly reduced required contributions in subsequent years, while investment losses in fiscal year 2021-22 resulted in a sharp increase in unfunded actuarial liability payments. For fiscal year 2025-26, the City is experiencing a substantial increase in required pension contributions as a result of those earlier market losses. Although preliminary investment results for fiscal year 2024-25 indicate returns exceeding the assumed discount rate, the financial benefits of those gains will not be reflected in employer contribution rates until future fiscal years due to the actuarial smoothing and lagged reporting process.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CalPERS amortizes unfunded actuarial liabilities over extended periods, similar to a mortgage, using multiple amortization layers based on the source of the liability. Investment gains and losses are generally amortized over 20 years with smoothing mechanisms, while assumption and experience changes may be amortized over periods of up to 30 years. While these policies reduce short-term volatility, they also result in increasing contribution requirements over time when losses occur, even as market conditions improve.

The resulting growth in unfunded actuarial liability payments presents a significant challenge for City leadership. These obligations are largely driven by global market conditions and CalPERS investment performance, yet must be funded through local revenues. Opportunities to mitigate these costs through local policy decisions are limited and often compete with other priorities, including employee retention, recruitment, and the continued delivery of essential services.

Outlook

These considerations have been incorporated into the City's fiscal year 2025-26 budget assumptions, which include conservative revenue projections and a continued emphasis on reserve preservation.

In response to prevailing economic and fiscal conditions, the City continues to approach budget development with a focus on long-term sustainability, prudent reserve management, and careful evaluation of ongoing service levels. In prior years, the City adopted a strategic objective of working toward a structurally balanced budget. This remains a citywide goal that involves collaboration among City Council, staff, and the community to ensure that recurring revenues are sufficient to support ongoing expenditures.

While the City of La Verne benefits from a stable residential base and strong community cohesion, structural cost pressures, particularly those related to pensions and employee benefits, are expected to continue influencing budget decisions in the coming years.

The City remains committed to maintaining a competitive and stable compensation system for its employees while balancing affordability for residents and businesses. Achieving this balance will require continued monitoring of economic conditions, conservative revenue assumptions, and proactive planning for long-term liabilities. Through disciplined financial management and forward-looking policy decisions, the City is positioning itself to address near-term challenges while preserving its capacity to deliver high-quality municipal services.

Requests for Information

This financial report is designed to provide a general overview of the City of La Verne's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, City of La Verne, 3660 D Street, La Verne, California 91750, (909) 596-8752.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of La Verne
Statement of Net Position
June 30, 2025

(with comparative data for June 30, 2024)

	Primary Government			
	Governmental Activities	Business-type Activities	Totals	
			2025	2024
ASSETS				
Current assets:				
Cash and investments	\$ 77,469,696	\$ 19,203,835	\$ 96,673,531	\$ 93,882,582
Cash and investments with fiscal agents	4,570,952	-	4,570,952	5,624,872
Restricted cash	5,508,128	-	5,508,128	4,927,499
Interest receivable	27,011	7,157	34,168	98,148
Accounts receivable	3,717,816	2,563,410	6,281,226	6,288,023
Taxes receivable	271,710	-	271,710	255,848
Special assessments receivable	7,301	-	7,301	22,826
Loans receivable	28,425	-	28,425	52,874
Leases receivable	58,630	33,482	92,112	85,348
Due from other governments	3,697,936	6,771	3,704,707	3,509,886
Due from Successor Agency	200,000	-	200,000	200,000
Other prepaid items	5,534	-	5,534	68,017
Inventory of materials and supplies, at cost	91,725	-	91,725	85,075
Land held for resale	381,356	-	381,356	381,356
Internal balances	(1,011,664)	1,011,664	-	-
Total current assets	95,024,556	22,826,319	117,850,875	115,482,354
Noncurrent assets:				
Leases receivable	1,432,045	742,242	2,174,287	2,266,398
Due from Successor Agency	643,307	-	643,307	810,000
Capital assets:				
Nondepreciable	23,048,275	1,773,228	24,821,503	24,857,116
Depreciable	38,594,505	15,190,431	53,784,936	46,234,844
Water rights	-	11,976,728	11,976,728	11,976,728
Total capital assets	61,642,780	28,940,387	90,583,167	83,068,688
Total noncurrent assets	63,718,132	29,682,629	93,400,761	86,145,086
Total assets	158,742,688	52,508,948	211,251,636	201,627,440
DEFERRED OUTFLOWS OF RESOURCES				
Pension related	12,411,109	2,320,179	14,731,288	23,140,909
OPEB related	1,110,180	522,439	1,632,619	1,887,443
Total deferred outflows of resources	13,521,289	2,842,618	16,363,907	25,028,352

City of La Verne
Statement of Net Position
June 30, 2025

(with comparative data for June 30, 2024)

	Primary Government			
	Governmental Activities	Business-type Activities	Totals	
			2025	2024
LIABILITIES				
Current liabilities:				
Accounts payable	2,915,670	1,642,613	4,558,283	3,430,325
Accrued expenses	2,266,388	122,953	2,389,341	1,947,546
Accrued interest payable	232,478	14,876	247,354	289,462
Unearned revenue	1,340,490	-	1,340,490	4,261,921
Deposits payable	296,323	63,856	360,179	399,853
Compensated absences - current	1,352,248	104,153	1,456,401	917,431
Long-term debt - current portion	2,272,166	150,877	2,423,043	2,514,334
Total current liabilities	10,675,763	2,099,328	12,775,091	13,760,872
Noncurrent liabilities:				
Compensated absences	1,929,679	122,850	2,052,529	2,156,445
Unpaid claims liability	1,584,000	-	1,584,000	1,387,000
Net pension liability	17,586,043	3,287,598	20,873,641	21,953,023
OPEB liability	2,983,644	1,404,068	4,387,712	5,264,005
Long-term debt	42,581,403	4,112,600	46,694,003	49,117,047
Total noncurrent liabilities	66,664,769	8,927,116	75,591,885	79,877,520
Total liabilities	77,340,532	11,026,444	88,366,976	93,638,392
DEFERRED INFLOWS OF RESOURCES				
Pension related	6,893,063	1,288,615	8,181,678	9,975,017
OPEB related	676,610	318,404	995,014	858,732
Lease related	1,343,720	671,617	2,015,337	2,148,214
Total deferred inflows of resources	8,913,393	2,278,636	11,192,029	12,981,963
NET POSITION				
Net investment in capital assets	58,410,803	28,940,387	87,351,190	79,473,285
Restricted for:				
General government	5,826,456	-	5,826,456	324,203
Public safety	3,213,055	-	3,213,055	12,890,363
Community development	31,062,487	-	31,062,487	13,054,069
Public works	30,550,282	-	30,550,282	27,529,107
Community services	255,054	-	255,054	830,685
Measure LV General Fund Support	-	-	-	11,124,087
Total restricted	70,907,334	-	70,907,334	65,752,514
Unrestricted	(43,308,085)	13,106,099	(30,201,986)	(25,190,362)
Total net position	\$ 86,010,052	\$ 42,046,486	\$ 128,056,538	\$ 120,035,437

City of La Verne

Statement of Activities

For the year ended June 30, 2025

(with comparative data for the year ended June 30, 2024)

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 4,451,094	\$ 499,657	\$ 119,411	\$ 2,921,431	\$ 3,540,499
Public safety	43,121,934	7,364,891	7,596,928	-	14,961,819
Community development	4,894,806	1,571,620	316,491	1,254,107	3,142,218
Public works	10,035,249	4,491,769	88,153	1,065,800	5,645,722
Community services	3,856,666	3,173,724	125,904	35,535	3,335,163
Interest and fiscal charges	1,962,161	-	-	-	-
Total governmental activities	68,321,910	17,101,661	8,246,887	5,276,873	30,625,421
Business-type Activities:					
Water	12,170,707	12,051,958	-	-	12,051,958
Sewer	1,809,493	1,912,947	-	-	1,912,947
Total business-type activities	13,980,200	13,964,905	-	-	13,964,905
Total primary government	\$ 82,302,110	\$ 31,066,566	\$ 8,246,887	\$ 5,276,873	\$ 44,590,326

General Revenues:

Taxes:

Property taxes

Motor vehicle in lieu

Sales taxes

Utility and other taxes

Special assessments

Total taxes

Investment income

Net increase (decrease) in fair value of investments

Other

Proceeds from sale of property

Loss on sale of capital assets

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning of year

Restatement

Net position - beginning of year, as restated

Net position - end of year

Net (Expense) Revenue and Changes in Net Position		Totals	
Governmental Activities	Business-Type Activities	2025	2024
\$ (910,595)	\$ -	\$ (910,595)	\$ (3,017,950)
(28,160,115)	-	(28,160,115)	(21,795,991)
(1,752,588)	-	(1,752,588)	(1,606,199)
(4,389,527)	-	(4,389,527)	(5,091,278)
(521,503)	-	(521,503)	(709,942)
(1,962,161)	-	(1,962,161)	(2,099,963)
(37,696,489)	-	(37,696,489)	(34,321,323)
-	(118,749)	(118,749)	(1,474,281)
-	103,454	103,454	39,018
-	(15,295)	(15,295)	(1,435,263)
(37,696,489)	(15,295)	(37,711,784)	(35,756,586)
11,643,227	-	11,643,227	11,285,555
4,748,767	-	4,748,767	4,571,821
5,683,025	-	5,683,025	5,814,237
13,322,084	-	13,322,084	14,585,951
2,322,396	-	2,322,396	2,171,737
37,719,499	-	37,719,499	38,429,301
3,178,553	774,995	3,953,548	3,692,748
1,763,780	269,553	2,033,333	1,286,245
1,459,370	46,318	1,505,688	3,434,108
24,400	-	24,400	-
(15,915)	-	(15,915)	-
1,307,800	(1,307,800)	-	-
45,437,487	(216,934)	45,220,553	46,842,402
7,740,998	(232,229)	7,508,769	11,085,816
77,816,066	42,219,371	120,035,437	108,949,621
452,988	59,344	512,332	-
78,269,054	42,278,715	120,547,769	108,949,621
\$ 86,010,052	\$ 42,046,486	\$ 128,056,538	\$ 120,035,437

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FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements

Proprietary Fund Financial Statements

Fiduciary Fund Financial Statements

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City of La Verne
Balance Sheet
Governmental Funds
June 30, 2025

(with comparative data for June 30, 2024)

	Special Revenue Funds			
	General Fund	ARPA	Measure LV	Asset Forfeiture LA impact
ASSETS				
Cash and investments	\$ 14,231,537	\$ 33,164	\$ 11,724,996	\$ 9,699,053
Cash and investments with fiscal agents	-	-	-	-
Restricted cash	5,508,128	-	-	-
Interest receivable	4,491	134	4,557	4,016
Accounts receivable	1,976,956	-	-	-
Taxes receivable	271,710	-	-	-
Special assessments receivable	-	-	-	-
Loans receivable	28,425	-	-	-
Leases receivable	1,490,675	-	-	-
Due from other funds	1,226,383	-	-	-
Due from other governments	1,042,290	-	883,235	-
Due from Successor Agency	33,307	-	-	-
Prepaid items	1,500	-	-	-
Inventory of materials and supplies, at cost	-	-	-	-
Land held for resale	-	-	-	-
Total assets	\$ 25,815,402	\$ 33,298	\$ 12,612,788	\$ 9,703,069
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,048,819	\$ 8,146	\$ 72,422	\$ 75,753
Accrued expenses	2,192,938	-	-	-
Deposits payable	271,887	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	1,340,490	-	-
Advances from other funds	-	-	-	-
Total liabilities	3,513,644	1,348,636	72,422	75,753
Deferred Inflows of Resources				
Unavailable revenue	34,994	-	-	-
Leases related	1,343,720	-	-	-
Total deferred inflows of resources	1,378,714	-	-	-
Fund Balances:				
Nonspendable	200,501	-	-	-
Restricted	5,826,456	-	12,540,366	9,627,316
Committed	9,767,385	-	-	-
Assigned	5,128,702	-	-	-
Unassigned	-	(1,315,338)	-	-
Total fund balances	20,923,044	(1,315,338)	12,540,366	9,627,316
Total liabilities, deferred inflows of resources and fund balances	\$ 25,815,402	\$ 33,298	\$ 12,612,788	\$ 9,703,069

See accompanying Notes to Basic Financial Statements.

Special Revenue Funds		Totals	
Measure A Fund	Nonmajor Governmental Funds	2025	2024
\$ -	\$ 36,750,221	\$ 72,438,971	\$ 72,131,731
-	4,570,952	4,570,952	5,624,872
-	-	5,508,128	4,927,499
-	11,918	25,116	74,716
770,030	970,830	3,717,816	3,431,212
-	-	271,710	255,848
-	7,301	7,301	22,826
-	-	28,425	52,874
-	-	1,490,675	1,545,473
-	-	1,226,383	1,399,468
-	1,772,411	3,697,936	3,506,161
-	810,000	843,307	1,010,000
-	-	1,500	-
-	25,938	25,938	34,321
-	134,981	134,981	134,981
<u>\$ 770,030</u>	<u>\$ 45,054,552</u>	<u>\$ 93,989,139</u>	<u>\$ 94,151,982</u>
\$ 368,384	\$ 1,311,142	\$ 2,884,666	\$ 2,553,453
-	46,609	2,239,547	1,832,647
-	24,436	296,323	332,334
401,645	824,738	1,226,383	1,399,468
-	-	1,340,490	4,261,921
-	1,011,664	1,011,664	1,074,232
<u>770,029</u>	<u>3,218,589</u>	<u>8,999,073</u>	<u>11,454,055</u>
770,030	755,374	1,560,398	1,482,834
-	-	1,343,720	1,426,847
<u>770,030</u>	<u>755,374</u>	<u>2,904,118</u>	<u>2,909,681</u>
-	-	200,501	-
-	41,297,413	69,291,551	68,979,424
-	-	9,767,385	9,684,699
-	-	5,128,702	5,381,161
(770,029)	(216,824)	(2,302,191)	(4,257,038)
<u>(770,029)</u>	<u>41,080,589</u>	<u>82,085,948</u>	<u>79,788,246</u>
\$ 770,030	\$ 45,054,552	\$ 93,989,139	\$ 94,151,982

City of La Verne

Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position June 30, 2025

Total Fund Balances - Total Governmental Funds \$ 82,085,948

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

Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. Except for the internal service funds reported below, the capital assets were adjusted as follows:	Government- Wide Statement of Net Position	Internal Service Funds	Total
Nondepreciable	\$ 23,048,275	\$ -	\$ 23,048,275
Depreciable, net	38,594,505	(3,827,816)	34,766,689
Total capital assets	<u>\$ 61,642,780</u>	<u>\$ (3,827,816)</u>	<u>57,814,964</u>
Capital asset recharacterized as land held for resale			<u>\$ 246,375</u>

Internal service funds were used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the Internal service funds were included in governmental activities in the Government-Wide Statement of Net Position. 7,268,160

Unavailable revenues recorded in the fund financial statements resulting from activities in which revenues were earned but were not available are reclassified as revenues in the Government-Wide Financial Statements. 1,560,398

In the Government-Wide Financial Statements, deferred employer contributions for pension and OPEB, certain differences between actuarial estimates and actual results, and other adjustments resulting from changes in assumptions and benefits are deferred in the current year.

Deferred outflows of resources related to pension	12,411,109
Deferred outflows of resources related to OPEB	1,110,180
Deferred inflows of resources related to pension	(6,893,063)
Deferred inflows of resources related to OPEB	(676,610)

Long-term liabilities were not due and payable in the current period. Therefore, they were not reported in the Governmental Funds Balance Sheet.

	Government- Wide Statement of Net Position	Internal Service Funds	Total
Compensated absences - due within one year	\$ (1,352,248)	\$ 17,770	\$ (1,334,478)
Interest payable	(232,478)	-	(232,478)
Long-term debt - due within one year	(2,272,166)	-	(2,272,166)
Compensated absences - due in more than one year	(1,929,679)	2,482	(1,927,197)
Long-term debt - due in more than one year	(42,581,403)	-	(42,581,403)
Net pension liability	(17,586,043)	-	(17,586,043)
Net OPEB liability	(2,983,644)	-	(2,983,644)
Total long-term liabilities	<u>\$ (68,937,661)</u>	<u>\$ 20,252</u>	<u>(68,917,409)</u>

Net Position of Governmental Activities \$ 86,010,052

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City of La Verne

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the year ended June 30, 2025

(with comparative data for the year ended June 30, 2024)

	Special Revenue Funds			
	General Fund	ARPA	Measure LV	Asset Forfeiture LA impact
REVENUES:				
Property taxes	\$ 16,340,861	\$ -	\$ -	\$ -
Other taxes	10,785,094	-	4,882,911	-
Licenses and permits	1,560,046	-	-	-
Intergovernmental	572,339	2,921,431	-	444,837
Charges for services	9,020,597	-	-	-
Fines and forfeitures	29,034	-	-	-
Special assessments	-	-	-	-
Investment income	463,268	-	455,536	432,167
Net increase (decrease) in fair value of investments	781,130	-	171,634	151,253
Rents	317,874	-	-	-
Other	121,101	-	-	-
Donations and contributions	52,026	-	-	-
Total revenues	40,043,370	2,921,431	5,510,081	1,028,257
EXPENDITURES:				
Current:				
General government	4,112,053	95,039	-	153
Public safety	27,483,903	-	95,976	606,309
Community development	2,626,099	131	-	-
Public works	8,851,505	-	-	-
Community services	2,039,911	49,327	-	-
Capital projects	125,791	483,353	6,711	65,868
Debt service:				
Principal retirement	1,618,744	-	-	-
Interest	1,739,347	-	-	-
Total expenditures	48,597,353	627,850	102,687	672,330
REVENUES OVER (UNDER) EXPENDITURES	(8,553,983)	2,293,581	5,407,394	355,927
OTHER FINANCING SOURCES (USES):				
Transfers in	9,295,502	-	-	-
Transfers out	(136,037)	(500,183)	(3,991,115)	(1,447,500)
Proceeds from sale of property	-	-	-	-
Issuance of Debt	-	-	-	-
Total other financing sources (uses)	9,159,465	(500,183)	(3,991,115)	(1,447,500)
Net change in fund balances	605,482	1,793,398	1,416,279	(1,091,573)
FUND BALANCES:				
Beginning of year	20,317,562	(3,108,736)	11,124,087	10,718,889
End of year	\$ 20,923,044	\$ (1,315,338)	\$ 12,540,366	\$ 9,627,316

See accompanying Notes to Basic Financial Statements.

Special Revenue Funds		Totals	
Measure A Fund	Nonmajor Governmental Funds	2025	2024
\$ -	\$ -	\$ 16,340,861	\$ 15,816,748
-	4,265,297	19,933,302	19,897,070
-	21,571	1,581,617	2,156,042
-	9,457,112	13,395,719	20,425,686
-	3,453,569	12,474,166	9,542,227
-	409,608	438,642	407,235
-	2,322,396	2,322,396	2,171,737
-	1,660,716	3,011,687	2,802,972
-	588,358	1,692,375	1,152,881
-	2,385,714	2,703,588	2,740,749
-	366,530	487,631	1,525,410
-	-	52,026	293,190
-	24,930,871	74,434,010	78,931,947
118,220	11,145	4,336,610	4,743,686
-	10,789,557	38,975,745	35,488,923
-	1,951,748	4,577,978	4,097,538
-	280,273	9,131,778	7,781,617
-	1,294,570	3,383,808	3,171,053
651,809	7,373,755	8,707,287	3,851,326
-	750,000	2,368,744	2,275,512
-	264,487	2,003,834	2,046,125
770,029	22,715,535	73,485,784	63,455,780
(770,029)	2,215,336	948,226	15,476,167
-	2,307,039	11,602,541	12,511,341
-	(4,187,430)	(10,262,265)	(9,660,747)
-	9,200	9,200	24,236
-	-	-	270,141
-	(1,871,191)	1,349,476	\$3,144,971
(770,029)	344,145	2,297,702	18,621,138
-	40,736,444	79,788,246	61,167,108
\$ (770,029)	\$ 41,080,589	\$ 82,085,948	\$ 79,788,246

City of La Verne

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities For the year ended June 30, 2025

Net Change in Fund Balances - Total Governmental Funds	\$ 2,297,702
Amounts reported for governmental activities in the Government-Wide Statement of Activities were Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets was allocated over their estimated lives as depreciation expense. This was the amount of capital assets recorded in the current period, net of the amount related to internal service funds.	8,577,525
Depreciation and amortization expense on capital assets was reported in the Government-Wide Statement of Activities, but did not require the use of current financial resources. Therefore, depreciation expense was not reported as expenditures in the governmental funds, net of the amount related to internal service funds.	(1,927,308)
Proceeds from sale of capital assets are reported as other financing sources in the governmental funds, however only the gain or loss on sale is reported on the Government-Wide Statement of Activities:	
Proceeds from sale of capital assets	(9,200)
Loss on sale of capital assets	(15,915)
Accrued compensated leave payments were reported as expenditures in the governmental funds, however expense is recognized in the Government-Wide Statement of Activities based on earned leave accruals.	(84,615)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Position. Repayment of debt was an expenditure in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.	
Long-term debt repayments	2,368,744
Issuance of long-term debt	
Interest payable on long-term debt did not require current financial resources and not reported as a liability in the governmental funds. This amount represents the change in interest payable.	41,673
Pension expense is reported in the Government-Wide Statement of Activities does not require the use of current financial resources, and therefore is not reported as expenditures in governmental funds.	(4,664,839)
OPEB expense is reported in the Government-Wide Statement of Activities does not require the use of current financial resources, and therefore is not reported as expenditures in governmental funds.	\$329,927
Unavailable revenues recorded in the fund financial statements resulting from activities in which revenues were earned but were not available are reclassified as revenues in the Government-Wide Financial Statements.	77,565
Internal service funds were used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net revenue of the internal service funds was reported with governmental activities.	749,739
Change in Net Position of Governmental Activities	\$ 7,740,998

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City of La Verne
Statement of Net Position
Proprietary Funds
June 30, 2025

(with comparative data for June 30, 2024)

	Business-Type Activities			Governmental	Totals	
	Water	Sewer	Totals	Activities -	2025	2024
				Internal		
				Service		
				Funds		
ASSETS						
Current Assets:						
Cash and investments	\$ 10,095,974	\$ 9,107,861	\$ 19,203,835	\$ 5,030,725	\$ 24,234,560	\$ 21,750,851
Interest receivable	3,732	3,425	7,157	1,895	9,052	23,432
Accounts receivable	2,236,614	326,796	2,563,410	-	2,563,410	2,856,811
Leases receivable	33,482	-	33,482	-	33,482	30,550
Due from other governments	-	6,771	6,771	-	6,771	3,725
Prepaid items	-	-	-	4,034	4,034	68,017
Inventory of materials and supplies, at cost	-	-	-	65,787	65,787	50,754
Total current assets	12,369,802	9,444,853	21,814,655	5,102,441	26,917,096	24,784,140
Noncurrent:						
Advances to other funds	-	1,011,664	1,011,664	-	1,011,664	1,074,232
Leases receivable	742,242	-	742,242	-	742,242	775,723
Capital assets:						
Nondepreciable capital assets	1,706,228	67,000	1,773,228	-	1,773,228	1,773,228
Depreciable capital assets	45,419,407	18,915,874	64,335,281	6,456,789	70,792,070	70,211,548
Accumulated depreciation	(34,884,316)	(14,260,534)	(49,144,850)	(2,628,973)	(51,773,823)	(51,325,267)
Water rights	11,976,728	-	11,976,728	-	11,976,728	11,976,728
Net capital assets	24,218,047	4,722,340	28,940,387	3,827,816	32,768,203	32,636,237
Total noncurrent assets	24,960,289	5,734,004	30,694,293	3,827,816	34,522,109	34,486,192
Total assets	37,330,091	15,178,857	52,508,948	8,930,257	61,439,205	59,270,332
DEFERRED OUTFLOWS OF RESOURCES						
OPEB related	375,503	146,936	522,439	-	522,439	603,982
Pension related	1,649,905	670,274	2,320,179	-	2,320,179	3,644,694
Total deferred outflows of	2,025,408	817,210	2,842,618	-	2,842,618	4,248,676

City of La Verne
Statement of Net Position
Proprietary Funds
June 30, 2025

(with comparative data for June 30, 2024)

	Business-Type Activities			Governmental Activities - Internal Service Funds	Totals	
	Water	Sewer	Totals		2025	2024
LIABILITIES						
Current liabilities:						
Accounts payable	1,633,340	9,273	1,642,613	31,004	1,673,617	876,872
Accrued expenses	87,334	35,619	122,953	26,841	149,794	114,899
Accrued interest payable	10,557	4,319	14,876	-	14,876	15,311
Deposits payable	63,856	-	63,856	-	63,856	67,519
Compensated absences	74,440	29,713	104,153	17,770	121,923	65,008
Long-term debt	107,074	43,803	150,877	-	150,877	145,592
Total current liabilities	1,976,601	122,727	2,099,328	75,615	2,174,943	1,285,201
Noncurrent liabilities:						
Compensated absences	83,439	39,411	122,850	2,482	125,332	129,732
Claims payable	-	-	-	1,584,000	1,584,000	1,387,000
Net pension liability	2,337,848	949,750	3,287,598	-	3,287,598	3,457,601
Net OPEB liability	1,009,173	394,895	1,404,068	-	1,404,068	1,684,481
Long-term debt	2,918,619	1,193,981	4,112,600	-	4,112,600	4,263,476
Total noncurrent liabilities	6,349,079	2,578,037	8,927,116	1,586,482	10,513,598	10,922,290
Total liabilities	8,325,680	2,700,764	11,026,444	1,662,097	12,688,541	12,207,491
DEFERRED INFLOWS OF RESOURCES						
Pension related	916,349	372,266	1,288,615	-	1,288,615	1,571,066
OPEB related	228,854	89,550	318,404	-	318,404	274,794
Leases related	671,617	-	671,617	-	671,617	721,367
Total deferred inflows of resources	1,816,820	461,816	2,278,636	-	2,278,636	2,567,227
NET POSITION						
Net investment in capital assets	24,218,047	4,722,340	28,940,387	3,827,816	32,768,203	32,636,237
Unrestricted	4,994,952	8,111,147	13,106,099	3,440,344	16,546,443	16,108,053
Total net position	\$ 29,212,999	\$ 12,833,487	\$ 42,046,486	\$ 7,268,160	\$ 49,314,646	\$ 48,744,290

City of La Verne

Statement of Revenues, Expenses and Changes in Net Position

Proprietary Funds

For the year ended June 30, 2025

(with comparative data for the year ended June 30, 2024)

	Business-Type Activities			Governmental	Totals	
	Water	Sewer	Totals	Internal	2025	2024
				Service Funds		
OPERATING REVENUES:						
Charges for services	\$ 12,051,958	\$ 1,912,947	\$ 13,964,905	\$ 2,095,359	\$ 16,060,264	\$ 14,656,925
Risk premiums	-	-	-	1,416,228	1,416,228	1,409,072
Other	(2,998)	-	(2,998)	-	(2,998)	2,195
Total operating revenues	12,048,960	1,912,947	13,961,907	3,511,587	17,473,494	16,068,192
OPERATING EXPENSES:						
Administration	1,133,552	695,296	1,828,848	1,321,707	3,150,555	3,347,820
Maintenance	20,827	858,165	878,992	703,805	1,582,797	1,502,431
Fuel	-	-	-	305,231	305,231	351,254
Production	8,610,376	-	8,610,376	-	8,610,376	8,043,260
Transmission and distribution	918,519	-	918,519	-	918,519	932,089
Customer service	901,366	150	901,516	-	901,516	1,043,073
Claims settlement	(2,586)	-	(2,586)	336,128	333,542	312,601
Depreciation	458,564	198,219	656,783	321,950	978,733	1,380,325
Total operating expenses	12,040,618	1,751,830	13,792,448	2,988,821	16,781,269	16,912,853
Operating income (loss)	8,342	161,117	169,459	522,766	692,225	(844,661)
NONOPERATING REVENUES (EXPENSES):						
Investment income	408,780	366,215	774,995	166,866	941,861	889,779
Rents	49,316	-	49,316	-	49,316	49,051
Interest expense	(130,089)	(57,663)	(187,752)	-	(187,752)	(188,218)
Net increase (decrease) in fair value of investments	140,553	129,000	269,553	71,406	340,959	133,364
Gain (loss) on sale of capital assets	-	-	-	21,177	21,177	7,565
Total nonoperating revenues (expenses)	468,560	437,552	906,112	259,449	1,165,561	891,541
Income before contributions and transfers	476,902	598,669	1,075,571	782,215	1,857,786	46,880

City of La Verne

Statement of Revenues, Expenses and Changes in Net Position

Proprietary Funds

For the year ended June 30, 2025

(with comparative data for the year ended June 30, 2024)

	Business-Type Activities			Governmental Activities - Internal Service Funds	Totals	
	Water	Sewer	Totals		2025	2024
CONTRIBUTIONS AND TRANSFERS:						
Transfers in	-	-	-	26,537	26,537	-
Transfers out	(1,151,037)	(156,763)	(1,307,800)	(59,013)	(1,366,813)	(2,850,594)
Total contributions and transfers	(1,151,037)	(156,763)	(1,307,800)	(32,476)	(1,340,276)	(2,850,594)
Change in net position	(674,135)	441,906	(232,229)	749,739	517,510	(2,803,714)
NET POSITION:						
Beginning of year	29,820,131	12,399,240	42,219,371	6,524,919	48,744,290	51,548,004
Restatements	67,003	(7,659)	59,344	(6,498)	52,846	-
Beginning of year, as restated	29,887,134	12,391,581	42,278,715	6,518,421	48,797,136	51,548,004
End of year	<u>\$ 29,212,999</u>	<u>\$ 12,833,487</u>	<u>\$ 42,046,486</u>	<u>\$ 7,268,160</u>	<u>\$ 49,314,646</u>	<u>\$ 48,744,290</u>

City of La Verne

Statement of Cash Flows

Proprietary Funds

For the year ended June 30, 2025

(with comparative data for the year ended June 30, 2024)

	Business-Type Activities			Governmental	Totals	
	Water	Sewer	Totals	Activities - Internal Service Funds	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash received from users	\$ 12,215,285	\$ 1,947,386	\$ 14,162,671	\$ 3,597,515	\$ 17,760,186	\$ 15,495,293
Cash payments to suppliers for goods and services	(8,452,887)	(668,500)	(9,121,387)	(1,091,918)	(10,213,305)	(6,908,331)
Cash payments to employees for services	(1,771,979)	(691,007)	(2,462,986)	(1,325,296)	(3,788,282)	(7,821,402)
Net cash provided by (used in) operating activities	1,990,419	587,879	2,578,298	1,180,301	3,758,599	765,560
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Cash received from other funds	-	62,568	62,568	26,537	89,105	61,401
Principal payments on long-term debt	(103,323)	(42,268)	(145,591)	-	(145,591)	(140,916)
Interest payments on long-term debt	(130,398)	(57,789)	(188,187)	-	(188,187)	(188,625)
Cash paid to other funds	(1,151,037)	(156,763)	(1,307,800)	(59,013)	(1,366,813)	(2,850,594)
Net cash provided by (used in) noncapital financing activities	(1,384,758)	(194,252)	(1,579,010)	(32,476)	(1,611,486)	(3,118,734)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Cash paid to purchase capital assets	(424,261)	(184,851)	(609,112)	(402,784)	(1,011,896)	(1,058,810)
Cash received from sale of capital assets	-	-	-	21,177	21,177	7,565
Cash received from leases	30,115	-	30,115	-	30,115	27,073
Net cash provided by (used in) capital and related financing activities	(394,146)	(184,851)	(578,997)	(381,607)	(960,604)	(1,024,172)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest on investments	555,952	500,825	1,056,777	240,423	1,297,200	1,100,652
Net cash provided by (used in) investing activities	555,952	500,825	1,056,777	240,423	1,297,200	1,100,652
Net cash flows	767,467	709,601	1,477,068	1,006,641	2,483,709	(2,276,694)
CASH AND INVESTMENTS - Beginning of year	9,328,507	8,398,260	17,726,767	4,024,084	21,750,851	24,027,545
CASH AND INVESTMENTS -End of year	\$ 10,095,974	\$ 9,107,861	\$ 19,203,835	\$ 5,030,725	\$ 24,234,560	\$ 21,750,851

See accompanying Notes to Basic Financial Statements.

City of La Verne

Statement of Cash Flows

Proprietary Funds

For the year ended June 30, 2025

(with comparative data for the year ended June 30, 2024)

	Business-Type Activities			Governmental Activities - Internal Service Funds	Totals	
	Water	Sewer	Totals		2025	2024
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET						
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:						
Operating income (loss)	\$ 8,342	\$ 161,117	\$ 169,459	\$ 522,766	\$ 692,225	\$ (844,661)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	458,564	198,219	656,783	321,950	978,733	1,380,325
(Increase) decrease in:						
Accounts receivable	169,988	37,485	207,473	85,928	293,401	(565,051)
Due from other governments	-	(3,046)	(3,046)	-	(3,046)	(3,626)
Inventory and prepaid items	-	-	-	48,950	48,950	(21,585)
Deferred outflows of resources - pension related	941,878	382,637	1,324,515	-	1,324,515	1,185,869
Deferred outflows of resources - OPEB related	58,609	22,934	81,543	-	81,543	154,191
Increase (decrease) in:						
Accounts payable	827,506	(28,714)	798,792	(2,047)	796,745	(923,448)
Accrued expenses	17,280	8,272	25,552	9,343	34,895	(29,084)
Unpaid claims liability	-	-	-	197,000	197,000	312,000
Unearned revenue	-	-	-	-	-	(630)
Deposits payable	(3,663)	-	(3,663)	-	(3,663)	(3,592)
Compensated absences	3,862	6,285	10,147	(3,589)	6,558	(16,548)
Net pension liability	(120,891)	(49,112)	(170,003)	-	(170,003)	839,839
Net OPEB liability	(201,547)	(78,866)	(280,413)	-	(280,413)	(324,264)
Deferred inflows of resources - pension related	(200,854)	(81,597)	(282,451)	-	(282,451)	(433,827)
Deferred inflows of resources - OPEB related	31,345	12,265	43,610	-	43,610	59,652
Net cash provided by (used in) operating activities	\$ 1,990,419	\$ 587,879	\$ 2,578,298	\$ 1,180,301	\$ 3,758,599	\$ 765,560

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City of La Verne
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2025
(with comparative data for June 30, 2024)

	Successor Agency to the Redevelopment Agency of the City of La Verne Private- purpose Trust Fund		Custodial Funds	
	2025	2024	2025	2024
ASSETS				
Cash and investments	\$ -	\$ 307,928	\$ 16,229,886	\$ 18,428,626
Interest receivable	-	301	11,637	9,371
Accounts receivable	-	-	-	379
Loans receivable	45,000	45,000	-	-
Due from other governments	-	-	658,087	644,522
Prepaid items	-	-	-	(4,203)
Capital assets:				
Capital assets not being depreciated	79,736	79,736	-	-
Capital assets being depreciated	30,000	30,000	-	-
Accumulated depreciation	(27,000)	(27,000)	-	-
Total assets	127,736	435,965	16,899,610	19,078,695
LIABILITIES				
Accounts payable	-	-	635,260	2,109,363
Accrued expenses	12,082	480	-	-
Due to third parties	-	-	-	2,835,572
Deposits to private organizations and other organizations	-	-	175,470	187,726
Due to City of La Verne	843,807	1,010,000	-	-
Total liabilities	855,889	1,010,480	810,730	5,132,661
NET POSITION				
Restricted for:				
Other organizations	-	-	16,088,880	13,946,034
Dissolution of redevelopment agency	(728,153)	(574,515)	-	-
Total Net Position	\$ (728,153)	\$ (574,515)	\$ 16,088,880	\$ 13,946,034

City of La Verne
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended June 30, 2025
(with comparative data for the year ended June 30, 2024)

	Successor Agency to the Redevelopment Agency of the City of La Verne Private- purpose Trust Fund		Custodial Funds	
	2025	2024	2025	2024
	ADDITIONS:			
Property taxes	\$ 230,000	\$ 525,849	\$ -	\$ 233,508
Intergovernmental revenue for other organizations	-	-	2,230,728	2,656,214
Investment income	4,563	14,230	542,807	520,215
Other revenue	-	-	1,689,071	9,986,422
Net increase (decrease) in fair value of investments	-	1,712	3,490	280,683
Total additions	234,563	541,791	4,466,096	13,677,042
DEDUCTIONS:				
Administration expenses	38,201	18,448	3,305,963	5,566,296
Payments of investigative activities to other organizations	-	-	1,919,105	1,757,455
1996 Revenue bonds pledge payment	293,924	274,112	-	-
Interest expense	56,076	75,888	-	-
Total deductions	388,201	368,448	5,225,068	7,323,751
Change in net position	(153,638)	173,343	(758,972)	6,353,291
NET POSITION:				
Beginning of year	(574,515)	(747,858)	13,946,034	7,592,743
Restatements	-	-	2,901,818	-
Beginning of year, as restated	(574,515)	(747,858)	16,847,852	7,592,743
End of year	\$ (728,153)	\$ (574,515)	\$ 16,088,880	\$ 13,946,034

NOTES TO BASIC FINANCIAL STATEMENTS

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City of La Verne
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies of the City of La Verne, California (City):

A. *Description of Reporting Entity*

As required by generally accepted accounting principles, these financial statements present the City of La Verne and its component units, entities for which the City is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization's governing body and the City is able to impose its will on that organization or there is a potential for that organization to provide specific financial benefits or impose specific financial burdens on the City. The City is also considered to be financially accountable for an organization if that organization is fiscally dependent upon the City (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). In certain cases, other organizations are included as component units if the nature and significance of their relationship with the City are such that their exclusion would cause the City's financial statements to be misleading or incomplete.

The City of La Verne was incorporated in 1906 under the general laws of the State of California and enjoys all the rights and privileges pertaining to such "General Law" cities.

The La Verne Housing Authority was established on January 16, 1996. The Authority was created to maximize the ability of the City and former Redevelopment Agency to use low and moderate income housing funds for housing purposes. City Council serves as the governing body of the Authority. City management performs the same operational responsibilities for the Authority as it does for the rest of the City. Separate financial statements for the Housing Authority are not currently prepared.

The La Verne Financing Authority was established on January 16, 1996, under a joint powers agreement between the City of La Verne and the Housing Authority. The Financing Authority was established as a conduit for debt financing. City Council serves as the governing body of the Authority. City management performs the same operational responsibilities for the Authority as it does for the rest of the City. Debts issued through the La Verne Financing Authority are expected to be repaid with City resources. Accordingly, separate financial statements for the Financing Authority are not prepared.

The La Verne Housing Authority was included within the scope of the reporting entity of the City because its governing body is composed in its entirety of the council members of the City.

The La Verne Enhanced Infrastructure Financing District (EIFD) was established in October 2017, and is a blended component unit of the City because it is governed by a 5 member Board of Directors appointed by the City Council consisting of 3 elected and 2 public members.

B. *Fund Accounting*

The basic accounting and reporting entity is a "fund." A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts, recording resources, related liabilities, obligations, reserves, and equities segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The accounting records of the City are organized on the basis of funds classified for reporting purposes as follows:

City of La Verne
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Fund Accounting, Continued

Governmental Fund Types

General Fund - The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other funds are accounted for in this fund. Expenditures of this fund include the general operating expenses and capital improvement costs which are not paid through other funds.

Special Revenue Funds - The Special Revenue Funds are used to account for revenues derived from specific sources which are usually required by law or administrative regulation to be accounted for in a separate fund.

Capital Projects Funds - The Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

The City reports the following major governmental funds:

General Fund - To account for all financial resources associated with the governments that are not legally required to be accounted for in another fund.

America Rescue Plan Act (ARPA) Special Revenue Fund - To provide relief to the City for the negative impacts caused from the COVID-19 Pandemic.

Measure LV Special Revenue Fund - To account for the $\frac{3}{4}$ cent transactions and use tax approved by voters to support and maintain existing programs and services and, to the extent that funds are available, providing funding for additional program and service enhancements.

Asset Forfeiture LA Impact Fund - To account for multi-agency, multi-jurisdictional co-located task force to combat the increase of illegal narcotics imported and distributed into the region.

Measure A Fund - To account for Los Angeles County parcel tax that provides ongoing funding to maintain, improve, and expand parks, open spaces, and recreational facilities. The funds support repairing aging park infrastructure, creating new parks in high-need areas, protecting natural lands, enhancing trails and waterways, and offering recreational, environmental, and community programs.

Proprietary Fund Types

Enterprise Funds - The Enterprise Funds are used to account for the costs of providing water and sewer services to the general public and to account for the user charges by which these costs are recovered.

The City reports the following major enterprise funds:

Water Fund - To account for the operations of the City's water utility.

Sewer Fund - To account for the operations of the City's sewer utility.

City of La Verne
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Fund Accounting, Continued

Internal Service Funds

The City has two Internal Service Funds, which are used to account for operating and replacement costs associated with City vehicles, as well as risk management activities of the City.

The City reports the following two internal service funds:

Equipment Fund – To account for operating and replacement cost associated with City vehicles and equipment. Costs of materials and services used are accumulated in this fund and charged to the user departments as such goods are delivered.

Risk Management Fund – To account for risk management activities of the City including liability insurance premiums, claims settlement and City self-retention liability program activities. Costs are accumulated and charged to the user departments as insurance premiums.

Fiduciary Fund Types

Successor Agency to the Redevelopment Agency of the City of La Verne (Private-Purpose Trust Fund) – To account for the activities of the former Redevelopment Agency (RDA), except for those accounted for in the Housing Authority Fund of the City. This fund's primary purpose is to expedite the dissolution of the former RDA's net position (except for low and moderate housing fund net position) in accordance with (AB)x1 26 and AB 1484.

Custodial Funds

The Custodial Funds are used to account for assets held by the City on behalf of private organizations, employees, bondholders, and other individuals.

C. Basis of Accounting and Measurement Focus

The basic financial statements of the City are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles, and the City has adopted all pronouncements of the GASB.

City of La Verne
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Basis of Accounting and Measurement Focus, Continued

Government-wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government (including its blended component units). The City of La Verne has no discretely presented component units. Eliminations have been made in the Statement of Activities so that certain allocated expenses are recorded only once (by function to which they were allocated). However, general governmental expenses have not been allocated as indirect expenses to the various functions of the City.

Government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of generally accepted accounting principles. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exception to the general rule is when elimination of the charges would distort the direct costs and program revenues reported for the various functions concerned.

Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as another financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

Fund Financial Statements

The underlying accounting system of the City is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

City of La Verne
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Basis of Accounting and Measurement Focus, Continued

Fund financial statements for the primary government's governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds in the aggregate for governmental funds, as well as the enterprise funds. Fiduciary statements include financial information for fiduciary funds and similar component units. Fiduciary funds of the City primarily represent assets held by the City in a custodial capacity for other individuals or organizations.

Governmental Funds

In the fund financial statements, governmental funds are presented using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Measurable means that the amounts can be estimated, or otherwise determined. Available means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The City uses a sixty-day availability period, except for grant related revenues that are presented using a six-month availability period.

Revenue recognition is subject to the measurability and availability criteria for the governmental funds in the fund financial statements. Exchange transactions are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). Locally imposed derived tax revenues are recognized as revenues in the period in which the underlying exchange transaction on which they are based takes place. Imposed non-exchange transactions are recognized as revenues in the period for which they are imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. Government-mandated and voluntary non-exchange transactions are recognized as revenues when all applicable eligibility requirements have been met.

In the fund financial statements, governmental funds are presented using the current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered to be a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Non-current portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus. Special reporting treatments are used to indicate; however, that they should not be considered "available spendable resources," since they do not represent net current assets. Recognition of governmental fund type revenues represented by noncurrent receivables are deferred until they become current receivables. Noncurrent portions of other long-term receivables are reported as part of non-spendable, restricted, committed or assigned fund balance.

City of La Verne
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Basis of Accounting and Measurement Focus, Continued

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as other financing sources rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-spendable – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.
- Restricted – amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government), through constitutional provisions or by enabling legislation.
- Committed – amounts constrained to specific purposes by a government itself, using the highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.
- Assigned – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.
- Unassigned – amounts that are for any purpose; positive amounts are reported only in a general fund.

The City Council establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. Accordingly, the City Council has adopted a policy to maintain a minimum of 20% of the General Fund operating budget within the committed fund balance. The City Council has also designated the City Manager and Finance Manager as the City officials to determine, define, and make the necessary account or fund transfers for the amounts to those components of fund balance that are classified as “Assigned Fund Balance.”

When both restricted and unrestricted resources are available for use when an expenditure is incurred, it is the City’s policy to use restricted resources first, then unrestricted resources as they are needed. It is the City’s policy to consider committed amounts as being restricted first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

City of La Verne
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Basis of Accounting and Measurement Focus, Continued

Proprietary Funds

The City's Enterprise and Internal Service Funds are proprietary funds. In the fund financial statements, proprietary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when the related goods or services are delivered. In the fund financial statements, proprietary funds are presented using the economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses result from providing goods and services related to the fund's ongoing operations. The principal operating revenue of the City's proprietary funds is charges for services. Operating expenses include the cost of services provided, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Amounts paid to acquire capital assets are capitalized as assets in the proprietary funds financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the proprietary funds financial statements, rather than as another financing source. Amounts paid to reduce long-term indebtedness of the proprietary funds are reported as a reduction of the related liability, rather than as an expenditure.

D. Interfund Transfers

Transfers are reported as other financing sources and uses of funds in the statement of revenues, expenditures and changes in fund balance.

E. Advances to Other Funds

Long-term interfund advances are recorded as a receivable and as a non-spendable, restricted, committed or assigned fund balance by the advancing governmental fund and as a liability in the receiving fund.

F. Cash and Investments

Investments are reported in the accompanying balance sheet at fair value, except for nonparticipating certificates of deposit and investment contracts that are reported at cost because they are not transferable, and they have terms that are not affected by changes in market interest rates.

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

The City pools cash and investments of all funds, except for assets held by fiscal agents. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments. Investment income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance.

City of La Verne
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

F. Cash and Investments, Continued

For purposes of the statement of cash flows, the City presents beginning balances, net increase (decrease) and ending balances of cash and investments, as the City internally pools its cash and investments together.

G. Inventories

Inventories, consisting principally of supplies and petroleum products held by the Internal Service Fund are stated at cost using the first-in first-out (FIFO) method.

H. Loans Receivable

The portion of the fund balance reported as non-spendable, restricted, committed, or assigned for loans receivable represents amounts associated with non-current loans receivable which does not represent resources currently available for appropriation.

I. Land Held for Resale

Land held for resale represents land that was acquired for resale in accordance with the objective of the Redevelopment Project. These costs will be charged to current year project expenditures when the related land is sold. Land held for resale is valued at the lower of cost or the estimated net realizable value. A portion of fund balance is reported as non-spendable, restricted, committed or assigned for land held for resale to indicate that a portion of fund balance is not available for future expenditures.

J. Capital Assets

General capital assets greater than \$5,000, building and improvements greater than \$10,000, and infrastructure including water and sewer distribution systems greater than \$15,000 with a useful life of at least four years are capitalized and recorded at cost or at their estimated fair value of the asset at the time of acquisition where complete historical records have not been maintained. Contributed capital assets are valued at acquisition value at the date of the contribution. Capital assets acquired under capital lease are capitalized at the net present value of the total lease payments. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

City of La Verne
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

J. Capital Assets, Continued

Depreciation has been provided using the straight-line method over the estimated useful life of the asset in the government-wide financial statements and in the fund financial statements of the proprietary funds. The estimated useful lives of the assets are as follows:

Buildings and improvements	10 to 30 years
Machinery and equipment	4 to 15 years
Automotive equipment	4 to 15 years
Office furniture and equipment	4 to 15 years
Infrastructure:	
Pavement	10 to 30 years
Traffic signals	50 years
Bridges	100 years
Water system and other improvements:	
Property, plant and equipment	10 to 50 years
Sewer system and other improvements:	
Property, plant and equipment	10 to 50 years
Sewer manholes	50 years
Sewer mains	50 years
SBITA Assets	3- 5 years*

* SBITA Assets amortized over the life of the lease agreement

K. Compensated Absences -GASB 101- FIFO approach

Permanent general city employees earn from 10 to 20 vacation days a year, depending upon their length of employment, and 11 sick days a year. Employees generally can carry forward all their earned vacation days and sick leave days for use in subsequent years, with the exception of mid management and department heads who have a cap depending upon their length of employment.

Upon termination or retirement, permanent employees are entitled to receive compensation at their current base salary-for all unused vacation leave, except for those employees that have not completed six months of continuous service. In addition, an employee is eligible for sick leave benefits upon termination only after 15 years of service. The employee is entitled to convert sick leave to vacation based on years of service with a cap of 500 hours.

City implemented GASB 101 during the year which require liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. Under GASB 101, Compensated absences convertible to CalPERS's service credits is excluded from liability. City adopted FIFO flow assumption for sick leaves resulting in determination that employees with a minimum of 15 years of service, in groups eligible to convert 1 month of sick, would make up the total long term sick portion while the remainder is not a liability. All accrued vacation hours (capped at 400 hours) and compensatory hours are part of compensated absence.

City of La Verne
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

K. *Compensated Absences, Continued*

A current liability is accrued in the governmental funds and proprietary funds using the three-year average of annual usage for each group of employees. These leave benefits are expected to be paid from expendable, available financial resources as of the balance sheet date. Generally, this is interpreted to mean amounts expected to be paid within 60 days of the balance sheet date.

L. *Property Taxes*

Property taxes are attached 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. Any unpaid amounts at the end of the fiscal year are recorded as taxes receivable in accordance with the City's accrued revenue policy as stated previously in note 1. The County of Los Angeles bills and collects the property taxes and subsequently remits the amount due to the City in installments during the year. The County is permitted by State Law (Article XIII A of the California Constitution) to levy taxes at one percent (1%) of full market value at the time of purchase and can increase the property's value no more than two percent (2%) per year. The City receives a share of this basic levy proportionate to what it received in the 1976 to 1978 period.

M. *Accounting Treatment for Self-insurance Activities*

The City records a liability in the government-wide financial statements for litigation, judgments and claims (including losses incurred but not reported) when it is probable that an asset has been impaired, or a liability has been incurred prior to year-end and the probable amount of loss (net of any insurance coverage) can be reasonably estimated. Expenditures for claims and judgments are charged to governmental funds as they become payable from available expendable financial resources. The City has a self-retention amount of \$250,000 for liability claims. A liability is estimated based on claims history and recorded in the Risk Management internal service fund.

N. *Use of Estimates*

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

O. *Pension Plans*

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/ deductions from the fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms.

City of La Verne
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

O. Pension Plans, Continued

Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website at www.calpers.ca.gov.

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 (VD)	June 30, 2023
Measurement Date (MD)	June 30, 2024
Measurement Period (MP)	July 1, 2023 to June 30, 2024

P. 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, information about the fiduciary net position of the City's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are reported at fair value.

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

Valuation Date (VD)	June 30, 2023
Measurement Date (MD)	June 30, 2024
Measurement Period (MP)	July 1, 2023 to June 30, 2024

Q. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City presents pension and OPEB related items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflow of resources. This separate element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has leases, pension and OPEB related items that qualifies for reporting in this category. The governmental funds report unavailable revenues that qualifies for reporting in this category in the governmental funds financial statements. These amounts are deferred and recognized as an inflow of resources in the period that the amounts materialize and become available.

Pension and OPEB are primarily liquidated by the General Fund.

City of La Verne
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

R. Prior Year Data

Selected information regarding the prior year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the City's prior year financial statements, from which this selected financial data was derived. Certain prior year data has been reclassified from the previously issued financial statements to conform to the current year presentation, with no effect on net position or fund balance.

S. Implementation of New Pronouncement

In fiscal year 2025, the City adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

- GASB Statement No. 101, Compensated Absences – The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Following the requirements of this statement, City restated its Fund balance for Government wide, Sewer and Water Fund balances to reflect changes in compensated absences liability this year.
- GASB Statement No. 102, Certain Risk Disclosure - The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. The City had no adjustments or new disclosures as a result of this Statement.

2. CASH AND INVESTMENTS

Cash and investments as of June 30, 2025, are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 96,673,531
Cash and investments with fiscal agent	4,570,952
Restricted cash and investments*	5,508,128
Statement of Fiduciary Net Position:	
Cash and investments	<u>16,229,886</u>
Total cash and investments	<u><u>\$122,982,497</u></u>

Cash and investments as of June 30, 2025, consist of the following:

Cash on hand	\$ 235,000
Deposits with financial institutions	10,783,085
Investments	<u>111,964,412</u>
Total cash investments	<u><u>\$ 122,982,497</u></u>

City of La Verne
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

2. CASH AND INVESTMENTS, Continued

* Restricted cash and investments are funds invested in a Section 115 Trust exclusively for use in paying pension related cost. There is no restriction on when these funds can be used, provided they are used to pay pension related cost. Funds will be used subject to the City's Unfunded Accrued Liability (UAL) policy which sets out basic guidelines for managing the City's pension related UALs. These funds are invested in a trust arrangement through the Public Agency Retirement Services (PARS) and investments are managed through Highmark Capital Management (HCM) using a PARS/HCM Balanced Highmark Plus investment strategy.

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

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

Investment Types Authorized by State Law	Authorized By Investment Policy	*Maximum Maturity	*Maximum Percentage of Portfolio	*Maximum Investment in One Issuer
U.S. Treasury Obligations	Yes	5 years	None	None
U.S. Agency Securities	Yes	5 years	None	None
Banker's Acceptance	Yes	180 days	40%	30%
Commercial Paper	Yes	270 days	25%	10%
Negotiable Certificates of Deposit	Yes	5 years	30%	30%
Repurchase Agreements	Yes	1 year	None	None
Reverse Repurchase Agreements	No	92 days	20% of base value	None
Medium - Term Notes	Yes	5 years	30%	None
Mutual Funds	Yes	N/A	20%	None
Money Market Mutual Funds	Yes	N/A	20%	None
Mortgage Pass-Through Securities	Yes	5 years	20%	None
Country Pooled Investment Funds	Yes	N/A	None	None
Local Agency Investment Funds (LAIF)	Yes	N/A	None	\$ 75,000,000
JPA Pools (other investment pools)	Yes	N/A	None	None

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

City of La Verne
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

2. CASH AND INVESTMENTS, Continued

Investments Authorized by Debt Agreements

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

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Allowed</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Banker's Acceptances	180 days	None	None
Commercial Paper	270 days	None	None
Money Market Mutual Funds	N/A	None	None
Investment Contracts	30 years	None	None
Certificates of Deposit	None	None	None
Repurchase Agreements	None	None	None
Mortgage Pass-Through Securities	None	None	None
State Bonds or Notes	None	None	None
Municipal Bonds or Notes	None	None	None

Interest Rate Risk

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

City of La Verne
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

2. CASH AND INVESTMENTS, Continued

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

Investment Type	Total	Remaining Maturity			
		1 Year or Less	1 to 2 Years	2 to 3 Years	More than 3 Years
Negotiable certificates of deposit	\$ 984,896	\$ 489,072	\$ 251,151	\$ 244,673	\$ -
Corporate Notes	20,616,694	1,486,854	3,763,484	5,907,973	9,458,383
Federal agency securities	22,670,490	-	10,160,818	6,617,590	5,892,082
US Treasuries	22,835,185	1,999,844	2,004,766	5,753,974	13,076,601
Municipal Bonds	223,641	223,641	-	-	-
Asset Backed Securities	4,875,516	-	-	3,765,286	1,110,230
Local Agency Investment Fund	4,130,261	4,130,261	-	-	-
PARS section 115 trust	5,508,128	5,508,128	-	-	-
California Class JPA	25,548,645	25,548,645	-	-	-
Held by fiscal agent:					
Money market funds	4,570,956	4,570,956	-	-	-
Total	\$ 111,964,412	\$ 43,957,401	\$ 16,180,219	\$ 22,289,496	\$ 29,537,296

Credit Risk

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

Investment Type	Total	Minimum Legal Rating	Ratings as of Year End								Not Rated/ Available	
			AA+	AA-	AA	AAA	A	A+	A-	BBB+		
Negotiable certificates of deposit	\$ 984,896	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 984,896
Corporate Notes	20,616,694	A	-	2,013,713	-	-	5,464,922	1,025,140	8,874,254	3,238,665	-	-
Federal agency securities	22,670,490	N/A	-	-	16,778,408	-	-	-	-	-	-	5,892,082
US Treasuries	22,835,185	N/A	22,835,185	-	-	-	-	-	-	-	-	-
Municipal Bonds	223,641	N/A	-	-	-	-	-	223,641	-	-	-	-
Asset Backed Securities	4,875,516	N/A	-	-	-	3,765,286	-	-	-	-	-	1,110,230
Local Agency Investment Fund	4,130,261	N/A	-	-	-	-	-	-	-	-	-	4,130,261
PARS section 115 trust	5,508,128	N/A	-	-	-	-	-	-	-	-	-	5,508,128
California Class	25,548,645	N/A	-	-	-	-	-	-	-	-	-	25,548,645
Held by fiscal agent:												
Money market funds	4,570,956	N/A	-	-	-	-	-	-	-	-	-	4,570,956
Total	\$111,964,412		\$22,835,185	\$ 2,013,713	\$ 16,778,408	\$3,765,286	\$5,464,922	\$1,248,781	\$8,874,254	\$3,238,665		\$47,745,198

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There were no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments.

City of La Verne
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

2. CASH AND INVESTMENTS, Continued

Custodial Credit Risk

Custodial credit risk for deposits is the risk that; in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2025, none of the City's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

Investment in State Investment Pool

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

Fair Value Measurements

Generally accepted accounting principles establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of quoted prices (unadjusted) for identical assets and liabilities in active markets that a government can access at the measurement date, Level 2 inputs that are observable for an asset or liability, either directly or indirectly, and Level 3 inputs have the lowest priority and consist of unobservable inputs for an asset or liability.

City of La Verne
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

2. CASH AND INVESTMENTS, Continued

Fair Value Measurements, Continued

Investment by Fair Value Level	Fair Value Measurement Using			
	Total	Level 1	Level 2	Level 3
Negotiable certificates of deposit	\$ 984,896	\$ -	\$ 984,896	\$ -
Corporate Notes	20,616,694	-	20,616,694	-
Federal agency securities	22,670,490	-	22,670,490	-
US Treasuries	22,835,185	-	22,835,185	-
Municipal Bonds	223,641	-	223,641	-
Asset Backed Securities	4,875,516	-	4,875,516	-
Total investment by fair value	72,206,422	\$ -	\$ 72,206,422	\$ -
Investments not subject to GASB 72 classification				
Local Agency Investment Fund (LAIF)	4,130,261			
PARS section 115 trust	5,508,128			
California Class JPA	25,548,645			
Money Market Funds	4,570,956			
Total	\$ 111,964,412			

All investments categorized in Level 2 of the fair value hierarchy are valued using market-based pricing techniques provided by various pricing vendors. These valuations typically rely on matrix pricing, which determines the value of securities based on their relationship to benchmark quoted prices and other observable market inputs.

City of La Verne
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

3. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables were created in order to eliminate short-term deficit cash balances. Current interfund receivables and payables, reported as due to and due from other funds, as of June 30, 2025, are as follows:

<u>Receivable</u>	<u>Payable</u>	<u>Amount</u>
General Fund	Community Development	\$ 36,811
	Measure A	401,645
	Miscellaneous Grants	31,492
	Park Development Fund	400,122
	L.A. HIDTA	<u>356,313</u>
	Non-major governmental Fund	<u>\$ 1,226,383</u>

Advances to/from other funds:

<u>Receivable</u>	<u>Payable</u>	<u>Amount</u>
Sewer Fund	Non-major governmental Fund	<u>\$1,011,664</u>
		<u>\$1,011,664</u>

The amount payable to the Sewer Fund relates to a working capital loan made for the purchase of City streetlights. This advance represents a 20 year loan between the Sewer Fund and the City. The advance is amortized over 20 years at 1.9% and was approved by City Council on October 15, 2018. The balance will be repaid in annual installments with the final installment due on June 30, 2039.

City of La Verne
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

3. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS, Continued

Transfers in and out for the year ended June 30, 2025 were as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>	
General Fund	Measure LV Fund	\$ 3,991,115	(1)
General Fund	American Rescue Plan	500,183	(2)
General Fund	Water Fund	1,151,037	(3)
General Fund	Sewer Fund	156,763	(4)
General Fund	Internal Service Fund	59,013	(5)
General Fund	Non-Major Funds	3,437,391	(6)
Non-Major Funds	General Fund	136,037	(7)
Non-Major Funds	Asset Forft. La Impact	1,447,500	(8)
Non-Major Funds	Non-Major Funds	723,502	(9)
Internal Service Fund	General Fund	16,037	(10)
Internal Service Fund	Non-Major Funds	10,500	(10)
Total		<u>\$ 11,629,078</u>	

- 1) To help offset the cost of maintaining existing programs and services by supporting increases in compensation, health insurance premiums, and other related benefit costs for the employees who provide those services.
- (2) Cover the cost of general government operations.
- (3) For operational overhead cost.
- (4) For operational overhead cost.
- (5) Share of pension obligation bond.
- (6) To help offset the cost of street maintenance, public safety, salary increases, pension obligation bond share, and other operational costs as follows: Gas Tax street maintenance and improvements \$438,804; CFD 90-1 of \$1,700,000 ; Public Education (PEG) \$68,000 ; Housing Successor \$250,000 Right of Way \$100,000; Large Building CFD \$95,000 ; La Verne Mobile Country Club \$470,000 ; Valley Rancho Mobile Home Park \$250,000 and various funds for pension obligation bond shares totaling \$61,684.
- (7) To support the activities of other funds including: Traffic Safety fund \$120,000 for traffic activities including salary and operating costs and the Equipment Fund \$16,037 for vehicle outfitting bond.
- (8) For financial services and police support of asset forfeiture activities.
- (9) To support the activities of other funds including: EIFD for capital projects and Fire Equipment Fund to Equipment Fund for share of automotive equipment.
- (10) To support the activities of Internal service fund.

City of La Verne
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

4. LEASE RECEIVABLES

The City entered into a 10-year agreement with Michael R. McAdams and Britt M. McAdams, doing business as Lordsburg Taphouse & Grill (lessee) with one optional ten-year term. Lessee pays the City monthly in exchange for the use of public right of way at 2335 D Street in connection with restaurant use for outdoor dining. Monthly payments commenced in May 2013 for \$512 and are subject to increases using the Consumer Price Index (CPI) for the Los Angeles-Long Beach Metropolitan Area for the following periods. For the 61st-120th months CPI increases from May 1, 2013 to April 31, 2018; 120th-180th months CPI increases from May 2013 to April 30, 2023; 181st-240th months from May 2013 to April 30, 2028. Effective July 1, 2021 monthly payment amounts equated to \$532.

Commencing May, 1997 the City entered into a 15 year lease with NCWPCS MPL 27 - Year Sites Tower Holdings LLC doing business as CCATT LLC for a ground lease at Pelota Park for placement of telecommunication facilities. Monthly payments commenced which are subject to annual increases using the Consumer Price Index (CPI) for the Los Angeles-Long Beach Metropolitan Area with a maximum CPI increase of 5%. Effective July 1, 2021 monthly payment amount equated to \$3,704.

On February 5, 2018, the City entered into an agreement with Puente Basin Water Agency (lessee) to lease the physical asset of Old Baldy Well located at the corner of Fifth and C Street in the City of La Verne. Bi-annual payments commenced in July 2018 in the amount of \$50,000 which are subject to annual increases using the Consumer Price Index (CPI) for the Los Angeles-Long Beach Metropolitan Area provided that the minimum adjustment shall not be less than 3% the maximum not more than 6%.

The following table describes balances as of June 30, 2025 and the fiscal year ended for each lease:

Lease	Receivable	Deferred Inflow of Resources	Lease Revenue
Lordsburg Taphouse & Grill	\$ 43,396	\$ 42,385	\$ 4,754
CCATT LLC (Pelota Park)	671,555	629,715	28,623
Puente Basin Water Agency	1,551,448	1,343,237	99,499
Total	\$ 2,266,399	\$ 2,015,337	\$ 132,876
Governmental activities	\$ 1,490,675	\$ 1,343,720	\$ 83,127
Business-type activities	775,724	671,617	49,750
Total	\$ 2,266,399	\$ 2,015,337	\$ 132,876

City of La Verne
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

5. CAPITAL ASSETS

The following is a summary of capital assets for the year ended June 30, 2025:

Governmental Activities:	Beginning- as restated Balance	Additions	Deletions	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 11,762,527	\$ -	\$ -	\$ -	\$ 11,762,527
Land Rights (associated with streets)	9,618,593	-	-	-	9,618,593
Construction in progress	1,702,768	1,623,664	-	(1,659,277)	1,667,155
Total capital assets, not being depreciated	23,083,888	1,623,664	-	(1,659,277)	23,048,275
Capital assets being depreciated:					
Buildings and other improvements	25,640,083	1,956,804	-	1,659,277	29,256,164
Automotive equipment	10,821,651	385,132	(541,456)	-	10,665,327
Machinery and equipment	7,180,063	915,384	(83,415)	-	8,012,032
Office furniture and equipment	2,044,585	380,483	-	-	2,425,067
Infrastructure - streets	92,584,855	3,778,067	-	-	96,362,922
Infrastructure - bridges	2,606,850	-	-	-	2,606,850
Infrastructure - signals	2,572,153	-	-	-	2,572,153
Subscription based I.T. arrangements	849,212	-	-	-	849,212
Total capital assets being depreciated	144,299,453	7,415,869	(624,870)	1,659,277	152,749,729
Less accumulated depreciation for:					
Buildings and other improvements	(15,963,268)	(720,289)	-	-	(16,683,557)
Automotive equipment	(4,131,302)	(473,627)	471,931	-	(4,132,998)
Machinery and equipment	(3,859,289)	(415,710)	68,600	-	(4,206,399)
Office furniture and equipment	(1,352,392)	(91,902)	-	-	(1,444,294)
Infrastructure - streets	(83,703,716)	(292,883)	-	-	(83,996,599)
Infrastructure - bridges	(1,363,785)	(26,069)	-	-	(1,389,854)
Infrastructure - signals	(1,738,188)	(38,986)	-	-	(1,777,174)
Subscription based I.T. arrangements	(334,558)	(189,790)	-	-	(524,348)
Total accumulated depreciation	(112,446,498)	(2,249,256)	540,530	-	(114,155,224)
Total capital assets being depreciated, net	31,852,955	5,166,613	(84,340)	1,659,277	38,594,505
Governmental activities, capital assets, net	\$ 54,936,843	\$ 6,790,277	\$ (84,340)	\$ -	\$ 61,642,780

City of La Verne
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

5. CAPITAL ASSETS, Continued

Depreciation expense was charged to functions of as follows:

Governmental activities:	
General government	\$ 60,687
Public safety	1,126,801
Community development	11,603
Public works	699,607
Community services	350,558
Total - governmental activities	<u>\$ 2,249,256</u>

Business-type Activities:	Beginning Balance- as restated	Additions	Deletions/ Reclassification	Adjustments [*]	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 1,773,228	\$ -	\$ -	\$ -	\$ 1,773,228
Investment in water rights	11,976,728	-	-	-	11,976,728
Total capital assets, not being depreciated	<u>13,749,956</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,749,956</u>
Capital assets being depreciated:					
Buildings and other improvements	1,384,460	40,223	-	14,101	1,438,784
Automotive equipment	518,763	-	(52,391)	-	466,372
Machinery and equipment	858,152	-	(21,217)	-	836,935
Office furniture and equipment	175,099	-	-	-	175,099
Reservoirs	6,080,496	-	-	-	6,080,496
Water distribution systems	36,628,240	391,398	-	-	37,019,638
Sewer collection system	18,133,106	184,851	-	-	18,317,957
Total capital assets being depreciated	<u>63,778,316</u>	<u>616,472</u>	<u>(73,608)</u>	<u>14,101</u>	<u>64,335,281</u>
Less accumulated depreciation for:					
Buildings and other improvements	(354,130)	(64,948)	-	-	(419,078)
Automotive equipment	(99,196)	(18,630)	47,153	1,883	(68,790)
Machinery and equipment	(466,971)	(30,706)	19,095	(14,101)	(492,683)
Office furniture and equipment	(150,401)	(1,350)	-	-	(151,751)
Reservoirs	(5,104,679)	(93,333)	-	-	(5,198,012)
Water distribution systems	(28,403,032)	(271,675)	-	-	(28,674,707)
Sewer collection system	(13,961,805)	(176,141)	-	(1,883)	(14,139,829)
Total accumulated depreciation	<u>(48,540,214)</u>	<u>(656,783)</u>	<u>66,248</u>	<u>(14,101)</u>	<u>(49,144,850)</u>
Total capital assets being depreciated, net	<u>15,238,102</u>	<u>(40,311)</u>	<u>(7,360)</u>	<u>-</u>	<u>15,190,431</u>
Business-type activities, capital assets, net	<u>\$ 28,988,058</u>	<u>\$ (40,311)</u>	<u>\$ (7,360)</u>	<u>\$ -</u>	<u>\$ 28,940,387</u>

* Adjustments to correct errors in accumulated depreciation grouping

City of La Verne
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

5. CAPITAL ASSETS, Continued

Depreciation expense was charged to the funds of the business-type activities as follows:

Business-type activities:		
Water		\$ 458,564
Sewer		198,219
		<hr/>
Total - business-type activities		\$ 656,783
		<hr/> <hr/>

6. DUE FROM SUCCESSOR AGENCY / DUE TO CITY

Due from Successor Agency / Due to City balances at June 30, 2025, were as follows:

<u>Receivable</u>	<u>Payable</u>	<u>Amount</u>
Housing Successor	Successor Agency to the Redevelopment Agency of the City of La Verne	\$ 810,000
General Fund	Successory Agency	33,807
		<hr/>
		\$ 843,807
		<hr/> <hr/>

Per a loan agreement by the former City of La Verne Redevelopment Agency, a \$2,410,000 advance was made from the RDA Low and Moderate Housing Fund to the RDA Debt Service Fund. This advance is to be used to help make the Supplemental Educational Revenue Augmentation Funds (SERAF) obligation. During fiscal year 2011, a payment of \$480,000 was made on the \$2,400,000 advance. Also, during fiscal year 2011, a new advance of \$490,000 was issued. The advance is to be repaid in bi-annual amounts of \$100,000 until the principal is repaid in full over a five-year period. A repayment request was placed on the ROPS 17-18 A&B and approved by the State Department of Finance with a repayment in January 2018. During fiscal year 2012, this liability was transferred to the Successor Agency to the Redevelopment Agency of the City of La Verne due to the dissolution of the Redevelopment Agency. The total amount outstanding at June 30, 2025 is \$810,000. Short term-advance of \$33,807 was made from General fund to cover negative cash as of June 30,2025.

City of La Verne
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

7. LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2025, was as follows:

	Beginning Balance- as restated	Additions	Deletions	Ending Balance	Due Within One Year	Due in More than One Year
Governmental Activities:						
Bonds:						
1996 Revenue Bonds	\$ 1,985,000	\$ -	\$ (615,000)	\$ 1,370,000	\$ 660,000	\$ 710,000
2018 Pension Obligations Bonds	41,470,929	-	(1,369,409)	40,101,520	1,419,123	38,682,397
2022 Lease Revenue Bonds	3,355,000	-	(135,000)	3,220,000	140,000	3,080,000
Subscription Based I.T.						
Arrangements (SBITAs)	411,384	-	(249,335)	162,049	53,043	109,006
Subtotal	47,222,313	-	(2,368,744)	44,853,569	2,272,166	42,581,403
Compensated absences	3,200,901	81,026*	-	3,281,927	1,352,248	1,929,679
Total governmental activities	<u>\$ 50,423,214</u>	<u>\$ 81,026</u>	<u>\$ (2,368,744)</u>	<u>\$ 48,135,496</u>	<u>\$ 3,624,414</u>	<u>\$ 44,511,082</u>
Business-type Activities:						
Bonds:						
2018 Pension Obligation Bonds	\$ 4,409,068	\$ -	\$ (145,591)	\$ 4,263,477	\$ 150,877	\$ 4,112,600
Compensated absences	221,299	5,704*	-	227,003	104,153	122,850
Total business-type activities	<u>\$ 4,630,367</u>	<u>\$ 5,704</u>	<u>\$ (145,591)</u>	<u>\$ 4,490,480</u>	<u>\$ 255,030</u>	<u>\$ 4,235,450</u>

* The change in the compensated absences liability is presented as a net change

City of La Verne
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

7. LONG-TERM LIABILITIES, Continued

A. 1996 Revenue Bonds

On July 17, 1996, revenue bonds were issued by the La Verne Public Financing Authority (the Authority) in the amount of \$9,245,000. The bonds were issued to finance the acquisition of the La Verne Mobile Country Club and to finance and reimburse the City for construction costs of a community sports complex. The net income of the mobile home park operations and a portion of the tax allocation revenues distributed from the Redevelopment Property Tax Trust Fund (RPTTF) as approved by the State of California Department of Finance Required Obligation Schedules (ROPS) are pledged toward payment of the bonds. In addition, the Authority is required to operate the park to ensure that the ratio of pledged payments plus net park revenues to the annual debt service for any particular year is at least 1.3 to 1. During the year ended June 30, 2025, rents of \$1,755,060 and RPTTF payments of \$405,841 were received as pledged revenue while total principal and interest payments were \$ 736,619.

Interest on the bonds is payable semi-annually on March 1 and September 1 of each year. Of the total issue, \$1,940,000 mature serially through September 1, 2009 in annual principal installments ranging from \$115,000 to \$220,000, subject to optional redemption beginning September 1, 2006, and pay interest varying from 5% to 6.6%; \$1,680,000 are 6% term bonds due September 1, 2015 and are subject to mandatory redemption from sinking fund payments in amounts ranging from \$235,000 to \$330,000; and \$5,625,000 are 7.25% term bonds due on September 1, 2026 and are subject to mandatory redemption from sinking fund payments in amounts ranging from \$350,000 to \$710,000. The principal balance outstanding at June 30, 2025 was \$1,370,000.

The annual debt service requirements for the bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 660,000	\$ 75,400	\$ 735,400
2027	710,000	25,738	735,738
Total	<u>\$ 1,370,000</u>	<u>\$ 101,138</u>	<u>\$ 1,471,138</u>

B. Pension Obligation Bonds

On July 25, 2018, the City of La Verne issued its 2018 Taxable Pension Obligation Bonds in the amount of \$54,265,000. The bonds were issued to finance a portion of the City’s unfunded liability to the California Public Employees’ Retirement System (CalPERS) for the benefit of the City’s employees, to reimburse the City for its early prepayment of previously issued pension obligation bonds and pay the costs incurred in connection with the issuance of the bonds. The bonds bear variable interest rates ranging from 2.702% to 4.189% and are payable semiannually on June 1 and December 1 of each year, commencing December 1, 2018, until maturity or earlier redemption.

City of La Verne
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

7. LONG-TERM LIABILITIES, Continued

B. Pension Obligation Bonds, Continued

The bonds do not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation. The bonds do not constitute an indebtedness of the City, the State or any of its political subdivisions in contravention of any constitutional or statutory debt limitations or restriction. For purposes of paying principal and interest on the bonds, the City is obligated, under the trust agreement, to take such actions annually as necessary or appropriate to cause the debt service on the bonds due in any fiscal year to be included in the budget for such fiscal year and to make the necessary appropriations there from any legally available funds, including the General Fund and amounts charged to the City’s Water Fund and Sewer Fund for the allocable cost of pension benefits for the employees of the City’s water utility enterprise and sewer enterprise, to ensure that sufficient sums are available to pay the annual principal of and interest on the bonds as the same become due.

The annual requirements to amortize the 2018 Pension Obligation Bond outstanding at June 30, 2025 were as follows:

Year Ending June 30,	Governmental Activities		Business-type Activities		Total		
	Principal	Interest	Principal	Interest	Principal	Interest	Total
2026	\$ 1,419,123	\$ 1,678,974	\$ 150,877	\$ 178,504	\$ 1,570,000	\$ 1,857,478	\$ 3,427,478
2027	1,473,357	1,626,622	156,643	172,938	1,630,000	1,799,560	3,429,560
2028	1,527,591	1,571,239	162,409	167,049	1,690,000	1,738,288	3,428,288
2029	1,586,345	1,513,206	168,656	160,880	1,755,001	1,674,086	3,429,087
2030-2034	8,984,766	6,557,846	955,234	697,211	9,940,000	7,255,058	17,195,058
2035-2039	11,239,997	4,477,919	1,195,004	476,079	12,435,001	4,953,999	17,388,999
2040-2044	13,870,346	1,846,648	1,474,655	196,330	15,345,001	2,042,979	17,387,979
Totals	\$ 40,101,525	\$19,272,455	\$4,263,477	\$2,048,992	\$ 44,365,002	\$21,321,447	\$ 65,686,448

C. 2022 Lease Revenue Bonds (Private Placement)

In June 2022, the City and the City of La Verne Public Financing Authority (PFA) entered into multiple agreements; (1) site lease agreement between the City and the PFA whereby the leases certain City property (the Main Corporate Yard) to the PFA, (2) lease agreement between the PFA and the City whereby the City leases the leased property back from the PFA for annual rental payments that will be used to repay the obligation, and (3) assignment agreement between the PFA and Capital One Bank, meaning that the City will make semiannual rental payments directly to Capital One. The financing resulted in a principal amount of \$3,615,000, a term of 20 years, and annual interest of 3.65% resulting in annual debt service of \$256,000. Proceeds are to be used to fund projects scheduled in the City’s Enhanced Infrastructure Financing District’s Plan (EIFD).

Repayments are expected to be made from the City’s Proposition C funding until such time as the EIFD’s tax increment revenues are sufficient to make the payments independently.

City of La Verne
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

7. LONG-TERM LIABILITIES, Continued

C. 2022 Lease Revenue Bonds (Private Placement), Continued

Interest on the bonds is payable semi-annually on June 1 and December 1 of each year. The annual debt service requirements for the bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 140,000	\$ 117,530	\$ 257,530
2027	145,000	112,420	257,420
2028	150,000	107,128	257,128
2029	155,000	101,653	256,653
2030-2034	865,000	419,202	1,284,202
2035-2039	1,045,000	248,565	1,293,565
2040-2042	720,000	53,290	773,290
Total	<u>\$ 3,220,000</u>	<u>\$ 1,159,788</u>	<u>\$ 4,379,788</u>

D. Subscription Based Information Technology Arrangements (SBITAs)

The City implemented Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*, in fiscal year 2023. The City has three software arrangements that require recognition under GASBS No. 96. The software amortization expense is included on the Statement of Revenues, Expenses and Changes in Fund Net Position related to the City’s intangible asset of three software systems, which is included in Note 5 as subscription based I.T. agreements. The City now recognizes a subscription-based information technology arrangements (SBITA) liability and an intangible right-to-use asset for the four software arrangements described below.

Central Square software arrangement is a five-year agreement initiated in fiscal year 2020 with an annual payment of \$109,399. The City has used a 4% discount rate for this arrangement based on similar debt during the same fiscal year. There are no options to extend the arrangement or purchase the software.

Axon Technologies software arrangement is a five-year agreement, initiated in fiscal year 2020 with annual payment of \$77,800. The City has used a 4% discount rate for this arrangement based on similar debt during the same fiscal year. There are no options to extend the arrangement or purchase the software.

Flock agreement software arrangement is a five-year agreement, initiated in fiscal year 2024 with annual payment of \$56,000 with 2 years renewal term. The City has used a 3.65% discount rate for this arrangement based on similar debt during the same fiscal year.

City of La Verne
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

7. LONG-TERM LIABILITIES, Continued

D. Subscription Based Information Technology Arrangements (SBITAs), Continued

The annual debt service requirements at June 30, 2025 are as follow:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 53,043	\$ 2,957	\$ 56,000
2027	54,010	1,990	56,000
2028	54,996	1,004	56,000
Total	<u>\$ 162,049</u>	<u>\$ 5,951</u>	<u>\$ 168,000</u>

8. DEFINED BENEFIT PENSION PLAN (PERS)

A. General Information about the Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees’ Retirement System (CalPERS.) The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City sponsors four rate plans (two miscellaneous and two safety). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS’ website, at www.calpers.ca.gov.

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 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plan operates under the provisions of the California Public Employees’ Retirement Law (PERL), the California Public Employees’ Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plan’s authority to establish and amend the benefit terms are set by the PERL and PEPRA and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

City of La Verne
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

8. DEFINED BENEFIT PENSION PLAN (PERS), Continued

A. General Information about the Pension Plan, Continued

The Plan’s provisions and benefits in effect at June 30, 2025 are summarized as follows:

	Miscellaneous	
	Classic	PEPRA
	Prior to January 1, 2013	On or after January 1, 2013
Membership date		
Benefit formula	2.5% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 67	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.0% to 2.5%
Required employer contribution rates	14.13%	7.87%

	Safety	
	Classic	PEPRA
	Prior to January 1, 2013	On or after January 1, 2013
Membership date		
Benefit formula	3% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	50 - 57
Monthly benefits, as a % of eligible compensation	3.00%	2.0% to 2.7%
Required employer contribution rates	27.32%	13.76%

Contributions

Section 20814(c) of the California Public Employees’ Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS’ annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan’s actuarially determined rate is based on the estimated amount necessary to pay the Plan’s allocated share of the risk pool’s costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Employer contributions to the Plan for the measurement period ended June 30, 2024, were \$3,191,259. Employer contributions to the Plan for the fiscal year ended June 30, 2025, were \$3,870,923.

City of La Verne
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

8. DEFINED BENEFIT PENSION PLAN (PERS), Continued

B. Net Pension Liability

As of June 30, 2025, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$20,873,641.

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

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increase	Varies by entry age and services
Mortality Rate Table ⁽¹⁾	Derived using CalPERS' membership data for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies.

(1) The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS’ website, at www.calpers.ca.gov.

Discount Rate

The discount rate used to measure the total pension liability as of the measurement of June 30, 2024 for the Plan was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that the 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 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. A detailed report testing these projections can be obtained from the CalPERS website.

City of La Verne
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

8. DEFINED BENEFIT PENSION PLAN (PERS), Continued

B. Net Pension Liability, Continued

Discount Rate, Continued

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

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

Asset Class	Current Target Allocation	Real Return ⁽¹⁾⁽²⁾
Global equity - cap-weighted	30.0%	4.45%
Global equity non-cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%

¹ An expected inflation of 2.3% used for this period

² Figures are based on the 2021-2022 Asset Liability Management study

Pension Plan Fiduciary Net Position

Information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website, at www.calpers.ca.gov. The plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

City of La Verne
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

8. DEFINED BENEFIT PENSION PLAN (PERS), Continued

B. Net Pension Liability, Continued

Pension Plan Fiduciary Net Position, Continued

The following table shows the Plans' proportion share of the net pension liability over the measurement period.

Miscellaneous	Increase (Decrease)		
	Plan Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Plan Net Pension Liability (c) = (a) - (b)
Balance at: 6/30/2023 (MD)	\$ 80,000,733	\$ 73,206,123	\$ 6,794,610
Balance at: 6/30/2024 (MD)	83,675,463	77,247,958	6,427,505
Net Changes During 2023-24	3,674,730	4,041,835	(367,105)

Safety	Increase (Decrease)		
	Plan Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Plan Net Pension Liability (c) = (a) - (b)
Balance at: 6/30/2023 (MD)	\$ 154,193,317	\$ 139,034,904	\$ 15,158,413
Balance at: 6/30/2024 (MD)	162,904,504	148,458,368	14,446,136
Net Changes During 2023-24	8,711,187	9,423,464	(712,277)

Measurement Date (MD)

The City's proportionate share of the net pension liability for the Plan as of the June 30, 2023, and 2024 measurement dates was as follows:

	Miscellaneous	Safety	Total
Proportionate Share of NPL - June 30, 2023	0.00136%	0.00203%	0.17597%
Proportionate Share of NPL - June 30, 2024	0.00133%	0.00198%	0.17212%
Change - Increase (Decrease)	-0.00003%	-0.00005%	-0.00385%

City of La Verne
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

8. DEFINED BENEFIT PENSION PLAN (PERS), Continued

B. Net Pension Liability, Continued

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in Discount Rate

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

	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate +1% (7.90%)
Net Pension Liability (Asset)	\$ 54,417,439	\$ 20,873,641	\$ (6,620,176)

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

For the measurement period ending June 30, 2024 (the measurement date), the City incurred a pension expense of \$9,407,825. As of June 30, 2025 the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,734,649	\$ 60,016
Changes of Assumptions	521,123	-
Difference Between Projected and Actual Earnings on Pension Plan Investments	1,068,284	-
Change in Employer's Proportion	7,536,309	-
Difference in Actual vs. Projected Contributions	-	8,121,662
Pension Contributions Subsequent to Measurement Date	3,870,923	-
Total	\$ 14,731,288	\$ 8,181,678

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

Difference between projected and actual earnings	5 year straight-line amortization.
All other amounts	Straight-line amortization over the average expected remaining services lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period.

City of La Verne
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

8. DEFINED BENEFIT PENSION PLAN (PERS), Continued

C. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions, Continued

\$3,870,923 reported as deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Fiscal Year Ended June 30:	Deferred Outflows/(Inflows) of Resources, Net
2026	\$ 2,384,023
2027	1,123,963
2028	(463,583)
2029	(365,716)

D. Payable to the Pension Plan

At June 30, 2025, the City reported a payable of \$-0- for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2025.

9. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

A. Plan Description

The City has established a Retiree Healthcare Plan (OPEB Plan) and participates in a single-employer defined benefit retiree healthcare plan. This coverage is available for employees who satisfy the requirements for retirement under the California Public Employees Retirement System (PERS), which is age 55 or older with at least five years of State or public agency service. The benefits are provided in the form of monthly City contributions toward the retiree’s premium. Medical plan benefits are provided through PERS, as permitted by the Public Employees’ Medical and Hospital and Care Act (PEMHCA). As a PEMHCA employer, the City has elected the unequal contribution method, where the contribution will be increased annually until it reaches the same employer contribution as active employee medical plan coverage. A separate financial report is not prepared for the OPEB Plan. The plan is closed to new entrants.

B. Employees Covered

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

Active employees	52
Inactive employees or beneficiaries currently receiving benefits	4
Inactive employees entitled to, but not yet receiving benefits	86
	142

City of La Verne
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

9. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS, Continued

C. Contributions

The City makes contributions to eligible retirees for their medical plan premiums when the retiree enrolls in a City sponsored health plan. The current monthly amount paid by the City ranges from \$12.80 - \$1,807.75, depending on the retiree’s bargaining unit at retirement. These amounts do not increase in future years to account for inflation. The City provided amounts are detailed in the Summary of Principal Plan Provisions. For the fiscal year ended June 30, 2025, the City’s cash contributions were \$568,911. in payments for premiums paid on behalf of retirees.

D. Net OPEB Liability

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

<u>Actuarial Assumptions</u>	<u>June 30, 2024 Measurement Date</u>
Actuarial Valuation Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal
Amortization Methodology	Level % of pay
Discount Rate	5.75%
General Inflation	2.50%
Mortality, Retirement, Disability, Termination	CalPERS 2000-2019 Experience Study
Salary increases	2.75% aggregate; merit CalPERS 2000-2019 experience study
Medical Trend	Non-Medicare rate of 8.50% and Medicare rate of 7.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076 and later years
Healthcare Participation	If City-paid benefit is 80% of premium: 95% If City-paid benefit is 60% of premium: 85% If City-paid benefit continues post-Medicare: 95%

E. Discount Rate

The discount rate used to measure the total OPEB liability was 5.75% percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates.

City of La Verne
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

9. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS, Continued

F. Long-term expected rate of return

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

Asset Class Component	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	60%	4.56%
Fixed Income	38%	0.78%
Cash	2%	-0.50%
Total	100%	

G. Changes in the OPEB Liability

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

	(a) Total OPEB Liability	(b) Plan Fiduciary Net Position	(a) - (b) = (c) Net OPEB Liability
Balance at June 30, 2024 (6/30/2023 measurement date)	\$ 11,315,530	\$ 6,051,525	\$ 5,264,005
Changes recognized for the measurement period:			
Service cost	286,493	-	286,493
Interest	646,373	-	646,373
Differences between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Contributions - employer	-	955,930	(955,930)
Net investment income	-	856,353	(856,353)
Benefit payments	(721,486)	(721,486)	-
Administrative expense	-	(3,124)	3,124
Net changes	211,380	1,087,673	(876,293)
Balance at June 30, 2025 (6/30/2024 measurement date)	\$ 11,526,910	\$ 7,139,198	\$ 4,387,712

City of La Verne
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

9. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS, Continued

H. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

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

	1% Decrease (4.75%)	Current Discount Rate (5.75%)	1% Increase (6.75%)
Net OPEB Liability	\$ 5,383,155	\$ 4,387,712	\$3,499,930

I. Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

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

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability	\$ 3,327,642	\$ 4,387,712	\$5,606,474

J. Recognition of Deferred Outflows and Deferred Inflows of Resources

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

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

For the fiscal year ended June 30, 2025, the City recognized OPEB expense of \$443,858. As of fiscal year ended June 30, 2025, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 568,846
Change in assumptions	703,574	51,551
Net difference between projected and actual earnings on OPEB plan investments	-	374,617
Contributions subsequent to the measurement date	929,045	-
Total	\$ 1,632,619	\$ 995,014

City of La Verne
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

9. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS, Continued

K. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB, Continued

The \$929,045 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2024 measurement date will be recognized as a reduction of the net OPEB liability during the upcoming fiscal year. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows.

Fiscal Year Ended June 30	Deferred Outflows/ (Inflows) of Resources
2026	\$ (171,124)
2027	44,965
2028	(114,460)
2029	(63,148)
2030	12,327
Thereafter	-
	<u>\$ (291,440)</u>

10. DEFERRED COMPENSATION PLAN

The City has established a deferred compensation plan, whereby City employees may elect to defer portions of their compensation in return for retirement, disability and death benefits. Amounts deferred may not exceed the lesser of \$19,500 for employees less than 50 years of age and \$26,000 for employees over 50 years of age or 25% of gross income. The City makes no contribution to the plan for full-time employees. For part-time employees, the City's contribution is 2.5% of the employees' salary and the employees' contribution is 5% of the employee's salary. Distributions are made upon the occurrence of the participant's termination, retirement, death or total disability, and in a manner in accordance with the election made by the City. In December 1998, the City established a trust for this plan as required by federal legislation. As a result, these assets are held in trust for the exclusive benefit of the plan participants and their beneficiaries. Accordingly, these assets are excluded from the accompanying financial statements.

11. DEBT ISSUED WITHOUT GOVERNMENT COMMITMENT

On June 26, 2014, the City of La Verne issued \$9,025,000 of Revenue Refunding Bonds Series 2014. The purpose of the bonds was to refund in full the City's previously issued Mobile Home Park Revenue Bonds Series 2003A, Subordinate Revenue Bonds Series 2003B & 2003C which were used to finance the acquisition of the Copacabana Mobile Home Park, and to provide funds for improvements to the Mobile Home Park. The bonds constitute special obligations of the issuer payable solely from the revenues made by Copacabana Mobile Home Park. The City is not directly, indirectly, contingently, or morally obligated to use any other monies or assets to the City for all or any portion of the payments. In addition, the payments do not constitute a debt of liability of the City. Accordingly, the bonds are not shown as liabilities in the accompanying basic financial statements. The principal balance outstanding at June 30, 2025 was \$7,435,000.

City of La Verne
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

12. RISK MANAGEMENT

The City of La Verne is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 116 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

Each member pays an annual contribution at the beginning of the coverage period. A retrospective adjustment applies annually thereafter, for coverage years 2012-13 and prior. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment. The total funding requirement for self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

Primary Liability Program

The City has a member retained limit of \$250,000. The Authority's pooled retention is \$3 million per occurrence, with reinsurance to \$30 million, excess insurance to \$50 million, and is funded at the 70%- 80% confidence level. The Authority's reinsurance contracts are subject to the following additional pooled retentions: (a) \$2 million annual aggregate deductible in the \$5 million in excess of \$5 million layer; (b) \$3 million annual aggregate deductible in the \$10 million in excess of \$10 million layer; (c) \$10 million in excess of \$20 million; (d) \$15 million in excess of \$30 million (e) \$5 million in excess of \$45 million. The overall coverage limit for each member in the excess pool, including all layers of coverage, is \$50 million per occurrence. Members retain settlement authority over claims within their layer, except for certain defined claim types that have catastrophic potential. Members retain settlement authority over claims within their layer, except for certain defined claim types that have catastrophic potential. Members use the Authority's designated claims administrator and their own trust account for claim payments. In the excess liability program, members retain the right to select defense counsel from the Authority's pre-approved panel. The program is funded by annual contributions from members that cover the pooled layer of losses, operating expenses, and most training and risk management program expenses. Member-retained losses and claims administration costs are paid directly by the members.

Primary Workers' Compensation

Claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$75,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$75,000 to \$200,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$200,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2024-25, the Authority's pooled retention is \$1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

City of La Verne
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

12. RISK MANAGEMENT, Continued

Pollution Legal Liability Insurance

The City of La Verne participates in the pollution legal liability insurance program which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of La Verne. Coverage is on a claims-made basis. There is a \$250,000 deductible. The Authority has an aggregate limit of \$20 million.

Property Insurance

The City of La Verne participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of La Verne property is currently insured according to a schedule of covered property submitted by the City of La Verne to the Authority. City of La Verne property currently has all-risk property insurance protection in the amount of \$64,082,500. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible, roadways, highways, bridges, etc. which have a \$250,000 per occurrence, unscheduled property with a deductible of \$100,000 unless vacant in which there is no coverage, and \$500,000 for vacant scheduled buildings.

Earthquake and Flood Insurance

The City of La Verne purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. City of La Verne property currently has earthquake protection in the amount of \$13,049,032. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000.

Crime Insurance

The City of La Verne purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority.

Special Event Tenant User Liability Insurance

The City of La Verne further protects against liability damages by requiring tenant users of certain property to purchase low-cost tenant user liability insurance for certain activities on agency property. The insurance premium is paid by the tenant user and is paid to the City of La Verne according to a schedule. The City of La Verne then pays for the insurance. The insurance is facilitated by the Authority.

Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2024-25.

City of La Verne
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

13. JOINT VENTURE ORGANIZATIONS

Tri City Mental Health Center

The City is a member of the Tri City Mental Health Center (Center). The Center is a jointly governed organization comprised of three cities and is organized under a Joint Powers Agreement pursuant to the California Government Code. The purpose of the Center is to develop mental health services and facilities to serve persons residing in the three member cities.

The Board of Directors has five members, one from the City of Claremont, three from the City of Pomona, and one from the City of La Verne.

The financial statements noted that Tri City filed a petition under Chapter 9 of the Bankruptcy Code in February 2004 and that Tri City had emerged from that bankruptcy filing and noted the approved plan for the adjustment of debts in fiscal year 2013-2014.

Below are the most currently available condensed audited financial statements of the Tri City Mental Health Center as of June 30, 2025. Separate financial statements of the Center are available from its offices located in Claremont, California. For more information, contact the City's Finance Department.

Assets	\$ 89,213,677
Deferred outflows of resources	5,355,114
Liabilities	<u>29,551,160</u>
Deferred inflows of resources	<u>12,986,226</u>
Net investment in capital assets	6,263,320
Restricted net position	33,420,681
Unrestricted net position	<u>12,347,404</u>
Total net position	<u>\$ 52,031,405</u>
Operating revenues	\$ 19,195,456
Operating expenses	<u>35,410,756</u>
Operating loss	(16,215,300)
Non-operating revenue (expenses)	25,887,227
Special items	<u>-</u>
Change in net position	9,671,927
Net position - July 1	<u>42,359,478</u>
Net position - June 30	<u>\$ 52,031,405</u>

14. CLAIMS AND JUDGMENTS

Various claims and suits have been filed against the City in the normal course of business. Although the outcome of these lawsuits is not presently determinable, in the opinion of management, the resolution of these matters will not have a material adverse effect on the financial condition of the government.

City of La Verne
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

15. GOVERNMENTAL FUND BALANCES

The detail of fund balances reported in the balance sheet of governmental funds is as follows:

	General	ARPA	Measure LV	Asset Forfeiture LA Impact	Measure A	Nonmajor Governmental Funds	Totals	
							2025	2024
Fund balances:								
Nonspendable:								
Loans receivable	\$ 200,501	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,501	\$ -
Total Nonspendable	200,501	-	-	-	-	-	200,501	-
Restricted for:								
General government	5,826,456	-	12,540,366	-	-	-	18,366,822	5,251,702
Public safety	-	-	-	9,627,316	-	3,213,055	12,840,371	12,890,363
Community services	-	-	-	-	-	255,054	255,054	830,685
Community development	-	-	-	-	-	8,648,430	8,648,430	23,931,781
Public Works	-	-	-	-	-	29,180,874	29,180,874	26,074,893
Total Restricted	5,826,456	-	12,540,366	9,627,316	-	41,297,413	69,291,551	68,979,424
Committed:								
Emergency contingency	7,306,517	-	-	-	-	-	7,306,517	7,244,503
Working capital reserves	2,435,506	-	-	-	-	-	2,435,506	2,414,834
Other purposes	25,362	-	-	-	-	-	25,362	25,362
Total Committed	9,767,385	-	-	-	-	-	9,767,385	9,684,699
Assigned to:								
Future operations	-	-	-	-	-	-	-	1,704,482
Other benefit obligation	3,809,563	-	-	-	-	-	3,809,563	2,342,437
Capital Projects	500,000	-	-	-	-	-	500,000	500,000
Worker's Compensation	500,000	-	-	-	-	-	500,000	500,000
Other Purposes	319,139	-	-	-	-	-	319,139	334,242
Total Assigned	5,128,702	-	-	-	-	-	5,128,702	5,381,161
Unassigned	-	(1,315,338)	-	-	(770,029)	(216,824)	(2,302,191)	(4,257,038)
Total Fund balances	\$ 20,923,044	\$ (1,315,338)	\$ 12,540,366	\$ 9,627,316	\$ (770,029)	\$ 41,080,589	\$ 82,085,948	\$ 79,788,246

Emergency contingency fund balances were committed at the City's highest level of authority by the City Council. On June 20, 2011, the City Council adopted Resolution No. 11-61 which established an emergency contingency reserve equivalent to 15% of the following fiscal year's General Fund budgeted operating expenditures (excluding transfers and capital projects). The reserve may be used for expenditures in the event of a state or federal emergency or a local emergency as defined in the City's Municipal Code and is shown as a component of committed fund balance above. On July 1, 2018, the City Council updated its fund balance policy, #216 which established a working capital reserve equivalent to 5% of the following fiscal year's General Fund budgeted operating expenditures (excluding transfers and capital projects). The reserve may be used for expenditures in the event of economic uncertainties.

City of La Verne
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

16. NET POSITION

Net Investment in Capital Assets

Net position for governmental activities and business-type activities is classified as 1) net investment in capital assets, 2) restricted, or 3) unrestricted. Net position that was classified as net investment in capital assets as of June 30, 2025, was determined as follows:

	<u>Governmental Activities</u>		
Capital assets, net of accumulated depreciation	\$ 61,642,780		
Less capital related debt balance:			
Outstanding principal balance of 1996 Revenue Bonds	(1,370,000)		
Outstanding principal balance of 2022 Revenue Bonds	(3,220,000)		
Outstanding principal balance of SBITAs	(162,049)		
Unspent debt proceeds 2022 Revenue Bonds	<u>1,520,072</u>		
Net investment in capital assets	<u>\$ 58,410,803</u>		

	<u>Business-type Activities</u>		
	<u>Water</u>	<u>Sewer</u>	<u>Total Enterprise Funds</u>
Capital assets, net of accumulated depreciation	\$ 12,241,319	\$ 4,722,340	\$ 16,963,659
Water rights, net of accumulated amortization	<u>11,976,728</u>	<u>-</u>	<u>11,976,728</u>
Net investment in capital assets	<u>\$ 24,218,047</u>	<u>\$ 4,722,340</u>	<u>\$ 28,940,387</u>

17. SUCCESSOR AGENCY TRUST FOR THE FORMER REDEVELOPMENT AGENCY

A. *Low and Moderate Income Housing Pledge Agreement*

On July 17, 1996, revenue bonds were issued by the La Verne Public Financing Authority (the Authority) in the amount of \$9,245,000. The bonds were issued to finance the acquisition of the La Verne Mobile Country Club and to finance and reimburse the City for construction costs of a community sports complex. The net income of the mobile home park operations and a portion of the tax allocation revenues distributed from the Redevelopment Property Tax Trust Fund (RPTTF) as approved by the State of California Department of Finance Required Obligation Schedules (ROPS) are pledged toward payment of the bonds. The Authority operates the park to ensure that the ratio of pledged payments plus net park revenues to the annual debt service for any particular year is at least 1.3 to 1.

18. RISKS AND UNCERTAINTIES

Lawsuits, Legal Settlements and Administrative Claims

During the normal course of operations, the City is the defendant in various lawsuits and is named in certain claims subject to administrative review. Although the outcome lawsuits and administrative claims are not presently determinable, in the opinion of the City's management and legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

City of La Verne
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

18. RISKS AND UNCERTAINTIES, Continued

Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

Successor Agency

Deductions (expenses) incurred by the Successor Agency for the year ended June 30, 2025 (and subsequent years in which the Successor Agency is in operation) are subject to review by various State agencies and the County in which the Successor Agency resides. If any expenses incurred by the Successor Agency, or payments made by the former Redevelopment Agency prior to dissolution, are disallowed by the State agencies or the County, the City, acting as the Successor Agency, could be liable for the repayment of the disallowed costs from either its own funds or by the State withholding remittances normally paid to the City. The amount, if any, of expenses or payments that may be disallowed by the State agencies or the County cannot be determined at this time, although the Successor Agency expects such amounts, if any, to be immaterial.

19. DEFICIT FUND BALANCES

<u>Funds</u>	<u>Fund Type</u>	<u>Deficit</u>
Major governmental funds:		
ARPA Fund	Special Revenue	\$ 1,315,338
Measure A	Special Revenue	770,029
Nonmajor governmental funds:		
Community Development Block Grant	Special Revenue	19,859
LA HIDTA	Special Revenue	187,118
Park Development	Capital Project	9,847

At June 30, 2025, the ARPA Fund, a major special revenue fund, has a deficit fund balance of \$1,315,338. This deficit was due to unearned revenue.

At June 30, 2025, the Measure A Fund, a major special revenue fund, has a deficit fund balance of \$770,029. This deficit was due to deferred inflows, billed but not received.

At June 30, 2025, the Community Development Block grant Fund, a non-major special revenue fund, has a deficit fund balance of \$19,859. This deficit was due to deferred inflows, billed but not received.

At June 30, 2025, the L.A. HIDTA Fund, a non-major special revenue fund, has a deficit fund balance of \$187,118. This deficit reflects an obligation to General Fund at June 30, 2025. This deficit was due to expenditures for new grants that were recognized as Due from other government and grant reimbursements for these costs were received subsequent to year end.

At June 30, 2025, the Park Development Fund, a non-major capital project fund, has a deficit fund balance of \$9,847. This fund balance deficit is due to a capital project expenditure that was partially funded by a grant. The grant reimbursement was submitted but the revenue had not been received.

City of La Verne
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

20. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Excess of expenditures over appropriations on a function level during the fiscal year 2025 occurred for the following governmental funds.

Funds	Excess
Nonmajor Governmental Fund:	
Mobile Home Park	\$ 2,374,092
PEG Fund	6,406

21. CHANGES IN REPORTING ENTITY

In fiscal year 2025, the City’s Measure A fund moved from non- major funds to a major fund with no effect on fund balance of non-major fund because of no activity last year.

22. ACCOUNTING CHANGES AND ERROR CORRECTIONS IN FISCAL YEAR 2025

In fiscal year 2025, the City recorded the following prior period adjustments. The schedule below describes the adjustments

Reporting Unit	As previously stated	Capital Assets	Compensated Absences	GASB 84 Correction	Other Adjustments	As restated
Governmental activities	\$ 77,816,066	\$ 757,410	\$ (304,422)	\$ -	\$ -	\$ 78,269,054
Business-type activities	42,219,371	98,803	(43,902)	-	4,443	42,278,715
<u>Enterprise Funds</u>						
Water Fund	29,820,131	98,803	(31,800)	-	-	29,887,134
Sewer Fund	12,399,240	-	(12,102)	-	4,443	12,391,581
<u>Fiduciary Activities</u>						
Custodial Funds	13,946,034	-	-	3,058,838	(157,020)	16,847,852

Prior period adjustments were made to correct over depreciation of assets in water fund and government wide capital assets; the City also recorded restatements as part of implementing GASB Statement No. 101, Compensated Absences described in Note 7, that had an impact on beginning net position of both Government wide and Enterprise Funds. Also, Measure A Fund previously reported as part of Local Transit Assistance Fund has been presented as separate Fund, with no effect on fund balance of Local Transit Assistance Fund.

In Fiduciary Fund, City moved \$3,058,838 in L.A HIDTA (Custodial funds) from liabilities into fund balance as correct implementation of GASB 84. As part of other adjustments, \$157,020 moved out of L.A. HITDA (Custodial fund) balance, incorrectly recorded to fund balance because of duplicate entry as revenue last year.

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**REQUIRED
SUPPLEMENTARY INFORMATION**

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City of La Verne
Required Supplementary Information
For the year ended June 30, 2025

1. BUDGET AND BUDGETARY ACCOUNTING

According to Section 3.04.050 of the La Verne Municipal Code, the City Council is required to adopt an annual budget.

The City adopts an annual budget prepared on the modified accrual basis and consistent with generally accepted accounting principles for the governmental funds except for the debt service funds. Formal budgetary integration is not employed in the accounting records for the debt service funds of the City because effective budgetary control is alternatively achieved through the provisions of the related debt agreements. Council approval for issuance of the 1996 Revenue Bonds constitutes budget authority for the expenditures of the related funds. The City Manager is required to prepare and submit to the City Council the annual budget of the City and administer it after adoption. City Council approval is required for budget revisions that increase total City appropriations. Prior year appropriations lapse unless they are encumbered at year end or re-appropriated through the formal budget process. Supplemental appropriations were not material.

Formal budgetary integration is employed as a management control device during the year for all the governmental type funds. Budgets for all the governmental type funds are adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts are as originally adopted and are further amended by the City Council. Budgets are adopted for all governmental type funds except for the debt service funds as stated in the second paragraph.

Expenditures may not legally exceed budgeted appropriations at the fund level. Management does not have the authority to amend the budget without the approval of the City Council. However, the City Manager may authorize transfers from one account to another within the same fund.

City of La Verne

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

General Fund

For the year ended June 30, 2025

(with comparative data for the year ended June 30, 2024)

	Budgeted Amounts		2025 Amounts	Variance with Final Budget	2024 Amounts
	Original	Final		Positive (Negative)	
REVENUES:					
Property taxes	\$ 16,458,608	\$ 16,528,608	\$ 16,340,861	\$ (187,747)	\$ 15,816,748
Other taxes	10,900,796	10,700,796	10,785,094	84,298	10,627,137
Licenses and permits	1,520,000	1,350,000	1,560,046	210,046	2,132,071
Intergovernmental	491,516	549,553	572,339	22,786	638,143
Charges for services	8,325,407	8,514,136	9,020,597	506,461	8,438,502
Fines and forfeitures	15,000	15,000	29,034	14,034	14,427
Investment income	340,000	340,000	463,268	123,268	459,280
Net increase (decrease) in fair value of investments	-	-	781,130	781,130	684,350
Rents	254,000	254,000	317,874	63,874	260,936
Other	102,625	102,625	121,101	18,476	99,470
Donations and contributions	35,000	35,000	52,026	17,026	46,494
Total revenues	38,442,952	38,389,718	40,043,370	1,653,652	39,217,558
EXPENDITURES:					
Current:					
General government	4,653,593	4,663,329	4,112,053	551,276	4,220,169
Public safety	29,963,443	31,705,848	27,483,903	4,221,945	27,073,280
Community development	1,886,743	1,919,543	2,626,099	(706,556)	1,993,792
Public works	9,682,252	9,344,335	8,851,505	492,830	7,519,547
Community services	2,105,654	2,110,410	2,039,911	70,499	1,901,560
Capital projects	-	129,699	125,791	3,908	270,141
Debt service:					
Principal retirement	-	-	1,618,744	(1,618,744)	1,570,512
Interest	-	-	1,739,347	(1,739,347)	1,788,311
Total expenditures	48,291,685	49,873,164	48,597,353	1,275,811	46,337,312
REVENUES OVER (UNDER) EXPENDITURES	(9,848,733)	(11,483,446)	(8,553,983)	2,929,463	(7,119,754)
OTHER FINANCING SOURCES (USES):					
Transfers in	10,389,015	10,389,015	9,295,502	(1,093,513)	9,935,350
Transfers out	(1,766,294)	(1,582,331)	(136,037)	1,446,294	(605,700)
Proceeds from sale of property	1,500	1,500	-	(1,500)	1,490
Issuance of Debt	-	-	-	-	270,141
Total other financing sources (uses)	8,624,221	8,808,184	9,159,465	351,281	9,601,281
Net change in fund balances	\$ (1,224,512)	\$ (2,675,262)	605,482	\$ 3,280,744	2,481,527
FUND BALANCES:					
Beginning of year			20,317,562		17,836,035
End of year			<u>\$ 20,923,044</u>		<u>\$ 20,317,562</u>

City of La Verne

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

ARPA

For the year ended June 30, 2025

(with comparative data for the year ended June 30, 2024)

	Budgeted Amounts		2025 Amounts	Variance with Final Budget	2024 Amounts
	Original	Final		Positive (Negative)	
REVENUES:					
Intergovernmental	\$ -	\$ -	\$ 2,921,431	\$ 2,921,431	\$ 794,096
Investment income	42,000	42,000	-	(42,000)	63,665
Net increase (decrease) in fair value of investments	-	-	-	-	9,074
Total revenues	42,000	42,000	2,921,431	2,879,431	866,835
EXPENDITURES:					
Current:					
General government	-	169,038	95,039	73,999	523,517
Community development	-	-	131	(131)	-
Community services	-	-	49,327	(49,327)	-
Capital projects	-	517,861	483,353	34,508	-
Total expenditures	-	686,899	627,850	59,049	523,517
REVENUES OVER (UNDER) EXPENDITURES	42,000	(644,899)	2,293,581	2,938,480	343,318
OTHER FINANCING SOURCES (USES):					
Transfers out	(500,000)	(500,000)	(500,183)	(183)	(200,000)
Total other financing sources (uses)	(500,000)	(500,000)	(500,183)	(183)	(200,000)
Net change in fund balances	\$ (458,000)	\$ (1,144,899)	1,793,398	\$ 2,938,297	143,318
FUND BALANCES:					
Beginning of year			(3,108,736)		(3,252,054)
End of year			<u>\$ (1,315,338)</u>		<u>\$ (3,108,736)</u>

City of La Verne

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

Measure LV

For the year ended June 30, 2025

(with comparative data for the year ended June 30, 2024)

	Budgeted Amounts		2025 Amounts	Variance with Final Budget	2024 Amounts
	Original	Final		Positive (Negative)	
REVENUES:					
Other taxes	\$ 5,115,000	\$ 5,040,000	\$ 4,882,911	\$ (157,089)	\$ 5,061,078
Investment income	300,000	300,000	455,536	155,536	370,525
Net increase (decrease) in fair value of investments	-	-	171,634	171,634	61,860
Total revenues	5,415,000	5,340,000	5,510,081	170,081	5,493,463
EXPENDITURES:					
Current:					
Public safety	143,000	153,530	95,976	57,554	107,764
Capital projects	-	-	6,711	(6,711)	-
Total expenditures	143,000	153,530	102,687	50,843	107,764
REVENUES OVER (UNDER) EXPENDITURES	5,272,000	5,186,470	5,407,394	220,924	5,385,699
OTHER FINANCING SOURCES (USES):					
Transfers out	(3,991,117)	(3,991,117)	(3,991,115)	2	(3,073,407)
Total other financing sources (uses)	(3,991,117)	(3,991,117)	(3,991,115)	2	(3,073,407)
Net change in fund balances	\$ 1,280,883	\$ 1,195,353	1,416,279	\$ 220,926	2,312,292
FUND BALANCES:					
Beginning of year			11,124,087		8,811,795
End of year			\$ 12,540,366		\$ 11,124,087

City of La Verne

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

Asset Forfeiture LA Impact

For the year ended June 30, 2025

(with comparative data for the year ended June 30, 2024)

	Budgeted Amounts		2025 Amounts	Variance with Final Budget	2024 Amounts
	Original	Final		Positive (Negative)	
REVENUES:					
Intergovernmental	\$ -	\$ -	\$ 444,837	\$ 444,837	\$ 9,700,752
Investment income	80,000	80,000	432,167	352,167	326,336
Net increase (decrease) in fair value of investments	-	-	151,253	151,253	64,448
Total revenues	80,000	80,000	1,028,257	948,257	10,091,536
EXPENDITURES:					
Current:					
General government	-	-	153	(153)	-
Public safety	957,015	985,120	606,309	378,811	655,673
Capital projects	105,000	105,000	65,868	39,132	26,736
Total expenditures	1,062,015	1,090,120	672,330	417,790	682,409
REVENUES OVER (UNDER) EXPENDITURES	(982,015)	(1,010,120)	355,927	1,366,047	9,409,127
OTHER FINANCING SOURCES (USES):					
Transfers out	(1,400,000)	(1,400,000)	(1,447,500)	(47,500)	(1,186,450)
Total other financing sources (uses)	(1,400,000)	(1,400,000)	(1,447,500)	(47,500)	(1,186,450)
Net change in fund balances	\$ (2,382,015)	\$ (2,410,120)	(1,091,573)	\$ 1,318,547	8,222,677
FUND BALANCES:					
Beginning of year			10,718,889		-
Restatement			-		2,469,476
Beginning of year, as restated			10,718,889		2,469,476
End of year			<u>\$ 9,627,316</u>		<u>\$ 10,692,153</u>

City of La Verne

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

For the year ended June 30, 2025

(with comparative data for the year ended June 30, 2024)

	Budgeted Amounts		2025 Amounts	Variance with Final Budget	2024 Amounts
	Original	Final		Positive (Negative)	
EXPENDITURES:					
Current:					
General government	\$ 275,000	\$ 275,000	\$ 118,220	\$ 156,780	\$ -
Capital projects	-	698,068	651,809	46,259	-
Total expenditures	275,000	973,068	770,029	203,039	-
Net change in fund balances	\$ (275,000)	\$ (973,068)	(770,029)	\$ 203,039	-
FUND BALANCES:					
Beginning of year			-		-
End of year			<u>\$ (770,029)</u>		<u>\$ -</u>

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City of La Verne
Required Supplementary Information
For the year ended June 30, 2025

*Schedule of the City's Proportionate Share of the Plan's Net Pension Liability
and Related Ratios as of the Measurement Date - Last 10 Years*

Measurement Date	6/30/2015	6/30/2016	6/30/2017	6/30/2018
Employer's Proportion of the Collective Net Pension Liability ¹	0.51571%	1.02003%	1.01910%	1.05089%
Employer's Proportionate Share of the Collective Net Pension Liability ² / (Asset)	\$ 35,397,881	\$ 44,788,142	\$ 51,266,006	\$ 51,434,554
Employer's Covered Payroll	\$ 13,997,575	\$ 14,426,087	\$ 14,472,818	\$ 13,073,674
Employer's Proportionate Share of the Collective Net Pension Liability as a Percentage of the Employer's Covered Payroll	252.89%	310.47%	354.22%	393.42%
Pension's Plans Fiduciary Net Position as a Percentage of the Total Pension Liability	78.40%	74.06%	73.31%	75.26%

¹ Proportion of the collective net pension liability/(asset) represents the plan's proportion of PERF C, which includes both the Miscellaneous and Safety Risk Pools excluding the 1959 Survivors Risk Pool.

² The City issued pension obligation bonds in fiscal year 2018-19, resulting in a substantial decrease in the employer's proportionate share of the collective net pension liability/(asset) during measurement period ended June 30, 2019.

<u>6/30/2019</u>	<u>6/30/2020</u>	<u>6/30/2021</u>	<u>6/30/2022</u>	<u>6/30/2023</u>	<u>6/30/2024</u>
0.08161%	0.11876%	-0.79230%	0.14389%	0.17597%	0.17212%
\$ 4,215,953	\$ 6,714,257	\$ (21,418,338)	\$ 16,620,711	\$ 21,953,023	\$ 20,873,641
\$ 12,683,876	\$ 12,379,105	\$ 13,524,343	\$ 14,318,426	\$ 15,570,297	\$ 17,224,018
33.24%	54.24%	-158.37%	116%	141%	121%
75.26%	75.10%	88.29%	76.68%	76.21%	78.08%

City of La Verne
Required Supplementary Information
For the year ended June 30, 2025

Schedule of Plan's Contributions - Last 10 Years

Fiscal Year	2016	2017	2018	2019
Contractually determined contribution	\$ 3,581,099	\$ 3,912,718	\$ 4,280,435	\$ 4,767,160
Contributions in relation to contractually determined contributions ¹	(3,581,099)	(3,912,718)	(4,280,435)	(53,729,819)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ (48,962,659)
Employer's Covered Payroll	\$ 14,426,087	\$ 14,472,818	\$ 13,073,674	\$ 12,683,876
Contributions as a percentage of covered employee payroll	24.82%	27.03%	32.74%	423.61%

Notes to Schedule

Change in benefit terms: There were no changes to benefit terms that applied to all members of the Public Agency Pool. Additionally, the figures above do not include any liability impact that may have resulted from Golden Handshakes that occurred after the June 30, 2021 valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

Changes in Assumptions: Effective with the June 30, 2023 valuation date (2024 measurement date) the accounting discount rate stayed at 6.90% as in 2023 and 2022. In 2022 the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. There were no assumption changes for 2021. For 2020, the Plan adopted a new amortization policy effective with the 2019 actuarial valuation. The new amortization policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes apply only to new UAL bases established on or after June 30, 2019. There were no changes in assumptions in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate in 2019. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes in the discount rate. 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 administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

¹The City issued pension obligation bonds in fiscal year 2018-19, resulting in a substantial contribution in relation to the contractually determined contributions during fiscal year 2018-19.

2020	2021	2022	2023	2024	2025
\$ 2,036,539	\$ 2,665,555	\$ 3,068,817	\$ 3,449,533	\$ 3,191,259	\$ 3,870,923
(2,036,539)	(2,665,555)	(3,068,817)	(3,449,533)	(3,191,259)	(3,870,923)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 12,379,105	\$ 13,524,343	\$ 14,318,426	\$ 15,570,297	\$ 17,224,018	\$ 17,418,691
16.45%	19.71%	21.43%	22.15%	18.53%	22.22%

City of La Verne
Required Supplementary Information
For the year ended June 30, 2025

*Schedule of Changes in the Net OPEB Liability and Related Ratios - Last 10 Years**

Measurement Date	6/30/2018	6/30/2019	6/30/2020	6/30/2021
Total OPEB Liability				
Service cost	\$ 321,891	\$ 331,548	\$ 341,495	\$ 315,347
Interest on the total OPEB liability	617,221	643,684	668,089	619,848
Differences between expected and actual experience	-	-	(841,660)	
Changes of assumptions	-	-	182,698	(158,956)
Benefit payments	(513,203)	(570,093)	(649,316)	(721,074)
Net change in the total OPEB liability	425,909	405,139	(298,694)	55,165
Total OPEB liability - beginning	9,430,421	9,856,330	10,261,469	9,962,775
Total OPEB liability - ending (a)	\$ 9,856,330	\$ 10,261,469	\$ 9,962,775	\$ 10,017,940
Plan Fiduciary Net Position				
Contribution - employer	\$ 752,774	\$ 781,889	\$ 1,016,879	\$ 721,074
Net investment income	270,382	204,975	229,924	105,026
Benefit payments	(513,203)	(570,093)	(649,316)	(721,074)
Administrative expense	(23,642)	(8,850)	(16,407)	(8,836)
Net change in plan fiduciary net position	486,311	407,921	581,080	96,190
Plan fiduciary net position - beginning	2,358,658	2,844,969	3,252,890	3,833,970
Plan fiduciary net position - ending (b)	\$ 2,844,969	\$ 3,252,890	\$ 3,833,970	\$ 3,930,160
Net OPEB Liability - ending (a) - (b)	\$ 7,011,361	\$ 7,008,579	\$ 6,128,805	\$ 6,087,780
Plan fiduciary net position as a percentage of the total OPEB liability	28.86%	31.70%	38.48%	39.23%
Covered-employee payroll	\$ 13,805,870	\$ 13,193,765	\$ 13,220,866	\$ 15,155,169
Net OPEB liability as a percentage of covered-employee payroll	50.79%	53.12%	46.36%	40.17%

Notes to Schedule:

Changes in assumptions: Discount rate was updated to reflect our current capital market assumptions. Mortality improvement scale was updated to Scale MP-2019.

*Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available. Fiscal Year 2017-18 was the first year of implementation.

**Contributions are not based on a measure of pay.

<u>6/30/2022</u>	<u>6/30/2023</u>	<u>6/30/2024</u>	<u>6/30/2025</u>
\$ 320,540	\$ 315,406	\$ 309,222.00	\$ 286,493.00
625,295	607,981	622,996	646,373
(264,596)	-	(424,748)	-
543,197	-	621,947	-
<u>(667,525)</u>	<u>(633,363)</u>	<u>(678,762)</u>	<u>(721,486)</u>
556,911	290,024	450,655	211,380
<u>10,017,940</u>	<u>10,574,851</u>	<u>10,864,875</u>	<u>11,315,530</u>
<u>\$ 10,574,851</u>	<u>\$ 10,864,875</u>	<u>\$ 11,315,530</u>	<u>\$ 11,526,910</u>
\$ 1,015,882	\$ 633,363	\$ 1,499,018.00	\$ 955,930.00
1,066,853	(733,351)	654,060	856,353
(667,525)	(633,363)	(678,762)	(721,486)
(11,370)	(13,105)	(10,335)	(3,124)
<u>1,403,840</u>	<u>(746,456)</u>	<u>1,463,981</u>	<u>1,087,673</u>
<u>3,930,160</u>	<u>5,334,000</u>	<u>4,587,544</u>	<u>6,051,525</u>
<u>\$ 5,334,000</u>	<u>\$ 4,587,544</u>	<u>\$ 6,051,525</u>	<u>\$ 7,139,198</u>
<u>\$ 5,240,851</u>	<u>\$ 6,277,331</u>	<u>\$ 5,264,005</u>	<u>\$ 4,387,712</u>
50.44%	42.22%	53.48%	61.94%
\$ 14,369,825	\$ 13,573,772	\$ 10,283,684	\$ 10,803,647
36.47%	46.25%	51.19%	40.61%

City of La Verne
Required Supplementary Information
For the year ended June 30, 2025

*Schedule of OPEB Contributions - Last 10 Fiscal Years**

Fiscal Year Ended	2018	2019	2020	2021
Actuarially determined contribution	\$ 614,590	\$ 809,488	\$ 833,773	\$ 868,322
Contributions in relation to actuarially determined contributions	(781,889)	(1,016,879)	(721,074)	(1,015,882)
Contribution deficiency (excess)	<u>\$ (167,299)</u>	<u>\$ (207,391)</u>	<u>\$ 112,699</u>	<u>\$ (147,560)</u>
Covered employee payroll	\$ 13,193,765	\$ 13,220,866	\$ 15,155,169	\$ 14,369,825
Contributions as a percentage of Covered employee payroll	5.93%	7.69%	4.76%	7.07%

Notes to Schedule

*Actuarial methods and assumptions used to set the actuarially determined contribution for Fiscal Year 2025 were from the June 30, 2023 actuarial valuation.

Methods and assumptions used to determine contributions:

Valuation Date	June 30, 2023
Actuarial Cost Method	Entry age normal, level percentage of payroll
Amortization Method	Level dollar amount
Amortization Period	18-year fixed period for 2024/25
Asset Valuation Method	Market value
Discount Rate	5.75%
General Inflation	2.50%
Medical Trend	Non-Medicare rate of 8.5% and Medicare rate of 7.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076
Mortality	CalPERS 2000-2019 experience study
Mortality Improvement	Mortality projected fully generational with Scale MP-2021

**Contributions are not based on a measure of pay.

2022	2023	2024	2025
\$ 832,034	\$ 874,579	\$ 867,997	\$ 762,026
(633,363)	(1,499,018)	(955,930)	(929,045)
<u>\$ 198,671</u>	<u>\$ (624,439)</u>	<u>\$ (87,933)</u>	<u>\$ (167,019)</u>
\$ 13,573,772	\$ 10,283,684	\$ 10,803,647	\$ 9,437,997
4.67%	14.58%	8.85%	9.84%

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SUPPLEMENTARY INFORMATION

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City of La Verne
Schedule of Revenues - Budget and Actual
General Fund
For the year ended June 30, 2025

(with comparative data for the year ended June 30, 2024)

	Budgeted Amounts		2025 Amounts	Variance with Final Budget	2024 Amounts
	Original	Final		Positive (Negative)	
REVENUES:					
Property taxes:					
Current year secured	\$ 6,686,868	\$ 6,686,868	\$ 6,478,161	\$ (208,707)	\$ 6,400,697
Current year unsecured	211,789	211,789	209,379	(2,410)	199,852
Property taxes in lieu of VLF	4,698,847	4,695,847	4,697,634	1,787	4,531,193
Passthrough distribution	749,380	749,380	786,677	37,297	744,164
Residual balance	3,443,418	3,686,418	3,768,990	82,572	3,501,594
Prior year secured	(29,000)	(46,000)	(61,257)	(15,257)	(40,384)
	(5,700)	14,300	13,312	(988)	7
Aircraft tax	131,144	120,144	125,498	5,354	116,138
Homeowners exemption	25,452	25,452	24,328	(1,124)	25,198
Penalties & interest	30,000	30,000	20,424	(9,576)	16,422
Supplemental tax roll	213,693	146,693	114,575	(32,118)	159,217
Real property transfer tax	209,000	209,000	163,054	(45,946)	162,602
Unitary	93,717	(1,283)	86	1,369	48
Total Property taxes:	16,458,608	16,528,608	16,340,861	(187,747)	15,816,748
Other taxes					
Sales and use tax	5,359,955	5,159,955	5,153,410	(6,545)	5,276,308
Prop 172 sales tax	494,549	494,549	481,615	(12,934)	489,929
Utility user tax	3,711,092	3,711,092	3,787,629	76,537	3,531,590
Franchise tax	700,000	700,000	713,905	13,905	666,221
Business license tax	530,000	530,000	534,074	4,074	548,505
Tobacco retail tax	7,200	7,200	5,400	(1,800)	6,600
Sales tax in-lieu fee	48,000	48,000	48,000	-	48,000
Transient occupancy tax	50,000	50,000	61,061	11,061	59,984
Total Other taxes	10,900,796	10,700,796	10,785,094	84,298	10,627,137
Licenses and permits:					
Building permits	1,100,000	930,000	1,198,759	268,759	1,706,006
Other permits	420,000	420,000	361,287	(58,713)	426,065
Total Licenses and permits:	1,520,000	1,350,000	1,560,046	210,046	2,132,071
Intergovernmental:					
P.O.S.T.	430,143	430,143	446,104	15,961	508,387
Disaster mitigation act	-	-	3,567	3,567	2,665
Other intergovernmental	61,373	119,410	122,668	3,258	127,091
Total Intergovernmental:	491,516	549,553	572,339	22,786	638,143

City of La Verne
Schedule of Revenues - Budget and Actual (Continued)
General Fund
For the year ended June 30, 2025
(with comparative data for the year ended June 30, 2024)

	Budgeted Amounts		2025 Amounts	Variance with Final Budget Positive (Negative)	2024 Amounts
	Original	Final			
Charges for services:					
Swimming pool fees	281,833	283,500	322,781	39,281	244,192
Recreation fees & charges	-	-	-	-	2,480
Recreation excursions	45,000	45,000	52,273	7,273	48,813
Refuse service fees	3,524,000	3,524,000	4,086,648	562,648	3,866,753
Planning fees	217,200	408,305	256,059	(152,246)	202,576
Business license fees	242,500	242,500	240,439	(2,061)	235,426
Inspection fees	67,660	78,660	74,304	(4,356)	52,410
Plan check fees	81,600	90,661	129,888	39,227	127,182
Paramedic service fees	1,634,000	1,701,000	1,834,048	133,048	1,737,462
Map & copy sales	2,750	2,750	4,051	1,301	1,685
Lighting & maintenance	178,966	178,966	206,058	27,092	182,126
Other fees & charges	1,791,698	1,700,594	1,523,268	(177,326)	1,467,889
Wildland fire services	-	-	2,438	2,438	-
Police special duty	258,200	258,200	288,342	30,142	269,508
Total Charges for services:	8,325,407	8,514,136	9,020,597	506,461	8,438,502
Fines and forfeitures:					
Other penalties	15,000	15,000	29,034	14,034	14,427
Total Fines and forfeitures:	15,000	15,000	29,034	14,034	14,427
Investment income	340,000	340,000	463,268	123,268	459,280
Unrealized gain (loss) on investments	-	-	781,130	781,130	684,350
Total investment income, net	340,000	340,000	1,244,398	904,398	1,143,630
Rents	254,000	254,000	317,874	63,874	260,936
Miscellaneous:					
Other revenues	102,625	102,625	121,101	18,476	99,470
Contributions/donations	35,000	35,000	52,026	17,026	46,494
Total Miscellaneous:	137,625	137,625	173,127	35,502	145,964
Proceeds from sale of property	1,500	1,500	-	(1,500)	1,490
Other financing sources:					
Transfers in	10,389,015	10,389,015	9,295,502	(1,093,513)	9,935,350
Issuance of Debt			-	-	270,141
Total revenues	\$ 48,833,467	\$ 48,780,233	\$ 49,338,872	\$ 558,639	\$ 49,424,539

City of La Verne
Schedule of Expenditures - Budget and Actual
General Fund
For the year ended June 30, 2025
(with comparative data for the year ended June 30, 2024)

	Budgeted Amounts		2025 Amounts	Variance with Final Budget Positive (Negative)	2024 Amounts
	Original	Final			
EXPENDITURES:					
General government:					
City council	\$ 92,143	\$ 92,141	\$ 84,269	\$ 7,872	\$ 76,786
City clerk	124,625	121,831	108,494	13,337	152,796
City manager administration	1,117,700	1,122,560	1,062,914	59,646	1,015,836
City attorney	145,000	145,150	181,355	(36,205)	194,915
Finance	1,211,319	1,230,799	1,126,189	104,610	1,120,063
Information services	1,492,806	1,497,344	1,166,613	330,731	1,259,668
Non-departmental	470,000	453,504	382,219	71,285	400,105
Total general government	4,653,593	4,663,329	4,112,053	551,276	4,220,169
Public safety:					
Fire department	14,232,105	15,346,636	13,388,416	1,958,220	12,759,423
Police department	15,731,338	16,359,212	14,095,488	2,263,724	14,313,857
Total public safety	29,963,443	31,705,848	27,483,904	4,221,944	27,073,280
Community development:					
Planning & administration	1,886,743	1,919,543	2,626,099	(706,556)	1,993,792
Total community development	1,886,743	1,919,543	2,626,099	(706,556)	1,993,792
Public works:					
City buildings administration & maintenance	806,121	714,871	662,621	52,250	677,979
Refuse & recycling	3,548,552	3,433,854	3,440,290	(6,436)	3,267,029
Street maintenance	2,544,901	2,154,682	1,851,854	302,828	1,485,810
Parks facility maintenance	2,782,678	3,040,928	2,896,739	144,189	2,088,729
Total public works	9,682,252	9,344,335	8,851,504	492,831	7,519,547
Community services:					
Recreation & community services	966,021	954,134	895,941	58,193	956,951
Swimming pool programs	494,235	460,457	498,589	(38,132)	380,101
Facilities	570,127	605,144	560,440	44,704	495,848
Special events	75,271	90,675	84,941	5,734	68,660
Total community services	2,105,654	2,110,410	2,039,911	70,499	1,901,560
Capital projects:					
Information systems	-	60,533	65,434	(4,901)	270,141
Street maintenance	-	69,166	60,357	8,809	-
Total capital projects	-	129,699	125,791	3,908	270,141
Debt service:					
Pension obligation bond	-	-	3,358,091	(3,358,091)	3,358,823
Other financing uses:					
Transfers out	1,766,294	1,582,331	136,037	(1,446,294)	605,700
Total expenditures	\$ 50,057,979	\$ 51,455,495	\$ 48,733,390	\$ (170,483)	\$ 46,943,012

City of La Verne
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

(with comparative data for June 30, 2024)

	Special Revenue Funds	Capital Project Funds	Totals	
			2025	2024
ASSETS				
Cash and investments	\$ 27,101,546	\$ 9,648,675	\$ 36,750,221	\$ 36,367,381
Cash and investments with fiscal agents	4,570,952	-	4,570,952	5,624,872
Restricted cash	-	-	-	-
Interest receivable	9,804	2,114	11,918	37,011
Accounts receivable	448,380	522,450	970,830	1,338,431
Special assessments receivable	7,301	-	7,301	22,826
Due from other governments	1,160,117	612,294	1,772,411	1,476,214
Due from Successor Agency	810,000	-	810,000	1,010,000
Inventory of materials and supplies, at cost	25,938	-	25,938	34,321
Land held for resale	134,981	-	134,981	134,981
Total assets	\$ 34,269,019	\$ 10,785,533	\$ 45,054,552	\$ 46,046,037
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 994,661	\$ 316,481	\$ 1,311,142	\$ 1,397,238
Accrued expenses	44,939	1,670	46,609	67,663
Deposits payable	24,436	-	24,436	30,242
Due to other funds	424,616	400,122	824,738	1,399,468
Advances from other funds	-	1,011,664	1,011,664	1,074,232
Total liabilities	1,488,652	1,729,937	3,218,589	3,968,843
Deferred Inflows of Resources				
Unavailable revenue	413,712	341,662	755,374	1,340,750
Total deferred inflows of resources	413,712	341,662	755,374	1,340,750
Fund Balances:				
Restricted:				
Public safety	3,213,055	-	3,213,055	2,171,474
Community and development	8,648,430	-	8,648,430	12,807,694
Public works	20,618,141	8,562,733	29,180,874	26,074,893
Community services	94,006	161,048	255,054	830,685
Unassigned	(206,977)	(9,847)	(216,824)	(1,148,302)
Total fund balances	32,366,655	8,713,934	41,080,589	40,736,444
Total liabilities, deferred inflows of resources and fund balances	\$ 34,269,019	\$ 10,785,533	\$ 45,054,552	\$ 46,046,037

City of La Verne
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2025
(with comparative data for the year ended June 30, 2024)

	Special Revenue Funds	Capital Project Funds	Totals	
			2025	2024
REVENUES:				
Other taxes	\$ 4,253,658	\$ 11,639	\$ 4,265,297	\$ 4,208,855
Licenses and permits	21,571	-	21,571	23,971
Intergovernmental	8,210,319	1,246,793	9,457,112	9,292,695
Charges for services	3,390,389	63,180	3,453,569	1,103,725
Fines and forfeitures	409,608	-	409,608	392,808
Special assessments	2,322,396	-	2,322,396	2,171,737
Investment income	1,430,187	230,529	1,660,716	1,583,166
Net increase (decrease) in fair value of investments	448,366	139,992	588,358	333,149
Rents	2,385,714	-	2,385,714	2,479,813
Other	15,138	351,392	366,530	1,425,940
Donations and contributions	-	-	-	246,696
Total revenues	22,887,346	2,043,525	24,930,871	23,262,555
EXPENDITURES:				
Current:				
General government	420	10,725	11,145	-
Public safety	10,789,557	-	10,789,557	7,652,206
Community development	1,951,748	-	1,951,748	2,103,746
Public works	280,273	-	280,273	262,070
Community services	1,292,710	1,860	1,294,570	1,269,493
Capital projects	4,580,789	2,792,966	7,373,755	3,581,185
Debt service:				
Principal retirement	750,000	-	750,000	705,000
Interest	244,077	20,410	264,487	257,814
Total expenditures	19,889,574	2,825,961	22,715,535	15,831,514
REVENUES OVER (UNDER)				
EXPENDITURES	2,997,772	(782,436)	2,215,336	7,431,041
OTHER FINANCING SOURCES (USES):				
Transfers in	1,567,500	739,539	2,307,039	2,575,991
Transfers out	(4,087,430)	(100,000)	(4,187,430)	(4,595,190)
Proceeds from sale of property	9,200	-	9,200	22,746
Total other financing sources (uses)	(2,510,730)	639,539	(1,871,191)	(1,996,453)
Net change in fund balances	487,042	(142,897)	344,145	5,434,588
FUND BALANCES:				
Beginning of year	31,879,613	8,856,831	40,736,444	36,319,816
Restatement	-	-	-	(1,017,960)
Beginning of year, as restated	31,879,613	8,856,831	40,736,444	35,301,856
End of year	\$ 32,366,655	\$ 8,713,934	\$ 41,080,589	\$ 40,736,444

City of La Verne
Nonmajor Special Revenue Funds
Year Ended June 30, 2025

Special revenue funds are used to account for specific revenues and the related expenditures which are legally required to be accounted for in a separate fund. Funds included are:

Traffic and Bicycle Safety Fund

To account for the revenues and expenditures of Vehicle Code court fines, licenses and grant money expended for traffic related costs and the promotion of bicycle safety.

Mobile Home Park Fund

To account for revenues and expenditures related to the operation of two mobile home parks that are restricted under state law based on household incomes and/or age limitations.

Community Development Block Grant

To account for the revenues and expenditures of approved Federal Housing and Community Development Act projects.

State & County Gasoline Tax Fund

To account for the revenues and expenditures of the City's proportionate share of gas tax monies collected by the State of California and disbursement of monies received from Los Angeles County as aid to the City which are used for street construction and maintenance.

Police Narcotics Confiscation Fund

To account for monies confiscated in police narcotic raids that are restricted for public safety expenditures.

Local Transit Assistance Fund

To account for revenues and expenditures received under Propositions A & C and Measure M & R approved under the Local Transit Assistance Act regulations.

Mobile Source Air Pollution Fund

To account for smog fees transmitted to the City from other governmental agencies to be expended for the mitigation of local air pollution problems.

Public Safety Fund

To account for Proposition 172 half-cent sales tax transmitted to the City from other governmental agencies and fees charged for fire equipment and facilities to be expended for public safety.

Community Facilities District 90-1 Fund

To account for the financial transactions associated with the operation and maintenance of this special tax district.

Downtown Business Improvement Districts Fund

To account for business license fees used for the promotion of businesses in the downtown business district.

Maintenance Assessment Districts Fund

To account for the revenues and expenditures restricted for the lighting and landscape maintenance program. Property owners are assessed their share of the cost for lighting and maintaining parkways and medians.

**City of La Verne
Special Revenue Funds
Year Ended June 30, 2025
(Continued)**

Affordable Housing Fund

To account for the revenues and expenditures restricted for the affordable housing program.

PEG Fund

To account for revenues received from the City's Cable TV franchise companies pursuant to the franchise agreements. No budget has been adopted for this fund.

Downtown Parking In-Lieu Fund

To account for fees collected for the Parking Mitigation Development Impact Fee and the Old Town La Verne Merchant Parking Permit Fee.

EIFD Fund

To account for the activities of the La Verne Enhanced Infrastructure Financing District. The District is a blended component unit of the City and receives tax increment revenues allocated to the District from City Taxing areas. The District is governed by a 5 member Board of Directors appointed by the City Council consisting of 3 elected and 2 public members.

Housing Successor Fund

To account for low and moderate income housing fund resources and activities.

Measure LV Fund

To account for the $\frac{3}{4}$ cent transactions and use tax approved by voters to support and maintain existing programs and services and, to the extent that funds are available, providing funding for additional program and service enhancements.

Measure W Fund

To account for activities related to implementation of goals outlined in the Safe Clean Water Program.

Miscellaneous Grants Fund

To account for revenues received under various grant programs. The exact number nature and amount of grants included various from year to year.

Fire Assignment Fund

To account for revenues and expenditures related to fire assignment events.

**City of La Verne
Special Revenue Funds
Year Ended June 30, 2025
(Continued)**

PCB Mitigation

The PCB Mitigation Fund accounts for settlement proceeds received by the City related to historic contamination of regional groundwater resources involving polychlorinated biphenyls (PCBs) and other hazardous substances. Settlement revenues were received from companies identified as contributing to groundwater pollution and are restricted for water quality protection and mitigation purposes. Allowable uses include groundwater monitoring, treatment, remediation, infrastructure improvements, and other activities necessary to mitigate contamination impacts and protect the City's water supply, with expenditures made in accordance with settlement terms and applicable regulations.

L.A. HIDTA

To account for grant funds under an agreement for financial support services to Los Angeles High Intensity Drug Trafficking Area which operates several initiatives including, but not limited to, the Office of the Director, Los Angeles Regional Criminal Information Clearinghouse (LA Clear), Joint Regional Intelligence Center (JRIC) and Southern California Drug Task Force.

City of La Verne
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2025
(with comparative data for June 30, 2024)

	Special Revenue Funds			
	Traffic and Bicycle Safety	Mobile Home Park	Community Development Block Grant	State & County Gasoline Tax
ASSETS				
Cash and investments	\$ 23,807	\$ 470,216	\$ -	\$ 4,396,100
Cash and investments with fiscal agents	-	3,041,502	-	-
Interest receivable	-	-	-	1,673
Accounts receivable	22,391	-	-	-
Special assessments receivable	-	-	-	-
Due from other governments	9,340	-	26,576	198,399
Due from Successor Agency	-	-	-	-
Inventory of materials and supplies, at cost	-	25,938	-	-
Land held for resale	-	-	-	-
Total assets	\$ 55,538	\$ 3,537,656	\$ 26,576	\$ 4,596,172
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 24,398	\$ 6,948	\$ 6,892	\$ 9,386
Accrued expenses	14,604	-	152	-
Deposits payable	-	24,436	-	-
Due to other funds	-	-	36,811	-
Total liabilities	39,002	31,384	43,855	9,386
Deferred Inflows of Resources				
Unavailable revenue	-	-	2,580	-
Total deferred inflows of resources	-	-	2,580	-
Fund Balances:				
Restricted:				
Public safety	16,536	-	-	-
Community and development	-	3,506,272	-	-
Public works	-	-	-	4,586,786
Community services	-	-	-	-
Unassigned	-	-	(19,859)	-
Total fund balances	16,536	3,506,272	(19,859)	4,586,786
Total liabilities, deferred inflows of resources and fund balances	\$ 55,538	\$ 3,537,656	\$ 26,576	\$ 4,596,172

Special Revenue Funds

Police Narcotics Confiscation	Local Transit Assistance	Mobile Source Air Pollution	Public Safety	Community Facilities District 90-1	Downtown Business Improv. District
\$ 1,352,973	\$ 7,756,929	\$ 373,221	\$ 1,378,918	\$ 1,138,572	\$ 171,029
-	-	-	-	-	-
450	2,871	141	491	509	64
-	441	-	-	-	-
-	-	-	3,125	-	-
3,161	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 1,356,584</u>	<u>\$ 7,760,241</u>	<u>\$ 373,362</u>	<u>\$ 1,382,534</u>	<u>\$ 1,139,081</u>	<u>\$ 171,093</u>

\$ 4,240	\$ 168,653	\$ 300	\$ 20,998	\$ 100,679	\$ -
7,141	20,072	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>11,381</u>	<u>188,725</u>	<u>300</u>	<u>20,998</u>	<u>100,679</u>	<u>-</u>

-	-	-	-	-	-
-	-	-	-	-	-

1,345,203	-	-	1,361,536	-	-
-	-	373,062	-	-	171,093
-	7,571,516	-	-	1,038,402	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,345,203</u>	<u>7,571,516</u>	<u>373,062</u>	<u>1,361,536</u>	<u>1,038,402</u>	<u>171,093</u>

<u>\$ 1,356,584</u>	<u>\$ 7,760,241</u>	<u>\$ 373,362</u>	<u>\$ 1,382,534</u>	<u>\$ 1,139,081</u>	<u>\$ 171,093</u>
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City of La Verne
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2025
(with comparative data for June 30, 2024)

	Special Revenue Funds			
	Maintenance Assessment Districts	Affordable Housing	PEG Fund	Downtown Parking In-Lieu
ASSETS				
Cash and investments	\$ 707,828	\$ 2,025,195	\$ 68,799	\$ 180,456
Cash and investments with fiscal agents	-	-	-	-
Interest receivable	268	765	29	69
Accounts receivable	-	-	14,416	-
Special assessments receivable	4,176	-	-	-
Due from other governments	-	-	-	-
Due from Successor Agency	-	-	-	-
Inventory of materials and supplies, at cost	-	-	-	-
Land held for resale	-	-	-	-
Total assets	\$ 712,272	\$ 2,025,960	\$ 83,244	\$ 180,525
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 33,284	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	33,284	-	-	-
Deferred Inflows of Resources				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund Balances:				
Restricted:				
Public safety	-	-	-	-
Community and development	-	2,025,960	-	180,525
Public works	678,988	-	-	-
Community services	-	-	83,244	-
Unassigned	-	-	-	-
Total fund balances	678,988	2,025,960	83,244	180,525
Total liabilities, deferred inflows of resources and fund balances	\$ 712,272	\$ 2,025,960	\$ 83,244	\$ 180,525

Special Revenue Funds

EIFD	Housing Successor	Measure W	Miscellaneous Grants	Fire Assignment
\$ 375,922	\$ 1,445,997	\$ 4,251,208	\$ -	\$ 176,164
1,529,450	-	-	-	-
130	540	1,546	-	17
-	-	-	80,594	330,538
-	-	-	-	-
-	-	-	86,633	316,967
-	810,000	-	-	-
-	-	-	-	-
-	134,981	-	-	-
<u>\$ 1,905,502</u>	<u>\$ 2,391,518</u>	<u>\$ 4,252,754</u>	<u>\$ 167,227</u>	<u>\$ 823,686</u>

\$ -	\$ -	\$ 50,812	\$ 44,379	\$ 398
-	-	-	-	2,970
-	-	-	-	-
-	-	-	31,492	-
<u>-</u>	<u>-</u>	<u>50,812</u>	<u>75,871</u>	<u>3,368</u>

<u>-</u>	<u>-</u>	<u>-</u>	<u>80,594</u>	<u>330,538</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>80,594</u>	<u>330,538</u>

-	-	-	-	489,780
-	2,391,518	-	-	-
1,905,502	-	4,201,942	-	-
-	-	-	10,762	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,905,502</u>	<u>2,391,518</u>	<u>4,201,942</u>	<u>10,762</u>	<u>489,780</u>

<u>\$ 1,905,502</u>	<u>\$ 2,391,518</u>	<u>\$ 4,252,754</u>	<u>\$ 167,227</u>	<u>\$ 823,686</u>
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City of La Verne
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2025
(with comparative data for June 30, 2024)

	Special Revenue Funds			Totals	
	TDS Article 3 Fund	L.A HIDTA	PBC Mitigation	2025	2024
ASSETS					
Cash and investments	\$ -	\$ 173,448	\$ 634,764	\$ 27,101,546	\$ 25,800,100
Cash and investments with fiscal agents	-	-	-	4,570,952	5,624,872
Interest receivable	-	-	241	9,804	26,182
Accounts receivable	-	-	-	448,380	665,989
Special assessments receivable	-	-	-	7,301	22,826
Due from other governments	-	519,041	-	1,160,117	1,128,631
Due from Successor Agency	-	-	-	810,000	1,010,000
Inventory of materials and supplies, at cost	-	-	-	25,938	34,321
Land held for resale	-	-	-	134,981	134,981
Total assets	\$ -	\$ 692,489	\$ 635,005	\$ 34,269,019	\$ 34,447,902
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 523,294	\$ -	\$ 994,661	\$ 749,637
Accrued expenses	-	-	-	44,939	67,663
Deposits payable	-	-	-	24,436	30,242
Due to other funds	-	356,313	-	424,616	1,076,961
Total liabilities	-	879,607	-	1,488,652	1,924,503
Deferred Inflows of Resources					
Unavailable revenue	-	-	-	413,712	643,786
Total deferred inflows of resources	-	-	-	413,712	643,786
Fund Balances:					
Restricted:					
Public safety	-	-	-	3,213,055	2,171,474
Community and development	-	-	-	8,648,430	12,807,694
Public works	-	-	635,005	20,618,141	16,611,737
Community services	-	-	-	94,006	686,574
Unassigned	-	(187,118)	-	(206,977)	(397,866)
Total fund balances	-	(187,118)	635,005	32,366,655	31,879,613
Total liabilities, deferred inflows of resources and fund balances	\$ -	\$ 692,489	\$ 635,005	\$ 34,269,019	\$ 34,447,902

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City of La Verne

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the year ended June 30, 2025

(with comparative data for the year ended June 30, 2024)

	Special Revenue Funds			
	Traffic and Bicycle Safety	Mobile Home Park	Community Development Block Grant	State & County Gasoline Tax
REVENUES:				
Other taxes	\$ -	\$ -	\$ -	\$ 1,789,197
Licenses and permits	-	-	-	-
Intergovernmental	-	-	233,457	-
Charges for services	27,500	-	-	-
Fines and forfeitures	409,608	-	-	-
Special assessments	-	-	-	-
Investment income	333	395,518	-	212,175
Net increase (decrease) in fair value of investments	-	-	-	63,026
Rents	-	2,385,714	-	-
Other	-	-	-	-
Donations and contributions	-	-	-	-
Total revenues	437,441	2,781,232	233,457	2,064,398
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	562,782	-	-	-
Community development	-	1,637,473	65,992	51,879
Public works	-	-	-	-
Community services	-	-	-	-
Capital projects	-	-	125,738	3,464,656
Debt service:				
Principal retirement	-	615,000	-	-
Interest	-	121,619	-	-
Total expenditures	562,782	2,374,092	191,730	3,516,535
REVENUES OVER (UNDER) EXPENDITURES	(125,341)	407,140	41,727	(1,452,137)
OTHER FINANCING SOURCES (USES):				
Transfers in	120,000	-	-	-
Transfers out	(3,903)	(720,000)	-	(438,804)
Proceeds from sale of property	-	-	-	-
Total other financing sources (uses)	116,097	(720,000)	-	(438,804)
Net change in fund balances	(9,244)	(312,860)	41,727	(1,890,941)
FUND BALANCES:				
Beginning of year	25,780	3,819,132	(61,586)	6,477,727
Restatement	-	-	-	-
Beginning of year, as restated	25,780	3,819,132	(61,586)	6,477,727
End of year	\$ 16,536	\$ 3,506,272	\$ (19,859)	\$ 4,586,786

Special Revenue Funds

Police Narcotics Confiscation	Local Transit Assistance	Mobile Source Air Pollution	Public Safety	Community Facilities District 90-1	Downtown Business Improv. District
\$ -	\$ 1,813,992	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	21,571
24,546	866,138	42,001	-	-	-
-	-	-	595,431	-	40,440
-	-	-	-	-	-
-	-	-	243,360	1,730,020	-
42,321	279,014	14,838	46,304	40,586	7,192
16,963	108,121	5,295	20,843	19,162	1,965
-	-	-	-	-	-
-	-	-	15,138	-	-
-	-	-	-	-	-
83,830	3,067,265	62,134	921,076	1,789,768	71,168
-	-	-	-	-	-
1,043,667	8,175	-	-	-	-
-	-	1,209	18,159	2,322	88,259
21,485	162,888	-	-	-	103
-	892,479	-	-	-	500
24,368	123,501	225,417	430,533	135,528	-
-	135,000	-	-	-	-
-	122,458	-	-	-	-
1,089,520	1,444,501	226,626	448,692	137,850	88,862
(1,005,690)	1,622,764	(164,492)	472,384	1,651,918	(17,694)
1,447,500	-	-	-	-	-
(45,372)	(25,134)	-	(105,500)	(1,700,000)	-
-	-	-	9,200	-	-
1,402,128	(25,134)	-	(96,300)	(1,700,000)	-
396,438	1,597,630	(164,492)	376,084	(48,082)	(17,694)
948,765	5,973,886	537,554	985,452	1,086,484	188,787
-	-	-	-	-	-
948,765	5,973,886	537,554	985,452	1,086,484	188,787
\$ 1,345,203	\$ 7,571,516	\$ 373,062	\$ 1,361,536	\$ 1,038,402	\$ 171,093

City of La Verne

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the year ended June 30, 2025

(with comparative data for the year ended June 30, 2024)

	Special Revenue Funds			
	Maintenance Assessment Districts	Affordable Housing	PEG Fund	Downtown Parking In-Lieu
REVENUES:				
Other taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	61,506	7,313
Fines and forfeitures	-	-	-	-
Special assessments	349,016	-	-	-
Investment income	23,993	78,534	3,011	6,885
Net increase (decrease) in fair value of investments	7,649	28,817	1,077	2,583
Rents	-	-	-	-
Other	-	-	-	-
Donations and contributions	-	-	-	-
Total revenues	380,658	107,351	65,594	16,781
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Public works	-	-	-	-
Community services	352,186	-	-	-
Capital projects	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Total expenditures	352,186	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	28,472	107,351	65,594	16,781
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	(68,000)	-
Proceeds from sale of property	-	-	-	-
Total other financing sources (uses)	-	-	(68,000)	-
Net change in fund balances	28,472	107,351	(2,406)	16,781
FUND BALANCES:				
Beginning of year	650,516	1,918,609	85,650	163,744
Restatement	-	-	-	-
Beginning of year, as restated	650,516	1,918,609	85,650	163,744
End of year	\$ 678,988	\$ 2,025,960	\$ 83,244	\$ 180,525

Special Revenue Funds

EIFD	Housing Successor	Measure W	Miscellaneous Grants	Fire Assignment
\$ 95,346	\$ -	\$ 555,123	\$ -	\$ -
-	-	-	-	-
-	-	-	499,452	-
-	-	-	-	2,658,199
-	-	-	-	-
-	-	-	-	-
12,035	55,334	148,051	29,675	307
93,627	20,354	58,243	-	641
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
201,008	75,688	761,417	529,127	2,659,147
-	-	-	420	-
-	-	-	-	2,231,613
3,383	-	-	83,072	-
-	-	95,797	-	-
-	-	-	47,545	-
-	-	-	51,048	-
-	-	-	-	-
-	-	-	-	-
3,383	-	95,797	182,085	2,231,613
197,625	75,688	665,620	347,042	427,534
-	-	-	-	-
(715,247)	(250,000)	-	-	(15,470)
-	-	-	-	-
(715,247)	(250,000)	-	-	(15,470)
(517,622)	(174,312)	665,620	347,042	412,064
2,423,124	2,565,830	3,536,322	(336,280)	77,716
-	-	-	-	-
2,423,124	2,565,830	3,536,322	(336,280)	77,716
\$ 1,905,502	\$ 2,391,518	\$ 4,201,942	\$ 10,762	\$ 489,780

City of La Verne

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the year ended June 30, 2025

(with comparative data for the year ended June 30, 2024)

	Special Revenue Funds			Totals	
	TDA Article 3 Fund	L.A HIDTA	PBC Mitigation	2025	2024
REVENUES:					
Other taxes	\$ -	\$ -	\$ -	\$ 4,253,658	\$ 4,208,855
Licenses and permits	-	-	-	21,571	23,971
Intergovernmental	-	6,544,725	-	8,210,319	9,292,695
Charges for services	-	-	-	3,390,389	769,263
Fines and forfeitures	-	-	-	409,608	392,808
Special assessments	-	-	-	2,322,396	2,171,737
Investment income	-	-	34,081	1,430,187	1,204,262
Net increase (decrease) in fair value of investments	-	-	-	448,366	271,515
Rents	-	-	-	2,385,714	2,479,813
Other	-	-	-	15,138	576,108
Donations and contributions	-	-	-	-	75,000
Total revenues	-	6,544,725	34,081	22,887,346	21,466,027
EXPENDITURES:					
Current:					
General government	-	-	-	420	-
Public safety	-	6,943,320	-	10,789,557	7,652,206
Community development	-	-	-	1,951,748	2,103,746
Public works	-	-	-	280,273	262,070
Community services	-	-	-	1,292,710	1,266,905
Capital projects	-	-	-	4,580,789	1,411,519
Debt service:					
Principal retirement	-	-	-	750,000	705,000
Interest	-	-	-	244,077	236,237
Total expenditures	-	6,943,320	-	19,889,574	13,637,683
REVENUES OVER (UNDER) EXPENDITURES	-	(398,595)	34,081	2,997,772	7,828,344
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	1,567,500	584,000
Transfers out	-	-	-	(4,087,430)	(4,595,190)
Proceeds from sale of property	-	-	-	9,200	22,746
Total other financing sources (uses)	-	-	-	(2,510,730)	(3,988,444)
Net change in fund balances	-	(398,595)	34,081	487,042	3,839,900
FUND BALANCES:					
Beginning of year	-	211,477	600,924	31,879,613	30,509,189
Restatement	-	-	-	-	(2,469,476)
Beginning of year, as restated	-	211,477	600,924	31,879,613	28,039,713
End of year	\$ -	\$ (187,118)	\$ 635,005	\$ 32,366,655	\$ 31,879,613

City of La Verne

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

Traffic and Bicycle Safety

For the year ended June 30, 2025

(with comparative data for the year ended June 30, 2024)

	Budgeted Amounts		2025 Amounts	Variance with Final Budget	2024 Amounts
	Original	Final		Positive (Negative)	
REVENUES:					
Charges for services	\$ 18,000	\$ 18,000	\$ 27,500	\$ 9,500	\$ 28,250
Fines and forfeitures	345,000	345,000	409,608	64,608	392,808
Investment income	-	-	333	333	-
Total revenues	363,000	363,000	437,441	74,441	421,058
EXPENDITURES:					
Current:					
Public safety	804,323	604,323	562,782	41,541	564,966
Total expenditures	804,323	604,323	562,782	41,541	564,966
REVENUES OVER (UNDER)					
EXPENDITURES	(441,323)	(241,323)	(125,341)	115,982	(143,908)
OTHER FINANCING SOURCES (USES):					
Transfers in	443,000	243,000	120,000	(123,000)	170,000
Transfers out	-	-	(3,903)	(3,903)	(9,934)
Total other financing sources (uses)	443,000	243,000	116,097	(126,903)	160,066
Net change in fund balances	\$ 1,677	\$ 1,677	(9,244)	\$ (10,921)	16,158
FUND BALANCES:					
Beginning of year			25,780		9,622
End of year			<u>\$ 16,536</u>		<u>\$ 25,780</u>

City of La Verne

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

Mobile Home Park

For the year ended June 30, 2025

(with comparative data for the year ended June 30, 2024)

	Budgeted Amounts		2025 Amounts	Variance with Final Budget	2024 Amounts
	Original	Final		Positive (Negative)	
REVENUES:					
Investment income	\$ -	\$ -	\$ 395,518	\$ 395,518	\$ 327,700
Rents	-	-	2,385,714	2,385,714	2,479,813
Total revenues	-	-	2,781,232	2,781,232	2,807,513
EXPENDITURES:					
Current:					
Community development	-	-	1,637,473	(1,637,473)	1,554,741
Debt service:					
Principal retirement	-	-	615,000	(615,000)	575,000
Interest	-	-	121,619	(121,619)	109,034
Total expenditures	-	-	2,374,092	(2,374,092)	2,238,775
REVENUES OVER (UNDER) EXPENDITURES	-	-	407,140	407,140	568,738
OTHER FINANCING SOURCES (USES):					
Transfers out	(720,000)	(720,000)	(720,000)	-	(670,000)
Total other financing sources (uses)	(720,000)	(720,000)	(720,000)	-	(670,000)
Net change in fund balances	\$ (720,000)	\$ (720,000)	(312,860)	\$ 407,140	(101,262)
FUND BALANCES:					
Beginning of year			3,819,132		3,920,394
End of year			<u>\$ 3,506,272</u>		<u>\$ 3,819,132</u>

City of La Verne

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

Community Development Block Grant

For the year ended June 30, 2025

(with comparative data for the year ended June 30, 2024)

	Budgeted Amounts		2025 Amounts	Variance with Final Budget	2024 Amounts
	Original	Final		Positive (Negative)	
REVENUES:					
Intergovernmental	\$ 123,217	\$ 123,217	\$ 233,457	\$ 110,240	\$ 454,050
Total revenues	123,217	123,217	233,457	110,240	454,050
EXPENDITURES:					
Current:					
Community development	23,320	259,392	65,992	193,400	315,636
Capital projects	100,000	100,000	125,738	(25,738)	200,000
Total expenditures	123,320	359,392	191,730	167,662	515,636
REVENUES OVER (UNDER)					
EXPENDITURES	(103)	(236,175)	41,727	277,902	(61,586)
Net change in fund balances	\$ (103)	\$ (236,175)	41,727	\$ 277,902	(61,586)
FUND BALANCES:					
Beginning of year			(61,586)		-
End of year			<u>\$ (19,859)</u>		<u>\$ (61,586)</u>

City of La Verne

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

State & County Gasoline Tax

For the year ended June 30, 2025

(with comparative data for the year ended June 30, 2024)

	Budgeted Amounts		2025 Amounts	Variance with Final Budget	2024 Amounts
	Original	Final		Positive (Negative)	
REVENUES:					
Other taxes	\$ 1,742,870	\$ 1,742,870	\$ 1,789,197	\$ 46,327	\$ 1,741,863
Investment income	180,000	180,000	212,175	32,175	219,891
Net increase (decrease) in fair value of investments	-	-	63,026	63,026	37,444
Total revenues	1,922,870	1,922,870	2,064,398	141,528	1,999,198
EXPENDITURES:					
Current:					
Community development	-	102,993	51,879	51,114	-
Capital projects	3,350,000	5,295,551	3,464,656	1,830,895	192,914
Total expenditures	3,350,000	5,398,544	3,516,535	1,882,009	192,914
REVENUES OVER (UNDER)					
EXPENDITURES	(1,427,130)	(3,475,674)	(1,452,137)	2,023,537	1,806,284
OTHER FINANCING SOURCES (USES):					
Transfers out	(438,804)	(438,804)	(438,804)	-	(398,000)
Proceeds from sale of property	-	-	-	-	15,946
Total other financing sources (uses)	(438,804)	(438,804)	(438,804)	-	(382,054)
Net change in fund balances	\$ (1,865,934)	\$ (3,914,478)	(1,890,941)	\$ 2,023,537	1,424,230
FUND BALANCES:					
Beginning of year			6,477,727		5,053,497
End of year			<u>\$ 4,586,786</u>		<u>\$ 6,477,727</u>

City of La Verne

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

Police Narcotics Confiscation

For the year ended June 30, 2025

(with comparative data for the year ended June 30, 2024)

	Budgeted Amounts		2025 Amounts	Variance with Final Budget	2024 Amounts
	Original	Final		Positive (Negative)	
REVENUES:					
Intergovernmental	\$ 15,000	\$ 15,000	\$ 24,546	\$ 9,546	\$ 39,051
Charges for services	150,000	150,000	-	(150,000)	-
Investment income	30,000	30,000	42,321	12,321	43,317
Net increase (decrease) in fair value of investments	-	-	16,963	16,963	6,689
Total revenues	195,000	195,000	83,830	(111,170)	89,057
EXPENDITURES:					
Current:					
Public safety	889,242	889,242	1,043,667	(154,425)	570,122
Public works	-	-	21,485	(21,485)	-
Capital projects	241,250	291,250	24,368	266,882	-
Total expenditures	1,130,492	1,180,492	1,089,520	90,972	570,122
REVENUES OVER (UNDER) EXPENDITURES	(935,492)	(985,492)	(1,005,690)	(20,198)	(481,065)
OTHER FINANCING SOURCES (USES):					
Transfers in	1,400,000	1,400,000	1,447,500	47,500	400,000
Transfers out	-	(55,000)	(45,372)	9,628	(14,286)
Proceeds from sale of property	-	-	-	-	6,800
Total other financing sources (uses)	1,400,000	1,345,000	1,402,128	57,128	392,514
Net change in fund balances	\$ 464,508	\$ 359,508	396,438	\$ 36,930	(88,551)
FUND BALANCES:					
Beginning of year			948,765		1,037,316
End of year			<u>\$ 1,345,203</u>		<u>\$ 948,765</u>

City of La Verne

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

Local Transit Assistance

For the year ended June 30, 2025

(with comparative data for the year ended June 30, 2024)

	Budgeted Amounts		2025 Amounts	Variance with Final Budget	2024 Amounts
	Original	Final		Positive (Negative)	
REVENUES:					
Other taxes	\$ 1,945,778	\$ 1,945,778	\$ 1,813,992	\$ (131,786)	\$ 1,846,306
Intergovernmental	925,827	925,827	866,138	(59,689)	886,102
Investment income	135,000	135,000	279,014	144,014	203,992
Net increase (decrease) in fair value of investments	-	-	108,121	108,121	35,088
Total revenues	3,006,605	3,006,605	3,067,265	60,660	2,971,488
EXPENDITURES:					
Current:					
Public safety	49,869	49,869	8,175	41,694	-
Public works	13,252	175,539	162,888	12,651	137,150
Community services	943,323	944,823	892,479	52,344	750,931
Capital projects	1,650,000	2,734,835	123,501	2,611,334	86,913
Debt service:					
Principal retirement	135,000	135,000	135,000	-	130,000
Interest	122,458	122,458	122,458	-	127,203
Total expenditures	2,913,902	4,162,524	1,444,501	2,718,023	1,232,197
REVENUES OVER (UNDER) EXPENDITURES	92,703	(1,155,919)	1,622,764	2,778,683	1,739,291
OTHER FINANCING SOURCES (USES):					
Transfers out	-	-	-	-	(30,843)
Total other financing sources (uses)	-	-	-	-	(30,843)
Net change in fund balances	\$ 92,703	\$ (1,155,919)	1,622,764	\$ 2,778,683	1,708,448
FUND BALANCES:					
Beginning of year			5,973,886		4,265,438
End of year			<u>\$ 7,596,650</u>		<u>\$ 5,973,886</u>

City of La Verne

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

Mobile Source Air Pollution

For the year ended June 30, 2025

(with comparative data for the year ended June 30, 2024)

	Budgeted Amounts		2025 Amounts	Variance with Final Budget	2024 Amounts
	Original	Final		Positive (Negative)	
REVENUES:					
Intergovernmental	\$ 33,172	\$ 33,172	\$ 42,001	\$ 8,829	\$ 43,108
Investment income	15,000	15,000	14,838	(162)	18,893
Net increase (decrease) in fair value of investments	-	-	5,295	5,295	3,125
Total revenues	48,172	48,172	62,134	13,962	65,126
EXPENDITURES:					
Current:					
Community development	-	12,796	1,209	11,587	2,202
Capital projects	183,000	428,080	225,417	202,663	180,599
Total expenditures	183,000	440,876	226,626	214,250	182,801
REVENUES OVER (UNDER)					
EXPENDITURES	(134,828)	(392,704)	(164,492)	228,212	(117,675)
Net change in fund balances	\$ (134,828)	\$ (392,704)	(164,492)	\$ 228,212	(117,675)
FUND BALANCES:					
Beginning of year			537,554		655,229
End of year			\$ 373,062		\$ 537,554

City of La Verne

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

Public Safety

For the year ended June 30, 2025

(with comparative data for the year ended June 30, 2024)

	Budgeted Amounts		2025 Amounts	Variance with Final Budget	2024 Amounts
	Original	Final		Positive (Negative)	
REVENUES:					
Charges for services	\$ -	\$ 400,000	\$ 595,431	\$ 195,431	\$ 91,202
Special assessments	177,035	177,035	243,360	66,325	177,009
Investment income	33,500	33,500	46,304	12,804	37,431
Net increase (decrease) in fair value of investments	-	-	20,843	20,843	5,821
Other	-	-	15,138	15,138	-
Total revenues	210,535	610,535	921,076	310,541	311,463
EXPENDITURES:					
Current:					
Community development	-	11,212	18,159	(6,947)	21,100
Capital projects	279,000	669,658	430,533	239,125	443,332
Total expenditures	279,000	680,870	448,692	232,178	464,432
REVENUES OVER (UNDER) EXPENDITURES	(68,465)	(70,335)	472,384	542,719	(152,969)
OTHER FINANCING SOURCES (USES):					
Transfers out	(95,000)	(105,500)	(105,500)	-	(95,000)
Proceeds from sale of property	-	-	9,200	9,200	-
Total other financing sources (uses)	(95,000)	(105,500)	(96,300)	9,200	(95,000)
Net change in fund balances	\$ (163,465)	\$ (175,835)	376,084	\$ 551,919	(247,969)
FUND BALANCES:					
Beginning of year			985,452		1,233,421
End of year			<u>\$ 1,361,536</u>		<u>\$ 985,452</u>

City of La Verne

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

Community Facilities District 90-1

For the year ended June 30, 2025

(with comparative data for the year ended June 30, 2024)

	Budgeted Amounts		2025 Amounts	Variance with Final Budget	2024 Amounts
	Original	Final		Positive (Negative)	
REVENUES:					
Special assessments	\$ 1,736,580	\$ 1,736,580	\$ 1,730,020	\$ (6,560)	\$ 1,653,298
Investment income	30,000	30,000	40,586	10,586	43,803
Net increase (decrease) in fair value of investments	-	-	19,162	19,162	8,597
Total revenues	1,766,580	1,766,580	1,789,768	23,188	1,705,698
EXPENDITURES:					
Current:					
Community development	-	3,000	2,322	678	864
Capital projects	-	162,376	135,528	26,848	77,438
Total expenditures	-	165,376	137,850	27,526	78,302
REVENUES OVER (UNDER) EXPENDITURES	1,766,580	1,601,204	1,651,918	50,714	1,627,396
OTHER FINANCING SOURCES (USES):					
Transfers out	(1,700,000)	(1,700,000)	(1,700,000)	-	(1,719,293)
Total other financing sources (uses)	(1,700,000)	(1,700,000)	(1,700,000)	-	(1,719,293)
Net change in fund balances	\$ 66,580	\$ (98,796)	(48,082)	\$ 50,714	(91,897)
FUND BALANCES:					
Beginning of year			1,086,484		1,178,381
End of year			\$ 1,038,402		\$ 1,086,484

City of La Verne

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

Downtown Business Improv. District

For the year ended June 30, 2025

(with comparative data for the year ended June 30, 2024)

	Budgeted Amounts		2025 Amounts	Variance with Final Budget	2024 Amounts
	Original	Final		Positive (Negative)	
REVENUES:					
Licenses and permits	\$ 18,000	\$ 18,000	\$ 21,571	\$ 3,571	\$ 23,971
Charges for services	50,000	50,000	40,440	(9,560)	54,445
Investment income	4,000	4,000	7,192	3,192	6,306
Net increase (decrease) in fair value of investments	-	-	1,965	1,965	1,053
Other	30,000	30,000	-	(30,000)	-
Total revenues	102,000	102,000	71,168	(30,832)	85,775
EXPENDITURES:					
Current:					
Community development	132,000	132,150	88,259	43,891	53,774
Public works	-	-	103	(103)	-
Community services	-	-	500	(500)	-
Total expenditures	132,000	132,150	88,862	43,288	53,774
REVENUES OVER (UNDER) EXPENDITURES	(30,000)	(30,150)	(17,694)	12,456	32,001
OTHER FINANCING SOURCES (USES):					
Transfers out	-	(20,000)	-	20,000	-
Total other financing sources (uses)	-	(20,000)	-	20,000	-
Net change in fund balances	\$ (30,000)	\$ (50,150)	(17,694)	\$ 32,456	32,001
FUND BALANCES:					
Beginning of year			188,787		156,786
End of year			<u>\$ 171,093</u>		<u>\$ 188,787</u>

City of La Verne

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

Maintenance Assessment Districts

For the year ended June 30, 2025

(with comparative data for the year ended June 30, 2024)

	Budgeted Amounts		2025 Amounts	Variance with Final Budget	2024 Amounts
	Original	Final		Positive (Negative)	
REVENUES:					
Special assessments	\$ 344,440	\$ 344,440	\$ 349,016	\$ 4,576	\$ 341,430
Investment income	15,000	15,000	23,993	8,993	21,583
Net increase (decrease) in fair value of investments	-	-	7,649	7,649	4,033
Total revenues	359,440	359,440	380,658	21,218	367,046
EXPENDITURES:					
Current:					
Community services	498,630	569,930	352,186	217,744	300,229
Total expenditures	498,630	569,930	352,186	217,744	300,229
REVENUES OVER (UNDER)					
EXPENDITURES	(139,190)	(210,490)	28,472	238,962	66,817
OTHER FINANCING SOURCES (USES):					
Transfers in	5,000	5,000	-	(5,000)	14,000
Total other financing sources (uses)	5,000	5,000	-	(5,000)	14,000
Net change in fund balances	\$ (134,190)	\$ (205,490)	28,472	\$ 233,962	80,817
FUND BALANCES:					
Beginning of year			650,516		569,699
End of year			\$ 678,988		\$ 650,516

City of La Verne

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

For the year ended June 30, 2025

(with comparative data for the year ended June 30, 2024)

	Budgeted Amounts		2025 Amounts	Variance with Final Budget	2024 Amounts
	Original	Final		Positive (Negative)	
REVENUES:					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ 84,000
Investment income	45,000	45,000	78,534	33,534	69,071
Net increase (decrease) in fair value of investments	-	-	28,817	28,817	11,394
Total revenues	45,000	45,000	107,351	62,351	164,465
EXPENDITURES:					
Current:					
Community development	-	440,000	-	440,000	-
Total expenditures	-	440,000	-	440,000	-
REVENUES OVER (UNDER)					
EXPENDITURES	45,000	(395,000)	107,351	502,351	164,465
Net change in fund balances	\$ 45,000	\$ (395,000)	107,351	\$ 502,351	164,465
FUND BALANCES:					
Beginning of year			1,918,609		1,754,144
End of year			<u>\$ 2,025,960</u>		<u>\$ 1,918,609</u>

City of La Verne

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

PEG Fund

For the year ended June 30, 2025

(with comparative data for the year ended June 30, 2024)

	Budgeted Amounts		2025 Amounts	Variance with Final Budget	2024 Amounts
	Original	Final		Positive (Negative)	
REVENUES:					
Charges for services	\$ 70,000	\$ 70,000	\$ 61,506	\$ (8,494)	\$ 69,598
Investment income	2,000	2,000	3,011	1,011	2,768
Net increase (decrease) in fair value of investments	-	-	1,077	1,077	444
Total revenues	72,000	72,000	65,594	(6,406)	72,810
OTHER FINANCING SOURCES (USES):					
Transfers out	(68,000)	(68,000)	(68,000)	-	(70,500)
Total other financing sources (uses)	(68,000)	(68,000)	(68,000)	-	(70,500)
Net change in fund balances	\$ 4,000	\$ 4,000	(2,406)	\$ (6,406)	2,310
FUND BALANCES:					
Beginning of year			85,650		83,340
End of year			<u>\$ 83,244</u>		<u>\$ 85,650</u>

City of La Verne

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

Downtown Parking In-Lieu

For the year ended June 30, 2025

(with comparative data for the year ended June 30, 2024)

	Budgeted Amounts		2025 Amounts	Variance with Final Budget	2024 Amounts
	Original	Final		Positive (Negative)	
REVENUES:					
Charges for services	\$ 10,000	\$ 10,000	\$ 7,313	\$ (2,687)	\$ 8,500
Investment income	4,000	4,000	6,885	2,885	5,944
Net increase (decrease) in fair value of investments	-	-	2,583	2,583	971
Total revenues	14,000	14,000	16,781	2,781	15,415
Net change in fund balances	\$ 14,000	\$ 14,000	16,781	\$ 2,781	15,415
FUND BALANCES:					
Beginning of year			163,744		148,329
End of year			\$ 180,525		\$ 163,744

City of La Verne

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

For the year ended June 30, 2025

(with comparative data for the year ended June 30, 2024)

	Budgeted Amounts		2025 Amounts	Variance with Final Budget	2024 Amounts
	Original	Final		Positive (Negative)	
REVENUES:					
Other taxes	\$ 62,000	\$ 62,000	\$ 95,346	\$ 33,346	\$ 65,331
Investment income	4,500	4,500	12,035	7,535	8,495
Net increase (decrease) in fair value of investments	-	-	93,627	93,627	127,560
Total revenues	66,500	66,500	201,008	134,508	201,386
EXPENDITURES:					
Current:					
Community development	15,000	24,330	3,383	20,947	4,203
Total expenditures	15,000	24,330	3,383	20,947	4,203
REVENUES OVER (UNDER) EXPENDITURES	51,500	42,170	197,625	155,455	197,183
OTHER FINANCING SOURCES (USES):					
Transfers out	-	-	(715,247)	(715,247)	(1,570,291)
Total other financing sources (uses)	-	-	(715,247)	(715,247)	(1,570,291)
Net change in fund balances	\$ 51,500	\$ 42,170	(517,622)	\$ (559,792)	(1,373,108)
FUND BALANCES:					
Beginning of year			2,423,124		-
Restatement			-		3,796,232
Beginning of year, as restated			-		3,796,232
End of year			\$ 1,905,502		\$ 2,423,124

City of La Verne

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

Housing Successor

For the year ended June 30, 2025

(with comparative data for the year ended June 30, 2024)

	Budgeted Amounts		2025 Amounts	Variance with Final Budget	2024 Amounts
	Original	Final		Positive (Negative)	
REVENUES:					
Investment income	\$ 25,000	\$ 25,000	\$ 55,334	\$ 30,334	\$ 42,265
Net increase (decrease) in fair value of investments	-	-	20,354	20,354	7,661
Total revenues	25,000	25,000	75,688	50,688	49,926
OTHER FINANCING SOURCES (USES):					
Transfers out	(250,000)	(250,000)	(250,000)	-	(15,000)
Total other financing sources (uses)	(250,000)	(250,000)	(250,000)	-	(15,000)
Net change in fund balances	\$ (225,000)	\$ (225,000)	(174,312)	\$ 50,688	34,926
FUND BALANCES:					
Beginning of year			2,565,830		2,530,904
End of year			\$ 2,391,518		\$ 2,565,830

City of La Verne

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

For the year ended June 30, 2025

(with comparative data for the year ended June 30, 2024)

	Budgeted Amounts		2025 Amounts	Variance with Final Budget	2024 Amounts
	Original	Final		Positive (Negative)	
REVENUES:					
Other taxes	\$ 600,164	\$ 600,164	\$ 555,123	\$ (45,041)	\$ 555,355
Intergovernmental	-	-	-	-	1,325,000
Investment income	70,000	70,000	148,051	78,051	128,281
Net increase (decrease) in fair value of investments	-	-	58,243	58,243	21,236
Total revenues	670,164	670,164	761,417	91,253	2,029,872
EXPENDITURES:					
Current:					
Public works	157,957	360,957	95,797	265,160	124,920
Capital projects	-	250,000	-	250,000	-
Total expenditures	157,957	610,957	95,797	515,160	124,920
REVENUES OVER (UNDER) EXPENDITURES	512,207	59,207	665,620	606,413	1,904,952
Net change in fund balances	\$ 512,207	\$ 59,207	665,620	\$ 606,413	1,904,952
FUND BALANCES:					
Beginning of year			3,536,322		1,631,370
End of year			<u>\$ 4,201,942</u>		<u>\$ 3,536,322</u>

City of La Verne

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

Miscellaneous Grants

For the year ended June 30, 2025

(with comparative data for the year ended June 30, 2024)

	Budgeted Amounts		2025 Amounts	Variance with Final Budget	2024 Amounts
	Original	Final		Positive (Negative)	
REVENUES:					
Intergovernmental	\$ -	\$ 381,552	\$ 499,452	\$ 117,900	\$ 406,436
Investment income	-	-	29,675	29,675	-
Donations and contributions	-	-	-	-	75,000
Total revenues	-	381,552	529,127	147,575	481,436
EXPENDITURES:					
Current:					
General government	-	-	420	(420)	-
Community development	-	174,319	83,072	91,247	65,675
Community services	-	-	47,545	(47,545)	215,745
Capital projects	169,000	776,568	51,048	725,520	230,323
Total expenditures	169,000	950,887	182,085	768,802	511,743
REVENUES OVER (UNDER)					
EXPENDITURES	(169,000)	(569,335)	347,042	916,377	(30,307)
Transfers out	-	-	-	-	(100)
Total other financing sources (uses)	-	-	-	-	(100)
Net change in fund balances	\$ (169,000)	\$ (569,335)	347,042	\$ 916,377	(30,407)
FUND BALANCES:					
Beginning of year			(336,280)		(305,873)
End of year			\$ 10,762		\$ (336,280)

City of La Verne

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

Fire Assignment

For the year ended June 30, 2025

(with comparative data for the year ended June 30, 2024)

	Budgeted Amounts		2025 Amounts	Variance with Final Budget	2024 Amounts
	Original	Final		Positive (Negative)	
REVENUES:					
Charges for services	\$ 500,000	\$ 2,406,414	\$ 2,658,199	\$ 251,785	\$ 433,268
Investment income	-	-	307	307	(294)
Net increase (decrease) in fair value of investments	-	-	641	641	399
Total revenues	500,000	2,406,414	2,659,147	252,733	433,373
EXPENDITURES:					
Current:					
Public safety	906,414	2,406,414	2,231,613	174,801	514,558
Total expenditures	906,414	2,406,414	2,231,613	174,801	514,558
REVENUES OVER (UNDER)					
EXPENDITURES	(406,414)	-	427,534	427,534	(81,185)
OTHER FINANCING SOURCES (USES):					
Transfers out	-	-	(15,470)	(15,470)	(1,943)
Total other financing sources (uses)	-	-	(15,470)	(15,470)	(1,943)
Net change in fund balances	\$ (406,414)	\$ -	412,064	\$ 412,064	(83,128)
FUND BALANCES:					
Beginning of year			77,716		160,844
End of year			\$ 489,780		\$ 77,716

City of La Verne

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

L.A. HIDTA

For the year ended June 30, 2025

(with comparative data for the year ended June 30, 2024)

	Budgeted Amounts		2025 Amounts	Variance with Final Budget Positive (Negative)	2024 Amounts
	Original	Final			
REVENUES:					
Intergovernmental	\$ 7,254,133	\$ 7,254,133	\$ 6,544,725	\$ (709,408)	\$ 6,053,397
Total revenues	7,254,133	7,254,133	6,544,725	(709,408)	6,053,397
EXPENDITURES:					
Current:					
Public safety	7,254,133	7,306,664	6,943,320	363,344	6,002,560
Total expenditures	7,254,133	7,306,664	6,943,320	363,344	6,002,560
REVENUES OVER (UNDER) EXPENDITURES	-	(52,531)	(398,595)	(346,064)	50,837
Net change in fund balances	\$ -	\$ (52,531)	(398,595)	\$ (346,064)	50,837
FUND BALANCES:					
Beginning of year			211,477		160,640
End of year			\$ (187,118)		\$ 211,477

City of La Verne

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

PCB Mitigation

For the year ended June 30, 2025

(with comparative data for the year ended June 30, 2024)

	Budgeted Amounts		2025 Amounts	Variance with Final Budget	2024 Amounts
	Original	Final		Positive (Negative)	
REVENUES:					
Investment income	\$ 8,000	\$ 8,000	\$ 34,081	\$ 26,081	\$ 24,816
Other	-	-	-	-	576,108
Total revenues	8,000	8,000	34,081	26,081	600,924
Net change in fund balances	\$ 8,000	\$ 8,000	34,081	\$ 26,081	600,924
FUND BALANCES:					
Beginning of year			600,924		-
End of year			\$ 635,005		\$ 600,924

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City of La Verne
Nonmajor Capital Projects Funds
Year Ended June 30, 2025

Capital projects funds are used to account for the acquisition or construction of major capital items not financed by proprietary funds and fiduciary funds. Funds included are:

General Capital Improvement Capital Project Fund

To account for all capital projects not being accounted for in the City's other capital projects funds.

ROW Management Fund

To account for revenues and expenditures in conjunction with rights of way and street maintenance.

Underground Utilities Fund

To account for developer fees used for the installation of underground utilities in new developments.

Park Development Fund

To account for park fees received from developers for the acquisition, improvement and expansion of public parks, playgrounds and recreational facilities.

Storm Drainage District Fund

To account for revenues and expenditures of funds in conjunction with storm drainage districts.

Youth Sports Capital Improvement Fund

To account for revenues and expenditures received under Propositions A & C and Measure M & R approved under the Local Transit Assistance Act regulations.

CIP for EIFD Capital Project Fund

To account for all capital projects related to the City's Enhanced Infrastructure Financing District's Plan.

City of La Verne
Combining Balance Sheet
Nonmajor Capital Project Funds
June 30, 2025
(with comparative data for June 30, 2024)

	Capital Project Funds			
	General	ROW	Underground	Park
	Capital Improvement	Management	Utilities	Development
ASSETS				
Cash and investments	\$ 4,044,331	\$ 4,183,126	\$ 136,176	\$ -
Interest receivable	1,573	-	52	-
Accounts receivable	533	153,415	-	368,502
Due from other governments	-	-	-	612,294
Total assets	\$ 4,046,437	\$ 4,336,541	\$ 136,228	\$ 980,796
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 67,622	\$ -	\$ -	\$ 248,859
Accrued expenses	1,670	-	-	-
Due to other funds	-	-	-	400,122
Advances from other funds	1,011,664	-	-	-
Total liabilities	1,080,956	-	-	648,981
Deferred Inflows of Resources				
Unavailable revenue	-	-	-	341,662
Total deferred inflows of resources	-	-	-	341,662
Fund Balances:				
Restricted:				
Public works	2,965,481	4,336,541	136,228	-
Community services	-	-	-	-
Unassigned	-	-	-	(9,847)
Total fund balances	2,965,481	4,336,541	136,228	(9,847)
Total liabilities, deferred inflows of resources and fund balances	\$ 4,046,437	\$ 4,336,541	\$ 136,228	\$ 980,796

Capital Project Funds			Totals	
Storm Drain District	Youth Sports Capital Improvements	CIP for EIFD	2025	2024
\$ 1,124,056	\$ 160,986	\$ -	\$ 9,648,675	\$ 10,567,281
427	62	-	2,114	10,829
-	-	-	522,450	672,442
-	-	-	612,294	347,583
<u>\$ 1,124,483</u>	<u>\$ 161,048</u>	<u>\$ -</u>	<u>\$ 10,785,533</u>	<u>\$ 11,598,135</u>
\$ -	\$ -	\$ -	316,481	\$ 647,601
-	-	-	1,670	-
-	-	-	400,122	322,507
-	-	-	1,011,664	1,074,232
-	-	-	1,729,937	2,044,340
-	-	-	341,662	696,964
-	-	-	341,662	696,964
1,124,483	-	-	8,562,733	9,463,156
-	161,048	-	161,048	144,111
-	-	-	(9,847)	(750,436)
<u>1,124,483</u>	<u>161,048</u>	<u>-</u>	<u>8,713,934</u>	<u>8,856,831</u>
<u>\$ 1,124,483</u>	<u>\$ 161,048</u>	<u>\$ -</u>	<u>\$ 10,785,533</u>	<u>\$ 11,598,135</u>

City of La Verne

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Capital Project Funds

For the year ended June 30, 2025

(with comparative data for the year ended June 30, 2024)

	Capital Project Funds			
	General	ROW	Underground	Park
	Capital Improvement	Management	Utilities	Development
REVENUES:				
Other taxes	\$ -	\$ -	\$ -	\$ 11,639
Intergovernmental	-	-	-	1,246,793
Charges for services	35,647	-	1,731	-
Investment income	176,801	(4,428)	5,280	-
Net increase (decrease) in fair value of investments	59,232	60,404	1,943	-
Other	9,600	153,415	-	188,377
Donations and contributions	-	-	-	-
Total revenues	281,280	209,391	8,954	1,446,809
EXPENDITURES:				
Current:				
General government	10,725	-	-	-
Community services	1,665	-	-	-
Capital projects	827,078	178,523	-	785,557
Debt service:				
Interest	20,410	-	-	-
Total expenditures	859,878	178,523	-	785,557
REVENUES OVER (UNDER) EXPENDITURES	(578,598)	30,868	8,954	661,252
OTHER FINANCING SOURCES (USES):				
Transfers in	24,292	-	-	-
Transfers out	-	(100,000)	-	-
Total other financing sources (uses)	24,292	(100,000)	-	-
Net change in fund balances	(554,306)	(69,132)	8,954	661,252
FUND BALANCES:				
Beginning of year	3,519,787	4,405,673	127,274	(671,099)
Restatement	-	-	-	-
Beginning of year, as restated	3,519,787	4,405,673	127,274	(671,099)
End of year	\$ 2,965,481	\$ 4,336,541	\$ 136,228	\$ (9,847)

Capital Project Funds			Totals	
Storm Drain District	Youth Sports Capital Improvements	CIP for EIFD	2025	2024
\$ -	\$ -	\$ -	\$ 11,639	\$ -
-	-	-	1,246,793	-
1,906	23,896	-	63,180	334,462
46,610	6,266	-	230,529	378,904
16,092	2,321	-	139,992	61,634
-	-	-	351,392	849,832
-	-	-	-	171,696
64,608	32,483	-	2,043,525	1,796,528
-	-	-	10,725	-
-	195	-	1,860	2,588
350,547	15,351	635,910	2,792,966	2,169,666
-	-	-	20,410	21,577
350,547	15,546	635,910	2,825,961	2,193,831
(285,939)	16,937	(635,910)	(782,436)	(397,303)
-	-	715,247	739,539	1,991,991
-	-	-	(100,000)	-
-	-	715,247	639,539	1,991,991
(285,939)	16,937	79,337	(142,897)	1,594,688
1,410,422	144,111	(79,337)	8,856,831	5,810,627
-	-	-	-	1,451,516
1,410,422	144,111	(79,337)	8,856,831	7,262,143
\$ 1,124,483	\$ 161,048	\$ -	\$ 8,713,934	\$ 8,856,831

City of La Verne

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

General Capital Improvement

For the year ended June 30, 2025

(with comparative data for the year ended June 30, 2024)

	Budgeted Amounts		2025 Amounts	Variance with Final Budget	2024 Amounts
	Original	Final		Positive (Negative)	
REVENUES:					
Charges for services	\$ 40,000	\$ 40,000	\$ 35,647	\$ (4,353)	\$ 55,221
Investment income	120,000	120,000	176,801	56,801	155,352
Net increase (decrease) in fair value of investments	-	-	59,232	59,232	26,459
Other	-	-	9,600	9,600	101,342
Donations and contributions	-	-	-	-	171,696
Total revenues	160,000	160,000	281,280	121,280	510,070
EXPENDITURES:					
Current:					
General government	-	-	10,725	(10,725)	-
Community services	-	-	1,665	(1,665)	218
Capital projects	425,000	2,663,556	827,078	1,836,478	31,019
Debt service:					
Interest	-	-	20,410	(20,410)	21,577
Total expenditures	425,000	2,663,556	859,878	1,803,678	52,814
REVENUES OVER (UNDER) EXPENDITURES	(265,000)	(2,503,556)	(578,598)	1,924,958	457,256
OTHER FINANCING SOURCES (USES):					
Transfers in	250,000	365,000	24,292	(340,708)	250,000
Total other financing sources (uses)	250,000	365,000	24,292	(340,708)	250,000
Net change in fund balances	\$ (15,000)	\$ (2,138,556)	(554,306)	\$ 1,584,250	707,256
FUND BALANCES:					
Beginning of year			3,519,787		2,812,531
End of year			<u>\$ 2,965,481</u>		<u>\$ 3,519,787</u>

City of La Verne

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

ROW Management

For the year ended June 30, 2025

(with comparative data for the year ended June 30, 2024)

	Budgeted Amounts		2025 Amounts	Variance with	2024 Amounts
	Original	Final		Final Budget Positive (Negative)	
REVENUES:					
Investment income	\$ 130,000	\$ 130,000	\$ (4,428)	\$ (134,428)	\$ 157,587
Net increase (decrease) in fair value of investments	-	-	60,404	60,404	25,204
Other	158,000	158,000	153,415	(4,585)	164,515
Total revenues	288,000	288,000	209,391	(78,609)	347,306
EXPENDITURES:					
Capital projects	2,500,000	2,812,442	178,523	2,633,919	2,679
Total expenditures	2,500,000	2,812,442	178,523	2,633,919	2,679
REVENUES OVER (UNDER) EXPENDITURES	(2,212,000)	(2,524,442)	30,868	2,555,310	344,627
OTHER FINANCING SOURCES (USES):					
Transfers out	(250,000)	(250,000)	(100,000)	150,000	250,000
Total other financing sources (uses)	(250,000)	(250,000)	(100,000)	150,000	250,000
Net change in fund balances	\$ (2,462,000)	\$ (2,774,442)	(69,132)	\$ 2,705,310	594,627
FUND BALANCES:					
Beginning of year			4,405,673		4,061,046
End of year			<u>\$ 4,336,541</u>		<u>\$ 4,655,673</u>

City of La Verne

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

For the year ended June 30, 2025

(with comparative data for the year ended June 30, 2024)

	Budgeted Amounts		2025 Amounts	Variance with Final Budget	2024 Amounts
	Original	Final		Positive (Negative)	
REVENUES:					
Charges for services	\$ 5,000	\$ 5,000	\$ 1,731	\$ (3,269)	\$ 9,900
Investment income	3,500	3,500	5,280	1,780	4,479
Net increase (decrease) in fair value of investments	-	-	1,943	1,943	755
Total revenues	8,500	8,500	8,954	454	15,134
Net change in fund balances	\$ 8,500	\$ 8,500	8,954	\$ 454	15,134
FUND BALANCES:					
Beginning of year			127,274		112,140
End of year			<u>\$ 136,228</u>		<u>\$ 127,274</u>

City of La Verne

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

Park Development

For the year ended June 30, 2025

(with comparative data for the year ended June 30, 2024)

	Budgeted Amounts		2025 Amounts	Variance with Final Budget	2024 Amounts
	Original	Final		Positive (Negative)	
REVENUES:					
Other taxes	\$ -	\$ -	\$ 11,639	\$ 11,639	\$ -
Intergovernmental	-	-	1,246,793	1,246,793	-
Charges for services	-	-	-	-	240,908
Investment income	5,500	5,500	-	(5,500)	4,347
Other	-	-	188,377	188,377	583,975
Total revenues	5,500	5,500	1,446,809	1,441,309	829,230
EXPENDITURES:					
Capital projects	570,589	1,243,738	785,557	458,181	1,828,438
Total expenditures	570,589	1,243,738	785,557	458,181	1,828,438
REVENUES OVER (UNDER) EXPENDITURES	(565,089)	(1,238,238)	661,252	1,899,490	(999,208)
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	171,700
Transfers out	-	(40,000)	-	40,000	-
Total other financing sources (uses)	-	(40,000)	-	40,000	171,700
Net change in fund balances	\$ (565,089)	\$ (1,278,238)	661,252	\$ 1,939,490	(827,508)
FUND BALANCES:					
Beginning of year			(671,099)		156,409
End of year			<u>\$ (9,847)</u>		<u>\$ (671,099)</u>

City of La Verne

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

Storm Drain District

For the year ended June 30, 2025

(with comparative data for the year ended June 30, 2024)

	Budgeted Amounts		2025 Amounts	Variance with Final Budget	2024 Amounts
	Original	Final		Positive (Negative)	
REVENUES:					
Charges for services	\$ 5,000	\$ 5,000	\$ 1,906	\$ (3,094)	\$ 11,508
Investment income	35,000	35,000	46,610	11,610	51,981
Net increase (decrease) in fair value of investments	-	-	16,092	16,092	8,377
Total revenues	40,000	40,000	64,608	24,608	71,866
EXPENDITURES:					
Capital projects	-	391,722	350,547	41,175	309,372
Total expenditures	-	391,722	350,547	41,175	309,372
REVENUES OVER (UNDER) EXPENDITURES	40,000	(351,722)	(285,939)	65,783	(237,506)
Net change in fund balances	\$ 40,000	\$ (351,722)	(285,939)	\$ 65,783	(237,506)
FUND BALANCES:					
Beginning of year			1,410,422		1,338,556
End of year			<u>\$ 1,124,483</u>		<u>\$ 1,101,050</u>

City of La Verne

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

Youth Sports Capital Improvements

For the year ended June 30, 2025

(with comparative data for the year ended June 30, 2024)

	Budgeted Amounts		2025 Amounts	Variance with Final Budget	2024 Amounts
	Original	Final		Positive (Negative)	
REVENUES:					
Charges for services	\$ 15,000	\$ 15,000	\$ 23,896	\$ 8,896	\$ 16,925
Investment income	3,500	3,500	6,266	2,766	5,158
Net increase (decrease) in fair value of investments	-	-	2,321	2,321	839
Total revenues	18,500	18,500	32,483	13,983	22,922
EXPENDITURES:					
Current:					
Community services	-	-	195	(195)	2,370
Capital projects	-	15,546	15,351	195	18,917
Total expenditures	-	15,546	15,546	-	21,287
REVENUES OVER (UNDER) EXPENDITURES	18,500	2,954	16,937	13,983	1,635
Net change in fund balances	\$ 18,500	\$ 2,954	16,937	\$ 13,983	22,922
FUND BALANCES:					
Beginning of year			144,111		142,476
End of year			<u>\$ 161,048</u>		<u>\$ 165,398</u>

City of La Verne

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual CIP for EIFD

For the year ended June 30, 2025

(with comparative data for the year ended June 30, 2024)

	Budgeted Amounts		2025 Amounts	Variance with	2024 Amounts
	Original	Final		Final Budget Positive (Negative)	
EXPENDITURES:					
Capital projects	\$ -	\$ 959,116	\$ 635,910	\$ 323,206	\$ 288,613
Total expenditures	-	959,116	635,910	323,206	288,613
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	715,247	715,247	1,570,291
Total other financing sources (uses)	-	-	715,247	715,247	1,570,291
Net change in fund balances	\$ -	\$ (959,116)	79,337	\$ 1,038,453	1,281,678
FUND BALANCES:					
Beginning of year			(79,337)		(1,361,015)
End of year			\$ -		\$ (79,337)

City of La Verne
Internal Service Funds
Year Ended June 30, 2025

Internal Service funds are used to account for goods and services between departments on a cost reimbursement basis.

Equipment Fund

To account for operating and replacement cost associated with City vehicles and equipment.

Risk Management Fund

To account for risk management activities of the City including liability insurance premiums, claims settlement and City self-retention liability program activities.

City of La Verne
Combining Statement of Net Position
Internal Service Funds
June 30, 2025
(with comparative data for June 30, 2024)

			Totals	
	Equipment	Risk Management	2025	2024
ASSETS				
Current Assets:				
Cash and investments	\$ 2,393,103	\$ 2,637,622	\$ 5,030,725	\$ 4,024,084
Interest receivable	910	985	1,895	4,046
Accounts receivable	-	-	-	85,928
Prepaid items	-	4,034	4,034	68,017
Inventory of materials and supplies, at cost	65,787	-	65,787	50,754
Total current assets	<u>2,459,800</u>	<u>2,642,641</u>	<u>5,102,441</u>	<u>4,232,829</u>
Noncurrent:				
Capital assets:				
Depreciable capital assets	6,456,789	-	6,456,789	6,433,232
Accumulated depreciation	(2,628,973)	-	(2,628,973)	(2,686,250)
Net capital assets	<u>3,827,816</u>	<u>-</u>	<u>3,827,816</u>	<u>3,746,982</u>
Total noncurrent assets	<u>3,827,816</u>	<u>-</u>	<u>3,827,816</u>	<u>3,746,982</u>
Total assets	<u>6,287,616</u>	<u>2,642,641</u>	<u>8,930,257</u>	<u>7,979,811</u>
LIABILITIES				
Current liabilities:				
Accounts payable	9,743	21,261	31,004	33,051
Accrued expenses	26,841	-	26,841	17,498
Compensated absences - current	17,770	-	17,770	4,461
Total current liabilities	<u>54,354</u>	<u>21,261</u>	<u>75,615</u>	<u>55,010</u>
Noncurrent liabilities:				
Compensated absences	2,482	-	2,482	12,882
Claims payable	-	1,584,000	1,584,000	1,387,000
Total noncurrent liabilities	<u>2,482</u>	<u>1,584,000</u>	<u>1,586,482</u>	<u>1,399,882</u>
Total liabilities	<u>56,836</u>	<u>1,605,261</u>	<u>1,662,097</u>	<u>1,454,892</u>
NET POSITION				
Net investment in capital assets	3,827,816	-	3,827,816	3,746,982
Unrestricted	2,402,964	1,037,380	3,440,344	2,777,937
Total net position	<u>\$ 6,230,780</u>	<u>\$ 1,037,380</u>	<u>\$ 7,268,160</u>	<u>\$ 6,524,919</u>

City of La Verne
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the year ended June 30, 2025
(with comparative data for the year ended June 30, 2024)

	Equipment	Risk Management	Totals	
			2025	2024
OPERATING REVENUES:				
Charges for services	\$ 2,095,359	\$ -	\$ 2,095,359	\$ 2,078,192
Risk premiums	-	1,416,228	1,416,228	1,409,072
Total operating revenues	2,095,359	1,416,228	3,511,587	3,487,264
OPERATING EXPENSES:				
Administration	283,018	1,038,689	1,321,707	1,486,346
Maintenance	703,805	-	703,805	570,370
Fuel	305,231	-	305,231	351,254
Claims settlement	-	336,128	336,128	322,960
Depreciation	321,950	-	321,950	350,741
Total operating expenses	1,614,004	1,374,817	2,988,821	3,081,671
Operating income (loss)	481,355	41,411	522,766	405,593
NONOPERATING REVENUES (EXPENSES):				
Investment income	86,461	80,405	166,866	121,940
Net increase (decrease) in fair value of investments	34,290	37,116	71,406	23,032
Gain (loss) on sale of capital assets	21,177	-	21,177	2,161
Total nonoperating revenues (expenses)	141,928	117,521	259,449	147,133
Income before contributions and transfers	623,283	158,932	782,215	552,726
CONTRIBUTIONS AND TRANSFERS:				
Transfers in	26,537	-	26,537	-
Transfers out	(59,013)	-	(59,013)	(82,157)
Total contributions and transfers	(32,476)	-	(32,476)	(82,157)
Change in net position	590,807	158,932	749,739	470,569
NET POSITION:				
Beginning of year	5,646,471	878,448	6,524,919	6,054,350
Restatements	(6,498)	-	(6,498)	-
Beginning of year, as restated	5,639,973	878,448	6,518,421	6,054,350
End of year	\$ 6,230,780	\$ 1,037,380	\$ 7,268,160	\$ 6,524,919

City of La Verne
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2025
(with comparative data for the year ended June 30, 2024)

	Equipment	Risk Management	Totals	
			2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from users	\$ 2,096,561	\$ 1,500,954	\$ 3,597,515	\$ 3,409,085
Cash payments to suppliers for goods and services	(1,038,034)	(53,884)	(1,091,918)	(1,229,085)
Cash payments to employees for services	(286,607)	(1,038,689)	(1,325,296)	(1,483,503)
Net cash provided by (used in) operating activities	771,920	408,381	1,180,301	696,497
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Cash received from other funds	26,537	-	26,537	
Cash paid to other funds	(59,013)	-	(59,013)	(82,157)
Net cash provided by (used in) noncapital financing activities	(32,476)	-	(32,476)	(82,157)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Cash paid to purchase capital assets	(402,784)	-	(402,784)	(434,514)
Cash received from sale of capital assets	21,177	-	21,177	2,161
Net cash provided by (used in) capital and related financing activities	(381,607)	-	(381,607)	(432,353)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on investments	121,672	118,751	240,423	156,687
Net cash provided by (used in) investing activities	121,672	118,751	240,423	156,687
Net cash flows	479,509	527,132	1,006,641	338,674
CASH AND INVESTMENTS - Beginning of year	1,913,594	2,110,490	4,024,084	3,685,410
CASH AND INVESTMENTS - End of year	\$ 2,393,103	\$ 2,637,622	\$ 5,030,725	\$ 4,024,084
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	\$ 481,355	\$ 41,411	\$ 522,766	\$ 405,593
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	321,950	-	321,950	350,741
(Increase) decrease in:				
Accounts receivable	1,202	84,726	85,928	(78,278)
Due from other governments	-	-	-	99
Prepaid items	-	63,983	63,983	(43,017)
Inventory of materials and supplies, at cost	(15,033)	-	(15,033)	21,432
Increase (decrease) in:				
Accounts payable	(23,308)	21,261	(2,047)	(266,774)
Accrued expenses	9,343	-	9,343	(8,142)
Unpaid claims liability	-	197,000	197,000	312,000
Compensated absences	(3,589)	-	(3,589)	2,843
Net cash provided by (used in) operating activities	\$ 771,920	\$ 408,381	\$ 1,180,301	\$ 696,497

**City of La Verne
Custodial Funds
Year Ended June 30, 2025**

Custodial funds are used to account for assets held by the City as an agent for individuals, private organizations and other governmental units. Funds included are:

Deposits Fund

To account for deposits held by the City to ensure compliance with City regulations.

L.A. Impact Fund

To account for monies held under an agreement for financial support services to L.A. Impact, a multijurisdictional major crime task force.

City of La Verne
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2025
(with comparative data for June 30, 2024)

	Deposits	L.A. Impact Fund	Totals	
			2025	2024
ASSETS				
Cash and investments	\$ 202,568	\$ 16,027,318	\$ 16,229,886	\$ 18,428,626
Interest receivable	17	11,620	11,637	9,371
Accounts receivable	-	-	-	379
Due from other governments	-	658,087	658,087	644,522
Prepaid items	-	-	-	(4,203)
Total assets	202,585	16,697,025	16,899,610	19,078,695
LIABILITIES				
Accounts payable	27,704	607,556	635,260	2,109,363
Due to third parties	-	-	-	2,835,572
Deposits to private organizations and other organizations	175,470	-	175,470	187,726
Total liabilities	203,174	607,556	810,730	5,132,661
NET POSITION				
Restricted for:				
Individuals, organizations, and other governments	(589)	16,089,469	16,088,880	13,946,034
Total Net Position	\$ (589)	\$ 16,089,469	\$ 16,088,880	\$ 13,946,034

City of La Verne
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the year ended June 30, 2025
(with comparative data for the year ended June 30, 2024)

	Deposits	L.A. Impact Fund	Totals	
			2025	2024
ADDITIONS:				
Property taxes	\$ -	\$ -	\$ -	\$ 233,508
Intergovernmental revenue for other organizations	-	2,230,728	2,230,728	2,656,214
Investment income	-	542,807	542,807	520,215
Other revenue	-	1,689,071	1,689,071	9,986,422
Net increase (decrease) in fair value of investments	-	3,490	3,490	280,683
Total additions	-	4,466,096	4,466,096	13,677,042
DEDUCTIONS:				
Administration expenses	-	3,305,963	3,305,963	5,566,296
Payments of investigative activities to other organizations	-	1,919,105	1,919,105	1,757,455
Total deductions	-	5,225,068	5,225,068	7,323,751
Change in net position	-	(758,972)	(758,972)	6,353,291
NET POSITION:				
Beginning of year	(589)	13,946,623	13,946,034	7,592,743
Restatements	-	2,901,818	2,901,818	-
Beginning of year, as restated	(589)	16,848,441	16,847,852	7,592,743
End of year	\$ (589)	\$ 16,089,469	\$ 16,088,880	\$ 13,946,034

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**STATISTICAL SECTION
(UNAUDITED)**

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Statistical Section Narrative

Statistical Section Overview

The Statistical Section presents historical and contextual information intended to assist users in assessing the City's financial condition, results of operations, and economic environment over time. The information is organized into five categories: financial trend data, revenue capacity data, debt capacity data, demographic and economic information, and operating information, consistent with the guidance provided in GASB Statement No. 44. The information presented in this section is unaudited and is intended to supplement, but not duplicate, the financial statements and Management's Discussion and Analysis.

Financial Trend Data – Net Position by Component

This table presents a ten-year history of the City's net position by component, including net investment in capital assets, restricted net position, and unrestricted net position. The data provides insight into how the City's overall financial position has changed over time and how resources are allocated among capital investment, externally restricted purposes, and discretionary uses.

Financial Trend Data – Changes in Net Position

This table shows changes in the City's net position over a ten-year period, including revenues, expenses, and transfers related to governmental activities. The information illustrates how annual operating results, capital activity, and external factors have affected the City's financial position over time.

Financial Trend Data – Fund Balances of Governmental Funds

This table summarizes the fund balances of the City's governmental funds over a ten-year period, categorized by fund balance classification. The information provides insight into the availability and constraints of governmental fund resources and the City's financial flexibility over time.

Financial Trend Data – Changes in Fund Balances of Governmental Funds

This table presents ten years of changes in governmental fund balances, including revenues, expenditures, and other financing sources and uses. The data reflects how annual operating results and financing activities have impacted governmental fund resources.

Revenue Capacity – General Governmental Tax Revenues by Source

This table shows general governmental tax revenues by source for the past ten fiscal years. The information illustrates trends in the City's primary tax revenues and provides context for evaluating revenue stability and economic sensitivity.

Revenue Capacity – Assessed Value of Taxable Property

This table provides a ten-year history of assessed valuation of taxable property within the City. The data reflects changes in the City's tax base resulting from new construction, ownership transfers, and inflationary adjustments, as constrained by Proposition 13.

Revenue Capacity – Direct and Overlapping Property Tax Rates

This table presents the City's direct property tax rates and the overlapping rates imposed by other taxing entities over a ten-year period. The information assists users in understanding the total property tax burden on taxable property within the City's boundaries.

Revenue Capacity – Principal Property Taxpayers

This table identifies the City's principal property taxpayers for two points in time, 2015 and 2025, representing the beginning and end of a ten-year period. The data illustrates changes in the composition and concentration of the City's property tax base over time and provides insight into the relative impact of major taxpayers on total assessed valuation.

Revenue Capacity – Property Tax Levies and Collections

This table presents ten years of property tax levies and collections, including the amounts collected within the fiscal year of levy and delinquent collections. The data illustrates collection effectiveness and historical trends in property tax realization.

Revenue Capacity – Taxable Sales by Category

This table provides a ten-year summary of taxable sales by major business category. The data reflects changes in consumer spending patterns, economic conditions, and the relative performance of key retail and service sectors over time.

Debt Capacity – Ratios of Outstanding Debt by Type

This table presents ratios of outstanding debt by type over a ten-year period. The information helps assess the City's overall debt profile and how various forms of long-term obligations relate to economic and financial indicators.

Debt Capacity – Ratios of Outstanding General Bonded Debt

This table provides ten-year trend information on outstanding general bonded debt, including ratios relative to assessed value and population. The data assists in evaluating the City's long-term debt burden and capacity.

Debt Capacity – Direct and Overlapping Debt

This table presents information on the City's direct debt and overlapping debt of other governmental entities as of the most recent fiscal year-end. The data illustrates the total debt burden applicable to taxable property within the City, including obligations issued by the City and debt issued by overlapping jurisdictions.

Debt Capacity – Legal Debt Margin Information

This table presents information on the City’s legal debt margin over a ten-year period. The data illustrates the City’s legal capacity to issue additional debt under constitutional and statutory limitations.

Debt Capacity – Pledged Revenue Coverage

This table provides a ten-year history of pledged revenue coverage for debt secured by specific revenue streams. The information assists users in assessing the sufficiency of pledged revenues to meet annual debt service requirements.

Demographic and Economic Information – Demographic and Economic Statistics

This table presents demographic and economic indicators over a ten-year period, including population, income levels, employment data, and housing characteristics. The information provides context for understanding trends affecting service demand, revenue generation, and long-term planning.

Demographic and Economic Information – Principal Employers

This table identifies the City’s principal employers for the most recent fiscal year and the number of employees associated with each. The information provides insight into the composition of the local employment base and employment concentration at a single point in time.

Operating Information – Full-Time Employees by Function

This table presents a ten-year history of full-time City employees by functional category. The information illustrates trends in staffing levels over time and provides context for evaluating how personnel resources are allocated across major service areas.

Operating Information – Capital Assets by Function

This table provides a ten-year summary of the City’s capital assets by functional category. The information reflects the scale and composition of the City’s infrastructure and long-term investment in capital assets used to provide municipal services.

City of La Verne
Net Position by Component
Last Ten Fiscal Years

Fiscal Year	2016	2017	2018	2019
Governmental activities:				
Net investment in capital assets	\$ 49,465,005	\$ 49,902,327	\$ 47,179,328	\$ 47,200,374
Restricted	22,021,254	19,069,560	21,391,209	26,278,328
Unrestricted	(17,093,346)	(16,727,648)	(24,269,599)	(31,078,080)
Total governmental activities net position	<u>\$ 54,392,913</u>	<u>\$ 52,244,239</u>	<u>\$ 44,300,938</u>	<u>\$ 42,400,622</u>
Business-type activities:				
Net investment in capital assets	\$ 35,008,768	\$ 34,569,867	\$ 33,389,109	\$ 32,184,071
Unrestricted	14,157,873	13,444,492	12,258,455	15,363,629
Total business-type activities net position	<u>\$ 49,166,641</u>	<u>\$ 48,014,359</u>	<u>\$ 45,647,564</u>	<u>\$ 47,547,700</u>
Primary government:				
Net investment in capital assets	\$ 84,473,773	\$ 84,472,194	\$ 80,568,437	\$ 79,384,445
Restricted	22,021,254	19,069,560	21,391,209	26,278,328
Unrestricted	(2,935,473)	(3,283,156)	(12,011,144)	(15,714,451)
Total primary government net position	<u>\$ 103,559,554</u>	<u>\$ 100,258,598</u>	<u>\$ 89,948,502</u>	<u>\$ 89,948,322</u>

Source: City of La Verne Finance Department

City of La Verne
Net Position by Component (continued)
Last Ten Fiscal Years

2020	2021	2022	2023	2024	2025
\$ 47,290,237	\$ 47,881,522	\$ 47,660,788	\$ 50,846,096	\$ 50,584,030	\$ 58,410,803
30,642,828	33,756,810	40,061,703	34,723,053	65,752,514	70,907,334
(40,628,422)	(44,824,796)	(1,533,149)	(22,113,182)	(38,520,478)	(43,308,085)
<u>\$ 37,304,643</u>	<u>\$ 36,813,536</u>	<u>\$ 86,189,342</u>	<u>\$ 63,455,967</u>	<u>\$ 77,816,066</u>	<u>\$ 86,010,052</u>
\$ 30,970,865	\$ 30,913,343	\$ 30,050,298	\$ 29,294,543	\$ 28,889,255	\$ 28,940,387
16,270,893	15,273,531	23,304,576	16,199,111	13,330,116	13,106,099
<u>\$ 47,241,758</u>	<u>\$ 46,186,874</u>	<u>\$ 53,354,874</u>	<u>\$ 45,493,654</u>	<u>\$ 42,219,371</u>	<u>\$ 42,046,486</u>
\$ 78,261,102	\$ 78,794,865	\$ 77,711,086	\$ 80,140,639	\$ 79,473,285	\$ 87,351,190
30,642,828	33,756,810	40,061,703	34,723,053	65,752,514	70,907,334
(24,357,529)	(29,551,265)	21,771,427	(5,914,071)	(25,190,362)	(30,201,986)
<u>\$ 84,546,401</u>	<u>\$ 83,000,410</u>	<u>\$ 139,544,216</u>	<u>\$ 108,949,621</u>	<u>\$ 120,035,437</u>	<u>\$ 128,056,538</u>

City of La Verne
Changes in Net Position
Last Ten Fiscal Years

Fiscal Year	2016	2017	2018	2019
Expenses:				
Governmental activities:				
General government	\$ 2,196,397	\$ 2,715,617	\$ 2,759,715	\$ 3,641,163
Public safety	20,066,984	22,022,983	24,712,698	31,559,738
Community development	3,702,616	3,531,033	3,700,286	3,556,533
Public works	10,780,745	8,776,792	9,826,353	6,897,544
Community services	3,205,882	3,487,594	3,624,513	2,790,862
Interest and fiscal charges	408,268	433,862	359,782	1,878,336
Total governmental activities expenses	<u>\$ 40,360,892</u>	<u>\$ 40,967,881</u>	<u>\$ 44,983,347</u>	<u>\$ 50,324,176</u>
Business-type activities:				
Water	\$ 9,676,517	\$ 9,621,140	\$ 11,687,661	\$ 10,186,539
Sewer	1,337,062	1,329,348	1,528,470	1,384,766
Total business-type activities expenses	<u>\$ 11,013,579</u>	<u>\$ 10,950,488</u>	<u>\$ 13,216,131</u>	<u>\$ 11,571,305</u>
Total primary government expenses	<u>\$ 51,374,471</u>	<u>\$ 51,918,369</u>	<u>\$ 58,199,478</u>	<u>\$ 61,895,481</u>
Program revenues:				
Governmental activities:				
Charges for services				
General government	\$ 208,983	\$ 566,380	\$ 601,762	\$ 355,650
Public safety	2,509,586	2,969,308	4,101,164	3,541,634
Community development	2,839,801	1,650,747	2,083,020	1,488,625
Public works	3,147,941	3,071,595	3,307,588	3,071,662
Community services	2,819,369	3,065,275	2,714,193	2,738,056
Operating grants and contributions	5,549,236	1,384,326	838,904	4,529,425
Capital grants and contributions	1,432,086	2,081,615	1,830,430	4,892,689
Total governmental activities program revenues	<u>\$ 18,507,002</u>	<u>\$ 14,789,246</u>	<u>\$ 15,477,061</u>	<u>\$ 20,617,741</u>
Business-type activities:				
Charges for services				
Water	\$ 9,307,343	\$ 9,278,232	\$ 12,365,438	\$ 11,351,736
Sewer	2,040,120	1,468,530	1,652,980	1,827,769
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	<u>\$ 11,347,463</u>	<u>\$ 10,746,762</u>	<u>\$ 14,018,418</u>	<u>\$ 13,179,505</u>
Total primary government program revenues	<u>\$ 29,854,465</u>	<u>\$ 25,536,008</u>	<u>\$ 29,495,479</u>	<u>\$ 33,797,246</u>

Source: City of La Verne Finance Department

City of La Verne
Changes in Net Position (continued)
Last Ten Fiscal Years

2020	2021	2022	2023	2024	2025
\$ 3,504,640	\$ 3,481,092	\$ 2,194,339	\$ 6,781,513	\$ 4,709,855	\$ 4,451,094
30,275,096	31,557,775	7,865,172	55,238,710	42,696,758	43,121,934
3,980,614	4,447,429	940,443	5,337,546	4,644,564	4,894,806
8,246,836	6,587,881	1,753,332	12,078,768	10,468,637	10,035,249
3,866,620	2,753,935	916,806	5,048,456	4,271,757	3,856,666
2,255,325	2,186,007	2,111,615	2,330,333	2,099,963	1,962,161
<u>\$ 52,129,131</u>	<u>\$ 51,014,119</u>	<u>\$ 15,781,707</u>	<u>\$ 86,815,326</u>	<u>\$ 68,891,534</u>	<u>\$ 68,321,910</u>
\$ 11,524,442	\$ 12,498,492	\$ 6,734,174	\$ 14,584,146	\$ 12,099,303	\$ 12,170,707
1,430,425	1,727,861	(318,175)	3,174,818	1,914,693	1,809,493
<u>\$ 12,954,867</u>	<u>\$ 14,226,353</u>	<u>\$ 6,415,999</u>	<u>\$ 17,758,964</u>	<u>\$ 14,013,996</u>	<u>\$ 13,980,200</u>
<u>\$ 65,083,998</u>	<u>\$ 65,240,472</u>	<u>\$ 22,197,706</u>	<u>\$ 104,574,290</u>	<u>\$ 82,905,530</u>	<u>\$ 82,302,110</u>
\$ 210,487	\$ 282,004	\$ 549,463	\$ 633,357	\$ 438,654	\$ 499,657
3,109,255	4,070,854	4,237,868	3,878,639	4,639,139	7,364,891
1,242,345	1,724,791	2,384,963	2,235,078	2,045,717	1,571,620
3,307,842	3,351,120	3,711,685	4,220,080	4,271,399	4,491,769
2,399,240	2,570,387	2,683,746	3,050,293	3,196,218	3,173,724
5,428,697	1,903,522	4,126,252	8,051,441	17,745,697	8,246,887
2,127,307	1,776,387	6,845,954	4,346,227	2,233,387	5,276,873
<u>\$ 17,825,173</u>	<u>\$ 15,679,065</u>	<u>\$ 24,539,931</u>	<u>\$ 26,415,115</u>	<u>\$ 34,570,211</u>	<u>\$ 30,625,421</u>
\$ 12,072,981	\$ 12,966,809	\$ 12,251,994	\$ 10,269,532	\$ 10,625,022	\$ 12,051,958
1,897,080	1,913,327	1,915,811	1,991,563	1,953,711	1,912,947
-	-	-	-	-	-
<u>\$ 13,970,061</u>	<u>\$ 14,880,136</u>	<u>\$ 14,167,805</u>	<u>\$ 12,261,095</u>	<u>\$ 12,578,733</u>	<u>\$ 13,964,905</u>
<u>\$ 31,795,234</u>	<u>\$ 30,559,201</u>	<u>\$ 38,707,736</u>	<u>\$ 38,676,210</u>	<u>\$ 47,148,944</u>	<u>\$ 44,590,326</u>

City of La Verne
Changes in Net Position (continued)
Last Ten Fiscal Years

Fiscal Year	2016	2017	2018	2019
Net revenues (expenses):				
Governmental activities	\$ (21,853,890)	\$ (26,178,635)	\$ (29,509,286)	\$ (29,706,435)
Business-type activities	333,884	(203,726)	802,287	1,608,200
Total net revenues (expenses)	<u>\$ (21,520,006)</u>	<u>\$ (26,382,361)</u>	<u>\$ (28,706,999)</u>	<u>\$ (28,098,235)</u>
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Property Taxes	\$ 7,832,817	\$ 7,205,979	\$ 7,980,984	\$ 8,749,690
Sales Taxes	4,572,283	4,245,232	4,439,369	3,536,886
Utility and Other Taxes	4,084,147	5,789,426	6,383,797	4,658,252
Special Assessments	-	1,560,600	1,833,639	6,533,577
Motor Vehicle in-lieu	2,890,999	3,095,141	3,281,759	1,915,447
Investment Income	621,472	550,335	767,325	943,068
Unrealized gain (loss)	-	-	(233,112)	711,025
Other general revenues	743,314	448,148	274,038	217,450
Proceeds from sale of property	-	-	-	-
Loss on sale of capital assets	-	-	-	-
Transfers	993,887	1,135,100	1,135,100	540,724
Total governmental activities	<u>\$ 21,738,919</u>	<u>\$ 24,029,961</u>	<u>\$ 25,862,899</u>	<u>\$ 27,806,119</u>
Business-type activities:				
Investment Income	\$ 201,493	\$ 136,075	\$ 206,318	\$ 444,657
Unrealized gain (loss)	-	-	(218,225)	338,003
Transfers	(993,887)	(1,135,100)	(1,135,100)	(540,724)
Other business revenues	49,362	50,469	-	50,000
Total business-type activities	<u>\$ (743,032)</u>	<u>\$ (948,556)</u>	<u>\$ (1,147,007)</u>	<u>\$ 291,936</u>
Total primary government	<u>\$ 20,995,887</u>	<u>\$ 23,081,405</u>	<u>\$ 24,715,892</u>	<u>\$ 28,098,055</u>
Change in net position:				
Governmental activities	\$ (114,971)	\$ (2,148,674)	\$ (3,646,387)	\$ (1,900,316)
Business-type activities	(409,148)	(1,152,282)	(344,720)	1,900,136
Total primary government	<u>\$ (524,119)</u>	<u>\$ (3,300,956)</u>	<u>\$ (3,991,107)</u>	<u>\$ (180)</u>

Source: City of La Verne Finance Department

City of La Verne
Changes in Net Position (continued)
Last Ten Fiscal Years

2020	2021	2022	2023	2024	2025
\$ (34,303,958)	\$ (35,335,054)	\$ 8,758,224	\$ (60,400,211)	\$ (34,321,323)	\$ (37,696,489)
1,015,194	653,783	7,751,806	(5,497,869)	(1,435,263)	(15,295)
<u>\$ (33,288,764)</u>	<u>\$ (34,681,271)</u>	<u>\$ 16,510,030</u>	<u>\$ (65,898,080)</u>	<u>\$ (35,756,586)</u>	<u>\$ (37,711,784)</u>
\$ 8,910,857	\$ 9,873,631	\$ 10,454,653	\$ 11,154,695	\$ 11,285,555	\$ 11,643,227
3,695,635	3,934,451	4,180,141	4,461,834	4,571,821	4,748,767
4,528,420	4,811,146	5,791,417	5,749,612	5,814,237	5,683,025
6,375,484	11,186,468	12,469,278	13,469,702	14,585,951	13,322,084
1,938,373	2,000,898	2,028,783	2,113,834	2,171,737	2,322,396
1,391,837	791,846	612,094	1,492,699	2,924,909	3,178,553
171,690	74,824	(680,569)	95,885	1,175,913	1,763,780
286,583	286,583	183,917	285,103	3,382,862	1,459,370
-	-	5,588,330	-	-	24,400
-	-	(544,362)	-	-	(15,915)
1,909,100	1,884,100	533,900	2,804,832	2,768,437	1,307,800
<u>\$ 29,207,979</u>	<u>\$ 34,843,947</u>	<u>\$ 40,617,582</u>	<u>\$ 41,628,196</u>	<u>\$ 48,681,422</u>	<u>\$ 45,437,487</u>
\$ 403,335	\$ 218,080	\$ 152,481	\$ 444,186	\$ 767,839	\$ 774,995
128,822	(103,272)	(278,184)	(66,812)	110,332	269,553
(1,909,100)	(1,884,100)	(533,900)	(2,804,832)	(2,768,437)	(1,307,800)
55,807	60,625	75,797	56,292	51,246	46,318
<u>\$ (1,321,136)</u>	<u>\$ (1,708,667)</u>	<u>\$ (583,806)</u>	<u>\$ (2,371,166)</u>	<u>\$ (1,839,020)</u>	<u>\$ (216,934)</u>
<u>\$ 27,886,843</u>	<u>\$ 33,135,280</u>	<u>\$ 40,033,776</u>	<u>\$ 39,257,030</u>	<u>\$ 46,842,402</u>	<u>\$ 45,220,553</u>
\$ (5,095,979)	\$ (491,107)	\$ 49,375,806	\$ (18,772,015)	\$ 14,360,099	\$ 7,740,998
(305,942)	(1,054,884)	7,168,000	(7,869,035)	(3,274,283)	(232,229)
<u>\$ (5,401,921)</u>	<u>\$ (1,545,991)</u>	<u>\$ 56,543,806</u>	<u>\$ (26,641,050)</u>	<u>\$ 11,085,816</u>	<u>\$ 7,508,769</u>

City of La Verne
Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Property* Taxes</u>	<u>Sales Tax</u>	<u>Utility and Other Taxes</u>	<u>Totals</u>
2015-16	\$ 10,723,816	\$ 4,572,283	\$ 4,084,147	\$ 19,380,246
2016-17	10,301,120	4,245,232	5,789,426	20,335,778
2017-18	11,262,743	4,439,369	6,383,797	22,085,909
2018-19	12,286,576	4,658,252	6,533,577	23,478,405
2019-20	12,606,492	4,528,420	6,375,484	23,510,396
2020-21	13,808,082	4,811,146	11,186,468	29,805,696
2021-22	14,634,794	5,791,417	12,469,278	32,895,489
2022-23	15,616,529	5,749,612	13,469,702	34,835,843
2023-24	15,857,376	5,814,237	14,585,951	36,257,564
2024-25	16,391,994	5,683,025	13,322,084	35,397,103

* Includes Motor Vehicle In-Lieu

Source: City of La Verne Finance Department

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City of La Verne
Fund Balances of Governmental Funds
Last Ten Fiscal Years

Fiscal Year	2016	2017	2018	2019
General Fund:				
Nonspendable	\$ 2,062,111	\$ 2,375,407	\$ -	\$ -
Restricted	-	-	40,000	788,343
Committed	4,657,000	4,876,257	4,951,921	5,286,596
Assigned	5,608,939	1,844,650	4,890,751	4,866,125
Unassigned	-	-	-	39,138
Total General Fund	\$ 12,328,050	\$ 9,096,314	\$ 9,882,672	\$ 10,980,202
All other governmental funds:				
Nonspendable	\$ 34,322	\$ -	\$ -	\$ -
Restricted for:				
Public Safety	5,824,449	4,906,807	5,008,180	7,422,374
Community Services	3,180,674	2,000,471	2,265,643	2,577,230
Community Development	4,907,438	4,926,850	5,247,548	5,040,211
Measure LV				
Income Housing	3,089,343	3,129,596	3,117,791	3,114,634
Public Works	3,711,717	4,073,949	5,680,160	7,335,536
Debt Service	1,307,633	31,887	31,887	-
Assigned	6,726,835	7,695,117	4,827,593	3,873,639
Unassigned	-	-	-	(39,138)
Total all other governmental funds	\$ 28,782,411	\$ 26,764,677	\$ 26,178,802	\$ 29,324,486
Total all governmental funds	\$ 41,110,461	\$ 35,860,991	\$ 36,061,474	\$ 40,304,688

Source: City of La Verne Finance Department

City of La Verne
Fund Balances of Governmental Funds (continued)
Last Ten Fiscal Years

2020	2021	2022	2023	2024	2025
\$ -	\$ -	\$ 12,458	\$ 59,132	\$ 51,236	\$ 200,501
530,664	926,441	865,871	4,588,043	5,200,466	5,826,456
6,874,337	7,774,261	8,461,762	9,128,404	9,684,699	9,767,385
3,338,344	3,064,831	7,771,182	4,060,456	5,381,161	5,128,702
-	(345,509)	-	-	-	-
<u>\$ 10,743,345</u>	<u>\$ 11,420,024</u>	<u>\$ 17,111,273</u>	<u>\$ 17,836,035</u>	<u>\$ 20,317,562</u>	<u>\$ 20,923,044</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6,153,039	4,994,748	2,447,159	2,440,999	12,890,363	12,840,371
1,109,721	789,597	758,097	382,225	830,685	255,054
9,222,530	13,204,918	18,970,190	22,239,271	12,807,694	8,648,430
-	-	-	-	\$ 11,124,087	12,540,366
-	-	-	-	-	-
13,626,874	13,841,106	17,020,386	23,187,520	26,074,893	29,180,874
-	-	-	-	-	-
-	-	-	-	-	-
(122,962)	(509,366)	(344,343)	(4,918,942)	(4,257,038)	(2,302,191)
<u>\$ 29,989,202</u>	<u>\$ 32,321,003</u>	<u>\$ 38,851,489</u>	<u>\$ 43,331,073</u>	<u>\$ 59,470,684</u>	<u>\$ 61,162,904</u>
<u>\$ 40,732,547</u>	<u>\$ 43,741,027</u>	<u>\$ 55,962,762</u>	<u>\$ 61,167,108</u>	<u>\$ 79,788,246</u>	<u>\$ 82,085,948</u>

City of La Verne
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

Fiscal Year	2016	2017	2018	2019
Revenues:				
Property taxes	\$ 7,832,817	\$ 7,205,979	\$ 7,980,984	\$ 12,290,327
Other taxes	10,050,802	13,129,799	14,269,310	12,928,209
Licenses and permits	3,074,353	1,870,268	2,044,675	1,356,353
Intergovernmental	5,265,673	1,924,073	1,718,794	706,344
Charges for services	7,865,713	7,849,605	8,590,064	7,585,092
Fines and forfeitures	1,132,219	898,825	428,585	3,531,994
Special assessments	342,991	1,560,600	1,833,640	1,922,726
Investment income	868,232	542,675	759,025	941,616
Net increase (decrease) in the fair value of investments	-	-	(233,112)	463,460
Rents	2,029,520	2,277,123	2,396,226	2,193,587
Other	778,518	417,500	303,680	203,700
Donations and contributions	-	-	-	2,522,192
Total Revenues	\$ 39,240,838	\$ 37,676,447	\$ 40,091,871	\$ 46,645,600
Expenditures:				
Current:				
General government	\$ 2,355,862	\$ 2,657,938	\$ 2,545,181	\$ 6,158,282
Public safety	21,436,055	21,450,278	21,475,100	55,836,336
Community development	3,860,322	3,509,152	3,465,266	6,470,400
Public works	6,603,159	6,538,123	6,836,253	10,478,666
Community services	2,931,516	3,194,753	2,887,362	4,245,855
Capital projects	3,702,749	2,189,902	3,073,482	5,142,635
Debt service:				
Principal retirement	330,000	4,060,000	375,000	1,756,332
Interest and financing costs	419,363	460,871	368,844	1,888,124
Developer fees	-	-	-	-
Total Expenditures	\$ 41,639,026	\$ 44,061,017	\$ 41,026,488	\$ 91,976,630
Excess (deficiency) of revenues over (under) expenditures	\$ (2,398,188)	\$ (6,384,570)	\$ (934,617)	\$ (45,331,030)
Other financing sources (uses):				
Transfers in	\$ 4,248,186	\$ 5,768,866	\$ 3,517,170	\$ 13,446,728
Transfers out	(3,254,299)	(4,633,766)	(2,382,070)	(12,856,004)
Proceeds of bonds/notes payable	-	-	-	49,050,134
Proceeds sale of property/lt debt	-	-	-	-
Loss on sale of property	-	-	-	-
Total other financing sources (uses)	\$ 993,887	\$ 1,135,100	\$ 1,135,100	\$ 49,640,858
Extraordinary item	-	-	-	-
Net change in fund balances	\$ (1,404,301)	\$ (5,249,470)	\$ 200,483	\$ 4,309,828
Debt service as a percentage of non capital expenditures	1.98%	10.80%	1.96%	4.20%

Source: City of La Verne Finance Department

City of La Verne
Changes in Fund Balances of Governmental Funds (continued)
Last Ten Fiscal Years

	2020	2021	2022	2023	2024	2025
\$	12,745,679	\$ 13,808,082	\$ 14,634,794	\$ 15,616,529	\$ 15,816,748	\$ 16,340,861
	12,232,909	16,113,776	18,289,136	19,929,958	19,897,070	19,933,302
	1,201,269	1,586,596	2,457,049	2,287,325	2,156,042	1,581,617
	1,613,612	3,274,858	10,707,151	10,579,782	20,425,686	13,395,719
	7,049,337	7,814,084	8,814,939	9,306,291	9,542,227	12,474,166
	4,160,970	281,610	348,788	369,607	407,235	438,642
	1,938,373	2,000,898	2,028,783	2,113,834	2,171,737	2,322,396
	1,391,254	780,709	596,292	1,423,945	2,802,970	3,011,687
	171,690	88,502	(629,924)	108,245	1,152,883	1,692,375
	2,221,110	2,498,732	2,321,010	2,573,875	2,740,749	2,703,588
	265,241	192,104	118,714	291,443	1,525,410	487,631
	42,010	121,041	42,431	62,275	293,190	52,026
\$	45,033,454	\$ 48,560,992	\$ 59,729,163	\$ 59,729,163	\$ 78,931,947	\$ 74,434,010
\$	2,817,780	\$ 2,844,765	\$ 4,421,058	\$ 4,985,027	\$ 4,743,686	\$ 4,336,610
	23,455,270	25,448,546	27,561,894	33,990,001	35,381,159	38,975,745
	3,191,394	3,667,384	3,553,477	3,530,588	4,097,538	4,577,978
	6,457,345	6,397,519	7,161,097	7,750,608	7,781,617	9,131,778
	2,778,627	2,256,166	2,906,556	3,928,387	3,278,817	3,383,808
	3,126,870	3,022,911	3,486,755	3,342,458	3,851,326	8,707,287
	1,605,551	1,671,707	1,742,863	2,140,068	2,275,512	2,368,744
	2,265,837	2,197,245	2,123,698	2,184,815	2,046,125	2,003,834
	-	-	-	-	-	-
\$	45,698,674	\$ 47,506,243	\$ 52,957,398	\$ 52,957,398	\$ 63,455,780	\$ 73,485,784
\$	(665,220)	\$ 1,054,749	\$ 6,771,765	\$ 6,771,765	\$ 15,476,167	\$ 948,226
\$	5,970,213	\$ 5,637,517	\$ 10,676,399	\$ 9,028,027	\$ 12,511,341	\$ 11,602,541
	(4,877,134)	(3,683,786)	(10,270,397)	(6,346,408)	(9,660,747)	(10,262,265)
	-	-	-	-	-	-
	-	-	5,588,330	53,050	294,377	9,200
	-	-	(544,362)	-	-	-
\$	1,093,079	\$ 1,953,731	\$ 5,449,970	\$ 5,449,970	\$ 3,144,971	\$ 1,349,476
\$	427,859	\$ 3,008,480	\$ 12,221,735	\$ 12,221,735	\$ 18,621,138	\$ 2,297,702
	9.09%	8.70%	7.82%	7.25%	7.25%	6.75%

City of La Verne
General Governmental Tax Revenues By Source
Last Ten Fiscal Years

Fiscal Year	Property* Taxes	General Sales Tax	Utility Users Tax	Proposition A, C Measure R, M Sales Taxes	Proposition 172 Sales Taxes	Franchise Taxes	Park Development Taxes	Totals
2015-16	\$ 7,832,817	\$ 4,572,283	\$ 2,980,101	\$ 1,649,583	\$ 390,279	\$ 645,033	\$ 36,000	\$ 18,106,096
2016-17	7,205,979	4,245,232	2,874,221	1,475,551	367,562	584,710	103,500	16,856,755
2017-18	7,980,984	4,439,369	3,028,260	1,866,021	383,137	607,168	309,430	18,614,369
2018-19	8,749,690	4,658,252	2,887,985	2,099,642	401,339	659,329	45,750	19,501,987
2019-20	8,910,857	4,528,420	2,786,378	2,029,074	390,550	667,493	147,307	19,460,079
2020-21	9,873,631	4,811,146	2,870,574	2,139,595	421,573	669,706	42,000	20,828,225
2021-22	10,454,653	5,791,417	3,114,137	2,707,339	481,878	690,627	25,011	23,265,062
2022-23	11,154,695	5,205,234	3,794,078	2,743,532	496,378	731,857	28,363	24,154,137
2023-24	11,285,555	5,276,308	3,531,590	2,701,381	489,929	666,221	240,908	24,191,892
2024-25	11,643,227	5,201,410	4,388,164	2,655,101	481,615	713,905	11,639	25,095,061
Change								
2016-2025	48.65%	13.76%	47.25%	60.96%	23.40%	10.68%	-67.67%	38.60%

* Excludes Motor Vehicle In-Lieu
Source: City of La Verne Finance Department

Assessed Value of Taxable Property
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>La Verne Redevelopment Agency¹</u>	<u>City</u>	<u>Total</u>	<u>Total Direct Tax Rate</u>
2015-16	\$ 1,240,889,036	\$ 2,595,916,348	\$ 3,836,805,384	0.1980%
2016-17	1,352,029,568	2,710,214,404	4,062,243,972	0.1820%
2017-18	1,482,635,776	2,828,542,385	4,311,178,161	0.1794%
2018-19	1,933,233,215	2,761,226,874	4,694,460,089	0.1816%
2019-20	1,809,937,811	3,082,434,305	4,892,372,116	0.1790%
2020-21	2,021,328,383	3,191,930,643	5,213,259,026	0.1806%
2021-22	2,386,758,416	3,322,547,221	5,709,305,637	0.1811%
2022-23	2,236,297,579	3,667,736,354	5,904,033,933	0.1816%
2023-24	2,581,486,712	3,459,977,279	6,041,463,991	0.1802%
2024-25	2,423,482,532	3,839,899,325	6,263,381,857	0.1816%

Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Fiscal Year	General	School District	Metro Water District	Community College District	Total Direct & Overlapping Rate	Total Direct Rate
2015-16	1.0000	0.297990	0.003500	0.037950	1.339440	0.177970
2016-17	1.0000	0.284510	0.003500	0.048060	1.336070	0.180430
2017-18	1.0000	0.335000	0.003500	0.046000	1.384500	0.178320
2018-19	1.0000	0.337670	0.003500	0.046730	1.387900	0.178870
2019-20	1.0000	0.372320	0.003500	0.069530	1.445350	0.179010
2020-21	1.0000	0.304700	0.003500	0.066160	1.374350	0.179250
2021-22	1.0000	0.292220	0.003500	0.094400	1.390120	0.179750
2022-23	1.0000	0.292990	0.003500	0.087820	1.384320	0.179920
2023-24	1.0000	0.289070	0.003500	0.082060	1.374640	0.180180
2024-25	1.0000	0.277230	0.007000	0.086380	1.370620	0.180170

**STATISTICAL SECTION
PRINCIPAL PROPERTY TAXPAYERS:**

Taxpayer	2025		2016	
	Taxable Assessed Value	Percentage of Total Assessed Valuation	Taxable Assessed Value	Percentage of Total Assessed Valuation
Gilead Sciences Inc.	\$ 365,950,162	5.99%		
J Mellano Pine Monte Vista LLC	57,755,809	0.95%		
PK I La Verne Town Center LP	57,199,150	0.94%		
Amber Property Investments LLC	53,177,045	0.87%		
La Verne Village LLC	46,420,639	0.76%		
La Verne Edens LLC	42,330,000	0.69%		
Weiss Family LP	31,884,961	0.52%		
VPM Magnolia Courts LV LP	29,647,402	0.49%		
Chainarc LLC	23,107,973	0.38%		
Realty Income Trust 4	22,897,664	0.37%		
PKI La Verne Town Center LP			\$ 48,544,508	1.30%
La Verne Commons LLC			23,925,391	0.64%
MG Monte Vista Apartments Cor			22,339,654	0.60%
La Verne Courtyard LLV			18,868,966	0.51%
VPM Magnolia Courts LV LP			17,694,247	0.47%
WNRA Monte Vista LLC			17,105,250	0.46%
NNC Apartment Ventures LLV			15,654,839	0.42%
La Verne Partners L P			14,688,587	0.39%
University of La Verne			14,669,940	0.39%
La Verne Village LLC			14,602,078	0.39%
	<u>\$ 730,370,805</u>	<u>11.96%</u>	<u>\$ 208,093,460</u>	<u>5.57%</u>

Property Tax Levies and Collections - City and RDA
 Last Ten Fiscal Years

City						
Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2015-16	\$ 7,832,817	\$ 7,196,812	91.88%	\$ 636,005	\$ 7,832,817	100.00%
2016-17	7,597,714	7,345,016	96.67%	252,698	7,578,131	99.74%
2017-18	7,426,859	7,121,494	95.89%	294,924	7,416,418	99.86%
2018-19	8,635,094	8,593,406	99.52%	31,897	8,625,303	99.89%
2019-20	8,840,490	8,458,777	95.68%	(44,869)	8,413,908	95.17%
2020-21	9,275,497	9,153,612	98.69%	163,365	9,316,977	100.45%
2021-22	9,741,100	9,647,709	99.04%	27,996	9,675,705	99.33%
2022-23	10,326,138	9,997,790	96.82%	328,384	10,326,174	100.00%
2023-24	10,723,911	10,454,559	97.49%	269,353	10,723,911	100.00%
2024-25	12,785,439	12,339,438	96.51%	446,002	12,785,439	100.00%

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City of La Verne
Taxable Sales by Category

Last Ten Calendar Years
(in thousands of dollars)

Adjusted for Economic Data

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Apparel Stores	\$ 14,534	\$ 19,571	\$ 19,192	\$ 19,908	\$ 18,531
General Merchandise	50,121	49,912	49,943	51,624	50,332
Food Stores	14,486	15,787	17,348	17,469	17,913
Eating and Drinking Places	66,029	69,374	71,418	73,899	78,136
Building Materials	70,785	58,823	66,680	70,689	72,608
Auto Dealers and Supplies	3,807	4,467	5,620	5,181	6,122
Service Stations	50,363	42,151	43,432	48,220	45,478
Other Retail Stores	63,528	63,493	65,099	60,858	59,224
All Other Outlets	93,360	103,614	102,495	107,633	119,955
Total	<u>\$ 427,013</u>	<u>\$ 427,192</u>	<u>\$ 441,227</u>	<u>\$ 455,481</u>	<u>\$ 468,299</u>

Sources: State Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office, The HdL Companies

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 11,292	\$ 17,447	\$ 17,450	\$ 19,102	\$ 21,938
46,548	49,661	46,734	43,899	44,158
20,337	18,570	19,264	19,707	19,732
65,202	85,828	92,207	95,802	99,100
70,322	69,645	84,583	77,034	78,346
5,726	6,170	9,275	4,876	3,534
30,165	42,791	52,386	51,035	49,051
66,379	71,165	69,179	70,889	60,933
135,601	135,283	140,721	149,780	140,496
<u>\$ 451,572</u>	<u>\$ 496,560</u>	<u>\$ 531,799</u>	<u>\$ 532,124</u>	<u>\$ 517,288</u>

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				
	SBITA	Revenue Bonds	Pension Bonds ¹	Notes Payable	Total
2015-16	\$ -	\$ 5,625,000	\$ 3,710,000	\$ -	\$ 9,335,000
2016-17	-	5,275,000	-	-	5,275,000
2017-18	-	4,900,000	-	-	4,900,000
2018-19	-	4,495,000	47,698,802	-	52,193,802
2019-20	-	4,060,000	46,528,251	-	50,588,251
2020-21	-	3,595,000	45,321,544	-	48,916,544
2021-22	-	3,095,000	44,078,553	-	47,173,553
2022-23	387,541	6,045,000	42,795,015	-	49,227,556
2023-24	411,384	5,340,000	41,470,933	-	47,222,317
2024-25	162,049	4,590,000	40,101,520	-	44,853,569

Business-type Activities			Total Primary Government	Percentage of Personal Income ²	Debt Per Capita ²
SBITA	Pension Bonds ¹	Total			
\$ -	\$ -	\$ -	\$ 9,335,000	0.85%	\$ 281
-	-	-	5,275,000	0.48%	\$ 4
-	-	-	4,900,000	0.39%	\$ 148
-	5,071,198	5,071,198	57,265,000	4.58%	\$ 1,731
-	4,946,749	4,946,749	55,535,000	4.44%	\$ 1,679
-	4,818,584	4,818,584	53,735,128	4.03%	\$ 1,624
-	4,686,447	4,686,447	51,860,000	3.30%	\$ 1,606
-	4,549,985	4,549,985	53,777,541	3.43%	\$ 1,665
-	4,409,197	4,409,197	51,631,514	3.29%	\$ 1,598
-	4,263,477	4,263,477	49,117,046	3.13%	\$ 1,521
		Personal Income	1,569,502		
		Per Capita Personal Income	48,591		
		Population	32,300		

Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	Outstanding General Bonded Debt			Percent of Assessed Value ¹	Debt Per Capita ²
	Certificates of Participation and Lease Agreement	Pension Bonds	Total		
2015-16	\$ -	\$ 3,710,000	\$ 3,710,000	0.10%	112
2016-17	-	-	-	0.00%	-
2017-18	-	-	-	0.00%	-
2018-19	-	54,265,000	54,265,000	1.16%	1,731
2019-20	-	51,475,000	51,475,000	1.10%	1,679
2020-21	-	50,140,128	50,140,128	1.07%	1,624
2021-22	-	48,765,000	48,765,000	1.00%	1,606
2022-23	-	47,345,000	47,345,000	0.97%	1,665
2023-24	-	45,880,130	45,880,130	0.94%	1,598
2024-25	-	44,364,997	44,364,997	0.91%	1,521
				Population Assessed Value	32,300 4,892,372,116

Direct and Overlapping Debt
June 30, 2025

City Assessed Valuation	\$ 3,839,899,325
Redevelopment Agency Incremental Valuation	<u>2,423,482,532</u>
Total Assessed Valuation	<u><u>\$ 6,263,381,857</u></u>

	Percentage Applicable ¹	Outstanding Debt 6/30/25 (in thousands)	City's Share of Overlapping Debt
Overlapping debt:			
Metropolitan Water District	0.153%	17,155	26,247
Citrus Community College District	0.158%	201,035	317,636
Mount San Antonio Community College District	5.087%	1,062,368	54,042,684
Bonita Unified School District	47.015%	102,025	47,966,955
Claremont Unified School District	0.795%	<u>59,080</u>	<u>469,686</u>
Total overlapping debt:		<u>1,424,509</u>	<u>102,823,208</u>
City of La Verne direct debt at 6/30/25			<u>44,853,569</u>
Total direct and overlapping debt			<u><u>\$ 147,676,777</u></u>

**STATISTICAL SECTION
LEGAL DEBT MARGIN INFORMATION**

	Fiscal Year			
	2016	2017	2018	2019
Debt limit	\$ 139,926,444	\$ 152,344,149	\$ 161,669,181	\$ 176,042,253
Total net debt applicable to limit	-	-	-	-
Legal debt margin	\$ 139,926,444	\$ 152,344,149	\$ 161,669,181	\$ 176,042,253
Total net debt applicable to limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2025

Assessed Value	\$ 6,263,381,857
Debt limit (3.75% of assessed value)	234,876,820
Debt applicable to limit:	
General obligation bonds	-
Legal debt margin	\$ 234,876,820

Fiscal Year

2020	2021	2022	2023	2024	2025
\$ 182,695,279	\$ 195,497,213	\$ 214,098,960	\$ 221,401,272	\$ 226,554,900	\$ 234,876,820
-	-	-	-	-	-
<u>\$ 182,695,279</u>	<u>\$ 195,497,213</u>	<u>\$ 214,098,960</u>	<u>\$ 221,401,272</u>	<u>\$ 226,554,900</u>	<u>\$ 234,876,820</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**STATISTICAL SECTION
PLEDGED-REVENUE COVERAGE**

1996 Revenue Bonds							
Fiscal Year	Available	Mobile	Less	Net	Debt Service ²		Coverage
	Tax Increment Revenue ¹	Home Park Revenues	Operating Expenses	Available Revenue	Principal	Interest	
2015-16	350	1,424	650	1,124	330	419	1.50
2016-17	350	1,322	665	1,007	350	395	1.35
2017-18	350	1,376	700	1,026	375	369	1.38
2018-19	350	1,395	850	895	405	341	1.20
2019-20	350	1,437	875	912	435	310	1.22
2020-21	350	1,485	793	1,042	465	278	1.40
2021-22	350	1,522	860	1,012	500	242	1.36
2022-23	350	1,707	970	1,087	535	205	1.47
2023-24	350	1,855	1,094	1,111	-	684	1.62
2024-25	350	1,755	1,091	1,014	615	122	1.38

**STATISTICAL SECTION
DEMOGRAPHIC AND ECONOMIC STATISTICS**

Calendar Year	Population	Personal Income (in thousands) ¹	Per Capita Personal Income ²	Unemployment Rate ³
2015	33,200	1,098,713	33,093	5.1%
2016	33,174	1,102,209	33,225	4.0%
2017	33,260	1,154,887	34,722	3.6%
2018	33,201	1,233,250	37,144	4.4%
2019	33,300	1,251,560	37,584	4.2%
2020	33,084	1,334,904	40,348	10.5%
2021	32,300	1,569,502	48,591	7.6%
2022	32,056	1,447,848	45,166	4.3%
2023	31,697	1,517,175	47,864	4.3%
2024	32,300	1,569,502	48,591	5.5%

**STATISTICAL SECTION
PRINCIPAL EMPLOYERS**

Employer	Number of Employees	Percent of Total Employment
University of La Verne	1,895 *	38.35%
Bonita Unified School District	1,089	22.04%
Gilead Sciences, Inc.	548	11.09%
Metropolitan Water District	392	7.93%
Brethren Hillcrest Homes	285	5.77%
City of La Verne	222	4.49%
Target	215 *	4.35%
Vons	150 *	3.04%
Stater Brothers	80 *	1.62%
Kohls	65 *	1.32%
	4,941	100.00%

* Estimated based on prior year data.

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**STATISTICAL SECTION
FULL-TIME EMPLOYEES BY FUNCTION**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General government	8	11	11	12	13
Public Safety:					
Fire	36	36	36	36	36
Police	60	64	64	64	59
Community development	6	7	7	7	7
Public works	46	46	47	47	47
Community services	3	3	3	3	4
Successor Agency	<u>2</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Total	<u>161</u>	<u>168</u>	<u>169</u>	<u>170</u>	<u>167</u>

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
13	14	16	19	18	16
36	36	36	47	50	50
59	60	61	68	62	66
6	5	5	7	7	6
46	46	45	45	47	48
4	5	6	6	6	7
<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u><u>165</u></u>	<u><u>166</u></u>	<u><u>169</u></u>	<u><u>192</u></u>	<u><u>190</u></u>	<u><u>193</u></u>

**STATISTICAL SECTION
CAPITAL ASSET STATISTICS BY FUNCTION**

	Fiscal Year				
	2015	2016	2017	2018	2020
Police:					
Police stations	1	1	1	1	1
Fire:					
Fire Stations	3	3	3	3	3
Public works:					
Streets (miles)	98	98	98	98	98
Alleys (miles)	14	14	14	14	14
Sidewalks (miles)	205	205	205	205	205
Traffic signals	22	25	27	27	28
Parks	19	19	19	19	19
Community services:					
Community centers	2	2	2	2	2
Water:					
Water mains (miles)	140	140	184	184	184
Fire hydrants	1,090	1,090	1,507	1,507	1,507
Number of reservoirs	13	13	13	13	13
Maximum daily capacity (in thousands of gallons)	27,000	27,000	27,000	27,000	27,000
Sewer:					
Sanitary sewers (miles)	92	92	140	140	142
Storm sewers (miles)	19	19	34	34	34

Fiscal Year				
2021	2022	2023	2024	2025
1	1	1	1	1
3	3	3	3	3
98	98	98	98	98
14	14	14	14	14
205	205	205	205	205
29	29	28	28	36
19	19	19	19	19
2	2	2	2	2
132	132	139	139	139
1,318	1,318	1,457	1,457	1,457
13	13	13	13	13
27,000	27,000	27,000	27,000	27,000
109	109	99	99	99
36	36	36	36	36