



CITY OF LA HABRA, CALIFORNIA ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2024



City of La Habra, California
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Year Ended June 30, 2024



Prepared by the Department of Finance and Administrative Services

MELVIN SHANNON, DIRECTOR OF FINANCE

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INTRODUCTORY SECTION



City of La Habra

“A Caring Community”

ADMINISTRATION BUILDING

110 E. La Habra Boulevard
Post Office Box 337
La Habra, CA 90633-0785
Office: (562) 383-4010
Fax: (562) 383-4474

April 11, 2025

Honorable Mayor, Members of the City Council and Citizens of the City of La Habra:

The Annual Comprehensive Financial Report of the City of La Habra (City) for the fiscal year ended June 30, 2024 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City Administration. To the best of our knowledge and belief, the enclosed data are accurate in all materials respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. Disclosures necessary to enable a reader to gain an understanding of the City’s financial activities have been included. A more comprehensive analysis of the City’s financial health can be found in the Management Discussion and Analysis section of this report.

FISCAL YEAR 2023-2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT

The City is required to undergo an annual audit in conformity with the provisions of the Single Audit Act and the U.S. Office of Management and Budget’s Uniform Guidance, *Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards*. Information related to this single audit, including a schedule of expenditures of federal awards and the independent auditor’s reports on internal controls and compliance with applicable laws and regulations, is included in a separately issued compliance report.

This report includes all funds of the City (the primary government), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. The component units are controlled by common governing boards and, therefore, are represented as blended component units for financial reporting purposes. Blended component units, although legally separate entities are, in substance, part of the primary government’s operations and are included as part of the primary government. Accordingly, the La Habra Civic Improvement Authority (CIA), the La Habra Housing Authority (Housing Authority), and the Utility Authority of the City of La Habra (Utility Authority) are reported as funds of the primary government. In addition, the City has assumed fiduciary responsibility for the Successor Agency to the Redevelopment Agency of the City of La Habra (Successor Agency) and is reported as a Private-Purpose Trust.

The City provides a full range of traditional municipal services. Police services are provided through a department operating under the direct control of the City while fire services are contracted with the Los Angeles County Fire Department. The City’s Utility Authority operates a water distribution system and a wastewater collection system. The collection of solid waste (refuse) is provided as a City service through a franchise arrangement with a private firm. The City provides for construction, repair, and maintenance of streets, parks and storm water collection systems and is responsible for the administration and enforcement of housing and building codes, as well as economic and community development activities. The City also provides various community and social services, recreational activities and cultural events.

CITY LOCATION AND CHARACTER

The City of La Habra (population 60,901) is located in the northwest corner of the County of Orange, California, approximately 20 miles east of downtown Los Angeles. La Habra is known as a unique suburban residential community where residents have access to, and participate in, the greater Orange County and Los Angeles County economies. La Habra is largely built out (90 percent developed by the mid-1970's), with the majority of residential housing constructed in the 1950's.

Net Taxable Assessed Value (NTAV) for FY 23/24 was \$8,791,851,393, which is 5.56% more than FY 22/23. Based on data from the 2018-2022 U.S. Census Bureau-American Community Survey 5-year Estimates, the median household income is higher than the California average, but is lower than the average of Orange County cities.

The City is largely residential with a stable population that has remained virtually unchanged over the past decade. Unemployment had been relatively modest except during the global recession in 2008 and 2009 when unemployment rates were higher than normal. Since the recession, the City's unemployment had been stable ranging between 4-6%. It was 3.7% in February 2025.

FINANCIAL INFORMATION

The management of the City of La Habra is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived; and, 2) the valuation of costs and benefits requires estimates and judgments by management.

Single Audit

As a recipient of federal, state and local financial assistance, the City is responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation by management.

As part of the City's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's single audit for the fiscal year ended June 30, 2024 are provided under a separate report.

Budget Controls

The City maintains extensive budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual budget appropriation adopted by resolution of the City Council for the General Fund, the Debt Service Fund, the Capital Project Funds, the Enterprise Funds, the Internal Service Funds, and the Special Revenue Funds. Some Special Revenue Funds are not included in the annual appropriation resolution, but are adopted separately on an as needed basis. Formal budgetary integration is employed as a management control during the year. Supplemental appropriations are approved by the City Council in the form of budget amendment motions, contract/project approval actions, or as part of special grant authorizing motions. The level of budgetary control is at the individual fund level, but management control is exercised at budgetary line-item level.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded to restrict or assign that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in all governmental and proprietary funds. Encumbrances outstanding at year-end are reported as restricted or assigned fund balance in the fund balance section of the balance sheet since they do not constitute expenditures or liabilities.

The budget has been prepared in accordance with generally accepted accounting principles (GAAP). The budget schedule (combined schedule of revenues, expenditures and changes in fund balance), budgeted and actual, is presented on the same basis of accounting used in preparing the adopted budget unless otherwise noted in the notes to required supplementary information.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility of sound financial management.

Long-Term Financial Planning

The City typically prepares two levels of financial planning for review by its governing body. The first level involves the preparation, presentation and adoption of the City's annual operating budget. This planning effort takes into account current projects, programs and staffing levels to determine the proper level of resource allocation necessary to effectively operate the City government on a year to year basis. This short-term financial plan is flexible and can be modified by Council action to adjust for changing revenue estimates, new programs or projects, or other unanticipated operating and capital costs. The annual adopted budget is reviewed by the City Council at mid-year to determine estimated year end revenue and expenditure performance of the General Fund and other major operating funds. Amendments are approved as necessary to reflect changing financial conditions or funding availability with the goal of maintaining a balanced budget at year end.

In addition, the City prepares and updates long-term capital plans, revenue estimates, and economic projections to account for high-cost long-term capital needs, major infrastructure improvement programs, and changing trends in the City's revenue and economic base. As part of the annual budget, the City updates its five year revenue projection model to take into account current and projected economic trends, major changes in revenues and expenses, and future capital needs. These models are based on other long-term financial plans developed by City departments, including a seven year capital project plan, a multi-year pavement management plan, a ten year water system master plan and a twelve year sewer system master plan. Each capital plan is updated every one to five years depending on the need for such updates or to account for major changes. The information provided by the City's long-range capital plans is also used to determine the potential net benefit of securing long-term capital financing via debt versus the use of current cash or other resources on a pay-as-you-go basis.

General Fund Balance

The total General Fund balance as of June 30, 2024 was \$31.2 million. Of this amount, \$10.8 million is considered restricted, and \$6.8 million is assigned for specific purposes. The remaining balance of \$13.6 million represented unassigned or available portion of fund balance.

Long-Term Liabilities

As of fiscal year ended June 30, 2024, the City had several outstanding debt issues and other long-term liabilities totaling \$167.3 million (excluding deferred gain/loss on refunding), including:

- \$2.7 million in tax allocation bonds reported in the Successor Agency Private-Purpose Trust Fund
- \$0.5 million in lease obligations and subscription liability
- \$10.4 million in certificates of participation
- \$30.2 million in water revenue bonds
- \$66.6 million in pension obligation bonds
- \$6.2 million for claims payable
- \$7.3 million for compensated absences
- \$4.0 million for pollution remediation liability
- \$3.9 million for net OPEB liability
- \$35.5 million for net pension liability

The City, as a separate legal entity, has no general obligation debt outstanding.

Capital Assets

The capital assets of the City’s governmental activities are those used in the performance of general government functions and exclude the capital assets of the Enterprise Funds and the Successor Agency Private-Purpose Trust Fund, but does include the capital assets of the Internal Service Funds. As of June 30, 2024, the capital assets (net of depreciation/amortization) of the City’s governmental activities amounted to \$124.7 million. This amount represents the original cost of the assets or estimated historical cost if actual historical cost is not available. Depreciation and amortization of capital assets is recognized in the City’s financial statements using the straight-line method based on the estimated useful life of an asset.

Enterprise Operations

The enterprise operations of the City comprise several distinct business-type activities as shown in the following table:

Enterprise Operation	Net Position Beginning	Operating Revenues	Operating Expenses	Non-Operating Revenues (Expenses)	Net Transfers In and (Out)	Net Position Ending
Water	\$ 31,127,607	\$ 18,097,810	\$ 14,987,878	\$ (631,968)	\$ 292,280	\$ 33,897,851
Sewer	6,183,314	2,944,182	2,954,229	101,591	(118,189)	6,156,669
Housing Authority	5,539,279	1,386,825	1,044,937	(210,416)	-	5,670,751
Refuse	1,312,302	5,514,811	5,603,741	199,697	(214,091)	1,208,978
Children's Museum	521,300	490,972	697,687	17,699	40,000	372,284
Mobile Home Lease	5,566,758	2,974,169	3,083,452	68,849	-	5,526,324
	\$ 50,250,560	\$ 31,408,769	\$ 28,371,924	\$ (454,548)	\$ -	\$ 52,832,857

INDEPENDENT AUDIT

An annual audit of the accounting and financial records of the City of La Habra is conducted by independent certified public accountants to meet the requirements of the Single Audit Act and the U.S. Office of Management and Budget's Uniform Guidance, *Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards*. The auditors are required to audit all opinion units of the City in accordance with auditing standards generally accepted in the United States of America and the standards set forth in the General Accounting Office's *Government Auditing Standards*. The firm, Clifton Larson Allen, LLP, has been hired by the City under the terms of a multi-year agreement to perform auditing services.

The auditor's report on the basic financial statements and supplementary information is included in the financial section of this report. The auditor's reports on compliance and internal control over financial reporting based on an audit of financial statements performed in accordance with government auditing standards can be found in a separately issued compliance report.

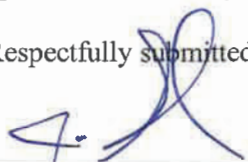
ACKNOWLEDGEMENTS

The preparation of the Annual Comprehensive Financial Report could not have been accomplished without the effort and professionalism demonstrated by the Department of Finance and Administrative Services staff. Preparation of annual financial statements requires a major effort from the entire accounting staff and we would like to express our appreciation to everyone who assisted and contributed to the effort, particularly Director of Finance Melvin Shannon, Deputy Director of Finance Jack Ponvanit, Accounting Supervisor Zukie Chiu, Accountant I Jackie Guerrero, and Accountant I Eric Alman.

We wish to acknowledge the professional manner in which Clifton Larson Allen, LLP conducted the audit and express our appreciation for their assistance and expertise.

We also thank the City Council for their commitment and support in planning and conducting the financial operations of the City in a fiscally responsible manner.

Respectfully submitted,

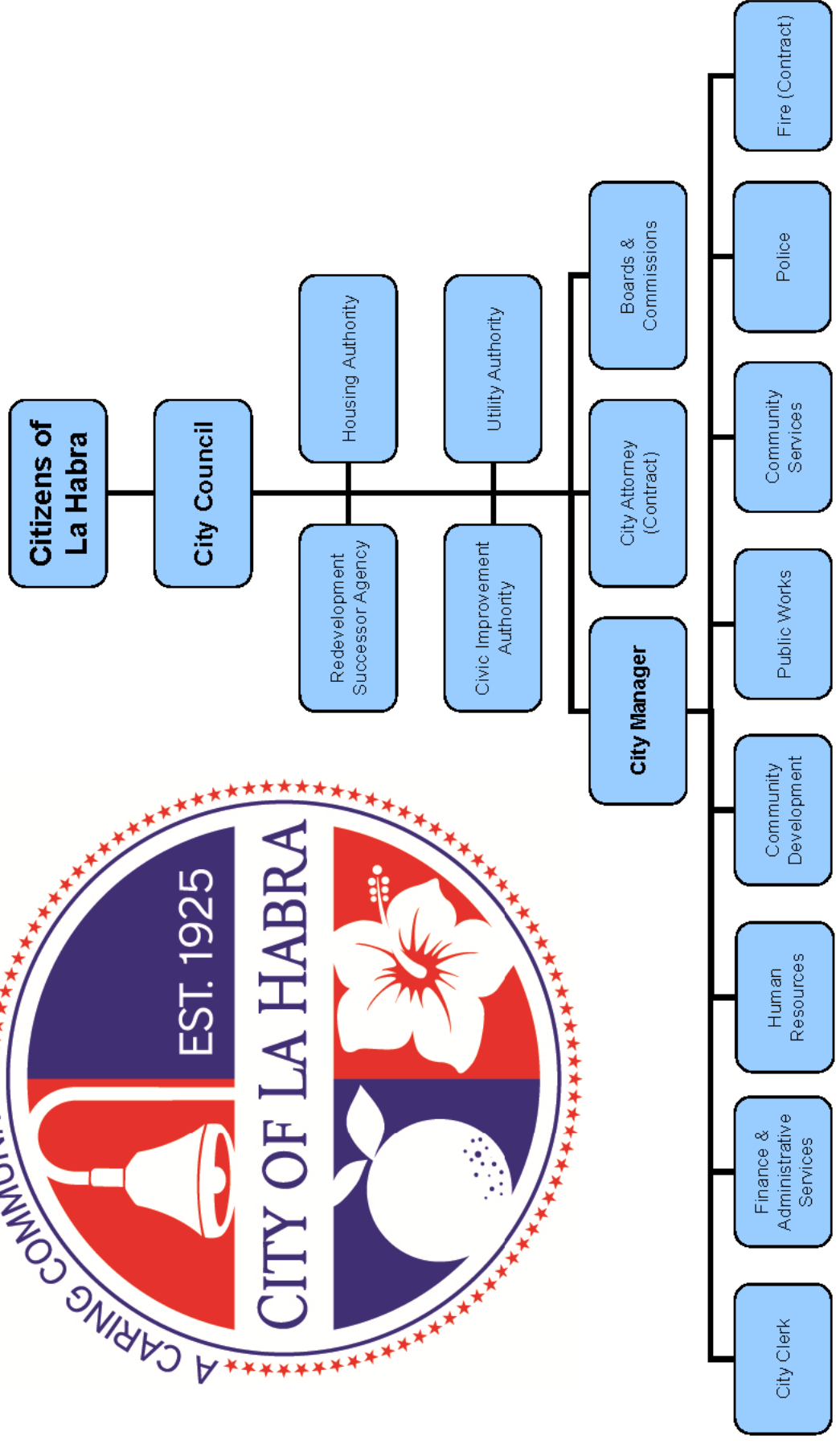


James D. Sadro
City Manager



Melvin L. Shannon
Director of Finance

City of La Habra Organization and Services



**CITY OF LA HABRA, CALIFORNIA
CITY OFFICIALS
JUNE 30, 2024**

MEMBERS OF THE CITY COUNCIL

Mayor Daren Nigsarian
Mayor Pro Tem Rose Espinoza
Councilmember James Gomez
Councilmember Jose Medrano
Councilmember Carrie Surich

CITY MANAGER

James D. Sadro

ASSISTANT CITY MANAGER

Gabriella Yap

CITY ATTORNEY

Richard Jones

CITY CLERK

Rhonda Barone

DIRECTOR OF FINANCE

Melvin Shannon

DIRECTOR OF COMMUNITY DEVELOPMENT

Susan Kim

DIRECTOR OF COMMUNITY SERVICES

Kelly Fujio

DIRECTOR OF PUBLIC WORKS

Elias Saykali

CHIEF OF POLICE

Adam Foster

ACTING ASSISTANT CHIEF OF FIRE

Khoi Dao
(Los Angeles County Fire)



Government Finance Officers Association

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for Excellence
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Reporting

Presented to

**City of La Habra
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION





INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Council
City of La Habra
La Habra, California

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matters

Adjustments for Change in Reporting Entity

As discussed in Note 16 to the financial statements, changes to or within the financial reporting entity resulted in adjustments to fund balances as of July 1, 2023. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in net pension liability and related ratios and the schedule of contribution related to the agent multiple-employer defined benefit miscellaneous pension plan, the schedule of the City's proportionate share of the net pension liability and the schedule of contribution related to the cost sharing defined benefit safety pension plans, the schedule of changes in the net OPEB liability and related ratios and the schedule of contribution related to the agent multiple-employer defined benefit postemployment healthcare plan and the budgetary comparison schedules for the General fund, State Gas Tax Special Revenue Fund, Measure M Special Revenue Fund and Child Development Special Revenue Fund 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 GAAS, 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 combining nonmajor fund financial statements, budgetary comparison schedules, and Measure T Transaction and Use Tax: Use of Funds schedule (supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

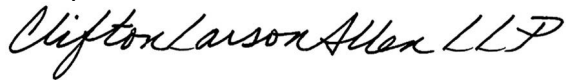
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover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

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

Honorable Mayor and Members of the City Council
City of La Habra

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 11, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Irvine, California
April 11, 2025

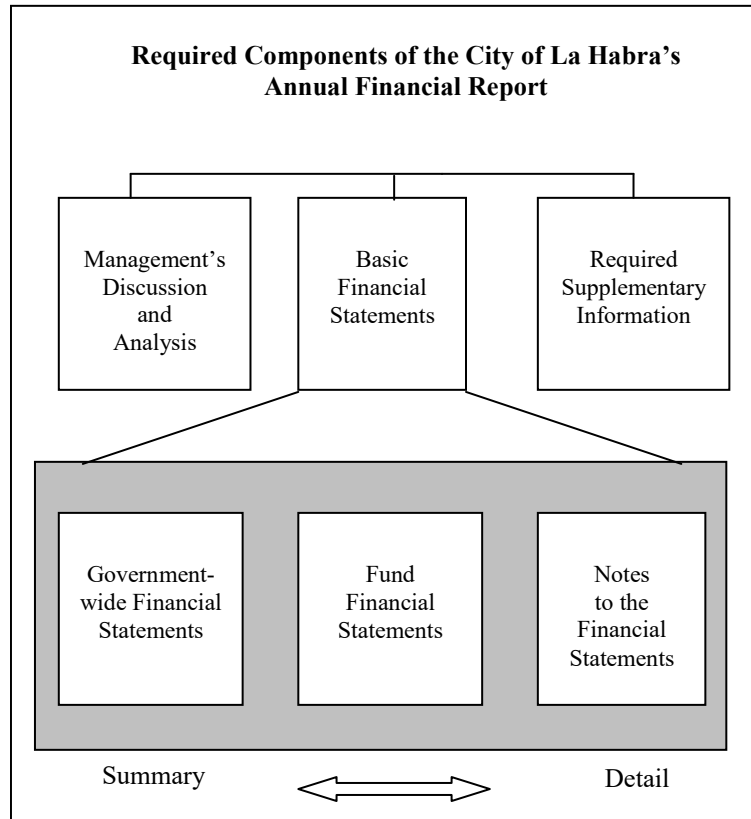
**CITY OF LA HABRA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

In an effort to provide insight and perspective to the City of La Habra's (City) annual financial statements, staff has prepared this management discussion of the financial activities of the City for the fiscal year ended June 30, 2024. The intent of this discussion is to assist the reader to better understand the fiscal condition of the City. Readers are encouraged to consider the information presented here in conjunction with the summary information found in the transmittal letter and the detailed information found in the body of the financial statements.

Overview of the Financial Statements

The City's annual financial report consists of four parts – *management's discussion and analysis* (this section), the *basic financial statements*, *required supplementary information*, and an optional section that presents *combining statements* for non-major governmental and enterprise funds, internal service funds, and fiduciary funds. The basic financial statements include two kinds of statements that present different views of the City.

- The first two statements are *Government-wide Financial Statements* that provide both *long-term* and *short-term* information about the City's overall financial status.
- The remaining statements are *Fund Financial Statements* that focus on *individual* parts of the City government, reporting the City's operations in *more detail* than the Government-wide Statements.
 - The *Governmental Fund* Statements detail how *general government* services such as public safety were financed in the *short term* as well as what remains for future spending.
 - *Propriety Fund* Statements offer *short-* and *long-term* financial information about the activities the City operates *like businesses*, such as the water and sewer services.
 - *Fiduciary Fund* Statements provide information about the financial relationships in which the City acts solely as a *trustee* or *agent* for the benefit of others to whom the resources belong.



The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. In addition to these required elements, the City has included a section with combining statements that provide detail about non-major governmental funds, enterprise funds, and internal service funds, which are added together and presented in single columns in the basic financial statements.

**CITY OF LA HABRA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Government-wide Financial Statements

The Government-wide Financial Statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes *all* of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the fiscal year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two Government-wide Financial Statements report the City's *net position* and how it has changed. Net Position – the difference between the City's assets plus deferred outflows resources and liabilities plus deferred inflows of resources – are one way to measure the City's financial health, or *position*. Over time, increases or decreases in the City's net position is an indicator of whether the City's financial health is improving or deteriorating, respectively. One needs to consider additional non-financial factors, such as changes in the City's property tax base and the condition of the City's infrastructure, to assess the overall fiscal condition of the City.

The Government-wide Financial Statements of the City are divided into two categories:

- *Governmental activities* – Most of the City's basic services, such as police, fire, public works, community services, community development, and general administration, are included here. Taxes, revenues from other governments and agencies, income from property and investments, grants and contributions, and charges for services finance most of these activities.
- *Business-type activities* – The City charges fees to customers to cover the costs of certain services it provides. The City's water, sewer, refuse, and housing authority are the primary business-type activities.

Fund Financial Statements

The Fund Financial Statements provide more detailed information about the City's most significant *funds* – not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

Some funds are required by State law or bond covenants, while the City establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The City has three types of funds:

- *Governmental funds* – Most of the City's basic services are included in governmental funds. These funds are used to account for (1) *cash and other financial assets* that can readily be converted to cash flow in and out, and (2) balances left at year-end that are available for spending. Consequently, the Governmental Funds Statements provide a detailed *short-term* view that helps the reader determine the amount of financial resources that can be spent in the near future to finance the City's programs. Reconciliation between the long-term and short-term focus of the Government-wide Financial Statements is provided immediately following each statement. The basic financial statements also include budgetary comparison schedule as required supplementary information for the General Fund to demonstrate compliance with the annual budget as adopted and amended.

**CITY OF LA HABRA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

- *Proprietary funds* – Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the Government-wide Financial Statements, provide both long- and short-term financial information.
 - There are two types of proprietary funds: *enterprise funds* and *internal service funds*.
 - The City uses *enterprise funds* to report activities that provide business-type services, generally to external customers – such as water, sewer and refuse services. In both the Government-wide Financial Statements and the Fund Financial Statements, these funds are shown under business-type activities.
 - The City uses *internal service funds* to report activities that provide service and support for the City’s other programs and activities – such as fleet maintenance and replacement, risk management, and information technology. These activities are included in the governmental activities in the government-wide financial statements.
- *Fiduciary funds* – These funds are used to account for situations where the City’s role is purely custodial, such as the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. All of the City’s fiduciary activities are reported in a separate Statement of Fiduciary Net Position. The City excludes these activities from the Government-wide Financial Statements because the City cannot use these assets to finance its operations.

Financial Analysis of the City as a Whole

Net Position

As noted earlier, comparing net position over time may serve as a useful indicator of the City’s financial position. The following is an analysis that summarizes the City’s net position (Table 1) at fiscal year ended June 30, 2024, and 2023, respectively:

TABLE 1
STATEMENTS OF NET POSITION

	Governmental Activities		Business-Type Activities		Total		Change (\$)	Change (%)
	FY 23/24	FY 22/23	FY 23/24	FY 22/23	FY 23/24	FY 22/23		
Assets								
Current and other assets	\$ 107,417,190	\$ 88,879,559	\$ 49,565,774	\$ 47,897,557	\$ 156,982,964	\$ 136,777,116	\$ 20,205,848	14.8%
Capital assets	124,653,065	117,788,729	55,130,217	54,240,582	179,783,282	172,029,311	7,753,971	4.5%
Total Assets	232,070,255	206,668,288	104,695,991	102,138,139	336,766,246	308,806,427	27,959,819	9.1%
Deferred outflow of resources	36,388,843	51,347,962	3,599,252	3,970,816	39,988,095	55,318,778	(15,330,683)	-27.7%
Liabilities								
Current liabilities	32,130,515	24,324,942	6,078,957	4,831,651	38,209,472	29,156,593	9,052,879	31.0%
Noncurrent liabilities	106,235,719	108,653,267	49,855,548	51,517,400	156,091,267	160,170,667	(4,079,400)	-2.5%
Total Liabilities	138,366,234	132,978,209	55,934,505	56,349,051	194,300,739	189,327,260	4,973,479	2.6%
Deferred inflow of resources	35,906,524	46,884,753	68,892	169,016	35,975,416	47,053,769	(11,078,353)	-23.5%
Net position								
Net investment in capital assets	120,213,396	114,708,465	24,655,715	22,421,053	144,869,111	137,129,518	7,739,593	5.6%
Restricted	35,130,817	24,749,680	1,475,522	1,167,564	36,606,339	25,917,244	10,689,095	41.2%
Unrestricted	(61,157,873)	(61,304,857)	26,160,609	26,002,271	(34,997,264)	(35,302,586)	305,322	-0.9%
Total Net Position	\$ 94,186,340	\$ 78,153,288	\$ 52,291,846	\$ 49,590,888	\$ 146,478,186	\$ 127,744,176	\$ 18,734,010	14.7%

**CITY OF LA HABRA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

Assets and Deferred Outflow of Resources

The City's *combined* assets of \$337.0 million as of June 30, 2024 comprised of \$157.0 million in current and other assets and \$179.8 million in capital assets. Deferred outflows of resources of \$40.0 million represented unamortized loss on refunding of debt, deferred amount from pension and OPEB. The majority of the balance was deferred amount from pension, which represented \$36.6 million of the balance.

Liabilities and Deferred Inflow of Resources

As of June 30, 2024, the City's ended the year with \$194.3 million in *combined* liabilities. Approximately 18.3% or \$35.5 million of the liability was net pension liability, and approximately 55.4% or \$107.6 million was bond and certificate of participation obligations, and leases & subscriptions payable. The remaining 26.3% or \$51.2 million was relating to various obligations such as accounts payable, claims payable, net OPEB liability, compensated absences, pollution remediation liability, etc. Deferred inflows of resources of \$36.0 million represented deferred amounts from pension, OPEB, and leases. The majority of the balance was deferred amount from pension, which represented \$35.0 million of the balance.

Net Investment in Capital Assets

The City's *combined* net position for the fiscal year ended June 30, 2024, as shown above, was \$146.5 million. \$144.9 million represents capital assets such as land, buildings, machinery, equipment, and infrastructure, less depreciation/amortization and any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets cannot be easily liquidated and are ***not*** available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other revenue sources since the capital assets themselves are not usually able to pay for the associated debt.

Restricted Net Position

\$36.6 million of the City's net position represents resources that are subject to external restrictions regarding how they may be used. The restricted net position for pension rate program increased by \$10.7 million primarily due to the Section 115 Pension Trust deposits, which increased by \$6.0 million.

Unrestricted Net Position

The unrestricted net position of the City's business-type activities totals \$26.2 million, and these resources cannot be used to help fund general governmental activities. The City can only use these resources to finance the continuing operations of its enterprise funds such as the Refuse fund, Mobile Home Lease fund and the Children's Museum, or its agencies and authorities, such as the Utility Authority and Housing Authority. That leaves a negative \$61.2 million balance of unrestricted net position in the governmental activities. The negative unrestricted net position is primarily the result of the City's obligations relating to pension.

Changes in Net Position

The condensed summary of activities (Table 2) shows that the City's total net position increased by \$18.7 million to \$146.5 million during the year with Governmental Activities net position increase of \$16.0 million and the Business-type Activities net position increase of \$2.7 million.

**CITY OF LA HABRA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

Approximately 51.0% of the City's governmental revenue is generated through taxes collected (property, sales and use, transaction and use, and franchise), and almost 100% of the City's business-type revenue is generated through charges for services.

**TABLE 2
CHANGES IN NET POSITION**

	Government Activities		Business-Type Activities		Total	
	<u>FY 23/24</u>	<u>FY 22/23</u>	<u>FY 23/24</u>	<u>FY 22/23</u>	<u>FY 23/24</u>	<u>FY 22/23</u>
Revenues						
Program Revenues						
Charges for Services	\$ 10,796,280	\$ 9,830,722	\$ 31,408,769	\$ 30,261,786	\$ 42,205,049	\$ 40,092,508
Operating Grants and Contributions	15,168,862	18,072,066	-	-	15,168,862	18,072,066
Capital Grants and Contributions	11,811,104	6,133,751	-	-	11,811,104	6,133,751
General Revenues						
Property Taxes	23,586,856	22,428,672	-	-	23,586,856	22,428,672
Sales and Use Taxes	13,826,854	14,546,390	-	-	13,826,854	14,546,390
Transaction and Use Taxes	7,607,546	7,780,968	-	-	7,607,546	7,780,968
Franchise Tax	2,492,371	2,391,564	-	-	2,492,371	2,391,564
Grants and Contributions not Restricted to Specific Programs	131,345	119,916	-	-	131,345	119,916
Income from Property and Investments	6,362,456	3,252,120	1,237,988	66,028	7,600,444	3,318,148
Gain on sale of capital assets	60,590	20,994	16,793	-	77,383	20,994
Other General Revenues	1,336,954	1,008,910	-	5,782	1,336,954	1,014,692
Total Revenues	93,181,218	85,586,073	32,663,550	30,333,596	125,844,768	115,919,669
Expenses						
General Government	4,905,354	3,785,227	-	-	4,905,354	3,785,227
Public Safety	38,036,784	53,428,983	-	-	38,036,784	53,428,983
Public Works	12,870,728	10,778,966	-	-	12,870,728	10,778,966
Community Services	14,866,774	12,975,016	-	-	14,866,774	12,975,016
Community Development	4,690,781	4,044,949	-	-	4,690,781	4,044,949
Interest on Long-Term Debt	1,777,745	1,818,837	-	-	1,777,745	1,818,837
Water	-	-	16,229,119	16,694,943	16,229,119	16,694,943
Sewer	-	-	2,966,511	2,641,793	2,966,511	2,641,793
Refuse	-	-	5,632,476	6,863,078	5,632,476	6,863,078
Housing Authority	-	-	1,351,596	1,042,915	1,351,596	1,042,915
Children's Museum	-	-	699,438	569,710	699,438	569,710
Mobile Home Lease	-	-	3,083,452	2,606,361	3,083,452	2,606,361
Total Expenses	77,148,166	86,831,978	29,962,592	30,418,800	107,110,758	117,250,778
Excess (deficiency) before Transfers	16,033,052	(1,245,905)	2,700,958	(85,204)	18,734,010	(1,331,109)
Transfers	-	-	-	-	-	-
Change in Net Position	16,033,052	(1,245,905)	2,700,958	(85,204)	18,734,010	(1,331,109)
Net Position - Beginning of Year	78,153,288	79,399,193	49,590,888	49,676,092	127,744,176	129,075,285
Net Position - End of year	\$ 94,186,340	\$ 78,153,288	\$ 52,291,846	\$ 49,590,888	\$ 146,478,186	\$ 127,744,176

**CITY OF LA HABRA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

Governmental Activities

The increase in net position for *governmental* activities was \$16.0 million, caused as a result of total revenues for *governmental* activities of \$93.2 million being offset by \$77.2 million in total costs for *governmental* activities.

The followings are some of the notable changes in governmental activities revenues:

- Property tax grew by \$1.1 million or 4.9% compared to prior year as a result of increase in property taxable values especially in the residential class of property.
- Operating grant and contributions decreased by \$2.9 million due to winding down of ARPA grant spending.
- Charges for service revenue increased by \$1.0 million due to increase in ambulance rates.
- Income from property and investments increased by \$3.1 million compared to prior year due to higher interest rate.
- Public safety expenses decreased by \$15.4 million because deferred inflow of resources adjustment relating to public safety pension plan caused public safety expense to be significantly higher than normal in the prior year. It came down to a normal level in the current year.
- Community Services expenses increased by \$1.9 million due primarily to the expansion of Employment and Training grant program.

The City of La Habra is a full-service city providing residents, businesses and visitors with the following functional services:

General Government is comprised of four departments (City Manager, City Clerk, Finance, and Human Resources) providing general governance, executive management, legal services, public information, human resources, records management, information technology, accounting, budget, treasury, utility customer service and purchasing.

Public Safety is comprised of Police Service and Fire Service (contracted with Los Angeles County Fire Department) providing general law enforcement, public safety dispatch, fire suppression, fire prevention, paramedic services and emergency preparedness.

Public Works is comprised of the following seven divisions; engineering, fleet, NPDES, parks, refuse, streets, and water/sewer. The department is responsible for water production, and distribution, sewer system maintenance, maintenance of streets, sidewalks, traffic systems, gutters and storm drains, maintenance of parks, civic building landscaping, administration of refuse and recycling programs, and maintenance and replacement of the City's fleet. The department is also responsible for the design and construction of new and replacement of public facilities and infrastructures.

Community Development is comprised of four divisions (Planning, Building, Community Preservation, and Housing Economic Development) providing planning, zoning and building services, redevelopment services, economic development and housing services.

Community Services is comprised of six divisions (Building Maintenance, Child Development, Children's Museum, Employment and Training, Recreation, and Senior and Social Services) providing various programs, services, and special events for the citizens

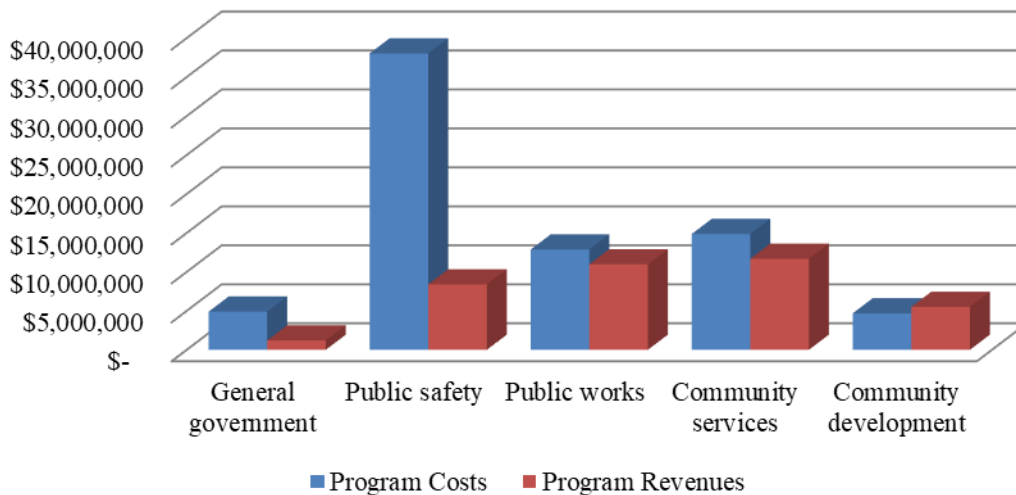
Table 3 presents the cost of each program as well as each program's net cost (total cost less revenue generated by the program activities). The net cost shows the extent to which the City's general revenues support each of the programs.

**CITY OF LA HABRA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

**TABLE 3
GOVERNMENTAL ACTIVITIES
NET PROGRAM COST**

	Total Program Costs		Total Program Revenues		Net Cost of Services	
	FY 23/24	FY 22/23	FY 23/24	FY 22/23	FY 23/24	FY 22/23
General government	\$ 4,905,354	\$ 3,785,227	\$ 1,211,735	\$ 876,481	\$ 3,693,619	\$ 2,908,746
Public safety	38,036,784	53,428,983	8,397,131	12,106,222	29,639,653	41,322,761
Public works	12,870,728	10,778,966	10,972,011	6,580,697	1,898,717	4,198,269
Community services	14,866,774	12,975,016	11,677,049	9,086,869	3,189,725	3,888,147
Community development	4,690,781	4,044,949	5,518,320	5,386,270	(827,539)	(1,341,321)
Totals	\$ 75,370,421	\$ 85,013,141	\$ 37,776,246	\$ 34,036,539	\$ 37,594,175	\$ 50,976,602

**Program Costs VS Program Revenues
Governmental Activities FY 23/24**



Business-Type Activities

As of June 30, 2024, the revenues of the business-type activities increased by 8.3%, or \$2.5 million (\$32.7 million in 2024 compared to \$30.2 million in 2023) and expenses decreased by 1.5%, or \$0.4 million (\$30.0 million in 2023 compared to \$30.4 million in 2023). The primary factors driving these results include:

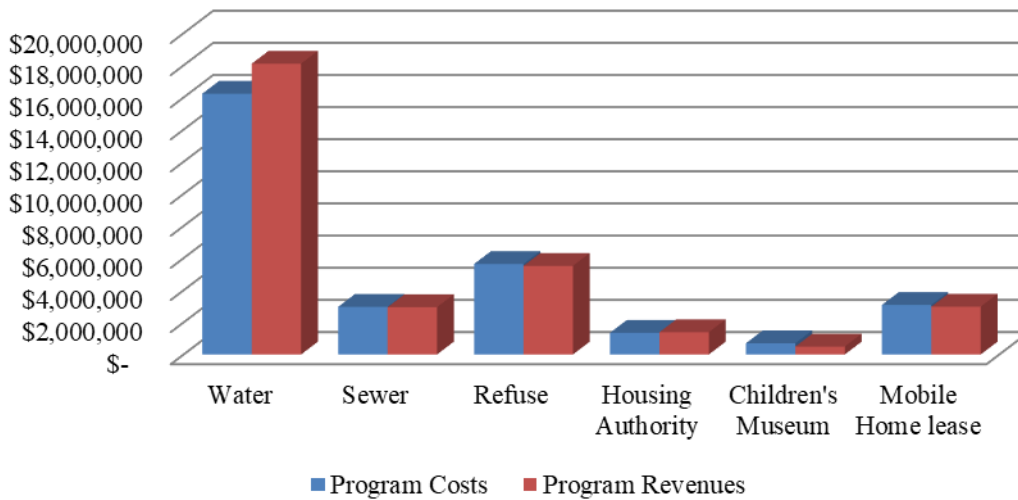
- Utility rate increased in January 2024, and water consumption increased slightly by 0.4% resulted in increase of \$0.9 million or 4.7% in utility revenues (Water and Sewer). Refuse rate also increased in January 2024. This resulted in \$0.7 million increase in Refuse revenue.
- Housing Authority revenue increased by \$0.4 million due to higher one-time affordable housing development fees in prior year.
- Refuse expenses decreased by \$1.2 million due mainly to pollution remediation liability adjustment in prior year.

**CITY OF LA HABRA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

**TABLE 4
BUSINESS-TYPE ACTIVITIES
PROGRAM COSTS VS PROGRAM REVENUES**

	Total Program Costs		Total Program Revenues		Net Cost of Services	
	FY 23/24	FY 22/23	FY 23/24	FY 22/23	FY 23/24	FY 22/23
Water	\$ 16,229,119	\$ 16,694,943	\$ 18,097,810	\$ 17,235,734	\$ (1,868,691)	\$ (540,791)
Sewer	2,966,511	2,641,793	2,944,182	2,871,016	22,329	(229,223)
Refuse	5,632,476	6,863,078	5,514,811	4,856,094	117,665	2,006,984
Housing Authority	1,351,596	1,042,915	1,386,825	1,738,988	(35,229)	(696,073)
Children's Museum	699,438	569,710	490,972	629,238	208,466	(59,528)
Mobile Home lease	3,083,452	2,606,361	2,974,169	2,930,716	109,283	(324,355)
Totals	\$ 29,962,592	\$ 30,418,800	\$ 31,408,769	\$ 30,261,786	\$ (1,446,177)	\$ 157,014

**Program Costs VS Program Revenues
Business-Type Activities FY 23/24**



Financial Analysis of the City's Funds

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

Governmental Funds

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

**CITY OF LA HABRA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

As of June 30, 2024, the City's governmental funds reported combined ending fund balances of \$56.3 million, an increase of \$8.1 million compared to the adjusted beginning fund balance. The following fund balances are considered to be non-spendable, restricted, or assigned for the City:

- \$0.7 non-spendable for prepaid items
- \$10.8 million restricted for Pension Rate Program
- \$18.2 million restricted for special revenue funds
- \$1.1 million assigned for Facility Improvement Program
- \$3.1 million assigned for Land Acquisition Program
- \$0.5 million assigned for Special Events Program
- \$2.1 million assigned for Employee benefits
- \$8.4 million assigned for capital projects fund

The General Fund is the chief operating fund of the City and, as of June 30, 2024, had a total fund balance of \$31.2 million. The revenue outperformed the projection by \$4.5 million. The increase in revenue was primarily due to property tax grew by \$0.5 million or 2.3% compared to budget as a result of increase in property taxable values of real estate especially in the residential class of property. Sales and transaction taxes decreased \$1.0 million or 4.4% due to lower gas price and consumption comparing to prior year. Also, elevated inflation and interest rates led to higher cost of goods resulting in consumers not spending as much as they had prior. Charges for services came in approximately \$2.2 million higher than budget estimates. The main reason was the increase in ambulance rates. Use of money and property also increase by \$1.5 million due to higher interest rates. During the year, the General Fund transferred \$4.5 million to the debt service fund for the pension obligation bond debt service payments. At Council direction, the General Fund transferred \$1.2 million of the surplus to internal service funds. As a result, the General Fund' fund balance increased over the prior fiscal year by \$6.5 million.

For fiscal year ended June 30, 2024, the State Gas Tax Special Revenue Fund balance increased by \$1.6 million, due to \$3.7 million in the Gas Tax and SB 1 Road Maintenance and Rehab Fund revenue from the State offsetting with \$2.1 million in street and road project spending. The majority of activities in the State Gas Tax Fund was related to arterial street rehabilitation, alley improvement, and sidewalk access ramp projects.

For fiscal year ended June 30, 2024, the Measure M Special Revenue Fund balance increased by \$2.2 million, due to \$1.3 million in the Measure M2 fair share revenue along with \$1.5 million in the Measure M2 grant reimbursement from the County offsetting with \$0.7 million in street and road project spending. The majority of activities in the Measure M Fund was related to traffic signal synchronization projects.

In fiscal year ended June 30, 2024, the City received a \$8.5 million grant from the California Department of Water Resources for the repair of the damaged private underground storm channel located in the Coyote Village Homeowners Association. This grant was recorded in the Coyote Creek Channel Improvement Special Revenue Fund. During the year, the City spent \$0.4 million on the improvement. The remaining of the grant proceeds was reported as unearned revenue.

For fiscal year ended June 30, 2024, the Child Development Special Revenue Fund balance slightly decreased by \$0.2 million because some of the reimbursement income was not available within the availability period; therefore, it was recorded as unavailable revenue. As a result, expenditures were slightly higher than revenues in this fund.

For fiscal year ended June 30, 2024, the General Capital Projects Fund balance decreased by \$2.3 million spending in various capital improvement projects. The vast majority of the cost was for the East Bishop Drive Storm Drain Improvement Project.

**CITY OF LA HABRA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

Proprietary Funds

The City's Proprietary Funds presented in the Fund Financial Statements section provide the same type of information in the Government-wide Financial Statements, but include individual fund information. Generally, the operation of an enterprise fund is designed to generate enough revenue through fees and charges to fund current operation as well as future infrastructures such as water mains, sewer connection lines, etc. Therefore, annual surplus from normal operation is expected.

At fiscal year-end, net position for the Water Enterprise Fund increased by \$2.8 million primarily due to water rate increased in January 2024, and water consumption increased by 0.4% resulted in increase of \$0.9 million or 5.0% in water revenue comparing to prior year. With the most recent water rate study in fall of 2023, the fund should be able to generate sufficient revenues from water sales to cover operating expenses, meet debt service requirements as well as building a reserve for future projects.

The current utility rates of the Sewer Enterprise Fund are designed to operate at a break even or slight loss because of substantial reserve built up in the fund for a past few years. As expected, the fund essentially had a break even in FY 23/24.

The Housing Authority's net position increased by \$0.1 million due mainly to one-time affordable housing development fees.

The current rates of the Refuse Enterprise Fund are designed to operate at a break even because of substantial reserve built up in the fund for a past few years. As expected, the fund essentially had a break even in FY 23/24.

General Fund Budgetary Highlights

At fiscal year-end, all of revenue sources had outperformed budget. Property taxes ended the year \$0.5 million or 2.3% compared to budget as a result of increase in property taxable values of real estate especially in the residential class of property. Sales and transaction taxes decreased \$1.0 million or 4.4% due to lower gas price and consumption comparing to prior year. Also, elevated inflation and interest rates led to higher cost of goods resulting in consumers not spending as much as they had prior. Charges for services came in approximately \$2.2 million higher than budget estimates. The main reason was the increase in ambulance rates. Use of money and property also increase by \$1.5 million due to elevated interest rates.

The General Fund ended the year below budget. This is primarily a result of salaries and benefits savings from vacant positions in various departments.

**CITY OF LA HABRA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

Capital Asset and Debt Administration

Capital Assets

At June 30, 2024, the City had recorded an investment of over \$315.7million (before accumulated depreciation/amortization) in a broad range of capital assets categories, including park facilities, land, buildings, roads, bridges, water and sewer lines, police and fire vehicles, and other maintenance equipment.

**TABLE 5
CAPITAL ASSETS AT YEAR-END**

	Governmental Activities		Business-Type Activities		Total	
	<u>FY 23/24</u>	<u>FY 22/23</u>	<u>FY 23/24</u>	<u>FY 22/23</u>	<u>FY 23/24</u>	<u>FY 22/23</u>
Land	\$16,904,755	\$16,904,755	\$12,800,000	\$12,800,000	\$29,704,755	\$29,704,755
Land improvements	7,977,597	7,977,597			7,977,597	7,977,597
Buildings and improvements	40,598,633	40,239,513	4,251,106	4,251,106	44,849,739	44,490,619
Improvements other than buildings	2,008,010	1,897,888	273,936	273,936	2,281,946	2,171,824
Machinery and equipment	12,912,122	12,373,729	2,339,952	2,290,765	15,252,074	14,664,494
Autos and trucks	6,287,495	5,964,479	230,465	230,465	6,517,960	6,194,944
Infrastructure	126,242,573	124,361,608	64,785,991	64,180,357	191,028,564	188,541,965
Construction in progress	13,272,760	4,571,189	2,930,060	1,014,643	16,202,820	5,585,832
Right-to use lease assets	202,990	164,730	-	-	202,990	164,730
Right-to use subscription assets	1,651,095	149,428	-	-	1,651,095	149,428
(Less accumulated depreciation/amortization)	(103,404,965)	(96,816,187)	(32,481,293)	(30,800,690)	(135,886,258)	(127,616,877)
TOTALS	\$124,653,065	\$117,788,729	\$55,130,217	\$54,240,582	\$179,783,282	\$172,029,311

Governmental Capital Assets, before accumulated depreciation, increased by \$13.5 million over the prior year. The increase was attributed, primarily to arterial street rehabilitation of various locations, residential street rehabilitation park improvement projects, storm drain improvement, purchases of vehicles and equipment.

More detail about the City's capital assets is presented in Note 7 to the financial statements

**CITY OF LA HABRA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

Long-Term Debt

At year-end, the City had \$108.4 million in bonds, certificates of participation, loans, and lease and subscription payable, a decrease of \$4.5 million from last year, as shown in the table below. The Private-Purpose Trust activities are being reported to account for the custodial responsibilities assigned to the Successor Agency pursuant to the State of California's redevelopment agency dissolution law.

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More detail about the City's long-term liabilities is presented in Note 9 to the financial statements.

Economic Factors and Future Budgets and Rates

- The City's FY 23/24 net taxable property values totaled \$8.8 billion, approximately 32.8% more than five years ago, and it is 5.6% higher than FY 22/23.
- The City issued Pension Obligation Bonds in January 2022. This paid down most of the unfunded accrued pension liability. As a result, projected FY 24/25 CalPERS City's contribution rates are as follows:
 - Miscellaneous plan: 10.41%
 - Public safety (Tier I): 29.30%
 - Public safety (Tier II): 21.92%
 - Public safety (PEPRA): 14.72%
- CalPERS experienced investment gain of 5.8% in 2023. However, it is still below the expected rate of 6.8% therefore incurred additional unfunded liability. Projected FY 25/26 CalPERS City's contribution rates are as follows:
 - Miscellaneous plan: 10.08% plus \$0.9 million unfunded liability payment
 - Public safety (Tier I): 29.35% plus \$1.5 million unfunded liability payment
 - Public safety (Tier II): 21.98% plus \$12,118 unfunded liability payment
 - Public safety (PEPRA): 14.96% plus \$54,803 unfunded liability payment
- The Consumer Price Index (CPI) for the Los Angeles/Long Beach/Anaheim Metropolitan Statistical Area for all urban consumers increased by 3.2 percent from June 2023 to June 2024.

These, among other factors, were considered in preparing the City of La Habra's General Fund budget for FY 24/25, which resulted in budgeted expenditures increasing by \$3.6 million to \$62.1 million compared to the FY 23/24 amended budget of \$58.5 million.

The City's projected business-type activities reflect the following:

- The anticipation that modest enterprise fund rate increases will continue to be necessary over the course of the fiscal year to maintain sufficient cash flow for operations, capital reserves, and debt service coverage requirements.
- With increases in utility rates and stable water consumption, water sales revenue is expected to increase from the previous year.
- The continuing opportunity for the Utility Authority to purchase privately held Cal Domestic water shares and water rights in the San Gabriel Basin as they become available.

**CITY OF LA HABRA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

The City of La Habra has a longstanding practice of being fiscally prudent and balancing its budgets, even during past recessions, without a reliance on depleting reserves. When prior economic conditions improved, and following City Council policy direction, the City was prudent in how it restored prior cuts and remained conservative in its staffing levels, labor negotiations, and overall spending. Despite a narrow revenue base, the City has been strategic with its use of funds over the years by building up key reserves, investing in new parks, public facilities and infrastructure, and continually upgrading programs and services with the goal of improving the quality of life for La Habra residents and building a strong economic base to support the local business community.

The City was facing fiscal challenges similar to other cities in the region, including a very competitive labor market, rising operating and maintenance costs, the lingering impacts of high inflation on all aspects of municipal operations, and the possibility of a mild recession. Additionally, staff in La Habra have been planning for new costs associated with maintaining two brand new community parks (Vista Grande and Woman's Club), along with dealing with the significant increase in cost associated with the fire services contract with the Los Angeles County Fire District.

In August 2024, the City Council approved the placement of a local ballot measure for the November 2024 election that would reauthorize the City's current Transaction and Use tax (TUT) at an updated rate of one cent for voter consideration. The new TUT measure, which was labeled as Measure V by the County, was approved by voters with approximately a 68 percent passage rate. The City anticipates that the California Department of Tax and Fee Administration (CDTFA) will begin collection of Measure V at the 1 cent rate in April 2025.

Contacting the City's Department of Finance and Administrative Services

This financial report is designed to provide our elected officials, residents, business owners, taxpayers, ratepayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the funds it is entrusted with. If you have any questions about this report or need additional information, please contact the Department of Finance and Administrative Services, 110 E. La Habra Boulevard, La Habra, CA 90631. The Finance Department can also be reached at (562) 383-4050, or visit us online at "www.lahabraca.gov".



GOVERNMENT-WIDE FINANCIAL STATEMENTS



CITY OF LA HABRA, CALIFORNIA
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Investments	\$ 75,371,848	\$ 26,592,459	\$ 101,964,307
Cash and Investments with Fiscal Agents	10,865,511	230,797	11,096,308
Accounts Receivable, Net	6,215,971	3,338,837	9,554,808
Interest Receivable	471,990	182,930	654,920
Prepaid Items	744,557	111,454	856,011
Due from Other Governments	11,898,839	13,961	11,912,800
Leases Receivable, Current	172,163	-	172,163
Internal Balances	541,011	(541,011)	-
Total Current Assets	<u>106,281,890</u>	<u>29,929,427</u>	<u>136,211,317</u>
Noncurrent Assets:			
Loans Receivable	395,901	-	395,901
Leases Receivable	406,174	-	406,174
Loans to Successor Agency	333,225	-	333,225
Investment in Water Rights Stock	-	19,636,347	19,636,347
Capital Assets:			
Not Being Depreciated	30,177,515	15,730,060	45,907,575
Being Depreciated, Net	94,475,550	39,400,157	133,875,707
Total Noncurrent Assets	<u>125,788,365</u>	<u>74,766,564</u>	<u>200,554,929</u>
Total Assets	<u>232,070,255</u>	<u>104,695,991</u>	<u>336,766,246</u>
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized Loss on Refunding of Debt	-	2,050,728	2,050,728
Deferred Amount from Pension Plans	35,092,999	1,457,085	36,550,084
Deferred Amount from OPEB Plan	1,295,844	91,439	1,387,283
Total Deferred Outflows of Resources	<u>36,388,843</u>	<u>3,599,252</u>	<u>39,988,095</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	7,652,067	3,286,206	10,938,273
Accrued Liabilities	3,018,796	280,242	3,299,038
Deposits Payable	1,175,389	238,132	1,413,521
Due to Successor Agency	78,204	-	78,204
Interest Payable	731,942	306,667	1,038,609
Unearned Revenue	12,737,947	130,069	12,868,016
Claims Payable, Current	1,701,816	-	1,701,816
Compensated Absences, Current	2,081,908	121,832	2,203,740
Long-Term Obligations, Due Within One Year	2,952,446	1,715,809	4,668,255
Total Current Liabilities	<u>32,130,515</u>	<u>6,078,957</u>	<u>38,209,472</u>
Noncurrent Liabilities:			
Net OPEB Liability	3,622,716	288,050	3,910,766
Claims Payable	4,503,179	-	4,503,179
Compensated Absences	4,857,784	284,274	5,142,058
Long-Term Obligations, Due in More Than One Year	60,303,102	42,671,589	102,974,691
Pollution Remediation Liability	-	4,017,198	4,017,198
Net Pension Liability	32,948,938	2,594,437	35,543,375
Total Noncurrent Liabilities	<u>106,235,719</u>	<u>49,855,548</u>	<u>156,091,267</u>
Total Liabilities	<u>138,366,234</u>	<u>55,934,505</u>	<u>194,300,739</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount from Pension Plans	34,976,067	42,684	35,018,751
Deferred Amount from OPEB Plan	371,414	26,208	397,622
Deferred Amount Related to Leases	559,043	-	559,043
Total Deferred Inflows of Resources	<u>35,906,524</u>	<u>68,892</u>	<u>35,975,416</u>
NET POSITION			
Net Investment in Capital Assets	120,213,396	24,655,715	144,869,111
Restricted for:			
Low-Moderate Income Housing	434,316	1,247,041	1,681,357
Public Safety	1,959,090	-	1,959,090
Public Works	17,941,791	-	17,941,791
Community Development	1,098,587	-	1,098,587
Community Services	577,687	-	577,687
General Plan Update	1,437,000	-	1,437,000
Public Education and Governmental (PEG)	584,917	-	584,917
COVID-19 Federal Stimulus	231,918	-	231,918
Pension Rate Program	10,865,511	228,481	11,093,992
Unrestricted	(61,157,873)	26,160,609	(34,997,264)
Total Net Position	<u>\$ 94,186,340</u>	<u>\$ 52,291,846</u>	<u>\$ 146,478,186</u>

See accompanying Notes to Financial Statements.

**CITY OF LA HABRA, CALIFORNIA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General Government	\$ 4,905,354	\$ 607,504	\$ 147,715	\$ 456,516
Public Safety	38,036,784	5,402,368	2,994,763	-
Public Works	12,870,728	579,423	-	10,392,588
Community Services	14,866,774	1,247,397	10,429,652	-
Community Development	4,690,781	2,959,588	1,596,732	962,000
Interest on Long-Term Debt	1,777,745	-	-	-
Total Governmental Activities	<u>77,148,166</u>	<u>10,796,280</u>	<u>15,168,862</u>	<u>11,811,104</u>
BUSINESS-TYPE ACTIVITIES				
Water	16,229,119	18,097,810	-	-
Sewer	2,966,511	2,944,182	-	-
Refuse	5,632,476	5,514,811	-	-
Housing Authority	1,351,596	1,386,825	-	-
Children's Museum	699,438	490,972	-	-
Mobile Home Lease	3,083,452	2,974,169	-	-
Total Business-Type Activities	<u>29,962,592</u>	<u>31,408,769</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 107,110,758</u>	<u>\$ 42,205,049</u>	<u>\$ 15,168,862</u>	<u>\$ 11,811,104</u>

See accompanying Notes to Financial Statements.

**CITY OF LA HABRA, CALIFORNIA
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES			
General Government	\$ (3,693,619)	\$ -	\$ (3,693,619)
Public Safety	(29,639,653)	-	(29,639,653)
Public Works	(1,898,717)	-	(1,898,717)
Community Services	(3,189,725)	-	(3,189,725)
Community Development	827,539	-	827,539
Interest on Long-Term Debt	(1,777,745)	-	(1,777,745)
Total Governmental Activities	(39,371,920)	-	(39,371,920)
BUSINESS-TYPE ACTIVITIES			
Water	-	1,868,691	1,868,691
Sewer	-	(22,329)	(22,329)
Refuse	-	(117,665)	(117,665)
Housing Authority	-	35,229	35,229
Children's Museum	-	(208,466)	(208,466)
Mobile Home Lease	-	(109,283)	(109,283)
Total Business-Type Activities	-	1,446,177	1,446,177
Total Primary Government	(39,371,920)	1,446,177	(37,925,743)
GENERAL REVENUES AND TRANSFERS			
Taxes:			
Property Tax	23,586,856	-	23,586,856
Sales and Use Taxes	13,826,854	-	13,826,854
Transaction and Use Taxes	7,607,546	-	7,607,546
Franchise Tax	2,492,371	-	2,492,371
Grants and Contributions Not Restricted to Specific Programs	131,345	-	131,345
Income from Property and Investments	6,362,456	1,237,988	7,600,444
Gain (Loss) on Sale of Capital Assets	60,590	16,793	77,383
Other General Revenues	1,336,954	-	1,336,954
Total General Revenues and Transfers	55,404,972	1,254,781	56,659,753
CHANGE IN NET POSITION	16,033,052	2,700,958	18,734,010
Net Position - Beginning of Year	78,153,288	49,590,888	127,744,176
NET POSITION - END OF YEAR	<u>\$ 94,186,340</u>	<u>\$ 52,291,846</u>	<u>\$ 146,478,186</u>

See accompanying Notes to Financial Statements.



FUND FINANCIAL STATEMENTS

**CITY OF LA HABRA, CALIFORNIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024**

	Major Funds			
	General	State Gas Tax	Measure M	Coyote Creek Channel Improvement
ASSETS				
Cash and Investments	\$ 19,496,575	\$ 9,580,626	\$ 432,340	\$ 8,516,034
Cash and Investment with Fiscal Agent	10,796,031	-	-	-
Accounts Receivable, Net	6,178,557	-	-	-
Interest Receivable	156,159	67,880	22,768	-
Prepaid Items	17,827	-	-	-
Due from Other Funds	766,988	-	-	-
Due from Other Governments	139,969	597,970	3,502,160	-
Loans Receivable	-	-	-	-
Leases Receivable	578,336	-	-	-
Loans to Successor Agency	333,225	-	-	-
Deposits	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 38,463,667</u>	<u>\$ 10,246,476</u>	<u>\$ 3,957,268</u>	<u>\$ 8,516,034</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)				
LIABILITIES				
Accounts Payable	\$ 1,751,195	\$ 122,027	\$ 215,538	\$ -
Accrued Liabilities	2,201,693	30,027	1,212	-
Deposits Payable	449,020	-	-	-
Due to Other Funds	-	-	-	397,973
Due to Successor Agency	78,204	-	-	-
Unearned Revenues	435,155	-	-	8,102,027
Total Liabilities	<u>4,915,267</u>	<u>152,054</u>	<u>216,750</u>	<u>8,500,000</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	1,836,318	-	3,300,371	-
Deferred Inflows Related to Leases	559,042	-	-	-
Total Deferred Inflows of Resources	<u>2,395,360</u>	<u>-</u>	<u>3,300,371</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Nonspendable	17,827	-	-	-
Restricted	10,796,031	10,094,422	440,147	16,034
Assigned	6,751,172	-	-	-
Unassigned	13,588,010	-	-	-
Total Fund Balances (Deficits)	<u>31,153,040</u>	<u>10,094,422</u>	<u>440,147</u>	<u>16,034</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 38,463,667</u>	<u>\$ 10,246,476</u>	<u>\$ 3,957,268</u>	<u>\$ 8,516,034</u>

See accompanying Notes to Financial Statements.

**CITY OF LA HABRA, CALIFORNIA
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2024**

	Major Funds			Total Governmental Funds
	Child Development	General Capital Projects	Other Nonmajor Funds	
ASSETS				
Cash and Investments	\$ 2,960,344	\$ 9,755,041	\$ 9,049,396	\$ 59,790,356
Cash and Investment with Fiscal Agent	-	-	-	10,796,031
Accounts Receivable, Net	310	-	27,707	6,206,574
Interest Receivable	-	52,470	72,412	371,689
Prepaid Items	-	-	675,629	693,456
Due from Other Funds	-	-	356,713	1,123,701
Due from Other Governments	991,926	1,655,448	4,989,418	11,876,891
Loans Receivable	-	-	395,901	395,901
Leases Receivable	-	-	-	578,336
Loans to Successor Agency	-	-	-	333,225
Deposits	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 3,952,580</u>	<u>\$ 11,462,959</u>	<u>\$ 15,567,176</u>	<u>\$ 92,166,160</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)				
LIABILITIES				
Accounts Payable	\$ 1,112,704	\$ 635,643	\$ 3,343,408	\$ 7,180,515
Accrued Liabilities	116,489	27,336	563,367	2,940,124
Deposits Payable	-	726,369	-	1,175,389
Due to Other Funds	-	-	725,728	1,123,701
Due to Successor Agency	-	-	-	78,204
Unearned Revenues	2,678,831	-	1,521,934	12,737,947
Total Liabilities	<u>3,908,024</u>	<u>1,389,348</u>	<u>6,154,437</u>	<u>25,235,880</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	768,359	1,655,448	2,513,759	10,074,255
Deferred Inflows Related to Leases	-	-	-	559,042
Total Deferred Inflows of Resources	<u>768,359</u>	<u>1,655,448</u>	<u>2,513,759</u>	<u>10,633,297</u>
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	675,629	693,456
Restricted	-	-	7,674,911	29,021,545
Assigned	-	8,418,163	-	15,169,335
Unassigned	(723,803)	-	(1,451,560)	11,412,647
Total Fund Balances (Deficits)	<u>(723,803)</u>	<u>8,418,163</u>	<u>6,898,980</u>	<u>56,296,983</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 3,952,580</u>	<u>\$ 11,462,959</u>	<u>\$ 15,567,176</u>	<u>\$ 92,166,160</u>

See accompanying Notes to Financial Statements.

**CITY OF LA HABRA, CALIFORNIA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024**

Total Fund Balances - Governmental Funds \$ 56,296,983

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

Capital assets, net of accumulated depreciation/amortization, used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital Assets	215,882,473
Accumulated Depreciation/Amortization	<u>(93,768,683)</u>
Subtotal	122,113,790

Internal service funds are used by management to charge the costs of certain activities, such as risk management and fleet management, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.

10,120,550

Accrued interest on long-term liabilities is not due and payable in the current period and, therefore, is not reported in the funds.

(718,043)

Certain receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the governmental funds. However, these revenues are reported in the governmental activities.

10,074,255

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Pension Obligation Bonds	(61,557,772)
Lease Liability	(35,454)
Subscription Liability	(350,096)
Compensated Absences	<u>(6,939,692)</u>
Subtotal	<u>(68,883,014)</u>

The net pension liabilities applicable to the City governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to pensions are only reported in the statement of net position as the changes in these amounts affects only the government-wide statements for governmental activities.

Deferred Outflows of Resources from Pension	34,213,699
Deferred Inflows of Resources from Pension	(34,950,308)
Net Pension Liability	<u>(31,383,286)</u>
Subtotal	<u>(32,119,895)</u>

The net OPEB liabilities related debt applicable to the city governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to postemployment benefits are only reported in the statement of net position as the changes in these amounts affects only the government-wide statements for governmental activities.

Deferred Outflows of Resources from OPEB	1,295,844
Deferred Inflows of Resources from OPEB	(371,414)
Net OPEB Liabilities	<u>(3,622,716)</u>
Subtotal	<u>(2,698,286)</u>

Net Position of Governmental Activities \$ 94,186,340

See accompanying Notes to Financial Statements.

CITY OF LA HABRA, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	Major Funds			
	State			Coyote Creek Channel Improvement
	General	Gas Tax	Measure M	
REVENUES				
Property Taxes and Special Assessments	\$ 23,640,653	\$ -	\$ -	\$ -
Sales and Use Tax	13,853,575	-	-	-
Transaction and Use Tax	7,610,758	-	-	-
Franchise Tax	2,580,172	-	-	-
Intergovernmental	77,548	3,359,059	2,759,353	397,973
Licenses and Permits	2,508,789	-	-	-
Charges for Services	7,212,156	-	-	-
Fines, Forfeitures, and Penalties	1,112,306	-	-	-
Use of Money and Property	4,296,625	370,578	111,764	16,034
Other Revenues	93,955	-	-	-
Total Revenues	<u>62,986,537</u>	<u>3,729,637</u>	<u>2,871,117</u>	<u>414,007</u>
EXPENDITURES				
Current:				
General Government	3,631,407	-	-	-
Public Safety	33,422,816	-	-	-
Public Works	6,033,607	443,087	615,412	41,260
Community Services	4,808,573	-	-	-
Community Development	2,822,360	-	-	-
Capital Outlay	82,096	1,641,006	41,689	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Other Charges	-	-	-	-
Total Expenditures	<u>50,800,859</u>	<u>2,084,093</u>	<u>657,101</u>	<u>41,260</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	12,185,678	1,645,544	2,214,016	372,747
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	(5,659,998)	(73,153)	-	(356,713)
Issuance of Subscription Liability	-	-	-	-
Total Other Financing Sources (Uses)	<u>(5,659,998)</u>	<u>(73,153)</u>	<u>-</u>	<u>(356,713)</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	6,525,680	1,572,391	2,214,016	16,034
Fund Balances (Deficits) - Beginning of Year, As Originally Reported	22,803,012	8,522,031	(1,773,869)	-
Adjustment	<u>1,824,348</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits) - Beginning of Year, As Adjusted	<u>24,627,360</u>	<u>8,522,031</u>	<u>(1,773,869)</u>	<u>-</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 31,153,040</u>	<u>\$ 10,094,422</u>	<u>\$ 440,147</u>	<u>\$ 16,034</u>

See accompanying Notes to Financial Statements.

CITY OF LA HABRA, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2024

	Major Funds				Total Governmental Funds
	Child Development	ARPA Fund	General Capital Projects	Other Nonmajor Funds	
REVENUES					
Property Taxes and Special Assessments	\$ -	\$ -	\$ -	\$ -	\$ 23,640,653
Sales and Use Tax	-	-	-	-	13,853,575
Transaction and Use Tax	-	-	-	-	7,610,758
Franchise Tax	-	-	-	-	2,580,172
Intergovernmental	6,284,767	-	251,131	12,788,697	25,918,528
Licenses and Permits	-	-	-	562,485	3,071,274
Charges for Services	-	-	-	408,595	7,620,751
Fines, Forfeitures, and Penalties	-	-	-	-	1,112,306
Use of Money and Property	81,699	-	321,498	585,351	5,783,549
Other Revenues	-	-	-	46,936	140,891
Total Revenues	<u>6,366,466</u>	<u>-</u>	<u>572,629</u>	<u>14,392,064</u>	<u>91,332,457</u>
EXPENDITURES					
Current:					
General Government	-	-	-	-	3,631,407
Public Safety	-	-	-	2,324,692	35,747,508
Public Works	-	-	1,203,028	516,518	8,852,912
Community Services	5,849,106	-	-	2,663,341	13,321,020
Community Development	-	-	-	1,009,152	3,831,512
Capital Outlay	711,341	-	1,715,629	8,389,181	12,580,942
Debt Service:					
Principal Retirement	-	-	-	2,713,840	2,713,840
Interest and Other Charges	-	-	-	1,746,158	1,746,158
Total Expenditures	<u>6,560,447</u>	<u>-</u>	<u>2,918,657</u>	<u>19,362,882</u>	<u>82,425,299</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(193,981)	-	(2,346,028)	(4,970,818)	8,907,158
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	4,889,864	4,889,864
Transfers Out	-	-	-	-	(6,089,864)
Issuance of Subscription Liability	-	-	-	350,096	350,096
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,239,960</u>	<u>(849,904)</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	(193,981)	-	(2,346,028)	269,142	8,057,254
Fund Balances (Deficits) - Beginning of Year, As Originally Reported	-	11,198	10,764,191	6,088,818	46,415,381
Adjustment	<u>(529,822)</u>	<u>(11,198)</u>	<u>-</u>	<u>541,020</u>	<u>1,824,348</u>
Fund Balances (Deficits) - Beginning of Year, As Adjusted	<u>(529,822)</u>	<u>-</u>	<u>10,764,191</u>	<u>6,629,838</u>	<u>48,239,729</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ (723,803)</u>	<u>\$ -</u>	<u>\$ 8,418,163</u>	<u>\$ 6,898,980</u>	<u>\$ 56,296,983</u>

See accompanying Notes to Financial Statements.

CITY OF LA HABRA, CALIFORNIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

Net Change in Fund Balances - Governmental Funds \$ 8,057,254

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization expense in the current period.

Capital Outlay	12,580,942
Additional Capitalized Expenses	72,012
Depreciation/Amortization Expense	<u>(5,854,739)</u>
Subtotal	6,798,215

The issuance of long-term liabilities provides current financial resources to governmental funds, while the repayment of the principal of long-term liabilities consumes the current financial resources of governmental funds. Neither transactions, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term liabilities and related items.

Debt Service - Principal	2,713,840
Lease Principal Payment	2,806
Increase in Compensated Absences	(868,764)
Issuance of Subscription Liability	(350,096)
Decrease in Net OPEB Liability and Related Deferred Inflows and Outflows of Resources	304,161
Increase in Net Pension Liability and Related Deferred Inflows and Outflows of Resources	<u>(3,352,148)</u>
Subtotal	(1,550,201)

Some revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. 1,209,262

Accrued interest payable applicable to the City's governmental activities is not due and payable in the current period and accordingly is not reported as fund liabilities. The statement of net position includes accrued interest. 12,733

Internal service funds are used by management to charge the costs of certain activities, such as risk management and fleet management, to individual funds. The net expense of the internal service funds is reported with governmental activities.

Net Change in Internal Service Funds' Net Position	<u>1,505,789</u>
--	------------------

Change in Net Position of Governmental Activities \$ 16,033,052

**CITY OF LA HABRA, CALIFORNIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024**

	Business-Type Activities - Enterprise Funds		
	Major Funds		
	Water	Sewer	Housing Authority
ASSETS			
Current Assets:			
Cash and Investments	\$ 14,885,447	\$ 2,886,190	\$ 1,703,400
Accounts Receivable, Net	2,206,529	336,890	-
Interest Receivable	99,093	22,236	12,240
Prepaid Items	111,454	-	-
Due from Other Governments	-	-	-
Total Current Assets	<u>17,302,523</u>	<u>3,245,316</u>	<u>1,715,640</u>
Noncurrent Assets:			
Cash and Investments with Fiscal Agents	146,886	42,466	10,446
Water Rights Stock	19,636,347	-	-
Capital Assets, Not Being Depreciated	2,151,589	-	12,800,000
Capital Assets, Being Depreciated, Net	<u>30,855,080</u>	<u>4,068,457</u>	<u>237,500</u>
Total Noncurrent Assets	<u>52,789,902</u>	<u>4,110,923</u>	<u>13,047,946</u>
Total Assets	70,092,425	7,356,239	14,763,586
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized Loss on Refunding of Debt	651,221	-	1,399,507
Deferred Amount from Pension Plans	938,362	333,798	-
Deferred Amount from OPEB Plan	<u>56,929</u>	<u>17,466</u>	<u>5,404</u>
Total Deferred Outflows of Resources	<u>1,646,512</u>	<u>351,264</u>	<u>1,404,911</u>

See accompanying Notes to Financial Statements.

**CITY OF LA HABRA, CALIFORNIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS (CONTINUED)
JUNE 30, 2024**

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Major Fund</u>	<u>Other</u>	<u>Total</u>	<u>Activities</u>
	<u>Refuse</u>	<u>Nonmajor Funds</u>		<u>Internal Service Funds</u>
ASSETS				
Current Assets:				
Cash and Investments	\$ 5,111,491	\$ 2,005,931	\$ 26,592,459	\$ 15,581,493
Accounts Receivable, Net	791,837	3,581	3,338,837	9,397
Interest Receivable	35,036	14,325	182,930	100,300
Prepaid Items	-	-	111,454	51,101
Due from Other Governments	-	13,961	13,961	21,948
Total Current Assets	<u>5,938,364</u>	<u>2,037,798</u>	<u>30,239,641</u>	<u>15,764,239</u>
Noncurrent Assets:				
Cash and Investments with Fiscal Agents	25,313	5,686	230,797	69,480
Water Rights Stock	-	-	19,636,347	-
Capital Assets, Not Being Depreciated	778,471	-	15,730,060	-
Capital Assets, Being Depreciated, Net	<u>270,743</u>	<u>3,968,377</u>	<u>39,400,157</u>	<u>2,539,275</u>
Total Noncurrent Assets	<u>1,074,527</u>	<u>3,974,063</u>	<u>74,997,361</u>	<u>2,608,755</u>
Total Assets	7,012,891	6,011,861	105,237,002	18,372,994
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized Loss on Refunding of Debt	-	-	2,050,728	-
Deferred Amount from Pension Plans	184,925	-	1,457,085	879,300
Deferred Amount from OPEB Plan	<u>11,640</u>	<u>-</u>	<u>91,439</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>196,565</u>	<u>-</u>	<u>3,599,252</u>	<u>879,300</u>

See accompanying Notes to Financial Statements.

**CITY OF LA HABRA, CALIFORNIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS (CONTINUED)
JUNE 30, 2024**

	Business-Type Activities - Enterprise Funds		
	Major Funds		
	Water	Sewer	Housing Authority
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 2,261,542	\$ 3,785	\$ -
Accrued Liabilities	183,775	34,493	14,992
Accrued Interest	239,872	8,775	52,429
Deposits Payable	235,888	-	-
Unearned Revenue	-	-	-
Claims Payable, Current	-	-	-
Lease Liability, Current	-	-	-
Subscription Liability, Current	-	-	-
Certificates of Participation, Current	-	-	520,000
Water Revenue Bonds, Current	1,025,000	-	-
Pension Obligation Bonds, Current	115,642	33,658	-
Compensated Absences, Current	64,439	26,959	16,436
Total Current Liabilities	<u>4,126,158</u>	<u>107,670</u>	<u>603,857</u>
Noncurrent Liabilities:			
Claims Payable, Noncurrent	-	-	-
Lease Liability, Noncurrent	-	-	-
Certificates of Participation, Noncurrent	-	-	9,838,662
Water Revenue Bonds, Noncurrent	29,180,893	-	-
Pension Obligation Bonds, Noncurrent	2,472,531	719,632	-
Pollution Remediation Liability	-	-	-
Compensated Absences, Noncurrent	150,357	62,904	38,351
Net OPEB Liability	196,524	51,496	15,327
Net Pension Liability	1,670,817	594,348	-
Total Noncurrent Liabilities	<u>33,671,122</u>	<u>1,428,380</u>	<u>9,892,340</u>
Total Liabilities	37,797,280	1,536,050	10,496,197
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount from Pension Plans	27,489	9,778	-
Deferred Amount from OPEB Plans	16,317	5,006	1,549
Total Deferred Inflows of Resources	<u>43,806</u>	<u>14,784</u>	<u>1,549</u>
NET POSITION			
Net Investment in Capital Assets	11,575,363	4,068,457	4,078,696
Restricted for:			
Low-Moderate Income Housing	-	-	1,247,041
Pension Rate Program	144,921	42,466	10,095
Unrestricted	22,177,567	2,045,746	334,919
Total Net Position	<u>\$ 33,897,851</u>	<u>\$ 6,156,669</u>	<u>\$ 5,670,751</u>

See accompanying Notes to Financial Statements.

**CITY OF LA HABRA, CALIFORNIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS (CONTINUED)
JUNE 30, 2024**

	Business-Type Activities - Enterprise Funds			Governmental
	Major Fund	Other Nonmajor	Total	Activities
	Refuse	Funds		Internal Service Funds
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 936,661	\$ 84,218	\$ 3,286,206	\$ 471,552
Accrued Liabilities	21,401	25,581	280,242	78,672
Accrued Interest	5,591	-	306,667	13,899
Deposits Payable	-	2,244	238,132	-
Unearned Revenue	128,859	1,210	130,069	-
Claims Payable, Current	-	-	-	1,701,816
Lease Liability, Current	-	-	-	31,692
Subscription Liability, Current	-	-	-	-
Certificates of Participation, Current	-	-	520,000	-
Water Revenue Bonds, Current	-	-	1,025,000	-
Pension Obligation Bonds, Current	21,509	-	170,809	53,367
Compensated Absences, Current	13,998	-	121,832	-
Total Current Liabilities	<u>1,128,019</u>	<u>113,253</u>	<u>6,078,957</u>	<u>2,350,998</u>
Noncurrent Liabilities:				
Claims Payable, Noncurrent	-	-	-	4,503,179
Lease Liability, Noncurrent	-	-	-	86,149
Certificates of Participation, Noncurrent	-	-	9,838,662	-
Water Revenue Bonds, Noncurrent	-	-	29,180,893	-
Pension Obligation Bonds, Noncurrent	459,871	-	3,652,034	1,141,018
Pollution Remediation Liability	4,017,198	-	4,017,198	-
Compensated Absences, Noncurrent	32,662	-	284,274	-
Net OPEB Liability	24,703	-	288,050	-
Net Pension Liability	329,272	-	2,594,437	1,565,652
Total Noncurrent Liabilities	<u>4,863,706</u>	<u>-</u>	<u>49,855,548</u>	<u>7,295,998</u>
Total Liabilities	5,991,725	113,253	55,934,505	9,646,996
DEFERRED INFLOWS OF RESOURCES				
Deferred Amount from Pension Plans	5,417	-	42,684	25,759
Deferred Amount from OPEB Plans	3,336	-	26,208	-
Total Deferred Inflows of Resources	<u>8,753</u>	<u>-</u>	<u>68,892</u>	<u>25,759</u>
NET POSITION				
Net Investment in Capital Assets	985,419	3,947,780	24,655,715	2,421,434
Restricted for:				
Low-Moderate Income Housing	-	-	1,247,041	-
Pension Rate Program	25,313	5,686	228,481	69,480
Unrestricted	198,246	1,945,142	26,701,620	7,088,625
Total Net Position	<u>\$ 1,208,978</u>	<u>\$ 5,898,608</u>	<u>52,832,857</u>	<u>\$ 9,579,539</u>
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time			(541,011)	
Net position of business-type activities			<u>\$ 52,291,846</u>	

See accompanying Notes to Financial Statements.

CITY OF LA HABRA, CALIFORNIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024

	Business-Type Activities - Enterprise Funds		
	Major Funds		
	Water	Sewer	Housing Authority
OPERATING REVENUES			
Water Sales	\$ 17,688,074	\$ -	\$ -
Charges for Services	258,937	2,921,501	1,386,825
Intergovernmental	150,799	22,681	-
Total Operating Revenues	<u>18,097,810</u>	<u>2,944,182</u>	<u>1,386,825</u>
OPERATING EXPENSES			
Water and Materials	4,479,919	-	-
Contractual Services	1,524,766	267,076	2,106
Wages and Fringe Benefits	2,964,331	934,967	364,807
Benefits and Claims	-	-	-
Equipment and Maintenance	959,861	193,569	-
Materials and Supplies	405,016	23,353	-
Utilities	462,515	-	-
Depreciation	1,234,648	200,619	12,500
Administration	2,956,822	1,334,645	665,524
Total Operating Expenses	<u>14,987,878</u>	<u>2,954,229</u>	<u>1,044,937</u>
OPERATING INCOME (LOSS)	3,109,932	(10,047)	341,888
NONOPERATING REVENUES (EXPENSES)			
Interest Income	627,157	131,921	90,940
Other Nonoperating Revenues	-	-	-
Gain (Loss) on Sale of Asset	-	-	-
Net Increase (Decrease) in Fair Value of Investment	(40,654)	(9,121)	(5,016)
Interest Expense	(1,218,471)	(21,209)	(296,340)
Total Nonoperating Revenues (Expenses)	<u>(631,968)</u>	<u>101,591</u>	<u>(210,416)</u>
INCOME (LOSS) BEFORE TRANSFERS	2,477,964	91,544	131,472
TRANSFERS IN	322,280	-	-
TRANSFERS OUT	(30,000)	(118,189)	-
CHANGE IN NET POSITION	2,770,244	(26,645)	131,472
Net Position - Beginning of Year, As Originally Reported	31,127,607	6,183,314	5,539,279
Adjustment	-	-	-
Net Position - Beginning of Year, As Adjusted	<u>31,127,607</u>	<u>6,183,314</u>	<u>5,539,279</u>
NET POSITION - END OF YEAR	<u>\$ 33,897,851</u>	<u>\$ 6,156,669</u>	<u>\$ 5,670,751</u>

See accompanying Notes to Financial Statements.

CITY OF LA HABRA, CALIFORNIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2024

	<u>Business-Type Activities - Enterprise Funds</u>			Governmental
	<u>Major Fund</u>	Other	Total	Activities
	Refuse	Nonmajor Funds		Internal Service Funds
OPERATING REVENUES				
Water Sales	\$ -	\$ -	\$ 17,688,074	\$ -
Charges for Services	5,354,540	3,464,577	13,386,380	7,970,645
Intergovernmental	160,271	564	334,315	-
Total Operating Revenues	<u>5,514,811</u>	<u>3,465,141</u>	<u>31,408,769</u>	<u>7,970,645</u>
OPERATING EXPENSES				
Water and Materials	-	-	4,479,919	-
Contractual Services	4,566,569	815,657	7,176,174	1,142,743
Wages and Fringe Benefits	562,937	412,163	5,239,205	2,244,036
Benefits and Claims	-	-	-	1,108,925
Equipment and Maintenance	130,036	442,969	1,726,435	457,441
Materials and Supplies	63,049	46,772	538,190	641,609
Utilities	-	346,797	809,312	285,182
Depreciation	12,748	220,088	1,680,603	734,039
Administration	268,402	1,496,693	6,722,086	1,530,181
Total Operating Expenses	<u>5,603,741</u>	<u>3,781,139</u>	<u>28,371,924</u>	<u>8,144,156</u>
OPERATING INCOME (LOSS)	(88,930)	(315,998)	3,036,845	(173,511)
NONOPERATING REVENUES (EXPENSES)				
Interest Income	227,621	92,420	1,170,059	620,057
Other Nonoperating Revenues	-	-	-	2,782
Gain (Loss) on Sale of Asset	-	-	-	60,590
Net Increase (Decrease) in Fair Value of Investment	(14,369)	(5,872)	(75,032)	(41,148)
Interest Expense	(13,555)	-	(1,549,575)	(44,320)
Total Nonoperating Revenues (Expenses)	<u>199,697</u>	<u>86,548</u>	<u>(454,548)</u>	<u>597,961</u>
INCOME (LOSS) BEFORE TRANSFERS	110,767	(229,450)	2,582,297	424,450
TRANSFERS IN	-	40,000	362,280	1,200,000
TRANSFERS OUT	(214,091)	-	(362,280)	-
CHANGE IN NET POSITION	(103,324)	(189,450)	2,582,297	1,624,450
Net Position - Beginning of Year, As Originally Reported	1,312,302	6,088,058		7,958,158
Adjustment	-	-		(3,069)
Net Position - Beginning of Year, As Adjusted	<u>1,312,302</u>	<u>6,088,058</u>		<u>7,955,089</u>
NET POSITION - END OF YEAR	<u>\$ 1,208,978</u>	<u>\$ 5,898,608</u>		<u>\$ 9,579,539</u>
Adjustment for the Net Effect of the Current Year Activities Between the Internal Service Funds and the Enterprise Funds			118,661	
Changes in Net Position of Business-Type Activities			<u>\$ 2,700,958</u>	

See accompanying Notes to Financial Statements.

**CITY OF LA HABRA, CALIFORNIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024**

	Business-Type Activities - Enterprise Funds		
	Major Funds		
	Water	Sewer	Housing Authority
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	\$ 18,066,393	\$ 2,945,271	\$ 182,041
Receipts from Interfund Services Provided	-	-	1,204,784
Payments to Suppliers	(7,760,899)	(533,997)	(3,178)
Payments for Interfund Serviced Used	(2,942,288)	(1,400,584)	(664,452)
Payments for Employees' Salaries and Benefits	(2,532,416)	(798,412)	(353,891)
Net Cash Provided (Used) by Operating Activities	<u>4,830,790</u>	<u>212,278</u>	<u>365,304</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers to Other Funds	(30,000)	(118,189)	-
Transfers from Other funds	322,280	-	-
Principal Paid on Noncapital Debt	(114,087)	(33,205)	-
Interest Paid on Noncapital Debt	(73,407)	(21,364)	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>104,786</u>	<u>(172,758)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of Capital Assets	(1,499,488)	(13,489)	-
Receipt of Insurance Claims	-	-	-
Principal Paid on Capital Debt	(990,000)	-	(515,000)
Interest Paid on Capital Debt	(1,284,177)	-	(213,445)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(3,773,665)</u>	<u>(13,489)</u>	<u>(728,445)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Investments	(56,834)	(9,121)	(5,016)
Interest on Investments	558,973	116,994	84,318
Net Cash Provided (Used) by Investing Activities	<u>502,139</u>	<u>107,873</u>	<u>79,302</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,664,050	133,904	(283,839)
Cash and Cash Equivalents - Beginning of Year	<u>13,368,283</u>	<u>2,794,752</u>	<u>1,997,685</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 15,032,333</u>	<u>\$ 2,928,656</u>	<u>\$ 1,713,846</u>
SUPPLEMENTAL DISCLOSURES OF CASH AND CASH EQUIVALENTS			
Cash and Investments	\$ 14,885,447	\$ 2,886,190	\$ 1,703,400
Cash and Investments with Fiscal Agents	146,886	42,466	10,446
Total Cash and Cash Equivalents	<u>\$ 15,032,333</u>	<u>\$ 2,928,656</u>	<u>\$ 1,713,846</u>

See accompanying Notes to Financial Statements.

**CITY OF LA HABRA, CALIFORNIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

	Business-Type Activities - Enterprise Funds			Governmental
	Major Fund	Other Nonmajor	Total	Activities Internal
	Refuse	Funds		Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers and Users	\$ 5,467,364	\$ 3,472,791	\$ 30,133,860	\$ 62,399
Receipts from Interfund Services Provided	160,271	-	1,365,055	7,899,404
Payments to Suppliers	(4,428,851)	(2,454,460)	(15,181,385)	(4,860,775)
Payments for Interfund Serviced Used	(343,320)	(615,540)	(5,966,184)	(84,936)
Payments for Employees' Salaries and Benefits	(473,246)	(411,532)	(4,569,497)	(1,864,461)
Net Cash Provided (Used) by Operating Activities	<u>382,218</u>	<u>(8,741)</u>	<u>5,781,849</u>	<u>1,151,631</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers to Other Funds	(214,091)	-	(362,280)	-
Transfers from Other funds	-	40,000	362,280	1,200,000
Principal Paid on Noncapital Debt	(21,219)	-	(168,511)	(52,649)
Interest Paid on Noncapital Debt	(13,654)	-	(108,425)	(33,876)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(248,964)</u>	<u>40,000</u>	<u>(276,936)</u>	<u>1,113,475</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of Capital Assets	(81,639)	(236,189)	(1,830,805)	(738,779)
Receipt of Insurance Claims	-	-	-	63,372
Principal Paid on Capital Debt	-	-	(1,505,000)	(104,184)
Interest Paid on Capital Debt	-	-	(1,497,622)	(10,691)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(81,639)</u>	<u>(236,189)</u>	<u>(4,833,427)</u>	<u>(790,282)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of Investments	(14,369)	(5,872)	(91,212)	(41,148)
Interest on Investments	205,178	84,204	1,049,667	551,459
Net Cash Provided (Used) by Investing Activities	<u>190,809</u>	<u>78,332</u>	<u>958,455</u>	<u>510,311</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	242,424	(126,598)	1,629,941	1,985,135
Cash and Cash Equivalents - Beginning of Year	<u>4,894,380</u>	<u>2,138,215</u>	<u>25,193,315</u>	<u>13,665,838</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 5,136,804</u>	<u>\$ 2,011,617</u>	<u>\$ 26,823,256</u>	<u>\$ 15,650,973</u>
SUPPLEMENTAL DISCLOSURES OF CASH AND CASH EQUIVALENTS				
Cash and Investments	\$ 5,111,491	\$ 2,005,931	\$ 26,592,459	\$ 15,581,493
Cash and Investments with Fiscal Agents	25,313	5,686	230,797	69,480
Total Cash and Cash Equivalents	<u>\$ 5,136,804</u>	<u>\$ 2,011,617</u>	<u>\$ 26,823,256</u>	<u>\$ 15,650,973</u>

See accompanying Notes to Financial Statements.

**CITY OF LA HABRA, CALIFORNIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

	Business-Type Activities - Enterprise Funds		
	Major Funds		
	Water	Sewer	Housing Authority
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 3,109,932	\$ (10,047)	\$ 341,888
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	1,234,648	200,619	12,500
Changes in Assets, Deferred Inflows of Resources, Liabilities, and Deferred Outflows of Resources:			
(Increase) Decrease in Receivables	(8,817)	1,089	-
(Increase) Decrease in Due from Other Governments	-	-	-
(Increase) Decrease in Prepaid Items	107,644	-	-
(Increase) Decrease in Deferred Outflows of Resources from Pension Plans	157,561	61,580	-
(Increase) Decrease in Deferred Outflows of Resources from OPEB Plan	12,498	3,273	416
Increase (Decrease) in Accounts Payable	(90,921)	(110,864)	-
Increase (Decrease) in Accrued Liabilities	92,566	(2,706)	3,204
Increase (Decrease) in Deposits Payable	(22,600)	-	-
Increase (Decrease) in Unearned Revenue	-	-	-
Increase (Decrease) in Claims Liabilities	-	-	-
Increase (Decrease) in Pollution Remediation Liability	-	-	-
Increase (Decrease) in Compensated Absences	41,866	5,217	8,990
Increase (Decrease) in Net Pension Liability	280,507	92,763	-
Increase (Decrease) in Net OPEB Liability	(19,133)	(5,560)	(1,392)
Increase (Decrease) in Deferred Inflows of Resources from Pension Plans	(59,202)	(21,498)	-
Increase (Decrease) in Deferred Inflows of Resources from OPEB Plan	(5,759)	(1,588)	(302)
Total Adjustments	<u>1,720,858</u>	<u>222,325</u>	<u>23,416</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 4,830,790</u>	<u>\$ 212,278</u>	<u>\$ 365,304</u>
SUPPLEMENTAL DISCLOSURES OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Amortization of Unamortized Loss on Refunding of Debt	<u>\$ 27,477</u>	<u>\$ -</u>	<u>\$ 86,568</u>
Amortization of Bond Discount (Premium)	<u>\$ (159,652)</u>	<u>\$ -</u>	<u>\$ (2,392)</u>
Capital Assets Funded by Accounts Payable	<u>\$ 685,574</u>	<u>\$ -</u>	<u>\$ 63,795</u>

See accompanying Notes to Financial Statements.

**CITY OF LA HABRA, CALIFORNIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

	Business-Type Activities - Enterprise Funds			Governmental
	Major Fund	Other Nonmajor	Total	Activities Internal
	Refuse	Funds		Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (88,930)	\$ (315,998)	\$ 3,036,845	\$ (173,511)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	12,748	220,088	1,680,603	734,039
Changes in Assets, Deferred Inflows of Resources, Liabilities, and Deferred Outflows of Resources:				
(Increase) Decrease in Receivables	112,824	3,471	108,567	(3,107)
(Increase) Decrease in Due from Other Governments	-	746	746	(5,735)
(Increase) Decrease in Prepaid Items	-	-	107,644	17,632
(Increase) Decrease in Deferred Outflows of Resources from Pension Plans	20,337	-	239,478	103,362
(Increase) Decrease in Deferred Outflows of Resources from OPEB Plan	1,854	-	18,041	-
Increase (Decrease) in Accounts Payable	498,324	68,227	364,766	226,686
Increase (Decrease) in Accrued Liabilities	4,757	11,292	109,113	9,159
Increase (Decrease) in Deposits Payable	-	2,244	(20,356)	-
Increase (Decrease) in Unearned Revenue	-	1,189	1,189	-
Increase (Decrease) in Claims Liabilities	-	-	-	(23,948)
Increase (Decrease) in Pollution Remediation Liability	(241,649)	-	(241,649)	-
Increase (Decrease) in Compensated Absences	8,380	-	64,453	-
Increase (Decrease) in Net Pension Liability	68,873	-	442,143	319,026
Increase (Decrease) in Net OPEB Liability	(3,525)	-	(29,610)	-
Increase (Decrease) in Deferred Inflows of Resources from Pension Plans	(10,820)	-	(91,520)	(51,972)
Increase (Decrease) in Deferred Inflows of Resources from OPEB Plan	(955)	-	(8,604)	-
Total Adjustments	<u>471,148</u>	<u>307,257</u>	<u>2,745,004</u>	<u>1,325,142</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 382,218</u>	<u>\$ (8,741)</u>	<u>\$ 5,781,849</u>	<u>\$ 1,151,631</u>
SUPPLEMENTAL DISCLOSURES OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Amortization of Unamortized Loss on Refunding of Debt	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 114,045</u>	<u>\$ -</u>
Amortization of Bond Discount (Premium)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (162,044)</u>	<u>\$ -</u>
Capital Assets Funded by Accounts Payable	<u>\$ 63,795</u>	<u>\$ 9,936</u>	<u>\$ 823,100</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

CITY OF LA HABRA, CALIFORNIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2024

	Private-Purpose Trust Fund	Custodial Funds
ASSETS		
Current Assets:		
Cash and Investments	\$ 511,332	\$ 2,135,033
Accounts Receivable	-	2,500
Interest Receivable	-	10,617
Due from Other Governments	78,204	7,981,383
Total Current Assets	589,536	10,129,533
Noncurrent Assets:		
Cash and Investments with Fiscal Agent	168,175	-
Prepaid Insurance Costs	22,005	-
Land Held for Resale	25,000	-
Total Noncurrent Assets	215,180	-
Total Assets	804,716	10,129,533
LIABILITIES		
Current Liabilities:		
Accounts Payable	7,266	4,917,580
Accrued Liabilities	-	77,849
Accrued Interest	26,048	-
Deposits	-	646,450
Bonds Payable	325,000	-
Total Current Liabilities	358,314	5,641,879
Noncurrent Liabilities:		
Loans Due to City of La Habra	333,225	-
Bonds Payable	2,498,369	-
Total Noncurrent Liabilities	2,831,594	-
Total Liabilities	3,189,908	5,641,879
NET POSITION (DEFICIT)		
Restricted for Redevelopment Dissolution	(2,385,192)	-
Restricted for Individuals, Organizations, and Other Governments	-	4,487,654
Total Net Position	\$ (2,385,192)	\$ 4,487,654

See accompanying Notes to Financial Statements.

**CITY OF LA HABRA, CALIFORNIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2024**

	Private-Purpose Trust Fund	Custodial Funds
ADDITIONS		
Taxes	\$ 497,570	\$ -
Police Seized Assets	-	57,016
Members' Contributions	-	4,348,663
Other Revenues	4,411	-
Total Additions	501,981	4,405,679
DEDUCTIONS		
Program Expenses	-	3,974,650
Administrative Expenses	70,785	44,540
Seized Assets Distribution	-	73,776
Interest and Fiscal Agency Expenses	100,710	-
Total Deductions	171,495	4,092,966
NET CHANGE IN NET POSITION	330,486	312,713
Net Position (Deficit) Held in Trust - Beginning of Year	(2,715,678)	4,174,941
NET POSITION (DEFICIT) HELD IN TRUST - END OF YEAR	\$ (2,385,192)	\$ 4,487,654

See accompanying Notes to Financial Statements.



NOTES TO FINANCIAL STATEMENTS



**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of La Habra, California (the City), was incorporated in 1925 under the general laws of the state of California. The City operates under an elected Council/City Manager form of government. The City's major operations include police and fire protection, public works, parks, recreation, and certain social services and general administration services. In addition, the City operates four major enterprise activities comprising water, sewer, housing authority, and refuse.

Accounting principles generally accepted in the United States of America require that these financial statements represent the City and its component units. The component units discussed below are included in the City's reporting entity because of their operational significance or financial relationships with the City. All component units included in the reporting entity report their financial information on a fiscal year ending June 30. These component units are controlled by common governing boards comprised of all City Council members and are presented as blended component units for financial reporting purposes as follows:

The La Habra Civic Improvement Authority (the Authority) was formed by a joint exercise of powers agreement between the City and the former Redevelopment Agency of the City of La Habra (the Agency) in September 1982. The purpose of the agreement is to provide a single public agency to acquire property for both the City and the former Agency. Subsequent to the dissolution of the former Redevelopment Agency on February 1, 2012, the City of La Habra Housing Authority joined the Authority as a member on March 5, 2012. Separate financial statements are not prepared for this blended component unit.

The City of La Habra Housing Authority (the Housing Authority) was formed on September 23, 1992, by resolution of the City Council. The purpose of the Housing Authority is to assist the City in financing the acquisition and construction of low- and moderate-income housing projects within the City. The Community Development Department of the City has operational responsibility for the Housing Authority. Separate financial statements are not prepared for this blended component unit.

The Utility Authority of the City of La Habra (the Utility Authority) was formed a joint exercise of powers agreement between the City and the former Redevelopment Agency of the City of La Habra on January 16, 2007, and began legal operation on July 1, 2007. The Utility Authority was formed by the City to maintain and operate the City's Water and Sewer systems. The Utility Authority is responsible for establishing utility rates, performing routine system maintenance, establishing and executing necessary capital improvement plans, purchasing and selling water, and performing other necessary utility system operations. Subsequent to the dissolution of the former Redevelopment Agency on February 1, 2012, the City of La Habra Housing Authority joined the Utility Authority as a member on March 5, 2012. Separately issued financial statements for the Utility Authority may be obtained through written request to the City Department of Finance.

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Fiduciary Component Unit

The Successor Agency to the Redevelopment Agency of the City of La Habra (the Successor Agency) is a separate legal entity, which was formed to hold the assets and liabilities of the former Redevelopment Agency pursuant to City Council actions taken on January 12, 2012. The activity of the Successor Agency is overseen by an Oversight Board comprised of individuals appointed by various government agencies and the City as Successor Agency of the former Redevelopment Agency. The nature and significance of the relationship between the City and the Successor Agency is such that it would be misleading to exclude the Successor Agency from the City's financial statements. The Successor Agency is presented herein in the City's fiduciary fund statements as a private-purpose trust fund. Separate financial statements are not prepared for this component unit. See Note 15 for further detail regarding the dissolution.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City and its blended component units. As a general rule, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user fees and charges for support. Exceptions to this general rule are charges between the government's enterprise activity functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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 expenses are recognized in the accounts and are 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.

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

The City has categorized the Measure M Special Revenue Fund and Sewer Enterprise Fund as major funds for public benefit reasons. The City believes that these judgmentally determined major funds are particularly important to the financial statement users.

Governmental fund types are those funds through which most governmental functions typically are financed. The following comprise the City's major governmental funds:

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 fund are accounted for in this fund. Activities accounted for in the General Fund include operation of the City's general service departments; street and highway maintenance, public safety, parks and recreation programs are accounted for in this fund.

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)**

State Gas Tax Fund

The State Gas Tax Fund accounts for revenue received as the City's share of state gasoline taxes and expenditures made for street maintenance and improvements. Revenue is subverted to the City under Sections 2105, 2106, 2107, and 2107.5 of the Streets and Highway Code. Expenditures are for street maintenance and engineering to the extent legally permitted, with the remainder allocated to construction projects.

Measure M Special Revenue Fund

The Measure M Special Revenue Fund is used to account for financial resources to be used for various capital and street improvements.

Coyote Creek Channel Improvement Special Revenue Fund

The Coyote Creek Channel Improvement Special Revenue Fund is used to account for financial resources from the California Department of Water Resources to be used for the repair of the damaged private underground storm channel located in the Coyote Village Homeowners Association.

Child Development Fund

The Child Development Fund accounts for financial resources to be used for various childcare and childcare food programs. Financing is provided through state and federal grants.

General Capital Projects Fund

The Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by Proprietary Funds.

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

The City reports the following major enterprise funds:

Water Fund

The Water Fund accounts for activities associated with the distribution and transmission of potable water to users.

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)**

Sewer Fund

The Sewer Fund accounts for all revenue and expenses of the sanitary sewer system. This enterprise activity, including maintenance, replacement, and improvement of capital projects, serves all residents of the City.

Housing Authority Fund

The Housing Authority Fund accounts for all revenue and expenses relating to the Housing Authority's activities.

Refuse Fund

The Refuse Fund accounts for all revenue and expenses of the refuse collection and disposal activity. Curbside collection service and transportation to a County of Orange sanitary landfill site is provided by a private contractor. User fees are collected to defray the contract, administration, billing and collection costs.

Additionally, the City reports the following:

The special revenue funds account for proceeds of specific revenue sources that are legally restricted or otherwise assigned for specific purposes.

The debt service fund accounts for debt service activities for the general obligation debts.

Capital projects funds are used to account for financial resources used for the improvements, acquisition, or construction of major capital facilities (other than those financed by proprietary funds).

The internal service funds account for financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The following funds are included in this fund type:

The Fleet Management Fund accounts for the financing of the fuel, maintenance, and operation of motor vehicles owned by the City. Departments using vehicles are charged an annual amount for fuel, maintenance, and operation based on their actual experience.

The Risk Management Fund accounts for claim settlements, administrative costs, and the reserve fund established for future losses from liability suits; workers' compensation claims and medical, disability, and rehabilitation payments; legal and administrative costs; and the reserve fund established for future losses from industrial injury. This self-insurance fund is financed by departmental premiums based on historical experience and exposure to risk.

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)**

The Information Technology Fund accounts for the provision of telephone and data technology services. The departments using these services are charged fees based on the number of telephones and computers assigned to each department.

The Fleet Replacement Fund accounts for the financing of vehicles and similar types of equipment. The departments using these vehicles and equipment are charged a “rental fee” composed of depreciation calculated on the straight-line basis plus an additional amount sufficient to finance the replacement of said vehicles and equipment.

Fiduciary fund types are accounted for on the accrual basis of accounting as are proprietary funds explained above. These types of funds are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, and other governmental units. The City reports the following fiduciary funds, which are excluded from the government-wide financial statements:

1. Private-Purpose Trust Fund

The Private-Purpose Trust Fund accounts for the custodial responsibilities that are assigned to the Successor Agency pursuant to the California Assembly Bill X1 26 (Dissolution Act).

2. Custodial Funds

The Custodial Fund accounts for those assets for which the City acts solely in a custodial capacity:

a. Public Deposits Fund

This fund includes police seized assets, deposits, and other miscellaneous accounts.

b. North Orange County Service Planning Area (SPA) Navigation Centers Fund

The City acts as the Treasurer of the North SPA and collects charges from the city parties’ contributions and reimburses host cities for capital and operational costs as stipulated in the North SPA Memorandum of Understanding.

CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position or Fund Balance

1. Deposits and investments

Investments are reported in the accompanying financial statements at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Changes in fair value that occur during the fiscal year are recognized as use of money and property (governmental funds) and net change in the fair value of investment (proprietary funds).

Cash and investments are pooled to maximize investment yields. Individual investments cannot be identified with any single fund because the City may be required to liquidate its investments at any time to cover large outlays required in excess of normal operating needs. The net change in fair value and interest income on investments is allocated to the various funds based on each fund's average cash and investment balance.

The City owns approximately 31% and 56%, respectively, of the outstanding common stock and preferred stock of a mutual water company at June 30, 2024, and has valued this asset at cost as this stock does not have a readily determinable value and does not meet the requirements of accounting under the equity method (see Note 8). Cost is the amount of the City's basis in an investment less any distributions. Investments at cost are analyzed for impairment to determine if events or changes in circumstances indicate the carrying amount of the investment may not be recoverable.

An investment is impaired, and a loss is recognized in the period when a decline in its fair value below the amortized cost basis is other than temporary. Investment gains and losses are recognized when the investment is sold. Investment earnings, including interest and dividends, are recognized in the period earned.

2. Statement of Cash Flows

For purposes of the statement of cash flows of the proprietary fund types, cash and cash equivalents include all pooled cash and investments and cash with fiscal agents. The City considers the cash and investment pool to be a demand deposit account where funds may be withdrawn and deposited at any time without prior notice or penalty.

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position or Fund Balance (Continued)

3. Receivables

Interest Receivable

The City accrues interest earned but not yet received.

Accounts Receivable and Due from Other Governments

These balances are comprised primarily of revenues that have already been earned but not yet received by the City as of June 30, 2024, from individual customers, private entities and government agencies. In addition, this includes accrued revenues due from other governmental agencies for expenditure driven types of grants whereby the City accrues grant revenues for expenditures incurred but not yet reimbursed by the grantors. Management determines the allowance for doubtful accounts by evaluating balances in the aging report. The allowance for doubtful accounts is adjusted at fiscal year-end based on the amount equal to the annual uncollectible accounts. Utility customer closed accounts are written off when deemed uncollectible. Recoveries to utility customer receivables previously written off are recorded when received. For nonutility accounts receivables, delinquent notices for 30 days are sent to customers with outstanding balances. After 60 days, accounts still outstanding are forwarded to a collection company.

4. Interfund Transactions

Transactions among City funds that would be treated as revenues and expenditures or expenses if they involved organizations external to City government are accounted for as revenues and expenditures or expenses in the funds involved.

Transactions which constitute reimbursements to a fund for expenditures initially made from it which are allocable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund.

Transactions which constitute the transfer of resources from a fund receiving revenues to a fund through which the revenues are to be expended are separately reported in the respective funds' operating statements.

Activity between funds that is representative of lending/borrowing arrangements at the end of the fiscal year is referred to as "due to/from other funds" or "advances to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide statement of net position as "internal balances."

CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position or Fund Balance (Continued)

5. Taxes Receivable

Real property taxes are levied for the period beginning on July 1 to June 30 against property owners of record on January 1. The taxes are due in two installments, on November 1 and February 1, and become delinquent after December 10 and April 10, respectively. Tax liens attach annually as of 12:01 a.m. on the first day of January in the fiscal year for which the taxes are levied. Under the provisions of NCGA Interpretation 3, property tax revenue is recognized in the fiscal year for which the taxes have been levied, provided it is collected within 60 days of the end of the fiscal year in the governmental fund financial statements.

6. Prepaid Items and Land Held for Resale

Land held for resale is valued at the lower of cost or estimated net realizable value as determined upon the execution of a disposition and development agreement.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased (consumption method).

7. Capital Assets

Capital assets, which include land, buildings and improvements, vehicles, improvements other than buildings, property and equipment, and infrastructure assets (e.g. roads, bridges, traffic signals, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the respective proprietary fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Capital outlay is recorded as expenditures of the General, Special Revenue, and Capital Project Funds and as assets in the government-wide financial statements to the extent the City's capitalization threshold is met.

The cost of normal maintenance and repairs that do not add to the value of an asset or materially extend an asset's useful life is not capitalized.

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position or Fund Balance (Continued)

7. Capital Assets (Continued)

Depreciation and amortization are charged to operations using the straight-line method based on the estimated useful life of an asset. The estimated useful lives of depreciable assets are as follows:

<u>Type of Assets</u>	<u>Life in Years</u>
Sewer:	
Main	40
Lateral	40
Manholes	40
Water:	
Pumping Equipment	20-25
Reservoirs and Mains	40
Meters and Hydrants	30
Telemetry	25
Autos and Trucks	2-15
Machinery and Equipment	3-20
Buildings and Improvements	5-40
Infrastructure	30-50
Improvements Other Than Buildings	5-20

Right-to-use lease assets are initially measured at the present value of payment expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Subscription-based information technology arrangement (SBITA) assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position or Fund Balance (Continued)

8. Compensated Absences

City employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination, death, or retirement. Sick leave is payable when used, or upon death or retirement.

For governmental fund types, the amount of accumulated unpaid vacation and sick leave, which is payable from available resources is recorded as a liability of the respective fund only if they have matured, for example, as a result of employee retirements and resignations. All compensated absences are expended out of each respective funds that the payroll time was allocated to during that payroll period. For government-wide and proprietary fund statements, the liability for compensated absences is recognized as incurred.

9. Unearned Revenue

Unearned revenues arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to meeting all eligibility requirements. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, revenue is recognized.

10. Deferred Outflows and Inflows of Resources

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

- Unamortized loss on refunding of debt reported in the government-wide statement of net position and proprietary statement of net position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Deferred amount from pension plans (see Note 11 for detail)
- Deferred amount from OPEB (see Note 12 for detail)

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position or Fund Balance (Continued)

10. Deferred Outflows and Inflows of Resources (Continued)

In addition to liabilities, the statement of net position and/or balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue/contra expense) until that time. The City has the following items that qualify for reporting in this category:

- Unavailable revenues reported on in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: long-term loans receivable, grants not collected within the “availability period”, and accumulated interest on a long-term receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Deferred amount from pension plans (see Note 11 for detail)
- Deferred amount from OPEB (see Note 12 for detail)
- Deferred amount from leases (see Note 6 for detail)

11. Long-Term Obligations

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

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

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position or Fund Balance (Continued)

12. Pensions

For purpose of measuring the net pension liability and deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's participation in the California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The general fund is generally used to liquidate the net pension liability.

13. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's OPEB Plan and additions to/deductions from the OPEB Plans' fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the City's OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value. The general fund is generally used to liquidate the OPEB liability.

14. Budgets and Encumbrances

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. All annual appropriations lapse at fiscal year-end.

The appropriated budget is prepared by fund, function, and department. The government's department head, with approval of the Director of Finance and City Manager, may make transfers of appropriations within a department.

Transfers of appropriations between departments within a fund must be approved by the City Manager. Transfers between funds must be approved by the City Council; therefore, the legal level of budgetary control is at the fund level. The council made several supplemental budgetary appropriations throughout the year. Certain types of transfers between funds are approved by the City Council in the budget resolution. The amounts of these transfers are typically unknown until the year-end therefore not included in the final budget. An annual budget is not legally adopted for Coyote Creek Channel Improvement Special Revenue Fund and Public Art Special Revenue Fund in fiscal year ended June 30, 2024.

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position or Fund Balance (Continued)

14. Budgets and Encumbrances (Continued)

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of moneys are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration. Encumbrances outstanding at year-end are reported as restricted, committed, or assigned fund balances and do not constitute expenditures or liabilities, because the commitments will be reappropriated and honored during the subsequent year.

15. Net Position/Fund Balance

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources and is categorized as net investment in capital assets, restricted and unrestricted for the government-wide and proprietary fund financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets, excluding unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balance for government funds are made up of the following:

Nonspendable Fund Balance – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

Restricted Fund Balance – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position or Fund Balance (Continued)

15. Net Position/Fund Balance (Continued)

Committed Fund Balance – includes amounts that can only be used for the specific purposes determined by a formal action of the City’s highest level of decision-making authority (i.e. ordinance), the City Council. Commitments may be changed or lifted only by the City taking the same formal action that imposed the constraint originally.

Assigned Fund Balance – comprises amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by the City Council body by delegating the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance – is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. In other funds, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

When both restricted and unrestricted resources are available for an incurred expenditure, it is the City’s policy to spend restricted resources first then unrestricted resources, as necessary. When unrestricted resources are available for incurred expenditures, it is the City’s policy to use committed amounts first, followed by assigned amounts and then unassigned amounts.

The following funds have deficit fund balances at June 30, 2024. For the deficit balance in the Private-Purpose Trust Fund, see Note 15. All other deficit balances are expected to be eliminated with future revenues and transfers.

Fund	Deficit Fund Balance
Special Revenue Funds:	
Child Development	\$ (723,803)
Employment and Training	(462,476)
Other Federal Grants	(74,717)
Other State Grants	(853,755)
Fiduciary Fund:	
Private-Purpose Trust Fund	(2,385,192)

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position or Fund Balance (Continued)

16. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 CASH AND INVESTMENTS

Cash and investments at June 30, 2024 consist of the following:

Statement of Net Position:	
Cash and Investments	\$ 101,964,307
Cash and Investments with Fiscal Agents	11,096,308
Fiduciary Funds:	
Cash and Investments	2,646,365
Cash and Investments with Fiscal Agents	168,175
Total	<u><u>\$ 115,875,155</u></u>

Cash and investments at June 30, 2024 are classified as follows:

Petty Cash	\$ 2,100
Deposits with Financial Institutions	16,298,241
Investments:	
City Pool	88,310,332
Held by Fiscal Agents	11,264,482
Total Cash and Investments	<u><u>\$ 115,875,155</u></u>

The City maintains a cash and investment pool that is available for use by all funds. Each fund's share of the pool balance is reported in the financial statements as cash and investments. Separate cash and investment accounts are not maintained for each City fund; however, individual accounting records are maintained showing the balance attributable to each fund. Investment income resulting from this pooling is allocated to the respective funds based on the sources of funds invested as required by law.

Investments Authorized by the California Government Code and the City of La Habra Adopted Investment Policy

The table below identifies the investment types that are authorized for the City of La Habra by the California Government Code and by the City's adopted investment policy. The table also identifies certain provisions of the California Government Code or the City's adopted investment policy, where more restrictive, that address interest rate risk, credit risk, and concentration of credit risk.

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

**Investments Authorized by the California Government Code and the City of La Habra
Adopted Investment Policy (Continued)**

This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City or its Authorities, rather than the general provisions of the California Government Code or the City's adopted investment policy.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
City or City Agency Bonds	5 Years	10 %	None
U.S. Treasury Obligations	5 Years	100 %	None
State of California Obligations	5 Years	20 %	None
California Local Agency Bonds	5 Years	20 %	None
U.S. Agency Obligations	5 Years	100 %	35 % *
Bankers' Acceptance	180 Days	20 % *	5 % *
Commercial Paper	270 Days	25 %	5 % *
Negotiable CDs	5 Years	30 %	5 % *
Time Certificates of Deposit	5 Years	30 % *	5 % *
Repurchase Agreements	90 Days*	100 %	None
Medium Term Notes	5 Years	25 % *	5 % *
Money Market Mutual Funds	N/A	20 %	20 % *
Asset-Backed and			
Mortgage-Backed Securities	5 Years	10 % *	5 % *
Supranational Securities	5 Years	20 % *	10 % *
Local Agency Investment Fund (LAIF)	N/A	100 %	\$75 Million Per Account

* Represents where the City's investment policy is more restrictive than the California Government Code:

- U.S. Agency Obligations – The California Government Code has no restriction on this type of investment.
- Bankers' Acceptance – The California Government Code allows a city to invest up to 40% of its portfolio and up to 30% in a single issuer.
- Commercial Paper – The California Government Code allows a city to invest up to 10% of its portfolio in in a single issuer.
- Negotiable CDs – The California Government Code allows a city to invest up to 30% of its portfolio and does not have an investment limitation in a single issuer.
- Time Certificates of Deposit – The California Government Code does not have an investment limitation in maximum percentage of portfolio and single issuer.
- Repurchase Agreements – The California Government Code allows a city to invest in repurchase agreements with a maximum maturity of 92 days.
- Medium Term Notes – The California Government Code allows a city to invest up to 30% of its portfolio and up to 30% in a single issuer.

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments Authorized by the California Government Code and the City of La Habra Adopted Investment Policy (Continued)

- Money Market Mutual Funds – The California Government Code does not have an investment limitation in a single issuer.
- Asset-Backed and Mortgage-Back Securities – The California Government Code allows a city to invest up to 20% of its portfolio and does not have an investment limitation in a single issuer.
- Supranational Securities – The California Government Code allows a city to invest up to 30% of its portfolio and does not have an investment limitation in a single issuer.

Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustee is 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 general investment types that are authorized for investments held by the bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit 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
Federal Housing Administration Debentures	None	None	None
U.S. Agency Securities	None	None	None
Unsecured CDs, Time Deposits, and Bankers' Acceptance	30 Days	None	None
FDIC-Insured Bank Deposits	None	None	None
Commercial Paper	270 Days	None	None
Money Market Mutual Funds	N/A	None	None
State Obligations	None	None	None
Pre-Funded Municipal Obligations	None	None	None
Repurchase Agreements	90 Days	None	None
Investment Agreements	None	None	None
Local Agency Investment Fund (LAIF)	None	None	\$75 Million Per Account

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 HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk (Continued)

Information about the sensitivity of the fair values of the City's investment to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity, except for fiscal agent investments which are reported in the following separate section:

Investment Types	Amount	Remaining Maturity		
		Less Than 1 Year	1 to 3 Years	3 to 5 Years
U.S. Agency Obligations	\$ 6,630,953	\$ 2,119,263	\$ 3,414,426	\$ 1,097,264
LAIF	23,240,835	23,240,835	-	-
U.S. Treasury Obligations	41,976,011	20,179,992	8,150,595	13,645,424
Corporate Medium-Term Notes	10,370,973	-	5,637,706	4,733,267
Asset-Backed Securities	2,639,930	392,840	963,071	1,284,019
Supranational	3,309,649	1,176,129	1,146,784	986,736
Money Market Mutual Funds	141,981	141,981	-	-
Total	<u>\$ 88,310,332</u>	<u>\$ 47,251,040</u>	<u>\$ 19,312,582</u>	<u>\$ 21,746,710</u>

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 the California Government Code or the City's investment policy, and the actual rating as of yearend for each investment type, except for fiscal agent investments which are reported in a separate section below.

Investment Types	Amount	Minimum Legal Rating	Moody's Rating as of Year-End (Where Applicable)				
			Exempt from Disclosure	AAA	AA	A	Not Rated
U.S. Agency Obligations	\$ 6,630,953	N/A	\$ -	\$ 6,630,953	\$ -	\$ -	\$ -
LAIF	23,240,835	Not Rated	-	-	-	-	23,240,835
U.S. Treasury Obligations	41,976,011	N/A	41,976,011	-	-	-	-
Corporate Medium-Term Notes	10,370,973	A	-	955,879	3,262,207	6,152,887	-
Asset-Backed Securities	2,639,930	A	-	2,639,930	-	-	-
Supranational	3,309,649	AAA	-	3,309,649	-	-	-
Money Market Mutual Funds	141,981	AAA	-	141,981	-	-	-
Total	<u>\$ 88,310,332</u>		<u>\$ 41,976,011</u>	<u>\$ 13,678,392</u>	<u>\$ 3,262,207</u>	<u>\$ 6,152,887</u>	<u>\$ 23,240,835</u>

Concentration of Credit Risk

The City's investment policy contains certain limitations as disclosed in the accompanying table 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 and external investment pools) that represent 5% or more of total City's investments.

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 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. The City's deposits were not subject to custodial credit risk at June 30, 2024.

Interest Rate Risk and Credit Risk for Investments Held by Fiscal Agents

The following table lists the investment holdings of City issued bond transactions and Section 115 Trust:

<u>Investment Type</u>	<u>Reported Amount</u>	<u>Maturity</u>	<u>Rating</u>
Money Market Mutual Funds	\$ 168,950	Less Than 1 Year	AAA
PARS Section 115 Trust Pool	11,093,860	Less Than 1 Year	Not Rated
LAIF	1,672	Less Than 1 Year	Not Rated
Total	<u>\$ 11,264,482</u>		

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.

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments in Public Agency Retirement Trust (Section 115)

The City has established a Section 115 Trust with the Public Agency Retirement System (PARS) to accumulate resources for future contributions to CalPERS. As of June 30, 2024, the City reported \$11,093,860 in restricted cash and investments for the Section 115 Trust. In March 2019, the City adopted an investment guideline for Section 115 to set guidelines for a prudent investment-making process. The guidelines were established with the assumption that the longer-term nature of the portfolio provides for higher risk tolerance and short-term volatility, but more potential for capital growth. The Investment Manager will be responsible for carrying out the activities related to the portfolio in accordance with the guidelines to meet the goals of an agreed upon risk/return profile, and in accordance with the mix of parameters outlined below:

<u>Authorized Investment Type</u>	<u>Minimum Allocation</u>	<u>Target Asset Allocation</u>	<u>Maximum Allocation</u>
Cash	- %	5 %	10 %
Fixed Income	40 %	45 %	60 %
Equity	40 %	50 %	60 %

Fair Value Measurements

The City categorizes its fair value measurement within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the City’s own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the City’s own data.

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued)

When available, quoted prices are used to determine fair value. When quoted prices in active markets are available, investments are classified within Level 1 of the fair value hierarchy.

For investments classified within Level 2 of the fair value hierarchy, the City's custodians generally use a multidimensional relational model. Inputs to their pricing models are based on observable market inputs in active markets. The inputs to the pricing models are typically benchmark yields, reported trades, broker-dealer quotes, issuer spreads and benchmark securities, among others.

The City does not have any investments that are measured using Level 3 inputs.

As of June 30, 2024, the City has the following fair value measurements:

<u>Investment Types</u>	<u>Quoted Prices (Level 1)</u>	<u>Observable Inputs (Level 2)</u>	<u>Unobservable Inputs (Level 3)</u>	<u>Total</u>
U.S. Agency Obligations	\$ -	\$ 6,630,953	\$ -	\$ 6,630,953
U.S. Treasury Obligations	-	41,976,011	-	41,976,011
Corporate Medium-Term Notes	-	10,370,973	-	10,370,973
Asset-Backed Securities	-	2,639,930	-	2,639,930
Supranational	-	3,309,649	-	3,309,649
Total Leveled Investments	<u>\$ -</u>	<u>\$ 64,927,516</u>	<u>\$ -</u>	<u>64,927,516</u>
Local Agency Investment Fund*				23,240,835
Money Market Mutual Funds*				141,981
Held by Fiscal Agents:				
Local Agency Investment Fund*				1,672
Money Market Mutual Funds*				168,950
Section 115 Trust Pool*				11,093,860
Total Investment Portfolio				<u>\$ 99,574,814</u>

*Not Subject to Fair Value Measurements

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3 RECEIVABLES

Receivables of the City as of June 30, 2024 are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Accounts Receivable:			
Property Taxes	\$ 267,051	\$ -	\$ 267,051
Sales and Transaction Taxes	3,697,491	-	3,697,491
Water Sales	-	2,621,121	2,621,121
Sewer Sales	-	403,373	403,373
Refuse Sales	-	887,427	887,427
Franchise Fees	758,721	-	758,721
Others	1,492,708	3,581	1,496,289
Total Accounts Receivable	<u>6,215,971</u>	<u>3,915,502</u>	<u>10,131,473</u>
Less: Allowance for Uncollectible Accounts	-	(576,665)	(576,665)
Total Receivables	<u>\$ 6,215,971</u>	<u>\$ 3,338,837</u>	<u>\$ 9,554,808</u>

NOTE 4 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Due To and Due From

The composition of interfund balances as of June 30, 2024 is as follows:

	<u>Due From</u>			<u>Due to Successor Agency</u>
	<u>Coyote Creek Channel Improvement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>	<u>General Fund</u>
<u>Due To</u>				
General Fund	\$ 41,260	\$ 725,728	\$ 766,988	\$ 78,204
Nonmajor Governmental Funds	356,713	-	356,713	-
	<u>\$ 397,973</u>	<u>\$ 725,728</u>	<u>\$ 1,123,701</u>	<u>\$ 78,204</u>

The \$397,973 due from Coyote Creek Channel Improvement Special Revenue Fund to the General Fund and Nonmajor Governmental Funds is to reimburse for eligible expenditures. The other interfund receivables and payables balances represent routine and temporary cash flow assistance.

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 4 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

Due To and Due From (Continued)

Interfund loans consist of loans as follows:

	Loans Due to City of La Habra
	Successor Agency
	Private-Purpose
	Trust Fund
Loans to Successor Agency Private-Purpose Trust Fund	
General Fund	\$ 333,225

In August 2007, the General Fund advanced the former Redevelopment Agency \$2,000,000, at an interest rate of 9%, towards the purchase of a building and land. Outstanding amounts as of January 31, 2012, the date the former Redevelopment Agency was dissolved in accordance with AB X1 26, were transferred to the Successor Agency. In addition, the interest on the remaining principal amount of the loan was recalculated from origination of the loan at a simple interest rate of 3% in accordance with SB 107. At June 30, 2024, the outstanding balance of the advance was \$333,225.

Interfund Transfers

The composition of interfund transfers for the year ended June 30, 2024 is as follows:

Transfers Out	Transfers In				Total
	Nonmajor Governmental Funds	Water Enterprise Fund	Nonmajor Enterprise Funds	Internal Service Funds	
General Fund	\$ 4,459,998	\$ -	\$ -	\$ 1,200,000	\$ 5,659,998
State Gas Tax Fund	73,153	-	-	-	73,153
Coyote Creek	356,713	-	-	-	356,713
Water Enterprise Fund	-	-	30,000	-	30,000
Sewer Enterprise Fund	-	113,189	5,000	-	118,189
Refuse Enterprise Fund	-	209,091	5,000	-	214,091
Total	\$ 4,889,864	\$ 322,280	\$ 40,000	\$ 1,200,000	\$ 6,452,144

The Debt Service Nonmajor Governmental Fund received transfers of \$4,459,998 from the General Fund for pension obligation bond debt service payments.

The Housing and Community Development Nonmajor Governmental Fund received a transfer of \$73,153 from the State Gas Tax Fund for reimbursement of project expenditures in the previous years.

The American Rescue Plan Act Nonmajor Governmental Fund received a transfer of \$356,713 from Coyote Creek Channel Improvement Fund for reimbursement of project expenditures in previous years.

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 4 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

Interfund Transfers (Continued)

The Water Enterprise Fund received transfers of \$322,280 from the Sewer Enterprise Fund (\$113,189) and the Refuse Enterprise Fund (\$209,091) for contributions relating the utility billing and customer service.

The Children's Museum Nonmajor Enterprise Fund received transfers from the Water Enterprise Fund (\$30,000), the Sewer Enterprise Fund (\$5,000), and the Refuse Enterprise Fund (\$5,000) for contributions toward the museum educational exhibition relating to water conservation and recycling.

The Internal Service Funds received \$1,200,000 from the General Fund to address short term funding -shortages.

NOTE 5 LOANS RECEIVABLE

The City has entered into multiple owner-occupied rehabilitation loans utilizing HOME Investment Partnerships Program, which are reflected in the Housing and Community Development Special Revenue Fund. These loans were for the purpose of assisting owners in the rehabilitation of the owner-occupied residences. The loans have 30-year term with 0% interest. In the governmental funds financial statements, due to the extended period of time over which loans receivable are to be collected, the City has recorded deferred inflows of resources equal to the outstanding principal of the loans receivable. At June 30, 2024, the outstanding balance of the loans receivable was \$395,901.

NOTE 6 LEASES RECEIVABLE

As of the year ended June 30, 2024, the City had entered into various lease agreements as the lessor where it had leased its buildings and infrastructure ranging from two years to five years. As of June 30, 2024, the outstanding leases receivable total \$578,336. These leases require the various lessees to make periodic payments to the City, and range in interest rates from 0.218% to 1.284%. The offsetting entry to the leases receivable is a deferred inflow of resources. The value of the deferred inflows of resources relating to leases receivable at June 30, 2024 is \$559,042. The City will be systematically recognizing revenue over the terms of the lease, and in the current fiscal year, the City recognized \$169,585 in lease revenue and \$6,476 in interest.

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 7 CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2024:

	Balance at July 1, 2023	Increases	Decreases	Balance at June 30, 2024
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 16,904,755	\$ -	\$ -	\$ 16,904,755
Construction in Progress	4,571,189	11,111,267	2,409,696	13,272,760
Total Capital Assets Not Being Depreciated	21,475,944	11,111,267	2,409,696	30,177,515
Capital Assets Being Depreciated:				
Land Improvements	7,977,597	-	-	7,977,597
Buildings and Improvements	40,239,513	359,120	-	40,598,633
Improvements Other Than Buildings	1,897,888	110,122	-	2,008,010
Machinery and Equipment	12,373,729	538,393	-	12,912,122
Autos and Trucks	5,964,479	323,016	-	6,287,495
Infrastructure	124,361,608	1,880,965	-	126,242,573
Total Capital Assets Being Depreciated	192,814,814	3,211,616	-	196,026,430
Less: Accumulated Depreciation For:				
Land Improvements	5,335,805	307,179	-	5,642,984
Buildings and Improvements	14,038,139	952,335	-	14,990,474
Improvements Other Than Buildings	1,226,747	70,051	-	1,296,798
Machinery and Equipment	9,307,752	712,034	-	10,019,786
Autos and Trucks	5,011,878	321,463	-	5,333,341
Infrastructure	61,812,608	4,056,707	-	65,869,315
Total Accumulated Depreciation	96,732,929	6,419,769	-	103,152,698
Intangible (Right-to-Use) Assets:				
Lease Assets	164,730	38,260	-	202,990
Subscription Assets	149,428	1,501,667	-	1,651,095
Total Intangible (Right-to-Use) Assets	314,158	1,539,927	-	1,854,085
Less: Accumulated Amortization For:				
Lease Assets	19,218	36,709	-	55,927
Subscription Assets	64,041	132,299	-	196,340
Total Accumulated Amortization	83,259	169,008	-	252,267
Total Capital Assets Being Depreciated/Amortized, Net	96,312,784	(1,837,234)	-	94,475,550
Governmental Activities Capital Assets, Net	<u>\$ 117,788,728</u>	<u>\$ 9,274,033</u>	<u>\$ 2,409,696</u>	<u>\$ 124,653,065</u>

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 7 CAPITAL ASSETS (CONTINUED)

	Balance at July 1, 2023	Increases	Decreases	Balance at June 30, 2024
Business-Type Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 12,800,000	\$ -	\$ -	\$ 12,800,000
Construction in Progress	1,014,643	2,294,799	379,382	2,930,060
Total Capital Assets Not Being Depreciated	13,814,643	2,294,799	379,382	15,730,060
Capital Assets Being Depreciated:				
Buildings and Improvements	4,251,106	-	-	4,251,106
Improvements Other Than Buildings	273,936	-	-	273,936
Machinery and Equipment	2,290,765	49,187	-	2,339,952
Autos and Trucks	230,465	-	-	230,465
Infrastructure	64,180,357	605,634	-	64,785,991
Total Capital Assets Being Depreciated	71,226,629	654,821	-	71,881,450
Less: Accumulated Depreciation For:				
Buildings and Improvements	4,148,441	29,540	-	4,177,981
Improvements Other Than Buildings	250,353	1,412	-	251,765
Machinery and Equipment	1,586,680	56,185	-	1,642,865
Autos and Trucks	230,465	-	-	230,465
Infrastructure	24,584,751	1,593,466	-	26,178,217
Total Accumulated Depreciation	30,800,690	1,680,603	-	32,481,293
Total Capital Assets Being Depreciated, Net	40,425,939	(1,025,782)	-	39,400,157
Business-Type Activities Capital Assets, Net	\$ 54,240,582	\$ 1,269,017	\$ 379,382	\$ 55,130,217

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

Governmental Activities:	
General Government	\$ 755,129
Public Safety	849,230
Public Works	4,566,436
Community Services	327,534
Community Development	90,448
Total Depreciation/Amortization Expense, Governmental Activities	\$ 6,588,777

Business-Type Activities:	
Water	\$ 1,234,648
Sewer	200,619
Housing Authority	12,500
Refuse	12,748
Children's Museum	19,238
Mobile Home Lease	200,850
Total Depreciation/Amortization Expense, Business-Type Activities	\$ 1,680,603

CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8 WATER RIGHTS STOCK

The Utility Authority currently imports approximately 65% of its water from two major suppliers: California Domestic Water Company (Cal Domestic) and the Metropolitan Water District (MWD). Since October 2008, the Utility Authority has been purchasing shares of water rights stock from Cal Domestic to secure the purchase of water at a discounted rate known as an “entitlement” rate each year from the Main San Gabriel Basin. The Utility Authority owns two classes of stock: Capital Stock and Class A Preferred Stock. Currently, a share of Capital Stock represents the right to purchase approximately 1.45-acre feet (AF) of water and a share of Class A Preferred Stock represents the right to purchase 0.76 AF of water. At June 30, 2024, the Utility Authority owned 2,581.25 shares of Capital Stock and 912.85 shares of Class A Preferred Stock. The Utility Authority has valued its water rights stock at approximately \$19.6 million, which represents cost and does not intend to sell its interest in Cal Domestic.

NOTE 9 LONG-TERM LIABILITIES

The following is a summary of the changes in the long-term liabilities for the year ended June 30, 2024:

	Balance at July 1, 2023	Increases	Decreases	Balance at June 30, 2024	Due Within One Year
Governmental Activities:					
2022 Pension Obligation Bonds	\$ 64,271,612	\$ -	\$ 2,713,840	\$ 61,557,772	\$ 2,750,824
Lease Obligations	-	38,260	2,806	35,454	7,000
Subscription Liability	-	350,096	-	350,096	109,563
Compensated Absences	6,070,928	3,797,967	2,929,203	6,939,692	2,081,908
Internal Service Funds Included in Governmental Activities:					
2022 Pension Obligation Bonds*	1,247,034	-	52,649	1,194,385	53,367
Lease Obligations	147,440	-	29,599	117,841	31,692
Subscription Liability	74,585	-	74,585	-	-
Total Long-Term Debt, Governmental Activities	<u>\$ 71,811,599</u>	<u>\$ 4,186,323</u>	<u>\$ 5,802,682</u>	<u>\$ 70,195,240</u>	<u>\$ 5,034,354</u>
Business-Type Activities:					
Compensated Absences	\$ 341,653	\$ 248,071	\$ 183,618	\$ 406,106	\$ 121,832
2022 Pension Obligation Bonds	3,991,354	-	168,511	3,822,843	170,809
2013 Revenue Bonds, Series A	15,760,000	-	615,000	15,145,000	645,000
2019 Revenue Bonds, Series A & B	12,720,000	-	375,000	12,345,000	380,000
2020 Refunding Certificates of Participation, Series A	10,835,000	-	515,000	10,320,000	520,000
Subtotal	43,648,007	248,071	1,857,129	42,038,949	1,837,641
Add: Unamortized Premium	2,916,599	-	162,044	2,754,555	-
Total Long-Term Debt, Business-Type Activities	<u>\$ 46,564,606</u>	<u>\$ 248,071</u>	<u>\$ 2,019,173</u>	<u>\$ 44,793,504</u>	<u>\$ 1,837,641</u>
Private-Purpose Trust Activities:					
2016 Refunding Tax Allocation Bonds	\$ 3,055,000	\$ -	\$ 315,000	\$ 2,740,000	\$ 325,000
Add: Unamortized Premium	93,177	-	9,808	83,369	-
Total Long-Term Debt, Private- Purpose Trust Activities	<u>\$ 3,148,177</u>	<u>\$ -</u>	<u>\$ 324,808</u>	<u>\$ 2,823,369</u>	<u>\$ 325,000</u>

* A portion of pension obligation bonds have been allocated to internal service funds based on payroll activities and liquidated in their respective funds.

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

A. Governmental Activities

2022 Pension Obligation Bonds

On January 26, 2022, the City issued \$72,385,000 Pension Obligation Bonds. The proceeds of the bonds were used to (i) pay the City's unfunded accrued actuarial liability to the California Public Employees' Retirement System with respect to the City's defined benefit retirement plans for City employees, and (ii) pay costs of issuance of the bonds. The bonds liability has been allocated between the City's governmental activities (92.47%) and business-type activities (7.53%).

The Pension Obligation Bonds mature serially on August 1 beginning 2022 through 2041 in amount ranging from \$2,875,000 to \$4,740,000 and pay interest at rates varying from 0.951% to 3.397%. The unpaid balance as of June 30, 2024 was \$66,575,000. The debt service schedules of the bonds are as follows:

<u>Fiscal Year Ending June 30,</u>	2022 Pension Obligation Bonds	
	Principal	Interest
2025	\$ 2,975,000	\$ 1,850,101
2026	3,020,000	1,802,804
2027	3,075,000	1,748,196
2028	3,135,000	1,685,954
2029	3,205,000	1,615,671
2030-2034	17,325,000	6,791,229
2035-2039	20,085,000	4,027,578
2040-2041	13,755,000	711,417
Total	\$ 66,575,000	\$ 20,232,950

Lease Obligations

The City leases nineteen (19) copiers that are placed in various office locations. There are two leases reported in governmental activities bearing interest of 6.85% and 5.45% per annum. The lease payments are due in 60 monthly payment of \$3,232 beginning on December 1, 2022, and \$729.96 beginning on February 1, 2024.

The lease payment schedule is as follows:

<u>Fiscal Year Ending June 30,</u>	Lease Obligations	
	Principal	Interest
2025	\$ 38,692	\$ 8,850
2026	41,323	6,217
2027	44,135	3,406
2028	24,127	792
2029	5,018	92
Total	\$ 153,295	\$ 19,357

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

A. Governmental Activities (Continued)

Lease Obligations (Continued)

The right-to-use assets acquired through the outstanding leases are shown below, by underlying asset class.

	Governmental Activities
Intangible Assets:	
Machinery and Equipment	\$ 202,990
Less: Accumulated Amortization	(55,927)
Total Leased Assets	\$ 147,063

Subscription Liability

The City has entered into a subscription based-information technology arrangement (SBITA) for Microsoft Enterprise products and Tyler Enterprise products. The SBITAs expire on various dates through 2027, and the Tyler Enterprise products have renewal options.

As of June 30, 2024, SBITA assets and the related accumulated amortization totaled \$1,651,095 and \$196,340, respectively in governmental activities.

The future subscription payments under SBITA agreement are as follows:

Fiscal Year Ending June 30,	SBITA	
	Principal	Interest
2025	\$ 109,563	\$ 6,170
2026	115,867	5,653
2027	124,666	2,930
	\$ 350,096	\$ 14,753

2020 Refunding Certificates of Participation, Series A

On September 17, 2020, the Housing Authority issued Certificates of Participation, Series A (Certificates) in an aggregate amount of \$11,835,000 for an current refunding of the 2010 Certificates Of Participation, Series A. The refunding was undertaken to reduce future debt service payments. The reacquisition price exceeded the net carrying amount of the old debt by \$1,731,351. This amount is being amortized over the life of the old debt which is the same as the refunding debt obligation. Lease payments are to be paid by the city in each rental period for and in consideration of the right to use and occupy the properties during each such period. The Certificates mature in varying annual amounts through October 1, 2040. Principal is payable annually on each October 1, commencing October 1, 2021. Interest is payable semiannually on each April 1, and October 1, commencing May 1, 2021 with interest rates ranging from 0.40% to 4.00%. The outstanding balance at June 30, 2024 was \$10,320,000.

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

B. Business-Type Activities

2020 Refunding Certificates of Participation, Series A (Continued)

The debt service schedules of the Certificates of Participation are as follows:

<u>Fiscal Year Ending June 30,</u>	2020 COPs Series A	
	Principal	Interest
2025	\$ 520,000	\$ 208,269
2026	525,000	203,044
2027	530,000	197,769
2028	540,000	192,419
2029	545,000	186,313
2030-2034	2,910,000	720,450
2035-2039	3,315,000	356,169
2040-2044	1,435,000	34,259
Subtotal	10,320,000	2,098,692
Unamortized Premium	38,662	(38,662)
Total	\$ 10,358,662	\$ 2,060,030

2013 Water Revenue Bonds, Series A

On October 22, 2013, the Utility Authority issued \$20,210,000 of Water Revenue Bonds, Series 2013A and used the proceeds to 1) pay off the outstanding balance of the line of credit of \$11,931,781, 2) refund the Series 2003 Bonds (except the 2003 Bonds maturing on November 1, 2013 in the amount of \$180,000) in the amount of \$5,895,000, 3) finance additional improvements to the water system and, 4) pay the costs of issuance in connection with the issuance and sale of the Series 2013 Bonds. The bonds mature in various annual amounts through November 2043 and are secured by a pledge of net income and revenues reported in the Water Enterprise Fund. Net revenue recognized during the year ended June 30, 2024 was \$6,527,228 against the total debt service payment of \$1,341,525. Principal is payable annually on each November 1, commencing November 1, 2014. Interest is payable semiannually on each May 1 and November 1, commencing May 1, 2014 with interest rates ranging from 2.00% to 5.00%. The outstanding balance at June 30, 2024 was \$15,145,000.

2019 Water Revenue Bonds, Series A and Series B

On November 5, 2019, the Utility Authority issued Water Revenue Bonds, Series A and B in an aggregate amount of \$13,795,000 for an advance refunding of the 2010 Water Revenue Bonds, Series A and B. The refunding was undertaken to reduce future debt service payments. The bonds are secured by a pledge of net revenue reported in the Water Enterprise Fund. Net revenue recognized during the year ended June 30, 2024 was \$6,527,228 against the total debt service payment of \$932,653. Principal is payable annually on each November 1, commencing November 1, 2020. Interest is payable semiannually on each May 1 and November 1, commencing May 1, 2020 with interest rates ranging from 1.95% to 5.00%. The outstanding balance at June 30, 2024 was \$12,345,000.

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

B. Business-Type Activities (Continued)

The debt service schedules of the Water Revenue Bonds are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>2013 Water Revenue Bonds</u>		<u>2019 Water Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 645,000	\$ 695,025	\$ 380,000	\$ 549,535
2026	675,000	662,025	390,000	540,578
2027	710,000	627,400	400,000	530,700
2028	745,000	591,025	425,000	514,975
2029	780,000	552,900	440,000	493,350
2030-2034	4,440,000	2,230,744	2,580,000	2,102,250
2035-2039	3,140,000	1,372,813	5,290,000	1,177,575
2040-2044	4,010,000	500,213	2,440,000	123,500
Subtotal	15,145,000	7,232,145	12,345,000	6,032,463
Unamortized Premium	697,585	(697,585)	2,018,308	(2,018,308)
Total	<u>\$ 15,842,585</u>	<u>\$ 6,534,560</u>	<u>\$ 14,363,308</u>	<u>\$ 4,014,155</u>

C. Private-Purpose Trust Activities 2016 Refunding Tax Allocation Bonds

On December 13, 2016, the Successor Agency issued \$4,715,000 of Tax Allocation Bonds, Series 2016 and used the proceeds to 1) refund the 2000 Tax Allocation Bonds, 2) fund a debt service reserve fund for the bonds, and 3) pay the costs of issuing the bonds. The bonds mature in various annual amounts through October 2032 and are secured by a pledge of tax revenue deposited into the Redevelopment Property Tax Trust Fund. Tax revenue recognized during the year ended June 30, 2024 was \$1,292,942 against the total debt service payment of \$428,463. Principal is payable annually on each October, commencing October 1, 2017. Interest is payable semiannually on each April 1 and October 1, commencing April 1, 2017 with interest rates ranging from 2.00% to 5.00%. The outstanding balance at June 30, 2024 was \$2,740,000.

The debt service schedules of the Tax Allocation Bonds are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>2016 Tax Allocation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 325,000	\$ 96,638
2026	325,000	80,387
2027	230,000	68,812
2028	290,000	60,831
2029	295,000	51,322
2030-2034	1,275,000	96,003
Subtotal	2,740,000	453,993
Unamortized Premium	83,369	(83,369)
Total	<u>\$ 2,823,369</u>	<u>\$ 370,624</u>

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

**C. Private-Purpose Trust Activities 2016 Refunding Tax Allocation Bonds
(Continued)**

Upon the dissolution of the former Redevelopment Agency on January 31, 2012, the outstanding balances of the former Redevelopment Agency's obligations were transferred to the Successor Agency. The future payments of these obligations are subject to the Recognized Obligation Payment Schedule (ROPS) review and approval process by the California Department of Finance (DOF).

NOTE 10 FUND BALANCES

Fund balances for all the major and nonmajor governmental funds as of June 30, 2024 were distributed as follows:

	General Fund	State Gas Tax	Measure M	Coyote Creek Channel Improvement	Child Development	Capital Projects	Other Nonmajor Funds	Total
Nonspendable:								
Prepaid Items	\$ 17,827	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 675,629	\$ 693,456
Restricted For:								
Street and Road Improvement	-	10,094,422	440,147	-	-	-	390,587	10,925,156
Park and Capital Development	-	-	-	-	-	-	1,954,044	1,954,044
Storm Drain Improvement	-	-	-	16,034	-	-	-	16,034
Air Quality Improvement	-	-	-	-	-	-	350,740	350,740
Law Enforcement	-	-	-	-	-	-	1,588,703	1,588,703
Housing and Community Development	-	-	-	-	-	-	403,142	403,142
Employment and Training	-	-	-	-	-	-	-	-
Low-Moderate Income Housing	-	-	-	-	-	-	434,316	434,316
Public, Education, and Governmental	-	-	-	-	-	-	584,917	584,917
General Plan Update	-	-	-	-	-	-	1,437,000	1,437,000
Public Art	-	-	-	-	-	-	299,544	299,544
COVID-19 Federal Stimulus	-	-	-	-	-	-	231,918	231,918
Pension Rate Program	10,796,031	-	-	-	-	-	-	10,796,031
Assigned For:								
Capital Projects	-	-	-	-	-	8,418,163	-	8,418,163
Pension Rate Program	-	-	-	-	-	-	-	-
Facility Improvement Program	1,074,261	-	-	-	-	-	-	1,074,261
Land Acquisition Program	3,052,563	-	-	-	-	-	-	3,052,563
Special Events Program	500,000	-	-	-	-	-	-	500,000
Employee Benefits	2,124,348	-	-	-	-	-	-	2,124,348
Unassigned	13,588,010	-	-	-	(723,803)	-	(1,451,560)	11,412,647
Total Fund Balances	<u>\$31,153,040</u>	<u>\$10,094,422</u>	<u>\$ 440,147</u>	<u>\$ 16,034</u>	<u>\$ (723,803)</u>	<u>\$ 8,418,163</u>	<u>\$ 6,898,980</u>	<u>\$ 56,296,983</u>

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 11 PENSION PLAN

A. Summary of Pension Related Items

The following table shows the aggregate total of pension related items.

	<u>Miscellaneous Plan</u>	<u>Safety Plans</u>	<u>Total</u>
Net Pension Liability	\$ 16,282,578	\$ 19,260,797	\$ 35,543,375
Deferred Outflows of Resources			
Related to Pension	9,144,597	27,405,487	36,550,084
Deferred Inflows of Resources			
Related to Pension	267,887	34,750,864	35,018,751
Pension Expense	5,317,780	2,495,554	7,813,334

B. General Information about the Pension Plans

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in either (1) the City’s Miscellaneous Plan, an agent multiple-employer defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers, or (2) the City’s Safety Plan, a cost-sharing multiple-employer defined benefit pension plan administered by CalPERS. They may be collectively referred to as the “Plans” or individually as a “Plan.” Benefit provisions under the Plans are established by state statute and City’s resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 to 62 with statutorily reduced benefits. All members are eligible for nonduty disability benefits after five (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.

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 11 PENSION PLAN (CONTINUED)

B. General Information about the Pension Plans (Continued)

The Plans' provisions and benefits in effect at year ended June 30, 2024 are summarized as follows:

	Miscellaneous Plan		
	Prior to 1/1/2012	Between 1/1/2012 and 12/31/2012	On or After 1/1/2013
Hire Date			
Benefit Formula	2.0% @ 55	2.0% @ 60	2.0% @ 62
Benefit Vesting Schedule	5 Years Service	5 Years Service	5 Years Service
Benefit Payments	Monthly for Life	Monthly for Life	Monthly for Life
Retirement Age	50-63	50-63	52-67
Monthly Benefits, as a Percent of Eligible Compensation	1.4% to 2.4%	1.1% to 2.4%	1.0% to 2.5%
Required Employee Contribution Rates	7.00%	7.00%	7.75%
Required Employer Contribution Rates:			
Normal Cost Rates	10.62%	10.62%	10.62%
Payment of Unfunded Liability	\$ -	Included With the Classic Plan	
	Safety Plans		
	Prior to 1/1/2012	Between 1/1/2012 and 12/31/2012	On or After 1/1/2013
Hire Date			
Benefit Formula	3.0% @ 50	2.0% @ 50	2.7% @ 57
Benefit Vesting Schedule	5 Years Service	5 Years Service	5 Years Service
Benefit Payments	Monthly for Life	Monthly for Life	Monthly for Life
Retirement Age	50	50-55	50-57
Monthly Benefits, as a Percent of Eligible Compensation	3.00%	2.0% to 2.7%	2.0% to 2.7%
Required Employee Contribution Rates	9.00%	9.00%	14.50%
Required Employer Contribution Rates:			
Normal Cost Rates	29.09%	21.78%	14.50%
Payment of Unfunded Liability	\$ -	\$ -	\$ -

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 11 PENSION PLAN (CONTINUED)

B. General Information about the Pension Plans (Continued)

Employees Covered

At June 30, 2023 (measurement date), the following employees were covered by the benefit terms:

	Miscellaneous Plan
Inactive Employees or Beneficiaries Currently Receiving Benefits	346
Inactive Employees Entitled to but Not Yet Receiving Benefits	546
Active Employees	226
Total	1,118

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. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

For the year ended June 30, 2024, the contributions to Miscellaneous and Safety Plans were as follows:

Plan	Employer Contributions
Miscellaneous Plan	\$ 1,625,084
Safety Plans	1,860,087
Total	\$ 3,485,171

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 11 PENSION PLAN (CONTINUED)

C. Net Pension Liability and Changes in Net Pension Liability

The net pension liability of each of the Plans is measured as of June 30, 2023, using the actuarial valuation as of June 30, 2022, rolled forward to June 30, 2023, using standard update procedures.

Miscellaneous Plan

The City's net pension liability for the Miscellaneous Plan is measured as the total pension liability, less the pension plan's fiduciary net position and is determined on the same basis as that used by the plan.

The following table shows the changes in the net pension liability for the Miscellaneous Plan:

Reporting Period	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (c) = (a) - (b)
Balance - June 30, 2023	\$ 141,029,696	\$ 127,426,193	\$ 13,603,503
Changes in the Year:			
Service Cost	2,442,073	-	2,442,073
Interest on the Total Pension Liability	9,628,836	-	9,628,836
Changes of Benefit Terms	240,367	-	240,367
Changes of Assumptions	-	-	-
Difference Between Expected and Actual Experience	575,791	-	575,791
Contribution - Employer	-	1,561,098	(1,561,098)
Contribution - Employees	-	1,004,911	(1,004,911)
Net Investment Income	-	7,735,688	(7,735,688)
Benefit Payments, Including Refunds of Employee Contributions	(7,037,088)	(7,037,088)	-
Administrative Expense	-	(93,703)	93,703
Net Changes	<u>5,849,979</u>	<u>3,170,906</u>	<u>2,679,073</u>
Balance - June 30, 2024	<u>\$ 146,879,675</u>	<u>\$ 130,597,099</u>	<u>\$ 16,282,576</u>

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 11 PENSION PLAN (CONTINUED)

C. Net Pension Liability and Changes in Net Pension Liability (Continued)

Safety Plans

As of June 30, 2024, the City reported net pension liabilities of \$19,260,797 for proportionate shares of the net pension liability of Safety Plans. The City's net pension liability for the Safety Plans is measured as the proportionate share of the net pension liability. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The City's proportionate shares of the net pension liability for Safety Plans as of fiscal year ended June 30, 2023 and 2024 were as follows:

Reporting Period	Safety Plans	
	Amount	Percent
Proportion - June 30, 2023	\$ 21,892,206	0.31859%
Proportion - June 30, 2024	19,260,797	0.25767%
Change - Increase (Decrease)	\$ (2,631,409)	-0.06092%

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2022 valuation was rolled forward to determine the June 30, 2023 total pension liability using standard update procedures, based on the following actuarial methods and assumptions for the miscellaneous and safety plans:

Actuarial Cost Method	Entry-Age Normal in Accordance with the Requirement of GASB 68
Actuarial Assumptions:	
Discount Rate	6.90 %
Inflation	2.30 %
Projected Salary Increase	Varies by Entry Age and Service
Mortality Rate Table ¹	Derived Using CalPERS' Membership Data for All Funds
Postretirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

¹ The mortality table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Preretirement and postretirement mortality rates include 15 years of projected mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 11 PENSION PLAN (CONTINUED)

C. Net Pension Liability and Changes in Net Pension Liability (Continued)

Long-Term Expected Rate of Return

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

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

<u>Asset Class¹</u>	<u>Assumed Asset Allocation</u>	<u>Real Return^{1,2}</u>
Global Equity - Cap-Weighted	30.00 %	4.54 %
Global Equity - Noncap-Weighted	12.00	3.74
Private Equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-Backed Securities	5.00	0.50
Investment Grade Corporates	10.00	1.56
High Yield	5.00	2.27
Emerging Market Debt	5.00	2.48
Private Debt	5.00	3.57
Real Assets	15.00	3.21
Leverage	(5.00)	0.59
	<u>100.00 %</u>	

¹ An expected inflation of 2.30% used for this period

² Figures are based on the 2021 Asset Liability Management study

Discount Rate

The discount rate used to measure the total pension liability was 6.90% for measurement date June 30, 2022, which decreased from 7.15% for measurement date June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 11 PENSION PLAN (CONTINUED)

C. Net Pension Liability and Changes in Net Pension Liability (Continued)

Subsequent Events

None noted.

Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The amortization period differs depending on the source of the gain or loss:

Net Difference Between Projected
and Actual Earnings on Pension
Plan Investments

Five-Year Straight Line Amortization

All Other Amount

Straight-line amortization over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period

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

The following presents the net pension liability of each Plan, calculated using the discount rate for each Plan, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	Discount Rate -1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate +1% (7.90%)
Miscellaneous Plan	\$ 36,950,450	\$ 16,282,576	\$ (578,236)
Safety Plans	46,996,827	19,260,797	(3,415,382)

Pension Plan Fiduciary Net Position

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

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 11 PENSION PLAN (CONTINUED)

D. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2024, the City recognized pension expenses of \$5,317,780 and \$2,495,554 for Miscellaneous Plan and Safety Plans, respectively. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 1,625,084	\$ -
Differences Between Expected and Actual Experience	345,479	(267,887)
Changes in Assumptions	1,119,538	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	6,054,496	-
Total	\$ 9,144,597	\$ (267,887)
	Safety Plans	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 1,860,087	\$ -
Differences Between Expected and Actual Experience	1,414,098	(121,062)
Changes in Assumptions	1,124,086	-
Differences Between Employer's Contributions and Proportionate Share of Contributions	20,371,382	(4,404,044)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,635,834	-
Changes in Employer's Proportion	-	(30,225,758)
Total	\$ 27,405,487	\$ (34,750,864)

The City reported \$1,625,084 and \$1,860,087 for Miscellaneous Plan and Safety Plans, respectively, as deferred outflows of resources related to contributions subsequent to the measurement date which, will be recognized as a reduction of the net pension liability in the year ending June 30, 2025.

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 11 PENSION PLAN (CONTINUED)

D. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ending June 30,</u>	Deferred Outflows (Inflows) of Resources	
	Miscellaneous Plan	Safety Plans
2025	\$ 2,300,183	\$ (5,307,385)
2026	943,687	(4,111,993)
2027	3,829,261	140,343
2028	178,495	73,571
2029	-	-
Thereafter	-	-
Total	\$ 7,251,626	\$ (9,205,464)

E. Payable to the Pension Plan

At June 30, 2024, the City reported payables of \$65,174 and \$69,168 for the outstanding amount of contributions to the pension Miscellaneous Plan and Safety Plans, respectively, required for the year ended June 30, 2024.

NOTE 12 OPEB PLAN

A. General Information about the OPEB Plan

Plan Description

The City has established an agent multiple employer Defined Benefit Postemployment Healthcare Plan (OPEB) that provides postretirement medical benefits to retirees through the California Public Employees Medical and Hospital Care Act (PEMCHA) and managed through the California Retiree Benefit Trust (CEBRT). The plan provides healthcare benefits to eligible retirees and their dependents. Benefit provisions are established and may be amended through agreements and memorandums of understanding between the City, its management employees, and unions representing City employees. The City contributes the PEMHCA minimum for eligible retirees and surviving spouses. The City additionally provides full medical coverage for life under a special agreement to one annuitant and dependents. No dental, vision, or life insurance benefits are provided.

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 12 OPEB PLAN (CONTINUED)

A. General Information about the OPEB Plan (Continued)

Employees Covered

As of the June 30, 2023 measurement date, the following current and former employees were covered by the benefit terms under the plan:

Inactive Employees or Beneficiaries Currently Receiving Benefits	91
Inactive Employees or Beneficiaries Entitled to But Not Yet Receiving Benefits	146
Active Employees	<u>207</u>
Total	<u><u>444</u></u>

Contributions

There is no statutory requirement for the City to pay more than the PEMHCA minimum for eligible retirees and surviving spouses. The City has currently chosen to contribute 100% of the actuarially determined contribution. For the year ended June 30, 2024, the City's cash contributions were \$387,801 in payment to the trust and \$196,237 in payment outside the trust. Administrative expenses paid outside of trust was \$3,094. The estimated implied subsidy was \$235,000. This results in a total contribution of \$822,132. There are no employee contributions.

B. Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by using the actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023, using standard update procedures. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown below.

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 12 OPEB PLAN (CONTINUED)

C. Total OPEB Liability

Actuarial Assumptions

The June 30, 2022, valuation was rolled forward to determine the June 30, 2023 total OPEB liability using standard update procedures, based on the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Contribution Policy	City Contributes Full Actuarially Determined Contribution
Actuarial Assumptions:	
Discount Rate and Long-Term	
Expected Rate of Return on Assets	6.25%
General Inflation	2.50%
Mortality, Retirement, Disability, Termination	Derived from CalPERS 2000-2019 Experience Study
Mortality Improvement	Postretirement Mortality Projected Fully Generational with Scale MP-2021
Salary Increase	Aggregate 2.75% Annually, Merit - CalPERS 2000-2019 Experience Study
Medical Trend	Non-Medicare 8.5%, Medicare (Non-Kaiser) 7.5%, and Medicare (Kaiser) 6.25% for 2024, Decreasing to an Ultimate Rate of 3.45% in 2076
PEMHCA Minimum Increases	3.50% Annually
Healthcare Participation for Future Retirees	50%

The actuarial assumptions used in the June 30, 2022 valuation were based on a standard set of assumptions the actuary has used for similar valuations, modified as appropriate for the City.

The long-term expected rate of return was determined using a building-block method in which best- estimate ranges of 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 12 OPEB PLAN (CONTINUED)

C. Total OPEB Liability (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation are summarized in the following table:

Asset Class	Target Allocation CERBT- Strategy 1	Expected Real Rate of Return
CERBT Strategy 1:		
Global Equities	49.00 %	4.56 %
Fixed Income	23.00	1.56
TIPS	5.00	(0.08)
Commodities	3.00	1.22
REITs	20.00	4.06
Total	100.00 %	

Discount Rate

The discount rate used to measure the total OPEB liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that City's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

D. Changes in the Net OPEB Liability

The changes in the net OPEB liability are as follows:

Reporting Period	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (c) = (a) - (b)
Balance - June 30, 2022	\$ 8,568,021	\$ 4,285,438	\$ 4,282,583
Changes in the Year:			
Service Cost	203,845	-	203,845
Interest on the Total OPEB Liability	535,759	-	535,759
Contribution - Employer	-	838,917	(838,917)
Net Investment Income	-	276,847	(276,847)
Benefit Payments, Including			
Refunds of Employee Contributions	(399,415)	(399,415)	-
Administrative Expense	-	(4,343)	4,343
Net Changes	340,189	712,006	(371,817)
Balance - June 30, 2023	\$ 8,908,210	\$ 4,997,444	\$ 3,910,766

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 12 OPEB PLAN (CONTINUED)

D. Changes in the Net OPEB Liability (Continued)

Change of Assumptions

There were no changes of assumptions.

Change of Benefit Terms

There were no changes of benefit terms.

Subsequent Events

There were no changes of subsequent events.

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

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.25%) or 1-percentage point higher (7.25%) than the current discount rate.

	Discount Rate -1% (5.25%)	Current Discount Rate (6.25%)	Discount Rate +1% (7.25%)
Net OPEB Liability	\$ 5,087,077	\$ 3,910,766	\$ 2,933,255

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

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates:

	Trend Rate		
	1% Decrease	Current Trend	1% Increase
Net OPEB Liability	\$ 2,774,669	\$ 3,910,766	\$ 5,307,069

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 12 OPEB PLAN (CONTINUED)

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

For the year ended June 30, 2024, the City recognized OPEB expense of \$497,797. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contributions Subsequent to Measurement Date	\$ 822,132	\$ -
Differences Between Expected and Actual Experience	-	(73,089)
Changes in Assumptions	288,494	(324,533)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	<u>276,657</u>	<u>-</u>
Total	<u><u>\$ 1,387,283</u></u>	<u><u>\$ (397,622)</u></u>

The net difference between projected and actual earnings on plan investments is amortized over a five-year period. The differences between expected and actual experience and change in assumptions are amortized over the expected average remaining service life.

\$822,132 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ending June 30,	Deferred Outflows (Inflows) of Resources
2025	\$ 19,196
2026	2,750
2027	133,710
2028	(42,748)
2029	26,609
Thereafter	<u>28,012</u>
Total	<u><u>\$ 167,529</u></u>

F. Payable to the OPEB Plan

At June 30, 2024, the City had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2024.

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 13 DEFERRED COMPENSATION PLAN

The City has established a deferred compensation plan in accordance with the Internal Revenue Code (IRC) Section 457. This Plan is offered specifically for employees who are part-time, temporary, or seasonal. This Plan is also referred to as the 457 Part-Time, Temporary, and Seasonal (PTS) Plan. The primary purpose of this Plan is to provide retirement benefits comparable to the benefits these employees would receive under Social Security. A minimum contribution of 7.5% of an employee's gross salary is required under the 457 PTS Plan. The participant may elect to increase (up to the appropriate limits) his or her contributions above the minimum required 7.5% at any time. The City does not make any contribution to this Plan.

The 457 PTS Plan is administered through a third-party administrator. The Plan assets are held in a trust account for the sole benefit of the employees and their beneficiaries and have been excluded from the City's reported assets accordingly.

NOTE 14 COMMITMENTS AND CONTINGENCIES

A. Self-Insurance

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. The City established a self-insurance program, the Risk Management Fund, to account for and finance its uninsured risks of loss. Under this program, the Risk Management Fund provides coverage for up to a maximum of \$750,000 for each miscellaneous claim, \$1,000,000 for each safety workers' compensation claim, and \$500,000 for each general liability claim. The City purchases commercial insurance for claims in excess of coverage provided by the Risk Management Fund and for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three years. All funds of the City participate in the program and make payments to the Risk Management Fund based on actuarial estimates of amounts needed to pay claims.

The fund establishes claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and of claims that have been incurred but not reported. The City has accrued for its anticipated liability with respect to claims filed and claims incurred but not reported to the City as of yearend. The accruals are in the amounts of \$4,352,739 and \$1,852,256 for the workers' compensation claims and general liability claims, respectively, and are reported as accrued liabilities on the Statement of Net Position in the Risk Management Internal Services Fund.

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 14 COMMITMENTS AND CONTINGENCIES (CONTINUED)

A. Self-Insurance (Continued)

A reconciliation of changes in aggregate liabilities for claims for the current fiscal year and the prior fiscal year is as follows:

	Workers' Compensation	General Liability	Total
Amounts of Accrued Claims at June 30, 2022	\$ 4,892,545	\$ 1,867,930	\$ 6,760,475
Incurred Claims, Representing the Total of a Provision for Events of the Current Fiscal Year and Any Changes (Increase or Decrease) in the Provision for Events of Prior Fiscal Years	559,134	(24,520)	534,614
Payments on Claims Attributable to Events of Both the Current Fiscal Year and Prior Fiscal Years	<u>(1,001,623)</u>	<u>(64,523)</u>	<u>(1,066,146)</u>
Amounts of Accrued Claims at June 30, 2023	4,450,056	1,778,887	6,228,943
Incurred Claims, Representing the Total of a Provision for Events of the Current Fiscal Year and Any Changes (Increase or Decrease) in the Provision for Events of Prior Fiscal Years	872,294	236,631	1,108,925
Payments on Claims Attributable to Events of Both the Current Fiscal Year and Prior Fiscal Years	<u>(969,611)</u>	<u>(163,262)</u>	<u>(1,132,873)</u>
Amounts of Accrued Claims at June 30, 2024	<u><u>\$ 4,352,739</u></u>	<u><u>\$ 1,852,256</u></u>	<u><u>\$ 6,204,995</u></u>
Due Within One Year	\$ 834,028	\$ 867,788	\$ 1,701,816
Due in More Than One Year	3,518,711	984,468	4,503,179
Total	<u><u>\$ 4,352,739</u></u>	<u><u>\$ 1,852,256</u></u>	<u><u>\$ 6,204,995</u></u>

B. Litigation

There are several lawsuits pending against the City. According to the City's legal counsel, the outcome and eventual liability of the City, if any, in these cases is not known at this time. Management estimates that the potential claims against the City not covered by insurance or self-insurance reserves resulting from such litigation would not materially affect the financial statements of the City.

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 14 COMMITMENTS AND CONTINGENCIES (CONTINUED)

C. Contractual Commitments

The City has entered into contracts to purchase goods and services from various vendors/contractors. Payments will be payable upon future performance under these contracts. The following information shows the remaining costs for the contractual agreements as of June 30, 2024.

	Balance
Fund:	
General Fund	\$ 436,381
State Gas Tax Special Revenue Fund	912,845
Measure M Special Revenue Fund	1,291,242
General Capital Projects Fund	3,952,328
Nonmajor Governmental Funds	7,383,427
Water Fund	1,669,774
Sewer Fund	77,730
Refuse Fund	3,430,556
Nonmajor Enterprise Funds	162,049
Internal Service Funds	595,005
Total Contractual Commitments	\$ 19,911,337

D. Pollution Remediation Obligation

The City was named as a responsible party in the environmental remediation of a City-owned park. The property had been previously used as a refuse disposal site operated by the County of Orange, California (County), between 1949 and 1958. Prior to 1949, the park site was a burn dump operated by the City. As a result of these prior refuse disposal activities, several regulatory agencies have issued notices, orders and/or directives requiring the City to monitor methane gas emissions. In response to the regulatory agencies, the City has installed a methane monitoring system. The City estimates the cost to fully remediate the property to be \$4,800,000, which includes the preliminary design and construction of a permanent landfill “cap.”

The City anticipates spending approximately \$70,000 annually for an indeterminable period of time for environmental mitigation and monitoring obligations. Environmental monitoring costs relating to legal mandates such as regulatory agency orders, court orders or other affirmative legal obligations are included in the anticipated spending.

Measurement and Assumptions

The City measured the environmental liabilities for pollution remediation site using the Expected Cash Flow technique. The measurements are based on the current value of the outlays expected to be incurred. The cash flow scenarios include each component which can be reasonably estimated for outlays such as preliminary engineering and construction instead of ranges of all components.

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 14 COMMITMENTS AND CONTINGENCIES (CONTINUED)

D. Pollution Remediation Obligation (Continued)

Measurement and Assumptions (Continued)

Reasonable estimates of ranges of possible cash flows are limited from a single scenario to a few scenarios. Data used to develop the cash flow scenarios is obtained City staff. Changes to estimates will be made when new information becomes available and/or benchmarks in the estimated outlay change, such as the following:

- Receipt of an administrative order.
- Participation, as a responsible party or a potentially responsible party, in the site assessment or investigation.
- Completion of a corrective measures feasibility study.
- Issuance of an authorization to proceed.
- Remediation design and implementation, through and including operation and maintenance and post-remediation monitoring.
- Change in the remediation plan or operating conditions, including but not limited to type of equipment, facilities and services that will be used and price increases.
- Changes in technology.
- Changes in legal or regulatory requirements.

Recoveries

The City Council approved a settlement agreement with the County of Orange (the County) on November 21, 2005, related to the remediation of the property. Under the terms of the settlement agreement, dated November 30, 2005, the County has paid \$4,995,000 for the full cost of remediation and to provide funding for future ongoing maintenance costs. The settlement relieves the County of any further remediation obligation related to the methane gas emissions and obligates the City as the responsible party to respond to current and future orders, notices and directives from regulatory agencies. As of June 30, 2024, the City has expensed \$2,112,250 related to monitoring activities.

NOTE 15 SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

On December 29, 2011, the California Supreme Court upheld Assembly Bill X1 26 (the Bill) that provides for the dissolution of all redevelopment agencies in the state of California. This action impacted the reporting entity of the City of La Habra (City) that previously had reported a Redevelopment Agency within the reporting entity of the City as a blended component unit. The Bill provides that upon dissolution of a Redevelopment Agency, either the city or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. On January 12, 2012, the City Council elected to become the Successor Agency to the La Habra Redevelopment Agency (Successor Agency) in accordance with the Bill as part of the City resolution number 5508.

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 15 SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former Redevelopment Agency until all enforceable obligations of the prior Redevelopment Agency have been paid in full, and all assets have been liquidated. After the date of dissolution, the assets and activities of the dissolved redevelopment agreement are reported in a fiduciary fund (private purpose trust fund) in the financial statements of the City.

NOTE 16 ACCOUNTING CHANGES

Changes to or Within Financial Reporting Entity

Change in Fund Presentation from Major to Nonmajor

Child Development Special Revenue Fund previously did not meet the criteria to be reported as a major governmental fund. However, Effective July 1, 2023, the fund met the criteria to be reported as a major fund and is reported as a major governmental fund for fiscal year ended June 30, 2024. American Rescue Plan Act Special Revenue Fund previously met the criteria to be reported as a major governmental fund. However, effective July 1, 2023, the fund no longer met the criteria to be reported as a major fund and is reported as a nonmajor governmental fund for fiscal year ended June 30, 2024. The effect of these changes to or within the financial reporting entity is shown in the table below.

Removal of an Internal Service Fund

In 2024, the City removed the Employee Benefits Internal Service Fund and reported the related activities in the General Fund. The effect of that change to or within the financial reporting entity is shown in the table below.

Adjustments to Beginning Balances

During fiscal year 2024, changes to or within the financial reporting entity resulted in adjustments to beginning fund balance, as follows

	General	Child Development	ARPA Fund	Nonmajor Governmental Funds	Internal Service Funds
June 30, 2023, As Previously Reported	\$ 22,803,012	\$ -	\$ 11,198	\$ 6,088,818	\$ 7,958,158
Change in Fund Presentation from Nonmajor to Major	-	(529,822)	(11,198)	541,020	-
Removal of the Employee Benefits Internal Service Fund	1,824,348	-	-	-	(3,069)
July 1, 2023, As Adjusted	<u>\$ 24,627,360</u>	<u>\$ (529,822)</u>	<u>\$ -</u>	<u>\$ 6,629,838</u>	<u>\$ 7,955,089</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LA HABRA, CALIFORNIA
AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT MISCELLANEOUS PENSION PLAN
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN YEARS

Measurement Period	<u>FY 2022-23</u>	<u>FY 2021-22</u>	<u>FY 2020-21</u>	<u>FY 2019-20</u>	<u>FY 2018-19</u>
Total Pension Liability:					
Service Cost	\$ 2,442,073	\$ 2,410,554	\$ 2,185,732	\$ 2,167,928	\$ 2,087,182
Interest on the Total Pension Liability	9,628,836	9,225,819	8,948,358	8,633,125	8,203,581
Changes of Benefit Terms	240,367	-	-	-	-
Difference Between Actual and Expected Experience	575,791	(1,033,274)	(762,355)	905,019	(44,376)
Changes in Assumptions	-	4,318,216	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(7,037,088)	(6,217,851)	(5,733,685)	(5,543,836)	(4,913,250)
Net Change in Total Pension Liability	<u>5,849,979</u>	<u>8,703,464</u>	<u>4,638,050</u>	<u>6,162,236</u>	<u>5,333,137</u>
Total Pension Liability - Beginning	<u>141,029,696</u>	<u>132,326,232</u>	<u>127,688,182</u>	<u>121,525,946</u>	<u>116,192,809</u>
Total Pension Liability - Ending	146,879,675	141,029,696	132,326,232	127,688,182	121,525,946
Plan Fiduciary Net Position:					
Contributions - Employer	1,561,098	25,723,465	3,422,953	3,072,407	2,566,946
Contributions - Employee	1,004,911	1,000,529	964,294	958,478	937,306
Net Investment Income	7,735,688	(9,520,161)	21,811,330	4,637,068	5,883,832
Benefit Payments, Including Refunds of Employee Contributions	(7,037,088)	(6,217,851)	(5,733,685)	(5,543,836)	(4,913,250)
Plan to Plan Resource Movement	-	-	-	-	-
Administrative Expense	(93,703)	(72,581)	(96,042)	(131,320)	(63,326)
Other Miscellaneous Income (Expense)	-	-	-	-	205
Net Change in Plan Fiduciary Net Position	<u>3,170,906</u>	<u>10,913,401</u>	<u>20,368,850</u>	<u>2,992,797</u>	<u>4,411,713</u>
Plan Fiduciary Net Position - Beginning	<u>127,426,193</u>	<u>116,512,792</u>	<u>96,143,942</u>	<u>93,151,145</u>	<u>88,739,432</u>
Plan Fiduciary Net Position - Ending	<u>130,597,099</u>	<u>127,426,193</u>	<u>116,512,792</u>	<u>96,143,942</u>	<u>93,151,145</u>
Net Pension Liability - Ending	<u>\$ 16,282,576</u>	<u>\$ 13,603,503</u>	<u>\$ 15,813,440</u>	<u>\$ 31,544,240</u>	<u>\$ 28,374,801</u>
Fiduciary Net Position as a Percentage of the Total Pension Liability	88.91%	90.35%	88.05%	75.30%	76.65%
Covered Payroll	\$ 14,501,443	\$ 14,264,594	\$ 13,904,148	\$ 13,773,365	\$ 13,043,260
Net Pension Liability as a Percentage of Covered Payroll	112.28%	95.37%	113.73%	229.02%	217.54%

NOTES TO SCHEDULE

Benefit Changes

The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (aka Golden Handshakes) that occurred after the Valuation Date not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions

In 2019-2021, there were no changes. 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 2017, the discount rate was reduced from 7.65% to 7.15%. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5% discount rate. FY21-22, discount rate decreased from 7.15% to 6.9% and inflation rate decreased from 2.5% to 2.3%.

CITY OF LA HABRA, CALIFORNIA
AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT MISCELLANEOUS PENSION PLAN
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
(CONTINUED)
LAST TEN YEARS

Measurement Period	<u>FY 2017-18</u>	<u>FY 2016-17</u>	<u>FY 2015-16</u>	<u>FY 2014-15</u>	<u>FY 2013-14</u>
Total Pension Liability:					
Service Cost	\$ 2,227,994	\$ 2,219,809	\$ 1,962,288	\$ 1,868,111	\$ 1,961,553
Interest on the Total Pension Liability	7,831,360	7,492,882	7,156,766	6,783,896	6,385,852
Changes of Benefit Terms	-	-	-	-	-
Difference Between Actual and Expected Experience	(183,580)	(517,414)	103,775	682,560	-
Changes in Assumptions	(393,154)	6,591,774	-	(1,740,320)	-
Benefit Payments, Including Refunds of Employee Contributions	(4,564,114)	(4,248,078)	(3,910,126)	(3,947,397)	(3,471,077)
Net Change in Total Pension Liability	4,918,506	11,538,973	5,312,703	3,646,850	4,876,328
Total Pension Liability - Beginning	111,274,303	99,735,330	94,422,627	90,775,777	85,899,449
Total Pension Liability - Ending	116,192,809	111,274,303	99,735,330	94,422,627	90,775,777
Plan Fiduciary Net Position:					
Contributions - Employer	2,214,726	2,136,109	1,922,842	1,669,371	1,513,328
Contributions - Employee	985,232	858,098	914,124	892,674	860,073
Net Investment Income	7,060,817	8,508,652	388,841	1,708,919	11,556,149
Benefit Payments, Including Refunds of Employee Contributions	(4,564,114)	(4,248,078)	(3,910,126)	(3,947,397)	(3,471,077)
Plan to Plan Resource Movement	(205)	(49)	-	130	-
Administrative Expense	(129,991)	(112,619)	(46,933)	(86,653)	-
Other Miscellaneous Income (Expense)	(246,855)	-	-	-	-
Net Change in Plan Fiduciary Net Position	5,319,610	7,142,113	(731,252)	237,044	10,458,473
Plan Fiduciary Net Position - Beginning	83,419,822	76,277,709	77,008,961	76,771,917	66,313,444
Plan Fiduciary Net Position - Ending	88,739,432	83,419,822	76,277,709	77,008,961	76,771,917
Net Pension Liability - Ending	<u>\$ 27,453,377</u>	<u>\$ 27,854,481</u>	<u>\$ 23,457,621</u>	<u>\$ 17,413,666</u>	<u>\$ 14,003,860</u>
Fiduciary Net Position as a Percentage of the Total Pension Liability	76.37%	74.97%	76.48%	81.56%	84.57%
Covered Payroll	\$ 13,848,797	\$ 13,928,651	\$ 13,577,030	\$ 12,416,819	\$ 12,471,730
Net Pension Liability as a Percentage of Covered Payroll	198.24%	199.98%	172.77%	140.24%	112.28%

**CITY OF LA HABRA, CALIFORNIA
AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT MISCELLANEOUS PENSION PLAN
SCHEDULE OF CONTRIBUTION
LAST TEN YEARS**

	Fiscal Year Ended				
	2024	2023	2022	2021	2020
Actuarially Determined Contribution	\$ 1,625,084	\$ 1,545,600	\$ 3,824,517	\$ 3,422,953	\$ 3,072,872
Contributions in Relation to the Actuarially Determined Contributions	(1,625,084)	(1,545,600)	(25,723,465)	(3,422,953)	(3,072,872)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (21,898,948)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 15,041,136	\$ 14,501,443	\$ 14,264,594	\$ 13,904,148	\$ 13,773,365
Contributions as a Percentage of Covered Payroll	10.80%	10.66%	180.33%	24.62%	22.31%
Notes to Schedule:					
Valuation Date:	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Methods and Assumptions Used to Determine Contribution Rates:					
Actuarial Cost Method:	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method/Period:	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method:	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation:	2.300 %	2.500 %	2.500 %	2.500 %	2.625 %
Salary Increases:	Varies by Entry Age and Service	Varies by Entry Age and Service	Varies by Entry Age and Service	Varies by Entry Age and Service	Varies by Entry Age and Service
Payroll Growth:	2.800 %	2.750 %	2.750 %	2.750 %	2.875 %
Investment Rate of Return:	6.800 %	7.000 %	7.000 %	7.000 %	7.250 %
Postretirement Mortality:	(2)	(2)	(2)	(2)	(2)

- (1) Commencing with the June 30, 2013 valuation, all new gains or losses are tracked and amortized over a fixed 30-year period with a five-year ramp up at the beginning and a five-year ramp down at the end of the amortization period. All changes in liability due to plan amendments are amortized over a 20-year period with no ramp. Changes in actuarial assumptions, or changes in actuarial methodology are amortized over a 20-year period with a five-year ramp up at the beginning and a five-year ramp down at the end of the amortization period. Changes in unfunded accrued liability due to a Golden Handshake will be amortized over a period of five years.
- (2) The postretirement mortality rates include 20 years of projected ongoing mortality improvement using Scale BB published by the Society of Actuaries.

**CITY OF LA HABRA, CALIFORNIA
AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT MISCELLANEOUS PENSION PLAN
SCHEDULE OF CONTRIBUTION (CONTINUED)
LAST TEN YEARS**

	Fiscal Year Ended				
	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 2,567,072	\$ 2,214,726	\$ 2,136,109	\$ 1,922,842	\$ 1,669,371
Contributions in Relation to the Actuarially Determined Contributions	<u>(2,567,072)</u>	<u>(2,214,726)</u>	<u>(2,136,109)</u>	<u>(1,922,842)</u>	<u>(1,669,371)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 13,043,260	\$ 13,848,797	\$ 13,928,651	\$ 13,577,030	\$ 12,416,819
Contributions as a Percentage of Covered Payroll	19.68%	15.99%	15.34%	14.16%	13.44%
Notes to Schedule:					
Valuation Date:	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
Methods and Assumptions Used to Determine Contribution Rates:					
Actuarial Cost Method:	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method/Period:	(1)	(1)	(1)	(1)	Level Percent of Payroll, Closed
Asset Valuation Method:	Fair Value	Fair Value	Fair Value	Fair Value	Actuarial Value of Assets
Inflation:	2.750 %	2.750 %	2.750 %	2.750 %	2.750 %
Salary Increases:	Varies by Entry Age and Service	Varies by Entry Age and Service	Varies by Entry Age and Service	Varies by Entry Age and Service	Varies by Entry Age and Service
Payroll Growth:	3.000 %	3.000 %	3.000 %	3.000 %	3.000 %
Investment Rate of Return:	7.375 %	7.500 %	7.500 %	7.500 %	7.500 %
Postretirement Mortality:	(2)	(2)	(2)	(2)	(2)

**CITY OF LA HABRA, CALIFORNIA
 COST SHARING DEFINED BENEFIT SAFETY PENSION PLANS
 SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 LAST TEN YEARS**

Measurement Period	FY 2022-23	FY 2021-22	FY 2020-21	FY 2019-20	FY 2018-19
Proportion of the Net Pension Liability	0.25767 %	0.31859 %	0.78614 %	0.54856 %	0.54243 %
Proportionate Share of the Net Pension Liability	\$ 19,260,797	\$ 21,892,206	\$ 42,516,636	\$ 59,686,198	\$ 55,583,496
Covered Payroll	\$ 9,839,512	\$ 8,910,843	\$ 8,137,146	\$ 8,130,979	\$ 7,933,244
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	195.75%	245.68%	522.50%	734.06%	700.64%
Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	90.47 %	76.68 %	88.29 %	75.10 %	75.26 %

NOTES TO SCHEDULE

Benefit Changes

There were no changes in benefits.

Changes of Assumptions

In 2019-2021, there were no changes. 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 2017, the discount rate was reduced from 7.65% to 7.15%. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5% discount rate. In FY21-22, discount rate decreased from 7.15% to 6.9% and inflation rate decreased from 2.5% to 2.3%.

**CITY OF LA HABRA, CALIFORNIA
 COST SHARING DEFINED BENEFIT SAFETY PENSION PLANS
 SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 (CONTINUED)
 LAST TEN YEARS**

Measurement Period	<u>FY 2017-18</u>	<u>FY 2016-17</u>	<u>FY 2015-16</u>	<u>FY 2014-15</u>	<u>FY 2013-14</u>
Proportion of the Net Pension Liability	0.54096 %	0.51947 %	0.52795 %	0.53847 %	0.51061 %
Proportionate Share of the Net Pension Liability	\$ 52,128,243	\$ 51,517,222	\$ 45,683,585	\$ 36,959,834	\$ 31,772,178
Covered Payroll	\$ 8,300,113	\$ 8,702,118	\$ 8,142,184	\$ 7,158,033	\$ 7,158,591
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	628.04%	592.01%	561.07%	516.34%	443.83%
Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	75.26 %	73.31 %	74.06 %	78.40 %	77.63 %

**CITY OF LA HABRA, CALIFORNIA
COST SHARING DEFINED BENEFIT SAFETY PENSION PLANS
SCHEDULE OF CONTRIBUTION
LAST TEN YEARS**

	Fiscal Year Ended				
	2024	2023	2022	2021	2020
Actuarially Determined Contribution	\$ 1,860,087	\$ 1,888,335	\$ 5,822,810	\$ 5,242,147	\$ 4,815,194
Contributions in Relation to the Actuarially Determined Contributions	<u>(1,860,087)</u>	<u>(1,888,335)</u>	<u>(55,841,539)</u>	<u>(5,242,147)</u>	<u>(4,815,194)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (50,018,729)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 9,378,387	\$ 9,839,512	\$ 8,910,843	\$ 8,137,146	\$ 8,130,979
Contributions as a Percentage of Covered Payroll	19.83%	19.19%	626.67%	64.42%	59.22%
Notes to Schedule:					
Valuation Date:	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Methods and Assumptions Used to Determine Contribution Rates:					
Actuarial Cost Method:	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method/Period:	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method:	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation:	2.300 %	2.500 %	2.500 %	2.500 %	2.625 %
Salary Increases:	Varies by Entry Age and Service	Varies by Entry Age and Service	Varies by Entry Age and Service	Varies by Entry Age and Service	Varies by Entry Age and Service
Payroll Growth:	2.800 %	2.750 %	2.750 %	2.750 %	2.875 %
Investment Rate of Return:	6.800 %	7.000 %	7.000 %	7.000 %	7.250 %
Postretirement Mortality:	(2)	(2)	(2)	(2)	(2)

(1) Commencing with the June 30, 2013 valuation, all new gains or losses are tracked and amortized over a fixed 30-year period with a five-year ramp up at the beginning and a five-year ramp down at the end of the amortization period. All changes in liability due to plan amendments are amortized over a 20-year period with no ramp. Changes in actuarial assumptions, or changes in actuarial methodology are amortized over a 20-year period with a five-year ramp up at the beginning and a five-year ramp down at the end of the amortization period. Changes in unfunded accrued liability due to a Golden Handshake will be amortized over a period of five years.

(2) The postretirement mortality rates include 20 years of projected ongoing mortality improvement using Scale BB published by the Society of Actuaries.

**CITY OF LA HABRA, CALIFORNIA
COST SHARING DEFINED BENEFIT SAFETY PENSION PLANS
SCHEDULE OF CONTRIBUTION (CONTINUED)
LAST TEN YEARS**

	Fiscal Year Ended				
	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 4,161,228	\$ 3,576,391	\$ 3,296,710	\$ 2,950,460	\$ 2,058,944
Contributions in Relation to the Actuarially Determined Contributions	<u>(4,161,228)</u>	<u>(3,576,391)</u>	<u>(3,296,710)</u>	<u>(2,950,460)</u>	<u>(2,058,944)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 7,933,244	\$ 8,300,113	\$ 8,702,118	\$ 8,142,184	\$ 7,158,033
Contributions as a Percentage of Covered Payroll	52.45%	43.09%	37.88%	36.24%	28.76%
Notes to Schedule:					
Valuation Date:	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
Methods and Assumptions Used to Determine Contribution Rates:					
Actuarial Cost Method:	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method/Period:	(1)	(1)	(1)	(1)	Level Percent of Payroll, Closed
Asset Valuation Method:	Fair Value	Fair Value	Fair Value	Fair Value	Actuarial Value of Assets
Inflation:	2.750 %	2.750 %	2.750 %	2.750 %	2.750 %
Salary Increases:	Varies by Entry Age and Service	Varies by Entry Age and Service	Varies by Entry Age and Service	Varies by Entry Age and Service	Varies by Entry Age and Service
Payroll Growth:	3.000 %	3.000 %	3.000 %	3.000 %	3.000 %
Investment Rate of Return:	7.375 %	7.500 %	7.500 %	7.500 %	7.500 %
Postretirement Mortality:	(2)	(2)	(2)	(2)	(2)

CITY OF LA HABRA, CALIFORNIA
AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT POSTEMPLOYMENT HEALTHCARE PLAN
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
LAST TEN YEARS*

Measurement Period	FY 2022-23	FY 2021-22	FY 2020-21	FY 2019-20
Total OPEB Liability:				
Service Cost	\$ 203,845	\$ 271,595	\$ 249,210	\$ 237,727
Interest on the Total OPEB Liability	535,759	540,445	515,250	479,503
Changes of Benefit Terms	-	-	-	-
Difference Between Actual and Expected Experience	-	(2,163)	-	(77,850)
Changes in Assumptions	-	(100,061)	248,320	195,027
Benefit Payments, Including Refunds	(399,415)	(369,467)	(338,458)	(294,149)
Net Change in Total OPEB Liability	340,189	340,349	674,322	540,258
Total OPEB Liability - Beginning	8,568,021	8,227,672	7,553,350	7,013,092
Total OPEB Liability - Ending	8,908,210	8,568,021	8,227,672	7,553,350
Plan Fiduciary Net Position:				
Contributions - Employer	838,917	815,587	754,436	710,296
Contributions - Employee	-	-	-	-
Net Investment Income	276,847	(593,925)	867,794	96,384
Benefit Payments, Including Refunds	(399,415)	(369,467)	(338,458)	(294,149)
Administrative Expense	(4,343)	(3,440)	(3,173)	(3,441)
Net Change in Plan Fiduciary Net Position	712,006	(151,245)	1,280,599	509,090
Plan Fiduciary Net Position - Beginning	4,285,438	4,436,683	3,156,084	2,646,994
Plan Fiduciary Net Position - Ending	4,997,444	4,285,438	4,436,683	3,156,084
Net OPEB Liability - Ending	<u>\$ 3,910,766</u>	<u>\$ 4,282,583</u>	<u>\$ 3,790,989</u>	<u>\$ 4,397,266</u>
Fiduciary Net Position as a Percentage of the Total OPEB Liability	56.10%	50.02%	53.92%	41.78%
Covered Employee Payroll	\$ 23,506,997	\$ 23,175,437	\$ 22,048,538	\$ 21,968,030
Net Pension Liability as a Percentage of Covered Payroll	16.64%	18.48%	17.19%	20.02%

* Additional years will be presented as they become available.

NOTES TO SCHEDULE

Benefit Changes: There were no changes in benefits.

Changes of Assumptions

Measurement Period FY 17-18

- Demographic assumptions were updated to CalPERS 1997-2015 Experience Study
- Mortality improvement scale was updated to Scale MP-2018
- Medical claims costs were developed by Axene Health Partners based on demographic data for CalPERS health plans provided by CalPERS and Axena's proprietary AHP Cost Model
- A 2% load on the cash liability was added to estimate the ACA Excise Tax

Measurement Period FY 2020-21, discount rate lowered from 6.75% to 6.50% based on updated capital market assumptions.

Measurement Period FY 2021-22

- Discount rate was lowered from 6.50% to 6.25%
- General inflation, payroll increases, termination, and disability were updated
- Updated to CalPERS 2000-2019 Experience Study
- Medical Trend rates were updates
- PEMHCA Minimum increases lowered to 3.50% increase per year
- Mortality improvement scale was updated to Scale MP-2021

CITY OF LA HABRA, CALIFORNIA
AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT POSTEMPLOYMENT HEALTHCARE PLAN
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS (CONTINUED)
LAST TEN YEARS*

Measurement Period	<u>FY 2018-19</u>	<u>FY 2017-18</u>	<u>FY 2016-17</u>
Total OPEB Liability:			
Service Cost	\$ 230,803	\$ 200,241	\$ 194,000
Interest on the Total OPEB Liability	451,493	468,398	445,000
Changes of Benefit Terms	-	-	-
Difference Between Actual and Expected Experience	-	(63,237)	-
Changes in Assumptions	-	(612,224)	-
Benefit Payments, Including Refunds	<u>(254,381)</u>	<u>(294,001)</u>	<u>(281,000)</u>
Net Change in Total OPEB Liability	427,915	(300,823)	358,000
Total OPEB Liability - Beginning	<u>6,585,177</u>	<u>6,886,000</u>	<u>6,528,000</u>
Total OPEB Liability - Ending	7,013,092	6,585,177	6,886,000
Plan Fiduciary Net Position:			
Contributions - Employer	692,132	726,001	724,000
Contributions - Employee	-	-	-
Net Investment Income	128,601	116,706	105,000
Benefit Payments, Including Refunds	(254,381)	(294,001)	(281,000)
Administrative Expense	<u>(2,197)</u>	<u>(2,867)</u>	<u>(1,000)</u>
Net Change in Plan Fiduciary Net Position	564,155	545,839	547,000
Plan Fiduciary Net Position - Beginning	<u>2,082,839</u>	<u>1,537,000</u>	<u>990,000</u>
Plan Fiduciary Net Position - Ending	<u>2,646,994</u>	<u>2,082,839</u>	<u>1,537,000</u>
Net OPEB Liability - Ending	<u><u>\$ 4,366,098</u></u>	<u><u>\$ 4,502,338</u></u>	<u><u>\$ 5,349,000</u></u>
Fiduciary Net Position as a Percentage of the Total OPEB Liability	37.74%	31.63%	22.32%
Covered Employee Payroll	\$ 20,719,346	\$ 22,331,468	\$ 23,756,220
Net Pension Liability as a Percentage of Covered Payroll	21.07%	20.16%	22.52%

**CITY OF LA HABRA, CALIFORNIA
AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT POSTEMPLOYMENT HEALTHCARE PLAN
SCHEDULE OF CONTRIBUTION
LAST TEN YEARS***

	Fiscal Year Ended			
	2024	2023	2022	2021
Actuarially Determined Contribution	\$ 821,984	\$ 842,858	\$ 817,921	\$ 793,552
Contributions in Relation to the Actuarially Determined Contributions	(822,132)	(838,917)	(815,587)	(754,436)
Contribution Deficiency (Excess)	<u>\$ (148)</u>	<u>\$ 3,941</u>	<u>\$ 2,334</u>	<u>\$ 39,116</u>
Covered Employee Payroll	\$ 26,006,247	\$ 23,506,997	\$ 23,175,437	\$ 22,048,538
Contributions as a Percentage of Covered Employee Payroll	3.16%	3.57%	3.52%	3.42%
Notes to Schedule:				
Valuation Date:	6/30/2022	6/30/2020	6/30/2020	6/30/2020
Methods and Assumptions Used to Determine Contribution Rates:				
Actuarial Cost Method:	Entry Age Level Percentage of Payroll	Entry Age Level Percentage of Payroll	Entry Age Level Percentage of Payroll	Entry Age Level Percentage of Payroll
Amortization Method:	Level Percent of Pay	Level Percent of Pay	Level Percent of Pay	Level Percent of Pay
Asset Valuation Method:	Fair Value; No Smoothing	Fair Value; No Smoothing	Fair Value; No Smoothing	Fair Value; No Smoothing
Inflation:	2.50 %	2.75 %	2.75 %	2.75 %
Salary Increases:	3.00% Per Annum, in Aggregate	3.00% Per Annum, in Aggregate	3.00% Per Annum, in Aggregate	3.00% Per Annum, in Aggregate
Investment Rate of Return:	6.25 %	6.50 %	6.75 %	6.75 %
Healthcare Cost Trend Rates:	(3)	(2)	(2)	(2)
Mortality:	CalPERS 2000-2019 Experience Study	CalPERS 1997-2015 Experience Study	CalPERS 1997-2015 Experience Study	CalPERS 1997-2015 Experience Study

* Additional years will be presented as they become available.

- (1) Non-Medicare – 7.5% for 2020 and Medicare – 6.5% for 2020, all decreasing to an ultimate rate of 4.0% in 2076.
- (2) Non-Medicare – 7% for 2022; Medicare (Non-Kaiser) – 6.1% for 2022, Medicare (Kaiser) – 5% for 2022, all decreasing to an ultimate rate of 4% in 2076.
- (3) Non-Medicare – 8.50% for 2024, Medicare (Non-Kaiser) – 7.50% for 2024; Medicare (Kaiser) – 6.25% for 2024, all decreasing to an ultimate rate of 3.45% in 2076.

**CITY OF LA HABRA, CALIFORNIA
AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT POSTEMPLOYMENT HEALTHCARE PLAN
SCHEDULE OF CONTRIBUTION (CONTINUED)
LAST TEN YEARS***

	Fiscal Year Ended		
	2020	2019	2018
Actuarially Determined Contribution	\$ 1,613,000	\$ 721,911	\$ 736,000
Contributions in Relation to the Actuarially Determined Contributions	(710,296)	(692,132)	(726,000)
Contribution Deficiency (Excess)	<u>\$ 902,704</u>	<u>\$ 29,779</u>	<u>\$ 10,000</u>
 Covered Employee Payroll	 \$ 21,968,030	 \$ 20,719,346	 \$ 22,331,468
 Contributions as a Percentage of Covered Employee Payroll	 3.23%	 3.34%	 3.25%
Notes to Schedule:			
Valuation Date:	6/30/2018	6/30/2018	6/30/2016
Methods and Assumptions Used to Determine Contribution Rates:			
Actuarial Cost Method:	Entry Age Level Percentage of Payroll	Entry Age Level Percentage of Payroll	Entry Age Level Percentage of Payroll
Amortization Method:	Level Percent of Pay	Level Percent of Pay	Level Percent of Pay
Asset Valuation Method:	Fair Value; No Smoothing	Fair Value; No Smoothing	Fair Value; No Smoothing
Inflation:	2.75 %	2.75 %	2.75 %
Salary Increases:	3.00% Per Annum, in Aggregate	3.00% Per Annum, in Aggregate	3.00% Per Annum, in Aggregate
Investment Rate of Return:	6.75 %	6.75 %	6.75 %
Healthcare Cost Trend Rates:	(1)	(1)	(1)
Mortality:	CalPERS 1997-2015 Experience Study	CalPERS 1997-2015 Experience Study	CalPERS 1997-2011 Experience Study

**CITY OF LA HABRA, CALIFORNIA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes and Special Assessments	\$ 23,098,423	\$ 23,098,423	\$ 23,640,653	\$ 542,230
Sales and Use Tax	14,722,000	14,722,000	13,853,575	(868,425)
Transaction and Use Tax	7,733,000	7,733,000	7,610,758	(122,242)
Franchise Tax	2,301,500	2,301,500	2,580,172	278,672
Intergovernmental	-	-	77,548	77,548
Licenses and Permits	1,583,200	1,583,200	2,508,789	925,589
Charges for Services	5,020,538	5,020,538	7,212,156	2,191,618
Fines, Forfeitures, and Penalties	1,177,000	1,177,000	1,112,306	(64,694)
Use of Money and Property	2,812,696	2,812,696	4,296,625	1,483,929
Other Revenues	20,900	20,900	93,955	73,055
Total Revenues	<u>58,469,257</u>	<u>58,469,257</u>	<u>62,986,537</u>	<u>4,517,280</u>
EXPENDITURES				
Current:				
General Government	4,295,969	4,216,904	3,631,407	585,497
Public Safety	39,220,405	36,575,843	33,422,816	3,153,027
Public Works	6,122,079	5,986,166	6,033,607	(47,441)
Community Services	4,660,037	4,523,619	4,808,573	(284,954)
Community Development	2,921,289	2,789,727	2,822,360	(32,633)
Capital Outlay	-	-	82,096	(82,096)
Total Expenditures	<u>57,219,779</u>	<u>54,092,259</u>	<u>50,800,859</u>	<u>3,291,400</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,249,478	4,376,998	12,185,678	7,808,680
OTHER FINANCIAL SOURCES (USES)				
Transfers Out	(1,252,478)	(4,459,998)	(5,659,998)	(1,200,000)
Proceeds from Sale of Capital Assets	3,000	3,000	-	(3,000)
Total Other Financing Sources (Uses)	<u>(1,249,478)</u>	<u>(4,456,998)</u>	<u>(5,659,998)</u>	<u>(1,203,000)</u>
NET CHANGE IN FUND BALANCE	-	(80,000)	6,525,680	6,605,680
Fund Balances - Beginning of Year, As Adjusted	<u>24,627,360</u>	<u>24,627,360</u>	<u>24,627,360</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 24,627,360</u></u>	<u><u>\$ 24,547,360</u></u>	<u><u>\$ 31,153,040</u></u>	<u><u>\$ 6,605,680</u></u>

See accompanying Note to Required Supplementary Information.

**CITY OF LA HABRA, CALIFORNIA
STATE GAS TAX SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 3,347,952	\$ 3,347,952	\$ 3,359,059	\$ 11,107
Use of Money and Property	63,300	63,300	370,578	307,278
Total Revenues	<u>3,411,252</u>	<u>3,411,252</u>	<u>3,729,637</u>	<u>318,385</u>
EXPENDITURES				
Current:				
Public Works	919,241	919,241	443,087	476,154
Capital Outlay	<u>10,286,578</u>	<u>10,286,578</u>	<u>1,641,006</u>	<u>8,645,572</u>
Total Expenditures	<u>11,205,819</u>	<u>11,205,819</u>	<u>2,084,093</u>	<u>9,121,726</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(7,794,567)	(7,794,567)	1,645,544	9,440,111
OTHER FINANCIAL SOURCES (USES)				
Transfers Out	-	-	(73,153)	(73,153)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(73,153)</u>	<u>(73,153)</u>
NET CHANGE IN FUND BALANCE	(7,794,567)	(7,794,567)	1,572,391	9,366,958
Fund Balance - Beginning of Year	<u>8,522,031</u>	<u>8,522,031</u>	<u>8,522,031</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 727,464</u>	<u>\$ 727,464</u>	<u>\$ 10,094,422</u>	<u>\$ 9,366,958</u>

See accompanying Note to Required Supplementary Information.

**CITY OF LA HABRA, CALIFORNIA
MEASURE M SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
REVENUES				
Intergovernmental	\$ 3,974,431	\$ 3,974,431	\$ 2,759,353	\$ (1,215,078)
Use of Money and Property	29,100	29,100	111,764	82,664
Total Revenues	<u>4,003,531</u>	<u>4,003,531</u>	<u>2,871,117</u>	<u>(1,132,414)</u>
EXPENDITURES				
Current:				
Public Works	2,564,720	2,564,720	615,412	1,949,308
Capital Outlay	3,117,285	3,117,285	41,689	3,075,596
Total Expenditures	<u>5,682,005</u>	<u>5,682,005</u>	<u>657,101</u>	<u>5,024,904</u>
NET CHANGE IN FUND BALANCE	(1,678,474)	(1,678,474)	2,214,016	3,892,490
Fund Balance (Deficit) - Beginning of Year	<u>(1,773,869)</u>	<u>(1,773,869)</u>	<u>(1,773,869)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u><u>\$ (3,452,343)</u></u>	<u><u>\$ (3,452,343)</u></u>	<u><u>\$ 440,147</u></u>	<u><u>\$ 3,892,490</u></u>

See accompanying Note to Required Supplementary Information.

**CITY OF LA HABRA, CALIFORNIA
CHILD DEVELOPMENT SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2024**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Intergovernmental	\$ 6,470,513	\$ 6,284,767	\$ (185,746)
Charges for Services	125,000	-	(125,000)
Use of Money and Property	-	81,699	81,699
Total Revenues	<u>6,595,513</u>	<u>6,366,466</u>	<u>(229,047)</u>
EXPENDITURES			
Current:			
Community Services	6,595,513	5,849,106	746,407
Capital Outlay	-	711,341	(711,341)
Total Expenditures	<u>6,595,513</u>	<u>6,560,447</u>	<u>35,066</u>
NET CHANGE IN FUND BALANCE	-	(193,981)	(193,981)
Fund Balance - Beginning of Year	<u>(529,822)</u>	<u>(529,822)</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ (529,822)</u></u>	<u><u>\$ (723,803)</u></u>	<u><u>\$ (193,981)</u></u>

See accompanying Note to Required Supplementary Information.

**CITY OF LA HABRA, CALIFORNIA
 NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
 JUNE 30, 2024**

NOTE 1 BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets are adopted on a substantially modified accrual basis of accounting for all governmental funds except for Coyote Creek Channel Improvement Special Revenue Fund, and Public Art Special Revenue Fund. All annual appropriations lapse at fiscal year-end.

The appropriated budget is prepared by fund, function, and department. The government's department head, with approval of the Finance Director and City Manager, may make transfers of appropriations within a department. Transfers of appropriations between departments within a fund must be approved by the City Manager. Transfers between funds must be approved by the City Council; therefore, the legal level of budgetary control is at the fund level. The Council made several supplemental budgetary appropriations throughout the year. Certain types of transfers between funds are approved by the City Council in the budget resolution. The amounts of these transfers are typically unknown until the year-end therefore not included in the final budget.

Encumbrances accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as restricted, committed, or assigned fund balances and do not constitute expenditures or liabilities, because the commitments will be reappropriated and honored during the subsequent year.

Excess of Expenditures Over Appropriations

Fund	Amount Over Budget
Other State Grants Special Revenue Fund	\$ 790,801
PEG Special Revenue Fund	1,802

SUPPLEMENTARY INFORMATION

**CITY OF LA HABRA, CALIFORNIA
GENERAL CAPITAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2024**

	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ -	\$ 251,131	\$ 251,131
Use of Money and Property	-	321,498	321,498
Total Revenues	<u>-</u>	<u>572,629</u>	<u>572,629</u>
EXPENDITURES			
Current:			
Public Works	2,170,115	1,203,028	967,087
Capital Outlay	3,341,237	1,715,629	1,625,608
Total Expenditures	<u>5,511,352</u>	<u>2,918,657</u>	<u>2,592,695</u>
NET CHANGE IN FUND BALANCE	(5,511,352)	(2,346,028)	3,165,324
Fund Balance - Beginning of Year	<u>10,764,191</u>	<u>10,764,191</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 5,252,839</u></u>	<u><u>\$ 8,418,163</u></u>	<u><u>\$ 3,165,324</u></u>

NONMAJOR GOVERNMENTAL FUNDS

**CITY OF LA HABRA, CALIFORNIA
NONMAJOR GOVERNMENTAL FUNDS**

SPECIAL REVENUE FUNDS

Park and Capital Development Fund

This fund accounts for revenue derived from fees paid on all construction in the City pursuant to City Ordinance Nos. 950 and 1053. Expenditure of monies derived from residential construction is restricted to development and acquisition of parks and recreation facilities. Remaining resources are designated for capital projects to improve the community environment.

Air Quality Improvement Fund

This fund accounts for the implementation of Local Ordinance No. 14081 and California AB2766. Revenue consists of the City's pre-capita share of the new SCAQMD vehicle registration surcharge. Expenditures may be made only for mobile source emission reduction programs.

Law Enforcement Fund

The Law Enforcement Fund accounts for revenue received and expenditures made for the various federal, state, and local police grants such as asset seizure, Citizens' Option for Public Safety Program, etc.

Housing and Community Development Fund

The Housing and Community Development Fund accounts for revenue received and expenditures spent for the community development and housing. As an entitlement jurisdiction, these activities are financed by grants received through the U.S. Department of Housing and Urban Development Block Grant Program.

Employment and Training Fund

This fund accounts for activities of various federal grant programs, including Workforce Investment Act, Temporary Aid to Needy Families and Welfare to Work. Under contract with the County of Orange, the City provided employment and training services to youth, adults and older workers in the northern part of Orange County and surrounding areas. The City has been an active provider of federally funded work-related services since 1972.

Public Safety Augmentation Fund

The Public Safety Augmentation Fund accounts for the additional one-half cent sales tax to be used for public safety expenditures.

Other Federal Grants Fund

The Other Federal Grants Fund accounts for revenue received and expenditures made for the various miscellaneous federal grants.

Other State Grants Fund

The Other State Grants Fund accounts for revenue received and expenditures made for the various miscellaneous California State grants including traffic offender fees.

Traffic Improvement Fund

The Traffic Improvement Fund accounts for fees collected from developers to pay for projects that mitigate the cumulative effect of the traffic created by these projects on the City's transportation system.

**CITY OF LA HABRA, CALIFORNIA
NONMAJOR GOVERNMENTAL FUNDS**

SPECIAL REVENUE FUNDS (CONTINUED)

General Plan Update Fund

The General Plan Update Fund accounts for fees imposed on developers to be used to recover costs associated with preparation of City's general plan.

Public Art Fund

The Public Art Fund accounts for receipts and expenditures from fees imposed on developers to provide for public art elements on site improvements.

SB2 Permanent Local Housing Fund

The SB2 Permanent Local Housing Fund accounts for revenues and expenditures relating to the Senate Bill 2 fees imposed on real estate transactions by the state to provide for permanent local housing activities.

Public, Education, and Government (PEG) Fund

The PEG Fund accounts for Public, Educational, and Government access fees collected by service providers through franchise agreements with the City. These fees pay for capital equipment and projects that provide for the continuation of PEG programming.

American Rescue Plan Act (ARPA) Special Revenue Fund

The ARPA Fund accounts for receipts and expenditures from the American Rescue Plan Act made available to state and local governments by the federal government to navigate the impact of the COVID-19 outbreak.

DEBT SERVICE FUND

Other Debt Service Fund

To account for the accumulation of resources for, and the payment of, indebtedness of the City, excluding debt accounted for as proprietary fund debt. The debt service is financed through general city revenue.

CAPITAL PROJECTS FUND

Low and Moderate Income Housing Assets Fund

The Low and Moderate Income Housing Assets Fund, also known as Housing Successor, accounts for the housing assets which represent the former 20% set-aside of the tax allocations to the former Redevelopment Agency. This fund has been created after the dissolution of the former Redevelopment Agency in February 2012 pursuant to the California Health and Safety Code Section 34176. This fund must be used for the purpose of increasing or improvement of the community's supply of low and moderate income housing.

**CITY OF LA HABRA, CALIFORNIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024**

	Special Revenue Funds		
	Park and Capital Development	Air Quality Improvement	Law Enforcement
ASSETS			
Cash and Investments	\$ 1,756,508	\$ 345,887	\$ 1,147,860
Accounts Receivable	156	3,973	-
Interest Receivable	25,208	2,479	-
Prepaid Items	-	-	-
Due from Other Funds	-	-	-
Due from Other Governments	1,721,736	59,797	480,671
Loans Receivable	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 3,503,608</u>	<u>\$ 412,136</u>	<u>\$ 1,628,531</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 1,248,686	\$ 14,251	\$ 4,880
Accrued Liabilities	179,142	-	57,435
Due to Other Funds	-	-	-
Unearned Revenues	-	-	583,819
Total Liabilities	<u>1,427,828</u>	<u>14,251</u>	<u>646,134</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenues	121,736	47,145	183,189
Total Deferred Inflows of Resources	<u>121,736</u>	<u>47,145</u>	<u>183,189</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	1,954,044	350,740	799,208
Unassigned	-	-	-
Total Fund Balances	<u>1,954,044</u>	<u>350,740</u>	<u>799,208</u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3,503,608</u>	<u>\$ 412,136</u>	<u>\$ 1,628,531</u>

**CITY OF LA HABRA, CALIFORNIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2024**

	Special Revenue Funds			
	Housing and Community Development	Employment and Training	Public Safety Augmentation	Other Federal Grants
ASSETS				
Cash and Investments	\$ -	\$ -	\$ 695,011	\$ 353,013
Accounts Receivable	-	-	-	-
Interest Receivable	-	-	5,831	-
Prepaid Items	1,739	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Governments	683,031	832,690	28,041	45,320
Loans Receivable	395,901	-	-	-
	<u>395,901</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 1,080,671</u>	<u>\$ 832,690</u>	<u>\$ 728,883</u>	<u>\$ 398,333</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 62,515	\$ 206,474	\$ -	\$ 402,735
Accrued Liabilities	54,571	55,680	-	24,995
Due to Other Funds	213,410	435,290	-	-
Unearned Revenues	117,051	-	-	-
Total Liabilities	<u>447,547</u>	<u>697,444</u>	<u>-</u>	<u>427,730</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	395,901	597,722	-	45,320
Total Deferred Inflows of Resources	<u>395,901</u>	<u>597,722</u>	<u>-</u>	<u>45,320</u>
FUND BALANCES				
Nonspendable	1,739	-	-	-
Restricted	235,484	-	728,883	-
Unassigned	-	(462,476)	-	(74,717)
Total Fund Balances	<u>237,223</u>	<u>(462,476)</u>	<u>728,883</u>	<u>(74,717)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,080,671</u>	<u>\$ 832,690</u>	<u>\$ 728,883</u>	<u>\$ 398,333</u>

**CITY OF LA HABRA, CALIFORNIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2024**

	Special Revenue Funds			
	Other State Grants	Traffic Improvements	General Plan Update	Public Art
ASSETS				
Cash and Investments	\$ -	\$ 488,992	\$ 1,423,206	\$ 297,434
Accounts Receivable	906	218	3,891	-
Interest Receivable	1,198	3,465	9,976	2,110
Prepaid Items	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Governments	1,138,132	-	-	-
Loans Receivable	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 1,140,236</u>	<u>\$ 492,675</u>	<u>\$ 1,437,073</u>	<u>\$ 299,544</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 748,775	\$ 79,697	\$ 73	\$ -
Accrued Liabilities	37,500	22,391	-	-
Due to Other Funds	77,028	-	-	-
Unearned Revenues	7,942	-	-	-
Total Liabilities	<u>871,245</u>	<u>102,088</u>	<u>73</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	1,122,746	-	-	-
Total Deferred Inflows of Resources	<u>1,122,746</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	60,612	390,587	1,437,000	299,544
Unassigned	(914,367)	-	-	-
Total Fund Balances	<u>(853,755)</u>	<u>390,587</u>	<u>1,437,000</u>	<u>299,544</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,140,236</u>	<u>\$ 492,675</u>	<u>\$ 1,437,073</u>	<u>\$ 299,544</u>

**CITY OF LA HABRA, CALIFORNIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2024**

	Special Revenue Funds			Debt Service Fund
	SB 2 Permanent Local Housing	PEG	ARPA Fund	Other Debt Service
ASSETS				
Cash and Investments	\$ 168,106	\$ 563,165	\$ 1,378,956	\$ -
Accounts Receivable	-	18,563	-	-
Interest Receivable	-	3,999	15,088	-
Prepaid Items	56,687	-	617,203	-
Due from Other Funds	-	-	356,713	-
Due from Other Governments	-	-	-	-
Loans Receivable	-	-	-	-
Total Assets	<u>\$ 224,793</u>	<u>\$ 585,727</u>	<u>\$ 2,367,960</u>	<u>\$ -</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ 810	\$ 574,512	\$ -
Accrued Liabilities	448	-	131,205	-
Due to Other Funds	-	-	-	-
Unearned Revenues	-	-	813,122	-
Total Liabilities	<u>448</u>	<u>810</u>	<u>1,518,839</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	56,687	-	617,203	-
Restricted	167,658	584,917	231,918	-
Unassigned	-	-	-	-
Total Fund Balances	<u>224,345</u>	<u>584,917</u>	<u>849,121</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 224,793</u>	<u>\$ 585,727</u>	<u>\$ 2,367,960</u>	<u>\$ -</u>

**CITY OF LA HABRA, CALIFORNIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2024**

	Capital Projects Fund	
	Low-Moderate Income	
ASSETS	Housing Assets	Total
Cash and Investments	\$ 431,258	\$ 9,049,396
Accounts Receivable	-	27,707
Interest Receivable	3,058	72,412
Prepaid Items	-	675,629
Due from Other Funds	-	356,713
Due from Other Governments	-	4,989,418
Loans Receivable	-	395,901
	<u> </u>	<u> </u>
Total Assets	<u>\$ 434,316</u>	<u>\$ 15,567,176</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
LIABILITIES		
Accounts Payable	\$ -	\$ 3,343,408
Accrued Liabilities	-	563,367
Due to Other Funds	-	725,728
Unearned Revenues	-	1,521,934
Total Liabilities	<u>-</u>	<u>6,154,437</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenues	-	2,513,759
Total Deferred Inflows of Resources	<u>-</u>	<u>2,513,759</u>
FUND BALANCES		
Nonspendable	-	675,629
Restricted	434,316	7,674,911
Unassigned	-	(1,451,560)
Total Fund Balances	<u>434,316</u>	<u>6,898,980</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 434,316</u>	<u>\$ 15,567,176</u>

**CITY OF LA HABRA, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024**

	Special Revenue Funds			
	Park and Capital Development	Air Quality Improvement	Law Enforcement	Child Development
REVENUES				
Intergovernmental	\$ 1,600,000	\$ 156,024	\$ 1,514,175	\$ -
Licenses and Permits	562,485	-	-	-
Charges for Services	-	-	-	-
Use of Money and Property	158,419	13,573	31,520	-
Other Revenues	-	-	-	-
Total Revenues	<u>2,320,904</u>	<u>169,597</u>	<u>1,545,695</u>	<u>-</u>
EXPENDITURES				
Current:				
Public Safety	-	-	1,281,693	-
Public Works	4,804	-	-	-
Community Services	-	163,547	-	-
Community Development	190,571	-	-	-
Capital Outlay	3,742,154	-	68,743	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Other Charges	-	-	-	-
Total Expenditures	<u>3,937,529</u>	<u>163,547</u>	<u>1,350,436</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER UNDER EXPENDITURES	(1,616,625)	6,050	195,259	-
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Issuance of Subscription Liability	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(1,616,625)	6,050	195,259	-
Fund Balances (Deficits) - Beginning of Year, As Originally Reported	3,570,669	344,690	603,949	(529,822)
Adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>529,822</u>
Fund Balances (Deficits) - Beginning of Year, As Adjusted	<u>3,570,669</u>	<u>344,690</u>	<u>603,949</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,954,044</u>	<u>\$ 350,740</u>	<u>\$ 799,208</u>	<u>\$ -</u>

**CITY OF LA HABRA, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

	Special Revenue Funds			
	Housing and Community Development	Employment and Training	Public Safety Augmentation	Other Federal Grants
REVENUES				
Intergovernmental	\$ 683,031	\$ 1,488,910	\$ 344,975	\$ 1,020,237
Licenses and Permits	-	-	-	-
Charges for Services	-	-	-	-
Use of Money and Property	-	-	21,470	-
Other Revenues	-	-	-	-
Total Revenues	<u>683,031</u>	<u>1,488,910</u>	<u>366,445</u>	<u>1,020,237</u>
EXPENDITURES				
Current:				
Public Safety	-	-	136,300	-
Public Works	-	-	-	510,530
Community Services	-	1,974,504	-	-
Community Development	384,911	-	-	-
Capital Outlay	371,272	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Other Charges	-	-	-	-
Total Expenditures	<u>756,183</u>	<u>1,974,504</u>	<u>136,300</u>	<u>510,530</u>
EXCESS (DEFICIENCY) OF REVENUES OVER UNDER EXPENDITURES	(73,152)	(485,594)	230,145	509,707
OTHER FINANCING SOURCES (USES)				
Transfers In	73,153	-	-	-
Transfers Out	-	-	-	-
Issuance of Subscription Liability	-	-	-	-
Total Other Financing Sources (Uses)	<u>73,153</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	1	(485,594)	230,145	509,707
Fund Balances (Deficits) - Beginning of Year, As Originally Reported	237,222	23,118	498,738	(584,424)
Adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits) - Beginning of Year, As Adjusted	<u>237,222</u>	<u>23,118</u>	<u>498,738</u>	<u>(584,424)</u>
FUND BALANCES - END OF YEAR	<u>\$ 237,223</u>	<u>\$ (462,476)</u>	<u>\$ 728,883</u>	<u>\$ (74,717)</u>

**CITY OF LA HABRA, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

	Special Revenue Funds			
	Other State Grants	Traffic Improvements	General Plan Update	Public Art
REVENUES				
Intergovernmental	\$ 411,830	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Charges for Services	39,374	16,938	257,741	17,000
Use of Money and Property	6,045	33,042	51,797	11,755
Other Revenues	-	-	-	-
Total Revenues	<u>457,249</u>	<u>49,980</u>	<u>309,538</u>	<u>28,755</u>
EXPENDITURES				
Current:				
Public Safety	12,568	-	-	-
Public Works	1,184	-	-	-
Community Services	-	-	-	-
Community Development	-	-	54,181	-
Capital Outlay	1,449,669	101,697	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Other Charges	-	-	-	-
Total Expenditures	<u>1,463,421</u>	<u>101,697</u>	<u>54,181</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER UNDER EXPENDITURES	(1,006,172)	(51,717)	255,357	28,755
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Issuance of Subscription Liability	350,096	-	-	-
Total Other Financing Sources (Uses)	<u>350,096</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(656,076)	(51,717)	255,357	28,755
Fund Balances (Deficits) - Beginning of Year, As Originally Reported	(197,679)	442,304	1,181,643	270,789
Adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits) - Beginning of Year, As Adjusted	<u>(197,679)</u>	<u>442,304</u>	<u>1,181,643</u>	<u>270,789</u>
FUND BALANCES - END OF YEAR	<u>\$ (853,755)</u>	<u>\$ 390,587</u>	<u>\$ 1,437,000</u>	<u>\$ 299,544</u>

**CITY OF LA HABRA, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

	Special Revenue Funds			Debt Service Fund
	SB 2 Permanent Local Housing	PEG	ARPA Fund	Other Debt Service
REVENUES				
Intergovernmental	\$ 1,269,565	\$ -	\$ 4,299,950	\$ -
Licenses and Permits	-	-	-	-
Charges for Services	-	77,542	-	-
Use of Money and Property	-	21,286	220,719	-
Other Revenues	-	-	-	-
Total Revenues	<u>1,269,565</u>	<u>98,828</u>	<u>4,520,669</u>	<u>-</u>
EXPENDITURES				
Current:				
Public Safety	-	-	894,131	-
Public Works	-	-	-	-
Community Services	-	35,608	489,682	-
Community Development	379,489	-	-	-
Capital Outlay	-	-	2,655,646	-
Debt Service:				
Principal Retirement	-	-	-	2,713,840
Interest and Other Charges	-	-	-	1,746,158
Total Expenditures	<u>379,489</u>	<u>35,608</u>	<u>4,039,459</u>	<u>4,459,998</u>
EXCESS (DEFICIENCY) OF REVENUES OVER UNDER EXPENDITURES	890,076	63,220	481,210	(4,459,998)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	356,713	4,459,998
Transfers Out	-	-	-	-
Issuance of Subscription Liability	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>356,713</u>	<u>4,459,998</u>
NET CHANGE IN FUND BALANCES	890,076	63,220	837,923	-
Fund Balances (Deficits) - Beginning of Year, As Originally Reported	(665,731)	521,697	-	-
Adjustment	<u>-</u>	<u>-</u>	<u>11,198</u>	<u>-</u>
Fund Balances (Deficits) - Beginning of Year, As Adjusted	<u>(665,731)</u>	<u>521,697</u>	<u>11,198</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 224,345</u>	<u>\$ 584,917</u>	<u>\$ 849,121</u>	<u>\$ -</u>

**CITY OF LA HABRA, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

	Capital Projects Fund	
	Low-Moderate Income	
	Housing Assets	Total
REVENUES		
Intergovernmental	\$ -	\$ 12,788,697
Licenses and Permits	-	562,485
Charges for Services	-	408,595
Use of Money and Property	15,725	585,351
Other Revenues	46,936	46,936
Total Revenues	<u>62,661</u>	<u>14,392,064</u>
EXPENDITURES		
Current:		
Public Safety	-	2,324,692
Public Works	-	516,518
Community Services	-	2,663,341
Community Development	-	1,009,152
Capital Outlay	-	8,389,181
Debt Service:		
Principal Retirement	-	2,713,840
Interest and Other Charges	-	1,746,158
Total Expenditures	<u>-</u>	<u>19,362,882</u>
EXCESS (DEFICIENCY) OF REVENUES OVER UNDER EXPENDITURES	62,661	(4,970,818)
OTHER FINANCING SOURCES (USES)		
Transfers In	-	4,889,864
Transfers Out	-	-
Issuance of Subscription Liability	-	350,096
Total Other Financing Sources (Uses)	<u>-</u>	<u>5,239,960</u>
NET CHANGE IN FUND BALANCES	62,661	269,142
Fund Balances (Deficits) - Beginning of Year, As Originally Reported	371,655	6,088,818
Adjustment	<u>-</u>	<u>541,020</u>
Fund Balances (Deficits) - Beginning of Year, As Adjusted	<u>371,655</u>	<u>6,629,838</u>
FUND BALANCES - END OF YEAR	<u>\$ 434,316</u>	<u>\$ 6,898,980</u>

**CITY OF LA HABRA, CALIFORNIA
PARK AND CAPITAL IMPROVEMENT SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2024**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 3,861,400	\$ 1,600,000	\$ (2,261,400)
Licenses and Permits	240,000	562,485	322,485
Use of Money and Property	33,300	158,419	125,119
Other Revenues	55,000	-	(55,000)
Total Revenues	4,189,700	2,320,904	(1,868,796)
EXPENDITURES			
Current:			
Public Works	-	4,804	(4,804)
Community Development	590,655	190,571	400,084
Capital Outlay	6,653,846	3,742,154	2,911,692
Total Expenditures	7,244,501	3,937,529	3,306,972
NET CHANGE IN FUND BALANCE	(3,054,801)	(1,616,625)	1,438,176
Fund Balance - Beginning of Year	3,570,669	3,570,669	-
FUND BALANCE - END OF YEAR	\$ 515,868	\$ 1,954,044	\$ 1,438,176

**CITY OF LA HABRA, CALIFORNIA
 AIR QUALITY IMPROVEMENT SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2024**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 176,294	\$ 156,024	\$ (20,270)
Use of Money and Property	2,200	13,573	11,373
Total Revenues	178,494	169,597	(8,897)
 EXPENDITURES			
Current:			
Community Services	170,000	163,547	6,453
Total Expenditures	170,000	163,547	6,453
 NET CHANGE IN FUND BALANCE	8,494	6,050	(2,444)
 Fund Balance - Beginning of Year	344,690	344,690	-
 FUND BALANCE - END OF YEAR	\$ 353,184	\$ 350,740	\$ (2,444)

**CITY OF LA HABRA, CALIFORNIA
LAW ENFORCEMENT SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2024**

	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 1,512,454	\$ 1,514,175	\$ 1,721
Use of Money and Property	3,300	31,520	28,220
Total Revenues	<u>1,515,754</u>	<u>1,545,695</u>	<u>29,941</u>
EXPENDITURES			
Current:			
Public Safety	1,389,039	1,281,693	107,346
Capital Outlay	291,056	68,743	222,313
Total Expenditures	<u>1,680,095</u>	<u>1,350,436</u>	<u>329,659</u>
NET CHANGE IN FUND BALANCE	(164,341)	195,259	29,941
Fund Balance - Beginning of Year	<u>603,949</u>	<u>603,949</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 439,608</u></u>	<u><u>\$ 799,208</u></u>	<u><u>\$ 29,941</u></u>

**CITY OF LA HABRA, CALIFORNIA
HOUSING AND COMMUNITY DEVELOPMENT SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2024**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 1,298,089	\$ 683,031	\$ (615,058)
EXPENDITURES			
Current:			
Community Development	467,030	384,911	82,119
Capital Outlay	831,059	371,272	459,787
Total Expenditures	1,298,089	756,183	541,906
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(73,152)	(73,152)
OTHER FINANCING SOURCES			
Transfers In	-	73,153	73,153
NET CHANGE IN FUND BALANCE	-	1	1
Fund Balance - Beginning of Year	237,222	237,222	-
FUND BALANCE - END OF YEAR	\$ 237,222	\$ 237,223	\$ 1

**CITY OF LA HABRA, CALIFORNIA
EMPLOYMENT AND TRAINING SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2024**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 2,180,915	\$ 1,488,910	\$ (692,005)
Total Revenues	2,180,915	1,488,910	(692,005)
EXPENDITURES			
Current:			
Community Services	2,180,915	1,974,504	206,411
Total Expenditures	2,180,915	1,974,504	206,411
NET CHANGE IN FUND BALANCE	-	(485,594)	(485,594)
Fund Balance - Beginning of Year	23,118	23,118	-
FUND BALANCE - END OF YEAR	\$ 23,118	\$ (462,476)	\$ (485,594)

**CITY OF LA HABRA, CALIFORNIA
PUBLIC SAFETY AUGMENTATION SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2024**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 372,000	\$ 344,975	\$ (27,025)
Use of Money and Property	1,600	21,470	19,870
Total Revenues	373,600	366,445	(7,155)
 EXPENDITURES			
Current:			
Public Safety	481,974	136,300	345,674
Total Expenditures	481,974	136,300	345,674
 NET CHANGE IN FUND BALANCE	(108,374)	230,145	338,519
 Fund Balance - Beginning of Year	498,738	498,738	-
 FUND BALANCE - END OF YEAR	\$ 390,364	\$ 728,883	\$ 338,519

**CITY OF LA HABRA, CALIFORNIA
OTHER FEDERAL GRANTS SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2024**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 5,147,525	\$ 1,020,237	\$ (4,127,288)
Total Revenues	5,147,525	1,020,237	(4,127,288)
EXPENDITURES			
Current:			
Public Works	169,175	510,530	(341,355)
Capital Outlay	4,158,350	-	4,158,350
Total Expenditures	4,327,525	510,530	3,816,995
NET CHANGE IN FUND BALANCE	820,000	509,707	(310,293)
Fund Balance - Beginning of Year	(584,424)	(584,424)	-
FUND BALANCE - END OF YEAR	\$ 235,576	\$ (74,717)	\$ (310,293)

**CITY OF LA HABRA, CALIFORNIA
OTHER STATE GRANTS SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2024**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Intergovernmental	\$ 1,442,820	\$ 411,830	\$ (1,030,990)
Charges for Services	30,000	39,374	9,374
Use of Money and Property	1,400	6,045	4,645
Total Revenues	<u>1,474,220</u>	<u>457,249</u>	<u>(1,016,971)</u>
EXPENDITURES			
Current:			
Public Safety	206,620	12,568	194,052
Public Works	-	1,184	(1,184)
Capital Outlay	466,000	1,449,669	(983,669)
Total Expenditures	<u>672,620</u>	<u>1,463,421</u>	<u>(790,801)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	801,600	(1,006,172)	(1,807,772)
OTHER FINANCING USES			
Issuance of Subscription Liability	<u>-</u>	<u>350,096</u>	<u>350,096</u>
NET CHANGE IN FUND BALANCE	801,600	(656,076)	(1,457,676)
Fund Balance - Beginning of Year	<u>(197,679)</u>	<u>(197,679)</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 603,921</u></u>	<u><u>\$ (853,755)</u></u>	<u><u>\$ (1,457,676)</u></u>

**CITY OF LA HABRA, CALIFORNIA
TRAFFIC IMPROVEMENT SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2024**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Charges for Services	\$ 140,000	\$ 16,938	\$ (123,062)
Use of Money and Property	8,100	33,042	24,942
Total Revenues	<u>148,100</u>	<u>49,980</u>	<u>(98,120)</u>
EXPENDITURES			
Capital Outlay	<u>450,000</u>	<u>101,697</u>	<u>348,303</u>
Total Expenditures	<u>450,000</u>	<u>101,697</u>	<u>348,303</u>
NET CHANGE IN FUND BALANCE	(301,900)	(51,717)	250,183
Fund Balance - Beginning of Year	<u>442,304</u>	<u>442,304</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 140,404</u></u>	<u><u>\$ 390,587</u></u>	<u><u>\$ 250,183</u></u>

**CITY OF LA HABRA, CALIFORNIA
GENERAL PLAN UPDATE SPECIAL REVENUE PLAN
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2024**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Charges for Services	\$ 140,000	\$ 257,741	\$ 117,741
Use of Money and Property	8,100	51,797	43,697
Total Revenues	148,100	309,538	161,438
EXPENDITURES			
Current:			
Community Development	140,000	54,181	85,819
Total Expenditures	140,000	54,181	85,819
NET CHANGE IN FUND BALANCE	8,100	255,357	247,257
Fund Balance - Beginning of Year	1,181,643	1,181,643	-
FUND BALANCE - END OF YEAR	\$ 1,189,743	\$ 1,437,000	\$ 247,257

**CITY OF LA HABRA, CALIFORNIA
 SB 2 PERMANENT LOCAL HOUSING SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2024**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 532,116	\$ 1,269,565	\$ 737,449
Total Revenues	532,116	1,269,565	737,449
EXPENDITURES			
Current:			
Community Development	545,721	379,489	166,232
Total Expenditures	545,721	379,489	166,232
NET CHANGE IN FUND BALANCE	(13,605)	890,076	903,681
Fund Balance - Beginning of Year	(665,731)	(665,731)	-
FUND BALANCE - END OF YEAR	\$ (679,336)	\$ 224,345	\$ 903,681

**CITY OF LA HABRA, CALIFORNIA
PUBLIC, EDUCATION, AND GOVERNMENT (PEG) SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2024**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Charges for Services	\$ 118,000	\$ 77,542	\$ (40,458)
Use of Money and Property	3,900	21,286	17,386
Total Revenues	121,900	98,828	(23,072)
EXPENDITURES			
Current:			
Community Services	33,806	35,608	(1,802)
Total Expenditures	33,806	35,608	(1,802)
NET CHANGE IN FUND BALANCE	88,094	63,220	(24,874)
Fund Balance - Beginning of Year	521,697	521,697	-
FUND BALANCE - END OF YEAR	\$ 609,791	\$ 584,917	\$ (24,874)

**CITY OF LA HABRA, CALIFORNIA
 AMERICAN RESCUE PLAN ACT SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2024**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 7,709,094	\$ 4,299,950	\$ (3,409,144)
Use of Money and Property	-	220,719	220,719
Total Revenues	7,709,094	4,520,669	(3,188,425)
 EXPENDITURES			
Current:			
Public Safety	-	894,131	(894,131)
Community Services	2,361,094	489,682	1,871,412
Capital Outlay	5,348,000	2,655,646	2,692,354
Total Expenditures	7,709,094	4,039,459	3,669,635
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	481,210	481,210
 OTHER FINANCIAL SOURCES (USES)			
Transfers In	-	356,713	356,713
 NET CHANGE IN FUND BALANCE	-	837,923	837,923
 Fund Balance (Deficit) - Beginning of Year, As Adjusted	11,198	11,198	-
 FUND BALANCE (DEFICIT) - END OF YEAR	\$ 11,198	\$ 849,121	\$ 837,923

**CITY OF LA HABRA, CALIFORNIA
OTHER DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2024**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
EXPENDITURES			
Debt Service:			
Principal	\$ 2,935,000	\$ 2,713,840	\$ 221,160
Interest Expense	1,888,460	1,746,158	142,302
Total Expenditures	<u>4,823,460</u>	<u>4,459,998</u>	<u>363,462</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,823,460)	(4,459,998)	363,462
OTHER FINANCING SOURCES			
Transfers In	<u>4,459,998</u>	<u>4,459,998</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(363,462)	-	363,462
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ (363,462)</u>	<u>\$ -</u>	<u>\$ 363,462</u>

**CITY OF LA HABRA, CALIFORNIA
LOW-MODERATE INCOME HOUSING ASSETS CAPITAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2024**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Use of Money and Property	\$ 4,100	\$ 15,725	\$ 11,625
Other Revenues	45,000	46,936	1,936
Total Revenues	<u>49,100</u>	<u>62,661</u>	<u>13,561</u>
EXPENDITURES			
Current:			
Community Development	94,000	-	94,000
Capital Outlay	220,000	-	220,000
Total Expenditures	<u>314,000</u>	<u>-</u>	<u>314,000</u>
NET CHANGE IN FUND BALANCE	(264,900)	62,661	327,561
Fund Balance - Beginning of Year	<u>371,655</u>	<u>371,655</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 106,755</u></u>	<u><u>\$ 434,316</u></u>	<u><u>\$ 327,561</u></u>

NONMAJOR ENTERPRISE FUNDS

**CITY OF LA HABRA, CALIFORNIA
NONMAJOR ENTERPRISE FUNDS**

Children's Museum Fund

The Children's Museum Fund accounts for all revenues, expenses and related financial operations for this Enterprise Fund. The museum is one of a few museums in the nation devoted to children and is, therefore, of regional significance. Revenue is obtained from admissions, fund-raising activities by the Friends of the Museum and occasional state grants.

Mobile Home Lease Fund

The Mobile Home Lease Fund accounts all revenues and expenses relating to the acquisition of two mobile from parks acquired by the City.

**CITY OF LA HABRA, CALIFORNIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2024**

	Children's Museum	Mobile Home Lease	Total
ASSETS			
Current Assets:			
Cash and Investments	\$ 264,315	\$ 1,741,616	\$ 2,005,931
Accounts Receivable, Net	1,353	2,228	3,581
Interest Receivable	2,077	12,248	14,325
Due from Other Governments	13,961	-	13,961
Total Current Assets	281,706	1,756,092	2,037,798
Noncurrent Assets:			
Cash and Investments with Fiscal Agents	5,686	-	5,686
Capital Assets, Being Depreciated, Net	123,559	3,844,818	3,968,377
Total Noncurrent Assets	129,245	3,844,818	3,974,063
 Total Assets	 410,951	 5,600,910	 6,011,861
LIABILITIES			
Current Liabilities:			
Accounts Payable	23,747	60,471	84,218
Accrued Liabilities	14,920	10,661	25,581
Deposits Payable	-	2,244	2,244
Unearned Revenue	-	1,210	1,210
Total Liabilities	38,667	74,586	113,253
NET POSITION			
Net Investment in Capital Assets	123,559	3,824,221	3,947,780
Restricted for:			
Pension Rate Program	5,686	-	5,686
Unrestricted	243,039	1,702,103	1,945,142
 Total Net Position	 \$ 372,284	 \$ 5,526,324	 \$ 5,898,608

CITY OF LA HABRA, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2024

	Children's Museum	Mobile Home Lease	Total
OPERATING REVENUES			
Charges for Services	\$ 490,408	\$ 2,974,169	\$ 3,464,577
Intergovernmental	564	-	564
Total Operating Revenues	<u>490,972</u>	<u>2,974,169</u>	<u>3,465,141</u>
OPERATING EXPENSES			
Contractual Services	92,645	723,012	815,657
Wages and Fringe Benefits	412,163	-	412,163
Equipment and Maintenance	5,650	437,319	442,969
Materials and Supplies	46,772	-	46,772
Utilities	22,513	324,284	346,797
Depreciation	19,238	200,850	220,088
Administration	98,706	1,397,987	1,496,693
Total Operating Expenses	<u>697,687</u>	<u>3,083,452</u>	<u>3,781,139</u>
OPERATING INCOME (LOSS)	(206,715)	(109,283)	(315,998)
NONOPERATING REVENUES (EXPENSES)			
Interest Income	18,547	73,873	92,420
Net Decrease in Fair Value of Investments	(848)	(5,024)	(5,872)
Total Nonoperating Revenues (Expenses)	<u>17,699</u>	<u>68,849</u>	<u>86,548</u>
INCOME BEFORE TRANSFERS	(189,016)	(40,434)	(229,450)
TRANSFERS IN	<u>40,000</u>	<u>-</u>	<u>40,000</u>
CHANGE IN NET POSITION	(149,016)	(40,434)	(189,450)
Net Position - Beginning of Year	<u>521,300</u>	<u>5,566,758</u>	<u>6,088,058</u>
NET POSITION - END OF YEAR	<u><u>\$ 372,284</u></u>	<u><u>\$ 5,526,324</u></u>	<u><u>\$ 5,898,608</u></u>

**CITY OF LA HABRA, CALIFORNIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2024**

	Children's Museum	Mobile Home Lease	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	\$ 493,582	\$ 2,979,209	\$ 3,472,791
Receipts from Interfund Services Provided	-	-	-
Payments to Suppliers	(195,864)	(2,258,596)	(2,454,460)
Payments for Internal Services Used	(70,620)	(544,920)	(615,540)
Payments for Employees' Salaries and Benefits	(411,532)	-	(411,532)
Net Cash Provided (Used) by Operating Activities	(184,434)	175,693	(8,741)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from Other Funds	40,000	-	40,000
Net Cash Provided (Used) by Noncapital Financing Activities	40,000	-	40,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of Capital Assets	-	(236,189)	(236,189)
Net Cash Provided (Used) by Capital and Related Financing Activities	-	(236,189)	(236,189)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Investments	(848)	(5,024)	(5,872)
Interest on Investments	18,652	65,552	84,204
Net Cash Provided (Used) by Investing Activities	17,804	60,528	78,332
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(126,630)	32	(126,598)
Cash and Cash Equivalents - Beginning of Year	396,631	1,741,584	2,138,215
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 270,001</u>	<u>\$ 1,741,616</u>	<u>\$ 2,011,617</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW ACTIVITIES			
Cash and Investments	\$ 264,315	\$ 1,741,616	\$ 2,005,931
Cash and Investments with Fiscal Agents	5,686	-	5,686
Total Cash and Cash Equivalents	<u>\$ 270,001</u>	<u>\$ 1,741,616</u>	<u>\$ 2,011,617</u>

**CITY OF LA HABRA, CALIFORNIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

	<u>Children's Museum</u>	<u>Mobile Home Lease</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income	\$ (206,715)	\$ (109,283)	\$ (315,998)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation	19,238	200,850	220,088
Change in Assets, Deferred Inflows of Resources, Liabilities, and Deferred Outflows of Resources:			
(Increase) Decrease in Receivables	1,864	1,607	3,471
(Increase) Decrease in from Other Governments	746	-	746
Increase (Decrease) in Accounts Payable	(198)	68,425	68,227
Increase (Decrease) in Accrued Liabilities	631	10,661	11,292
Increase (Decrease) in Deposits Payable	-	2,244	2,244
Increase (Decrease) in Unearned Revenue	-	1,189	1,189
Total Adjustments	<u>22,281</u>	<u>284,976</u>	<u>307,257</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (184,434)</u>	<u>\$ 175,693</u>	<u>\$ (8,741)</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital Expenses Funded by Accounts Payable	<u>\$ -</u>	<u>\$ 9,936</u>	<u>\$ 9,936</u>

INTERNAL SERVICE FUNDS

**CITY OF LA HABRA, CALIFORNIA
INTERNAL SERVICE FUNDS**

Fleet Management Fund

The Fleet Management Fund accounts for the financing of the fuel maintenance and operation of motor vehicles owned by the City. Departments using vehicles are charged an annual amount for fuel, maintenance and operation based on their actual experience.

Risk Management Fund

The Risk Management Fund accounts for claim settlements, administrative costs and the reserve trust fund established for future losses from liability suits; workers' compensation claims and medical, disability and rehabilitation payments; legal and administrative costs; and the reserve trust fund established for future losses from industrial injury. This self-insurance fund is financed by departmental premiums based on historical experience.

Information Technology Fund

The Information Technology Fund accounts for the provision of telephone and data technology services. The departments using these services are charged fees based on the number of telephones and computers assigned to each department.

Fleet Replacement Fund

The Fleet Replacement Fund accounts for the financing of vehicles and similar types of equipment. The departments using these vehicles and equipment are charged a "rental fee" composed of depreciation calculated on straight-line basis plus an additional amount sufficient to finance the replacement of said vehicles and equipment.

CITY OF LA HABRA, CALIFORNIA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2024

	Fleet Management	Risk Management	Information Technology	Fleet Replacement	Total
ASSETS					
Current Assets:					
Cash and Investments	\$ 697,907	\$ 9,463,164	\$ 3,107,559	\$ 2,312,863	\$ 15,581,493
Accounts Receivable, Net	-	9,331	-	66	9,397
Interest Receivable	3,138	63,790	16,411	16,961	100,300
Prepaid Items	51,101	-	-	-	51,101
Due from Other Governments	21,948	-	-	-	21,948
Total Current Assets	<u>774,094</u>	<u>9,536,285</u>	<u>3,123,970</u>	<u>2,329,890</u>	<u>15,764,239</u>
Noncurrent Assets:					
Cash and Investments with Fiscal Agents	25,337	13,989	27,009	3,145	69,480
Capital Assets, Net of Accumulated Depreciation	-	-	1,069,793	1,469,482	2,539,275
Total Noncurrent Assets	<u>25,337</u>	<u>13,989</u>	<u>1,096,802</u>	<u>1,472,627</u>	<u>2,608,755</u>
Total Assets	799,431	9,550,274	4,220,772	3,802,517	18,372,994
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Amount from Pension Plans	273,632	182,630	423,038	-	879,300
Total Deferred Outflows of Resources	<u>273,632</u>	<u>182,630</u>	<u>423,038</u>	<u>-</u>	<u>879,300</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	43,750	380,334	18,161	29,307	471,552
Accrued Liabilities	23,442	17,590	34,388	3,252	78,672
Accrued Interest	5,591	3,028	5,280	-	13,899
Claims Payable, Current	-	1,701,816	-	-	1,701,816
Lease Liability, Current	-	-	31,692	-	31,692
Subscription Liability, Current	-	-	-	-	-
Pension Obligation Bonds, Current	21,329	11,699	20,339	-	53,367
Total Current Liabilities	<u>94,112</u>	<u>2,114,467</u>	<u>109,860</u>	<u>32,559</u>	<u>2,350,998</u>
Noncurrent Liabilities:					
Claims Payable, Noncurrent	-	4,503,179	-	-	4,503,179
Lease Liability, Noncurrent	-	-	86,149	-	86,149
Subscription Liability, Noncurrent	-	-	-	-	-
Pension Obligation Bonds, Noncurrent	456,022	250,139	434,857	-	1,141,018
Net Pension Liability	487,220	325,184	753,248	-	1,565,652
Total Noncurrent Liabilities	<u>943,242</u>	<u>5,078,502</u>	<u>1,274,254</u>	<u>-</u>	<u>7,295,998</u>
Total Liabilities	1,037,354	7,192,969	1,384,114	32,559	9,646,996
DEFERRED INFLOWS OF RESOURCES					
Deferred Amount from Pension Plans	8,016	5,350	12,393	-	25,759
Total Deferred Inflows of Resources	<u>8,016</u>	<u>5,350</u>	<u>12,393</u>	<u>-</u>	<u>25,759</u>
NET POSITION					
Net Investment in Capital Assets	-	-	951,952	1,469,482	2,421,434
Restricted for:					
Pension Rate Program	25,337	13,989	27,009	3,145	69,480
Unrestricted	2,356	2,520,596	2,268,342	2,297,331	7,088,625
Total Net Position	<u>\$ 27,693</u>	<u>\$ 2,534,585</u>	<u>\$ 3,247,303</u>	<u>\$ 3,769,958</u>	<u>\$ 9,579,539</u>

CITY OF LA HABRA, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2024

	Fleet Management	Risk Management	Information Technology
OPERATING REVENUES			
Charges for Services	\$ 1,413,514	\$ 3,660,679	\$ 2,097,240
OPERATING EXPENSES			
Contractual Services	265,945	703,261	127,930
Wages and Fringe Benefits	689,489	478,323	991,345
Benefits and Claims	-	1,108,925	-
Equipment and Maintenance	26,633	240	430,568
Materials and Supplies	636,478	158	4,973
Utilities	1,840	-	283,342
Depreciation	-	-	375,494
Administration	41,959	1,440,137	41,803
Total Operating Expenses	1,662,344	3,731,044	2,255,455
OPERATING INCOME (LOSS)	(248,830)	(70,365)	(158,215)
NONOPERATING REVENUES (EXPENSES)			
Interest Income	28,131	392,910	101,607
Other Nonoperating Revenues	2,782	-	-
Gain (Loss) on Sale of Asset	-	-	-
Net Increase (Decrease) in Fair Value of Investment	(1,287)	(26,170)	(6,731)
Interest Expense	(13,440)	(7,373)	(23,507)
Total Nonoperating Revenues (Expenses)	16,186	359,367	71,369
INCOME (LOSS) BEFORE TRANSFERS	(232,644)	289,002	(86,846)
TRANSFERS IN	200,000	300,000	700,000
TRANSFERS OUT	-	-	-
CHANGES IN NET POSITION	(32,644)	589,002	613,154
Net Position - Beginning of Year, As Originally Reported	60,337	1,945,583	2,634,149
Adjustment	-	-	-
Net Position - Beginning of Year, As Adjusted	60,337	1,945,583	2,634,149
NET POSITION - END OF YEAR	\$ 27,693	\$ 2,534,585	\$ 3,247,303

CITY OF LA HABRA, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2024

	Fleet Replacement	Employee Benefits	Total
OPERATING REVENUES			
Charges for Services	\$ 799,212	\$ -	\$ 7,970,645
OPERATING EXPENSES			
Contractual Services	45,607	-	1,142,743
Wages and Fringe Benefits	84,879	-	2,244,036
Benefits and Claims	-	-	1,108,925
Equipment and Maintenance	-	-	457,441
Materials and Supplies	-	-	641,609
Utilities	-	-	285,182
Depreciation	358,545	-	734,039
Administration	6,282	-	1,530,181
Total Operating Expenses	495,313	-	8,144,156
OPERATING INCOME (LOSS)	303,899	-	(173,511)
NONOPERATING REVENUES (EXPENSES)			
Interest Income	97,409	-	620,057
Other Nonoperating Revenues	-	-	2,782
Gain (Loss) on Sale of Asset	60,590	-	60,590
Net Increase (Decrease) in Fair Value of Investment	(6,960)	-	(41,148)
Interest Expense	-	-	(44,320)
Total Nonoperating Revenues (Expenses)	151,039	-	597,961
INCOME (LOSS) BEFORE TRANSFERS	454,938	-	424,450
TRANSFERS IN	-	-	1,200,000
TRANSFERS OUT	-	-	-
CHANGES IN NET POSITION	454,938	-	1,624,450
Net Position - Beginning of Year, As Originally Reported	3,315,020	3,069	7,958,158
Adjustment	-	(3,069)	(3,069)
Net Position - Beginning of Year, As Adjusted	3,315,020	-	7,955,089
NET POSITION - END OF YEAR	\$ 3,769,958	\$ -	\$ 9,579,539

**CITY OF LA HABRA, CALIFORNIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2024**

	Fleet Management	Risk Management	Information Technology
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	\$ 62,399	\$ -	\$ -
Receipts from Interfund Services Provided	1,345,380	3,657,638	2,097,240
Payments to Suppliers	(940,158)	(3,032,594)	(865,526)
Payments for Interfund Services Used	(34,068)	(2,736)	(41,784)
Payments for Employees' Salaries and Benefits	(570,879)	(392,889)	(816,188)
Net Cash Provided (Used) by Operating Activities	<u>(137,326)</u>	<u>229,419</u>	<u>373,742</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers to Other Funds	-	-	-
Transfers from Other Funds	200,000	300,000	700,000
Principal Paid on Noncapital Debt	(21,042)	(11,542)	(20,065)
Interest Paid on Noncapital Debt	(13,539)	(7,427)	(12,910)
Receipts of Advances to/from Other Funds	-	-	-
Payments of Due to Other Funds	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>165,419</u>	<u>281,031</u>	<u>667,025</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of Capital Assets	-	-	(224,366)
Receipt of Insurance Claims	2,782	-	-
Principal Paid on Capital Debt	-	-	(104,184)
Interest Paid on Capital Debt	-	-	(10,691)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>2,782</u>	<u>-</u>	<u>(339,241)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Investments	(1,287)	(26,170)	(6,731)
Interest on Investments	26,147	349,144	90,829
Net Cash Provided (Used) by Investing Activities	<u>24,860</u>	<u>322,974</u>	<u>84,098</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	55,735	833,424	785,624
Cash and Cash Equivalents - Beginning of Year	<u>667,509</u>	<u>8,643,729</u>	<u>2,348,944</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 723,244</u>	<u>\$ 9,477,153</u>	<u>\$ 3,134,568</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION			
Cash and Investments	\$ 697,907	\$ 9,463,164	\$ 3,107,559
Cash and Investments with Fiscal Agents	25,337	13,989	27,009
Total Cash and Cash Equivalents	<u>\$ 723,244</u>	<u>\$ 9,477,153</u>	<u>\$ 3,134,568</u>

**CITY OF LA HABRA, CALIFORNIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

	Fleet Replacement	Total
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers and Users	\$ -	\$ 62,399
Receipts from Interfund Services Provided	799,146	7,899,404
Payments to Suppliers	(22,497)	(4,860,775)
Payments for Interfund Services Used	(6,348)	(84,936)
Payments for Employees' Salaries and Benefits	(84,505)	(1,864,461)
Net Cash Provided (Used) by Operating Activities	685,796	1,151,631
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers to Other Funds	-	-
Transfers from Other Funds	-	1,200,000
Principal Paid on Noncapital Debt	-	(52,649)
Interest Paid on Noncapital Debt	-	(33,876)
Receipts of Advances to/from Other Funds	-	-
Payments of Due to Other Funds	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	-	1,113,475
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of Capital Assets	(514,413)	(738,779)
Receipt of Insurance Claims	60,590	63,372
Principal Paid on Capital Debt	-	(104,184)
Interest Paid on Capital Debt	-	(10,691)
Net Cash Provided (Used) by Capital and Related Financing Activities	(453,823)	(790,282)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(6,960)	(41,148)
Interest on Investments	85,339	551,459
Net Cash Provided (Used) by Investing Activities	78,379	510,311
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	310,352	1,985,135
Cash and Cash Equivalents - Beginning of Year	2,005,656	13,665,838
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 2,316,008	\$ 15,650,973
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash and Investments	\$ 2,312,863	\$ 15,581,493
Cash and Investments with Fiscal Agents	3,145	69,480
Total Cash and Cash Equivalents	\$ 2,316,008	\$ 15,650,973

**CITY OF LA HABRA, CALIFORNIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

	Fleet Management	Risk Management	Information Technology
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (248,830)	\$ (70,365)	\$ (158,215)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	-	-	375,494
Change in Assets, Deferred Inflows of Resources, Liabilities, and Deferred Outflows of Resources:			
(Increase) Decrease in Accounts Receivable	-	(3,041)	-
(Increase) Decrease in Due from Other Governments	(5,735)	-	-
(Increase) Decrease in Prepaid Items	17,632	-	-
Increase (Decrease) in Accounts Payable	(19,003)	241,339	(18,694)
Increase (Decrease) in Accrued Liabilities	4,366	3,173	1,246
Increase (Decrease) in Claims Liabilities	-	(23,948)	-
Increase (Decrease) in Compensated Absences	-	-	-
Increase (Decrease) in Net Pension and OPEB Liability and Related Deferred Inflows and Outflows of Resources	114,244	82,261	173,911
Total Adjustments	111,504	299,784	531,957
Net Cash Provided (Used) by Operating Activities	\$ (137,326)	\$ 229,419	\$ 373,742

**CITY OF LA HABRA, CALIFORNIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

	Fleet Replacement	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) OPERATING ACTIVITIES		
Operating Income (Loss)	\$ 303,899	\$ (173,511)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation	358,545	734,039
Change in Assets, Deferred Inflows of Resources, Liabilities, and Deferred Outflows of Resources:		
(Increase) Decrease in Accounts Receivable	(66)	(3,107)
(Increase) Decrease in Due from Other Governments	-	(5,735)
(Increase) Decrease in Prepaid Items	-	17,632
Increase (Decrease) in Accounts Payable	23,044	226,686
Increase (Decrease) in Accrued Liabilities	374	9,159
Increase (Decrease) in Claims Liabilities	-	(23,948)
Increase (Decrease) in Compensated Absences	-	-
Increase (Decrease) in Net Pension and OPEB Liability and Related Deferred Inflows and Outflows of Resources	-	370,416
Total Adjustments	381,897	1,325,142
Net Cash Provided (Used) by Operating Activities	\$ 685,796	\$ 1,151,631



CUSTODIAL FUNDS

**CITY OF LA HABRA, CALIFORNIA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2024**

	<u>Public Deposits Fund</u>	<u>North SPA Navigation Centers Fund</u>	<u>Total Custodial Funds</u>
ASSETS			
Current Assets:			
Cash and Investments	\$ 1,449,877	\$ 685,156	\$ 2,135,033
Accounts Receivable	2,500	-	2,500
Interest Receivable	10,617	-	10,617
Due from Other Governments	-	7,981,383	7,981,383
Total Assets	<u>1,462,994</u>	<u>8,666,539</u>	<u>10,129,533</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	10,631	4,906,949	4,917,580
Accrued Liabilities	77,849	-	77,849
Deposits	646,450	-	646,450
Total Liabilities	<u>734,930</u>	<u>4,906,949</u>	<u>5,641,879</u>
NET POSITION			
Restricted for Individuals, Organizations, and Other Governments	<u>728,064</u>	<u>3,759,590</u>	<u>4,487,654</u>
Total Net Position	<u><u>\$ 728,064</u></u>	<u><u>\$ 3,759,590</u></u>	<u><u>\$ 4,487,654</u></u>

**CITY OF LA HABRA, CALIFORNIA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
YEAR ENDED JUNE 30, 2024**

	Public Deposits Fund	North SPA Navigation Centers Fund	Total Custodial Funds
ADDITIONS			
Police-Seized Assets	\$ 57,016	\$ -	\$ 57,016
Members' Contributions	-	4,348,663	4,348,663
Total Additions	<u>57,016</u>	<u>4,348,663</u>	<u>4,405,679</u>
DEDUCTIONS			
Program Expenses	-	3,974,650	3,974,650
Police-Seized Assets	73,776	-	73,776
Administrative Expenses	-	44,540	44,540
Total Deductions	<u>73,776</u>	<u>4,019,190</u>	<u>4,092,966</u>
CHANGE IN NET POSITION	(16,760)	329,473	312,713
Net Position Held in Trust - Beginning of Year	<u>744,824</u>	<u>3,430,117</u>	<u>4,174,941</u>
NET POSITION HELD IN TRUST - END OF YEAR	<u>\$ 728,064</u>	<u>\$ 3,759,590</u>	<u>\$ 4,487,654</u>

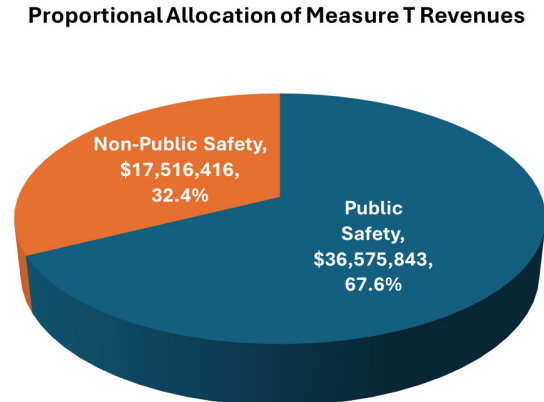
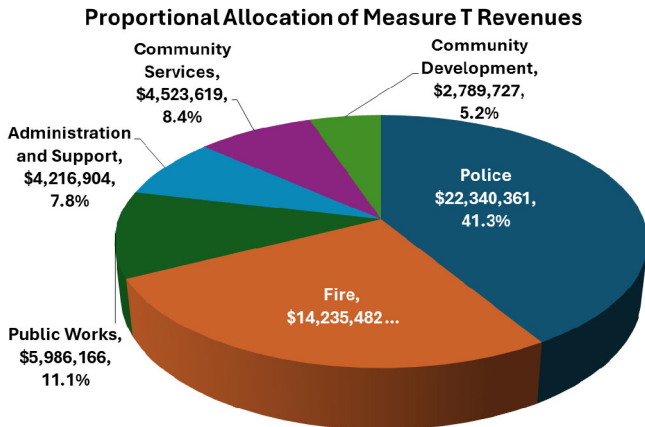
**CITY OF LA HABRA, CALIFORNIA
MEASURE T TRANSACTION AND USE TAX: USE OF FUNDS
YEAR ENDED JUNE 30, 2024**

In November 2008, the voters of La Habra approved Measure T which established a ½ cent local transaction and use tax. The measure was approved as an undesignated “general” tax that would be used to help support the activities and operations of the City’s General Fund. As this is a general tax, it legally cannot be earmarked for any specific use by code or statute.

One method to determine how this revenue source has impacted General Fund operations is to compare the allocation of these revenues by a proportional share of General Fund expenditures by department. The following table details this breakdown based on the Measure T amended revenue budget for FY 23-24 and the proportional allocation of the General Fund amended expenditure budget by department.

Measure T Allocation Analysis by General Fund Department

Department	FY 23/24 GF Amended Budget Expenditures	Percent of Total GF Budgeted Expenditures	Proportional Allocation of Measure T Revenues
Police	\$ 22,340,361	41.3%	\$ 3,143,279
Fire	14,235,482	26.3%	2,002,926
Public Works	5,986,166	11.1%	842,251
Administration and Support	4,216,904	7.8%	593,317
Community Services	4,523,619	8.4%	636,471
Community Development	2,789,727	5.2%	392,514
Total	\$ 54,092,259	100.0%	\$ 7,610,758



This method of demonstrating the use of Measure T revenues is a fair representation based on the allocation of revenues to budgeted expenditures on a proportional basis. It is not possible to specifically identify the actual use of any undesignated General Fund revenue since those revenues are considered discretionary in nature.

STATISTICAL SECTION

**CITY OF LA HABRA, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2024**

STATISTICAL SECTION

This section of the City of La Habra's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.

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Financial Trends	
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	170
Revenue Capacity	
These schedules contain trend information to help the reader assess the government's most significant current local revenue source, the property tax.	183
Debt Capacity	
These schedules contain present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	190
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	200
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	204

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

FINANCIAL TRENDS

**CITY OF LA HABRA, CALIFORNIA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year			
	2015	2016	2017 (2)	2018
Governmental activities				
Net investment in capital assets	\$ 77,327,812	\$ 87,775,876	\$ 98,908,209	\$ 109,691,038
Restricted	9,119,231	13,465,394	15,849,805	13,451,730
Unrestricted	(24,069,863)	(27,711,283)	(39,239,903)	(41,737,731)
Total governmental activities net position	<u>\$ 62,377,180</u>	<u>\$ 73,529,987</u>	<u>\$ 75,518,111</u>	<u>\$ 81,405,037</u>
Business-type activities				
Net investment in capital assets	\$ 22,780,994	\$ 22,464,681	\$ 23,274,193	\$ 22,690,776
Restricted	731,879	841,051	1,066,402	1,003,581
Unrestricted	17,505,632	19,447,151	19,171,906	19,503,712
Total business-type activities net position	<u>\$ 41,018,505</u>	<u>\$ 42,752,883</u>	<u>\$ 43,512,501</u>	<u>\$ 43,198,069</u>
Primary Government				
Net investment in capital assets	\$ 100,108,806	\$ 110,240,557	\$ 122,182,402	\$ 132,381,814
Restricted	9,851,110	14,306,445	16,916,207	14,455,311
Unrestricted	(6,564,231)	(8,264,132)	(20,067,997)	(22,234,019)
Total primary government net position	<u>\$ 103,395,685</u>	<u>\$ 116,282,870</u>	<u>\$ 119,030,612</u>	<u>\$ 124,603,106</u>

Source: Finance Office, City of La Habra

⁽¹⁾ During fiscal year ended June 30, 2015, the City adopted GASB Statements 68 and 71 which resulted in the restatement of net position in fiscal year ended June 30, 2014.

⁽²⁾ During fiscal year ended June 30, 2018, the City adopted GASB Statements 75 which resulted in the restatement of net position in fiscal year ended June 30, 2017.

CITY OF LA HABRA, CALIFORNIA
NET POSITION BY COMPONENT (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 109,213,141	\$ 110,949,024	\$ 112,489,017	\$ 114,372,116	\$ 114,708,465	\$ 120,213,396
15,535,285	16,437,287	19,789,252	22,920,635	24,749,680	35,130,817
(45,505,661)	(50,914,390)	(50,848,220)	(57,893,558)	(61,304,857)	(61,157,873)
<u>\$ 79,242,765</u>	<u>\$ 76,471,921</u>	<u>\$ 81,430,049</u>	<u>\$ 79,399,193</u>	<u>\$ 78,153,288</u>	<u>\$ 94,186,340</u>
\$ 25,795,462	\$ 23,818,741	\$ 23,680,076	\$ 25,352,673	\$ 22,421,053	\$ 24,655,715
951,017	859,248	806,301	734,045	1,167,564	1,475,522
18,431,882	21,485,432	23,174,523	23,589,374	26,002,271	26,160,609
<u>\$ 45,178,361</u>	<u>\$ 46,163,421</u>	<u>\$ 47,660,900</u>	<u>\$ 49,676,092</u>	<u>\$ 49,590,888</u>	<u>\$ 52,291,846</u>
\$ 135,008,603	\$ 134,767,765	\$ 136,169,093	\$ 139,724,789	\$ 137,129,518	\$ 144,869,111
16,486,302	17,296,535	20,595,553	23,654,680	25,917,244	36,606,339
(27,073,779)	(29,428,958)	(27,673,697)	(34,304,184)	(35,302,586)	(34,997,264)
<u>\$ 124,421,126</u>	<u>\$ 122,635,342</u>	<u>\$ 129,090,949</u>	<u>\$ 129,075,285</u>	<u>\$ 127,744,176</u>	<u>\$ 146,478,186</u>

**CITY OF LA HABRA, CALIFORNIA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year			
	2015	2016	2017	2018
Expenses				
Governmental activities:				
General government	\$ 3,045,640	\$ 5,390,669	\$ 3,671,388	\$ 5,461,015
Intergovernmental	-	-	-	-
Public safety	25,574,530	27,410,251	30,195,115	31,295,032
Public works	10,181,891	9,246,671	11,002,512	10,295,016
Community services	10,086,222	10,290,567	10,591,475	10,694,274
Community development	2,228,511	1,968,081	3,064,649	2,698,772
Interest on long-term debt	251,344	330,196	281,018	229,533
Total governmental activities expenses	<u>51,368,138</u>	<u>54,636,435</u>	<u>58,806,157</u>	<u>60,673,642</u>
Business-type activities:				
Water	12,132,398	12,120,429	12,946,131	14,829,319
Sewer	1,908,300	1,934,381	2,107,071	2,381,245
Housing Authority	1,594,723	1,737,015	1,491,686	1,631,963
Other business activities	6,632,638	6,322,831	6,341,002	6,527,533
Total business-type activities expenses	<u>22,268,059</u>	<u>22,114,656</u>	<u>22,885,890</u>	<u>25,370,060</u>
Total primary government expenses	<u>\$ 73,636,197</u>	<u>\$ 76,751,091</u>	<u>\$ 81,692,047</u>	<u>\$ 86,043,702</u>
Program Revenues				
Governmental activities:				
Charges for services				
General government	\$ 431,447	\$ 535,708	\$ 549,270	\$ 512,442
Public safety	3,180,715	3,354,565	3,351,086	3,390,223
Public works	-	2,899,926	203,981	1,250,526
Community services	1,016,705	1,011,325	1,035,577	1,043,879
Community development	917,062	1,796,341	1,987,112	2,866,742
Operating grants and contributions	8,691,442	8,308,818	9,957,548	7,961,383
Capital grants and contributions	3,426,786	4,423,311	2,644,726	6,206,726
Total governmental activities program revenues	<u>17,664,157</u>	<u>22,329,994</u>	<u>19,729,300</u>	<u>23,231,921</u>
Business-type activities:				
Charges for services:				
Water	13,398,340	12,209,656	13,035,748	14,402,538
Sewer	1,627,871	1,628,705	1,803,519	1,955,880
Housing authority	1,602,845	1,645,982	1,281,830	1,277,656
Other business -type activities	6,385,815	7,283,219	7,279,389	7,349,063
Total business-type activities program revenues	<u>23,014,871</u>	<u>22,767,562</u>	<u>23,400,486</u>	<u>24,985,137</u>
Total primary government program revenues	<u>\$ 40,679,028</u>	<u>\$ 45,097,556</u>	<u>\$ 43,129,786</u>	<u>\$ 48,217,058</u>
Net (expense)/revenue:				
Governmental activities	\$ (33,703,981)	\$ (32,306,441)	\$ (39,076,857)	\$ (37,441,721)
Business-type activities	746,812	652,906	514,596	(384,923)
Total primary government net expense	<u>\$ (32,957,169)</u>	<u>\$ (31,653,535)</u>	<u>\$ (38,562,261)</u>	<u>\$ (37,826,644)</u>

**CITY OF LA HABRA, CALIFORNIA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 4,221,976	\$ 4,828,271	\$ 4,287,183	\$ 5,464,741	\$ 3,785,227	\$ 4,905,354
-	-	-	-	-	-
34,350,077	37,142,231	36,216,287	44,085,563	53,428,983	38,036,784
10,154,486	9,817,418	9,607,658	10,200,838	10,778,966	12,870,728
10,639,108	10,876,760	12,471,250	11,606,304	12,975,016	14,866,774
2,520,478	3,224,295	3,182,218	2,434,719	4,044,949	4,690,781
261,770	187,615	156,937	1,380,758	1,818,837	1,777,745
<u>62,147,895</u>	<u>66,076,590</u>	<u>65,921,533</u>	<u>75,172,923</u>	<u>86,831,978</u>	<u>77,148,166</u>
14,779,099	15,479,110	16,849,337	16,127,999	16,694,943	16,229,119
2,270,868	2,444,214	2,611,350	2,829,901	2,641,793	2,966,511
1,569,221	1,578,646	1,877,902	1,114,405	1,042,915	1,351,596
7,162,134	7,578,579	7,336,987	8,088,963	10,039,149	9,415,366
<u>25,781,322</u>	<u>27,080,549</u>	<u>28,675,576</u>	<u>28,161,268</u>	<u>30,418,800</u>	<u>29,962,592</u>
<u>\$ 87,929,217</u>	<u>\$ 93,157,139</u>	<u>\$ 94,597,109</u>	<u>\$ 103,334,191</u>	<u>\$ 117,250,778</u>	<u>\$ 107,110,758</u>
\$ 449,012	\$ 437,362	\$ 551,556	\$ 591,340	\$ 656,460	\$ 607,504
3,185,405	3,152,854	3,195,683	3,725,655	4,862,993	5,402,368
620,539	151,871	185,537	269,256	381,867	579,423
1,101,822	938,790	931,965	1,091,633	989,272	1,247,397
1,874,548	1,953,166	2,241,602	3,034,195	2,940,130	2,959,588
8,416,487	8,739,837	11,890,028	11,873,560	18,072,066	15,168,862
3,437,594	5,173,881	6,195,484	4,949,920	6,133,751	11,811,104
<u>19,085,407</u>	<u>20,547,761</u>	<u>25,191,855</u>	<u>25,535,559</u>	<u>34,036,539</u>	<u>37,776,246</u>
15,297,469	15,775,170	18,504,454	18,661,034	17,235,734	18,097,810
2,290,963	2,347,221	2,727,785	2,882,992	2,871,016	2,944,182
1,300,213	1,368,862	1,834,228	1,122,311	1,738,988	1,386,825
7,718,806	7,591,511	7,363,550	8,280,268	8,416,048	8,979,952
<u>26,607,451</u>	<u>27,082,764</u>	<u>30,430,017</u>	<u>30,946,605</u>	<u>30,261,786</u>	<u>31,408,769</u>
<u>\$ 45,692,858</u>	<u>\$ 47,630,525</u>	<u>\$ 55,621,872</u>	<u>\$ 56,482,164</u>	<u>\$ 64,298,325</u>	<u>\$ 69,185,015</u>
\$ (43,062,488)	\$ (45,528,829)	\$ (40,729,678)	\$ (49,637,364)	\$ (52,795,439)	\$ (39,371,920)
826,129	2,215	1,754,441	2,785,337	(157,014)	1,446,177
<u>\$ (42,236,359)</u>	<u>\$ (45,526,614)</u>	<u>\$ (38,975,237)</u>	<u>\$ (46,852,027)</u>	<u>\$ (52,952,453)</u>	<u>\$ (37,925,743)</u>

(Continued)

CITY OF LA HABRA, CALIFORNIA
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2015	2016	2017	2018
Governmental activities:				
Taxes:				
Property taxes	\$ 14,389,424	\$ 14,996,789	\$ 16,117,190	\$ 16,538,652
Sales and use taxes	9,639,019	10,997,991	9,837,648	10,730,853
Transaction and use taxes	4,933,170	5,040,708	5,075,039	5,629,841
Franchise tax	1,679,113	1,653,002	1,650,001	1,784,852
Grants and contributions not restricted to specific programs	58,365	84,051	85,223	88,300
Income from property and investments	2,808,233	3,042,625	2,641,722	2,534,264
Gain on sale of capital assets	-	-	-	4,673,891
Other general revenues	1,495,060	1,340,148	1,655,926	1,222,994
Extraordinary gain (loss)	(257,567)	-	-	-
Special item	-	-	6,416,232	-
Transfers	60,000	126,177	145,000	125,000
Total governmental activities	<u>34,804,817</u>	<u>37,281,491</u>	<u>43,623,981</u>	<u>43,328,647</u>
Business-type activities:				
Income from property and investments	127,071	220,785	48,994	42,594
Other general revenues	339,689	306,565	341,028	152,897
Transfers	(60,000)	(126,177)	(145,000)	(125,000)
Total business-type activities	<u>406,760</u>	<u>401,173</u>	<u>245,022</u>	<u>70,491</u>
Total primary government	<u>\$ 35,211,577</u>	<u>\$ 37,682,664</u>	<u>\$ 43,869,003</u>	<u>\$ 43,399,138</u>
Change in Net Position				
Governmental activities	\$ 1,100,836	\$ 4,975,050	\$ 4,547,124	\$ 5,886,926
Business-type activities	1,153,572	1,054,079	759,618	(314,432)
Total primary government	<u>\$ 2,254,408</u>	<u>\$ 6,029,129</u>	<u>\$ 5,306,742</u>	<u>\$ 5,572,494</u>

Source: Finance Office, City of La Habra

**CITY OF LA HABRA, CALIFORNIA
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 17,472,895	\$ 18,694,463	\$ 19,840,482	\$ 20,994,665	\$ 22,428,672	\$ 23,586,856
10,979,334	11,329,538	12,900,404	14,577,122	14,546,390	13,826,854
5,573,483	5,749,127	6,739,488	7,621,355	7,780,968	7,607,546
1,920,476	1,978,057	2,018,080	2,156,690	2,391,564	2,492,371
85,255	105,618	100,870	126,522	119,916	131,345
3,780,123	3,865,685	2,772,146	845,414	3,252,120	6,362,456
-	-	-	44,511	20,994	60,590
1,088,650	1,035,497	1,001,739	1,062,642	1,008,910	1,336,954
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	177,587	-	-
<u>40,900,216</u>	<u>42,757,985</u>	<u>45,373,209</u>	<u>47,606,508</u>	<u>51,549,534</u>	<u>55,404,972</u>
811,303	810,499	(4,255)	(636,716)	66,028	1,237,988
342,860	172,346	61,890	44,158	5,782	16,793
-	-	-	(177,587)	-	-
<u>1,154,163</u>	<u>982,845</u>	<u>57,635</u>	<u>(770,145)</u>	<u>71,810</u>	<u>1,254,781</u>
<u>\$ 42,054,379</u>	<u>\$ 43,740,830</u>	<u>\$ 45,430,844</u>	<u>\$ 46,836,363</u>	<u>\$ 51,621,344</u>	<u>\$ 56,659,753</u>
\$ (2,162,272)	\$ (2,770,844)	\$ 4,643,531	\$ (2,030,856)	\$ (1,245,905)	\$ 16,033,052
1,980,292	985,060	1,812,076	2,015,192	(85,204)	2,700,958
<u>\$ (181,980)</u>	<u>\$ (1,785,784)</u>	<u>\$ 6,455,607</u>	<u>\$ (15,664)</u>	<u>\$ (1,331,109)</u>	<u>\$ 18,734,010</u>

CITY OF LA HABRA, CALIFORNIA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2015	2016	2017	2018
General fund				
Nonspendable	\$ 8,169,482	\$ 7,406,791	\$ 6,311,389	\$ 5,214,884
Restricted	-	418,195	269,912	327,386
Assigned	-	-	-	1,100,000
Unassigned	6,333,144	984,505	2,197,789	6,258,051
Total general fund	<u>\$ 14,502,626</u>	<u>\$ 8,809,491</u>	<u>\$ 8,779,090</u>	<u>\$ 12,900,321</u>
All other governmental funds				
Nonspendable	\$ -	\$ 9,000	\$ -	\$ -
Restricted	8,934,777	12,848,248	14,955,457	12,507,938
Assigned	7,259,633	6,608,111	689,121	4,121,516
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 16,194,410</u>	<u>\$ 19,465,359</u>	<u>\$ 15,644,578</u>	<u>\$ 16,629,454</u>

Source: Finance Office, City of La Habra

CITY OF LA HABRA, CALIFORNIA
FUND BALANCES OF GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 4,425,438	\$ 2,715,606	\$ 2,043,647	\$ 1,066,199	\$ 15,403	\$ 17,827
834,185	2,015,009	3,105,457	3,410,091	4,800,802	10,796,031
2,950,000	3,555,000	5,983,680	4,172,063	6,626,824	6,751,172
7,717,970	8,602,672	8,325,715	10,233,206	11,359,983	13,588,010
<u>\$ 15,927,593</u>	<u>\$ 16,888,287</u>	<u>\$ 19,458,499</u>	<u>\$ 18,881,559</u>	<u>\$ 22,803,012</u>	<u>\$ 31,153,040</u>
\$ 62	\$ 68,126	\$ 73,870	\$ 59,591	\$ 58,426	\$ 675,629
14,149,562	13,902,639	16,164,156	14,824,215	16,638,901	18,225,514
3,595,183	3,450,080	2,753,344	2,573,946	10,764,191	8,418,163
(904,000)	(1,270,763)	(802,706)	(2,370,467)	(3,849,149)	(2,175,363)
<u>\$ 16,840,807</u>	<u>\$ 16,150,082</u>	<u>\$ 18,188,664</u>	<u>\$ 15,087,285</u>	<u>\$ 23,612,369</u>	<u>\$ 25,143,943</u>

CITY OF LA HABRA, CALIFORNIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2015	2016	2017	2018
Revenues				
Property taxes and special assessments	\$ 14,389,424	\$ 14,996,789	\$ 16,117,190	\$ 16,538,652
Sales and use tax	9,654,374	10,690,774	10,235,873	10,234,115
Franchise tax	1,660,284	1,662,712	1,680,204	1,775,865
Transaction and use tax	5,037,656	4,994,922	5,063,240	5,381,995
Intergovernmental	12,176,593	12,816,180	11,994,355	14,281,399
Licenses and permits	914,722	4,394,608	1,553,900	3,140,795
Charges for services	4,862,176	5,275,163	5,296,267	5,718,793
Fines, forfeitures and penalties	986,820	1,133,348	1,140,276	938,095
Use of money and property	2,131,932	2,603,900	2,246,883	3,152,638
Other revenues	273,181	125,172	194,236	423,269
Total revenue	<u>52,087,162</u>	<u>58,693,568</u>	<u>55,522,424</u>	<u>61,585,616</u>
Expenditures				
General government	2,774,950	2,923,628	3,196,147	3,009,121
Public safety	24,757,974	26,535,529	27,512,220	27,739,273
Public works	6,138,461	5,955,786	7,034,702	6,276,417
Community services	9,684,484	9,863,500	10,150,275	9,798,354
Community development	2,199,199	2,050,109	2,921,703	2,427,694
Capital outlay	2,258,563	13,851,464	14,994,359	11,729,060
Debt service:				
Principal	245,632	261,639	278,585	296,419
Interest expense	60,738	69,753	68,076	51,933
Cost of debt issuance	-	-	-	-
Total expenditures	<u>48,120,001</u>	<u>61,511,408</u>	<u>66,156,067</u>	<u>61,328,271</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,967,161</u>	<u>(2,817,840)</u>	<u>(10,633,643)</u>	<u>257,345</u>
Other financing sources (uses)				
Proceeds from debt	-	-	-	1,430,097
Proceeds from sale of property	-	2,620	741,229	5,593,665
Transfers in	2,148,984	11,100,887	6,056,274	3,981,698
Transfers out	<u>(3,298,984)</u>	<u>(11,317,131)</u>	<u>(6,431,274)</u>	<u>(6,156,698)</u>
Total other financing sources (uses)	<u>(1,150,000)</u>	<u>(213,624)</u>	<u>366,229</u>	<u>4,848,762</u>
Special item	-	-	6,416,232	-
Extraordinary gain (loss)	-	-	-	-
Net change in fund balances	<u>\$ 2,817,161</u>	<u>\$ (3,031,464)</u>	<u>\$ (3,851,182)</u>	<u>\$ 5,106,107</u>
Debt service as a percentage of noncapital expenditures	0.66%	0.70%	0.66%	0.70%

Source: Finance Office, City of La Habra

CITY OF LA HABRA, CALIFORNIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

		Fiscal Year									
		2019	2020	2021	2022	2023	2024				
\$	17,527,982	\$	18,749,790	\$	19,894,873	\$	21,047,527	\$	22,485,337	\$	23,640,653
	11,373,624		11,344,359		12,871,187		14,592,502		14,553,839		13,853,575
	1,910,805		1,983,537		1,997,428		7,638,582		7,779,709		7,610,758
	5,854,399		5,752,140		6,726,948		2,097,646		2,227,559		2,580,172
	11,909,924		13,992,385		18,035,505		16,062,933		24,059,784		25,918,528
	1,984,329		1,367,235		1,583,355		2,056,794		2,455,631		3,071,274
	5,217,261		5,367,980		5,719,625		6,001,354		6,550,581		7,620,751
	848,817		733,065		744,201		1,096,794		1,581,075		1,112,306
	4,849,412		3,415,365		2,670,807		1,010,959		3,661,834		5,783,549
	308,824		204,721		144,064		263,426		222,556		140,891
	<u>61,785,377</u>		<u>62,910,577</u>		<u>70,387,993</u>		<u>71,868,517</u>		<u>85,577,905</u>		<u>91,332,457</u>
	3,042,493		3,246,507		3,359,344		5,333,630		3,872,235		3,631,407
	29,963,502		31,922,341		32,960,936		90,388,510		33,969,544		35,747,508
	6,452,778		6,241,368		6,307,067		10,105,887		6,552,545		8,852,912
	9,845,302		10,000,401		12,006,452		16,737,658		12,181,478		13,321,020
	2,319,552		2,970,478		3,141,803		4,849,883		4,372,028		3,831,512
	4,505,752		5,749,699		6,118,375		4,951,601		7,682,988		12,580,942
	384,575		248,356		130,997		1,104,968		2,695,076		2,713,840
	83,699		61,458		54,225		54,091		1,798,993		1,746,158
	-		-		-		464,719		-		-
	<u>56,597,653</u>		<u>60,440,608</u>		<u>64,079,199</u>		<u>133,990,947</u>		<u>73,124,887</u>		<u>82,425,299</u>
	5,187,724		2,469,969		6,308,794		(62,122,430)		12,453,018		8,907,158
	-		-		-		66,929,972		-		350,096
	1,733		-		-		-		-		-
	1,007,504		360,538		2,229,158		3,844,441		14,205,870		4,889,864
	(2,958,336)		(2,560,538)		(3,929,158)		(6,544,441)		(14,212,351)		(6,089,864)
	<u>(1,949,099)</u>		<u>(2,200,000)</u>		<u>(1,700,000)</u>		<u>64,229,972</u>		<u>(6,481)</u>		<u>(849,904)</u>
	-		-		-		-		-		-
	-		-		-		-		-		-
\$	<u>3,238,625</u>	\$	<u>269,969</u>	\$	<u>4,608,794</u>	\$	<u>2,107,542</u>	\$	<u>12,446,537</u>	\$	<u>8,057,254</u>
	0.90%		0.58%		0.32%		0.91%		6.89%		6.39%



REVENUE CAPACITY



**CITY OF LA HABRA, CALIFORNIA
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS**

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Other Property (1)	Total Taxable Assessed Value (2)	Total Direct Tax Rate
2015	4,025,849,465	729,226,483	339,313,741	224,105,072	5,318,494,761	0.16583%
2016	4,319,968,637	794,519,583	348,523,897	195,503,449	5,658,515,566	0.16609%
2017	4,543,905,197	802,823,767	368,807,143	218,620,990	5,934,157,097	0.16613%
2018	4,822,489,859	829,028,826	401,127,466	190,801,878	6,243,448,029	0.16611%
2019	5,116,092,086	870,102,894	422,864,012	211,960,663	6,621,019,655	0.16951%
2020	5,544,384,501	911,214,018	440,699,175	213,251,126	7,109,548,820	0.16872%
2021	5,832,142,064	959,496,576	461,827,417	201,031,731	7,454,497,788	0.16928%
2022	6,073,102,884	977,940,451	505,878,587	206,617,068	7,763,538,990	0.16926%
2023	6,533,066,351	1,028,527,408	537,547,887	229,788,272	8,328,929,918	0.16915%
2024	6,917,299,370	1,092,607,994	558,681,009	223,263,020	8,791,851,393	0.16940%

(1) Other property includes recreational, institutional, vacant and miscellaneous property.

(2) Tax-exempt property is excluded from the total taxable assessed value.

NOTE.

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

Sources: HdL Coren & Cone; Orange County Assessor's Office

**CITY OF LA HABRA, CALIFORNIA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(RATE PER \$100 OF ASSESSED VALUE)**

	Fiscal Year			
	2015	2016	2017	2018
City Direct Rates:				
City Basic Rate	1.0000	1.0000	1.0000	1.0000
Total City Direct Rate	1.0000	1.0000	1.0000	1.0000
Overlapping Rates:				
School System	0.05654	0.06821	0.08423	0.08979
Metropolitan Water District	0.00350	0.00350	0.00350	0.00350
Total Direct & Overlapping ¹ Tax Rate	<u>1.06004</u>	<u>1.07171</u>	<u>1.08773</u>	<u>1.09329</u>
Total Direct Rate ²	<u>0.16583</u>	<u>0.16609</u>	<u>0.16613</u>	<u>0.16611</u>

Sources: HdL Coren & Cone; Orange County Assessor's Office

¹ Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.

² Total Direct Rate is the weighted average of all individual direct rates applied by the City/Agency preparing the statistical section information and excludes revenues derived from aircraft. Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. For the purpose of this report, residual revenue is assumed to be distributed to the City/Agency in the same proportions as general fund revenue.

CITY OF LA HABRA, CALIFORNIA
DIRECT AND OVERLAPPING PROPERTY TAX RATES (CONTINUED)
LAST TEN FISCAL YEARS
(RATE PER \$100 OF ASSESSED VALUE)

Fiscal Year					
2019	2020	2021	2022	2023	2024
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
0.08814	0.11438	0.12	0.11808	0.11621	0.10435
0.00350	0.00350	0.00350	0.00350	0.00350	0.00350
<u>1.09164</u>	<u>1.11788</u>	<u>1.12654</u>	<u>1.12158</u>	<u>1.11971</u>	<u>1.10785</u>
<u>0.16951</u>	<u>0.16872</u>	<u>0.16928</u>	<u>0.16926</u>	<u>0.16915</u>	<u>0.16940</u>

**CITY OF LA HABRA, CALIFORNIA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2024		2015	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Improvement Valentia LP	\$ 187,114,396	2.13%	\$ -	0.00%
CVS Pharmacy Inc	144,180,955	1.64%	-	0.00%
La Habra Associates LLC	108,166,735	1.23%	-	0.00%
La Habra Westridge Partnership LP	74,889,627	0.85%	-	0.00%
Bex Portfolio Inc	53,804,465	0.61%	-	0.00%
B9 Harbor Blvd Owne LLC	44,413,311	0.51%	-	0.00%
Carefree Communities CA LLC	43,260,376	0.49%	-	0.00%
Ralphs Grocery Company	34,631,943	0.39%	-	0.00%
Monterra Springs Apartments LLC	33,619,112	0.38%	-	0.00%
Bank First Security of Utah Trust	33,481,916	0.38%	-	0.00%
CVS Pharmacy Inc	-	0.00%	149,759,666	2.82%
La Habra Associates LLC	-	0.00%	91,158,334	1.71%
La Habra Westridge Partnership LP	-	0.00%	63,255,847	1.19%
Ralphs Grocery Company	-	0.00%	29,014,849	0.55%
Essex Hillsborough Park LP	-	0.00%	26,112,578	0.49%
Costco Wholesale Corporation	-	0.00%	25,959,243	0.49%
Bank First Security of Utah Trust	-	0.00%	20,267,467	0.38%
Clipperton Partners	-	0.00%	19,762,478	0.37%
Monterra Springs Owner LLC	-	0.00%	19,079,817	0.36%
Lincoln Center Properties LLC	-	0.00%	18,306,101	0.34%
Top Ten Assessed Value	\$ 757,562,836	8.62%	\$ 462,676,380	8.70%
Total Assessed Value	<u>\$ 8,791,851,393</u>		<u>\$ 5,318,494,761</u>	

Source: Orange County Assessor's Office, HdL Coren & Cone

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

**CITY OF LA HABRA, CALIFORNIA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date (1)	
		Amount	Percent of Levy		Amount	Percent of Levy
2015	9,045,671	8,753,150	98.28%	12,586	8,765,736	96.91%
2016	9,764,530	9,603,338	96.77%	12,836	9,616,174	98.48%
2017	10,221,070	9,906,814	98.35%	65,013	9,971,827	97.56%
2018	10,701,740	10,415,669	96.93%	70,396	10,486,065	97.98%
2019	10,990,054	10,688,629	97.33%	80,116	10,768,745	97.99%
2020	11,622,897	11,335,297	97.26%	100,012	11,435,309	98.39%
2021	12,179,963	11,892,233	97.53%	90,456	11,982,689	98.38%
2022	12,808,323	12,400,122	96.81%	102,590	12,502,712	97.61%
2023	13,961,712	13,566,712	97.17%	102,134	13,668,846	97.90%
2024	14,433,403	14,036,829	97.25%	126,734	14,163,592	98.13%

Source: Orange County Auditor Controller's Office

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

Property Tax amounts reclassified/corrected to agree to how presented in the audited financial statements.

(1) Net collections excludes deductions for refunds, delinquencies and impounds.



DEBT CAPACITY

**CITY OF LA HABRA, CALIFORNIA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Governmental Activities					Total Governmental Long-term Debt
	Certificates of Participation	Notes Payable	Loan Payable	Contract and Lease Payable	Pension Obligation Bonds	
2015	3,073,791	286,780	342,831	590,979	-	4,294,381
2016	2,751,051	230,552	249,642	6,078,757	-	9,310,002
2017	2,413,311	171,594	152,704	5,956,068	-	8,693,677
2018	2,060,571	109,774	51,899	1,652,371	-	3,874,615
2019	1,687,831	44,953	-	2,288,516	-	4,021,300
2020	1,295,091	-	-	2,007,595	-	3,302,686
2021	887,351	-	-	1,796,135	-	2,683,486
2022	454,611	-	-	111,703	68,228,579	68,794,893
2023	-	-	-	222,025	65,518,646	65,740,671
2024	-	-	-	467,937	62,752,157	63,220,094

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

(1) These ratios are calculated using personal income and population for the prior calendar year. The statistical data ratios for all prior years have been revised to reflect City data rather than County.

Source: HdL Coren & Cone

**CITY OF LA HABRA, CALIFORNIA
RATIOS OF OUTSTANDING DEBT BY TYPE (CONTINUED)
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Business-type Activities			Total Business-type Activities	Total Primary Government	Percentage of Personal Income (1)	Debt Per Capita (1)
	Certificates of Participation	Revenue Bonds	Pension Obligation Bonds				
2015	14,502,389	39,571,957	-	54,074,346	58,368,727	3.89%	946
2016	14,206,831	38,781,502	-	52,988,333	62,298,335	3.96%	1,004
2017	13,901,272	37,966,047	-	51,867,319	60,560,996	3.66%	975
2018	13,585,713	37,125,592	-	50,711,305	54,585,920	3.24%	869
2019	13,255,154	36,250,137	-	49,505,291	53,526,591	2.99%	842
2020	12,914,597	34,564,501	-	47,479,098	50,781,784	2.72%	801
2021	11,880,838	33,529,849	-	45,410,687	48,094,173	2.61%	766
2022	11,383,446	32,460,197	4,156,421	48,000,064	116,794,957	5.76%	1,890
2023	10,876,054	31,355,545	3,991,354	46,222,953	111,963,624	5.23%	1,811
2024	10,353,662	30,205,893	3,822,843	44,382,398	107,602,492	4.56%	1,767

CITY OF LA HABRA, CALIFORNIA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(IN THOUSANDS, EXCEPT PER CAPITA)

Fiscal Year Ended June 30	Outstanding General Bonded Debt			Percent of Assessed Value	Per Capita
	General Obligation Bonds	Contract and Lease Payable	Total		
2015	-	590,979	590,979	0.01%	9.52
2016	-	6,078,757	6,078,757	0.11%	97.91
2017	-	5,956,068	5,956,068	0.10%	94.77
2018	-	1,652,371	1,652,371	0.03%	26.00
2019	-	2,288,516	2,288,516	0.03%	36.11
2020	-	2,007,595	2,007,595	0.03%	31.96
2021	-	1,796,135	1,796,135	0.02%	29.07
2022	72,385,000	111,703	72,496,703	0.93%	1,172.42
2023	69,510,000	222,025	69,732,025	0.84%	1,145.01
2024	66,575,000	467,937	67,042,937	0.76%	1,100.85

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

**CITY OF LA HABRA, CALIFORNIA
DIRECT AND OVERLAPPING DEBT
JUNE 30, 2024**

2023-24 Assessed Valuation	\$	8,795,803,547
Redevelopment Incremental Valuation		-
Adjusted Assessed Valuation	\$	<u>8,795,803,547</u>

	%	Outstanding Debt	Estimated Share of Overlapping Debt
	Applicable (1)	June 30, 2024	June 30, 2024
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Metropolitan Water District	0.227%	\$ 18,210,000	\$ 41,337
North Orange County Joint Community College District	5.137%	291,560,678	14,977,472
Fullerton Joint Union High School District	19.116%	177,700,000	33,969,132
La Habra City School District	80.193%	33,373,052	26,762,852
Lowell Joint School District	37.998%	<u>45,030,000</u>	<u>17,110,499</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 92,861,292
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Orange County General Fund Obligations	1.142%	\$ 440,385,000	\$ 5,029,197
Orange County Board of Education Certificates of Participation	1.142%	10,030,000	114,543
North Orange County Regional Occupation Program Certificate of Participation	5.282%	7,350,000	388,227
Fullerton Joint Union High School District Certificates of Participation	19.116%	14,940,000	2,855,930
City of La Habra Pension Obligation Bonds (3)	100.000%	62,752,157	62,752,157
City of La Habra Lease Agreements	100.000%	<u>503,391</u>	<u>503,391</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 71,643,445
<u>OVERLAPPING TAX INCREMTN DEBT (Successor Agency):</u>	100.000%	\$ 2,740,000	\$ <u>2,740,000</u>
TOTAL DIRECT DEBT			\$ 63,255,548
TOTAL OVERLAPPING DEBT			\$ 103,989,188
COMBINED TOTAL DEBT (2)		<u>\$ 1,104,574,278</u>	\$ 167,244,736

- (1) The Percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentage were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue, tax allocation bonds and non-bonded capital lease obligations.
- (3) Includes debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds.

Ratios to 2023-24 Assessed Valuation:
Total Overlapping Tax and Assessment Debt..... 1.06%

Ratios to Adjusted Assessed Valuation:
Total Direct Debt (\$63,255,548).....0.72%
Combined Total Debt..... 1.90%

Ratios to Redevelopment Incremental Valuation (\$765,018,383):
Total Overlapping Tax Increment Debt..... 0.36%

Source: California Municipal Statistics, Inc.

**CITY OF LA HABRA, CALIFORNIA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	Fiscal Year			
	2015	2016	2017	2018
Total Assessed Value of all Real and Personal Property	\$ 5,318,494,761	\$ 5,658,515,566	\$ 5,934,157,097	\$ 6,243,448,029
Debt Limit Percentage	15.00%	15.00%	15.00%	15.00%
Total Debt Limit (1)	797,774,214	848,777,335	890,123,565	936,517,204
Amount of Debt Applicable to Debt Limit	<u>\$ 6,078,757</u>	<u>\$ 5,956,068</u>	<u>\$ 1,652,371</u>	<u>\$ 2,288,516</u>
Legal Debt Margin	<u>\$ 791,695,457</u>	<u>\$ 842,821,267</u>	<u>\$ 888,471,194</u>	<u>\$ 934,228,688</u>

(1) - In accordance with California Government Code Section 43605, general obligation bonds outstanding cannot exceed 15 percent of total assessed valuation.

Source: City Finance Department
Orange County Assessor's Office

**CITY OF LA HABRA, CALIFORNIA
LEGAL DEBT MARGIN INFORMATION (CONTINUED)
LAST TEN FISCAL YEARS**

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 6,621,019,655	\$ 7,109,548,820	\$ 7,454,497,788	\$ 7,763,538,990	\$ 8,328,929,918	\$ 8,791,851,393
15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
993,152,948	1,066,432,323	1,118,174,668	1,164,530,849	1,249,339,488	1,318,777,709
<u>\$ 2,007,595</u>	<u>\$ 1,796,135</u>	<u>\$ 111,703</u>	<u>\$ 222,025</u>	<u>\$ 467,937</u>	<u>\$ 67,042,937</u>
<u>\$ 991,145,353</u>	<u>\$ 1,064,636,188</u>	<u>\$ 1,118,062,965</u>	<u>\$ 1,164,308,824</u>	<u>\$ 1,248,871,551</u>	<u>\$ 1,251,734,772</u>

**CITY OF LA HABRA, CALIFORNIA
 PLEDGED-REVENUE COVERAGE
 LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Water Revenue Bonds					Coverage
	Water Revenue	Less Operating Expenses	Net Available Revenue	Debt Service		
				Principal	Interest	
2015	\$ 13,420,657	\$ 7,693,460	\$ 5,727,197	\$ 735,000	\$ 1,818,092	2.24
2016	12,242,139	7,669,465	4,572,674	745,000	1,796,236	1.80
2017	13,093,298	8,520,169	4,573,129	770,000	1,773,089	1.80
2018	14,470,730	10,458,292	4,012,438	795,000	1,744,302	1.58
2019	15,649,358	10,338,523	5,310,835	830,000	1,710,520	2.09
2020	16,086,963	11,219,139	4,867,824	860,000	1,520,600	2.04
2021	18,520,416	12,769,391	5,751,025	875,000	1,390,848	2.54
2022	18,394,563	12,565,439	5,829,124	910,000	1,357,050	2.57
2023	17,257,011	12,787,207	4,469,804	945,000	1,321,640	1.97
2024	18,666,690	12,139,462	6,527,228	990,000	1,284,178	2.87

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation, amortization, and the lease payment to the city.

**CITY OF LA HABRA, CALIFORNIA
 PLEDGED-REVENUE COVERAGE (CONTINUED)
 LAST TEN FISCAL YEARS**

Certificate of Participation, Series A

Revenue	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
			Principal	Interest	
\$ 2,772,644	\$ 1,247,469	\$ 1,525,175	\$ 300,000	\$ 722,831	1.49
2,792,492	1,224,794	1,567,698	305,000	716,019	1.54
2,841,649	1,243,808	1,597,841	315,000	707,481	1.56
2,839,602	1,204,925	1,634,677	325,000	697,272	1.60
2,892,143	1,394,088	1,498,055	340,000	685,413	1.46
2,920,464	1,551,716	1,368,748	350,000	672,038	1.34
2,841,241	1,575,412	1,265,829	365,000	452,717	1.55
2,828,398	1,697,012	1,131,386	495,000	222,059	1.58
2,925,833	1,727,436	1,198,397	505,000	218,544	1.66
3,043,018	2,154,158	888,860	515,000	213,444	1.22



DEMOGRAPHIC AND ECONOMIC INFORMATION

**CITY OF LA HABRA, CALIFORNIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income (in thousands)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2014	61,705	\$ 1,500,974	24,325	6.2%
2015	62,064	1,573,133	25,346	5.1%
2016	62,084	1,656,119	26,675	4.6%
2017	62,850	1,682,816	26,775	5.2%
2018	63,542	1,787,426	28,129	3.1%
2019	63,371	1,867,702	29,472	2.9%
2020	62,808	1,843,375	29,349	9.4%
2021	61,792	2,026,663	32,798	6.4%
2022	61,835	2,140,424	34,615	3.4%
2023	61,835	2,140,424	34,615	3.4%

Source: HdL Coren & Cone

**CITY OF LA HABRA, CALIFORNIA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Employer	2024		2014	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
CVS Pharmacy	828	6.82%	804	2.64%
Wal-Mart/Sams Stores Inc.	735	6.05%	722	2.38%
Wolverine Fence Co., Inc	500	4.12%		
City of La Habra	358	2.95%	406	1.34%
Costco	348	2.87%	278	0.91%
Target Stores	262	2.16%	227	0.75%
Advance Fire Protection Co Inc	249	2.05%		
Amazon Fresh	226	1.86%		
Northgate Market	186	1.53%		
The Kroger Co./La Habra Bakery	185	1.52%	232	0.76%
Home Depot			169	0.56%
Lowe's Home Centers Inc.			154	0.51%
Kohl's Department Stores Inc.			136	0.45%
VIP Rubber Company Inc.			135	0.44%

"Total Employment" as used above represents the total employment of all employers located within City limits.

Source: Business License Dept.
EDD Labor Market Info.



OPERATING INFORMATION

**CITY OF LA HABRA, CALIFORNIA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function/Department	<u>Full-time Equivalent Employees</u>									
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
City Manager	2.59	2.59	2.59	2.59	1.94	1.94	3.19	2.94	4.64	2.94
City Clerk	4.90	4.31	4.41	4.41	3.70	3.69	2.47	2.00	2.00	2.63
Community Development	21.19	23.03	19.93	20.61	19.07	16.89	18.29	19.02	22.87	23.08
Community Services	111.39	118.12	122.95	89.45	87.84	88.06	91.22	98.00	93.07	101.48
Finance/Administrative Services	23.08	22.54	22.74	23.74	23.26	22.77	22.57	23.92	29.71	29.17
Police	124.16	123.52	125.05	124.78	122.24	121.99	117.98	120.27	120.23	122.52
Public Works	69.58	69.80	70.31	72.03	70.85	68.96	68.02	65.02	64.03	69.52
Children's Museum	<u>6.58</u>	<u>8.73</u>	<u>8.73</u>	<u>11.36</u>	<u>9.00</u>	<u>9.31</u>	<u>8.61</u>	<u>8.78</u>	<u>10.50</u>	<u>10.30</u>
Total	<u><u>363.47</u></u>	<u><u>372.64</u></u>	<u><u>376.71</u></u>	<u><u>348.97</u></u>	<u><u>337.90</u></u>	<u><u>333.61</u></u>	<u><u>332.35</u></u>	<u><u>339.95</u></u>	<u><u>347.05</u></u>	<u><u>361.64</u></u>

Source: City of La Habra, Finance Department

**CITY OF LA HABRA, CALIFORNIA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police:											
Arrests	2,039	2,015	2,141	2,134	1,858	1,587	1,640	1,385	2,071	1,910	1,524
Crime Reports	6,334	6,261	6,948	6,933	6,679	4,531	7,914	6,325	6,195	4,754	4,745
Moving citations issued	7,845	6,439	6,569	6,767	6,446	5,254	4,940	7,891	4,272	3,460	5,330
Parking citations issued	11,644	12,979	16,756	16,405	13,628	12,653	9,681	15,982	17,847	22,344	12,848
Fire											
Number of emergency calls	3,697	3,984	4,309	4,259	4,305	4,208	4,301	4,620	4,708	4,708	3,560
Public Works											
Street resurfacing, centerline (miles)	8	-	-	-	3	1	10	4	5	5	1
Community development											
Building Permits Issued	1,818	1,871	2,593	1,878	2,125	1,878	1,690	1,943	2,213	2,087	1,560
Building Inspections	3,170	3,200	4,260	3,843	4,116	4,010	2,879	3,075	3,552	3,233	5,000
Building Plan Checks	191	351	453	382	360	462	428	546	741	594	737
Parks and recreation:											
Number of Parks	25	25	25	25	25	25	25	25	25	25	25
Park Acreage	134.37	134.37	134.37	134.37	134.37	134.37	134.37	134.37	134.37	134.37	134.37
Municipal Water Department											
Number of Accounts	12,857	12,870	12,915	12,945	12,951	12,961	13,002	13,443	13,036	13,100	12,804
Average daily consumption (thousands of gallons)	8,257	7,978	6,688	6,864	7,604	6,973	6,995	7,647	7,220	6,347	6,372

Source: City of La Habra, Finance Department

**CITY OF LA HABRA, CALIFORNIA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire										
Stations	4	4	4	4	4	4	4	4	4	4
Public works:										
Streets, centerline (miles)	108	108	108	113	111	111	111	111	111	111
Streetlights	2,527	2,529	2,531	2,542	2,542	2,648	2,648	2,648	2,648	2,648
Traffic signals	35	35	35	35	35	35	35	35	35	35
Parks and recreation:										
Parks	25	25	25	25	25	25	25	25	25	25
Community centers	1	1	1	1	1	1	1	1	1	1
Water:										
Water mains (miles)	158	158	158	158	158	158	158	158	158	158
Sewer										
Sanitary sewers (miles)	126	126	126	126	126	126	126	126	126	126

Source: City of La Habra, Finance Department



**CITY OF LA HABRA, CALIFORNIA
 WATER SERVICE BY TYPE OF CUSTOMER
 LAST TWO FISCAL YEARS**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Water Services				
Residential	\$ 11,774	\$ 11,825	\$ 11,847	\$ 11,839
Commercial/Industrial	797	793	794	806
Schools/Other	299	297	304	306
Total	<u>\$ 12,870</u>	<u>\$ 12,915</u>	<u>\$ 12,945</u>	<u>\$ 12,951</u>

Source: City of La Habra

**CITY OF LA HABRA, CALIFORNIA
WATER SERVICE BY TYPE OF CUSTOMER (CONTINUED)
LAST TWO FISCAL YEARS**

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 11,842	\$ 11,880	\$ 12,270	\$ 11,881	\$ 11,941	\$ 11,671
807	807	837	818	814	784
312	315	336	337	345	349
<u>\$ 12,961</u>	<u>\$ 13,002</u>	<u>\$ 13,443</u>	<u>\$ 13,036</u>	<u>\$ 13,100</u>	<u>\$ 12,804</u>

**CITY OF LA HABRA, CALIFORNIA
WATER RATES
LAST TWO FISCAL YEARS**

Effective: 1/1/23 & 1/1/24

Meter Size	2023				2024			
	Monthly Meter Charge	Water Consumption Charge			Monthly Meter Charge	Water Consumption Charge		
		Residential				Residential		
5/8 inch	\$ 18.58	Tier 1: 0-8 ccf	\$ 2.68	\$ 20.76	Tier 1: 0-8 ccf	\$ 2.83		
3/4 inch	\$ 26.08	Tier 2: 9-16 ccf	\$ 4.77	\$ 29.07	Tier 2: 9-16 ccf	\$ 5.07		
1 inch	\$ 41.07	Tier 3: 16+ ccf	\$ 6.94	\$ 45.68	Tier 3: 16+ ccf	\$ 7.46		
1-1/2 inches	\$ 78.53	Multi-Family			\$ 87.21	Multi-Family		
2 inches	\$ 123.49	Uniform Tier	\$ 3.70	\$ 137.04	Uniform Tier	\$ 3.87		
3 inches	\$ 228.40	Commercial			\$ 253.31	Commercial		
4 inches	\$ 378.27	Uniform Tier	\$ 3.88	\$ 419.42	Uniform Tier	\$ 4.15		
6 inches	\$ 752.95	Municipal			\$ 834.68	Municipal		
8 inches	\$ 1,202.56	Uniform Tier	\$ 4.47	\$ 1,333.00	Uniform Tier	\$ 4.68		
		Irrigation				Irrigation		
		Uniform Tier	\$ 5.63		Uniform Tier	\$ 5.65		

Source: City of La Habra

**CITY OF LA HABRA, CALIFORNIA
AVERAGE MONTHLY WATER SERVICE RATE COMPARISON¹
LAST TWO FISCAL YEARS**

Water Agency	FY 2023				FY 2024			
	Usage (in ccf's)	Commodity Charge	Readiness to Serve	Total Bill	Usage (in ccf's)	Commodity Charge	Readiness to Serve	Total Bill
La Habra (Tiered Rate)	1-8	\$ 2.68	\$ 18.58		1-8	\$ 2.83	\$ 20.76	
La Habra (Tiered Rate)	9-16	4.77			9-16	5.07		
La Habra (Tiered Rate)	16-25	6.94		\$ 140.64	16-25	7.46		\$ 151.10
Brea (Tiered Rate)	1-10	3.34	20.00		1-10	3.30	20.59	
Brea (Tiered Rate)	11-20	4.36			11-20	4.31		
Brea (Tiered Rate)	21-25	5.75		125.75	21-25	5.69		125.14
Fullerton (Tiered Rate)	1-17	3.03	34.64		1-17	3.58	36.02	
Fullerton (Tiered Rate)	18-44	6.09			18-44	6.90		
Fullerton (Tiered Rate)	44+	6.59		134.87	44+	7.42		152.08
La Habra Heights (Lower Zone)	25	2.50	47.66	110.16	25	2.60	52.78	117.78
La Habra Heights (Upper Zone)	25	2.78	47.66	117.16	25	2.98	52.78	127.28
Suburban Water System	1-20	3.46	16.30		1-20	3.70	16.82	
Suburban Water System (La Mirada & Whittier)	5	3.66		103.80	5	4.08		111.30
Whittier (3/4 meter - Tierd Rate)	1-22	4.63	16.95		1-22	2.54	80.03	
Whittier (3/4 meter - Tierd Rate)	23-25	4.78		133.15	23-25	4.15		148.36

(1) Based on single family residence, 5/8 or 3/4 inch meter and 2500 cubic feet of usage.

Source: City of La Habra

**CITY OF LA HABRA, CALIFORNIA
TEN LARGEST USERS OF WATER
CURRENT AND LAST YEAR**

Customer	2023		2024	
	12 Month Consumption (100 Cubic Feet)	Percentage of Total Consumption	12 Month Consumption (100 Cubic Feet)	Percentage of Total Consumption
Westridge Golf Inc	74,024	2.39%	76,542	2.46%
City of La Habra	69,453	2.24%	67,750	2.18%
Cal Domestic	N/A	N/A	44,394	1.43%
La Habra School Dist	31,241	1.01%	41,224	1.33%
Heritage Hoa	28,379	0.92%	27,705	0.89%
Brooklake	27,215	0.88%	24,963	0.80%
IMP Valentia LP	N/A	N/A	24,559	0.79%
Tapestry Com Assn	21,315	0.69%	22,911	0.74%
Friendly Village FVL	20,317	0.66%	21,064	0.68%
Fullerton UHSD	N/A	N/A	20,681	0.67%
Sunny Hills	19,214	0.62%	N/A	N/A
Lake Park - La Habra	17,650	0.57%	N/A	N/A
Village Green	17,520	0.57%	N/A	N/A
Total Consumption in 100 CCF		<u>3,096,782</u>		<u>3,109,311</u>
		\$ 22,716,707		23,259,262.00

Source: City of La Habra



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