



CITY OF LA HABRA, CALIFORNIA ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2025

A photograph of the exterior of City Hall. The building is light-colored with a large arched entrance. Above the arch, the words 'CITY HALL' are written in dark, serif capital letters. A decorative wooden archway with a circular cutout is positioned above the entrance. In the foreground, there are bare tree branches with small pink flowers and a palm tree against a clear blue sky. A street lamp is visible on the right side of the frame.

CITY HALL

City of La Habra, California
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Year Ended June 30, 2025



Prepared by the Department of Finance and Administrative Services

GABRIELLA YAP, ASSISTANT CITY MANAGER
JACK PONVANIT, DEPUTY 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 2, 2026

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, 2025 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 2024-2025 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 61,202) 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 24/25 was \$9,236,619,763, which is 5.06% more than FY 23/24. Based on data from the 2019-2023 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 3.9% in December 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, 2025 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, 2025 was \$33.5 million. Of this amount, \$12.3 million is considered restricted, and \$6.1 million is assigned for specific purposes. The remaining balance of \$15.1 million represented unassigned or available portion of fund balance.

Long-Term Liabilities

As of fiscal year ended June 30, 2025, the City had several outstanding debt issues and other long-term liabilities totaling \$160.5 million (excluding deferred gain/loss on refunding), including:

- \$2.5 million in tax allocation bonds reported in the Successor Agency Private-Purpose Trust Fund
- \$1.2 million in lease obligations and subscription liability
- \$9.8 million in certificates of participation
- \$28.7 million in water revenue bonds
- \$63.6 million in pension obligation bonds
- \$6.4 million for claims payable
- \$9.2 million for compensated absences
- \$4.0 million for pollution remediation liability
- \$2.1 million for net OPEB liability
- \$33.0 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, 2025, the capital assets (net of depreciation/amortization) of the City’s governmental activities amounted to \$133.8 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	\$ 33,746,936	\$ 21,012,758	\$ 15,121,551	\$ (441,305)	\$ 276,682	\$ 39,473,520
Sewer	6,084,202	3,273,944	2,951,077	131,919	(113,471)	6,425,517
Housing Authority	5,646,104	1,243,285	1,170,975	(245,766)	189,905	5,662,553
Refuse	1,178,566	5,831,922	5,858,663	169,677	(203,211)	1,118,291
Children's Museum	372,284	748,406	741,719	9,501	34,314	422,786
Mobile Home Lease	5,526,324	3,114,973	2,816,328	95,873	(200,000)	5,720,842
	\$ 52,554,416	\$ 35,225,288	\$ 28,660,313	\$ (280,101)	\$ (15,781)	\$ 58,823,509

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.

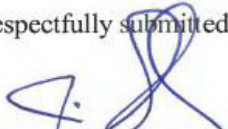
ACKNOWLEDGEMENTS

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 Deputy Director of Finance Jack Ponvanit, Finance Manager 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,

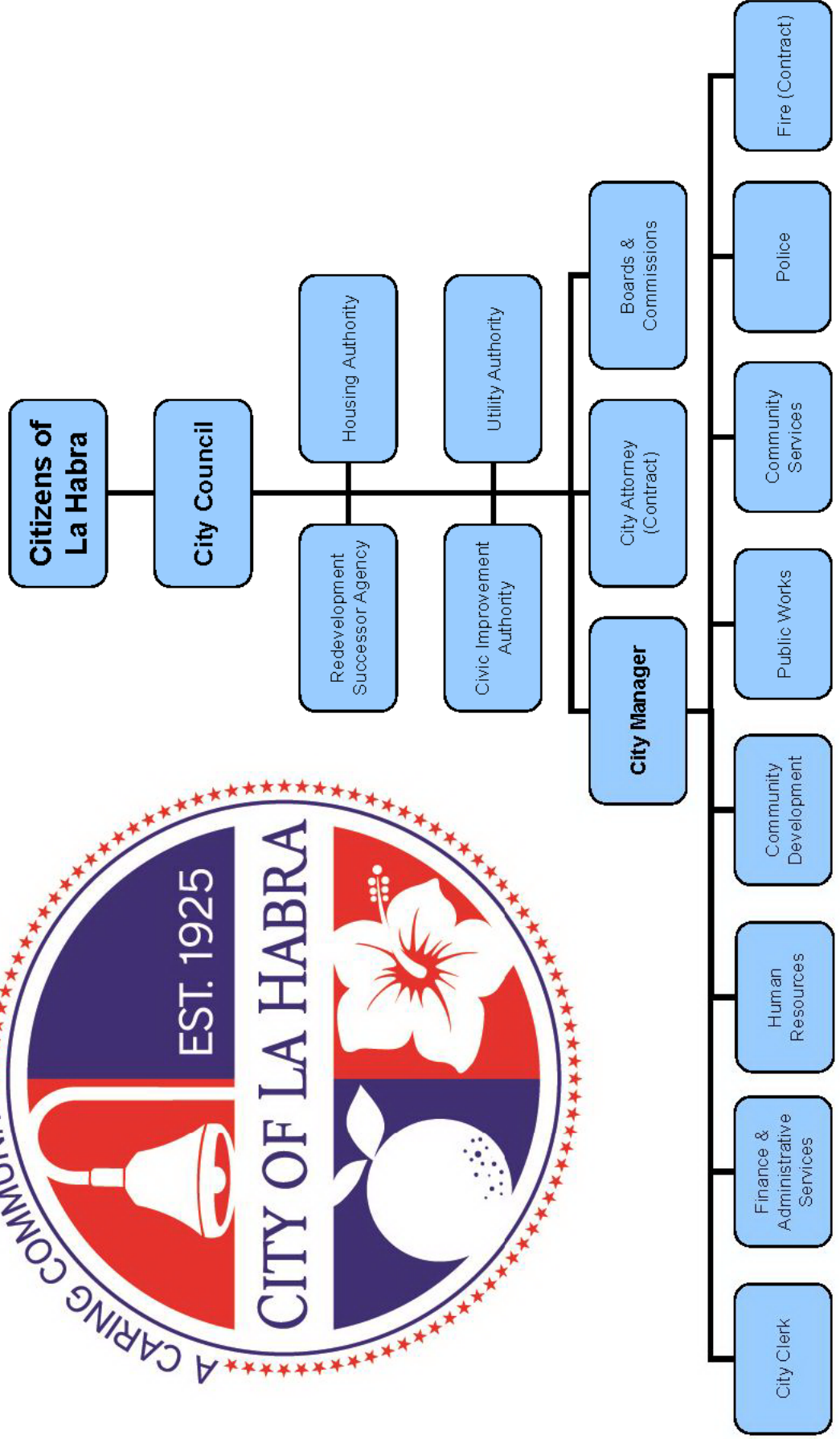


James D. Sadro
City Manager

Gabriella Yap
Assistant City Manager

Jack Ponvanit
Deputy Director of Finance

City of La Habra Organization and Services



**CITY OF LA HABRA, CALIFORNIA
CITY OFFICIALS
JUNE 30, 2025**

MEMBERS OF THE CITY COUNCIL

Mayor Rose Espinoza
Mayor Pro Tem Jose Medrano
Councilmember James Gomez
Councilmember Daren Nigsarian
Councilmember Delwin Lampkin

CITY MANAGER

James D. Sadro

ASSISTANT CITY MANAGER

Gabriella Yap

CITY ATTORNEY

Keith Collins

CITY CLERK

Rhonda Barone

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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Achievement
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, 2024

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, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Emphasis of Matter

Change in Accounting Principle

During the fiscal year ended June 30, 2025, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. As described in Notes 1D, 9, and 16, to the financial statements, the net position as of July 1, 2024 was adjusted and restated to reflect the change in the accounting principle. 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 and major special revenue funds 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 V 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 2, 2026, 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 2, 2026

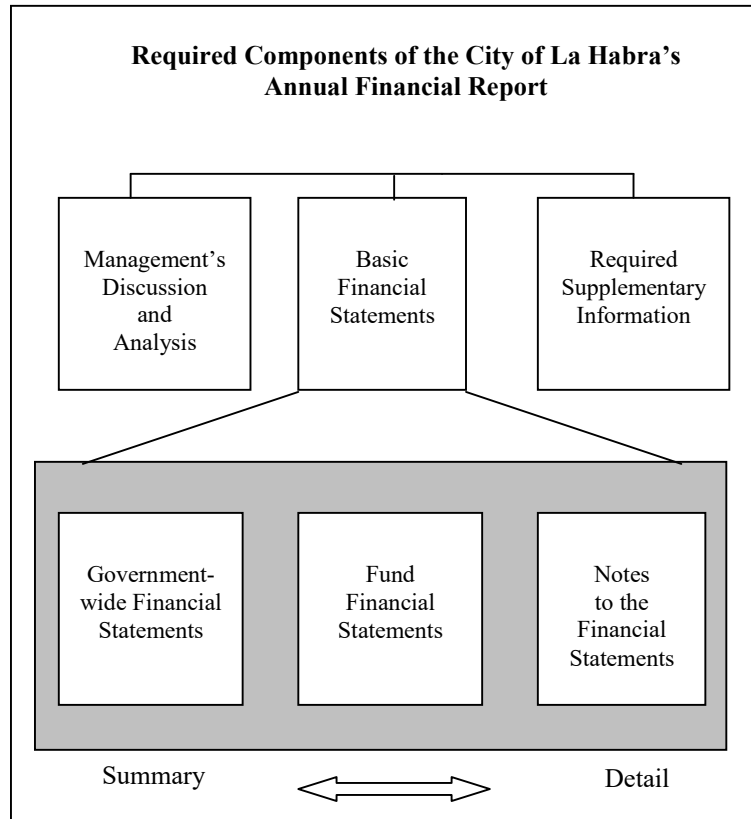
**CITY OF LA HABRA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

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, 2025. 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, 2025**

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, 2025**

- *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, 2025, and 2024, respectively:

TABLE 1
STATEMENTS OF NET POSITION

	Governmental Activities		Business-Type Activities		Total		Change (\$)	Change (%)
	FY 24/25	FY 23/24	FY 24/25	FY 23/24	FY 24/25	FY 23/24		
Assets								
Current and other assets	\$102,140,184	\$107,417,190	\$49,977,300	\$49,565,774	\$152,117,484	\$156,982,964	\$(4,865,480)	-3.1%
Capital assets	133,780,926	124,653,065	58,844,487	55,130,217	192,625,413	179,783,282	12,842,131	7.1%
Total Assets	235,921,110	232,070,255	108,821,787	104,695,991	344,742,897	336,766,246	7,976,651	2.4%
Deferred outflow of resources	10,247,624	36,388,843	2,796,386	3,599,252	13,044,010	39,988,095	(26,944,085)	-67.4%
Liabilities								
Current liabilities	23,704,749	32,130,515	5,960,257	6,078,957	29,665,006	38,209,472	(8,544,466)	-22.4%
Noncurrent liabilities	100,896,045	106,235,719	47,618,577	49,855,548	148,514,622	156,091,267	(7,576,645)	-4.9%
Total Liabilities	124,600,794	138,366,234	53,578,834	55,934,505	178,179,628	194,300,739	(16,121,111)	-8.3%
Deferred inflow of resources	12,753,979	35,906,524	650,451	68,892	13,404,430	35,975,416	(22,570,986)	-62.7%
Net position								
Net investment in capital assets	130,372,351	120,213,396	17,326,439	24,655,715	147,698,790	144,869,111	2,829,679	2.0%
Restricted	37,292,702	35,130,817	1,598,621	1,475,522	38,891,323	36,606,339	2,284,984	6.2%
Unrestricted	(58,851,092)	(61,157,873)	38,463,828	26,160,609	(20,387,264)	(34,997,264)	14,610,000	-41.7%
Total Net Position	\$108,813,961	\$94,186,340	\$57,388,888	\$52,291,846	\$166,202,849	\$146,478,186	\$19,724,663	13.5%

**CITY OF LA HABRA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

Assets and Deferred Outflow of Resources

The City's *combined* assets of \$344.7 million as of June 30, 2025 comprised of \$152.1 million in current and other assets and \$192.6 million in capital assets. Deferred outflows of resources of \$13.0 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 \$10.0 million of the balance.

Liabilities and Deferred Inflow of Resources

As of June 30, 2025, the City's ended the year with \$178.2 million in *combined* liabilities. Approximately 18.5% or \$33.0 million of the liability was net pension liability, and approximately 58.0% or \$103.4 million was bond and certificate of participation obligations, and leases & subscriptions payable. The remaining 23.5% or \$41.8 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 \$13.4 million represented deferred amount from pension, OPEB, and leases. The majority of the balance was deferred amount from pension, which represented \$9.0 million of the balance.

Net Investment in Capital Assets

The City's *combined* net position for the fiscal year ended June 30, 2025, as shown above, was \$166.2 million. \$147.7 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

\$38.9 million of the City's net position represents resources that are subject to external restrictions regarding how they may be used. There were no significant changes in restricted net position in any categories comparing to prior year.

Unrestricted Net Position

The unrestricted net position of the City's business-type activities totals \$38.5 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 \$58.9 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 \$22.1 million to \$166.2 million during the year with Governmental Activities net position increase of \$16.7 million and the Business-type Activities net position increase of \$5.4 million.

**CITY OF LA HABRA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

Approximately 50.0% 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	
	FY 24/25	FY 23/24	FY 24/25	FY 23/24	FY 24/25	FY 23/24
Revenues						
Program Revenues						
Charges for Services	\$ 11,082,250	\$ 10,796,280	\$ 35,225,288	\$ 31,408,769	\$ 46,307,538	\$ 42,205,049
Operating Grants and Contributions	13,374,586	15,168,862	-	-	13,374,586	15,168,862
Capital Grants and Contributions	16,118,302	11,811,104	-	-	16,118,302	11,811,104
General Revenues						
Property Taxes	24,641,817	23,586,856	-	-	24,641,817	23,586,856
Sales and Use Taxes	13,486,381	13,826,854	-	-	13,486,381	13,826,854
Transaction and Use Taxes	9,392,802	7,607,546	-	-	9,392,802	7,607,546
Franchise Tax	2,124,571	2,492,371	-	-	2,124,571	2,492,371
Grants and Contributions not Restricted to Specific Programs	151,940	131,345	-	-	151,940	131,345
Income from Property and Investments	7,259,701	6,362,456	1,471,374	1,237,988	8,731,075	7,600,444
Gain on sale of capital assets	7,544	60,590	-	16,793	7,544	77,383
Other General Revenues	1,654,683	1,336,954	6,799	-	1,661,482	1,336,954
Total Revenues	99,294,577	93,181,218	36,703,461	32,663,550	135,998,038	125,844,768
Expenses						
General Government	5,366,225	4,905,354	-	-	5,366,225	4,905,354
Public Safety	38,009,194	38,036,784	-	-	38,009,194	38,036,784
Public Works	17,221,408	12,870,728	-	-	17,221,408	12,870,728
Community Services	15,213,731	14,866,774	-	-	15,213,731	14,866,774
Community Development	5,008,412	4,690,781	-	-	5,008,412	4,690,781
Interest on Long-Term Water	1,768,339	1,777,745	-	-	1,768,339	1,777,745
Sewer	-	-	16,877,898	16,229,119	16,877,898	16,229,119
Refuse	-	-	3,319,837	2,966,511	3,319,837	2,966,511
Housing Authority	-	-	5,943,176	5,632,476	5,943,176	5,632,476
Children's Museum	-	-	1,590,606	1,351,596	1,590,606	1,351,596
Mobile Home Lease	-	-	764,352	699,438	764,352	699,438
	-	-	2,816,328	3,083,452	2,816,328	3,083,452
Total Expenses	82,587,309	77,148,166	31,312,197	29,962,592	113,899,506	107,110,758
Excess (deficiency) before Transfers	16,707,268	16,033,052	5,391,264	2,700,958	22,098,532	18,734,010
Transfers	15,781	-	(15,781)	-	-	-
Change in Net Position	16,723,049	16,033,052	5,375,483	2,700,958	22,098,532	18,734,010
Net Position - Beginning of Year, as Previously Reported	94,186,340	78,153,288	52,291,846	49,590,888	146,478,186	127,744,176
Prior period adjustment	(2,095,428)	-	(278,441)	-	(2,373,869)	-
Net Position - Beginning of Year	92,090,912	78,153,288	52,013,405	49,590,888	144,104,317	127,744,176
Net Position - End of year	\$108,813,961	\$ 94,186,340	\$57,388,888	\$52,291,846	\$166,202,849	\$146,478,186

**CITY OF LA HABRA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

Governmental Activities

The increase in net position for *governmental* activities was \$16.7 million, caused as a result of total revenues for *governmental* activities of \$99.3 million being offset by \$82.6 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 4.5% compared to prior year as a result of increase in property taxable values especially in the residential class of property.
- Transaction and use tax grew by \$1.7 million or 22.3% due to Measure V, which reauthorized the former transaction and use tax at an updated rate of one cent. Measure V became effective in April 2025.
- Capital grants and contributions increase by \$4.3 million from state park grants for Vista Grande Park construction.
- Income from property and investments increased by \$0.9 million compared to prior year due to higher interest rate.
- Public Works expenses increased by \$4.3 million because of Coyote Creek Channel Improvement Project. The expenses for this project was not capitalized because the property belongs to the Coyote Creek Homeowner Association. The City received a grant and managed this project on the HOA behalf.

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.

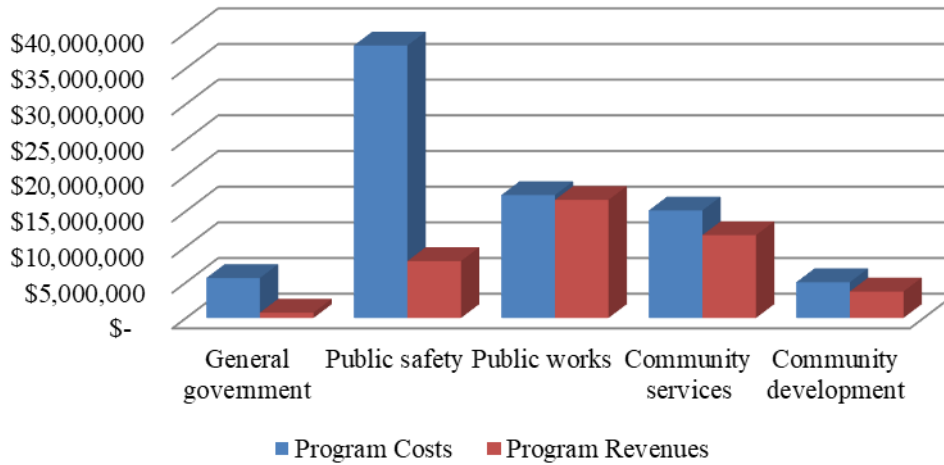
Table 3 presents the cost of each program as well as each program's net cost (total cost less revenue generated by the program activities). The net cost shows the extent to which the City's general revenues support each of the programs.

**CITY OF LA HABRA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

**TABLE 3
GOVERNMENTAL ACTIVITIES
NET PROGRAM COST**

	Total Program Costs		Total Program Revenues		Net Cost of Services	
	FY 24/25	FY 23/24	FY 24/25	FY 23/24	FY 24/25	FY 23/24
General government	\$5,366,225	\$4,905,354	\$741,897	\$1,211,735	\$4,624,328	\$3,693,619
Public safety	38,009,194	38,036,784	7,977,456	8,397,131	30,031,738	29,639,653
Public works	17,221,408	12,870,728	16,543,583	10,972,011	677,825	1,898,717
Community services	15,213,731	14,866,774	11,600,561	11,677,049	3,613,170	3,189,725
Community development	5,008,412	4,690,781	3,711,641	5,518,320	1,296,771	(827,539)
Totals	\$80,818,970	\$75,370,421	\$40,575,138	\$37,776,246	\$40,243,832	\$37,594,175

**Program Costs VS Program Revenues
Governmental Activities FY 24/25**



Business-Type Activities

As of June 30, 2025, the revenues of the business-type activities increased by 12.2%, or \$3.8 million (\$35.2 million in 2025 compared to \$31.4 million in 2024) and expenses increased by 4.5%, or \$1.3 million (\$31.3 million in 2025 compared to \$30.0 million in 2024). The primary factors driving these results include:

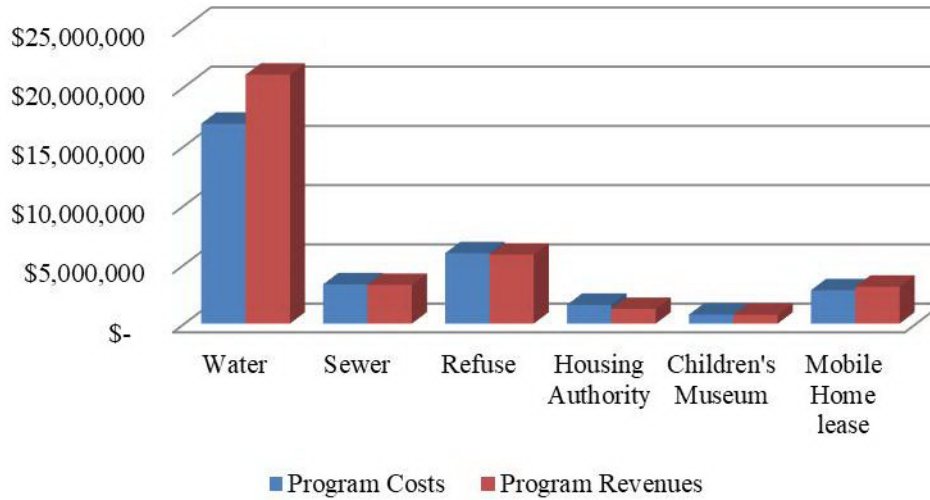
- Utility rate increased by 7.0% in January 2025, and water consumption increased by 8.7% resulted in increase of \$3.2 million or 15.4% in utility revenues (Water and Sewer). Refuse rate also increased in January 2025. This resulted in \$0.3 million increase in Refuse revenue.
- Housing Authority revenue slightly decreased by \$0.1 million due to one-time affordable housing development fees in prior year.
- Children’s Museum revenue increased by \$0.2 million due mainly to increase in reimbursement from Friends of the Children’s Museum, a non-project organization that works in partnership with the museum.

**CITY OF LA HABRA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

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

	Total Program Costs		Total Program Revenues		Net Cost of Services	
	FY 24/25	FY 23/24	FY 24/25	FY 23/24	FY 24/25	FY 23/24
Water	\$ 16,877,898	\$ 16,229,119	\$ 21,012,758	\$ 18,097,810	\$ (4,134,860)	\$ (1,868,691)
Sewer	3,319,837	2,966,511	3,273,944	2,944,182	45,893	22,329
Refuse	5,943,176	5,632,476	5,831,922	5,514,811	111,254	117,665
Housing Authority	1,590,606	1,351,596	1,243,285	1,386,825	347,321	(35,229)
Children's Museum	764,352	699,438	748,406	490,972	15,946	208,466
Mobile Home lease	2,816,328	3,083,452	3,114,973	2,974,169	(298,645)	109,283
Totals	\$31,312,197	\$29,962,592	\$35,225,288	\$31,408,769	\$ (3,913,091)	\$ (1,446,177)

**Program Costs VS Program Revenues
Business-Type Activities FY 24/25**



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, 2025**

As of June 30, 2025, the City's governmental funds reported combined ending fund balances of \$57.0 million, an increase of \$0.7 million compared to the adjusted beginning fund balance. The following fund balances are considered to be non-spendable, restricted, or assigned for the City:

- \$12.3 million restricted for Pension Rate Program
- \$20.0 million restricted for special revenue funds
- \$1.7 million assigned for Facility Improvement Program
- \$2.2 million assigned for Land Acquisition Program
- \$0.1 million assigned for Special Events Program
- \$2.1 million assigned for Employee benefits
- \$7.6 million assigned for capital projects fund

The General Fund is the chief operating fund of the City and, as of June 30, 2025, had a total fund balance of \$33.5 million. The revenue outperformed the projection by \$4.4 million. Sales and transaction taxes decreased \$0.8 million or 5.7% 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. Transaction and use tax increase by \$0.5 million due to the new Measure V, which reauthorize the City's former Transaction and Use tax (Measure T) at an updated rate of one cent. Measure V was effective in April 2025. Charges for services came in approximately \$2.8 million higher than budget estimates. The main reason was the increase in ambulance rates and increase in building plan check activities. Use of money and property also increase by \$2.0 million due to higher interest rates. During the year, the General Fund transferred \$4.4 million to the debt service fund for the pension obligation bond debt service payments. At Council direction, the General Fund transferred \$2.9 million of the surplus to capital project fund and internal service funds. As a result, the General Fund' fund balance increased over the prior fiscal year by \$2.3 million.

For fiscal year ended June 30, 2025, the State Gas Tax Special Revenue Fund balance increased by \$2.9 million, due to \$3.5 million in the Gas Tax and SB 1 Road Maintenance and Rehab Fund revenue from the State plus \$0.5 million interest earnings offsetting with \$1.1 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, 2025, the Measure M Special Revenue Fund balance increased by \$0.8 million, due to \$3.0 million in the Measure M2 fair share and grant from the OCTA offsetting with \$2.2 million in street and road project spending. The majority of activities in the Measure M Fund was related to traffic signal synchronization projects.

For fiscal year ended June 30, 2025, the Child Development Special Revenue Fund balance slightly increased by \$0.3 million because of the collection of reimbursement grant, which was considered unavailable income in the prior year. As a result, revenues were slightly higher than expenditures in this fund.

For fiscal year ended June 30, 2025, the Park and Capital Development Capital Projects Fund balance decreased by \$3.7 million because of capital spending on Vista Grande and Woman's Club parks. The City spent \$4.0 million in the current year for these two parks. The grant reimbursement income was not available within the availability period; therefore, it was recorded as unavailable revenue. As a result, expenditures were higher than revenues in this fund.

**CITY OF LA HABRA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

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 \$5.7 million primarily due to water rate increased in January 2025, and water consumption increased by 8.7% resulted in increase of \$2.9 million or 16.1% in water revenue comparing to prior year. With the most recent water rate study, 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 24/25.

The Housing Authority's net position stays flat by designed to operate a break even.

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 24/25.

General Fund Budgetary Highlights

At fiscal year-end, most of the revenue sources ended the year slightly above or below the budget except for sales and use tax, transaction and use tax, charges for services and use of money and property. Sales and transaction taxes underperformed budget by \$0.8 million or 5.7% 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. Transaction and use tax outperformed budget by \$0.5 million due to the new Measure V, which reauthorize the City's former Transaction and Use tax (Measure T) at an updated rate of one cent. Measure V was effective in April 2025. Charges for services came in approximately \$2.8 million higher than budget estimates. The main reason was the increase in ambulance rates and increase in building plan check activities. Use of money and property also outperformed budget by \$2.0 million due to higher 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.

The difference between the original and final General Fund budget reflects mid-year adjustments to incorporate updated revenue projections and improve expenditure classification. Sales and use tax revenues increased by \$1.0 million due to a voter-approved Measure V effective April 2025, which allowed the City to restore selected expenditures in public safety, public works, community services, and community development that were conservatively budgeted at the beginning of the fiscal year. In addition, the City amended the budget by approximately \$4.5 million to reclassify Pension Obligation Bond (POB) related payments from functional expenditures to transfers out to the debt service fund, ensuring proper alignment with accounting and financial reporting practices. These revisions resulted in a final budget that more accurately reflects the City's current revenue outlook and the appropriate presentation of pension financing activities.

**CITY OF LA HABRA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

Capital Asset and Debt Administration

Capital Assets

At June 30, 2025, the City had recorded an investment of over \$336.1 million (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 24/25</u>	<u>FY 23/24</u>	<u>FY 24/25</u>	<u>FY 23/24</u>	<u>FY 24/25</u>	<u>FY 23/24</u>
Land	\$17,757,854	\$16,904,755	\$12,800,000	\$12,800,000	\$30,557,854	\$29,704,755
Land improvements	7,977,597	7,977,598	-	-	7,977,597	7,977,598
Buildings and improvements	42,358,894	40,598,633	4,251,106	4,251,106	46,610,000	44,849,739
Improvements other than buildings	2,008,010	2,008,009	273,936	273,936	2,281,946	2,281,945
Machinery and equipment	13,430,534	12,912,122	2,345,588	2,339,952	15,776,122	15,252,074
Autos and trucks	6,035,743	6,287,495	230,465	230,465	6,266,208	6,517,960
Infrastructure	139,682,318	126,242,573	66,366,701	64,785,991	206,049,019	191,028,564
Construction in progress	10,487,883	13,272,760	6,724,813	2,930,060	17,212,696	16,202,820
Right-to use lease assets	1,012,508	202,990	-	-	1,012,508	202,990
Right-to use subscription assets	2,402,226	1,651,095	-	-	2,402,226	1,651,095
(Less accumulated)	(109,372,641)	(103,404,965)	(34,148,122)	(32,481,293)	(143,520,763)	(135,886,258)
TOTALS	\$133,780,926	\$124,653,065	\$58,844,487	\$55,130,217	\$192,625,413	\$179,783,282

Capital Assets, before accumulated depreciation, increased by \$20.5 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, 2025**

Long-Term Debt

At year-end, the City had \$104.5 million in bonds, certificates of participation, loans, and lease and subscription payable, a decrease of \$3.9 million from last year, as shown in the table below, due to principal payments of various obligations. 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.

**TABLE 6
OUTSTANDING LONG-TERM DEBT AT YEAR-END**

	Governmental Activities		Business-Type Activities		Private-Purpose Trust Activities		Total	
	<u>FY 24/25</u>	<u>FY 23/24</u>	<u>FY 24/25</u>	<u>FY 23/24</u>	<u>FY 24/25</u>	<u>FY 23/24</u>	<u>FY 24/25</u>	<u>FY 23/24</u>
Certificates of Participation	\$ -	\$ -	\$ 9,836,270	\$ 10,358,662	\$ -	\$ -	\$ 9,836,270	\$ 10,358,662
Pension Obligation								
Bonds	59,947,966	62,752,157	3,652,034	3,822,843	-	-	63,600,000	66,575,000
Tax Allocation Bonds	-	-	-	-	2,488,561	2,823,369	2,488,561	2,823,369
Lease and subscription Liability	1,244,398	503,391	-	-	-	-	1,244,398	503,391
Revenue Bonds	-	-	28,673,443	30,205,893	-	-	28,673,443	30,205,893
Unamortized gain or (loss) on refunding	-	-	(1,344,085)	(2,050,729)	-	-	(1,344,085)	(2,050,729)
TOTALS	\$61,192,364	\$63,255,548	\$40,817,662	\$42,336,669	\$ 2,488,561	\$2,823,369	\$104,498,587	\$108,415,586

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 24/25 net taxable property values totaled \$9.2 billion, approximately 29.9% more than five years ago, and it is 5.0% higher than FY 23/24.
- The City issued Pension Obligation Bonds in January 2022. This paid down most of the unfunded accrued pension liability. As a result, projected FY 25/26 CalPERS City's contribution rates are as follows:
 - Miscellaneous plan: 10.08%
 - Public safety (Tier I): 29.35%
 - Public safety (Tier II): 21.98%
 - Public safety (PEPRA): 14.96%
- CalPERS experienced investment gain of 11.6% in fiscal year 2024-25. Projected FY 26/27 CalPERS City's contribution rates are as follows:
 - Miscellaneous plan: 10.03% plus \$1.4 million unfunded liability payment
 - Public safety (Tier I): 29.38% plus \$2.1 million blended unfunded liability payment
 - Public safety (Tier II): 21.98%
 - Public safety (PEPRA): 14.86%
- 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 2024 to June 2025.

**CITY OF LA HABRA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

- The City entered into a new fire service agreement with the Los Angeles County Fire Department which resulted in the closure of Fire Station 193 and increase in annual service cost of \$4.5 million.

These, among other factors, were considered in preparing the City of La Habra's General Fund budget for FY 25/26, which resulted in budgeted expenditures increasing by \$7.2 million to \$70.3 million compared to the FY 24/25 amended budget of \$63.1 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.

The fiscal uncertainty in the near term is affecting the economy at all levels – globally, nationally, state, and locally. Tariffs, high interest rates and inflation are impacting consumer spending patterns which has a direct nexus to the City's combined sales tax and TUT, now the City's largest source of revenue. High mortgage interest rates, combined with limited housing supply and historically high housing prices, have kept would-be homebuyers out of the market, resulting in property tax revenues not rising as quickly as in past years. Although there have been some changes in tariff policies and negotiations, many economists continue to speculate about the possibility of a recession or stagflation on the horizon, along with a continued decline in real estate activity. If these factors materialize, they will likely have a meaningful, if not significant, impact on the City's primary General Fund revenue sources.

Looming budget cuts at the federal, state and county levels also may directly impact City programs and represents another significant potential threat to City operations. This includes the loss of the North Orange County Public Safety Collaborative federal funding that the City has been using to fund its Homeless Outreach Team staff, exacerbated by delays in Permanent Local Housing Allocation (PLHA) funding promised by the state, which is several years overdue. Homeless outreach efforts and sheltering services had traditionally been the County's responsibility, but was transferred to cities in the County several years ago and now the accompanying funding promised is not being realized in a timely fashion, placing additional fiscal burdens on cities.

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.lahabracalifornia.gov".



GOVERNMENT-WIDE FINANCIAL STATEMENTS



**CITY OF LA HABRA, CALIFORNIA
STATEMENT OF NET POSITION
JUNE 30, 2025**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Investments	\$ 66,731,914	\$ 27,309,755	\$ 94,041,669
Cash and Investments with Fiscal Agents	12,446,964	370,022	12,816,986
Accounts Receivable, Net	7,674,374	3,839,638	11,514,012
Interest Receivable	359,875	139,254	499,129
Prepaid Items	148,722	86,694	235,416
Due from Other Governments	10,105,820	13,961	10,119,781
Leases Receivable, Current	185,586	-	185,586
Internal Balances	1,434,621	(1,434,621)	-
Total Current Assets	<u>99,087,876</u>	<u>30,324,703</u>	<u>129,412,579</u>
Noncurrent Assets:			
Loans Receivable	365,251	-	365,251
Leases Receivable	2,353,832	-	2,353,832
Loans to Successor Agency	333,225	-	333,225
Investment in Water Rights Stock	-	19,652,597	19,652,597
Capital Assets:			
Not Being Depreciated	28,245,737	19,524,813	47,770,550
Being Depreciated, Net	105,535,189	39,319,674	144,854,863
Total Noncurrent Assets	<u>136,833,234</u>	<u>78,497,084</u>	<u>215,330,318</u>
Total Assets	<u>235,921,110</u>	<u>108,821,787</u>	<u>344,742,897</u>
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized Loss on Refunding of Debt	-	1,900,658	1,900,658
Deferred Amount from Pension Plans	9,221,004	819,361	10,040,365
Deferred Amount from OPEB Plan	1,026,620	76,367	1,102,987
Total Deferred Outflows of Resources	<u>10,247,624</u>	<u>2,796,386</u>	<u>13,044,010</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	5,487,618	2,838,865	8,326,483
Accrued Liabilities	3,850,714	513,474	4,364,188
Deposits Payable	963,029	233,931	1,196,960
Due to Successor Agency	44,629	-	44,629
Interest Payable	714,114	276,414	990,528
Unearned Revenue	4,989,727	139,037	5,128,764
Claims Payable, Current	1,701,702	-	1,701,702
Compensated Absences, Current	2,554,726	200,143	2,754,869
Long-Term Obligations, Due Within One Year	3,398,490	1,758,392	5,156,882
Total Current Liabilities	<u>23,704,749</u>	<u>5,960,256</u>	<u>29,665,005</u>
Noncurrent Liabilities:			
Net OPEB Liability	1,978,186	168,655	2,146,841
Claims Payable	4,718,334	-	4,718,334
Compensated Absences	5,961,029	466,999	6,428,028
Long-Term Obligations, Due in More Than One Year	57,793,874	40,403,355	98,197,229
Pollution Remediation Liability	-	4,017,198	4,017,198
Net Pension Liability	30,444,622	2,562,371	33,006,993
Total Noncurrent Liabilities	<u>100,896,045</u>	<u>47,618,578</u>	<u>148,514,623</u>
Total Liabilities	<u>124,600,794</u>	<u>53,578,834</u>	<u>178,179,628</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount from Pension Plans	9,025,562	-	9,025,562
Deferred Amount from OPEB Plan	1,262,020	93,878	1,355,898
Deferred Amount Related to Leases	2,466,397	-	2,466,397
Unamortized Gain on Refunding of Debt	-	556,573	556,573
Total Deferred Inflows of Resources	<u>12,753,979</u>	<u>650,451</u>	<u>13,404,430</u>
NET POSITION			
Net Investment in Capital Assets	130,372,351	17,326,439	147,698,790
Restricted for:			
Low-Moderate Income Housing	325,549	1,247,041	1,572,590
Public Safety	2,160,378	-	2,160,378
Public Works	19,089,060	-	19,089,060
Community Development	326,149	-	326,149
Community Services	642,820	-	642,820
General Plan Update	1,771,210	-	1,771,210
Public Education and Governmental (PEG)	530,572	-	530,572
Pension Rate Program	12,446,964	351,580	12,798,544
Unrestricted	(58,851,092)	38,463,828	(20,387,264)
Total Net Position	<u>\$ 108,813,961</u>	<u>\$ 57,388,888</u>	<u>\$ 166,202,849</u>

See accompanying Notes to Financial Statements.

**CITY OF LA HABRA, CALIFORNIA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General Government	\$ 5,366,225	\$ 531,631	\$ 210,266	\$ -
Public Safety	38,009,194	5,602,376	2,375,080	-
Public Works	17,221,408	420,906	4,375	16,118,302
Community Services	15,213,731	1,485,378	10,115,183	-
Community Development	5,008,412	3,041,959	669,682	-
Interest on Long-Term Debt	1,768,339	-	-	-
Total Governmental Activities	<u>82,587,309</u>	<u>11,082,250</u>	<u>13,374,586</u>	<u>16,118,302</u>
BUSINESS-TYPE ACTIVITIES				
Water	16,877,898	21,012,758	-	-
Sewer	3,319,837	3,273,944	-	-
Refuse	5,943,176	5,831,922	-	-
Housing Authority	1,590,606	1,243,285	-	-
Children's Museum	764,352	748,406	-	-
Mobile Home Lease	2,816,328	3,114,973	-	-
Total Business-Type Activities	<u>31,312,197</u>	<u>35,225,288</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 113,899,506</u>	<u>\$ 46,307,538</u>	<u>\$ 13,374,586</u>	<u>\$ 16,118,302</u>

See accompanying Notes to Financial Statements.

CITY OF LA HABRA, CALIFORNIA
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED JUNE 30, 2025

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES			
General Government	\$ (4,624,328)	\$ -	\$ (4,624,328)
Public Safety	(30,031,738)	-	(30,031,738)
Public Works	(677,825)	-	(677,825)
Community Services	(3,613,170)	-	(3,613,170)
Community Development	(1,296,771)	-	(1,296,771)
Interest on Long-Term Debt	(1,768,339)	-	(1,768,339)
Total Governmental Activities	(42,012,171)	-	(42,012,171)
BUSINESS-TYPE ACTIVITIES			
Water	-	4,134,860	4,134,860
Sewer	-	(45,893)	(45,893)
Refuse	-	(111,254)	(111,254)
Housing Authority	-	(347,321)	(347,321)
Children's Museum	-	(15,946)	(15,946)
Mobile Home Lease	-	298,645	298,645
Total Business-Type Activities	-	3,913,091	3,913,091
Total Primary Government	(42,012,171)	3,913,091	(38,099,080)
GENERAL REVENUES AND TRANSFERS			
Taxes:			
Property Tax	24,641,817	-	24,641,817
Sales and Use Taxes	13,486,381	-	13,486,381
Transaction and Use Taxes	9,392,802	-	9,392,802
Franchise Tax	2,124,571	-	2,124,571
Grants and Contributions Not Restricted to Specific Programs	151,940	-	151,940
Income from Property and Investments	7,259,701	1,471,374	8,731,075
Gain (Loss) on Sale of Capital Assets	7,544	6,799	14,343
Other General Revenues	1,654,683	-	1,654,683
Transfers	15,781	(15,781)	-
Total General Revenues and Transfers	58,735,220	1,462,392	60,197,612
CHANGE IN NET POSITION	16,723,049	5,375,483	22,098,532
Net Position - Beginning of Year, as Originally Reported	94,186,340	52,291,846	146,478,186
Restatement for Change in Accounting Principle	(2,095,428)	(278,441)	(2,373,869)
Net Position - Beginning of Year, as Restated	92,090,912	52,013,405	144,104,317
NET POSITION - END OF YEAR	<u>\$ 108,813,961</u>	<u>\$ 57,388,888</u>	<u>\$ 166,202,849</u>

See accompanying Notes to Financial Statements.



FUND FINANCIAL STATEMENTS

**CITY OF LA HABRA, CALIFORNIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025**

	General	Special Revenue		Coyote Creek Channel Improvement
		State Gas Tax	Measure M	
ASSETS				
Cash and Investments	\$ 16,131,830	\$ 12,406,667	\$ 1,382,602	\$ -
Cash and Investment with Fiscal Agent	12,335,811	-	-	-
Accounts Receivable, Net	7,417,035	-	-	-
Interest Receivable	123,848	65,571	14,743	-
Prepaid Items	24,885	-	-	-
Due from Other Funds	3,310,705	-	-	-
Due from Other Governments	74,067	605,602	2,036,823	-
Loans Receivable	-	-	-	-
Leases Receivable	2,539,418	-	-	-
Loans to Successor Agency	333,225	-	-	-
Total Assets	\$ 42,290,824	\$ 13,077,840	\$ 3,434,168	\$ -
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)				
LIABILITIES				
Accounts Payable	\$ 1,202,509	\$ 24,330	\$ 279,738	\$ -
Accrued Liabilities	2,614,024	45,523	72,156	-
Deposits Payable	236,660	-	-	-
Due to Other Funds	-	-	-	-
Due to Successor Agency	44,629	-	-	-
Unearned Revenues	315,759	-	-	-
Total Liabilities	4,413,581	69,853	351,894	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	1,930,338	-	1,815,099	-
Deferred Inflows Related to Leases	2,466,397	-	-	-
Total Deferred Inflows of Resources	4,396,735	-	1,815,099	-
FUND BALANCES (DEFICITS)				
Nonspendable	24,885	-	-	-
Restricted	12,335,811	13,007,987	1,267,175	-
Assigned	6,069,621	-	-	-
Unassigned	15,050,191	-	-	-
Total Fund Balances (Deficits)	33,480,508	13,007,987	1,267,175	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 42,290,824	\$ 13,077,840	\$ 3,434,168	\$ -

See accompanying Notes to Financial Statements.

**CITY OF LA HABRA, CALIFORNIA
BALANCE SHEET (CONTINUED)
GOVERNMENTAL FUNDS
JUNE 30, 2025**

	Special	Capital Projects			Total Governmental Funds
	Revenue	Park and Capital Development	General Capital Projects	Other Nonmajor Funds	
	Child Development				
ASSETS					
Cash and Investments	\$ 3,864,515	\$ 16,611	\$ -	\$ 17,662,724	\$ 51,464,949
Cash and Investment with Fiscal Agent	-	-	-	-	12,335,811
Accounts Receivable, Net	876	199	-	211,275	7,629,385
Interest Receivable	-	14,443	-	68,111	286,716
Prepaid Items	-	-	-	1,739	26,624
Due from Other Funds	-	-	-	-	3,310,705
Due from Other Governments	892,026	4,264,396	-	2,232,906	10,105,820
Loans Receivable	-	-	-	365,251	365,251
Leases Receivable	-	-	-	-	2,539,418
Loans to Successor Agency	-	-	-	-	333,225
Total Assets	<u>\$ 4,757,417</u>	<u>\$ 4,295,649</u>	<u>\$ -</u>	<u>\$ 20,542,006</u>	<u>\$ 88,397,904</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)					
LIABILITIES					
Accounts Payable	\$ 1,425,051	\$ 197,371	\$ -	\$ 1,922,755	\$ 5,051,754
Accrued Liabilities	133,568	293,779	-	590,706	3,749,756
Deposits Payable	-	-	-	726,369	963,029
Due to Other Funds	-	1,246,246	-	2,064,459	3,310,705
Due to Successor Agency	-	-	-	-	44,629
Unearned Revenues	3,019,928	-	-	1,654,040	4,989,727
Total Liabilities	<u>4,578,547</u>	<u>1,737,396</u>	<u>-</u>	<u>6,958,329</u>	<u>18,109,600</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues	578,342	4,264,396	-	2,241,895	10,830,070
Deferred Inflows Related to Leases	-	-	-	-	2,466,397
Total Deferred Inflows of Resources	<u>578,342</u>	<u>4,264,396</u>	<u>-</u>	<u>2,241,895</u>	<u>13,296,467</u>
FUND BALANCES (DEFICITS)					
Nonspendable	-	-	-	1,739	26,624
Restricted	-	-	-	5,751,938	32,362,911
Assigned	-	-	-	7,602,792	13,672,413
Unassigned	(399,472)	(1,706,143)	-	(2,014,687)	10,929,889
Total Fund Balances (Deficits)	<u>(399,472)</u>	<u>(1,706,143)</u>	<u>-</u>	<u>11,341,782</u>	<u>56,991,837</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 4,757,417</u>	<u>\$ 4,295,649</u>	<u>\$ -</u>	<u>\$ 20,542,006</u>	<u>\$ 88,397,904</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, 2025

Total Fund Balances - Governmental Funds	\$	56,991,837
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets, net of accumulated depreciation/amortization, used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Capital Assets		229,488,698
Accumulated Depreciation/Amortization		(99,256,748)
Subtotal		130,231,950
<p>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.</p>		
		11,278,576
<p>Accrued interest on long-term liabilities is not due and payable in the current period and, therefore, is not reported in the funds.</p>		
		(700,552)
<p>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.</p>		
		10,830,070
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.</p>		
Pension Obligation Bonds		(58,806,948)
Lease Liability		(626,900)
Subscription Liability		(290,816)
Compensated Absences		(8,515,755)
Subtotal		(68,240,419)
<p>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.</p>		
Deferred Outflows of Resources from Pension		8,804,855
Deferred Inflows of Resources from Pension		(9,025,562)
Net Pension Liability		(29,143,208)
Subtotal		(29,363,915)
<p>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.</p>		
Deferred Outflows of Resources from OPEB		1,026,620
Deferred Inflows of Resources from OPEB		(1,262,020)
Net OPEB Liabilities		(1,978,186)
Subtotal		(2,213,586)
Net Position of Governmental Activities	\$	108,813,961

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, 2025**

	General	Special Revenue		Coyote Creek Channel Improvement
		State Gas Tax	Measure M	
REVENUES				
Property Taxes and Special Assessments	\$ 24,694,839	\$ -	\$ -	\$ -
Sales and Use Tax	13,467,173	-	-	-
Transaction and Use Tax	9,307,150	-	-	-
Franchise Tax	2,152,349	-	-	-
Intergovernmental	98,918	3,468,311	2,990,404	-
Licenses and Permits	2,294,885	-	-	-
Charges for Services	8,607,218	-	-	-
Fines, Forfeitures, and Penalties	1,041,763	-	-	-
Use of Money and Property	4,808,533	487,830	103,136	-
Other Revenues	67,066	-	-	-
Total Revenues	66,539,894	3,956,141	3,093,540	-
EXPENDITURES				
Current:				
General Government	4,033,090	-	-	-
Public Safety	39,208,203	-	-	-
Public Works	5,591,083	195,761	553,156	-
Community Services	4,937,159	-	-	-
Community Development	3,298,247	-	-	-
Capital Outlay	-	846,815	1,713,356	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Other Charges	-	-	-	-
Total Expenditures	57,067,782	1,042,576	2,266,512	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	9,472,112	2,913,565	827,028	-
OTHER FINANCING SOURCES (USES)				
Transfers In	250,844	-	-	-
Transfers Out	(7,395,488)	-	-	-
Issuance of Debt Related to Subscriptions	-	-	-	-
Issuance of Debt Related to Leases	-	-	-	-
Total Other Financing Sources (Uses)	(7,144,644)	-	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	2,327,468	2,913,565	827,028	-
Fund Balances (Deficits) - Beginning of Year, As Originally Reported	31,153,040	10,094,422	440,147	16,034
Change Within the Financial Reporting Entity (Change in Major Funds)	-	-	-	(16,034)
Fund Balances (Deficits) - Beginning of Year, As Restated	31,153,040	10,094,422	440,147	-
FUND BALANCES (DEFICITS) - END OF YEAR	\$ 33,480,508	\$ 13,007,987	\$ 1,267,175	\$ -

See accompanying Notes to Financial Statements.

**CITY OF LA HABRA, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (CONTINUED)
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025**

	Special	Capital Projects			Total Governmental Funds
	Revenue	Park and	General	Other	
	Child Development	Capital Development	Capital Projects	Nonmajor Funds	
REVENUES					
Property Taxes and Special Assessments	\$ -	\$ -	\$ -	\$ -	\$ 24,694,839
Sales and Use Tax	-	-	-	-	13,467,173
Transaction and Use Tax	-	-	-	-	9,307,150
Franchise Tax	-	-	-	-	2,152,349
Intergovernmental	6,926,518	-	-	14,805,082	28,289,233
Licenses and Permits	-	362,581	-	-	2,657,466
Charges for Services	1,133	26,850	-	898,418	9,533,619
Fines, Forfeitures, and Penalties	-	-	-	-	1,041,763
Use of Money and Property	154,318	145,547	-	911,735	6,611,099
Other Revenues	-	-	-	61,554	128,620
Total Revenues	7,081,969	534,978	-	16,676,789	97,883,311
EXPENDITURES					
Current:					
General Government	-	-	-	-	4,033,090
Public Safety	-	-	-	2,080,801	41,289,004
Public Works	-	172,100	-	1,613,683	8,125,783
Community Services	6,148,308	-	-	3,625,791	14,711,258
Community Development	-	166,340	-	1,308,901	4,773,488
Capital Outlay	600,570	3,856,725	-	12,399,011	19,416,477
Debt Service:					
Principal Retirement	7,000	-	-	3,094,363	3,101,363
Interest and Other Charges	1,760	-	-	1,737,961	1,739,721
Total Expenditures	6,757,638	4,195,165	-	25,860,511	97,190,184
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	324,331	(3,660,187)	-	(9,183,722)	693,127
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	6,145,488	6,396,332
Transfers Out	-	-	-	(231,918)	(7,627,406)
Issuance of Debt Related to Subscriptions	-	-	-	423,283	423,283
Issuance of Debt Related to Leases	-	-	-	809,518	809,518
Total Other Financing Sources (Uses)	-	-	-	7,146,371	1,727
NET CHANGE IN FUND BALANCES (DEFICITS)	324,331	(3,660,187)	-	(2,037,351)	694,854
Fund Balances (Deficits) - Beginning of Year, As Originally Reported	(723,803)	-	8,418,163	6,898,980	56,296,983
Change Within the Financial Reporting Entity (Change in Major Funds)	-	1,954,044	(8,418,163)	6,480,153	-
Fund Balances (Deficits) - Beginning of Year, As Restated	(723,803)	1,954,044	-	13,379,133	56,296,983
FUND BALANCES (DEFICITS) - END OF YEAR	\$ (399,472)	\$ (1,706,143)	\$ -	\$ 11,341,782	\$ 56,991,837

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, 2025**

Net Change in Fund Balances - Governmental Funds \$ 694,854

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	14,024,579
Depreciation/Amortization Expense	(5,556,322)
Subtotal	8,468,257

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	2,750,824
Lease Principal Payment	218,072
SBITA Principal Payment	132,467
Decrease in Compensated Absences	519,365
Issuance of Subscription Liability	(423,283)
Issuance of Lease Liability	(809,518)
Decrease in Net OPEB Liability and Related Deferred Inflows and Outflows of Resources	484,700
Decrease in Net Pension Liability and Related Deferred Inflows and Outflows of Resources	2,755,979
Subtotal	5,628,606

Some revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. 755,815

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. 17,491

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	1,158,026
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Change in Net Position of Governmental Activities \$ 16,723,049

**CITY OF LA HABRA, CALIFORNIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025**

	Business-Type Activities - Enterprise Funds		
	Major Funds		
	Water	Sewer	Housing Authority
ASSETS			
Current Assets:			
Cash and Investments	\$ 17,566,256	\$ 3,468,663	\$ 1,311,468
Accounts Receivable, Net	2,735,131	414,467	-
Interest Receivable	87,497	19,217	2,203
Prepaid Items	86,694	-	-
Due from Other Governments	-	-	-
Total Current Assets	<u>20,475,578</u>	<u>3,902,347</u>	<u>1,313,671</u>
Noncurrent Assets:			
Cash and Investments with Fiscal Agents	255,274	70,455	1,836
Water Rights Stock	19,652,597	-	-
Capital Assets, Not Being Depreciated	2,540,858	36,925	12,800,000
Capital Assets, Being Depreciated, Net	<u>31,228,545</u>	<u>3,865,340</u>	<u>225,000</u>
Total Noncurrent Assets	<u>53,677,274</u>	<u>3,972,720</u>	<u>13,026,836</u>
Total Assets	74,152,852	7,875,067	14,340,507
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized Loss on Refunding of Debt	587,719	-	1,312,939
Deferred Amount from Pension Plans	535,087	182,958	-
Deferred Amount from OPEB Plan	<u>46,906</u>	<u>15,121</u>	<u>4,470</u>
Total Deferred Outflows of Resources	<u>1,169,712</u>	<u>198,079</u>	<u>1,317,409</u>

See accompanying Notes to Financial Statements.

CITY OF LA HABRA, CALIFORNIA
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
JUNE 30, 2025

	<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</u> <u>Funds</u>		<u>Internal</u> <u>Service Funds</u>
ASSETS				
Current Assets:				
Cash and Investments	\$ 2,691,529	\$ 2,271,839	\$ 27,309,755	\$ 15,266,965
Accounts Receivable, Net	540,280	149,760	3,839,638	44,989
Interest Receivable	14,319	16,018	139,254	73,159
Prepaid Items	-	-	86,694	122,098
Due from Other Governments	-	13,961	13,961	-
Total Current Assets	<u>3,246,128</u>	<u>2,451,578</u>	<u>31,389,302</u>	<u>15,507,211</u>
Noncurrent Assets:				
Cash and Investments with Fiscal Agents	42,457	-	370,022	111,153
Water Rights Stock	-	-	19,652,597	-
Capital Assets, Not Being Depreciated	4,147,030	-	19,524,813	-
Capital Assets, Being Depreciated, Net	<u>257,995</u>	<u>3,742,794</u>	<u>39,319,674</u>	<u>3,548,976</u>
Total Noncurrent Assets	<u>4,447,482</u>	<u>3,742,794</u>	<u>78,867,106</u>	<u>3,660,129</u>
 Total Assets	 7,693,610	 6,194,372	 110,256,408	 19,167,340
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized Loss on Refunding of Debt	-	-	1,900,658	-
Deferred Amount from Pension Plans	101,316	-	819,361	416,149
Deferred Amount from OPEB Plan	<u>9,870</u>	<u>-</u>	<u>76,367</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>111,186</u>	<u>-</u>	<u>2,796,386</u>	<u>416,149</u>

See accompanying Notes to Financial Statements.

CITY OF LA HABRA, CALIFORNIA
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
JUNE 30, 2025

	Business-Type Activities - Enterprise Funds		
	Major Funds		
	Water	Sewer	Housing Authority
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 1,238,721	\$ 94,777	\$ -
Accrued Liabilities	258,285	41,323	17,508
Accrued Interest	211,262	8,561	51,136
Deposits Payable	231,687	-	-
Unearned Revenue	-	-	-
Claims Payable, Current	-	-	-
Lease Liability, Current	-	-	-
Subscription Liability, Current	-	-	-
Certificates of Participation, Current	-	-	525,000
Water Revenue Bonds, Current	1,060,000	-	-
Pension Obligation Bonds, Current	117,391	34,167	-
Compensated Absences, Current	105,834	49,306	22,994
Total Current Liabilities	<u>3,223,180</u>	<u>228,134</u>	<u>616,638</u>
Noncurrent Liabilities:			
Claims Payable, Noncurrent	-	-	-
Lease Liability, Noncurrent	-	-	-
Subscription Liability, Noncurrent	-	-	-
Certificates of Participation, Noncurrent	-	-	9,311,270
Water Revenue Bonds, Noncurrent	27,613,443	-	-
Pension Obligation Bonds, Noncurrent	2,355,140	685,465	-
Pollution Remediation Liability	-	-	-
Compensated Absences, Noncurrent	246,948	115,046	53,652
Net OPEB Liability	122,736	28,234	8,308
Net Pension Liability	1,673,363	572,162	-
Total Noncurrent Liabilities	<u>32,011,630</u>	<u>1,400,907</u>	<u>9,373,230</u>
Total Liabilities	35,234,810	1,629,041	9,989,868
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount from OPEB Plans	57,661	18,588	5,495
Unamortized Gain on Refunding Debt	556,573	-	-
Total Deferred Inflows of Resources	<u>614,234</u>	<u>18,588</u>	<u>5,495</u>
NET POSITION			
Net Investment in Capital Assets	5,124,355	3,902,265	4,503,505
Restricted for:			
Low-Moderate Income Housing	-	-	1,247,041
Pension Rate Program	238,668	70,455	-
Unrestricted	34,110,497	2,452,797	(87,993)
Total Net Position	<u>\$ 39,473,520</u>	<u>\$ 6,425,517</u>	<u>\$ 5,662,553</u>

See accompanying Notes to Financial Statements.

CITY OF LA HABRA, CALIFORNIA
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
JUNE 30, 2025

	Business-Type Activities - Enterprise Funds			Governmental
	Major Fund	Other	Total	Activities
	Refuse	Nonmajor Funds		Internal Service Funds
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 1,475,445	\$ 29,922	\$ 2,838,865	\$ 435,864
Accrued Liabilities	177,958	18,400	513,474	100,958
Accrued Interest	5,455	-	276,414	13,562
Deposits Payable	-	2,244	233,931	-
Unearned Revenue	138,859	178	139,037	-
Claims Payable, Current	-	-	-	1,701,702
Lease Liability, Current	-	-	-	33,932
Subscription Liability, Current	-	-	-	115,867
Certificates of Participation, Current	-	-	525,000	-
Water Revenue Bonds, Current	-	-	1,060,000	-
Pension Obligation Bonds, Current	21,834	-	173,392	54,173
Compensated Absences, Current	22,009	-	200,143	-
Total Current Liabilities	1,841,560	50,744	5,960,256	2,456,058
Noncurrent Liabilities:				
Claims Payable, Noncurrent	-	-	-	4,718,334
Lease Liability, Noncurrent	-	-	-	52,217
Subscription Liability, Noncurrent	-	-	-	124,666
Certificates of Participation, Noncurrent	-	-	9,311,270	-
Water Revenue Bonds, Noncurrent	-	-	27,613,443	-
Pension Obligation Bonds, Noncurrent	438,037	-	3,478,642	1,086,845
Pollution Remediation Liability	4,017,198	-	4,017,198	-
Compensated Absences, Noncurrent	51,353	-	466,999	-
Net OPEB Liability	9,377	-	168,655	-
Net Pension Liability	316,846	-	2,562,371	1,301,414
Total Noncurrent Liabilities	4,832,811	-	47,618,578	7,283,476
Total Liabilities	6,674,371	50,744	53,578,834	9,739,534
DEFERRED INFLOWS OF RESOURCES				
Deferred Amount from OPEB Plans	12,134	-	93,878	-
Unamortized Gain on Refunding Debt	-	-	556,573	-
Total Deferred Inflows of Resources	12,134	-	650,451	-
NET POSITION				
Net Investment in Capital Assets	54,104	3,742,210	17,326,439	2,990,616
Restricted for:				
Low-Moderate Income Housing	-	-	1,247,041	-
Pension Rate Program	42,457	-	351,580	111,153
Unrestricted	1,021,730	2,401,418	39,898,449	6,742,186
Total Net Position	\$ 1,118,291	\$ 6,143,628	58,823,509	\$ 9,843,955
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			(1,434,621)	
Net position of business-type activities			\$ 57,388,888	

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, 2025

	Business-Type Activities - Enterprise Funds		
	Major Funds		
	Water	Sewer	Housing Authority
OPERATING REVENUES			
Water Sales	\$ 20,732,034	\$ -	\$ -
Charges for Services	280,724	3,273,944	1,243,285
Intergovernmental	-	-	-
Total Operating Revenues	<u>21,012,758</u>	<u>3,273,944</u>	<u>1,243,285</u>
OPERATING EXPENSES			
Water and Materials	4,671,074	-	-
Contractual Services	1,380,318	198,016	44,314
Wages and Fringe Benefits	3,164,997	1,030,038	396,025
Benefits and Claims	-	-	-
Equipment and Maintenance	644,274	123,858	-
Materials and Supplies	411,208	35,603	-
Utilities	507,103	-	-
Depreciation	1,207,245	203,117	12,500
Administration	3,135,332	1,360,445	718,136
Total Operating Expenses	<u>15,121,551</u>	<u>2,951,077</u>	<u>1,170,975</u>
OPERATING INCOME (LOSS)	5,891,207	322,867	72,310
NONOPERATING REVENUES (EXPENSES)			
Interest Income	501,286	111,203	24,712
Other Nonoperating Revenues	-	-	-
Gain (Loss) on Sale of Asset	-	-	-
Net Increase (Decrease) in Fair Value of Investment	213,100	41,433	20,674
Interest Expense	(1,155,691)	(20,717)	(291,152)
Total Nonoperating Revenues (Expenses)	<u>(441,305)</u>	<u>131,919</u>	<u>(245,766)</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	5,449,902	454,786	(173,456)
CAPITAL CONTRIBUTIONS FROM GOVERNMENTAL FUNDS	-	-	-
TRANSFERS IN	306,682	-	200,000
TRANSFERS OUT	<u>(30,000)</u>	<u>(113,471)</u>	<u>(10,095)</u>
CHANGE IN NET POSITION	5,726,584	341,315	16,449
Net Position - Beginning of Year, As Originally Reported	33,897,851	6,156,669	5,670,751
Restatement for Change in Accounting Principle	(150,915)	(72,467)	(24,647)
Net Position - Beginning of Year, As Restated	<u>33,746,936</u>	<u>6,084,202</u>	<u>5,646,104</u>
NET POSITION - END OF YEAR	<u>\$ 39,473,520</u>	<u>\$ 6,425,517</u>	<u>\$ 5,662,553</u>

See accompanying Notes to Financial Statements.

CITY OF LA HABRA, CALIFORNIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2025

	Business-Type Activities - Enterprise Funds			Governmental
	Major Fund	Other	Total	Activities
	Refuse	Nonmajor Funds		Internal Service Funds
OPERATING REVENUES				
Water Sales	\$ -	\$ -	\$ 20,732,034	\$ -
Charges for Services	5,502,062	3,856,656	14,156,671	6,424,111
Intergovernmental	329,860	6,723	336,583	-
Total Operating Revenues	5,831,922	3,863,379	35,225,288	6,424,111
OPERATING EXPENSES				
Water and Materials	-	-	4,671,074	-
Contractual Services	4,800,439	737,150	7,160,237	932,418
Wages and Fringe Benefits	605,892	461,735	5,658,687	2,230,268
Benefits and Claims	-	-	-	1,772,649
Equipment and Maintenance	143,833	159,804	1,071,769	577,348
Materials and Supplies	9,234	35,744	491,789	650,022
Utilities	-	337,515	844,618	295,488
Depreciation	12,748	231,219	1,666,829	1,173,988
Administration	286,517	1,594,880	7,095,310	1,482,888
Total Operating Expenses	5,858,663	3,558,047	28,660,313	9,115,069
OPERATING INCOME (LOSS)	(26,741)	305,332	6,564,975	(2,690,958)
NONOPERATING REVENUES (EXPENSES)				
Interest Income	114,924	77,565	829,690	449,788
Other Nonoperating Revenues	-	-	-	15,869
Gain (Loss) on Sale of Asset	-	-	-	6,844
Net Increase (Decrease) in Fair Value of Investment	67,993	27,809	371,009	198,814
Interest Expense	(13,240)	-	(1,480,800)	(46,109)
Total Nonoperating Revenues (Expenses)	169,677	105,374	(280,101)	625,206
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	142,936	410,706	6,284,874	(2,065,752)
CAPITAL CONTRIBUTIONS FROM GOVERNMENTAL FUNDS	-	-	-	1,083,313
TRANSFERS IN	-	40,000	546,682	1,250,000
TRANSFERS OUT	(203,211)	(205,686)	(562,463)	(3,145)
CHANGE IN NET POSITION	(60,275)	245,020	6,269,093	264,416
Net Position - Beginning of Year, As Originally Reported	1,208,978	5,898,608	52,832,857	9,579,539
Restatement for Change in Accounting Principle	(30,412)	-	(278,441)	-
Net Position - Beginning of Year, As Restated	1,178,566	5,898,608	52,554,416	9,579,539
NET POSITION - END OF YEAR	\$ 1,118,291	\$ 6,143,628	\$ 58,823,509	\$ 9,843,955
Adjustment for the Net Effect of the Current Year Activities Between the Internal Service Funds and the Enterprise Funds			(893,610)	
Changes in Net Position of Business-Type Activities			\$ 5,375,483	

See accompanying Notes to Financial Statements.

**CITY OF LA HABRA, CALIFORNIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2025**

	Business-Type Activities - Enterprise Funds		
	Major Funds		
	Water	Sewer	Housing Authority
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	\$ 20,479,955	\$ 3,196,367	\$ -
Receipts from Interfund Services Provided	-	-	1,243,285
Payments to Suppliers	(8,711,670)	(183,552)	(44,358)
Payments for Interfund Serviced Used	(2,848,504)	(1,443,378)	(718,092)
Payments for Employees' Salaries and Benefits	(2,807,838)	(909,645)	(398,436)
Net Cash Provided (Used) by Operating Activities	<u>6,111,943</u>	<u>659,792</u>	<u>82,399</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers to Other Funds	(30,000)	(113,471)	(10,095)
Transfers from Other funds	306,682	-	200,000
Principal Paid on Noncapital Debt	(115,642)	(33,658)	-
Interest Paid on Noncapital Debt	(71,916)	(20,931)	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>89,124</u>	<u>(168,060)</u>	<u>189,905</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from refunding debt	14,813,705	-	-
Retirement of refunded long-term liability	(1,843,114)	-	-
Purchase of Capital Assets	(1,843,114)	(36,925)	-
Receipt of Insurance Claims	-	-	-
Proceeds on Sale of Capital Assets	-	-	-
Principal Paid on Capital Debt	(1,025,000)	-	(520,000)
Interest Paid on Capital Debt	(1,244,560)	-	(208,269)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(4,112,674)</u>	<u>(36,925)</u>	<u>(728,269)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Investments	<u>700,804</u>	<u>155,655</u>	<u>55,423</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,789,197	610,462	(400,542)
Cash and Cash Equivalents - Beginning of Year	<u>15,032,333</u>	<u>2,928,656</u>	<u>1,713,846</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 17,821,530</u>	<u>\$ 3,539,118</u>	<u>\$ 1,313,304</u>
SUPPLEMENTAL DISCLOSURES OF CASH AND CASH EQUIVALENTS			
Cash and Investments	\$ 17,566,256	\$ 3,468,663	\$ 1,311,468
Cash and Investments with Fiscal Agents	255,274	70,455	1,836
Total Cash and Cash Equivalents	<u>\$ 17,821,530</u>	<u>\$ 3,539,118</u>	<u>\$ 1,313,304</u>

See accompanying Notes to Financial Statements.

CITY OF LA HABRA, CALIFORNIA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2025

	Business-Type Activities - Enterprise Funds			Governmental
	Major Fund	Other Nonmajor	Total	Activities
	Refuse	Funds		Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers and Users	\$ 5,763,619	\$ 3,521,159	\$ 32,961,100	\$ 77,340
Receipts from Interfund Services Provided	329,860	195,009	1,768,154	6,333,127
Payments to Suppliers	(4,312,621)	(2,266,463)	(15,518,664)	(5,747,555)
Payments for Interfund Serviced Used	(415,260)	(663,003)	(6,088,237)	(88,620)
Payments for Employees' Salaries and Benefits	(545,578)	(458,839)	(5,120,336)	(2,032,788)
Net Cash Provided (Used) by Operating Activities	<u>820,020</u>	<u>327,863</u>	<u>8,002,017</u>	<u>(1,458,496)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers to Other Funds	(203,211)	(205,686)	(562,463)	(3,145)
Transfers from Other funds	-	40,000	546,682	1,250,000
Principal Paid on Noncapital Debt	(21,509)	-	(170,809)	(53,367)
Interest Paid on Noncapital Debt	(13,376)	-	(106,223)	(33,186)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(238,096)</u>	<u>(165,686)</u>	<u>(292,813)</u>	<u>1,160,302</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from refunding debt	-	-	14,813,705	-
Retirement of refunded long-term liability	-	-	(1,843,114)	-
Purchase of Capital Assets	(3,188,377)	(5,636)	(5,074,052)	(518,602)
Receipt of Insurance Claims	-	-	-	15,869
Proceeds on Sale of Capital Assets	-	-	-	6,844
Principal Paid on Capital Debt	-	-	(1,545,000)	(141,255)
Interest Paid on Capital Debt	-	-	(1,452,829)	(13,260)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(3,188,377)</u>	<u>(5,636)</u>	<u>(8,071,881)</u>	<u>(650,404)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on Investments	<u>203,635</u>	<u>103,681</u>	<u>1,219,198</u>	<u>675,743</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(2,402,818)</u>	<u>260,222</u>	<u>856,521</u>	<u>(272,855)</u>
Cash and Cash Equivalents - Beginning of Year	<u>5,136,804</u>	<u>2,011,617</u>	<u>26,823,256</u>	<u>15,650,973</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,733,986</u>	<u>\$ 2,271,839</u>	<u>\$ 27,679,777</u>	<u>\$ 15,378,118</u>
SUPPLEMENTAL DISCLOSURES OF CASH AND CASH EQUIVALENTS				
Cash and Investments	\$ 2,691,529	\$ 2,271,839	\$ 27,309,755	\$ 15,266,965
Cash and Investments with Fiscal Agents	42,457	-	370,022	111,153
Total Cash and Cash Equivalents	<u>\$ 2,733,986</u>	<u>\$ 2,271,839</u>	<u>\$ 27,679,777</u>	<u>\$ 15,378,118</u>

See accompanying Notes to Financial Statements.

**CITY OF LA HABRA, CALIFORNIA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2025**

	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)	\$ 5,891,207	\$ 322,867	\$ 72,310
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	1,207,245	203,117	12,500
Changes in Assets, Deferred Inflows of Resources, Liabilities, and Deferred Outflows of Resources:			
(Increase) Decrease in Receivables	(528,602)	(77,577)	-
(Increase) Decrease in Due from Other Governments	-	-	-
(Increase) Decrease in Prepaid Items	24,760	-	-
(Increase) Decrease in Deferred Outflows of Resources from Pension Plans	403,275	150,840	-
(Increase) Decrease in Deferred Outflows of Resources from OPEB Plan	10,023	2,345	934
Increase (Decrease) in Accounts Payable	(895,958)	90,992	-
Increase (Decrease) in Accrued Liabilities	74,510	6,830	2,516
Increase (Decrease) in Deposits Payable	(4,201)	-	-
Increase (Decrease) in Unearned Revenue	-	-	-
Increase (Decrease) in Claims Liabilities	-	-	-
Increase (Decrease) in Compensated Absences	(12,929)	2,022	(2,788)
Increase (Decrease) in Net Pension Liability	2,546	(22,186)	-
Increase (Decrease) in Net OPEB Liability	(73,788)	(23,262)	(7,019)
Increase (Decrease) in Deferred Inflows of Resources from Pension Plans	(27,489)	(9,778)	-
Increase (Decrease) in Deferred Inflows of Resources from OPEB Plan	41,344	13,582	3,946
Total Adjustments	<u>220,736</u>	<u>336,925</u>	<u>10,089</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 6,111,943</u>	<u>\$ 659,792</u>	<u>\$ 82,399</u>
SUPPLEMENTAL DISCLOSURES OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Amortization of Unamortized Loss on Refunding of Debt	<u>\$ 63,502</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>\$ 126,865</u>	<u>\$ -</u>	<u>\$ -</u>
Capital Assets Funded by Retentions Payable	<u>\$ 131,160</u>	<u>\$ -</u>	<u>\$ -</u>
Capital Contribution from Governmental Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**CITY OF LA HABRA, CALIFORNIA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2025**

	Business-Type Activities - Enterprise Funds			Governmental
	Major Fund	Other Nonmajor	Total	Activities
	Refuse	Funds		Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (26,741)	\$ 305,332	\$ 6,564,975	\$ (2,690,958)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	12,748	231,219	1,666,829	1,173,988
Changes in Assets, Deferred Inflows of Resources, Liabilities, and Deferred Outflows of Resources:				
(Increase) Decrease in Receivables	251,557	(146,179)	(500,801)	(35,592)
(Increase) Decrease in Due from Other Governments	-	-	-	21,948
(Increase) Decrease in Prepaid Items	-	-	24,760	(70,997)
(Increase) Decrease in Deferred Outflows of Resources from Pension Plans	83,609	-	637,724	463,151
(Increase) Decrease in Deferred Outflows of Resources from OPEB Plan	1,770	-	15,072	-
Increase (Decrease) in Accounts Payable	358,601	(54,296)	(500,661)	(267,366)
Increase (Decrease) in Accrued Liabilities	156,557	(7,181)	233,232	22,286
Increase (Decrease) in Deposits Payable	-	-	(4,201)	-
Increase (Decrease) in Unearned Revenue	10,000	(1,032)	8,968	-
Increase (Decrease) in Claims Liabilities	-	-	-	215,041
Increase (Decrease) in Compensated Absences	(3,710)	-	(17,405)	-
Increase (Decrease) in Net Pension Liability	(12,426)	-	(32,066)	(264,238)
Increase (Decrease) in Net OPEB Liability	(15,326)	-	(119,395)	-
Increase (Decrease) in Deferred Inflows of Resources from Pension Plans	(5,417)	-	(42,684)	(25,759)
Increase (Decrease) in Deferred Inflows of Resources from OPEB Plan	8,798	-	67,670	-
Total Adjustments	<u>846,761</u>	<u>22,531</u>	<u>1,437,042</u>	<u>1,232,462</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 820,020</u>	<u>\$ 327,863</u>	<u>\$ 8,002,017</u>	<u>\$ (1,458,496)</u>
SUPPLEMENTAL DISCLOSURES OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Amortization of Unamortized Loss on Refunding of Debt	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150,070</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>\$ 180,182</u>	<u>\$ -</u>	<u>\$ 307,047</u>	<u>\$ 231,678</u>
Capital Assets Funded by Retentions Payable	<u>\$ 153,541</u>	<u>\$ 584</u>	<u>\$ 285,285</u>	<u>\$ -</u>
Capital Contribution from Governmental Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,083,313</u>

See accompanying Notes to Financial Statements.

**CITY OF LA HABRA, CALIFORNIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2025**

	<u>Private-Purpose Trust Fund</u>	<u>Custodial Funds</u>
ASSETS		
Current Assets:		
Cash and Investments	\$ 872,792	\$ 3,450,115
Accounts Receivable	-	5,288
Interest Receivable	-	9,924
Due from Other Governments	44,629	7,682,182
Total Current Assets	<u>917,421</u>	<u>11,147,509</u>
Noncurrent Assets:		
Cash and Investments with Fiscal Agent	172,971	-
Prepaid Insurance Costs	19,417	-
Land Held for Resale	25,000	-
Total Noncurrent Assets	<u>217,388</u>	<u>-</u>
Total Assets	1,134,809	11,147,509
LIABILITIES		
Current Liabilities:		
Accounts Payable	3,764	5,451,668
Accrued Liabilities	222	191,008
Accrued Interest	22,007	-
Deposits	-	751,226
Bonds Payable	325,000	-
Total Current Liabilities	<u>350,993</u>	<u>6,393,902</u>
Noncurrent Liabilities:		
Loans Due to City of La Habra	333,225	-
Bonds Payable	2,163,561	-
Total Noncurrent Liabilities	<u>2,496,786</u>	<u>-</u>
Total Liabilities	2,847,779	6,393,902
NET POSITION (DEFICIT)		
Held in Trust for Redevelopment Dissolution	(1,712,970)	-
Held in Trust for Individuals, Organizations, and Other Governments	-	4,753,607
Total Net Position	<u>\$ (1,712,970)</u>	<u>\$ 4,753,607</u>

See accompanying Notes to Financial Statements.

**CITY OF LA HABRA, CALIFORNIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2025**

	Private-Purpose Trust Fund	Custodial Funds
ADDITIONS		
Taxes	\$ 824,533	\$ -
Police Seized Assets	-	24,316
Members' Contributions	-	6,239,233
Other Revenues	4,797	-
Total Additions	829,330	6,263,549
DEDUCTIONS		
Program Expenses	-	5,937,490
Administrative Expenses	71,730	41,600
Seized Assets Distribution	-	18,506
Interest and Fiscal Agency Expenses	85,378	-
Total Deductions	157,108	5,997,596
NET CHANGE IN NET POSITION	672,222	265,953
Net Position (Deficit) Held in Trust - Beginning of Year	(2,385,192)	4,487,654
NET POSITION (DEFICIT) HELD IN TRUST - END OF YEAR	\$ (1,712,970)	\$ 4,753,607

See accompanying Notes to Financial Statements.



NOTES TO FINANCIAL STATEMENTS



**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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, 2025**

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, 2025

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.

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.

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.

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Measure M Special Revenue Fund

The Measure M Special Revenue Fund is used to account for the County half-cent sales tax to be used for various transportation capital and street improvements.

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.

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.

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.

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.

CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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).

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

1. Deposits and investments (Continued)

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, 2025, 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.

3. Receivables

Interest Receivable

The City accrues interest earned but not yet received.

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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 (Continued)

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, 2025, 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, 2025**

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, 2025**

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, 2025

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

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

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, 2025**

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.
- Unamortized gain on refunding of debt reported in the government-wide statement of net position and proprietary statement of net position. A deferred gain 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)
- 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, 2025**

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 the Coyote Creek Channel Improvement Special Revenue Fund and the Public Art Special Revenue Fund in fiscal year ended June 30, 2025.

CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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.

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.

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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)

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. The City Council by resolution authorized the City Manager to assign fund balance.

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, 2025. 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	\$ (399,472)
Employment and Training	(190,681)
Other Federal Grants	(72,216)
Other State Grants	(838,296)
SB2 Permanent Local Housing	(868,320)
Capital Projects Fund:	
Park and Capital Development	(1,706,143)
Fiduciary Fund:	
Private-Purpose Trust Fund	(1,712,970)

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.

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

17. Change in Accounting Principal

Effective July 1, 2024, the City implemented GASB Statement No. 101, *Compensated Absences*. See Notes 1D, 9, and 16 for more information.

NOTE 2 CASH AND INVESTMENTS

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

Statement of Net Position:	
Cash and Investments	\$ 94,041,669
Cash and Investments with Fiscal Agents	12,816,986
Fiduciary Funds:	
Cash and Investments	4,322,907
Cash and Investments with Fiscal Agents	172,971
Total	<u>\$ 111,354,533</u>

Cash and investments at June 30, 2025 are classified as follows:

Petty Cash	\$ 2,100
Deposits with Financial Institutions	19,430,663
Investments:	
City Pool	78,931,813
Held by Fiscal Agents	12,989,957
Total Cash and Investments	<u>\$ 111,354,533</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, 2025**

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	15 % *	5 % *
Supranational Securities	5 Years	20 % *	10 % *
Joint Powers Authority (JPA) Pools	N/A	25 %	None
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, 2025**

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 Debtures	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, 2025**

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	\$ 4,256,844	\$ 3,135,203	\$ 458,862	\$ 662,779
LAIF	10,145,214	10,145,214	-	-
U.S. Treasury Obligations	41,935,844	14,899,955	9,259,411	17,776,478
Corporate Medium-Term Notes	11,677,751	894,369	8,035,757	2,747,625
Asset-Backed Securities	1,427,207	11,294	687,640	728,273
Supranational	2,761,763	1,200,527	-	1,561,236
State of CA Obligations	470,169	-	-	470,169
Money Market Mutual Funds	6,257,021	6,257,021	-	-
Total	<u>\$ 78,931,813</u>	<u>\$ 36,543,583</u>	<u>\$ 18,441,670</u>	<u>\$ 23,946,560</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	\$ 4,256,844	N/A	\$ -	\$ -	\$ 4,256,844	\$ -	\$ -
LAIF	10,145,214	Not Rated	-	-	-	-	10,145,214
U.S. Treasury Obligations	41,935,844	N/A	41,935,844	-	-	-	-
Corporate Medium-Term Notes	11,677,751	A	-	928,382	4,200,463	6,548,906	-
Asset-Backed Securities	1,427,207	A	-	1,133,646	-	-	293,561
Supranational	2,761,763	AAA	-	2,761,763	-	-	-
State of CA Obligations	470,169	AA	-	-	470,169	-	-
Money Market Mutual Funds	6,257,021	AAA	-	-	-	-	6,257,021
Total	<u>\$ 78,931,813</u>		<u>\$ 41,935,844</u>	<u>\$ 4,823,791</u>	<u>\$ 8,927,476</u>	<u>\$ 6,548,906</u>	<u>\$ 16,695,796</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, 2025**

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, 2025.

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	\$ 190,927	Less Than 1 Year	AAA
PARS Section 115 Trust Pool	12,797,262	Less Than 1 Year	Not Rated
LAIF	1,768	Less Than 1 Year	Not Rated
Total	<u>\$ 12,989,957</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, 2025**

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, 2025, the City reported \$12,797,262 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, 2025**

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, 2025, 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	\$ -	\$ 4,256,844	\$ -	\$ 4,256,844
U.S. Treasury Obligations	-	41,935,844	-	41,935,844
Corporate Medium-Term Notes	-	11,677,751	-	11,677,751
Asset-Backed Securities	-	1,427,207	-	1,427,207
Supranational	-	2,761,763	-	2,761,763
State of CA Obligations	-	470,169	-	470,169
Held by Fiscal Agents:				
U.S. Treasury Obligations	-	-	-	-
Total Leveled Investments	<u>\$ -</u>	<u>\$ 62,529,578</u>	<u>\$ -</u>	<u>62,529,578</u>
Local Agency Investment Fund*				10,145,214
Money Market Mutual Funds*				6,257,021
Held by Fiscal Agents:				
Local Agency Investment Fund*				1,768
Money Market Mutual Funds*				190,927
Section 115 Trust Pool*				12,797,262
Total Investment Portfolio				<u>\$ 91,921,770</u>

*Not Subject to Fair Value Measurements

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 RECEIVABLES

Receivables of the City as of June 30, 2025 are as follows:

	Governmental Activities	Business-Type Activities	Total
Accounts Receivable:			
Property Taxes	\$ 313,861	\$ -	\$ 313,861
Sales and Transaction Taxes	5,252,683	-	5,252,683
Water Sales	-	3,149,723	3,149,723
Sewer Sales	-	480,950	480,950
Refuse Sales	-	635,870	635,870
Franchise Fees	536,641	-	536,641
Others	1,571,189	149,760	1,720,949
Total Accounts Receivable	<u>7,674,374</u>	<u>4,416,303</u>	<u>12,090,677</u>
Less: Allowance for Uncollectible Accounts	-	(576,665)	(576,665)
Total Receivables	<u>\$ 7,674,374</u>	<u>\$ 3,839,638</u>	<u>\$ 11,514,012</u>

NOTE 4 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Due To and Due From

The composition of interfund balances as of June 30, 2025 is as follows:

	Due From		Total	Due to Successor Agency
	Park and Capital Development	Nonmajor Governmental Funds		General Fund
Due To				
General Fund	<u>\$ 1,246,246</u>	<u>\$ 2,064,459</u>	<u>\$ 3,310,705</u>	<u>\$ 44,629</u>

The above interfund receivables and payables balances represent routine and temporary cash flow assistance.

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	<u>\$ 333,225</u>

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, 2025, the outstanding balance of the advance was \$333,225.

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

Interfund Transfers

The composition of interfund transfers for the year ended June 30, 2025 is as follows:

Transfers Out	Transfers In						Total
	General Fund	Nonmajor Governmental Funds	Water Enterprise Fund	Housing Authority Enterprise Fund	Nonmajor Enterprise Funds	Internal Service Funds	
General Fund	\$ -	\$ 6,145,488	\$ -	\$ -	\$ -	\$ 1,250,000	\$ 7,395,488
Nonmajor Governmental Funds	231,918	-	-	-	-	-	231,918
Water Enterprise Fund	-	-	-	-	30,000	-	30,000
Sewer Enterprise Fund	-	-	108,471	-	5,000	-	113,471
Housing Authority Enterprise Fund	10,095	-	-	-	-	-	10,095
Refuse Enterprise Fund	-	-	198,211	-	5,000	-	203,211
Nonmajor Enterprise Funds	5,686	-	-	200,000	-	-	205,686
Internal Service Funds	3,145	-	-	-	-	-	3,145
Total	<u>\$ 250,844</u>	<u>\$ 6,145,488</u>	<u>\$ 306,682</u>	<u>\$ 200,000</u>	<u>\$ 40,000</u>	<u>\$ 1,250,000</u>	<u>\$ 8,193,014</u>

The Nonmajor Governmental Funds received transfers of \$6,145,488 from the General Fund. \$4,461,514 was for pension obligation bond debt service payments, \$828,480 was for excess surplus as approved by City Council, and \$855,494 was for a property purchase.

The Internal Service Funds received transfers of \$1,250,000 from the General Fund to address short-term funding - shortages.

The General Fund received \$231,918 from Nonmajor Governmental Funds for non-restricted interest earnings on American Rescue Plan Act (ARPA) funds.

Nonmajor Enterprise Funds received \$30,000 from the Water Enterprise Fund, \$5,000 from the Sewer Enterprise Fund, and \$5,000 from the Refuse Enterprise fund for contributions toward the museum educational exhibition relating to water conservation and recycling.

The Water Enterprise Fund received \$108,471 from the Sewer Enterprise Fund and \$198,211 from the Refuse Enterprise Fund for contributions relating the utility billing and customer service.

The General Fund received \$10,095 from the Housing Authority Enterprise Fund, \$5,686 from the Nonmajor Enterprise Funds and \$3,145 from the Internal Service Funds for payment of the PARS Pension Section 115 costs.

The Housing Authority Enterprise Fund received \$200,000 from the Nonmajor Enterprise Funds for excess surplus as approved by City Council.

CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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, 2025, the outstanding balance of the loans receivable was \$365,251.

NOTE 6 LEASES RECEIVABLE

As of the year ended June 30, 2025, 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, 2025, the outstanding leases receivable total \$2,539,418. These leases require the various lessees to make periodic payments to the City, and range in interest rates from 0.218% to 3.803%. 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, 2025 is \$2,466,397. The City will be systematically recognizing revenue over the terms of the lease, and in the current fiscal year, the City recognized \$254,577 in lease revenue and \$30,292 in interest.

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 7 CAPITAL ASSETS

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

	Balance at July 1, 2024	Increases	Decreases	Balance at June 30, 2025
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 16,904,755	\$ 853,099	\$ -	\$ 17,757,854
Construction in Progress	13,272,760	12,587,707	15,372,584	10,487,883
Total Capital Assets Not Being Depreciated	30,177,515	13,440,806	15,372,584	28,245,737
Capital Assets Being Depreciated/ Amortized:				
Land Improvements	7,977,597	-	-	7,977,597
Buildings and Improvements	40,598,633	1,760,261	-	42,358,894
Improvements Other Than Buildings	2,008,010	-	-	2,008,010
Machinery and Equipment	12,912,122	562,467	44,055	13,430,534
Autos and Trucks	6,287,495	317,399	569,151	6,035,743
Infrastructure	126,242,573	13,439,745	-	139,682,318
Lease Equipment	202,990	-	-	202,990
Lease Buildings	-	809,518	-	809,518
Subscription Assets	1,651,095	900,559	149,428	2,402,226
Total Capital Assets Being Depreciated/Amortized	197,880,515	17,789,949	762,634	214,907,830
Less: Accumulated Depreciation/ Amortization For:				
Land Improvements	5,642,984	307,180	-	5,950,164
Buildings and Improvements	14,990,474	959,401	-	15,949,875
Improvements Other Than Buildings	1,296,798	81,064	-	1,377,862
Machinery and Equipment	10,019,786	741,705	44,055	10,717,436
Autos and Trucks	5,333,341	354,127	569,151	5,118,317
Infrastructure	65,869,315	3,319,973	-	69,189,288
Lease Equipment	55,927	40,473	-	96,400
Lease Buildings	-	249,888	-	249,888
Subscription Assets	196,340	676,499	149,428	723,411
Total Accumulated Depreciation/ Amortization	103,404,965	6,730,310	762,634	109,372,641
Total Capital Assets Being Depreciated/Amortized, Net	94,475,550	11,059,639	-	105,535,189
Governmental Activities Capital Assets, Net	<u>\$ 124,653,065</u>	<u>\$ 24,500,445</u>	<u>\$ 15,372,584</u>	<u>\$ 133,780,926</u>

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 7 CAPITAL ASSETS (CONTINUED)

	Balance at July 1, 2024	Increases	Decreases	Balance at June 30, 2025
Business-Type Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 12,800,000	\$ -	\$ -	\$ 12,800,000
Construction in Progress	2,930,060	5,375,463	1,580,710	6,724,813
Total Capital Assets Not Being Depreciated	15,730,060	5,375,463	1,580,710	19,524,813
Capital Assets Being Depreciated:				
Buildings and Improvements	4,251,106	-	-	4,251,106
Improvements Other Than Buildings	273,936	-	-	273,936
Machinery and Equipment	2,339,952	5,636	-	2,345,588
Autos and Trucks	230,465	-	-	230,465
Infrastructure	64,785,991	1,580,710	-	66,366,701
Total Capital Assets Being Depreciated	71,881,450	1,586,346	-	73,467,796
Less: Accumulated Depreciation For:				
Buildings and Improvements	4,177,981	17,040	12,500	4,182,521
Improvements Other Than Buildings	251,765	1,230	-	252,995
Machinery and Equipment	1,642,865	74,686	(12,500)	1,730,051
Autos and Trucks	230,465	-	-	230,465
Infrastructure	26,178,217	1,573,873	-	27,752,090
Total Accumulated Depreciation	32,481,293	1,666,829	-	34,148,122
Total Capital Assets Being Depreciated, Net	39,400,157	(80,483)	-	39,319,674
Business-Type Activities Capital Assets, Net	\$ 55,130,217	\$ 5,294,980	\$ 1,580,710	\$ 58,844,487

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

Governmental Activities:	
General Government	\$ 1,392,673
Public Safety	860,067
Public Works	3,867,620
Community Services	342,153
Community Development	267,797
Total Depreciation/Amortization Expense, Governmental Activities	\$ 6,730,310
 Business-Type Activities:	
Water	\$ 1,207,245
Sewer	203,117
Housing Authority	12,500
Refuse	12,748
Children's Museum	19,056
Mobile Home Lease	212,163
Total Depreciation/Amortization Expense, Business-Type Activities	\$ 1,666,829

CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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, 2025, 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.

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 LONG-TERM LIABILITIES

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

	Balance at July 1, 2024, Restated (1)	Increases	Decreases	Capital Contribution	Balance at June 30, 2025	Due Within One Year
Governmental Activities:						
2022 Pension Obligation						
Bonds	\$ 61,557,772	\$ -	\$ 2,750,824	\$ -	\$ 58,806,948	\$ 2,792,435
Lease Obligations	35,454	809,518	218,072	-	626,900	261,994
Subscription Liability	350,096	423,283	132,467	(350,096)	290,816	140,089
Compensated Absences (2)	9,035,120	-	519,365	-	8,515,755	2,554,726
Internal Service Funds Included in Governmental Activities:						
2022 Pension Obligation						
Bonds*	1,194,385	-	53,367	-	1,141,018	54,173
Lease Obligations	117,841	-	31,692	-	86,149	33,932
Subscription Liability	-	-	109,563	350,096	240,533	115,867
Total Long-Term Debt, Governmental Activities	<u>\$ 72,290,668</u>	<u>\$ 1,232,801</u>	<u>\$ 3,815,350</u>	<u>\$ -</u>	<u>\$ 69,708,119</u>	<u>\$ 5,953,216</u>
Business-Type Activities:						
Compensated Absences (2)	\$ 684,546	\$ -	\$ 17,404	\$ -	\$ 667,142	\$ 200,143
2022 Pension Obligation						
Bonds	3,822,843	-	170,809	-	3,652,034	173,392
2013 Revenue Bonds, Series A	15,145,000	-	15,145,000	-	-	-
2019 Revenue Bonds, Series A & B	12,345,000	-	380,000	-	11,965,000	390,000
2020 Refunding Certificates of Participation, Series A	10,320,000	-	520,000	-	9,800,000	525,000
2025 Refunding Revenue Bonds	-	13,595,000	-	-	13,595,000	670,000
Subtotal	42,317,389	13,595,000	16,233,213	-	39,679,176	1,958,535
Add: Unamortized Premium	2,754,555	1,218,705	823,547	-	3,149,713	-
Total Long-Term Debt, Business-Type Activities	<u>\$ 45,071,944</u>	<u>\$ 14,813,705</u>	<u>\$ 17,056,760</u>	<u>\$ -</u>	<u>\$ 42,828,889</u>	<u>\$ 1,958,535</u>
Private-Purpose Trust Activities:						
2016 Refunding Tax Allocation Bond	\$ 2,740,000	\$ -	\$ 325,000	\$ -	\$ 2,415,000	\$ 325,000
Add: Unamortized Premium	83,369	-	9,808	-	73,561	-
Total Long-Term Debt, Private-Purpose Trust Activities	<u>\$ 2,823,369</u>	<u>\$ -</u>	<u>\$ 334,808</u>	<u>\$ -</u>	<u>\$ 2,488,561</u>	<u>\$ 325,000</u>

(1) The beginning balance was restated due to the implementation of GASB Statement No. 101, *Compensated Absences*, see Notes 1D, 1E, and 5.

(2) The change in the compensated absence liability is presented as a net change.

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

In fiscal year 2024-2025, the governmental funds contributed an existing SBITA to the internal service funds.

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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 amounts 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, 2025 was \$63,600,000. The debt service schedules of the bonds are as follows:

<u>Fiscal Year Ending June 30.</u>	<u>2022 Pension Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
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	3,285,000	1,537,939
2031-2035	17,805,000	6,309,090
2036-2040	20,750,000	3,363,792
2041-2042	9,325,000	319,403
Total	<u>\$ 63,600,000</u>	<u>\$ 18,382,849</u>

Lease Obligations

The City leases copiers that are placed in various office locations and two buildings. These leases are reported in governmental activities bearing interest ranging from 3.067% to 6.85% per annum. The leases expire at various dates through 2029 and do not contain renewal options.

The lease payment schedule is as follows:

<u>Fiscal Year Ending June 30.</u>	<u>Lease Obligations</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 295,926	\$ 20,949
2027	316,637	10,104
2028	95,468	1,967
2029	5,018	92
Total	<u>\$ 713,049</u>	<u>\$ 33,112</u>

The right-to-use assets acquired through the outstanding leases are shown below, by underlying asset class in Note 7.

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

A. Governmental Activities (Continued)

Subscription Liability

The City has entered into a subscription based-information technology arrangement (SBITA) for various software, cloud services, and information system subscriptions. The SBITAs expire on various dates through 2027 and provide for renewal options. The City's SBITA arrangements are reported in governmental activities, do not have variable payments, and have discount rates ranging from 2.02% to 2.35%.

The future subscription payments under SBITA agreement are as follows:

<u>Fiscal Year Ending June 30,</u>	SBITA	
	Principal	Interest
2026	\$ 255,956	\$ 12,487
2027	275,393	6,472
	\$ 531,349	\$ 18,959

The subscription assets acquired are shown by underlying asset class in Note 7.

B. Business-Type Activities

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 a 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, 2025 was \$9,800,000.

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

B. Business-Type Activities (Continued)

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>	<u>2020 COPs Series A</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 525,000	\$ 203,044
2027	530,000	197,769
2028	540,000	192,419
2029	545,000	186,313
2030	550,000	179,125
2031-2035	2,995,000	640,419
2036-2040	3,390,000	282,725
2041	725,000	8,609
Subtotal	<u>9,800,000</u>	<u>1,890,423</u>
Unamortized Premium	36,270	(36,270)
Total	<u><u>\$ 9,836,270</u></u>	<u><u>\$ 1,854,153</u></u>

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, 2025 was \$9,557,448 against the total debt service payment of \$1,340,025. 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 bonds were defeased in substance in the current fiscal year with the issuance of the Water Revenue Bonds, Series 2025, and the liability and cash in escrow has been removed from the financial statements. The 2025 Water Revenue Bond proceeds were placed in an irrevocable trust to provide for all future debt services payments on the 2013 bonds. As of June 30, 2025, the following debt is considered defeased in substance and remains outstanding and is serviced by the escrow agent: \$14,500,000. The escrow was released and all bonds were repaid in full on July 7, 2025.

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

B. Business-Type Activities (Continued)

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, 2025 was \$9,557,448 against the total debt service payment of \$929,535. 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, 2025 was \$11,965,000.

2025 Water Revenue Bonds

On May 21, 2025, the Utility Authority issued Water Revenue Bonds, Series 2025 in an aggregate amount of \$13,595,000 for an advance refunding of the 2013 Water Revenue Bonds, Series A. 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, 2025 was \$9,557,448 against the total debt service payment of \$-0-. Principal is payable annually on each November 1, commencing November 1, 2020. Interest is payable semiannually on each May 1 and November 1, commencing November 1, 2025 with interest rates ranging from 4.00% to 5.00%. The outstanding balance at June 30, 2025 was \$13,595,000.

The refunding resulted in a cash flow difference of \$990,192 and an economic gain (difference between the present value of the old debt and new debt service payments) of \$748,676.

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

Fiscal Year Ending June 30,	2025 Water Revenue Bonds		2019 Water Revenue Bonds	
	Principal	Interest	Principal	Interest
2026	\$ 670,000	\$ 598,801	\$ 390,000	\$ 540,578
2027	645,000	630,125	400,000	530,700
2028	675,000	597,125	425,000	514,975
2029	705,000	562,625	440,000	493,350
2030	745,000	526,375	465,000	470,725
2031-2035	3,920,000	2,029,000	3,080,000	1,960,750
2036-2040	3,110,000	1,185,750	5,515,000	940,600
2041-2044	3,125,000	322,125	1,250,000	31,250
Subtotal	13,595,000	6,451,926	11,965,000	5,482,928
Unamortized Premium	1,218,705	(1,218,705)	1,894,738	(1,894,738)
Total	<u>\$ 14,813,705</u>	<u>\$ 5,233,221</u>	<u>\$ 13,859,738</u>	<u>\$ 3,588,190</u>

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

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, 2025 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, 2025 was \$2,415,000.

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

<u>Fiscal Year Ending June 30,</u>	2016 Tax Allocation Bonds	
	Principal	Interest
2026	\$ 325,000	\$ 80,388
2027	230,000	68,813
2028	290,000	60,831
2029	295,000	51,322
2030	300,000	41,094
2031-2033	975,000	54,909
Subtotal	2,415,000	357,357
Unamortized Premium	73,561	(73,561)
Total	\$ 2,488,561	\$ 283,796

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).

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 10 FUND BALANCES

Fund balances for all the major and nonmajor governmental funds as of June 30, 2025 were distributed as follows:

	General Fund	State Gas Tax	Measure M	Child Development	Park and Capital Development	Other Nonmajor Funds	Total
Nonspendable:							
Prepaid Items	\$ 24,885	\$ -	\$ -	\$ -	\$ -	\$ 1,739	\$ 26,624
Restricted For:							
Street and Road Improvement	-	13,007,987	1,267,175	-	-	164,274	14,439,436
Park and Capital Development	-	-	-	-	-	-	-
Storm Drain Improvement	-	-	-	-	-	282,985	282,985
Air Quality Improvement	-	-	-	-	-	391,711	391,711
Law Enforcement	-	-	-	-	-	1,931,586	1,931,586
Housing and Community Development	-	-	-	-	-	39,167	39,167
Employment and Training Low-Moderate Income Housing	-	-	-	-	-	325,549	325,549
Public, Education, and Governmental	-	-	-	-	-	530,572	530,572
General Plan Update	-	-	-	-	-	1,771,210	1,771,210
Public Art	-	-	-	-	-	314,884	314,884
COVID-19 Federal Stimulus	-	-	-	-	-	-	-
Pension Rate Program	12,335,811	-	-	-	-	-	12,335,811
Assigned For:							
Capital Projects	-	-	-	-	-	7,602,792	7,602,792
Pension Rate Program	-	-	-	-	-	-	-
Facility Improvement Program	1,645,781	-	-	-	-	-	1,645,781
Land Acquisition Program	2,197,069	-	-	-	-	-	2,197,069
Special Events Program	100,000	-	-	-	-	-	100,000
Employee Benefits	2,126,771	-	-	-	-	-	2,126,771
Unassigned	15,050,191	-	-	(399,471)	(1,706,144)	(2,014,687)	10,929,889
Total Fund Balances	<u>\$ 33,480,508</u>	<u>\$ 13,007,987</u>	<u>\$ 1,267,175</u>	<u>\$ (399,471)</u>	<u>\$ (1,706,144)</u>	<u>\$ 11,341,782</u>	<u>\$ 56,991,837</u>

NOTE 11 PENSION PLAN

A. Summary of Pension Related Items

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

	Miscellaneous Plan	Safety Plans	Total
Net Pension Liability	\$ 14,298,125	\$ 18,708,868	\$ 33,006,993
Deferred Outflows of Resources			
Related to Pension	4,572,060	5,468,305	10,040,365
Deferred Inflows of Resources			
Related to Pension	-	9,025,562	9,025,562
Pension Expense	4,431,657	1,763,804	6,195,461

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 11 PENSION PLAN (CONTINUED)

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.

The Plans’ provisions and benefits in effect at year ended June 30, 2025 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	10.41%	10.41%	10.41%
Payment of Unfunded Liability	\$ 445,855	Included With the Classic Plan	

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 11 PENSION PLAN (CONTINUED)

B. General Information about the Pension Plans (Continued)

Benefits Provided (Continued)

	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	29.30%	21.92%	14.72%
Payment of Unfunded Liability	\$ 708,682	\$ 5,699	\$ 25,195

Employees Covered

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

	Miscellaneous Plan
Inactive Employees or Beneficiaries Currently Receiving Benefits	358
Inactive Employees Entitled to but Not Yet Receiving Benefits	561
Active Employees	233
Total	<u>1,152</u>

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.

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 11 PENSION PLAN (CONTINUED)

B. General Information about the Pension Plans (Continued)

Contributions (Continued)

For the year ended June 30, 2025, the contributions to Miscellaneous and Safety Plans were as follows:

Plan	Employer Contributions
Miscellaneous Plan	\$ 2,107,452
Safety Plans	2,576,244
Total	\$ 4,683,696

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, 2024, using the actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024, 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 for the fiscal year:

Reporting Period	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (c) = (a) - (b)
Balance - June 30, 2024	\$ 146,879,675	\$ 130,597,099	\$ 16,282,576
Changes in the Year:			
Service Cost	2,522,634	-	2,522,634
Interest on the Total Pension Liability	10,002,598	-	10,002,598
Difference Between Expected and Actual Experience	456,064	-	456,064
Contribution - Employer	-	1,629,094	(1,629,094)
Contribution - Employees	-	1,154,422	(1,154,422)
Net Investment Income	-	12,288,498	(12,288,498)
Benefit Payments, Including Refunds of Employee Contributions	(7,263,732)	(7,263,732)	-
Administrative Expense	-	(106,267)	106,267
Net Changes	5,717,564	7,702,015	(1,984,451)
Balance - June 30, 2025	\$ 152,597,239	\$ 138,299,114	\$ 14,298,125

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 11 PENSION PLAN (CONTINUED)

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

Safety Plans

As of June 30, 2025, the City reported net pension liabilities of \$18,708,868 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, 2024 and 2025 were as follows:

Reporting Period	Safety Plans	
	Amount	Percent
Proportion - June 30, 2024	19,260,797	0.25767%
Proportion - June 30, 2025	18,708,868	0.25661%
Change - Increase (Decrease)	\$ (551,929)	-0.00106%

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2023 valuation was rolled forward to determine the June 30, 2024 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, 2025**

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:

Asset Class ¹	Assumed Asset Allocation	Real Return ^{1,2}
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
	100.00 %	

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%. 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, 2025**

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	\$ 35,587,010	\$ 14,298,125	\$ (3,061,105)
Safety Plans	47,326,425	18,708,868	(4,696,270)

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, 2025**

NOTE 11 PENSION PLAN (CONTINUED)

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

For the year ended June 30, 2025, the City recognized pension expenses of \$4,431,657 and \$1,763,804 for Miscellaneous Plan and Safety Plans, respectively. At June 30, 2025, 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	\$ 2,107,452	\$ -
Differences Between Expected and Actual Experience	381,196	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,083,412	-
Total	\$ 4,572,060	\$ -
	Safety Plans	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 2,576,244	\$ -
Differences Between Expected and Actual Experience	1,526,811	(49,643)
Changes in Assumptions	460,948	-
Change in Employer's Proportion and Differences Between Employer's Contributions and the Employer's Proportionate Share of Contributions	-	(8,975,919)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	904,302	-
Total	\$ 5,468,305	\$ (9,025,562)

The City reported \$2,107,452 and \$2,576,244 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, 2026.

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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
2026	\$ 445,497	\$ (4,777,540)
2027	3,217,054	(529,260)
2028	(509,725)	(517,290)
2029	(688,218)	(309,411)
2030	-	-
Thereafter	-	-
Total	\$ 2,464,608	\$ (6,133,501)

E. Payable to the Pension Plan

At June 30, 2025, the City reported payables of \$136,896 and \$132,753 for the outstanding amount of contributions to the pension Miscellaneous Plan and Safety Plans, respectively, required for the year ended June 30, 2025.

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, 2025**

NOTE 12 OPEB PLAN (CONTINUED)

A. General Information about the OPEB Plan (Continued)

Employees Covered

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	86
Inactive Employees or Beneficiaries Entitled to But Not Yet Receiving Benefits	152
Active Employees	<u>253</u>
Total	<u><u>491</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, 2025, the City's cash contributions were \$388,627 in payment to the trust and \$197,463 in payment outside the trust. Administrative expenses paid outside of trust was \$2,429. The estimated implied subsidy was \$244,000. This results in a total contribution of \$832,519. There are no employee contributions.

B. Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2024 and the total OPEB liability used to calculate the net OPEB liability was determined by using the actuarial valuation as of June 30, 2024. 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, 2025**

NOTE 12 OPEB PLAN (CONTINUED)

C. Total OPEB Liability

Actuarial Assumptions

The June 30, 2024 valuation was based on the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2024
Measurement Date	June 30, 2024
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, 2024 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, 2025**

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, 2023	\$ 8,908,210	\$ 4,997,444	\$ 3,910,766
Changes in the Year:			
Service Cost	209,451	-	209,451
Interest on the Total OPEB Liability	556,378	-	556,378
Difference Between Expected and Actual Experience	(1,162,857)	-	(1,162,857)
Contribution - Employer	-	822,132	(822,132)
Net Investment Income	-	549,488	(549,488)
Benefit Payments, Including Refunds of Employee Contributions	(431,237)	(431,237)	-
Administrative Expense	-	(4,723)	4,723
Net Changes	(828,265)	935,660	(1,763,925)
Balance - June 30, 2024	\$ 8,079,945	\$ 5,933,104	\$ 2,146,841

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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	\$ 3,186,920	\$ 2,146,841	\$ 1,279,434

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	\$ 1,192,453	\$ 2,146,841	\$ 3,314,977

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 OPEB PLAN (CONTINUED)

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

For the year ended June 30, 2025, the City recognized OPEB expense of \$311,167. At June 30, 2025, 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	\$ 832,519	\$ -
Differences Between Expected and Actual Experience	-	(1,102,797)
Changes in Assumptions	243,510	(253,101)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	26,958	-
Total	\$ 1,102,987	\$ (1,355,898)

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.

\$832,519 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, 2026. 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
2026	\$ (163,300)
2027	(32,340)
2028	(208,798)
2029	(139,443)
2030	(94,443)
Thereafter	(447,106)
Total	\$ (1,085,430)

F. Payable to the OPEB Plan

At June 30, 2025, the City had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2025.

CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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 \$4,596,789 and \$1,823,247 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, 2025**

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, 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	4,352,739	1,852,256	6,204,995
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	1,673,681	2,973	1,676,654
Payments on Claims Attributable to Events of Both the Current Fiscal Year and Prior Fiscal Years	<u>(1,429,631)</u>	<u>(31,982)</u>	<u>(1,461,613)</u>
Amounts of Accrued Claims at June 30, 2025	<u>\$ 4,596,789</u>	<u>\$ 1,823,247</u>	<u>\$ 6,420,036</u>
Due Within One Year	\$ 858,077	\$ 843,625	\$ 1,701,702
Due in More Than One Year	<u>3,738,712</u>	<u>979,622</u>	<u>4,718,334</u>
Total	<u>\$ 4,596,789</u>	<u>\$ 1,823,247</u>	<u>\$ 6,420,036</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, 2025**

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, 2025.

	Balance
Fund:	
General Fund	\$ 1,317,495
State Gas Tax Special Revenue Fund	387,208
Measure M Special Revenue Fund	1,204,242
Child Development Special Revenue Fund	135,242
Nonmajor Governmental Funds	5,076,024
Water Fund	756,806
Sewer Fund	9,652
Refuse Fund	20,118
Internal Service Funds	1,023,928
Total Contractual Commitments	\$ 9,930,715

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, 2025**

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, 2025, 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, 2025**

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 RESTATEMENT OF BEGINNING NET POSITION AND FUND BALANCE

Change in Accounting Principle

Effective July 1, 2024, the Entity implemented GASB Statement No. 101, *Compensated Absences*. This statement updated the recognition and measurement guidance for compensated absences and associated salary-related payments and amended certain previously required disclosures. As a result of the implementation of this standard, the compensated absences liability as of July 1, 2024, was understated by \$2.1 million in governmental activities and \$0.3 million in business-type activities. The effect of the implementation of this standard is in the table below.

Changes to or Within Financial Reporting Entity

Change in Fund Presentation Between Major and Nonmajor

Effective July 1, 2024, the Park and Capital Development Capital Projects Fund met the criteria to be reported as a major fund and is reported as a major governmental fund for the fiscal year ended June 30, 2025. The Coyote Creek Channell Improvement Special Revenue Fund and the General Capital Projects Capital Projects Fund previously met the criteria to be reported as major governmental funds. However, effective July 1, 2024, these funds no longer met the criteria to be reported as a major fund and are reported as nonmajor governmental funds for the fiscal year ended June 30, 2025. The effect of these changes to or within the financial reporting entity is shown in the table below.

**CITY OF LA HABRA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 16 RESTATEMENT OF BEGINNING NET POSITION AND FUND BALANCE (CONTINUED)

Adjustments to Beginning Balances

During fiscal year ended June 30, 2025, the change in accounting principle and changes to or within the financial reporting entity resulted in the following restatements/adjustments to beginning net position/fund balance, as follows:

	June 30, 2024 as Previously Reported	Change in Accounting Principle	Changes to or Within the Financial Reporting Entity	June 30, 2024, as Restated
Governmental Activities	\$ 94,186,340	\$ (2,095,428)	\$ -	\$ 92,090,912
Business-Type Activities	52,291,846	(278,441)	-	52,013,405
Total	<u>\$ 146,478,186</u>	<u>\$ (2,373,869)</u>	<u>\$ -</u>	<u>\$ 144,104,317</u>
Governmental Funds:				
General Fund	\$ 31,153,040	\$ -	\$ -	\$ 31,153,040
Major Special Revenue Funds:				
State Gas Tax	10,094,422	-	-	10,094,422
Measure M	440,147	-	-	440,147
Coyote Creek				
Channel Improvement	16,034	-	(16,034)	-
Child Development	(723,803)	-	-	(723,803)
Major Capital Projects Funds:				
Park and Capital Development	-	-	1,954,044	1,954,044
General Capital Projects	8,418,163	-	(8,418,163)	-
Other Nonmajor Funds	6,898,980	-	6,480,153	13,379,133
Total	<u>\$ 56,296,983</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,296,983</u>
Enterprise Funds:				
Water	\$ 33,897,851	\$ (150,915)		\$ 33,746,936
Sewer	6,156,669	(72,467)		6,084,202
Housing Authority	5,670,751	(24,647)		5,646,104
Refuse	1,208,978	(30,412)		1,178,566
Other Nonmajor Funds	5,898,608	-		5,898,608
Total	<u>\$ 52,832,857</u>	<u>\$ (278,441)</u>	<u>\$ -</u>	<u>\$ 52,554,416</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	FY 2018-19	FY 2017-18	FY 2016-17	FY 2015-16	FY 2014-15
Total Pension Liability:					
Service Cost	\$ 2,087,182	\$ 2,227,994	\$ 2,219,809	\$ 1,962,288	\$ 1,868,111
Interest on the Total Pension Liability	8,203,581	7,831,360	7,492,882	7,156,766	6,783,896
Changes of Benefit Terms	-	-	-	-	-
Difference Between Actual and Expected Experience	(44,376)	(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	(4,913,250)	(4,564,114)	(4,248,078)	(3,910,126)	(3,947,397)
Net Change in Total Pension Liability	5,333,137	4,918,506	11,538,973	5,312,703	3,646,850
Total Pension Liability - Beginning	116,192,809	111,274,303	99,735,330	94,422,627	90,775,777
Total Pension Liability - Ending	121,525,946	116,192,809	111,274,303	99,735,330	94,422,627
Plan Fiduciary Net Position:					
Contributions - Employer	2,566,946	2,214,726	2,136,109	1,922,842	1,669,371
Contributions - Employee	937,306	985,232	858,098	914,124	892,674
Net Investment Income	5,883,832	7,060,817	8,508,652	388,841	1,708,919
Benefit Payments, Including Refunds of Employee Contributions	(4,913,250)	(4,564,114)	(4,248,078)	(3,910,126)	(3,947,397)
Plan to Plan Resource Movement	-	(205)	(49)	-	130
Administrative Expense	(63,326)	(129,991)	(112,619)	(46,933)	(86,653)
Other Miscellaneous Income (Expense)	205	(246,855)	-	-	-
Net Change in Plan Fiduciary Net Position	4,411,713	5,319,610	7,142,113	(731,252)	237,044
Plan Fiduciary Net Position - Beginning	88,739,432	83,419,822	76,277,709	77,008,961	76,771,917
Plan Fiduciary Net Position - Ending	93,151,145	88,739,432	83,419,822	76,277,709	77,008,961
Net Pension Liability - Ending	\$ 28,374,801	\$ 27,453,377	\$ 27,854,481	\$ 23,457,621	\$ 17,413,666
Fiduciary Net Position as a Percentage of the Total Pension Liability	76.65%	76.37%	74.97%	76.48%	81.56%
Covered Payroll	\$ 13,043,260	\$ 13,848,797	\$ 13,928,651	\$ 13,577,030	\$ 12,416,819
Net Pension Liability as a Percentage of Covered Payroll	217.54%	198.24%	199.98%	172.77%	140.24%

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 2018-19</u>	<u>FY 2017-18</u>	<u>FY 2016-17</u>	<u>FY 2015-16</u>	<u>FY 2014-15</u>
Total Pension Liability:					
Service Cost	\$ 2,087,182	\$ 2,227,994	\$ 2,219,809	\$ 1,962,288	\$ 1,868,111
Interest on the Total Pension Liability	8,203,581	7,831,360	7,492,882	7,156,766	6,783,896
Changes of Benefit Terms	-	-	-	-	-
Difference Between Actual and Expected Experience	(44,376)	(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	(4,913,250)	(4,564,114)	(4,248,078)	(3,910,126)	(3,947,397)
Net Change in Total Pension Liability	<u>5,333,137</u>	<u>4,918,506</u>	<u>11,538,973</u>	<u>5,312,703</u>	<u>3,646,850</u>
Total Pension Liability - Beginning	<u>116,192,809</u>	<u>111,274,303</u>	<u>99,735,330</u>	<u>94,422,627</u>	<u>90,775,777</u>
Total Pension Liability - Ending	121,525,946	116,192,809	111,274,303	99,735,330	94,422,627
Plan Fiduciary Net Position:					
Contributions - Employer	2,566,946	2,214,726	2,136,109	1,922,842	1,669,371
Contributions - Employee	937,306	985,232	858,098	914,124	892,674
Net Investment Income	5,883,832	7,060,817	8,508,652	388,841	1,708,919
Benefit Payments, Including Refunds of Employee Contributions	(4,913,250)	(4,564,114)	(4,248,078)	(3,910,126)	(3,947,397)
Plan to Plan Resource Movement	-	(205)	(49)	-	130
Administrative Expense	(63,326)	(129,991)	(112,619)	(46,933)	(86,653)
Other Miscellaneous Income (Expense)	205	(246,855)	-	-	-
Net Change in Plan Fiduciary Net Position	<u>4,411,713</u>	<u>5,319,610</u>	<u>7,142,113</u>	<u>(731,252)</u>	<u>237,044</u>
Plan Fiduciary Net Position - Beginning	<u>88,739,432</u>	<u>83,419,822</u>	<u>76,277,709</u>	<u>77,008,961</u>	<u>76,771,917</u>
Plan Fiduciary Net Position - Ending	<u>93,151,145</u>	<u>88,739,432</u>	<u>83,419,822</u>	<u>76,277,709</u>	<u>77,008,961</u>
Net Pension Liability - Ending	<u>\$ 28,374,801</u>	<u>\$ 27,453,377</u>	<u>\$ 27,854,481</u>	<u>\$ 23,457,621</u>	<u>\$ 17,413,666</u>
Fiduciary Net Position as a Percentage of the Total Pension Liability	76.65%	76.37%	74.97%	76.48%	81.56%
Covered Payroll	\$ 13,043,260	\$ 13,848,797	\$ 13,928,651	\$ 13,577,030	\$ 12,416,819
Net Pension Liability as a Percentage of Covered Payroll	217.54%	198.24%	199.98%	172.77%	140.24%

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

	Fiscal Year Ended				
	2025	2024	2023	2022	2021
Actuarially Determined Contribution	\$ 2,107,452	\$ 1,625,084	\$ 1,545,600	\$ 3,824,517	\$ 3,422,953
Contributions in Relation to the Actuarially Determined Contributions	(2,107,452)	(1,625,084)	(1,545,600)	(25,723,465)	(3,422,953)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (21,898,948)</u>	<u>\$ -</u>
Covered Payroll	\$ 15,739,368	\$ 15,041,136	\$ 14,501,443	\$ 14,264,594	\$ 13,904,148
Contributions as a Percentage of Covered Payroll	13.39%	10.80%	10.66%	180.33%	24.62%
Notes to Schedule:					
Valuation Date:	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
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 %	2.300 %	2.300 %	2.500 %	2.500 %
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 %	2.800 %	2.800 %	2.750 %	2.750 %
Investment Rate of Return:	6.900 %	6.900 %	6.900 %	7.000 %	7.000 %
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				
	2020	2019	2018	2017	2016
Actuarially Determined Contribution	\$ 3,072,872	\$ 2,567,072	\$ 2,214,726	\$ 2,136,109	\$ 1,922,842
Contributions in Relation to the Actuarially Determined Contributions	(3,072,872)	(2,567,072)	(2,214,726)	(2,136,109)	(1,922,842)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 13,773,365	\$ 13,043,260	\$ 13,848,797	\$ 13,928,651	\$ 13,577,030
Contributions as a Percentage of Covered Payroll	22.31%	19.68%	15.99%	15.34%	14.16%
Notes to Schedule:					
Valuation Date:	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
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:	2.625 %	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:	2.875 %	3.000 %	3.000 %	3.000 %	3.000 %
Investment Rate of Return:	7.250 %	7.375 %	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 2023-24	FY 2022-23	FY 2021-22	FY 2020-21	FY 2019-20
Proportion of the Net Pension Liability	0.25767 %	0.25767 %	0.31859 %	0.78614 %	0.54856 %
Proportionate Share of the Net Pension Liability	\$ 18,708,868	\$ 19,260,797	\$ 21,892,206	\$ 42,516,636	\$ 59,686,198
Covered Payroll	\$ 9,378,387	\$ 9,839,512	\$ 8,910,843	\$ 8,137,146	\$ 8,130,979
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	199.49%	195.75%	245.68%	522.50%	734.06%
Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	91.07 %	90.47 %	76.68 %	88.29 %	75.10 %

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 2018-19</u>	<u>FY 2017-18</u>	<u>FY 2016-17</u>	<u>FY 2015-16</u>	<u>FY 2014-15</u>
Proportion of the Net Pension Liability	0.54243 %	0.54096 %	0.51947 %	0.52795 %	0.53847 %
Proportionate Share of the Net Pension Liability	\$ 55,583,496	\$ 52,128,243	\$ 51,517,222	\$ 45,683,585	\$ 36,959,834
Covered Payroll	\$ 7,933,244	\$ 8,300,113	\$ 8,702,118	\$ 8,142,184	\$ 7,158,033
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	700.64%	628.04%	592.01%	561.07%	516.34%
Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	75.26 %	75.26 %	73.31 %	74.06 %	78.40 %

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

	Fiscal Year Ended				
	2025	2024	2023	2022	2021
Actuarially Determined Contribution	\$ 2,576,244	\$ 1,860,087	\$ 1,888,335	\$ 5,822,810	\$ 5,242,147
Contributions in Relation to the Actuarially Determined Contributions	(2,576,244)	(1,860,087)	(1,888,335)	(55,841,539)	(5,242,147)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (50,018,729)</u>	<u>\$ -</u>
Covered Payroll	\$ 9,228,869	\$ 9,378,387	\$ 9,839,512	\$ 8,910,843	\$ 8,137,146
Contributions as a Percentage of Covered Payroll	27.92%	19.83%	19.19%	626.67%	64.42%
Notes to Schedule:					
Valuation Date:	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
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 %	2.300 %	2.500 %	2.500 %	2.500 %
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 %	2.800 %	2.750 %	2.750 %	2.750 %
Investment Rate of Return:	6.900 %	6.900 %	6.900 %	7.000 %	7.000 %
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				
	2020	2019	2018	2017	2016
Actuarially Determined Contribution	\$ 4,815,194	\$ 4,161,228	\$ 3,576,391	\$ 3,296,710	\$ 2,950,460
Contributions in Relation to the Actuarially Determined Contributions	(4,815,194)	(4,161,228)	(3,576,391)	(3,296,710)	(2,950,460)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 8,130,979	\$ 7,933,244	\$ 8,300,113	\$ 8,702,118	\$ 8,142,184
Contributions as a Percentage of Covered Payroll	59.22%	52.45%	43.09%	37.88%	36.24%
Notes to Schedule:					
Valuation Date:	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
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:	2.625 %	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:	2.875 %	3.000 %	3.000 %	3.000 %	3.000 %
Investment Rate of Return:	7.250 %	7.375 %	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	<u>FY 2023-24</u>	<u>FY 2022-23</u>	<u>FY 2021-22</u>	<u>FY 2020-21</u>
Total OPEB Liability:				
Service Cost	\$ 209,451	\$ 203,845	\$ 271,595	\$ 249,210
Interest on the Total OPEB Liability	556,378	535,759	540,445	515,250
Changes of Benefit Terms	-	-	-	-
Difference Between Actual and Expected Experience	(1,162,857)	-	(2,163)	-
Changes in Assumptions	-	-	(100,061)	248,320
Benefit Payments, Including Refunds	<u>(431,237)</u>	<u>(399,415)</u>	<u>(369,467)</u>	<u>(338,458)</u>
Net Change in Total OPEB Liability	(828,265)	340,189	340,349	674,322
Total OPEB Liability - Beginning	<u>8,908,210</u>	<u>8,568,021</u>	<u>8,227,672</u>	<u>7,553,350</u>
Total OPEB Liability - Ending	8,079,945	8,908,210	8,568,021	8,227,672
Plan Fiduciary Net Position:				
Contributions - Employer	822,132	838,917	815,587	754,436
Contributions - Employee	-	-	-	-
Net Investment Income	549,488	276,847	(593,925)	867,794
Benefit Payments, Including Refunds	(431,237)	(399,415)	(369,467)	(338,458)
Administrative Expense	<u>(4,723)</u>	<u>(4,343)</u>	<u>(3,440)</u>	<u>(3,173)</u>
Net Change in Plan Fiduciary Net Position	935,660	712,006	(151,245)	1,280,599
Plan Fiduciary Net Position - Beginning	<u>4,997,444</u>	<u>4,285,438</u>	<u>4,436,683</u>	<u>3,156,084</u>
Plan Fiduciary Net Position - Ending	<u>5,933,104</u>	<u>4,997,444</u>	<u>4,285,438</u>	<u>4,436,683</u>
Net OPEB Liability - Ending	<u>\$ 2,146,841</u>	<u>\$ 3,910,766</u>	<u>\$ 4,282,583</u>	<u>\$ 3,790,989</u>
Fiduciary Net Position as a Percentage of the Total OPEB Liability	73.43%	56.10%	50.02%	53.92%
Covered Employee Payroll	\$ 26,006,247	\$ 23,506,997	\$ 23,175,437	\$ 22,048,538
Net Pension Liability as a Percentage of Covered Payroll	8.26%	16.64%	18.48%	17.19%

* 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 2019-20</u>	<u>FY 2018-19</u>	<u>FY 2017-18</u>	<u>FY 2016-17</u>
Total OPEB Liability:				
Service Cost	\$ 237,727	\$ 230,803	\$ 200,241	\$ 194,000
Interest on the Total OPEB Liability	479,503	451,493	468,398	445,000
Changes of Benefit Terms	-	-	-	-
Difference Between Actual and Expected Experience	(77,850)	-	(63,237)	-
Changes in Assumptions	195,027	-	(612,224)	-
Benefit Payments, Including Refunds	<u>(294,149)</u>	<u>(254,381)</u>	<u>(294,001)</u>	<u>(281,000)</u>
Net Change in Total OPEB Liability	540,258	427,915	(300,823)	358,000
Total OPEB Liability - Beginning	<u>7,013,092</u>	<u>6,585,177</u>	<u>6,886,000</u>	<u>6,528,000</u>
Total OPEB Liability - Ending	7,553,350	7,013,092	6,585,177	6,886,000
Plan Fiduciary Net Position:				
Contributions - Employer	710,296	692,132	726,001	724,000
Contributions - Employee	-	-	-	-
Net Investment Income	96,384	128,601	116,706	105,000
Benefit Payments, Including Refunds	(294,149)	(254,381)	(294,001)	(281,000)
Administrative Expense	<u>(3,441)</u>	<u>(2,197)</u>	<u>(2,867)</u>	<u>(1,000)</u>
Net Change in Plan Fiduciary Net Position	509,090	564,155	545,839	547,000
Plan Fiduciary Net Position - Beginning	<u>2,646,994</u>	<u>2,082,839</u>	<u>1,537,000</u>	<u>990,000</u>
Plan Fiduciary Net Position - Ending	<u>3,156,084</u>	<u>2,646,994</u>	<u>2,082,839</u>	<u>1,537,000</u>
Net OPEB Liability - Ending	<u>\$ 4,397,266</u>	<u>\$ 4,366,098</u>	<u>\$ 4,502,338</u>	<u>\$ 5,349,000</u>
Fiduciary Net Position as a Percentage of the Total OPEB Liability	41.78%	37.74%	31.63%	22.32%
Covered Employee Payroll	\$ 21,968,030	\$ 20,719,346	\$ 22,331,468	\$ 23,756,220
Net Pension Liability as a Percentage of Covered Payroll	20.02%	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			
	2025	2024	2023	2022
Actuarially Determined Contribution	\$ 844,843	\$ 821,984	\$ 842,858	\$ 817,921
Contributions in Relation to the Actuarially Determined Contributions	(832,519)	(822,132)	(838,917)	(815,587)
Contribution Deficiency (Excess)	<u>\$ 12,324</u>	<u>\$ (148)</u>	<u>\$ 3,941</u>	<u>\$ 2,334</u>
Covered Employee Payroll	\$ 26,745,306	\$ 26,006,247	\$ 23,506,997	\$ 23,175,437
Contributions as a Percentage of Covered Employee Payroll	3.11%	3.16%	3.57%	3.52%
Notes to Schedule:				
Valuation Date:	6/30/2024	6/30/2022	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 %	2.50 %	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 %	6.25 %	6.50 %	6.75 %
Healthcare Cost Trend Rates:	(3)	(3)	(2)	(2)
Mortality:	CalPERS 2000-2019 Experience Study	CalPERS 2000-2019 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			
	2021	2020	2019	2018
Actuarially Determined Contribution	\$ 793,552	\$ 1,613,000	\$ 721,911	\$ 736,000
Contributions in Relation to the Actuarially Determined Contributions	(754,436)	(710,296)	(692,132)	(726,000)
Contribution Deficiency (Excess)	<u>\$ 39,116</u>	<u>\$ 902,704</u>	<u>\$ 29,779</u>	<u>\$ 10,000</u>
Covered Employee Payroll	\$ 22,048,538	\$ 21,968,030	\$ 20,719,346	\$ 22,331,468
Contributions as a Percentage of Covered Employee Payroll	3.42%	3.23%	3.34%	3.25%
Notes to Schedule:				
Valuation Date:	6/30/2020	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	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:	2.75 %	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:	6.75 %	6.75 %	6.75 %	6.75 %
Healthcare Cost Trend Rates:	(2)	(1)	(1)	(1)
Mortality:	CalPERS 1997-2015 Experience Study	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, 2025**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes and Special Assessments	\$ 24,902,395	\$ 24,902,395	\$ 24,694,839	\$ (207,556)
Sales and Use Tax	14,285,536	14,285,536	13,467,173	(818,363)
Transaction and Use Tax	7,782,100	8,770,346	9,307,150	536,804
Franchise Tax	2,474,200	2,474,200	2,152,349	(321,851)
Intergovernmental	-	-	98,918	98,918
Licenses and Permits	1,726,857	1,726,857	2,294,885	568,028
Charges for Services	5,778,016	5,778,016	8,607,218	2,829,202
Fines, Forfeitures, and Penalties	1,399,870	1,399,870	1,041,763	(358,107)
Use of Money and Property	2,776,171	2,776,171	4,808,533	2,032,362
Other Revenues	13,875	13,875	67,066	53,191
Total Revenues	<u>61,139,020</u>	<u>62,127,266</u>	<u>66,539,894</u>	<u>4,412,628</u>
EXPENDITURES				
Current:				
General Government	4,491,799	4,315,182	4,033,090	282,092
Public Safety	43,702,176	40,085,973	39,208,203	877,770
Public Works	5,953,148	5,928,841	5,591,083	337,758
Community Services	4,871,640	4,810,539	4,937,159	(126,620)
Community Development	3,105,202	3,510,212	3,298,247	211,965
Total Expenditures	<u>62,123,965</u>	<u>58,650,747</u>	<u>57,067,782</u>	<u>1,582,965</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(984,945)	3,476,519	9,472,112	5,995,593
OTHER FINANCIAL SOURCES (USES)				
Transfers In	-	-	250,844	250,844
Transfers Out	-	(4,461,514)	(7,395,488)	(2,933,974)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(4,461,514)</u>	<u>(7,144,644)</u>	<u>(2,683,130)</u>
NET CHANGE IN FUND BALANCE	(984,945)	(984,995)	2,327,468	3,312,463
Fund Balances - Beginning of Year	<u>31,153,040</u>	<u>31,153,040</u>	<u>31,153,040</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 30,168,095</u>	<u>\$ 30,168,045</u>	<u>\$ 33,480,508</u>	<u>\$ 3,312,463</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, 2025**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 3,344,815	\$ 3,344,815	\$ 3,468,311	\$ 123,496
Use of Money and Property	165,400	165,400	487,830	322,430
Total Revenues	<u>3,510,215</u>	<u>3,510,215</u>	<u>3,956,141</u>	<u>445,926</u>
EXPENDITURES				
Current:				
Public Works	896,872	896,872	195,761	701,111
Capital Outlay	9,215,621	9,215,621	846,815	8,368,806
Total Expenditures	<u>10,112,493</u>	<u>10,112,493</u>	<u>1,042,576</u>	<u>9,069,917</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(6,602,278)	(6,602,278)	2,913,565	9,515,843
NET CHANGE IN FUND BALANCE	(6,602,278)	(6,602,278)	2,913,565	9,515,843
Fund Balance - Beginning of Year	<u>10,094,422</u>	<u>10,094,422</u>	<u>10,094,422</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 3,492,144</u>	<u>\$ 3,492,144</u>	<u>\$ 13,007,987</u>	<u>\$ 9,515,843</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, 2025**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 3,487,706	\$ 3,487,706	\$ 2,990,404	\$ (497,302)
Use of Money and Property	63,000	63,000	103,136	40,136
Total Revenues	<u>3,550,706</u>	<u>3,550,706</u>	<u>3,093,540</u>	<u>(457,166)</u>
EXPENDITURES				
Current:				
Public Works	2,162,800	2,162,800	553,156	1,609,644
Capital Outlay	3,388,678	3,388,678	1,713,356	1,675,322
Total Expenditures	<u>5,551,478</u>	<u>5,551,478</u>	<u>2,266,512</u>	<u>3,284,966</u>
NET CHANGE IN FUND BALANCE	(2,000,772)	(2,000,772)	827,028	2,827,800
Fund Balance - Beginning of Year	<u>440,147</u>	<u>440,147</u>	<u>440,147</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u><u>\$ (1,560,625)</u></u>	<u><u>\$ (1,560,625)</u></u>	<u><u>\$ 1,267,175</u></u>	<u><u>\$ 2,827,800</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, 2025**

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
REVENUES				
Intergovernmental	\$ 7,454,482	\$ 7,454,482	\$ 6,926,518	\$ (527,964)
Charges for Services	-	-	1,133	1,133
Use of Money and Property	-	-	154,318	154,318
Total Revenues	<u>7,454,482</u>	<u>7,454,482</u>	<u>7,081,969</u>	<u>(372,513)</u>
EXPENDITURES				
Current:				
Community Services	7,168,732	7,168,732	6,148,308	1,020,424
Capital Outlay	285,750	285,750	600,570	(314,820)
Debt Service:				
Principal Retirement	-	-	7,000	(7,000)
Interest and Other Charges	-	-	1,760	(1,760)
Total Expenditures	<u>7,454,482</u>	<u>7,454,482</u>	<u>6,757,638</u>	<u>696,844</u>
NET CHANGE IN FUND BALANCE	-	-	324,331	324,331
Fund Balance (Deficit) - Beginning of Year	<u>(723,803)</u>	<u>(723,803)</u>	<u>(723,803)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u><u>\$ (723,803)</u></u>	<u><u>\$ (723,803)</u></u>	<u><u>\$ (399,472)</u></u>	<u><u>\$ 324,331</u></u>

See accompanying Note to Required Supplementary Information.

**CITY OF LA HABRA, CALIFORNIA
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

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

<u>Fund</u>	<u>Amount Over Budget</u>
Air Quality Improvement Special Revenue Fund	\$ 14,935
Employment and Training Special Revenue Fund	821,567
SB2 Permanent Local Housing Special Revenue Fund	611,764
PEG Special Revenue Fund	15,386
ARPA Special Revenue Fund	1,042,217

SUPPLEMENTARY INFORMATION

**CITY OF LA HABRA, CALIFORNIA
PARK AND CAPITAL IMPROVEMENT CAPITAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Intergovernmental	\$ 3,733,965	\$ -	\$ (3,733,965)
Licenses and Permits	266,000	362,581	96,581
Charges for Services	30,000	26,850	(3,150)
Use of Money and Property	73,300	145,547	72,247
Total Revenues	<u>4,103,265</u>	<u>534,978</u>	<u>(3,568,287)</u>
EXPENDITURES			
Current:			
Public Works	10,000	172,100	(162,100)
Community Development	-	166,340	(166,340)
Capital Outlay	4,501,116	3,856,725	644,391
Total Expenditures	<u>4,511,116</u>	<u>4,195,165</u>	<u>315,951</u>
NET CHANGE IN FUND BALANCE	(407,851)	(3,660,187)	(3,252,336)
Fund Balance - Beginning of Year	<u>1,954,044</u>	<u>1,954,044</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u><u>\$ 1,546,193</u></u>	<u><u>\$ (1,706,143)</u></u>	<u><u>\$ (3,252,336)</u></u>

NONMAJOR GOVERNMENTAL FUNDS

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

SPECIAL REVENUE FUNDS

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.

Coyote Creek Channel Improvement

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.

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.

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.

**CITY OF LA HABRA, CALIFORNIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025**

	Special Revenue Funds			
	Park and Capital Development	Air Quality Improvement	Law Enforcement	Coyote Creek Channel Improvement
ASSETS				
Cash and Investments	\$ -	\$ 390,909	\$ 1,743,955	\$ 1,927,711
Accounts Receivable	-	2,960	190,522	-
Interest Receivable	-	2,025	-	-
Prepaid Items	-	-	-	-
Due from Other Governments	-	49,373	142,467	-
Loans Receivable	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ -</u>	<u>\$ 445,267</u>	<u>\$ 2,076,944</u>	<u>\$ 1,927,711</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ 18,220	\$ 7,316	\$ 459,589
Accrued Liabilities	-	-	63,895	325,663
Deposits Payable	-	-	-	-
Due to Other Funds	-	-	-	-
Unearned Revenues	-	-	660,657	859,474
Total Liabilities	<u>-</u>	<u>18,220</u>	<u>731,868</u>	<u>1,644,726</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	-	35,336	228,792	-
Total Deferred Inflows of Resources	<u>-</u>	<u>35,336</u>	<u>228,792</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	391,711	1,116,284	282,985
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>-</u>	<u>391,711</u>	<u>1,116,284</u>	<u>282,985</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ -</u>	<u>\$ 445,267</u>	<u>\$ 2,076,944</u>	<u>\$ 1,927,711</u>

**CITY OF LA HABRA, CALIFORNIA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025**

	Special Revenue Funds			
	Housing and Community Development	Employment and Training	Public Safety Augmentation	Other Federal Grants
ASSETS				
Cash and Investments	\$ 205,867	\$ -	\$ 700,820	\$ -
Accounts Receivable	-	-	-	-
Interest Receivable	-	-	5,645	-
Prepaid Items	1,739	-	-	-
Due from Other Governments	226,459	453,024	63,663	144,934
Loans Receivable	365,251	-	-	-
	<u>365,251</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 799,316</u>	<u>\$ 453,024</u>	<u>\$ 770,128</u>	<u>\$ 144,934</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 39,066	\$ 22,686	\$ -	\$ -
Accrued Liabilities	10,583	84,566	-	28,426
Deposits Payable	-	-	-	-
Due to Other Funds	-	346,202	-	145,904
Unearned Revenues	117,051	-	-	-
Total Liabilities	<u>166,700</u>	<u>453,454</u>	<u>-</u>	<u>174,330</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	591,710	190,251	-	42,820
Total Deferred Inflows of Resources	<u>591,710</u>	<u>190,251</u>	<u>-</u>	<u>42,820</u>
FUND BALANCES				
Nonspendable	1,739	-	-	-
Restricted	39,167	-	770,128	-
Assigned	-	-	-	-
Unassigned	-	(190,681)	-	(72,216)
Total Fund Balances	<u>40,906</u>	<u>(190,681)</u>	<u>770,128</u>	<u>(72,216)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 799,316</u>	<u>\$ 453,024</u>	<u>\$ 770,128</u>	<u>\$ 144,934</u>

**CITY OF LA HABRA, CALIFORNIA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025**

	Special Revenue Funds			
	Other State Grants	Traffic Improvements	General Plan Update	Public Art
ASSETS				
Cash and Investments	\$ -	\$ 174,596	\$ 1,760,335	\$ 313,217
Accounts Receivable	367	173	1,518	-
Interest Receivable	1,038	889	9,357	1,667
Prepaid Items	-	-	-	-
Due from Other Governments	1,152,986	-	-	-
Loans Receivable	-	-	-	-
Total Assets	<u>\$ 1,154,391</u>	<u>\$ 175,658</u>	<u>\$ 1,771,210</u>	<u>\$ 314,884</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 80,567	\$ 9,016	\$ -	\$ -
Accrued Liabilities	37,500	2,368	-	-
Deposits Payable	-	-	-	-
Due to Other Funds	704,776	-	-	-
Unearned Revenues	16,858	-	-	-
Total Liabilities	<u>839,701</u>	<u>11,384</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	1,152,986	-	-	-
Total Deferred Inflows of Resources	<u>1,152,986</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	45,174	164,274	1,771,210	314,884
Assigned	-	-	-	-
Unassigned	(883,470)	-	-	-
Total Fund Balances	<u>(838,296)</u>	<u>164,274</u>	<u>1,771,210</u>	<u>314,884</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,154,391</u>	<u>\$ 175,658</u>	<u>\$ 1,771,210</u>	<u>\$ 314,884</u>

**CITY OF LA HABRA, CALIFORNIA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025**

	Special Revenue Funds			Debt Service
	SB 2	PEG	ARPA Fund	Fund
	Permanent Local Housing			Other Debt Service
ASSETS				
Cash and Investments	\$ -	\$ 593,909	\$ -	\$ -
Accounts Receivable	-	15,735	-	-
Interest Receivable	-	3,163	-	-
Prepaid Items	-	-	-	-
Due from Other Governments	-	-	-	-
Loans Receivable	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ -</u>	<u>\$ 612,807</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ 82,235	\$ -	\$ -
Accrued Liabilities	743	-	-	-
Deposits Payable	-	-	-	-
Due to Other Funds	867,577	-	-	-
Unearned Revenues	-	-	-	-
Total Liabilities	<u>868,320</u>	<u>82,235</u>	<u>-</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	-	-	-	-
Restricted	-	530,572	-	-
Assigned	-	-	-	-
Unassigned	(868,320)	-	-	-
Total Fund Balances	<u>(868,320)</u>	<u>530,572</u>	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ -</u>	<u>\$ 612,807</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF LA HABRA, CALIFORNIA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025**

ASSETS	Capital Projects Funds		Total
	Low-Moderate Income Housing Assets	General Capital Projects	
Cash and Investments	\$ 323,947	\$ 9,527,458	\$ 17,662,724
Accounts Receivable	-	-	211,275
Interest Receivable	1,602	42,725	68,111
Prepaid Items	-	-	1,739
Due from Other Governments	-	-	2,232,906
Loans Receivable	-	-	365,251
Total Assets	\$ 325,549	\$ 9,570,183	\$ 20,542,006
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ -	\$ 1,204,060	\$ 1,922,755
Accrued Liabilities	-	36,962	590,706
Deposits Payable	-	726,369	726,369
Due to Other Funds	-	-	2,064,459
Unearned Revenues	-	-	1,654,040
Total Liabilities	-	1,967,391	6,958,329
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenues	-	-	2,241,895
Total Deferred Inflows of Resources	-	-	2,241,895
FUND BALANCES			
Nonspendable	-	-	1,739
Restricted	325,549	-	5,751,938
Assigned	-	7,602,792	7,602,792
Unassigned	-	-	(2,014,687)
Total Fund Balances	325,549	7,602,792	11,341,782
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 325,549	\$ 9,570,183	\$ 20,542,006

**CITY OF LA HABRA, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025**

	Special Revenue Funds			
	Park and Capital Development	Air Quality Improvement	Law Enforcement	Coyote Creek Channel Improvement
REVENUES				
Intergovernmental	\$ -	\$ 209,554	\$ 1,316,051	\$ 7,242,553
Charges for Services	-	-	499,102	-
Use of Money and Property	-	16,352	47,926	243,022
Other Revenues	-	-	-	-
Total Revenues	<u>-</u>	<u>225,906</u>	<u>1,863,079</u>	<u>7,485,575</u>
EXPENDITURES				
Current:				
Public Safety	-	-	1,510,656	-
Public Works	-	-	-	542,374
Community Services	-	184,935	-	-
Community Development	-	-	-	-
Capital Outlay	-	-	35,347	6,676,250
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Other Charges	-	-	-	-
Total Expenditures	<u>-</u>	<u>184,935</u>	<u>1,546,003</u>	<u>7,218,624</u>
EXCESS (DEFICIENCY) OF REVENUES OVER UNDER EXPENDITURES	-	40,971	317,076	266,951
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Issuance of Debt Related to Subscriptions	-	-	-	-
Issuance of Debt Related to Leases	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	40,971	317,076	266,951
Fund Balances (Deficits) - Beginning of Year, As Originally Reported	1,954,044	350,740	799,208	-
Change Within the Financial Reporting Entity (Change in Major Funds)	<u>(1,954,044)</u>	<u>-</u>	<u>-</u>	<u>16,034</u>
Fund Balances (Deficits) - Beginning of Year, As Restated	<u>-</u>	<u>350,740</u>	<u>799,208</u>	<u>16,034</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ -</u>	<u>\$ 391,711</u>	<u>\$ 1,116,284</u>	<u>\$ 282,985</u>

**CITY OF LA HABRA, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

	Special Revenue Funds			
	Housing and Community Development	Employment and Training	Public Safety Augmentation	Other Federal Grants
REVENUES				
Intergovernmental	\$ 30,141	\$ 2,984,043	\$ 398,592	\$ 104,614
Charges for Services	-	-	-	-
Use of Money and Property	-	-	39,681	-
Other Revenues	-	-	-	-
Total Revenues	<u>30,141</u>	<u>2,984,043</u>	<u>438,273</u>	<u>104,614</u>
EXPENDITURES				
Current:				
Public Safety	-	-	397,028	92,550
Public Works	-	-	-	9,563
Community Services	-	3,290,883	-	-
Community Development	216,236	-	-	-
Capital Outlay	10,222	-	-	-
Debt Service:				
Principal Retirement	-	211,072	-	-
Interest and Other Charges	-	19,811	-	-
Total Expenditures	<u>226,458</u>	<u>3,521,766</u>	<u>397,028</u>	<u>102,113</u>
EXCESS (DEFICIENCY) OF REVENUES OVER UNDER EXPENDITURES	(196,317)	(537,723)	41,245	2,501
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Issuance of Debt Related to Subscriptions	-	-	-	-
Issuance of Debt Related to Leases	-	809,518	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>809,518</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(196,317)	271,795	41,245	2,501
Fund Balances (Deficits) - Beginning of Year, As Originally Reported	237,223	(462,476)	728,883	(74,717)
Change Within the Financial Reporting Entity (Change in Major Funds)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits) - Beginning of Year, As Restated	<u>237,223</u>	<u>(462,476)</u>	<u>728,883</u>	<u>(74,717)</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 40,906</u>	<u>\$ (190,681)</u>	<u>\$ 770,128</u>	<u>\$ (72,216)</u>

**CITY OF LA HABRA, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

	Special Revenue Funds			
	Other State Grants	Traffic Improvements	General Plan Update	Public Art
REVENUES				
Intergovernmental	\$ 101,413	\$ -	\$ -	\$ -
Charges for Services	34,509	30,443	263,795	1,705
Use of Money and Property	13,719	16,113	70,415	13,635
Other Revenues	-	-	-	-
Total Revenues	<u>149,641</u>	<u>46,556</u>	<u>334,210</u>	<u>15,340</u>
EXPENDITURES				
Current:				
Public Safety	80,567	-	-	-
Public Works	11,086	34,470	-	-
Community Services	-	-	-	-
Community Development	-	-	-	-
Capital Outlay	42,529	238,399	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Other Charges	-	-	-	-
Total Expenditures	<u>134,182</u>	<u>272,869</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER UNDER EXPENDITURES	15,459	(226,313)	334,210	15,340
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Issuance of Debt Related to Subscriptions	-	-	-	-
Issuance of Debt Related to Leases	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	15,459	(226,313)	334,210	15,340
Fund Balances (Deficits) - Beginning of Year, As Originally Reported	(853,755)	390,587	1,437,000	299,544
Change Within the Financial Reporting Entity (Change in Major Funds)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits) - Beginning of Year, As Restated	<u>(853,755)</u>	<u>390,587</u>	<u>1,437,000</u>	<u>299,544</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ (838,296)</u>	<u>\$ 164,274</u>	<u>\$ 1,771,210</u>	<u>\$ 314,884</u>

**CITY OF LA HABRA, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

	Special Revenue Funds			Debt Service
	SB 2	PEG	ARPA Fund	Fund
	Permanent Local Housing			Other Debt Service
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 813,121	\$ -
Charges for Services	-	68,864	-	-
Use of Money and Property	-	25,983	-	-
Other Revenues	-	-	-	-
Total Revenues	<u>-</u>	<u>94,847</u>	<u>813,121</u>	<u>-</u>
EXPENDITURES				
Current:				
Public Safety	-	-	-	-
Public Works	-	-	-	-
Community Services	-	149,192	781	-
Community Development	1,092,665	-	-	-
Capital Outlay	-	-	1,712,899	-
Debt Service:				
Principal Retirement	-	-	132,467	2,750,824
Interest and Other Charges	-	-	7,460	1,710,690
Total Expenditures	<u>1,092,665</u>	<u>149,192</u>	<u>1,853,607</u>	<u>4,461,514</u>
EXCESS (DEFICIENCY) OF REVENUES OVER UNDER EXPENDITURES	(1,092,665)	(54,345)	(1,040,486)	(4,461,514)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	4,461,514
Transfers Out	-	-	(231,918)	-
Issuance of Debt Related to Subscriptions	-	-	423,283	-
Issuance of Debt Related to Leases	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>191,365</u>	<u>4,461,514</u>
NET CHANGE IN FUND BALANCES	(1,092,665)	(54,345)	(849,121)	-
Fund Balances (Deficits) - Beginning of Year, As Originally Reported	224,345	584,917	849,121	-
Change Within the Financial Reporting Entity (Change in Major Funds)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits) - Beginning of Year, As Restated	<u>224,345</u>	<u>584,917</u>	<u>849,121</u>	<u>-</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ (868,320)</u>	<u>\$ 530,572</u>	<u>\$ -</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, 2025**

	Capital Projects Funds		Total
	Low-Moderate Income Housing Assets	General Capital Projects Fund	
REVENUES			
Intergovernmental	\$ -	\$ 1,605,000	\$ 14,805,082
Charges for Services	-	-	898,418
Use of Money and Property	18,047	406,842	911,735
Other Revenues	61,554	-	61,554
Total Revenues	<u>79,601</u>	<u>2,011,842</u>	<u>16,676,789</u>
EXPENDITURES			
Current:			
Public Safety	-	-	2,080,801
Public Works	-	1,016,190	1,613,683
Community Services	-	-	3,625,791
Community Development	-	-	1,308,901
Capital Outlay	188,368	3,494,997	12,399,011
Debt Service:			
Principal Retirement	-	-	3,094,363
Interest and Other Charges	-	-	1,737,961
Total Expenditures	<u>188,368</u>	<u>4,511,187</u>	<u>25,860,511</u>
EXCESS (DEFICIENCY) OF REVENUES OVER UNDER EXPENDITURES	(108,767)	(2,499,345)	(9,183,722)
OTHER FINANCING SOURCES (USES)			
Transfers In	-	1,683,974	6,145,488
Transfers Out	-	-	(231,918)
Issuance of Debt Related to Subscriptions	-	-	423,283
Issuance of Debt Related to Leases	-	-	809,518
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,683,974</u>	<u>7,146,371</u>
NET CHANGE IN FUND BALANCES	(108,767)	(815,371)	(2,037,351)
Fund Balances (Deficits) - Beginning of Year, As Originally Reported	434,316	-	6,898,980
Change Within the Financial Reporting Entity (Change in Major Funds)	<u>-</u>	<u>8,418,163</u>	<u>6,480,153</u>
Fund Balances (Deficits) - Beginning of Year, As Restated	<u>434,316</u>	<u>8,418,163</u>	<u>13,379,133</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 325,549</u>	<u>\$ 7,602,792</u>	<u>\$ 11,341,782</u>

**CITY OF LA HABRA, CALIFORNIA
AIR QUALITY IMPROVEMENT SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 184,999	\$ 209,554	\$ 24,555
Use of Money and Property	6,100	16,352	10,252
Total Revenues	191,099	225,906	34,807
 EXPENDITURES			
Current:			
Community Services	170,000	184,935	(14,935)
 NET CHANGE IN FUND BALANCE	21,099	40,971	19,872
 Fund Balance - Beginning of Year	350,740	350,740	-
 FUND BALANCE - END OF YEAR	\$ 371,839	\$ 391,711	\$ 19,872

**CITY OF LA HABRA, CALIFORNIA
LAW ENFORCEMENT SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 1,243,646	\$ 1,316,051	\$ 72,405
Charges for Services	532,790	499,102	(33,688)
Use of Money and Property	16,300	47,926	31,626
Total Revenues	<u>1,792,736</u>	<u>1,863,079</u>	<u>70,343</u>
EXPENDITURES			
Current:			
Public Safety	1,573,879	1,510,656	63,223
Capital Outlay	-	35,347	(35,347)
Total Expenditures	<u>1,573,879</u>	<u>1,546,003</u>	<u>27,876</u>
NET CHANGE IN FUND BALANCE	218,857	317,076	98,219
Fund Balance - Beginning of Year	<u>799,208</u>	<u>799,208</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,018,065</u>	<u>\$ 1,116,284</u>	<u>\$ 98,219</u>

**CITY OF LA HABRA, CALIFORNIA
HOUSING AND COMMUNITY DEVELOPMENT SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Intergovernmental	\$ 941,000	\$ 30,141	\$ (910,859)
EXPENDITURES			
Current:			
Community Development	316,500	216,236	100,264
Capital Outlay	<u>624,500</u>	<u>10,222</u>	<u>614,278</u>
Total Expenditures	<u>941,000</u>	<u>226,458</u>	<u>714,542</u>
NET CHANGE IN FUND BALANCE	-	(196,317)	(196,317)
Fund Balance - Beginning of Year	<u>237,223</u>	<u>237,223</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 237,223</u></u>	<u><u>\$ 40,906</u></u>	<u><u>\$ (196,317)</u></u>

**CITY OF LA HABRA, CALIFORNIA
EMPLOYMENT AND TRAINING SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 2,700,199	\$ 2,984,043	\$ 283,844
EXPENDITURES			
Current:			
Community Services	2,700,199	3,290,883	(590,684)
Debt Service:			
Principal Retirement	-	211,072	(211,072)
Interest and Other Charges	-	19,811	(19,811)
Total Expenditures	2,700,199	3,521,766	(821,567)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(537,723)	(537,723)
OTHER FINANCING SOURCES			
Issuance of Debt Related to Leases	-	809,518	809,518
NET CHANGE IN FUND BALANCE	-	271,795	271,795
Fund Balance (Deficit) - Beginning of Year	(462,476)	(462,476)	-
FUND BALANCE (DEFICIT) - END OF YEAR	\$ (462,476)	\$ (190,681)	\$ 271,795

**CITY OF LA HABRA, CALIFORNIA
PUBLIC SAFETY AUGMENTATION SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 372,000	\$ 398,592	\$ 26,592
Use of Money and Property	8,600	39,681	31,081
Total Revenues	380,600	438,273	57,673
 EXPENDITURES			
Current:			
Public Safety	575,874	397,028	178,846
 NET CHANGE IN FUND BALANCE	(195,274)	41,245	236,519
 Fund Balance - Beginning of Year	728,883	728,883	-
 FUND BALANCE - END OF YEAR	\$ 533,609	\$ 770,128	\$ 236,519

**CITY OF LA HABRA, CALIFORNIA
OTHER FEDERAL GRANTS SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 4,273,371	\$ 104,614	\$ (4,168,757)
Use of Money and Property	9,600	-	(9,600)
Total Revenues	<u>4,282,971</u>	<u>104,614</u>	<u>(4,178,357)</u>
EXPENDITURES			
Current:			
Public Safety	320,000	92,550	227,450
Public Works	287,912	9,563	278,349
Capital Outlay	<u>3,665,459</u>	<u>-</u>	<u>3,665,459</u>
Total Expenditures	<u>4,273,371</u>	<u>102,113</u>	<u>4,171,258</u>
NET CHANGE IN FUND BALANCE	9,600	2,501	(7,099)
Fund Balance (Deficit) - Beginning of Year	<u>(74,717)</u>	<u>(74,717)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (65,117)</u>	<u>\$ (72,216)</u>	<u>\$ (7,099)</u>

**CITY OF LA HABRA, CALIFORNIA
OTHER STATE GRANTS SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 466,000	\$ 101,413	\$ (364,587)
Charges for Services	30,000	34,509	4,509
Use of Money and Property	3,200	13,719	10,519
Total Revenues	499,200	149,641	(349,559)
EXPENDITURES			
Current:			
Public Safety	5,000	80,567	(75,567)
Public Works	-	11,086	(11,086)
Capital Outlay	1,216,000	42,529	1,173,471
Total Expenditures	1,221,000	134,182	1,086,818
NET CHANGE IN FUND BALANCE	(721,800)	15,459	737,259
Fund Balance (Deficit) - Beginning of Year	(853,755)	(853,755)	-
FUND BALANCE (DEFICIT) - END OF YEAR	\$ (1,575,555)	\$ (838,296)	\$ 737,259

**CITY OF LA HABRA, CALIFORNIA
TRAFFIC IMPROVEMENT SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
REVENUES			
Charges for Services	\$ 155,000	\$ 30,443	\$ (124,557)
Use of Money and Property	17,500	16,113	(1,387)
Total Revenues	<u>172,500</u>	<u>46,556</u>	<u>(125,944)</u>
EXPENDITURES			
Current:			
Public Works	40,000	34,470	5,530
Capital Outlay	<u>330,000</u>	<u>238,399</u>	<u>91,601</u>
Total Expenditures	<u>370,000</u>	<u>272,869</u>	<u>97,131</u>
NET CHANGE IN FUND BALANCE	(197,500)	(226,313)	(28,813)
Fund Balance - Beginning of Year	<u>390,587</u>	<u>390,587</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 193,087</u>	<u>\$ 164,274</u>	<u>\$ (28,813)</u>

**CITY OF LA HABRA, CALIFORNIA
GENERAL PLAN UPDATE SPECIAL REVENUE PLAN
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
REVENUES			
Charges for Services	\$ 150,000	\$ 263,795	\$ 113,795
Use of Money and Property	20,900	70,415	49,515
Total Revenues	<u>170,900</u>	<u>334,210</u>	<u>163,310</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	170,900	334,210	163,310
Fund Balance - Beginning of Year	<u>1,437,000</u>	<u>1,437,000</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 1,607,900</u></u>	<u><u>\$ 1,771,210</u></u>	<u><u>\$ 163,310</u></u>

**CITY OF LA HABRA, CALIFORNIA
 SB 2 PERMANENT LOCAL HOUSING SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2025**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 480,901	\$ -	\$ (480,901)
EXPENDITURES			
Current:			
Community Development	480,901	1,092,665	(611,764)
NET CHANGE IN FUND BALANCE	-	(1,092,665)	(1,092,665)
Fund Balance - Beginning of Year	224,345	224,345	-
FUND BALANCE (DEFICIT) - END OF YEAR	\$ 224,345	\$ (868,320)	\$ (1,092,665)

**CITY OF LA HABRA, CALIFORNIA
PUBLIC, EDUCATION, AND GOVERNMENT (PEG) SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Charges for Services	\$ 90,000	\$ 68,864	\$ (21,136)
Use of Money and Property	-	25,983	25,983
Total Revenues	90,000	94,847	4,847
EXPENDITURES			
Current:			
Community Services	133,806	149,192	(15,386)
NET CHANGE IN FUND BALANCE	(43,806)	(54,345)	(10,539)
Fund Balance - Beginning of Year	584,917	584,917	-
FUND BALANCE - END OF YEAR	\$ 541,111	\$ 530,572	\$ (10,539)

**CITY OF LA HABRA, CALIFORNIA
 AMERICAN RESCUE PLAN ACT SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2025**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 811,390	\$ 813,121	\$ 1,731
Total Revenues	811,390	813,121	1,731
EXPENDITURES			
Current:			
Community Services	168,500	781	167,719
Capital Outlay	642,890	1,712,899	(1,070,009)
Debt Service:			
Principal Retirement	-	132,467	(132,467)
Interest and Other Charges	-	7,460	(7,460)
Total Expenditures	811,390	1,853,607	(1,042,217)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(1,040,486)	(1,040,486)
OTHER FINANCIAL SOURCES (USES)			
Transfers Out	-	(231,918)	(231,918)
Issuance of Debt Related to Subscriptions	-	423,283	423,283
Total Other Financing Sources (Uses)	-	191,365	191,365
NET CHANGE IN FUND BALANCE	-	(849,121)	(849,121)
Fund Balance (Deficit) - Beginning of Year, As Adjusted	849,121	849,121	-
FUND BALANCE (DEFICIT) - END OF YEAR	\$ 849,121	\$ -	\$ (849,121)

**CITY OF LA HABRA, CALIFORNIA
OTHER DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
EXPENDITURES			
Debt Service:			
Principal	\$ 2,975,000	\$ 2,750,824	\$ 224,176
Interest Expense	1,850,101	1,710,690	139,411
Total Expenditures	<u>4,825,101</u>	<u>4,461,514</u>	<u>363,587</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,825,101)	(4,461,514)	363,587
OTHER FINANCING SOURCES			
Transfers In	<u>-</u>	<u>4,461,514</u>	<u>4,461,514</u>
NET CHANGE IN FUND BALANCE	(4,825,101)	-	4,825,101
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ (4,825,101)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,825,101</u></u>

**CITY OF LA HABRA, CALIFORNIA
 LOW-MODERATE INCOME HOUSING ASSETS CAPITAL PROJECTS FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2025**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Use of Money and Property	\$ 11,500	\$ 18,047	\$ 6,547
Other Revenues	50,000	61,554	11,554
Total Revenues	<u>61,500</u>	<u>79,601</u>	<u>18,101</u>
EXPENDITURES			
Current:			
Community Development	20,000	-	20,000
Capital Outlay	<u>220,000</u>	<u>188,368</u>	<u>31,632</u>
Total Expenditures	<u>240,000</u>	<u>188,368</u>	<u>51,632</u>
NET CHANGE IN FUND BALANCE	(178,500)	(108,767)	69,733
Fund Balance - Beginning of Year	<u>434,316</u>	<u>434,316</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 255,816</u></u>	<u><u>\$ 325,549</u></u>	<u><u>\$ 69,733</u></u>

**CITY OF LA HABRA, CALIFORNIA
GENERAL CAPITAL PROJECTS CAPITAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ -	\$ 1,605,000	\$ 1,605,000
Use of Money and Property	-	<u>406,842</u>	<u>406,842</u>
Total Revenues	<u>-</u>	<u>2,011,842</u>	<u>2,011,842</u>
EXPENDITURES			
Current:			
Public Works	2,526,753	1,016,190	1,510,563
Capital Outlay	<u>6,467,911</u>	<u>3,494,997</u>	<u>2,972,914</u>
Total Expenditures	<u>8,994,664</u>	<u>4,511,187</u>	<u>4,483,477</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(8,994,664)	(2,499,345)	6,495,319
OTHER FINANCING SOURCES			
Transfers In	<u>-</u>	<u>1,683,974</u>	<u>1,683,974</u>
NET CHANGE IN FUND BALANCE	(8,994,664)	(815,371)	8,179,293
Fund Balance - Beginning of Year	<u>8,418,163</u>	<u>8,418,163</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ (576,501)</u>	<u>\$ 7,602,792</u>	<u>\$ 8,179,293</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, 2025**

	Children's Museum	Mobile Home Lease	Total
ASSETS			
Current Assets:			
Cash and Investments	\$ 203,299	\$ 2,068,540	\$ 2,271,839
Accounts Receivable, Net	137,025	12,735	149,760
Interest Receivable	1,026	14,992	16,018
Due from Other Governments	13,961	-	13,961
Total Current Assets	355,311	2,096,267	2,451,578
Noncurrent Assets:			
Capital Assets, Being Depreciated, Net	104,503	3,638,291	3,742,794
Total Assets	459,814	5,734,558	6,194,372
LIABILITIES			
Current Liabilities:			
Accounts Payable	19,212	10,710	29,922
Accrued Liabilities	17,816	584	18,400
Deposits Payable	-	2,244	2,244
Unearned Revenue	-	178	178
Total Liabilities	37,028	13,716	50,744
NET POSITION			
Net Investment in Capital Assets	104,503	3,637,707	3,742,210
Unrestricted	318,283	2,083,135	2,401,418
Total Net Position	\$ 422,786	\$ 5,720,842	\$ 6,143,628

CITY OF LA HABRA, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2025

	Children's Museum	Mobile Home Lease	Total
OPERATING REVENUES			
Charges for Services	\$ 741,683	\$ 3,114,973	\$ 3,856,656
Intergovernmental	6,723	-	6,723
Total Operating Revenues	748,406	3,114,973	3,863,379
OPERATING EXPENSES			
Contractual Services	81,902	655,248	737,150
Wages and Fringe Benefits	461,735	-	461,735
Equipment and Maintenance	2,265	157,539	159,804
Materials and Supplies	35,744	-	35,744
Utilities	3,760	333,755	337,515
Depreciation	19,056	212,163	231,219
Administration	137,257	1,457,623	1,594,880
Total Operating Expenses	741,719	2,816,328	3,558,047
OPERATING INCOME	6,687	298,645	305,332
NONOPERATING REVENUES			
Interest Income	6,051	71,514	77,565
Net Decrease in Fair Value of Investments	3,450	24,359	27,809
Total Nonoperating Revenues	9,501	95,873	105,374
INCOME BEFORE TRANSFERS	16,188	394,518	410,706
TRANSFERS IN	40,000	-	40,000
TRANSFERS OUT	(5,686)	(200,000)	(205,686)
CHANGE IN NET POSITION	50,502	194,518	245,020
Net Position - Beginning of Year	372,284	5,526,324	5,898,608
NET POSITION - END OF YEAR	\$ 422,786	\$ 5,720,842	\$ 6,143,628

**CITY OF LA HABRA, CALIFORNIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2025**

	Children's Museum	Mobile Home Lease	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	\$ 417,725	\$ 3,103,434	\$ 3,521,159
Receipts from Interfund Services Provided	195,009	-	195,009
Payments to Suppliers	(191,219)	(2,075,244)	(2,266,463)
Payments for Internal Services Used	(74,244)	(588,759)	(663,003)
Payments for Employees' Salaries and Benefits	(458,839)	-	(458,839)
Net Cash Provided (Used) by Operating Activities	(111,568)	439,431	327,863
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from Other Funds	40,000	-	40,000
Transfers to Other Funds	(5,686)	(200,000)	(205,686)
Net Cash Provided (Used) by Noncapital Financing Activities	34,314	(200,000)	(165,686)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of Capital Assets	-	(5,636)	(5,636)
Net Cash Used by Capital and Related Financing Activities	-	(5,636)	(5,636)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Investments	10,552	93,129	103,681
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(66,702)	326,924	260,222
Cash and Cash Equivalents - Beginning of Year	270,001	1,741,616	2,011,617
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 203,299</u>	<u>\$ 2,068,540</u>	<u>\$ 2,271,839</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW ACTIVITIES			
Cash and Investments	<u>\$ 203,299</u>	<u>\$ 2,068,540</u>	<u>\$ 2,271,839</u>

**CITY OF LA HABRA, CALIFORNIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

	Children's Museum	Mobile Home Lease	Total
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income	\$ 6,687	\$ 298,645	\$ 305,332
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation	19,056	212,163	231,219
Change in Assets, Deferred Inflows of Resources, Liabilities, and Deferred Outflows of Resources:			
(Increase) Decrease in Receivables	(135,672)	(10,507)	(146,179)
Increase (Decrease) in Accounts Payable	(4,535)	(49,761)	(54,296)
Increase (Decrease) in Accrued Liabilities	2,896	(10,077)	(7,181)
Increase (Decrease) in Unearned Revenue	-	(1,032)	(1,032)
Total Adjustments	(118,255)	140,786	22,531
Net Cash Provided (Used) by Operating Activities	\$ (111,568)	\$ 439,431	\$ 327,863
SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital Expenses Funded by Retentions Payable	\$ -	\$ 584	\$ 584

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, 2025

	Fleet Management	Risk Management	Information Technology	Fleet Replacement	Total
ASSETS					
Current Assets:					
Cash and Investments	\$ 750,453	\$ 9,751,224	\$ 2,569,485	\$ 2,195,803	\$ 15,266,965
Accounts Receivable, Net	7,991	-	12,685	24,313	44,989
Interest Receivable	2,973	47,081	11,514	11,591	73,159
Prepaid Items	50,589	-	71,509	-	122,098
Total Current Assets	<u>812,006</u>	<u>9,798,305</u>	<u>2,665,193</u>	<u>2,231,707</u>	<u>15,507,211</u>
Noncurrent Assets:					
Cash and Investments with Fiscal Agents	41,859	23,097	46,197	-	111,153
Capital Assets, Net of Accumulated Depreciation	-	-	2,019,030	1,529,946	3,548,976
Total Noncurrent Assets	<u>41,859</u>	<u>23,097</u>	<u>2,065,227</u>	<u>1,529,946</u>	<u>3,660,129</u>
Total Assets	853,865	9,821,402	4,730,420	3,761,653	19,167,340
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Amount from Pension Plans	107,355	97,590	211,204	-	416,149
Total Deferred Outflows of Resources	<u>107,355</u>	<u>97,590</u>	<u>211,204</u>	<u>-</u>	<u>416,149</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	51,595	76,282	67,288	240,699	435,864
Accrued Liabilities	28,652	23,643	44,724	3,939	100,958
Accrued Interest	5,455	2,955	5,152	-	13,562
Claims Payable, Current	-	1,701,702	-	-	1,701,702
Lease Liability, Current	-	-	33,932	-	33,932
Subscription Liability, Current	-	-	115,867	-	115,867
Pension Obligation Bonds, Current	21,651	11,876	20,646	-	54,173
Total Current Liabilities	<u>107,353</u>	<u>1,816,458</u>	<u>287,609</u>	<u>244,638</u>	<u>2,456,058</u>
Noncurrent Liabilities:					
Claims Payable, Noncurrent	-	4,718,334	-	-	4,718,334
Lease Liability, Noncurrent	-	-	52,217	-	52,217
Subscription Liability, Noncurrent	-	-	124,666	-	124,666
Pension Obligation Bonds, Noncurrent	434,371	238,263	414,211	-	1,086,845
Net Pension Liability	335,727	305,190	660,497	-	1,301,414
Total Noncurrent Liabilities	<u>770,098</u>	<u>5,261,787</u>	<u>1,251,591</u>	<u>-</u>	<u>7,283,476</u>
Total Liabilities	877,451	7,078,245	1,539,200	244,638	9,739,534
NET POSITION					
Net Investment in Capital Assets	-	-	1,692,348	1,298,268	2,990,616
Restricted for:					
Pension Rate Program	41,859	23,097	46,197	-	111,153
Unrestricted	41,910	2,817,650	1,663,879	2,218,747	6,742,186
Total Net Position	<u>\$ 83,769</u>	<u>\$ 2,840,747</u>	<u>\$ 3,402,424</u>	<u>\$ 3,517,015</u>	<u>\$ 9,843,955</u>

**CITY OF LA HABRA, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2025**

	Fleet Management	Risk Management	Information Technology	Fleet Replacement	Total
OPERATING REVENUES					
Charges for Services	\$ 1,374,203	\$ 3,314,912	\$ 1,509,324	\$ 225,672	\$ 6,424,111
OPERATING EXPENSES					
Contractual Services	226,607	493,867	162,936	49,008	932,418
Wages and Fringe Benefits	563,640	494,804	1,085,049	86,775	2,230,268
Benefits and Claims	-	1,772,649	-	-	1,772,649
Equipment and Maintenance	27,027	-	531,747	18,574	577,348
Materials and Supplies	646,886	157	2,979	-	650,022
Utilities	2,008	-	293,480	-	295,488
Depreciation	-	-	755,179	418,809	1,173,988
Administration	35,296	1,390,218	49,898	7,476	1,482,888
Total Operating Expenses	<u>1,501,464</u>	<u>4,151,695</u>	<u>2,881,268</u>	<u>580,642</u>	<u>9,115,069</u>
OPERATING INCOME (LOSS)	(127,261)	(836,783)	(1,371,944)	(354,970)	(2,690,958)
NONOPERATING REVENUES (EXPENSES)					
Interest Income	21,929	279,702	80,844	67,313	449,788
Other Nonoperating Revenues	15,869	-	-	-	15,869
Gain (Loss) on Sale of Asset	-	-	-	6,844	6,844
Net Increase (Decrease) in Fair Value of Investment	8,667	120,445	38,687	31,015	198,814
Interest Expense	(13,128)	(7,202)	(25,779)	-	(46,109)
Total Nonoperating Revenues (Expenses)	<u>33,337</u>	<u>392,945</u>	<u>93,752</u>	<u>105,172</u>	<u>625,206</u>
LOSS BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(93,924)	(443,838)	(1,278,192)	(249,798)	(2,065,752)
CAPITAL CONTRIBUTIONS FROM GOVERNMENTAL FUNDS	-	-	1,083,313	-	1,083,313
TRANSFERS IN	150,000	750,000	350,000	-	1,250,000
TRANSFERS OUT	-	-	-	(3,145)	(3,145)
CHANGES IN NET POSITION	56,076	306,162	155,121	(252,943)	264,416
Net Position - Beginning of Year	<u>27,693</u>	<u>2,534,585</u>	<u>3,247,303</u>	<u>3,769,958</u>	<u>9,579,539</u>
NET POSITION - END OF YEAR	<u>\$ 83,769</u>	<u>\$ 2,840,747</u>	<u>\$ 3,402,424</u>	<u>\$ 3,517,015</u>	<u>\$ 9,843,955</u>

**CITY OF LA HABRA, CALIFORNIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2025**

	Fleet Management	Risk Management	Information Technology	Fleet Replacement	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers and Users	\$ 77,340	\$ -	\$ -	\$ -	\$ 77,340
Receipts from Interfund Services Provided	1,310,820	3,324,243	1,496,639	201,425	6,333,127
Payments to Suppliers	(897,379)	(3,743,178)	(1,019,130)	(87,868)	(5,747,555)
Payments for Interfund Services Used	(34,128)	(2,724)	(44,292)	(7,476)	(88,620)
Payments for Employees' Salaries and Benefits	(549,622)	(429,055)	(968,023)	(86,088)	(2,032,788)
Net Cash Provided (Used) by Operating Activities	(92,969)	(850,714)	(534,806)	19,993	(1,458,496)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers to Other Funds	-	-	-	(3,145)	(3,145)
Transfers from Other Funds	150,000	750,000	350,000	-	1,250,000
Principal Paid on Noncapital Debt	(21,329)	(11,699)	(20,339)	-	(53,367)
Interest Paid on Noncapital Debt	(13,264)	(7,275)	(12,647)	-	(33,186)
Net Cash Provided (Used) by Noncapital Financing Activities	115,407	731,026	317,014	(3,145)	1,160,302
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of Capital Assets	-	-	(271,007)	(247,595)	(518,602)
Receipt of Insurance Claims	15,869	-	-	-	15,869
Proceeds on Sale of Capital Assets	-	-	-	6,844	6,844
Principal Paid on Capital Debt	-	-	(141,255)	-	(141,255)
Interest Paid on Capital Debt	-	-	(13,260)	-	(13,260)
Net Cash Provided (Used) by Capital and Related Financing Activities	15,869	-	(425,522)	(240,751)	(650,404)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on Investments	30,761	416,856	124,428	103,698	675,743
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	69,068	297,168	(518,886)	(120,205)	(272,855)
Cash and Cash Equivalents - Beginning of Year	723,244	9,477,153	3,134,568	2,316,008	15,650,973
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 792,312</u>	<u>\$ 9,774,321</u>	<u>\$ 2,615,682</u>	<u>\$ 2,195,803</u>	<u>\$ 15,378,118</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION					
Cash and Investments	\$ 750,453	\$ 9,751,224	\$ 2,569,485	\$ 2,195,803	\$ 15,266,965
Cash and Investments with Fiscal Agents	41,859	23,097	46,197	-	111,153
Total Cash and Cash Equivalents	<u>\$ 792,312</u>	<u>\$ 9,774,321</u>	<u>\$ 2,615,682</u>	<u>\$ 2,195,803</u>	<u>\$ 15,378,118</u>

**CITY OF LA HABRA, CALIFORNIA
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2025**

	Fleet Management	Risk Management	Information Technology	Fleet Replacement	Total
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) OPERATING ACTIVITIES					
Operating Loss	\$ (127,261)	\$ (836,783)	\$ (1,371,944)	\$ (354,970)	\$ (2,690,958)
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:					
Depreciation	-	-	755,179	418,809	1,173,988
Change in Assets, Deferred Inflows of Resources, Liabilities, and Deferred Outflows of Resources:					
(Increase) Decrease in Accounts Receivable	(7,991)	9,331	(12,685)	(24,247)	(35,592)
(Increase) Decrease in Due from Other Governments	21,948	-	-	-	21,948
(Increase) Decrease in Prepaid Items	512	-	(71,509)	-	(70,997)
(Increase) Decrease in Deferred Outflows of Resources from Pension Plans	166,277	85,040	211,834	-	463,151
Increase (Decrease) in Accounts Payable	7,845	(304,052)	49,127	(20,286)	(267,366)
Increase (Decrease) in Accrued Liabilities	5,210	6,053	10,336	687	22,286
Increase (Decrease) in Claims Liabilities	-	215,041	-	-	215,041
Increase (Decrease) in Net Pension Liability	(151,493)	(19,994)	(92,751)	-	(264,238)
(Increase) Decrease in Deferred Inflows of Resources from Pension Plans	(8,016)	(5,350)	(12,393)	-	(25,759)
Total Adjustments	34,292	(13,931)	837,138	374,963	1,232,462
Net Cash Provided (Used) by Operating Activities	<u>\$ (92,969)</u>	<u>\$ (850,714)</u>	<u>\$ (534,806)</u>	<u>\$ 19,993</u>	<u>\$ (1,458,496)</u>
SUPPLEMENTAL DISCLOSURES NONCASH CAPITAL AND RELATED FINANCING TRANSACTIONS					
Capital Assets Funded by Accounts Payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 231,678</u>	<u>\$ 231,678</u>
Capital Contribution from Governmental Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,083,313</u>	<u>\$ -</u>	<u>\$ 1,083,313</u>

CUSTODIAL FUNDS

**CITY OF LA HABRA, CALIFORNIA
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 JUNE 30, 2025**

	<u>Public Deposits Fund</u>	<u>North SPA Navigation Centers Fund</u>	<u>Total Custodial Funds</u>
ASSETS			
Current Assets:			
Cash and Investments	\$ 1,721,222	\$ 1,728,893	\$ 3,450,115
Accounts Receivable	5,288	-	5,288
Interest Receivable	9,924	-	9,924
Due from Other Governments	-	7,682,182	7,682,182
Total Assets	<u>1,736,434</u>	<u>9,411,075</u>	<u>11,147,509</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	60,326	5,391,342	5,451,668
Accrued Liabilities	191,008	-	191,008
Deposits	751,226	-	751,226
Total Liabilities	<u>1,002,560</u>	<u>5,391,342</u>	<u>6,393,902</u>
NET POSITION			
Restricted for Individuals, Organizations, and Other Governments	<u>733,874</u>	<u>4,019,733</u>	<u>4,753,607</u>
Total Net Position	<u><u>\$ 733,874</u></u>	<u><u>\$ 4,019,733</u></u>	<u><u>\$ 4,753,607</u></u>

**CITY OF LA HABRA, CALIFORNIA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
YEAR ENDED JUNE 30, 2025**

	<u>Public Deposits Fund</u>	<u>North SPA Navigation Centers Fund</u>	<u>Total Custodial Funds</u>
ADDITIONS			
Police-Seized Assets	\$ 24,316	\$ -	\$ 24,316
Members' Contributions	-	6,239,233	6,239,233
Total Additions	<u>24,316</u>	<u>6,239,233</u>	<u>6,263,549</u>
DEDUCTIONS			
Program Expenses	-	5,937,490	5,937,490
Police-Seized Assets	18,506	-	18,506
Administrative Expenses	-	41,600	41,600
Total Deductions	<u>18,506</u>	<u>5,979,090</u>	<u>5,997,596</u>
CHANGE IN NET POSITION	5,810	260,143	265,953
Net Position Held in Trust - Beginning of Year	<u>728,064</u>	<u>3,759,590</u>	<u>4,487,654</u>
NET POSITION HELD IN TRUST - END OF YEAR	<u>\$ 733,874</u>	<u>\$ 4,019,733</u>	<u>\$ 4,753,607</u>

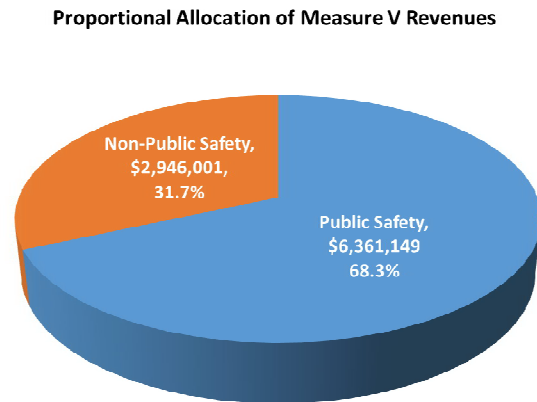
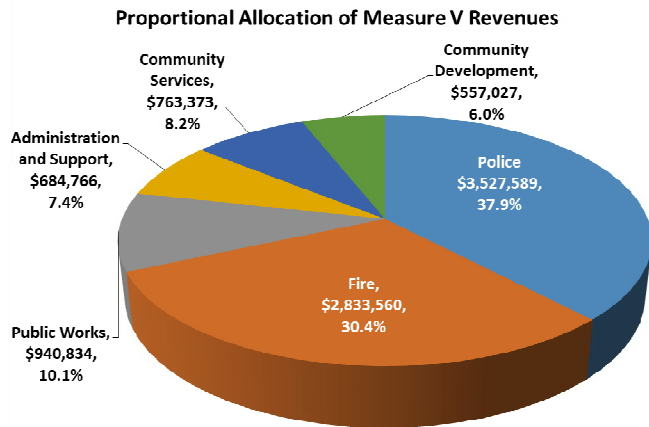
**CITY OF LA HABRA, CALIFORNIA
MEASURE V TRANSACTION AND USE TAX: USE OF FUNDS
YEAR ENDED JUNE 30, 2025**

In November 2024, the voters of La Habra approved Measure V which reauthorize the City’s former Transaction and Use tax (Measure T) at an updated rate of one cent. 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 V amended revenue budget for FY 24-25 and the proportional allocation of the General Fund amended expenditure budget by department.

Measure V Allocation Analysis by General Fund Department

Department	FY 24/25 GF Amended Budget Expenditures	Percent of Total GF Budgeted Expenditures	Proportional Allocation of Measure V Revenues
Police	\$ 22,229,762	37.9%	\$ 3,527,589
Fire	17,856,211	30.4%	2,833,560
Public Works	5,928,841	10.1%	940,834
Administration and Support	4,315,182	7.4%	684,766
Community Services	4,810,539	8.2%	763,373
Community Development	3,510,212	6.0%	557,027
Total	<u>\$ 58,650,747</u>	100.0%	<u>\$ 9,307,149</u>



This method of demonstrating the use of Measure V 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, 2025**

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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These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	168
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These schedules contain trend information to help the reader assess the government's most significant current local revenue source, the property tax.	181
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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.	188
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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.	202

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			
	2016	2017 (2)	2018	2019
Governmental activities				
Net investment in capital assets	\$ 87,775,876	\$ 98,908,209	\$ 109,691,038	\$ 109,213,141
Restricted	13,465,394	15,849,805	13,451,730	15,535,285
Unrestricted	(27,711,283)	(39,239,903)	(41,737,731)	(45,505,661)
Total governmental activities net position	<u>\$ 73,529,987</u>	<u>\$ 75,518,111</u>	<u>\$ 81,405,037</u>	<u>\$ 79,242,765</u>
Business-type activities				
Net investment in capital assets	\$ 22,464,681	\$ 23,274,193	\$ 22,690,776	\$ 25,795,462
Restricted	841,051	1,066,402	1,003,581	951,017
Unrestricted	19,447,151	19,171,906	19,503,712	18,431,882
Total business-type activities net position	<u>\$ 42,752,883</u>	<u>\$ 43,512,501</u>	<u>\$ 43,198,069</u>	<u>\$ 45,178,361</u>
Primary Government				
Net investment in capital assets	\$ 110,240,557	\$ 122,182,402	\$ 132,381,814	\$ 135,008,603
Restricted	14,306,445	16,916,207	14,455,311	16,486,302
Unrestricted	(8,264,132)	(20,067,997)	(22,234,019)	(27,073,779)
Total primary government net position	<u>\$ 116,282,870</u>	<u>\$ 119,030,612</u>	<u>\$ 124,603,106</u>	<u>\$ 124,421,126</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					
2020	2021	2022	2023	2024	2025
\$ 110,949,024	\$ 112,489,017	\$ 114,372,116	\$ 114,708,465	\$ 120,213,396	\$ 130,372,351
16,437,287	19,789,252	22,920,635	24,749,680	35,130,817	37,292,702
(50,914,390)	(50,848,220)	(57,893,558)	(61,304,857)	(61,157,873)	(58,851,092)
<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>	<u>\$ 108,813,961</u>
\$ 23,818,741	\$ 23,680,076	\$ 25,352,673	\$ 22,421,053	\$ 24,655,715	\$ 17,326,439
859,248	806,301	734,045	1,167,564	1,475,522	1,598,621
21,485,432	23,174,523	23,589,374	26,002,271	26,160,609	38,463,828
<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>	<u>\$ 57,388,888</u>
\$ 134,767,765	\$ 136,169,093	\$ 139,724,789	\$ 137,129,518	\$ 144,869,111	\$ 147,698,790
17,296,535	20,595,553	23,654,680	25,917,244	36,606,339	38,891,323
(29,428,958)	(27,673,697)	(34,304,184)	(35,302,586)	(34,997,264)	(20,387,264)
<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>	<u>\$ 166,202,849</u>

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

	Fiscal Year			
	2016	2017	2018	2019
Expenses				
Governmental activities:				
General government	\$ 5,390,669	\$ 3,671,388	\$ 5,461,015	\$ 4,221,976
Intergovernmental	-	-	-	-
Public safety	27,410,251	30,195,115	31,295,032	34,350,077
Public works	9,246,671	11,002,512	10,295,016	10,154,486
Community services	10,290,567	10,591,475	10,694,274	10,639,108
Community development	1,968,081	3,064,649	2,698,772	2,520,478
Interest on long-term debt	330,196	281,018	229,533	261,770
Total governmental activities expenses	<u>54,636,435</u>	<u>58,806,157</u>	<u>60,673,642</u>	<u>62,147,895</u>
Business-type activities:				
Water	12,120,429	12,946,131	14,829,319	14,779,099
Sewer	1,934,381	2,107,071	2,381,245	2,270,868
Housing Authority	1,737,015	1,491,686	1,631,963	1,569,221
Other business activities	6,322,831	6,341,002	6,527,533	7,162,134
Total business-type activities expenses	<u>22,114,656</u>	<u>22,885,890</u>	<u>25,370,060</u>	<u>25,781,322</u>
Total primary government expenses	<u>\$ 76,751,091</u>	<u>\$ 81,692,047</u>	<u>\$ 86,043,702</u>	<u>\$ 87,929,217</u>
Program Revenues				
Governmental activities:				
Charges for services				
General government	\$ 535,708	\$ 549,270	\$ 512,442	\$ 449,012
Public safety	3,354,565	3,351,086	3,390,223	3,185,405
Public works	2,899,926	203,981	1,250,526	620,539
Community services	1,011,325	1,035,577	1,043,879	1,101,822
Community development	1,796,341	1,987,112	2,866,742	1,874,548
Operating grants and contributions	8,308,818	9,957,548	7,961,383	8,416,487
Capital grants and contributions	4,423,311	2,644,726	6,206,726	3,437,594
Total governmental activities program revenues	<u>22,329,994</u>	<u>19,729,300</u>	<u>23,231,921</u>	<u>19,085,407</u>
Business-type activities:				
Charges for services:				
Water	12,209,656	13,035,748	14,402,538	15,297,469
Sewer	1,628,705	1,803,519	1,955,880	2,290,963
Housing authority	1,645,982	1,281,830	1,277,656	1,300,213
Other business -type activities	7,283,219	7,279,389	7,349,063	7,718,806
Total business-type activities program revenues	<u>22,767,562</u>	<u>23,400,486</u>	<u>24,985,137</u>	<u>26,607,451</u>
Total primary government program revenues	<u>\$ 45,097,556</u>	<u>\$ 43,129,786</u>	<u>\$ 48,217,058</u>	<u>\$ 45,692,858</u>
Net (expense)/revenue:				
Governmental activities	\$ (32,306,441)	\$ (39,076,857)	\$ (37,441,721)	\$ (43,062,488)
Business-type activities	652,906	514,596	(384,923)	826,129
Total primary government net expense	<u>\$ (31,653,535)</u>	<u>\$ (38,562,261)</u>	<u>\$ (37,826,644)</u>	<u>\$ (42,236,359)</u>

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

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 4,828,271	\$ 4,287,183	\$ 5,464,741	\$ 3,785,227	\$ 4,905,354	\$ 5,366,225
-	-	-	-	-	-
37,142,231	36,216,287	44,085,563	53,428,983	38,036,784	38,009,194
9,817,418	9,607,658	10,200,838	10,778,966	12,870,728	17,221,408
10,876,760	12,471,250	11,606,304	12,975,016	14,866,774	15,213,731
3,224,295	3,182,218	2,434,719	4,044,949	4,690,781	5,008,412
187,615	156,937	1,380,758	1,818,837	1,777,745	1,768,339
<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>	<u>82,587,309</u>
15,479,110	16,849,337	16,127,999	16,694,943	16,229,119	16,877,898
2,444,214	2,611,350	2,829,901	2,641,793	2,966,511	3,319,837
1,578,646	1,877,902	1,114,405	1,042,915	1,351,596	1,590,606
7,578,579	7,336,987	8,088,963	10,039,149	9,415,366	9,523,856
<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>31,312,197</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>	<u>\$ 113,899,506</u>
\$ 437,362	\$ 551,556	\$ 591,340	\$ 656,460	\$ 607,504	\$ 531,631
3,152,854	3,195,683	3,725,655	4,862,993	5,402,368	5,602,376
151,871	185,537	269,256	381,867	579,423	420,906
938,790	931,965	1,091,633	989,272	1,247,397	1,485,378
1,953,166	2,241,602	3,034,195	2,940,130	2,959,588	3,041,959
8,739,837	11,890,028	11,873,560	18,072,066	15,168,862	13,374,586
5,173,881	6,195,484	4,949,920	6,133,751	11,811,104	16,118,302
<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>	<u>40,575,138</u>
15,775,170	18,504,454	18,661,034	17,235,734	18,097,810	21,012,758
2,347,221	2,727,785	2,882,992	2,871,016	2,944,182	3,273,944
1,368,862	1,834,228	1,122,311	1,738,988	1,386,825	1,243,285
7,591,511	7,363,550	8,280,268	8,416,048	8,979,952	9,695,301
<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>35,225,288</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>	<u>\$ 75,800,426</u>
\$ (45,528,829)	\$ (40,729,678)	\$ (49,637,364)	\$ (52,795,439)	\$ (39,371,920)	\$ (42,012,171)
2,215	1,754,441	2,785,337	(157,014)	1,446,177	3,913,091
<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>	<u>\$ (38,099,080)</u>

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

	Fiscal Year			
	2016	2017	2018	2019
Governmental activities:				
Taxes:				
Property taxes	\$ 14,996,789	\$ 16,117,190	\$ 16,538,652	\$ 17,472,895
Sales and use taxes	10,997,991	9,837,648	10,730,853	10,979,334
Transaction and use taxes	5,040,708	5,075,039	5,629,841	5,573,483
Franchise tax	1,653,002	1,650,001	1,784,852	1,920,476
Grants and contributions not restricted to specific programs	84,051	85,223	88,300	85,255
Income from property and investments	3,042,625	2,641,722	2,534,264	3,780,123
Gain on sale of capital assets	-	-	4,673,891	-
Other general revenues	1,340,148	1,655,926	1,222,994	1,088,650
Extraordinary gain (loss)	-	-	-	-
Special item	-	6,416,232	-	-
Transfers	126,177	145,000	125,000	-
Total governmental activities	<u>37,281,491</u>	<u>43,623,981</u>	<u>43,328,647</u>	<u>40,900,216</u>
Business-type activities:				
Income from property and investments	220,785	48,994	42,594	811,303
Other general revenues	306,565	341,028	152,897	342,860
Transfers	(126,177)	(145,000)	(125,000)	-
Total business-type activities	<u>401,173</u>	<u>245,022</u>	<u>70,491</u>	<u>1,154,163</u>
Total primary government	<u>\$ 37,682,664</u>	<u>\$ 43,869,003</u>	<u>\$ 43,399,138</u>	<u>\$ 42,054,379</u>
Change in Net Position				
Governmental activities	\$ 4,975,050	\$ 4,547,124	\$ 5,886,926	\$ (2,162,272)
Business-type activities	1,054,079	759,618	(314,432)	1,980,292
Total primary government	<u>\$ 6,029,129</u>	<u>\$ 5,306,742</u>	<u>\$ 5,572,494</u>	<u>\$ (181,980)</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					
2020	2021	2022	2023	2024	2025
\$ 18,694,463	\$ 19,840,482	\$ 20,994,665	\$ 22,428,672	\$ 23,586,856	\$ 24,641,817
11,329,538	12,900,404	14,577,122	14,546,390	13,826,854	13,486,381
5,749,127	6,739,488	7,621,355	7,780,968	7,607,546	9,392,802
1,978,057	2,018,080	2,156,690	2,391,564	2,492,371	2,124,571
105,618	100,870	126,522	119,916	131,345	151,940
3,865,685	2,772,146	845,414	3,252,120	6,362,456	7,259,701
-	-	44,511	20,994	60,590	7,544
1,035,497	1,001,739	1,062,642	1,008,910	1,336,954	1,654,683
-	-	-	-	-	-
-	-	-	-	-	-
-	-	177,587	-	-	15,781
<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>	<u>58,735,220</u>
810,499	(4,255)	(636,716)	66,028	1,237,988	1,471,374
172,346	61,890	44,158	5,782	16,793	6,799
-	-	(177,587)	-	-	(15,781)
<u>982,845</u>	<u>57,635</u>	<u>(770,145)</u>	<u>71,810</u>	<u>1,254,781</u>	<u>1,462,392</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>	<u>\$ 60,197,612</u>
\$ (2,770,844)	\$ 4,643,531	\$ (2,030,856)	\$ (1,245,905)	\$ 16,033,052	\$ 16,723,049
985,060	1,812,076	2,015,192	(85,204)	2,700,958	5,375,483
<u>\$ (1,785,784)</u>	<u>\$ 6,455,607</u>	<u>\$ (15,664)</u>	<u>\$ (1,331,109)</u>	<u>\$ 18,734,010</u>	<u>\$ 22,098,532</u>

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

	Fiscal Year			
	2016	2017	2018	2019
General fund				
Nonspendable	\$ 7,406,791	\$ 6,311,389	\$ 5,214,884	\$ 4,425,438
Restricted	418,195	269,912	327,386	834,185
Assigned	-	-	1,100,000	2,950,000
Unassigned	984,505	2,197,789	6,258,051	7,717,970
Total general fund	<u>\$ 8,809,491</u>	<u>\$ 8,779,090</u>	<u>\$ 12,900,321</u>	<u>\$ 15,927,593</u>
All other governmental funds				
Nonspendable	\$ 9,000	\$ -	\$ -	\$ 62
Restricted	12,848,248	14,955,457	12,507,938	14,149,562
Assigned	6,608,111	689,121	4,121,516	3,595,183
Unassigned	-	-	-	(904,000)
Total all other governmental funds	<u>\$ 19,465,359</u>	<u>\$ 15,644,578</u>	<u>\$ 16,629,454</u>	<u>\$ 16,840,807</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					
2020	2021	2022	2023	2024	2025
\$ 2,715,606	\$ 2,043,647	\$ 1,066,199	\$ 15,403	\$ 17,827	\$ 24,885
2,015,009	3,105,457	3,410,091	4,800,802	10,796,031	12,335,811
3,555,000	5,983,680	4,172,063	6,626,824	6,751,172	6,069,621
8,602,672	8,325,715	10,233,206	11,359,983	13,588,010	15,050,191
<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>	<u>\$ 33,480,508</u>
\$ 68,126	\$ 73,870	\$ 59,591	\$ 58,426	\$ 675,629	\$ 1,739
13,902,639	16,164,156	14,824,215	16,638,901	18,225,514	20,027,100
3,450,080	2,753,344	2,573,946	10,764,191	8,418,163	7,602,792
(1,270,763)	(802,706)	(2,370,467)	(3,849,149)	(2,175,363)	(4,120,302)
<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>	<u>\$ 23,511,329</u>

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

	Fiscal Year			
	2016	2017	2018	2019
Revenues				
Property taxes and special assessments	\$ 14,996,789	\$ 16,117,190	\$ 16,538,652	\$ 17,527,982
Sales and use tax	10,690,774	10,235,873	10,234,115	11,373,624
Transaction and use tax	4,994,922	5,063,240	5,381,995	5,854,399
Franchise tax	1,662,712	1,680,204	1,775,865	1,910,805
Intergovernmental	12,816,180	11,994,355	14,281,399	11,909,924
Licenses and permits	4,394,608	1,553,900	3,140,795	1,984,329
Charges for services	5,275,163	5,296,267	5,718,793	5,217,261
Fines, forfeitures and penalties	1,133,348	1,140,276	938,095	848,817
Use of money and property	2,603,900	2,246,883	3,152,638	4,849,412
Other revenues	125,172	194,236	423,269	308,824
Total revenue	<u>58,693,568</u>	<u>55,522,424</u>	<u>61,585,616</u>	<u>61,785,377</u>
Expenditures				
General government	2,923,628	3,196,147	3,009,121	3,042,493
Public safety	26,535,529	27,512,220	27,739,273	29,963,502
Public works	5,955,786	7,034,702	6,276,417	6,452,778
Community services	9,863,500	10,150,275	9,798,354	9,845,302
Community development	2,050,109	2,921,703	2,427,694	2,319,552
Capital outlay	13,851,464	14,994,359	11,729,060	4,505,752
Debt service:				
Principal	261,639	278,585	296,419	384,575
Interest expense	69,753	68,076	51,933	83,699
Cost of debt issuance	-	-	-	-
Total expenditures	<u>61,511,408</u>	<u>66,156,067</u>	<u>61,328,271</u>	<u>56,597,653</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,817,840)</u>	<u>(10,633,643)</u>	<u>257,345</u>	<u>5,187,724</u>
Other financing sources (uses)				
Proceeds from debt	-	-	1,430,097	-
Proceeds from sale of property	2,620	741,229	5,593,665	1,733
Transfers in	11,100,887	6,056,274	3,981,698	1,007,504
Transfers out	<u>(11,317,131)</u>	<u>(6,431,274)</u>	<u>(6,156,698)</u>	<u>(2,958,336)</u>
Total other financing sources (uses)	<u>(213,624)</u>	<u>366,229</u>	<u>4,848,762</u>	<u>(1,949,099)</u>
Special item	-	6,416,232	-	-
Extraordinary gain (loss)	-	-	-	-
Net change in fund balances	<u>\$ (3,031,464)</u>	<u>\$ (3,851,182)</u>	<u>\$ 5,106,107</u>	<u>\$ 3,238,625</u>
Debt service as a percentage of noncapital expenditures	0.70%	0.66%	0.70%	0.90%

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									
		2020	2021	2022	2023	2024	2025				
\$	18,749,790	\$	19,894,873	\$	21,047,527	\$	22,485,337	\$	23,640,653	\$	24,694,839
	11,344,359		12,871,187		14,592,502		14,553,839		13,853,575		13,467,173
	5,752,140		6,726,948		7,638,582		7,779,709		7,610,758		9,307,150
	1,983,537		1,997,428		2,097,646		2,227,559		2,580,172		2,152,349
	13,992,385		18,035,505		16,062,933		24,059,784		25,918,528		28,289,233
	1,367,235		1,583,355		2,056,794		2,455,631		3,071,274		2,657,466
	5,367,980		5,719,625		6,001,354		6,550,581		7,620,751		9,533,619
	733,065		744,201		1,096,794		1,581,075		1,112,306		1,041,763
	3,415,365		2,670,807		1,010,959		3,661,834		5,783,549		6,611,099
	204,721		144,064		263,426		222,556		140,891		128,620
	62,910,577		70,387,993		71,868,517		85,577,905		91,332,457		97,883,311
	3,246,507		3,359,344		5,333,630		3,872,235		3,631,407		4,033,090
	31,922,341		32,960,936		90,388,510		33,969,544		35,747,508		41,289,004
	6,241,368		6,307,067		10,105,887		6,552,545		8,852,912		8,125,783
	10,000,401		12,006,452		16,737,658		12,181,478		13,321,020		14,711,258
	2,970,478		3,141,803		4,849,883		4,372,028		3,831,512		4,773,488
	5,749,699		6,118,375		4,951,601		7,682,988		12,580,942		19,416,477
	248,356		130,997		1,104,968		2,695,076		2,713,840		3,101,363
	61,458		54,225		54,091		1,798,993		1,746,158		1,739,721
	-		-		464,719		-		-		-
	60,440,608		64,079,199		133,990,947		73,124,887		82,425,299		97,190,184
	2,469,969		6,308,794		(62,122,430)		12,453,018		8,907,158		693,127
	-		-		66,929,972		-		350,096		1,232,801
	-		-		-		-		-		-
	360,538		2,229,158		3,844,441		14,205,870		4,889,864		6,396,332
	(2,560,538)		(3,929,158)		(6,544,441)		(14,212,351)		(6,089,864)		(7,627,406)
	(2,200,000)		(1,700,000)		64,229,972		(6,481)		(849,904)		1,727
	-		-		-		-		-		-
	-		-		-		-		-		-
\$	269,969	\$	4,608,794	\$	2,107,542	\$	12,446,537	\$	8,057,254	\$	694,854
	0.58%		0.32%		0.91%		6.89%		6.39%		5.82%



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
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%
2025	7,301,919,245	1,125,184,003	583,290,889	226,225,626	9,236,619,763	0.16896%

(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			
	2016	2017	2018	2019
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	0.06821	0.08423	0.08979	0.08814
Metropolitan Water District	0.00350	0.00350	0.00350	0.00350
Total Direct & Overlapping ¹ Tax Rate	<u>1.07171</u>	<u>1.08773</u>	<u>1.09329</u>	<u>1.09164</u>
Total Direct Rate ²	<u>0.16609</u>	<u>0.16613</u>	<u>0.16611</u>	<u>0.16951</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					
2020	2021	2022	2023	2024	2025
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
0.11438	0.12	0.11808	0.11621	0.10435	0.10353
0.00350	0.00350	0.00350	0.00350	0.00350	0.00700
<u>1.11788</u>	<u>1.12654</u>	<u>1.12158</u>	<u>1.11971</u>	<u>1.10785</u>	<u>1.11053</u>
<u>0.16872</u>	<u>0.16928</u>	<u>0.16926</u>	<u>0.16915</u>	<u>0.16940</u>	<u>0.16896</u>

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

Taxpayer	2025		2016	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Improvement Valentia LP	\$ 189,742,086	2.05%	\$ -	0.00%
CVS Pharmacy Inc	147,177,499	1.59%	-	0.00%
La Habra Associates LLC	109,654,883	1.19%	-	0.00%
La Habra Westridge Partnership LP	76,382,466	0.83%	-	0.00%
Bex Portfolio Inc	54,893,997	0.59%	-	0.00%
B9 Harbor Blvd Owne LLC	45,301,576	0.49%	-	0.00%
Carefree Communities CA LLC	44,160,140	0.48%	-	0.00%
Ralphs Grocery Company	36,110,007	0.39%	-	0.00%
Monterra Springs Apartments LLC	34,291,989	0.37%	-	0.00%
Costco Wholesale Corporation	34,208,517	0.37%	-	0.00%
CVS Pharmacy Inc	-	0.00%	121,234,550	2.14%
La Habra Associates LLC	-	0.00%	93,253,675	1.65%
La Habra Westridge Partnership LP	-	0.00%	64,496,234	1.14%
Bex Portfolio Inc	-	0.00%	46,442,035	0.82%
Carefree Communities CA LLC	-	0.00%	37,488,627	0.66%
Ralphs Grocery Company	-	0.00%	31,197,097	0.55%
Bank First Security of Utah Trust	-	0.00%	29,005,043	0.51%
Essex Hillsborough Park LP	-	0.00%	26,605,328	0.47%
Costco Wholesale Corporation	-	0.00%	26,296,873	0.46%
Fairfield 951 Beach LLC	-	0.00%	22,879,618	0.40%
Top Ten Assessed Value	\$ 771,923,160	8.35%	\$ 498,899,080	8.82%
Total Assessed Value	<u>\$ 9,236,619,763</u>		<u>\$ 5,658,515,566</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
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	14,163,563	98.13%
2025	15,040,767	14,589,486	97.00%	151,367	14,740,853	98.01%

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	
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	-	-	-	503,391	62,752,157	63,255,548
2025	-	-	-	1,244,398	59,947,966	61,192,364

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				
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	10,358,662	30,205,893	3,822,843	44,387,398	107,642,946	4.56%	1,768
2025	9,836,270	28,673,443	3,652,034	42,161,747	103,354,111	4.15%	1,689

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		
2016	-	6,078,757	6,078,757	0.11%	98
2017	-	5,956,068	5,956,068	0.10%	95
2018	-	1,652,371	1,652,371	0.03%	26
2019	-	2,288,516	2,288,516	0.03%	36
2020	-	2,007,595	2,007,595	0.03%	32
2021	-	1,796,135	1,796,135	0.02%	29
2022	72,385,000	111,703	72,496,703	0.93%	1,172
2023	69,510,000	222,025	69,732,025	0.84%	1,145
2024	66,575,000	503,391	67,078,391	0.76%	1,101
2025	63,600,000	1,244,398	64,844,398	0.70%	1,060

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, 2025**

2024-25 Assessed Valuation		\$ 9,323,224,507	
Redevelopment Incremental Valuation		-	
Adjusted Assessed Valuation		\$ 9,323,224,507	
			Estimated Share of Overlapping Debt
	%age	Outstanding Debt	Overlapping Debt
	<u>Applicable (1)</u>	<u>June 30, 2025</u>	<u>June 30, 2025</u>
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Metropolitan Water District	0.227%	\$ 17,155,000	\$ 38,942
North Orange County Joint Community College District	5.109%	275,134,676	14,056,631
Fullerton Joint Union High School District	18.804%	292,130,000	54,932,125
La Habra City School District	80.167%	52,665,539	42,220,383
Lowell Joint School District	37.883%	44,950,000	17,028,409
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 128,276,489
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Orange County General Fund Obligations	1.139%	\$ 429,065,000	\$ 4,887,050
Orange County Board of Education Certificates of Participation	1.139%	9,120,000	103,877
North Orange County Regional Occupation Program Certificate of Participation	5.255%	6,880,000	361,544
Fullerton Joint Union High School District Certificates of Participation	18.804%	36,895,000	6,937,736
City of La Habra Pension Obligation Bonds (3)	100.000%	63,600,000	63,600,000
City of La Habra Lease Agreements	100.000%	1,244,398	1,244,398
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 77,134,605
<u>OVERLAPPING TAX INCREMNTN DEBT (Successor Agency):</u>	100.000%	\$ 2,415,000	\$ 2,415,000
TOTAL DIRECT DEBT			\$ 64,844,398
TOTAL OVERLAPPING DEBT			\$ 142,981,696
COMBINED TOTAL DEBT (2)		\$ 1,231,254,613	\$ 207,826,094

❑ (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 2024-25 Assessed Valuation:

Total Overlapping Tax and Assessment Debt..... 1.38%

Ratios to Adjusted Assessed Valuation:

Total Direct Debt (\$64,844,398).....0.70%

Combined Total Debt.....2.23%

Ratios to Redevelopment Incremental Valuation (\$838,664,884):

Total Overlapping Tax Increment Debt..... 0.32%

Source: California Municipal Statistics, Inc.

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

	Fiscal Year			
	2016	2017	2018	2019
Total Assessed Value of all Real and Personal Property	\$ 5,658,515,566	\$ 5,934,157,097	\$ 6,243,448,029	\$ 6,621,019,655
Debt Limit Percentage	15.00%	15.00%	15.00%	15.00%
Total Debt Limit (1)	848,777,335	890,123,565	936,517,204	993,152,948
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>\$ 842,698,578</u>	<u>\$ 884,167,497</u>	<u>\$ 934,864,833</u>	<u>\$ 990,864,432</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					
2020	2021	2022	2023	2024	2025
\$ 7,109,548,820	\$ 7,454,497,788	\$ 7,763,538,990	\$ 8,328,929,918	\$ 8,791,851,393	\$ 9,236,619,763
15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
1,066,432,323	1,118,174,668	1,164,530,849	1,249,339,488	1,318,777,709	1,385,492,964
<u>\$ 2,007,595</u>	<u>\$ 1,796,135</u>	<u>\$ 72,496,703</u>	<u>\$ 69,732,025</u>	<u>\$ 67,078,391</u>	<u>\$ 64,844,398</u>
<u>\$ 1,064,424,728</u>	<u>\$ 1,116,378,533</u>	<u>\$ 1,092,034,146</u>	<u>\$ 1,179,607,463</u>	<u>\$ 1,251,699,318</u>	<u>\$ 1,320,648,566</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	
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
2025	21,716,065	12,169,696	9,546,369	1,025,000	1,244,560	4.21

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

<u>Revenue</u>	<u>Less Operating Expenses</u>	<u>Net Available Revenue</u>	<u>Debt Service</u>		<u>Coverage</u>
			<u>Principal</u>	<u>Interest</u>	
\$ 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
3,114,973	1,875,896	1,239,077	520,000	208,269	1.70



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>
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	60,901	2,360,598	38,761	3.6%
2024	61,202	2,489,877	40,682	3.9%

Source: HdL Coren & Cone

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

Employer	2025		2015	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
CVS Pharmacy	915	7.63%	990	3.14%
Wal-Mart/Sams Stores Inc.	512	4.27%	757	2.39%
Wolverine Fence Co., Inc	500	4.17%		
City of La Habra	350	2.92%	429	1.36%
Costco	349	2.91%	283	0.90%
Target Stores	195	1.63%	199	0.63%
Advance Fire Protection Co Inc	249	2.08%		
Amazon Fresh	138	1.15%		
Northgate Market	186	1.55%	108	0.34%
The Kroger Co./La Habra Bakery	185	1.54%	234	0.74%
Home Depot			168	0.53%
Lowe's Home Centers Inc.			168	0.53%
Kohl's Department Stores Inc.			144	0.46%
Payne's Janitorial Services			141	0.45%

"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
 FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION/DEPARTMENT
 LAST TEN FISCAL YEARS**

Function/Department	<u>Full-time Equivalent Employees</u>									
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
City Manager	2.59	2.59	2.59	1.94	1.94	3.19	2.94	4.64	2.94	3.14
City Clerk	4.31	4.41	4.41	3.70	3.69	2.47	2.00	2.00	2.63	2.63
Community Development	23.03	19.93	20.61	19.07	16.89	18.29	19.02	22.87	23.08	21.33
Community Services	118.12	122.95	89.45	87.84	88.06	91.22	98.00	93.07	101.48	102.88
Finance/Administrative Services	22.54	22.74	23.74	23.26	22.77	22.57	23.92	29.71	29.17	26.14
Police	123.52	125.05	124.78	122.24	121.99	117.98	120.27	120.23	122.52	120.63
Public Works	69.80	70.31	72.03	70.85	68.96	68.02	65.02	64.03	69.52	66.97
Children's Museum	8.73	8.73	11.36	9.00	9.31	8.61	8.78	10.50	10.30	11.00
Total	<u>372.64</u>	<u>376.71</u>	<u>348.97</u>	<u>337.90</u>	<u>333.61</u>	<u>332.35</u>	<u>339.95</u>	<u>347.05</u>	<u>361.64</u>	<u>354.72</u>

Source: City of La Habra, Finance Department

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police:											
Arrests	2,015	2,141	2,134	1,858	1,587	1,640	1,385	2,071	1,910	1,524	1,432
Crime Reports	6,261	6,948	6,933	6,679	4,531	7,914	6,325	6,195	4,754	4,745	4,147
Moving citations issued	6,439	6,569	6,767	6,446	5,254	4,940	7,891	4,272	3,460	5,330	3,408
Parking citations issued	12,979	16,756	16,405	13,628	12,653	9,681	15,982	17,847	22,344	12,848	16,977
Fire											
Number of emergency calls	3,984	4,309	4,259	4,305	4,208	4,301	4,620	4,708	4,708	3,560	3,684
Public Works											
Street resurfacing, centerline (miles)	-	-	-	3	1	10	4	5	5	1	1
Community development											
Building Permits Issued	1,871	2,593	1,878	2,125	1,878	1,690	1,943	2,213	2,087	1,560	1,597
Building Inspections	3,200	4,260	3,843	4,116	4,010	2,879	3,075	3,552	3,233	5,000	5,981
Building Plan Checks	351	453	382	360	462	428	546	741	594	737	744
Parks and recreation:											
Number of Parks	25	25	25	25	25	25	25	25	25	25	26
Park Acreage	134.37	134.37	134.37	134.37	134.37	134.37	134.37	134.37	134.37	134.37	135.08
Municipal Water Department											
Number of Accounts	12,870	12,915	12,945	12,951	12,961	13,002	13,443	13,036	13,100	12,804	13,166
Average daily consumption (thousands of gallons)	7,978	6,688	6,864	7,604	6,973	6,995	7,647	7,220	6,347	6,372	6,925

Source: City of La Habra, Finance Department

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire										
Stations	4	4	4	4	4	4	4	4	4	4
Public works:										
Streets, centerline (miles)	108	108	113	111	111	111	111	111	111	111
Streetlights	2,529	2,531	2,542	2,542	2,648	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	27
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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Water Services				
Residential	\$ 11,825	\$ 11,847	\$ 11,839	\$ 11,842
Commercial/Industrial	793	794	806	807
Schools/Other	297	304	306	312
Total	<u>\$ 12,915</u>	<u>\$ 12,945</u>	<u>\$ 12,951</u>	<u>\$ 12,961</u>

Source: City of La Habra

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

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 11,880	\$ 12,270	\$ 11,881	\$ 11,941	\$ 11,671	\$ 11,993
807	837	818	814	784	824
315	336	337	345	349	349
<u>\$ 13,002</u>	<u>\$ 13,443</u>	<u>\$ 13,036</u>	<u>\$ 13,100</u>	<u>\$ 12,804</u>	<u>\$ 13,166</u>

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

Effective: 1/1/24 & 1/1/25

Meter Size	2024				2025			
	Monthly Meter Charge	Water Consumption Charge			Monthly Meter Charge	Water Consumption Charge		
		Residential				Residential		
5/8 inch	\$ 20.76	Tier 1: 0-8 ccf	\$ 2.83	\$ 22.21	Tier 1: 0-8 ccf	\$ 3.03		
3/4 inch	\$ 29.07	Tier 2: 9-16 ccf	\$ 5.07	\$ 31.10	Tier 2: 9-16 ccf	\$ 5.42		
1 inch	\$ 45.68	Tier 3: 16+ ccf	\$ 7.46	\$ 48.88	Tier 3: 16+ ccf	\$ 7.98		
1-1/2 inches	\$ 87.21	Multi-Family			\$ 93.31	Multi-Family		
2 inches	\$ 137.04	Uniform Tier	\$ 3.87	\$ 146.63	Uniform Tier	\$ 4.14		
3 inches	\$ 253.31	Commercial			\$ 271.04	Commercial		
4 inches	\$ 419.42	Uniform Tier	\$ 4.15	\$ 448.78	Uniform Tier	\$ 4.44		
6 inches	\$ 834.68	Municipal			\$ 893.11	Municipal		
8 inches	\$ 1,333.00	Uniform Tier	\$ 4.68	\$ 1,426.31	Uniform Tier	\$ 5.01		
		Irrigation				Irrigation		
		Uniform Tier	\$ 5.65		Uniform Tier	\$ 6.05		

Source: City of La Habra

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

Water Agency	FY 2024				FY 2025			
	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	\$ 2.83	\$ 20.76		1-8	\$ 3.03	\$ 22.21	
La Habra (Tiered Rate)	9-16	5.07			9-16	5.42		
La Habra (Tiered Rate)	16-25	7.46		\$ 151.10	16-25	7.98		\$ 161.63
Brea (Tiered Rate)	1-10	3.30	20.59		1-10	3.30	20.59	
Brea (Tiered Rate)	11-20	4.31			11-20	4.31		
Brea (Tiered Rate)	21-25	5.69		125.14	21-25	5.69		125.14
Fullerton (Tiered Rate)	1-17	3.58	36.02		1-17	3.58	36.02	
Fullerton (Tiered Rate)	18-44	6.90			18-44	6.90		
Fullerton (Tiered Rate)	44+	7.42		152.08	44+	7.42		152.08
La Habra Heights (Lower Zone)	25	2.60	52.78	117.78	25	2.97	59.88	134.13
La Habra Heights (Upper Zone)	25	2.98	52.78	127.28	25	3.39	59.88	144.63
Suburban Water System	1-20	3.70	16.82		1-20	3.86	16.55	
Suburban Water System (La Mirada & Whittier)	5	4.08		111.30	5	4.36		115.64
Whittier (3/4 meter - Tierd Rate)	1-22	2.54	80.03		1-22	2.81	79.25	
Whittier (3/4 meter - Tierd Rate)	23-25	4.15		148.36	23-25	4.66		155.05

(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	2024		2025	
	12 Month Consumption (100 Cubic Feet)	Percentage of Total Consumption	12 Month Consumption (100 Cubic Feet)	Percentage of Total Consumption
Westridge Golf Inc	76,542	2.46%	95,580	2.83%
City of La Habra	67,750	2.18%	74,996	2.22%
La Habra School Dist	41,224	1.33%	55,880	1.65%
Cal Domestic	44,394	1.43%	46,578	1.38%
IMP Valentia LP	24,559	0.79%	30,499	0.90%
Heritage Hoa	27,705	0.89%	27,757	0.82%
Brooklake	24,963	0.80%	24,355	0.72%
Fullerton UHSD	20,681	0.67%	23,358	0.69%
Westridge Prt	N/A	N/A	22,181	0.66%
Hillsborough Park P2943	N/A	N/A	21,818	0.65%
Tapestry Com Assn	22,911	0.74%	N/A	N/A
Friendly Village FVL	21,064	0.68%	N/A	N/A
Total Consumption in 100 CCF		<u>3,109,311</u>		<u>3,379,031</u>

Source: City of La Habra