

CITY OF GARDENA

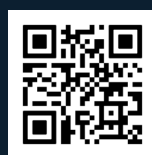
– California –

www.cityofgardena.org



Annual Comprehensive Financial Report

For Fiscal Year Ended June 30, 2024



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2024

CITY OF GARDENA, CALIFORNIA



PREPARED BY

THE ADMINISTRATIVE SERVICES DEPARTMENT

Clint Osorio
City Manager

And

Raymond Beeman
Director of Administrative Services

* * * * *

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Annual Comprehensive Financial Report
For the Year Ended June 30, 2024

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City of Gardena

*Annual Comprehensive Financial Report
For the Year Ended June 30, 2024*



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December 12, 2024

Members of the City Council,
and Citizens of Gardena

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR 2023-2024
LETTER OF TRANSMITTAL**

It is our pleasure to submit the Annual Comprehensive Financial Report (ACFR) of the City of Gardena (the City) for the fiscal year ended June 30, 2024 (FY 2023-24). The report is intended to update readers on the status of the City's financial position and results of operations for the past fiscal year.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. This ACFR has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) in the United States of America as promulgated by the Government Accounting Standards Board (GASB).

The report contains a Citywide view of all governmental and business-type activities, as well as a focus on the financial position and operating results of the City's major funds.

The City's financial statements have been audited by Gruber and Lopez, Inc., an independent public accounting firm fully licensed and qualified to perform audits of the State and local governments within the State of California. The financial statements included in this ACFR represent all City funds.

The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2024, are free of material misstatement. The auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2024, were fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of the ACFR. Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The City of Gardena is located just 5 miles from the beautiful California coast, near the interchange of the Harbor, San Diego, and Gardena freeways, and just 13 miles south of the City of Los Angeles, in the South Bay Area. Gardena is a part of the Los Angeles-Long Beach-Glendale Metropolitan Statistical Area.

Gardena has the singular distinction of having within its borders both the first legal card club licensed in the State of California, granted in 1936, and the newest club in the state, which opened in 2000. At one time only five-card draw and lowball poker could be played. During the 1960s, Gardena was the only City in Los Angeles County to have legal gambling. In the mid-1980s, a tremendous Asian influence arrived with the introduction of a number of California games. A complete listing is contained in the City of Gardena Resolution No. 6581.

The City of Gardena, incorporated on September 11, 1930 as a general law City, operates under the Council-Manager form of government. Policy-making and legislative authority are vested in a governing council consisting of four members of the City Council and a Mayor elected on a non-partisan basis at-large for four-year terms, with an election every two years. The Council is responsible for, among other things, establishing policy, passing ordinances, adopting an annual budget, appointing members to various City Commissions and Boards and hiring the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments.

Gardena offers a full range of municipal services, including police and code enforcement; recreation and human services; public works; streets and parks; planning and building services; engineering; transportation services (enterprise fund); and general administration. Fire services are contracted with Los Angeles County.

BUDGET PROCESS

The City is required to adopt an initial budget for the fiscal year no later than June 30 preceding the beginning of the fiscal year on July 1. This annual budget serves as the foundation for the City of Gardena's financial planning and control. The budget is prepared by fund, function (e.g. public safety), and department (e.g., police). Department heads may transfer resources within a department as they see fit. The City of Gardena adopts biennial budget, but the second fiscal year is being adopted in the subsequent fiscal year in the same manner and process.

The City's annual budget process commences in February with the distribution of the updated Budget Manual that details the City's general budgetary policy and the specific goals and objectives for the upcoming fiscal year. Departments are given specific instructions and timelines, the City's chart of accounts, a rate schedule for apportioned costs such as liability and health insurance, and budget forms and formats.

The Director of Administrative Services, in coordination with all operating departments, provides the City Manager with proposed revenue projections. These revenue estimates are reviewed with the department budget requests to determine available funding levels for the fiscal

year. Supplemental requests for new personnel, services or capital/equipment purchases are subject to City Manager review and approval before becoming part of the proposed operating budget. This process applies to all governmental and enterprise funds.

The City Manager and Director of Administrative Services meet with the Department Heads to review all operating expenditures, budget change requests, department's goals and programs for the upcoming fiscal year. After this final review and approval by the City Manager, a proposed budget will be presented to the Finance Committee for review and recommendation.

Budget study sessions and a public hearing are then presented to the City Council in May. A separate community budget forum will follow to present the proposed budget and address questions from the stakeholders. Then the budget is adopted by a resolution prior to June 30.

Throughout the fiscal year, actual expenditures and revenues are being presented to the Finance Committee for review on a quarterly basis. The budget can be amended as necessary to meet the City's needs during the fiscal year. The City Council has the legal authority to amend the budget at any time. Department Heads may only authorize expenditures based on appropriations approved by City Council. Actual expenditures may exceed budget appropriations by line-item. However, total expenditures within each fund may not exceed the total appropriation for that fund. The City Manager has the authority and discretion to approve interdepartmental appropriation transfers if they are within the same fund.

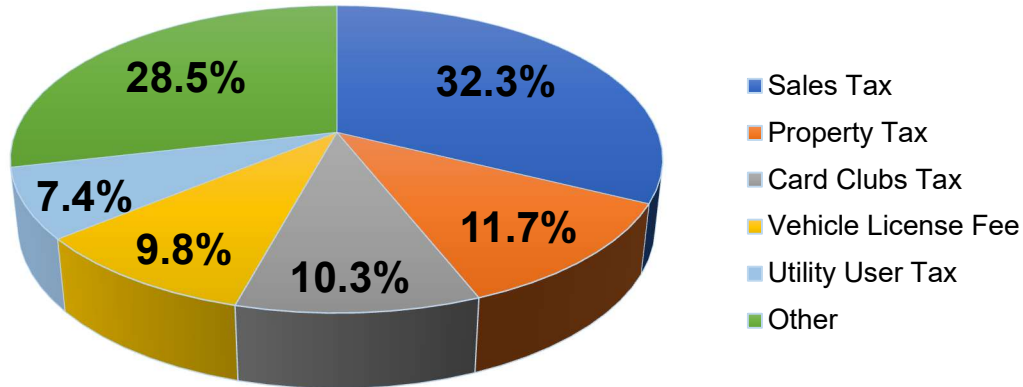
LOCAL ECONOMIC CONDITIONS AND OUTLOOK

The information presented in the financial statements, is perhaps best understood when considered from the broader perspective of the current economic environment in which the City of Gardena operates. It is important to consider various shifts in the national economy including the lowering of interest rates and the potential slowdown in consumer spending.

As the national inflationary pressure lowers and unemployment rate increases slightly, the Fed has signaled its intention to sharply lower the interest rates in the near term. While lowering the interest rate will negatively affect the City's investment income long-term, it will also encourage future business expansion due to the cost of financing.

The General Fund revenues have shown stability in FY 2023-24 as sales tax, property tax, utility users' tax, and vehicle license fees continue to show resilience and recovery. The top 5 sources of General Fund revenue account for 71.5% or \$62 million. The remaining revenues account for 28.5% of the total and are represented by a broad range of sources.

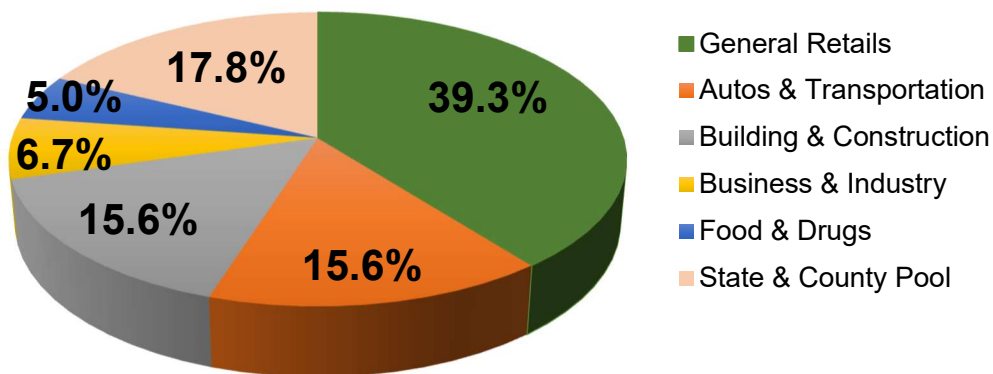
General Fund Revenues by Source Fiscal Year Ended June 30, 2024



Sales Tax

Sales Tax represents the single largest source of General Fund revenue at \$28.1 million or 32.3%. It is made up of the 7 categories below. The general retail category includes department stores, gas stations, general merchandise, restaurants, and hotels. General retail is the largest economic sector which generates 39% of the sales tax for Gardena. For fiscal year 2023-24, actual sales tax exceeds budget by 3.3% or \$905,117. Overall, the City of Gardena’s sales per capita is higher than Los Angeles County average and consistently outperforms projections, a strong indicator of a vibrant local economy and strong business support.

Sales Tax by Economic Categories Fiscal Year Ended June 30, 2024



Property Tax

Gardena has a diverse land use for its 6 square miles. The City has a total assessed valuation of \$8.65B. Of the City's 14,829 parcels, 64.8% are residential, 27.6% are commercial/industrial and the remaining 7.6% for other miscellaneous uses.

Property tax is the second highest source of General Fund revenue at 11.7% or \$10.1 million. The year-over-year increase of 2% and 1.6% over the budget amount from increased assessment value and recent developments in the City. Overall, the City and the South Bay region are experiencing an increase in housing prices.

Card Club Tax

City of Gardena is fortunate to have two card clubs within the City limits, Lucky Lady Casino and Hustler Casino. The City receives 12% of the gross revenue from both casinos. For the fiscal year 2023-24, the City collected card club tax of \$8.9 million or 10.3% of General Fund revenue. This reflects a decrease of 3.1% or \$283,143 vs the budgeted amount.

Vehicle License Fee (VLF)

The City receives \$8.5 million or 9.8% of the General Fund revenue. This is the fourth largest source of General Fund revenue.

When a vehicle is registered in California, a license fee is charged by the State of California. This fee includes a small administrative fee and a property tax in-lieu fee. This in-lieu fee is allocated to cities and counties based on a per capita basis.

In 2005, the VLF was permanently reduced to 0.65% from 2.0% of the vehicle's fair market value. Any loss to cities by this rate reduction at that time was made up with an allocation from the County's Educational Revenue Augmentation Fund property tax account. This allocation will grow with any corresponding growth in the City's secured property tax valuation.

Utility User Tax (UUT)

The Utility User Tax revenue received by the City is based on adopted ordinances. The current UUT rate is 5% for telecommunications (wired and wireless), electricity, gas, and water. Effective in 2016, the UUT rate for prepaid wireless is 3.5%.

For the fiscal year, the City received \$6.4 million or 7.4% of the total General Fund revenue. This is an increase of \$442,031 or 7.4% when compared to the budget. The main factor for the increase is due to higher utility prices and increased usage from the recent extreme weather.

Overall, the total General Fund revenue increased by 5.9% or \$4.9 million. This modest increase is mainly attributed to the revenue increase of \$1.6 million for use of money & property from higher interest income and increase in sales tax revenue, an indicative of a healthy local economic condition.

LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

The City Council has always been and continues to take a conservative approach in maintaining a strong financial position by limiting the growth of spending and acquiring additional debt. The City utilizes long-term financial forecast to make financial decisions, identifying opportunities for new revenues, enhancement of existing revenues, and exploration of potential funding options to support deferred maintenance to address the aging infrastructure throughout the City.

While maintaining the General Fund Reserve balance above the 25% threshold, the City adopted budget for fiscal year 2024-25 and fiscal year 2025-26 added a total of 16.45 Full-Time Equivalent positions to the City's staffing resources, as well as investments in seniors, youth and community service programs and the largest Capital Improvement Program budget in the City's history at \$71.5 million.

The City maintains an existing lease rating of "A+" rating from Standard & Poor's and an "A1" rating with Moody's for its general fund lease supported debt as of June 30, 2024. The City's issuer ratings are "AA- with S&P and "Aa3" with Moody's. Which is reflective of a stable fiscal outlook and the expectation that Gardena will continue to maintain balanced operational costs with substantial fiscal reserves.

Aligning with the City's vision of making Gardena as one of the most desired communities to live, do business, work, and play in the South Bay region, the adopted budget reflects the additional investments in maintaining a safe community environment as well as continue street and sidewalk improvements Citywide. To uphold its status as the "Most Business-Friendly City" in Los Angeles County as awarded by the Los Angeles County Economic Development Corporation (LAEDC) in 2022, the City continues to invest in streamlining the permitting process.

To further the City's vision, in 2021 the City took a proactive approach to take advantage of the historical low interest rates and used its excellent issuer credit rating of AA- with S & P to obtain a Lease Revenue Bond in the amount of \$15 Million dollars with a 20-year term at 1.98% true interest cost over the life of the bond. These bonds will be used to fund various capital projects including the Gardena Community Aquatic & Senior Center, a multigenerational community building to provide public access and recreational activities to residents.

CAPITAL IMPROVEMENT PROJECTS

The City continues to devote significant resources to maintenance and improvement of its top rated streets and roads. Gardena's current street pavement condition index (PCI) of 81 is one of the highest in California.

Most of the projects are multi-year projects so at the end of the fiscal year 2023-24 only 9 budgeted projects were completed. Seven street projects were completed including the Budlong Ave & Halldale Ave Street Improvement which significantly improves existing and future traffic conditions.

Significant progress has been made with the two community projects. The Community Aquatic & Senior Center project is moving forward to the construction phase with the target completion date of Fall 2025. As for the Mas Fukai Park building, the initial design has been approved by the City Council and construction will begin starting fiscal year 2024-25.

In June 2024, the City adopted its Fiscal Year 2023-24 CIP budget of \$71.5 million, the single largest fiscal year CIP budget in the City's history. With \$38.4 million of the CIP budget for park and facility projects including the construction of the Community Aquatic & Senior Center. \$43.2 million for street, road, and storm drain improvement projects, including \$3.7M for the Artesia Boulevard Traffic Signal Improvement project. This project will significantly address existing and future traffic conditions as well as improving landscape on a major City's corridor.

PENSION & OPEB STABILIZATION FUNDS

To address the raising pension liability, the City issued \$101 million in Taxable Pension Obligation Bonds in 2020 at 3.29% to save the City \$51 million over the 19-year life of the bond. The City also adopted an Unfunded Accrued Liability (UAL) Policy to address future pension liability. Under this policy, UAL Funds were created so each fiscal year the City must budget a contribution toward future pension liability. As of June 30, 2024, these funds have a balance of \$5.97 million.

With the desire to address Other Post-Employment Benefits (OPEB) liability and take advantage of higher interest yields, in 2017 the City established the California Employers' Retiree Benefit Trust (CERBT) accounts, IRC Section 115 Trust Accounts, with CalPERS. During the fiscal year 2023-24, the City made a \$750,000 contribution to the trust. As of June 30, 2024, the City's CERBT trust has a combined balance of \$8.7 million, \$2.9 million from the City and \$5.8 million from GTrans' CERBT account.

CASH MANAGEMENT

The City manages a pooled investment program for all funds in which temporarily idle cash is invested in a variety of instruments. The investment program is managed in accordance with the Investment Policy approved by the City Council on an annual basis. Safety, liquidity, and yield, in that order, are the objectives of the investment program. Investments are diversified among investment tools including certificates of deposit, Federal agency securities, State of California Local Agency Investment Fund (LAIF), corporate medium-term notes, money market mutual funds, California Asset Management Program (CAMP) Pool.

At the fiscal year end on June 30, 2024, the City had a total investment portfolio of \$93.7 million. Almost half of the portfolio is with CAMP, which is completely liquid and increased investment earnings substantially. The investment report is presented to City Council for review and approval monthly. It is also made available on the Financial Transparency Dashboard at www.cityofgardena.org.

RISK MANAGEMENT

The City maintains self-insurance programs for worker's compensation and general liability insurance up to a maximum of \$750,000 per occurrence. General liability claims that exceed the Self-Insured Retention (SIR) are covered by Public Risk Innovatin Solutions Management (PRISM). Worker's compensation claims that exceed the SIR are insured by PRISM up to the

California statutory limits for workers' compensation. For the City's transit department, GTrans, the SIR is \$250,000 and is being covered by California Transit Indemnity Pool (CalTIP).

The City is self-insured for its PPO Health Benefits Plan and carries stop-loss insurance on individual health benefit claims in excess of \$100,000 for all members. The City contracts with a third party administrator who manage the claims filed against the City.

AWARDS and ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Gardena for its ACFR for the fiscal year ended June 30, 2023. This was the thirty-eighth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized ACFR that satisfied both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. However, we believe that our current ACFR continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City also received the Distinguished Budget Presentation Award from GFOA for its recent biennial adopted budget fiscal year 2024-25 & 2025-26. This is the fourth consecutive budget cycle or eight years the City has received this award for preparing budget documents of the highest quality that reflect best practices in governmental budgeting.

The preparation of this report could not have been accomplished without the collaborative assistance of the Department Heads and staff in all City departments. First and foremost, we want to recognize the dedicated employees of the Administrative Services Department. Their professional expertise and unassuming commitment to excellence is constantly manifested in the quality of the City's financial records and reporting. Appreciation is also expressed to the audit staff of Gruber and Lopez, Inc. for their advice and assistance in the preparation of this report. Finally, we would like to thank the members of the City Council for their support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Clint D. Osorio, MPA
City Manager

Respectfully submitted,



Ray Beeman, CPA
Director of Administrative Services



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Gardena
California**

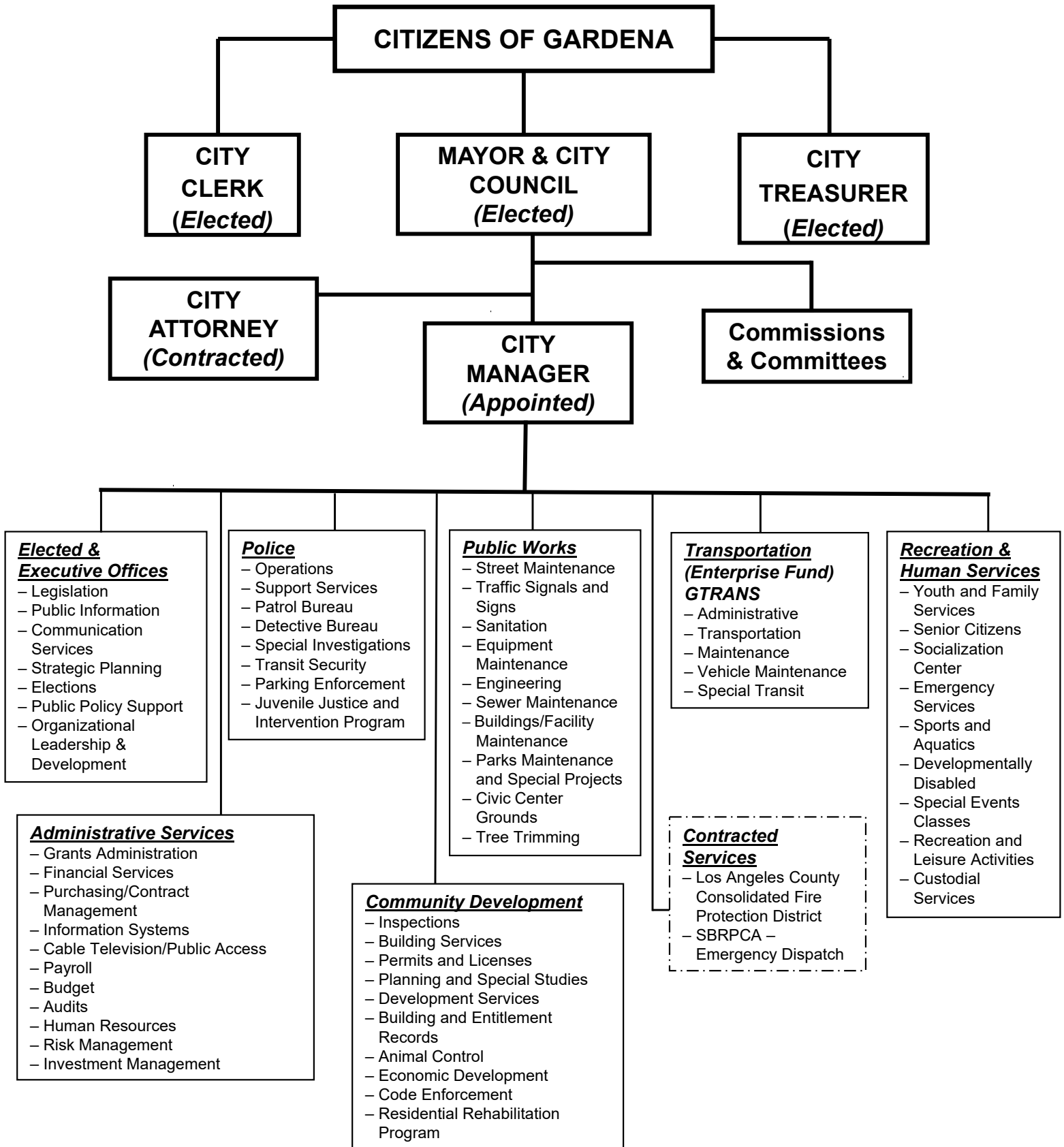
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

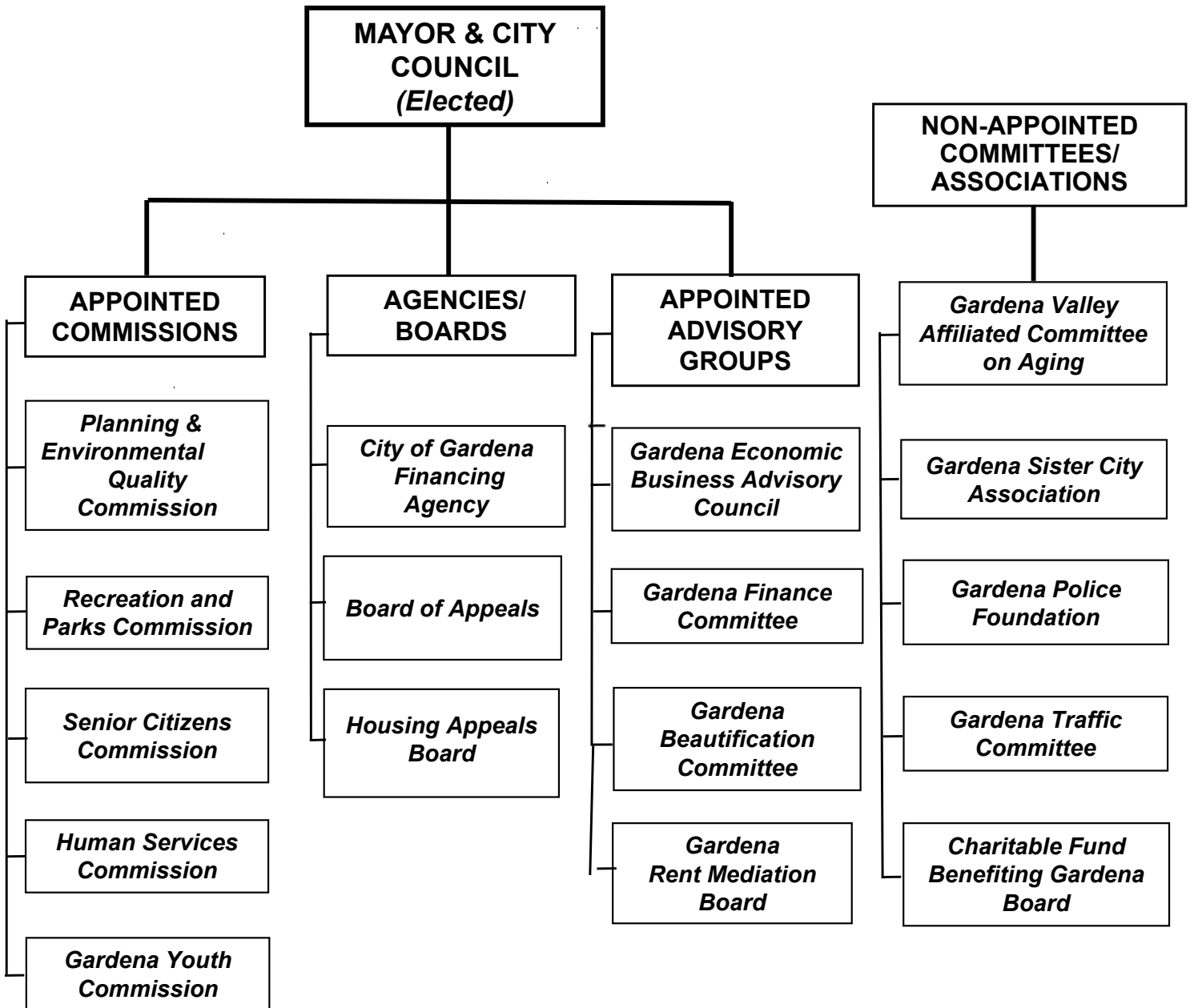
Christopher P. Morill

Executive Director/CEO

CITY OF GARDENA ORGANIZATION CHART



**CITY OF GARDENA
COMMISSIONS, BOARDS, COMMITTEES, ETC.**



ELECTED OFFICIALS & EXECUTIVE STAFF

FISCAL YEAR 2023-2024

CITY OF GARDENA

ELECTED OFFICIALS

Mayor.....Tasha Cerda
Mayor Pro Tem..... Rodney G. Tanaka
Councilmember..... Mark E. Henderson
Councilmember..... Paulette C. Francis
Councilmember.....Wanda Love

City Clerk..... Mina Semenza
City Treasurer..... Guy H. Mato

EXECUTIVE STAFF & ADMINISTRATION OFFICIALS

City Manager Clint Osorio
City Attorney Carmen Vasquez
Chief of Police Michael Saffell
Director of Administrative Services Ray Beeman
Director of Community Development Greg Tsujiuchi
Director of Public Works Allan Rigg
Director of Recreation and Human Services Stephany Santin
Director of Transportation Ernie Crespo
Assistant Fire Chief – LA County Fire District Brian Kane

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and the Members of the City Council of the City of Gardena
Gardena, 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 Gardena, California (the "City"), as of and for the year ended June 30, 2024, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"). 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 opinion. 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 Budgetary Comparison Schedules – General Fund and Major Special Revenue Funds, the Schedule of Changes in Net Pension Liability and Related Ratios, the Schedule of City's Proportionate Share of the Net Pension Liability and Related Ratios, the Schedules of Contributions – Pensions, the Schedules of Changes in Net Other Postemployment Benefits Liability and Related Ratios, and the Schedules of Contributions – Other Postemployment Benefits as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 and individual nonmajor fund financial statements 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 and *Government Auditing Standards*. In our opinion, the combining and individual nonmajor fund financial statements are 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 the 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

GRUBER AND LOPEZ, INC.

Newport Beach, California
December 10, 2024

City of Gardena

*Annual Comprehensive Financial Report
For the Year Ended June 30, 2024*



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City of Gardena
Management's Discussion and Analysis (Unaudited)

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

Financial Highlights

- ◆ The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the 2023-2024 fiscal year by \$22,504,270, which resulted in the City having a positive net position. The positive net positions were due primarily to GASB No. 75 *Accounting and Financial Reporting for Postemployment benefits other than pensions and Long-Term Liabilities -Due in more than one year* and higher fund balances for various grants received during the fiscal year. The Net Pension Liabilities and Other post-employment benefits (OPEB) were included within the government-wide financial statements for both governmental and business-type financial reporting. At close of 2023-2024 fiscal year, the City's Net Pension Liabilities were \$27,771,137 and \$1,839,594 for governmental and business-type activities for a total of \$29,610,731. The City's Other post-employment benefit liabilities were \$63,718,901 and \$8,263,284 for governmental and business-type activities for a total of \$71,982,185. The Long-Term Liabilities were \$118,483,307 and \$20,437,229 for governmental and business-type activities for a total of \$138,920,536 of which \$85,610,000 is for the 2020 Taxable Pension Obligation Bonds; \$66,802,423 for governmental and \$18,807,577 for business-type activities.
- ◆ The City's total net position increased by \$41,448,280 in 2023-2024. Net position of governmental activities increased by \$16,942,390 while net position of business type activities increased by \$24,505,890. The increase for governmental activities was due primarily to 1) Additional Tax Revenue compared to the prior year in the amount of around \$3 million as the economy continued to improve. 2) Additional grants received for a various projects in fiscal year 2023-2024. 3) The City's OPEB liability decreased due to higher discount rate for the actuarial valuation. 4) A large proportion of the City's expenditures were for capital assets, which increased by \$36 millions for the fiscal year.
- ◆ At the close of the 2023-2024 fiscal year, the City's governmental funds reported combined fund balances of \$95,573,941, an increase of \$9,065,544 in comparison to the prior year. General Fund increased by \$9,478,386. The increase is due primarily to increases in tax revenue, which was higher than prior year by about \$3.1 Million. The City's Use of Money and Property, primarily its return on investments increase by \$1.6 million compared to the prior year because of higher investment returns and a greater fair market value on its investments. The City's General Fund expenditures were approximately \$4.1 million lower compared to the final adopted budget amount due to salary savings from various departments. Economic development grants special revenue fund increased by \$1.8 million, as a result of the City receiving additional grants for City projects. City Debt Service fund increased by \$678,917 due to higher interest on unspent project balance in maintained by the fiscal agent for the fiscal year.
- ◆ At the end of the 2023-2024 fiscal year, the unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the General Fund was \$59,270,000 or approximately 81.5% of total General Fund expenditures.
- ◆ The City's long-term debt decreased by \$5,245,753 compared to prior year based on the City paying the annual debt service principal payments for the applicable debts during the fiscal year.

City of Gardena
Management's Discussion and Analysis (Unaudited) (Continued)

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

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

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

The government-wide financial statements can be found on pages 20-23 of this report.

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

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

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

City of Gardena
Management's Discussion and Analysis (Unaudited) (Continued)

Overview of the Financial Statements (Continued)

The City maintains thirteen (13) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Economic Development Grants Special Revenue Fund, City Debt Service Fund, and the Capital Projects Fund, which are considered to be major funds. Data from the other ten (9) governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The governmental fund financial statements can be found on pages 28-34 of this report.

Proprietary Funds. The City maintains two (2) different types of proprietary funds. *Enterprise Funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its transit operation and for its sewer maintenance. *Internal Service Funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for the management of its retained risks which includes liability insurance, workers' compensation, and health insurance. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the transit operation and for the sewer maintenance, both of which are considered to be major funds of the City. Conversely, internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The proprietary fund financial statements can be found on pages 36-41 of this report.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 45-97 of this report.

City of Gardena
Management's Discussion and Analysis (Unaudited) (Continued)

Overview of the Financial Statements (Continued)

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City's funding its obligation to provide pension and OPEB benefits to its employees and includes Budgetary Comparison schedules for the General Fund and the Economic Development Grants Special Revenue Fund. Required supplementary information can be found on pages 101-117 of this report

The combining statements, referred to earlier in connection with nonmajor governmental funds and internal service funds, are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 120-148 of this report.

Government-wide Overall Financial Analysis

As noted earlier, net position, over time, may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$22,504,270 at the close of the 2022-2023 fiscal year.

CITY OF GARDENA NET POSITION						
	Governmental Activities		Business-type Activities		TOTAL	
	2024	2023	2024	2023	2024	2023
Current and Non Current assets	\$ 137,382,203	\$ 122,943,977	\$ 16,194,626	\$ 12,305,902	\$ 153,576,829	\$ 135,249,879
Aggregate net pension assets	-	-	-	-	-	-
Capital assets	68,997,398	59,480,793	86,686,881	60,259,791	155,684,279	119,740,584
Total Assets:	206,379,601	182,424,770	102,881,507	72,565,693	309,261,108	254,990,463
Deferred outflow of resources related to pensions	29,842,051	37,950,104	2,156,356	7,455,416	31,998,407	45,405,520
Deferred outflow of resources related to OPEB	10,053,521	13,643,783	2,218,832	2,596,215	12,272,353	16,239,998
Total deferred outflows of resources:	39,895,572	51,593,887	4,375,188	10,051,631	44,270,760	61,645,518
Current liabilities	31,453,953	25,405,457	24,521,277	20,378,849	55,975,230	45,784,306
Non-current liabilities						
Long-term liabilities-Due in more than one year	118,483,307	124,731,948	20,437,229	21,553,550	138,920,536	146,285,498
Aggregate net pension liabilities	27,771,137	16,120,826	1,839,594	3,233,030	29,610,731	19,353,856
Aggregate net other postemployment benefits liabilities	63,718,901	64,768,264	8,263,284	8,020,898	71,982,185	72,789,162
Subtotal Non-current liabilities	209,973,345	205,621,038	30,540,107	32,807,478	240,513,452	238,428,516
Total Liabilities:	241,427,298	231,026,495	55,061,384	53,186,327	296,488,682	284,212,822
Deferred inflows of resources related to pensions	20,535,195	33,463,248	326,854	1,910,303	20,862,049	35,373,551
Deferred inflows of resources related to OPEB	12,809,533	14,968,157	867,334	1,025,461	13,676,867	15,993,618
Total deferred inflows of resources:	33,344,728	48,431,405	1,194,188	2,935,764	34,538,916	51,367,169
Net Investment in Capital						
Assets	54,842,470	43,557,695	81,080,908	59,966,871	135,923,378	103,524,566
Restricted	35,969,499	26,022,626	-	-	35,969,499	26,022,626
Unrestricted (deficit)	(119,308,822)	(115,019,564)	(30,079,785)	(33,471,638)	(149,388,607)	(148,491,202)
Total Net Position:	\$ (28,496,853)	\$ (45,439,243)	\$ 51,001,123	\$ 26,495,233	\$ 22,504,270	\$ (18,944,010)

City of Gardena
Management's Discussion and Analysis (Unaudited) (Continued)

Government-wide Overall Financial Analysis (Continued)

By far, the largest portion of the City's net position reflects its net investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The City's largest liabilities are their Long-term liabilities - Due in more than one year, which decreased from \$124,731,948 in 2022-2023 to \$118,483,307 in fiscal year 2023-2024, or an decrease of \$6,248,641, mainly from the debt service payments and lower subscription liability. The other additional long-term liabilities are Other Post-Employment Benefits (OPEB) of \$63,718,901, a decrease of \$1,049,363 compared to the prior year; this decrease is related to the increase of actuarial discount rate for 20-year Municipal Bond Index, which helped reduce the estimated liabilities. These two liabilities total \$182,202,208 for Governmental Activities, or 75%, of the total liability balance of \$241,427,298 at June 30, 2024. The remaining liability is the pension liability, which has an increase of \$11,650,311.

An additional portion of the City's net position (Restricted) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$(149,435,390) is unrestricted and if positive, may be used to meet the government's ongoing obligations to its citizens and creditors which include the net debt, and OPEB liabilities.

At the end of the 2023-2024 fiscal year, the City is able to report positive balances in all reported categories of net position with the exception of unrestricted, both for the government as a whole, as well as for its separate governmental and business-type activities. The negative in unrestricted net position is a result of 1) Long term Liabilities- Due in more than one year which includes the pension bond debt as a result of the 2020 Taxable Pension Obligation Bond 2) GASB 75, which is for other post-employment benefit liabilities; 3) GASB 68, which is for pension liabilities.

The City's overall net position increased by \$44,448,280 from the prior fiscal year. The reasons for this overall decrease are discussed in the below sections for governmental activities and business-type activities.

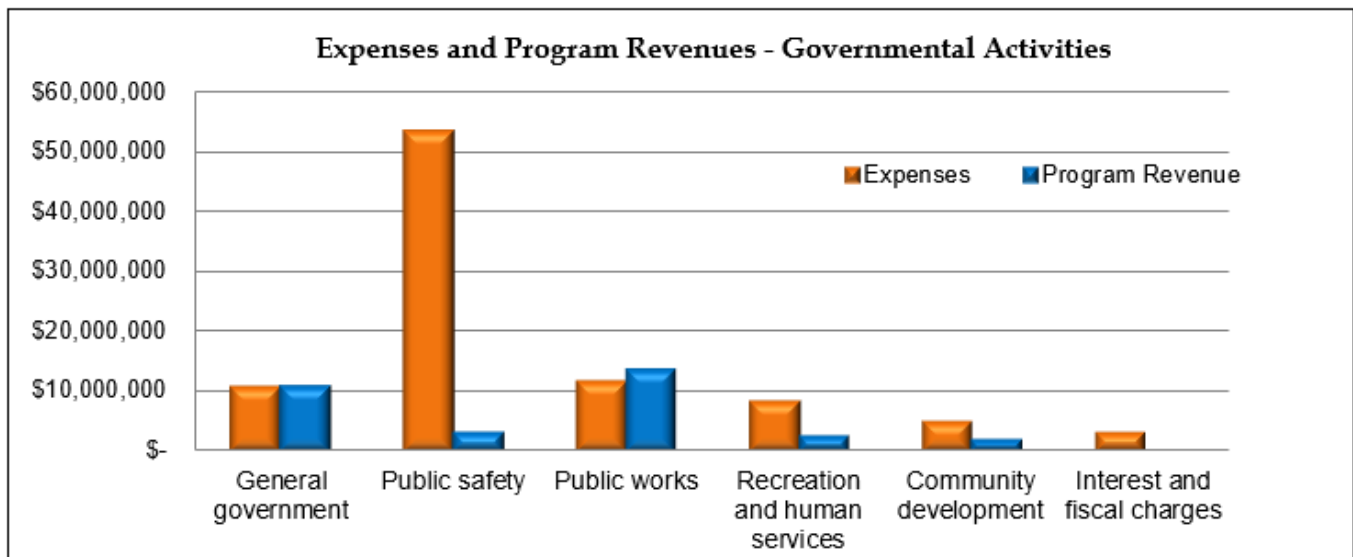
Governmental Activities. During 2023-2024 fiscal year, net position for governmental activities increased by \$16,942,390 from the prior fiscal year for an ending balance of \$(28,496,853). The increase in the overall net position was primarily related to: 1) The OPEB liability decreased by \$1 million due to the updated valuation report. 2) City received additional grants for Economic Development and Public Works, an increase of \$2.8 million for various capital projects. 3) Long-term liabilities were lower by \$6.2 million comparing to prior year due to debt service payment and the completion of the 2017 Direct Purchase Bonds. The General Fund Revenues were up \$3.8 million or 4.7% compared to the prior year.

City of Gardena
Management's Discussion and Analysis (Unaudited) (Continued)

Government-wide Overall Financial Analysis (Continued)

CITY OF GARDENA'S CHANGES IN NET POSITION

	Governmental Activities		Business -type Activities		TOTAL	
	2024	2023	2024	2023	2024	2023
Revenues:						
<i>Program Revenues:</i>						
Charges for services	\$ 18,164,245	\$ 11,966,318	\$ 4,493,095	\$ 4,267,081	\$ 22,657,340	\$ 16,233,399
Operating grants and contributions	8,113,744	5,814,708	27,682,663	22,744,442	35,796,407	28,559,150
Capital grants and contributions	5,535,276	3,329,828	25,560,140	3,186,920	31,095,416	6,516,748
<i>General Revenues:</i>						
Property taxes	10,141,426	9,985,883	-	-	10,141,426	9,985,883
Sales and other taxes	63,952,330	64,578,556	-	-	63,952,330	64,578,556
Investment income and miscellaneous	3,659,802	2,525,137	624,944	437,768	4,284,746	2,962,905
Total Revenues:	109,566,823	98,200,430	58,360,842	30,636,211	167,927,665	128,836,641
Expenses:						
General government	10,765,058	7,470,021	-	-	10,765,058	7,470,021
Public safety	53,473,334	77,971,300	-	-	53,473,334	77,971,300
Public works	11,783,411	10,737,606	-	-	11,783,411	10,737,606
Recreation and human services	8,503,950	8,229,820	-	-	8,503,950	8,229,820
Community development	5,022,928	2,266,794	-	-	5,022,928	2,266,794
Interest and fiscal charges	3,233,912	3,773,164	-	-	3,233,912	3,773,164
Enterprise operations	-	-	33,696,792	30,109,983	33,696,792	30,109,983
Total Expenses:	92,782,593	110,448,705	33,696,792	30,109,983	126,479,385	140,558,688
Increase (decrease) in Net Position before other revenues and transfers	16,784,230	(12,248,275)	24,664,050	526,228	41,448,280	(11,722,047)
Transfers	158,160	515,854	(158,160)	(515,854)	-	-
Change in Net Position	16,942,390	(11,732,421)	24,505,890	10,374	41,448,280	(11,722,047)
Net position- beginning of year	(45,439,243)	(33,706,822)	26,495,233	26,484,859	(18,944,010)	(7,221,963)
Net position - end of year	\$ (28,496,853)	\$ (45,439,243)	\$ 51,001,123	\$ 26,495,233	\$ 22,504,270	\$ (18,944,010)



City of Gardena
Management's Discussion and Analysis (Unaudited) (Continued)

Government-wide Overall Financial Analysis (Continued)

Business-type Activities. In the 2023-2024 fiscal year, the City's *business-type activities* increased the net position by \$24,505,890 compared to the prior year balance for the fiscal year ended June 30, 2023. Business-type activities revenue increased by \$27,724,631 or 90% compared to the prior year for a total of \$58,360,842 in revenues at year-end. In comparison to the prior fiscal year, the charges for services increased by \$226,014 or 5.3% with charges for services remaining constant with prior years. Operating grants and contributions increased by \$4,938,221 or 21.7% compared to the prior fiscal year, overall operating costs. Therefore, GTrans used more operating subsidies to cover the shortfall. Capital grants and contributions increased by \$22,373,220 or 702% primarily due the acquisition of 21 CNG buses and 7 zero-emission buses as well as increase in capital outlays. Investment income and miscellaneous increased by \$187,176 or 42.8% compared to the prior year due to the City exploring additional investment options within its investment policy and earning significantly higher interest rates. Expenses for operations increased by \$3,586,809 or 11.9% compared to prior year, which was largely due cost of living expenses paid to employees and higher operating cost.

Financial Analysis of Governmental Funds

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

Governmental Funds. The focus of the City's *governmental funds* is to provide information about near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, an unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City's Council.

On June 30, 2024, the City's governmental funds reported combined fund balances of \$95,573,941 an increase of \$9,068,544 or 10.5% in comparison with the prior year. Approximately 0.3% of this amount or \$277,695 constitutes an *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is either *nonspendable*, *restricted*, *committed*, or assigned to indicate that it is: 1) not in spendable form \$356,747 ; 2) restricted for purposes \$35,969,499 ; 3) committed for purposes \$33,309,406 ; or 4) assigned for purposes \$25,660,594.

The General Fund is the chief operating fund of the City. At the end of the 2023-2024 fiscal year, the unassigned fund balance of the General Fund was \$300,000, while the total fund balance increased from \$50,138,597 to \$59,616,983, an increase of \$9,478,386 or a 18.9% increase from the prior year. As a measure of the General Fund's liquidity, it may be useful to compare both the unassigned fund balance and the total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 0.3% of total general fund expenditures, while total fund balance represents approximately 81.5% of that same amount.

City of Gardena Management's Discussion and Analysis (Unaudited) (Continued)

Financial Analysis of Governmental Funds (Continued)

The fund balance of the City's General Fund increased by \$9,478,386 during the 2023-2024 fiscal year. The Top 5 Revenue generators, which make up 71.5% of the General Fund Original Adopted Budget for Fiscal Year 2023-2024, was up \$3.1 million compared to the budgeted amount ; 1) Sales Tax from Measure G 0.75% was up \$1.1 million compared to the final budget as a majority of the sales tax generators did significantly better than expected ; 2) Card Club revenue was down \$283,143 compared to the budget as mainly due to the subpar performance from Lucky Lady Casino; 3) Property tax exceeded the final budget by \$146,843 or 1.6% from active housing market and higher housing prices in the region; 4) Utility Users Tax increased by \$442,031 from higher utility prices; and 5) Motor Vehicle In-Lieu increased by \$520,913 from the budget primarily based on updated fee rates.

The Economic Development Grants Special Revenue Fund, a major fund, had a increase of \$1 million in fund balance during the fiscal year primarily due to receiving additional grants for the various development projects within the city that were completed in the fiscal year.

The Debt Service Fund, a major fund, had an increase of \$678,917 in fund balance during the fiscal year, due to the interest income from remaining project balance in the 2021 Lease Revenue Bond. The 2021 Lease Revenue Bond will be used to fund a portion of the new Gardena Community Aquatic & Senior Center, the cost of acquiring and renovating an existing building to be converted into a new Community Center and various park improvements.

The Capital Projects Fund, a major fund, had a fund balance of \$301,894. During the fiscal year, the expenditures for this fund were being reimbursed by the project funding sources such as local and state grants. Therefore, no changes in the fund balance for the fiscal year.

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The unrestricted net position of GTrans at the end of the fiscal year was \$(22,805,893) and for the Sewer Fund was \$3,530,500. The total increase in unrestricted net position for GTrans was \$1,697,127 and the Sewer Fund unrestricted net position increased by \$932,348, respectively. GTrans increase in unrestricted net position was due to the increases in transit operation. The Sewer Fund increase is based on the delay in starting several capital projects and the expenditures savings related to that.

General Fund Budgetary Highlights

The final budget for revenue was not amended and stayed the same as the original adopted budget of \$77,953,099. Actual revenue compared to the final budget was up by \$5.6 million or 7.2% compared to the final budget. This is primarily a result of an increase in sales tax revenue compared to the budget of about \$3.1 million. The other major contribution is the increase in interest earning of \$1.63 million over the budgeted amount due to active investment activities and higher interest rates. A detailed budgetary comparison schedule for the year ended June 30, 2024, is presented as required supplementary information following the notes to the financial statements.

City of Gardena
Management’s Discussion and Analysis (Unaudited) (Continued)

General Fund Budgetary Highlights (Continued)

The final amended budget for combined General Fund expenditures was \$1.8 million higher than the original budget due to the purchase of Gardena Blvd parking lot, \$76,750,988. The actual expenditures were less than the final budget by \$4,097,991 or 5.3% percent, which was primarily due to salary savings from vacancies in various departments. A detailed budgetary comparison schedule for the year ended June 30, 2024, is presented as required supplementary information following the notes to the financial statements.

Capital Assets and Debt Administration

Capital Assets. The City’s investment in capital assets for its governmental and business-type activities as of June 30, 2024, amounts to \$155,684,279 (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings, machinery, equipment, vehicles, park facilities, roads, and highways. The total increase in capital assets compared to prior year was \$35,943,695 or 30%, primarily due to the acquisition of buses and more capital projects being started in 2023-2024 fiscal year.

CITY OF GARDENA'S CAPITAL ASSETS
(Net of depreciation)

	Governmental Activities		Business -type Activities		TOTAL	
	2024	2023	2024	2023	2024	2023
Non-depreciable assets:						
Land	\$13,993,823	\$11,820,349	\$12,956,405	\$12,956,405	\$26,950,228	\$24,776,754
Monuments	63,893	63,893	-	-	63,893	63,893
Construction in progress	8,630,839	6,710,764	11,685,097	7,804,434	20,315,936	14,515,198
Total Non-depreciable assets	22,688,555	18,595,006	24,641,502	20,760,839	47,330,057	39,355,845
Capital assets/lease assets, being depreciated:						
Building/structures and improvements	7,388,121	6,788,845	24,038,350	25,061,258	31,426,471	31,850,103
Buses	-	-	34,917,212	11,269,526	34,917,212	11,269,526
Machinery and equipment	2,052,058	2,534,126	2,384,963	2,265,913	4,437,021	4,800,039
Furniture and fixtures	-	-	51,822	64,130	51,822	64,130
Infrastructure	-	-	488,492	522,181	488,492	522,181
Street lights network	172,317	4,414,965	-	-	172,317	4,414,965
Traffic lights network	238,817	251,386	-	-	238,817	251,386
Roadway network	35,234,310	25,320,709	-	-	35,234,310	25,320,709
Total depreciable assets (net)	45,085,623	39,310,031	61,880,839	39,183,008	106,966,462	78,493,039
Intangible assets, being amortized						
Right-to-use lease assets	548,127	457,035	17,694	13,242	565,821	470,277
Right-to-use subscription assets	675,093	1,118,721	146,846	302,702	821,939	1,421,423
Total intangible assets, (net)	1,223,220	1,575,756	164,540	315,944	1,387,760	1,891,700
Total capital assets	68,997,398	59,480,793	86,686,881	60,259,791	155,684,279	119,740,584

Major capital asset events during the 2023-2024 fiscal year included the following:

- Acquisition of a property locate at 1112 W Gardena Blvd
- Acquisition of a property locate at 15016 Nader Place
- Acquisition of 21 CNG Buses
- Acquisition of 7 Zero-Emission Buses
- Completion of Budlong Ave & Halldale Ave Street Improvement, JN985
- Completion of Van Ness Ave Street Improvement, JN992

City of Gardena
Management’s Discussion and Analysis (Unaudited) (Continued)

- Completion of Fire Station #158 Roof Replacement, JN509

Additional information on the City’s capital assets can be found in Note 7 on pages 67-68 of this report.

Long-term Debt. At the end of the 2023-2024 fiscal year, the City had total bonded debt outstanding of \$104,160,075. The City’s long-term debt decreased by \$5,245,753 or 4.8% compared to prior year based on the City paying the annual debt service principal payments for the applicable debts below during the fiscal year.

CITY OF GARDENA'S OUTSTANDING DEBT

	Governmental Activities		Business-Type Activities		TOTAL	
	2024	2023	2024	2023	2024	2023
Refunding Revenue Bonds	\$ 9,750,000	\$ 9,945,000	\$ -	\$ -	\$ 9,750,000	\$ 9,945,000
Certificates of Participation	5,275,000	5,940,000	-	-	5,275,000	5,940,000
Direct Purchase Lease	-	285,000	-	-	-	285,000
- Bond discount	(164,405)	(178,289)	-	-	(164,405)	(178,289)
Pension Obligation Bonds	70,547,863	73,832,926	19,862,137	20,787,074	90,410,000	94,620,000
Lease Revenue Bonds	11,975,000	12,440,000	-	-	11,975,000	12,440,000
- Bond premium	1,795,349	1,902,003	-	-	1,795,349	1,902,003
SCE On-Bill Financing Loan	14,769	29,065	-	-	14,769	29,065
Loan Payable	3,804,551	3,718,327	-	-	3,804,551	3,718,327
Lease Payable	544,477	459,635	17,884	13,353	562,361	472,988
Subscription liabilities	617,471	1,032,161	154,290	279,567	771,761	1,311,728
	104,160,075	109,405,828	20,034,311	21,079,994	124,194,386	130,485,822

The City maintains an existing lease rating of “A+” rating from Standard & Poor’s and an “A1” rating with Moody’s for its general fund lease supported debt as of June 30, 2024. The City’s issuer ratings are “AA-” with S & P and “Aa3” with Moody’s.

Additional information about the City’s long-term debt can be found in Note 8 on pages 69-76 of this report.

Economic Factors and Next Year’s Budget and Rates

As a result of the City’s fiscally conservative approach taken these past couple of years, the City finds itself in a financially stable position, which allowed the City in its adopted budget for fiscal year 2024-2025 & fiscal year 2025-2026, to budget for and add a total of 14.45 full-time equivalent (FTE) positions, as well as investments in seniors, youth and community service programs and the largest budgeted Capital Improvement Program in the Cities history with over \$71.5 million budgeted for the budget cycle.

The City adopted Fiscal Year 2024-2025 and fiscal year 2025-2026 budget on June 25, 2024. The General Fund Revenue Budget for the next fiscal year, 2024-2025, was \$86,419,896 with expenditures of \$86,265,644 for a surplus of \$154,252.

In 2024-2025 the Top 5 Adopted Budgeted General Fund revenue sources, which make up 73% of the City’s General Fund, include: 1) Sales and Use Tax - \$28.4 million (33%), 2) Property Taxes - \$10.7 million (12%), 3) Card Club Gross Revenue Fees - \$8.9 million (10%) 4) Vehicle License Fees - \$8.9 million (10%), and 5) Utility Users Tax - \$6.7 million (8%).

City of Gardena

Management's Discussion and Analysis (Unaudited) (Continued)

In 2024-2025, the budgeted General Fund expenditures were \$86,265,644, with the Police Department making up \$35.9 million or 42%, Non-Departmental (including the Fire Department and our South Bay Regional Public Communications Authority) \$15.7 million or 18%, Transfers Out at \$11.4 million or 13%, Public Works at \$7.3 million or 8.4%, Recreation and Human Services at \$6.6 million or 7.6%, Elected and City Managers Offices at \$2.5 million or 3%, Community Development Department at \$3.4 million or 4% and the Administrative Services Department at \$3.3 million or 4%.

While the City is on solid economic footing with diverse revenue base and prudent fiscal management, potential fiscal challenges remain. As we look to futures years, the continued reliance on card clubs' revenue fee resurface as a major threat to the General Fund budget due to the recently signed casino legislation, the Gaming: Tribal Nations Access to Justice Act (SB 549). A court declaration in favor of the Indian tribe would stop almost all controlled Vegas-style games operated by the local card clubs. The potential adverse financial impact to the City would be the loss of \$9 million per fiscal year.

The City will continue to be challenged by the raising CalPERS pension costs. The City, like many others, has a significant unfunded pension benefit liability with CalPERS. The City's unfunded pension liability was \$27.8 million as of June 30, 2024 per the CalPERS actuarial valuation. The City has been proactive and taken steps to reduce its unfunded pension liability including adopting the UAL policy during the issuance of the Pension Obligation Bonds in 2020. The City will continue to evaluate the projected contributions and funding levels and various options to lower the liability.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's and to show the city's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Administrative Services Department, 1700 W. 162nd Street, Gardena, CA 90247.

City of Gardena

*Annual Comprehensive Financial Report
For the Year Ended June 30, 2024*



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BASIC FINANCIAL STATEMENTS

City of Gardena

*Annual Comprehensive Financial Report
For the Year Ended June 30, 2024*



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GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Gardena
Statement of Net Position
June 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 95,601,484	\$ 17,780,743	\$ 113,382,227
Receivable, net	9,568,039	586,830	10,154,869
Due from other governments	4,750,166	7,679,670	12,429,836
Internal balances	10,736,740	(10,736,740)	-
Prepaid items	402,253	117,532	519,785
Inventories	41,474	766,591	808,065
Total current assets	<u>121,100,156</u>	<u>16,194,626</u>	<u>137,294,782</u>
Noncurrent assets:			
Restricted cash and investments:			
Cash with fiscal agent	14,446,752	-	14,446,752
Loans receivable	1,835,295	-	1,835,295
Capital assets:			
Capital assets, not being depreciated	22,688,555	24,641,502	47,330,057
Capital assets, being depreciated	45,085,623	61,880,839	106,966,462
Intangible asset, being amortized	1,223,220	164,540	1,387,760
Total capital assets	<u>68,997,398</u>	<u>86,686,881</u>	<u>155,684,279</u>
Total noncurrent assets	<u>85,279,445</u>	<u>86,686,881</u>	<u>171,966,326</u>
Total assets	<u>206,379,601</u>	<u>102,881,507</u>	<u>309,261,108</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferred outflows of resources	29,842,051	2,156,356	31,998,407
OPEB related deferred outflows of resources	10,053,521	2,218,832	12,272,353
Total deferred outflows of resources	<u>39,895,572</u>	<u>4,375,188</u>	<u>44,270,760</u>

See accompanying notes to the basic financial statements.

City of Gardena
Statement of Net Position (Continued)
June 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	4,525,241	5,364,441	9,889,682
Accrued liabilities	99,385	113,122	212,507
Salaries and benefits payable	773,256	298,700	1,071,956
Due to other governments	1,027,656	-	1,027,656
Retention payable	236,541	-	236,541
Deposits payable	4,404,083	-	4,404,083
Unearned revenue	7,790,516	16,843,550	24,634,066
Accrued interest payable	790,121	5,364	795,485
Compensated absences - due within one year	2,084,224	407,413	2,491,637
Claims payable - due within one year	3,915,095	-	3,915,095
Long-term debt - due within one year	5,807,835	1,226,735	7,034,570
Total current liabilities	<u>31,453,953</u>	<u>24,259,325</u>	<u>55,713,278</u>
Noncurrent liabilities:			
Compensated absences - due in more than one year	8,336,898	1,629,652	9,966,550
Claims payable - due in more than one year	11,794,169	-	11,794,169
Long-term debt - due in more than one year	98,352,240	18,807,577	117,159,817
Aggregate net pension liabilities	27,771,137	1,839,594	29,610,731
Aggregate net OPEB liabilities	63,718,901	8,263,284	71,982,185
Total noncurrent liabilities	<u>209,973,345</u>	<u>30,540,107</u>	<u>240,513,452</u>
Total liabilities	<u>241,427,298</u>	<u>54,799,432</u>	<u>296,226,730</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related deferred inflows of resources	20,535,195	326,854	20,862,049
OPEB related deferred inflows of resources	12,809,533	867,334	13,676,867
Total deferred inflows of resources	<u>33,344,728</u>	<u>1,194,188</u>	<u>34,538,916</u>
NET POSITION			
Net investment in capital assets	54,842,470	81,080,908	135,923,378
Restricted for:			
Law enforcement	1,046,383	-	1,046,383
Local street improvements	8,671,919	-	8,671,919
Economic development	6,077,248	-	6,077,248
Capital projects	17,981,086	-	17,981,086
Human services	30,747	-	30,747
Debt service	2,162,116	-	2,162,116
Total restricted	<u>35,969,499</u>	<u>-</u>	<u>35,969,499</u>
Unrestricted (Deficit)	<u>(119,308,822)</u>	<u>(29,817,833)</u>	<u>(149,126,655)</u>
Total net position	<u>\$ (28,496,853)</u>	<u>\$ 51,263,075</u>	<u>\$ 22,766,222</u>

See accompanying notes to the basic financial statements.

City of Gardena
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Total Program Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental activities:					
General government	\$ 10,765,058	\$ 10,785,228	\$ 33,938	\$ -	\$ 10,819,166
Public safety	53,473,334	2,694,787	525,753	-	3,220,540
Public works	11,783,411	3,112,536	4,955,198	5,535,276	13,603,010
Recreation and human services	8,503,950	632,632	1,758,252	-	2,390,884
Community development	5,022,928	939,062	840,603	-	1,779,665
Interest	3,233,912	-	-	-	-
Total governmental activities	<u>92,782,593</u>	<u>18,164,245</u>	<u>8,113,744</u>	<u>5,535,276</u>	<u>31,813,265</u>
Business-type activities:					
GTrans	31,973,093	1,947,714	22,853,192	30,651,564	55,452,470
Sewer	1,723,699	2,545,381	-	-	2,545,381
Total business-type activities	<u>33,696,792</u>	<u>4,493,095</u>	<u>22,853,192</u>	<u>30,651,564</u>	<u>57,997,851</u>
Total primary government	<u>\$ 126,479,385</u>	<u>\$ 22,657,340</u>	<u>\$ 30,966,936</u>	<u>\$ 36,186,840</u>	<u>\$ 89,811,116</u>

See accompanying notes to the basic financial statements.

City of Gardena
Statement of Activities (Continued)
For the Year Ended June 30, 2024

Functions/Programs	Net (Expenses) Revenues and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
Primary Government:			
Governmental activities:			
General government	\$ 54,108	\$ -	\$ 54,108
Public safety	(50,252,794)	-	(50,252,794)
Public works	1,819,599	-	1,819,599
Recreation and human services	(6,113,066)	-	(6,113,066)
Community development	(3,243,263)	-	(3,243,263)
Interest and fiscal charges	(3,233,912)	-	(3,233,912)
Total governmental activities	<u>(60,969,328)</u>	<u>-</u>	<u>(60,969,328)</u>
Business-type activities:			
GTrans	-	23,479,377	23,479,377
Sewer	-	821,682	821,682
Total business-type activities	<u>-</u>	<u>24,301,059</u>	<u>24,301,059</u>
Total primary government	<u>(60,969,328)</u>	<u>24,301,059</u>	<u>(36,668,269)</u>
General revenues:			
Property taxes	10,141,426	-	10,141,426
Sales taxes	28,056,992	-	28,056,992
Business license	3,477,728	-	3,477,728
Utility users taxes	6,404,308	-	6,404,308
Franchise taxes	3,724,876	-	3,724,876
Card club	8,910,456	-	8,910,456
Other taxes	4,819,341	-	4,819,341
Total taxes	<u>65,535,127</u>	<u>-</u>	<u>65,535,127</u>
Vehicle license - unrestricted	8,558,629	-	8,558,629
Investment income	2,260,394	624,943	2,885,337
Miscellaneous	1,399,408	-	1,399,408
Total general revenues	<u>77,753,558</u>	<u>624,943</u>	<u>78,378,501</u>
Transfers	<u>158,160</u>	<u>(158,160)</u>	<u>-</u>
Change in net position	16,942,390	24,767,842	41,710,232
Net position (deficit) - beginning of year	<u>(45,439,243)</u>	<u>26,495,233</u>	<u>(18,944,010)</u>
Net position (deficit) - end of year	<u>\$ (28,496,853)</u>	<u>\$ 51,263,075</u>	<u>\$ 22,766,222</u>

See accompanying notes to the basic financial statements.

City of Gardena

*Annual Comprehensive Financial Report
For the Year Ended June 30, 2024*



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FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements
Proprietary Fund Financial Statements
Fiduciary Fund Financial Statements

City of Gardena

*Annual Comprehensive Financial Report
For the Year Ended June 30, 2024*



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GOVERNMENTAL FUND FINANCIAL STATEMENTS

General Fund - To account for and report all financial resources not accounted for and reported in another fund.

Economic Development Grants Special Revenue Fund - To account for the fourteenth funds used for housing, environmental issues, and land use improvement. Six of the funds receive pass-through funding from the California U.S. Department of Housing and Urban Development ("HUD") or program income to assist cities and counties to create and retain affordable housing and community projects. Eligible activities include housing rehabilitation loans to benefit lower income owners and loans for development of the low-income senior rental property. One fund is used to provide park or recreational facilities using fees received from the developers as required by the City's ordinance. Two funds receive funding from the U.S. Environmental Protection Agency ("EPA"). These grants are used to empower communities and other stakeholders in economic redevelopment to work together in a timely manner to prevent, assess, safely clean up, and sustainably use brownfields (previously unusable land) reuse contaminated properties. Two funds receive funding from the California Department of Housing and Community Development ("HCD") to assist local government for the preparation, adoption, and implementation of planning and process improvements that streamline housing approvals and accelerate housing production. One fund to account for development impact fee to provide infrastructure and facility improvements as required by City's ordinance. One fund to account for a community project grant from the California Department of Technology (DOT).

City Capital Projects Fund - Represents the financial resources that are restricted, committed or assigned to expenditures for capital outlay.

City Debt Service Fund - To account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest.

Nonmajor Governmental Funds - To account for the aggregate of all the nonmajor governmental funds.

City of Gardena
Balance Sheet
Governmental Funds
June 30, 2024

	Major Funds			
	General Fund	Economic Development Grants Special Revenue Fund	City Capital Projects Fund	City Debt Service Fund
ASSETS				
Cash and investments	\$ 58,489,571	\$ 10,381,169	\$ 2,156,590	\$ -
Cash and investments with fiscal agents	-	-	-	14,446,752
Receivables:				
Accounts	1,334,182	-	-	-
Taxes	6,995,931	-	-	-
Interest	62,134	-	-	-
Employees	40,118	-	-	-
Loans	-	1,835,295	-	-
Inventories	41,474	-	-	-
Prepaid items and deposits	305,509	-	-	3,689
Due from other governments	-	-	-	-
Due from other funds	22,305	-	-	-
Total assets	<u>\$ 67,291,224</u>	<u>\$ 12,216,464</u>	<u>\$ 2,156,590</u>	<u>\$ 14,450,441</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 2,423,395	\$ 23,795	\$ 1,618,630	\$ -
Accrued liabilities	-	-	-	-
Salaries and benefits payable	751,795	-	-	-
Due to other funds	-	-	-	22,305
Due to other governments	-	-	-	-
Unearned revenues	-	6,220,454	-	-
Retention payable	-	475	236,066	-
Deposits payable	4,404,083	-	-	-
Total liabilities	<u>7,579,273</u>	<u>6,244,724</u>	<u>1,854,696</u>	<u>22,305</u>
Deferred Inflows of Resources:				
Unavailable revenue	94,968	-	-	-
Total deferred inflows of resources	<u>94,968</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable	346,983	-	-	3,689
Restricted	-	-	-	14,426,858
Committed	33,309,406	-	301,894	-
Assigned	25,660,594	-	-	-
Unassigned	300,000	5,971,740	-	(2,411)
Total fund balances	<u>59,616,983</u>	<u>5,971,740</u>	<u>301,894</u>	<u>14,428,136</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 67,291,224</u>	<u>\$ 12,216,464</u>	<u>\$ 2,156,590</u>	<u>\$ 14,450,441</u>

See accompanying notes to the basic financial statements.

City of Gardena
Balance Sheet (Continued)
Governmental Funds
June 30, 2024

	Nonmajor Governmental Funds	Total
ASSETS		
Cash and investments	\$ 13,079,782	\$ 84,107,112
Cash and investments with fiscal agents	-	14,446,752
Receivables:		
Accounts	567,973	1,902,155
Taxes	557,808	7,553,739
Interest	-	62,134
Employees	-	40,118
Loans	-	1,835,295
Inventories	-	41,474
Prepaid items and deposits	6,075	315,273
Due from other governments	4,750,166	4,750,166
Due from other funds	-	22,305
Total assets	\$ 18,961,804	\$ 115,076,523
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 256,075	\$ 4,321,895
Accrued liabilities	21,042	21,042
Salaries and benefits payable	18,967	770,762
Due to other funds	-	22,305
Due to other governments	1,027,656	1,027,656
Unearned revenues	1,570,062	7,790,516
Retention payable	-	236,541
Deposits payable	-	4,404,083
Total liabilities	2,893,802	18,594,800
Deferred Inflows of Resources:		
Unavailable revenue	812,814	907,782
Total deferred inflows of resources	812,814	907,782
Fund Balances:		
Nonspendable	6,075	356,747
Restricted	15,249,113	29,675,971
Committed	-	33,611,300
Assigned	-	25,660,594
Unassigned	-	6,269,329
Total fund balances	15,255,188	95,573,941
Total liabilities, deferred inflows of resources and fund balances	\$ 18,961,804	\$ 115,076,523

See accompanying notes to the basic financial statements.

City of Gardena

*Annual Comprehensive Financial Report
For the Year Ended June 30, 2024*



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City of Gardena
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2024

Total Fund Balances - Total Governmental Funds \$ 95,573,941

Amounts reported for governmental activities in the Statement of Net Position were reported differently because:

Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet.

Capital assets, not being depreciated	\$ 22,688,555	
Capital assets, depreciable	125,608,396	
Less accumulated depreciation	(80,522,773)	
Right-to-use lease assets	905,527	
Right-to-use lease assets accumulated amortization	(357,400)	
Right-to-use subscription assets	1,456,361	
Right-to-use subscription assets accumulated amortization	<u>(781,268)</u>	68,997,398

Interest in recognized when due, and therefore, interest payable is not reported in the governmental funds. (790,121)

Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities.

Long-term debt - due within one year	(5,807,835)
Long-term debt - due in more than one year	(98,352,240)
Compensated absences - due within one year	(2,084,224)
Compensated absences - due in more than one year	(8,336,898)

Net pension liability and the related deferred outflows of resources and deferred inflows of resources are not due and payable in the current period or not available for current expenditures and are not reported in the governmental fund financial statements.

Pension related deferred outflows of resources	29,842,051
Aggregate net pension liabilities	(27,771,137)
Pension related deferred inflows of resources	(20,535,195)

Net other postemployment benefits liability and the related deferred outflows of resources and deferred inflows of resources are not due and payable in the current period or not available for current expenditures and are not reported in the governmental fund financial statements:

OPEB related deferred outflows of resources	10,053,521
Aggregate net OPEB liabilities	(63,718,901)
OPEB related deferred inflows of resources	(12,809,533)

Internal service funds are used by management to charge the costs of general liability, workers; compensation and health benefit claims to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Government-Wide Statement of Net Position (net of \$10,736,740 allocated to business-type activities). 6,334,538

Revenues earned but not available to pay for current expenditures for governmental funds are unavailable. 907,782

Net position of governmental activities **\$ (28,496,853)**

City of Gardena
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	Major Funds			
	General Fund	Economic Development Grants Special Revenue Fund	City Capital Projects Fund	City Debt Service Fund
Fines and forfeitures				
REVENUES:				
Taxes	\$ 71,026,695	\$ -	\$ -	\$ -
Licenses and permits	3,168,262	-	-	-
Intergovernmental	512,624	172,655	-	-
Charges for services	5,718,391	564,000	-	5,541,063
Fines, forfeitures, and penalties	795,650	260,000	-	-
Use of money and property	1,986,496	123,281	-	678,940
Miscellaneous	399,558	207,501	-	-
Total revenues	<u>83,607,676</u>	<u>1,327,437</u>	<u>-</u>	<u>6,220,003</u>
EXPENDITURES:				
Current:				
General government	8,543,487	-	-	-
Public safety	47,976,854	-	-	-
Public works	7,227,210	-	-	-
Recreation and human services	4,767,223	-	-	-
Community development	3,138,525	830,470	-	-
Capital outlay	918,404	198,426	11,576,988	-
Debt service:				
Principal retirement	59,844	-	-	4,895,063
Interest and fiscal charges	21,450	-	-	3,601,134
Total expenditures	<u>72,652,997</u>	<u>1,028,896</u>	<u>11,576,988</u>	<u>8,496,197</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>10,954,679</u>	<u>298,541</u>	<u>(11,576,988)</u>	<u>(2,276,194)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	3,385,222	-	11,576,985	2,970,461
Transfers out	(4,866,568)	(1,042,233)	-	(15,350)
Proceeds from sale of assets	5,053	-	-	-
Total other financing sources (uses)	<u>(1,476,293)</u>	<u>(1,042,233)</u>	<u>11,576,985</u>	<u>2,955,111</u>
NET CHANGE IN FUND BALANCE	9,478,386	(743,692)	(3)	678,917
Fund balances, beginning of year	<u>50,138,597</u>	<u>6,715,432</u>	<u>301,897</u>	<u>13,749,219</u>
Fund balances, end of year	<u>\$ 59,616,983</u>	<u>\$ 5,971,740</u>	<u>\$ 301,894</u>	<u>\$ 14,428,136</u>

See accompanying notes to the basic financial statements.

City of Gardena
Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended June 30, 2024

	Nonmajor Governmental Funds	Total
REVENUES:		
Taxes	\$ 4,370,970	\$ 75,397,665
Licenses and permits	-	3,168,262
Intergovernmental	12,687,168	13,372,447
Charges for services	-	11,823,454
Fines, forfeitures, and penalties	22,646	1,078,296
Use of money and property	477,039	3,265,756
Miscellaneous	67,032	674,091
Total revenues	17,624,855	108,779,971
EXPENDITURES:		
Current:		
General government	1,127	8,544,614
Public safety	286,273	48,263,127
Public works	1,860,164	9,087,374
Recreation and human services	2,586,120	7,353,343
Community development	221,335	4,190,330
Capital outlay	26,294	12,720,112
Debt service:		
Principal retirement	21,918	4,976,825
Interest and fiscal charges	28,826	3,651,410
Total expenditures	5,032,057	98,787,135
REVENUES OVER (UNDER) EXPENDITURES	12,592,798	9,992,836
OTHER FINANCING SOURCES (USES):		
Transfers in	543,815	18,476,483
Transfers out	(13,494,172)	(19,418,323)
Proceeds from sale of assets	12,495	17,548
Total other financing sources (uses)	(12,937,862)	(924,292)
NET CHANGE IN FUND BALANCE	(345,064)	9,068,544
Fund balances, beginning of year	15,600,252	86,505,397
Fund balances, end of year	\$ 15,255,188	\$ 95,573,941

See accompanying notes to the basic financial statements.

City of Gardena
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balance to the Government-wide Statement of Activities
For the Year Ended June 30, 2024

Net Change in Fund Balances - Total Governmental Funds	\$ 9,068,544
Amounts reported for governmental activities in the Statement of Activities are different because:	
Acquisition of capital assets was reported as expenditures in the governmental funds. However, in the Government-Wide Statement of Activities, the cost of those assets was allocated over the estimated useful lives as depreciation expense. The following was the amount of capital assets recorded in the	
Capital outlay (\$389,120) of capital outlay expenditures were for current public works expenditures for repairs and maintenance and therefore, were not capitalized.	13,109,202
The net effect of disposal of capital assets.	2,006
Depreciation and amortization expenses on capital, lease, and subscription assets were reported in the Government-Wide Statement of Activities, but they did not require the use of current financial resources. Therefore, depreciation and amortization expenses were not reported as an expenditure in the governmental funds.	(3,594,603)
The fund financial statements record interest expenditures on the current financial resources of measurement focus whereas the Government-Wide financial statements recognize interest expense on the accrual basis. The reconciling amount was the change in accrued interest from the prior year.	148,570
Long-term compensated absences expense was reported in the Government-Wide Statement of Activities, but it did not require the use of current resources. Therefore, the increase in other postemployment benefits liability and net pension liabilities were not reported as an expenditure in the governmental funds.	(1,196,146)
Other postemployment benefits and pension expenses were reported in the Government-Wide Statement of Activities, but it did not require the use of current financial resources. Therefore, the increases in other postemployment benefits liability and net pension liabilities were not reported as an expenditure in the governmental funds.	
OPEB expense net of contribution made after measurement date reported in deferred outflows of resources in the Government-Wide Statement of Net Position but reported as OPEB expenditures in the governmental funds.	(382,275)
Pension expense net of contributions made after measurement date reported in deferred outflows of resources in the Government-Wide Statement of Net Position but reported as pension expenditures in the governmental funds.	(6,830,311)
Proceeds from long-term debt provided current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Position. Repayment of bond principal was an expenditure in the governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.	
Principal repayments of long-term debt	\$ 5,506,898
Interest accrual on loans payables	(86,224)
Proceeds from issuance of long-term debt	(267,731)
Amortization of bond premium	106,654
Amortization of bond discount	<u>(13,844)</u>
	5,245,753
Internal service funds were used by management to charge the costs of certain activities, such as insurance, to individual funds. The net revenue of the internal service funds was reported with governmental activities (net of \$66,295 allocated to business-type activities).	1,914,333
Unavailable revenue is not recognized as revenue in the governmental funds since the revenue is not available to fund expenditures of the current year.	<u>(542,683)</u>
Change in net position of governmental activities	<u>\$ 16,942,390</u>

See accompanying notes to the basic financial statements.

PROPRIETARY FUND FINANCIAL STATEMENTS

GTrans Enterprise Fund - To account for user charges, fees, federal, state and county grants and all operating costs associated with the operation of the City's bus line.

Sewer Enterprise Fund (Nonmajor) - To account for user charges, fees and all operating costs associated with the operation, maintenance, upgrade and periodic reconstructions of the City's sanitary sewer system.

Internal Service Funds - To account for financing of goods and services provided by one department (general liability, workers' compensation, and health benefits) to other departments of the City on a cost-reimbursement basis.

City of Gardena
Statement of Net Position
Proprietary Funds
June 30, 2024

	Business-Type Activities			Governmental Activities
	GTrans Enterprise Fund	Nonmajor Sewer Enterprise Fund	Total	Internal Service Funds
ASSETS				
Current assets:				
Cash and investments	\$ 13,076,396	\$ 4,704,347	\$ 17,780,743	\$ 11,494,372
Account receivables, net	349,341	237,489	586,830	9,893
Due from other governments	7,679,670	-	7,679,670	-
Inventories	766,591	-	766,591	-
Prepaid items and deposits	69,307	48,225	117,532	86,980
Total current assets	21,941,305	4,990,061	26,931,366	11,591,245
Noncurrent assets:				
Capital assets, net	85,659,936	1,026,945	86,686,881	-
Total noncurrent assets	85,659,936	1,026,945	86,686,881	-
Total assets	107,601,241	6,017,006	113,618,247	11,591,245
 DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources				
related to pensions	2,035,870	120,486	2,156,356	-
Deferred outflows of resources related to other postemployment benefits	2,144,444	74,388	2,218,832	-
Total deferred outflows of resources	4,180,314	194,874	4,375,188	-

See accompanying notes to the basic financial statements.

City of Gardena
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2024

	Business-Type Activities			Governmental Activities
	GTrans Enterprise Fund	Nonmajor Sewer Enterprise Fund	Total	Internal Service Funds
LIABILITIES				
Current liabilities:				
Accounts payable	5,361,612	2,829	5,364,441	203,346
Accrued liabilities	113,122	-	113,122	78,343
Salaries and benefits payable	281,539	17,161	298,700	2,494
Unearned revenue	16,843,550	-	16,843,550	-
Accrued interest payable	4,344	1,020	5,364	-
Compensated absences, due within one year	376,484	30,929	407,413	-
Lease payable, due withing one year	17,884	-	17,884	-
Subscription payable, due within one year	128,305	25,986	154,291	-
Long-term debt, due within one year	1,007,520	47,040	1,054,560	-
Claims payable, due within one year	-	-	-	3,915,095
Total current liabilities	<u>24,134,360</u>	<u>124,965</u>	<u>24,259,325</u>	<u>4,199,278</u>
Noncurrent liabilities:				
Compensated absences, due in more than one year	1,505,935	123,717	1,629,652	-
Long-term debt, due in more than one year	17,973,636	833,941	18,807,577	-
Claims payable, due in more than one year	-	-	-	11,794,169
Aggregate net pension laibility	1,737,613	101,981	1,839,594	-
Aggregate net other postemployment benefits liabilities	7,945,597	317,687	8,263,284	-
Total noncurrent liabilities	<u>29,162,781</u>	<u>1,377,326</u>	<u>30,540,107</u>	<u>11,794,169</u>
Total liabilities	<u>53,297,141</u>	<u>1,502,291</u>	<u>54,799,432</u>	<u>15,993,447</u>
DEFERRED INFLOWS OF R SOURCES				
Deferred inflows of resources related to pensions	308,734	18,120	326,854	-
Deferred inflows of resources related to other postemployment benefits	600,977	266,357	867,334	-
Total deferred inflows of resources	<u>909,711</u>	<u>284,477</u>	<u>1,194,188</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	80,118,644	962,264	81,080,908	-
Unrestricted (deficit)	(22,543,941)	3,462,848	(19,081,093)	(4,402,202)
Total net position	<u>\$ 57,574,703</u>	<u>\$ 4,425,112</u>	<u>\$ 61,999,815</u>	<u>\$ (4,402,202)</u>
Net position reconciliation				
Net position of proprietary funds	\$ 57,574,703	\$ 4,425,112	\$ 61,999,815	\$ (4,402,202)
Adjustment to reflect the consolidation of internal service fund activities related to the GTrans and Sewer	(10,795,573)	58,833	(10,736,740)	10,736,740
Net position of business-type activities	<u>\$ 46,779,130</u>	<u>\$ 4,483,945</u>	<u>\$ 51,263,075</u>	
Net position of governmental activities				<u>\$ 6,334,538</u>

See accompanying notes to the basic financial statements.

City of Gardena

*Annual Comprehensive Financial Report
For the Year Ended June 30, 2024*



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City of Gardena
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the year ended June 30, 2024

	Business-Type Activities			Governmental
	GTrans	Nonmajor Sewer	Total	Activities
	Enterprise Fund	Enterprise Fund		Internal Service Funds
OPERATING REVENUES:				
Charges for services	\$ 1,710,139	\$ 2,537,541	\$ 4,247,680	\$ 13,568,276
Other	219,985	7,840	227,825	1,038,088
Total operating revenues	<u>1,930,124</u>	<u>2,545,381</u>	<u>4,475,505</u>	<u>14,606,364</u>
OPERATING EXPENSES:				
Salaries and benefits	18,824,869	1,042,392	19,867,261	121,463
Insurance claims	-	-	-	5,719,250
General and administrative	5,918,113	357,829	6,275,942	7,891,742
Depreciation and amortization	3,925,720	196,178	4,121,898	-
Other operating expenses	2,594,668	140,832	2,735,500	399,770
Total operating expenses	<u>31,263,370</u>	<u>1,737,231</u>	<u>33,000,601</u>	<u>14,132,225</u>
OPERATING INCOME	<u>(29,333,246)</u>	<u>808,150</u>	<u>(28,525,096)</u>	<u>474,139</u>
NON-OPERATING REVENUES (EXPENSES):				
Local transportation fund	3,190,038	-	3,190,038	-
Other local assistance	14,494,964	-	14,494,964	-
Federal transit assistance	3,234,000	-	3,234,000	-
State transit assistance fund	1,934,190	-	1,934,190	-
Interest income	524,127	100,816	624,943	273,899
Interest expense	(601,562)	(28,334)	(629,896)	-
Gain on sale of capital assets	17,590	-	17,590	-
Total non-operating revenues (expenses)	<u>22,793,347</u>	<u>72,482</u>	<u>22,865,829</u>	<u>273,899</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(6,539,899)</u>	<u>880,632</u>	<u>(5,659,267)</u>	<u>748,038</u>
CONTRIBUTIONS AND TRANSFERS				
Capital contributions	30,651,564	-	30,651,564	-
Transfers in	-	33,317	33,317	2,386,852
Transfers out	-	(191,477)	(191,477)	(1,286,852)
Total contributions and transfers	<u>30,651,564</u>	<u>(158,160)</u>	<u>30,493,404</u>	<u>1,100,000</u>
Change in net position	24,111,665	722,472	24,834,137	1,848,038
Net position (deficit), beginning of year	33,463,038	3,702,640	37,165,678	(6,250,240)
Net position (deficit), end of year	<u>\$ 57,574,703</u>	<u>\$ 4,425,112</u>	<u>\$ 61,999,815</u>	<u>\$ (4,402,202)</u>
Change in net position reconciliation:				
Change in net position of proprietary funds	\$ 24,111,665	\$ 722,472	\$ 24,834,137	\$ 1,848,038
Adjustments to reflect the consolidation of internal service fund activities related to the GTrans and Sewer	<u>(108,161)</u>	<u>41,866</u>	<u>(66,295)</u>	<u>66,295</u>
Change in net position of business-type activities	<u>\$ 24,003,504</u>	<u>\$ 764,338</u>	<u>\$ 24,767,842</u>	
Change in net position related to governmental activities				<u>\$ 1,914,333</u>

See accompanying notes to the basic financial statements.

City of Gardena
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2024

	Business-Type Activities			Governmental Activities
	GTrans Enterprise Fund	Nonmajor Sewer Enterprise Fund	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 1,609,340	\$ 2,516,759	\$ 4,126,099	\$ 13,564,118
Receipts from claims and recoveries	-	-	-	1,038,088
Payments for insurance claims	-	-	-	(8,469,313)
Payments to suppliers	(4,350,525)	(529,107)	(4,879,632)	(8,490,476)
Payments to employees	(16,055,029)	(858,276)	(16,913,305)	-
Other receipts	219,985	7,840	227,825	-
Net cash provided (used by) operating activities	<u>(18,576,229)</u>	<u>1,137,216</u>	<u>(17,439,013)</u>	<u>(2,357,583)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	-	33,317	33,317	2,386,852
Transfers to other funds	-	(191,477)	(191,477)	(1,286,852)
Payments paid to other funds	(7,093,382)	-	(7,093,382)	-
Principal payments on long term debt	(979,427)	(66,255)	(1,045,682)	-
Interest paid	(597,218)	(27,314)	(624,532)	-
Transit assistance funds received	18,698,956	-	18,698,956	-
Net cash provided (used by) non-capital financing activities	<u>10,028,929</u>	<u>(251,729)</u>	<u>9,777,200</u>	<u>1,100,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	(30,548,988)	-	(30,548,988)	-
Proceeds from sale of capital assets	17,590	-	17,590	-
Receipt from capital grants	30,108,640	-	30,108,640	-
Net cash provided (used by) capital and related financing activities	<u>(422,758)</u>	<u>-</u>	<u>(422,758)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	524,128	100,816	624,944	273,899
Net cash provided (used by) investing activities	<u>524,128</u>	<u>100,816</u>	<u>624,944</u>	<u>273,899</u>
Net increase (decrease) in cash and cash equivalents	(8,445,930)	986,303	(7,459,627)	(983,684)
Cash and equivalents, beginning of year	21,522,326	3,718,044	25,240,370	12,478,056
Cash and equivalents, end of year	<u>\$ 13,076,396</u>	<u>\$ 4,704,347</u>	<u>\$ 17,780,743</u>	<u>\$ 11,494,372</u>

See accompanying notes to the basic financial statements.

City of Gardena
Statement of Cash Flows (Continued)
Proprietary Funds
For the year ended June 30, 2024

	Business-Type Activities			Governmental Activities
	GTrans Enterprise Fund	Nonmajor Sewer Enterprise Fund	Total	Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH (USED BY) OPERATING ACTIVITIES:				
Operating income (loss)	\$ (29,333,246)	\$ 808,150	\$ (28,525,096)	\$ 474,139
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization expenses	3,925,720	196,178	4,121,898	-
(Increase) decrease:				
Accounts receivable	(100,799)	(20,782)	(121,581)	(4,158)
Inventories	(21,947)	-	(21,947)	-
Prepaid items and deposits	2,559	(26,059)	(23,500)	(71,603)
Deferred outflows of resources - pensions	4,990,251	308,809	5,299,060	-
Deferred outflows of resources - OPEB	366,035	11,348	377,383	-
Increase (decrease):				
Accounts payable	4,177,650	(3,367)	4,174,283	107,386
Accrued liabilities	3,994	(1,020)	2,974	(234,747)
Accrued salaries and benefits payable	51,838	2,640	54,478	2,494
Compensated absences	81,554	34,107	115,661	-
Net pension liability	(1,309,254)	(84,182)	(1,393,436)	-
Net other postemployment benefits liability	219,425	22,961	242,386	-
Deferred outflows of resources - pensions	(1,491,570)	(91,879)	(1,583,449)	-
Deferred outflows of resources - OPEB	(138,439)	(19,688)	(158,127)	-
Deposits payable	-	-	-	-
Claims payable	-	-	-	(2,631,094)
Total adjustments	10,757,017	329,066	11,086,083	(2,831,722)
Net cash provided (used) by operating activities	\$ (18,576,229)	\$ 1,137,216	\$ (17,439,013)	\$ (2,357,583)

Supplemental disclosures of noncash investing and capital related financing activities:

The City had noncash financing transactions relating to operating leases on new equipment of \$20,415 during the fiscal year June 30, 2024.

City of Gardena

*Annual Comprehensive Financial Report
For the Year Ended June 30, 2024*



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NOTES TO THE BASIC FINANCIAL STATEMENTS

City of Gardena

*Annual Comprehensive Financial Report
For the Year Ended June 30, 2024*



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City of Gardena
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For the Year Ended June 30, 2024

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City of Gardena
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City of Gardena
Notes to the Basic Financial Statements
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies

The basic financial statements of the City of Gardena, California, (the “City”) have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) as applied to governmental agencies. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant policies:

A. *Financial Reporting Entity*

The City was incorporated September 11, 1930, under the General Laws of the State of California. The City is governed by an elected five-member council.

Blended Component Unit

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The primary criteria for including a potential component unit within the reporting entity are the governing body’s financial accountability and a financial benefit or burden relationship and whether it is misleading to exclude. A primary government is financially accountable and shares a financial benefit or burden relationship, if it appoints a voting majority of an organization’s governing body and it is able to impose its will on the organization, or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government. A primary government may also be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government.

Management determined that the following component unit should be blended based on the criteria above:

Although the following is legally separate from the City, it has been “blended” as though it is part of the City because the component unit’s governing body is substantially the same as the City’s and there is a financial benefit or burden relationship between the City and the component unit; management of the City has operational responsibilities for the component unit; and/or the component unit provides services entirely, or almost entirely, to the City or otherwise exclusively, or almost exclusively, benefits the City, even though it does not provide services directly to it.

City of Gardena Financing Agency - The City of Gardena Financing Agency (“the Agency”) was created primarily to finance the acquisition of a public parking structure. The members of the City Council serve as the governing board of the Agency and there is a financial benefit or burden relationship between the City and the Agency. The Agency does not issue separate financial statements.

The City had no discretely presented component units.

B. *Basis of Accounting and Measurement Focus*

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

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Government-Wide Financial Statements

The Government-Wide Financial Statements are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all of the City’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. Fiduciary activities are not included in these statements.

Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due from and to other funds
- Transfers in and out

Governmental Fund Financial Statements

All governmental funds are accounted for on a spending or “*current financial resources*” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balances. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

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 these purposes, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property taxes, other local taxes, franchise fees, forfeitures and penalties, motor license fees, rents and concessions, interest revenue, and state and federal grants and subventions. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Reconciliations of the fund financial statements to the Government-Wide Financial Statements are provided to explain the differences.

Certain indirect costs are included as part of the program expenses reported for individual functions and activities.

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Governmental Fund Financial Statements (Continued)

The City reports the following major governmental funds:

- General Fund - The General Fund is used to account for and report all financial resources not accounted for and reported in another fund.
- Economic Development Grants Special Revenue Fund - The Economic Development Grants Special Revenue Fund is used to account for and report of housing, environmental activities, and land use improvement, including funding received from the U.S. Department of Housing and Urban Development (HUD), the U.S. Environmental Protection Agency, and California Department of Housing & Community Development (HCD) and to account for fees received from developers to fund park and recreation facilities.
- City Capital Projects Fund - Represents the financial resources that are restricted, committed or assigned to expenditures for capital outlay.
- City Debt Service Fund - The City Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest.

Proprietary Fund Financial Statements

Proprietary funds are accounted for using the “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

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 proprietary funds are charges to customers for sales and services. Operating expenses for the proprietary funds include the costs 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.

A separate column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities and business-type activities in the Government-Wide Financial Statements. The City’s internal service funds include three individual funds which provide services directly to other City funds. These areas of service include general liability, workers’ compensation, and health benefits.

The City reports the following proprietary funds:

- GTrans Enterprise Fund - The GTrans Fund accounts for user charges, fees, federal, state and county grants and all operating costs associated with the operation of the City’s bus line.

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Proprietary Fund Financial Statements (Continued)

- Sewer Enterprise Fund (Nonmajor) - The Sewer Fund accounts for user charges, fees and all operating costs associated with the operation, maintenance, upgrade and periodic reconstruction of the City's sanitary sewer system.
- Internal Service Funds – The Internal Service Funds account for financing of goods and services provided by one department (general liability, workers' compensation, and health benefits) to other departments of the City on a cost-reimbursement basis.

The City considers the GTrans Enterprise Fund to be a major fund for the year ended June 30, 2024.

C. Cash, Cash Equivalents, and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from the date of acquisition. All cash and investments of proprietary funds are held in the City's investment pool. These cash pools have the general characteristics of a demand deposit account, therefore, all cash and investments in the proprietary funds are considered cash and cash equivalents for Statement of Cash Flows purposes.

Investments are stated at fair value.

D. Cash and Investments with Fiscal Agents

Cash and investments with fiscal agents are restricted for the redemption of bonded debt and for acquisition and construction of capital projects.

E. Fair Value Measurement

U.S. GAAP defines fair value, establishes a framework for measuring fair value and establishes disclosure about fair value measurement. Investments, unless otherwise specified at fair value in the financial statements, are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Levels of inputs are as follows:

- Level 1 – Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.
- Level 2 – Inputs, other than quoted prices included in Level 1, that are observable for the assets or liabilities through corroboration with market data at the measurement date.
- Level 3 – Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the assets or liabilities at the measurement date.

F. Interfund Transactions

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due from/to other funds" (i.e., current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the Government-Wide Financial Statements as "internal balances".

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

G. Inventories and Prepaid Items

Inventories within the various fund types consist of materials and supplies which are valued at cost on a first-in, first-out basis. Reported expenditures reflect the consumption method of recognizing inventory-related expenditures.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements by using purchase method.

A nonspendable fund balance has been reported in the governmental funds to show that inventories and prepaid items do not constitute “available spendable resources,” even though they are a component of current assets.

H. Capital Assets

In the Government-Wide Financial Statements, capital assets are recorded at cost where historical records are available and at an estimated original cost where no historical records exist. Donated capital assets are valued at their acquisition value. City policy has set the capitalization threshold for reporting capital assets at \$5,000.

The City defines infrastructure assets as the basic physical assets that allow the City to function. The assets include streets, bridges, sidewalks, drainage systems, and lighting systems, etc. Each major infrastructure system can be divided into subsystems. For example, the street system can be subdivided into pavement, curb and gutters, sidewalks, medians, streetlights, landscaping and land. These subsystems were not delineated in the basic financial statements. The appropriate operating department maintains information regarding the subsystems.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets acquired under capital lease are capitalized at the net present value of the total lease payments.

For all infrastructure systems, the City elected to use the “Basic Approach”.

The intangible right-to-use asset includes lease assets or subscription-based information technology arrangements (“SBITA”) assets (“subscription asset”). These intangible assets are recorded at the amount of the initial measurement of the lease liabilities or SBITA liabilities (“subscription liabilities”) and adjusted by any lease made to the lessor or subscription payments to the SBITA vendor at or before the commencement of the lease or subscription term, less any incentives received from the lessor or SBITA vendor at or before the commencement of the lease or subscription term along with any initial direct costs that are ancillary charges necessary to place the lease assets into service or subscription implementation costs. Lease assets are amortized using the straight-line method over the shorter of the lease term or the useful life of the underlying asset, unless the lease contains a purchase option that the City has determined is reasonably certain of being exercised. In this case, the lease asset is amortized over the useful life of the underlying asset. Subscription assets are amortized over the shorter of the subscription term or the useful life of the underlying Information Technology assets.

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method. The lives used for depreciation purposes are as follows:

Buildings/structures and improvements	40 years
Machinery and equipment	3-15 years
Buses	12 years
Furniture and fixtures	3-10 years
Infrastructure	30-60 years

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

I. Deferred Outflows and Inflows of Resources

The statement of net position and balance sheet – governmental funds reports separate sections for deferred outflows of resources and deferred inflows of resources, when applicable.

Deferred Outflows of Resources represent a consumption of net assets that applies to future periods.

Deferred Inflows of Resources represent an acquisition of net assets that applies to future periods.

J. Interest Payable

In the Government-wide Financial Statements, interest payable on long-term debt is recognized as the liability incurred for governmental activities and business-type activities.

In the Fund Financial Statements, only proprietary fund types recognize the interest payable when the liability is incurred.

K. Unearned Revenue

Unearned revenue is recognized for transactions for which revenue has not yet been earned. Typical transactions recorded as unearned revenues are prepaid charges for services and grants received but not yet earned.

L. Compensated Absences

It is the City's policy to accrue annual leave when incurred in the Government-wide Financial Statements and the proprietary funds. In governmental funds, the costs for annual leave that are expected to be liquidated with expendable available financial resources are reported as an expenditure and reported as a liability of the governmental fund only if they have matured.

A liability is recorded for unused sick leave balances only to the extent that it is probable that the unused balances will result in termination payments. This is estimated by including in the liability the unused balances of employees currently entitled to receive termination benefits, as well as those who are expected to become eligible to receive termination benefits as a result of continuing their employment with the City. Other amounts of unused sick leave are excluded from the liability since their payment is contingent solely upon the occurrence of a future event (illness) which is outside the control of the City and the employee.

M. Leases

The City has a policy to recognize a lease liability and a right-to-use asset (lease asset) in the financial statements with an initial, individual value of \$5,000 or more with a lease term greater than one year. Variable payments based on future performance or usage of the underlying assets are not included in the measurement of the lease liability.

At the commencement of a lease, the lease liability is measured at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made.

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

M. Leases (Continued)

Lease assets are recorded at the amount of the initial measurement of the lease liabilities and modified by any lease payments made to the lessor at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term along with any initial direct costs that are ancillary charges necessary to place the lease assets into service. Lease assets are amortized using the straight-line method over the shorter of the lease term or the useful life of the underlying asset, unless the lease contains a purchase option that the State has determined is reasonably certain of being exercised. In this case, the lease asset is amortized over the useful life of the underlying asset.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease, plus any option periods that are reasonably certain to be exercised.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise. The City monitors changes in circumstances that would require a remeasurement of a lease and will remeasure any lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported as right-to-use along with other capital assets and lease liabilities are reported on the statement of net position.

N. Pensions

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

The following timeframes are used for pension reporting:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

O. Other Postemployment Benefits (“OPEB”)

For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City’s OPEB Plan and additions to/deductions from the OPEB Plan’s fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments, which are reported at amortized cost.

The following timeframes are reported OPEB reporting:

<u>OPEB</u>	
Valuation Date	June 30, 2022
Measurement Date	June 30, 2024
Measurement Period	July 1, 2022 to June 30, 2023

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The amortization period differs depending on the sources of gain or loss. The difference between projected and actual earnings is amortized on a straight-line basis over 5 years. All other amounts are amortized on a straight-line basis over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) at the beginning of the measurement period.

P. Claims Payable

Claims payable in the Internal Service Fund represents estimates of claims against the City. The estimated claims payable represents the City’s best estimate of the amount to be paid on workers’ compensation and general liability claims. Losses for claims incurred but not reported are also recorded if the probable amount of loss can be reasonably estimated. The City is self-insured for general liability in the amount of \$750,000 per claim and \$250,000 per claim for GTrans. In addition, City also self-insured for workers’ compensation for \$750,000 per claim for both the City and GTrans. Losses in excess of \$750,000 for the City and \$250,000 for GTrans, up to \$25,000,000 for general liability, and in excess of \$750,000 for both the City and GTrans, up to the statutory limit for workers’ compensation, are covered by outside insurance.

Q. Subscription Based Information Technology Arrangements Liabilities

The City recognizes subscription liabilities with an initial, individual value of \$5,000 or more with a subscription term greater than one year in the government-wide and proprietary fund financial statements. Variable payments based on future performance of the City, usage of the underlying IT assets, or number of user seats are not included in the measurement of the subscription liability.

At the commencement of a subscription, the City initially measures the subscription liability at the present value of subscription payments expected to be made during the subscription term. Subsequently, the lease liability is reduced by the principal portion of subscription payments made.

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

Q. Subscription Based Information Technology Arrangements Liabilities (Continued)

Key estimates and judgments related to subscription liabilities include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for subscription liabilities.
- The subscription term includes the noncancellable period of the SBITA. Subscription payments included in the measurement of the subscription liability are composed of fixed payments.

The City monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure any subscription asset or liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

R. Long-Term Debt

In the Government-Wide Financial Statements and Proprietary Fund Financial Statements, long-term debt and other long-term obligations are reported as liabilities in the appropriate activities. Bond premium 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. Bond issuance costs are expensed when incurred.

The governmental fund financial statements do not present long-term liabilities. Consequently, long-term debt is shown as a reconciling item in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.

S. Property Taxes

Under California law, property taxes are assessed and collected by the counties for up to 1% of assessed property value, plus other increases approved by the voters. Property taxes collected are pooled and then allocated to the cities based on complex formulas. The following are key dates pertaining to property taxes:

January 1	Lien Date
June 30	Levy Date
November 1 and February 1	Due Dates
December 10 and April 10	Collection Dates

Distribution Dates:

November 20, 2023	Unsecured, redemptions, and SB813 taxes
December 20, 2023	Homeowners' exemption, secured, and SB813 taxes
January 19, 2024	Homeowners' exemption, secured, and SB813 taxes
February 20, 2024	Redemptions, secured, and SB813 taxes
March 20, 2024	Secured and SB813 taxes
April 19, 2024	Secured and SB813 taxes
May 20, 2024	Redemptions, homeowners' exemption, secured, and SB813 taxes
June 20, 2024	Homeowners' exemption, SB813 taxes
July 19, 2024	Secured and SB813 taxes
August 20, 2024	Secured, redemptions, unsecured, and SB813 taxes

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

T. Net Position and Fund Balances

In the Government-Wide Financial Statements and proprietary fund financial statements, net position is classified as follows:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of retention payable and debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred outflows and inflows of resources related to those assets.

Unrestricted – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

In the Governmental Fund Financial Statements, fund balances are classified as follows:

Nonspendable – Nonspendable fund balances are items that cannot be spent because they are not in spendable form, such as prepaid items and inventories, or items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan funds.

Restricted – Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors, such as through debt covenants, grantors, contributors, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation.

Committed – Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the government imposes upon itself at its highest level of decision making, normally the governing body, and that remain binding unless removed in the same manner. The City Council is considered the highest authority for the City. Adoption of a resolution by the City Council is required to commit resources or to rescind the commitment.

Assigned – Assigned fund balances encompass the portion of net fund resources reflecting the government's intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. The City Council has authorized by resolution the City Manager or the City Fiscal Officer for that purpose.

Unassigned – This amount is for any portion of the fund balances that do not fall into one of the above categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

Spending Policy

Government-Wide Financial Statements and the Proprietary Fund Financial Statements

When expenses are incurred for purposes for which both restricted and unrestricted components of net position are available, the City's policy is to apply the restricted component of net position first, then the unrestricted component of net position as needed.

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

T. Net Position and Fund Balances (Continued)

Spending Policy (Continued)

Governmental Fund Financial Statements

When expenditures are incurred for purposes for which all restricted, committed, assigned and unassigned fund balances are available, the City's policy is to apply in the following order, except for instances wherein an ordinance specifies the fund balance:

- Restricted
- Committed
- Assigned
- Unassigned

U. Use of Estimates

The preparation of the basic financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

V. Implementation of New GASB Pronouncements

For the year ended June 30, 2024, the financial statements include the adoption of GASB Statement No. 100, *Accounting Changes and Error Corrections*. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes (such as changes in accounting principles and estimates) and error corrections to provide more understandable, reliable, consistent, and comparable information for making decisions or assessing accountability.

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 2 – Stewardship, Compliance and Accountability

A. Deficit Net Position

In the Government-Wide Financial Statements, the City had a deficit unrestricted net position at June 30, 2024 for its governmental activities of \$(28,496,853). The deficit was mainly due to the reporting of the aggregate net pension liabilities, the aggregate net OPEB liabilities and the pension obligation bonds issued to pay for the unfunded pension liabilities. The aggregate net pension liabilities reported were \$27,771,137 and \$1,839,594 for governmental activities and business-type activities, respectively. The aggregate net OPEB liabilities were \$63,718,901 and \$8,263,284 for governmental activities and business-type activities, respectively. The Pension Obligation Bonds were \$70,547,863 and \$19,862,137 for governmental activities and business-type activities, respectively.

The following funds had a deficit fund balance/net position at June 30, 2024:

Nonmajor Governmental Funds:	
2014 Taxable Lease Revenue Refunding	
Bonds Debt Service Fund	\$ (1,205)
Internal Service Funds:	
Workers' Compensation Fund	(10,056,219)

In addition, the GTrans Enterprise had deficit unrestricted net position of \$(22,805,893) at June 30, 2024.

The net position balance includes both short and long-term liabilities. The deficit balances are expected to be recovered through future interfund transfers and other revenues as applicable for this purpose.

B. Expenditures in Excess of Appropriations

The following funds had expenditures in excess of appropriations:

Fund	Appropriations	Expenditures	Excess of Expenditures over Appropriations
Major Governmental Funds:			
General Fund			
General government:			
City treasurer	\$ 81,956	\$ 95,646	\$ 13,690
Public safety			
L.A. County Fire Department	13,493,514	13,689,106	195,592
Debt service:			
Principal	-	59,844	59,844
Interest and fiscal charges	-	21,450	21,450

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 2 – Stewardship, Compliance and Accountability (Continued)

B. Expenditures in Excess of Appropriations (Continued)

Fund	Appropriations	Expenditures	Excess of Expenditures over Appropriations
Economic Development Grants Special Revenue Fund			
Capital outlay	-	198,426	198,426
2006 Refunding COP's, Series A Debt Service Fund			
Debt service:			
Interest and fiscal charges	360,189	360,431	242
2014 Taxable Lease Revenue Refunding Bonds Debt Service Fund			
Debt service:			
Interest and fiscal charges	438,444	438,694	250
2020 Taxable Pension Obligation Bonds Debt Service Fund			
Debt service:			
Interest and fiscal charges	2,258,500	2,258,750	250
Nonmajor Governmental Funds:			
Prop C Local Return Special Revenue Fund			
Public works	41,228	41,300	72
Gas Tax Special Revenue Fund			
Public works	574,300	603,982	26,682
Debt service:			
Principal retirement	-	59	59
Public Safet Grants Special Revenue Fund			
Public safety	276,126	286,273	10,147
Capital outlay	-	8,357	8,357
Public Works Grants Special Revenue Fund			
Recreation and human services	10,000	59,307	49,307
Debt service:			
Principal retirement	-	4,489	4,489
Interest and fiscal charges	-	28,826	28,826
Human Services Grants Special Revenue Fund			
Debt service:			
Principal retirement	-	4,193	4,193

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 3 – Cash and Investments

The City maintains a cash and investment pool, which includes cash balances and authorized investments of all funds. Certain restricted funds which are held and invested by independent outside custodians through contractual agreements are not pooled. These restricted funds include cash and investments with fiscal agents.

The City had the following cash and investments at June 30, 2024:

	Governmental Activities	Business-Type Activities	Total
Cash and investments	\$ 95,601,484	\$ 17,780,743	\$ 113,382,227
Cash and investments held by fiscal agents	14,446,752	-	14,446,752
Total cash and investments	\$ 110,048,236	\$ 17,780,743	\$ 127,828,979

The City's cash and investments at June 30, 2024, in more detail:

Cash:	
Petty cash	\$ 5,670
Demand deposits	19,666,457
Total cash and cash equivalents	<u>19,672,127</u>
Investments:	
Money market mutual fund	140,283
U.S. Treasury	13,610,682
Local Government investment pools	55,728,320
Corporate notes	9,618,210
Local Agency Investment Fund	5,486,588
U.S. Government sponsored enterprise securities	6,597,051
Foreign negotiable certificates of deposit	2,528,965
Total investments	<u>93,710,099</u>
Total cash and investments	113,382,226
Cash and investments with fiscal agents	14,446,753
Total	<u><u>\$ 127,828,979</u></u>

A. Deposits

The carrying amounts of the City's demand deposits were \$19,666,457 at June 30, 2024. Bank balances at that date were \$19,666,457, the total amount of which was collateralized or insured with accounts held by the pledging financial institutions in the City's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits. The City may waive collateral requirements for cash deposits, deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation ("FDIC"). The City did not waive the collateral requirement for deposits insured by FDIC.

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 3 – Cash and Investments (Continued)

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated on an accounting period basis to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

B. Investments

Under the provisions of the City’s investment policy, and in accordance with California Government Code, the following investments are authorized:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio *	Maximum Investment in One Issuer
Municipal securities	5 years	30%	5%
United States treasury obligations	5 years	No Limit	No Limit
U.S. Government sponsored enterprise securities	5 years	No Limit	25%
Bankers' acceptances	180 days	40%	5%
Commercial paper	270 days	25%	5%
Negotiable certificates of deposit	5 years	30%	5%
Federally insured time deposits	5 years	20%	Federally Insured
Collateralized time deposits	5 years	20%	Federally Insured
Certificate of deposit placement service ("CDARS")	5 years	30%	Federally Insured
Local Agency Investment Fund ("LAIF")	N/A	No Limit	No Limit
Medium-term notes	5 years	30%	5%
Asset-Backed, Mortgage-Backed, Mortgage Pass-Through Securities, and Collateralized Mortgage	5 years	20%	5%
Mutual funds	N/A	20%	10%
Money market mutual funds	N/A	20%	20%
Supranationals	5 years	30%	10%
Investment Trust of California ("CalTrust")	N/A	No Limit	No Limit

N/A - Not Applicable

* Excluding amounts held by bond trustees that are not subject to California Government Code restrictions.

The City is a participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City’s investments with LAIF at June 30, 2024, included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities:

Structured Notes: debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities: generally, mortgage-backed securities that entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (for example, Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2024, the City had \$5,486,588 invested in LAIF, which had invested 3.12% of the pool investment funds in Structured Notes and Asset-Backed Securities. The fair value of the City’s portion in the pool is the same as the value of the pool shares and reported at amortized cost.

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 3 – Cash and Investments (Continued)

C. Fair Value Measurement

At June 30, 2024, investments are reported at fair value. The following table presents the fair value measurements of investments on a recurring basis and the levels with GASB 72 fair value hierarchy in which the fair value measurements fall at June 30, 2024:

Investment Type	Measurement Input			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Uncategorized ⁽³⁾	
	Money market mutual fund	\$ -	\$ -	
U.S. Treasury	13,610,682	-	-	13,610,682
Local Government investment pools ⁽¹⁾	-	55,728,320	-	55,728,320
Corporate notes ⁽¹⁾	-	9,618,210	-	9,618,210
Local Agency Investment Fund	-	-	5,486,588	5,486,588
U.S. Government sponsored enterprise securities ⁽¹⁾	-	6,597,051	-	6,597,051
Foreign negotiable certificates of deposit ⁽²⁾	-	2,528,965	-	2,528,965
Cash and investments with fiscal agents:				
Money market mutual fund	-	223,651	14,223,102	14,446,753
Total	\$ 13,610,682	\$ 74,696,197	\$ 19,849,973	\$ 108,156,852

⁽¹⁾ Pricing based on Institutional Bond Quotes - evaluations based on various market and industry inputs.

⁽²⁾ Pricing based on Intercontinental Exchange Extel Financial Ltd - evaluations based on various market factors.

⁽³⁾ Cash and cash equivalent.

D. Risk Disclosures

Interest Rate Risk - As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits investments to a maximum maturity of five years. At June 30, 2024, the City had the following investment maturities:

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less Than 1 Year	1 to 3 Years	4 to 5 Years
Money market mutual fund	\$ 140,283	\$ 140,283	\$ -	\$ -
U.S. Treasury	13,610,682	5,684,784	6,109,813	1,816,085
Local Government investment pools	55,728,320	55,728,320	-	-
Corporate notes	9,618,210	508,578	5,725,608	3,384,024
Local Agency Investment Fund	5,486,588	5,486,588	-	-
U.S. Government sponsored enterprise securities	6,597,051	1,146,853	1,453,481	3,996,717
Foreign negotiable certificates of deposit	2,528,965	1,312,703	715,329	500,933
Cash and investments with fiscal agents:				
Money market mutual fund	14,446,753	14,446,753	-	-
Total	\$ 108,156,852	\$ 84,454,862	\$ 14,004,231	\$ 9,697,759

Custodial Credit Risk - For deposits, custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the City 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. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer), the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 3 – Cash and Investments (Continued)

D. Risk Disclosures (Continued)

Credit Risk - State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). It is the City’s policy to limit its investments in these investment types to the top rating issued by Standard & Poor’s and Moody’s Investors Service. At June 30, 2024, the City’s credit risks, expressed on a percentage basis, were as follows:

Credit Quality Distribution for Securities
with Credit Exposure as a Percentage of Total Investments

Investment Type	Moody's Credit Rating	S&P's Credit Rating	% of Investments with Interest Rate Risk
Local Agency Investment Fund	Not Rated	Not Rated	5.07%
U.S. Treasury	AAA	Not Rated	12.58%
U.S. Government sponsored enterprise securities	AAA	AA+	6.10%
Local Government investment pools	Not Rated	Not Rated	51.53%
Foreign negotiable certificates of deposit	A2	Aa	2.34%
Corporate notes	A	A	8.89%
Money market mutual fund	P-1	Aa	13.49%
Total			100.00%

Concentration of Credit Risk - The City’s investment policy states that no more than 5% of the City’s total investment portfolio shall be invested in a single type or with a single financial institution. The only exception to these limits shall be the investment in U.S. Treasury and authorized pools. There are no investments in any one issuer than the external investment pools that represent 5% or more of total City investments.

Note 4 – Other Receivables

A. YMCA Receivables

In February 1994, the City entered into a long-term lease contract to lease land to the YMCA for construction of a new YMCA facility that would benefit the community. The facility opened on February 6, 1995 with a 30-year lease term, ending in 2024. Under the terms of the agreement, the maximum amount that the City could receive was \$1,400,000. This amount is payable in monthly payments, with annual rent adjustments over a 30-year lease term. In January 2023, the monthly payment was increased from \$71 to \$367 per month. At the adjustment date, annual rent was equal to total rent of \$1,400,000 less all previous payments, multiplied by the six-month average LAIF interest rate. The lease includes two 25-year options to renew and an option to purchase the land at the end of the lease for the amount of \$1,400,000 reduced by the amount already paid as of the time of purchase. As of June 30, 2024, future lease payments from the YMCA, including interest, were \$369,915. Since the City has not earned the revenue for the future lease payments, there was no revenue recognized or receivables reported at June 30, 2024 for these future lease payments.

B. State Mandated Claims Reimbursement

The City recorded an outstanding receivable of \$737,731 for the State Mandated Claims Reimbursement (SB90 Claims) from the State of California (the “State”). The payments of the mandated claims reimbursement are subject to State approval and management cannot estimate the timing and amount of the payments that will be made and reported an allowance for doubtful accounts in the amount of \$737,731. As a result, both the General Fund in the governmental fund financial statements and governmental activities in the government-wide financial statements reported zero balances for accounts receivable associated with the State Mandated Claims Reimbursement as of June 30, 2024.

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 5 – Loans Receivable

Loans receivable consists of Home-Owner Occupied Deferred Loans and Spring Park Senior Villa Developer Loan as following:

	Balance July 1, 2023	Additions	Deletions	Allowance	Balance June 30, 2024
Home-Owner Occupied Deferred Loans					
CalHOME	\$ 372,094	\$ -	\$ (9,840)	\$ -	\$ 362,254
State HOME Loans	1,581,975	-	(108,934)	-	1,473,041
Subtotal	1,954,069	-	(118,774)	-	1,835,295
Spring Park Senior Villa Developer Loan	3,718,327	86,224	-	(3,804,551)	-
Total	\$ 5,672,396	\$ 86,224	\$ (118,774)	\$ (3,804,551)	\$ 1,835,295

A. Home-Owner Occupied Deferred Loans

The City issues deferred payment loans to home owners funded by the Federal Home Investment Partnerships Program (“HOME Program”) and CalHOME to improve the living conditions of the lower income families. These loans are to be repaid to the City, and the repayments of the loans are used to fund future home-owner occupied deferred loans. As of June 30, 2024, the outstanding loan balance is \$1,835,295.

B. Spring Park Senior Villa Developer Loan

The City entered into a development agreement on August 1, 2013, with Spring Park Senior Villa, Inc., a nonprofit organization for the development of the Spring Park Senior Villa in the City. The agreement provided funding for the development of 36 rental units and one manager unit (“the Project”) up to \$2,874,115 for construction. The loan bears 3% simple interest over a term of 55 years. The repayment of the loan is based on the residual receipts of the rental units. The affordability covenant also expires in 55 years after completion of the project. As of June 30, 2024, the City funded \$2,874,115 for the development of the project and accrued interest in the amount of \$930,436 which was required by the State of California. This results the City in reporting loans receivable in the amount of \$3,804,551. However, management estimated that the loans will not be repaid due to negative residual receipts and reported an allowance for doubtful accounts in the amount of \$3,804,551. As a result, both the Economic Development Grants Special Revenue Fund in the governmental fund financial statements and governmental activities in the government-wide financial statements reported zero balances for loans receivable associated with the Spring Park Senior Villa as of June 30, 2024.

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 6 – Interfund Transactions

A. Fund Financial Statements

Due From/To Other Funds - At June 30, 2024, the City had the following due from/to other funds:

	Due To Other Funds	Due From Other Funds
		General Fund
Governmental Funds:		
Nonmajor Governmental Funds		\$ 22,305
Total		\$ 22,305

The above amounts resulted from temporary reclassifications made at June 30, 2024 to cover cash shortfalls.

Transfers In/Out – During the year ended June 30, 2024, the City had the following transfers in/out, which arise in the normal course of operations:

Transfers Out	Transfers In						Total
	Governmental Funds			Enterprise Funds			
	General Fund	City Capital Projects Fund	City Debt Service	Nonmajor Governmental	Nonmajor Sewer Enterprise Fund	Internal Service Funds	
Governmental Funds:							
General Fund	\$ -	\$ 252,291	\$2,970,462	\$ 543,815	\$ -	\$1,100,000	\$ 4,866,568
Economic Development Grants Special Revenue Fund	1	1,042,232	-	-	-	-	1,042,233
Debt Service Fund	-	15,350	-	-	-	-	15,350
Nonmajor Governmental Funds	3,205,644	10,255,211	-	-	33,317	-	13,494,172
Enterprise Funds:							
Sewer	179,576	11,901	-	-	-	-	191,477
Internal Service Funds	-	-	-	-	-	<u>1,286,852</u>	<u>1,286,852</u>
Total	<u>\$3,385,221</u>	<u>\$11,576,985</u>	<u>\$2,970,462</u>	<u>\$2,970,461</u>	<u>\$33,317</u>	<u>\$2,386,852</u>	<u>\$20,896,652</u>

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 6 – Interfund Transactions (Continued)

B. Fund Financial Statements (Continued)

Transfers In/Out (Continued)

General Fund transferred \$252,291 to the City Capital Projects Fund to fund the deferred maintenance projects, \$2,970,462 to Debt Service Fund for debt service payments and bank admin fees, \$543,815 to Nonmajor Governmental Funds to cover deficit grants funds and FEMA unallowable expenditures, and \$1,100,000 to Internal Service Funds to pay as you go general liability and workers' compensation liability.

Economic Development Grants Special Revenue funds transferred \$1,042,232 to Nonmajor Governmental Funds to fund capital projects.

Transfers of \$15,350 from Debt Service Fund to the City Capital Projects Fund was to fund for community projects.

Nonmajor Governmental Funds transfers to the General Fund consists of \$1,566,822 for fiscal year 2024 ARPA claims and qualified expenditures, \$988,520 for job costs relating capital projects, \$75,500 for police department expenditures, \$183,259 for street sweeping program, and \$571,120 for tree maintenance and street maintenance program. Transfers from Nonmajor Governmental Funds of \$10,255,211 to the City Capital Projects Fund are for grant funded projects, \$33,317 to Nonmajor Sewer Enterprise Fund is for reimbursement of street sweeping supplies and maintenance.

Sewer Enterprise Funds transfers consists of transfer of \$179,576 to the General Fund for job costs related to capital projects and \$11,901 to City Capital Projects Fund to fund the sewer funded capital projects. Internal Service Funds transfers of \$1,286,852 to Internal Service Funds to pay as you go workers' compensation liability for \$400,000 and pay as you general liability for \$886,852.

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 7 – Capital Assets

A. Governmental Activities

A summary of changes in the capital assets for the governmental activities for the year ended June 30, 2024 is as follows:

	Governmental Activities				Balance June 30, 2024
	Balance July 1, 2023	Additions	Deletions	Transfers	
Capital assets, not being depreciated:					
Land	\$ 11,820,349	\$ 2,173,474	\$ -	\$ -	\$ 13,993,823
Monuments	63,893	-	-	-	63,893
Construction in progress	6,710,764	5,293,880	-	(3,373,805)	8,630,839
Total capital assets, not being depreciated	18,595,006	7,467,354	-	(3,373,805)	22,688,555
Capital assets, being depreciated:					
Buildings/structures and improvements	26,616,509	1,315,515	-	-	27,932,024
Machinery and equipment	13,256,229	323,728	(233,913)	-	13,346,044
Infrastructure:					
Street lights network	1,292,393	-	-	-	1,292,393
Traffic lights network	12,940,788	-	-	-	12,940,788
Roadway network	62,980,096	3,743,246	-	3,373,805	70,097,147
Total capital assets, being depreciated	117,086,015	5,382,489	(233,913)	3,373,805	125,608,396
Less accumulated depreciation for:					
Buildings/structures and improvements	(19,827,664)	(716,239)	-	-	(20,543,903)
Machinery and equipment	(10,722,103)	(784,040)	212,157	-	(11,293,986)
Infrastructure:					
Street light network	(1,076,996)	(43,080)	-	-	(1,120,076)
Traffic lights network	(12,689,402)	(12,569)	-	-	(12,701,971)
Roadway network	(33,459,819)	(1,403,018)	-	-	(34,862,837)
Total accumulated depreciation	(77,775,984)	(2,958,946)	212,157	-	(80,522,773)
Total capital assets, being depreciated, net	39,310,031	2,423,543	(21,756)	3,373,805	45,085,623
Intangible assets, being amortized					
Right-to-use lease assets-equipment	729,511	259,359	(83,343)	-	905,527
Right-to-use subscription assets	1,456,363	-	(2)	-	1,456,361
Total intangible assets, being amortized	2,185,874	259,359	(102,535)	-	2,361,888
Less accumulated amortization for:					
Right-to-use lease assets-equipment	(272,476)	(192,016)	107,092	-	(357,400)
Right-to-use subscription assets	(337,642)	(443,641)	15	-	(781,268)
Total accumulated amortization	(610,118)	(635,657)	107,107	-	(1,138,668)
Total intangible assets, being amortized, net	1,575,756	(376,298)	23,762	-	1,223,220
Governmental activities capital assets, net	\$ 59,480,793	\$ 9,514,599	\$ 2,006	\$ -	\$ 68,997,398

Depreciation and amortization expenses were charged to functions/programs of the governmental activities for the fiscal year ended June 30, 2024 as follows:

	Depreciation	Amortization
General government	\$ 673,159	\$ 311,446
Public safety	784,040	141,446
Public works	1,403,018	92,477
Community development	55,649	43,484
Recreation and human services	43,080	46,804
Total depreciation expense	\$ 2,958,946	\$ 635,657

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 7 – Capital Assets (Continued)

B. Business-Type Activities

A summary of changes in the capital assets for the business-type activities for the year ended June 30, 2024 is as follows:

	Business-Type Activities				Balance June 30, 2024
	Balance July 1, 2023	Additions	Deletions	Transfers	
Capital assets, not being depreciated:					
Land	\$ 12,956,405	\$ -	\$ -	\$ -	\$ 12,956,405
Construction in progress	7,804,434	30,674,597	-	(26,793,934)	11,685,097
Total capital assets, not being depreciated	20,760,839	30,674,597	-	(26,793,934)	24,641,502
Capital assets, being depreciated:					
Buildings/structures and improvements	39,893,428	-	-	-	39,893,428
Buses	43,375,270	-	(7,888,993)	25,645,653	61,131,930
Machinery and equipment	12,762,755	-	(527,556)	1,118,410	13,353,609
Furniture and fixtures	1,639,889	-	(29,852)	29,871	1,639,908
Infrastructure	11,184,496	-	-	-	11,184,496
Total capital assets, being depreciated	108,855,838	-	(8,446,401)	26,793,934	127,203,371
Less accumulated depreciation for:					
Buildings/structures and improvements	(14,832,170)	(1,022,908)	-	-	(15,855,078)
Buses	(32,105,744)	(1,997,967)	7,888,993	-	(26,214,718)
Machinery and equipment	(10,496,842)	(999,360)	527,556	-	(10,968,646)
Furniture and fixtures	(1,575,759)	(42,179)	29,852	-	(1,588,086)
Infrastructure	(10,662,315)	(33,689)	-	-	(10,696,004)
Total accumulated depreciation	(69,672,830)	(4,096,103)	8,446,401	-	(65,322,532)
Total capital assets, being depreciated, net	39,183,008	(4,096,103)	-	26,793,934	61,880,839
Intangible assets, being amortized					
Right-to-use lease assets-equipment	26,484	20,415	(26,484)	-	20,415
Right-to-use subscription assets	407,999	-	(34,592)	-	373,407
Total intangible assets, being amortized	434,483	20,415	(61,076)	-	393,822
Less accumulated amortization for:					
Right-to-use lease assets-equipment	(13,242)	(15,963)	26,484	-	(2,721)
Right-to-use subscription assets	(105,297)	(132,824)	11,560	-	(226,561)
Total accumulated amortization	(118,539)	(148,787)	38,044	-	(229,282)
Total intangible assets, being amortized, net	315,944	(128,372)	(23,032)	-	164,540
Business-type activities capital assets, net	\$ 60,259,791	\$ 26,450,122	\$ (23,032)	\$ -	\$ 86,686,881

Depreciation and amortization expenses for business-type activities for the year ended June 30, 2024 was charged as follows:

	Depreciation	Amortization
Gtrans major enterprise fund	\$ 3,818,690	\$ 107,029
Sewer nonmajor enterprise fund	170,383	25,795
Total depreciation expense	\$ 3,989,073	\$ 132,824

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – Long-Term Liabilities

A. Governmental Activities

A summary of changes in long-term liabilities for governmental activities for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due within One Year	Due in more One Year
2006 Refunding Certificates of Participation Series A - publicly offered	\$ 5,940,000	\$ -	\$ (665,000)	\$ 5,275,000	\$ 705,000	\$ 4,570,000
2007 Refunding Revenue Bonds, Series A - publicly offered	1,195,000	-	(125,000)	1,070,000	130,000	940,000
2014 Taxable Lease Revenue Refunding Bonds - publicly offered	8,750,000	-	(70,000)	8,680,000	70,000	8,610,000
Bond discount - 2014 Taxable Lease Revenue Refunding Bonds	(178,289)	-	13,884	(164,405)	(13,884)	(151,521)
2017 Direct Purchase Lease - Private placement	285,000	-	(285,000)	-	-	-
2016 SCE On-Bill Financing Loan - Direct borrowing	29,065	-	(14,296)	14,769	7,769	7,000
2020 Taxable Pension Obligation Bonds - publicly offered	73,832,926	-	(3,285,063)	70,547,863	3,745,440	66,802,423
2021 Lease Revenue Bonds - Publicly offered	12,440,000	-	(465,000)	11,975,000	490,000	11,485,000
Bond premium - 2021 Lease Revenue Bonds	1,902,003	-	(106,654)	1,795,349	106,654	1,688,695
Loan payable	3,718,327	86,224	-	3,804,551	-	3,804,551
Lease payable	459,635	281,987	(197,145)	544,477	149,396	395,081
Subscription liabilities	1,032,161	-	(414,690)	617,471	417,460	200,011
Claims payable	18,340,358	5,665,770	(8,296,864)	15,709,264	3,915,095	11,794,169
Compensated absences	9,224,976	4,459,971	(3,263,825)	10,421,122	2,084,224	8,336,898
Total	\$ 136,971,162	\$ 10,493,952	\$ (17,174,653)	\$ 130,290,461	\$ 11,807,154	\$ 118,483,307

Typically, the General Fund has been used to liquidate the liability for compensated absences, claims payable, and net other postemployment benefits.

2006 Certificates of Participation, Series A – Original Issuance \$12,495,000

In June 2006, the Agency issued the 2006 Refinancing Project, Series A Taxable Certificates of Participation in the amount of \$12,495,000. The purpose of the issue was to refinance the City’s 1999 Certificates of Participation in connection with a Memorandum of Understanding (“MOU”) entered into with certain financial institutions.

Pursuant to the MOU, the Agency paid the financial institutions \$19 million (the “Initial Amount”) as prepayment of the 1999 Certificates, of which \$18 million were funded by the 2006 Series A and B Certificates and the balance of \$1 million from other available City funds. Upon payment of the Initial Amount, the 1999 Leases as well as the pledges and security interests granted in connection with the 1999 Leases will be terminated and the City’s obligations under the Reimbursement Agreement for the 1999 Certificates will be terminated. The Initial Payment represents approximately 75% of the principal owed.

Interest rates for the 2006A Certificates range from 5.98% to 6.38% with principal maturing through July 1, 2030.

Mandatory prepayment of the 2006 Series A Certificates occurred in July 2008 and will occur again in July 2030. The certificates of participation debt service payments will be made from the debt service funds.

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

2006 Certificates of Participation, Series A – Original Issuance \$12,495,000 (Continued)

The amount outstanding at June 30, 2024 totaled \$5,275,000. The annual debt service requirements on these certificates are as follows:

Fiscal Year	Principal	Interest	Total
2025	\$ 705,000	\$ 314,056	\$ 1,019,056
2026	750,000	267,641	1,017,641
2027	800,000	218,196	1,018,196
2028	850,000	165,561	1,015,561
2029	905,000	109,577	1,014,577
2030-2031	1,265,000	59,494	1,324,494
Total	\$ 5,275,000	\$ 1,134,525	\$ 6,409,525

2007 Refunding Revenue Bonds, Series A – Original Issuance \$2,800,000

In January 2007, the City issued the South Bay Regional Public Communications Authority Refunding Revenue Bonds, 2007 Series A in the amount of \$2,800,000. The purpose of the bonds was to advance refund the South Bay Regional Public Communications Authority Revenue Bonds, 2001 Series A, to provide a reserve fund for the Bonds, and to pay certain costs of issuance of the Bonds. The 2001 Series A Bonds were fully redeemed as of January 1, 2012.

The bonds accrue interest at rates between 5% and 5.125%. Interest on the bonds is payable semiannually on each January 1 and July 1, commencing July 1, 2007. Principal payments are due in annual installments ranging from \$70,000 to \$175,000, commencing July 1, 2007 through January 1, 2031. The bonds are subject to optional and mandatory redemption prior to maturity. The refunding revenue bonds debt service payments will be made from the debt service funds.

The amount outstanding at June 30, 2024 totaled \$1,070,000. The annual debt service requirements on these bonds are as follows:

Fiscal Year	Principal	Interest	Total
2025	\$ 130,000	\$ 54,325	\$ 184,325
2026	135,000	47,825	182,825
2027	145,000	41,075	186,075
2028	155,000	33,825	188,825
2029	160,000	25,881	185,881
2030-2031	345,000	26,351	371,351
Total	\$ 1,070,000	\$ 229,282	\$ 1,299,282

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

2014 Taxable Lease Revenue Refunding Bonds – Original Issuance \$9,110,000

In December 2014, the City issued the Taxable Lease Revenue Refunding Bonds, Series 2014 in the amount of \$9,110,000 to current refund 2006 Certificate of Participation, Series B. The current refunding resulted in an economic gain in the amount of \$1,637,398 and saving in debt service payments in the amount of \$2,360,051. The current refunding resulted in no deferred gains or losses as the bond proceeds net of the issuance discount was sufficient to cover repayment of 2006 Certificates of Participation, Series B, the interests due, and the issuance cost on the 2014 Taxable Lease Revenue Refunding Bonds.

The bonds bear interest at rates between 3.95% and 5%. Interest on the bonds is payable annually on each May 1 and November 1. Principal payments are due in annual installments ranging from \$55,000 to \$1,430,000, commencing May 1, 2018 through May 1, 2036. The bonds are subject to optional and mandatory redemption prior to maturity. The refunding revenue bonds debt service payments will be made from the debt service funds.

The amount outstanding at June 30, 2024 totaled \$8,680,000. The annual debt service requirements on these bonds as follows:

Fiscal Year	Principal	Interest	Total
2025	\$ 70,000	\$ 433,034	\$ 503,034
2026	75,000	429,709	504,709
2027	75,000	426,148	501,148
2028	80,000	422,586	502,586
2029	85,000	418,787	503,787
2030-2034	5,875,000	1,546,253	7,421,253
2035-2036	2,420,000	170,500	2,590,500
Total	<u>\$ 8,680,000</u>	<u>\$ 3,847,017</u>	<u>\$ 12,527,017</u>

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

2016 SCE On-Bill Financing Loan

On April 4, 2016, the City entered into a loan agreement with Southern California Edison (“SCE”) for the Energy Management Solutions Incentives Application. The agreement provides zero- percent interest financing for the installation of certain energy efficient equipment for up to \$126,580, of which is to be repaid over ten years through the Customer’s electric utility bills.

SCE may determine the loan to be breached and the City to be in default if the City (1) sells, assigns or otherwise transfers ownership, possession or title of the site or the equipment, (2) fails to pay the money payment when due, (3) closes, discontinues or otherwise causes the termination of the service account(s), or (4) otherwise breaches this agreement, and the breach is not cured as specified therein. Following a breach, SCE shall have the right to declare the entire unpaid balance of the loan obligation due and payable.

The amount outstanding at June 30, 2024 totaled \$14,769. The annual debt service requirements on this loan as follows:

Fiscal Year	Principal	Interest	Total
2025	\$ 7,769	\$ -	\$ 7,769
2026	7,000	-	7,000
Total	\$ 14,769	\$ -	\$ 14,769

2020 Taxable Pension Obligation Bonds – Original Issuance \$101,490,000 (\$79,193,585 for Governmental Activities)

In November 2020, the City issued the Taxable Pension Obligation Bonds, Series 2020 in the amount of \$101,490,000. The purpose of the bonds was to finance a portion of the City’s unfunded accrued actuarial liability to the California Public Employees’ Retirement System (CalPERS) for the benefit of the City’s employees and to pay the costs of issuance of the bonds. Of the original \$101,490,000 of bond principal issued, \$79,193,585 was allocated to governmental activities and \$22,296,415 was allocated to business-type activities.

The bonds accrue interest at rates between 1.081% and 3.363%. Interest on the bonds is payable semiannually on each April 1 and October 1, commencing April 1, 2021. Principal payments are due in annual installments ranging from \$2,995,000 to \$7,525,000, commencing April 1, 2021 through April 1, 2039. The bonds are not subject to optional and mandatory redemption prior to maturity. The bond debt service payments will be made from the debt service funds.

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

2020 Taxable Pension Obligation Bonds – Original Issuance \$101,490,000 (\$79,193,585 for Governmental Activities) (Continued)

The amount outstanding for the governmental activities at June 30, 2024 totaled \$70,547,863. The annual debt service requirements for the governmental activities on these bonds are as follows:

Fiscal Year	Principal	Interest	Total
2025	\$ 3,745,440	\$ 2,206,659	\$ 5,952,099
2026	3,960,023	2,142,911	6,102,934
2027	4,038,053	2,061,097	6,099,150
2028	4,131,689	1,965,558	6,097,247
2029	4,244,832	1,855,530	6,100,362
2030-2034	23,143,698	7,356,447	30,500,145
2035-2039	27,284,128	3,207,018	30,491,146
Total	<u>\$ 70,547,863</u>	<u>\$ 20,795,220</u>	<u>\$ 91,343,083</u>

2021 Lease Revenue Bonds – Original Issuance \$13,155,000

In September 2021, the City of Gardena Financing Agency issued the Lease Revenue Bonds, Series 2021 in the amount of \$13,155,000. The purpose of the bonds was to fund various capital projects including the Gardena Community Aquatic & Senior Center, the Community Center, and various Park Improvement projects.

The bonds bear interest at rates between 3% and 5%. Interest on the bonds is payable annually on each May 1. Principal payments are due in annual installments ranging from \$275,000 to \$915,000, commencing May 1, 2022 through May 1, 2041. The bonds are subject to optional and mandatory redemption prior to maturity. The revenue bonds debt service payments will be made from the debt service funds. The unspent project fund is in the amount of \$11,752,150 at June 30, 2023.

The amount outstanding at June 30, 2024 totaled \$11,975,000. The annual debt service requirements on these bonds as follows:

Fiscal Year	Principal	Interest	Total
2025	\$ 490,000	\$ 452,750	\$ 942,750
2026	510,000	428,250	938,250
2027	540,000	402,750	942,750
2028	565,000	375,750	940,750
2029	595,000	347,500	942,500
2030-2034	3,415,000	1,283,100	4,698,100
2035-2039	4,060,000	642,450	4,702,450
2040-2041	1,800,000	81,450	1,881,450
Total	<u>\$ 11,975,000</u>	<u>\$ 4,014,000</u>	<u>\$ 15,989,000</u>

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

Loans Payable

On August 1, 2013, the City entered into a loan agreement with the State of California Department of Housing and Community Development (“California HCD”) for the funding of the Spring Park Senior Villa. The agreement provides funding for the development of the project for up to \$2,974,115, of which, \$2,874,115 is to be used for construction costs in the form of a construction loan and \$100,000 to be used for activity delivery and administration costs in the form of grants. If the HOME-assisted rental housing does not meet the minimum affordability period of 55 years per the City’s agreement with the California HCD, the repayment of all HOME funds to the State is required of the City. As of June 30, 2024, the City funded \$2,874,115 for the development of the project and accrued interest in the amount of \$930,436. This results in the loans payable in the amount of \$3,804,551 to the California HCD. Please refer to Note 5B for additional information.

Lease Payable

The City has entered leases for the building, vehicle, and machine uses. The terms of the agreements range from 18 months to 60 months. The calculated interest rates used were between 0.185% to 3.305% based on the term of the agreements.

Principal and interest payments to maturity at June 30, 2024 are as follows:

Fiscal Year	Principal	Interest	Total
2025	\$ 150,995	\$ 14,562	\$ 165,557
2026	125,690	10,959	136,649
2027	110,141	7,382	117,523
2028	105,935	3,734	109,669
2029	32,539	1,303	33,842
2030 - 2032	19,177	1,608	20,785
Total	<u>\$ 544,477</u>	<u>\$ 39,548</u>	<u>\$ 584,025</u>

Subscription Liabilities

The City has entered into subscriptions for information technology arrangements. The terms of the arrangements range from 24 to 60 months with implicit rates used between 0.552% to of 3.305%. Principal and interest to maturity are as follows:

Fiscal Year	Principal	Interest	Total
2025	\$ 417,460	\$ 14,150	\$ 431,610
2026	135,589	4,183	139,772
2027	64,422	1,283	65,705
Total	<u>\$ 617,471</u>	<u>\$ 19,616</u>	<u>\$ 637,087</u>

Legal Debt Margin

The City is subject to legal debt margin and the City’s legal debt limit was in the amount of \$324,628,325 at June 30, 2024.

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

Compensated Absences

The long-term portion of compensated absences payable has been accrued for the Governmental Activities on the Government-Wide Financial Statements. In prior years, the General Fund has typically been used to liquidate the liability. The balance outstanding at June 30, 2024 was \$10,421,122.

B. Business-Type Activities

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

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due within One Year	Due in more One Year
2020 Taxable Pension Obligation						
Bonds - publicly offered	\$ 20,787,074	\$ -	\$ (924,937)	\$ 19,862,137	\$ 1,054,560	\$ 18,807,577
Lease payable	13,353	20,415	(15,884)	17,884	3,903	13,981
Subscription liabilities	279,567	-	(125,277)	154,290	126,910	27,380
Compensated absences	1,921,404	1,198,744	(1,083,083)	2,037,065	-	2,037,065
Total	\$ 23,001,398	\$ 1,219,159	\$ (2,149,182)	\$ 22,071,375	\$ 1,185,373	\$ 20,886,002

2020 Taxable Pension Obligation Bonds – Original Issuance \$101,490,000 (\$22,296,415 for Business-Type Activities)

In November 2020, the City issued the Taxable Pension Obligation Bonds, Series 2020 in the amount of \$101,490,000. The purpose of the bonds was to finance a portion of the City’s unfunded accrued actuarial liability to the California Public Employees’ Retirement System (CalPERS) for the benefit of the City’s employees and to pay the costs of issuance of the bonds. Of the original \$101,490,000 of bond principal issued, \$79,193,585 was allocated to governmental activities and \$22,296,415 was allocated to business-type activities.

The bonds accrue interest at rates between 1.081% and 3.363%. Interest on the bonds is payable semiannually on each April 1 and October 1, commencing April 1, 2021. Principal payments are due in annual installments ranging from \$2,995,000 to \$7,525,000, commencing April 1, 2021 through April 1, 2039. The bonds are not subject to optional and mandatory redemption prior to maturity. The bond debt service payments will be made from the debt service funds.

The amount outstanding for the business-type activities at June 30, 2024 totaled \$19,862,137. The annual debt service requirements for the business-type activities on these bonds are as follows:

Fiscal Year	Principal	Interest	Total
2025	\$ 1,054,560	\$ 621,303	\$ 1,675,863
2026	1,114,978	603,355	1,718,333
2027	1,136,948	580,319	1,717,267
2028	1,163,312	553,420	1,716,732
2029	1,195,168	522,440	1,717,608
2030-2034	6,516,302	2,071,269	8,587,571
2035-2039	7,680,869	902,963	8,583,832
Total	\$ 19,862,137	\$ 5,855,069	\$ 25,717,206

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

Lease Payable

The City’s business-type activities have entered leases for the machine uses. The terms of the agreements range from 18 months to 60 months. The calculated interest rates used were between 0.185% to 3.305% based on the term of the agreements.

Principal and interest payments to maturity at June 30, 2024 are as follows:

Fiscal Year	Principal	Interest	Total
2025	\$ 3,903	\$ 532	\$ 4,435
2026	4,034	401	4,435
2027	4,169	266	4,435
2028	4,309	126	4,435
2029	1,469	10	1,477
Total	\$ 17,884	\$ 1,335	\$ 19,219

Subscription Liabilities

The City’s business-type activities has entered into subscriptions for information technology arrangements. The terms of the arrangements range from 24 to 60 months with implicit rates used between 0.552% to of 3.305%. Principal and interest to maturity are as follows:

Fiscal Year	Principal	Interest	Total
2025	\$ 126,910	\$ 4,028	\$ 130,938
2026	16,097	850	16,947
2027	11,283	373	11,656
Total	\$ 154,290	\$ 5,251	\$ 159,541

Compensated Absences

All vested vacation and compensatory leave time is recognized as an expense and as a liability in the business-type funds at the time the liability vests. GTrans and the Sewer Enterprise funds have been used to liquidate the liability. The balance outstanding at June 30, 2024 was \$2,037,065.

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 9 – Self-Insurance Programs

A. Self-Insurance Programs of the City

The City is self-insured for the first \$750,000 of each workers’ compensation claim for both the GTrans and the City, \$750,000 each general liability claim and \$250,000 of each GTrans claim against the City. In addition, the City carries insurance of individual general liability claims in excess of \$750,000 to \$25,000,000 with Public Risk Innovation Solutions Management (“PRISM”). Additionally, the City has health insurance coverage for the employees and their families with an annual maximum amount of \$1 million for all services.

The City carries stop-loss insurance of individual health benefit claims in excess of \$75,000 for Medicare retirees and \$50,000 for all other members. At June 30, 2024, \$15,709,264 has been accrued for the City’s self-insurance programs, of which \$3,915,095 is considered to be current. Said accruals represent estimates of amounts to be paid for reported claims and incurred but unreported claims based upon past experience, modified for current trends and information. While the ultimate amounts of losses incurred through June 30, 2024 are dependent on future developments, based upon information provided from the City Attorney, outside counsel and others involved with the administration of the programs, City management believes that the aggregate accrual is adequate to cover such losses. For the prior three (3) fiscal years, no settlements exceeded the City’s insurance coverage.

Changes in the balances of claims liabilities during the past three years are as follows:

	Claims Payable						
	Beginning Balance	Expenses and Changes in Estimates	Claims Payments	Ending Balance	Due within One Year	Due in more than One Year	
2021-2022	\$ 10,604,474	\$ 6,221,285	\$ (22,134)	\$ 16,803,625	\$ 12,477,264	\$ 4,326,361	
2022-2023	16,803,625	8,658,461	(7,121,728)	18,340,358	4,811,358	13,529,000	
2023-2024	18,340,358	5,665,770	(8,296,864)	15,709,264	3,915,095	11,794,169	

B. Purchased Insurance

Property Insurance - Several insurance companies underwrite this insurance protection. The City is currently insured according to a schedule of covered property submitted by the City to Alliant Property Insurance Company. Total all-risk property insurance coverage is \$100 million. There is a \$10,000 per loss deductible.

Crime Insurance - The City purchases crime insurance coverage with a limit of \$2 million per occurrence. This policy provides coverage for all City employees. There is a \$10,000 per loss deductible.

Cyber Security Insurance - The City purchases cyber security insurance coverage with a limit of \$1 million per occurrence and \$2 million aggregate limit.

C. Adequacy of Protection

During the past three fiscal years none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in insured liability coverage from coverage in the prior year.

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 10 – Retirement Plans

A. California Public Employees’ Retirement System (“CalPERS”)

The following is the summary of net pension liability and related deferred outflows of resources and deferred inflows of resources at June 30, 2023 and pension expense for the year then ended.

	Governmental Activities	Business-Type Activities	Total
Deferred outflows of resources:			
Pension contribution made after measurement date:			
Safety	\$ 2,994,848	\$ -	\$ 2,994,848
Change in assumptions:			
Miscellaneous	1,662,511	343,966	2,006,477
Safety	1,101,845	-	1,101,845
Total change in assumptions	2,764,356	343,966	3,108,322
Difference in projected and actual earnings on pension investments:			
Miscellaneous	7,688,126	1,590,637	9,278,763
Safety	2,583,684	-	2,583,684
Total difference in projected and actual earnings on pension investments	10,271,810	1,590,637	11,862,447
Differences between expected and actual experience			
Miscellaneous	1,066,976	220,753	1,287,729
Safety	1,386,119	-	1,386,119
Total differences between expected and actual experience	2,453,095	220,753	2,673,848
Adjustment due to differences in proportions:			
Safety	11,357,942	-	11,357,942
Total deferred outflows of resources	\$ 29,842,051	\$ 2,155,356	\$ 31,997,407
Aggregate net pension liabilities:			
Miscellaneous	\$ 8,891,421	\$ 1,839,594	\$ 10,731,015
Safety	18,879,716	-	18,879,716
Total aggregate net pension liabilities	\$ 27,771,137	\$ 1,839,594	\$ 29,610,731
Deferred inflows of resources:			
Differences between expected and actual experience:			
Miscellaneous	\$ 1,579,801	\$ 326,854	\$ 1,906,655
Safety	118,666	-	118,666
Total differences between expected and actual experience	1,698,467	326,854	2,025,321
Difference between City's contribution and proportionate share of contributions:			
Safety	11,520,964	-	11,520,964
Adjustment due to differences in proportions:			
Safety	7,315,764	-	7,315,764
Total deferred inflows of resources	\$ 20,535,195	\$ 326,854	\$ 20,862,049
Pension Expense:			
Miscellaneous	\$ 4,033,293	\$ 834,470	\$ 4,867,763
Safety	7,280,030	-	7,280,030
Total pension expense	\$ 11,313,323	\$ 834,470	\$ 12,147,793

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 10 – Retirement Plans (Continued)

A. California Public Employees' Retirement System ("CalPERS") (Continued)

General Information about the Pension Plan

Plan Description

The City contribution to the California Public Employees Retirement System ("CalPERS"), an agent multiple-employer defined benefit pension plan for miscellaneous employees and a cost-sharing multiple-employer defined benefit plan for safety employees. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and City ordinance. A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the June 30, 2022 Annual Actuarial Valuation Report. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

Benefit Provided

CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. A classic CalPERS member or PEPRSA Safety member becomes eligible for service retirement upon attainment of age 50 with at least 5 years of credited service. PEPRSA miscellaneous members become eligible for service retirement upon attainment of age 52 with at least 5 years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation.

The final compensation is the monthly average of the member's highest 36 or 12 consecutive months' full-time equivalent monthly pay. Retirement benefits for classic miscellaneous employees are calculated as 2% of average final 12 months compensation. Retirement benefit for PEPRSA miscellaneous employees are calculated as 2% of the average final 36 months compensation. Retirement benefits for classic safety employees are calculated as 3% of the average final 12 months compensation. Retirement benefits for PEPRSA safety employees are calculated as 2.7% of average final 36 months.

Participant is eligible for non-industrial disability retirement if the participant becomes disabled and has at least 5 years credited service. There is no special age requirement. The standard non-industrial disability retirement benefit is a monthly allowance equal to 1.8 percent of final compensation, multiplied by service.

Industrial disability benefits are not offered to miscellaneous employees. The City provides industrial disability retirement benefit to safety employees. The industrial disability retirement benefit is a monthly allowance equal to 50 percent of final compensation.

An employee's beneficiary may receive the basic death benefit if the employee becomes deceased while actively employed. The employee must be actively employed with the City to be eligible for this benefit. An employee's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this basic death benefit. The basic death benefit is a lump sum in the amount of the employee's accumulated contributions, where interest is currently credited at 7.5 percent per year, plus a lump sum in the amount of one month's salary for each completed year of current service, up to a maximum of six months' salary. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death. Upon the death of a retiree, a one-time lump sum payment of \$500 will be made to the retiree's designated survivor(s), or to the retiree's estate.

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 10 – Retirement Plans (Continued)

A. California Public Employees’ Retirement System (“CalPERS”) (Continued)

General Information about the Pension Plan (Continued)

Benefit Provided (Continued)

Benefit terms provide for annual cost-of-living adjustments to each employee’s retirement allowance. Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 2 percent.

Employees Covered by Benefit Terms

At June 30, 2022, the valuation date, the following employees were covered by the benefit terms:

	Plans		
	Miscellaneous	Safety	
		Classic	PEPRA
Active employees	391	37	27
Transferred and terminated employees	227	4	2
Retired Employees and Beneficiaries	385	33	0
Total	1,003	74	29

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. The required contribution rates are as follow:

	Measurement Period June 30, 2023			
	Plans			
	Miscellaneous		Safety	
	Classic	PEPRA	Classic	PEPRA
Employer Contribution Rate	9.180%	9.180%	25.640%	13.660%
Employee Contribution Rate	7.000%	6.750%	9.000%	13.750%
	Current Fiscal Year Ended June 30, 2024			
	Plans			
	Miscellaneous		Safety	
	Classic	PEPRA	Classic	PEPRA
Employer Contribution Rate	10.68%	10.68%	29.091%	14.5%
Employee Contribution Rate	7.000%	7.750%	9.000%	14.5%

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 10 – Retirement Plans (Continued)

A. California Public Employees’ Retirement System (“CalPERS”) (Continued)

Net Pension Liability

Actuarial Methods and Assumption Used to Determine Total Pension Liability

The June 30, 2022 valuation was rolled forward to determine the June 30, 2023 total pension liability, based on following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Actuarial Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.300%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table ¹	Derived using CalPERS’ Membership Data for all Funds.
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

¹ The mortality table used for June 30, 2022 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. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

Change of Assumptions

Effective with the June 30, 2022 valuation date (2022 measurement date), the accounting discount rate remained at 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2022 CalPERS Experience Study and Review of Actuarial Assumptions.

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 of the funds’ asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 basis points.

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 10 – Retirement Plans (Continued)

A. California Public Employees’ Retirement System (“CalPERS”) (Continued)

Net Pension Liability (Continued)

Long-term Expected Rate of Return (Continued)

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

Asset Class ¹	Assumed Asset Allocation	Real Return Years 1 - 10 ^{1, 2}
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
	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 Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 10 – Retirement Plans (Continued)

A. California Public Employees’ Retirement System (“CalPERS”) (Continued)

Changes in the Net Pension Liability

The following table shows the changes in net pension liability for the City’s Miscellaneous Plan recognized over the measurement period.

	Miscellaneous Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a) - (b)
Balance at June 30, 2021 (Valuation Date)	\$ 188,747,017	\$ 182,030,050	\$ 6,716,968
Changes recognized for the measurement period:			
Service Cost	3,290,767	-	3,290,767
Interest on the total pension liability	12,911,242	-	12,911,242
Changes of benefit terms	274,039	-	274,039
Difference between expected and actual experience	1,931,594	-	1,931,594
Changes of assumptions	-	-	-
Plan to plan resource movement	-	(8,010)	8,010
Contributions from the employer	-	1,934,460	(1,934,460)
Contributions from employees	-	1,594,067	(1,594,067)
Net investment income	-	11,006,934	(11,006,934)
Benefit payments, including refunds of employee contributions	(10,957,147)	(10,957,147)	-
Administrative expense	-	(133,856)	133,856
Other miscellaneous income/(expense)	-	-	-
Net changes during July 1, 2021 to June 30, 2022	<u>7,450,495</u>	<u>3,436,448</u>	<u>4,014,047</u>
Balance at June 30, 2022 (Measurement Date)	<u>\$ 196,197,513</u>	<u>\$ 185,466,498</u>	<u>\$ 10,731,015</u>

Proportionate Share of Net Pension Liability and Pension Expense

The following table shows the City’s safety plan’s proportionate share of the risk pool collective net pension liability over the measure period.

	Safety Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (asset) (c) = (a) - (b)
Balance at June 30, 2022 (Valuation Date)	\$ 245,640,403	\$ 233,003,515	\$ 12,636,888
Balance at June 30, 2023 (Measurement Date)	259,527,416	240,647,700	18,879,716
Net Changes during 2022-2023	13,887,013	7,644,185	6,242,828

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 10 – Retirement Plans (Continued)

A. California Public Employees’ Retirement System (“CalPERS”) (Continued)

Changes in the Net Pension Liability (Continued)

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

The following is the approach established by the plan actuary to allocate the net pension liability and pension expense to the individual employers within the risk pool.

- (1) In determining a cost-sharing plan’s proportionate share, total amounts of liabilities and assets are first calculated for the risk pool as a whole on the valuation date (June 30, 2022). The risk pool’s fiduciary net position (“FNP”) subtracted from its total pension liability (“TPL”) determines the net pension liability (“NPL”) at the valuation date.
- (2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement date (June 30, 2023). Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date. For purposes of FNP in this step and any later reference thereto, the risk pool’s FNP at the measurement date denotes the aggregate risk pool’s FNP at June 30, 2023 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2022-2023).
- (3) The individual plan’s TPL, FNP and NPL are also calculated at the valuation date. TPL is allocated based on the rate plan’s share of the actuarial accrued liability. FNP is allocated based on the rate plan’s share of market value assets.
- (4) Two ratios are created by dividing the plan’s individual TPL and FNP as of the valuation date from (3) by the amounts in step (1), the risk pool’s total TPL and FNP, respectively.
- (5) The plan’s TPL as of the Measurement Date is equal to the risk pool TPL generated in (2) multiplied by the TPL ratio generated in (4). The plan’s FNP as of the Measurement Date is equal to the FNP generated in (2) multiplied by the FNP ratio generated in (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.
- (6) The plan’s NPL at the Measurement Date is the difference between the TPL and FNP calculated in (5).

Deferred outflows of resources, deferred inflows of resources, and pension expense are allocated based on the City’s share of net pension liability at the end of measurement date.

The City’s proportionate share of the net pension liability was as follows:

June 30, 2022	0.183901%
June 30, 2023	0.252574%
Change - Increase (Decrease)	0.068673%

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 10 – Retirement Plans (Continued)

A. California Public Employees’ Retirement System (“CalPERS”) (Continued)

Changes in the Net Pension Liability (Continued)

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

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

	Plan's Net Pension Liability (asset)		
	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
Miscellaneous Plan	\$ 36,477,535	\$ 10,731,015	\$ (10,417,372)
Safety Plan	\$ 54,482,260	\$ 18,879,716	\$ (10,227,897)

Pension Plan Fiduciary Net Position

Detailed information about the plan’s fiduciary net position is available in the separately issued CalPERS financial report.

Pension Expense (Credit) and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2024, the City recognized pension expense in the amounts of \$4,867,763 and \$7,280,030 for the miscellaneous plan and safety plan, respectively.

As of measurement date of June 30, 2023, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	Miscellaneous Plan	
	Deferred outflows of Resources	Deferred inflows of Resources
Changes of assumptions	\$ 2,006,477	\$ -
Difference between expected and actual experience	1,287,729	(1,906,654)
Net difference between projected and actual earning on pension plan investments	9,278,763	-
Total	\$ 12,572,969	\$ (1,906,654)

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 10 – Retirement Plans (Continued)

A. California Public Employees’ Retirement System (“CalPERS”) (Continued)

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (Continued)

	Safety Plan	
	Deferred outflows of Resources	Deferred inflows of Resources
Pension contribution made after measurement date	\$ 2,994,848	\$ -
Changes of assumptions	1,101,845	-
Difference between expected and actual experience	1,386,119	(118,666)
Difference between projected and actual earnings on pension plan investments	2,583,684	-
Adjustment due to differences in proportions	11,357,942	(7,315,764)
Difference between City contributions and proportionate share of contributions	-	(11,520,964)
Total	\$ 19,424,438	\$ (18,955,394)

The amounts above are net of outflows and inflows recognized in the 2022-23 measurement period expense.

The expected average remaining service lifetime (“EARSL”) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired). The EARSL for the miscellaneous plan and the safety risk pool for the 2022-23 measurement period is 3.2 and 3.7 years, which was obtained by dividing the total service years of 3,539 and 578,205 (the sum of remaining service lifetimes of the active employees) by 1,106 and 156,271 (the total number of participants: active, inactive, and retired), respectively.

\$2,994,848 reported as deferred outflows of resources related to pensions for safety plan, resulting from the City’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability and collectively net pension liability, respectively, in the year ending June 30, 2025.

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

Measurement Periods Ended June 30	Deferred Outflows/ (Inflows) of Resources	
	Miscellaneous Plan	Safety Plan
2025	\$ 2,437,871	\$ (5,338,421)
2026	1,904,497	1,635,106
2027	6,067,263	1,105,395
2028	256,684	72,115
2029	-	-
Thereafter	-	-
	\$ 10,666,315	\$ (2,525,804)

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 10 – Retirement Plans (Continued)

B. Public Agency Retirement System (“PARS”)

Defined Contribution Pension Plan

For all of its part-time employees who are not eligible for coverage under the CalPERS pension plan, the City provides pension benefits through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The plan is administered as part of the Public Agency Retirement Systems (“PARS”). The PARS Trust Agreement may be amended by a two-thirds majority or greater of the Member Agencies. The plan conforms to the requirements under Internal Revenue Code 401(a) and has received a favorable Letter of Determination from the Internal Revenue Service.

All part-time employees are eligible to participate from the date of employment. Federal legislation requires contributions of at least 7.5 percent to a retirement plan, and City Council resolved to match the employees’ contributions up to 3.75 percent. The City’s contributions for each employee (and interest earned by the accounts) are fully vested immediately. For the year ended June 30, 2024 the City’s payroll covered by the plan was \$829,098. The City made employer contributions in the amount of \$30,312. There were 74 participants of the Plan as of June 30, 2024.

The assets of the defined contribution pension plan are those of the part-time employees and are not included in the accompanying financial statements.

Note 11 – Other Postemployment Benefits (“OPEB”)

At June 30, 2024, total OPEB liability and related deferred outflows of resources and deferred inflows of resources are as follows:

	Governmental Activities	Business-Type Activities	Total
Deferred outflows of resources:			
OPEB contribution made after measurement date	\$ 3,810,971	\$ 659,227	\$ 4,470,198
Change in assumptions	5,711,883	115,567	5,827,450
Differences between expected and actual experience	519,691	1,130,699	1,650,390
Differences in projected and actual earnings	10,976	313,339	324,315
Total deferred outflows of resources	\$ 10,053,521	\$ 2,218,832	\$ 12,272,353
Total other postemployment benefit liabilities	\$ 63,718,901	\$ 8,263,284	\$ 71,982,185
Deferred inflows of resources:			
Change in assumptions	\$ 11,905,519	\$ 532,968	\$ 12,438,487
Differences between expected and actual experience	904,014	334,366	1,238,380
Total deferred inflows of resources	\$ 12,809,533	\$ 867,334	\$ 13,676,867
OPEB expense	\$ 3,707,186	\$ 969,700	\$ 4,676,886

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 11 – Other Postemployment Benefits (“OPEB”) (Continued)

General Information about the OPEB Plan

Plan Description

The City provides retiree healthcare benefits for employees who retire simultaneously from CalPERS and the City and who meet the qualifying criteria negotiated by the various City labor groups. The OPEB plan is a single employer plan with a trust, but without special funding situation, or non-employer contribution entities. The City offers insurance coverage from Kaiser Permanente and a self-insured PPO.

Miscellaneous employees hired prior to July 1, 2002 must be 55 years of age and have at least 13 years of full-time service with the City. Effective July 1, 2002, miscellaneous (non-management) employees must have at least 20 years of full-time service to qualify. Safety employees must be 50 years of age and have 25 years of full-time service in the police or fire department of the City. In October 2000, City fire services transferred to contracted services with the Los Angeles County Fire District. Postemployment benefits continue only for fire personnel retiring from service prior to that date.

The City’s health plan year runs February through January with open-enrollment every January prior to the start of the new plan year. The monthly benefits to be paid by the City are \$1,531 and \$1,498 per month for the calendar years 2024 and 2023, respectively.

Eligibility

All of the Plan’s employees became participants in accordance with a negotiated Memorandum of Understanding (“MOU”) as negotiated by each group or bargaining unit. In order to receive benefits, eligible employees must meet the minimum requirements defined in their MOU. At June 30, 2024 valuation date, the following numbers of participants were covered by the benefit terms:

	Plans		
	Governmental Activities	GTrans	Sewer
Inactives currently receiving benefits	191	43	-
Inactives entitled to benefit payments	-	-	-
Active employees	219	101	4
Total	410	144	4

Contributions

	Fiscal Year Ended June 30, 2024		
	Governmental Activities	GTrans	Total
Benefit payments	\$ 3,216,034	\$ 724,778	\$ 3,940,812
Trust contributions	1,750,000	-	1,750,000
Total	\$ 4,966,034	\$ 724,778	\$ 5,690,812

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 11 – Other Postemployment Benefits (“OPEB”) (Continued)

Net OPEB Liability

The City’s Net OPEB liability was measured as of June 30, 2023, and total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023.

Significant Actuarial Assumptions Used for Total OPEB Liability

The total OPEB liability, measured as of June 30, 2023, was determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age, Level Percent of Pay
Actuarial Assumptions:	
Actuarial Valuation Date	June 30, 2023
Valuation of Fiduciary Net Position	Governmental Activities and Gtrans: Fair value assets. Sewer: No assets held in an irrevocable trust as of the measurement date.
Recognition of deferred inflows and outflows of resources	Closed period equal to the average of the expected remaining service lives of all employees provided with OPEB.
Salary Increases	2.75%
Discount Rate	Governmental Activities and Sewer: 3.54% Gtrans: 6.25%
Inflation Rate	2.50%
Investment Rate of Return	6.25%, net OPEB plan investment expense
Healthcare Cost Trend Rate (City Plan)	6.00% for 2023, 5.50% for 2024, 5.25% for 2025-2029, 5.00% for 2030-2039, 4.75% for 2040-2049, 4.50% for 2050-2069 and 4.00% for 2070 and later years.
Healthcare Cost Trend Rate (Kaiser)	6.00% for 2023, 5.50% for 2024, 5.25% for 2025-2029, 5.00% for 2030-2039, 4.75% for 2040-2049, 4.50% for 2050-2069 and 4.00% for 2070 and later years.
Preretirement Mortality:	
Miscellaneous	Preretirement Mortality Rates for Public Agency Miscellaneous from CalPERS Experience Study (2000-2019).
Safety	Preretirement Mortality Rates for Public Agency Police and Fire from CalPERS Experience Study (2000-2019).
Preretirement Mortality:	
Miscellaneous	Post-retirement Mortality Rates for Public Agency Miscellaneous from CalPERS Experience Study (2000-2019).
Safety	Post-retirement Mortality Rates for Public Agency Police and Fire from CalPERS Experience Study (2000-2019).

Actuarial assumptions used in the June 30, 2023 valuation were based on a review of the plan experience during the period June 30, 2023 to June 30, 2024.

Total OPEB Liability

Change in Assumptions

Discount rate changed from 3.54% at June 30, 2022 to 3.65% at June 30, 2023 for the governmental activities and Sewer Enterprise’s plans. No change in discount rate for GTrans Plan. Medical plan assumption, trend rate assumption, demographic assumption and mortality improvement scale were updated.

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 11 – Other Postemployment Benefits (“OPEB”) (Continued)

Total OPEB Liability (Continued)

Discount Rate

a. A long-term expected rate of return on OPEB plan investments – to the extent that the OPEB plan’s fiduciary net position (if any) is projected to be enough to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return.

b. A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher – to the extent that the conditions in (a) are not met. To determine a resulting single (blended) rate, the amount of the plan’s projected fiduciary net position (if any) and the amount of projected benefit payments is compared in each period of projected benefit payments. The discount rate used to measure the City’s total OPEB liability is based on these requirements and the following information:

<u>Reporting Date</u>	<u>Measurement Date</u>	<u>Long-Term Expected Return of Plan Investments</u>	<u>Bond Buyer 20-Bond GO Index</u>	<u>Discount Rate</u>
June 30, 2024	June 30, 2023	6.25%	3.65%	3.65%

The discount rate used to measure total OPEB liability for Governmental Activities and Sewer was 3.65%. The discount rate used to measure the total OPEB liability for GTrans was 6.25% percent.

Investment Policy

The City’s policy regarding the allocation of the plan’s invested assets is established and may be amended by City management. The City participates in the California Employers' Retiree Benefit Trust (CERBT), a Section 115 trust fund dedicated to prefunding Other Postemployment Benefits for all eligible California public agencies.

The City has adopted the CERBT Strategy 1 portfolio with an objective to seek returns that reflect the broad investment performance of the financial markets through capital appreciation and investment income. The portfolio is invested in various asset classes in percentages approved by the CalPERS Board.

<u>Asset Class Component</u>	<u>Target Allocation</u>	<u>Expected Real Rate of Return</u>	<u>Benchmark</u>
Global Equity	49.00%	+/-5%	MSCI All Country World Index IMI (net)
Fixed Income	23.00%	+/-5%	Bloomberg Barclays Long Liability Index
Treasury Inflation-Protected Securities	5.00%	+/-3%	Bloomberg Barclays Barclays US TIPS Index
Real Estate Investment Trusts	20.00%	+/-5%	FTSE EPRA/NAREIT Developed Liquid Index (net)
Commodities	3.00%	+/-3%	S&P GSCI Total Return Index
Cash	0.00%	+2%	91 Day Treasury Bill
	<u>100.00%</u>		

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 11 – Other Postemployment Benefits (“OPEB”) (Continued)

Total OPEB Liability (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. The calculated investment rate of return was set equal to the expected ten-year compound (geometric) real return plus inflation (rounded to the nearest 25 basis points, where appropriate). The table below provides the long-term expected real rates of return by asset class (based on published capital market assumptions).
Change in Net OPEB Liability.

Asset Class	Assumed Asset Allocation	Real Rate of Return
Global ex-U.S. Equity	49.00%	4.80%
U.S. Fixed	23.00%	1.80%
TIPS	5.00%	1.60%
Real Estate	20.00%	3.70%
Commodities	3.00%	1.90%
	100.00%	

Rate of Return

For the year ended on the measurement date, the annual money-weighted rate of return on investments, net of investment expense, was 6.42 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

Change in Net OPEB Liability

The following presents the changes in the net OPEB liability for the governmental activities’ Retiree Health Plan:

	Increase (Decrease)		
	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (c) = (a) - (b)
Balance at June 30, 2022	\$ 64,941,611	\$ 173,347	\$ 64,768,264
Changes recognized for the measurement period:			
Service Cost	2,096,595	-	2,096,595
Interest on the total pension liability	2,325,252	-	2,325,252
Differences between expected and actual experience	-	-	-
Changes in assumptions and other inputs	(980,157)	-	(980,157)
Contributions - employer	-	4,479,974	(4,479,974)
Net investment income	-	11,129	(11,129)
Benefits payments	(2,729,974)	(2,729,974)	-
Administrative expenses	-	(50)	50
Net changes during July 1, 2022 to June 30, 2023	711,716	1,761,079	(1,049,363)
Balance at June 30, 2023 (Measurement Date)	\$ 65,653,327	\$ 1,934,426	\$ 63,718,901

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 11 – Other Postemployment Benefits (“OPEB”) (Continued)

Change in Net OPEB Liability (Continued)

The following presents the changes in the net OPEB liability for the GTrans Enterprise’s retiree OPEB Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(c) = (a) - (b)
Balance at June 30, 2022	\$ 12,673,325	\$ 4,947,153	\$ 7,726,172
Changes recognized for the measurement period:			
Service cost	315,938	-	315,938
Interest on the total OPEB liability	794,147	-	794,147
Differences between expected and actual experience	-	-	-
Changes in assumptions	-	-	-
Contributions - employer	-	574,545	(574,545)
Net investment income	-	317,552	(317,552)
Benefit payments	(574,545)	(574,545)	-
Administrative expenses	-	(1,437)	1,437
Net changes during July 1, 2022 to June 30, 2023	535,540	316,115	219,425
Balance at June 30, 2023 (Measurement Date)	\$ 13,208,865	\$ 5,263,268	\$ 7,945,597

The following presents the changes in the net OPEB liability for the Sewer Enterprise Fund (nonmajor):

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(c) = (a) - (b)
Balance at June 30, 2022	\$ 294,726	\$ -	\$ 294,726
Changes recognized for the measurement period:			
Service cost	26,422	-	26,422
Interest on the total OPEB liability	11,207	-	11,207
Differences between expected and actual experience	-	-	-
Changes in assumptions	(5,457)	-	(5,457)
Contributions - employer	-	-	-
Net investment income	-	-	-
Benefit payments	(9,211)	-	(9,211)
Administrative expenses	-	-	-
Net changes during July 1, 2022 to June 30, 2023	22,961	-	22,961
Balance at June 30, 2023 (Measurement Date)	\$ 317,687	\$ -	\$ 317,687

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 11 – Other Postemployment Benefits (“OPEB”) (Continued)

Change in Net OPEB Liability (Continued)

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

The following presents the net OPEB liability of the governmental activities and the Sewer’s Retiree Health Plans, as well as what the governmental activities and the Sewer Enterprise’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65 percent) or 1-percentage-point higher (4.65 percent) than the current discount rate:

	Plan's Net OPEB Liability		
	Discount Rate - 1% (2.65%)	Current Discount Rate (3.65%)	Discount Rate + 1% (4.65%)
Governmental Activities	\$ 73,503,542	\$ 63,718,901	\$ 55,728,381
Sewer	\$ 372,311	\$ 317,687	\$ 273,384

The following presents the net OPEB liability of the GTrans Enterprise Retiree Health Plan, as well as what the GTrans Enterprise Retiree Health Plan’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.25 percent) or 1-percentage-point higher (7.25 percent) than the current discount rate:

	Plan's Net OPEB Liability		
	Discount Rate - 1% (5.25%)	Current Discount Rate (6.25%)	Discount Rate + 1% (7.25%)
	\$ 9,693,849	\$ 7,945,597	\$ 6,496,369

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

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

The following presents the total OPEB liability of the City, GTrans, and Sewer, as well as what the City’s, GTrans’, and Sewer’s total 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:

	Plan's Net OPEB Liability		
	1% Decrease	Current Trend	1% Increase
Governmental Activities	\$ 73,503,542	\$ 63,718,901	\$ 55,728,381
GTrans	\$ 6,185,648	\$ 7,945,597	\$ 10,130,039
Sewer	\$ 258,279	\$ 317,687	\$ 395,954

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 11 – Other Postemployment Benefits (“OPEB”) (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

For the measurement period ended June 30, 2023, the governmental activities recognized expense of \$3,707,186. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to governmental activities OPEB from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Difference between expected and actual experience	\$ 519,691	\$ (904,014)
Changes in assumptions	5,711,883	(11,905,519)
Net difference between projected and actual earnings on plan investments	10,976	-
Employer contributions made subsequent to the measurement date	3,810,971	-
Total	<u>\$ 10,053,521</u>	<u>\$ (12,809,533)</u>

For the measurement period ended June 30, 2023, GTrans recognized expense of \$948,526. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to GTrans OPEB from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Difference between expected and actual experience	\$ 1,120,014	\$ (149,047)
Changes in assumptions	59,353	(451,930)
Net difference between projected and actual earnings on plan investments	313,339	-
Employer contributions made subsequent to the measurement date	651,738	-
Total	<u>\$ 2,144,444</u>	<u>\$ (600,977)</u>

For the measurement period ended June 30, 2023, Sewer recognized expense of \$21,174. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to Sewer OPEB from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Difference between expected and actual experience	\$ 10,685	\$ (185,319)
Changes in assumptions	56,214	(81,038)
Employer contributions made subsequent to the measurement date	7,489	-
Total	<u>\$ 74,388</u>	<u>\$ (266,357)</u>

The difference between projected OPEB plan investment earnings and actual earnings is amortized over a five-year period. The remaining gains and losses are amortized over the expected average remaining service life. The expected average remaining service life is 7.8 years, 8.2 years, and 14.2 years for the governmental activities, the GTrans, and the Sewer, respectively, which was determined as of June 30, 2023, the beginning of the measurement period, for employees covered by the OPEB plan benefit terms.

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 11 – Other Postemployment Benefits (“OPEB”) (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

\$3,810,971, \$651,738, and \$7,489 reported as deferred outflows of resources related to OPEB under the governmental activities, GTrans, and Sewer, respectively resulting from the City’s contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2025. Other amount reported as deferred inflows of resources related to OPEB will be recognized in the future OPEB expense as follows:

Measurement Periods Ended June 30	Deferred Outflows/(Inflows) of Resources		
	Governmental Activities	GTrans	Sewer
2025	\$ (423,031)	\$ 141,414	\$ (14,455)
2026	(175,132)	113,546	(14,455)
2027	(646,512)	310,148	(14,455)
2028	(1,795,833)	86,560	(14,455)
2029	(1,889,341)	107,925	(13,843)
Thereafter	(1,637,134)	132,136	(127,795)
	<u>\$ (6,566,983)</u>	<u>\$ 891,729</u>	<u>\$ (199,458)</u>

Note 12 – Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The plan assets are under the participants control and are principally invested in demand deposits and mutual funds and are held in trust for the exclusive benefit of the participants and their beneficiaries. The plan assets are not included in the accompanying financial statements. At June 30, 2024, the amount held by the Trustee for the City employees is \$33,082,959.

Note 13 – Net Position and Fund Balances

A. Government-Wide Financial Statements

Net Investment in Capital Assets

The following is the calculation of net investment in capital assets at June 30, 2024:

	Governmental Activities	Business-Type Activities
Capital Assets, net of accumulated depreciation and amortization	\$ 68,997,398	\$ 86,655,955
Less: outstanding principal on capital related debt, net	(24,532,661)	(187,573)
Add: Unspent debt proceeds	12,284,636	-
Less: capital assets related accounts payable	(1,670,362)	(5,364,441)
Less: retention payable	(236,541)	(23,033)
Net investments in capital assets	<u>\$ 54,842,470</u>	<u>\$ 81,080,908</u>

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 13 – Net Position and Fund Balances (Continued)

B. Fund Financial Statements

Fund Balance Classification:

At June 30, 2024, fund balances are classified in the governmental funds as follows:

	General Fund	Economic Development Grants Special Revenue Fund	City Capital Projects Fund	City Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:						
Inventories	\$ 41,474	\$ -	\$ -	\$ -	\$ -	\$ 41,474
Prepaid items and deposits	305,509	-	-	3,689	6,075	315,273
Total nonspendable	346,983	-	-	3,689	6,075	356,747
Restricted:						
Economic development	-	5,971,740	-	-	-	5,971,740
Debt service	-	-	-	2,142,222	-	2,142,222
Law enforcement	-	-	-	-	1,046,383	1,046,383
Local street improvements	-	-	-	-	8,671,919	8,671,919
Community development	-	-	-	-	105,508	105,508
Capital projects	-	-	301,894	12,284,636	5,394,556	17,981,086
Other purposes	-	-	-	-	30,747	30,747
Total restricted	-	5,971,740	301,894	14,426,858	15,249,113	35,949,605
Committed:						
Emergency contingency	16,990,487	-	-	-	-	16,990,487
Senior and Aquatic Center Project	10,944,000	-	-	-	-	10,944,000
Pension stabilization fund	5,374,919	-	-	-	-	5,374,919
Total committed	33,309,406	-	-	-	-	33,309,406
Assigned:						
ERP and vehicle replacement	6,405,840	-	-	-	-	6,405,840
Equipment replacement	11,188,041	-	-	-	-	11,188,041
Future debt service payments	5,140,440	-	-	-	-	5,140,440
Benefit liability stabilization	2,962,273	-	-	-	-	2,962,273
Total assigned	25,660,594	-	-	-	-	25,660,594
Unassigned:	300,000	-	-	(2,411)	-	297,589
Total fund balance	\$ 59,616,983	\$ 5,971,470	\$ 301,894	\$ 14,428,136	\$ 15,255,188	\$ 95,573,941

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 14 – Jointly Governed Organization

South Bay Regional Public Communications Authority

The City is a member of the South Bay Regional Public Communications Authority (“SBRPCA”), which provides financing and equipment for a police communications system for the City and the other member municipalities of SBRPCA - Hawthorne and Manhattan Beach. SBRPCA financial statements can be obtained from the SBRPCA at 4440 West Broadway, Hawthorne, California 90250.

Revenues, expenses and indebtedness incurred by the SBRPCA relating to services associated with central dispatch are divided by member agencies in accordance with set percentages; however, expenses incurred relating to specific equipment and services requested by an individual member agency for use by its own public safety services are paid entirely by that member agency. As of June 30, 2024, the City’s percentage interest is 32.08%.

Note 15 – Commitments and Contingencies

The City participates in a number of federal and state assisted grant programs, which are subject to program compliance audits by the grantors or their representatives. Final closeout audits of these programs have not yet been completed. Accordingly, the City’s ultimate compliance with applicable grant requirements will be established at some future date. Expenditures, if any, which may be disallowed by the granting agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The City is currently a party to various claims and legal proceedings. In management’s opinion, the ultimate liabilities, if any, resulting from such claims and proceedings, will not materially affect the City’s financial position.

The City had outstanding construction commitments in the amount of \$37,042,495 as of June 30, 2024.

Note 16 – Family Child Care Program

On May 30, 2023, per Section General Provisions, Sub Section – L. Contractor’s Termination for Convenience (5 CCR 18024) of the California Department of Social Services (CDSS) Funding Terms and Conditions, the City provided the CDSS its 90 days’ notice of intent to terminate the Agreement. The contract between CDSS and the City was terminated effective August 31, 2023, with the Family Child Care Program’s last day being August 31, 2023.

Note 17 – Subsequent Events

On September 28, 2024, the Governor signed the Senate Bill 549: Gaming: Tribal Nations Access to Justice Act (SB 549) into law. This law allows Indian tribes to bring legal action against California licensed card clubs and third-party proposition player services providers (TPPP) to seek a declaration as to whether controlled Las Vegas-style games operated by those card clubs and banked by TPPP violate state law. A court declaration in favor of the Indian tribe would stop almost all controlled games at local card clubs like the Huster Casino and the Lucky Lady Casino in Gardena. The potential adverse financial effect to the City is the loss of \$9 million per fiscal year from the General Fund.

Management has evaluated subsequent events through December 10, 2024, which is the date the financial statements were available to be issued.

City of Gardena

*Annual Comprehensive Financial Report
For the Year Ended June 30, 2024*



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**REQUIRED SUPPLEMENTARY
INFORMATION (UNAUDITED)**

City of Gardena

*Annual Comprehensive Financial Report
For the Year Ended June 30, 2024*



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City of Gardena
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Taxes	\$ 67,906,603	\$ 67,906,603	\$ 71,026,695	\$ 3,120,092
Licenses and permits	1,968,790	1,968,790	3,168,262	1,199,472
Intergovernmental	537,500	537,500	512,624	(24,876)
Charges for services	5,461,996	5,461,996	5,718,391	256,395
Fines, forfeitures and penalties	1,220,924	1,220,924	795,650	(425,274)
Use of money and property	355,000	355,000	1,986,496	1,631,496
Miscellaneous	502,286	502,286	399,558	(102,728)
Total revenues	<u>77,953,099</u>	<u>77,953,099</u>	<u>83,607,676</u>	<u>5,654,577</u>
EXPENDITURES:				
Current:				
General government:				
City clerk	606,383	606,383	548,659	57,724
City treasurer	348,947	81,956	95,646	(13,690)
Executive office	1,864,266	1,864,266	1,372,875	491,391
Administrative services	3,089,421	3,356,682	3,021,390	335,292
Non-departmental	2,149,043	3,949,043	3,504,917	444,126
Public safety:				
Police	36,096,596	36,096,596	34,287,748	1,808,848
L.A. County Fire Department	13,493,514	13,493,514	13,689,106	(195,592)
Public works	7,881,981	7,881,981	7,227,210	654,771
Recreation and human services	5,081,306	5,081,306	4,767,223	314,083
Community development	3,233,654	3,233,654	3,138,525	95,129
Capital outlay	1,105,607	1,105,607	918,404	187,203
Debt service:				
Principal retirement	-	-	59,844	(59,844)
Interest and fiscal charges	-	-	21,450	(21,450)
Total expenditures	<u>74,950,718</u>	<u>76,750,988</u>	<u>72,652,997</u>	<u>4,097,991</u>
REVENUES OVER (UNDER)				
EXPENDITURES	3,002,381	1,202,111	10,954,679	9,752,568
OTHER FINANCING				
SOURCES (USES):				
Transfers in	4,242,486	4,242,486	3,385,222	(857,264)
Transfers out	(5,260,128)	(5,366,216)	(4,866,568)	499,648
Proceed from sale of assets	10,000	10,000	5,053	(4,947)
Total other financing sources (uses)	<u>(1,007,642)</u>	<u>(1,113,730)</u>	<u>(1,476,293)</u>	<u>(362,563)</u>
NET CHANGE IN FUND BALANCE	<u>1,994,739</u>	<u>88,381</u>	9,478,386	<u>9,390,005</u>
FUND BALANCE:				
Beginning of year			50,138,597	
End of year			<u>\$ 59,616,983</u>	

City of Gardena
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule - Economic Development Grants Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 172,655	\$ 172,655
Charges for services	-	-	564,000	564,000
Fines, forfeitures and penalties	790,000	790,000	260,000	(530,000)
Use of money and property	20,000	20,000	123,281	103,281
Miscellaneous	4,000,000	4,000,000	207,501	(3,792,499)
Total revenues	<u>4,810,000</u>	<u>4,810,000</u>	<u>1,327,437</u>	<u>(3,482,563)</u>
EXPENDITURES:				
Current:				
Community development	4,000,000	4,758,000	830,470	3,927,530
Capital outlay	-	-	198,426	(198,426)
Total expenditures	<u>4,000,000</u>	<u>4,758,000</u>	<u>1,028,896</u>	<u>3,729,104</u>
REVENUES OVER (UNDER) EXPENDITURES	810,000	52,000	298,541	246,541
OTHER FINANCING SOURCES (USES):				
Transfers out	(4,656,000)	(4,656,000)	(1,042,233)	3,613,767
Total other financing sources (uses)	<u>(4,656,000)</u>	<u>(4,656,000)</u>	<u>(1,042,233)</u>	<u>3,613,767</u>
NET CHANGE IN FUND BALANCE	<u>(3,846,000)</u>	<u>(4,604,000)</u>	(743,692)	<u>3,860,308</u>
FUND BALANCE:				
Beginning of year			<u>6,715,432</u>	
End of year			<u>\$ 5,971,740</u>	

City of Gardena
Required Supplementary Information (Unaudited)
Notes to the Budgetary Comparison Schedule
For the Year Ended June 30, 2024

Note 1 - Budgetary Control and Accounting Policy

The City adopts annual budgets for the General Fund, special revenue funds, and debt service funds as well as adopts project length budgets for projects within the City Capital Projects Fund. During the year ended June 30, 2024, the City did not adopt a budget for the Asset Forfeiture Special Revenue Fund.

The City's budget is a detailed operating plan, which identifies estimated costs and results in relation to estimated revenues. The budget includes (1) the programs, projects, services, and activities to be provided during the fiscal year, (2) the estimated resources (inflows) and amounts available for appropriation and (3) the estimated charges to appropriations (outflows). The budget represents a process through which policy decisions are made, implemented, and controlled. The City's policy prohibits expending funds for which there is no legal appropriation.

The City's procedures for preparing the budgetary data reflected in the financial statements are:

- The budget is prepared under the City Manager's direction and adopted by the City Council, generally prior to June 30 of each year. It is revised periodically during the year by the City Council. The budget presented in the financial statements includes the original and final amounts.
- The budget serves as a policy document for the deliverance of public services; however, expenditures are individually approved by the City Council. The City Manager is authorized to transfer amounts within individual fund budgets without the approval of City Council. Additional appropriations during the year may be submitted to the City Council for review and approval.
- Budget information is presented for the governmental fund types. Budgeted revenue amounts represent the original budget modified by Council-authorized adjustments during the year, which were contingent upon new, or additional revenue sources. Budgeted expenditure amounts represent original appropriations adjusted for supplemental appropriations during the year.
- Total expenditures of each governmental fund may not legally exceed fund appropriations, and total expenditures for each department (for example: police department, public works department, community development department, etc.) may not legally exceed departmental appropriations. The City does not employ encumbrance accounting. The budgets conform, in all material respects, to U.S. GAAP.
- Appropriations lapse at year-end to the extent they have not been expended, except for capital projects appropriations which lapse when individual projects are completed.

City of Gardena
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios
For the Year Ended June 30, 2024

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") Miscellaneous Plan

Measurement period	2013-14	2014-15	2015-16	2016-17	2017-18
Total pension liability					
Service cost	\$ 2,713,029	\$ 2,672,238	\$ 2,740,901	\$ 3,129,118	\$ 3,173,762
Interest	9,625,167	10,024,136	10,454,955	10,781,297	11,153,035
Changes of benefit terms	-	-	-	-	-
Change in assumptions	-	(2,344,195)	-	8,715,907	(778,396)
Difference between expected and actual experience	-	(500,092)	(36,375)	(553,030)	122,851
Benefit payments, including refunds of employee contributions	<u>(6,617,452)</u>	<u>(6,931,772)</u>	<u>(7,193,626)</u>	<u>(7,669,492)</u>	<u>(8,486,647)</u>
Net change in total pension liability	5,720,744	2,920,315	5,965,855	14,403,800	5,184,605
Total pension liability - beginning	<u>130,287,771</u>	<u>136,008,515</u>	<u>138,928,830</u>	<u>144,894,685</u>	<u>159,298,485</u>
Total pension liability - ending (a)	<u>\$136,008,515</u>	<u>\$ 138,928,830</u>	<u>\$ 144,894,685</u>	<u>\$ 159,298,485</u>	<u>\$ 164,483,090</u>
Pension fiduciary net position					
Contributions - employer	\$ 1,628,415	\$ 2,016,919	\$ 2,317,060	\$ 2,645,234	\$ 3,015,630
Contributions - employee	1,181,161	1,242,246	1,321,368	1,327,795	1,405,045
Net investment income	17,430,461	2,536,012	604,797	12,260,577	10,029,125
Benefit payments, including refunds of employee contributions	(6,617,452)	(6,931,772)	(7,193,626)	(7,669,492)	(8,486,647)
Net plan to plan resource movement	-	-	(1,234)	11,249	(291)
Administrative expense	-	(128,654)	(69,658)	(164,291)	(186,505)
Other miscellaneous income/(expense) ¹	-	-	-	-	(354,176)
Net change in plan fiduciary net position	13,622,585	(1,265,249)	(3,021,293)	8,411,072	5,422,181
Plan fiduciary net position - beginning²	<u>101,939,625</u>	<u>115,562,210</u>	<u>114,296,961</u>	<u>111,275,668</u>	<u>119,686,740</u>
Plan fiduciary net position - ending (b)	<u>\$115,562,210</u>	<u>\$ 114,296,961</u>	<u>\$ 111,275,668</u>	<u>\$ 119,686,740</u>	<u>\$ 125,108,921</u>
Plan net pension liability - ending (a)-(b)	<u>\$ 20,446,305</u>	<u>\$ 24,631,869</u>	<u>\$ 33,619,017</u>	<u>\$ 39,611,745</u>	<u>\$ 39,374,169</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>84.97%</u>	<u>82.27%</u>	<u>76.80%</u>	<u>75.13%</u>	<u>76.06%</u>
Covered payroll	<u>\$ 17,651,457</u>	<u>\$ 18,094,788</u>	<u>\$ 19,012,911</u>	<u>\$ 19,306,012</u>	<u>\$ 19,929,430</u>
Plan net pension liability as a percentage of covered payroll	<u>115.83%</u>	<u>136.13%</u>	<u>176.82%</u>	<u>205.18%</u>	<u>197.57%</u>

¹ During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75. Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statement to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

² Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal year ended June 30, 2022; 2.75% payroll growth assumption for fiscal years ended June 30, 2018-21; 3.00% payroll growth assumption for fiscal years ended June 30, 2014-17.

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 Management Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

City of Gardena
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios (Continued)
For the Year Ended June 30, 2024

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") Miscellaneous Plan

Measurement period	2018-19	2019-20	2020-21	2021-22	2022-23
Total pension liability					
Service cost	\$ 3,162,100	\$ 3,329,543	\$ 3,190,091	\$ 3,211,338	\$ 3,290,767
Interest	11,820,982	12,201,071	12,451,995	12,420,366	12,911,242
Changes of benefit terms	-	-	-	-	274,039
Change in assumptions	-	-	-	5,350,605	-
Difference between expected and actual experience	3,672,690	(593,300)	(1,841,509)	(4,506,679)	1,931,594
Benefit payments, including refunds of employee contributions	<u>(8,816,825)</u>	<u>(9,498,332)</u>	<u>(10,721,565)</u>	<u>(10,568,643)</u>	<u>(10,957,147)</u>
Net change in total pension liability	9,838,947	5,438,982	3,079,012	5,906,987	7,450,495
Total pension liability - beginning	<u>164,483,090</u>	<u>174,322,037</u>	<u>179,761,019</u>	<u>182,840,031</u>	<u>188,747,018</u>
Total pension liability - ending (a)	<u>\$ 174,322,037</u>	<u>\$ 179,761,019</u>	<u>\$ 182,840,031</u>	<u>\$ 188,747,018</u>	<u>\$ 196,197,513</u>
Pension fiduciary net position					
Contributions - employer	\$ 3,688,807	\$ 4,397,533	\$ 46,940,155	\$ 2,100,703	\$ 1,934,460
Contributions - employee	1,457,546	1,611,737	1,203,298	1,242,880	1,594,067
Net investment income	8,130,102	6,417,192	35,069,162	(15,201,569)	11,006,934
Benefit payments, including refunds of employee contributions	(8,816,825)	(9,498,332)	(10,721,565)	(10,568,643)	(10,957,147)
Net plan to plan resource movement	-	-	-	-	(8,010)
Administrative expense	(89,280)	(182,534)	(132,085)	(127,444)	(133,856)
Other miscellaneous income/(expense) ¹	291	-	-	-	-
Net change in plan fiduciary net position	4,370,641	2,745,596	72,358,965	(22,554,073)	3,436,448
Plan fiduciary net position - beginning²	<u>125,108,921</u>	<u>129,479,562</u>	<u>132,225,158</u>	<u>204,584,123</u>	<u>182,030,050</u>
Plan fiduciary net position - ending (b)	<u>\$ 129,479,562</u>	<u>\$ 132,225,158</u>	<u>\$ 204,584,123</u>	<u>\$ 182,030,050</u>	<u>\$ 185,466,498</u>
Plan net pension liability - ending (a)-(b)	<u>\$ 44,842,475</u>	<u>\$ 47,535,861</u>	<u>\$ (21,744,092)</u>	<u>\$ 6,716,968</u>	<u>\$ 10,731,015</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>74.28%</u>	<u>73.56%</u>	<u>111.89%</u>	<u>96.44%</u>	<u>94.53%</u>
Covered payroll	<u>\$ 20,102,352</u>	<u>\$ 21,343,226</u>	<u>\$ 20,567,963</u>	<u>\$ 18,319,096</u>	<u>\$ 19,110,147</u>
Plan net pension liability as a percentage of covered payroll	<u>223.07%</u>	<u>222.72%</u>	<u>-105.72%</u>	<u>36.67%</u>	<u>56.15%</u>

City of Gardena
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios
For the Year Ended June 30, 2024

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") Safety Plan

Measurement period	2013-14	2014-15	2015-16	2016-17	2017-18
City's Proportion of the Net Pension Liability/(Asset)	0.65549%	0.65832%	0.62924%	0.61206%	0.62701%
City's Proportionate share of the Net Pension Liability/(Asset)	\$ 40,787,661	\$ 45,186,413	\$ 54,448,433	\$ 60,699,742	\$ 60,419,894
City's Covered payroll	\$ 9,078,779	\$ 9,351,143	\$ 10,491,839	\$ 10,435,515	\$ 11,232,919
City's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its covered payroll	449.26%	483.22%	518.96%	581.67%	537.88%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	75.54%	77.40%	68.79%	68.27%	69.50%
	2018-19	2019-20	2020-21	2021-22	2022-23
City's Proportion of the Net Pension Liability/(Asset)	0.55899%	0.56472%	-0.50839%	0.10940%	0.25257%
City's Proportionate share of the Net Pension Liability/(Asset)	\$ 57,280,320	\$ 61,443,923	\$ (27,495,287)	\$ 12,636,888	\$ 18,879,716
City's Covered payroll	\$ 12,156,428	\$ 11,992,232	\$ 11,768,395	\$ 12,233,930	\$ 13,043,131
City's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its covered payroll	471.19%	512.36%	-233.64%	103.29%	144.75%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	72.58%	72.05%	111.98%	94.86%	74.87%

City of Gardena
Required Supplementary Information (Unaudited)
Schedule of City's Contributions - Pensions
For the Year Ended June 30, 2024

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") Miscellaneous Plan

	2013-14	2014-15	2015-16	2016-17	2017-18
Actuarially determined contribution	\$ 1,628,415	\$ 2,016,919	\$ 2,317,060	\$ 2,645,234	\$ 3,015,630
Contributions in relation to the actuarially determined contributions ¹	\$ (1,628,415)	\$ (2,016,919)	\$ (2,317,060)	\$ (2,645,234)	\$ (3,015,630)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll ²	\$ 17,651,457	\$ 18,094,788	\$ 19,012,911	\$ 19,306,012	\$ 19,929,430
Contributions as a percentage of covered employee payroll	9.23%	11.15%	12.19%	13.70%	15.13%
	2018-19	2019-20	2020-21 ³	2021-22	2022-23
Actuarially determined contribution	\$ 3,688,807	\$ 4,397,533	\$ 4,625,188	\$ 2,100,703	\$ 1,934,460
Contributions in relation to the actuarially determined contributions ¹	\$ (3,688,807)	\$ (4,397,533)	\$ (46,910,155)	\$ (2,100,703)	\$ (1,934,460)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (42,284,967)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll ²	\$ 20,102,352	\$ 21,343,226	\$ 20,567,963	\$ 18,319,096	\$ 19,110,147
Contributions as a percentage of covered employee payroll	18.35%	20.60%	228.07%	11.47%	10.12%

¹ Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

² Includes one year's payroll growth using 2.8% payroll growth assumption for fiscal year ended June 30, 2022; 2.75% payroll growth assumptions for fiscal year ended June 30, 2018-21; 3.00% payroll growth assumption for fiscal years ended June 30, 2014-17.

³ During FY2020-21, the City contributed \$42,022,534 additional funds to CalPERS via proceeds of the 2020 Taxable Pension Obligation Bonds.

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined for Fiscal Year 2021-22 were derived from the June 30, 2019 funding valuation report.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll
Asset valuation method	Fair value
Inflation	2.50%
Salary increases	Varies by entry age and service
Payroll Growth	2.750%
Investment rate of return	7.00% net of pension plan investment and administrative expenses; includes Inflation.
Retirement age	The probabilities of retirement are based on the 2017 CalPERS Experience study for the period from 1997 to 2015
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

City of Gardena
Required Supplementary Information (Unaudited)
Schedule of City's Contributions - Pensions
For the Year Ended June 30, 2024

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") Safety Plan

	2014-15	2015-16	2016-17	2017-18	2018-19 ²
Actuarially determined contribution	\$ 4,265,350	\$ 4,917,350	\$ 5,401,275	\$ 6,093,811	\$ 6,617,559
Contributions in relation to the actuarially determined contributions	<u>\$ (4,265,350)</u>	<u>\$ (4,917,350)</u>	<u>\$ (5,401,275)</u>	<u>\$ (6,093,811)</u>	<u>\$ (12,677,559)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,060,000)</u>
Covered payroll ¹	\$ 9,351,143	\$ 10,491,839	\$ 10,435,515	\$ 11,232,919	\$ 12,156,428
Contributions as a percentage of covered employee payroll	45.61%	46.87%	51.76%	54.25%	104.29%
	2019-20	2020-21 ³	2021-22	2022-23	2023-24
Actuarially determined contribution	\$ 6,185,808	\$ 8,595,603	\$ 2,950,604	\$ 3,126,759	\$ 2,994,848
Contributions in relation to the actuarially determined contributions	<u>\$ (6,185,808)</u>	<u>\$ (60,369,859)</u>	<u>\$ (2,950,604)</u>	<u>\$ (3,126,759)</u>	<u>\$ (2,994,848)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (51,774,256)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll ¹	\$ 21,343,226	\$ 11,768,395	\$ 12,233,930	\$ 12,576,480	\$ 14,136,619
Contributions as a percentage of covered employee payroll	28.98%	512.98%	24.12%	24.86%	21.19%

¹ Payroll from 2021-22 was assumed to increase by the 2.8% payroll growth assumptions.

² During FY 2018-19, the City contributed \$6,060,000 to CalPERS to proceed with the 20 year fresh start of the unfunded liability to the safety plan.

³ During FY2020-21, the City contributed \$51,774,256 additional funds to CalPERS via proceeds of the 2020 Taxable Pension Obligation Bonds.

Notes to Schedule:

Change in Benefit Terms: There was no change in benefit terms.

Changes of Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long-term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014. None in 2019-2021. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of 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.

City of Gardena
Required Supplementary Information (Unaudited)
Schedule of Changes in the Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2024

Last Ten Fiscal Years

Governmental Activities Retiree Healthcare Plan

For the Measurement Period:	2016-17 ¹	2017-18	2018-19	2019-20	2020-21
Total OPEB Liability					
Service cost	\$ 2,001,000	\$ 1,619,506	\$ 1,649,332	\$ 1,902,932	\$ 2,450,797
Transfers to Sewer	-	(288,000)	-	-	-
Interest	1,888,000	2,141,404	2,284,925	2,265,606	1,663,721
Changes in benefit terms	-	-	-	-	-
Changes in assumptions	(7,755,000)	(4,569,074)	3,665,059	10,099,593	654,965
Actual and expected experience difference	-	2,253,827	-	(2,109,370)	-
Benefit payments	(2,162,000)	(2,247,465)	(2,251,080)	(2,075,527)	(2,237,985)
Other - funding rates used by benefits paid	580,000	-	-	-	-
Net change in total OPEB liability	(5,448,000)	(1,089,802)	5,348,236	10,083,234	2,531,498
Total OPEB liability - beginning	65,056,000	59,608,000	58,518,198	63,866,434	73,949,668
Total OPEB liability - ending (a)	<u>\$ 59,608,000</u>	<u>\$ 58,518,198</u>	<u>\$ 63,866,434</u>	<u>\$ 73,949,668</u>	<u>\$ 76,481,166</u>
Plan Fiduciary Net Position					
Contribution - employer	\$ -	\$ 2,247,465	\$ 2,401,080	\$ 2,075,527	\$ 2,237,985
Contribution - employee	-	-	-	-	-
Net investment income	-	-	1,792	5,361	43,168
Benefit payments, including refunds	-	(2,247,465)	(2,251,080)	(2,075,527)	(2,237,985)
Administrative expense	-	-	(1)	(74)	(59)
Other changes	-	-	-	-	-
Net change in plan fiduciary net position	-	-	151,791	5,287	43,109
Plan fiduciary net position - beginning	-	-	-	151,791	157,078
Plan fiduciary net position - ending (b)	<u>-</u>	<u>-</u>	<u>151,791</u>	<u>157,078</u>	<u>200,187</u>
Net OPEB liability (asset) - ending (a)-(b)	<u>\$ 59,608,000</u>	<u>\$ 58,518,198</u>	<u>\$ 63,714,643</u>	<u>\$ 73,792,590</u>	<u>\$ 76,280,979</u>
Fiduciary net position as a % of					
total OPEB liability	0.00%	0.00%	0.24%	0.21%	0.26%
Covered payroll	25,500,000	23,523,270	24,650,894	25,558,730	22,948,265
Net OPEB liability as a percentage of payroll	233.76%	248.77%	258.47%	288.72%	332.40%

¹ Historical information is presented for measurement periods after GASB 75 implementation in 2016-17. Additional years' information will be displayed as it becomes available.

Notes to Schedule:

Changes of assumptions: In 2022, the accounting discount rate increase from 2.16% to 3.54%. In addition, the demographic assumptions and the inflation rate assumption were changed in accordance with the 2002-2016 CalPERS Experience Study and Review of Actuarial Assumptions. In 2021, the accounting discount rate decreased from 2.21% to 2.16%. In 2020, the accounting discount rate decreased from 3.58% to 3.87%. In 2017, the accounting discount rate increased from 2.85% to 3.58%.

Changes of benefit terms: There were no changes of benefit terms in 2022.

City of Gardena
Required Supplementary Information (Unaudited)
Schedule of Changes in the Net OPEB Liability and Related Ratios (Continued)
For the Year Ended June 30, 2024

Last Ten Fiscal Years

Governmental Activities Retiree Healthcare Plan

For the Measurement Period:	2021-22	2022-23
Total OPEB Liability		
Service cost	\$ 2,815,579	\$ 2,096,595
Transfers to Sewer	-	-
Interest	1,688,245	2,325,252
Changes in benefit terms	-	-
Changes in assumptions	(14,060,251)	(980,157)
Actual and expected experience difference	303,548	-
Benefit payments	(2,286,676)	(2,729,974)
Other - funding rates used by benefits paid	-	-
Net change in total OPEB liability	(11,539,555)	711,716
Total OPEB liability - beginning	76,481,166	64,941,611
Total OPEB liability - ending (a)	\$ 64,941,611	\$ 65,653,327
 Plan Fiduciary Net Position		
Contribution - employer	\$ 2,286,676	\$ 4,479,974
Contribution - employee	-	-
Net investment income	(26,789)	11,129
Benefit payments, including refunds	(2,286,676)	(2,729,974)
Administrative expense	(51)	(50)
Other changes	-	-
Net change in plan fiduciary net position	(26,840)	1,761,079
Plan fiduciary net position - beginning	200,187	173,347
Plan fiduciary net position - ending (b)	173,347	\$ 1,934,426
 Net OPEB liability (asset) - ending (a)-(b)	\$ 64,768,264	\$ 63,718,901
 Fiduciary net position as a % of		
total OPEB liability	0.27%	2.95%
Covered payroll	24,154,486	25,140,436
Net OPEB liability as a percentage of payroll	268.14%	253.45%

City of Gardena
Required Supplementary Information (Unaudited)
Schedule of Changes in the Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2024

Last Ten Fiscal Years

GTrans Retiree Healthcare Plan

For the Measurement Period:	2016-17 ¹	2017-18	2018-19	2019-20	2020-21
Total OPEB Liability					
Service cost	\$ 232,000	\$ 238,960	\$ 291,129	\$ 299,863	\$ 340,578
Interest	598,000	629,344	661,199	706,976	691,860
Changes in benefit terms	-	-	-	-	-
Changes in assumptions	-	(357,602)	-	117,261	-
Actual and expected experience difference	-	301,185	-	(294,459)	-
Benefit payments	(462,000)	(494,701)	(289,528)	(276,271)	(272,358)
Other - funding rates used by benefits paid	190,000	-	-	-	-
Net change in total OPEB liability	558,000	317,186	662,800	553,370	760,080
Total OPEB liability - beginning	8,774,000	9,332,000	9,649,186	10,311,986	10,865,356
Total OPEB liability - ending (a)	<u>\$ 9,332,000</u>	<u>\$ 9,649,186</u>	<u>\$ 10,311,986</u>	<u>\$ 10,865,356</u>	<u>\$ 11,625,436</u>
Plan Fiduciary Net Position					
Contribution - employer	\$ 462,000	\$ 4,516,245	\$ 289,528	\$ 276,271	\$ 272,358
Contribution - employee	-	-	-	-	-
Net investment income	-	60,118	251,747	152,987	1,231,806
Benefit payments, including refunds	(462,000)	(494,701)	(289,528)	(276,271)	(272,358)
Administrative expense	-	(505)	(874)	(2,115)	(1,696)
Other changes	-	-	-	-	-
Net change in plan fiduciary net position	-	4,081,157	250,873	150,872	1,230,110
Plan fiduciary net position - beginning	-	-	4,081,157	4,332,030	4,482,902
Plan fiduciary net position - ending (b)	<u>-</u>	<u>4,081,157</u>	<u>4,332,030</u>	<u>4,482,902</u>	<u>5,713,012</u>
Net OPEB liability (asset) - ending (a)-(b)	<u>\$ 9,332,000</u>	<u>\$ 5,568,029</u>	<u>\$ 5,979,956</u>	<u>\$ 6,382,454</u>	<u>\$ 5,912,424</u>
Fiduciary net position as a % of total OPEB liability	0.00%	42.30%	42.01%	41.26%	49.14%
Covered payroll	9,759,000	10,316,000	9,798,690	10,811,701	8,791,518
Net OPEB liability as a percentage of payroll	95.62%	53.97%	61.03%	59.03%	67.25%

¹ Historical information is presented for measurement periods after GASB 75 implementation in 2016-17. Additional years' information will be displayed as it becomes available.

Notes to Schedule:

Changes of assumptions: In 2022, there were no changes in discount rate; however, the demographic assumptions and the inflation rate assumptions were changed in accordance with the 2002-2019 CalPERS Experience Study and Review of Actuarial Assumptions. In 2020, the discount rate change from 6.75% to 6.25% and the inflation assumption was changed from 2.75% per year to 2.50%. In 2019, there were no changes in assumptions. In 2018, medical plan at retirement assumption updated, trend rate updated, demographic assumptions were updated to CalPERS 1997-2015 Experience Study, and mortality improvement scale was updated to Scale MP-2018. In 2017, there were no changes.

Changes of benefit terms: There were no changes of benefit terms in 2022.

City of Gardena
Required Supplementary Information (Unaudited)
Schedule of Changes in the Net OPEB Liability and Related Ratios (Continued)
For the Year Ended June 30, 2024

Last Ten Fiscal Years

GTrans Retiree Healthcare Plan

For the Measurement Period:	2021-22	2022-23
Total OPEB Liability		
Service cost	\$ 300,182	\$ 315,938
Interest	718,462	794,147
Changes in benefit terms	(873,696)	-
Changes in assumptions	(475,092)	-
Actual and expected experience difference	1,378,033	-
Benefit payments	-	(574,545)
Other - funding rates used by benefits paid	-	-
Net change in total OPEB liability	1,047,889	535,540
Total OPEB liability - beginning	11,625,436	12,673,325
Total OPEB liability - ending (a)	\$ 12,673,325	\$ 13,208,865
 Plan Fiduciary Net Position		
Contribution - employer	\$ 873,696	\$ 574,545
Contribution - employee	-	-
Net investment income	357,018	317,552
Benefit payments, including refunds	(873,696)	(574,545)
Administrative expense	(1,447)	(1,437)
Other changes	(1,121,430)	-
Net change in plan fiduciary net position	(765,859)	316,115
Plan fiduciary net position - beginning	5,713,012	4,947,153
Plan fiduciary net position - ending (b)	4,947,153	\$ 5,263,268
Net OPEB liability (asset) - ending (a)-(b)	\$ 7,726,172	\$ 7,945,597
Fiduciary net position as a % of total OPEB liability	39.04%	39.85%
Covered payroll	10,652,412	9,500,663
Net OPEB liability as a percentage of payroll	72.53%	83.63%

City of Gardena
Required Supplementary Information (Unaudited)
Schedule of Changes in the Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2024

Last Ten Fiscal Years

Sewer Retiree Healthcare Plan

For the Measurement Period:	2016-17 ¹	2017-18	2018-19	2019-20	2020-21
Total OPEB Liability					
Service cost	\$ -	\$ 16,001	\$ 19,620	\$ 22,199	\$ 73,740
Transfers from the Governmental Activities	-	288,000	-	-	-
Interest	-	10,883	11,678	12,351	11,482
Changes in benefit terms	-	-	-	-	-
Changes in assumptions	-	(32,020)	17,238	64,526	5,084
Actual and expected experience difference	-	(709)	-	16,025	-
Benefit payments	-	-	-	-	-
Other - funding rates used by benefits paid	-	-	-	-	-
Net change in total OPEB liability	-	282,155	48,536	115,101	90,306
Total OPEB liability - beginning	-	-	282,155	330,691	445,792
Total OPEB liability - ending (a)	<u>\$ -</u>	<u>\$ 282,155</u>	<u>\$ 330,691</u>	<u>\$ 445,792</u>	<u>\$ 536,098</u>
Plan Fiduciary Net Position					
Contribution - employer	\$ -	\$ -	\$ -	\$ -	\$ -
Contribution - employee	-	-	-	-	-
Net investment income	-	-	-	-	-
Benefit payments, including refunds	-	-	-	-	-
Administrative expense	-	-	-	-	-
Other changes	-	-	-	-	-
Net change in plan fiduciary net position	-	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-	-
Plan fiduciary net position - ending (b)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net OPEB liability (asset) - ending (a)-(b)	<u>\$ -</u>	<u>\$ 282,155</u>	<u>\$ 330,691</u>	<u>\$ 445,792</u>	<u>\$ 536,098</u>
Fiduciary net position as a % of total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered payroll	N/A	388,821	482,665	515,111	497,972
Net OPEB liability as a percentage of payroll	N/A	72.57%	68.51%	86.54%	107.66%

¹ Historical information is presented for measurement periods after GASB 75 implementation in 2016-17. Additional years' information will be displayed as it becomes available.

Notes to Schedule:

Changes of assumptions: In 2022, the accounting discount rate increase from 2.16% to 3.54%. In 2020, the accounting discount rate decreased from 2.21% to 2.16%. In 2020, the accounting discount rate decreased from 3.50% to 2.21%. In 2019, the accounting discount rate increased from 3.87% to 3.50%. In 2018, the accounting discount rate increased from 3.58% to 3.87%. In 2017, the accounting discount rate increased from 2.85% to 3.58%.

Changes of benefit terms: There were no changes of benefit terms in 2022.

City of Gardena
Required Supplementary Information (Unaudited)
Schedule of Changes in the Net OPEB Liability and Related Ratios (Continued)
For the Year Ended June 30, 2024

Last Ten Fiscal Years

Sewer Retiree Healthcare Plan

For the Measurement Period:	2021-22	2022-23
Total OPEB Liability		
Service cost	\$ 32,554	\$ 26,422
Transfers from the Governmental Activities	-	-
Interest	12,283	11,207
Changes in benefit terms	-	-
Changes in assumptions	(71,603)	(5,457)
Actual and expected experience difference	(214,606)	-
Benefit payments	-	(9,211)
Other - funding rates used by benefits paid	-	-
Net change in total OPEB liability	(241,372)	22,961
Total OPEB liability - beginning	536,098	294,726
Total OPEB liability - ending (a)	\$ 294,726	\$ 317,687
 Plan Fiduciary Net Position		
Contribution - employer	\$ -	\$ -
Contribution - employee	-	-
Net investment income	-	-
Benefit payments, including refunds	-	-
Administrative expense	-	-
Other changes	-	-
Net change in plan fiduciary net position	-	-
Plan fiduciary net position - beginning	-	-
Plan fiduciary net position - ending (b)	-	\$ -
 Net OPEB liability (asset) - ending (a)-(b)	\$ 294,726	\$ 317,687
 Fiduciary net position as a % of		
total OPEB liability	0.00%	0.00%
Covered payroll	386,209	599,215
Net OPEB liability as a percentage of payroll	76.31%	53.02%

City of Gardena
Required Supplementary Information (Unaudited)
Schedule of Contributions - Other Postemployment Benefits Plans
For the Year Ended June 30, 2024
Last Ten Fiscal Years

Governmental Activities Retiree Healthcare Plan

For the Measurement Period:	2016-17 ¹	2017-18	2018-19	2019-20	2020-21
Actuarially determined contributions	\$ 5,029,000	N/A	\$ 3,631,000	\$ 3,867,000	\$ 3,941,000
Contributions in relation to the actuarially determined contribution	(2,162,000)	(2,247,465)	(2,557,088)	(2,075,527)	(2,237,985)
Contribution deficiency (excess)	<u>\$ 2,867,000</u>	<u>\$ (2,247,465)</u>	<u>\$ 1,073,912</u>	<u>\$ 1,791,473</u>	<u>\$ 1,703,015</u>
Covered payroll	N/A	<u>\$ 23,523,270</u>	<u>\$ 24,650,894</u>	<u>\$ 25,558,730</u>	<u>\$ 22,948,265</u>
Contributions as a percentage of covered payroll	N/A	N/A	10.37%	8.12%	9.75%
For the Measurement Period:	2021-22	2022-23	2023-24		
Actuarially determined contributions	\$ 4,211,000	\$ 5,012,263	\$ 5,150,100		
Contributions in relation to the actuarially determined contribution	(2,286,676)	(4,966,034)	(4,479,974)		
Contribution deficiency (excess)	<u>\$ 1,924,324</u>	<u>\$ 46,229</u>	<u>\$ 670,126</u>		
Covered payroll	<u>\$ 24,154,486</u>	<u>\$ 24,818,734</u>	<u>\$ 25,140,436</u>		
Contributions as a percentage of covered payroll	9.47%	20.01%	17.82%		

¹ Historical information is presented for measurement periods after GASB 75 implementation in 2016-17. Additional years' information will be displayed as it becomes available.

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2022-23 were derived from the June 30, 2022 funding valuation report.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal, Level % of pay
Discount rate:	Level % of pay
Long-term expected return	6.25%
Municipal bond index	3.54%
GASB 75	3.54%
Salary increases	2.75%
Withdrawal	Miscellaneous and Safety - Terminated Refund and Terminated Vested Rates for Public Agency Miscellaneous and Police from CalPERS Experience Study (2000-2019).
Pre-retirement mortality	Miscellaneous and Safety - Preretirement Mortality Rates for Public Agency Miscellaneous and Police and Fire from CalPERS Experience Study (2000-2019).
Postretirement mortality	Miscellaneous and Safety - Postretirement Mortality Rates for Public Agency Miscellaneous and Police and Fire from CalPERS Experience Study (2000-2019).
Retirement	Miscellaneous - Classic - Service Retirement Rates for Public Agency Miscellaneous -2.00% at 55-from CalPERS Experience Study (2000-2019). Miscellaneous - PEPRA - Service Retirement Rates for Public Agency Miscellaneous -2.00% at 62-from CalPERS Experience Study (2000-2019). Police - Classic - Service Retirement Rates for Public Agency Police-3.00% at 50-CalPERS Experience Study (2000-2019). Police - PEPRA - Service Retirement Rates for Public Agency Police-2.70% at 57-CalPERS Experience Study (2000-2019).
Medical trend	Pre-Medicare-6.5% for 2022, decreasing on an ultimate rate of 4.00% in 2070+. Medicare City Plan-6.0% for 2022, decreasing on an ultimate rate of 4.00% in 2070+. Medicare Kaiser-4.5% for 2022, decreasing on an ultimate rate of 4.00% in 2070+.

City of Gardena
Required Supplementary Information (Unaudited)
Schedule of Contributions - Other Postemployment Benefits Plans
For the Year Ended June 30, 2024

Last Ten Fiscal Years

GTrans Retiree Healthcare Plan

For the Measurement Period:	2016-17 ¹	2017-18	2018-19	2019-20	2020-21
Actuarially determined contributions	\$ 848,000	\$ 785,000	\$ 721,000	\$ 776,000	\$ 848,000
Contributions in relation to the actuarially determined contribution	(462,000)	(4,516,544)	(532,056)	(276,271)	(272,358)
Contribution deficiency (excess)	<u>\$ 386,000</u>	<u>\$ (3,731,544)</u>	<u>\$ 188,944</u>	<u>\$ 499,729</u>	<u>\$ 575,642</u>
Covered payroll	<u>\$ 9,759,000</u>	<u>\$ 10,316,000</u>	<u>\$ 9,798,690</u>	<u>\$ 10,811,701</u>	<u>\$ 8,791,518</u>
Contributions as a percentage of covered payroll	4.73%	43.78%	5.43%	2.56%	3.10%
For the Measurement Period:	2021-22	2022-23	2023-24		
Actuarially determined contributions	\$ 899,000	\$ 954,864	\$ 981,123		
Contributions in relation to the actuarially determined contribution	(873,696)	(724,778)	(574,545)		
Contribution deficiency (excess)	<u>\$ 25,304</u>	<u>\$ 230,086</u>	<u>\$ 406,578</u>		
Covered payroll	<u>\$ 10,484,293</u>	<u>\$ 10,954,086</u>	<u>\$ 9,500,663</u>		
Contributions as a percentage of covered payroll	8.33%	6.62%	6.05%		

¹ Historical information is presented for measurement periods after GASB 75 implementation in 2016-17. Additional years' information will be displayed as it becomes available.

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2022-23 were derived from the June 30, 2022 funding valuation report.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal, Level % of pay
Discount rate:	Level % of pay
Long-term expected return	6.25%
Municipal bond index	3.54%
GASB 75	6.25%
Salary increases	2.75%
Withdrawal	Miscellaneous - Terminated Refund and Terminated Vested Rates for Public Agency Miscellaneous from CalPERS Experience Study (2000-2019).
Pre-retirement mortality	Miscellaneous - Preretirement Mortality Rates for Public Agency Miscellaneous from CalPERS Experience Study (2000-2019).
Postretirement mortality	Miscellaneous - Postretirement Mortality Rates for Public Agency Miscellaneous from CalPERS Experience Study (2000-2019).
Retirement	Miscellaneous - Classic - Service Retirement Rates for Public Agency Miscellaneous -2.00% at 55-from CalPERS Experience Study (2000-2019). Miscellaneous - PEPRA - Service Retirement Rates for Public Agency Miscellaneous -2.00% at 62-from CalPERS Experience Study (2000-2019).
Medical trend	Pre-Medicare-6.5% for 2022, decreasing on an ultimate rate of 4.00% in 2070+. Medicare City Plan-6.0% for 2022, decreasing on an ultimate rate of 4.00% in 2070+. Medicare Kaiser-4.5% for 2022, decreasing on an ultimate rate of 4.00% in 2070+.

City of Gardena
Required Supplementary Information (Unaudited)
Schedule of Contributions - Other Postemployment Benefits Plans
For the Year Ended June 30, 2024

Last Ten Fiscal Years

Sewer Retiree Healthcare Plan

For the Measurement Period:	2016-17 ¹	2017-18	2018-19	2019-20	2020-21
Actuarially determined contributions	\$ -	\$ -	\$ 25,000	\$ 26,000	\$ 46,000
Contributions in relation to the actuarially determined contribution	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,000</u>	<u>\$ 26,000</u>	<u>\$ 46,000</u>
Covered payroll	N/A	<u>\$ 388,821</u>	<u>\$ 482,665</u>	<u>\$ 515,111</u>	<u>\$ 497,972</u>
Contributions as a percentage of covered payroll	N/A	N/A	0.00%	0.00%	0.00%
For the Measurement Period:	2021-22	2022-23	2023-24		
Actuarially determined contributions	\$ 48,000	\$ 32,004	\$ 74,388		
Contributions in relation to the actuarially determined contribution	-	(10,147)	-		
Contribution deficiency (excess)	<u>\$ 48,000</u>	<u>\$ 21,857</u>	<u>\$ 74,388</u>		
Covered payroll	<u>\$ 386,578</u>	<u>\$ 397,209</u>	<u>\$ 599,215</u>		
Contributions as a percentage of covered payroll	0.00%	2.55%	0.00%		

¹ Historical information is presented for measurement periods after GASB 75 implementation in 2016-17. Additional years' information will be displayed as it becomes available.

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2022-23 were derived from the June 30, 2022 funding valuation report.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal, Level % of pay
Discount rate:	Level % of pay
Long-term expected return	6.25%
Municipal bond index	3.54%
GASB 75	3.54%
Salary increases	2.75%
Withdrawal	Miscellaneous and Safety - Terminated Refund and Terminated Vested Rates for Public Agency Miscellaneous and Police from CalPERS Experience Study (2000-2019).
Pre-retirement mortality	Miscellaneous and Safety - Preretirement Mortality Rates for Public Agency Miscellaneous and Police and Fire from CalPERS Experience Study (2000-2019).
Postretirement mortality	Miscellaneous and Safety - Postretirement Mortality Rates for Public Agency Miscellaneous and Police and Fire from CalPERS Experience Study (2000-2019).
Retirement	Miscellaneous - Classic - Service Retirement Rates for Public Agency Miscellaneous -2.00% at 55-from CalPERS Experience Study (2000-2019). Miscellaneous - PEPRA - Service Retirement Rates for Public Agency Miscellaneous -2.00% at 62-from CalPERS Experience Study (2000-2019). Police - Classic - Service Retirement Rates for Public Agency Police-3.00% at 50-CalPERS Experience Study (2000-2019). Police - PEPRA - Service Retirement Rates for Public Agency Police-2.70% at 57-CalPERS Experience Study (2000-2019).
Medical trend	Pre-Medicare-6.5% for 2022, decreasing on an ultimate rate of 4.00% in 2070+. Medicare City Plan-6.0% for 2022, decreasing on an ultimate rate of 4.00% in 2070+. Medicare Kaiser-4.5% for 2022, decreasing on an ultimate rate of 4.00% in 2070+.

City of Gardena

*Annual Comprehensive Financial Report
For the Year Ended June 30, 2024*



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SUPPLEMENTARY INFORMATION

City of Gardena
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
City Capital Projects Fund
For the Year Ended June 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
EXPENDITURES:				
Capital outlay	\$ 50,894,884	\$ 51,230,972	\$ 11,576,988	\$ (39,653,984)
Total expenditures	<u>50,894,884</u>	<u>51,230,972</u>	<u>11,576,988</u>	<u>(39,653,984)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	<u>50,894,884</u>	<u>51,230,972</u>	<u>11,576,985</u>	<u>(39,653,987)</u>
Total other financing sources (uses)	<u>50,894,884</u>	<u>51,230,972</u>	<u>11,576,985</u>	<u>(39,653,987)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	(3)	<u>\$ (3)</u>
FUND BALANCE:				
Beginning of year			<u>301,897</u>	
End of year			<u>\$ 301,894</u>	

City of Gardena

*Annual Comprehensive Financial Report
For the Year Ended June 30, 2024*



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City of Gardena

*Annual Comprehensive Financial Report
For the Year Ended June 30, 2024*



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NONMAJOR GOVERNMENTAL FUNDS

Consolidated Lighting District Special Revenue Fund - To account for monies received from property assessments restricted to fund district lighting activities.

Prop C Local Return Special Revenue Fund - To account for monies derived from Los Angeles County 1/2% sales tax, received from MTA and expended on streets and roads heavily used by public transit.

Gas Tax Special Revenue Fund - To account for funding from the State of California for the state and county gas tax allocation and the Senate Bill No. 1 (SB1) allocation.

Asset Forfeiture Special Revenue Fund - To account for monies that were seized from criminal activities and is to be used solely for law enforcement purposes.

Public Safety Grants Special Revenue Fund - Represents twenty-two funds used to fund various police activities. Four of the grants receive funding from the California Office of Traffic Safety. These grants fund sobriety checkpoints, saturation patrols, seatbelt enforcement, warrant/probation sweeps and additional activities to raise public awareness and reduce alcohol involved fatalities. Two grants from the U.S. Department of Justice provides funding for technological programs and equipment to improve public safety issues. One grant from Board of State and Community Corrections (“BSCC”) for establishing officer wellness units and support. Finally, The COPS grant and Traffic Safety grant are funds earmarked for any police activity that will increase public safety. The Federal Emergency Management Agency (“FEMA”) Coronavirus Pandemic Public Assistance Program provides support to meet emergency needs during the COVID-19 pandemic. The State Homeland Security Grant Program (“HSGP”) provides funding to prevent terrorism and other catastrophic events and to prepare local governments for the threats and hazards that pose the greatest risk to the security of the community.

Public Works Grants Special Revenue Fund - Represents fourteenth funds used to implement various capital improvements projects. The Artesia Boulevard Landscaping Assessment is received from property assessments and restricted to funding district landscaping activities. Several funds to account for various grants received from the California Department of Transportation or Caltrans to implement programs that promote pedestrian friendly areas, street and signal improvements. The Measure Proposition A Park Bond Safe neighborhood Parks Proposition of 1992 and 1996 is received from Los Angeles County Regional Park and Open Space District to be used for acquisition and improvements to parks. The South Coast AQMD fund is monies received from the motor vehicle tax to be expended on programs to reduce air pollution, which is necessary to comply with the California Clean Air Act of 1988. Measure R & Measure M funds are derived from Los Angeles County 1/2 cent sales tax approved by voters to meet the transportation needs of Los Angeles County. The program is to be used for transportation projects that have been approved by the Los Angeles County Metropolitan Transportation Authority (“MTA”). The Measure W fund is derived from Los Angeles County 2.5 cents parcel tax approved by voters in November 2018 to increase local water supply, improve water quality, and protect public health. This fund is use for Municipal Separate Storm Sewer System (“MS4”) programs and projects. Proposition 68 Fund to account for grant monies received from the Statewide Park Development and Community Revitalization Program (“SPP”) to create new parks and recreation opportunities in underserved communities.

Human Services Grants Special Revenue Fund - Represents seven funds. Two of the funds provide meals to the elderly and disabled funded by Aging Program. These meals are served at the Nakaoka Center or delivered directly to the participants. One grant provides for a socialization program for elderly persons suffering from Alzheimer's Disease or dementia. The two Family Child Care grants are funded by the California Department of Education Social Services (“CDSS”) and provides daycare and early education to qualified families. Once fund to account for the Los Angeles County Measure H Homeless grant to provide homeless prevention and referral services.

Community Development Block Grant (CDBG) Special Revenue Fund - To account for funding from HUD to fund programs that benefit low income, elderly or disabled individuals. A number of programs are funded with these monies, including an at-risk youth program, code enforcement, a handy worker program for small home repairs and access ramps, projects to improve or eliminate slum blight conditions, as well as assistance for landlords in designated areas to improve living conditions for qualified tenants.

American Rescue Plan Special Revenue Fund - To account for revenues and activities for American Rescue Plan Act funding which was provided to fund additional relief for individuals and businesses affected by the coronavirus pandemic.

City of Gardena
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds				
	Consolidated Lighting District	Prop C Local Return	Gas Tax	Asset Forfeiture	Public Safety Grants
ASSETS					
Cash and investments	\$ 737,796	\$ 2,974,338	\$ 4,532,258	\$ 770,419	\$ 259,648
Receivables:					
Accounts	-	-	172,516	-	327,203
Taxes	19,040	103,565	268,980	-	-
Prepaid items and deposits	-	-	4,812	-	-
Due from other governments	-	-	-	-	28,736
Total assets	<u>\$ 756,836</u>	<u>\$ 3,077,903</u>	<u>\$ 4,978,566</u>	<u>\$ 770,419</u>	<u>\$ 615,587</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 55,289	\$ -	\$ 57,588	\$ -	\$ 8,357
Accrued liabilities	-	-	20,711	-	331
Salaries and benefits payable	-	757	2,229	-	3,732
Due to other governments	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>55,289</u>	<u>757</u>	<u>80,528</u>	<u>-</u>	<u>12,420</u>
Deferred inflows of resources:					
Unavailable revenue	-	-	-	-	327,203
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>327,203</u>
Fund Balances:					
Nonspendable	-	-	4,812	-	-
Restricted	701,547	3,077,146	4,893,226	770,419	275,964
Total fund balances	<u>701,547</u>	<u>3,077,146</u>	<u>4,898,038</u>	<u>770,419</u>	<u>275,964</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 756,836</u>	<u>\$ 3,077,903</u>	<u>\$ 4,978,566</u>	<u>\$ 770,419</u>	<u>\$ 615,587</u>

City of Gardena
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Public Works Grants	Human Services Grants	Community Development Block Grant (CDBG)	American Rescue Plan	
ASSETS					
Cash and investments	\$ 1,133,391	\$ 990,472	\$ 133,995	\$ 1,547,465	\$ 13,079,782
Receivables:					
Accounts	-	64,963	3,291	-	567,973
Taxes	166,223	-	-	-	557,808
Prepaid items and deposits	-	1,263	-	-	6,075
Due from other governments	4,633,677	61,228	26,525	-	4,750,166
Total assets	<u>\$ 5,933,291</u>	<u>\$ 1,117,926</u>	<u>\$ 163,811</u>	<u>\$ 1,547,465</u>	<u>\$ 18,961,804</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 51,732	\$ 50,091	\$ 33,018	\$ -	\$ 256,075
Accrued liabilities	-	-	-	-	21,042
Salaries and benefits payable	1,392	8,169	2,688	-	18,967
Due to other governments	-	1,027,656	-	-	1,027,656
Unearned revenue	-	-	22,597	1,547,465	1,570,062
Total liabilities	<u>53,124</u>	<u>1,085,916</u>	<u>58,303</u>	<u>1,547,465</u>	<u>2,893,802</u>
Deferred inflows of resources:					
Unavailable revenue	485,611	-	-	-	812,814
Total deferred inflows of resources	<u>485,611</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>812,814</u>
Fund Balances:					
Nonspendable	-	1,263	-	-	6,075
Restricted	5,394,556	30,747	105,508	-	15,249,113
Total fund balances (deficits)	<u>5,394,556</u>	<u>32,010</u>	<u>105,508</u>	<u>-</u>	<u>15,255,188</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 5,933,291</u>	<u>\$ 1,117,926</u>	<u>\$ 163,811</u>	<u>\$ 1,547,465</u>	<u>\$ 18,961,804</u>

City of Gardena
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

Special Revenue Funds

	Consolidated Lighting District	Prop C Local Return	Gas Tax	Asset Forfeiture	Public Safety Grants
REVENUES:					
Taxes	\$ 865,581	\$ 1,318,518	\$ -	\$ -	\$ -
Intergovernmental	-	-	3,288,737	-	350,809
Fines, forfeitures, and penalties	-	-	-	-	22,646
Use of money and property	14,610	87,735	116,969	18,158	16,376
Miscellaneous	-	-	14,440	-	-
Total revenues	<u>880,191</u>	<u>1,406,253</u>	<u>3,420,146</u>	<u>18,158</u>	<u>389,831</u>
EXPENDITURES:					
Current:					
General government	-	-	1,127	-	-
Public safety	-	-	-	-	286,273
Public works	761,548	41,300	603,982	-	-
Recreation and human services	-	-	-	-	-
Community deveopment	-	-	-	-	-
Capital outlay	-	-	-	-	8,357
Debt service:					
Principal retirement	13,177	-	59	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>774,725</u>	<u>41,300</u>	<u>605,168</u>	<u>-</u>	<u>294,630</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>105,466</u>	<u>1,364,953</u>	<u>2,814,978</u>	<u>18,158</u>	<u>95,201</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	314,243
Transfers out	(100,869)	(2,268,936)	(3,184,493)	-	(75,500)
Proceeds from the sale of assets	-	-	-	-	-
Total other financing sources (uses)	<u>(100,869)</u>	<u>(2,268,936)</u>	<u>(3,184,493)</u>	<u>-</u>	<u>238,743</u>
NET CHANGE IN FUND BALANCE	4,597	(903,983)	(369,515)	18,158	333,944
Fund balances (deficits), beginning of year	696,950	3,981,129	5,267,553	752,261	(57,980)
Fund balances, end of year	<u>\$ 701,547</u>	<u>\$ 3,077,146</u>	<u>\$ 4,898,038</u>	<u>\$ 770,419</u>	<u>\$ 275,964</u>

City of Gardena
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Public Works Grants	Human Services Grants	Community Development Block Grant (CDBG)	American Rescue Plan	
REVENUES:					
Taxes	\$ 2,186,871	\$ -	\$ -	\$ -	\$ 4,370,970
Intergovernmental	5,535,276	1,847,030	159,595	1,505,721	12,687,168
Fines, forfeitures, and penalties	-	-	-	-	22,646
Use of money and property	128,799	29,445	3,846	61,101	477,039
Miscellaneous	-	52,592	-	-	67,032
Total revenues	<u>7,850,946</u>	<u>1,929,067</u>	<u>163,441</u>	<u>1,566,822</u>	<u>17,624,855</u>
EXPENDITURES:					
Current:					
General government	-	-	-	-	1,127
Public safety	-	-	-	-	286,273
Public works	453,334	-	-	-	1,860,164
Recreation and human services	59,307	2,526,813	-	-	2,586,120
Community deveopment	-	-	221,335	-	221,335
Capital outlay	17,937	-	-	-	26,294
Debt service:					
Principal retirement	4,489	4,193	-	-	21,918
Interest and fiscal charges	28,826	-	-	-	28,826
Total expenditures	<u>563,893</u>	<u>2,531,006</u>	<u>221,335</u>	<u>-</u>	<u>5,032,057</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>7,287,053</u>	<u>(601,939)</u>	<u>(57,894)</u>	<u>1,566,822</u>	<u>12,592,798</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	229,572	-	-	543,815
Transfers out	(6,297,421)	-	(131)	(1,566,822)	(13,494,172)
Proceeds from the sale of assets	12,495	-	-	-	12,495
Total other financing sources (uses)	<u>(6,284,926)</u>	<u>229,572</u>	<u>(131)</u>	<u>(1,566,822)</u>	<u>(12,937,862)</u>
NET CHANGE IN FUND BALANCE	<u>1,002,127</u>	<u>(372,367)</u>	<u>(58,025)</u>	<u>-</u>	<u>(345,064)</u>
Fund balances (deficits), beginning of year	4,392,429	404,377	163,533	-	15,600,252
Fund balances, end of year	<u>\$ 5,394,556</u>	<u>\$ 32,010</u>	<u>\$ 105,508</u>	<u>\$ -</u>	<u>\$ 15,255,188</u>

City of Gardena
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
Consolidated Lighting District Special Revenue Fund
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes	\$ 885,031	\$ 885,031	\$ 865,581	\$ (19,450)
Use of money and property	<u>2,500</u>	<u>2,500</u>	<u>14,610</u>	<u>12,110</u>
Total revenues	<u>887,531</u>	<u>887,531</u>	<u>880,191</u>	<u>(7,340)</u>
EXPENDITURES:				
Current:				
Public works	820,769	820,769	761,548	59,221
Debt service:				
Principal retirement	<u>14,296</u>	<u>14,296</u>	<u>13,177</u>	<u>1,119</u>
Total expenditures	<u>835,065</u>	<u>835,065</u>	<u>774,725</u>	<u>60,340</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>52,466</u>	<u>52,466</u>	<u>105,466</u>	<u>53,000</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(298,000)</u>	<u>(298,000)</u>	<u>(100,869)</u>	<u>197,131</u>
Total other financing sources (uses)	<u>(298,000)</u>	<u>(298,000)</u>	<u>(100,869)</u>	<u>197,131</u>
NET CHANGE IN FUND BALANCE	<u>\$ (245,534)</u>	<u>\$ (245,534)</u>	4,597	<u>\$ 250,131</u>
FUND BALANCE:				
Beginning of year			<u>696,950</u>	
End of year			<u>\$ 701,547</u>	

City of Gardena
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
Prop C Local Return Special Revenue Fund
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes	\$ 1,437,090	\$ 1,437,090	\$ 1,318,518	\$ (118,572)
Use of money and property	<u>20,000</u>	<u>20,000</u>	<u>87,735</u>	<u>67,735</u>
Total revenues	<u>1,457,090</u>	<u>1,457,090</u>	<u>1,406,253</u>	<u>(50,837)</u>
EXPENDITURES:				
Current:				
Public works	<u>41,228</u>	<u>41,228</u>	<u>41,300</u>	<u>(72)</u>
Total expenditures	<u>41,228</u>	<u>41,228</u>	<u>41,300</u>	<u>(72)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,415,862</u>	<u>1,415,862</u>	<u>1,364,953</u>	<u>(50,909)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(4,240,117)</u>	<u>(4,240,117)</u>	<u>(2,268,936)</u>	<u>1,971,181</u>
Total other financing sources (uses)	<u>(4,240,117)</u>	<u>(4,240,117)</u>	<u>(2,268,936)</u>	<u>1,971,181</u>
NET CHANGE IN FUND BALANCE	<u>\$ (2,824,255)</u>	<u>\$ (2,824,255)</u>	<u>(903,983)</u>	<u>\$ 1,920,272</u>
FUND BALANCE:				
Beginning of year			<u>3,981,129</u>	
End of year			<u>\$ 3,077,146</u>	

City of Gardena
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
Gas Tax Special Revenue Fund
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental	\$ 3,318,681	\$ 3,318,681	\$ 3,288,737	\$ (29,944)
Use of money and property	27,500	27,500	116,969	89,469
Miscellaneous	-	-	14,440	14,440
Total revenues	<u>3,346,181</u>	<u>3,346,181</u>	<u>3,420,146</u>	<u>73,965</u>
EXPENDITURES:				
Current:				
General government	16,297	16,297	1,127	15,170
Public works	574,300	574,300	603,982	(29,682)
Debt service:				
Principal retirement	-	-	59	(59)
Total expenditures	<u>590,597</u>	<u>590,597</u>	<u>605,168</u>	<u>(14,571)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>2,755,584</u>	<u>2,755,584</u>	<u>2,814,978</u>	<u>59,394</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(7,229,000)</u>	<u>(7,339,000)</u>	<u>(3,184,493)</u>	<u>4,154,507</u>
Total other financing sources (uses)	<u>(7,229,000)</u>	<u>(7,339,000)</u>	<u>(3,184,493)</u>	<u>4,154,507</u>
NET CHANGE IN FUND BALANCE	<u>\$ (4,473,416)</u>	<u>\$ (4,583,416)</u>	<u>(369,515)</u>	<u>\$ 4,213,901</u>
FUND BALANCE:				
Beginning of year			<u>5,267,553</u>	
End of year			<u>\$ 4,898,038</u>	

City of Gardena
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
Asset Forfeiture Special Revenue Fund
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u> Amounts	<u>Variance with</u> Final Budget
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 18,158	\$ 18,158
Total revenues	<u>-</u>	<u>-</u>	<u>18,158</u>	<u>18,158</u>
EXPENDITURES:				
Current:				
Public safety	<u>150,000</u>	<u>150,000</u>	<u>-</u>	<u>150,000</u>
Total expenditures	<u>150,000</u>	<u>150,000</u>	<u>-</u>	<u>150,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ (150,000)</u>	<u>\$ (150,000)</u>	18,158	<u>\$ 168,158</u>
FUND BALANCE:				
Beginning of year			<u>752,261</u>	
End of year			<u>\$ 770,419</u>	

City of Gardena
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
Public Safety Grants Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 276,126	\$ 276,126	\$ 350,809	\$ 74,683
Fines, forfeitures, and penalties	75,000	75,000	22,646	(52,354)
Use of money and property	500	500	16,376	15,876
Total revenues	<u>351,626</u>	<u>351,626</u>	<u>389,831</u>	<u>38,205</u>
EXPENDITURES:				
Current:				
Public safety	276,126	276,126	286,273	(10,147)
Capital outlay	-	-	8,357	(8,357)
Total expenditures	<u>276,126</u>	<u>276,126</u>	<u>294,630</u>	<u>(18,504)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>75,500</u>	<u>75,500</u>	<u>95,201</u>	<u>19,701</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	314,243	314,243
Transfers out	(75,000)	(75,000)	(75,500)	(500)
Total other financing sources (uses)	<u>(75,000)</u>	<u>(75,000)</u>	<u>238,743</u>	<u>313,743</u>
NET CHANGE IN FUND BALANCE	<u>\$ 500</u>	<u>\$ 500</u>	333,944	<u>\$ 333,444</u>
FUND BALANCE (DEFICIT):				
Beginning of year			(57,980)	
End of year			<u>\$ 275,964</u>	

City of Gardena
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
Public Works Grants Special Revenue Fund
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes	\$ 2,401,007	\$ 2,401,007	\$ 2,186,871	\$ (214,136)
Intergovernmental	16,695,767	16,695,767	5,535,276	(11,160,491)
Use of money and property	<u>23,000</u>	<u>23,000</u>	<u>128,799</u>	<u>105,799</u>
Total revenues	<u>19,119,774</u>	<u>19,119,774</u>	<u>7,850,946</u>	<u>(11,268,828)</u>
EXPENDITURES:				
Current:				
Public works	730,319	730,319	453,334	276,985
Recreation and human services	10,000	10,000	59,307	(49,307)
Capital outlay	31,900	31,900	17,937	13,963
Debt service:				
Principal retirement	-	-	4,489	(4,489)
Interest and fiscal charges	-	-	<u>28,826</u>	<u>(28,826)</u>
Total expenditures	<u>772,219</u>	<u>772,219</u>	<u>563,893</u>	<u>208,326</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>18,347,555</u>	<u>18,347,555</u>	<u>7,287,053</u>	<u>(11,060,502)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(19,516,267)	(19,636,267)	(6,297,421)	13,338,846
Proceeds from the sale of assets	<u>-</u>	<u>-</u>	<u>12,495</u>	<u>12,495</u>
Total other financing sources (uses)	<u>(19,516,267)</u>	<u>(19,636,267)</u>	<u>(6,284,926)</u>	<u>13,351,341</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,168,712)</u>	<u>\$ (1,288,712)</u>	1,002,127	<u>\$ 2,290,839</u>
FUND BALANCE:				
Beginning of year			<u>4,392,429</u>	
End of year			<u>\$ 5,394,556</u>	

City of Gardena
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
Human Services Grants Special Revenue Fund
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental	\$ 4,322,192	\$ 4,322,192	\$ 1,847,030	\$ (2,475,162)
Use of money and property	4,000	4,000	29,445	25,445
Miscellaneous	31,000	31,000	52,592	21,592
Total revenues	<u>4,357,192</u>	<u>4,357,192</u>	<u>1,929,067</u>	<u>(2,428,125)</u>
EXPENDITURES:				
Current:				
Recreation and human services	4,389,976	4,389,976	2,526,813	1,863,163
Debt service:				
Principal retirement	-	-	4,193	(4,193)
Total expenditures	<u>4,389,976</u>	<u>4,389,976</u>	<u>2,531,006</u>	<u>1,858,970</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(32,784)</u>	<u>(32,784)</u>	<u>(601,939)</u>	<u>(569,155)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	32,784	32,784	229,572	196,788
Total other financing sources (uses)	<u>32,784</u>	<u>32,784</u>	<u>229,572</u>	<u>196,788</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>(372,367)</u>	<u>\$ (372,367)</u>
FUND BALANCE:				
Beginning of year			404,377	
End of year			<u>\$ 32,010</u>	

City of Gardena
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
Community Development Block Grant (CDBG) Special Revenue Fund
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental	\$ 592,299	\$ 592,299	\$ 159,595	\$ (432,704)
Use of money and property	-	-	3,846	3,846
Total revenues	<u>592,299</u>	<u>592,299</u>	<u>163,441</u>	<u>(428,858)</u>
EXPENDITURES:				
Current:				
Community development	592,299	592,299	221,335	370,964
Total expenditures	<u>592,299</u>	<u>592,299</u>	<u>221,335</u>	<u>370,964</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>(57,894)</u>	<u>(57,894)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(131)	(131)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(131)</u>	<u>(131)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>(58,025)</u>	<u>\$ (58,025)</u>
FUND BALANCE:				
Beginning of year			<u>163,533</u>	
End of year			<u>\$ 105,508</u>	

City of Gardena
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
American Rescue Plan Special Revenue Fund
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental	\$ 2,453,486	\$ 2,453,486	\$ 1,505,721	\$ (947,765)
Use of money and property	-	-	61,101	61,101
Total revenues	<u>2,453,486</u>	<u>2,453,486</u>	<u>1,566,822</u>	<u>(886,664)</u>
OTHER FINANCING				
SOURCES (USES):				
Transfers out	<u>(2,453,486)</u>	<u>(2,453,486)</u>	<u>(1,566,822)</u>	<u>886,664</u>
Total other financing sources (uses)	<u>(2,453,486)</u>	<u>(2,453,486)</u>	<u>(1,566,822)</u>	<u>886,664</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
FUND BALANCE:				
Beginning of year			<u>-</u>	
End of year			<u>\$ -</u>	

City of Gardena

*Annual Comprehensive Financial Report
For the Year Ended June 30, 2024*



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CITY DEBT SERVICE FUNDS

DEBT SERVICE FUNDS:

To account for the accumulation of resources for, and the payment of, interest and principal on general long-term debt, including certificates of participation and refunding revenue bonds, and capital leases.

2006 Refunding COPS, Series A Fund - To account for the accumulated funds for the payment of interest and principal for the certificates issued in 2006.

2007 Refunding Revenue Bonds SBRPCA Fund - To account for the accumulated funds for the payment of interest and principal for the refunding bonds issued in 2007.

2014 Taxable Lease Revenue Refunding Bonds Fund - To account for the accumulated funds for the payment of interest and principal for the refunding bonds issued in 2014.

2017 Lease Financing Bonds Fund - To account for the accumulated funds for the payment of interest and principal for the refunding bonds issued in 2017.

2020 Taxable Pension Obligation Bonds Fund - To account for the accumulated funds for the payment of interest and principal for the pension obligation bonds issued in 2020.

2021 Lease Revenue Bonds Fund - To account for the accumulated funds for the payment of interest and principal for the lease revenue bonds issued in 2021.

City of Gardena
Combining Balance Sheet
All Debt Service Fund
June 30, 2024

	2006 Refunding COP's Series A	2007 Refunding Revenue Bonds SBRPCA	2014 Taxable Lease Revenue Refunding Bonds	2017 Lease Financing Bonds
ASSETS				
Cash and investments with fiscal agents	\$ 1,884,977	\$ 223,642	\$ 9	\$ -
Prepaid items and deposits	<u>-</u>	<u>1,149</u>	<u>1,206</u>	<u>-</u>
Total assets	<u><u>\$ 1,884,977</u></u>	<u><u>\$ 224,791</u></u>	<u><u>\$ 1,215</u></u>	<u><u>\$ -</u></u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Due to other funds	\$ -	\$ 1,149	\$ 2,420	\$ -
Total liabilities	<u>-</u>	<u>1,149</u>	<u>2,420</u>	<u>-</u>
Fund Balances:				
Nonspendable	-	1,149	1,206	-
Restricted	1,884,977	222,493	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>(2,411)</u>	<u>-</u>
Total fund balances (deficits)	<u>1,884,977</u>	<u>223,642</u>	<u>(1,205)</u>	<u>-</u>
Total liabilities and fund balances	<u><u>\$ 1,884,977</u></u>	<u><u>\$ 224,791</u></u>	<u><u>\$ 1,215</u></u>	<u><u>\$ -</u></u>

City of Gardena
Combining Balance Sheet (Continued)
All Debt Service Fund
June 30, 2024

	2020 Taxable Pension Obligation Bonds	2021 Lease Revenue Bonds	Total
ASSETS			
Cash and investments with fiscal agents	\$ 47,548	\$ 12,290,576	\$ 14,446,752
Prepaid items and deposits	917	417	3,689
Total assets	\$ 48,465	\$ 12,290,993	\$ 14,450,441
LIABILITIES AND FUND BALANCES			
Liabilities:			
Due to other funds	\$ 917	\$ 17,819	\$ 22,305
Total liabilities	917	17,819	22,305
Fund Balances:			
Nonspendable	917	417	3,689
Restricted	46,631	12,272,757	14,426,858
Unassigned	-	-	(2,411)
Total fund balances (deficits)	47,548	12,273,174	14,428,136
Total liabilities and fund balances	\$ 48,465	\$ 12,290,993	\$ 14,450,441

City of Gardena
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Debt Service Funds
For the Year Ended June 30, 2024

	2006 Refunding COP's Series A	2007 Refunding Revenue Bonds SBRPCA	2014 Taxable Lease Revenue Refunding Bonds	2017 Lease Financing Bonds
REVENUES:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Use of money and property	51,052	9,420	2	-
Total revenues	<u>51,052</u>	<u>9,420</u>	<u>2</u>	<u>-</u>
EXPENDITURES:				
Debt service:				
Principal retirement	665,000	125,000	70,000	285,000
Interest and fiscal charges	360,431	61,809	438,694	2,950
Total expenditures	<u>1,025,431</u>	<u>186,809</u>	<u>508,694</u>	<u>287,950</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(974,379)</u>	<u>(177,389)</u>	<u>(508,692)</u>	<u>(287,950)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	1,044,510	184,271	507,480	287,950
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>1,044,510</u>	<u>184,271</u>	<u>507,480</u>	<u>287,950</u>
NET CHANGE IN FUND BALANCE	70,131	6,882	(1,212)	-
Fund balances, beginning of year	1,814,846	216,760	7	-
Fund balances (deficits), end of year	<u>\$ 1,884,977</u>	<u>\$ 223,642</u>	<u>\$ (1,205)</u>	<u>\$ -</u>

City of Gardena
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
All Debt Service Funds
For the Year Ended June 30, 2024

	2020 Taxable Pension Obligation Bonds	2021 Lease Revenue Bonds	Total
REVENUES:			
Charges for services	\$ 5,541,063	\$ -	\$ 5,541,063
Use of money and property	26,574	591,892	678,940
Total revenues	5,567,637	591,892	6,220,003
EXPENDITURES:			
Debt service:			
Principal retirement	3,285,063	465,000	4,895,063
Interest and fiscal charges	2,258,750	478,500	3,601,134
Total expenditures	5,543,813	943,500	8,496,197
REVENUES OVER (UNDER) EXPENDITURES	23,824	(351,608)	(2,276,194)
OTHER FINANCING SOURCES (USES):			
Transfers in	2,750	943,500	2,970,461
Transfers out	-	(15,350)	(15,350)
Total other financing sources (uses)	2,750	928,150	2,955,111
NET CHANGE IN FUND BALANCE	26,574	576,542	678,917
Fund balances, beginning of year	20,974	11,696,632	13,749,219
Fund balances (deficits), end of year	\$ 47,548	\$ 12,273,174	\$ 14,428,136

City of Gardena
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
2006 Refunding COP's, Series A Debt Service Fund
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 51,052	\$ 51,052
Total revenues	<u>-</u>	<u>-</u>	<u>51,052</u>	<u>51,052</u>
EXPENDITURES:				
Debt service:				
Principal retirement	665,000	665,000	665,000	-
Interest and fiscal charges	<u>360,189</u>	<u>360,189</u>	<u>360,431</u>	<u>(242)</u>
Total expenditures	<u>1,025,189</u>	<u>1,025,189</u>	<u>1,025,431</u>	<u>(242)</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>(1,025,189)</u>	<u>(1,025,189)</u>	<u>(974,379)</u>	<u>50,810</u>
OTHER FINANCING				
SOURCES (USES):				
Transfers in	<u>1,025,189</u>	<u>1,025,189</u>	<u>1,044,510</u>	<u>19,321</u>
Total other financing sources (uses)	<u>1,025,189</u>	<u>1,025,189</u>	<u>1,044,510</u>	<u>19,321</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	70,131	<u>\$ 70,131</u>
FUND BALANCE:				
Beginning of year			<u>1,814,846</u>	
End of year			<u>\$ 1,884,977</u>	

City of Gardena
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
2007 Refunding Revenue Bonds SBRPCA Debt Service Fund
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 9,420	\$ 9,420
Total revenues	<u>-</u>	<u>-</u>	<u>9,420</u>	<u>9,420</u>
EXPENDITURES:				
Debt service:				
Principal retirement	125,000	125,000	125,000	-
Interest and fiscal charges	<u>62,545</u>	<u>62,545</u>	<u>61,809</u>	<u>736</u>
Total expenditures	<u>187,545</u>	<u>187,545</u>	<u>186,809</u>	<u>736</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>(187,545)</u>	<u>(187,545)</u>	<u>(177,389)</u>	<u>10,156</u>
OTHER FINANCING				
SOURCES (USES):				
Transfers in	<u>187,545</u>	<u>187,545</u>	<u>184,271</u>	<u>(3,274)</u>
Total other financing sources (uses)	<u>187,545</u>	<u>187,545</u>	<u>184,271</u>	<u>(3,274)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	6,882	<u>\$ 6,882</u>
FUND BALANCE:				
Beginning of year			<u>216,760</u>	
End of year			<u>\$ 223,642</u>	

City of Gardena
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
2014 Taxable Lease Revenue Refunding Bonds Debt Service Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 2	\$ 2
Total revenues	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
EXPENDITURES:				
Debt service:				
Principal retirement	70,000	70,000	70,000	-
Interest and fiscal charges	<u>438,444</u>	<u>438,444</u>	<u>438,694</u>	<u>(250)</u>
Total expenditures	<u>508,444</u>	<u>508,444</u>	<u>508,694</u>	<u>(250)</u>
REVENUES OVER (UNDER) EXPENDITURES				
	<u>(508,444)</u>	<u>(508,444)</u>	<u>(508,692)</u>	<u>(248)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	<u>508,444</u>	<u>508,444</u>	<u>507,480</u>	<u>(964)</u>
Total other financing sources (uses)	<u>508,444</u>	<u>508,444</u>	<u>507,480</u>	<u>(964)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	(1,212)	<u>\$ (1,212)</u>
FUND BALANCE (DEFICIT):				
Beginning of year			<u>7</u>	
End of year			<u>\$ (1,205)</u>	

City of Gardena
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
2017 Lease Financing Bonds Debt Service Fund
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
EXPENDITURES:				
Debt service:				
Principal retirement	\$ 285,000	\$ 285,000	\$ 285,000	\$ -
Interest and fiscal charges	<u>2,950</u>	<u>2,950</u>	<u>2,950</u>	<u>-</u>
Total expenditures	<u>287,950</u>	<u>287,950</u>	<u>287,950</u>	<u>-</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>(287,950)</u>	<u>(287,950)</u>	<u>(287,950)</u>	<u>-</u>
OTHER FINANCING				
SOURCES (USES):				
Transfers in	<u>287,950</u>	<u>287,950</u>	<u>287,950</u>	<u>-</u>
Total other financing sources (uses)	<u>287,950</u>	<u>287,950</u>	<u>287,950</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE:				
Beginning of year			<u>-</u>	
End of year			<u>\$ -</u>	

City of Gardena
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
2020 Taxable Pension Obligation Bonds Debt Service Fund
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Charges for services	\$ 5,543,563	\$ 5,543,563	\$ 5,541,063	\$ (2,500)
Use of money and property	-	-	26,574	26,574
Total revenues	<u>5,543,563</u>	<u>5,543,563</u>	<u>5,567,637</u>	<u>24,074</u>
EXPENDITURES:				
Debt service:				
Principal retirement	3,285,063	3,285,063	3,285,063	-
Interest and fiscal charges	2,258,500	2,258,500	2,258,750	(250)
Total expenditures	<u>5,543,563</u>	<u>5,543,563</u>	<u>5,543,813</u>	<u>(250)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>23,824</u>	<u>23,824</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	2,750	2,750
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>2,750</u>	<u>2,750</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	26,574	<u>\$ 26,574</u>
FUND BALANCE:				
Beginning of year			<u>20,974</u>	
End of year			<u>\$ 47,548</u>	

City of Gardena
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
2021 Lease Revenue Bonds Debt Service Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 591,892	\$ 591,892
Total revenues	<u>-</u>	<u>-</u>	<u>591,892</u>	<u>591,892</u>
EXPENDITURES:				
Debt service:				
Principal retirement	465,000	465,000	465,000	-
Interest and fiscal charges	478,500	478,500	478,500	-
Total expenditures	<u>943,500</u>	<u>943,500</u>	<u>943,500</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(943,500)</u>	<u>(943,500)</u>	<u>(351,608)</u>	<u>591,892</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	943,500	943,500	943,500	-
Transfers out	(10,944,000)	(10,944,000)	(15,350)	10,928,650
Total other financing sources (uses)	<u>(10,000,500)</u>	<u>(10,000,500)</u>	<u>928,150</u>	<u>10,928,650</u>
NET CHANGE IN FUND BALANCE	<u>\$ (10,944,000)</u>	<u>\$ (10,944,000)</u>	576,542	<u>\$ 11,520,542</u>
FUND BALANCE:				
Beginning of year			<u>11,696,632</u>	
End of year			<u>\$ 12,273,174</u>	

City of Gardena

*Annual Comprehensive Financial Report
For the Year Ended June 30, 2024*



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INTERNAL SERVICE FUNDS

The Internal Service Fund accounts for financing of goods and services provided by one department to other departments of the City on a cost-reimbursement basis.

Internal Service Funds include:

Liability Insurance Fund - To finance and account for the City's general liability claims program.

Workers' Compensation Fund - To finance and account for the workers' compensation claims program.

Health Benefit Fund - To finance and account for the health benefit claims program.

City of Gardena
Combining Schedule of Net Position
Internal Service Funds
June 30, 2024

	Liability Insurance	Workers' Compnesation	Health Benefit	Total
ASSETS				
Current assets:				
Cash and investments	\$ 3,656,688	\$ 2,105,747	\$ 5,731,937	\$ 11,494,372
Account receivables	7,917	-	1,976	9,893
Prepaid items and deposits	299	69,542	17,139	86,980
Total current assets	3,664,904	2,175,289	5,751,052	11,591,245
Total assets	3,664,904	2,175,289	5,751,052	11,591,245
LIABILITIES				
Current liabilities:				
Accounts payable	201,536	-	1,810	203,346
Accrued liabilities	-	59,079	19,264	78,343
Salaries and benefits payable	886	1,608	-	2,494
Claims payable, due within one year	1,178,705	2,028,470	707,920	3,915,095
Total current liabilities	1,381,127	2,089,157	728,994	4,199,278
Long-term liabilities:				
Claims payable, due in more than one year	1,651,818	10,142,351	-	11,794,169
Total long-term liabilities	1,651,818	10,142,351	-	11,794,169
Total liabilities	3,032,945	12,231,508	728,994	15,993,447
NET POSITION				
Unrestricted (deficit)	631,959	(10,056,219)	5,022,058	(4,402,202)
Total net position	\$ 631,959	\$ (10,056,219)	\$ 5,022,058	\$ (4,402,202)

City of Gardena
Combining Schedule of Revenues, Expenses, and Changes in Net Position
All Internal Service Funds
For the year ended June 30, 2024

	<u>Liability Insurance</u>	<u>Workers' Compensation</u>	<u>Health Benefit</u>	<u>Total</u>
OPERATING REVENUES:				
Charges for services	\$ 1,349,585	\$ 1,437,241	\$ 10,781,450	\$ 13,568,276
Other	201,450	15,375	821,263	1,038,088
Total operating revenues	<u>1,551,035</u>	<u>1,452,616</u>	<u>11,602,713</u>	<u>14,606,364</u>
OPERATING EXPENSES:				
Salaries and benefits	38,175	83,288	-	121,463
Insurance claims	1,278,663	805,365	3,635,222	5,719,250
General and administrative	1,374,864	480,627	6,036,251	7,891,742
Other operating expenses	105,413	92,158	202,199	399,770
Total operating expenses	<u>2,797,115</u>	<u>1,461,438</u>	<u>9,873,672</u>	<u>14,132,225</u>
OPERATING INCOME	<u>(1,246,080)</u>	<u>(8,822)</u>	<u>1,729,041</u>	<u>474,139</u>
NON-OPERATING REVENUES (EXPENSES):				
Interest income	74,547	45,728	153,624	273,899
Total non-operating revenues (expenses)	<u>74,547</u>	<u>45,728</u>	<u>153,624</u>	<u>273,899</u>
INCOME BEFORE TRANSFERS	<u>(1,171,533)</u>	<u>36,906</u>	<u>1,882,665</u>	<u>748,038</u>
Transfers in	986,852	1,400,000	-	2,386,852
Transfers out	-	-	(1,286,852)	(1,286,852)
Total transfers	<u>986,852</u>	<u>1,400,000</u>	<u>(1,286,852)</u>	<u>1,100,000</u>
Change in net position	<u>(184,681)</u>	<u>1,436,906</u>	<u>595,813</u>	<u>1,848,038</u>
Net position (deficit), beginning of year	<u>816,640</u>	<u>(11,493,125)</u>	<u>4,426,245</u>	<u>(6,250,240)</u>
Net position (deficit), end of year	<u>\$ 631,959</u>	<u>\$ (10,056,219)</u>	<u>\$ 5,022,058</u>	<u>\$ (4,402,202)</u>

City of Gardena
Combining Schedule of Cash Flows
All Internal Service Funds
For the year ended June 30, 2024

	<u>Liability Insurance</u>	<u>Workers' Compensation</u>	<u>Health Benefit</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from users	\$ 1,347,403	\$ 1,437,241	\$ 10,779,474	\$ 13,564,118
Receipts from claims and recoveries	201,450	15,375	821,263	1,038,088
Payments for insurance claims	(1,962,429)	(2,903,224)	(3,603,660)	(8,469,313)
Payment to suppliers	<u>(1,628,362)</u>	<u>(613,950)</u>	<u>(6,248,164)</u>	<u>(8,490,476)</u>
Net cash provided (used by) operating activities	<u>(2,041,938)</u>	<u>(2,064,558)</u>	<u>1,748,913</u>	<u>(2,357,583)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	986,852	1,400,000	-	2,386,852
Transfers to other funds	<u>-</u>	<u>-</u>	<u>(1,286,852)</u>	<u>(1,286,852)</u>
Net cash provided (used by) non-capital financing activities	<u>986,852</u>	<u>1,400,000</u>	<u>(1,286,852)</u>	<u>1,100,000</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	<u>74,547</u>	<u>45,728</u>	<u>153,624</u>	<u>273,899</u>
Net cash provided (used by) investing activities	<u>74,547</u>	<u>45,728</u>	<u>153,624</u>	<u>273,899</u>
Net increase (decrease) in cash and cash equivalents	(980,539)	(618,830)	615,685	(983,684)
Cash and equivalents, beginning of year	<u>4,637,227</u>	<u>2,724,577</u>	<u>5,116,252</u>	<u>12,478,056</u>
Cash and equivalents, end of year	<u>\$ 3,656,688</u>	<u>\$ 2,105,747</u>	<u>\$ 5,731,937</u>	<u>\$ 11,494,372</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH (USED BY) OPERATING ACTIVITIES:				
Operating income (loss)	\$ (1,246,080)	\$ (8,822)	\$ 1,729,041	\$ 474,139
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Changes in operating assets and liabilities:				
(Increase) decrease in accounts receivable	(2,182)	-	(1,976)	(4,158)
(Increase) decrease in prepaid items and deposits	1,326	(67,396)	(5,533)	(71,603)
Increase (decrease) in accounts payable	108,126	(736)	(4)	107,386
Increase (decrease) in accrued liabilities	(257,537)	26,967	(4,177)	(234,747)
Increase (decrease) in salaries and benefits payable	886	1,608	-	2,494
Increase (decrease) in claims payable	<u>(646,477)</u>	<u>(2,016,179)</u>	<u>31,562</u>	<u>(2,631,094)</u>
Total adjustments	<u>(795,858)</u>	<u>(2,055,736)</u>	<u>19,872</u>	<u>(2,831,722)</u>
Net cash provided (used) by operating activities	<u>\$ (2,041,938)</u>	<u>\$ (2,064,558)</u>	<u>\$ 1,748,913</u>	<u>\$ (2,357,583)</u>

City of Gardena

*Annual Comprehensive Financial Report
For the Year Ended June 30, 2024*



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City of Gardena

*Annual Comprehensive Financial Report
For the Year Ended June 30, 2024*



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STATISTICAL SECTION

Fiscal Year 2023-24



STATISTICAL SECTION

Fiscal Year 2023-24



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CITY OF GARDENA STATISTICAL SECTION

Fiscal Year 2023-24



This part of the City of Gardena'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 say about the government's overall financial health.

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City of Gardena

*Annual Comprehensive Financial Report
For the Year Ended June 30, 2024*



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City of Gardena
Net Position by Component ⁽¹⁾
Last Ten Fiscal Years Ended June 30, 2024
(accrual basis of accounting)

	Fiscal Year				
	2023-24	2022-23	2021-22	2020-21	2019-20
Governmental Activities					
Net Investment in Capital Assets	\$ 54,842,470	\$ 43,557,695	\$ 40,126,502	\$ 28,550,313	\$ 30,055,713
Restricted for:					
Debt Service	2,162,116	1,994,718	1,617,913	1,681,507	1,708,162
Employment and Training Services	-	-	-	-	-
Law Enforcement	1,046,383	1,414,499	1,459,666	1,593,265	1,080,052
Local Street Improvements	8,671,919	14,126,722	10,385,580	9,329,940	7,956,523
Economic Development	5,971,740	6,965,240	6,914,470	5,783,794	4,393,701
Capital Projects	17,981,086	301,897	273,887	273,887	273,887
Human Services	30,747	1,219,550	1,014,200	662,807	689,290
Community Development	105,508	-	-	-	-
Total Restricted:	35,969,499	26,022,626	21,665,716	19,325,200	16,101,615
Unrestricted ⁽²⁾	(119,308,822)	(115,019,564)	(95,499,040)	(114,185,399)	(126,640,099)
Total governmental activities net position	(28,496,853)	(45,439,243)	(33,706,822)	(66,309,886)	(80,482,771)
Business-type Activities					
Net Investment in Capital Assets	\$81,127,691	\$59,138,198	\$59,701,427	\$60,014,796	\$50,474,813
Unrestricted ⁽²⁾	(30,126,568)	(32,642,965)	(33,216,568)	(34,052,901)	(32,350,671)
Total business-type activities net position	\$51,001,123	\$26,495,233	\$26,484,859	\$25,961,895	\$18,124,142
Primary Government					
Net Investment in Capital Assets	\$135,970,161	\$102,695,893	\$99,827,929	\$88,565,109	\$80,530,526
Restricted	35,969,499	26,022,626	21,665,716	19,325,200	16,101,615
Unrestricted ⁽²⁾	(149,435,390)	(147,662,529)	(128,715,608)	(148,238,300)	(158,990,770)
Total Primary Government Net Position:	\$ 22,504,270	\$ (18,944,010)	\$ (7,221,963)	\$ (40,347,991)	\$ (62,358,629)

NOTE: ⁽¹⁾ Accounting standards require that net position be reported in three components in the financial statements: net investment in capital assets, restricted, and unrestricted. Net position are considered restricted only when (1) an external party, such as the State of California or the federal government, places a restriction on how the revenues may be used, or (2) enabling legislation is enacted by the City.

City of Gardena
Net Position by Component (Continued) ⁽¹⁾
Last Ten Fiscal Years Ended June 30, 2024
(accrual basis of accounting)

	Fiscal Year				
	2018-19	2017-18 ⁽²⁾	2016-17	2015-16	2014-15
Governmental Activities					
Net Investment in Capital Assets	\$ 47,404,733	\$ 27,748,135	\$ 28,138,906	\$ 27,897,717	\$ 26,430,711
Restricted for:					
Debt Service	1,669,313	1,916,945	1,924,432	2,679,363	2,965,697
Employment and Training Services	-	5,287	43,611	164,116	300,190
Law Enforcement	1,344,114	921,976	914,062	1,251,314	1,701,810
Local Street Improvements	7,130,678	6,060,770	6,205,701	7,072,378	7,930,518
Local Street Improvements	5,306,507	6,006,024	1,986,202	2,394,395	2,292,714
Economic Development	295,912	571,089	295,912	301,546	-
Other Purposes	657,424	633,275	651,830	289,859	447,605
Specific Projects and Programs	-	-	-	-	-
Total Restricted:	16,403,948	16,115,366	12,021,750	14,152,971	15,638,534
Unrestricted	(131,787,090)	(107,886,487)	(99,400,392)	(60,913,888)	(67,531,463)
Total governmental activities net position	(67,978,409)	(64,022,986)	(59,239,736)	(18,863,200)	(25,462,218)
Business-type Activities					
Net Investment in Capital Assets	\$53,054,448	\$56,261,253	\$60,150,166	\$62,151,750	\$67,684,810
Unrestricted	(29,646,082)	(27,969,730)	(27,390,162)	(21,068,543)	(18,107,410)
Total business-type activities net position	\$23,408,366	\$28,291,523	\$32,760,004	\$41,083,207	\$49,577,400
Primary Government					
Net Investment in Capital Assets	\$100,459,181	\$84,009,388	\$88,289,072	\$90,049,467	\$94,115,521
Restricted	16,403,948	16,115,366	12,021,750	14,152,971	15,638,534
Unrestricted	(161,433,172)	(135,817,893)	(126,790,554)	(81,982,431)	(85,638,873)
Total Primary Government Net Position:	\$ (44,570,043)	\$ (35,693,139)	\$ (26,479,732)	\$ 22,220,007	\$ 24,115,182

NOTE: ⁽¹⁾ Accounting standards require that net position be reported in three components in the financial statements: net investment in capital assets, restricted, and unrestricted. Net position are considered restricted only when (1) an external party, such as the State of California or the federal government, places a restriction on how the revenues may be used, or (2) enabling legislation is enacted by the City.

⁽²⁾ 2017 balances were restated due to implementation of GASB 75

City of Gardena
Changes in Net Position
Last Ten Fiscal Years Ended June 30, 2024
(accrual basis of accounting)

	Fiscal Year				
	2023-24	2022-23	2021-22	2020-21	2019-20
Expenses					
Governmental Activities					
General Government	\$ 10,765,058	\$ 7,470,021	\$ 7,771,663	\$ 7,807,099	\$ 7,383,173
Public Safety	53,473,334	77,971,300	27,964,662	47,363,640	47,760,821
Public Works	11,783,411	10,737,606	11,239,762	7,543,698	10,958,845
Recreation and Human Services	8,503,950	8,229,820	7,566,226	6,766,739	6,600,989
Community Development	5,022,928	2,266,794	5,946,949	2,986,934	2,692,644
Interest and fiscal charges	3,233,912	3,773,164	3,888,463	2,532,013	1,156,041
Total governmental activities expenses:	<u>92,782,593</u>	<u>110,448,705</u>	<u>64,377,725</u>	<u>75,000,123</u>	<u>76,552,513</u>
Business-type Activities					
GTrans	31,973,093	28,643,376	27,966,497	29,505,837	31,024,629
Sewer	1,723,699	1,466,607	1,423,680	1,190,734	1,651,788
Total business-type activities expenses:	<u>33,696,792</u>	<u>30,109,983</u>	<u>29,390,177</u>	<u>30,696,571</u>	<u>32,676,417</u>
Total primary government expenses:	<u><u>126,479,385</u></u>	<u><u>140,558,688</u></u>	<u><u>93,767,902</u></u>	<u><u>105,696,694</u></u>	<u><u>109,228,930</u></u>
Program Revenues					
Governmental Activities					
Charges for services:					
General Government	10,785,228	4,149,501	8,769,328	5,333,187	4,072,004
Public Safety	2,694,787	1,251,096	1,236,057	1,240,360	1,338,121
Public Works	3,112,536	396,408	534,045	378,834	351,732
Recreation and Human Services	632,632	3,647,400	3,647,094	2,750,536	3,801,562
Community Development	939,062	2,521,913	3,139,836	2,499,553	2,246,297
Interest and fiscal charges	-	-	-	-	-
Operating Grants and Contributions	8,113,744	5,814,708	4,081,043	14,663,306	3,351,864
Capital Grants and Contributions	5,535,276	3,329,828	2,511,878	3,017,989	1,621,611
Total governmental activities program revenues:	<u>31,813,265</u>	<u>21,110,854</u>	<u>23,919,281</u>	<u>29,883,765</u>	<u>16,783,191</u>
Business-type Activities					
Charges for services:					
GTrans	1,947,714	1,793,580	1,643,970	135,875	1,766,952
Sewer	2,545,381	2,473,501	2,610,910	2,685,365	2,323,753
Operating Grants and Contributions	27,682,663	22,744,442	22,018,364	20,725,314	21,277,188
Capital Grants and Contributions	25,560,140	3,186,920	3,915,704	14,856,026	1,962,998
Total business-type activities program revenues:	<u>57,735,898</u>	<u>30,198,443</u>	<u>30,188,948</u>	<u>38,402,580</u>	<u>27,330,891</u>
Total primary government revenues:	<u><u>\$ 89,549,163</u></u>	<u><u>\$ 51,309,297</u></u>	<u><u>\$ 54,108,229</u></u>	<u><u>\$ 68,286,345</u></u>	<u><u>\$ 44,114,082</u></u>

City of Gardena
Changes in Net Position (Continued)
Last Ten Fiscal Years Ended June 30, 2024
(accrual basis of accounting)

	Fiscal Year				
	2018-19	2017-18	2016-17	2015-16	2014-15
Expenses					
Governmental Activities					
General Government	\$ 8,609,254	\$ 6,177,468	\$ 5,848,247	\$ 5,730,664	\$ 6,239,825
Public Safety	43,617,238	41,420,762	38,700,824	36,304,203	35,912,110
Public Works	11,717,321	7,120,106	6,956,766	8,545,467	9,846,657
Recreation and Human Services	6,395,004	9,742,993	9,154,921	6,777,838	6,677,536
Community Development	2,662,554	2,938,656	2,796,216	2,538,835	2,675,341
Interest and fiscal charges	1,191,118	1,241,054	1,382,078	1,365,398	1,805,649
Total governmental activities expenses:	74,192,489	68,641,039	64,839,052	61,262,405	63,157,118
Business-type Activities					
GTrans	28,646,739	27,804,739	28,195,640	26,410,211	26,643,082
Sewer	1,512,189	1,432,695	1,760,303	1,046,864	1,021,131
Total business-type activities expenses:	30,158,928	29,237,434	29,955,943	27,457,075	27,664,213
Total primary government expenses:	104,351,417	97,878,473	94,794,995	88,719,480	90,821,331
Program Revenues					
Governmental Activities					
Charges for services:					
General Government	4,107,289	3,864,795	3,504,735	3,298,306	3,022,929
Public Safety	1,862,764	1,312,945	1,422,001	1,174,116	1,337,761
Public Works	351,463	418,667	615,289	513,495	340,541
Recreation and Human Services	2,962,339	2,685,240	2,979,625	2,315,212	2,238,445
Community Development	1,687,652	1,724,501	1,771,754	2,187,082	1,432,560
Interest and fiscal charges	-	-	-	-	-
Operating Grants and Contributions	3,142,207	3,719,048	2,048,938	2,067,123	2,963,405
Capital Grants and Contributions	2,037,030	2,002,799	1,268,576	1,918,489	7,167,801
Total governmental activities program revenues:	16,150,744	15,727,995	13,610,918	13,473,823	18,503,442
Business-type Activities					
Charges for services:					
GTrans	2,382,758	2,459,105	2,482,516	2,685,573	3,346,233
Sewer	2,016,346	1,790,296	954,552	673,199	727,054
Operating Grants and Contributions	20,612,788	19,855,368	17,462,145	16,905,476	17,353,740
Capital Grants and Contributions	1,086,741	576,031	3,120,351	1,850,968	832,350
Total business-type activities program revenues:	26,098,633	24,680,800	24,019,564	22,115,216	22,259,377
Total primary government revenues:	\$ 42,249,377	\$ 40,408,795	\$ 37,630,482	\$ 35,589,039	\$ 40,762,819

City of Gardena
Changes in Net Position (Continued)
Last Ten Fiscal Years Ended June 30, 2024
(accrual basis of accounting)

	Fiscal Year				
	2023-24	2022-23	2021-22	2020-21	2019-20
Net (expense)/revenue: ⁽¹⁾					
Governmental activities	(60,969,328)	(89,337,851)	(40,458,444)	(46,089,053)	(59,769,322)
Business-type activities	24,039,106	88,460	798,771	7,676,625	(5,345,526)
Total net revenues (expenses):	<u>(36,930,222)</u>	<u>(89,249,391)</u>	<u>(39,659,673)</u>	<u>(38,412,428)</u>	<u>(65,114,848)</u>
General Revenue and Other Changes in Net Position					
Governmental activities					
Taxes:					
Property taxes	10,141,426	9,985,883	9,186,838	8,799,364	8,205,539
Sales tax	28,056,992	29,662,286	27,908,699	23,760,125	12,440,147
Business license	3,477,728	2,733,939	2,647,094	2,508,287	2,438,304
Utility user taxes	6,404,308	6,317,851	5,481,395	4,970,799	4,801,229
Franchise taxes	3,724,876	3,275,380	3,075,659	2,809,101	2,816,277
Card club taxes	8,910,456	8,633,144	10,544,947	3,999,147	4,874,457
Other taxes	4,819,341	5,882,066	4,626,009	3,764,716	3,920,393
Vehicle license - unrestricted	8,558,629	8,073,890	7,485,678	7,203,563	6,788,130
Investment income	2,260,394	1,881,428	(1,520,476)	(57,164)	1,036,057
Miscellaneous	1,399,408	643,709	3,281,484	2,730,183	690,353
Gain on sale of assets	-	-	-	(190,979)	(863,795)
Transfers	158,160	515,854	344,181	(35,204)	117,869
Total governmental activities	<u>77,911,718</u>	<u>77,605,430</u>	<u>73,061,508</u>	<u>60,261,938</u>	<u>47,264,960</u>
Business-type activities					
Investment income	624,944	437,768	68,374	125,924	162,760
Miscellaneous	-	-	-	-	-
Gain (loss) on sale of assets	-	-	-	-	16,411
Transfers	(158,160)	(515,854)	(344,181)	35,204	(117,869)
Total business-type activities:	<u>466,784</u>	<u>(78,086)</u>	<u>(275,807)</u>	<u>161,128</u>	<u>61,302</u>
Total primary government:	<u>78,378,502</u>	<u>77,527,344</u>	<u>72,785,701</u>	<u>60,423,066</u>	<u>47,326,262</u>
Change in Net Position					
Governmental activities	16,942,390	(11,732,421)	32,603,064	14,172,885	(12,504,362)
Business-type activities	24,505,890	10,374	522,964	7,837,753	(5,284,224)
Total primary government:	<u>\$ 41,448,280</u>	<u>\$ (11,722,047)</u>	<u>\$ 33,126,028</u>	<u>\$ 22,010,638</u>	<u>\$ (17,788,586)</u>

⁽¹⁾ Net (expense)/revenue is the difference between the expenses and program revenues of a function or program. It indicates the degree to which a function or program is supported with its own fees and program specific grants versus its reliance upon funding from taxes and other general revenues.
-A number in parentheses are net expenses, indicating that expenses were greater than program revenues and therefore, general revenues were needed to finance that function or program.
-Numbers without parentheses are net revenues, meaning that program revenues were more than sufficient to cover expenses.

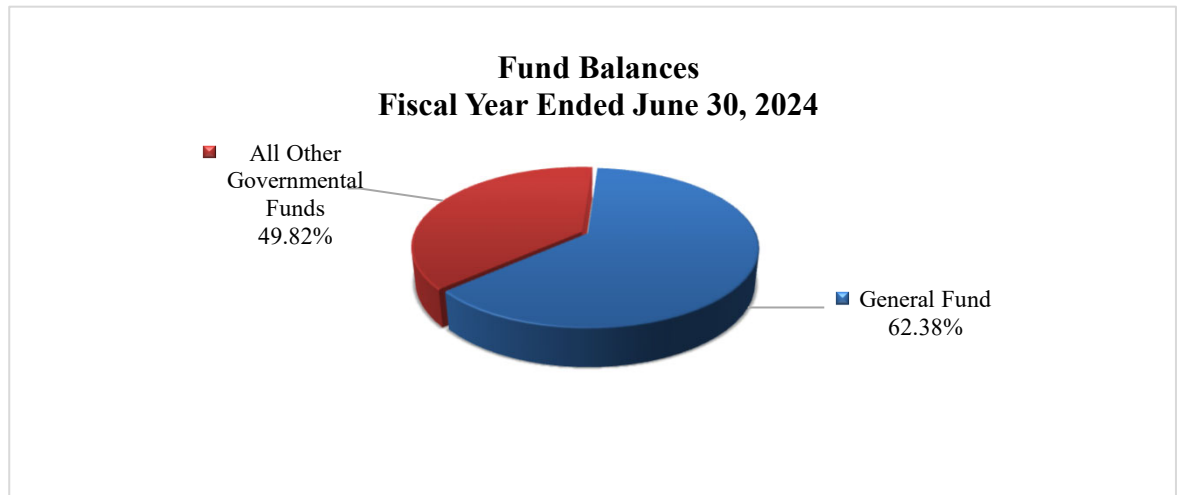
City of Gardena
Changes in Net Position (Continued)
Last Ten Fiscal Years Ended June 30, 2024
(accrual basis of accounting)

	Fiscal Year				
	2018-19	2017-18	2016-17	2015-16	2014-15
Net (expense)/revenue: ⁽¹⁾					
Governmental activities	(58,041,745)	(52,913,044)	(51,228,234)	(47,788,582)	(44,653,676)
Business-type activities	(4,060,295)	(4,556,634)	(5,936,379)	(5,341,859)	(5,404,836)
Total net revenues (expenses):	<u>(62,102,040)</u>	<u>(57,469,678)</u>	<u>(57,164,613)</u>	<u>(53,130,441)</u>	<u>(50,058,512)</u>
General Revenue and Other Changes in Net Position					
Governmental activities					
Taxes:					
Property taxes	7,735,545	7,150,957	7,130,426	6,729,849	6,402,520
Sales tax	13,466,178	11,006,901	11,204,697	11,227,326	9,965,476
Business license	2,843,375	2,727,532	2,606,279	2,536,438	2,547,148
Utility user taxes	4,955,645	5,088,450	5,147,736	5,212,410	5,335,375
Franchise taxes	2,777,572	2,609,219	2,440,108	2,534,820	2,417,342
Card club taxes	8,101,583	8,071,001	8,975,991	9,057,202	9,517,550
Other taxes	4,354,725	3,985,315	3,855,705	3,479,372	3,136,222
Vehicle license - unrestricted	6,378,321	5,994,920	5,677,909	5,445,385	5,166,984
Investment income	1,061,732	158,902	129,187	499,279	248,773
Miscellaneous	1,384,272	1,134,729	2,261,772	2,566,919	3,329,396
Gain on sale of assets	10,622	201,560	883,201	1,877,151	-
Transfers	978,428	38,632	9,898	3,221,449	200,846
Total governmental activities	<u>54,047,998</u>	<u>48,168,118</u>	<u>50,322,909</u>	<u>54,387,600</u>	<u>48,267,632</u>
Business-type activities					
Investment income	155,566	124,243	77,618	55,492	24,196
Miscellaneous	-	2,542	18,512	13,623	4,370
Gain (loss) on sale of assets	-	-	-	-	-
Transfers	(978,428)	(38,632)	(9,898)	(3,221,449)	(200,846)
Total business-type activities:	<u>(822,862)</u>	<u>88,153</u>	<u>86,232</u>	<u>(3,152,334)</u>	<u>(172,280)</u>
Total primary government:	<u>53,225,136</u>	<u>48,256,271</u>	<u>50,409,141</u>	<u>51,235,266</u>	<u>48,095,352</u>
Change in Net Position					
Governmental activities	(3,993,747)	(4,744,926)	(905,325)	6,599,018	3,613,956
Business-type activities	(4,883,157)	(4,468,481)	(5,850,147)	(8,494,193)	(5,577,116)
Total primary government:	<u>\$ (8,876,904)</u>	<u>\$ (9,213,407)</u>	<u>\$ (6,755,472)</u>	<u>\$ (1,895,175)</u>	<u>\$ (1,963,160)</u>

⁽¹⁾ Net (expense)/revenue is the difference between the expenses and program revenues of a function or program. It indicates the degree to which a function or program is supported with its own fees and program specific grants versus its reliance upon funding from taxes and other general revenues.
-A number in parentheses are net expenses, indicating that expenses were greater than program revenues and therefore, general revenues were needed to finance that function or program.
-Numbers without parentheses are net revenues, meaning that program revenues were more than sufficient to cover expenses.

City of Gardena
Fund Balances of Governmental Funds
Last Ten Fiscal Years Ended June 30, 2024
(modified accrual basis of accounting)

	Fiscal Year				
	2023-24	2022-23	2021-22	2020-21	2019-20
General Fund					
Nonspendable (1)	\$ 346,983	\$ 327,406	\$ 352,425	\$ 1,214,022	\$ 302,361
Restricted (1)	-	-	-	-	-
Committed (1)	33,309,406	26,848,674	26,936,620	18,697,703	7,310,676
Assigned (1)	25,660,594	22,662,517	14,236,728	8,670,503	2,848,416
Unassigned (1)	300,000	300,000	300,001	200,000	173,122
Total General Fund:	\$59,616,983	\$50,138,597	\$41,825,774	\$28,782,228	\$10,634,575
All Other Governmental Funds					
Nonspendable (1)	\$ 9,764	\$ 311,097	\$ 329,979	\$ 342,428	\$ 350,432
Restricted (1)	29,675,971	36,402,832	31,699,951	16,660,769	15,682,481
Committed (1)	301,894	-	-	-	-
Assigned (1)	-	-	-	-	-
Unassigned (1)	5,969,329	(347,129)	(185,700)	(1,298,092)	(81,218)
Total all other governmental funds:	\$ 35,956,958	\$ 36,366,800	\$ 31,844,230	\$ 15,705,105	\$ 15,951,695



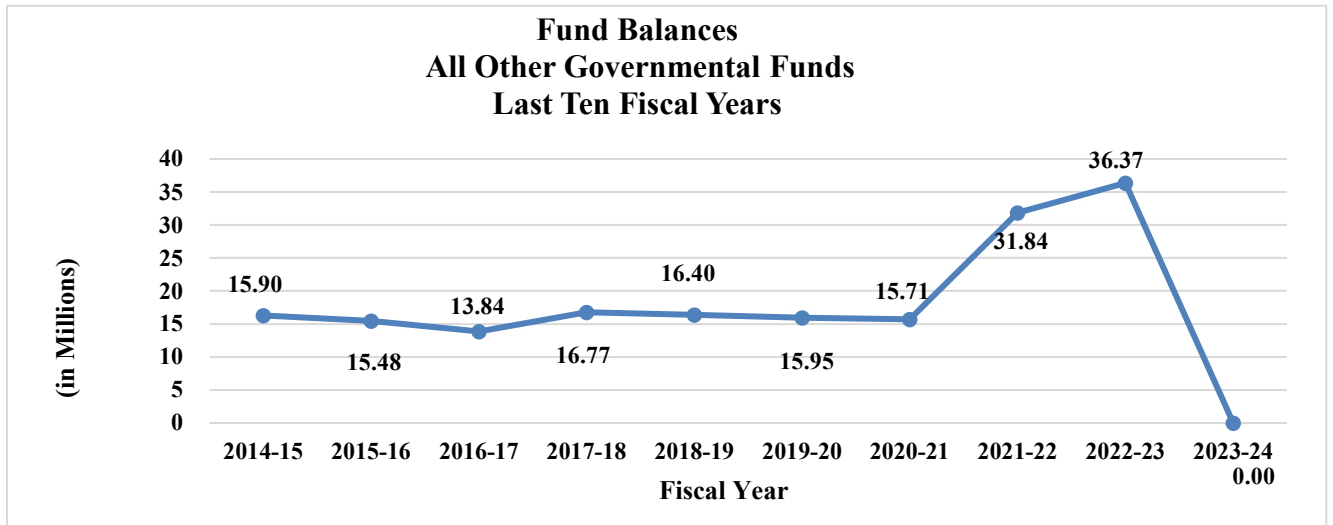
NOTES:

(1) New reporting requirements per GASB 54.

Source: City of Gardena, Administrative Services Department - Finance Division

City of Gardena
Fund Balances of Governmental Funds (Continued)
Last Ten Fiscal Years Ended June 30, 2024
(modified accrual basis of accounting)

	Fiscal Year				
	2018-19	2017-18	2016-17	2015-16	2014-15
General Fund					
Nonspendable (1)	\$ 333,803	\$ 385,931	\$ 294,133	\$ 189,819	\$ 179,244
Restricted (1)	-	5,287	43,611	164,116	327,752
Committed (1)	13,287,448	19,315,675	19,413,135	17,542,367	7,274,423
Assigned (1)	2,622,256	3,609,547	3,936,266	2,773,686	7,579,856
Unassigned (1)	271,377	200,000	200,000	200,000	400,362
Total General Fund:	\$16,514,884	\$23,516,440	\$23,887,145	\$20,869,988	\$15,761,637
All Other Governmental Funds					
Nonspendable (1)	\$ 308,741	\$ 16,769,655	-	-	\$ 4,734
Restricted (1)	16,089,466	-	10,073,376	11,726,127	13,048,054
Committed (1)	-	-	3,765,323	3,776,154	3,051,323
Assigned (1)	-	-	-	(20,809)	179,079
Assigned (1)	-	-	-	-	-
Total all other governmental funds:	\$ 16,398,207	\$ 16,769,655	\$ 13,838,699	\$ 15,481,472	\$ 16,283,190



NOTES:

(1) New reporting requirements per GASB 54.

Source: City of Gardena, Administrative Services Department - Finance Division

City of Gardena
Changes In Fund Balances - Governmental Funds
Last Ten Fiscal Years Ended June 30, 2024
(modified accrual basis of accounting)

	Fiscal Year				
	2023-24	2022-23	2021-22	2020-21 ⁽²⁾	2019-20
Revenues:					
Taxes	\$ 75,397,665	\$ 74,247,538	\$ 70,663,462	\$ 57,968,745	\$ 46,128,710
Licenses and permits	3,168,262	2,158,749	2,900,062	2,389,538	1,646,059
Use of money and property	3,265,756	1,881,431	(1,517,780)	(56,416)	1,036,059
Intergovernmental	13,372,447	12,265,983	13,689,853	16,142,006	7,157,208
Fines, forfeitures, and penalties	1,078,296	1,235,414	3,660,686	3,168,468	1,112,890
Charges for services	11,823,454	5,723,983	5,448,044	5,188,250	6,142,402
Miscellaneous	674,091	720,310	5,245,065	1,664,391	831,773
Total Revenues:	108,779,971	98,233,408	100,089,392	86,464,982	64,055,101
Expenditures:					
Current:					
General government	8,544,614	6,208,151	5,296,661	5,325,270	6,576,421
Public safety	48,263,127	42,327,977	41,545,473	37,558,085	41,295,066
Public works	9,087,374	8,435,997	7,868,811	6,776,073	8,372,502
Recreation and Human resources	7,353,343	8,221,690	7,318,062	6,232,436	6,155,882
Community development	4,190,330	2,837,108	3,061,632	2,789,072	2,474,928
Capital outlay	12,720,112	8,816,842	8,929,107	5,199,699	3,636,782
Debt service:					
Principal	4,976,825	5,052,989	3,850,985	1,173,158	967,696
Interest and fiscal charges	3,651,410	3,750,867	3,899,642	2,340,735	1,155,814
Total Expenditures:	98,787,135	85,651,621	81,770,373	67,394,528	70,635,091
Excess of Revenues over (under) Expenditures	9,992,836	12,581,787	18,319,019	19,070,454	(6,579,990)
Other Financing Sources (Uses):					
Proceeds of long-term debt	-	-	-	-	-
Proceeds from sale of assets	17,548	34,093	127,623	3,492	46,241
Proceeds from debt issuance	-	-	15,391,848	79,193,585	-
Issuance of capital leases	-	-	-	-	-
Costs of Bond issuance	-	-	-	-	-
Contribution to pension trust	-	-	-	(78,731,264)	-
Issuance of new debt	-	1,048,143	-	-	-
Issuance discount	-	-	-	-	-
Issuance of loans	-	-	-	-	86,223
Transfers in	18,476,483	18,089,299	16,400,118	12,724,862	7,476,706
Transfers out	(19,418,323)	(18,917,929)	(21,055,937)	(14,360,066)	(7,356,001)
Total Other Financing Sources (Uses):	(924,292)	253,606	10,863,652	(1,169,391)	253,169
Net change in fund balances	\$ 9,068,544	\$ 12,835,393	\$ 29,182,671	\$ 17,901,063	\$ (6,326,821)
Debt service as a percentage of noncapital expenditures: ⁽¹⁾	8.77%	10.41%	9.66%	5.39%	3.14%

NOTE:

⁽¹⁾ Ratio is calculated by dividing total debt service expenditures by total non-capital expenditures (difference between total expenditures and capitalized capital outlay expenditures)

⁽²⁾ Cost of bond issuance was reclassified into interest and fiscal charges from other financing uses

Source: City of Gardena, Administrative Services Department - Finance Division

City of Gardena
Changes In Fund Balances - Governmental Funds (Continued)
Last Ten Fiscal Years Ended June 30, 2024
(modified accrual basis of accounting)

	Fiscal Year				
	2018-19	2017-18	2016-17	2015-16	2014-15
Revenues:					
Taxes	\$ 50,827,680	\$ 47,527,518	\$ 46,847,209	\$ 46,222,802	\$ 44,488,617
Licenses and permits	1,735,711	1,694,670	1,800,752	1,521,379	1,109,169
Use of money and property	1,061,734	158,902	129,186	499,278	248,773
Intergovernmental	7,409,245	6,201,645	5,549,872	5,705,627	11,575,383
Fines, forfeitures, and penalties	2,261,549	1,124,079	1,102,235	1,794,049	1,433,758
Charges for services	5,270,787	5,070,020	5,155,573	4,545,874	4,208,616
Miscellaneous	892,283	1,197,011	2,944,050	1,807,155	3,141,148
Total Revenues:	69,458,989	62,973,845	63,528,877	62,096,164	66,205,464
Expenditures:					
Current:					
General government	6,004,196	5,025,047	4,914,416	4,886,467	5,108,064
Public safety	45,783,773	37,851,314	36,977,198	34,674,068	32,542,544
Public works	8,058,427	4,012,134	4,064,485	5,584,816	5,352,388
Recreation and Human resources	6,138,238	9,194,054	8,631,034	6,498,830	6,135,402
Community development	2,382,263	2,734,299	2,757,861	2,533,734	2,594,007
Capital outlay	6,127,264	3,794,206	3,349,481	8,332,649	8,064,783
Debt service:					
Principal	902,804	627,898	2,703,105	754,158	9,228,535
Interest and fiscal charges	1,198,262	1,227,659	1,431,641	1,369,936	2,029,383
Total Expenditures:	76,595,227	64,466,611	64,829,221	64,634,658	71,055,106
Excess of Revenues over (under) Expenditures	(7,136,238)	(1,492,766)	(1,300,344)	(2,538,494)	(4,849,642)
Other Financing Sources (Uses):					
Proceeds of long-term debt	-	-	-	-	-
Proceeds from sale of property	16,413	423,735	1,024,538	4,990,156	-
Proceeds from debt issuance	-	-	-	-	-
Issuance of capital leases	-	-	-	-	-
Costs of Bond issuance	-	-	-	-	-
Contribution to pension trust	-	-	-	-	-
Issuance of new debt	-	-	1,635,000	-	9,110,000
Issuance discount	-	-	-	-	(297,460)
Issuance of loans	86,223	86,223	86,223	311,026	408,740
Transfers in	9,013,583	6,747,282	6,487,933	11,143,623	10,368,953
Transfers out	(8,350,155)	(6,708,650)	(6,558,966)	(9,599,678)	(11,368,107)
Total Other Financing Sources (Uses):	766,064	548,590	2,674,728	6,845,127	8,222,126
Net change in fund balances	\$ (6,370,174)	\$ (944,176)	\$ 1,374,384	\$ 4,306,633	\$ 3,372,484
Debt service as a percentage of noncapital expenditures: ⁽¹⁾	2.87%	3.03%	6.64%	3.51%	17.16%

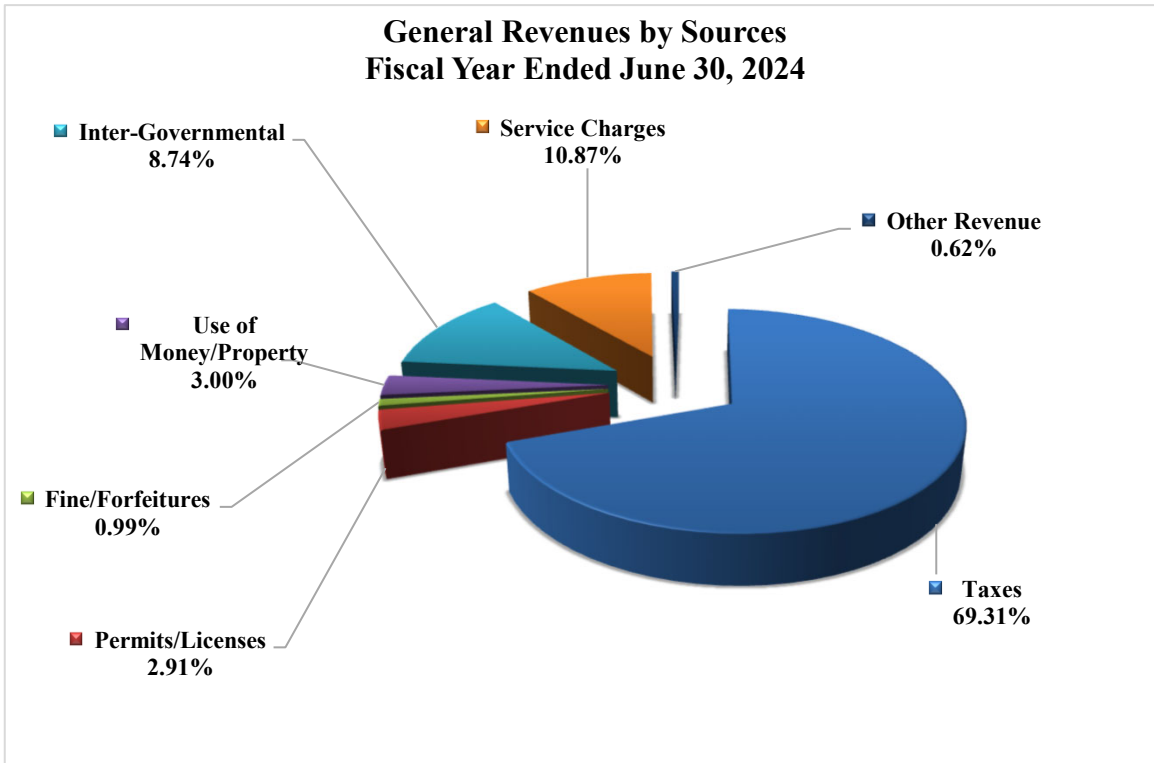
NOTE:

⁽¹⁾ Ratio is calculated by dividing total debt service expenditures by total non-capital expenditures (difference between total expenditures and capitalized capital outlay expenditures)

Source: City of Gardena, Administrative Services Department - Finance Division

**City of Gardena
Governmental Revenues By Sources
Last Ten Fiscal Years**

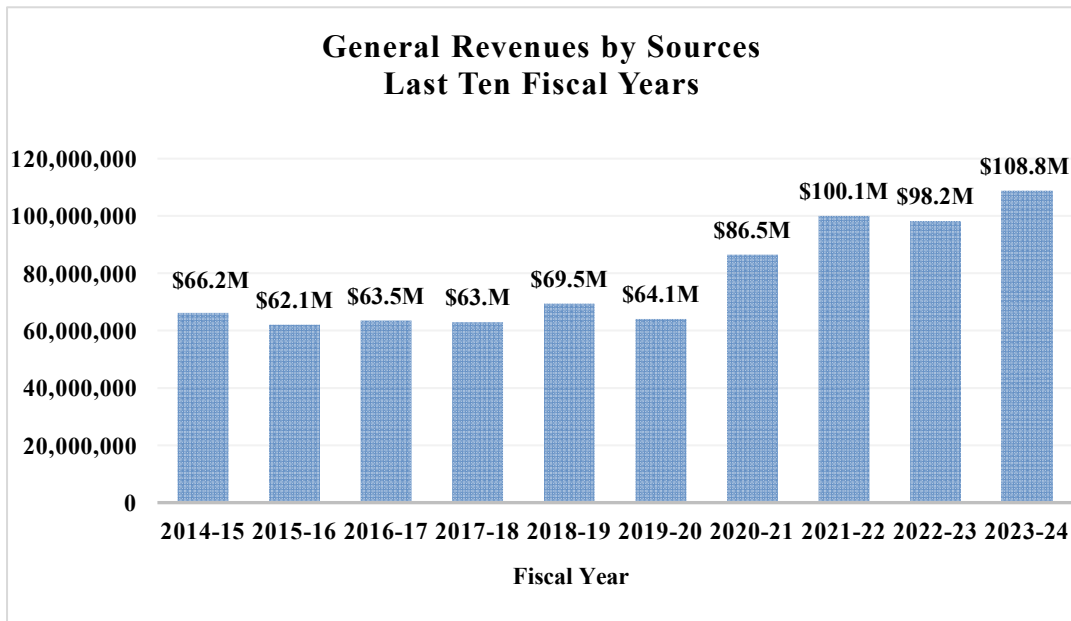
Fiscal Year	Taxes	Permits, Licenses and Fees	Fines and Forfeitures	Uses of Money and Property
2014-15	44,488,617	1,109,169	1,433,758	248,773
2015-16	46,222,802	1,521,379	1,794,049	499,278
2016-17	46,847,209	1,800,752	1,102,235	129,186
2017-18	47,527,518	1,694,670	1,124,079	158,902
2018-19	50,827,680	1,735,711	2,261,549	1,061,734
2019-20	46,128,710	1,646,059	1,112,890	1,036,059
2020-21	57,968,745	2,389,538	3,168,468	(56,416)
2021-22	70,663,462	2,900,062	3,660,686	(1,517,780)
2022-23	74,247,538	2,158,749	1,235,414	1,881,431
2023-24	75,397,665	3,168,262	1,078,296	3,265,756



Source: City of Gardena, Administrative Services Department - Finance Division

**City of Gardena
Governmental Revenues By Sources (Continued)
Last Ten Fiscal Years**

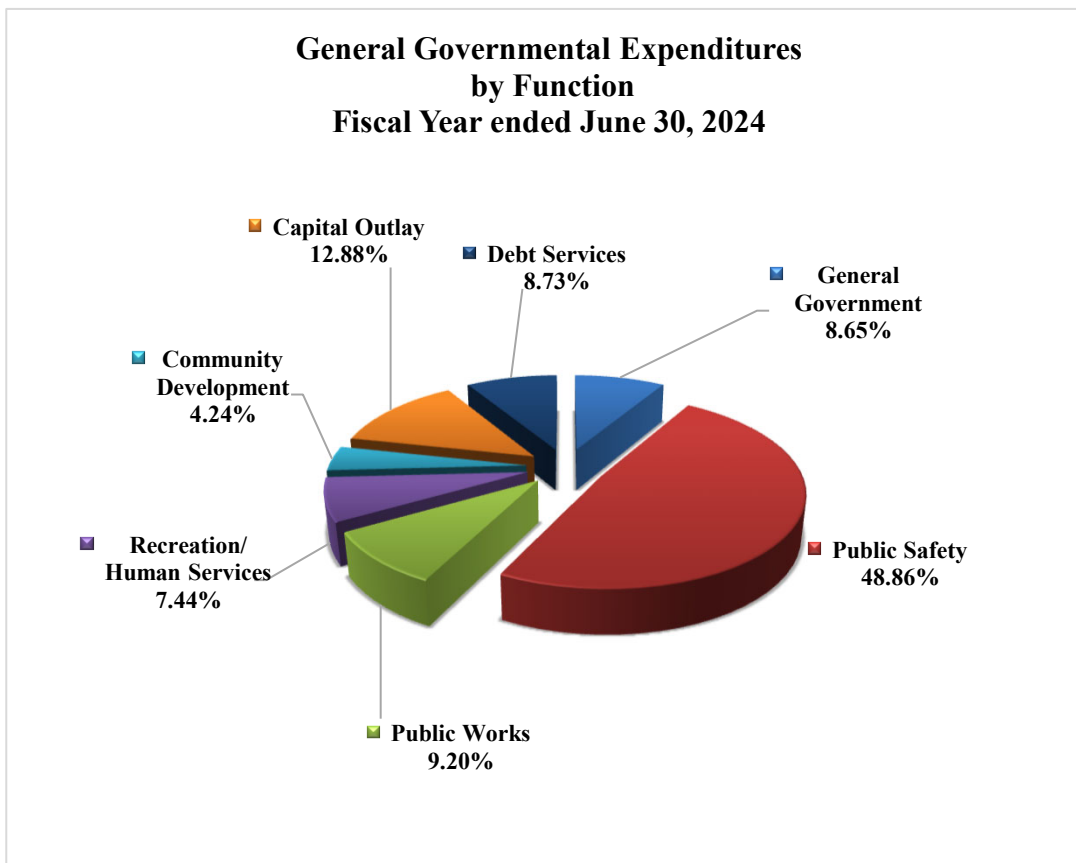
Fiscal Year	Inter-Governmental	Charges for Services	Other Revenues	Total
2014-15	11,575,383	4,208,616	3,141,148	66,205,464
2015-16	5,705,627	4,545,874	1,807,155	62,096,164
2016-17	5,549,872	5,155,573	2,944,050	63,528,877
2017-18	6,201,645	5,070,020	1,197,011	62,973,845
2018-19	7,409,245	5,270,787	892,283	69,458,989
2019-20	7,157,208	6,142,402	831,773	64,055,101
2020-21	16,142,006	5,188,250	1,664,391	86,464,982
2021-22	13,689,853	5,448,044	5,245,065	100,089,392
2022-23	12,265,983	5,723,983	720,310	98,233,408
2023-24	13,372,447	11,823,454	674,091	108,779,971



Source: City of Gardena, Administrative Services Department - Finance Division

City of Gardena General Governmental Expenditures By Function Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety	Public Works	Recreation and Human Services
2014-15	5,108,064	32,542,544	5,352,388	6,135,402
2015-16	4,886,467	34,674,068	5,584,816	6,498,830
2016-17	4,914,416	36,977,198	4,064,485	8,631,034
2017-18	5,025,047	37,851,314	4,012,134	9,194,054
2018-19	6,004,196	45,783,773	8,058,427	6,138,238
2019-20	6,576,421	41,295,066	8,372,502	6,155,882
2020-21	5,325,270	37,558,085	6,776,073	6,232,436
2021-22	5,296,661	41,545,473	7,868,811	7,318,062
2022-23	6,208,151	42,327,977	8,435,997	8,221,690
2023-24	8,544,614	48,263,127	9,087,374	7,353,343



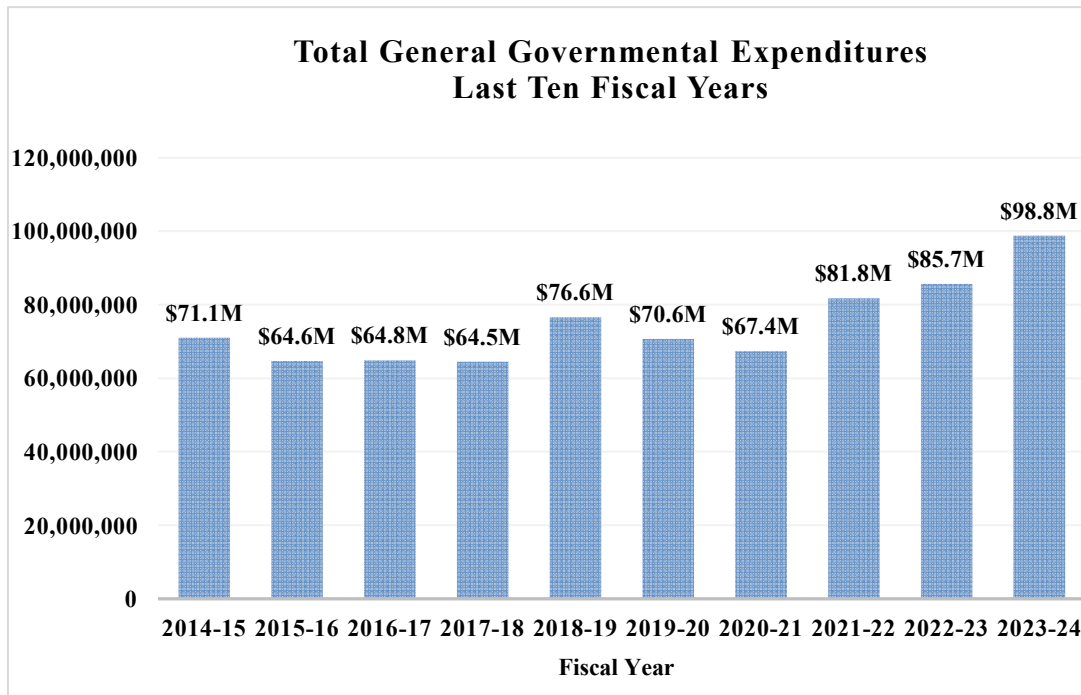
Note: These figures include all governmental fund types and exclude other financing sources (uses).
(General, Special Revenue, Capital Projects and Debt Service Funds)

- (1) These figures include Lease/Bonds, Payments for Debt Services and excluding Cost of bonds issuance and escrow payments.
- (2) 2021 cost of bond issuance was reclassified into debt service from other financing uses

Source: City of Gardena, Administrative Services Department - Finance Division

**City of Gardena
General Governmental Expenditures By Function (Continued)
Last Ten Fiscal Years**

Fiscal Year	Community Development	Capital Outlay	Debt Service ⁽¹⁾⁽²⁾	Total
2014-15	2,594,007	8,064,783	11,257,918	71,055,106
2015-16	2,533,734	8,332,649	2,124,094	64,634,658
2016-17	2,757,861	3,349,481	4,134,746	64,829,221
2017-18	2,734,299	3,794,206	1,855,557	64,466,611
2018-19	2,382,263	6,127,264	2,101,066	76,595,227
2019-20	2,474,928	3,636,782	2,123,510	70,635,091
2020-21	2,789,072	5,199,699	3,513,803	67,394,438
2021-22	3,061,632	8,929,107	7,750,627	81,770,373
2022-23	2,837,108	8,816,842	8,803,856	85,651,621
2023-24	4,190,330	12,720,112	8,628,235	98,787,135



Note: These figures include all governmental fund types and exclude other financing sources (uses).
(General, Special Revenue, Capital Projects and Debt Service Funds)

⁽¹⁾ These figures include Lease/Bonds, Payments for Debt Services and excluding Cost of bonds issuance and escrow payments.

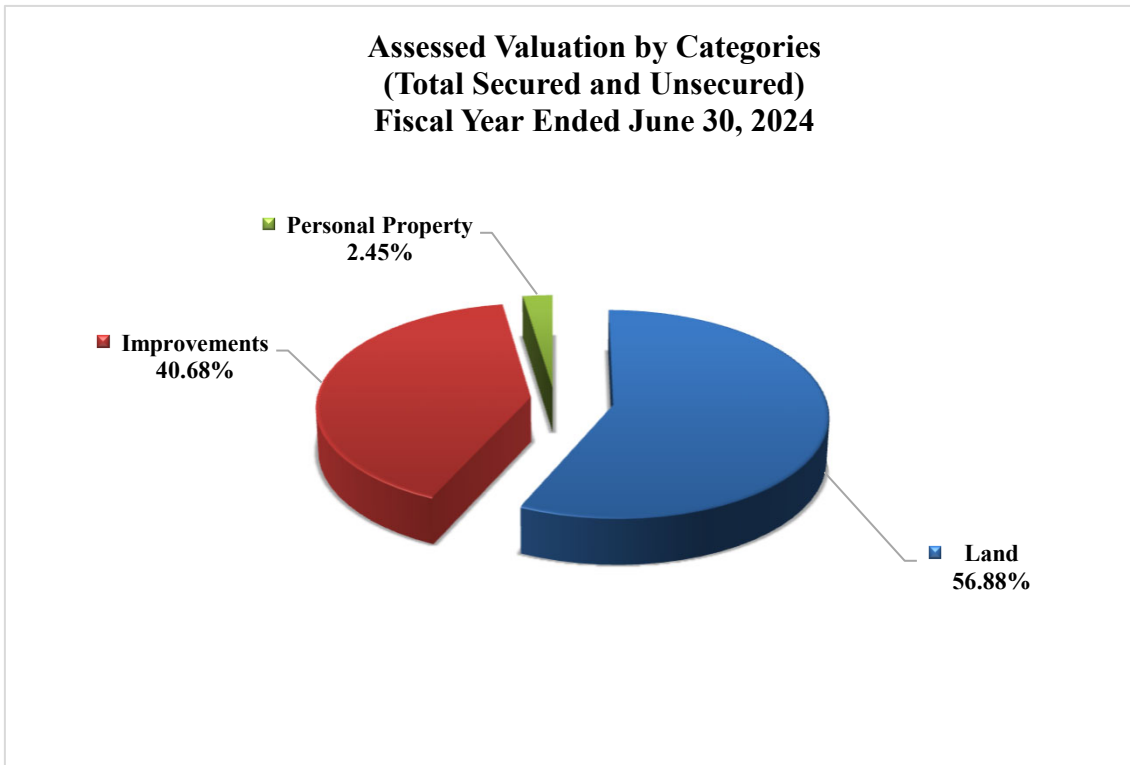
⁽²⁾ 2021 cost of bond issuance was reclassified into debt service from other financing uses

Source: City of Gardena, Administrative Services Department - Finance Division

City of Gardena

Assessed Valuation ⁽¹⁾ and Actual Value of Taxable Property Last Ten Fiscal Years

Fiscal Year	STATE ASSESSED				LOCALLY ASSESSED				
	SECURED -UTILITY				SECURED				
	Land	Improve-ments	Personal Property	Total	Land	Improve-ments	Personal Property	Other Exemptions	Total
2014-15	3,447,381	500	0	3,447,881	2,733,522,040	2,198,829,256	21,125,783	(101,657,690)	4,851,819,389
2015-16	256,548	500	0	257,048	2,901,287,675	2,302,898,593	21,733,418	(100,791,312)	5,125,128,374
2016-17	256,548	500	0	257,048	3,059,313,278	2,408,565,245	21,982,639	(101,483,543)	5,388,377,619
2017-18	256,548	500	0	257,048	3,259,570,366	2,534,031,367	22,671,336	(97,785,800)	5,718,487,269
2018-19	256,548	500	0	257,048	3,514,987,541	2,674,639,058	22,263,329	(106,481,118)	6,105,408,810
2019-20	256,548	500	0	257,048	3,745,803,302	2,836,862,048	22,530,962	(99,222,153)	6,505,974,159
2020-21	379,899	4,167	0	384,066	4,005,949,237	3,004,367,152	24,551,498	(105,940,809)	6,928,927,078
2021-22	213,049	0	0	213,049	4,213,320,667	3,080,008,549	27,201,792	(100,843,365)	7,219,687,643
2022-23	213,049	0	0	213,049	4,581,077,862	3,256,656,564	27,312,819	(83,188,820)	7,781,858,425
2023-24	79,755	0	0	79,755	4,996,682,580	3,447,486,489	29,700,615	(128,753,189)	8,345,116,495



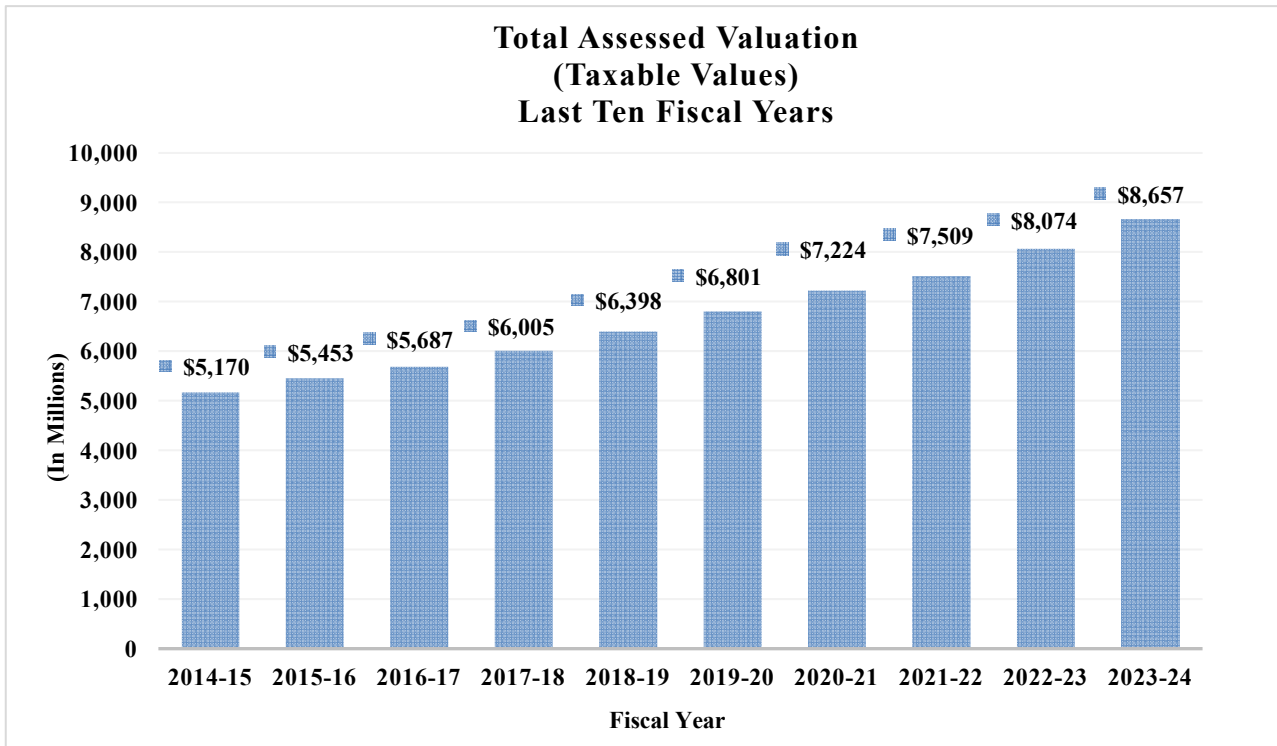
In 1978, California voters passed Proposition 13 which set the property tax at a 1.00% fixed amount. This 1.00% is shared by all the taxing agencies for which the subject property resides within. In addition to 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds. Assessed valuation is based on 100% of full value in accordance with Section 135 of the California Revenue and Taxation Code.

Source: ⁽¹⁾ L.A. County Assessor 2023/24 Combined Tax Rolls
⁽²⁾ Hdl Coren & Cone.

City of Gardena

Assessed Valuation ⁽¹⁾ and Actual Value of Taxable Property (Continued) Last Ten Fiscal Years

Fiscal Year	LOCALLY ASSESSED				TOTALS				
	UNSECURED				Before Other Exemptions	Taxable Assessed Value	% INCR. (DECR.)	Total Direct Rate ⁽²⁾	Home- Owner Property Tax Relief
	Improve- ments	Personal Property	Other Exemptions	Total					
2014-15	140,748,595	174,403,010	(89,000)	315,062,605	5,272,076,565	5,170,329,875	4.29%	0.11837%	49,327,059
2015-16	149,004,701	178,788,974	(82,000)	327,711,675	5,553,970,409	5,453,097,097	5.47%	0.11809%	48,873,792
2016-17	130,722,770	167,676,863	(82,000)	298,317,633	5,788,517,843	5,686,952,300	4.29%	0.11790%	48,088,576
2017-18	125,455,566	161,242,825	(47,000)	286,651,391	6,103,228,508	6,005,395,708	5.60%	0.11766%	47,602,798
2018-19	125,099,278	166,925,685	(77,300)	291,947,663	6,504,171,939	6,397,613,521	6.53%	0.11737%	46,936,370
2019-20	123,980,060	170,442,727	(73,400)	294,349,387	6,899,876,147	6,800,580,594	6.30%	0.11711%	46,368,399
2020-21	119,705,782	174,999,947	(36,400)	294,669,329	7,329,957,682	7,223,980,473	6.23%	0.11685%	45,437,387
2021-22	120,700,759	169,061,580	(1,154,249)	288,608,090	7,610,506,396	7,508,508,782	3.94%	0.11672%	44,954,554
2022-23	122,253,280	171,000,192	(1,151,403)	292,102,069	8,158,513,766	8,074,173,543	7.53%	0.11644%	44,725,326
2023-24	126,122,624	185,436,471	0	311,559,095	8,785,508,534	8,656,755,345	7.22%	0.11618%	44,144,720



In 1978, California voters passed Proposition 13 which set the property tax at a 1.00% fixed amount. This 1.00% is shared by all the taxing agencies for which the subject property resides within. In addition to 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds. Assessed valuation is based on 100% of full value in accordance with Section 135 of the California Revenue and Taxation Code.

Source: ⁽¹⁾ L.A. County Assessor 2023/24 Combined Tax Rolls
⁽²⁾ Hdl Coren & Cone.

City of Gardena
Assessed Value of Property by User Code
Last Ten Fiscal Years

CATEGORY	Fiscal Year				
	2023-24	2022-23	2021-22	2020-21	2019-20
Residential	\$5,697,161,939	\$5,247,758,428	\$4,857,419,242	\$4,671,664,590	\$4,397,530,388
Commercial	1,131,751,802	1,074,201,133	1,027,450,526	1,006,453,482	936,892,089
Industrial	1,298,035,540	1,208,490,671	1,117,152,653	1,037,251,905	964,891,072
Govt. Owned	116,674	22	-	-	-
Recreational	43,240,677	42,678,387	41,518,155	40,966,262	40,263,960
Institutional	88,652,232	114,427,704	94,990,583	89,836,280	76,976,001
Miscellaneous	2,262,303	88	-	-	-
Vacant land	56,048,027	66,945,560	66,349,257	69,851,264	75,744,666
SBE Nonunitary	79,755	213,049	213,049	384,066	257,048
Possessory Int.	27,847,301	27,356,432	14,807,227	12,903,295	13,675,983
Unsecured	311,559,095	292,102,069	288,608,090	294,669,329	294,349,387
Unknown	-	-	-	-	-
	8,656,755,345	8,074,173,543	7,508,508,782	7,223,980,473	6,800,580,594
Homeowner Exemption ⁽¹⁾	-	-	-	-	-
TOTALS:	\$8,656,755,345	\$8,074,173,543	\$7,508,508,782	\$7,223,980,473	\$6,800,580,594

Notes: In 1978 the voters of the State of California passed Proposition 13 which limited 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 of 2%). With few exemptions, property is only reassessed as a result of new construction or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value 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 limitation just mentioned.

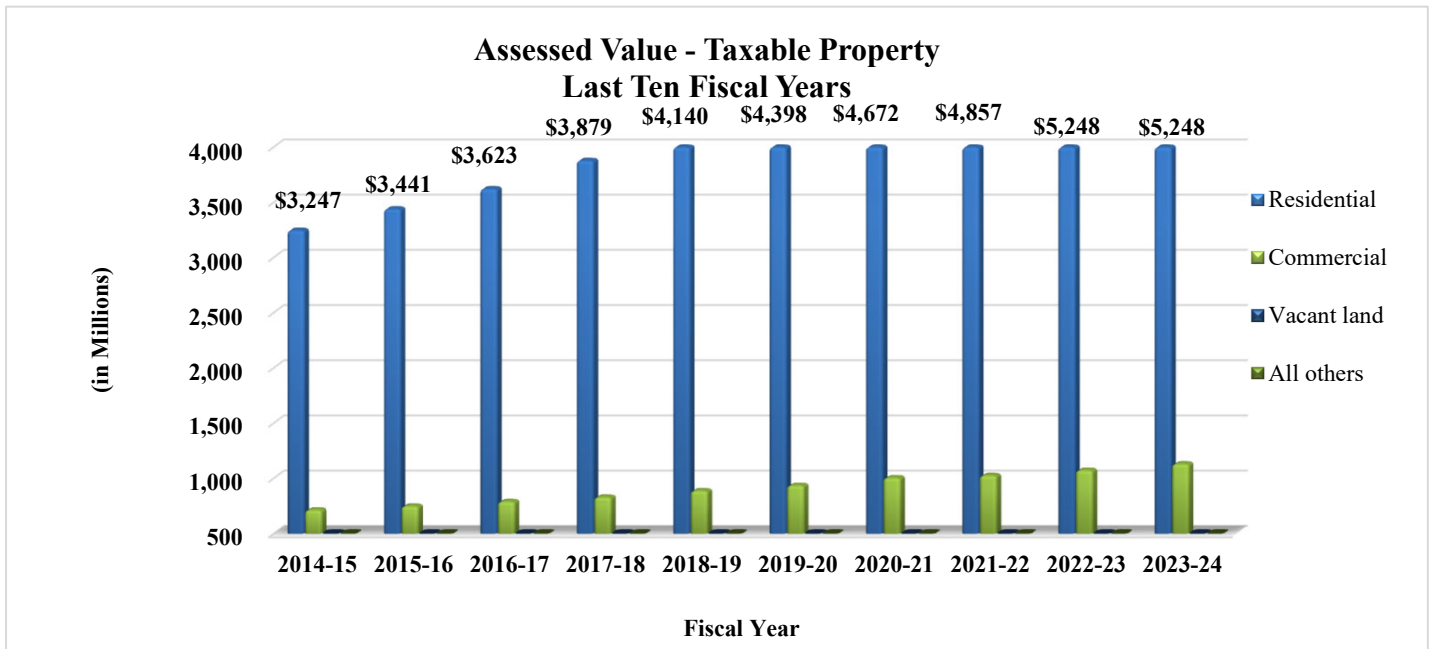
-Exempt values are not included in Total.

⁽¹⁾ In 2006-07 certain report formatting changes have been made to comply with GASB 44 standard reporting requirements; therefore, the net of Homeowner Exemption is separated from previous years.

Source: L.A. County Assessor 2014/15-2023/24 Combined Tax Rolls, HdL, Coren & Cone

City of Gardena
Assessed Value of Property by User Code (Continued)
Last Ten Fiscal Years

CATEGORY	Fiscal Year				
	2018-19	2017-18	2016-17	2015-16	2014-15
Residential	\$4,139,852,554	\$3,879,882,318	\$3,623,545,163	\$3,441,407,499	\$3,247,456,567
Commercial	888,959,749	831,348,140	791,527,339	750,255,119	715,396,379
Industrial	889,298,836	834,753,358	796,231,706	763,622,835	735,316,073
Govt. Owned	-	-	5,250,000	-	-
Recreational	39,491,086	38,342,794	38,760,141	39,348,412	38,689,706
Institutional	74,813,850	78,834,725	69,798,622	65,412,639	62,243,721
Miscellaneous	-	451,519	442,667	-	-
Vacant land	62,990,225	46,086,466	54,308,182	57,298,803	46,471,775
SBE Nonunitary	257,048	257,048	257,048	257,048	3,447,881
Possessory Int.	10,002,510	8,787,949	8,513,799	7,783,045	6,245,168
Unsecured	291,947,663	286,651,391	298,317,633	327,711,675	315,062,605
Unknown	-	-	-	22	-
	6,397,613,521	6,005,395,708	5,686,952,300	5,453,097,097	5,170,329,875
Homeowner Exemption	(1)	-	-	-	-
TOTALS:	\$6,397,613,521	\$6,005,395,708	\$5,686,952,300	\$5,453,097,097	\$5,170,329,875



Notes: In 1978 the voters of the State of California passed Proposition 13 which limited 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 of 2%). With few exemptions, property is only reassessed as a result of new construction or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value 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 limitation just mentioned.

-Exempt values are not included in Total.

(1) In 2006-07 certain report formatting changes have been made to comply with GASB 44 standard reporting requirements; therefore, the net of Homeowner Exemption is separated from previous years.

Source: L.A. County Assessor 2014/15-2023/24 Combined Tax Rolls, HdL, Coren & Cone

City of Gardena
Assessed Value and Estimated Value of Taxable Property
Last Ten Fiscal Years
(in thousands)

Fiscal Year	Residential	Commercial	Industrial	Agriculture	Recreational	Institutional	Govt. Owned	Vacant land
2014-15	3,247,457	715,396	735,316	-	38,690	62,244	-	46,472
2015-16	3,441,407	750,255	763,623	-	39,348	65,413	-	57,299
2016-17	3,623,545	791,527	796,232	-	38,760	69,798	5,250	54,308
2017-18	3,879,882	831,348	834,753	-	38,342	78,834	-	46,086
2018-19	4,139,853	888,960	889,299	-	39,491	74,814	-	62,990
2019-20	4,397,530	936,892	964,891	-	40,264	76,976	-	75,745
2020-21	4,671,665	1,006,453	1,037,252	-	40,967	89,836	-	69,851
2021-22	4,857,419	1,027,451	1,117,153	-	41,518	94,991	-	66,349
2022-23	5,247,759	1,074,201	1,208,491	-	42,678	114,428	-	66,946
2023-24	5,697,162	1,131,751	1,298,036	-	43,241	88,652	117	56,048

NOTES: Report formatting changes have been made to comply with GASB 44 standard reporting requirements. Public Utility values are not included in this report.

⁽¹⁾ Tax Rate Areas: TRA 000576

-Tax rate limit: A state constitutional amendment (Proposition 13) provided that the tax rate was limited to 1% of full cash values, levied only by the County and shared with all other jurisdictions. All other jurisdictions and the County can levy a tax rate for voter-approved debt.

⁽²⁾ Estimated Actual Value is derived from a series of calculations comparing median assessed values from 1940 to current median sales price and the Factor of Taxable Assessed Value is the result. This factor is changing from year to year; however, since the previous fiscal years calculating data is not available, the fiscal year 2007-08 factor is used.

Source: L.A. County Assessor 2014/15-2023/24 Combined Tax Rolls, HdL, Coren & Cone

City of Gardena
Assessed Value and Estimated Value of Taxable Property (Continued)
Last Ten Fiscal Years
(in thousands)

Fiscal Year	SBE					TOTAL	Total Direct Tax Rate ⁽¹⁾	Estimated Taxable Value ⁽²⁾	Factor of Taxable Assessed Value
	Nonunitary	Possessory Int.	Unsecured	Misc.					
2014-15	3,448	6,245	315,062	-	-	5,170,330	0.11837	6,895,721	1.33371
2015-16	257	7,783	327,712	-	-	5,453,097	0.11809	7,272,850	1.33371
2016-17	257	8,514	298,317	442	-	5,686,950	0.11790	7,584,742	1.33371
2017-18	257	8,787	286,651	-	-	6,004,940	0.11790	8,008,849	1.33371
2018-19	257	10,002	291,948	-	-	6,397,614	0.11737	8,532,562	1.33371
2019-20	257	13,676	294,349	-	-	6,800,580	0.11711	9,070,002	1.33371
2020-21	384	12,903	294,669	-	-	7,223,980	0.11685	9,634,694	1.33371
2021-22	213	14,807	288,608	-	-	7,508,509	0.11672	10,014,174	1.33371
2022-23	213	27,356	292,102	-	-	8,074,174	0.11644	10,768,607	1.33371
2023-24	80	27,847	311,559	2,262	-	8,656,755	0.11618	11,545,601	1.33371

NOTES: Report formatting changes have been made to comply with GASB 44 standard reporting requirements. Public Utility values are not included in this report.

⁽¹⁾ Tax Rate Areas: TRA 000576

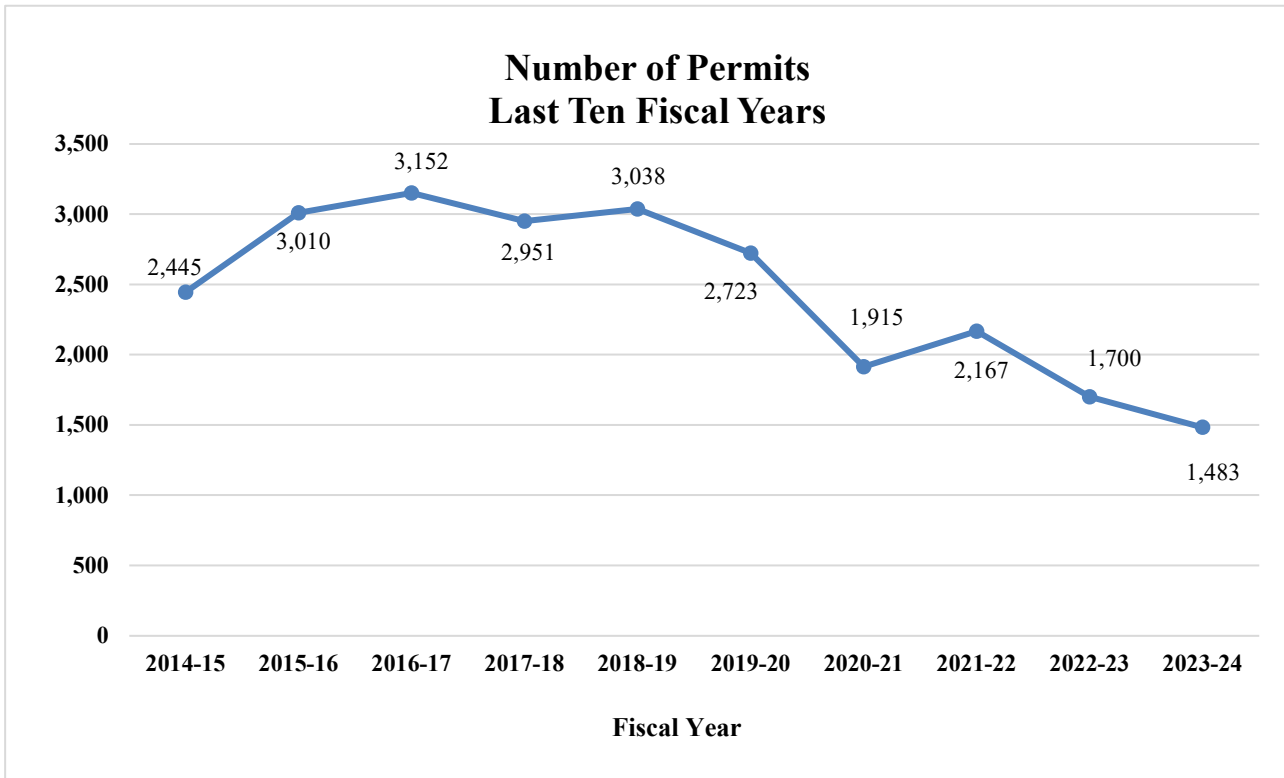
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⁽²⁾ Estimated Actual Value is derived from a series of calculations comparing median assessed values from 1940 to current median sales price and the Factor of Taxable Assessed Value is the result. This factor is changing from year to year; however, since the previous fiscal years calculating data is not available, the fiscal year 2007-08 factor is used.

Source: L.A. County Assessor 2014/15-2023/24 Combined Tax Rolls, HdL, Coren & Cone

**City of Gardena
Construction and Bank Deposits
(Miscellaneous Information)
Last Ten Fiscal Years**

Fiscal Year	CONSTRUCTION ⁽¹⁾					
	Residential		Commercial		Industrial	
	No. of Permits	Valuation	No. of Permits	Valuation	No. of Permits	Valuation
2014-15	785	11,173,245	295	10,524,008	2	63,500
2015-16	1,126	18,042,192	253	12,303,725	2	26,500
2016-17	1,161	10,988,165	269	16,919,670	9	7,091,565
2017-18	964	18,379,450	264	25,034,187	15	1,069,280
2018-19	1,107	23,699,914	220	10,676,880	11	437,850
2019-20	927	33,001,214	164	11,378,321	10	88,468
2020-21	737	82,991,894	105	10,605,434	5	1,712,440
2021-22	1,041	49,722,116	146	20,804,846	2	320,000
2022-23	1,070	30,141,588	122	13,599,849	5	1,862,509
2023-24	856	97,341,915	123	22,062,761	14	1,528,900

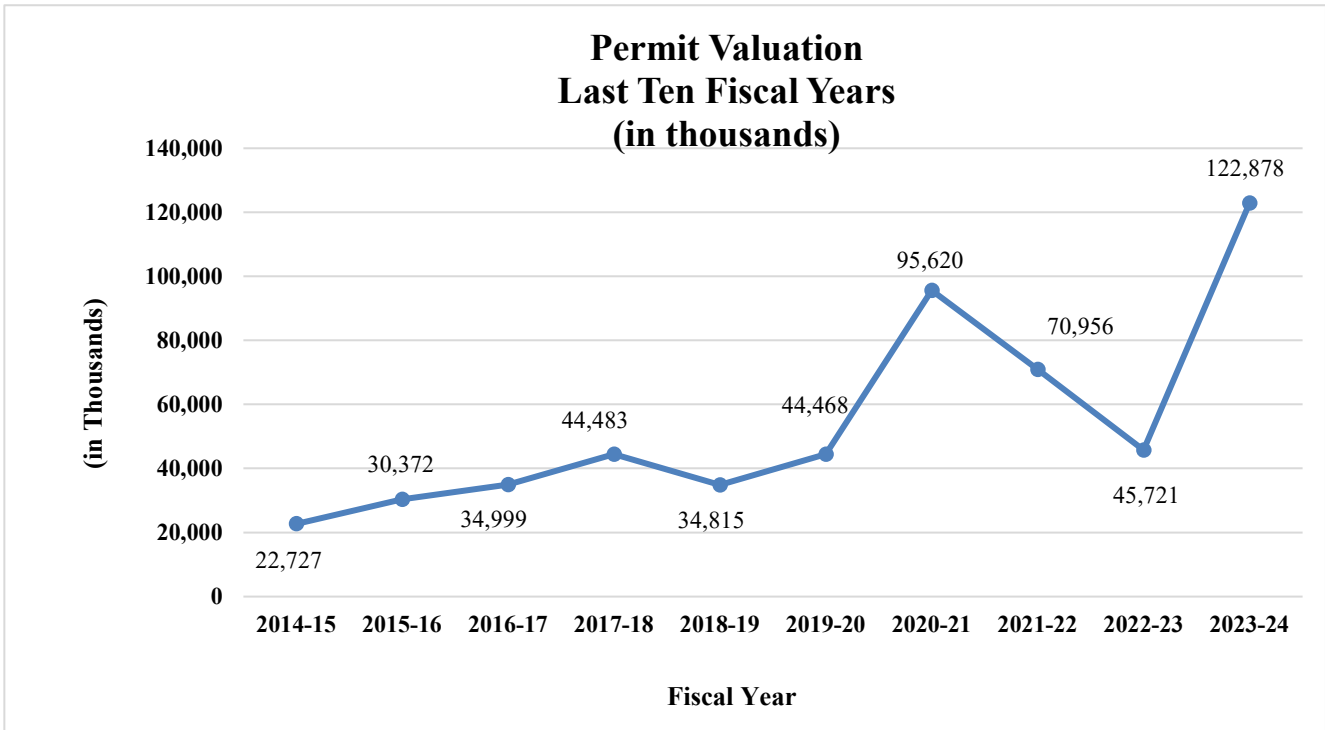


Sources: ⁽¹⁾ City of Gardena, Community Development Department.

⁽²⁾ City of Gardena-FDIC-Insured Institutions as of 06/30/2024

**City of Gardena
Construction and Bank Deposits (Continued)
(Miscellaneous Information)
Last Ten Fiscal Years**

Fiscal Year	CONSTRUCTION ⁽¹⁾				Bank Deposits ⁽²⁾ (in Thousands)
	All others		Total		
	No. of Permits	Valuation	No. of Permits	Valuation	
2014-15	1,363	966,527	2,445	22,727,280	1,656,979
2015-16	1,629	-	3,010	30,372,417	2,311,146
2016-17	1,713	-	3,152	34,999,400	1,913,039
2017-18	1,708	-	2,951	44,482,917	1,913,039
2018-19	1,700	-	3,038	34,814,644	1,980,803
2019-20	1,622	-	2,723	44,468,003	2,285,338
2020-21	1,068	310,030	1,915	95,619,798	2,483,396
2021-22	978	109,000	2,167	70,955,962	2,618,588
2022-23	503	117,273	1,700	45,721,219	2,484,565
2023-24	490	1,943,979	1,483	122,877,556	2,352,713

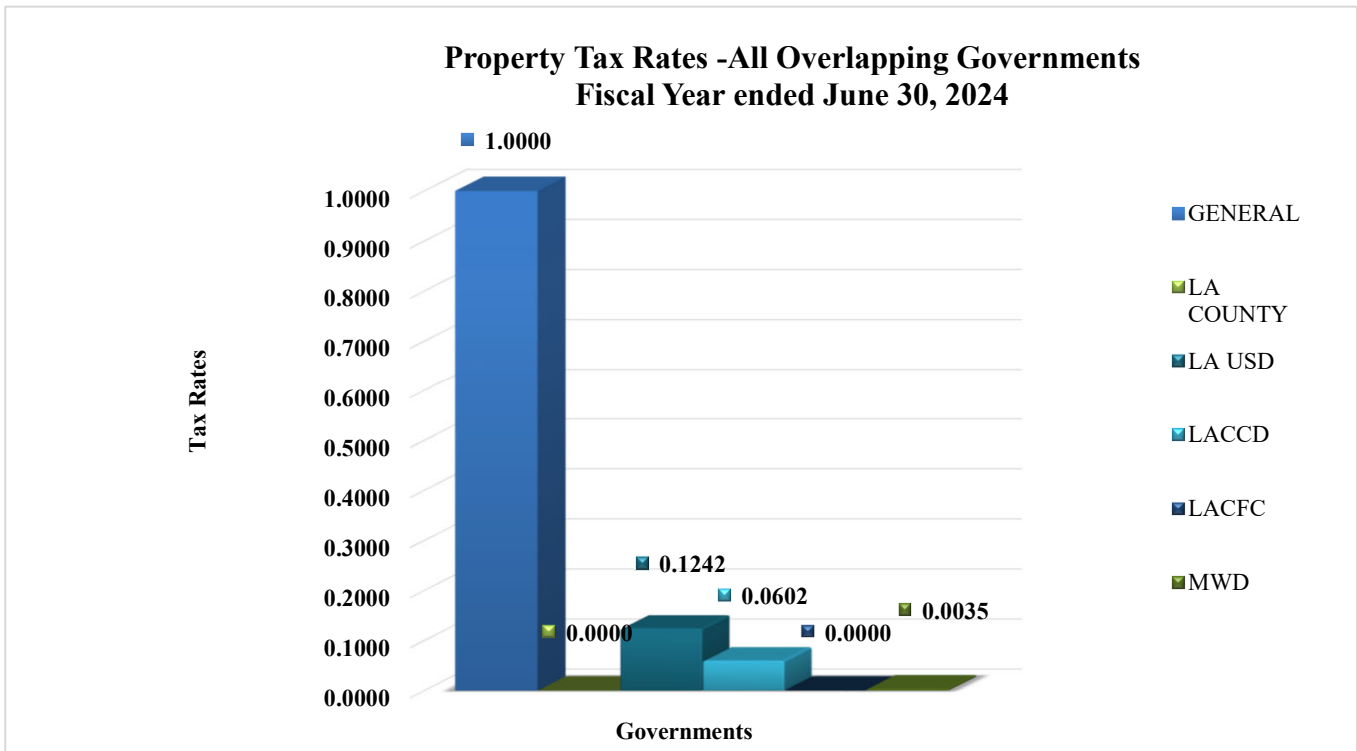


Sources: ⁽¹⁾ City of Gardena, Community Development Department.

⁽²⁾ City of Gardena-FDIC-Insured Institutions as of 06/30/2024

City of Gardena
Property Tax Rates ⁽¹⁾ - All Overlapping Governments
Last Ten Fiscal Years
(Rate per \$100 of Taxable Value)

Fiscal Year	General	Los Angeles County	Los Angeles Unified School District
2014-15	1.000000	0.000000	0.146880
2015-16	1.000000	0.000000	0.129710
2016-17	1.000000	0.000000	0.131100
2017-18	1.000000	0.000000	0.122190
2018-19	1.000000	0.000000	0.123230
2019-20	1.000000	0.000000	0.125520
2020-21	1.000000	0.000000	0.139930
2021-22	1.000000	0.000000	0.113230
2022-23	1.000000	0.000000	0.121070
2023-24	1.000000	0.000000	0.124220



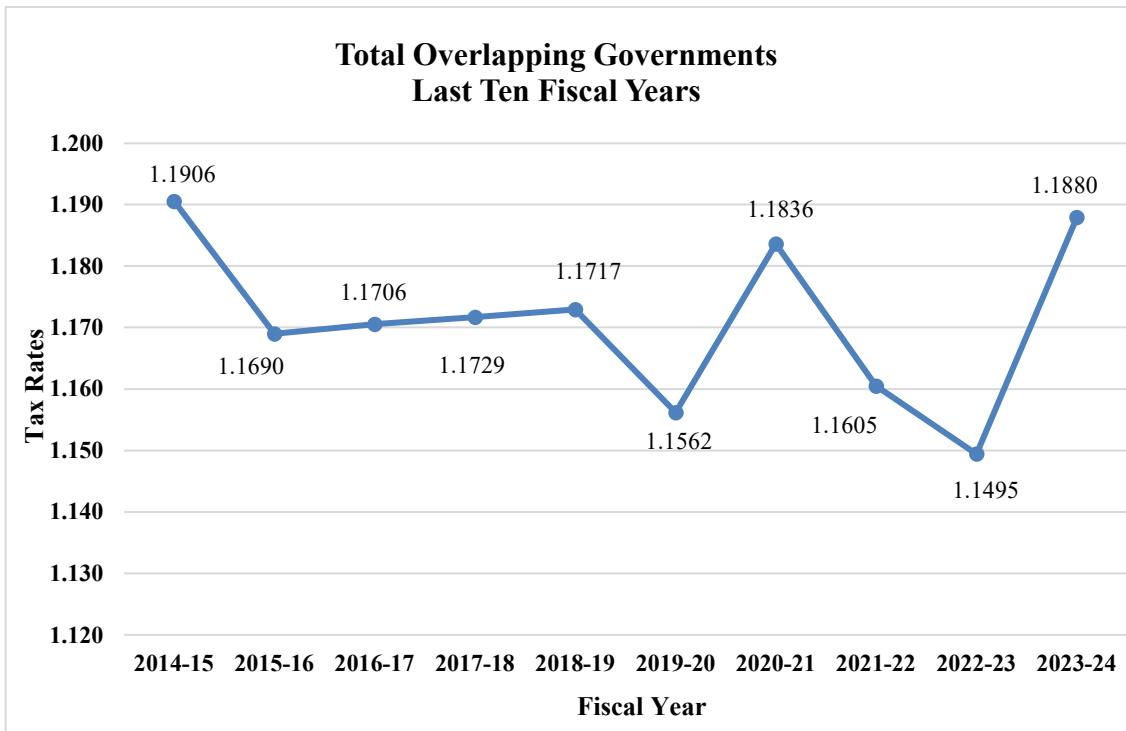
⁽¹⁾ Tax Rate Areas: TRA 000576

-Tax rate limit: A state constitutional amendment (Proposition 13) provided that the tax rate was limited to 1% of full cash values, levied only by the County and shared with all other jurisdictions. All other jurisdictions and the County can levy a tax rate for voter-approved debt.

Source: L.A. County Assessor 2014/15-2023/24 Combined Tax Rolls, HdL, Coren & Cone

City of Gardena
Property Tax Rates ⁽¹⁾ - All Overlapping Governments (Continued)
Last Ten Fiscal Years
(Rate per \$100 of Taxable Value)

Fiscal Year	Los Angeles Community College District	Los Angeles County Flood Control	Metropolitan Water District	Total
2014-15	0.040170	0.000000	0.003500	1.190550
2015-16	0.035750	0.000000	0.003500	1.168960
2016-17	0.035960	0.000000	0.003500	1.170560
2017-18	0.045990	0.000000	0.003500	1.171680
2018-19	0.046210	0.000000	0.003500	1.172940
2019-20	0.027170	0.000000	0.003500	1.156190
2020-21	0.040160	0.000000	0.003500	1.183590
2021-22	0.043760	0.000000	0.003500	1.160490
2022-23	0.024880	0.000000	0.003500	1.149450
2023-24	0.060230	0.000000	0.003500	1.187950



⁽¹⁾ Tax Rate Areas: TRA 000576

-Tax rate limit: A state constitutional amendment (Proposition 13) provided that the tax rate was limited to 1% of full cash values, levied only by the County and shared with all other jurisdictions. All other jurisdictions and the County can levy a tax rate for voter-approved debt.

Source: L.A. County Assessor 2014/15-2023/24 Combined Tax Rolls, HdL, Coren & Cone

City of Gardena
Direct and Overlapping Property Tax Rates
(rate per \$100 of assessed value)
Ten Fiscal Year Detail of Rates for Largest General Fund Tax Rates Area 00576
(Proposition 13 Rate)

Agency	FISCAL YEAR				
	22-23	22-23	21-22	20-21	19-20
City of Gardena Tax District I	0.11160 %	0.11160 %	0.11160 %	0.11160 %	0.11160 %
Children's Institutional Tuition Fund	0.00285 %	0.00285 %	0.00285 %	0.00285 %	0.00285 %
County Sanitation District No. 5 Operations	0.01256 %	0.01256 %	0.01256 %	0.01256 %	0.01256 %
County School Services	0.00144 %	0.00144 %	0.00144 %	0.00144 %	0.00144 %
County School Service Fund Los Angeles	0.00001 %	0.00001 %	0.00001 %	0.00001 %	0.00001 %
Development Center for Handicapped Minors -LA Unified School District	0.00127 %	0.00127 %	0.00127 %	0.00127 %	0.00127 %
Educational Augmentation Fund Impound	0.16240 %	0.16240 %	0.16240 %	0.16240 %	0.16240 %
Educational Augmentation Fund (ERAF) Impound	0.07820 %	0.07820 %	0.07820 %	0.07820 %	0.07820 %
LA City Community College District	0.03070 %	0.03070 %	0.03070 %	0.03070 %	0.03070 %
LA County Community College Children's Center Fund	0.00032 %	0.00000 %	0.00032 %	0.00032 %	0.00032 %
LA County Accumulative Capital Outlays	0.00012 %	0.00012 %	0.00012 %	0.00012 %	0.00012 %
LA County Fire - Ffw	0.00747 %	0.00747 %	0.00747 %	0.00747 %	0.00747 %
LA County Flood Control Dr. Improvement District	0.00178 %	0.00178 %	0.00178 %	0.00178 %	0.00178 %
LA County Library	0.02380 %	0.02380 %	0.02380 %	0.02380 %	0.02380 %
LA County Flood Control Maintenance	0.01007 %	0.01007 %	0.01007 %	0.01007 %	0.01007 %
Los Angeles Children's Center Fund	0.00371 %	0.00371 %	0.00371 %	0.00371 %	0.00371 %
LA County General	0.32520 %	0.32520 %	0.32520 %	0.32520 %	0.32520 %
Los Angeles Unified School District	0.22590 %	0.22590 %	0.22590 %	0.22590 %	0.22590 %
Greater L A Co Vector Control	0.00038 %	0.00038 %	0.00038 %	0.00038 %	0.00038 %
Water Replacement District of Southern California	0.00018 %	0.00018 %	0.00018 %	0.00018 %	0.00018 %
Total Prop. 13 Rate:	1.00000 %	1.00000 %	1.00000 %	1.00000 %	1.00000 %
TOTAL DIRECT RATE (Producing Revenue for The City)⁽¹⁾:	0.11618 %	0.11644 %	0.11672 %	0.11685 %	0.11711 %
County of Los Angeles ⁽¹⁾	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %

Notes: General fund tax rates are representative and based upon the direct and overlapping rates for the largest General Fund tax rates area (TRA) by net taxable value.
Total Direct Rate ⁽¹⁾ is weighted average of all individual direct rates applied by the government preparing the statistical section information. The percentages presented in the columns above do not sum across rows.
RDA rate is based on the largest RDA tax rate area (TRA) and includes only rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values.

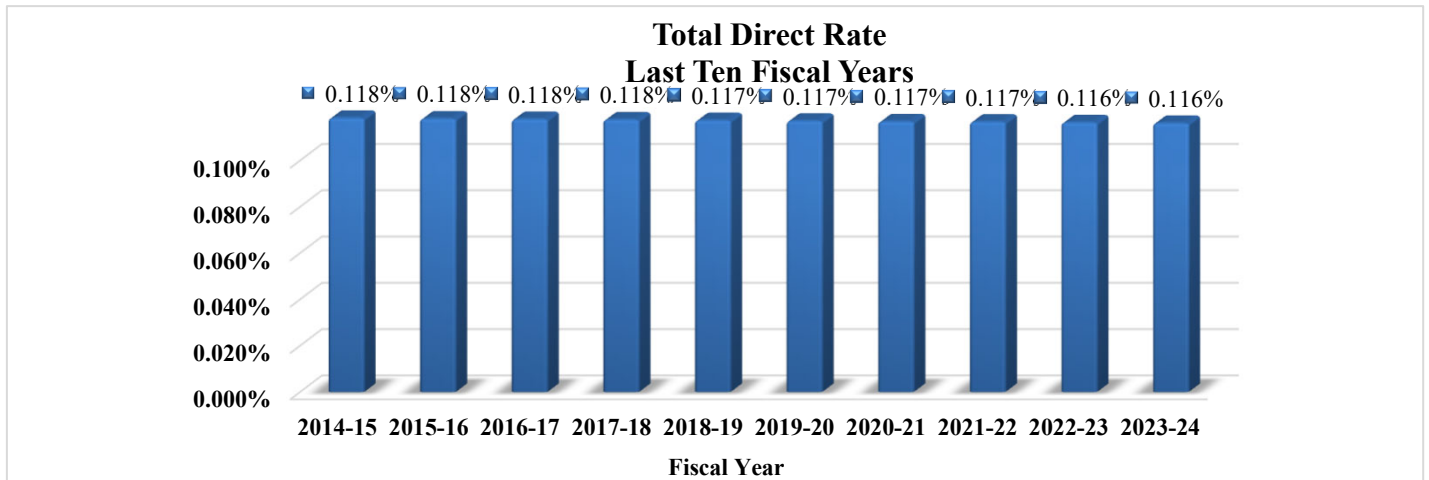
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Source: ⁽¹⁾ L.A. County Assessor 2014/15-2023/24 Combined Tax Rolls, HdL, Coren & Cone

City of Gardena
Direct and Overlapping Property Tax Rates (Continued)
(rate per \$100 of assessed value)
Ten Fiscal Year Detail of Rates for Largest General Fund Tax Rates Area 00576
(Proposition 13 Rate)

Agency	FISCAL YEAR				
	18-19	17-18	16-17	15-16	14-15
City of Gardena Tax District 1	0.11160 %	0.11160 %	0.11160 %	0.11160 %	0.11157 %
Children's Institutional Tuition Fund	0.00285 %	0.00285 %	0.00285 %	0.00285 %	0.00285 %
County Sanitation District No. 5 Operations	0.01256 %	0.01256 %	0.01256 %	0.01256 %	0.01256 %
County School Services	0.00144 %	0.00144 %	0.00144 %	0.00144 %	0.00144 %
County School Service Fund of Angeles -LAUSD	0.00001 %	0.00001 %	0.00001 %	0.00001 %	0.00001 %
Development Center for Handicapped Minors -LA Unified School District	0.00127 %	0.00127 %	0.00127 %	0.00127 %	0.00127 %
Educational Augmentation Fund Impound	0.16240 %	0.16240 %	0.16240 %	0.16240 %	0.16240 %
Educational Augmentation Fund (ERAF) Impound	0.07820 %	0.07820 %	0.07820 %	0.07820 %	0.07820 %
LA County Community College District	0.03070 %	0.03070 %	0.03070 %	0.03070 %	0.03070 %
LA County Community College Children's Center Fund	0.00032 %	0.00032 %	0.00032 %	0.00032 %	0.00032 %
LA County Accumulative Capital Outlays	0.00012 %	0.00012 %	0.00012 %	0.00012 %	0.00012 %
LA County Fire - Ffw	0.00747 %	0.00747 %	0.00747 %	0.00747 %	0.00747 %
LA County Flood Control Improvement District	0.00178 %	0.00178 %	0.00178 %	0.00178 %	0.00178 %
LA County Library	0.02380 %	0.02380 %	0.02380 %	0.02380 %	0.02380 %
LA County Flood Control Maintenance	0.01007 %	0.01007 %	0.01007 %	0.01007 %	0.01007 %
Los Angeles Children's Center Fund	0.00371 %	0.00371 %	0.00371 %	0.00371 %	0.00371 %
LA County General	0.32520 %	0.32520 %	0.32520 %	0.32520 %	0.32520 %
Los Angeles Unified School District	0.22590 %	0.22590 %	0.22590 %	0.22590 %	0.22590 %
Greater L A Co Vector Control	0.00038 %	0.00038 %	0.00038 %	0.00038 %	0.00038 %
Water Replacement District of Southern California	0.00018 %	0.00018 %	0.00018 %	0.00018 %	0.00018 %
Total Prop. 13 Rate:	1.00000 %	1.00000 %	1.00000 %	1.00000 %	1.00000 %

TOTAL DIRECT RATE (Producing Revenue for The City) ⁽¹⁾ :	0.11737 %	0.11766 %	0.11790 %	0.11809 %	0.11837 %
County of Los Angeles ⁽¹⁾	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %



City of Gardena
Ten Largest Property Taxpayers
Current Year and Nine Years Ago

Owner/Taxpayer	Business Type	Fiscal Year 2023-24		Fiscal Year 2014-15	
		Total Assessed Value	Percent of Total City Assessed Value	Total Assessed Value	Percent of Total City Assessed Value
Nissin Foods USA Company Inc	Manufacturing	\$60,988,483	0.70 %		
MPT of Gardena PHS LP	Hospital services	56,763,629	0.66		
Terreno 139th LLC	Non-residential property owners	41,066,410	0.47		
Gardena Owner LP	Non-residential property owners	35,789,760	0.41		
JSL Gardena I LLC	Non-residential property owners	33,481,922	0.39		
14215 Normandie LLC	Property management	32,931,482	0.38		
Showa Marine Inc	Wholesale sales	28,801,525	0.33		
Liberty Property LP	Non-residential property owners	28,381,819	0.33		
Majestic Properties Inc	Property management	26,324,728	0.30		
Brek Manufacturing Company	Manufacturing	25,954,764	0.30		
Hitco Technologies Inc.	Manufacturing parts			96,752,230	1.87 %
Nissin Foods Company Inc.	Manufacturing			57,547,694	1.11
GA HC REIT II Gardena CA Hospital LLC	Hospital services			42,190,677	0.82
JSL Gardena I LLC	Non-residential property owners			28,416,375	0.55
Majestic Properties Inc.	Property management			25,282,264	0.49
Brek Manufacturing Company	Manufacturing			24,686,316	0.48
Gramercy Properties LLC	Non-residential property owners			21,917,192	0.42
Target Corporation	Retail sales			20,302,729	0.39
WH Gardena Marketplace LLC	Shopping Center			19,100,000	0.37
Sams Real Estate Business Trust	Non-residential property owners			18,320,848	0.35
Top Ten Totals (secured and unsecured):		370,484,522	4.28 %	354,516,325	6.86 %
All Others (secured)		8,286,270,823	95.72	4,815,813,550	93.14
Total All Assessed Valuation (secured):		\$8,656,755,345	100.00 %	\$5,170,329,875	100.00 %

Source: L.A. County Assessor 2014/15-2023/24 Combined Tax Rolls and the SBE Non Unitary Tax Roll

City of Gardena
Top 25 Sales Tax Producers ⁽¹⁾
(Miscellaneous Information)
Previous Calendar Year and Ten Years Ago

Calendar Year 2023			Calendar Year 2014		
	Tax Payers	Business Type		Tax Payers	Business Type
1	76	Service Stations	76		Service Stations
2	A&A Chevron	Service Stations	76		Service Stations
3	Albertsons	Grocery Stores	A&A Chevron		Service Stations
4	Arco AM PM	Service Stations	Albertsons		Grocery Stores
5	Beacon Roofing Supply	Building Materials	Beacon Roofing Supply		Building Materials
6	Chick Fil A	Quick-Service Restaurants	Crenshaw Lumber Co		Building Materials
7	Crenshaw Lumber Co	Building Materials	Crenshaw Wholesale Electric Supply		Plumbing/Electrical Supplies
8	Crenshaw Wholesale Electric Supply	Plumbing/Electrical Supplies	Enterprise Rent A Car		Transportation/Rentals
9	Enterprise Rent A Car	Transportation/Rentals	Food 4 Less		Grocery Stores
10	Food 4 Less	Grocery Stores	G & C Equipment Finders Corp		Contractors
11	G & C Equipment Finders Corp	Contractors	Gardena Blue Water		Service Stations
12	Gardena Honda	New Motor Vehicle Dealers	Gardena Honda		New Motor Vehicle Dealers
13	Honda Lease Trust	Auto Lease	Gardena Nissan		New Motor Vehicle Dealers
14	In N Out Burger	Quick-Service Restaurants	Marukai Market		Grocery Stores
15	Marukai Market	Grocery Stores	McDonald's		Quick-Service Restaurants
16	McDonald's	Quick-Service Restaurants	Mobil Gardena		Service Stations
17	Nissan of Gardena	New Motor Vehicle Dealers	Nader's Furniture		Home Furnishings
18	Raising Cane's	Quick-Service Restaurants	New York Times Sales		Light Industrial/Printers
19	Ralphs	Grocery Stores	Sam's Club w/ Fuel		Discount Dept Stores
20	Sam's Club w/ Fuel	Discount Dept Stores	Smardan Hatcher Co.		Plumbing/Electrical Supplies
21	Smardan Hatcher Co.	Plumbing/Electrical Supplies	Target		Discount Dept Stores
22	Target	Discount Dept Stores	United Oil Company		Service Stations
23	Valero	Service Stations	Vons Fuel		Service Stations
24	Vons Fuel	Service Stations	Wood Oil Company		Petroleum Prod/Equipment
25	Wood Oil Company	Petroleum Prod/Equipment	Z Gallerie		Home Furnishings

-Account for 56.52%
of the total sales tax collected.

-Account for 56.25%
of the total sales tax collected.

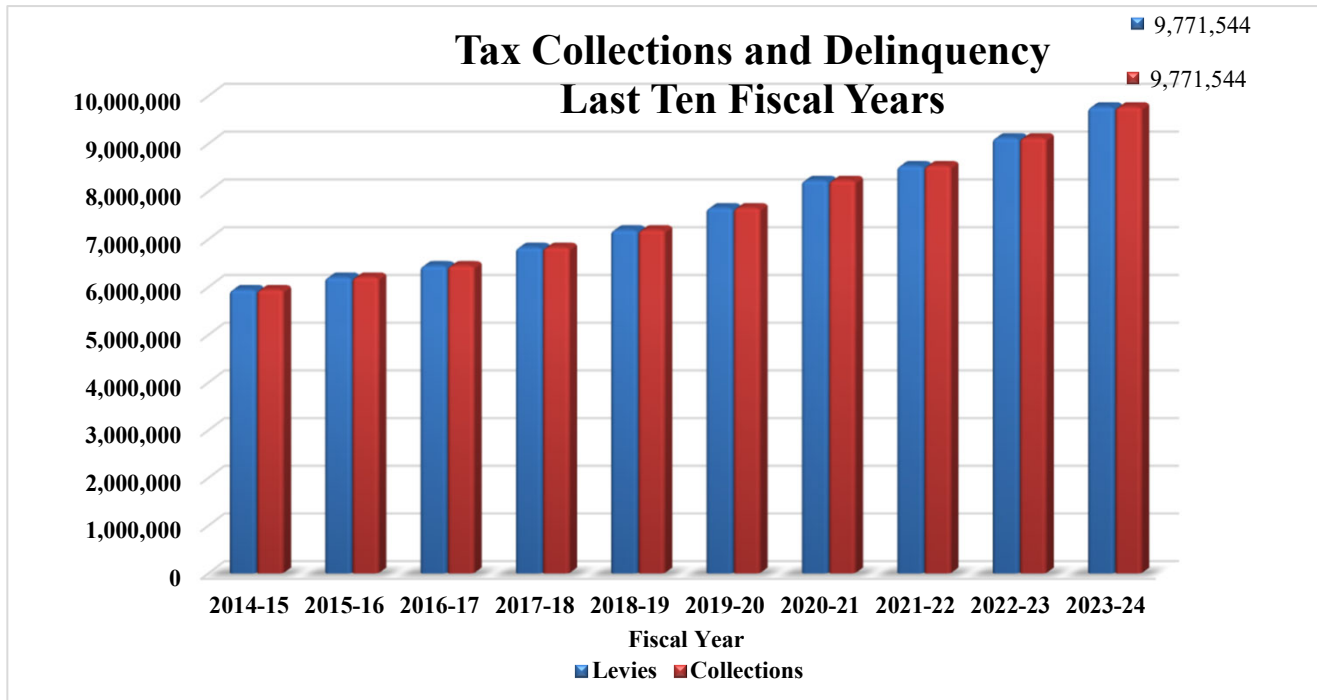
*** The names are listed in alphabetical order, not sales tax volume.

Source: SBOE, CDTFA, SCO, HdL Companies

⁽¹⁾ Period: from January to December

City of Gardena Property Tax Levies, Tax Collections, and Delinquency Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	COLLECTED WITHIN THE FISCAL YEAR OF LEVY			TOTAL COLLECTIONS TO DATE	
		Amount	Percent of Levy	Collections in Subsequent Years	Amount	Percent of Levy
2014-15	5,948,939	5,946,829	99.96%	2,109	5,948,939	100.00%
2015-16	6,208,056	6,192,921	99.76%	15,134	6,208,056	100.00%
2016-17	6,447,952	6,433,016	99.77%	14,936	6,447,952	100.00%
2017-18	6,832,148	6,816,038	99.76%	16,110	6,832,148	100.00%
2018-19	7,198,451	7,164,319	99.53%	34,132	7,198,451	100.00%
2019-20	7,660,514	7,640,236	99.74%	20,278	7,660,514	100.00%
2020-21	8,233,669	8,207,649	99.68%	26,020	8,233,669	100.00%
2021-22	8,540,847	8,524,459	99.81%	16,388	8,540,847	100.00%
2022-23	9,123,832	9,071,698	99.43%	52,134	9,123,832	100.00%
2023-24	9,771,544	9,717,972	99.45%	53,572	9,771,544	100.00%

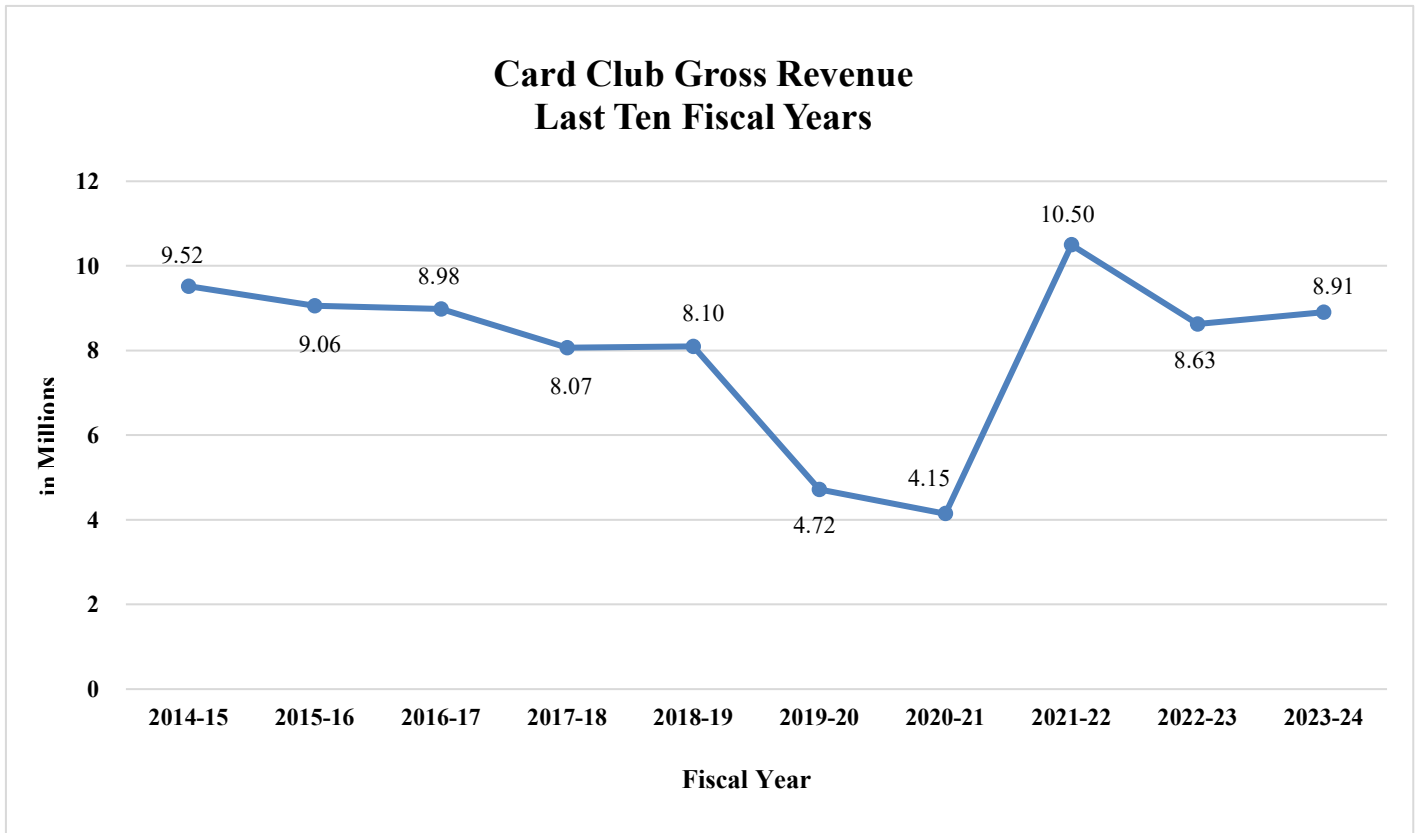


NOTE: Article XIII-A of the Constitution of the State of California adopted by the electorate in June 1978, precludes the City from a local property tax levy. All general-purpose property taxes are levied by the County and allocated to other governmental entities on a predetermined formula.

Sources: City of Gardena, Administrative Services Department - Finance Division

**City of Gardena
Card Club Gross Revenue Fee
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Card Club Revenue</u>	⁽¹⁾ <u>General Fund Gross Revenue</u>	<u>Percent of General Fund Revenue</u>
2014-15	9,517,550	54,413,202	17.49%
2015-16	9,057,202	54,092,710	16.74%
2016-17	8,975,991	56,237,621	15.96%
2017-18	8,071,001	55,972,281	14.42%
2018-19	8,101,583	60,267,575	13.44%
2019-20	4,718,691	55,906,560	8.44%
2020-21	4,154,913	79,772,701	5.21%
2021-22	10,544,948	80,865,048	13.04%
2022-23	8,633,145	83,114,369	10.39%
2023-24	8,910,456	86,997,951	10.24%



⁽¹⁾ Two card clubs: Lucky Lady Casino & Hustler Casino
City receives 12% of the total monthly gross revenue of the card game business.

**City of Gardena
Utility Users Tax Received
Last Five Fiscal Years**

Fiscal Year Ended June 30

	2024	2023	2022	2021	2020
Utility Users Tax Electric	\$ 3,311,316	\$ 3,072,555	\$ 2,584,392	\$ 2,331,492	\$ 2,110,227
Utility Users Tax Gas	793,877	1,177,694	837,674	648,472	616,341
Utility Users Tax Electric Service Provider	429,601	324,189	323,978	199,496	217,700
Utility Users Tax Gas-Non Core	112,050	127,587	111,839	88,421	91,533
UUT-Mobile/Cellular Telephones	235,814	240,469	216,708	181,548	313,603
UUT-Long Distance Telephone/Non Cellular	371,199	439,504	417,966	458,602	490,588
Utility Users Tax Water	1,097,773	898,171	930,300	947,276	902,866
UUT-Prepaid Mobile Telephone	52,680	37,681	58,537	115,493	58,372
TOTAL	\$ 6,404,308	\$ 6,317,851	\$ 5,481,395	\$ 4,970,799	\$ 4,801,230

Sources: City of Gardena, Administrative Services Department - Finance Division

City of Gardena
Taxable Sales by Category
Calendar Years 2019 through 2023
(in thousands)

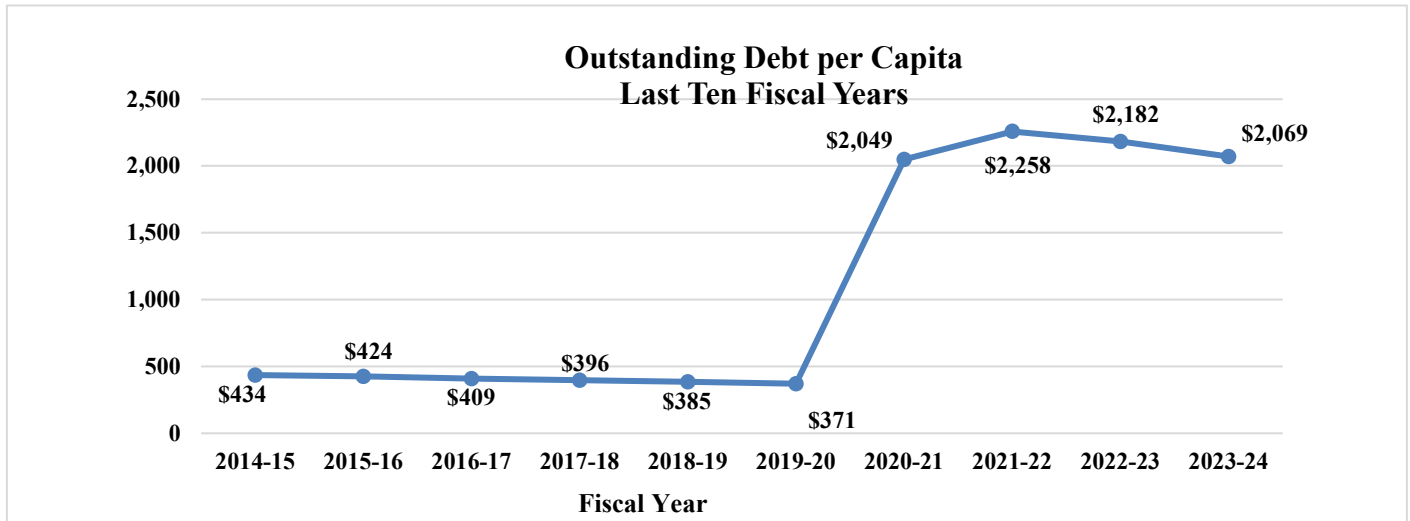
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Apparel Stores	\$ 13,491	\$ 13,224	\$ 13,671	\$ 9,294	\$ 12,209
General Merchandise	161,461	167,193	152,741	127,495	125,790
Food Stores	49,468	48,854	46,211	47,793	43,373
Eating and Drinking Places	244,557	237,796	208,331	169,453	194,542
Building Materials	230,320	269,392	239,752	167,892	151,441
Auto Dealers and Supplies	220,374	163,647	161,756	135,836	152,677
Service Stations	104,259	117,176	92,427	68,200	93,644
Other Retail Stores	80,850	85,265	95,811	89,810	87,059
All Other Outlets	454,835	468,004	151,132	150,482	192,835
TOTAL	<u>\$ 1,559,615</u>	<u>\$ 1,570,551</u>	<u>\$ 1,161,832</u>	<u>\$ 966,255</u>	<u>\$ 1,053,570</u>

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

City of Gardena Ratio of Outstanding Debt by Type Last Ten Fiscal Years

GOVERNMENTAL ACTIVITIES

Fiscal Year	Population ⁽¹⁾	Certificates of Participation ⁽²⁾	Revenue Bonds	Pension Obligation Bonds	Leases Payable	Loan Payable	Subscription Liabilities	Direct Purchase Lease	Other	Total
2014-15	60,414	12,370,000	10,835,639	-	67,125	2,930,317	-	-	-	26,203,081
2015-16	60,785	11,770,000	10,764,523	-	-	3,114,763	-	-	124,548	25,773,834
2016-17	60,721	9,170,000	10,688,407	-	-	3,200,986	-	1,635,000	111,443	24,805,836
2017-18	61,246	8,710,000	10,552,291	-	-	3,287,209	-	1,635,000	93,545	24,278,045
2018-19	61,042	8,220,000	10,411,175	-	-	3,373,432	-	1,390,000	80,741	23,475,348
2019-20	60,937	7,700,000	10,260,059	-	-	3,459,655	-	1,120,000	68,045	22,607,759
2020-21	60,344	7,150,000	10,103,943	79,029,723	381,696	3,545,880	-	845,000	53,749	101,109,991
2021-22	59,947	6,565,000	24,826,484	76,692,725	337,409	3,632,103	755,138	565,000	43,361	113,417,220
2022-23	59,809	5,940,000	24,108,714	73,832,926	459,635	3,718,327	1,032,161	285,000	29,065	109,405,828
2023-24	60,028	5,275,000	23,355,944	70,547,863	544,477	3,804,551	617,471	-	14,769	104,160,075



NOTES:

⁽¹⁾ State of California, Finance Department

⁽²⁾ The City of Gardena had 6 Certificates of Participations at the end of fiscal year 1996-97. At the end of fiscal year 2005-06, there were only two Certificates of Participation Series 2001A and 2006AB&C. During the fiscal year 2005-06, the City refunded the Certificates of Participation Series 1994 and 1999 A & B by Series 2006 A B & C.

In fiscal year 2006-07, the City refunded Certificates of Participation Series 2001A by the Refunding Revenue COPs series 2007A.

In fiscal year 2014-15, the City refunded Certificates of Participation Series 2006 B by the Taxable Lease Revenue Refunding Bonds 2014.

In fiscal year 2016-17, the City refunded Certificates of Participation Series 2006 C by the 2017 Direct Purchase Lease.

-Refer to Notes in the Financial Statement for details of the City's outstanding debt

⁽³⁾ Assessed value has been used because the actual value of taxable property is not readily available in the State of California

⁽⁴⁾ Income data was provided by HDL Coren & Cone using City of Gardena Average per Capita Personal Income.

Sources: City of Gardena, Administrative Services Department - Finance Division
County of Los Angeles, Auditor-Controller Office/Tax Division
HDL Coren & Cone

City of Gardena
Ratio of Outstanding Debt by Type (Continued)
Last Ten Fiscal Years

Fiscal Year	BUSINESS-TYPE ACTIVITIES				Taxable Assessed Value ⁽³⁾	Percent of Taxable Assessed Value	Debt per Capita	Average Capita Personal Income ⁽⁴⁾	Percent of Debt by Personal Income
	Pension Obligation Bonds	Lease Payable	Subscription Liabilities	Total					
2014-15	-	-	-	-	5,170,329,875	0.51%	434	23,032	1.88%
2015-16	-	-	-	-	5,453,097,097	0.47%	424	22,808	1.86%
2016-17	-	-	-	-	5,686,952,300	0.44%	409	23,246	1.76%
2017-18	-	-	-	-	6,005,395,708	0.40%	396	23,584	1.68%
2018-19	-	-	-	-	6,397,613,521	0.37%	385	24,282	1.58%
2019-20	-	-	-	-	6,800,580,594	0.33%	371	25,991	1.43%
2020-21	22,250,277	304,112	-	22,554,389	7,223,980,473	1.71%	2,049	27,372	7.49%
2021-22	21,592,275	158,923	205,064	21,956,262	7,508,508,782	1.80%	2,258	28,211	8.00%
2022-23	20,787,074	13,353	279,567	21,079,994	8,074,173,543	1.62%	2,182	30,493	7.15%
2023-24	19,862,137	17,884	154,290	20,034,311	8,656,755,345	1.43%	2,069	33,812	6.12%

NOTES:

⁽¹⁾ State of California, Finance Department

⁽²⁾ The City of Gardena had 6 Certificates of Participations at the end of fiscal year 1996-97. At the end of fiscal year 2005-06, there were only two Certificates of Participation Series 2001A and 2006AB&C. During the fiscal year 2005-06, the City refunded the Certificates of Participation Series 1994 and 1999 A & B by Series 2006 A B & C.

In fiscal year 2006-07, the City refunded Certificates of Participation Series 2001A by the Refunding Revenue COPs series 2007A.

In fiscal year 2014-15, the City refunded Certificates of Participation Series 2006 B by the Taxable Lease Revenue Refunding Bonds 2014.

In fiscal year 2016-17, the City refunded Certificates of Participation Series 2006 C by the 2017 Direct Purchase Lease.

-Refer to Notes in the Financial Statement for details of the City's outstanding debt

⁽³⁾ Assessed value has been used because the actual value of taxable property is not readily available in the State of California

⁽⁴⁾ Income data was provided by HDL Coren & Cone using City of Gardena Average per Capita Personal Income.

Sources: City of Gardena, Administrative Services Department - Finance Division
County of Los Angeles, Auditor-Controller Office/Tax Division
HdL Coren & Cone

**City of Gardena
Pledged-Revenue Coverage
Last Five Fiscal Years**

Fiscal Year	Revenue	Operating Expenses	Net Available Revenue	Refunding Certificates of Participation ⁽¹⁾		Percent Coverage
				Debt Service		
				Principal	Interest	
2019-20	55,906,560	61,786,869	(5,880,309)	105,000	83,075	(31.27)
2020-21	79,772,701	61,625,048	18,147,653	110,000	77,825	96.62
2021-22	80,865,048	67,821,502	13,043,546	115,000	72,325	69.63
2022-23	84,162,512	75,849,689	8,312,823	120,000	66,575	44.55
2023-24	86,997,951	77,519,565	9,478,386	125,000	60,575	51.08

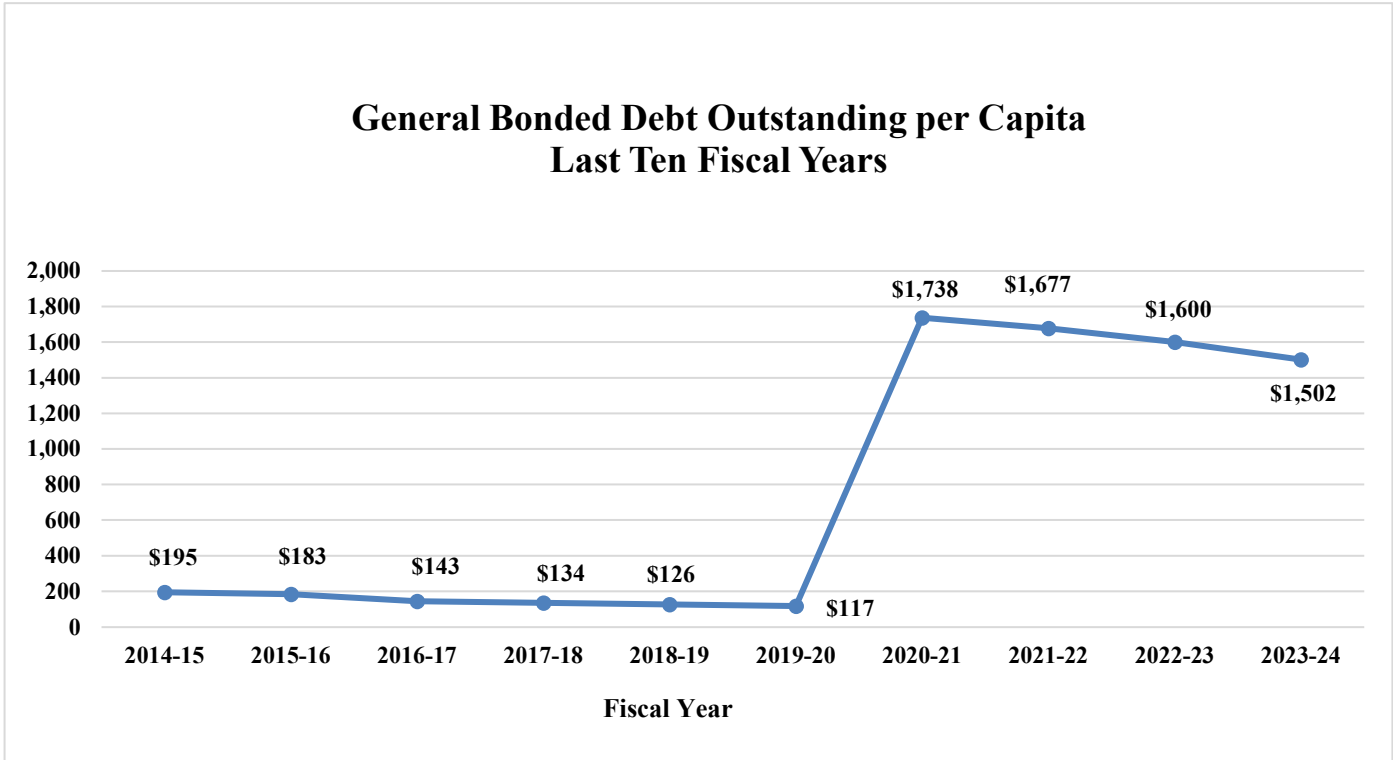
NOTES:

- ⁽¹⁾ On January 24, 2007, the City issued the Refunding Revenue Bonds, Series 2007A to refund the Certificates of Participation Series 2001A. No principal and interest were paid during the fiscal year 2006-07.
- Details regarding the City's outstanding debt can be found in the notes to the financial statements.
- Shortfall in net available revenue was covered by the general fund balance

Sources: City of Gardena, Administrative Services Department - Finance Division

City of Gardena Ratio of General Bonded Debt Outstanding Last Ten Fiscal Years

OUTSTANDING GENERAL BONDED DEBT							Percent of	Debt per	
Fiscal Year	Population ⁽¹⁾	Certificates of Participation	Less: Amounts		Less: Amounts		Taxable Assessed Value	Taxable Assessed Value	Capita
			Available in Debt Service Fund ⁽²⁾	Pension Obligation Bonds	Available in Debt Service Fund ⁽³⁾	Total			
2014-15	60,414	12,370,000	600,000	-	-	11,770,000	4,957,766,359	0.24%	195
2015-16	60,785	11,770,000	640,000	-	-	11,130,000	5,170,329,875	0.22%	183
2016-17	60,721	9,170,000	460,000	-	-	8,710,000	5,453,097,097	0.16%	143
2017-18	61,246	8,710,000	490,000	-	-	8,220,000	5,686,952,300	0.14%	134
2018-19	61,042	8,220,000	520,000	-	-	7,700,000	6,397,613,521	0.12%	126
2019-20	60,937	7,700,000	550,000	-	-	7,150,000	6,800,580,594	0.11%	117
2020-21	60,344	7,150,000	585,000	101,280,000	2,995,000	104,850,000	7,223,980,473	1.45%	1,738
2021-22	59,947	6,565,000	625,000	98,285,000	3,665,001	100,559,999	7,508,508,782	1.34%	1,677
2022-23	59,809	5,940,000	665,000	94,620,000	4,210,000	95,685,000	8,074,173,543	1.19%	1,600
2023-24	60,028	5,275,000	705,000	90,410,000	4,800,000	90,180,000	8,656,755,345	1.04%	1,502



Source: ⁽¹⁾ State of California, Finance Department.

⁽²⁾ This is the amount for the COP debt service principal payments in the current fiscal year.

⁽³⁾ This is the amount for the POB debt service principal payments in the current fiscal year.

**City of Gardena
Direct and Overlapping Bonded Debt
June 30, 2024**

2023-24 Assessed Valuation: **\$8,656,755,345**

	Total Debt 06/30/2024	Percent Applicable To City ⁽¹⁾	City's Share of Debt 06/30/2024
<u>Overlapping Tax and Assessment Debt:</u>			
Metropolitan Water District	\$ 18,210,000	0.224 %	\$ 40,790
Los Angeles Community College District	5,155,845,000	0.762 %	39,287,539
Los Angeles Unified School District	10,723,385,000	0.931 %	99,834,714
California Statewide Communities Development Authority 1915 Act Bonds	6,239,000	100.000 %	6,239,000
TOTAL GROSS OVERLAPPING TAX AND ASSESSMENT DEBT ¹			\$ 145,402,043
Less: Los Angeles Unified School District supported general obligation bonds			2,788,126
TOTAL NET OVERLAPPING TAX AND ASSESSMENT DEBT ¹			\$ 142,613,917
<u>Direct and Overlapping General Fund Debt</u>			
Los Angeles County General Fund Obligations	\$ 2,479,229,730	0.432 %	\$ 10,710,272
Los Angeles County Superintendent of Schools Certificates of Participation	2,857,300	0.432 %	12,344
Los Angeles Unified School District Certificates of Participation	471,590,000	0.931 %	4,390,503
City of Gardena General Fund Obligations	27,000,000	100.000 %	27,000,000
City of Gardena Pension Obligation Bonds	70,547,863	100.000 %	70,547,863
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT ¹			\$ 112,660,982
TOTAL DIRECT DEBT			\$ 97,547,863
TOTAL GROSS OVERLAPPING DEBT			\$ 160,515,162
TOTAL NET OVERLAPPING DEBT			\$ 157,727,036
GROSS COMBINED TOTAL DEBT			\$ 258,063,025 ⁽²⁾
NET COMBINED TOTAL DEBT			\$ 275,137,036

⁽¹⁾ The percentage of overlapping debt applicable to the City is estimated using taxable property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the City divided by the district's total taxable assessed value.

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

Ratios to 2023-24 Assessed Valuation:

Direct Debt (\$97,547,863).....	1.13%
Total Gross Overlapping Tax and Assessment Debt.....	1.68%
Total Net Overlapping Tax and Assessment Debt.....	1.65%
Gross Combined Total Debt.....	3.21%
Net Combined Total Debt.....	3.18%

**City of Gardena
Legal Debt Margin Information
Last Ten Fiscal Years**

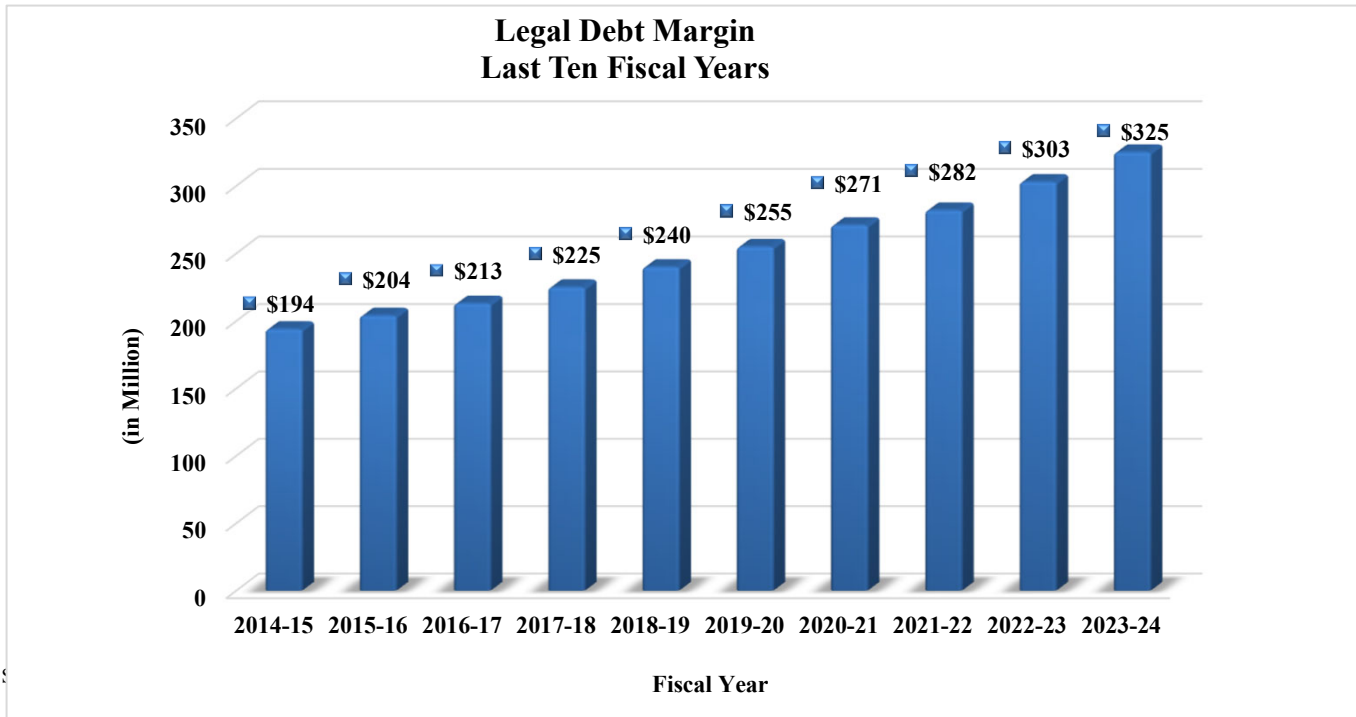
	Fiscal Year				
	23-24	22-23	21-22	20-21	19-20
Assessed valuation	\$8,656,755,345	\$8,074,173,543	\$7,508,508,782	\$7,223,980,473	\$6,800,580,594
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	2,164,188,836	2,018,543,386	1,877,127,196	1,805,995,118	1,700,145,149
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	\$324,628,325	\$302,781,508	\$281,569,079	\$270,899,268	\$255,021,772
Total net debt applicable to limit:					
General obligation bonds	-	-	-	-	-
Legal debt margin	\$324,628,325	\$302,781,508	\$281,569,079	\$270,899,268	\$255,021,772
Total debt applicable to the limit as a percentage of debt limit	- 0%	- 0%	- 0%	- 0%	- 0%

Section 43605 of the Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% OF MARKET VALUE. Effective with 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The Computations shown above reflect a conversion of assessed valuation data for each fiscal year from current full valuation perspective to the 25% level that was in effect at the time the legal debt margin was enacted by the State of California for local governments located within the State.

Source: City of Gardena, Administrative Services Department - Finance Division

**City of Gardena
Legal Debt Margin Information (Continued)
Last Ten Fiscal Years**

	Fiscal Year				
	18-19	17-18	16-17	15-16	14-15
Assessed valuation	\$6,397,613,521	\$6,005,395,708	\$5,686,952,300	\$5,453,097,097	\$5,170,329,875
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	1,599,403,380	1,501,348,927	1,421,738,075	1,363,274,274	1,292,582,469
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	\$239,910,507	\$225,202,339	\$213,260,711	\$204,491,141	\$193,887,370
Total net debt applicable to limit: General obligation bonds	-	-	-	-	-
Legal debt margin	\$239,910,507	\$225,202,339	\$213,260,711	\$204,491,141	\$193,887,370
Total debt applicable to the limit as a percentage of debt limit	- 0%	- 0%	- 0%	- 0%	- 0%



City of Gardena Debt Service Payment Schedule

YEAR	2006 A REF COPS			2014 TAXABLE LEASE BONDS			2007A REV REF BONDS		
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
2023-2024	665,000	357,759	1,022,759	70,000	435,799	505,799	125,000	60,575	185,575
2024-2025	705,000	314,056	1,019,056	70,000	433,034	503,034	130,000	54,325	184,325
2025-2026	750,000	267,641	1,017,641	75,000	429,709	504,709	135,000	47,825	182,825
2026-2027	800,000	218,196	1,018,196	75,000	426,148	501,148	145,000	41,075	186,075
2027-2028	850,000	165,561	1,015,561	80,000	422,586	502,586	155,000	33,825	188,825
2028-2029	905,000	109,577	1,014,577	85,000	418,787	503,787	160,000	25,881	185,881
2029-2030	965,000	49,924	1,014,924	815,000	414,750	1,229,750	170,000	17,681	187,681
2030-2031	300,000	9,570	309,570	1,175,000	374,000	1,549,000	175,000	8,969	183,969
2031-2032				1,235,000	315,250	1,550,250			
2032-2033				1,295,000	253,500	1,548,500			
2033-2034				1,355,000	188,750	1,543,750			
2034-2035				1,430,000	121,000	1,551,000			
2035-2036				990,000	49,500	1,039,500			
2036-2037									
2037-2038									
2038-2039									
2039-2040									
2040-2041									
TOTAL	\$ 5,940,000	\$ 1,492,282	\$ 7,432,282	\$ 8,750,000	\$ 4,282,812	\$13,032,812	\$ 1,195,000	\$ 290,156	\$ 1,485,156

City of Gardena
Debt Service Payment Schedule (Continued)

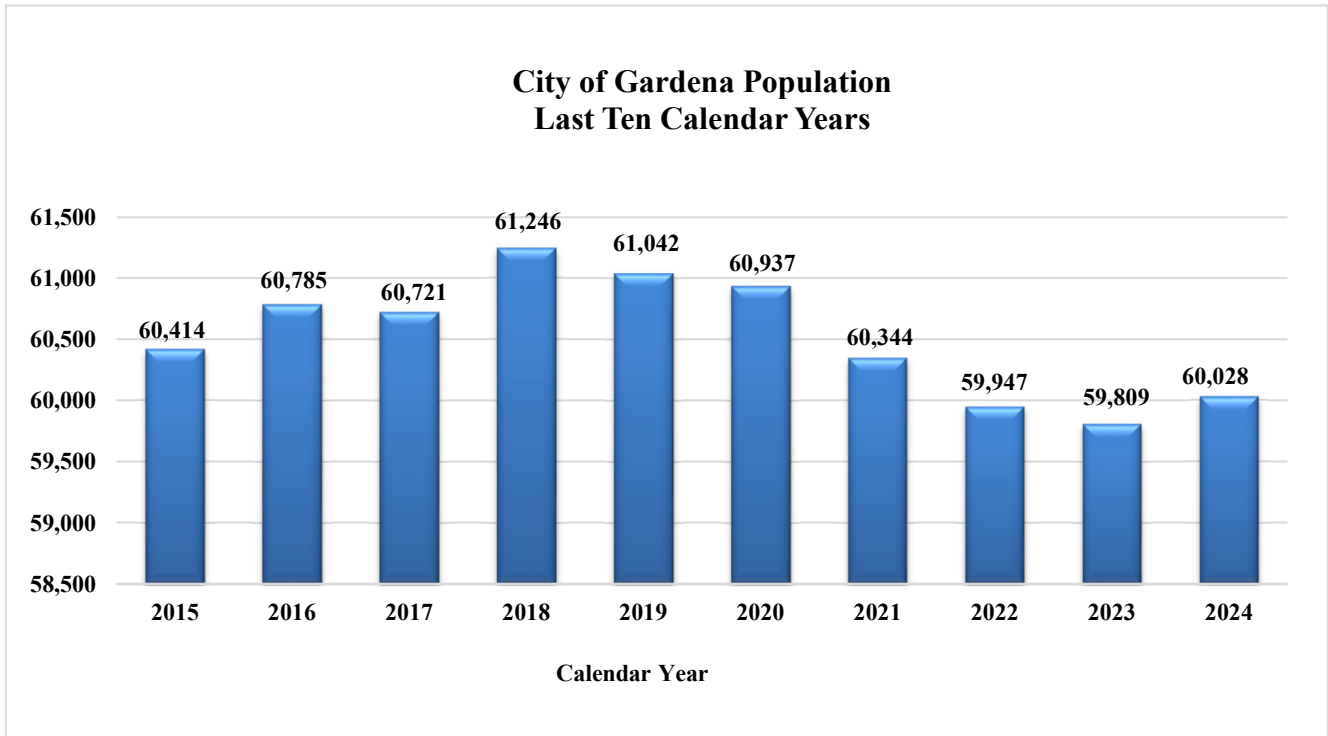
YEAR	2017 DIRECT LEASE			20 TAXABLE PENSION OBLIGATION BONDS			2021 LEASE REVENUE BONDS		
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
2023-2024	285,000	2,950	287,950	4,210,000	2,891,196	7,101,196	465,000	476,000	941,000
2024-2025				4,800,000	2,827,962	7,627,962	490,000	452,750	942,750
2025-2026				5,075,000	2,746,266	7,821,266	510,000	428,250	938,250
2026-2027				5,175,000	2,641,416	7,816,416	540,000	402,750	942,750
2027-2028				5,295,000	2,518,976	7,813,976	565,000	375,750	940,750
2028-2029				5,440,000	2,377,970	7,817,970	595,000	347,500	942,500
2029-2030				5,590,000	2,227,663	7,817,663	620,000	317,750	937,750
2030-2031				5,750,000	2,067,621	7,817,621	655,000	286,750	941,750
2031-2032				5,920,000	1,897,249	7,817,249	685,000	254,000	939,000
2032-2033				6,105,000	1,714,143	7,819,143	715,000	226,600	941,600
2033-2034				6,295,000	1,521,042	7,816,042	740,000	198,000	938,000
2034-2035				6,500,000	1,315,636	7,815,636	765,000	175,800	940,800
2035-2036				6,720,000	1,097,041	7,817,041	790,000	152,850	942,850
2036-2037				6,975,000	838,052	7,813,052	810,000	129,150	939,150
2037-2038				7,245,000	569,236	7,814,236	835,000	104,850	939,850
2038-2039				7,525,000	290,014	7,815,014	860,000	79,800	939,800
2039-2040							885,000	54,000	939,000
2040-2041							915,000	27,450	942,450
TOTAL	\$ 285,000	\$ 2,950	\$ 287,950	\$ 94,620,000	\$ 29,541,483	\$ 124,161,483	\$ 12,440,000	\$ 4,490,000	\$ 16,930,000

City of Gardena
Debt Service Payment Schedule (Continued)

YEAR	ANNUAL BOND OBLIGATIONS		
	PRINCIPAL	INTEREST	TOTAL
2023-2024	5,820,000	4,224,278	10,044,278
2024-2025	6,195,000	4,082,126	10,277,126
2025-2026	6,545,000	3,919,691	10,464,691
2026-2027	6,735,000	3,729,585	10,464,585
2027-2028	6,945,000	3,516,698	10,461,698
2028-2029	7,185,000	3,279,715	10,464,715
2029-2030	8,160,000	3,027,768	11,187,768
2030-2031	8,055,000	2,746,910	10,801,910
2031-2032	7,840,000	2,466,499	10,306,499
2032-2033	8,115,000	2,194,243	10,309,243
2033-2034	8,390,000	1,907,792	10,297,792
2034-2035	8,695,000	1,612,436	10,307,436
2035-2036	8,500,000	1,299,391	9,799,391
2036-2037	7,785,000	967,202	8,752,202
2037-2038	8,080,000	674,086	8,754,086
2038-2039	8,385,000	369,814	8,754,814
2039-2040	885,000	54,000	939,000
2040-2041	915,000	27,450	942,450
TOTAL	\$ 123,230,000	\$ 40,099,683	\$ 163,329,683

City of Gardena Demographic and Economic Statistics Last Ten Calendar Years

Year	City of Gardena Housing Units	City of Gardena Population ⁽¹⁾	Average Annual Percentage Increase	Los Angeles County Population ⁽¹⁾	Average Annual Percentage Increase	Gardena Personal Income (1,000s) ⁽²⁾	Per Capita Personal Income ⁽²⁾	LAUSD Enrollment ⁽³⁾	Gardena Employment ⁽⁴⁾	Gardena Unemployment Rate ⁽⁴⁾
2015	21,649	60,414	0.87%	10,136,559	0.94%	1,384,454	23,032	643,493	28,200	6.70%
2016	21,714	60,785	0.61%	10,400,000	2.60%	1,386,384	22,808	664,774	29,000	5.20%
2017	21,815	60,721	-0.11%	10,271,018	-1.24%	1,411,571	23,246	713,871	29,500	4.40%
2018	21,815	61,246	0.86%	10,163,507	-1.05%	1,444,440	23,584	694,096	29,300	4.80%
2019	22,092	61,042	-0.33%	10,105,518	-0.57%	1,482,260	24,282	673,849	29,000	4.70%
2020	22,137	60,937	-0.17%	10,079,000	-0.26%	1,583,855	25,991	464,731	24,900	4.50%
2021	22,371	60,344	-0.97%	10,044,458	-0.34%	1,651,792	27,372	628,468	27,400	9.80%
2022	22,761	59,947	-0.66%	9,861,224	-1.82%	1,691,219	28,211	565,479	27,900	4.80%
2023	22,933	59,809	-0.23%	9,761,210	-1.01%	1,823,814	30,493	563,083	27,900	4.70%
2024	23,006	60,028	0.37%	9,824,091	0.64%	2,028,673	33,812	557,352	28,400	6.10%



NOTES:

- ⁽¹⁾ State of California, Finance Department.
- ⁽²⁾ Income data was provided by HDL Coren & Cone using City of Gardena Average per Capita Personal Income.
- ⁽³⁾ Student Enrollment is from LAUSD website. LAUSD does not have breakdown per City count.
- ⁽⁴⁾ Employment and Unemployment rates are provided by the EDD's Labor Market Information Division.

**City of Gardena
Ten Principal Employers
Current Year and Nine Years Ago**

Employer	Business Type	2020*		2015	
		Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
United Parcel Service Inc.	Delivery	789	2.83%		
Gardena Memorial Hospital	Hospital services	750	2.69%		
Nissin Foods Company	Manufacturing	550	1.97%		
Hustler Casino	Casino	465	1.67%		
Air Fayre	Airline caterers	289	1.04%		
Avcorp	Manufacturing parts	289	1.04%		
Larry Flynt's Lucky Lady Casino	Casino	245	0.88%		
Southwest Offset Printing	Book binding and printing	235	0.84%		
Kindred Hospital South Bay	Hospital services	225	0.81%		
Target	Retail	200	0.72%		
Hustler Casino	Casino			744	2.69%
Gardena Memorial Hospital	Hospital services			740	2.67%
United Parcel Service Inc.	Delivery			348	1.26%
Hitco Carbon Composites, Inc.	Manufacturing parts			486	1.75%
Normandie Club, LP	Casino			430	1.55%
Southwest Offset Printing	Book binding and printing			365	1.32%
Target	Retail			217	0.78%
Ramona's Mexican Food	Food			150	0.54%
Sam's Club	Retail			150	0.54%
Gardena Honda	Auto Sales			122	0.44%
Total top ten employers		4,037		3,752	
Total City Employment ¹		27,900		27,700	

*Used 2020 employment data as 2024 was unavailable

NOTE: Non-Governmental Employers.

Several potential businesses that may qualify for Top 10 ranking. However, current employee counts were unattainable at the time of report preparation. Previous historical data is not available.

¹Total City employment provided by EDD-Labor Market Information Division.

SOURCE: Economic Development Staff

City of Gardena Unemployment Rates Last Five Calendar Years

Employment

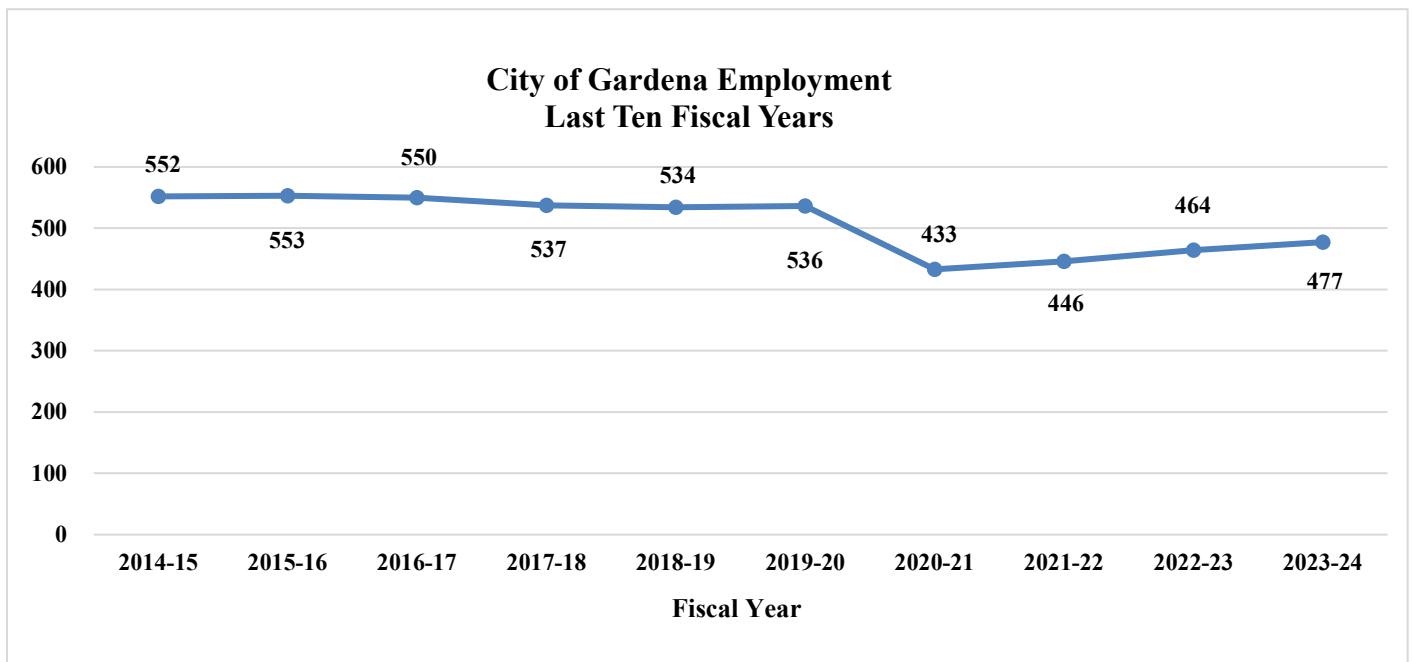
The following table shows unemployment information for the United States (the "Federal"), California (the "State"), Los Angeles County (the "County") and the City of Gardena (the "City") for calendar years 2020 through 2024.

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Federal Unemployment Rate	4.0%	3.8%	3.5%	4.8%	8.4%
State Unemployment Rate	5.2	4.6	3.9	6.4	10.8
County Unemployment Rate	6.0	5.0	4.8	9.7	15.1
City Unemployment Rate	6.1	4.7	4.8	9.8	15.2

Source: State of California Employment Development Department; Los Angeles-Long Beach Metropolitan Statistical Area and United States Bureau of Labor Statistics.

City of Gardena
Full-Time and Part-Time City Employees
by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
General government	142	130	120	115	151	181	209	186	181	181
Public safety	122	125	124	126	149	140	142	154	160	157
Public works	46	45	46	44	56	47	31	51	50	50
Community development	26	21	15	12	15	18	15	19	18	17
Transit - Bus line	141	143	141	136	165	148	140	140	144	147
Total	477	464	446	433	536	534	537	550	553	552



Source: City of Gardena, Administrative Services Department - Finance Division

City of Gardena Employee Union Representation

<u>Name of Union</u>	<u>Number of Employees Represented as of</u>	<u>Number of Employees Represented as of</u>	<u>Number of Employees Represented as of</u>	<u>Number of Employees Represented as of</u>	<u>Expiration of Contract</u>
Gardena Municipal Employees Association	239	239	224	220	6/30/2025
Gardena Management Employees Organization	17	19	19	21	6/30/2025
Gardena Police Officers Association	84	89	84	86	7/31/2024
Gardena Police Executive Association	9	6	6	6	N/A
	349	353	333	333	

Source: City of Gardena

**City of Gardena
Operating Indicators
by Function
Last Ten Fiscal Years**

Function	Fiscal Year									
	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
Police:										
Arrests	1,591	1,921	1,674	1,547	1,761	2,183	2,901	2,642	2,423	4,499
Number of parking citations issued	19,479	17,942	20,293	30,000	27,568	29,868	29,254	23,145	22,665	11,203
Public works:										
Street resurfacing (miles)	4.29	4.17	3.58	2.25	5.68	19.06	0.49	4.52	2.95	7.00
Traffic lights and signals	91	91	91	91	91	91	91	91	90	89
Parks and recreation:										
Number of recreation classes	151	216	272	0	432	1,374	1,226	1,410	1,466	1,150
Number of facility rentals	9,123	2,717	584	0	53	1,977	1,112	1,222	1,221	1,164
Transit:										
Number of customers served ⁽¹⁾	2,180,251	1,910,285	1,606,377	1,203,880	2,406,910	2,943,363	3,110,354	3,094,180	3,610,718	3,687,038

NOTE:

⁽¹⁾ Fiscal Year 2017-18 data includes Fixed Route and Demand Response customers. Prior Year data includes Fixed Route only.

Source: City of Gardena, Administrative Services Department

**City of Gardena
Capital Asset Statistics
by Function
Last Ten Fiscal Years**

Function	Fiscal Year									
	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Public works:										
Streets (miles)										
-Two lanes street	83.0	83.0	83.0	83.0	83.0	83.0	83.0	83.0	83.0	83.0
-Four lanes street	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	50.0
-Alley	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
-Sidewalks	113.5	113.5	113.5	113.5	113.5	113.5	113.5	113.5	113.5	113.5
Street lights										
-Edison maintenance ⁽¹⁾	3,250	3,250	3,250	3,337	3,337	3,392	3,327	3,321	3,350	3,319
-City maintenance	194	194	194	193	193	194	191	198	385	197
Traffic signals	69	69	69	69	69	69	69	69	70	69
Traffic signals (shared)	22	22	22	22	22	22	22	22	23	20
Parks and recreation:										
Number of parks	6	6	6	6	6	6	6	6	6	6
Number of parkette	1	1	1	1	1	1	1	1	1	1
Number of municipal pool	1	1	1	1	1	1	1	1	1	1
Number of gymnasiums	2	2	2	2	2	2	2	2	2	2
Community center	1	1	1	1	1	1	1	1	1	1
Transit:										
Stations	1	1	1	1	1	1	1	1	1	1
Bus stops	487	492	492	492	492	492	492	595	595	595

NOTES:

⁽¹⁾ Streetlights maintained by Southern California Edison Company.

Source: City of Gardena, Administrative Services Department - Finance Division

City of Gardena

*Annual Comprehensive Financial Report
For the Year Ended June 30, 2024*



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Gardena, California ("City"), as of and for the year ended June 30, 2024, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 10, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

To the Honorable Mayor and the Members of the City Council
of the City of Gardena
Gardena, California
Page 2

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

GRUBER AND LOPEZ, INC.

Newport Beach, California
December 10, 2024