

**CITY OF GARDENA
CALIFORNIA**



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2025



Celebrating **95** YEARS **ANNIVERSARY**
1930 - 2025

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2025

CITY OF GARDENA, CALIFORNIA



PREPARED BY

THE ADMINISTRATIVE SERVICES DEPARTMENT

**Clint Osorio
City Manager**

And

**Raymond Beeman
Director of Administrative Services**

* * * * *

City of Gardena
Annual Comprehensive Financial Report
For the Year Ended June 30, 2025

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City of Gardena

*Annual Comprehensive Financial Report
For the Year Ended June 30, 2025*



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December 4, 2025

Members of the City Council,
and Citizens of Gardena

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR 2024-2025
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, 2025 (FY 2024-25). 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, 2025, 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, 2025, 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.

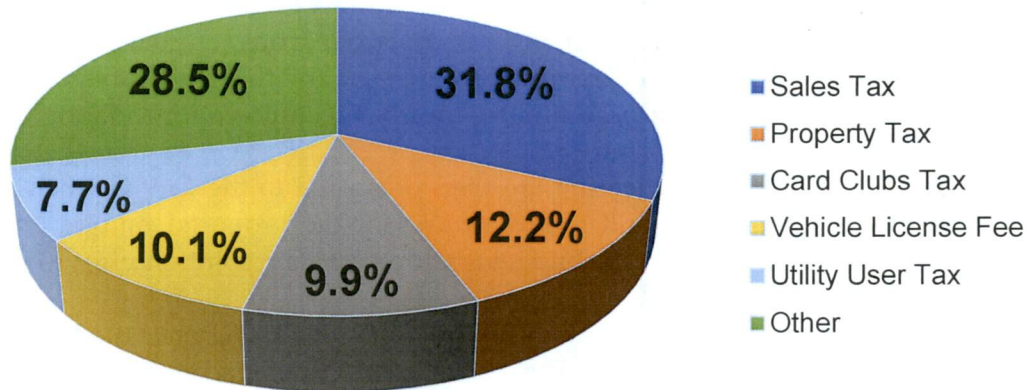
LOCAL ECONOMIC CONDITIONS AND OUTLOOK

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. Evaluating the state's economic trajectory requires attention to broader national trends, including declining interest rates and a potential moderation in consumer spending.

With inflationary pressures easing and unemployment edging upward, the Federal Reserve has indicated plans to reduce interest rates in the near term. While such reductions may diminish the City's long-term investment income, they are also expected to stimulate future business growth by lowering financing costs and encouraging expansion.

General Fund revenues demonstrated stability in FY 2024-25, driven by continued growth in property tax, utility users' tax, and vehicle license fees. Sales tax revenues remain resilient despite signs of potential moderation in consumer spending. The top 5 sources of General Fund revenue account for 71.8%, an increase of 0.3% over the previous fiscal year. The remaining revenues account for 28.2% of the total and are represented by a broad range of sources. Overall, the General Fund revenues rose by \$1.8 million, reflecting a 2.1% increase compared to the prior fiscal year.

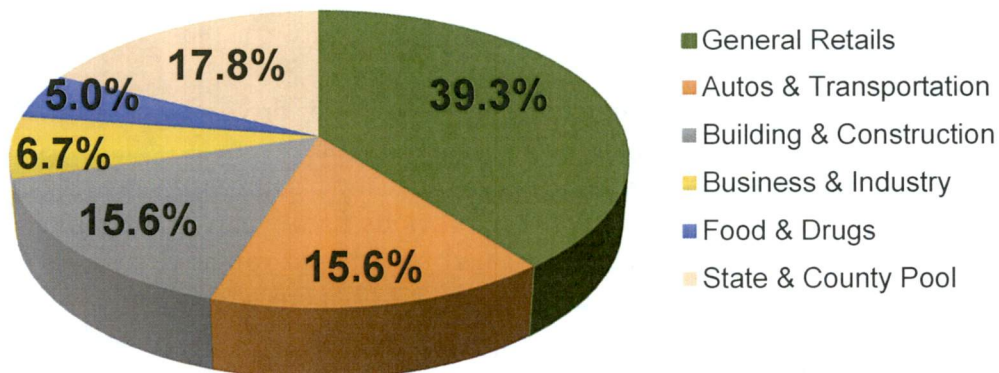
General Fund Revenues by Source Fiscal Year Ended June 30, 2025



Sales Tax

Sales Tax represents the single largest source of General Fund revenue at \$28.2 million or 31.8%. 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 2024-25, sales tax increased by 0.5% or \$157,611. 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, 2025



Property Tax

Gardena has a diverse land use for its 6 square miles. The City has a total assessed valuation of \$9.3B. Of the City's 14,888 parcels, 65.4% are residential, 27.1% are commercial/industrial and the remaining 7.5% for other miscellaneous uses.

Property tax is the second highest source of General Fund revenue at 12.2% or \$10.8 million. The City recorded a year-over-year increase of 7.2%, driven by higher assessment values and recent local developments. More broadly, both the City and the South Bay region continue to experience rising 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 fee from both casinos. For the fiscal year 2024-25, the City collected card club tax of \$8.8 million or 9.9% of General Fund revenue. This reflects a decrease of 1.1% or \$101,506 vs prior year.

Vehicle License Fee (VLF)

The City receives \$8.9 million, representing 10.1% of General Fund revenue. As the third-largest revenue source for the General Fund, it has recorded year-over-year growth exceeding 5% for three consecutive years.

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 \$6.8 million or 7.7% of the total General Fund revenue. This is an increase of \$425,660 or 6.6% when compared to prior year. The main reason for the increase is due to higher utility prices and increased demand from the residents and businesses.

Overall, General Fund revenue grew by 2.1%, or \$1.8 million. This modest gain is primarily driven by a \$1.4 million increase in revenue from the use of money and property, reflecting higher interest income and proactive investment management and rising property tax collections, an indicative of a robust local real estate market.

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 one of the largest Capital Improvement Program budgets in the City's history.

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, 2025. 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 allocate substantial resources toward maintaining and enhancing its highly rated streets and roads. Gardena's current street pavement condition index (PCI) of 81 ranks among the highest in California.

Because many projects span multiple years, eight budgeted projects were completed by the close of FY 2024-25. Of these, four were street improvements, including the Pedestrian Safety Improvement and the Vermont Marked Crosswalk, which significantly enhances pedestrian safety and improves traffic conditions.

Significant progress is made on the highly anticipated Community Aquatic & Senior Center as the project entered the final construction phase, with completion targeted for early 2026.

In June 2025, the City adopted its FY 2024-25 Capital Improvement Program (CIP) budget of \$70.7 million. Of this, \$29.5 million is dedicated to park and facility projects, including the Community Aquatic & Senior Center, while \$41.2 million supports street, road, and storm drain improvements. Notably, \$10.6 million has been allocated to the Redondo Beach Blvd Street Improvement project, which will address both current and future traffic demands while enhancing landscaping along one of the City's major corridors.

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, 2025, these funds have a balance of \$8.7 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 2024-25, the City made a \$600,000 contribution to the trust. As of June 30, 2025, the City's CERBT trust has a combined balance of \$10.5 million, \$3.9 million from the City and \$6.6 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, 2025, the City had a total investment portfolio of \$105.8 million. 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 manages 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, 2024. This was the thirty-ninth consecutive year that the City 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 fifth consecutive budget cycle or nine 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**

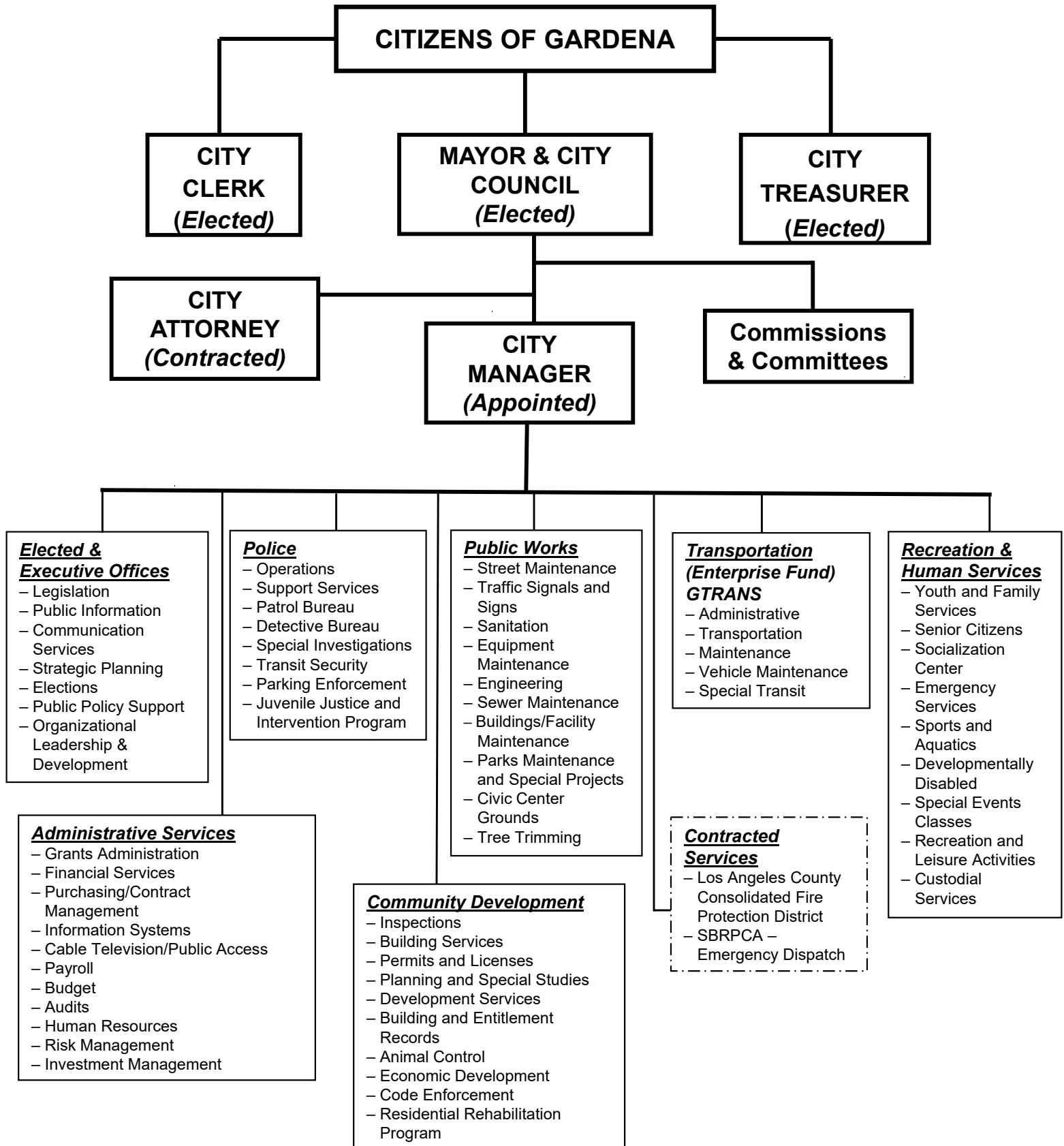
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

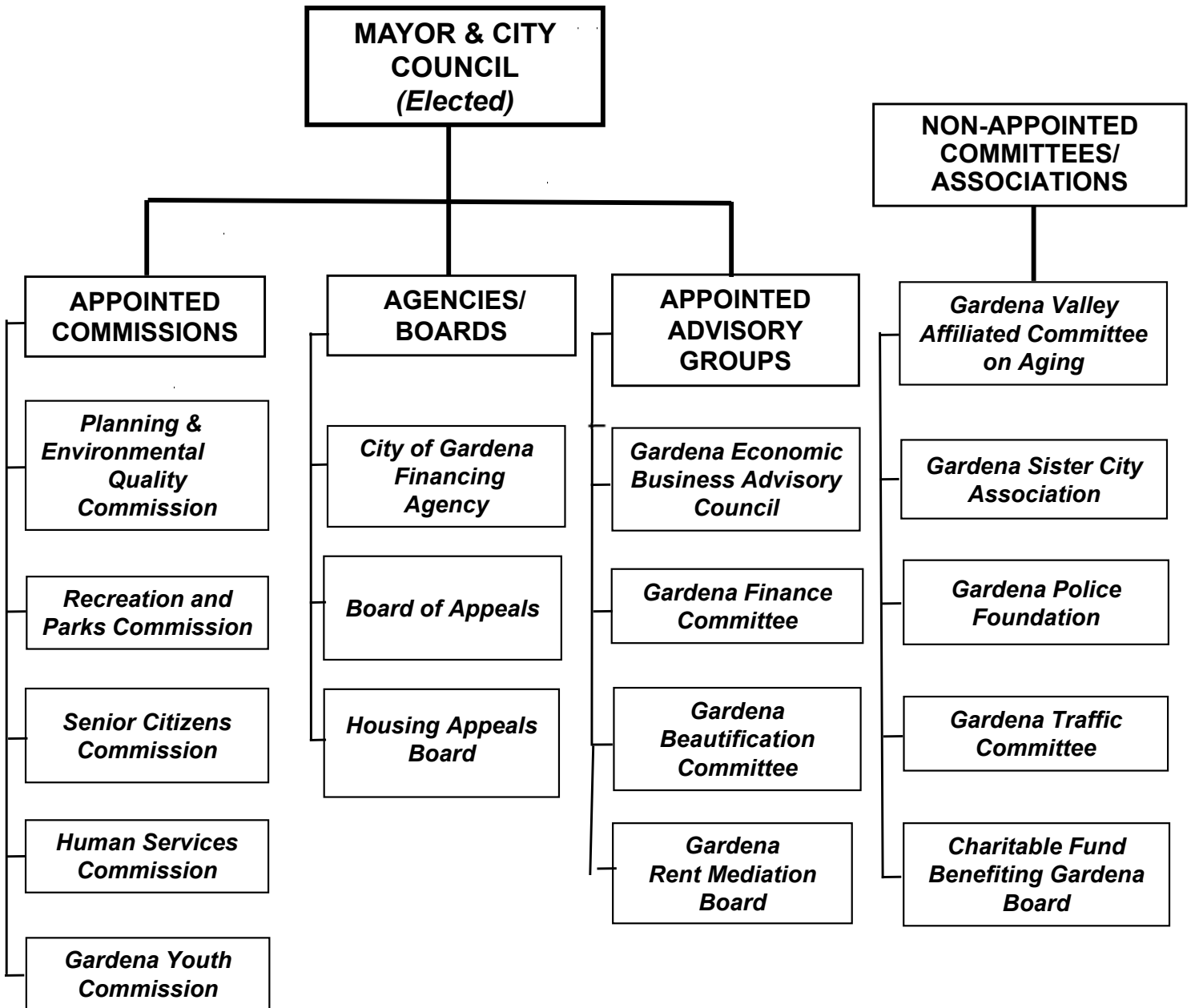
Christopher P. Morill

Executive Director/CEO

CITY OF GARDENA ORGANIZATION CHART



CITY OF GARDENA
COMMISSIONS, BOARDS, COMMITTEES, ETC.



ELECTED OFFICIALS & EXECUTIVE STAFF

FISCAL YEAR 2024-2025

CITY OF GARDENA

ELECTED OFFICIALS

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

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

EXECUTIVE STAFF & ADMINISTRATION OFFICIALS

City Manager Clint Osorio
Deputy City Manager/Director of Transportation.....Ernie Crespo
City Attorney Carmen Vasquez
Chief of PoliceTodd Fox
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
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, 2025, 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, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

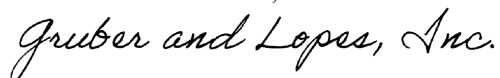
Management is responsible for the other information included in the annual report. The other information comprises the introductory and the statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not 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 4, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

GRUBER AND LOPEZ, INC.



Newport Beach, California
December 4, 2025

City of Gardena

*Annual Comprehensive Financial Report
For the Year Ended June 30, 2025*



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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, 2025. 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 2024-2025 fiscal year by \$48,067,647, 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 lowering of 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 2024-2025 fiscal year, the City's Net Pension Liabilities were \$25,370,960 and \$1,501,014 for governmental and business-type activities for a total of \$26,871,974. The City's Other post-employment benefit liabilities were \$60,080,037 and \$9,753,373 for governmental and business-type activities for a total of \$69,833,410. The Long-Term Liabilities were \$112,344,803 and \$19,923,080 for governmental and business-type activities for a total of \$132,267,883 of which \$89,355,440 is for the 2020 Taxable Pension Obligation Bonds; \$70,547,863 for governmental and \$18,807,577 for business-type activities.
- ◆ The City's total net position increased by \$25,301,425 in 2024-2025. Net position of governmental activities increased by \$29,637,635 while net position of business type activities decreased by \$4,336,210. The increase in governmental activities was due primarily to 1) Additional Tax Revenue compared to the prior year in the amount of around \$4.1 million as the economy continued to improve. 2) Additional grants received during the fiscal year. 3) Investment income increased by \$3 million due to active investment management and higher interest rates. 4) Overall 8% decreased in expenses compared to prior year.
- ◆ At the close of the 2024-2025 fiscal year, the City's governmental funds reported combined fund balances of \$104,391,859, an increase of \$8,817,918 or 9.2% in comparison to the prior year. General Fund increased by \$7,432,436 or 12.5%. The increase is due primarily to increases in tax revenue, which was higher than prior year by about \$1.2 Million. The City's Use of Money and Property, primarily its return on investments increase by \$1.4 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 \$5.5 million higher compared to the previous year's amount due to additional CalPERS unfunded accrued liability (UAL) payment and cost of living adjustments. Nonmajor Governmental Funds increased by \$5,411,698 or 35%, as a result of the City receiving additional grants for various projects. City Debt Service fund balance decreased by \$4,087,650 due to the draw down of reserve for the fiscal year.
- ◆ At the end of the 2024-2025 fiscal year, the unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the General Fund was \$67,049,419 or approximately 85.3% of total General Fund expenditures.

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

- ◆ The City's long-term liabilities decreased by \$6,374,641 or 4.6% compared to prior year based on the City paying the annual debt service principal payments for the applicable debts during the fiscal year.

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.

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

Overview of the Financial Statements (Continued)

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*.

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 35-41 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 47-97 of this report.

City of Gardena

Management's Discussion and Analysis (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 120-153 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 \$48,067,647 at the close of the 2024-2025 fiscal year.

CITY OF GARDENA NET POSITION						
	Governmental Activities		Business-type Activities		TOTAL	
	2025	2024	2025	2024	2025	2024
Current and Non Current assets	\$ 150,307,999	\$ 137,382,203	\$ 13,926,181	\$ 16,194,626	\$ 164,234,180	\$ 153,576,829
Aggregate net pension assets	-	-	-	-	-	-
Capital assets	80,003,335	68,997,398	81,956,696	86,686,881	161,960,031	155,684,279
Total Assets:	230,311,334	206,379,601	95,882,877	102,881,507	326,194,211	309,261,108
Deferred outflow of resources related to pensions	19,916,992	29,842,051	1,021,412	2,156,356	20,938,404	31,998,407
Deferred outflow of resources related to OPEB	11,371,679	10,053,521	3,252,195	2,218,832	14,623,874	12,272,353
Total deferred outflows of resources:	31,288,671	39,895,572	4,273,607	4,375,188	35,562,278	44,270,760
Current liabilities	34,652,085	31,453,953	21,220,372	24,259,325	55,872,457	55,713,278
Non-current liabilities						
Long-term liabilities-Due in more than one year	112,622,815	118,483,307	19,923,080	20,437,229	132,545,895	138,920,536
Aggregate net pension liabilities	25,370,960	27,771,137	1,501,014	1,839,594	26,871,974	29,610,731
Aggregate net other postemployment benefits liabilities	60,080,037	63,718,901	9,753,373	8,263,284	69,833,410	71,982,185
Subtotal Non-current liabilities	198,073,812	209,973,345	31,177,467	30,540,107	229,251,279	240,513,452
Total Liabilities:	232,725,897	241,427,298	52,397,839	54,799,432	285,123,736	296,226,730
Deferred inflows of resources related to pensions	10,424,601	20,535,195	43,869	326,854	10,468,470	20,862,049
Deferred inflows of resources related to OPEB	17,308,725	12,809,533	787,911	867,334	18,096,636	13,676,867
Total deferred outflows of resources:	27,733,326	33,344,728	831,780	1,194,188	28,565,106	34,538,916
Net Investment in Capital						
Assets	64,707,716	54,842,470	80,417,960	81,080,908	145,125,676	135,923,378
Restricted	37,370,265	71,938,998	-	-	37,370,265	71,938,998
Unrestricted (deficit)	(100,937,199)	(155,278,321)	(33,491,095)	(29,817,833)	(134,428,294)	(185,096,154)
Total Net Position:	\$ 1,140,782	\$ (28,496,853)	\$ 46,926,865	\$ 51,263,075	\$ 48,067,647	\$ 22,766,222

City of Gardena Management's Discussion and Analysis (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 to \$132,545,895 for the fiscal year 2024-2025, a decrease of \$6,374,641 or 4.6%, mainly from the debt service payment. The other additional long-term liabilities are Other Post-Employment Benefits (OPEB) of \$69,833,410, a decrease of \$2,148,775 or 3% compared to the prior year; this decrease is related to the increase in contributions and 115 OPEB trust asset value, which helped reduce the estimated liabilities. These two liabilities total \$202,379,305, or 88%, of the total liability balance of \$229,251,279 at June 30, 2025. The remaining liability is the pension liability, which decreased by 9% or \$2,738,757.

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 \$(134,428,294) 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 2024-2025 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 \$25,310,425 from the prior fiscal year. The reasons for this overall increase are discussed in the below sections for governmental activities and business-type activities.

Governmental Activities. During 2024-2025 fiscal year, net position for governmental activities increased by \$29,637,635 from the prior fiscal year for an ending balance of \$1,140,782. The increase in the overall net position was primarily related to: 1) City received additional grants for various projects or \$3.8 million increase in ; 2) Other taxes including UUT and TOT, increased by \$4.1 million or 6% from prior year; 3) Expenses decreased by 8% or \$7.4 million mainly due to large expenses from last fiscal year; 4) Investment income and miscellaneous revenue increased by 89% or \$3.3 million from active investment management strategy and higher interest yield. The Governmental activities total revenues increased by \$6,339,589 or 5.7% compared to fiscal year 2023-2024.

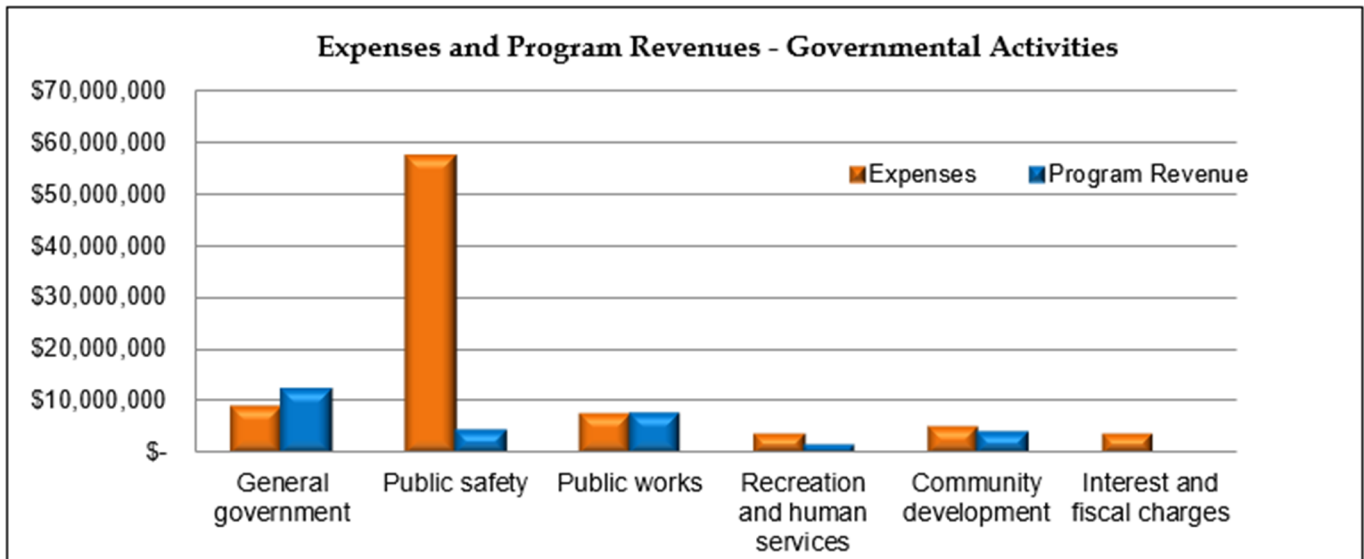
City of Gardena

Management's Discussion and Analysis (Continued)

Government-wide Overall Financial Analysis (Continued)

CITY OF GARDENA'S CHANGES IN NET POSITION

	Governmental Activities		Business -type Activities		TOTAL	
	2025	2024	2025	2024	2025	2024
Revenues:						
<i>Program Revenues:</i>						
Charges for services	\$ 15,104,323	\$ 18,164,245	\$ 4,581,765	\$ 4,493,095	\$ 19,686,088	\$ 22,657,340
Operating grants and contributions	11,866,495	8,113,744	28,022,172	22,853,192	39,888,667	30,966,936
Capital grants and contributions	3,083,454	5,535,276	2,815,854	30,651,564	5,899,308	36,186,840
<i>General Revenues:</i>						
Property taxes	10,874,154	10,141,426	-	-	10,874,154	10,141,426
Sales and other taxes	68,065,191	63,952,330	-	-	68,065,191	63,952,330
Investment income and miscellaneous	6,912,795	3,659,802	1,064,789	624,943	7,977,584	4,284,745
Total Revenues:	115,906,412	109,566,823	36,484,580	58,622,794	152,390,992	168,189,617
Expenses:						
General government	9,107,752	10,765,058	-	-	9,107,752	10,765,058
Public safety	56,285,591	53,473,334	-	-	56,285,591	53,473,334
Public works	8,013,865	11,783,411	-	-	8,013,865	11,783,411
Recreation and human services	3,220,079	8,503,950	-	-	3,220,079	8,503,950
Community development	6,125,888	5,022,928	-	-	6,125,888	5,022,928
Interest and fiscal charges	3,715,867	3,233,912	-	-	3,715,867	3,233,912
Enterprise operations	-	-	40,620,525	33,696,792	40,620,525	33,696,792
Total Expenses:	86,469,042	92,782,593	40,620,525	33,696,792	127,089,567	126,479,385
Increase (decrease) in Net Position before other revenues and transfers	29,437,370	16,784,230	(4,135,945)	24,926,002	25,301,425	41,710,232
Transfers	200,265	158,160	(200,265)	(158,160)	-	-
Change in Net Position	29,637,635	16,942,390	(4,336,210)	24,767,842	25,301,425	41,710,232
Net position- beginning of year	(28,496,853)	(45,439,243)	51,263,075	26,495,233	22,766,222	(18,944,010)
Net position - end of year	\$ 1,140,782	\$ (28,496,853)	\$ 46,926,865	\$ 51,263,075	\$ 48,067,647	\$ 22,766,222



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

Government-wide Overall Financial Analysis (Continued)

Business-type Activities. In the 2024-2025 fiscal year, the City's *business-type activities* decreased the net position by \$4,336,210 compared to the prior year balance, for the fiscal year ended June 30, 2025. Business-type activities revenue decreased by \$22,138,214 or approximately 38% compared to the prior year for a total of \$36,484,580 in revenues at year-end. In comparison to the prior fiscal year, the charges for services increased by \$88,670 or 2% with charges for services remaining constant with prior years. Operating grants and contributions increased by \$5,168,980 or 22.6% compared to the prior fiscal year. Operation costs increased by \$6,923,734 or 20.5%, which was largely due to the cost-of-living expenses paid to employees and higher operating costs. Capital grants and contributions decreased by \$27,835,710 or approximately 91% primarily due to the major acquisition in prior fiscal year, which includes the 21 CNG buses and 7 zero-emission buses. Investment income and miscellaneous increased by \$439,846 or 70.4% compared to the prior year due to the City exploring additional investment options within its investment policy and earning significantly higher interest rates.

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, 2025, the City's governmental funds reported combined fund balances of \$104,391,859 an increase of \$8,817,918 or 9% in comparison with the prior year. Approximately 0.3% of this amount or \$298,796 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 \$408,842; 2) restricted for purposes \$36,989,142 ; 3) committed for purposes \$36,418,505 ; or 4) assigned for purposes \$30,276,574.

The General Fund is the chief operating fund of the City. At the end of the 2024-2025 fiscal year, the unassigned fund balance of the General Fund was \$300,000, while the total fund balance increased from \$59,616,983 to \$67,049,419, an increase of \$7,432,436 or a 12.5% 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 85.3% of that same amount.

City of Gardena

Management's Discussion and Analysis (Continued)

Financial Analysis of Governmental Funds (Continued)

The fund balance of the City's General Fund increased by \$7,432,436 during the 2024-2025 fiscal year. The Taxes make up 84.4% of the General Fund total revenues, which represents an increase of \$1.2 million or approximately 2% from prior year. The increase is mainly from Motor Vehicle In-Lieu increased and property taxes which from increased assessed valuation. The use of money and property also increased by \$1.4 million or 70% due to active investment management and higher interest rates.

The Economic Development Grants Special Revenue Fund, a major fund, had a decrease in fund balance of \$455,444 during the fiscal year primarily due to receiving additional expenditures for the various development projects within the fiscal year.

The Debt Service Fund, a major fund, had a decrease of \$2,050,418 in fund balance during the fiscal year, due to drawdown for project. 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.

General Fund Budgetary Highlights

The final budget of \$77,953,104 for revenue was amended with a decrease of \$5,502,894 from the original adopted budget. Actual revenue compared to the final budget was up by \$7.6 million or 9.8% compared to the final budget. This is primarily a result of an increase in tax revenue compared to the budget of about \$4.3 million. The other major contribution is the increase in the use of money and property of \$3 million over the final budgeted amount due to active investment activities and higher interest rates. A detailed budgetary comparison schedule for the year ended June 30, 2025, is presented as required supplementary information following the notes to the financial statements.

The final budget for combined General Fund expenditures was \$76,812,790, which is \$3.5 million lower than the original budget due to the cancellation of some capital projects. The actual expenditure total was less than the final budget by \$1,828,004 or 2.3%, which was primarily due to salary savings from vacancies in various departments. A detailed budgetary comparison schedule for the year ended June 30, 2025, 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, 2025, amounts to \$161,960,031 (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 \$6,275,752 or 4%, primarily due to the completion of GTrans CNG Station Facility Project of \$5,884,511.

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

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

	Governmental Activities		Business -type Activities		TOTAL	
	2025	2024	2025	2024	2025	2024
Non-depreciable assets:						
Land	\$ 13,993,823	\$ 13,993,823	\$ 12,956,405	\$ 12,956,405	\$ 26,950,228	\$ 26,950,228
Monuments	63,893	63,893	-	-	63,893	63,893
Investment in RCC - Non-Depreciable	223,346	-	-	-	223,346	-
Construction in progress	20,152,551	8,630,839	1,657,822	11,685,097	21,810,373	20,315,936
Total Non-depreciable assets	34,433,613	22,688,555	14,614,227	24,641,502	49,047,840	47,330,057
Capital assets/lease assets, being depreciated:						
Building/structures and improvements	5,503,384	7,388,121	23,015,441	24,038,350	28,518,825	31,426,471
Buses	-	-	31,551,735	34,917,212	31,551,735	34,917,212
Machinery and equipment	3,226,426	2,052,058	11,863,072	2,384,963	15,089,498	4,437,021
Furniture and fixtures	-	-	19,090	51,822	19,090	51,822
Infrastructure	-	-	454,803	488,492	454,803	488,492
Street lights network	129,237	172,317	-	-	129,237	172,317
Traffic lights network	226,247	238,817	-	-	226,247	238,817
Roadway network	33,831,292	35,234,310	-	-	33,831,292	35,234,310
Investment in RCC	1,511,834	-	-	-	1,511,834	-
Total depreciable assets (net)	44,428,420	45,085,623	66,904,141	61,880,839	111,332,561	106,966,462
Intangible assets, being amortized						
Right-to-use lease assets	486,832	548,127	13,613	17,694	500,445	565,821
Right-to-use subscription assets	654,470	675,093	424,715	146,846	1,079,185	821,939
Total intangible assets, (net)	1,141,302	1,223,220	438,328	164,540	1,579,630	1,387,760
Total capital assets	80,003,335	68,997,398	\$1,956,696	\$6,686,881	161,960,031	155,684,279

Major capital asset events during the 2024-2025 fiscal year included the following:

- Completion of the GTrans CNG Station Facility Project
- Completion of the Demolition of the Community Building on Rosecrans
- Completion of Marked Crosswalk on Vermont and 133rd Street
- Completion of Pedestrian Safety Improvement FY2023-24 Project
- Completion of Nakaoka Community Center HVAC Upgrade

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

Long-Term Liabilities. At the end of the 2024-2025 fiscal year, the City had total bonded debt outstanding of \$99,579,479. The City's long-term liabilities, excluding compensated absences and claim payables, decreased by \$5,983,018 or approximately 5% 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

Management's Discussion and Analysis (Continued)

CITY OF GARDENA'S OUTSTANDING DEBT

	Governmental Activities		Business-Type Activities		TOTAL	
	2025	2024	2025	2024	2025	2024
Refunding Revenue Bonds	\$ 9,550,000	\$ 9,750,000	\$ -	\$ -	\$ 9,550,000	\$ 9,750,000
Certificates of Participation	4,570,000	5,275,000	-	-	4,570,000	5,275,000
Direct Purchase Lease	-	-	-	-	-	-
- Bond discount	(150,521)	(164,405)	-	-	(150,521)	(164,405)
Pension Obligation Bonds	66,802,423	70,547,863	18,807,577	19,862,137	85,610,000	90,410,000
Lease Revenue Bonds	11,485,000	11,975,000	-	-	11,485,000	11,975,000
- Bond premium	1,688,695	1,795,349	-	-	1,688,695	1,795,349
SCE On-Bill Financing Loan	7,000	14,769	-	-	7,000	14,769
Loan Payable	-	3,804,551	-	-	-	3,804,551
Lease Payable	497,070	544,477	13,613	17,884	510,683	562,361
Subscription liabilities	613,661	617,471	424,715	154,290	1,038,376	771,761
Claim Payable	17,743,439	15,709,264	-	-	17,743,439	15,709,264
Compensated absences	11,811,179	10,421,122	2,514,968	2,037,065	14,326,147	12,458,187
	<u>124,617,946</u>	<u>130,290,461</u>	<u>21,760,873</u>	<u>22,071,376</u>	<u>146,378,819</u>	<u>152,361,837</u>

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, 2025. 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 \$70.7 million budgeted for the budget cycle.

The City adopted the biennial budget for Fiscal Year 2024-2025 & 2025-2026 budget on June 25, 2024. The Fiscal Year 2025-2026 budget was amended on June 24, 2025, with the total General Fund revenue of \$87,404,784 with expenditures of \$87,331,738 for a surplus of \$73,046.

In 2025-2026 the Top 5 Amended Budgeted General Fund revenue sources, which make up 74% of the City's General Fund, include: 1) Sales and Use Tax - \$28 million (32%), 2) Property Taxes - \$11.1 million (13%), 3) Card Club Gross Revenue Fees - \$9.2 million (10%), 4) Vehicle License Fees - \$9.4 million (11%), and 5) Utility Users Tax - \$7.2 million (8%).

The Amended General Fund expenditures were \$87,331,738, with the Police Department making up \$38.4 million or 44%, Non-Departmental (including the Fire Department and our South Bay Regional Public Communications Authority) \$16.6 million or 19%, Transfers Out at \$8.1 million or 9%, Public Works at \$7.6 million or 9%, Recreation and Human Services at \$6.7 million or 8%, Elected and City Managers Offices at \$2.9 million or 3.3%, Community Development Department at \$3.6 million or 4.1% and the Administrative Services Department at \$3.4 million or 3.9%.

City of Gardena

Management's Discussion and Analysis (Continued)

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 resurfaces 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 \$8-\$10 million per fiscal year. In October 2025, the court dismissed the case, but the plaintiff is appealing.

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 net total unfunded pension liability was \$26.8 million as of June 30, 2025, 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.

One of the immediate financial challenges confronting the City arose in July 2023, when the Los Angeles County Fire Department requested an amendment to the existing contract to include an annual cost share of \$1.7 million. This change would add \$1.7 million to the City's General Fund expenditures, along with a recurring 5%-6% increase each year. The City is actively negotiating with the Fire Department and reviewing all possible options to address this issue.

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, 2025*



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BASIC FINANCIAL STATEMENTS

City of Gardena

*Annual Comprehensive Financial Report
For the Year Ended June 30, 2025*



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GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Gardena
Statement of Net Position
June 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 109,889,991	\$ 19,646,421	\$ 129,536,412
Receivable, net	8,504,392	580,357	9,084,749
Due from other governments	4,609,252	2,804,751	7,414,003
Internal balances	9,987,259	(9,987,259)	-
Prepaid items	385,489	43,024	428,513
Inventories	52,628	838,887	891,515
Total current assets	<u>133,429,011</u>	<u>13,926,181</u>	<u>147,355,192</u>
Noncurrent assets:			
Restricted cash and investments:			
Cash with fiscal agent	15,092,284	-	15,092,284
Loans receivable	1,786,704	-	1,786,704
Capital assets:			
Capital assets, not being depreciated	34,433,613	14,614,227	49,047,840
Capital assets, being depreciated	44,428,420	66,904,141	111,332,561
Intangible asset, being amortized	1,141,302	438,328	1,579,630
Total capital assets	<u>80,003,335</u>	<u>81,956,696</u>	<u>161,960,031</u>
Total noncurrent assets	<u>96,882,323</u>	<u>81,956,696</u>	<u>178,839,019</u>
Total assets	<u>230,311,334</u>	<u>95,882,877</u>	<u>326,194,211</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferred outflows of resources	19,916,992	1,021,412	20,938,404
OPEB related deferred outflows of resources	11,371,679	3,252,195	14,623,874
Total deferred outflows of resources	<u>31,288,671</u>	<u>4,273,607</u>	<u>35,562,278</u>

See accompanying notes to the basic financial statements.

City of Gardena
Statement of Net Position (Continued)
June 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	7,873,849	1,191,221	9,065,070
Accrued liabilities	114,633	179,302	293,935
Salaries and benefits payable	891,735	344,691	1,236,426
Due to other governments	1,092,823	-	1,092,823
Retention payable	960,711	-	960,711
Deposits payable	4,520,483	-	4,520,483
Unearned revenue	6,452,611	17,745,531	24,198,142
Accrued interest payable	750,109	12,649	762,758
Compensated absences - due within one year	2,084,224	502,994	2,587,218
Claims payable - due within one year	3,936,012	-	3,936,012
Long-term debt - due within one year	5,974,895	1,243,984	7,218,879
Total current liabilities	<u>34,652,085</u>	<u>21,220,372</u>	<u>55,872,457</u>
Noncurrent liabilities:			
Compensated absences - due in more than one year	9,726,955	2,011,974	11,738,929
Claims payable - due in more than one year	13,807,427	-	13,807,427
Long-term debt - due in more than one year	89,088,433	17,911,106	106,999,539
Aggregate net pension liabilities	25,370,960	1,501,014	26,871,974
Aggregate net OPEB liabilities	60,080,037	9,753,373	69,833,410
Total noncurrent liabilities	<u>198,073,812</u>	<u>31,177,467</u>	<u>229,251,279</u>
Total liabilities	<u>232,725,897</u>	<u>52,397,839</u>	<u>285,123,736</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related deferred inflows of resources	10,424,601	43,869	10,468,470
OPEB related deferred inflows of resources	17,308,725	787,911	18,096,636
Total deferred inflows of resources	<u>27,733,326</u>	<u>831,780</u>	<u>28,565,106</u>
NET POSITION			
Net investment in capital assets	64,707,716	80,417,960	145,125,676
Restricted for:			
Law enforcement	3,425,402	-	3,425,402
Local street improvements	10,691,870	-	10,691,870
Economic development	6,033,175	-	6,033,175
Capital projects	6,817,525	-	6,817,525
Human services	62,900	-	62,900
Debt service	10,339,393	-	10,339,393
Total restricted	<u>37,370,265</u>	<u>-</u>	<u>37,370,265</u>
Unrestricted (Deficit)	<u>(100,937,199)</u>	<u>(33,491,095)</u>	<u>(134,428,294)</u>
Total net position	<u>\$ 1,140,782</u>	<u>\$ 46,926,865</u>	<u>\$ 48,067,647</u>

See accompanying notes to the basic financial statements.

City of Gardena
Statement of Activities
For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Program Revenue
Primary Government:					
Governmental activities:					
General government	\$ 9,107,752	\$ 10,706,359	\$ 1,685,513	\$ -	\$ 12,391,872
Public safety	56,285,591	1,329,081	2,830,299	327,203	4,486,583
Public works	8,013,865	312,825	4,714,940	2,600,830	7,628,595
Recreation and human services	3,220,079	523,835	871,016	-	1,394,851
Community development	6,125,888	2,232,223	1,764,727	155,421	4,152,371
Interest	3,715,867	-	-	-	-
Total governmental activities	86,469,042	15,104,323	11,866,495	3,083,454	30,054,272
Business-type activities:					
GTrans	38,864,525	2,047,491	28,022,172	2,815,854	32,885,517
Sewer	1,756,000	2,534,274	-	-	2,534,274
Total business-type activities	40,620,525	4,581,765	28,022,172	2,815,854	35,419,791
Total primary government	\$ 127,089,567	\$ 19,686,088	\$ 39,888,667	\$ 5,899,308	\$ 65,474,063

See accompanying notes to the basic financial statements.

City of Gardena
Statement of Activities (Continued)
For the Year Ended June 30, 2025

Functions/Programs	Net (Expenses) Revenues and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
Primary Government:			
Governmental activities:			
General government	\$ 3,284,120	\$ -	\$ 3,284,120
Public safety	(51,799,008)	-	(51,799,008)
Public works	(385,270)	-	(385,270)
Recreation and human services	(1,825,228)	-	(1,825,228)
Community development	(1,973,517)	-	(1,973,517)
Interest and fiscal charges	(3,715,867)	-	(3,715,867)
Total governmental activities	(56,414,770)	-	(56,414,770)
Business-type activities:			
GTrans	-	(5,979,008)	(5,979,008)
Sewer	-	778,274	778,274
Total business-type activities	-	(5,200,734)	(5,200,734)
Total primary government	(56,414,770)	(5,200,734)	(61,615,504)
General revenues:			
Property taxes	10,874,154	-	10,874,154
Sales taxes	31,656,201	-	31,656,201
Business license	3,153,491	-	3,153,491
Utility users taxes	6,829,968	-	6,829,968
Franchise taxes	3,572,251	-	3,572,251
Card club	8,808,950	-	8,808,950
Other taxes	4,901,510	-	4,901,510
Total taxes	69,796,525	-	69,796,525
Vehicle license - unrestricted	9,142,820	-	9,142,820
Investment income	5,315,119	1,064,789	6,379,908
Miscellaneous	1,597,676	-	1,597,676
Total general revenues	85,852,140	1,064,789	86,916,929
Transfers	200,265	(200,265)	-
Change in net position	29,637,635	(4,336,210)	25,301,425
Net position (deficit) - beginning of year	(28,496,853)	51,263,075	22,766,222
Net position (deficit) - end of year	\$ 1,140,782	\$ 46,926,865	\$ 48,067,647

See accompanying notes to the basic financial statements.

City of Gardena

*Annual Comprehensive Financial Report
For the Year Ended June 30, 2025*



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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, 2025*



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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, 2025

	Major Funds			
	General Fund	Economic Development Grants Special Revenue Fund	City Capital Projects Fund	City Debt Service Fund
ASSETS				
Cash and investments	\$ 62,061,214	\$ 10,719,086	\$ 5,682,204	\$ -
Cash and investments with fiscal agents	-	-	-	15,092,284
Receivables:				
Accounts	1,815,721	-	-	-
Taxes	5,838,983	-	-	-
Interest	63,144	-	-	-
Employees	42,979	-	-	-
Loans	-	1,786,704	-	-
Inventories	52,628	-	-	-
Prepaid items and deposits	303,605	-	-	2,297
Due from other governments	-	-	-	-
Due from other funds	4,771,460	-	-	-
Total assets	<u>\$ 74,949,734</u>	<u>\$ 12,505,790</u>	<u>\$ 5,682,204</u>	<u>\$ 15,094,581</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 2,350,169	\$ 20,004	\$ 4,422,028	\$ -
Accrued liabilities	65,472	-	-	-
Salaries and benefits payable	872,373	-	-	-
Due to other funds	-	-	-	4,754,095
Due to other governments	-	-	-	-
Unearned revenues	-	6,452,611	-	-
Retention payable	-	-	958,283	-
Deposits payable	4,520,483	-	-	-
Total liabilities	<u>7,808,497</u>	<u>6,472,615</u>	<u>5,380,311</u>	<u>4,754,095</u>
Deferred Inflows of Resources:				
Unavailable revenue	91,818	-	-	-
Total deferred inflows of resources	<u>91,818</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable	356,233	-	-	2,297
Restricted	-	6,033,175	-	10,339,393
Committed	36,116,612	-	301,893	-
Assigned	30,276,574	-	-	-
Unassigned	300,000	-	-	(1,204)
Total fund balances	<u>67,049,419</u>	<u>6,033,175</u>	<u>301,893</u>	<u>10,340,486</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 74,949,734</u>	<u>\$ 12,505,790</u>	<u>\$ 5,682,204</u>	<u>\$ 15,094,581</u>

See accompanying notes to the basic financial statements.

City of Gardena
Balance Sheet (Continued)
Governmental Funds
June 30, 2025

	Nonmajor Governmental Funds	Total
ASSETS		
Cash and investments	\$ 17,422,578	\$ 95,885,082
Cash and investments with fiscal agents	-	15,092,284
Receivables:		
Accounts	265,595	2,081,316
Taxes	451,961	6,290,944
Interest	-	63,144
Employees	-	42,979
Loans	-	1,786,704
Inventories	-	52,628
Prepaid items and deposits	50,312	356,214
Due from other governments	4,609,252	4,609,252
Due from other funds	-	4,771,460
Total assets	<u><u>\$ 22,799,698</u></u>	<u><u>\$ 131,032,007</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 602,224	\$ 7,394,425
Accrued liabilities	-	65,472
Salaries and benefits payable	11,956	884,329
Due to other funds	17,365	4,771,460
Due to other governments	1,092,823	1,092,823
Unearned revenues	-	6,452,611
Retention payable	2,428	960,711
Deposits payable	-	4,520,483
Total liabilities	<u>1,726,796</u>	<u>26,142,314</u>
Deferred Inflows of Resources:		
Unavailable revenue	<u>406,016</u>	<u>497,834</u>
Total deferred inflows of resources	<u>406,016</u>	<u>497,834</u>
Fund Balances:		
Nonspendable	50,312	408,842
Restricted	20,616,574	36,989,142
Committed	-	36,418,505
Assigned	-	30,276,574
Unassigned	-	298,796
Total fund balances	<u>20,666,886</u>	<u>104,391,859</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 22,799,698</u></u>	<u><u>\$ 131,032,007</u></u>

See accompanying notes to the basic financial statements.

City of Gardena

*Annual Comprehensive Financial Report
For the Year Ended June 30, 2025*



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

Total Fund Balances - Total Governmental Funds \$ 104,391,859

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	\$ 34,433,613	
Capital assets, depreciable	132,891,445	
Less accumulated depreciation	(88,463,025)	
Right-to-use lease assets	889,592	
Right-to-use lease assets accumulated amortization	(402,760)	
Right-to-use subscription assets	1,795,336	
Right-to-use subscription assets accumulated amortization	<u>(1,140,866)</u>	80,003,335

Interest in recognized when due, and therefore, interest payable is not reported in the governmental funds.		(750,109)
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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		(5,974,895)
Long-term debt - due in more than one year		(89,088,433)
Compensated absences - due within one year		(2,084,224)
Compensated absences - due in more than one year		(9,726,955)

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		19,916,992
Aggregate net pension liabilities		(25,370,960)
Pension related deferred inflows of resources		(10,424,601)

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		11,371,679
Aggregate net OPEB liabilities		(60,080,037)
OPEB related deferred inflows of resources		(17,308,725)

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 \$9,987,259 allocated to business-type activities).

5,768,022

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

497,834

Net position of governmental activities		<u>\$ 1,140,782</u>
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City of Gardena
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	Major Funds			
	General	Economic Development Grants Special Revenue Fund	City Capital Projects Fund	City Debt Service Fund
	Fund	Fund	Fund	Fund
REVENUES:				
Taxes	\$ 72,234,462	\$ -	\$ -	\$ -
Licenses and permits	1,967,596	-	-	-
Intergovernmental	501,611	528,716	-	-
Charges for services	5,941,699	157,000	-	5,952,098
Fines, forfeitures, and penalties	1,017,194	11,251	-	-
Use of money and property	3,384,334	161,308	-	626,280
Miscellaneous	517,710	137,542	-	-
Total revenues	<u>85,564,606</u>	<u>995,817</u>	<u>-</u>	<u>6,578,378</u>
EXPENDITURES:				
Current:				
General government	7,746,625	-	-	-
Public safety	51,354,947	-	-	-
Public works	7,853,200	-	-	-
Recreation and human services	5,659,246	373,912	-	-
Community development	3,513,725	25,567	-	-
Capital outlay	1,886,398	79,459	13,297,684	-
Debt service:				
Principal retirement	536,927	-	-	5,140,440
Interest and fiscal charges	89,726	-	-	3,475,170
Total expenditures	<u>78,640,794</u>	<u>478,938</u>	<u>13,297,684</u>	<u>8,615,610</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>6,923,812</u>	<u>516,879</u>	<u>(13,297,684)</u>	<u>(2,037,232)</u>
OTHER FINANCING				
SOURCES (USES):				
Transfers in	3,614,730	4,048	13,297,683	2,692,510
Transfers out	(3,591,816)	(459,492)	-	(4,742,928)
Issuance of subscription debt	485,710	-	-	-
Total other financing				
sources (uses)	<u>508,624</u>	<u>(455,444)</u>	<u>13,297,683</u>	<u>(2,050,418)</u>
NET CHANGE IN FUND BALANCE	<u>7,432,436</u>	<u>61,435</u>	<u>(1)</u>	<u>(4,087,650)</u>
Fund balances, beginning of year	<u>59,616,983</u>	<u>5,971,740</u>	<u>301,894</u>	<u>14,428,136</u>
Fund balances, end of year	<u>\$ 67,049,419</u>	<u>\$ 6,033,175</u>	<u>\$ 301,893</u>	<u>\$ 10,340,486</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, 2025

	Nonmajor Governmental Funds	Total
REVENUES:		
Taxes	\$ 4,369,171	\$ 76,603,633
Licenses and permits	-	1,967,596
Intergovernmental	16,493,661	17,523,988
Charges for services	-	12,050,797
Fines, forfeitures, and penalties	35,381	1,063,826
Use of money and property	790,569	4,962,491
Miscellaneous	61,643	716,895
Total revenues	<u>21,750,425</u>	<u>114,889,226</u>
EXPENDITURES:		
Current:		
General government	32	7,746,657
Public safety	286,211	51,641,158
Public works	2,591,995	10,445,195
Recreation and human services	964,529	6,997,687
Community development	1,154,922	4,694,214
Capital outlay	47,579	15,311,120
Debt service:		
Principal retirement	78,084	5,755,451
Interest and fiscal charges	905	3,565,801
Total expenditures	<u>5,124,257</u>	<u>106,157,283</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>16,626,168</u>	<u>8,731,943</u>
OTHER FINANCING SOURCES (USES):		
Transfers in	60,634	19,669,605
Transfers out	(11,275,104)	(20,069,340)
Issuance of subscription debt	-	485,710
Total other financing sources (uses)	<u>(11,214,470)</u>	<u>85,975</u>
NET CHANGE IN FUND BALANCE	5,411,698	8,817,918
Fund balances, beginning of year	15,255,188	95,573,941
Fund balances, end of year	<u>\$ 20,666,886</u>	<u>\$ 104,391,859</u>

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, 2025

Net Change in Fund Balances - Total Governmental Funds		\$ 8,817,918
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.	20,124,702	
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.	(9,118,765)	
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.	40,012	
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.	(1,390,057)	
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.	457,830	
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.	2,585,712	
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	\$ 8,952,760	
Interest accrual on loans payables	536,927	
Proceeds from issuance of long-term debt	(485,710)	
Amortization of bond premium	106,654	
Amortization of bond discount	<u>(13,884)</u>	9,096,747
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 \$749,481 allocated to business-type activities).	(566,516)	
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>(409,948)</u>	
Change in net position of governmental activities		<u>\$ 29,637,635</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, 2025

	Business-Type Activities			Governmental Activities
	GTrans	Nonmajor Sewer		Internal
	Enterprise Fund	Enterprise Fund	Total	Service Funds
ASSETS				
Current assets:				
Cash and investments	\$ 14,046,261	\$ 5,600,160	\$ 19,646,421	\$ 14,004,909
Account receivables, net	358,653	221,704	580,357	26,009
Due from other governments	2,804,751	-	2,804,751	-
Inventories	838,887	-	838,887	-
Prepaid items and deposits	40,450	2,574	43,024	29,275
Total current assets	18,089,002	5,824,438	23,913,440	14,060,193
Noncurrent assets:				
Capital assets, net	80,974,007	982,689	81,956,696	-
Total noncurrent assets	80,974,007	982,689	81,956,696	-
Total assets	99,063,009	6,807,127	105,870,136	14,060,193
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to pensions	962,654	58,758	1,021,412	-
Deferred outflows of resources related to other postemployment benefits	3,180,052	72,143	3,252,195	-
Total deferred outflows of resources	4,142,706	130,901	4,273,607	-

See accompanying notes to the basic financial statements.

City of Gardena
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2025

	Business-Type Activities			Governmental Activities
	GTrans Enterprise Fund	Nonmajor Sewer Enterprise Fund	Total	Internal Service Funds
LIABILITIES				
Current liabilities:				
Accounts payable	1,191,221	-	1,191,221	479,424
Accrued liabilities	176,180	3,122	179,302	49,161
Salaries and benefits payable	335,843	8,848	344,691	7,406
Unearned revenue	17,745,531	-	17,745,531	-
Accrued interest payable	10,476	2,173	12,649	-
Compensated absences, due within one year	454,183	48,811	502,994	-
Lease payable, due withing one year	4,034	-	4,034	-
Subscription payable, due within one year	111,792	13,180	124,972	-
Long-term debt, due within one year	1,065,243	49,735	1,114,978	-
Claims payable, due within one year	-	-	-	3,936,012
Total current liabilities	21,094,503	125,869	21,220,372	4,472,003
Noncurrent liabilities:				
Compensated absences, due in more than one year	1,816,733	195,241	2,011,974	-
Long-term debt, due in more than one year	17,102,640	808,466	17,911,106	-
Claims payable, due in more than one year	-	-	-	13,807,427
Aggregate net pension laibility	1,414,666	86,348	1,501,014	-
Aggregate net other postemployment benefits liabilities	9,506,335	247,038	9,753,373	-
Total noncurrent liabilities	29,840,374	1,337,093	31,177,467	13,807,427
Total liabilities	50,934,877	1,462,962	52,397,839	18,279,430
DEFERRED INFLOWS OF RSOUCES				
Deferred inflows of resources related to pensions	41,345	2,524	43,869	-
Deferred inflows of resources related to other postemployment benefits	462,538	325,373	787,911	-
Total deferred inflows of resources	503,883	327,897	831,780	-
NET POSITION				
Net investment in capital assets	79,472,710	945,250	80,417,960	-
Unrestricted (deficit)	(27,705,755)	4,201,919	(23,503,836)	(4,219,237)
Total net position	\$ 51,766,955	\$ 5,147,169	\$ 56,914,124	\$ (4,219,237)
Net position reconciliation				
Net position of proprietary funds	\$ 51,766,955	\$ 5,147,169	\$ 56,914,124	\$ (4,219,237)
Adjustment to reflect the consolidation of internal service fund activities related to the GTrans and Sewer	(10,102,279)	115,020	(9,987,259)	9,987,259
Net position of business-type activities	\$ 41,664,676	\$ 5,262,189	\$ 46,926,865	
Net position of governmental activities				\$ 5,768,022

See accompanying notes to the basic financial statements.

City of Gardena

*Annual Comprehensive Financial Report
For the Year Ended June 30, 2025*



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City of Gardena
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the year ended June 30, 2025

	Business-Type Activities			Governmental Activities
	GTrans Enterprise Fund	Nonmajor Sewer Enterprise Fund	Total	Internal Service Funds
OPERATING REVENUES:				
Charges for services	\$ 1,648,528	\$ 2,530,554	\$ 4,179,082	\$ 18,233,959
Other	398,963	3,720	402,683	986,663
Total operating revenues	<u>2,047,491</u>	<u>2,534,274</u>	<u>4,581,765</u>	<u>19,220,622</u>
OPERATING EXPENSES:				
Salaries and benefits	18,586,918	1,031,417	19,618,335	261,279
Insurance claims	-	-	-	11,202,291
General and administrative	10,055,367	413,711	10,469,078	8,143,898
Depreciation and amortization	7,878,544	199,211	8,077,755	-
Other operating expenses	2,439,642	140,134	2,579,776	392,086
Total operating expenses	<u>38,960,471</u>	<u>1,784,473</u>	<u>40,744,944</u>	<u>19,999,554</u>
OPERATING INCOME	<u>(36,912,980)</u>	<u>749,801</u>	<u>(36,163,179)</u>	<u>(778,932)</u>
NON-OPERATING REVENUES (EXPENSES):				
Local transportation fund	3,990,153	-	3,990,153	-
Other local assistance	12,305,961	-	12,305,961	-
Federal transit assistance	1,500,000	-	1,500,000	-
State transit assistance fund	10,226,058	-	10,226,058	-
Interest income	864,554	200,235	1,064,789	361,897
Interest expense	(597,348)	(27,714)	(625,062)	-
Total non-operating revenues (expenses)	<u>28,289,378</u>	<u>172,521</u>	<u>28,461,899</u>	<u>361,897</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(8,623,602)</u>	<u>922,322</u>	<u>(7,701,280)</u>	<u>(417,035)</u>
CONTRIBUTIONS AND TRANSFERS				
Capital contributions	2,815,854	-	2,815,854	-
Transfers in	-	56,858	56,858	2,033,776
Transfers out	-	(257,123)	(257,123)	(1,433,776)
Total contributions and transfers	<u>2,815,854</u>	<u>(200,265)</u>	<u>2,615,589</u>	<u>600,000</u>
Change in net position	<u>(5,807,748)</u>	<u>722,057</u>	<u>(5,085,691)</u>	<u>182,965</u>
Net position (deficit), beginning of year	<u>57,574,703</u>	<u>4,425,112</u>	<u>61,999,815</u>	<u>(4,402,202)</u>
Net position (deficit), end of year	<u>\$ 51,766,955</u>	<u>\$ 5,147,169</u>	<u>\$ 56,914,124</u>	<u>\$ (4,219,237)</u>
Change in net position reconciliation:				
Change in net position of proprietary funds	\$ (5,807,748)	\$ 722,057	\$ (5,085,691)	\$ 182,965
Adjustments to reflect the consolidation of internal service fund activities related to the GTrans and Sewer	<u>693,294</u>	<u>56,187</u>	<u>749,481</u>	<u>(749,481)</u>
Change in net position of business-type activities	<u>\$ (5,114,454)</u>	<u>\$ 778,244</u>	<u>\$ (4,336,210)</u>	
Change in net position related to governmental activities				<u>\$ (566,516)</u>

See accompanying notes to the basic financial statements.

City of Gardena
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2025

	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	\$ 1,639,216	\$ 2,546,339	\$ 4,185,555	\$ 18,217,843
Receipts from claims and recoveries	-	-	-	986,663
Payments for insurance claims	-	-	-	(9,424,483)
Payments to suppliers	(16,645,781)	(507,901)	(17,153,682)	(8,231,383)
Payments to employees	(17,274,546)	(929,213)	(18,203,759)	-
Other receipts	398,963	3,720	402,683	-
Net cash provided (used by) operating activities	<u>(31,882,148)</u>	<u>1,112,945</u>	<u>(30,769,203)</u>	<u>1,548,640</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	-	62,871	62,871	2,033,776
Transfers to other funds	-	(263,136)	(263,136)	(1,433,776)
Principal payments on long term debt	(843,636)	(35,586)	(879,222)	-
Interest paid	(591,216)	(26,561)	(617,777)	-
Transit assistance funds received	32,897,091	-	32,897,091	-
Net cash provided (used by) non-capital financing activities	<u>31,462,239</u>	<u>(262,412)</u>	<u>31,199,827</u>	<u>600,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	(3,192,615)	(154,955)	(3,347,570)	-
Receipt from capital grants	3,717,835	-	3,717,835	-
Net cash provided (used by) capital and related financing activities	<u>525,220</u>	<u>(154,955)</u>	<u>370,265</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	864,554	200,235	1,064,789	361,897
Net cash provided (used by) investing activities	<u>864,554</u>	<u>200,235</u>	<u>1,064,789</u>	<u>361,897</u>
Net increase (decrease) in cash and cash equivalents	969,865	895,813	1,865,678	2,510,537
Cash and equivalents, beginning of year	13,076,396	4,704,347	17,780,743	11,494,372
Cash and equivalents, end of year	<u>\$ 14,046,261</u>	<u>\$ 5,600,160</u>	<u>\$ 19,646,421</u>	<u>\$ 14,004,909</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, 2025

	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)	\$ (36,912,980)	\$ 749,801	\$ (36,163,179)	\$ (778,932)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization expenses	7,878,544	199,211	8,077,755	-
(Increase) decrease:				
Accounts receivable	(9,312)	15,785	6,473	(16,116)
Inventories	(72,296)	-	(72,296)	-
Prepaid items and deposits	28,857	45,651	74,508	57,705
Deferred outflows of resources - pensions	1,073,216	61,728	1,134,944	-
Deferred outflows of resources - OPEB	(1,035,608)	2,245	(1,033,363)	-
Increase (decrease):				
Accounts payable	(4,170,391)	(2,829)	(4,173,220)	276,078
Accrued liabilities	63,058	3,122	66,180	(29,182)
Accrued salaries and benefits payable	54,304	(8,313)	45,991	4,912
Compensated absences	388,497	89,406	477,903	-
Net pension liability	(322,947)	(15,633)	(338,580)	-
Net other postemployment benefits liability	1,560,738	(70,649)	1,490,089	-
Deferred outflows of resources - pensions	(267,389)	(15,596)	(282,985)	-
Deferred outflows of resources - OPEB	(138,439)	59,016	(79,423)	-
Claims payable	-	-	-	2,034,175
Total adjustments	<u>5,030,832</u>	<u>363,144</u>	<u>5,393,976</u>	<u>2,327,572</u>
Net cash provided (used) by operating activities	\$ (31,882,148)	\$ 1,112,945	\$ (30,769,203)	\$ 1,548,640

Supplemental disclosures of noncash investing and capital related financing activities:

The City had noncash financing transactions relating to operating leases on new equipment of \$0 during the fiscal year June 30, 2025.

City of Gardena

*Annual Comprehensive Financial Report
For the Year Ended June 30, 2025*



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NOTES TO THE BASIC FINANCIAL STATEMENTS

City of Gardena

*Annual Comprehensive Financial Report
For the Year Ended June 30, 2025*



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City of Gardena
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For the Year Ended June 30, 2025

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For the Year Ended June 30, 2025

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

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, 2025

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, 2025

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, 2025

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, 2025.

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, 2025

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, 2025

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 accordance with GASB Statement No. 101 – *Compensated Absences*. 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, 2025

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, 2023
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 to June 30, 2025

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, 2025

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:

OPEB

Valuation Date	June 30, 2024
Measurement Date	June 30, 2025
Measurement Period	July 1, 2023 to June 30, 2024

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, 2025

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, 2024	Unsecured, redemptions, and SB813 taxes
December 20, 2024	Homeowners' exemption, secured, and SB813 taxes
January 17, 2025	Homeowners' exemption, secured, and SB813 taxes
February 20, 2025	Redemptions, secured, and SB813 taxes
March 20, 2025	Secured and SB813 taxes
April 17, 2025	Secured and SB813 taxes
May 20, 2025	Redemptions, homeowners' exemption, secured, and SB813 taxes
June 20, 2025	Homeowners' exemption, SB813 taxes
July 18, 2025	Secured and SB813 taxes
August 20, 2025	Secured, redemptions, unsecured, and SB813 taxes

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

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, 2025

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, 2025, the financial statements include the adoption of GASB Statement No. 101, *Compensated Absences*. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The cumulative effect of adopting this standard was not significant, hence, no restatement of beginning net position was required.

The City also adopted GASB Statement No. 102, *Certain Risk Exposures* during the current year. See notes 16 and 17 below for certain risk exposure disclosures.

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

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, 2025 for its governmental activities of \$(100,937,199). 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 \$25,370,960 and \$1,501,014 for governmental activities and business-type activities, respectively. The aggregate net OPEB liabilities were \$60,080,037 and \$9,753,373 for governmental activities and business-type activities, respectively. The Pension Obligation Bonds were \$66,802,423 and \$18,807,577 for governmental activities and business-type activities, respectively.

The following funds had a deficit fund balance/net position at June 30, 2025:

Nonmajor Governmental Funds:	
Community Development Block Grant (CDBG)	\$ (79,230)
Internal Service Funds:	
Liability Insurance Fund	(922,997)
Workers' Compensation Fund	(8,310,177)

In addition, the GTrans Enterprise had deficit unrestricted net position of \$(27,705,757) at June 30, 2025.

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	\$ 81,686	\$ 108,102	\$ (26,416)
Public safety			
Police	36,096,596	37,446,965	(1,350,369)
L.A. County Fire Department	13,493,514	13,907,982	(414,468)
Recreation and human services	5,083,378	5,659,246	(575,868)
Community development	3,263,654	3,513,725	(250,071)
Capital outlay	1,105,607	1,479,262	(373,655)
Debt service:			
Principal	-	536,927	(536,927)
Interest and fiscal charges	-	89,726	(89,726)

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

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			
Recreation and human services	-	373,912	(373,912)
Capital outlay	-	79,459	(79,459)
2006 Refunding COP's, Series A Debt Service Fund			
Debt service:			
Principal retirement	665,000	705,000	(40,000)
2007 Refunding Revenue Bonds SBRPCA Debt Service Fund			
Debt service:			
Principal retirement	125,000	130,000	(5,000)
2020 Taxable Pension Obligation Bonds Debt Service Fund			
Debt service:			
Principal retirement	3,285,063	3,745,440	(460,377)
Nonmajor Governmental Funds:			
Prop C Local Return Special Revenue Fund	41,228	55,335	(14,107)
Gas Tax Special Revenue Fund	574,300	1,262,338	(688,038)
Public Safet Grants Special Revenue Fund	276,126	379,290	(103,164)
Community Development Block Grant (CDBG) Special Revenue Fund	592,299	1,154,922	(562,623)

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

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, 2025:

	Governmental Activities	Business-Type Activities	Total
Cash and investments	\$ 109,889,991	\$ 19,646,421	\$ 129,536,412
Cash and investments held by fiscal agents	15,092,284	-	15,092,284
Total cash and investments	\$ 124,982,275	\$ 19,646,421	\$ 144,628,696

The City's cash and investments at June 30, 2025, in more detail:

Cash:	
Petty cash	\$ 1,490
Demand deposits	23,785,145
Total cash and cash equivalents	23,786,635
Investments:	
Money market mutual fund	35,251,124
U.S. Treasury	14,224,587
Local Government investment pools	30,538,591
Corporate notes	11,659,679
Local Agency Investment Fund	5,770,315
U.S. Government sponsored enterprise securities	6,379,733
Foreign negotiable certificates of deposit	1,925,748
Total investments	105,749,777
Total cash and investments	129,536,412
Cash and investments with fiscal agents	15,092,284
Total	\$ 144,628,696

A. Deposits

The carrying amounts of the City's demand deposits were \$23,785,145 at June 30, 2025. Bank balances at that date were \$23,787,348, 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, 2025

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, 2025, 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, 2025, the City had \$5,770,315 invested in LAIF, which had invested 3.81% 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, 2025

Note 3 – Cash and Investments (Continued)

C. Fair Value Measurement

At June 30, 2025, 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, 2025:

Investment Type	Measurement Input			
	Quoted Prices in Active Markets for Identical Assets (Level 1)		Significant Other Observable Inputs (Level 2)	
			Uncategorized ⁽³⁾	Total
Money market mutual fund	\$ -	\$ -	\$ 35,251,124	\$ 35,351,124
U.S. Treasury	14,224,587	-	-	14,224,587
Local Government investment pools ⁽¹⁾	-	30,538,591	-	30,538,591
Corporate notes ⁽¹⁾	-	11,659,679	-	11,659,679
Local Agency Investment Fund	-	-	5,770,315	5,770,315
U.S. Government sponsored enterprise securities ⁽¹⁾	-	6,379,733	-	6,379,733
Foreign negotiable certificates of deposit ⁽²⁾	-	1,925,748	-	1,925,748
Cash and investments with fiscal agents:				
Money market mutual fund	-	-	14,862,488	14,862,488
U.S. Government sponsored enterprise securities ⁽¹⁾	-	229,796	-	229,796
Total	\$ 14,224,587	\$ 50,733,547	\$ 55,883,927	\$ 120,842,061

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

⁽²⁾ Pricing based on Intercontinental Exchange Emtel 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, 2025, 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	\$ 35,251,124	\$ 35,251,124	\$ -	\$ -
U.S. Treasury	14,224,587	4,621,829	7,423,320	2,179,438
Local Government investment pools	30,538,591	30,538,591	-	-
Corporate notes	11,659,679	1,552,838	5,397,687	4,709,154
Local Agency Investment Fund	5,770,315	5,770,315	-	-
U.S. Government sponsored enterprise securities	6,379,733	790,758	3,394,545	2,194,430
Foreign negotiable certificates of deposit	1,925,748	-	899,485	1,026,263
Cash and investments with fiscal agents:				
Money market mutual fund	14,862,488	14,862,488	-	-
U.S. Government sponsored enterprise securities	229,796	229,796	-	-
Total	\$ 120,842,061	\$ 93,617,739	\$ 17,115,037	\$ 10,109,285

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, 2025

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, 2025, 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	4.78%
U.S. Treasury	Aaa	Not Rated	11.77%
U.S. Government sponsored enterprise securities	Aa1	AA+	5.28%
Local Government investment pools	Not Rated	Not Rated	25.27%
Foreign negotiable certificates of deposit	A2	Aa	1.59%
Corporate notes	Aaa	A	9.65%
Money market mutual fund	Aaa	AAAm	41.47%
U.S. Government sponsored enterprise securities	AAA	AAAm	0.19%
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 renewable 30-year lease term. On February 28, 2025, the lease term was extended to February 29, 2040. 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 the lease term. In January 2025, the monthly payment was increased from \$1,030 to \$1,336 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 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, 2025, future lease payments from the YMCA, including interest, were \$346,717. Since the City has not earned the revenue for the future lease payments, there was no revenue recognized or receivables reported at June 30, 2025 for these future lease payments.

B. State Mandated Claims Reimbursement

The City recorded an outstanding receivable of \$818,539 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 \$818,539. 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, 2025.

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

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, 2024	Additions	Deletions	Allowance	Balance June 30, 2025
Home-Owner Occupied Deferred Loans					
CalHOME	\$ 362,254	\$ -	\$ -	\$ -	\$ 362,254
State HOME Loans	1,473,041	-	(48,591)	-	1,424,450
Subtotal	1,835,295	-	(48,591)	-	1,786,704
Spring Park Senior Villa Developer Loan	-	-	-	-	-
Total	\$ 1,835,295	\$ -	\$ (48,591)	\$ -	\$ 1,786,704

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, 2025, the outstanding loan balance is \$1,786,704.

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, 2025, the City funded \$2,874,115 for the development of the project and accrued interest in the amount of \$1,016,659 which was required by the State of California. This results the City in reporting loans receivable in the amount of \$3,890,774. 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 \$3,890,774. 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, 2025.

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 6 – Interfund Transactions

A. Fund Financial Statements

Due From/To Other Funds - At June 30, 2025, the City had the following due from/to other funds:

Due To Other Funds		Due From Other Funds	
		General Fund	
Governmental Funds:			
City Debt Service Funs	\$	4,754,095	
Nonmajor Governmental Funds	\$	17,365	
Total	\$	4,771,460	

The above amounts resulted from temporary reclassifications made at June 30, 2025 to cover cash shortfalls.

Transfers In/Out – During the year ended June 30, 2025, 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	Economic Development Fund	City Debt Service	Nonmajor Governmental Funds	Nonmajor Sewer Enterprise Fund	Internal Service Funds	
Governmental Funds:								
General Fund	\$ -	\$ 234,393	\$ 4,048	\$2,692,510	\$ 60,634	\$ -	\$ 600,000	\$ 3,591,585
Economic Development Grants Special Revenue Fund	-	459,952	-	-	-	-	-	459,952
Debt Service Fund	-	4,742,928	-	-	-	-	-	4,742,928
Nonmajor Governmental Funds	3,357,607	7,860,409	-	-	-	56,858	-	11,274,874
Enterprise Funds:								
Nonmajor Sewer	257,123	-	-	-	-	-	-	257,123
Internal Service Funds	-	-	-	-	-	-	1,433,776	1,433,776
Total	\$3,614,730	\$13,297,683	\$ 4,048	\$2,692,510	\$ 60,634	\$ 56,858	\$2,033,776	\$21,760,239

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 6 – Interfund Transactions (Continued)

B. Fund Financial Statements (Continued)

Transfers In/Out (Continued)

General Fund transferred \$234,393 to the City Capital Projects Fund to fund the deferred maintenance projects, \$2,692,510 to Debt Service Fund for debt service payments and bank admin fees, \$64,048 to Nonmajor Governmental Funds and Grants to cover deficit grants funds and grant unallowable expenditures, and \$600,000 to Internal Service Funds to pay as you go general liability and workers' compensation liability.

Economic Development Grants Special Revenue funds transferred \$459,952 to Capital Project Fund to fund capital projects

Transfers of \$4,742,928 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 \$3,357,607 for fiscal year 2025 ARPA claims and qualified expenditures job costs relating capital projects, police department expenditures, street sweeping program, and tree maintenance and street maintenance program. Transfers from Nonmajor Governmental Funds of \$7,860,409 to the City Capital Projects Fund are for grant funded projects

Sewer Enterprise Funds transfers consists of transfer of \$257,123 to the General Fund for job costs related to capital projects.

Internal Service Funds transfers of \$1,433,776 to Internal Service Funds to pay as you go workers' compensation liability and pay as you general liability.

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

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, 2025 is as follows:

	Governmental Activities				
	Balance July 1, 2024	Additions	Deletions	Transfers	Balance June 30, 2025
Capital assets, not being depreciated:					
Land	\$ 13,993,823	\$ -	\$ -	\$ -	\$ 13,993,823
Monuments	63,893	-	-	-	63,893
Investments in JPA	-	223,346	-	-	223,346
Construction in progress	8,630,839	11,610,804	-	(89,092)	20,152,551
Total capital assets, not being depreciated	22,688,555	11,834,150	-	(89,092)	34,433,613
Capital assets, being depreciated:					
Buildings/structures and improvements	27,932,024	342,710	(1,731,987)	-	26,542,747
Machinery and equipment	13,346,044	1,915,204	(415,460)	89,092	14,934,881
Investment in JPA	-	7,083,490	-	-	7,083,490
Infrastructure:					
Street lights network	1,292,393	-	-	-	1,292,393
Traffic lights network	12,940,788	-	-	-	12,940,788
Roadway network	70,097,147	-	-	-	70,097,147
Total capital assets, being depreciated	125,608,396	9,341,404	(2,147,447)	89,092	132,891,445
Less accumulated depreciation for:					
Buildings/structures and improvements	(20,543,903)	(635,891)	140,431	-	(21,039,363)
Machinery and equipment	(11,293,986)	(769,965)	355,497	-	(11,708,454)
Investment in JPA	-	(5,571,656)	-	-	(5,571,656)
Infrastructure:					
Street light network	(1,120,076)	(43,080)	-	-	(1,163,156)
Traffic lights network	(12,701,971)	(12,570)	-	-	(12,714,541)
Roadway network	(34,862,837)	(1,403,018)	-	-	(36,265,855)
Total accumulated depreciation	(80,522,773)	(8,436,180)	495,928	-	(88,463,025)
Total capital assets, being depreciated, net	45,085,623	905,224	(1,651,519)	89,092	44,428,420
Intangible assets, being amortized					
Right-to-use lease assets-equipment	905,527	128,744	(144,679)	-	889,592
Right-to-use subscription assets	1,456,361	471,179	(132,204)	-	1,795,336
Total intangible assets, being amortized	2,361,888	599,923	(276,883)	-	2,684,928
Less accumulated amortization for:					
Right-to-use lease assets-equipment	(357,400)	(190,039)	144,679	-	(402,760)
Right-to-use subscription assets	(781,268)	(492,547)	132,949	-	(1,140,866)
Total accumulated amortization	(1,138,668)	(682,586)	277,628	-	(1,543,626)
Total intangible assets, being amortized, net	1,223,220	(82,663)	745	-	1,141,302
Governmental activities capital assets, net	\$ 68,997,398	\$ 12,656,711	\$ (1,650,774)	\$ -	\$ 80,003,335

Depreciation and amortization expenses were charged to functions/programs of the governmental activities for the fiscal year ended June 30, 2025 as follows:

	Depreciation	Amortization
General government	\$ 297,605	\$ 158,351
Public safety	6,198,432	237,812
Public works	1,679,940	67,194
Community development	248,919	93,916
Recreation and human services	11,284	125,313
Total depreciation expense	\$ 8,436,180	\$ 682,586

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

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, 2025 is as follows:

	Business-Type Activities				
	Balance July 1, 2024	Additions	Deletions	Transfers	Balance June 30, 2025
Capital assets, not being depreciated:					
Land	\$ 12,956,405	\$ -	\$ -	\$ -	\$ 12,956,405
Construction in progress	11,685,097	2,845,736	-	(12,873,011)	1,657,822
Total capital assets, not being depreciated	24,641,502	2,845,736	-	(12,873,011)	14,614,227
Capital assets, being depreciated:					
Buildings/structures and improvements	39,893,428	-	-	-	39,893,428
Buses	61,131,930	-	-	-	61,131,930
Machinery and equipment	13,353,609	69,616	(29,973)	12,873,011	26,266,263
Furniture and fixtures	1,639,908	-	-	-	1,639,908
Infrastructure	11,184,496	-	-	-	11,184,496
Total capital assets, being depreciated	127,203,371	69,616	(29,973)	12,873,011	140,116,025
Less accumulated depreciation for:					
Buildings/structures and improvements	(15,855,078)	(1,022,908)	-	-	(16,877,986)
Buses	(26,214,718)	(3,365,477)	-	-	(29,580,195)
Machinery and equipment	(10,968,646)	(3,459,531)	24,985	-	(14,403,192)
Furniture and fixtures	(1,588,086)	(32,732)	-	-	(1,620,818)
Infrastructure	(10,696,004)	(33,689)	-	-	(10,729,693)
Total accumulated depreciation	(65,322,532)	(7,914,337)	24,985	-	(73,211,884)
Total capital assets, being depreciated, net	61,880,839	(7,844,721)	(4,988)	12,873,011	66,904,141
Intangible assets, being amortized					
Right-to-use lease assets-equipment	20,415	-	-	-	20,415
Right-to-use subscription assets	373,407	474,542	(74,988)	-	772,961
Total intangible assets, being amortized	393,822	474,542	(74,988)	-	793,376
Less accumulated amortization for:					
Right-to-use lease assets-equipment	(2,721)	(4,081)	-	-	(6,802)
Right-to-use subscription assets	(226,561)	(165,613)	43,928	-	(348,246)
Total accumulated amortization	(229,282)	(169,694)	43,928	-	(355,048)
Total intangible assets, being amortized, net	164,540	304,848	(31,060)	-	438,328
Business-type activities capital assets, net	\$ 86,686,881	\$ (4,694,137)	\$ (36,048)	\$ -	\$ 81,956,696

Depreciation and amortization expenses for business-type activities for the year ended June 30, 2025 was charged as follows:

	Depreciation	Amortization
Gtrans major enterprise fund	\$ 7,743,454	\$ 135,090
Sewer nonmajor enterprise fund	170,883	34,604
Total depreciation expense	\$ 7,914,337	\$ 169,694

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

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, 2025 is as follows:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025	Due within One Year	Due in more One Year
2006 Refunding Certificates of Participation Series A - publicly offered	\$ 5,275,000	\$ -	\$ (705,000)	\$ 4,570,000	\$ 750,000	\$ 3,820,000
2007 Refunding Revenue Bonds, Series A - publicly offered	1,070,000	-	(130,000)	940,000	135,000	805,000
2014 Taxable Lease Revenue Refunding Bonds - publicly offered	8,680,000	-	(70,000)	8,610,000	75,000	8,535,000
Bond discount - 2014 Taxable Lease Revenue Refunding Bonds	(164,405)	-	13,884	(150,521)	(13,884)	(136,637)
2016 SCE On-Bill Financing Loan - Direct borrowing	14,769	-	(7,769)	7,000	7,000	-
2020 Taxable Pension Obligation Bonds - publicly offered	70,547,863	-	(3,745,440)	66,802,423	3,960,023	62,842,400
2021 Lease Revenue Bonds - Publicly offered	11,975,000	-	(490,000)	11,485,000	510,000	10,975,000
Bond premium - 2021 Lease Revenue Bonds	1,795,349	-	(106,654)	1,688,695	106,654	1,582,041
Loan payable	3,804,551	-	(3,804,551)	-	-	-
Lease payable	544,477	-	(47,407)	497,070	148,758	348,312
Subscription liabilities	617,471	485,710	(489,520)	613,661	296,344	317,317
Claims payable	15,709,264	11,108,465	(9,074,290)	17,743,439	3,936,012	13,807,427
Compensated absences	10,421,122	1,390,057 *	-	11,811,179	2,084,224	9,726,955
Total	\$ 130,290,461	\$ 12,984,232	\$ (18,656,747)	\$ 124,617,946	\$ 11,995,131	\$ 112,622,815

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

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, 2025

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, 2025 totaled \$4,570,000. The annual debt service requirements on these certificates are as follows:

Fiscal Year	Principal	Interest	Total
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	965,000	49,923	1,014,923
2031	300,000	9,570	309,570
Total	\$ 4,570,000	\$ 820,468	\$ 5,390,468

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, 2025 totaled \$940,000. The annual debt service requirements on these bonds are as follows:

Fiscal Year	Principal	Interest	Total
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	170,000	17,681	187,681
2031	175,000	8,670	183,670
Total	\$ 940,000	\$ 174,957	\$ 1,114,957

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

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, 2025 totaled \$8,610,000. The annual debt service requirements on these bonds as follows:

Fiscal Year	Principal	Interest	Total
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	815,000	414,750	1,229,750
2031-2035	6,490,000	1,252,500	7,742,500
2036	990,000	49,500	1,039,500
Total	\$ 8,610,000	\$ 3,413,980	\$ 12,023,980

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

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, 2025 totaled \$7,000. The annual debt service requirements on this loan as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 7,000	\$ -	\$ 7,000
Total	\$ 7,000	\$ -	\$ 7,000

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, 2025

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, 2025 totaled \$66,802,423. The annual debt service requirements for the governmental activities on these bonds are as follows:

Fiscal Year	Principal	Interest	Total
2026	\$ 3,960,023	\$ 2,142,912	\$ 6,102,935
2025	4,038,053	2,061,098	6,099,151
2028	4,131,689	1,965,558	6,097,247
2029	4,244,832	1,855,530	6,100,362
2030	4,361,877	1,738,244	6,100,121
2031-2035	23,853,772	6,644,794	30,498,566
2036-2039	22,212,177	2,234,488	24,446,665
Total	\$ 66,802,423	\$ 18,642,624	\$ 85,445,047

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 \$12,837,149 at June 30, 2025.

The amount outstanding at June 30, 2025 totaled \$11,485,000. The annual debt service requirements on these bonds as follows:

Fiscal Year	Principal	Interest	Total
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	620,000	317,750	937,750
2031-2035	3,560,000	912,550	4,472,550
2036-2040	4,180,000	520,650	4,700,650
2041	915,000	27,450	942,450
Total	\$ 11,485,000	\$ 3,332,650	\$ 14,817,650

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 8 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

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, 2025 are as follows:

Fiscal Year	Principal	Interest	Total
2025	\$ 148,758	\$ 12,761	\$ 161,519
2026	133,823	8,777	142,600
2027	128,829	4,668	133,497
2028	49,872	1,812	51,684
2029	17,119	925	18,044
2030 - 2032	18,669	543	19,212
Total	\$ 497,070	\$ 29,486	\$ 526,556

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
2026	\$ 296,344	\$ 16,432	\$ 312,776
2027	220,072	8,856	228,928
2028	73,284	2,818	76,102
2029	21,695	545	22,240
2030	2,266	9	2,275
Total	\$ 613,661	\$ 28,660	\$ 642,321

Legal Debt Margin

The City is subject to legal debt margin and the City's legal debt limit was in the amount of \$343,155,948 at June 30, 2025.

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

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, 2025 was \$11,811,179.

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, 2025:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025	Due within One Year	Due in more One Year
2020 Taxable Pension Obligation						
Bonds - publicly offered	\$ 19,862,137	\$ -	\$ (1,054,560)	\$ 18,807,577	\$ 1,114,978	\$ 17,692,599
Lease payable	17,884	-	(3,902)	13,982	4,034	9,948
Subscription liabilities	154,290	496,882	(317,641)	333,531	124,972	208,559
Compensated absences	2,037,065	477,903 *	-	2,514,968	502,994	2,011,974
Total	\$ 22,071,376	\$ 974,785	\$ (1,376,103)	\$ 21,670,058	\$ 1,746,978	\$ 19,923,080

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

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, 2025 totaled \$18,807,577. The annual debt service requirements for the business-type activities on these bonds are as follows:

Fiscal Year	Principal	Interest	Total
2025	\$ 1,114,978	\$ 603,356	\$ 1,718,334
2026	1,136,948	580,320	1,717,268
2027	1,163,312	553,420	1,716,732
2028	1,195,168	522,440	1,717,608
2029	1,228,123	489,418	1,717,541
2030-2034	6,716,230	1,870,896	8,587,126
2035-2039	6,252,818	613,920	6,866,738
Total	\$ 18,807,577	\$ 5,233,770	\$ 24,041,347

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

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, 2025 are as follows:

Fiscal Year	Principal	Interest	Total
2026	\$ 4,034	\$ 401	\$ 4,435
2027	4,170	265	4,435
2028	4,309	126	4,435
2029	1,469	10	1,479
Total	\$ 13,982	\$ 802	\$ 14,784

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
2026	\$ 124,973	\$ 9,949	\$ 134,922
2027	134,859	6,255	141,114
2028	73,699	2,274	75,973
Total	\$ 333,531	\$ 18,478	\$ 352,009

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, 2025 was \$2,514,968.

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

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, 2025, \$17,743,439 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, 2025 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	
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	
2024-2025	15,709,264	11,108,465	(9,074,290)	17,743,439	3,936,012	13,807,427	

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, 2025

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, 2024 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	\$ 4,153,900	\$ -	\$ 4,153,900
Change in assumptions:			
Miscellaneous	282,330	52,083	334,413
Safety	424,620	-	424,620
Total change in assumptions	706,950	52,083	759,033
Difference in projected and actual earnings on pension investments:			
Miscellaneous	3,112,673	574,217	3,686,890
Safety	833,031	-	833,031
Total difference in projected and actual earnings on pension investments	3,945,704	574,217	4,519,921
Differences between expected and actual experience			
Miscellaneous	2,141,792	395,112	2,536,904
Safety	1,406,479	-	1,406,479
Total differences between expected and actual experience	3,548,271	395,112	3,943,383
Adjustment due to differences in proportions:			
Safety	7,562,167	-	7,652,167
Total deferred outflows of resources	\$ 19,916,992	\$ 1,021,412	\$ 20,938,404
Aggregate net pension liabilities:			
Miscellaneous	\$ 8,136,581	\$ 1,501,014	\$ 9,637,595
Safety	17,234,379	-	17,234,379
Total aggregate net pension liabilities	\$ 25,370,960	\$ 1,501,014	\$ 26,871,974
Deferred inflows of resources:			
Differences between expected and actual experience:			
Miscellaneous	\$ 237,799	\$ 43,869	\$ 281,668
Safety	45,731	-	45,731
Total differences between expected and actual experience	283,530	43,869	327,399
Difference between City's contribution and proportionate share of contributions:			
Safety	10,141,071	-	10,141,071
Adjustment due to differences in proportions:			
Safety	-	-	-
Total deferred inflows of resources	\$ 10,424,601	\$ 43,869	\$ 10,468,470
Pension Expense:			
Miscellaneous	\$ 4,384,347	\$ 808,812	\$ 5,193,159
Safety	(1,215,788)	-	(1,215,788)
Total pension expense	\$ 3,168,559	\$ 808,812	\$ 3,977,371

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

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, 2023 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 PEPRA Safety member becomes eligible for service retirement upon attainment of age 50 with at least 5 years of credited service. PEPRA 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 PEPRA 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 PEPRA 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, 2025

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, 2023, the valuation date, the following employees were covered by the benefit terms:

		Plans	
		Miscellaneous	Safety
		Classic	PEPRA
Active employees	301	51	38
Transferred and terminated employees	404	45	12
Retired Employees and Beneficiaries	439	245	0
Total	1,144	341	50

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, 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%
Current Fiscal Year Ended June 30, 2025				
	Plans			
	Miscellaneous		Safety	
	Classic	PEPRA	Classic	PEPRA
Employer Contribution Rate	10.34%	10.34%	29.30%	14.72%
Employee Contribution Rate	7.000%	7.750%	9.000%	14.500%

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

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, 2023 valuation was rolled forward to determine the June 30, 2024 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, 2023 valuation date (2023 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 2023 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, 2025

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%
	<u>100.00%</u>	

¹ An expected inflation of 2.30% used for this period.

² Figures are based on the 2021 Asset Liability Management study.

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. 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, 2025

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, 2022 (Valuation Date)	\$ 196,197,513	\$ 185,466,498	\$ 10,731,015
Changes recognized for the measurement period:			
Service Cost	3,573,524	-	3,573,524
Interest on the total pension liability	13,456,137	-	13,456,137
Changes of benefit terms	-	-	-
Difference between expected and actual experience	2,839,560	-	2,839,560
Changes of assumptions	-	-	-
Plan to plan resource movement	-	(2,486)	2,486
Contributions from the employer	-	1,896,803	(1,896,803)
Contributions from employees	-	1,898,079	(1,898,079)
Net investment income	-	17,321,160	(17,321,160)
Benefit payments, including refunds of employee contributions	(11,614,714)	(11,614,714)	-
Administrative expense	-	(150,915)	150,915
Other miscellaneous income/(expense)	-	-	-
Net changes during July 1, 2022 to June 30, 2023	8,254,507	9,347,927	(1,093,420)
Balance at June 30, 2023 (Measurement Date)	<u>\$ 204,452,020</u>	<u>\$ 194,814,425</u>	<u>\$ 9,637,595</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, 2023 (Valuation Date)	\$ 259,527,416	\$ 240,647,700	\$ 18,879,716
Balance at June 30, 2024 (Measurement Date)	270,914,930	253,680,551	17,234,379
Net Changes during 2023-2024	11,387,514	13,032,851	(1,645,337)

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

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, 2023). 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, 2024). 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 (2023-2024).
- (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, 2023	0.252574%
June 30, 2024	0.236384%
Change - Increase (Decrease)	<u>(0.016190)%</u>

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

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	\$ 36,490,811	\$ 9,637,595	\$ (12,399,319)
Safety Plan	\$ 54,241,098	\$ 17,234,379	\$ (13,031,915)

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, 2025, the City recognized pension expense (credit) in the amounts of \$5,193,159 and \$(1,215,788) for the miscellaneous plan and safety plan, respectively.

As of measurement date of June 30, 2024, 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	\$ 334,413	\$ -
Difference between expected and actual experience	2,536,904	(281,668)
Net difference between projected and actual earning on pension plan investments	3,686,890	-
Total	\$ 6,558,207	\$ (281,668)

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

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	\$ 4,153,900	\$ -
Changes of assumptions	424,620	-
Difference between expected and actual experience	1,406,479	(45,731)
Difference between projected and actual earnings on pension plan investments	833,031	-
Adjustment due to differences in proportions	7,562,167	-
Difference between City contributions and proportionate share of contributions	-	(10,141,071)
Total	<u>\$ 14,380,197</u>	<u>\$ (10,186,802)</u>

The amounts above are net of outflows and inflows recognized in the 2023-24 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 2023-24 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.

\$4,153,900 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, 2026.

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
2026	\$ 1,889,781	\$ 770,126
2027	6,052,547	178,674
2028	(704,552)	(624,279)
2029	(961,237)	(285,026)
2030	-	-
Thereafter	-	-
	<u>\$ 6,276,539</u>	<u>\$ 39,495</u>

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

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, 2025 the City’s payroll covered by the plan was \$823,668. The City made employer contributions in the amount of \$30,646. There were 74 participants of the Plan as of June 30, 2025.

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, 2025, 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	\$ 3,914,761	\$ 764,333	\$ 4,679,094
Change in assumptions	3,644,350	961,889	4,606,239
Differences between expected and actual experience	3,812,568	1,470,170	5,282,738
Differences in projected and actual earnings	-	55,803	55,803
Total deferred outflows of resources	\$ 11,371,679	\$ 3,252,195	\$ 14,623,874
Total other postemployment benefit liabilities	\$ 60,080,037	\$ 9,753,373	\$ 69,833,410
Deferred inflows of resources:			
Change in assumptions	\$ 16,643,669	\$ 422,603	\$ 17,066,272
Net difference between projected and actual return on OPEB investment	62,381	-	62,381
Differences between expected and actual experience	602,675	365,308	967,983
Total deferred inflows of resources	\$ 17,308,725	\$ 787,911	\$ 18,096,636
OPEB expense	\$ 3,456,931	\$ 1,141,636	\$ 4,598,567

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

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 \$1,566 and \$1,531 per month for the calendar years 2025 and 2024, 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, 2025 valuation date, the following numbers of participants were covered by the benefit terms:

	Plans		
	Governmental Activities	GTrans	Sewer
Inactives currently receiving benefits	193	41	1
Inactives entitled to benefit payments	-	-	-
Active employees	226	101	2
Total	419	142	3

Contributions

	Fiscal Year Ended June 30, 2025		
	Governmental Activities	GTrans	Total
Benefit payments	\$ 3,060,971	\$ 651,738	\$ 3,712,709
Trust contributions	750,000	-	750,000
Total	\$ 3,810,971	\$ 651,738	\$ 4,462,709

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

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

Net OPEB Liability

The City’s Net OPEB liability was measured as of June 30, 2024, and total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2024.

Significant Actuarial Assumptions Used for Total OPEB Liability

The total OPEB liability, measured as of June 30, 2024, was determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age, Level Percent of Pay
Actuarial Assumptions:	
Actuarial Valuation Date	June 30, 2024
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, 2024 valuation were based on a review of the plan experience during the period June 30, 2024 to June 30, 2025.

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, 2025

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:

Reporting Date	Measurement Date	Long-Term Expected Return of Plan Investments	Bond Buyer 20-Bond GO Index	Discount Rate
June 30, 2025	June 30, 2024	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.

Asset Class Component	Target Allocation	Expected Real Rate of Return	Benchmark
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
	100.00%		

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

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%
	<u>100.00%</u>	

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	Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(c) = (a) - (b)
Balance at June 30, 2023	\$ 65,653,327	\$ 1,934,426	\$ 63,718,901
Changes recognized for the measurement period:			
Service Cost	2,150,896	-	2,150,896
Interest on the total pension liability	2,419,492	-	2,419,492
Differences between expected and actual experience	4,175,127	-	4,175,127
Changes in assumptions and other inputs	(8,362,730)	-	(8,632,730)
Contributions - employer	-	3,810,971	(3,810,971)
Net investment income	-	211,315	(211,315)
Benefits payments	(3,060,971)	(3,060,971)	-
Administrative expenses	-	(637)	637
Net changes during July 1, 2023 to June 30, 2024	(2,678,186)	960,078	(3,638,864)
Balance at June 30, 2024 (Measurement Date)	\$ 62,975,141	\$ 2,895,104	\$ 60,080,037

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

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 (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (c) = (a) - (b)
Balance at June 30, 2023	\$ 13,208,865	\$ 5,263,268	\$ 7,945,597
Changes recognized for the measurement period:			
Service cost	338,423	-	338,423
Interest on the total OPEB liability	826,647	-	826,647
Differences between expected and actual experience	628,776	-	628,776
Changes in assumptions	992,561	-	992,561
Contributions - employer	-	651,738	(651,738)
Net investment income	-	575,646	(575,646)
Benefit payments	(651,738)	(651,738)	-
Administrative expenses	-	(1,715)	1,715
Net changes during July 1, 2023 to June 30, 2024	2,134,669	573,931	1,560,738
Balance at June 30, 2024 (Measurement Date)	\$ 15,434,534	\$ 5,837,199	\$ 9,506,335

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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (c) = (a) - (b)
Balance at June 30, 2023	\$ 317,687	\$ -	\$ 317,687
Changes recognized for the measurement period:			
Service cost	10,819	-	10,819
Interest on the total OPEB liability	11,855	-	11,855
Differences between expected and actual experience	(92,381)	-	(92,381)
Changes in assumptions	6,997	-	6,997
Contributions - employer	-	-	-
Net investment income	-	-	-
Benefit payments	(7,489)	-	(7,489)
Administrative expenses	-	-	-
Net changes during July 1, 2023 to June 30, 2024	(70,649)	-	(70,649)
Balance at June 30, 2024 (Measurement Date)	\$ 247,038	\$ -	\$ 247,308

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

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 Retiree Health Plans, as well as what the governmental activities total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.11 percent) or 1-percentage-point higher (6.11 percent) than the current discount rate:

	Plan's Net OPEB Liability		
	Discount Rate - 1% (4.11%)	Current Discount Rate (5.11%)	Discount Rate + 1% (6.11%)
Governmental Activities	\$ 68,837,918	\$ 60,080,037	\$ 52,870,492

The following presents the net OPEB liability of the Sewer’s Retiree Health Plans, as well as what the Sewer Enterprise’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93 percent) or 1-percentage-point higher (4.93 percent) than the current discount rate:

	Plan's Net OPEB Liability		
	Discount Rate - 1% (2.93%)	Current Discount Rate (3.93%)	Discount Rate + 1% (4.93%)
Sewer	\$ 285,499	\$ 247,038	\$ 215,293

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%)
	\$ 11,574,721	\$ 9,506,335	\$ 7,796,867

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	\$ 68,837,918	\$ 60,080,037	\$ 52,570,492
GTrans	\$ 7,557,050	\$ 9,506,335	\$ 11,923,649
Sewer	\$ 209,603	\$ 247,038	\$ 293,788

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

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, 2024, the governmental activities recognized expense of \$3,456,931. At June 30, 2025, 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	\$ 3,812,568	\$ (602,675)
Changes in assumptions	3,644,350	(16,643,669)
Net difference between projected and actual earnings on plan investments	-	(62,381)
Employer contributions made subsequent to the measurement date	3,914,761	-
Total	<u>\$ 11,371,679</u>	<u>\$ (17,308,725)</u>

For the measurement period ended June 30, 2024, GTrans recognized expense of \$1,143,283. At June 30, 2025, 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	\$ 1,460,820	\$ (112,694)
Changes in assumptions	906,837	(349,844)
Net difference between projected and actual earnings on plan investments	55,803	-
Employer contributions made subsequent to the measurement date	756,592	-
Total	<u>\$ 3,180,052</u>	<u>\$ (462,538)</u>

For the measurement period ended June 30, 2024, Sewer recognized a credit of \$1,647. At June 30, 2025, 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	\$ 9,350	\$ (252,614)
Changes in assumptions	55,052	(72,759)
Employer contributions made subsequent to the measurement date	7,741	-
Total	<u>\$ 72,143</u>	<u>\$ (325,373)</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, 2024, 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, 2025

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

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

\$3,914,761, \$756,592, and \$7,741 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, 2026. 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
2026	\$ (743,672)	\$ 277,531	\$ (24,321)
2027	(1,215,325)	474,133	(24,321)
2028	(2,364,646)	250,545	(24,321)
2029	(2,458,154)	239,192	(23,709)
2030	(2,087,604)	323,449	(21,608)
Thereafter	(982,133)	363,354	(142,691)
	<u>\$ (9,851,534)</u>	<u>\$ 1,928,204</u>	<u>\$ (260,971)</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, 2025, the amount held by the Trustee for the City employees is \$38,599,034.

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, 2025:

	Governmental Activities	Business-Type Activities
Capital Assets, net of accumulated depreciation and amortization	\$ 80,003,335	\$ 81,956,694
Less: outstanding principal on capital related debt, net	(22,743,905)	(347,513)
Add: Unspent debt proceeds	12,828,297	-
Less: capital assets related accounts payable	(4,422,028)	(1,191,221)
Less: retention payable	(958,283)	-
Net investments in capital assets	<u>\$ 64,707,716</u>	<u>\$ 80,417,960</u>

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 13 – Net Position and Fund Balances (Continued)

B. Fund Financial Statements

Fund Balance Classification:

At June 30, 2025, 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	\$ 52,628	\$ -	\$ -	\$ -	\$ -	\$52,628
Prepaid items and deposits	303,605	-	-	2,297	50,312	356,214
Total nonspendable	<u>356,233</u>	<u>-</u>	<u>-</u>	<u>2,297</u>	<u>50,312</u>	<u>408,842</u>
Restricted:						
Economic development	-	6,033,175	-	-	-	6,033,175
Debt service	-	-	-	10,339,393	-	10,339,393
Law enforcement	-	-	-	-	3,425,402	3,425,402
Local street improvements	-	-	-	-	10,691,870	10,691,870
Community development	-	-	-	-	(79,230)	(79,230)
Capital projects	-	-	301,893	-	6,515,632	6,817,525
Other purposes	-	-	-	-	62,900	62,900
Total restricted	<u>-</u>	<u>6,033,175</u>	<u>301,893</u>	<u>10,339,393</u>	<u>20,616,574</u>	<u>37,291,035</u>
Committed:						
Emergency contingency	16,876,424	-	-	-	-	16,876,424
Senior and Aquatic Center Project	11,299,375	-	-	-	-	11,299,375
Pension stabilization fund	7,940,813	-	-	-	-	7,940,813
Total committed	<u>36,116,612</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,116,612</u>
Assigned:						
ERP and vehicle replacement	7,038,597	-	-	-	-	7,038,597
Equipment replacement	14,267,131	-	-	-	-	14,267,131
Future debt service payments	5,529,793	-	-	-	-	5,529,793
Benefit liability stabilization	3,441,053	-	-	-	-	3,441,053
Total assigned	<u>30,276,574</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,276,574</u>
Unassigned:	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>(1,204)</u>	<u>-</u>	<u>298,796</u>
Total fund balance	<u>\$67,049,419</u>	<u>\$6,033,175</u>	<u>\$ 301,983</u>	<u>\$ 10,340,486</u>	<u>\$20,666,886</u>	<u>\$104,391,859</u>

City of Gardena
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

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, 2025, the City’s percentage interest is 45.07%.

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 \$56,502,247 as of June 30, 2025.

Note 16 – Risk Due to Additional Spending

Since 2000, the City of Gardena has contracted with Los Angeles County to provide fire protection and emergency services. In July 2023, the Los Angeles County Fire Department requested that the City amend its contract to include an annual cost share of \$1.7 million going forward. This adjustment would result in an additional \$1.7 million plus 5%-6% increase each year in expenditure for the General Fund. The City is currently negotiating with the Los Angeles County Fire Department and evaluating all available options.

Note 17 – Subsequent Events

On September 28, 2024, SB549: Gaming Trial Nations Access to Justice Act was signed into law. This law allows Indian tribes to bring legal action against California licensed card clubs. A court declaration in favor of the Indian tribe would stop almost all controlled games at local card clubs like the Hustler Casino and the Lucky Lady Casino in Gardena. The potential adverse financial effect to the City is estimated to be around \$8-\$10 million per fiscal year for the General Fund. In October 2025, the court dismissed the case, but the plaintiff is appealing.

Management has evaluated subsequent events through December 4, 2025, 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, 2025*



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REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

City of Gardena

*Annual Comprehensive Financial Report
For the Year Ended June 30, 2025*



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City of Gardena
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Taxes	\$ 71,987,230	\$ 67,906,603	\$ 72,234,462	\$ 4,327,859
Licenses and permits	2,047,130	1,968,790	1,967,596	(1,194)
Intergovernmental	452,500	537,500	501,611	(35,889)
Charges for services	6,445,052	5,461,996	5,941,699	479,703
Fines, forfeitures and penalties	875,000	1,220,929	1,017,194	(203,735)
Use of money and property	1,147,050	355,000	3,384,334	3,029,334
Miscellaneous	502,036	502,286	517,710	15,424
Total revenues	<u>83,455,998</u>	<u>77,953,104</u>	<u>85,564,606</u>	<u>7,611,502</u>
EXPENDITURES:				
Current:				
General government:				
City clerk	641,173	761,567	587,413	174,154
City treasurer	92,546	81,686	108,102	(26,416)
Executive office	1,945,742	1,864,266	1,509,598	354,668
Administrative services	3,615,151	3,356,682	3,123,429	233,253
Non-departmental	1,753,662	3,793,859	2,418,083	1,375,776
Public safety:				
Police	37,490,259	36,096,596	37,446,965	(1,350,369)
L.A. County Fire Department	14,645,597	13,493,514	13,907,982	(414,468)
Public works	8,333,344	7,911,981	7,853,200	58,781
Recreation and human services	6,864,213	5,083,378	5,659,246	(575,868)
Community development	3,592,599	3,263,654	3,513,725	(250,071)
Capital outlay	1,348,472	1,105,607	1,886,398	(780,791)
Debt service:				
Principal retirement	-	-	536,927	(536,927)
Interest and fiscal charges	-	-	89,726	(89,726)
Total expenditures	<u>80,322,758</u>	<u>76,812,790</u>	<u>78,640,794</u>	<u>(1,828,004)</u>
REVENUES OVER (UNDER)				
EXPENDITURES	3,133,240	1,140,314	6,923,812	5,783,498
OTHER FINANCING				
SOURCES (USES):				
Transfers in	11,358,940	11,272,245	3,614,730	(7,657,515)
Transfers out	(12,690,623)	(12,428,759)	(3,591,816)	8,836,943
Issuance of subscription debt	-	-	485,710	485,710
Total other financing sources (uses)	<u>(1,331,683)</u>	<u>(1,156,514)</u>	<u>508,624</u>	<u>1,665,138</u>
NET CHANGE IN FUND BALANCE	<u>1,801,557</u>	<u>(16,200)</u>	<u>7,432,436</u>	<u>7,448,636</u>
FUND BALANCE:				
Beginning of year			59,616,983	
End of year			<u>\$ 67,049,419</u>	

City of Gardena
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule - Economic Development Grants Special Revenue Fund
For the Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 528,716	\$ 528,716
Charges for services	46,000	-	157,000	157,000
Fines, forfeitures and penalties	486,000	790,000	11,251	(778,749)
Use of money and property	30,000	20,000	161,308	141,308
Miscellaneous	3,800,000	4,000,000	137,542	(3,862,458)
Total revenues	<u>4,362,000</u>	<u>4,810,000</u>	<u>995,817</u>	<u>(3,814,183)</u>
EXPENDITURES:				
Current:				
Public works	4,000,000	4,000,000	-	4,000,000
Recreation and human services	-	-	373,912	(373,912)
Community development	30,000	4,758,000	25,567	4,732,433
Capital outlay	-	-	79,459	(79,459)
Total expenditures	<u>4,030,000</u>	<u>8,758,000</u>	<u>478,938</u>	<u>8,279,062</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>332,000</u>	<u>(3,948,000)</u>	<u>516,879</u>	<u>4,464,879</u>
OTHER FINANCING				
SOURCES (USES):				
Transfers in	-	-	4,048	4,048
Transfers out	(9,432,178)	(4,656,000)	(459,492)	4,196,508
Total other financing sources (uses)	<u>(9,432,178)</u>	<u>(4,656,000)</u>	<u>(455,444)</u>	<u>4,200,556</u>
NET CHANGE IN FUND BALANCE	<u>(9,100,178)</u>	<u>(8,604,000)</u>	<u>61,435</u>	<u>8,665,435</u>
FUND BALANCE:				
Beginning of year			<u>5,971,740</u>	
End of year			<u>\$ 6,033,175</u>	

City of Gardena
Required Supplementary Information (Unaudited)
Notes to the Budgetary Comparison Schedule
For the Year Ended June 30, 2025

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, 2025, 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, 2025

Last Ten Fiscal Years

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

Measurement period	2014-15	2015-16	2016-17	2017-18	2018-19
Total pension liability					
Service cost	\$ 2,672,238	\$ 2,740,901	\$ 3,129,118	\$ 3,173,762	\$ 3,162,100
Interest	10,024,136	10,454,955	10,781,297	11,153,035	11,820,982
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	3,672,690
Benefit payments, including refunds of employee contributions	(6,931,772)	(7,193,626)	(7,669,492)	(8,486,647)	(8,816,825)
Net change in total pension liability	2,920,315	5,965,855	14,403,800	5,184,605	9,838,947
Total pension liability - beginning	136,008,515	138,928,830	144,894,685	159,298,485	164,483,090
Total pension liability - ending (a)	<u>\$ 138,928,830</u>	<u>\$ 144,894,685</u>	<u>\$ 159,298,485</u>	<u>\$ 164,483,090</u>	<u>\$ 174,322,037</u>
Pension fiduciary net position					
Contributions - employer	\$ 2,016,919	\$ 2,317,060	\$ 2,645,234	\$ 3,015,630	\$ 3,688,807
Contributions - employee	1,242,246	1,321,368	1,327,795	1,405,045	1,457,546
Net investment income	2,536,012	604,797	12,260,577	10,029,125	8,130,102
Benefit payments, including refunds of employee contributions	(6,931,772)	(7,193,626)	(7,669,492)	(8,486,647)	(8,816,825)
Net plan to plan resource movement	-	(1,234)	11,249	(291)	-
Administrative expense	(128,654)	(69,658)	(164,291)	(186,505)	(89,280)
Other miscellaneous income/(expense) ¹	-	-	-	(354,176)	291
Net change in plan fiduciary net position	(1,265,249)	(3,021,293)	8,411,072	5,422,181	4,370,641
Plan fiduciary net position - beginning²	115,562,210	114,296,961	111,275,668	119,686,740	125,108,921
Plan fiduciary net position - ending (b)	<u>\$ 114,296,961</u>	<u>\$ 111,275,668</u>	<u>\$ 119,686,740</u>	<u>\$ 125,108,921</u>	<u>\$ 129,479,562</u>
Plan net pension liability - ending (a)-(b)	<u>\$ 24,631,869</u>	<u>\$ 33,619,017</u>	<u>\$ 39,611,745</u>	<u>\$ 39,374,169</u>	<u>\$ 44,842,475</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>82.27%</u>	<u>76.80%</u>	<u>75.13%</u>	<u>76.06%</u>	<u>74.28%</u>
Covered payroll	<u>\$ 18,094,788</u>	<u>\$ 19,012,911</u>	<u>\$ 19,306,012</u>	<u>\$ 19,929,430</u>	<u>\$ 20,102,352</u>
Plan net pension liability as a percentage of covered payroll	<u>136.13%</u>	<u>176.82%</u>	<u>205.18%</u>	<u>197.57%</u>	<u>223.07%</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 20, 2022; 2.75% payroll growth assumption for fiscal years ended June 20, 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, 2025

Last Ten Fiscal Years

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

Measurement period	2019-20	2020-21	2021-22	2022-23	2023-24
Total pension liability					
Service cost	\$ 3,329,543	\$ 3,190,091	\$ 3,211,338	\$ 3,290,767	\$ 3,573,524
Interest	12,201,071	12,451,995	12,420,366	12,911,242	13,456,137
Changes of benefit terms	-	-	-	274,039	-
Change in assumptions	-	-	5,350,605	-	-
Difference between expected and actual experience	(593,300)	(1,841,509)	(4,506,679)	1,931,594	2,839,560
Benefit payments, including refunds of employee contributions	(9,498,332)	(10,721,565)	(10,568,643)	(10,957,147)	(11,614,714)
Net change in total pension liability	5,438,982	3,079,012	5,906,987	7,450,495	8,254,507
Total pension liability - beginning	174,322,037	179,761,019	182,840,031	188,747,018	196,197,513
Total pension liability - ending (a)	\$ 179,761,019	\$ 182,840,031	\$ 188,747,018	\$ 196,197,513	\$ 204,452,020
 Pension fiduciary net position					
Contributions - employer	\$ 4,397,533	\$ 46,940,155	\$ 2,100,703	\$ 1,934,460	\$ 1,896,803
Contributions - employee	1,611,737	1,203,298	1,242,880	1,594,067	1,898,079
Net investment income	6,417,192	35,069,162	(15,201,569)	11,006,934	17,321,160
Benefit payments, including refunds of employee contributions	(9,498,332)	(10,721,565)	(10,568,643)	(10,957,147)	(11,614,714)
Net plan to plan resource movement	-	-	-	(8,010)	(2,486)
Administrative expense	(182,534)	(132,085)	(127,444)	(133,856)	(150,915)
Other miscellaneous income/(expense) ¹	-	-	-	-	-
Net change in plan fiduciary net position	2,745,596	72,358,965	(22,554,073)	3,436,448	9,347,927
Plan fiduciary net position - beginning²	129,479,562	132,225,158	204,584,123	182,030,050	185,466,498
Plan fiduciary net position - ending (b)	\$ 132,225,158	\$ 204,584,123	\$ 182,030,050	\$ 185,466,498	\$ 194,814,425
Plan net pension liability - ending (a)-(b)	\$ 47,535,861	\$ (21,744,092)	\$ 6,716,968	\$ 10,731,015	\$ 9,637,595
Plan fiduciary net position as a percentage of the total pension liability	73.56%	111.89%	96.44%	94.53%	95.29%
Covered payroll	\$ 21,343,226	\$ 20,567,963	\$ 18,319,096	\$ 19,110,147	\$ 20,897,800
Plan net pension liability as a percentage of covered payroll	222.72%	-105.72%	36.67%	56.15%	46.12%

City of Gardena
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios
For the Year Ended June 30, 2025

Last Ten Fiscal Years

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

Measurement period	2014-15	2015-16	2016-17	2017-18	2018-19
City's Proportion of the Net Pension Liability/(Asset)	0.65832%	0.62924%	0.61206%	0.62701%	0.55899%
City's Proportionate share of the Net Pension Liability/(Asset)	\$ 45,186,413	\$ 54,448,433	\$ 60,699,742	\$ 60,419,894	\$ 57,280,320
City's Covered payroll	\$ 9,351,143	\$ 10,491,839	\$ 10,435,515	\$ 11,232,919	\$ 12,156,428
City's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its covered payroll	483.22%	518.96%	581.67%	537.88%	471.19%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	77.40%	68.79%	68.27%	69.50%	72.58%
	2019-20	2020-21	2021-22	2022-23	2023-24
City's Proportion of the Net Pension Liability/(Asset)	0.56472%	-0.50839%	0.10940%	0.25257%	0.23638%
City's Proportionate share of the Net Pension Liability/(Asset)	\$ 61,443,923	\$ (27,495,287)	\$ 12,636,888	\$ 18,879,716	\$ 17,234,379
City's Covered payroll	\$ 11,992,232	\$ 11,768,395	\$ 12,233,930	\$ 13,043,131	\$ 14,136,619
City's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its covered payroll	512.36%	-233.64%	103.29%	144.75%	121.91%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	72.05%	111.98%	94.86%	74.87%	76.66%

City of Gardena
Required Supplementary Information (Unaudited)
Schedule of City's Contributions - Pensions
For the Year Ended June 30, 2025

Last Ten Fiscal Years

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

	2014-15	2015-16	2016-17	2017-18	2018-19
Actuarially determined contribution	\$ 2,016,919	\$ 2,317,060	\$ 2,645,234	\$ 3,015,630	\$ 3,688,807
Contributions in relation to the actuarially determined contributions ¹	\$ (2,016,919)	\$ (2,317,060)	\$ (2,645,234)	\$ (3,015,630)	\$ (3,688,807)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll ²	\$ 18,094,788	\$ 19,012,911	\$ 19,306,012	\$ 19,929,430	\$ 20,102,352
Contributions as a percentage of covered employee payroll	11.15%	12.19%	13.70%	15.13%	18.35%
	2019-20	2020-21 ³	2021-22	2022-23	2023-24
Actuarially determined contribution	\$ 4,397,533	\$ 4,625,188	\$ 2,100,703	\$ 1,934,460	\$ 1,896,803
Contributions in relation to the actuarially determined contributions ¹	\$ (4,397,533)	\$ (46,910,155)	\$ (2,100,703)	\$ (1,934,460)	\$ (1,896,803)
Contribution deficiency (excess)	\$ -	\$ (42,284,967)	\$ -	\$ -	\$ -
Covered payroll ²	\$ 21,343,226	\$ 20,567,963	\$ 18,319,096	\$ 19,110,147	\$ 20,897,800
Contributions as a percentage of covered employee payroll	20.60%	228.07%	11.47%	10.12%	9.08%

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, 2025

Last Ten Fiscal Years

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

	2015-16	2016-17	2017-18	2018-19 ²	2019-20
Actuarially determined contribution	\$ 4,917,350	\$ 5,401,275	\$ 6,093,811	\$ 6,617,559	\$ 6,185,808
Contributions in relation to the actuarially determined contributions	\$ (4,917,350)	\$ (5,401,275)	\$ (6,093,811)	\$ (12,677,559)	\$ (6,185,808)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ (6,060,000)	\$ -
Covered payroll ¹	\$ 10,491,839	\$ 10,435,515	\$ 11,232,919	\$ 12,156,428	\$ 21,343,226
Contributions as a percentage of covered employee payroll	46.87%	51.76%	54.25%	104.29%	28.98%
	2020-21 ³	2021-22	2022-23	2023-24	2024-25
Actuarially determined contribution	\$ 8,595,603	\$ 2,950,604	\$ 3,126,759	\$ 2,994,848	\$ 4,153,900
Contributions in relation to the actuarially determined contributions	\$ (60,369,859)	\$ (2,950,604)	\$ (3,126,759)	\$ (2,994,848)	\$ (4,153,900)
Contribution deficiency (excess)	\$ (51,774,256)	\$ -	\$ -	\$ -	\$ -
Covered payroll ¹	\$ 11,768,395	\$ 12,233,930	\$ 12,576,480	\$ 14,136,619	\$ 15,369,014
Contributions as a percentage of covered employee payroll	512.98%	24.12%	24.86%	21.19%	27.03%

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, 2025

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 incareased from 2.85% to 3.58%.

Changes of benefit terms: There were no changes of benefitterms 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, 2025

Last Ten Fiscal Years

Governmental Activities Retiree Healthcare Plan

For the Measurement Period:	2021-22	2022-23	2023-24
Total OPEB Liability			
Service cost	\$ 2,815,579	\$ 2,096,595	\$ 2,150,896
Transfers to Sewer	-	-	-
Interest	1,688,245	2,325,252	2,419,492
Changes in benefit terms	-	-	-
Changes in assumptions	(14,060,251)	(980,157)	(8,362,730)
Actual and expected experience difference	303,548	-	4,175,127
Benefit payments	(2,286,676)	(2,729,974)	(3,060,971)
Other - funding rates used by benefits paid	-	-	-
Net change in total OPEB liability	(11,539,555)	711,716	(2,678,186)
Total OPEB liability - beginning	76,481,166	64,941,611	65,653,327
Total OPEB liability - ending (a)	<u>\$ 64,941,611</u>	<u>\$ 65,653,327</u>	<u>\$ 62,975,141</u>
Plan Fiduciary Net Position			
Contribution - employer	\$ 2,286,676	\$ 4,479,974	\$ 3,810,971
Contribution - employee	-	-	-
Net investment income	(26,789)	11,129	211,315
Benefit payments, including refunds	(2,286,676)	(2,729,974)	(3,060,971)
Administrative expense	(51)	(50)	(637)
Other changes	-	-	-
Net change in plan fiduciary net position	(26,840)	1,761,079	960,678
Plan fiduciary net position - beginning	200,187	173,347	1,934,426
Plan fiduciary net position - ending (b)	<u>173,347</u>	<u>\$ 1,934,426</u>	<u>\$ 2,895,104</u>
Net OPEB liability (asset) - ending (a)-(b)	<u>\$ 64,768,264</u>	<u>\$ 63,718,901</u>	<u>\$ 60,080,037</u>
Fiduciary net position as a % of total OPEB liability	0.27%	2.95%	4.60%
Covered payroll	24,154,486	25,140,436	29,862,164
Net OPEB liability as a percentage of payroll	268.14%	253.45%	201.19%

City of Gardena
Required Supplementary Information (Unaudited)
Schedule of Changes in the Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2025

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, 2025

Last Ten Fiscal Years

GTrans Retiree Healthcare Plan

For the Measurement Period:	2021-22	2022-23	2023-24
Total OPEB Liability			
Service cost	\$ 300,182	\$ 315,938	\$ 338,423
Interest	718,462	794,147	826,647
Changes in benefit terms	(873,696)	-	-
Changes in assumptions	(475,092)	-	992,561
Actual and expected experience difference	1,378,033	-	628,776
Benefit payments	-	(574,545)	(651,738)
Other - funding rates used by benefits paid	-	-	-
Net change in total OPEB liability	1,047,889	535,540	2,134,669
Total OPEB liability - beginning	11,625,436	12,673,325	13,208,865
Total OPEB liability - ending (a)	<u>\$ 12,673,325</u>	<u>\$ 13,208,865</u>	<u>\$ 15,343,534</u>
Plan Fiduciary Net Position			
Contribution - employer	\$ 873,696	\$ 574,545	\$ 651,738
Contribution - employee	-	-	-
Net investment income	357,018	317,552	575,646
Benefit payments, including refunds	(873,696)	(574,545)	(651,738)
Administrative expense	(1,447)	(1,437)	(1,715)
Other changes	(1,121,430)	-	-
Net change in plan fiduciary net position	(765,859)	316,115	573,931
Plan fiduciary net position - beginning	5,713,012	4,947,153	5,263,268
Plan fiduciary net position - ending (b)	<u>4,947,153</u>	<u>\$ 5,263,268</u>	<u>\$ 5,837,199</u>
Net OPEB liability (asset) - ending (a)-(b)	<u>\$ 7,726,172</u>	<u>\$ 7,945,597</u>	<u>\$ 9,506,335</u>
Fiduciary net position as a % of total OPEB liability	39.04%	39.85%	38.04%
Covered payroll	10,652,412	9,500,663	11,337,927
Net OPEB liability as a percentage of payroll	72.53%	83.63%	83.85%

City of Gardena
Required Supplementary Information (Unaudited)
Schedule of Changes in the Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2025

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, 2025

Last Ten Fiscal Years

Sewer Retiree Healthcare Plan

For the Measurement Period:	2021-22	2022-23	2023-24
Total OPEB Liability			
Service cost	\$ 32,554	\$ 26,422	\$ 10,819
Transfers from the Governmental Activities	-	-	-
Interest	12,283	11,207	11,855
Changes in benefit terms	-	-	-
Changes in assumptions	(71,603)	(5,457)	6,997
Actual and expected experience difference	(214,606)	-	(92,831)
Benefit payments	-	(9,211)	(7,489)
Other - funding rates used by benefits paid	-	-	-
Net change in total OPEB liability	(241,372)	22,961	(70,649)
Total OPEB liability - beginning	536,098	294,726	317,687
Total OPEB liability - ending (a)	<u>\$ 294,726</u>	<u>\$ 317,687</u>	<u>\$ 247,038</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>
Net OPEB liability (asset) - ending (a)-(b)	<u>\$ 294,726</u>	<u>\$ 317,687</u>	<u>\$ 247,038</u>
Fiduciary net position as a % of			
total OPEB liability	0.00%	0.00%	0.00%
Covered payroll	386,209	599,215	675,219
Net OPEB liability as a			
percentage of payroll	76.31%	53.02%	36.59%

City of Gardena
Required Supplementary Information (Unaudited)
Schedule of Contributions - Other Postemployment Benefits Plans
For the Year Ended June 30, 2025
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	2024-25	
Actuarially determined contributions	\$ 4,211,000	\$ 5,012,263	\$ 5,150,100	\$ 6,158,729	
Contributions in relation to the actuarially determined contribution	(2,286,676)	(4,966,034)	(4,479,974)	(3,810,971)	
Contribution deficiency (excess)	<u>\$ 1,924,324</u>	<u>\$ 46,229</u>	<u>\$ 670,126</u>	<u>\$ 2,347,758</u>	
Covered payroll	<u>\$ 24,154,486</u>	<u>\$ 24,818,734</u>	<u>\$ 29,862,164</u>	<u>\$ 30,703,972</u>	
Contributions as a percentage of covered payroll	9.47%	20.01%	15.00%	12.41%	

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 2023-24 were derived from the June 30, 2023 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, 2025

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)	\$ 386,000	\$ (3,731,544)	\$ 188,944	\$ 499,729	\$ 575,642
Covered payroll	\$ 9,759,000	\$ 10,316,000	\$ 9,798,690	\$ 10,811,701	\$ 8,791,518
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	2024-25	
Actuarially determined contributions	\$ 899,000	\$ 954,864	\$ 981,123	\$ 1,286,603	
Contributions in relation to the actuarially determined contribution	(873,696)	(724,778)	(574,545)	(651,738)	
Contribution deficiency (excess)	\$ 25,304	\$ 230,086	\$ 406,578	\$ 634,865	
Covered payroll	\$ 10,484,293	\$ 10,954,086	\$ 11,337,927	\$ 11,764,091	
Contributions as a percentage of covered payroll	8.33%	6.62%	5.07%	5.54%	

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 2023-24 were derived from the June 30, 2023 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, 2025
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)	\$ -	\$ -	\$ 25,000	\$ 26,000	\$ 46,000
Covered payroll	N/A	\$ 388,821	\$ 482,665	\$ 515,111	\$ 497,972
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	2024-25	
Actuarially determined contributions	\$ 48,000	\$ 32,004	\$ 74,388	\$ 24,046	
Contributions in relation to the actuarially determined contribution	-	(10,147)	-	(7,489.00)	
Contribution deficiency (excess)	\$ 48,000	\$ 21,857	\$ 74,388	\$ 16,557.00	
Covered payroll	\$ 386,578	\$ 397,209	\$ 675,219	\$ 712,031	
Contributions as a percentage of covered payroll	0.00%	2.55%	0.00%	1.05%	

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 2023-24 were derived from the June 30, 2023 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, 2025*



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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, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
EXPENDITURES:				
Capital outlay	\$ -	\$ -	\$ 13,297,684	\$ 13,297,684
Total expenditures	<u>-</u>	<u>-</u>	<u>13,297,684</u>	<u>13,297,684</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	<u>71,530,102</u>	<u>51,230,972</u>	<u>13,297,683</u>	<u>(37,933,289)</u>
Total other financing sources (uses)	<u>71,530,102</u>	<u>51,230,972</u>	<u>13,297,683</u>	<u>(37,933,289)</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ 71,530,102</u></u>	<u><u>\$ 51,230,972</u></u>	(1)	<u><u>\$ (51,230,973)</u></u>
FUND BALANCE:				
Beginning of year			<u>301,894</u>	
End of year			<u><u>\$ 301,893</u></u>	

City of Gardena

*Annual Comprehensive Financial Report
For the Year Ended June 30, 2025*



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City of Gardena

*Annual Comprehensive Financial Report
For the Year Ended June 30, 2025*



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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, 2025

	Special Revenue Funds				
	Consolidated Lighting District	Prop C Local Return	Gas Tax	Asset Forfeiture	Public Safety Grants
ASSETS					
Cash and investments	\$ 746,261	\$ 3,845,868	\$ 6,016,007	\$ 2,797,419	\$ 710,218
Receivables:					
Accounts	-	-	4,058	8,655	26,622
Taxes	15,177	-	436,770	-	-
Prepaid items and deposits	-	-	4,812	-	45,500
Due from other governments	-	-	-	-	30,693
Total assets	<u>\$ 761,438</u>	<u>\$ 3,845,868</u>	<u>\$ 6,461,647</u>	<u>\$ 2,806,074</u>	<u>\$ 813,033</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 57,177	\$ -	\$ 311,729	\$ -	\$ 119,266
Salaries and benefits payable	-	1,537	1,828	-	2,317
Due to other funds	-	-	-	-	-
Due to other governments	-	-	-	-	-
Retention payable	-	-	-	-	-
Total liabilities	<u>57,177</u>	<u>1,537</u>	<u>313,557</u>	<u>-</u>	<u>121,583</u>
Deferred inflows of resources:					
Unavailable revenue	-	-	-	-	26,622
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,622</u>
Fund Balances (Deficits):					
Nonspendable	-	-	4,812	-	45,500
Restricted	704,261	3,844,331	6,143,278	2,806,074	619,328
Total fund balances (deficits)	<u>704,261</u>	<u>3,844,331</u>	<u>6,148,090</u>	<u>2,806,074</u>	<u>664,828</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 761,438</u>	<u>\$ 3,845,868</u>	<u>\$ 6,461,647</u>	<u>\$ 2,806,074</u>	<u>\$ 813,033</u>

City of Gardena
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2025

	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	\$ 2,212,355	\$ 1,094,450	\$ -	\$ -	\$ 17,422,578
Receivables:					
Accounts	104,370	42,660	79,230	-	265,595
Taxes	14	-	-	-	451,961
Prepaid items and deposits	-	-	-	-	50,312
Due from other governments	4,505,286	73,273	-	-	4,609,252
Total assets	<u>\$ 6,822,025</u>	<u>\$ 1,210,383</u>	<u>\$ 79,230</u>	<u>\$ -</u>	<u>\$ 22,799,698</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 3,589	\$ 53,060	\$ 57,403	\$ -	\$ 602,224
Salaries and benefits payable	2,640	1,600	2,034	-	11,956
Due to other funds	-	-	17,365	-	17,365
Due to other governments	-	1,092,823	-	-	1,092,823
Retention payable	-	-	2,428	-	2,428
Total liabilities	<u>6,229</u>	<u>1,147,483</u>	<u>79,230</u>	<u>-</u>	<u>1,726,796</u>
Deferred inflows of resources:					
Unavailable revenue	300,164	-	79,230	-	406,016
Total deferred inflows of resources	<u>300,164</u>	<u>-</u>	<u>79,230</u>	<u>-</u>	<u>406,016</u>
Fund Balances:					
Nonspendable	-	-	-	-	50,312
Restricted	6,515,632	62,900	(79,230)	-	20,616,574
Total fund balances (deficits)	<u>6,515,632</u>	<u>62,900</u>	<u>(79,230)</u>	<u>-</u>	<u>20,666,886</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 6,822,025</u>	<u>\$ 1,210,383</u>	<u>\$ 79,230</u>	<u>\$ -</u>	<u>\$ 22,799,698</u>

City of Gardena
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

Special Revenue Funds

	Consolidated Lighting District	Prop C Local Return	Gas Tax	Asset Forfeiture	Public Safety Grants
REVENUES:					
Taxes	\$ 884,566	\$ 1,301,704	\$ -	\$ -	\$ -
Intergovernmental	-	-	3,413,631	1,987,793	703,465
Fines, forfeitures, and penalties	-	-	-	-	35,381
Use of money and property	23,332	135,666	215,191	47,862	29,308
Miscellaneous	-	-	9,942	-	-
Total revenues	<u>907,898</u>	<u>1,437,370</u>	<u>3,638,764</u>	<u>2,035,655</u>	<u>768,154</u>
EXPENDITURES:					
Current:					
General government	-	-	32	-	-
Public safety	-	-	-	-	286,211
Public works	780,315	55,335	1,262,338	-	-
Recreation and human services	-	-	-	-	-
Community development	-	-	-	-	-
Capital outlay	-	-	-	-	47,579
Debt service:					
Principal retirement	11,915	-	-	-	45,500
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>792,230</u>	<u>55,335</u>	<u>1,262,370</u>	<u>-</u>	<u>379,290</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>115,668</u>	<u>1,382,035</u>	<u>2,376,394</u>	<u>2,035,655</u>	<u>388,864</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	(112,954)	(614,850)	(1,126,342)	-	-
Total other financing sources (uses)	<u>(112,954)</u>	<u>(614,850)</u>	<u>(1,126,342)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	2,714	767,185	1,250,052	2,035,655	388,864
Fund balances, beginning of year	<u>701,547</u>	<u>3,077,146</u>	<u>4,898,038</u>	<u>770,419</u>	<u>275,964</u>
Fund balances (deficits), end of year	<u>\$ 704,261</u>	<u>\$ 3,844,331</u>	<u>\$ 6,148,090</u>	<u>\$ 2,806,074</u>	<u>\$ 664,828</u>

City of Gardena
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue Funds				Total
	Public Works Grants	Human Services Grants	Community Development Block Grant (CDBG)	American Rescue Plan	Nonmajor Governmental Funds
REVENUES:					
Taxes	\$ 2,182,901	\$ -	\$ -	\$ -	\$ 4,369,171
Intergovernmental	6,647,685	814,058	1,379,564	1,547,465	16,493,661
Fines, forfeitures, and penalties	-	-	-	-	35,381
Use of money and property	249,661	41,682	-	47,867	790,569
Miscellaneous	-	51,701	-	-	61,643
Total revenues	<u>9,080,247</u>	<u>907,441</u>	<u>1,379,564</u>	<u>1,595,332</u>	<u>21,750,425</u>
EXPENDITURES:					
Current:					
General government	-	-	-	-	32
Public safety	-	-	-	-	286,211
Public works	494,007	-	-	-	2,591,995
Recreation and human services	53,869	910,660	-	-	964,529
Community development	-	-	1,154,922	-	1,154,922
Capital outlay	-	-	-	-	47,579
Debt service:					
Principal retirement	16,827	3,842	-	-	78,084
Interest and fiscal charges	905	-	-	-	905
Total expenditures	<u>565,608</u>	<u>914,502</u>	<u>1,154,922</u>	<u>-</u>	<u>5,124,257</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>8,514,639</u>	<u>(7,061)</u>	<u>224,642</u>	<u>1,595,332</u>	<u>16,626,168</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	12,610	48,024	-	-	60,634
Transfers out	(7,406,173)	(10,073)	(409,380)	(1,595,332)	(11,275,104)
Total other financing sources (uses)	<u>(7,393,563)</u>	<u>37,951</u>	<u>(409,380)</u>	<u>(1,595,332)</u>	<u>(11,214,470)</u>
NET CHANGE IN FUND BALANCE	<u>1,121,076</u>	<u>30,890</u>	<u>(184,738)</u>	<u>-</u>	<u>5,411,698</u>
Fund balances (deficits), beginning of year	<u>5,394,556</u>	<u>32,010</u>	<u>105,508</u>	<u>-</u>	<u>15,255,188</u>
Fund balances (deficits), end of year	<u>\$ 6,515,632</u>	<u>\$ 62,900</u>	<u>\$ (79,230)</u>	<u>\$ -</u>	<u>\$ 20,666,886</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, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES:				
Taxes	\$ 907,157	\$ 885,031	\$ 884,566	\$ (465)
Use of money and property	5,000	2,500	23,332	20,832
Total revenues	<u>912,157</u>	<u>887,531</u>	<u>907,898</u>	<u>20,367</u>
EXPENDITURES:				
Current:				
Public works	842,894	820,769	780,315	40,454
Debt service:				
Principal retirement	14,296	14,296	11,915	2,381
Total expenditures	<u>857,190</u>	<u>835,065</u>	<u>792,230</u>	<u>42,835</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>54,967</u>	<u>52,466</u>	<u>115,668</u>	<u>63,202</u>
OTHER FINANCING				
SOURCES (USES):				
Transfers out	(294,600)	(298,000)	(112,954)	185,046
Total other financing sources (uses)	<u>(294,600)</u>	<u>(298,000)</u>	<u>(112,954)</u>	<u>185,046</u>
NET CHANGE IN FUND BALANCE	<u>\$ (239,633)</u>	<u>\$ (245,534)</u>	2,714	<u>\$ 248,248</u>
FUND BALANCE:				
Beginning of year			701,547	
End of year			<u>\$ 704,261</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, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES:				
Taxes	\$ 1,395,362	\$ 1,437,090	\$ 1,301,704	\$ (135,386)
Use of money and property	<u>20,000</u>	<u>20,000</u>	<u>135,666</u>	<u>115,666</u>
Total revenues	<u>1,415,362</u>	<u>1,457,090</u>	<u>1,437,370</u>	<u>(19,720)</u>
EXPENDITURES:				
Current:				
Public works	<u>31,151</u>	<u>41,228</u>	<u>55,335</u>	<u>(14,107)</u>
Total expenditures	<u>31,151</u>	<u>41,228</u>	<u>55,335</u>	<u>(14,107)</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>1,384,211</u>	<u>1,415,862</u>	<u>1,382,035</u>	<u>(33,827)</u>
OTHER FINANCING				
SOURCES (USES):				
Transfers out	<u>(4,000,000)</u>	<u>(4,240,117)</u>	<u>(614,850)</u>	<u>3,625,267</u>
Total other financing sources (uses)	<u>(4,000,000)</u>	<u>(4,240,117)</u>	<u>(614,850)</u>	<u>3,625,267</u>
NET CHANGE IN FUND BALANCE	<u>\$ (2,615,789)</u>	<u>\$ (2,824,255)</u>	<u>767,185</u>	<u>\$ 3,591,440</u>
FUND BALANCE:				
Beginning of year			<u>3,077,146</u>	
End of year			<u>\$ 3,844,331</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, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES:				
Intergovernmental	\$ 3,281,883	\$ 3,318,681	\$ 3,413,631	\$ 94,950
Use of money and property	40,000	27,500	215,191	187,691
Miscellaneous	-	-	9,942	9,942
Total revenues	<u>3,321,883</u>	<u>3,346,181</u>	<u>3,638,764</u>	<u>292,583</u>
EXPENDITURES:				
Current:				
General government	10,284	16,297	32	16,265
Public works	817,686	574,300	1,262,338	(688,038)
Total expenditures	<u>827,970</u>	<u>590,597</u>	<u>1,262,370</u>	<u>(671,773)</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>2,493,913</u>	<u>2,755,584</u>	<u>2,376,394</u>	<u>(379,190)</u>
OTHER FINANCING				
SOURCES (USES):				
Transfers out	<u>(5,952,058)</u>	<u>(7,249,000)</u>	<u>(1,126,342)</u>	<u>6,122,658</u>
Total other financing sources (uses)	<u>(5,952,058)</u>	<u>(7,249,000)</u>	<u>(1,126,342)</u>	<u>6,122,658</u>
NET CHANGE IN FUND BALANCE	<u>\$ (3,458,145)</u>	<u>\$ (4,493,416)</u>	1,250,052	<u>\$ 5,743,468</u>
FUND BALANCE:				
Beginning of year			4,898,038	
End of year			<u>\$ 6,148,090</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, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 1,987,793	\$ 1,987,793
Use of money and property	-	-	47,862	47,862
Total revenues	<u>-</u>	<u>-</u>	<u>2,035,655</u>	<u>2,035,655</u>
EXPENDITURES:				
Current:				
Public safety	-	150,000	-	150,000
Total expenditures	<u>-</u>	<u>150,000</u>	<u>-</u>	<u>150,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (150,000)</u>	2,035,655	<u>\$ 2,185,655</u>
FUND BALANCE:				
Beginning of year			770,419	
End of year			<u>\$ 2,806,074</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, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES:				
Intergovernmental	\$ 100,000	\$ 276,126	\$ 703,465	\$ 427,339
Fines, forfeitures, and penalties	75,500	75,000	35,381	(39,619)
Use of money and property	-	500	29,308	28,808
Total revenues	<u>175,500</u>	<u>351,626</u>	<u>768,154</u>	<u>416,528</u>
EXPENDITURES:				
Current:				
Public safety	100,000	276,126	286,211	(10,085)
Capital outlay	-	-	47,579	(47,579)
Principal retirement	-	-	45,500	(45,500)
Total expenditures	<u>100,000</u>	<u>276,126</u>	<u>379,290</u>	<u>(103,164)</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>75,500</u>	<u>75,500</u>	<u>388,864</u>	<u>313,364</u>
OTHER FINANCING				
SOURCES (USES):				
Transfers out	(75,500)	(75,500)	-	75,500
Total other financing sources (uses)	<u>(75,500)</u>	<u>(75,500)</u>	<u>-</u>	<u>75,500</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>388,864</u>	<u>\$ 388,864</u>
FUND BALANCE:				
Beginning of year			275,964	
End of year			<u>\$ 664,828</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, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES:				
Taxes	\$ 2,334,252	\$ 2,401,007	\$ 2,182,901	\$ (218,106)
Intergovernmental	28,898,106	18,595,767	6,647,685	(11,948,082)
Use of money and property	40,000	23,000	249,661	226,661
Total revenues	<u>31,272,358</u>	<u>21,019,774</u>	<u>9,080,247</u>	<u>(11,939,527)</u>
EXPENDITURES:				
Current:				
Public works	618,992	730,319	494,007	236,312
Recreation and human services	25,000	10,000	53,869	(43,869)
Capital outlay	-	31,900	-	31,900
Debt service:				
Principal retirement	38,600	-	16,827	(16,827)
Interest and fiscal charges	-	-	905	(905)
Total expenditures	<u>682,592</u>	<u>772,219</u>	<u>565,608</u>	<u>206,611</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>30,589,766</u>	<u>20,247,555</u>	<u>8,514,639</u>	<u>(11,732,916)</u>
OTHER FINANCING				
SOURCES (USES):				
Transfers in	-	-	12,610	12,610
Transfers out	(22,375,512)	(16,321,767)	(7,406,173)	8,915,594
Total other financing sources (uses)	<u>(22,375,512)</u>	<u>(16,321,767)</u>	<u>(7,393,563)</u>	<u>8,915,594</u>
NET CHANGE IN FUND BALANCE	<u>\$ 8,214,254</u>	<u>\$ 3,925,788</u>	<u>1,121,076</u>	<u>\$ (2,817,322)</u>
FUND BALANCE:				
Beginning of year			5,394,556	
End of year			<u>\$ 6,515,632</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, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES:				
Intergovernmental	\$ 857,257	\$ 4,322,192	\$ 814,058	\$ (3,508,134)
Use of money and property	-	4,000	41,682	37,682
Miscellaneous	30,000	31,000	51,701	20,701
Total revenues	<u>887,257</u>	<u>4,357,192</u>	<u>907,441</u>	<u>(3,449,751)</u>
EXPENDITURES:				
Current:				
Recreation and human services	923,557	4,389,976	910,660	3,479,316
Debt service:				
Principal retirement	-	-	3,842	(3,842)
Total expenditures	<u>923,557</u>	<u>4,389,976</u>	<u>914,502</u>	<u>3,475,474</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>(36,300)</u>	<u>(32,784)</u>	<u>(7,061)</u>	<u>25,723</u>
OTHER FINANCING				
SOURCES (USES):				
Transfers in	36,300	32,784	48,024	15,240
Transfers out	-	-	(10,073)	(10,073)
Total other financing sources (uses)	<u>36,300</u>	<u>32,784</u>	<u>37,951</u>	<u>5,167</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	30,890	<u>\$ 30,890</u>
FUND BALANCE:				
Beginning of year			32,010	
End of year			<u>\$ 62,900</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, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES:				
Intergovernmental	\$ 1,235,790	\$ 592,299	\$ 1,379,564	\$ 787,265
Use of money and property	-	-	-	-
Total revenues	<u>1,235,790</u>	<u>592,299</u>	<u>1,379,564</u>	<u>787,265</u>
EXPENDITURES:				
Current:				
Community development	<u>592,299</u>	<u>592,299</u>	<u>1,154,922</u>	<u>(562,623)</u>
Total expenditures	<u>592,299</u>	<u>592,299</u>	<u>1,154,922</u>	<u>(562,623)</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>643,491</u>	<u>-</u>	<u>224,642</u>	<u>224,642</u>
OTHER FINANCING				
SOURCES (USES):				
Transfers out	<u>(643,491)</u>	<u>-</u>	<u>(409,380)</u>	<u>(409,380)</u>
Total other financing sources (uses)	<u>(643,491)</u>	<u>-</u>	<u>(409,380)</u>	<u>(409,380)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>(184,738)</u>	<u>\$ (184,738)</u>
FUND BALANCE (DEFICIT):				
Beginning of year			<u>105,508</u>	
End of year			<u>\$ (79,230)</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, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES:				
Intergovernmental	\$ 1,586,364	\$ 2,453,486	\$ 1,547,465	\$ (906,021)
Use of money and property	<u>-</u>	<u>-</u>	<u>47,867</u>	<u>47,867</u>
Total revenues	<u>1,586,364</u>	<u>2,453,486</u>	<u>1,595,332</u>	<u>(858,154)</u>
OTHER FINANCING				
SOURCES (USES):				
Transfers out	<u>(1,586,364)</u>	<u>(2,453,486)</u>	<u>(1,595,332)</u>	<u>858,154</u>
Total other financing sources (uses)	<u>(1,586,364)</u>	<u>(2,453,486)</u>	<u>(1,595,332)</u>	<u>858,154</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, 2025*



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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, 2025

	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	\$ 1,954,124	\$ 229,796	\$ 2	\$ -
Prepaid items and deposits	-	1,091	1,206	-
Total assets	<u>\$ 1,954,124</u>	<u>\$ 230,887</u>	<u>\$ 1,208</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Due to other funds	\$ 22,511	\$ 1,091	\$ 1,206	\$ -
Total liabilities	<u>22,511</u>	<u>1,091</u>	<u>1,206</u>	<u>-</u>
Fund Balances:				
Nonspendable	-	1,091	1,206	-
Restricted	1,931,613	228,705	-	-
Unassigned	-	-	(1,204)	-
Total fund balances (deficits)	<u>1,931,613</u>	<u>229,796</u>	<u>2</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 1,954,124</u>	<u>\$ 230,887</u>	<u>\$ 1,208</u>	<u>\$ -</u>

City of Gardena
Combining Balance Sheet (Continued)
All Debt Service Fund
June 30, 2025

	2020 Taxable Pension Obligation Bonds	2021 Lease Revenue Bonds	Total
ASSETS			
Cash and investments with fiscal agents	\$ 71,213	\$ 12,837,149	\$ 15,092,284
Prepaid items and deposits	<u>-</u>	<u>-</u>	<u>2,297</u>
Total assets	<u><u>\$ 71,213</u></u>	<u><u>\$ 12,837,149</u></u>	<u><u>\$ 15,094,581</u></u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Due to other funds	<u>\$ -</u>	<u>\$ 4,729,287</u>	<u>\$ 4,754,095</u>
Total liabilities	<u>-</u>	<u>4,729,287</u>	<u>4,754,095</u>
Fund Balances:			
Nonspendable	-	-	2,297
Restricted	71,213	8,107,862	10,339,393
Unassigned	<u>-</u>	<u>-</u>	<u>(1,204)</u>
Total fund balances (deficits)	<u>71,213</u>	<u>8,107,862</u>	<u>10,340,486</u>
Total liabilities and fund balances	<u><u>\$ 71,213</u></u>	<u><u>\$ 12,837,149</u></u>	<u><u>\$ 15,094,581</u></u>

City of Gardena
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
All Debt Service Funds
For the Year Ended June 30, 2025

	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	46,636	9,404	2	-
Total revenues	<u>46,636</u>	<u>9,404</u>	<u>2</u>	<u>-</u>
EXPENDITURES:				
Debt service:				
Principal retirement	705,000	130,000	70,000	-
Interest and fiscal charges	<u>316,996</u>	<u>56,253</u>	<u>435,929</u>	<u>-</u>
Total expenditures	<u>1,021,996</u>	<u>186,253</u>	<u>505,929</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(975,360)</u>	<u>(176,849)</u>	<u>(505,927)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	1,021,996	183,003	507,134	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>1,021,996</u>	<u>183,003</u>	<u>507,134</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>46,636</u>	<u>6,154</u>	<u>1,207</u>	<u>-</u>
Fund balances (deficits), beginning of year	<u>1,884,977</u>	<u>223,642</u>	<u>(1,205)</u>	<u>-</u>
Fund balances (deficits), end of year	<u>\$ 1,931,613</u>	<u>\$ 229,796</u>	<u>\$ 2</u>	<u>\$ -</u>

City of Gardena
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
All Debt Service Funds
For the Year Ended June 30, 2025

	2020 Taxable Pension Obligation Bonds	2021 Lease Revenue Bonds	Total
REVENUES:			
Charges for services	\$ 5,952,098	\$ -	\$ 5,952,098
Use of money and property	23,665	546,573	626,280
Total revenues	<u>5,975,763</u>	<u>546,573</u>	<u>6,578,378</u>
EXPENDITURES:			
Debt service:			
Principal retirement	3,745,440	490,000	5,140,440
Interest and fiscal charges	2,210,325	455,667	3,475,170
Total expenditures	<u>5,955,765</u>	<u>945,667</u>	<u>8,615,610</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>19,998</u>	<u>(399,094)</u>	<u>(2,037,232)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	3,667	976,710	2,692,510
Transfers out	<u>-</u>	<u>(4,742,928)</u>	<u>(4,742,928)</u>
Total other financing sources (uses)	<u>3,667</u>	<u>(3,766,218)</u>	<u>(2,050,418)</u>
NET CHANGE IN FUND BALANCE	23,665	(4,165,312)	(4,087,650)
Fund balances (deficits), beginning of year	<u>47,548</u>	<u>12,273,174</u>	<u>14,428,136</u>
Fund balances (deficits), end of year	<u><u>\$ 71,213</u></u>	<u><u>\$ 8,107,862</u></u>	<u><u>\$ 10,340,486</u></u>

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, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 46,636	\$ 46,636
Total revenues	<u>-</u>	<u>-</u>	<u>46,636</u>	<u>46,636</u>
EXPENDITURES:				
Debt service:				
Principal retirement	705,000	665,000	705,000	(40,000)
Interest and fiscal charges	<u>316,806</u>	<u>360,189</u>	<u>316,996</u>	<u>43,193</u>
Total expenditures	<u>1,021,806</u>	<u>1,025,189</u>	<u>1,021,996</u>	<u>3,193</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>(1,021,806)</u>	<u>(1,025,189)</u>	<u>(975,360)</u>	<u>49,829</u>
OTHER FINANCING				
SOURCES (USES):				
Transfers in	<u>1,021,806</u>	<u>1,025,189</u>	<u>1,021,996</u>	<u>(3,193)</u>
Total other financing sources (uses)	<u>1,021,806</u>	<u>1,025,189</u>	<u>1,021,996</u>	<u>(3,193)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	46,636	<u>\$ 46,636</u>
FUND BALANCE:				
Beginning of year			<u>1,884,977</u>	
End of year			<u>\$ 1,931,613</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, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 9,404	\$ 9,404
Total revenues	<u>-</u>	<u>-</u>	<u>9,404</u>	<u>9,404</u>
EXPENDITURES:				
Debt service:				
Principal retirement	130,000	125,000	130,000	(5,000)
Interest and fiscal charges	<u>56,325</u>	<u>62,545</u>	<u>56,253</u>	<u>6,292</u>
Total expenditures	<u>186,325</u>	<u>187,545</u>	<u>186,253</u>	<u>1,292</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>(186,325)</u>	<u>(187,545)</u>	<u>(176,849)</u>	<u>10,696</u>
OTHER FINANCING				
SOURCES (USES):				
Transfers in	<u>186,325</u>	<u>187,545</u>	<u>183,003</u>	<u>(4,542)</u>
Total other financing sources (uses)	<u>186,325</u>	<u>187,545</u>	<u>183,003</u>	<u>(4,542)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	6,154	<u>\$ 6,154</u>
FUND BALANCE:				
Beginning of year			<u>223,642</u>	
End of year			<u>\$ 229,796</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, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
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>435,784</u>	<u>438,444</u>	<u>435,929</u>	<u>2,515</u>
Total expenditures	<u>505,784</u>	<u>508,444</u>	<u>505,929</u>	<u>2,515</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>(505,784)</u>	<u>(508,444)</u>	<u>(505,927)</u>	<u>2,517</u>
OTHER FINANCING				
SOURCES (USES):				
Transfers in	<u>505,784</u>	<u>508,444</u>	<u>507,134</u>	<u>(1,310)</u>
Total other financing sources (uses)	<u>505,784</u>	<u>508,444</u>	<u>507,134</u>	<u>(1,310)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	1,207	<u>\$ 1,207</u>
FUND BALANCE (DEFICIT):				
Beginning of year			<u>(1,205)</u>	
End of year			<u>\$ 2</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, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
EXPENDITURES:				
Debt service:				
Principal retirement	\$ -	\$ 285,000	\$ -	\$ 285,000
Interest and fiscal charges	-	2,950	-	2,950
Total expenditures	<u>-</u>	<u>287,950</u>	<u>-</u>	<u>287,950</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>-</u>	<u>(287,950)</u>	<u>-</u>	<u>287,950</u>
OTHER FINANCING				
SOURCES (USES):				
Transfers in	<u>-</u>	<u>287,950</u>	<u>-</u>	<u>(287,950)</u>
Total other financing sources (uses)	<u>-</u>	<u>287,950</u>	<u>-</u>	<u>(287,950)</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, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES:				
Charges for services	\$ 5,808,797	\$ 5,543,563	\$ 5,952,098	\$ 408,535
Use of money and property	-	-	23,665	23,665
Total revenues	<u>5,808,797</u>	<u>5,543,563</u>	<u>5,975,763</u>	<u>432,200</u>
EXPENDITURES:				
Debt service:				
Principal retirement	3,599,389	3,285,063	3,745,440	(460,377)
Interest and fiscal charges	<u>2,209,408</u>	<u>2,258,500</u>	<u>2,210,325</u>	<u>48,175</u>
Total expenditures	<u>5,808,797</u>	<u>5,543,563</u>	<u>5,955,765</u>	<u>(412,202)</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>-</u>	<u>-</u>	<u>19,998</u>	<u>19,998</u>
OTHER FINANCING				
SOURCES (USES):				
Transfers in	-	-	3,667	3,667
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>3,667</u>	<u>3,667</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>23,665</u>	<u>\$ 23,665</u>
FUND BALANCE:				
Beginning of year			<u>47,548</u>	
End of year			<u>\$ 71,213</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, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 546,573	\$ 546,573
Total revenues	<u>-</u>	<u>-</u>	<u>546,573</u>	<u>546,573</u>
EXPENDITURES:				
Debt service:				
Principal retirement	490,000	490,000	490,000	-
Interest and fiscal charges	<u>455,250</u>	<u>478,500</u>	<u>455,667</u>	<u>22,833</u>
Total expenditures	<u>945,250</u>	<u>968,500</u>	<u>945,667</u>	<u>22,833</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>(945,250)</u>	<u>(968,500)</u>	<u>(399,094)</u>	<u>569,406</u>
OTHER FINANCING				
SOURCES (USES):				
Transfers in	945,250	943,500	976,710	33,210
Transfers out	<u>(11,299,375)</u>	<u>(10,944,000)</u>	<u>(4,742,928)</u>	<u>6,201,072</u>
Total other financing sources (uses)	<u>(10,354,125)</u>	<u>(10,000,500)</u>	<u>(3,766,218)</u>	<u>6,234,282</u>
NET CHANGE IN FUND BALANCE	<u>\$ (11,299,375)</u>	<u>\$ (10,969,000)</u>	<u>(4,165,312)</u>	<u>\$ 6,803,688</u>
FUND BALANCE:				
Beginning of year			<u>12,273,174</u>	
End of year			<u>\$ 8,107,862</u>	

City of Gardena

*Annual Comprehensive Financial Report
For the Year Ended June 30, 2025*



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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, 2025

	<u>Liability Insurance</u>	<u>Workers' Compensation</u>	<u>Health Benefit</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash and investments	\$ 4,350,453	\$ 3,854,499	\$ 5,799,957	\$ 14,004,909
Account receivables	1,134	20,921	3,954	26,009
Prepaid items and deposits	<u>-</u>	<u>2,146</u>	<u>27,129</u>	<u>29,275</u>
Total current assets	<u>4,351,587</u>	<u>3,877,566</u>	<u>5,831,040</u>	<u>14,060,193</u>
Total assets	<u>4,351,587</u>	<u>3,877,566</u>	<u>5,831,040</u>	<u>14,060,193</u>
LIABILITIES				
Current liabilities:				
Accounts payable	474,636	500	4,288	479,424
Accrued liabilities	-	13,032	36,129	49,161
Salaries and benefits payable	3,436	3,970	-	7,406
Claims payable, due within one year	<u>1,571,903</u>	<u>1,587,423</u>	<u>776,686</u>	<u>3,936,012</u>
Total current liabilities	<u>2,049,975</u>	<u>1,604,925</u>	<u>817,103</u>	<u>4,472,003</u>
Long-term liabilities:				
Claims payable, due in more than one year	<u>3,224,609</u>	<u>10,582,818</u>	<u>-</u>	<u>13,807,427</u>
Total long-term liabilities	<u>3,224,609</u>	<u>10,582,818</u>	<u>-</u>	<u>13,807,427</u>
Total liabilities	<u>5,274,584</u>	<u>12,187,743</u>	<u>817,103</u>	<u>18,279,430</u>
NET POSITION				
Unrestricted (deficit)	<u>(922,997)</u>	<u>(8,310,177)</u>	<u>5,013,937</u>	<u>(4,219,237)</u>
Total net position	<u>\$ (922,997)</u>	<u>\$ (8,310,177)</u>	<u>\$ 5,013,937</u>	<u>\$ (4,219,237)</u>

City of Gardena
Combining Schedule of Revenues, Expenses, and Changes in Net Position
All Internal Service Funds
For the year ended June 30, 2025

	Liability Insurance	Workers' Compensation	Health Benefit	Total
OPERATING REVENUES:				
Charges for services	\$ 2,779,271	\$ 4,155,749	\$ 11,298,939	\$ 18,233,959
Other	1,148	45,985	939,530	986,663
Total operating revenues	<u>2,780,419</u>	<u>4,201,734</u>	<u>12,238,469</u>	<u>19,220,622</u>
OPERATING EXPENSES:				
Salaries and benefits	90,341	170,938	-	261,279
Insurance claims	3,801,114	2,728,599	4,672,578	11,202,291
General and administrative	1,374,759	617,984	6,151,155	8,143,898
Other operating expenses	103,413	90,470	198,203	392,086
Total operating expenses	<u>5,369,627</u>	<u>3,607,991</u>	<u>11,021,936</u>	<u>19,999,554</u>
OPERATING INCOME	<u>(2,589,208)</u>	<u>593,743</u>	<u>1,216,533</u>	<u>(778,932)</u>
NON-OPERATING REVENUES (EXPENSES):				
Interest income	100,476	52,299	209,122	361,897
Total non-operating revenues (expenses)	<u>100,476</u>	<u>52,299</u>	<u>209,122</u>	<u>361,897</u>
INCOME BEFORE TRANSFERS	<u>(2,488,732)</u>	<u>646,042</u>	<u>1,425,655</u>	<u>(417,035)</u>
Transfers in	933,776	1,100,000	-	2,033,776
Transfers out	-	-	(1,433,776)	(1,433,776)
Total transfers	<u>933,776</u>	<u>1,100,000</u>	<u>(1,433,776)</u>	<u>600,000</u>
Change in net position	<u>(1,554,956)</u>	<u>1,746,042</u>	<u>(8,121)</u>	<u>182,965</u>
Net position (deficit), beginning of year	<u>631,959</u>	<u>(10,056,219)</u>	<u>5,022,058</u>	<u>(4,402,202)</u>
Net position (deficit), end of year	<u>\$ (922,997)</u>	<u>\$ (8,310,177)</u>	<u>\$ 5,013,937</u>	<u>\$ (4,219,237)</u>

City of Gardena
Combining Schedule of Cash Flows
All Internal Service Funds
For the year ended June 30, 2025

	Liability Insurance	Workers' Compensation	Health Benefit	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from users	\$ 2,786,054	\$ 4,134,828	\$ 11,296,961	\$ 18,217,843
Receipts from claims and recoveries	1,148	45,985	939,530	986,663
Payments for insurance claims	(1,922,916)	(2,897,755)	(4,603,812)	(9,424,483)
Payment to suppliers	(1,204,773)	(686,605)	(6,340,005)	(8,231,383)
Net cash provided (used by) operating activities	(340,487)	596,453	1,292,674	1,548,640
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	933,776	1,100,000	-	2,033,776
Transfers to other funds	-	-	(1,433,776)	(1,433,776)
Net cash provided (used by) non-capital financing activities	933,776	1,100,000	(1,433,776)	600,000
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	100,476	52,299	209,122	361,897
Net cash provided (used by) investing activities	100,476	52,299	209,122	361,897
Net increase (decrease) in cash and cash equivalents	693,765	1,748,752	68,020	2,510,537
Cash and equivalents, beginning of year	3,656,688	2,105,747	5,731,937	11,494,372
Cash and equivalents, end of year	<u>\$ 4,350,453</u>	<u>\$ 3,854,499</u>	<u>\$ 5,799,957</u>	<u>\$ 14,004,909</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH (USED BY) OPERATING ACTIVITIES:				
Operating income (loss)	\$ (2,589,208)	\$ 593,743	\$ 1,216,533	\$ (778,932)
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	6,783	(20,921)	(1,978)	(16,116)
(Increase) decrease in prepaid items and deposits	299	67,396	(9,990)	57,705
Increase (decrease) in accounts payable	273,100	500	2,478	276,078
Increase (decrease) in accrued liabilities	-	(46,047)	16,865	(29,182)
Increase (decrease) in salaries and benefits payable	2,550	2,362	-	4,912
Increase (decrease) in claims payable	1,965,989	(580)	68,766	2,034,175
Total adjustments	<u>2,248,721</u>	<u>2,710</u>	<u>76,141</u>	<u>2,327,572</u>
Net cash provided (used) by operating activities	\$ (340,487)	\$ 596,453	\$ 1,292,674	\$ 1,548,640

City of Gardena

*Annual Comprehensive Financial Report
For the Year Ended June 30, 2025*



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City of Gardena

*Annual Comprehensive Financial Report
For the Year Ended June 30, 2025*



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STATISTICAL SECTION

Fiscal Year 2024-25



STATISTICAL SECTION

Fiscal Year 2024-25



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CITY OF GARDENA STATISTICAL SECTION

Fiscal Year 2024-25



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, 2025*



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City of Gardena
Net Position by Component⁽¹⁾
Last Ten Fiscal Years Ended June 30, 2025
(accrual basis of accounting)

	Fiscal Year				
	2024-25	2023-24	2022-23	2021-22	2020-21
Governmental Activities					
Net Investment in Capital Assets	\$ 64,707,716	\$ 54,842,470	\$ 43,557,695	\$ 40,126,502	\$ 28,550,313
Restricted for:					
Debt Service	10,339,393	2,162,116	1,994,718	1,617,913	1,681,507
Employment and Training Services	-	-	-	-	-
Law Enforcement	3,425,402	1,046,383	1,414,499	1,459,666	1,593,265
Local Street Improvements	10,691,870	8,671,919	14,126,722	10,385,580	9,329,940
Economic Development	6,033,175	5,971,740	6,965,240	6,914,470	5,783,794
Capital Projects	6,817,525	17,981,086	301,897	273,887	273,887
Human Services	62,900	30,747	1,219,550	1,014,200	662,807
Community Development	-	105,508	-	-	-
Total Restricted:	37,370,265	35,969,499	26,022,626	21,665,716	19,325,200
Unrestricted ⁽²⁾	(100,937,199)	(119,308,822)	(115,019,564)	(95,499,040)	(114,185,399)
Total governmental activities net position	\$1,140,782	(\$28,496,853)	(\$45,439,243)	(\$33,706,822)	(\$66,309,886)
Business-type Activities					
Net Investment in Capital Assets	\$80,417,960	\$81,127,691	\$59,138,198	\$59,701,427	\$60,014,796
Unrestricted ⁽²⁾	(33,491,095)	(30,126,568)	(32,642,965)	(33,216,568)	(34,052,901)
Total business-type activities net position	\$46,926,865	\$51,001,123	\$26,495,233	\$26,484,859	\$25,961,895
Primary Government					
Net Investment in Capital Assets	\$145,125,676	\$135,970,161	\$102,695,893	\$99,827,929	\$88,565,109
Restricted	37,370,265	35,969,499	26,022,626	21,665,716	19,325,200
Unrestricted ⁽²⁾	(134,428,294)	(149,435,390)	(147,662,529)	(128,715,608)	(148,238,300)
Total Primary Government Net Position:	\$ 48,067,647	\$ 22,504,270	\$ (18,944,010)	\$ (7,221,963)	\$ (40,347,991)

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, 2025
(accrual basis of accounting)

	Fiscal Year				
	2019-20	2018-19	2017-18 ⁽²⁾	2016-17	2015-16
Governmental Activities					
Net Investment in Capital Assets	\$ 30,055,713	\$ 47,404,733	\$ 27,748,135	\$ 28,138,906	\$ 27,897,717
Restricted for:					
Debt Service	1,708,162	1,669,313	1,916,945	1,924,432	2,679,363
Employment and Training Services	-	-	5,287	43,611	164,116
Law Enforcement	1,080,052	1,344,114	921,976	914,062	1,251,314
Local Street Improvements	7,956,523	7,130,678	6,060,770	6,205,701	7,072,378
Local Street Improvements	4,393,701	5,306,507	6,006,024	1,986,202	2,394,395
Economic Development	273,887	295,912	571,089	295,912	301,546
Other Purposes	689,290	657,424	633,275	651,830	289,859
Specific Projects and Programs	-	-	-	-	-
Total Restricted:	16,101,615	16,403,948	16,115,366	12,021,750	14,152,971
Unrestricted	(126,640,099)	(131,787,090)	(107,886,487)	(99,400,392)	(60,913,888)
Total governmental activities net position	<u>(\$80,482,771)</u>	<u>(\$67,978,409)</u>	<u>(\$64,022,986)</u>	<u>(\$59,239,736)</u>	<u>(\$18,863,200)</u>
Business-type Activities					
Net Investment in Capital Assets	\$50,474,813	\$53,054,448	\$56,261,253	\$60,150,166	\$62,151,750
Unrestricted	(32,350,671)	(29,646,082)	(27,969,730)	(27,390,162)	(21,068,543)
Total business-type activities net position	<u>\$18,124,142</u>	<u>\$23,408,366</u>	<u>\$28,291,523</u>	<u>\$32,760,004</u>	<u>\$41,083,207</u>
Primary Government					
Net Investment in Capital Assets	\$80,530,526	\$100,459,181	\$84,009,388	\$88,289,072	\$90,049,467
Restricted	16,101,615	16,403,948	16,115,366	12,021,750	14,152,971
Unrestricted	(158,990,770)	(161,433,172)	(135,817,893)	(126,790,554)	(81,982,431)
Total Primary Government Net Position:	<u>\$ (62,358,629)</u>	<u>\$ (44,570,043)</u>	<u>\$ (35,693,139)</u>	<u>\$ (26,479,732)</u>	<u>\$ 22,220,007</u>

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, 2025
(accrual basis of accounting)

	Fiscal Year				
	2024-25	2023-24	2022-23	2021-22	2020-21
Expenses					
Governmental Activities					
General Government	\$ 9,107,752	\$ 10,765,058	\$ 7,470,021	\$ 7,771,663	\$ 7,807,099
Public Safety	56,285,591	53,473,334	77,971,300	27,964,662	47,363,640
Public Works	8,013,865	11,783,411	10,737,606	11,239,762	7,543,698
Recreation and Human Services	3,220,079	8,503,950	8,229,820	7,566,226	6,766,739
Community Development	6,125,888	5,022,928	2,266,794	5,946,949	2,986,934
Interest and fiscal charges	3,715,867	3,233,912	3,773,164	3,888,463	2,532,013
Total governmental activities expenses:	86,469,042	92,782,593	110,448,705	64,377,725	75,000,123
Business-type Activities					
GTrans	38,864,525	31,973,093	28,643,376	27,966,497	29,505,837
Sewer	1,756,000	1,723,699	1,466,607	1,423,680	1,190,734
Total business-type activities expenses:	40,620,525	33,696,792	30,109,983	29,390,177	30,696,571
Total primary government expenses:	127,089,567	126,479,385	140,558,688	93,767,902	105,696,694
Program Revenues					
Governmental Activities					
Charges for services:					
General Government	10,706,359	10,785,228	4,149,501	8,769,328	5,333,187
Public Safety	1,329,081	2,694,787	1,251,096	1,236,057	1,240,360
Public Works	312,825	3,112,536	396,408	534,045	378,834
Recreation and Human Services	523,835	632,632	3,647,400	3,647,094	2,750,536
Community Development	2,232,223	939,062	2,521,913	3,139,836	2,499,553
Interest and fiscal charges	-	-	-	-	-
Operating Grants and Contributions	11,866,495	8,113,744	5,814,708	4,081,043	14,663,306
Capital Grants and Contributions	3,083,454	5,535,276	3,329,828	2,511,878	3,017,989
Total governmental activities program revenues:	30,054,272	31,813,265	21,110,854	23,919,281	29,883,765
Business-type Activities					
Charges for services:					
GTrans	2,047,491	1,947,714	1,793,580	1,643,970	135,875
Sewer	2,534,274	2,545,381	2,473,501	2,610,910	2,685,365
Operating Grants and Contributions	28,022,172	27,682,663	22,744,442	22,018,364	20,725,314
Capital Grants and Contributions	2,815,854	25,560,140	3,186,920	3,915,704	14,856,026
Total business-type activities program revenues:	35,419,791	57,735,898	30,198,443	30,188,948	38,402,580
Total primary government revenues:	\$ 65,474,063	\$ 89,549,163	\$ 51,309,297	\$ 54,108,229	\$ 68,286,345

City of Gardena
Changes in Net Position (Continued)
Last Ten Fiscal Years Ended June 30, 2025
(accrual basis of accounting)

	Fiscal Year				
	2019-20	2018-19	2017-18	2016-17	2015-16
Expenses					
Governmental Activities					
General Government	\$ 7,383,173	\$ 8,609,254	\$ 6,177,468	\$ 5,848,247	\$ 5,730,664
Public Safety	47,760,821	43,617,238	41,420,762	38,700,824	36,304,203
Public Works	10,958,845	11,717,321	7,120,106	6,956,766	8,545,467
Recreation and Human Services	6,600,989	6,395,004	9,742,993	9,154,921	6,777,838
Community Development	2,692,644	2,662,554	2,938,656	2,796,216	2,538,835
Interest and fiscal charges	1,156,041	1,191,118	1,241,054	1,382,078	1,365,398
Total governmental activities expenses:	76,552,513	74,192,489	68,641,039	64,839,052	61,262,405
Business-type Activities					
GTrans	31,024,629	28,646,739	27,804,739	28,195,640	26,410,211
Sewer	1,651,788	1,512,189	1,432,695	1,760,303	1,046,864
Total business-type activities expenses:	32,676,417	30,158,928	29,237,434	29,955,943	27,457,075
Total primary government expenses:	109,228,930	104,351,417	97,878,473	94,794,995	88,719,480
Program Revenues					
Governmental Activities					
Charges for services:					
General Government	4,072,004	4,107,289	3,864,795	3,504,735	3,298,306
Public Safety	1,338,121	1,862,764	1,312,945	1,422,001	1,174,116
Public Works	351,732	351,463	418,667	615,289	513,495
Recreation and Human Services	3,801,562	2,962,339	2,685,240	2,979,625	2,315,212
Community Development	2,246,297	1,687,652	1,724,501	1,771,754	2,187,082
Interest and fiscal charges	-	-	-	-	-
Operating Grants and Contributions	3,351,864	3,142,207	3,719,048	2,048,938	2,067,123
Capital Grants and Contributions	1,621,611	2,037,030	2,002,799	1,268,576	1,918,489
Total governmental activities program revenues:	16,783,191	16,150,744	15,727,995	13,610,918	13,473,823
Business-type Activities					
Charges for services:					
GTrans	1,766,952	2,382,758	2,459,105	2,482,516	2,685,573
Sewer	2,323,753	2,016,346	1,790,296	954,552	673,199
Operating Grants and Contributions	21,277,188	20,612,788	19,855,368	17,462,145	16,905,476
Capital Grants and Contributions	1,962,998	1,086,741	576,031	3,120,351	1,850,968
Total business-type activities program revenues:	27,330,891	26,098,633	24,680,800	24,019,564	22,115,216
Total primary government revenues:	\$ 44,114,082	\$ 42,249,377	\$ 40,408,795	\$ 37,630,482	\$ 35,589,039

City of Gardena
Changes in Net Position (Continued)
Last Ten Fiscal Years Ended June 30, 2025
(accrual basis of accounting)

	Fiscal Year				
	2024-25	2023-24	2022-23	2021-22	2020-21
Net (expense)/revenue: ⁽¹⁾					
Governmental activities	(56,414,770)	(60,969,328)	(89,337,851)	(40,458,444)	(46,089,053)
Business-type activities	(5,200,734)	24,039,106	88,460	798,771	7,676,625
Total net revenues (expenses):	(61,615,504)	(36,930,222)	(89,249,391)	(39,659,673)	(38,412,428)
General Revenue and Other Changes in Net Position					
Governmental activities					
Taxes:					
Property taxes	10,874,154	10,141,426	9,985,883	9,186,838	8,799,364
Sales tax	31,656,201	28,056,992	29,662,286	27,908,699	23,760,125
Business license	3,153,491	3,477,728	2,733,939	2,647,094	2,508,287
Utility user taxes	6,829,968	6,404,308	6,317,851	5,481,395	4,970,799
Franchise taxes	3,572,251	3,724,876	3,275,380	3,075,659	2,809,101
Card club taxes	8,808,950	8,910,456	8,633,144	10,544,947	3,999,147
Other taxes	4,901,510	4,819,341	5,882,066	4,626,009	3,764,716
Vehicle license - unrestricted	9,142,820	8,558,629	8,073,890	7,485,678	7,203,563
Investment income	5,315,119	2,260,394	1,881,428	(1,520,476)	(57,164)
Miscellaneous	1,597,676	1,399,408	643,709	3,281,484	2,730,183
Gain on sale of assets	-	-	-	-	(190,979)
Transfers	200,265	158,160	515,854	344,181	(35,204)
Total governmental activities	86,052,405	77,911,718	77,605,430	73,061,508	60,261,938
Business-type activities					
Investment income	1,064,789	624,944	437,768	68,374	125,924
Miscellaneous	-	-	-	-	-
Gain (loss) on sale of assets	-	-	-	-	-
Transfers	(200,265)	(158,160)	(515,854)	(344,181)	35,204
Total business-type activities:	864,524	466,784	(78,086)	(275,807)	161,128
Total primary government:	86,916,929	78,378,502	77,527,344	72,785,701	60,423,066
Change in Net Position					
Governmental activities	29,637,635	16,942,390	(11,732,421)	32,603,064	14,172,885
Business-type activities	(4,336,210)	24,505,890	10,374	522,964	7,837,753
Total primary government:	\$ 25,301,425	\$ 41,448,280	\$ (11,722,047)	\$ 33,126,028	\$ 22,010,638

- ⁽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.

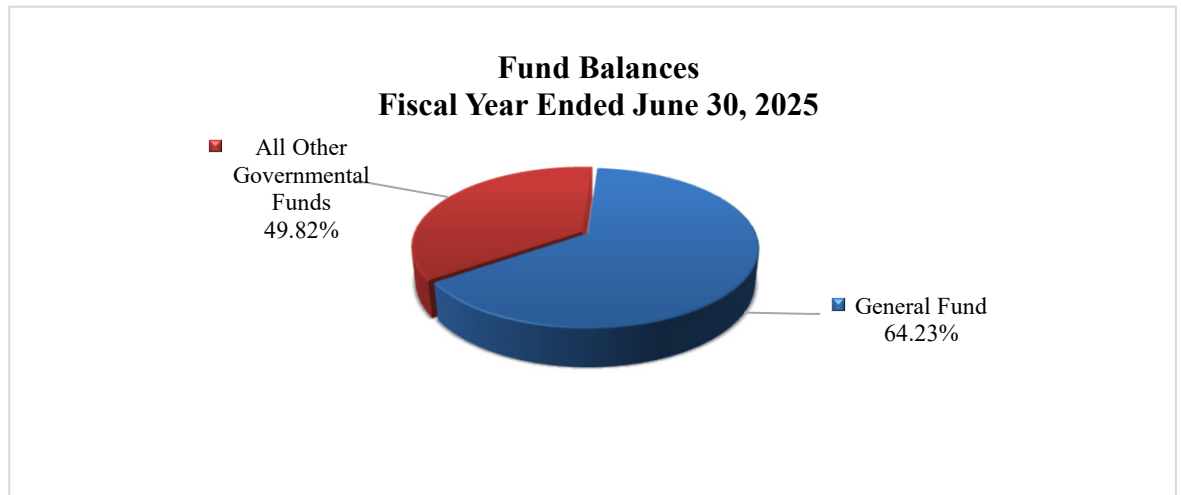
City of Gardena
Changes in Net Position (Continued)
Last Ten Fiscal Years Ended June 30, 2025
(accrual basis of accounting)

	Fiscal Year				
	2019-20	2018-19	2017-18	2016-17	2015-16
Net (expense)/revenue: ⁽¹⁾					
Governmental activities	(59,769,322)	(58,041,745)	(52,913,044)	(51,228,234)	(47,788,582)
Business-type activities	(5,345,526)	(4,060,295)	(4,556,634)	(5,936,379)	(5,341,859)
Total net revenues (expenses):	(65,114,848)	(62,102,040)	(57,469,678)	(57,164,613)	(53,130,441)
General Revenue and Other Changes in Net Position					
Governmental activities					
Taxes:					
Property taxes	8,205,539	7,735,545	7,150,957	7,130,426	6,729,849
Sales tax	12,440,147	13,466,178	11,006,901	11,204,697	11,227,326
Business license	2,438,304	2,843,375	2,727,532	2,606,279	2,536,438
Utility user taxes	4,801,229	4,955,645	5,088,450	5,147,736	5,212,410
Franchise taxes	2,816,277	2,777,572	2,609,219	2,440,108	2,534,820
Card club taxes	4,874,457	8,101,583	8,071,001	8,975,991	9,057,202
Other taxes	3,920,393	4,354,725	3,985,315	3,855,705	3,479,372
Vehicle license - unrestricted	6,788,130	6,378,321	5,994,920	5,677,909	5,445,385
Investment income	1,036,057	1,061,732	158,902	129,187	499,279
Miscellaneous	690,353	1,384,272	1,134,729	2,261,772	2,566,919
Gain on sale of assets	(863,795)	10,622	201,560	883,201	1,877,151
Transfers	117,869	978,428	38,632	9,898	3,221,449
Total governmental activities	47,264,960	54,047,998	48,168,118	50,322,909	54,387,600
Business-type activities					
Investment income	162,760	155,566	124,243	77,618	55,492
Miscellaneous	-	-	2,542	18,512	13,623
Gain (loss) on sale of assets	16,411	-	-	-	-
Transfers	(117,869)	(978,428)	(38,632)	(9,898)	(3,221,449)
Total business-type activities:	61,302	(822,862)	88,153	86,232	(3,152,334)
Total primary government:	47,326,262	53,225,136	48,256,271	50,409,141	51,235,266
Change in Net Position					
Governmental activities	(12,504,362)	(3,993,747)	(4,744,926)	(905,325)	6,599,018
Business-type activities	(5,284,224)	(4,883,157)	(4,468,481)	(5,850,147)	(8,494,193)
Total primary government:	\$ (17,788,586)	\$ (8,876,904)	\$ (9,213,407)	\$ (6,755,472)	\$ (1,895,175)

- ⁽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, 2025
(modified accrual basis of accounting)

		Fiscal Year				
		2024-25	2023-24	2022-23	2021-22	2020-21
General Fund						
Nonspendable	(1)	\$ 356,233	\$ 346,983	\$ 327,406	\$ 352,425	\$ 1,214,022
Restricted	(1)	-	-	-	-	-
Committed	(1)	36,116,612	33,309,406	26,848,674	26,936,620	18,697,703
Assigned	(1)	30,276,574	25,660,594	22,662,517	14,236,728	8,670,503
Unassigned	(1)	300,000	300,000	300,000	300,001	200,000
Total General Fund:		<u>\$67,049,419</u>	<u>\$59,616,983</u>	<u>\$50,138,597</u>	<u>\$41,825,774</u>	<u>\$28,782,228</u>
All Other Governmental Funds						
Nonspendable	(1)	\$ 52,609	\$ 9,764	\$ 311,097	\$ 329,979	\$ 342,428
Restricted	(1)	37,291,035	29,675,971	36,402,832	31,699,951	16,660,769
Committed	(1)	-	301,894	-	-	-
Assigned	(1)	-	-	-	-	-
Unassigned	(1)	(1,204)	5,969,329	(347,129)	(185,700)	(1,298,092)
Total all other governmental funds:		<u>\$ 37,342,440</u>	<u>\$ 35,956,958</u>	<u>\$ 36,366,800</u>	<u>\$ 31,844,230</u>	<u>\$ 15,705,105</u>



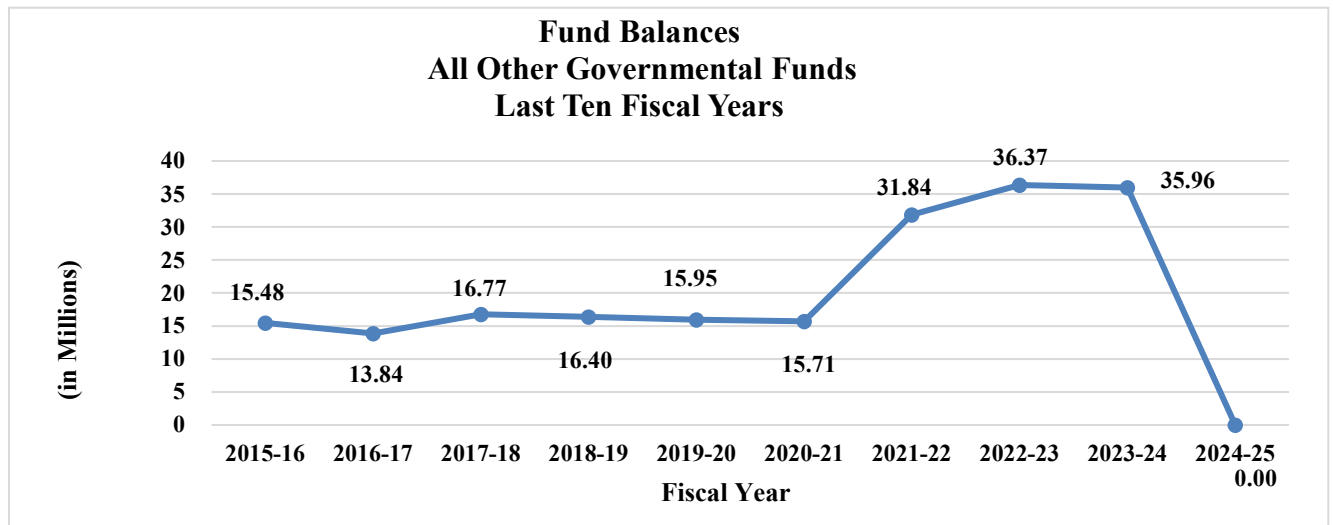
NOTES:

(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, 2025
(modified accrual basis of accounting)

		Fiscal Year				
		2019-20	2018-19	2017-18	2016-17	2015-16
General Fund						
Nonspendable	(1)	\$ 302,361	\$ 333,803	\$ 385,931	\$ 294,133	\$ 189,819
Restricted	(1)	-	-	5,287	43,611	164,116
Committed	(1)	7,310,676	13,287,448	19,315,675	19,413,135	17,542,367
Assigned	(1)	2,848,416	2,622,256	3,609,547	3,936,266	2,773,686
Unassigned	(1)	173,122	271,377	200,000	200,000	200,000
Total General Fund:		<u>\$10,634,575</u>	<u>\$16,514,884</u>	<u>\$23,516,440</u>	<u>\$23,887,145</u>	<u>\$20,869,988</u>
All Other Governmental Funds						
Nonspendable	(1)	\$ 350,432	\$ 308,741	\$ 16,769,655	\$ -	\$ -
Restricted	(1)	15,682,481	16,089,466	-	10,073,376	11,726,127
Committed	(1)	-	-	-	3,765,323	3,776,154
Assigned	(1)	-	-	-	-	(20,809)
Assigned	(1)	(81,218)	-	-	-	-
Total all other governmental funds:		<u>\$ 15,951,695</u>	<u>\$ 16,398,207</u>	<u>\$ 16,769,655</u>	<u>\$ 13,838,699</u>	<u>\$ 15,481,472</u>



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, 2025
(modified accrual basis of accounting)

	Fiscal Year				
	2024-25	2023-24	2022-23	2021-22	2020-21 ⁽²⁾
Revenues:					
Taxes	\$ 76,603,633	\$ 75,397,665	\$ 74,247,538	\$ 70,663,462	\$ 57,968,745
Licenses and permits	1,967,596	3,168,262	2,158,749	2,900,062	2,389,538
Use of money and property	4,962,491	3,265,756	1,881,431	(1,517,780)	(56,416)
Intergovernmental	17,523,988	13,372,447	12,265,983	13,689,853	16,142,006
Fines, forfeitures, and penalties	1,063,826	1,078,296	1,235,414	3,660,686	3,168,468
Charges for services	12,050,797	11,823,454	5,723,983	5,448,044	5,188,250
Miscellaneous	716,895	674,091	720,310	5,245,065	1,664,391
Total Revenues:	114,889,226	108,779,971	98,233,408	100,089,392	86,464,982
Expenditures:					
Current:					
General government	7,746,657	8,544,614	6,208,151	5,296,661	5,325,270
Public safety	51,641,158	48,263,127	42,327,977	41,545,473	37,558,085
Public works	10,445,195	9,087,374	8,435,997	7,868,811	6,776,073
Recreation and Human resources	6,997,687	7,353,343	8,221,690	7,318,062	6,232,436
Community development	4,694,214	4,190,330	2,837,108	3,061,632	2,789,072
Capital outlay	15,311,120	12,720,112	8,816,842	8,929,107	5,199,699
Debt service:					
Principal	5,755,451	4,976,825	5,052,989	3,850,985	1,173,158
Interest and fiscal charges	3,565,801	3,651,410	3,750,867	3,899,642	2,340,735
Total Expenditures:	106,157,283	98,787,135	85,651,621	81,770,373	67,394,528
Excess of Revenues over (under) Expenditures	8,731,943	9,992,836	12,581,787	18,319,019	19,070,454
Other Financing Sources (Uses):					
Proceeds of long-term debt	485,710	-	-	-	-
Proceeds from sale of assets	-	17,548	34,093	127,623	3,492
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	-	-	-	-	-
Transfers in	19,669,605	18,476,483	18,089,299	16,400,118	12,724,862
Transfers out	(20,069,340)	(19,418,323)	(18,917,929)	(21,055,937)	(14,360,066)
Total Other Financing Sources (Uses):	85,975	(924,292)	253,606	10,863,652	(1,169,391)
Net change in fund balances	\$ 8,817,918	\$ 9,068,544	\$ 12,835,393	\$ 29,182,671	\$ 17,901,063
Debt service as a percentage of noncapital expenditures: ⁽¹⁾	10.26%	8.77%	10.41%	9.66%	5.39%

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, 2025
(modified accrual basis of accounting)

	Fiscal Year				
	2019-20	2018-19	2017-18	2016-17	2015-16
Revenues:					
Taxes	\$ 46,128,710	\$ 50,827,680	\$ 47,527,518	\$ 46,847,209	\$ 46,222,802
Licenses and permits	1,646,059	1,735,711	1,694,670	1,800,752	1,521,379
Use of money and property	1,036,059	1,061,734	158,902	129,186	499,278
Intergovernmental	7,157,208	7,409,245	6,201,645	5,549,872	5,705,627
Fines, forfeitures, and penalties	1,112,890	2,261,549	1,124,079	1,102,235	1,794,049
Charges for services	6,142,402	5,270,787	5,070,020	5,155,573	4,545,874
Miscellaneous	831,773	892,283	1,197,011	2,944,050	1,807,155
Total Revenues:	64,055,101	69,458,989	62,973,845	63,528,877	62,096,164
Expenditures:					
Current:					
General government	6,576,421	6,004,196	5,025,047	4,914,416	4,886,467
Public safety	41,295,066	45,783,773	37,851,314	36,977,198	34,674,068
Public works	8,372,502	8,058,427	4,012,134	4,064,485	5,584,816
Recreation and Human resources	6,155,882	6,138,238	9,194,054	8,631,034	6,498,830
Community development	2,474,928	2,382,263	2,734,299	2,757,861	2,533,734
Capital outlay	3,636,782	6,127,264	3,794,206	3,349,481	8,332,649
Debt service:					
Principal	967,696	902,804	627,898	2,703,105	754,158
Interest and fiscal charges	1,155,814	1,198,262	1,227,659	1,431,641	1,369,936
Total Expenditures:	70,635,091	76,595,227	64,466,611	64,829,221	64,634,658
Excess of Revenues over (under) Expenditures	(6,579,990)	(7,136,238)	(1,492,766)	(1,300,344)	(2,538,494)
Other Financing Sources (Uses):					
Proceeds of long-term debt	-	-	-	-	-
Proceeds from sale of property	46,241	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	-
Issuance discount	-	-	-	-	-
Issuance of loans	86,223	86,223	86,223	86,223	311,026
Transfers in	7,476,706	9,013,583	6,747,282	6,487,933	11,143,623
Transfers out	(7,356,001)	(8,350,155)	(6,708,650)	(6,558,966)	(9,599,678)
Total Other Financing Sources (Uses):	253,169	766,064	548,590	2,674,728	6,845,127
Net change in fund balances	\$ (6,326,821)	\$ (6,370,174)	\$ (944,176)	\$ 1,374,384	\$ 4,306,633
Debt service as a percentage of noncapital expenditures: ⁽¹⁾	3.14%	2.87%	3.03%	6.64%	3.51%

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)

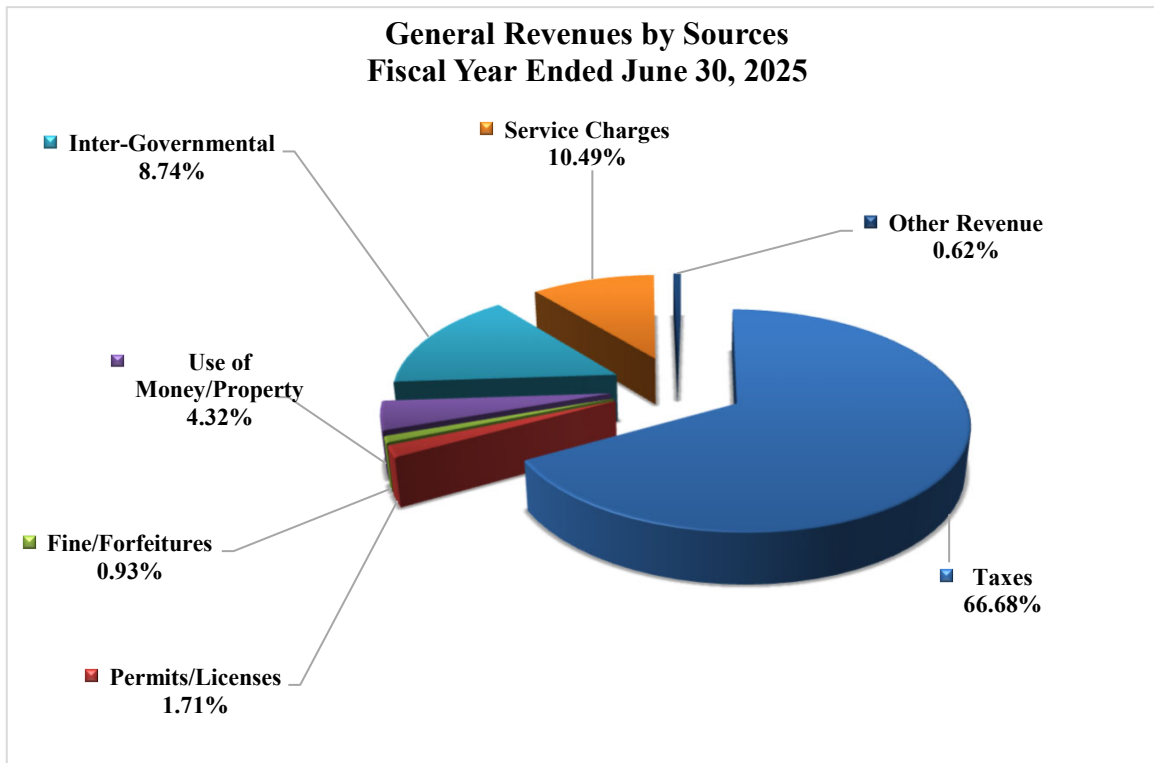
Source: City of Gardena, Administrative Services Department - Finance Division

City of Gardena

Governmental Revenues By Sources

Last Ten Fiscal Years

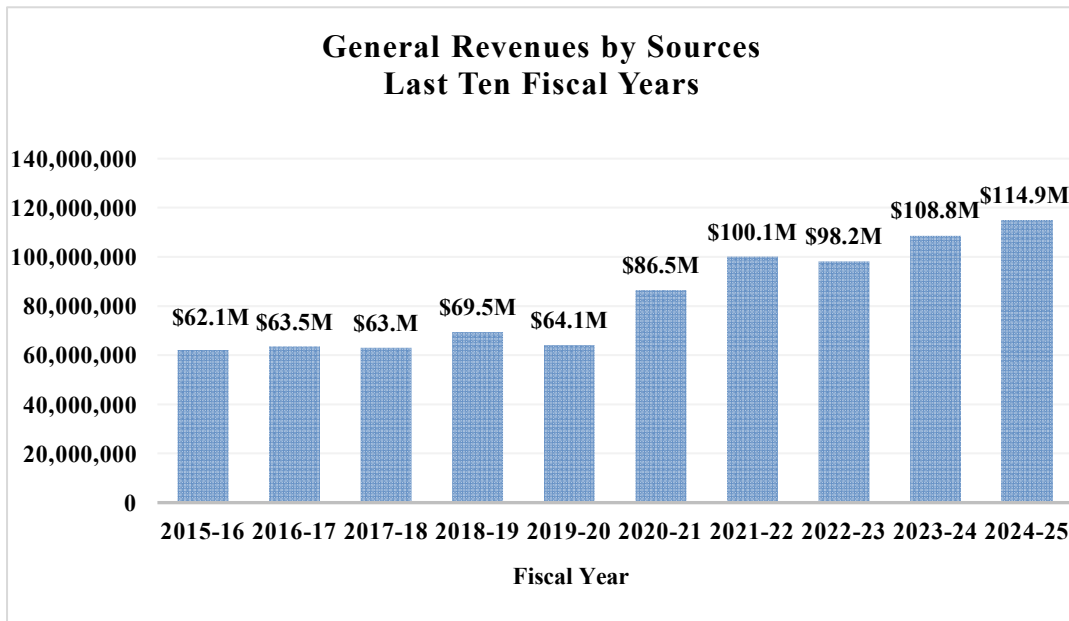
Fiscal Year	Taxes	Permits, Licenses and Fees	Fines and Forfeitures	Uses of Money and Property
2015-16	46,222,802	1,521,379	1,794,049	499,278
2016-17	46,847,209	1,800,752	1,102,235	129,186
2017-18	47,527,518	1,694,670	1,124,079	158,902
2018-19	50,827,680	1,735,711	2,261,549	1,061,734
2019-20	46,128,710	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
2024-25	76,603,633	1,967,596	1,063,826	4,962,491



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
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
2024-25	17,523,988	12,050,797	716,895	114,889,226



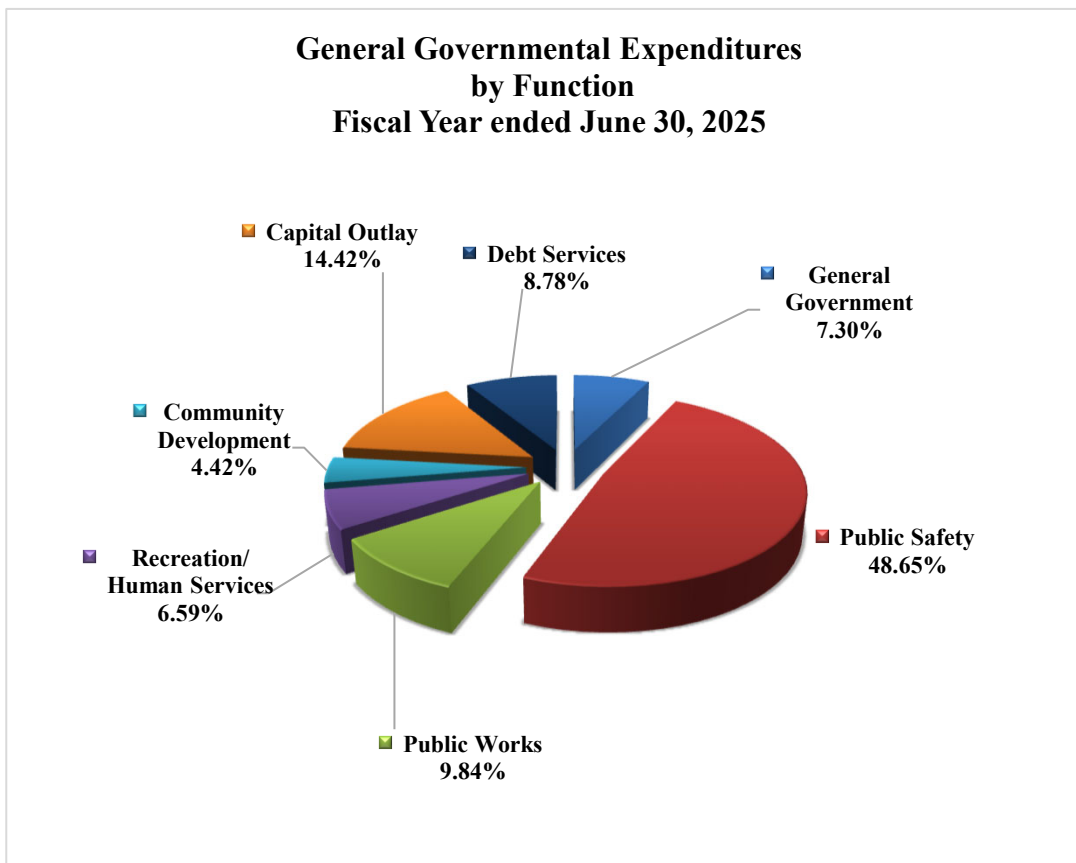
Source: City of Gardena, Administrative Services Department - Finance Division

City of Gardena

General Governmental Expenditures By Function

Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety	Public Works	Recreation and Human Services
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
2024-25	7,746,657	51,641,158	10,445,195	6,997,687



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

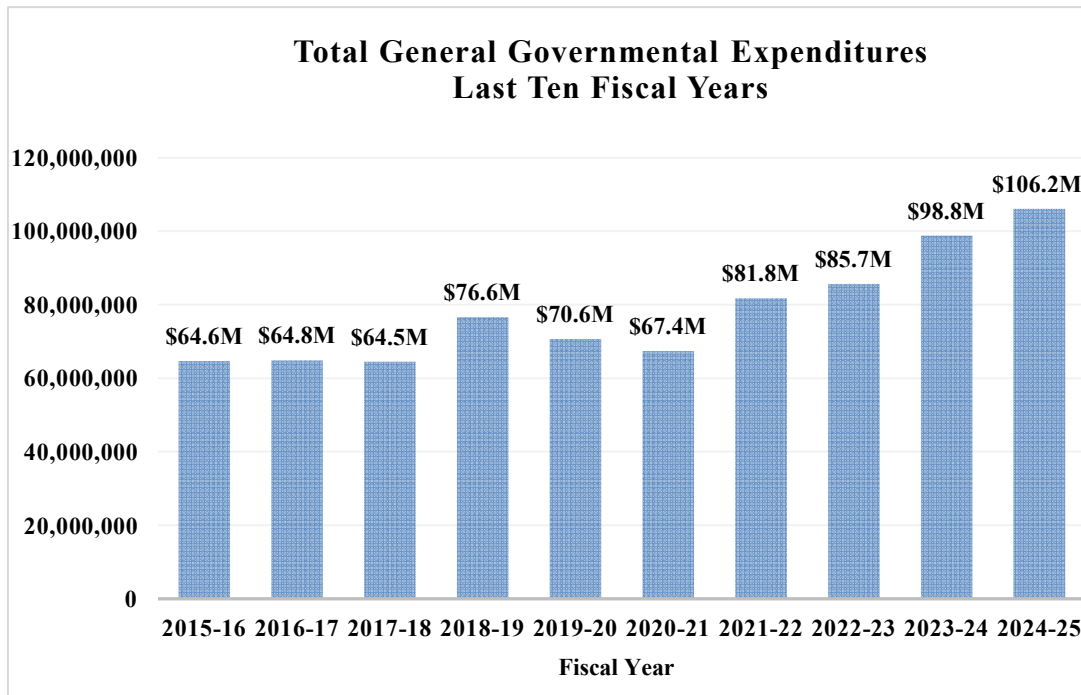
⁽¹⁾ These figures include Lease/Bonds, Payments for Debt Services and excluding Cost of bonds issuance and escrow payments.

⁽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
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
2024-25	4,694,214	15,311,120	9,321,252	106,157,283



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

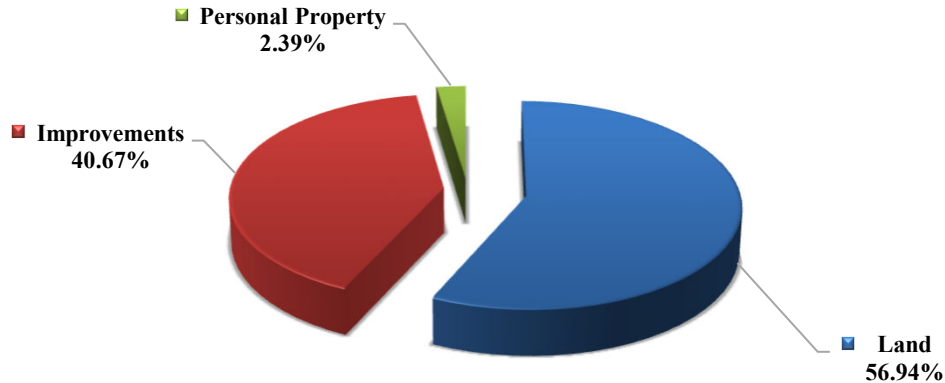
Source: City of Gardena, Administrative Services Department - Finance Division

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
2015-16	256,548	500	-	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	-	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	-	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	-	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	-	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	-	384,066	4,005,949,237	3,004,367,152	24,551,498	(105,940,809)	6,928,927,078
2021-22	213,049	-	-	213,049	4,213,320,667	3,080,008,549	27,201,792	(100,843,365)	7,219,687,643
2022-23	213,049	-	-	213,049	4,581,077,862	3,256,656,564	27,312,819	(83,188,820)	7,781,858,425
2023-24	79,755	-	-	79,755	4,996,682,580	3,447,486,489	29,700,615	(128,753,189)	8,345,116,495
2024-25	144,998	-	-	144,998	5,287,905,802	3,652,857,990	37,394,092	(136,792,317)	8,841,365,567

**Assessed Valuation by Categories
(Total Secured and Unsecured)
Fiscal Year Ended June 30, 2025**

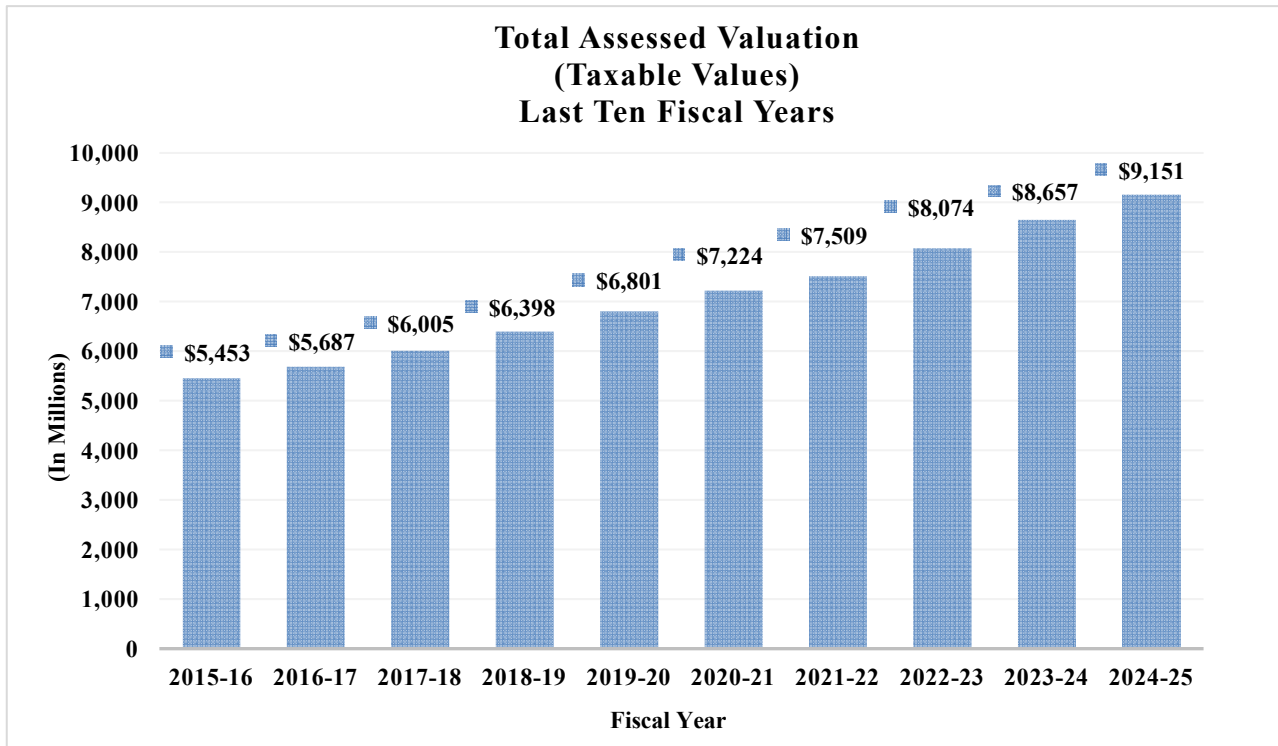


In 1978, California voters passed Proposition 13 which set the property tax at a 1.00% fixed amount. This 1.00% is shared by all the taxing agencies for which the subject property resides within. In addition to 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property 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 2024/25 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					
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	-	311,559,095	8,785,508,534	8,656,755,345	7.22%	0.11618%	44,144,720
2024-25	124,749,617	184,601,293	(36,200)	309,314,710	9,287,653,792	9,150,825,275	5.71%	0.11600%	44,277,773



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 2024/25 Combined Tax Rolls

⁽²⁾ Hdl Coren & Cone.

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

CATEGORY	Fiscal Year				
	2024-25	2023-24	2022-23	2021-22	2020-21
Residential	\$6,073,947,328	\$5,697,161,939	\$5,247,758,428	\$4,857,419,242	\$4,671,664,590
Commercial	1,170,904,268	1,131,751,802	1,074,201,133	1,027,450,526	1,006,453,482
Industrial	1,345,452,591	1,298,035,540	1,208,490,671	1,117,152,653	1,037,251,905
Govt. Owned	116,674	116,674	22	-	-
Recreational	43,358,893	43,240,677	42,678,387	41,518,155	40,966,262
Institutional	118,581,852	88,652,232	114,427,704	94,990,583	89,836,280
Miscellaneous	2,270,512	2,262,303	88	-	-
Vacant land	57,140,993	56,048,027	66,945,560	66,349,257	69,851,264
SBE Nonunitary	144,998	79,755	213,049	213,049	384,066
Cross Reference	29,592,412	27,847,301	27,356,432	14,807,227	12,903,295
Unsecured	309,314,710	311,559,095	292,102,069	288,608,090	294,669,329
Unknown	44	-	-	-	-
	9,150,825,275	8,656,755,345	8,074,173,543	7,508,508,782	7,223,980,473
Homeowner Exemption ⁽¹⁾	-	-	-	-	-
TOTALS:	\$9,150,825,275	\$8,656,755,345	\$8,074,173,543	\$7,508,508,782	\$7,223,980,473

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.

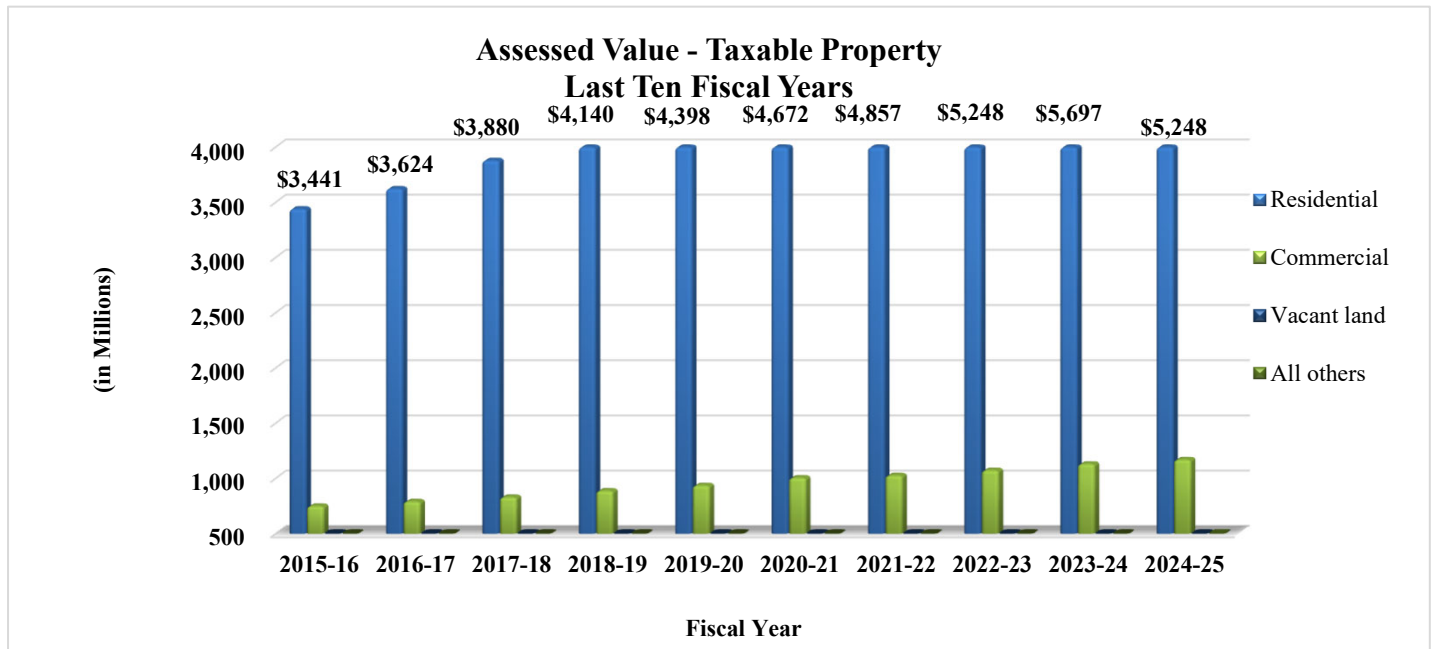
Source: L.A. County Assessor 2015/16-2024/25 Combined Tax Rolls, HdL, Coren & Cone

City of Gardena

Assessed Value of Property by User Code (Continued)

Last Ten Fiscal Years

CATEGORY	Fiscal Year				
	2019-20	2018-19	2017-18	2016-17	2015-16
Residential	\$4,397,530,388	\$4,139,852,554	\$3,879,882,318	\$3,623,545,163	\$3,441,407,499
Commercial	936,892,089	888,959,749	831,348,140	791,527,339	750,255,119
Industrial	964,891,072	889,298,836	834,753,358	796,231,706	763,622,835
Govt. Owned	-	-	-	5,250,000	-
Recreational	40,263,960	39,491,086	38,342,794	38,760,141	39,348,412
Institutional	76,976,001	74,813,850	78,834,725	69,798,622	65,412,639
Miscellaneous	-	-	451,519	442,667	-
Vacant land	75,744,666	62,990,225	46,086,466	54,308,182	57,298,803
SBE Nonunitary	257,048	257,048	257,048	257,048	257,048
Cross Reference	13,675,983	10,002,510	8,787,949	8,513,799	7,783,045
Unsecured	294,349,387	291,947,663	286,651,391	298,317,633	327,711,675
Unknown	-	-	-	-	22
	6,800,580,594	6,397,613,521	6,005,395,708	5,686,952,300	5,453,097,097
Homeowner Exemption	(1) -	-	-	-	-
TOTALS:	\$6,800,580,594	\$6,397,613,521	\$6,005,395,708	\$5,686,952,300	\$5,453,097,097



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 2015/16-2024/25 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
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
2024-25	6,073,947	1,170,903	1,345,453	-	43,359	118,582	117	57,141

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 2015/16-2024/25 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						Total	Estimated	Factor of
Year	SBE	Cross Reference	Unsecured	Misc.	TOTAL	Direct	Taxable	Taxable
	Nonunitary					Tax	Value	Assessed
						Rate ⁽¹⁾	Value ⁽²⁾	Value
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	0.11766	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
2024-25	145	29,592	309,315	2,271	9,150,825	0.11600	12,204,547	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

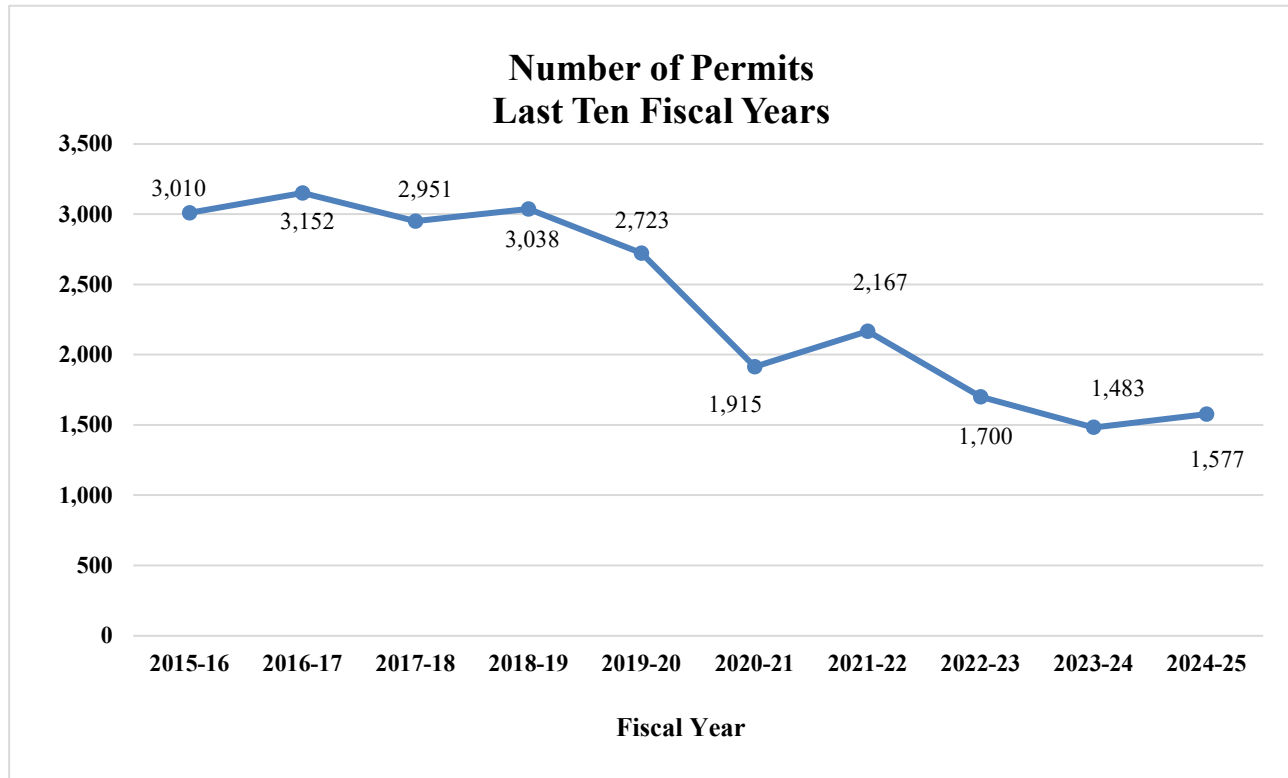
-Tax rate limit: A state constitutional amendment (Proposition 13) provided that the tax rate was limited to 1% of full cash values, levied only by the County and shared with all other jurisdictions. All other jurisdictions and the County can levy a tax rate for voter-approved debt.

⁽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 2015/16-2024/25 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
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
2024-25	835	29,098,547	138	10,843,539	3	1,756,751

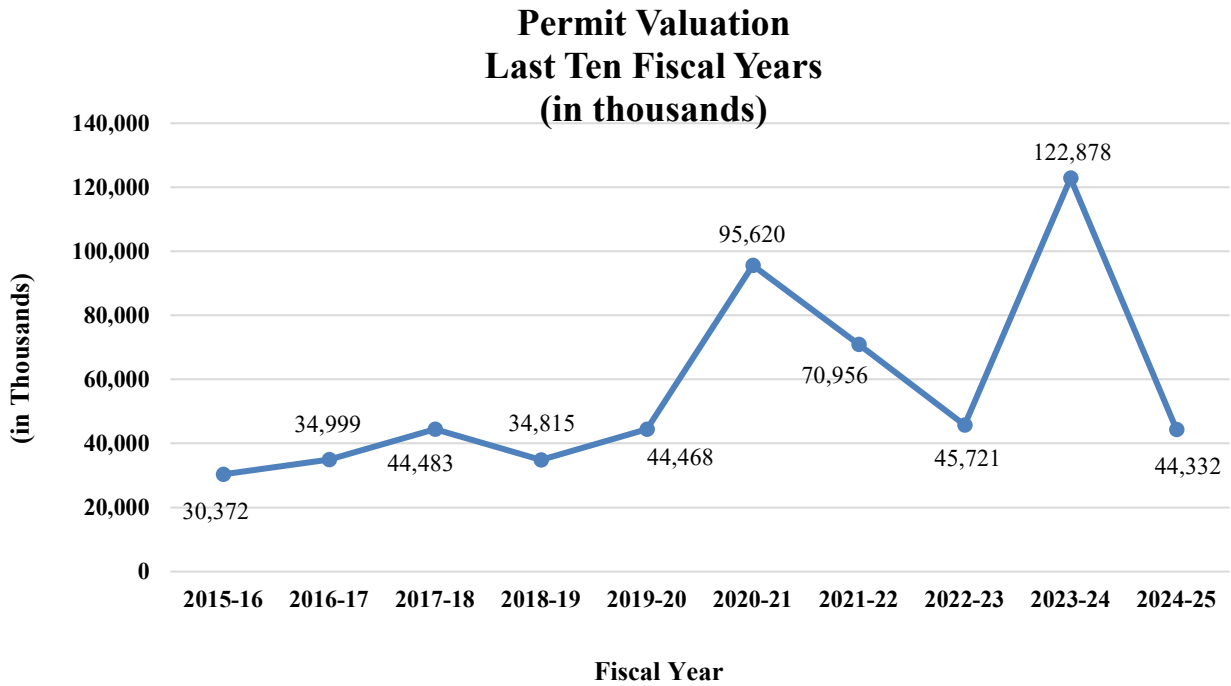


Sources: ⁽¹⁾ City of Gardena, Community Development Department.

⁽²⁾ City of Gardena-FDIC-Insured Institutions as of 06/30/2025

City of Gardena
Construction and Bank Deposits (Continued)
(Miscellaneous Information)
Last Ten Fiscal Years

CONSTRUCTION ⁽¹⁾					Bank Deposits ⁽²⁾ (in Thousands)
Fiscal Year	All others		Total		
	No. of Permits	Valuation	No. of Permits	Valuation	
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
2024-25	601	2,633,285	1,577	44,332,121	2,343,363

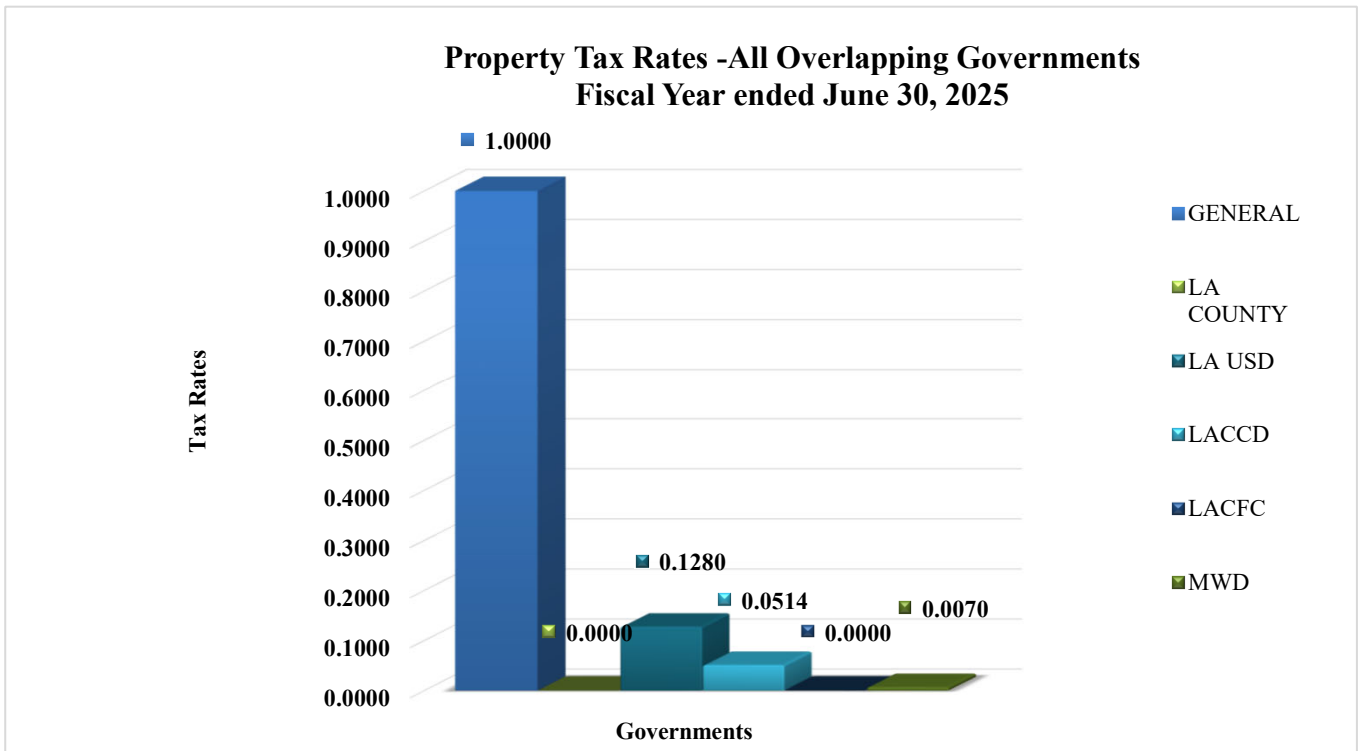


Sources: ⁽¹⁾ City of Gardena, Community Development Department.

⁽²⁾ City of Gardena-FDIC-Insured Institutions as of 06/30/2025

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
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
2024-25	1.000000	0.000000	0.128020

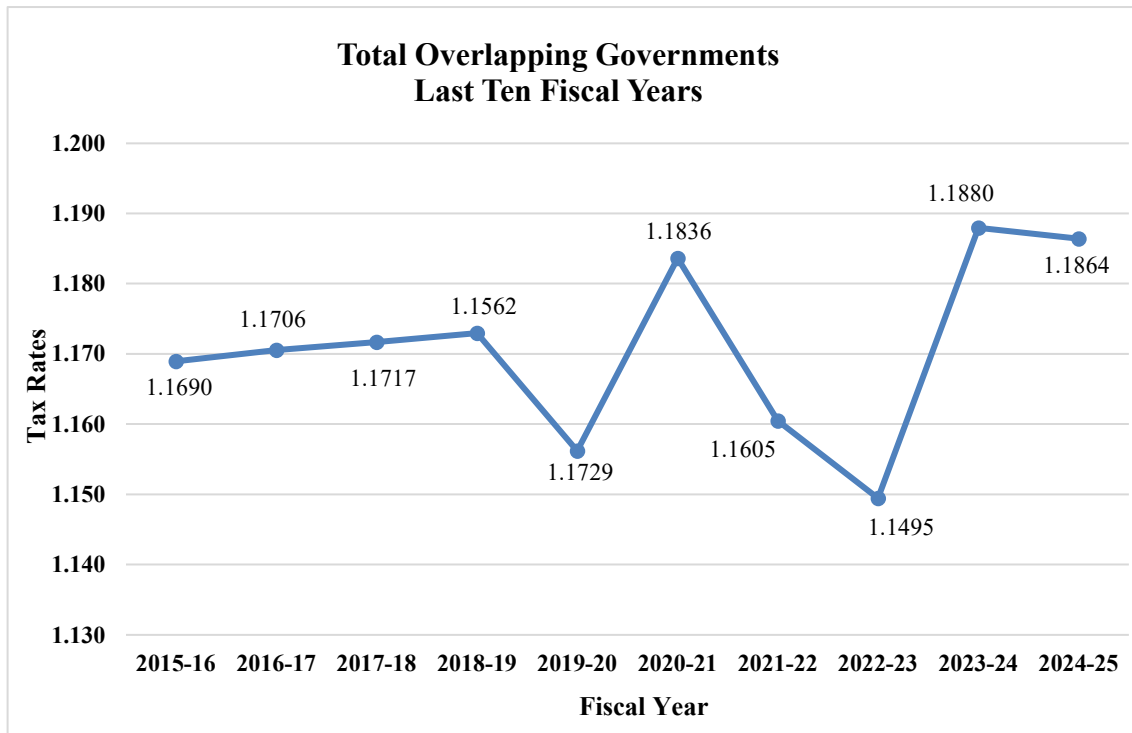


⁽¹⁾ Tax Rate Areas: TRA 000576

-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.

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
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
2024-25	0.051360	0.000000	0.007000	1.186380



⁽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 2015/16-2024/25 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				
	24-25	23-24	22-23	21-22	20-21
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 %	0.00032 %	0.00000 %	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⁾:	0.11600 %	0.11618 %	0.11644 %	0.11672 %	0.11685 %
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.

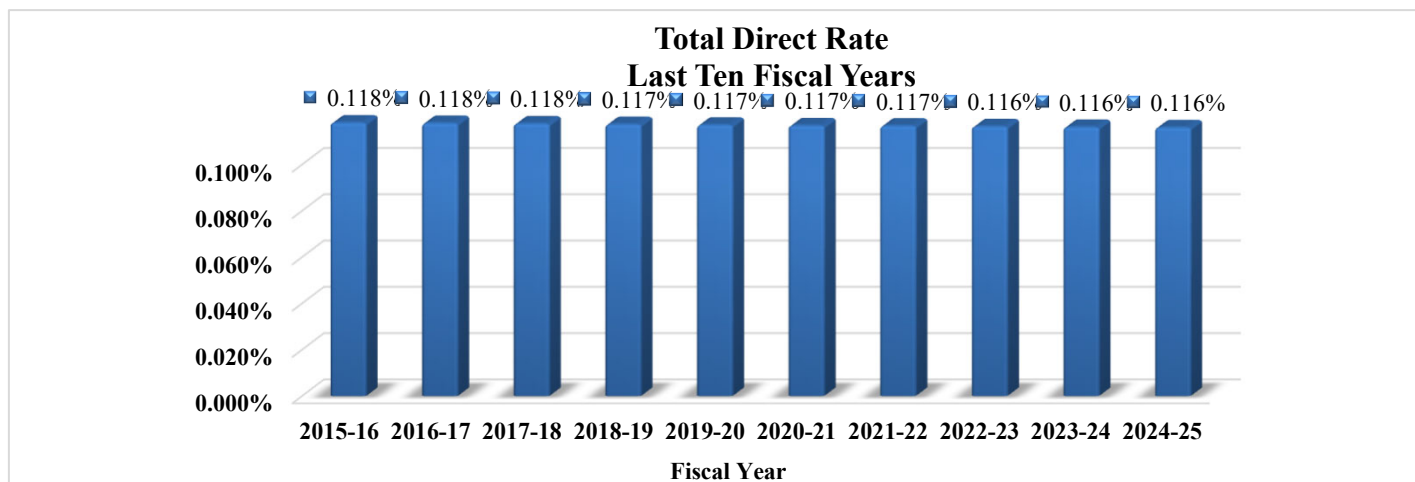
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Source: ⁽¹⁾ L.A. County Assessor 2015/16-2024/25 Combined Tax Rolls, HdL, Coren & Cone

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				
	19-20	18-19	17-18	16-17	15-16
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 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⁾ :	0.11711 %	0.11737 %	0.11766 %	0.11790 %	0.11809 %
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	Primary Use	Fiscal Year 2024-25		Fiscal Year 2015-16	
		Total Assessed Value	Percent of Total City Assessed Value	Total Assessed Value	Percent of Total City Assessed Value
MPT of Gardena PHS LP	Institutional	\$91,061,007	1.00 %		
Nissin Foods USA Company Inc	Industrial	69,908,787	0.76		
Terreno 139th LLC	Industrial	41,887,738	0.46		
Gardena Owner LP	Industrial	36,505,555	0.40		
JSL Gardena I LLC	Commercial	34,151,560	0.37		
14215 Normandie LLC	Commercial	33,571,879	0.37		
Showa Marine Inc	Industrial	28,974,786	0.32		
Liberty Property LP	Industrial	28,949,454	0.32		
Majestic Properties Inc	Recreational	26,135,815	0.29		
PK I Gardena Gateway Center LP	Commercial	24,300,130	0.27		
Hitco Carbon Composites Inc	Unsecured			91,052,743	1.67 %
Nissin Foods USA Company Inc	Industrial			57,280,846	1.05
GA HC Reit II Gardena CA Hospital LLC	Institutional			43,033,643	0.79
JSL Gardena I LLC	Commercial			28,984,133	0.53
Brek Manufacturing Company Lessee	Unsecured			27,175,194	0.50
Majestic Properties Inc	Recreational			25,105,270	0.46
Gramercy Properties LLC	Industrial			22,399,915	0.41
PK I Gardena Gateway Center LP	Commercial			20,623,319	0.38
Target Corporation	Commercial			20,494,891	0.38
WH Gardena Marketplace LLC	Commercial			19,481,618	0.36
Top Ten Totals (secured and unsecured):		415,446,711	4.54 %	355,631,572	6.52 %
All Others (secured)		8,735,378,564	95.46	5,097,465,525	93.48
Total All Assessed Valuation (secured):		\$9,150,825,275	100.00 %	\$5,453,097,097	100.00 %

Source: L.A. County Assessor 2015/16-2024/25 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 2024		
	Tax Payers	Business Category
1	1981 Publishing	Light Industrial/Printers
2	76	Service Stations
3	A&A Chevron	Service Stations
4	Arco AM PM	Service Stations
5	Arco AM PM	Service Stations
6	Beacon Roofing Supply	Building Materials
7	Chick Fil A	Quick-Service Restaurants
8	Crenshaw Lumber Co	Building Materials
9	Crenshaw Wholesale Electric Supply	Plumbing/Electrical Supplies
10	Enterprise Rent A Car	Transportation/Rentals
11	G & C Equipment Finders Corp	Contractors
12	Gardena Honda	New Motor Vehicle Dealers
13	Honda Lease Trust	Auto Lease
14	In N Out Burger	Quick-Service Restaurants
15	Julien's Auctions	Auctioneers
16	Lab Fabrication	Heavy Industrial
17	Marukai Market	Grocery Stores
18	McDonald's	Quick-Service Restaurants
19	Nissan of Gardena	New Motor Vehicle Dealers
20	Raising Cane's	Quick-Service Restaurants
21	Sam's Club w/ Fuel	Discount Dept Stores
22	Smardan Hatcher Co.	Plumbing/Electrical Supplies
23	Target	Discount Dept Stores
24	Vons Fuel	Service Stations
25	Wood Oil Company	Petroleum Prod/Equipment

-Account for 55.75%
of the total sales tax collected.

Calendar Year 2015	
	Business Category
76	Service Stations
76	Service Stations
A&A Chevron	Service Stations
Albertsons	Grocery Stores
Arco AM PM	Service Stations
Beacon Roofing Supply	Building Materials
Crenshaw Lumber Co	Building Materials
Crenshaw Wholesale Electric Supply	Plumbing/Electrical Supplies
Enterprise Rent A Car	Transportation/Rentals
Food 4 Less	Grocery Stores
G & C Equipment Finders Corp	Contractors
Gardena Honda	New Motor Vehicle Dealers
Gardena Nissan	New Motor Vehicle Dealers
Hitco Technologies	Heavy Industrial
Honda Lease Trust	Auto Lease
Marukai Market	Grocery Stores
McDonald's	Quick-Service Restaurants
Nader's Furniture	Home Furnishings
New York Times Sales	Light Industrial/Printers
Sam's Club w/ Fuel	Discount Dept Stores
Smardan Hatcher Co.	Plumbing/Electrical Supplies
Target	Discount Dept Stores
Vons Fuel	Service Stations
Wood Oil Company	Petroleum Prod/Equipment
Z Gallerie	Home Furnishings

-Account for 57.04%
of the total sales tax collected.

*** The names are listed in alphabetical order, not sales tax volume.

Source: SBOE, CDTFA, SCO, HdL Companies

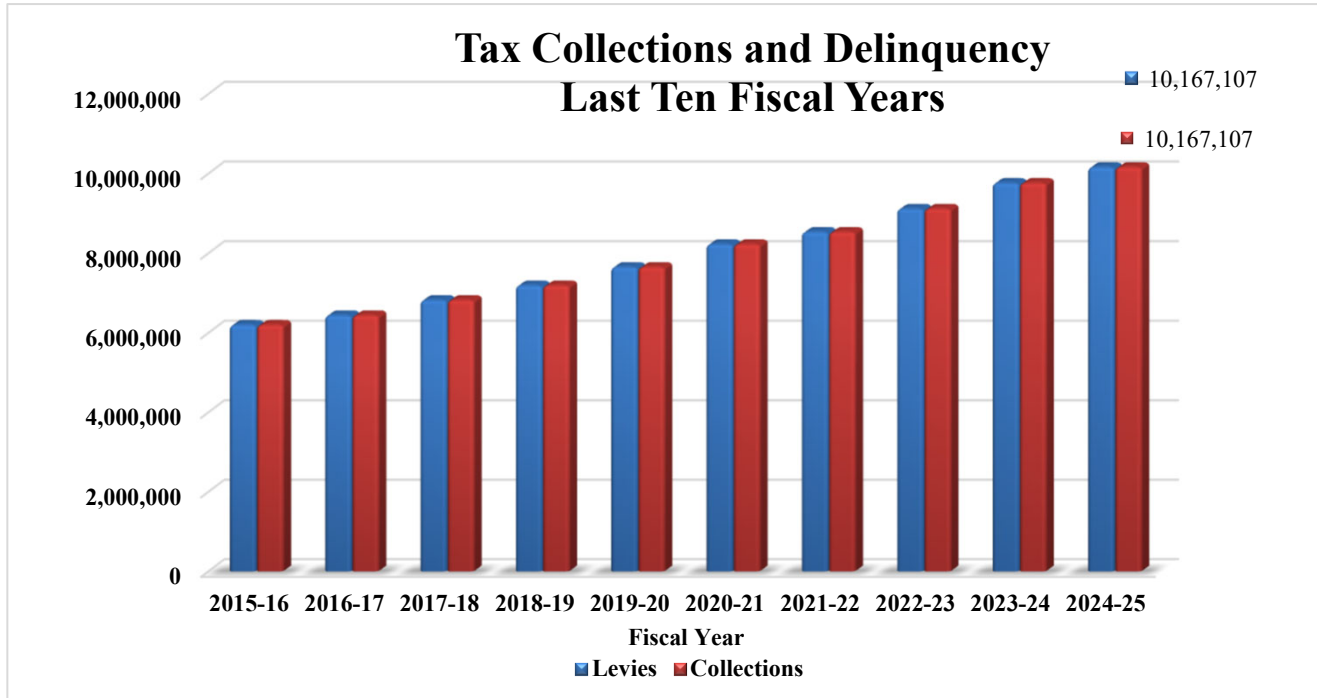
⁽¹⁾ Period: from January to December

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		Collections in Subsequent Years	TOTAL COLLECTIONS TO DATE	
		Amount	Percent of Levy		Amount	Percent of Levy
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%
2024-25	10,167,107	10,117,937	99.52%	49,169	10,167,107	100.00%

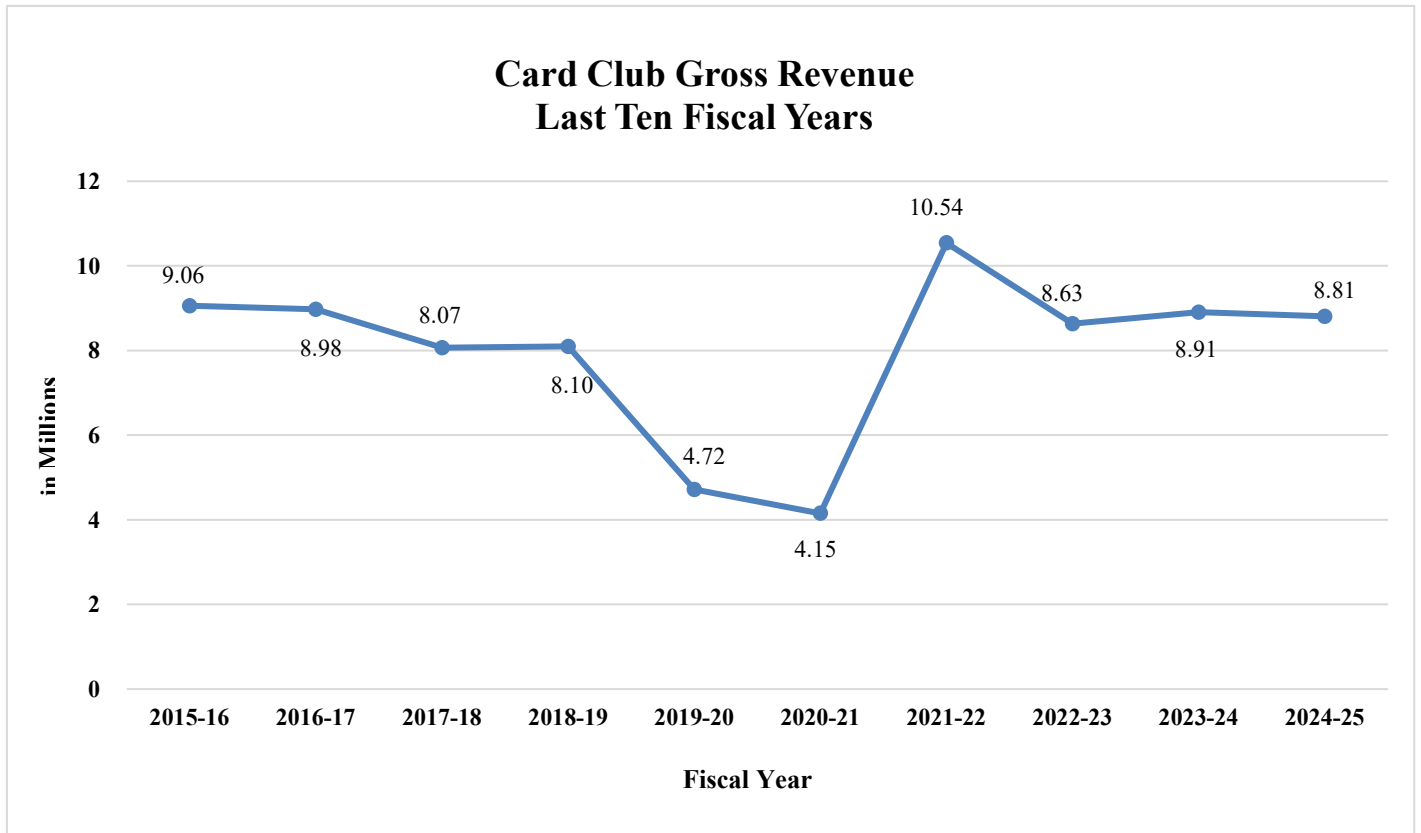


NOTE: Article XIII-A of the Constitution of the State of California adopted by the electorate in June 1978, precludes the City from a local property tax levy. All general-purpose property taxes are levied by the County and allocated to other governmental entities on a predetermined formula.

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

**City of Gardena
Card Club Gross Revenue Fee
Last Ten Fiscal Years**

Fiscal Year	Card Club Revenue	General Fund Gross Revenue	Percent of General Fund Revenue
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%
2024-25	8,808,950	89,665,046	9.82%



⁽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				
	2025	2024	2023	2022	2021
Utility Users Tax Electric	\$ 3,480,656	\$ 3,311,316	\$ 3,072,555	\$ 2,584,392	\$ 2,331,492
Utility Users Tax Gas	872,589	793,877	1,177,694	837,674	648,472
Utility Users Tax Electric Service Provider	472,206	429,601	324,189	323,978	199,496
Utility Users Tax Gas-Non Core	80,816	112,050	127,587	111,839	88,421
UUT-Mobile/Cellular Telephones	254,066	235,814	240,469	216,708	181,548
UUT-Long Distance Telephone/Non Cellular	355,562	371,199	439,504	417,966	458,602
Utility Users Tax Water	1,272,146	1,097,773	898,171	930,300	947,276
UUT-Prepaid Mobile Telephone	41,926	52,680	37,681	58,537	115,493
TOTAL	\$ 6,829,968	\$ 6,404,308	\$ 6,317,851	\$ 5,481,395	\$ 4,970,799

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

City of Gardena
Taxable Sales by Category
Calendar Years 2020 through 2024
(in thousands)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Apparel Stores	\$ 12,346	\$ 13,531	\$ 13,226	\$ 13,741	\$ 9,294
General Merchandise	158,139	161,461	167,198	152,741	127,495
Food Stores	54,453	49,469	48,796	46,264	47,844
Eating and Drinking Places	258,711	247,515	239,633	208,601	169,620
Building Materials	199,026	230,910	269,402	240,132	168,154
Auto Dealers and Supplies	225,322	219,073	163,186	160,972	135,332
Service Stations	101,764	104,240	117,216	92,427	68,200
Other Retail Stores	76,698	82,147	85,951	97,300	89,880
All Other Outlets	481,972	456,515	465,159	404,472	407,807
TOTAL	<u><u>\$ 1,568,431</u></u>	<u><u>\$ 1,564,861</u></u>	<u><u>\$ 1,569,767</u></u>	<u><u>\$ 1,416,650</u></u>	<u><u>\$ 1,223,626</u></u>

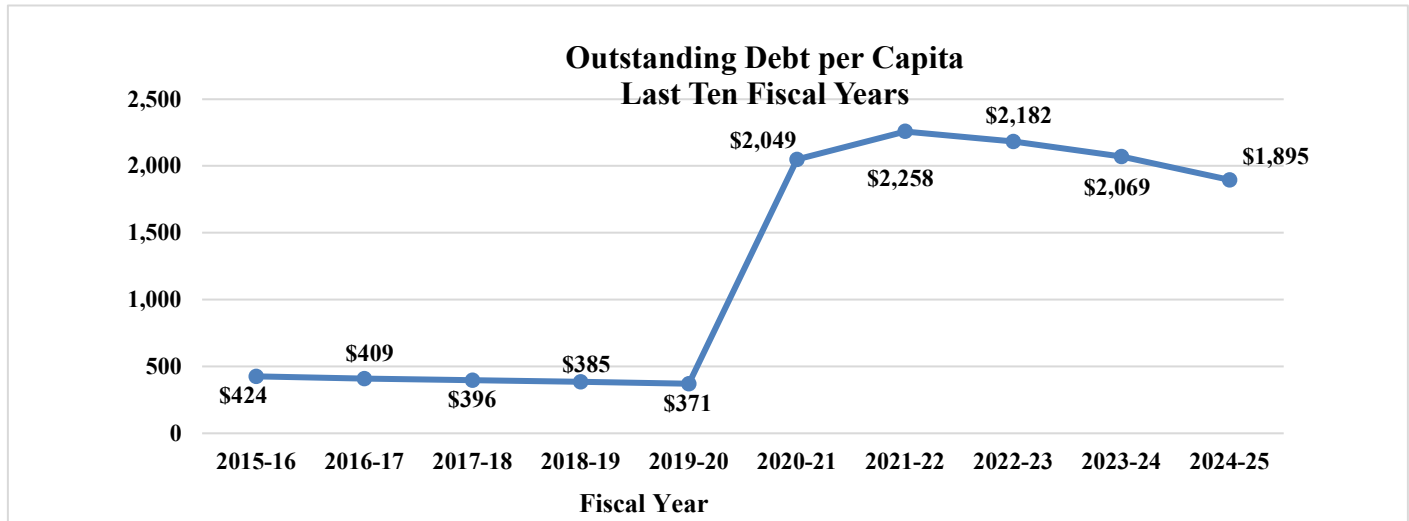
Source: State Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office, HdL Companies

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
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
2024-25	60,263	4,570,000	22,573,174	66,802,423	497,070	-	613,661	-	7,000	95,063,328



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					
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%
2024-25	18,807,577	13,982	333,531	19,155,090	9,150,825,275	1.25%	1,895	35,510	5.34%

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**

							(1)
Fiscal Year	Revenue	Operating Expenses	Net Available Revenue	Refunding Certificates of Participation			
				Debt Service		Percent Coverage	
				Principal	Interest		
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	
2024-25	89,665,046	82,232,610	7,432,436	130,000	54,325	40.32	

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

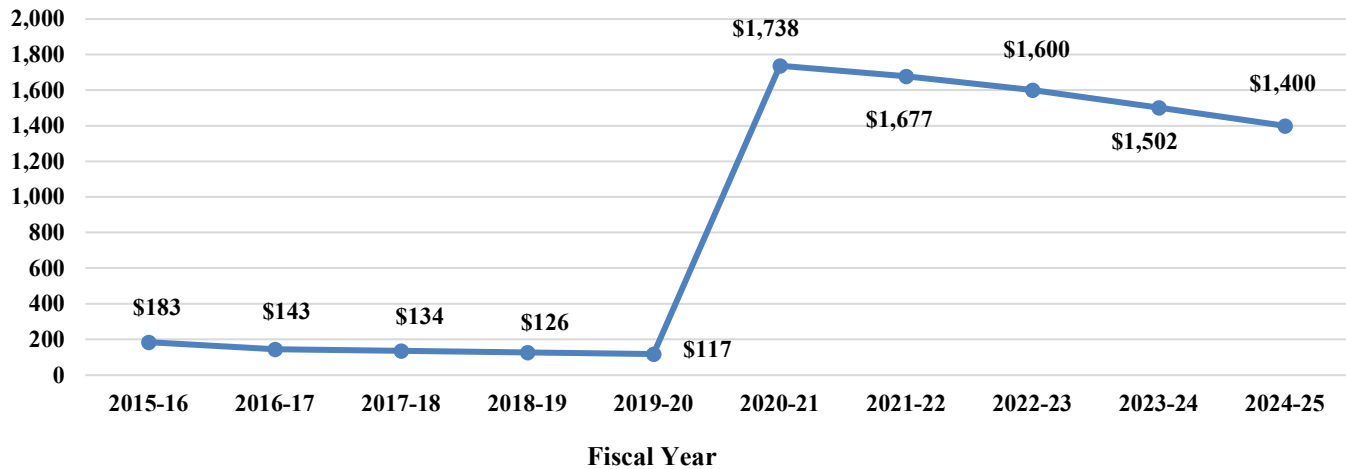
Sources: City of Gardena, Administrative Services Department - Finance Division

City of Gardena

Ratio of General Bonded Debt Outstanding Last Ten Fiscal Years

OUTSTANDING GENERAL BONDED DEBT							Percent of		
Fiscal Year	Population ⁽¹⁾	Certificates of Participation	Less: Amounts Available in Debt		Less: Amounts Available in Debt		Taxable Assessed Value	Taxable Assessed Value	Debt per Capita
			Service Fund ⁽²⁾	Pension Obligation Bonds	Service Fund ⁽³⁾	Total			
2014-15	60,785	11,770,000	640,000	-	-	11,130,000	5,453,097,097	0.20%	183
2015-16	60,721	9,170,000	460,000	-	-	8,710,000	5,686,952,300	0.15%	143
2016-17	61,246	8,710,000	490,000	-	-	8,220,000	6,005,395,708	0.14%	134
2017-18	61,042	8,220,000	520,000	-	-	7,700,000	6,397,613,521	0.12%	126
2018-19	60,937	7,700,000	550,000	-	-	7,150,000	6,800,580,594	0.11%	117
2019-20	60,344	7,150,000	585,000	101,280,000	2,995,000	104,850,000	7,223,980,473	1.45%	1,738
2020-21	59,947	6,565,000	625,000	98,285,000	3,665,001	100,559,999	7,508,508,782	1.34%	1,677
2021-22	59,809	5,940,000	665,000	94,620,000	4,210,000	95,685,000	8,074,173,543	1.19%	1,600
2022-23	60,028	5,275,000	705,000	90,410,000	4,800,000	90,180,000	8,656,755,345	1.04%	1,502
2023-24	60,263	4,570,000	750,000	85,610,000	5,075,001	84,354,999	9,150,825,275	0.92%	1,400

General Bonded Debt Outstanding per Capita Last Ten Fiscal Years



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, 2025

2024-25 Assessed Valuation:

\$9,150,825,275

	Total Debt	Percent	City's Share
	06/30/2025	Applicable	of Debt
		To City	06/30/2025
Overlapping Tax and Assessment Debt:			
Metropolitan Water District	\$ 17,155,000	0.225 %	\$ 38,599
Los Angeles Community College District	4,919,505,000	0.770 %	37,880,189
Los Angeles Unified School District	11,745,405,000	0.941 %	110,524,261
California Statewide Communities Development Authority 1915 Act Bonds	6,099,000	100.000 %	6,099,000
TOTAL GROSS OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 154,542,049
Less: Los Angeles Unified School District supported general obligation bonds			4,340,177
TOTAL NET OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 150,201,872
Direct and Overlapping General Fund Debt			
Los Angeles County General Fund Obligations	\$ 3,036,637,390	0.435 %	\$ 13,209,373
Los Angeles County Superintendent of Schools Certificates of Participation	2,331,775	0.435 %	10,143
Los Angeles Unified School District Certificates of Participation	225,010,000	0.941 %	2,117,344
City of Gardena General Fund Obligations	28,260,905	100.000 %	28,260,905
City of Gardena Pension Obligation Bonds	66,802,423	100.000 %	66,802,423
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 110,400,188
TOTAL DIRECT DEBT			\$ 95,063,328
TOTAL GROSS OVERLAPPING DEBT			\$ 169,878,909
TOTAL NET OVERLAPPING DEBT			\$ 165,538,732
GROSS COMBINED TOTAL DEBT			\$ 264,942,237 (2)
NET COMBINED TOTAL DEBT			\$ 260,602,060

(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 2024-25 Assessed Valuation:

Direct Debt (\$95,063,328).....	1.04%
Total Gross Overlapping Tax and Assessment Debt.....	1.69%
Total Net Overlapping Tax and Assessment Debt.....	1.64%
Gross Combined Total Debt.....	2.90%
Net Combined Total Debt.....	2.85%

**City of Gardena
Legal Debt Margin Information
Last Ten Fiscal Years**

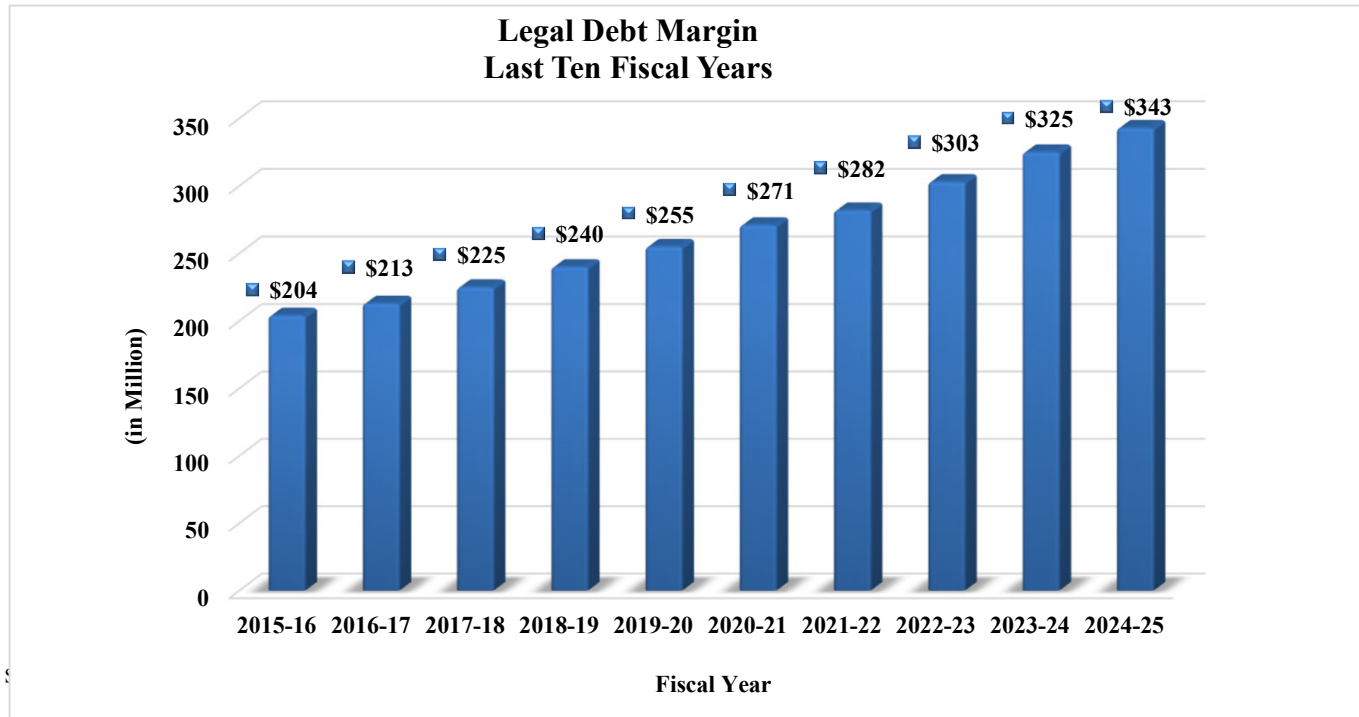
	Fiscal Year				
	2024-25	2023-24	2022-23	2021-22	2020-21
Assessed valuation	\$9,150,825,275	\$8,656,755,345	\$8,074,173,543	\$7,508,508,782	\$7,223,980,473
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	2,287,706,319	2,164,188,836	2,018,543,386	1,877,127,196	1,805,995,118
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	\$343,155,948	\$324,628,325	\$302,781,508	\$281,569,079	\$270,899,268
Total net debt applicable to limit:					
General obligation bonds	-	-	-	-	-
Legal debt margin	\$343,155,948	\$324,628,325	\$302,781,508	\$281,569,079	\$270,899,268
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				
	2019-20	2018-19	2017-18	2016-17	2015-16
Assessed valuation	\$6,800,580,594	\$6,397,613,521	\$6,005,395,708	\$5,686,952,300	\$5,453,097,097
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	1,700,145,149	1,599,403,380	1,501,348,927	1,421,738,075	1,363,274,274
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	\$255,021,772	\$239,910,507	\$225,202,339	\$213,260,711	\$204,491,141
Total net debt applicable to limit: General obligation bonds	-	-	-	-	-
Legal debt margin	\$255,021,772	\$239,910,507	\$225,202,339	\$213,260,711	\$204,491,141
Total debt applicable to the limit as a percentage of debt limit	- 0%	- 0%	- 0%	- 0%	- 0%



City of Gardena

Debt Service Payment Schedule

FISCAL YEAR	2006 A REF COPS			2014 TAXABLE LEASE BONDS			2007A REV REF BONDS		
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
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	\$ 5,275,000	\$ 1,134,524	\$ 6,409,524	\$ 8,680,000	\$ 3,847,013	\$12,527,013	\$ 1,070,000	\$ 229,581	\$ 1,299,581

City of Gardena
Debt Service Payment Schedule (Continued)

FISCAL YEAR	2020 TAXABLE PENSION OBLIGATION BONDS			2021 LEASE REVENUE BONDS			ANNUAL BOND OBLIGATIONS		
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
2024-2025	4,800,000	2,827,962	7,627,962	490,000	452,750	942,750	6,195,000	4,082,126	10,277,126
2025-2026	5,075,000	2,746,266	7,821,266	510,000	428,250	938,250	6,545,000	3,919,691	10,464,691
2026-2027	5,175,000	2,641,416	7,816,416	540,000	402,750	942,750	6,735,000	3,729,585	10,464,585
2027-2028	5,295,000	2,518,976	7,813,976	565,000	375,750	940,750	6,945,000	3,516,698	10,461,698
2028-2029	5,440,000	2,377,970	7,817,970	595,000	347,500	942,500	7,185,000	3,279,715	10,464,715
2029-2030	5,590,000	2,227,663	7,817,663	620,000	317,750	937,750	8,160,000	3,027,768	11,187,768
2030-2031	5,750,000	2,067,621	7,817,621	655,000	286,750	941,750	8,055,000	2,746,910	10,801,910
2031-2032	5,920,000	1,897,249	7,817,249	685,000	254,000	939,000	7,840,000	2,466,499	10,306,499
2032-2033	6,105,000	1,714,143	7,819,143	715,000	226,600	941,600	8,115,000	2,194,243	10,309,243
2033-2034	6,295,000	1,521,042	7,816,042	740,000	198,000	938,000	8,390,000	1,907,792	10,297,792
2034-2035	6,500,000	1,315,636	7,815,636	765,000	175,800	940,800	8,695,000	1,612,436	10,307,436
2035-2036	6,720,000	1,097,041	7,817,041	790,000	152,850	942,850	8,500,000	1,299,391	9,799,391
2036-2037	6,975,000	838,052	7,813,052	810,000	129,150	939,150	7,785,000	967,202	8,752,202
2037-2038	7,245,000	569,236	7,814,236	835,000	104,850	939,850	8,080,000	674,086	8,754,086
2038-2039	7,525,000	290,014	7,815,014	860,000	79,800	939,800	8,385,000	369,814	8,754,814
2039-2040				885,000	54,000	939,000	885,000	54,000	939,000
2040-2041				915,000	27,450	942,450	915,000	27,450	942,450
TOTAL	\$ 90,410,000	\$ 26,650,287	\$117,060,287	\$11,975,000	\$ 4,014,000	\$15,989,000	\$117,410,000	\$ 35,875,405	\$153,285,405

City of Gardena

*Annual Comprehensive Financial Report
For the Year Ended June 30, 2025*



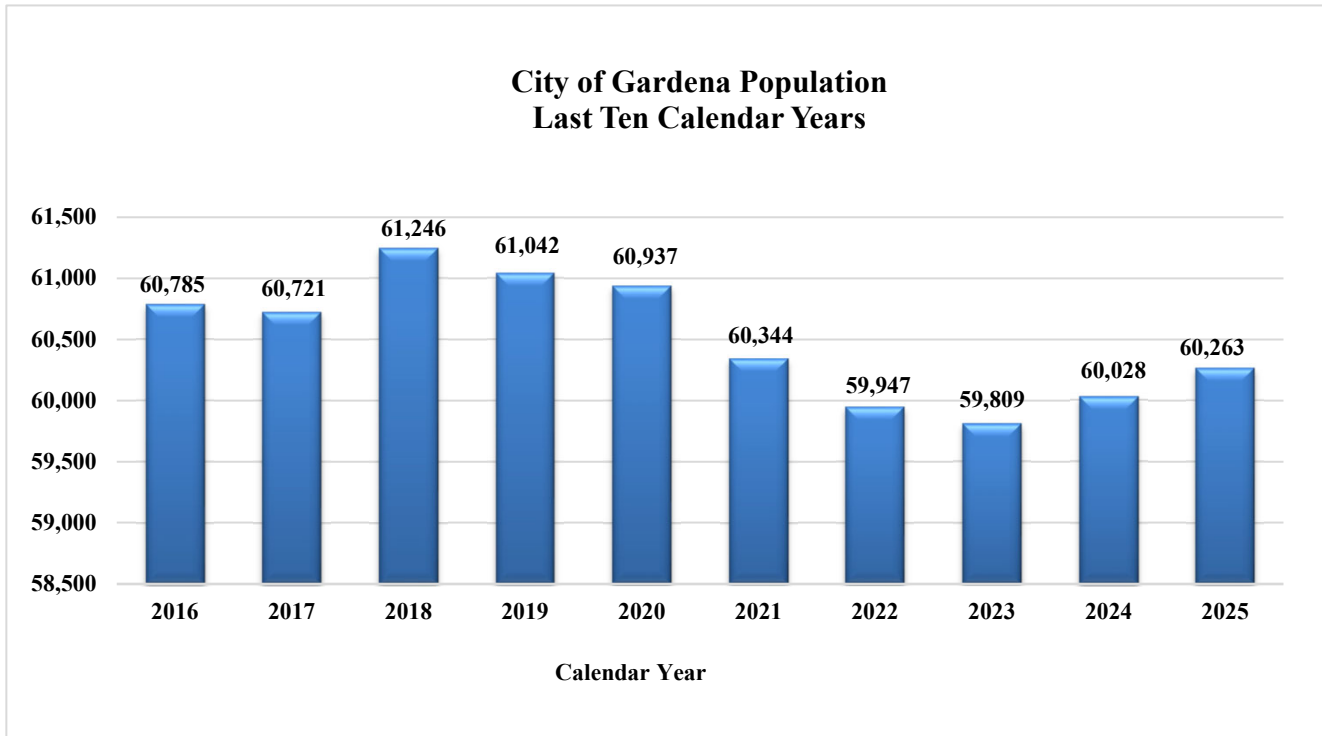
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City of Gardena

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)
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%	2,029,673	33,812	557,352	28,400	6.10%
2025	23,060	60,263	0.39%	9,876,811	0.54%	2,139,988	35,510	549,487	30,000	6.20%



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*		2016	
		Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
United Parcel Service Inc.	Delivery	789	2.88%		
Gardena Memorial Hospital	Hospital services	750	2.74%		
Nissin Foods Company	Manufacturing	550	2.01%		
Hustler Casino	Casino	465	1.70%		
Air Fayre	Airline caterers	289	1.05%		
Avcorp	Manufacturing parts	289	1.05%		
Larry Flynt's Lucky Lady Casino	Casino	245	0.89%		
Southwest Offset Printing	Book binding and printing	235	0.86%		
Kindred Hospital South Bay	Hospital services	225	0.82%		
Target	Retail	200	0.73%		
Hustler Casino	Casino			777	2.68%
Gardena Memorial Hospital	Hospital services			756	2.61%
United Parcel Service Inc.	Delivery			754	2.60%
Avcorp	Manufacturing parts			562	1.94%
Nissin Foods	Food			562	1.94%
Southwest Offset Printing	Book binding and printing			366	1.26%
Larry Flynt's Lucky Lady Casino	Casino			347	1.20%
Marukai Corporation	Retail			318	1.10%
Target	Retail			200	0.69%
Sam's Club	Retail			185	0.64%
Total top ten employers		4,037		4,827	
Total City Employment ¹		27,400		29,000	

*Used 2020 employment data as 2025 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

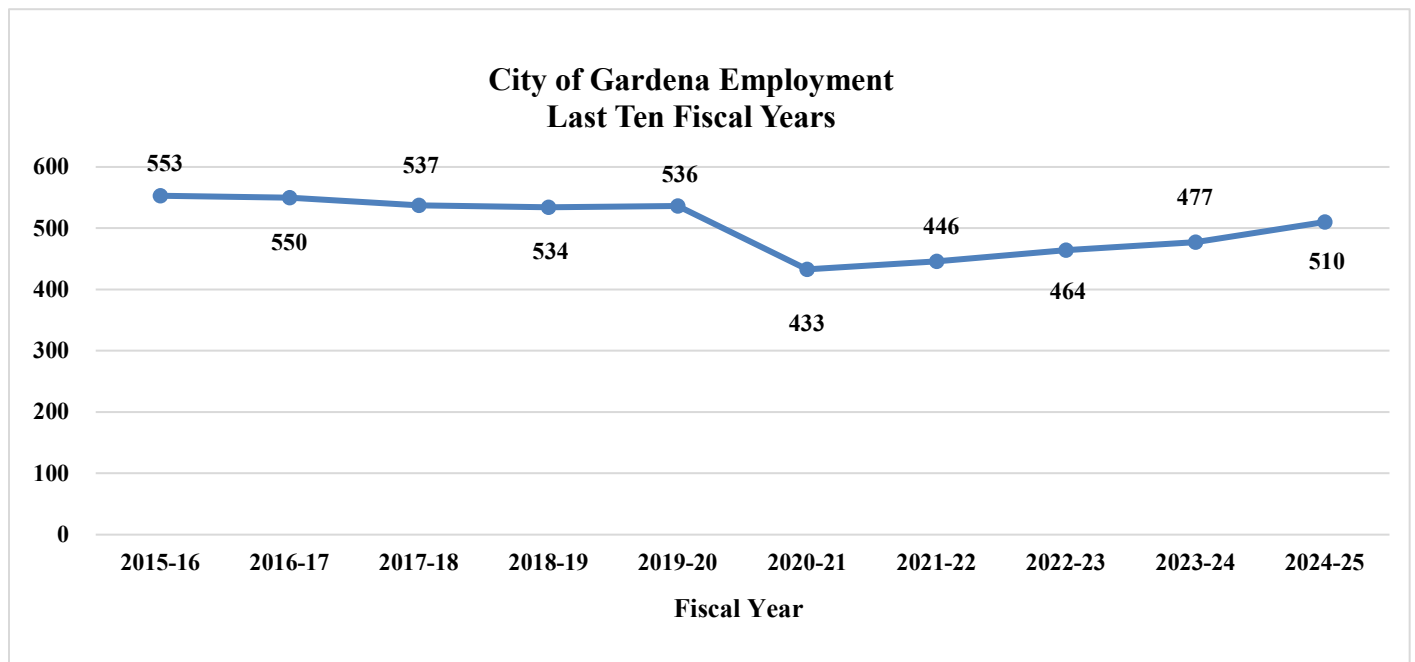
The following table shows unemployment information for the United States (the "Federal"), California (the "State"), Los Angeles County (the "County") and the City of Gardena (the "City") for calendar years 2021 through 2025.

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Federal Unemployment Rate	4.5%	4.0%	3.8%	3.5%	4.8%
State Unemployment Rate	5.8	5.2	4.6	3.9	6.4
County Unemployment Rate	6.3	6.0	5.0	4.8	9.7
City Unemployment Rate	6.2	6.1	4.7	4.8	9.8

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									
	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16
General government	157	142	130	120	115	151	181	209	186	181
Public safety	128	122	125	124	126	149	140	142	154	160
Public works	46	46	45	46	44	56	47	31	51	50
Community development	26	26	21	15	12	15	18	15	19	18
Transit - GTrans	153	141	143	141	136	165	148	140	140	144
Total	510	477	464	446	433	536	534	537	550	553



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	245	239	239	224	6/30/2025
Gardena Management Employees Organization	18	17	19	19	6/30/2025
Gardena Police Officers Association	82	84	89	84	7/31/2024
Gardena Police Executive Association	6	9	6	6	N/A
	351	349	353	333	

Source: City of Gardena

**City of Gardena
Operating Indicators
by Function
Last Ten Fiscal Years**

Function	Fiscal Year									
	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16
Police:										
Arrests	1,702	1,591	1,921	1,674	1,547	1,761	2,183	2,901	2,642	2,423
Number of parking citations issued	31,780	19,479	17,942	20,293	30,000	27,568	29,868	29,254	23,145	22,665
Public works:										
Street resurfacing (miles)	0.00	4.29	4.17	3.58	2.25	5.68	19.06	0.49	4.52	2.95
Traffic lights and signals	91	91	91	91	91	91	91	91	91	90
Parks and recreation:										
Number of recreation classes	228	151	216	272	0	432	1,374	1,226	1,410	1,466
Number of facility rentals	10,182	9,123	2,717	584	0	53	1,977	1,112	1,222	1,221
Transit:										
Number of customers served ⁽¹⁾	2,471,629	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

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									
	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16
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	25.0
-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	3,250	3,337	3,337	3,392	3,327	3,321	3,350
-City maintenance	194	194	194	194	193	193	194	191	198	385
Traffic signals	69	69	69	69	69	69	69	69	69	70
Traffic signals (shared)	22	22	22	22	22	22	22	22	22	23
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	487	492	492	492	492	492	492	595	595

NOTES:

⁽¹⁾ Street lights maintained by Southern California Edison Company.

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

**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, 2025, 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 4, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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.

Gruber and Lopez, Inc.

Newport Beach, California
December 4, 2025