

CITY OF DUARTE, CALIFORNIA
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Prepared by:
Finance Department

CITY OF DUARTE
For the Fiscal Year Ended June 30, 2024

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For the Fiscal Year Ended June 30, 2024

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Duarte, California

Opinions

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

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2024, and the respective changes in financial position for the fiscal 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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 the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards 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 information for the General fund, the budget comparison schedule for the SB1/RMRA fund, the Schedule of Proportionate Share of the Net Pension Liability, the Schedule of Pension Contributions, the Schedule of Changes in Net OPEB Liability and Related Ratios, and the Schedule of OPEB Contributions on pages 4 through 8 and 51 through 58, 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 accompanying combining and individual nonmajor governmental fund financial statements and schedules 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 auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major governmental fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP
Culver City, California
November 20, 2024

**City of Duarte
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2024**

This discussion and analysis are intended to provide readers with a narrative overview of the City of Duarte's (City's) financial activities for the fiscal year ended June 30, 2024. This information should be considered in conjunction with the accompanying financial statements and the notes to those statements.

Financial Highlights

- At the close of the fiscal year, the City's assets exceeded its liabilities by \$91,115,923 (net position). A significant part of assets is the estimated value of cash and investments and infrastructure, which has been capitalized in accordance with the requirements of GASB Statement No. 34.
- During the fiscal year, City program revenues exceeded expenses and the City's net position reflects an increase of \$5,513,095.
- The City's governmental funds had ending fund balances of \$50,565,222 which is an increase of \$4,462,442 over the prior fiscal year fund balance of \$46,102,780.
- This fiscal year, the City's General Fund experienced a net change in Fund Balance of \$4,418,247. This was primarily due to the increase in revenues such as property taxes, building permit revenue, interest earnings, fines and forfeitures related to cost recoveries of three large code enforcement cases. There were also reduced expenditures due to delayed projects.
- The City's debt increased by \$321,740 during the fiscal year to \$4,572,344 due largely to the new public safety office lease that was added to Long Term Liabilities reporting. See Note #8 for further details.
- At June 30, 2024, the City reported a net pension liability of \$18,471,427 and related deferred outflows of \$6,626,196 and deferred inflows of \$631,280. See Note #11 for further details.
- At June 30, 2024, the City reported an OPEB liability of \$3,848,028 and related deferred outflows of \$1,501,684 and deferred inflows of \$3,326,722. See Note #12 for further details.

Overview of the Basic Financial Statements

The City's basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. In addition, required supplementary information is provided relating to the City's budgets for major funds.

Government-wide Financial Statements

The government-wide financial statements are found on pages 9 and 10 of this report. They are designed to give readers an overview of the City's financial position. These statements include all of the City's assets and liabilities, using the full accrual basis of accounting, which is similar to accounting methods used by most private sector companies. All of a fiscal year's revenues and expenses are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. As a result, assets, liabilities, and expenses are reported in these statements for some transactions that will result in cash flow in future fiscal periods.

The "Statement of Net Position" presents all of the City's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator for determining whether the financial position of the City is improving or deteriorating.

The “Statement of Activities” presents information showing the City’s revenues and expenses for the fiscal year. Functional activities are identified in this statement; whereby direct and indirect functional costs are shown net of related program revenue. This statement shows the extent to which the various functions depend on general taxes and non-program revenues for support.

The government-wide financial statements encompass the activities of four different legal entities: the City of Duarte, the Duarte Housing Authority, the Duarte Community Facilities Financing Authority and the Duarte Public Financing Authority. This is in keeping with generally accepted accounting principles, as the City’s elected officials have a continuing oversight responsibility for all four entities.

The City of Duarte provides an array of services to the public similar to those of other municipal governments. These include police protection, parks and recreation, planning and development, public works, code enforcement, animal control, transit services, and refuse collection. The Housing Authority is responsible for promoting the development of low and moderate-income housing. The function of both Financing Authorities is to facilitate the issuance of debt by both the City and the Housing Authority.

Fund Financial Statements

The fund financial statements can be found on pages 11 and 13 of this report. 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. Fund accounting is used to demonstrate compliance with finance related legal requirements. All of the funds of the City of Duarte are governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as “governmental activities” in the government-wide financial statements. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on the balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City’s near-term financing requirements.

The City maintains twenty-one individual governmental funds. Two of these funds are considered “major” and, according to generally accepted accounting principles, are reported separately in the fund financial statements. The remaining eighteen funds are reported on a consolidated basis.

Because the focus of fund financial statements is narrower than that of the government-wide financial statements, it can be useful to compare the two. Comparisons may give readers a better understanding of the long-term impact of the City’s near-term financial decisions. On pages 12 and 14 of this report, statements are provided reconciling the “Governmental Fund Balance Sheet” and the “Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances” to the government-wide financial statements.

Notes to the Basic Financial Statements

This report includes notes to the basic financial statements. They provide additional information that is important to set a complete understanding of the data contained in the government-wide and fund financial statements. The notes can be found on pages 15 through 48 of the report.

Government-wide Financial Analysis

The government-wide financial analysis focuses on net position and changes in net position for the City's governmental activities. A summary of net position as of June 30, 2024, is as follows:

	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2024</u>
Current and other assets	\$ 49,183,626	\$ 55,350,541
Capital assets	<u>60,331,043</u>	<u>63,227,736</u>
Total assets	<u>\$109,514,669</u>	<u>\$118,578,277</u>
Deferred Outflows of Resources	\$ <u>9,395,352</u>	\$ <u>8,127,880</u>
Current and other liabilities	\$ 2,762,263	\$ 4,431,864
Long-term debt outstanding	<u>26,081,283</u>	<u>26,891,799</u>
Total liabilities	<u>\$ 28,843,546</u>	<u>\$ 31,323,663</u>
Deferred Inflows of Resources	\$ <u>4,463,647</u>	\$ <u>4,266,571</u>
Net assets (liabilities):		
Net Investment in capital assets	\$ 57,168,359	\$ 59,670,311
Restricted	16,683,037	16,863,221
Unrestricted	<u>11,751,432</u>	<u>14,582,391</u>
Total net position	<u>\$ 85,602,828</u>	<u>\$ 91,115,923</u>

As discussed earlier in this analysis, net position may serve as an indicator of the City's financial position. At the end of the fiscal year 2024, assets exceeded liabilities by \$91,115,923.

The City's primary assets were cash - \$46,499,458, land held for resale - \$3,620,451 and capital assets - \$63,227,736. A significant portion of the City's cash is comprised by reserves and special funds for restricted uses and therefore is unavailable to pay for current general activities. Land held for resale represents the value of properties held by the City for future development purposes. The capital assets figure is the estimated value of all the equipment, land, buildings, and infrastructure owned by the City. It conforms to accounting rules requiring such assets be inventoried, valued, and depreciated.

The City's primary liabilities are its net pension liability - \$18,471,427, its net OPEB liability - \$3,848,028 and its long-term bonded indebtedness - \$4,572,344.

A summary of the changes in the City's net position for the fiscal year ended June 30, 2024, is as follows:

Changes in Net Position

	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2024</u>
Revenues :		
Program revenues :		
Charges for services	\$3,314,721	\$4,174,366
Operating grants	5,956,844	2,772,223
Capital grants	1,671,746	2,513,353
General revenues:		
Taxes	15,695,783	16,304,534
Use of money and property	667,653	2,302,351
Intergovernmental	2,782,305	2,997,160
Miscellaneous	<u>661,744</u>	<u>374,373</u>
 Total revenues	 <u>30,750,796</u>	 <u>31,438,360</u>
 Expenses:		
General government	5,763,754	6,952,817
Safety	6,232,272	7,560,586
Development	3,082,968	4,658,200
Recreation and culture	2,159,749	4,118,923
Transportation	2,684,548	2,554,442
Interest expense	<u>69,369</u>	<u>80,297</u>
 Total expenses	 <u>19,992,660</u>	 <u>25,925,265</u>
 Change in net position	 10,758,136	 5,513,095
 Net position - beginning of fiscal year	 <u>74,844,692</u>	 <u>85,602,828</u>
 Net position - end of fiscal year	 <u>\$85,602,828</u>	 <u>\$91,115,923</u>

At fiscal year-end, the City's net position had increased by \$5,513,095.

City Fund Financial Analysis

The City fund analysis focuses on governmental fund balances and on any restrictions or commitments that limit the availability of fund balances for future use.

As of June 30, 2024, the City's governmental funds had a total ending fund balance of \$50,565,222. This amount represents an increase of \$4,462,442, or 9.7% as compared to the prior fiscal year fund balance of \$46,102,780.

Really all of this increase took place in the General Fund and as discussed earlier, the increase in the General Fund was due to several factors, including property tax revenue increases, higher than expected building permit revenues, increased interest revenue resulting from increased rates and balances and delayed project expenses. Special Revenue Funds represent about \$13 million of the City's governmental funds and the changes were so minor that overall the special revenue fund balances only increased by approximately \$39,000.

Capital Asset and Debt Administration

Capital Assets

At fiscal year-end, the City had \$63.2 million invested in a broad range of capital assets including buildings, parks, streets, sidewalks, traffic signals, sewers, storm drains, curbs and gutters, streetlights, vehicles, medians, leases, subscription-based information technology and other assets. This amount represents an overall increase (including additions, deductions and depreciation) of \$2,896,693 as compared to the prior fiscal year. Additional information can be found in Note #6.

Debt Administration

At the end of the fiscal year, the City had both bonded and other long-term debt totaling \$4,572,344. A summary of the City's debt activity for the fiscal year ended is as follows:

Outstanding Debt at Fiscal Year-end

	<u>2023</u>	<u>2024</u>	<u>Increase (Decrease)</u>
US Bancorp Infrastructure Lease	\$2,276,306	\$2,110,556	\$ (165,750))
Apple Lease	0	21,605	21,605
CA Energy Comm Loan	48,344	29,439	(18,905)
Leases	321,677	837,038	515,361
Subscriptions	516,357	417,404	(98,953)
Accrued vacation & sick leave	<u>1,087,920</u>	<u>1,156,302</u>	<u>68,382</u>
Total debt	<u>\$ 4,250,604</u>	<u>\$4,572,344</u>	<u>\$ 321,740</u>

Additional information about the City's debt may be found in Note 8 to the basic financial statements.

Economic Factors and Next Year's Budget

The General Fund cash balance ended fiscal year 2023/24 with \$33.6 million, which included \$4.7 million in funds for special one-time projects, \$2 million in funds that are specifically restricted for improvements in the Town Center Specific Plan area, \$240,000 for public art, and \$356,000 in restricted funds for storm drain, pension, and vehicle replacement expenses.

This is a \$4 million increase in General Fund cash balance. As discussed earlier, while revenues did come in higher than projected in some areas, a good portion of the positive change in fund balance is the result of one-time projects being delayed, thus reducing expenditures. However, we know that delayed projects will only cost more in the future, and ongoing expenses continue to increase. The City is constantly working towards balancing operating expenditures with revenues and this fiscal year ended with a balanced sustainable budget.

Requests for Information

These financial statements are designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate accountability for the money it receives. If there are questions, or a need for more information, please contact the City of Duarte, 1600 Huntington Drive, Duarte, California, 91010, or call (626) 357-7931.

CITY OF DUARTE

STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities
Assets:	
Cash and investments	\$ 46,499,458
Receivables:	
Accounts	195,367
Taxes	3,828,377
Notes and loans, net	-
Accrued interest	460,882
Grants	193,904
Leases	317,999
Prepaid costs	7,932
Land held for resale	3,620,451
Restricted assets:	
Cash and investments with fiscal agent	226,171
Capital assets not being depreciated	25,010,792
Capital assets, net of accumulated depreciation/amortization	38,216,944
Total Assets	118,578,277
Deferred Outflows of Resources:	
Deferred OPEB related items	1,501,684
Deferred pension related items	6,626,196
Total Deferred Outflows of Resources	8,127,880
Liabilities:	
Accounts payable	3,176,847
Accrued liabilities	130,121
Accrued interest	39,111
Unearned revenue	305,186
Retentions payable	141,383
Deposits payable	639,216
Noncurrent liabilities:	
Due within one year	565,695
Due in more than one year	4,006,649
Net OPEB liability	3,848,028
Net pension liability	18,471,427
Total Liabilities	31,323,663
Deferred Inflows of Resources:	
Deferred OPEB related items	3,326,722
Deferred pension related items	631,280
Leases receivable	308,569
Total Deferred Inflows of Resources	4,266,571
Net Position:	
Net investment in capital assets	59,670,311
Restricted for:	
Development projects	9,927,529
Storm drains	93,704
Transportation	6,304,734
Pensions	226,171
Recreation and cultural	311,083
Unrestricted	14,582,391
Total Net Position	\$ 91,115,923

See Accompanying Notes to Financial Statements.

CITY OF DUARTE

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Functions/Programs Primary Government:	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government
					Governmental Activities
Governmental activities:					
General government	\$ 6,952,817	\$ 371,005	\$ 328,034	\$ -	\$ (6,253,778)
Safety	7,560,586	299,330	380,290	-	(6,880,966)
Development	4,658,200	3,132,538	255,563	1,208,426	(61,673)
Recreation and cultural	4,118,923	371,493	-	95,403	(3,652,027)
Transportation	2,554,442	-	1,808,336	1,209,524	463,418
Interest on long-term debt	80,297	-	-	-	(80,297)
Total Governmental Activities	25,925,265	4,174,366	2,772,223	2,513,353	(16,465,323)
Total Primary Government	\$ 25,925,265	\$ 4,174,366	\$ 2,772,223	\$ 2,513,353	(16,465,323)

General revenues:

Taxes:

Property taxes, levied for general purposes	3,514,843
Transient occupancy tax	735,467
Sales taxes	10,152,501
Franchise taxes	1,519,403
Business license taxes	382,320
Motor vehicle in lieu - unrestricted	2,997,160
Use of money and property	2,302,351
Other	374,373

Total general revenue

21,978,418

Change in net position

5,513,095

Net position, beginning of fiscal year

85,602,828

Net position, end of fiscal year

\$ 91,115,923

See Accompanying Notes to Financial Statements.

CITY OF DUARTE

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024**

	<u>General</u>	<u>SB1/RMRA Special Revenue</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Pooled cash and investments	\$ 32,315,504	\$ 1,214,678	\$ 12,969,276	\$ 46,499,458
Receivables:				
Accounts	195,367	-	-	195,367
Taxes	2,459,585	102,523	1,266,269	3,828,377
Notes and loans, Net	-	-	-	-
Accrued interest	460,882	-	-	460,882
Grants	56,022	-	137,882	193,904
Leases	317,999	-	-	317,999
Prepaid costs	7,932	-	-	7,932
Due from other funds	613,562	-	-	613,562
Land held for resale	2,738,698	-	881,753	3,620,451
Restricted assets:				
Cash and investments - fiscal agents	226,171	-	-	226,171
Total assets	<u>\$ 39,391,722</u>	<u>1,317,201</u>	<u>\$ 15,255,180</u>	<u>\$ 55,964,103</u>
Liabilities:				
Accounts payable	\$ 1,793,982	\$ 443,773	\$ 939,092	\$ 3,176,847
Accrued liabilities	127,897	-	2,224	130,121
Unearned revenue	96,493	-	208,693	305,186
Retention payable	-	25,265	116,118	141,383
Deposits payable	609,216	-	30,000	639,216
Due to other funds	-	-	613,562	613,562
Total liabilities	<u>2,627,588</u>	<u>469,038</u>	<u>1,909,689</u>	<u>5,006,315</u>
Deferred inflows of resources:				
Unavailable revenues	55,954	-	28,043	83,997
Lease	308,569	-	-	308,569
Total deferred inflows of resources	<u>364,523</u>	<u>-</u>	<u>28,043</u>	<u>392,566</u>
Fund balances:				
Nonspendable:				
Prepaid costs	7,932	-	-	7,932
Land held for resale	2,738,698	-	-	2,738,698
Leases receivable	9,430	-	-	9,430
Restricted for:				
Development projects	2,050,236	-	7,877,293	9,927,529
Recreation and culture	-	-	71,383	71,383
Transportation	-	848,163	5,448,902	6,297,065
Storm drains	93,704	-	-	93,704
Pensions	226,171	-	-	226,171
Public art	239,700	-	-	239,700
Committed to:				
Vehicle replacement	35,808	-	-	35,808
Assigned				
Special projects	4,675,630	-	-	4,675,630
Unassigned	26,322,302	-	(80,130)	26,242,172
Total fund balances	<u>36,399,611</u>	<u>848,163</u>	<u>13,317,448</u>	<u>50,565,222</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 39,391,722</u>	<u>\$ 1,317,201</u>	<u>\$ 15,255,180</u>	<u>\$ 55,964,103</u>

See Accompanying Notes to Financial Statements.

CITY OF DUARTE

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

Fund balances of governmental funds		\$ 50,565,222
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets net of depreciation and right to use assets arising from leasing activities, and right to use assets for subscriptions have not been included as financial resources in the governmental fund activity.</p>		
		63,227,736
<p>Long-term debt and compensated absences have not been included in the governmental fund activity:</p>		
U.S. Bancorp lease	\$ (2,110,556)	
CA Energy Commission loan	(29,439)	
Apple lease	(21,605)	
Lease Liabilities	(837,038)	
Subscription Liabilities	(417,404)	
Compensated absences	<u>(1,156,302)</u>	(4,572,344)
<p>Other post employment related debt applicable to the City governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to OPEB are only reported in the statement of net position as changes to these amounts only effect the government wide statements for governmental activities.</p>		
Deferred outflows of resources	1,501,684	
Deferred inflows of resources	(3,326,722)	
Net OPEB liability	<u>(3,848,028)</u>	(5,673,066)
<p>Accrued interest payable for the current portion of interest due on long-term debt has not been reported in the governmental funds.</p>		
		(39,111)
<p>Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.</p>		
		83,997
<p>Governmental funds report all pension contributions as expenditures; however, in the statement of net position, the excess of the total pension liability over the plan fiduciary net position is reported as a net pension liability. Deferred outflows of resources and deferred inflows of resources related to pensions are only reported in the statement of net position as changes to these amounts only effect the government wide statements for governmental activities.</p>		
Net pension liability	(18,471,427)	
Deferred inflows related to pensions	(631,280)	
Deferred outflows related to pensions	<u>6,626,196</u>	(12,476,511)
Net position of governmental activities		<u><u>\$ 91,115,923</u></u>

See Accompanying Notes to Financial Statements.

CITY OF DUARTE

STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	General	SB1/RMRA Special Revenue	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 16,304,535	\$ -	\$ -	\$ 16,304,535
Assessments	-	-	1,016,214	1,016,214
Licenses and permits	2,102,569	-	-	2,102,569
Intergovernmental	3,410,236	588,275	4,256,868	8,255,379
Charges for services	460,389	-	27,920	488,309
Use of money and property	1,768,283	40,382	493,686	2,302,351
Fines and forfeitures	567,274	-	-	567,274
Miscellaneous	351,530	-	22,843	374,373
Total revenues	24,964,816	628,657	5,817,531	31,411,004
Expenditures:				
Current:				
General government	6,311,334	-	-	6,311,334
Safety	7,072,767	-	187,960	7,260,727
Development	2,722,613	-	1,521,154	4,243,767
Recreation and cultural	3,325,266	-	-	3,325,266
Transportation	-	-	1,127,249	1,127,249
Capital outlay	1,383,386	519,302	2,948,007	4,850,695
Debt service:				
Principal retirement	289,922	-	186,477	476,399
Interest and fiscal charges	25,854	-	57,019	82,873
Total expenditures	21,131,142	519,302	6,027,866	27,678,310
Excess (deficiency) of revenues over (under) expenditures	3,833,674	109,355	(210,335)	3,732,694
Other financing sources (uses):				
Lease and subscription proceeds	669,388	-	60,360	729,748
Transfers in	811,631	-	896,446	1,708,077
Transfers out	(896,446)	(103,860)	(707,771)	(1,708,077)
Total other financing sources (uses)	584,573	(103,860)	249,035	729,748
Net change in fund balances	4,418,247	5,495	38,700	4,462,442
Fund balances, beginning of fiscal year	31,981,364	842,668	13,278,748	46,102,780
Fund balances, end of fiscal year	\$ 36,399,611	\$ 848,163	\$ 13,317,448	\$ 50,565,222

See Accompanying Notes to Financial Statements.

CITY OF DUARTE

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Net change in fund balances - total governmental funds	\$ 4,462,442
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>Governmental funds report capital outlays, lease acquisitions, and subscription acquisitions as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation and amortization expense. The amount by which depreciation and amortization exceeded capital outlays in the current period:</p>	
Capital outlay	\$ 4,850,695
Construction in progress disposed during the fiscal year	(86,622)
Amounts not recorded as capital outlays that were capitalized	133,853
Depreciation and amortization	<u>(2,001,233)</u> 2,896,693
<p>Repayment of bond and loan principal and lease and subscription payments are expenditures in the governmental funds, but the repayment reduce long-term liabilities in the statement of net position.</p>	
Principal repayments	476,399
<p>Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.</p>	
	2,576
<p>Compensated absence expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the net change for the current period.</p>	
	(68,391)
<p>Lease and subscription liabilities are considered to be acquisition of long-term debt and are reported as other financing sources in the governmental funds. In the statement of net position the amounts are reported as liabilities.</p>	
	(729,748)
<p>Other post employment benefits reported in the governmental funds includes cash payments made into the trust fund and payments on behalf of retirees. In the statement of activities, OPEB expense includes the change in the net OPEB liability, and related change in OPEB amounts for deferred outflows of resources and deferred inflows of resources.</p>	
	248,146
<p>Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental activities.</p>	
	27,356
<p>Pension obligation benefits reported in the governmental funds includes cash payments made in to the trust fund and payments on behalf of retirees. In the statement of activities, pension expenses includes the change in the net pension liability, and the related change in pension amounts for deferred outflows of resources and deferred inflows of resources.</p>	
	<u>(1,802,378)</u>
Change in net position of governmental activities	<u>\$ 5,513,095</u>

See Accompanying Notes to Financial Statements.

CITY OF DUARTE

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2024

Note 1: Summary of Significant Accounting Policies

The City of Duarte, California (the City) was incorporated August 22, 1957. The City operates under a Council-Manager form of government. The City's major operations include police, code enforcement, animal control, parks and recreation, planning and development, public works, transit services, refuse collection, and general administrative services.

The basic financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

Reporting Entity

The reporting entity, "City of Duarte", is comprised of the various funds of the City of Duarte (City), the Duarte Public Finance Authority (Finance Authority), the Duarte Housing Authority (Housing Authority), and the Duarte Community Facilities Financing Authority (DCFFA). As required by generally accepted accounting principles in the United States of America, these financial statements present the City of Duarte (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationship with the City. These entities are legally separate from each other. However, the City of Duarte elected officials have a continuing oversight responsibility over the Finance Authority and Housing Authority.

An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes or set rates or charges, or issue bond debt without approval by the primary government. In a blended presentation, a component unit's balances and transactions are reported in a manner similar to the balances and transactions of the City. Component units are presented on a blended basis when the component unit's governing body is substantially the same as the City's or the component unit provides services almost entirely to the City.

Blended Component Units

The Duarte Public Financing Authority (the Authority) was organized in 1988 for the specific purpose of facilitating the issuance of debt instruments. It has no separate existence and has acted as a conduit between the issuer (the City) and the underwriters. Separate financial statements of the Public Financing Authority were not prepared.

The Duarte Housing Authority (the Housing Authority) was established pursuant to California Housing Authorities Law (Health and Safety Code Sections 34200 et seq.) on March 22, 2011. The purpose of the Housing Authority is to provide safe and sanitary housing opportunities for Duarte residents. Although the Housing Authority is legally separate, it is reported as if it were part of the City because the City Council also serves as the governing board of the Housing Authority. Separate financial statements of the Housing Authority were not prepared.

CITY OF DUARTE

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Organizations Other Than Component Units:

Other governmental agencies, such as the County of Los Angeles, the Duarte Unified School District, etc. provide services within the City. However, each of these agencies is governed by an independently elected governing board. Accordingly, their financial information is not included within the scope of this financial report, because the City Council does not have a continuing oversight responsibility over them, nor are their financial operation closely related thereto.

Government-wide and Fund Financial Statements

The City's government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. The City does not have any business-type activities; therefore, only governmental activities are reported.

These basic financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities present 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. Certain types of transactions are reported as program revenues for the City in three categories: (1) charges for services, (2) operating grant and contributions and (3) capital grants and contributions. Certain eliminations have been made as prescribed by GASB Statement No. 34 in regard to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated.

Government-wide and Fund Financial Statements

The City uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. These statements provide information about the government's funds, including its blended component units. Separate statements for each fund are presented.

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 with separate self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, fund equity, revenues, and expenditures/expenses.

Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The minimum number of funds is maintained consistent with legal and managerial requirements.

Funds

The City reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the City which accounts for all or most of the City's general activities and financial resources except those that are required to be accounted for in another fund.

CITY OF DUARTE

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

SB1/RMRA Special Revenue Fund – This fund accounts for the City’s share of tax revenues collected by the State of California on the sale of fuel for motor vehicles pursuant to the road repair and accountability act of 2017. The use of these funds is restricted for basic road maintenance, rehabilitation, and critical safety projects on the local streets and roads system.

Additionally, the City reports the following fund types:

Special Revenue Funds – Special Revenue Funds are used to account for the revenues derived from specific revenue sources, which are restricted by law or administrative regulation for specified purposes.

Capital Projects Funds – Capital project funds are used to account for financial resources to be used for the acquisition and construction of capital assets.

Debt Service Funds – Debt Service Funds are used to account for the accumulation of resources for the periodic payment of principal and interest on long-term debt.

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for all major governmental funds. An accompanying schedule is presented to reconcile and explain the differences in net position as presented in these statements to the net position presented in the government-wide financial statements. The City has presented all major funds that met those qualifications.

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 Balance presents increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in net current assets. The Reconciliations of the Fund Financial Statements to the Government-Wide Financial Statements if provided to explain the differences created by the integrated approach of GASB Statement No. 34.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year for which all eligibility requirements have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, except for principal and interest on long-term liabilities, claims and judgments, and employee leave benefits, which are recognized as expenditures when they are due and payable.

CITY OF DUARTE

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Property taxes, franchise taxes, licenses, intergovernmental revenue, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Amounts reported as program revenues include 1) charges to members, customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then use unrestricted resources as needed.

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity

Cash and Cash Equivalents

The City has defined cash and cash equivalents to include cash on hand, demand deposits, as well as cash with fiscal agents. Additionally, each fund's equity in the City's investment pool is treated as a cash equivalent because the funds can deposit or effectively withdraw cash at any time without prior notice or penalty.

Investments

Investments are stated at fair value, (generally quoted market prices). The City's policy is to hold investments until maturity or until market values equal or exceed cost.

Prepaid Items

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

Land Held for Resale

Land Held for Resale is an inventory of land purchased, which will be sold. The land is recorded at the lower of the acquisition cost or market.

Leases Receivable

The City's lease receivables are measured at the present value of payments expected to be received during the lease term. Under the lease agreements, the City receives variable lease payments as each lease has an annual increase in payment of 1% to 4%. See Note #5.

Capital Assets

Capital assets, which include land, intangible assets (e.g., easements and rights of way), buildings, improvements, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the City as assets with a purchase cost of over \$5,000 and have a useful life of two years or more. Assets are recorded at actual historical cost or estimated historical cost. Donated capital assets are recorded at fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

CITY OF DUARTE

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Capital assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Buildings	60 years
Sewer System	60 years
Machinery & Equipment	5 – 35 years
Improvements	10 – 20 years
Other infrastructure	10 – 50 years

GASB Statement No. 34 requires the City to report and depreciate new infrastructure assets. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are the largest asset class of the City.

Right to use assets

The City has recorded right to use lease assets as a result of implementing Governmental Accounting Standards Board Statement (GASB) Number 87 “Leases” and GASB Statement Number 96 “Subscription-Based Information Technology Arrangements” (SBITAs). The right to use assets are initially measured at an amount equal to the initial measurement of the related lease or subscription liability plus any lease or subscription payments made prior to the lease or subscription term, less lease or subscription incentives, and plus ancillary charges necessary to place the lease or subscription asset into service. The right to use assets are amortized on a straight-line basis over the life of the related lease or subscription asset.

Deferred Inflows and Outflows of Resources

In addition to assets, the Statement of Financial Position and Governmental Fund Balance Sheet will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has two items that qualify for reporting in this category. They are deferred outflows relating to the net pension obligation, and the net OPEB obligation reported in the government-wide statement of net position. These outflows are the results of contributions made after the measurement period, which are expensed in the following fiscal year, of adjustments due to difference in proportions which are deferred and amortized over the expected average remaining service lifetime, and the difference between the amortization on a straight-line basis of the deferred inflows related to leases over the lifetime of the lease agreement versus the payment schedule.

In addition to liabilities, the Statement of Financial Position and Governmental Fund Balance Sheet will sometimes reports separate section for deferred inflows of resources. The separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two items that qualify for reporting in this category. Deferred inflows related to leases represent the difference between the actual payments received on the lease each fiscal year and the straight-line amortization over the lifetime of the lease. The deferred inflows of unavailable revenues arises only under a modified accrual basis of accounting. Accordingly, the item, unavailable revenue, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: sales taxes and grant revenues. These amounts are deferred and recognized as an inflow of resources in the period that amounts become available. In addition, the government has two items that qualify for reporting in this category which are deferred inflows in relation to the net pension obligation and the net OPEB obligation reported in the government-wide statements of net position. These inflows are the results of the

CITY OF DUARTE

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

net difference between projected and actual earnings on pension plan investments, difference between actual contributions and plan's share of contributions, and adjustment due to differences in proportions. These amounts are deferred and amortized over the expected remaining service life.

Property Tax Revenues

In general, property taxes in California are levied in accordance with Article 13B of the State Constitution at 1% of county-wide assessed valuations. This one percent is allocated pursuant to State law to the appropriate units of local government, including the City.

Property taxes are levied during July of each fiscal year and are due on November 1 and February 1. Property taxes become delinquent after December 10 and April 10 for the first and second installments, respectively. The lien date is January 1. The City accrues property tax received within 60 days after fiscal year-end in the fund financial statements.

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the Government-Wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted sources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the Governmental Fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Pension Plan

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the CalPERS' Financial Office. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

CITY OF DUARTE

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Compensated Absences

The City accrues accumulated unpaid vacation, sick leave, and associated employee-related costs when earned (or estimated to be earned) by the employee. The amount estimated to be used in subsequent fiscal years for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide presentations.

Interfund Activities

Interfund activity is reported as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as reimbursement. All other interfund transactions are treated as transfers.

Net Position and Fund Balances

In the government-wide financial statements, net position is classified in the following categories:

Net Investment in Capital Assets: This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position: This component of net position represents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position: This component of net position represents the net position that does not meet the definition of "restricted" or "net investment in capital assets."

In the fund financial statements, governmental funds are classified in the following categories:

Nonspendable Fund Balance – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, the portion of the lease receivable in excess of the deferred inflow of resources for the lease receivable, and long-term notes receivable.

CITY OF DUARTE

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

Assigned Fund Balance – includes amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by (a) City Council or (b) a body (a budget, finance committee, or management (City Wide Leadership team, which consists of City Manager and Executive Department Heads)) to which the assigned amounts are to be used for specific purposes. Assigned amounts also include all residual amounts in governmental funds (except negative amounts) other than the General Fund that are not classified as nonspendable, restricted, or committed.

Unassigned Fund Balance – the residual classification for the General Fund and includes all amounts not contained in the other classifications. Governmental funds report residual negative balances as unassigned fund balance.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Actual results could differ from those estimates.

Deficit Fund Balances or Net Position

The following funds have a deficit fund balance at June 30, 2024:

Nonmajor Fund - Park Development Special Revenue Fund	\$ 80,130
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The City expects to eliminate these deficits with anticipated future revenues from grants, deferred payments, and reimbursements.

Budgets

The following fund exceeded appropriations at the fund level and by amount of excess:

Air Quality Management Distribution Special Revenue Fund	\$ 52,585
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CITY OF DUARTE

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Future Accounting Pronouncements

GASB Statements listed below will be implemented in future financial statements.

The provisions of Statement Number 101 “*Compensated Absences*” are effective for fiscal years beginning after December 15, 2023.

The provisions of Statement Number 102 “*Certain risk Disclosures*” are effective for fiscal years beginning after December 15, 2024.

The provisions of Statement Number 103 “*Financial Reporting Model Improvements*” are effective for fiscal years beginning after June 15, 2025.

The provisions of Statement Number 104 “*Disclosure of Certain Capital Assets*” are effective for fiscal years beginning after June 15, 2025.

Note 2: Cash and Investments

Cash and Investments

Cash and investments as of June 30, 2024, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash on hand	\$	3,025
Demand deposits		5,801,157
Investments		40,695,276
Restricted:		
Cash and investments with fiscal agents		226,171
Total cash and investments Governmental Activities	\$	<u>46,725,629</u>

Deposits

At June 30, 2024, the carrying amount of the City’s deposits was \$5,801,157 and the bank balance was \$6,037,536. The difference represents the outstanding checks and outstanding deposits.

The California Government Code requires California banks and savings and loans associations to secure the City’s deposits by pledging government securities with a fair value of 110% of the City’s deposits. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes have a fair value of 150% of the City’s total deposits. The City Treasurer may waive the collateral requirement for deposits which are fully insured up to \$250,000 by the FDIC. The collateral for deposits in federal and state-chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral of deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank

CITY OF DUARTE

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

Note 2: Cash and Investments (Continued)

Deposits (Continued)

or savings and loan association with an “Agent of Depository” has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository are considered to be held or, and in the name of, the local government agency.

Investments

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

The City’s Investment Policy is reviewed and adopted by the City Council each fiscal year. The investment policy does not address investment of debt proceeds held by a bond trustee. Investments of debt proceeds held by a bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City’s investment policy. There are no investments held by a bond trustee as of June 30, 2024. The table below identifies the allowable investment types authorized by the California Government Code and the City’s adopted Investment Policy (the “Investment Policy”). The table also identifies certain restrictions related to interest rate risk and concentration of credit risk. The Investment Policy restricts the Treasurer to invest in only the types of investments listed herein, which is more restrictive than the Government Code.

Investment Types Authorized Investment By State Law	Authorized by Investment Policy	Maximum Maturity		Maximum Percentages of Portfolio		Maximum Investment	
		CGC	City	CGC	City	CGC	City
California State Bonds	Yes	5 years	5 years	None	None	None	None
Federal Agency and U.S- Government Sponsored							
Enterprise Obligations	Yes	5 years	5 years	None	None	None	None
U.S. Treasury Securities	Yes	5 years	5 years	None	None	None	None
Certificates of Deposit	Yes	5 years	5 years	30%	30%	None	None
Time Deposits	Yes	5 years	5 years	None	None	None	None
Local Agency Investment Fund (LAIF)	Yes	N/A	N/A	None	None	\$ 75 million	\$ 75 million

Information about the sensitivity of the fair values of the City’s restricted money market investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City’s investments by maturity:

Investment Type	Remaining Maturity (in months)
	6 Months or Less
Restricted Cash with fiscal agents:	
U.S. Bank Money Market Mutual Fund	\$ <u>226,171</u>

CITY OF DUARTE

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2024

Note 2: Cash and Investments (Continued)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's LAIF investment of \$40,695,276 does not have a rating provided by a nationally recognized statistical rating organization. The City's restricted cash of \$226,171 held in U.S. Bank Money Market Mutual Fund does not have a rating by a nationally recognized statistical rating organization.

Concentration of Credit Risk

The entire investment balance of the City is invested in the LAIF external investment pool.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision to deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a fair value of 150% of the secured public deposits.

As of June 30, 2024, \$6,037,536 of the City's deposits with financial institutions in excess of federal depository insurance limits was held in collateralized accounts.

Fair Value Measurements

Investments are stated at fair value and are valued on a yearly basis. The City categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. Securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Securities classified in Level 2 of the fair value hierarchy are valued using other observable inputs such as matrix pricing techniques or based on quoted prices for assets in markets that are not active. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Level 3 are valued using the income approach such as discounted cash flow techniques. Investment in an external government pool is not subject to reporting within the level hierarchy. The entire balance of investments is in an external government pool. Please see additional information in "Investment in State Investment Pool".

CITY OF DUARTE

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

Note 2: Cash and Investments (Continued)

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City’s investment in this pool is reported in the accompanying financial statements at amounts based upon the City’s pro rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. The City’s LAIF balance at June 30, 2024, was \$40,695,276 which reflected an unrealized loss of \$150,473 for the current fiscal year.

The total amount invested by all public agencies in LAIF as of June 30, 2024, was \$21.9 billion. LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2024, has a balance of \$178 billion (56.92% was invested in government securities). The average maturity of PMIA investments was 217 days as of June 30, 2024.

Note 3: Interfund Receivables, Payables, and Transfers

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

Due to/Due from other funds:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
<u>Major Funds:</u>		
General	\$ 613,562	-
<u>Nonmajor Special Revenue Funds:</u>		
Community Development Block Grant	-	7,066
Park Development Grant	-	79,494
<u>Nonmajor Capital Project Fund:</u>		
Community Improvement	-	527,002
Total	<u>\$ 613,562</u>	<u>\$ 613,562</u>

The purpose of Due to/Due from is to eliminate negative cash balances at fiscal year-end in various funds. These will be eliminated as additional funds are received or the general fund transfers funds to cover the shortfalls.

CITY OF DUARTE

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

Note 3: Interfund Receivables, Payables, and Transfers (Continued)

Transfers In/Transfers Out:

	(Transfers Out)			
	General Fund	SB1/RMRA Fund	Nonmajor Funds	Total
<u>Transfers In</u>				
General Fund	\$ -	\$ 103,860	\$ 707,771	\$ 811,631
Nonmajor Funds	<u>896,446</u>	<u>-</u>	<u>-</u>	<u>896,446</u>
 Total	 <u>\$ 896,446</u>	 <u>\$ 103,860</u>	 <u>\$ 707,771</u>	 <u>\$ 1,708,077</u>

Transfers Out in the amount of \$896,446 were made out of the General Fund into the Lighting and Landscaping Fund (\$672,427) for capital and administrative costs, into the Air Quality Management Fund (\$3,182) to pay for leased car maintenance costs, and the Infrastructure Debt Service fund (\$220,837) for debt payment costs. Transfers In in the amount of \$811,631 were made to reimburse the General Fund for expenditures paid on behalf of the State Gasoline Tax Fund (\$89,961), Lighting and Landscape Fund (\$343,200), Measure M Fund (\$94,024), Proposition A Transit Fund (\$60,000), the Proposition C Transit Fund (\$45,000), Measure R LR Transit Fund (\$75,586), and the SB1/RMRA Fund (\$103,860).

Note 4: Notes Receivable

Notes and loans receivable as of June 30, 2024, are comprised of the following:

Affordable Housing

As part of development agreements with certain builders and in order to assist those individuals and families who are the most in need, the Housing Authority of the City of Duarte provides loans to low-and-moderate-income level residents for the acquisition and rehabilitation of residences. As a part of the agreement, the Housing Authority accepted second trust deeds from eligible buyers so that the buyers could purchase the property. The second trust deeds are cancelable after 25 years should the buyers remain in the property. If the property is sold, the Housing Authority recovers its second trust deed and interest to be calculated within certain limits. Since the amount, if any, the Housing Authority will receive is unknown, the City has recorded an allowance for doubtful accounts for the full amount of the receivables. The City will record income if the property is sold. The City has \$15,000 of these loans outstanding at June 30, 2024.

As part of the Estoppel Certificate, Consent & Agreement, a note was established on December 4, 2013, between the City, Southern California Presbyterian Homes, and Andres Duarte Terrace II. L.P. for the development of a 43-unit affordable housing project located within the City. The note will not be repaid for 56 years. The City recorded an allowance for doubtful accounts of \$1,200,000 due to the large number of years until the balloon payment on the note is due.

The balance of all notes and loans receivable at June 30, 2024, is \$1,215,000 with an allowance for doubtful accounts of \$1,215,000 for net notes and loans receivable of \$0 as of June 30, 2024.

CITY OF DUARTE

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2024

Note 5: Leases Receivable

The City has 6 cell tower lease agreements in place as of June 30, 2024. Revenue recognition is in accordance with GASB Statement No. 87. Summarized information for each lease is as follows:

SBA - Buena Vista Lease

In October 2018, the City entered into a lease with Nextel to allow a portion of their property to be utilized for a cellular tower. The original lease term was for 5 years and includes five additional optional 5-year terms. When the 3rd option was exercised the City received a \$10,000 one-time payment. During the fiscal year ended June 30, 2024, the City entered into an amendment for this lease which grants additional option years. Under the new agreement and if all options are exercised then the lease will end in September 2053. The options to extend are exercised unless written notification of cancellation occurs within 90 days prior to the expiration of the existing term. Initial rent payments were \$700 a month, increasing by 4% each October under the terms of the lease. Payments received during the fiscal year were \$1,794 from July 2023 through September 2023, \$2,030 for the month of October 23, and \$2,200 from November 2023 through June 2024. The current 5-year term will expire in September 2028.

SBA - Otis Gordon Lease

In December 2004, the City entered into a lease with Nextel to allow a portion of their property to be utilized for a cellular tower. The original lease term was for 5 years and includes three additional optional 5-year terms. If the third option is exercised, the lease would end in November 2024. The options to extend are exercised unless written notification of cancellation occurs within 90 days prior to the expiration of the existing term. Initial rent payments were \$1,900 a month, increasing by 4% each December under the terms of the lease. Payments received during the fiscal year were \$3,849 from July 2023 through October 2023, \$3,962 for the month of November 23, and \$4,003 from December 2023 through June 2024. The lease will expire in November 2024.

Verizon Wireless - Starcrest Lease

In October 2008, the City entered into a lease with Verizon to allow a portion of their property to be utilized for a cellular tower commencing in March 2009. The original lease term was for 5 years and includes three additional optional 5-year terms. The third option was exercised in February 2024. The options to extend are exercised unless written notification of cancellation occurs within 90 days prior to the expiration of the existing term. Initial rent payments were \$1,200 a month, increasing 4% each March under the terms of the lease. Payments received during the fiscal year were \$2,641 from July 2023 through February 2024 and \$2,746 from March 2024 through June 2024. The current 5-year term will expire in February 2029.

Verizon Wireless – Royal Oaks Lease

In April 2019, the City entered into a lease with Verizon to allow a portion of their property to be utilized for a cellular tower commencing in November 2019. The original lease term was for 5 years and includes four additional optional 5-year terms. If the fourth option is exercised, the lease would end in October 2044. The options to extend are exercised unless written notification of cancelation occurs within 90 days prior to the expiration of the existing term. Initial rent payments were \$1,750 a month, increasing 1% each November under the terms of the lease. Payments received during the fiscal year were \$1,803 from July 2023 through October 2023 and \$1,821 from November 2023 through June 2024. The current 5-year term will expire in November 2024.

CITY OF DUARTE

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2024

Note 5: Leases Receivable (Continued)

AT&T Tower Lease

In February 2010, the City entered into a lease with AT&T to allow a portion of their property to be utilized for a cellular tower commencing in March 2010. The original lease term was for 5 years and includes three additional optional 5-year terms. If the third option is exercised, the lease would end in February 2030. The options to extend are exercised unless written notification of cancellation occurs within 90 days prior to the expiration of the existing term. Initial rent payments were \$1,200 a month and the City was prepaid \$57,600 at the start of the lease. The monthly rent increased by 3% in the thirty-third month of the initial lease and annually thereafter each December. Payments received during the fiscal year were \$1,661 from July 2023 through November 2023 and \$1,711 from December 2023 through June 2024. The current 5-year term will expire in February 2025.

T-Mobile Tower Lease

In February 2010, the City entered into a lease with AT&T to allow a portion of their property to be utilized for a cellular tower commencing in March 2010. The original lease term was for 5 years and includes three additional optional 5-year terms. If the third option is exercised, the lease would end in March 2030. The options to extend are exercised unless written notification of cancellation occurs within 90 days prior to the expiration of the existing term. Initial rent payments were \$1,200 and the monthly rent increases by 3% each March. Payments received during the fiscal year were \$1,711 from July 2023 through February 2024, \$1,714 for March 2024, and \$1,762 from April 2024 through June 2024. The current 5-year term will expire in February 2025.

CITY OF DUARTE

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

Note 6: Capital Assets

A summary of changes in capital asset activity for the fiscal year ended June 30, 2024, is as follows:

	Balance July 1, 2023	Increases	Decreases	Transfers	Balance June 30, 2024
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 21,737,333	\$ -	\$ -	\$ -	\$ 21,737,333
Construction in progress	1,700,132	3,934,198	86,622	2,274,249	3,273,459
Total capital assets, not being depreciated	<u>23,437,465</u>	<u>3,934,198</u>	<u>86,622</u>	<u>2,274,249</u>	<u>25,010,792</u>
Capital assets, being depreciated:					
Structures and improvements	11,416,635	-	-	688,899	12,105,534
Machinery and equipment	3,167,391	371,652	469,906	90,950	3,160,087
Infrastructure	64,417,535	32,856	14,865,003	1,494,400	51,079,788
Total capital assets, being depreciated	<u>79,001,561</u>	<u>404,508</u>	<u>15,334,909</u>	<u>2,274,249</u>	<u>66,345,409</u>
Less accumulated depreciation:					
Structures and improvements	4,439,722	201,759	-	-	4,641,481
Machinery and equipment	1,441,649	180,553	385,949	-	1,236,253
Infrastructure	37,143,095	1,323,591	14,865,003	-	23,601,683
Total accumulated depreciation	<u>43,024,466</u>	<u>1,705,903</u>	<u>15,250,952</u>	<u>-</u>	<u>29,479,417</u>
Total capital assets, being depreciated, net	<u>35,977,095</u>	<u>(1,301,395)</u>	<u>83,957</u>	<u>2,274,249</u>	<u>36,865,992</u>
Lease Assets					
Machinery and equipment	104,368	-	24,199	-	80,169
Vehicles	442,646	240,027	28,784	-	653,889
Building	-	489,652	-	-	489,652
Total lease assets, being amortized	<u>547,014</u>	<u>729,679</u>	<u>52,983</u>	<u>-</u>	<u>1,223,710</u>
Less accumulated amortization:					
Machinery and equipment	56,813	27,736	24,199	-	60,350
Vehicles	139,411	129,199	4,318	-	264,292
Building	-	-	-	-	-
Total accumulated amortization	<u>196,224</u>	<u>156,935</u>	<u>28,517</u>	<u>-</u>	<u>324,642</u>
Total lease assets, being amortized, net	<u>350,790</u>	<u>572,744</u>	<u>24,466</u>	<u>-</u>	<u>899,068</u>
Subscription-Based Information Technology Arrangements					
Subscription-Based Information Technology Arrangements	630,513	24,586	-	-	655,099
Less accumulated amortization:	<u>64,820</u>	<u>138,395</u>	<u>-</u>	<u>-</u>	<u>203,215</u>
Total Subscription-Based Information Technology Arrangements being amortized, net	<u>565,693</u>	<u>(113,809)</u>	<u>-</u>	<u>-</u>	<u>451,884</u>
Governmental activities capital assets, net	<u>\$ 60,331,043</u>	<u>\$ 3,091,738</u>	<u>\$ 195,045</u>	<u>\$ 4,548,498</u>	<u>\$ 63,227,736</u>

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

Governmental activities:	
General government	\$ 322,790
Safety	16,283
Development	26,585
Recreation and culture	325,666
Transportation	<u>1,309,909</u>
Total	<u>\$ 2,001,233</u>

CITY OF DUARTE

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

Note 6: Capital Assets (Continued)

Right to Use Leased Assets

The City has recorded 22 leased cars, 1 leased building, 1 leased parking lot, and 2 leased office equipment right to use assets. The related leases are discussed in the long-term liabilities Note 8. The right to use leased assets are amortized on a straight-line basis over the terms of the related leases.

Note 7: Deferred Inflows/Outflows of Resources

Unavailable revenues are deferred in accordance with GASB Statements No. 23 and No. 65. The City has unavailable revenues of intergovernmental receivables. The balance of unavailable revenues reported as deferred inflows of resources at June 30, 2024, was \$83,997. The balance of lease receivables reported as deferred inflows of resources at June 30, 2024, was \$308,569. This represents the amount of lease revenue deferred related to the receivable which is amortized on a straight-line basis for the life of the lease. For information about deferred inflows and outflows related to pensions, see Note 11. For information about deferred inflows and outflows related to OPEB, see Note 12.

Note 8: Long-Term Liabilities

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

	Balance <u>July 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2024</u>	Due Within <u>One Year</u>
Governmental Activities					
U.S. Bancorp Infrastructure					
Lease	\$ 2,276,306	\$ -	\$ 165,750	\$ 2,110,556	\$ 169,762
Apple Lease	-	45,092	23,487	21,605	21,605
CA Energy Commission Loan	<u>48,344</u>	<u>-</u>	<u>18,905</u>	<u>29,439</u>	<u>19,480</u>
Total direct placement and					
direct borrowings	2,324,650	45,092	208,142	2,161,600	210,847
Enterprise Leases	273,893	170,427	117,106	327,214	115,576
Canon Lease	38,143	-	18,190	19,953	18,409
Public Safety Office Lease	-	489,652	-	489,652	40,395
Edison Parking Lot Lease	6,831	-	6,831	-	-
Mail Meter Lease	2,810	-	2,591	219	219
Subscriptions	516,357	24,586	123,539	417,404	133,997
Compensated Absences	<u>1,087,920</u>	<u>545,621</u>	<u>477,239</u>	<u>1,156,302</u>	<u>46,252</u>
Total Long term debt	<u>\$ 4,250,604</u>	<u>\$ 1,275,378</u>	<u>\$ 953,638</u>	<u>\$ 4,572,344</u>	<u>\$ 565,695</u>

Debt service payments for direct placement and direct borrowings come due as follows:

U.S. Bancorp Infrastructure Lease

The City of Duarte entered into a lease/purchase agreement with U.S. Bancorp Government Leasing and Finance, Inc. on September 27, 2019, to fund a project to upgrade lighting systems, HVAC system installation, control upgrades, and to install a Solar PV system in various City buildings and structures for

CITY OF DUARTE

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

Note 8: Long-Term Liabilities (Continued)

\$2,750,427. The City pledged as collateral property consisting of the Duarte Civic Center Complex and a Senior Citizens/Community Center. The Civic Center consists of the City Hall, the Community Center, the Fitness Center, two swimming pools and a pool service building, totaling 28,600 square feet. The Senior Center is also located at the Civic Center Complex, and contains approximately 12,000 square feet, with multi-purpose rooms for classes meetings, recreational uses, and meals, and office space for on-site staff, and storage area. Lease payments are to be unconditional. In the event of a default, the City must provide the leased property back to the U.S. Bancorp or continue to make the lease payments until the property is provided to U.S. Bancorp. The lease matures on September 27, 2034, and bears interest at 2.95% per annum. Interest and principal are due annually every September 27. The liability as of June 30, 2024, is \$2,110,556.

Fiscal year ending June 30,	U.S. Bankcorp Infrastructure Lease	
	Principal	Interest
2025	\$ 169,762	\$ 51,075
2026	173,870	46,967
2027	178,078	42,759
2028	182,387	38,450
2029	186,801	34,036
2030 - 2034	1,004,039	100,146
2035	215,619	5,218
Totals	<u>\$ 2,110,556</u>	<u>\$ 318,651</u>

Apple Lease

The City entered into a purchase agreement in March 2024 to acquire 25 apple computers for \$45,092. The interest rate on the loan is 8.36%. The City will pay two payments of \$23,487 with the first payment being due upon delivery of the equipment and the second payment being due in March 2025. The liability as of June 30, 2024 is \$21,605.

Fiscal year ending June 30,	Apple Lease	
	Principal	Interest
2025	\$ 21,605	\$ 1,882
Totals	<u>\$ 21,605</u>	<u>\$ 1,882</u>

CA Energy Commission Loan

The State of California Energy Resources Conservation and Development Commission issued a loan to the City for an Energy Efficiency project to be completed in July 2011. The Loan was issued in October 2011 in the amount of \$218,847. The liability as of June 30, 2024, is \$29,439. The loan matures on December 22, 2025, and bear interest at 3% per annum. Principal and Interest on the loan is payable semi-annually every December and June.

CITY OF DUARTE

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

Note 8: Long-Term Liabilities (Continued)

Fiscal year ending June 30,	CA Energy Commission Loan	
	Principal	Interest
2025	\$ 19,480	\$ 739
2026	9,959	150
Totals	<u>\$ 29,439</u>	<u>\$ 889</u>

Enterprise Leases

On February 27, 2020, the City entered into a master lease agreement with Enterprise Fleet Management to replace all of the City’s vehicles. The City intends to replace the vehicles on a rolling basis on a 5-year schedule. Each fiscal year the City will trade in their owned vehicles as part of signing a lease for a new replacement vehicle. During the fiscal year 2020-2021 the City entered into 12 such lease agreements. During the fiscal year 2021-2022 the City entered into 1 such lease agreement. During the fiscal year 2022-2023 the City entered into 3 such lease agreements. During the fiscal year 2023-2024 the City entered into 7 such lease agreements and ended one lease agreement entered into in prior fiscal years. Additional leases are expected over the next few fiscal years as per the City’s replacement plan. The vehicles are leased for 5-years and then will be traded in for new replacement vehicles. The interest rate on these leases range from 0.27% to 4.77%. The first payment is due upon delivery for each vehicle and payments continue for a total of 60 months. Monthly payments range from \$170 to \$1,013 on a per vehicle basis. The debt matures as follows:

Fiscal year ending June 30,	Enterprise Leases	
	Principal	Interest
2025	\$ 115,576	\$ 8,917
2026	86,880	6,364
2027	61,680	3,911
2028	53,220	1,688
2029	9,858	862
Totals	<u>\$ 327,214</u>	<u>\$ 21,742</u>

Canon Lease

On August 9, 2021, the City entered into a lease with Canon Solutions America, Inc. to lease a copy machine. The lease payments are \$1,545 a month for 48 months with an interest rate of 1.20%. The debt matures as follows:

CITY OF DUARTE

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

Note 8: Long-Term Liabilities (Continued)

Fiscal year ending June 30,	Canon Lease	
	Principal	Interest
2025	\$ 18,409	\$ 138
2026	1,544	2
Totals	<u>\$ 19,953</u>	<u>\$ 140</u>

Edison Parking Lot Lease

The City has entered into several leases with Southern California Edison in 2006, 2011, 2016, and the latest lease on May 1, 2019 for land associated with a parking lot located at 1220 Highland Avenue. The term is for 5-years with the lease expiring on April 30, 2024. The quarterly rent is due on the 1st day of each quarter and begins at \$2,048 increases to \$2,305 for the final year of the lease. The City paid three payments of \$2,109 for the beginning of the fiscal year and \$2,173 for the last quarter of the fiscal year. The interest rate is 3%. The City paid \$6,831 in principal during the fiscal year. While the lease was renewed in May 2024 the lease can be canceled by either party and no longer meets the accounting requirements to be reported as long term debt.

Mail Meter Lease

On August 30, 2018, the City entered into a lease agreement with MailFinance to lease a postage meter commencing on May 22, 2019, for 63 months for a monthly payment of \$220. The lease matures on August 21, 2024. The interest rate is 3%. The debt matures as follows:

Fiscal year ending June 30,	Mail Meter Lease	
	Principal	Interest
2025	\$ 219	\$ 1
Totals	<u>\$ 219</u>	<u>\$ 1</u>

Public Safety Office Lease

The City entered into a lease agreement in April of 2024 for the use of office space for the Public Safety department from July 1, 2024 through June 30, 2034. The monthly base rent from July 1, 2024 through June 30, 2029 shall be \$10,076. The City received a base rent credit of \$5,000 for the twelve months from July 2024 through June 2025. The lease auto renews on July 1, 2029 with a rent increase of 12% with rental payments remaining flat for the remaining five years. Either party shall have the right to terminate the lease at any time by providing twelve months prior written notice, provided, however, that said twelve month notice may not be given any earlier than June 30, 2028 with the effective date of said early termination to be no earlier than June 30, 2029. The debt matures as follows:

CITY OF DUARTE

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

Note 8: Long-Term Liabilities (Continued)

Fiscal year ending <u>June 30,</u>	<u>Public Safety Office</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 40,395	\$ 19,605
2026	105,418	16,694
2027	109,888	12,224
2028	114,547	7,565
2029	119,404	2,708
Totals	<u>\$ 489,652</u>	<u>\$ 58,796</u>

Subscription-Based Information Technology Arrangements

The City has entered into subscription-based information technology arrangements (SBITAs) involving:

Productivity tools designed to facilitate collaboration and communication within the City.

Website hosting.

Software utilized to identify persons involved in emergency incidents.

Public works permit software.

Building permit software.

Code enforcement and animal control software.

City Council meeting streaming software.

Online aerial maps.

Online bidding management software.

Accounting systems software.

The software arrangements mature as follows:

Fiscal year ending <u>June 30,</u>	<u>Subscriptions</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 133,997	\$ 13,209
2026	132,893	8,112
2027	150,514	3,150
Totals	<u>\$ 417,404</u>	<u>\$ 24,471</u>

CITY OF DUARTE

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2024

Note 8: Long-Term Liabilities (Continued)

Compensated Absences

The City accrues accumulated unpaid vacation, sick leave, and associated employee-related costs when earned (or estimated to be earned) by the employee as described in Note 1. The City at June 30, 2024, had an outstanding accrued balance of unpaid vacation, sick leave, and associated employee related costs of \$1,156,302 that will be liquidated from various funding sources in future years.

Note 9: Liability, Worker's Compensation, and Purchased Insurance

Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

The City of Duarte is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 126 California public entities and is organized under a joint powers' agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The Authority began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

Primary Self-Insurance Programs of the Authority

Each member pays an annual contribution at the beginning of the coverage period. The total funding requirement for primary self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

Note 9: Liability, Worker's Compensation, and Purchased Insurance

Primary Liability Program

Claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$100,000 for each occurrence and is evaluated as a percentage of pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$100,000 to \$500,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$500,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses also have a \$50 million per occurrence limit. The coverage is composed of a combination of pooled self-insurance, reinsurance, and excess insurance. Additional information concerning the coverage structure is available on the Authority's website: <https://cjpia.org/coverage/risk-sharing-pools>.

Workers' Compensation Program

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

CITY OF DUARTE

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2024

Note 9: Liability, Worker's Compensation, and Purchased Insurance (Continued)

The second layer of losses includes incurred costs from \$75,000 to \$200,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$200,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2023-24 the Authority's pooled retention is \$1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased through reinsurance policies, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

Purchased Insurance

Pollution Legal Liability Insurance

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

Property Insurance

The City participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City property is currently insured according to a schedule of covered property submitted by the City to the Authority. City property currently has all-risk property insurance protection in the amount of \$28,097,355. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

Earthquake and Flood Insurance

The City purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. City property currently has earthquake protection in the amount of \$6,542,316. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000.

Crime Insurance

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

Special Event Tenant User Liability Insurance

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

Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2023-24.

CITY OF DUARTE

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

Note 10: Deferred Compensation Plan

The City has made available to its employees a deferred compensation plan, whereby employees authorize the City to withhold funds from salaries to be invested in individual investment accounts. Funds may be withdrawn by participants upon termination of employment or retirement. The City makes no contributions under the plan. The amount held by trustees for the employees at June 30, 2024, was \$3,659,937. These amounts are not recorded in the books of the City and as such not included in these financial statements.

Note 11: Retirement Plan

Plan Description

All qualified employees are eligible to participate in the City’s Miscellaneous Employee Pension Plan, cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues a publicly available report that includes a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS’ website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 or 52 with statutorily reduced benefits depending on the retirement tier. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plan’s provisions and benefits in effect at June 30, 2023 (measurement date), are summarized as follows:

	<u>Tier 1*</u>	<u>Tier 2</u>	<u>PEPRA</u>
	Prior to	On or After	On or After
	January 1, 2010	January 1, 2010	January 1, 2013
Hire date/CalPers Enrollment Date			
Benefit formula	2.5% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	minimum 50 yrs	minimum 50 yrs	minimum 52 yrs
Monthly benefits as a % of eligible compensation	50 yrs - 63+ yrs 1.425% - 2.418%	50 yrs - 63+ yrs 1.092% - 2.418%	52 yrs - 67+ yrs 1.000% - 2.500%
Required employee contribution rates	7.96%	6.93%	8.25%
Required employer contribution rates	14.92%	10.87%	8.00%

* Plan closed to new entrants

CITY OF DUARTE

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

Note 11: Retirement Plan (Continued)

Contribution Description

Section 20814 (c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employees be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the fiscal year, with an additional amount to finance any unfunded accrued liability.

The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the fiscal year ended June 30, 2024, the contributions recognized as part of pension expense for the Plan were as follow:

	<u>Miscellaneous</u>
Contributions – employer	\$ 1,702,553

Pension Liabilities, Pension Expense, and Deferred Outflows, and Deferred Inflows of Resources Related to Pensions

As of June 30, 2024, the City reported net pension liabilities for its proportionate share of the net position liability of the Plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$ 18,471,427

The City’s net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2023, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The City’s proportionate share of the net pension liability for the Plan as of June 30, 2022, and 2023 was as follows:

	<u>Miscellaneous</u>
Proportion – June 30, 2022	0.151401%
Proportion – June 30, 2023	<u>0.148063%</u>
Change - Decrease	<u><u>0.003338%</u></u>

For the fiscal year ended June 30, 2024, the City recognized pension income of \$1,802,378. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF DUARTE

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

Note 11: Retirement Plan (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after the measurement date	\$ 1,723,060	\$ -
Difference between expected and actual experience	797,242	-
Change in assumptions	1,115,203	-
Difference in actual to proportionate share contribution	-	358,924
Adjustments due to differences in proportion	-	272,356
Net difference between projected and actual earnings on pension plan investments	<u>2,990,691</u>	<u>-</u>
Total	<u>\$ 6,626,196</u>	<u>\$ 631,280</u>

\$1,723,060 reported as deferred outflows of resources related to contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and will be recognized as pension expense as follows:

Fiscal year ending June 30,	Deferred Outflows (Inflows) of Resources
2025	\$ 1,326,838
2026	619,666
2027	2,239,537
2028	85,815
Totals	<u>\$ 4,271,856</u>

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The total pension liabilities were determined by rolling forward the total pension liability determined in June 30, 2022 actuarial valuation to June 30, 2023. The June 30, 2023, total pension liability was based on the following actuarial methods and assumptions:

CITY OF DUARTE

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

Note 11: Retirement Plan (Continued)

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Actuarial cost method	Entry age normal cost method
Actuarial assumptions	
Discount rate	6.90%
Inflation	2.30%
Payroll growth	Varies by entry age/service
Projected salary increases	Varies by age/service
Investment rate of return	6.90%
Mortality	Data for all Funds (1)

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

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 Plans 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 pension plan investments was applied to all periods of projects benefit payments to determine the total pension liability.

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

The expected real rates of return by asset class can be found in CalPERS' Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023.

The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 6.90%, as well as what the net pension liability/(asset) 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:

	<u>Miscellaneous</u>
1.0% Decrease	5.90%
Net Pension Liability	\$ 26,539,058
Current Discount Rate	6.90%
Net Pension Liability	\$ 18,471,427
1.0% Increase	7.90%
Net Pension Liability	\$ 11,831,074

CITY OF DUARTE

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2024

Note 11: Retirement Plan (Continued)

Pension Plan Fiduciary Net Position

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

Note 12: Other Post-Employment Benefits

Plan Description

The City has established a retiree healthcare plan (HC Plan) The HC Plan provides employees healthcare coverage under the California Public Employees Medical and Hospital Care Act (PEMCHA) as a single-employer defined-benefit post-employment healthcare plan. PEMCHA governs health care provided to employees and retirees under health care plans administered by CalPERS. All public agencies providing health care to their active employees through CalPERS' PEMCHA plans are also required to offer health care under those plans to their retirees. The rules regarding retiree health care are found in sections 22892 and 22893 of the Government Code.

Under PEMCHA, the City will provide medical insurance coverage for retirees and their dependents through the PERS system. To be eligible, employees must retire within one hundred and twenty days of their separation from employment with the City on or after age 50 (age 52 for PEPRAs new hires) with at least 5 years of CalPERS service. Eligible employees receive up to a maximum amount determined each year as a contribution toward the cost of monthly health premiums if the eligible retiree is covered in a CalPERS' health plan. As of June 30, 2024, the maximum coverage rates are \$738.49 a month, \$1,477.00 a month, and \$1,920.11 a month for a retiree only, retiree plus 1, and retiree family tiers, respectively. The same equal benefit must be provided to retirees as active employees. Benefits are paid for the lifetime of the retiree as long as he or she continues to participate in PEMCHA, with continuation to the surviving spouse, if any.

The City also pays an administrative fee of 0.32% of premium on behalf of all active employees and retirees. Retirees who waive medical insurance coverage and provide proof of other coverage will be reimbursed by the City in a tiered schedule ranging from \$218 to \$566 per month.

The City joined the Public Agencies Post-Retirement Health Care Plan Trust (Trust) in September of 2007 for the purpose of prefunding other post-employment benefits for past services. The Trust is a public agency multiple-employer trust that was established to provide member public agencies economies of scale and efficiency of administration in the funding of each agency's respective other post-employment benefit obligations.

As of the June 30, 2024 actuarial valuation, the Plan provided benefits to 97 beneficiaries consisting of 52 active employees and 45 inactive employees or their beneficiaries.

A direct employer payment toward the cost of OPEB benefits is referred to as an "explicit subsidy". In addition, if claims experience of employees and retirees are pooled when determining premiums, retiree premiums are based on a pool of members which, on average, are younger and healthier. For certain types of coverage such as medical insurance, this results in an "implicit subsidy" of retiree premiums by active employee premiums since the retiree premiums are lower than they would have been if retirees were insured separately. GASB Statement No. 75 and Actuarial Standards of Practice generally require that an implicit subsidy of retiree premium rates be valued as an OPEB liability.

CITY OF DUARTE

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2024

Note 12: Other Post-Employment Benefits (Continued)

Contributions

The City Council establishes health care coverage rates each fiscal year by Memoranda of Understanding with the applicable employee bargaining units. The City currently pays the benefits as they come due on behalf of the beneficiaries. In addition, the City makes an additional voluntary contribution to the Trust at a rate set during the budget process. During FY 2023- 2024 the City paid \$363,998 in post-employment healthcare costs directly to PERS and an additional contribution of \$249,000 into the Trust during FY 2023-2024 for a total contribution amount of \$612,998.

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2023. Standard actuarial update procedures were used to project/discount from valuation to measurement date. The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3.00%
Investment rate of return	6.00%
Inflation	2.50%
Healthcare cost trend rates	
Pre-Medicare	6.00%
Medicare	10.95%

Actuarial Methods and Assumptions

Demographic actuarial assumptions used in the valuation are based on the CalPERS' 2021 Experience Study of the California Public Employees Retirement System using data from 1997 to 2019, except for a different basis used to project future mortality improvements. The mortality improvement scale was the MacLeod Watts Scale 2022, reflecting continued updates in available information. There were no changes between the measurement date and the report date that are expected to have a significant effect on the total OPEB liability.

The Trust published an expected return of 6.58%, reflecting updated long-term rates of return provided by PARS in June 2023. The return rate was determined using a building-block method and best-estimate ranges of expected future real rates of return for each major asset class (expected returns, net of OPEB plan investment expense and inflation). These ranges are combined to produce the long-term expected rate of return by weighting the expected real rates of return by the target asset allocation percentage and by adding expected inflation. To achieve the goal set by the investment policy, plan assets will be managed to earn, on a long-term basis, a rate of return equal to or in excess of the target rate.

Discount Rate and Long-Term Expected Rate of Return

GASB Statement No. 75 allows the use of a discount rate that is up to the expected long-term rate of return on the assets in the OPEB trust set aside to pay benefits, if the plan sponsor makes regular contributions to the trust such that the assets are not depleted at any point in the future. If the OPEB plan's actuary determines that contributions are not sufficient to keep the trust funded, a blend of the long-term rate of return and the yield or index rate for 20-year, tax-exempt municipal bonds will be used for the periods when the trust funds are not sufficient to cover benefit payments. Based on this requirement, the discount rate used to measure the total OPEB liability is 6.00%.

CITY OF DUARTE

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

Note 12: Other Post-Employment Benefits (Continued)

Changes in the OPEB Liability

The following table shows the changes in the net OPEB liability as follows:

Service Cost	\$	333,762
Interest		617,179
Benefit payments		<u>(443,810)</u>
Net change in total OPEB liability		507,131
Total OPEB liability - beginning		<u>10,174,456</u>
Total OPEB liability - ending (a)	\$	<u><u>10,681,587</u></u>
 Plan fiduciary net position		
Contributions - employer (1)	\$	692,810
Net investment income		357,378
Change due to investment experience		395,384
Benefit payments (1)		<u>(443,810)</u>
Net Change in plan fiduciary net position		1,001,762
Plan fiduciary net position - beginning		<u>5,831,797</u>
Plan fiduciary net position - ending (b)	\$	<u><u>6,833,559</u></u>
 Net OPEB liability - ending (a) - (b)	\$	<u><u>3,848,028</u></u>

(1) Amount includes implicit subsidy associated with benefits paid.

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

The following presents the Net OPEB liability of the City, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.00%) or 1 percentage point higher (7.00%) than the current discount rate:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Net OPEB Liability	\$ 5,346,060	\$ 3,848,028	\$ 2,620,407

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

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (9.95% graded down to 2.90%) than the healthcare trend rate or 1 percentage point higher (11.95% graded down to 4.90%) than the current healthcare cost trend rates assumed to be 10.95% effective January 2024 and graded down to 3.90% for 20 years and 75 thereafter:

CITY OF DUARTE

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

Note 12: Other Post-Employment Benefits (Continued)

	<u>1% Decrease</u>	<u>Healthcare Cost Rate</u>	<u>1% Increase</u>
Net OPEB liability	\$ 2,498,352	\$ 3,848,028	\$ 5,527,540

OPEB Plan Fiduciary Net Position

Statement of Fiduciary Net Position - June 30, 2024

Assets

Investments	
Managed account	\$ 6,833,559
Total Assets	<u>6,833,559</u>

Net position restricted for post-employment benefits other than pensions	<u>\$ 6,833,559</u>
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Statement of Changes in Fiduciary Net Position for the Fiscal Year Ended June 30, 2024

Additions

Employer Contributions (1)	\$ 692,810
Investment income:	357,378
Change due to investment experience	<u>395,384</u>
Total Additions	<u>1,445,572</u>

Deductions

Benefit payments (1)	<u>(443,810)</u>
Total Deductions	<u>(443,810)</u>

Net increase in net position 1,001,762

**Net position restricted for post-employment
benefits other than pensions**

Beginning of fiscal year	<u>5,831,797</u>
End of fiscal year	<u>\$ 6,833,559</u>

(1) Includes \$364,998 of pay-as-you-go contributions made from sources outside of the trust, plus an implicit subsidy amount of \$78,812.

CITY OF DUARTE

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

Note 12: Other Post-Employment Benefits (Continued)

Investments

The City’s policy regarding the allocation of the plan’s invested assets is established and may be amended by the management of the City. The primary objective is to maximize total Plan return, subject to the risk and quality constraints set forth in the investment guidelines. The investment objective the City has selected is the Balance Strategy, which seeks to provide growth of principal and income. The asset allocation ranges for this objective as of June 30, 2024, are listed below:

	PARS Balanced HighMark Plus Portfolio	
	<u>Expected Rate of Return</u>	
	<u>Target</u>	<u>Target</u>
	<u>Allocation</u>	<u>Allocation</u>
Equity - Large Cap Core	32.00%	7.70%
Equity - Mid Cap Core	6.00%	8.00%
Equity - Small Cap Core	9.00%	8.50%
Equity - Real Estate	2.00%	6.60%
Equity - International	7.00%	7.50%
Equity - Emerging Markets	4.00%	7.50%
Fixed Income - Short Term Bond	6.75%	3.30%
Fixed Income - Intermediate Term Bond	27.00%	4.00%
Fixed Income - High Yield	1.25%	5.70%
Cash	5.00%	2.60%

Market conditions may cause the account’s asset allocation to vary from the stated range from time to time. The investment manager (assisting the City) will rebalance the portfolio no less than quarterly and/or when the actual weighting differs substantially from the strategic range, if appropriate and consistent with the objectives.

For the fiscal year ended June 30, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 6.90 percent. The money-weighted rate of return expresses investment performance, net of investment expense adjusted for the changing amounts invested.

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time.

Amounts are first recognized in OPEB expense for the fiscal 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. Liability changes due to plan experience which differs from what was assumed in the prior measurement period and/or from assumption changes during the period are recognized over the OPEB plan’s Expected Average Remaining Service Life (EARSL). EARSL periods used for changes arising in this current measurement period were seven years. Changes in the Fiduciary Net Position due to investment performance different from the assumed earnings rate are always recognized over 6.52 years. Liability changes attributable to benefit changes occurring during the period are recognized immediately.

CITY OF DUARTE

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

Note 12: Other Post-Employment Benefits (Continued)

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

For the fiscal year ended June 30, 2024, the City recognized OPEB income of \$149,335 and reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Change of Assumptions	\$ 930,533	\$ 262,299
Differences Between Expected and Actual Experience	571,151	2,909,213
Net Differences Between Projected and Actual Earnings on Investments	<u>-</u>	<u>155,210</u>
Total	<u>\$ 1,501,684</u>	<u>\$ 3,326,722</u>

Amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

<u>Fiscal Year Ended June 30:</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2025	(173,766)
2026	(294,576)
2027	(479,282)
2028	(574,056)
2029	(303,358)

Note 13: Conduit Debt Obligations

Financial Cooperation Agreements

The City from time to time has provided financial assistance to health care providers for the acquisition of equipment and facilities deemed to be in the public interest. The agreements are secured by the property financed and are payable solely from payments received on the underlying security liens. Upon repayment of the debt, ownership of the property transfers to the private-sector entity served by the loan agreement, neither the Agency, the City of Duarte, nor any political subdivision thereof is obligated in any manner for repayment of the debt. Accordingly, such debt is not reported as liabilities in the accompanying financial statements.

CITY OF DUARTE

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

Note 14: Commitments and Contingencies

Grant Audits

Under the terms of federal and state grants, periodic audits are required, and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. City Management believes disallowance, if any, will be immaterial.

Memorandum of Understanding with Foothill Transit

On September 21, 2017, the City entered into a memorandum of understanding (MOU) with Foothill Transit (Transit) in which Transit will purchase three electric 35-foot electric buses for operation of the City's transit service. The City reimbursed the cost of two of the buses utilizing Prop A funds. The City will reimburse Transit for the cost of the third bus through monthly payments financed over a period of ten years at an annual interest rate of three percent. On April 1, 2019, the third bus was acquired by Transit for a base cost of \$731,908 with interest over the next ten years of \$116,175 for a total cost of \$848,083. There is a monthly payment of \$7,067.

The MOU has an initial base term of four years, with two three-year extensions. If the MOU is not extended and is terminated before the end of the ten-year financing period, the City will have the choice of either continuing the financing of the bus, paying the remaining balance on the bus; or transferring the ownership of the bus to Transit, who would then reimburse the City for the amount paid to date.

Contractual Commitments

The City has an ongoing contract for \$2.5 million for an ATP Cycle 4 Project with \$964,000 unexpended of as of June 30, 2024. On July 1, 2024, the City entered into a contract with the Los Angeles Sheriff's Department to provide city law enforcement services for the 2023-2024 fiscal year for an estimated cost of \$5.67 million.

CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 31,981,364	\$ 31,981,364	\$ 31,981,364	\$ -
Resources (Inflows):				
Taxes	15,505,000	15,825,000	16,304,535	479,535
Licenses and permits	1,388,000	1,538,000	2,102,569	564,569
Intergovernmental	3,041,000	3,431,000	3,410,236	(20,764)
Charges for services	404,300	404,300	460,389	56,089
Use of money and property	210,500	810,500	1,768,283	957,783
Fines and forfeitures	330,000	430,000	567,274	137,274
Miscellaneous	107,500	107,500	351,530	244,030
Issuance of debt lease and subscriptions	-	-	669,388	669,388
Transfers in	835,200	875,200	811,631	(63,569)
Amounts Available for Appropriations	53,802,864	55,402,864	58,427,199	3,024,335
Charges to Appropriations (Outflows):				
Current:				
General government	7,100,193	6,750,193	6,311,334	438,859
Safety	7,322,955	7,264,955	7,072,767	192,188
Development	3,783,455	3,623,455	2,722,613	900,842
Recreation and cultural	3,043,700	3,639,700	3,325,266	314,434
Capital outlay	921,240	1,535,995	1,383,386	152,609
Debt service:				
Principal retirement	290,017	290,017	289,922	95
Interest and fiscal charges	25,940	25,940	25,854	86
Transfers out	841,400	942,000	896,446	45,554
Total Charges to Appropriations	23,328,900	24,072,255	22,027,588	2,044,667
Budgetary Fund Balance, June 30	\$ 30,473,964	\$ 31,330,609	\$ 36,399,611	\$ 5,069,002

See Note to Required Supplementary Information

CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE
SB1/RMRA SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 842,668	\$ 842,668	\$ 842,668	\$ -
Resources (Inflows):				
Intergovernmental	535,800	535,800	588,275	52,475
Use of money and property	12,200	12,200	40,382	28,182
Amounts Available for Appropriations	<u>1,390,668</u>	<u>1,390,668</u>	<u>1,471,325</u>	<u>80,657</u>
Charges to Appropriations (Outflows):				
Capital outlay	535,000	535,000	519,302	15,698
Transfers out	107,000	107,000	103,860	3,140
Total Charges to Appropriations	<u>642,000</u>	<u>642,000</u>	<u>623,162</u>	<u>18,838</u>
Budgetary Fund Balance, June 30	<u>\$ 748,668</u>	<u>\$ 748,668</u>	<u>\$ 848,163</u>	<u>\$ 99,495</u>

See Note to Required Supplementary Information

CITY OF DUARTE

**REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024**

**Cost Sharing Multiple-Employer Defined Benefit Pension Plan
Last 10 Fiscal Years**

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

	FY 15 Measurement Date <u>June 30, 2014</u>	FY 16 Measurement Date <u>June 30, 2015</u>	FY 17 Measurement Date <u>June 30, 2016</u>	FY 18 Measurement Date <u>June 30, 2017</u>	FY 19 Measurement Date <u>June 30, 2018</u>
City's proportion of the net pension liability	0.30890%	0.291010%	0.30027%	0.29560%	0.28309%
City's proportionate share of the net pension liability	\$ 8,486,349	\$ 10,578,290	\$ 12,675,786	\$ 14,098,986	\$ 13,503,297
City's covered payroll	\$ 2,467,539	\$ 3,706,684	\$ 3,970,085	\$ 4,047,472	\$ 4,004,164
City's proportionate share of the net pension liability as a percentage of it's covered payroll	343.9%	285.4%	319.3%	348.3%	337.2%
Plan's fiduciary net position as a percentage of the total pension liability	78.40%	79.82%	75.87%	73.31%	77.69%
	FY 20 Measurement Date <u>June 30, 2019</u>	FY 21 Measurement Date <u>June 30, 2020</u>	FY 22 Measurement Date <u>June 30, 2021</u>	FY 23 Measurement Date <u>June 30, 2022</u>	FY 24 Measurement Date <u>June 30, 2023</u>
City's proportion of the net pension liability	0.27900%	0.27813%	0.27327%	0.15140%	0.14806%
City's proportionate share of the net pension liability	\$ 14,091,516	\$ 15,108,868	\$ 9,811,894	\$ 17,488,020	\$ 18,471,427
City's covered payroll	\$ 4,338,950	\$ 4,272,231	\$ 4,338,950	\$ 4,381,600	\$ 4,162,481
City's proportionate share of the net pension liability as a percentage of it's covered payroll	324.8%	353.7%	226.1%	399.1%	443.8%
Plan's fiduciary net position as a percentage of the total pension liability	77.73%	77.71%	90.49%	78.19%	77.97%

CITY OF DUARTE

**REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024**

**Cost Sharing Multiple-Employer Defined Benefit Pension Plan
Last 10 Fiscal Years**

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
(Continued)**

Notes to the Schedule:

In Fiscal Year 2016-17, the discount rate for the PERF C was lowered from 7.65 percent to 7.15 percent. Deferred outflows of resources for changes of assumptions represented the unamortized portion of this assumption change.

In fiscal year 2022-2023, the discount rate was lowered from 7.15 percent to 6.90 percent.

CITY OF DUARTE

**REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024**

**Cost Sharing Multiple-Employer Defined Benefit Pension Plan
Last 10 Fiscal Years**

SCHEDULE OF PENSION CONTRIBUTIONS

	Measurement Date June 30, 2014 <u>Miscellaneous</u>	Measurement Date June 30, 2015 <u>Miscellaneous</u>	Measurement Date June 30, 2016 <u>Miscellaneous</u>	Measurement Date June 30, 2017 <u>Miscellaneous</u>	Measurement Date June 30, 2018 <u>Miscellaneous</u>
Actuarially determined contribution (a)	\$ 262,412	\$ 285,477	\$ 400,604	\$ 421,885	\$ 449,981
Contribution in relation to the actuarially determined contribution (b)	<u>(262,412)</u>	<u>(285,477)</u>	<u>(400,604)</u>	<u>(421,885)</u>	<u>(449,981)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll (c)	\$ 2,352,312	\$ 2,467,539	\$ 3,706,684	\$ 3,970,085	\$ 4,047,472
Contributions as a percentage of covered payroll	11.16%	11.57%	10.81%	10.63%	11.12%
	Measurement Date June 30, 2019 <u>Miscellaneous</u>	Measurement Date June 30, 2020 <u>Miscellaneous</u>	Measurement Date June 30, 2021 <u>Miscellaneous</u>	Measurement Date June 30, 2022 <u>Miscellaneous</u>	Measurement Date June 30, 2023 <u>Miscellaneous</u>
Actuarially determined contribution (a)	\$ 459,105	\$ 537,636	\$ 525,340	\$ 505,435	\$ 506,617
Contribution in relation to the actuarially determined contribution (b)	<u>(459,105)</u>	<u>(537,636)</u>	<u>(525,340)</u>	<u>(505,435)</u>	<u>(506,617)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll (c)	\$ 4,004,164	\$ 4,272,231	\$ 4,338,950	\$ 4,381,600	\$ 3,985,824
Contributions as a percentage of covered payroll	11.47%	12.58%	12.11%	11.54%	12.71%

- (a) Historical information is required only for measurement periods for which GASB Statement No. 68 is applicable.
- (b) Some employers may choose to make additional contributions towards their unfunded liability. Contributions for such plans exceed the actuarially determined contributions.
- (c) Covered payroll represented above is based on pensionable earnings provided by the employer. However, GASB Statement No. 68 defines covered payroll as the total payroll of employee's pension plan. Accordingly, if pensionable earnings are different that total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

CITY OF DUARTE

**REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024**

**Cost Sharing Multiple-Employer Defined Benefit Pension Plan
Last 10 Fiscal Years**

SCHEDULE OF PENSION CONTRIBUTIONS (Continued)

Notes to Schedule

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal year 2023-2024 were from June 30, 2021 public agency valuations.

Actuarial cost method	Entry age normal cost method
Amortization method	Level percent of payroll
Average remaining period	18 years as of the valuation date
Asset valuation method	30-year direct rate smoothing
Actuarial assumptions	
Discount rate	6.90%
Inflation	2.50%
Projected salary increases	Varies by entry age and service
Payroll growth	2.75%
Individual salary growth	A merit scale varying in duration of employment coupled with an assumed annual inflation growth of 2.5% and an annual production growth of 0.25%
Retirement age	The probabilities of retirement are based on the 2015 CalPERS' experience study for the period 1997 to 2011.
Mortality	The probabilities of mortality are based on CalPERS' specific data. The rate incorporates Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study that can be found on the CalPERS' website.

CITY OF DUARTE

**REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024**

**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
Last Ten Fiscal Years***

	Measurement Period			
	2018	2019	2020	2021
Total OPEB Liability				
Service cost	\$ 258,408	\$ 266,160	\$ 327,023	\$ 389,582
Interest on the total OPEB liability	464,777	495,518	575,620	633,116
Differences between expected and actual experience	983,161	65,900	-	1,285,548
Changes of assumptions	-	2,167,125	(331,435)	(419,273)
Changes due to plan experience	-	-	-	-
Benefit payments (1)	(662,583)	(359,809)	(365,155)	(431,406)
Net change in total OPEB liability	1,043,763	2,634,894	206,053	1,457,567
Total OPEB liability - beginning	6,493,332	7,537,095	10,171,989	10,378,042
Total OPEB liability - ending (a)	<u>\$ 7,537,095</u>	<u>\$ 10,171,989</u>	<u>\$ 10,378,042</u>	<u>\$ 11,835,609</u>
Plan Fiduciary Net Position				
Contribution - employer (1)	\$ 915,033	\$ 651,809	\$ 741,655	\$ 876,406
Net Increase (decrease) in fair value of investments	189,196	176,444	81,965	996,936
Benefit payments (1)	(662,583)	(359,809)	(365,155)	(431,406)
Change due to investment experience	-	-	-	-
Administrative expense	(13,347)	-	-	(24,255)
Net Change in plan fiduciary net position	428,299	468,444	458,465	1,417,681
Plan fiduciary net position - beginning	2,353,380	2,781,679	3,250,123	3,708,588
Plan fiduciary net position - ending (b)	<u>\$ 2,781,679</u>	<u>\$ 3,250,123</u>	<u>\$ 3,708,588</u>	<u>\$ 5,126,269</u>
Net OPEB liability (a) - (b)	<u>\$ 4,755,416</u>	<u>\$ 6,921,866</u>	<u>\$ 6,669,454</u>	<u>\$ 6,709,340</u>
Plan fiduciary net position as a percentage of total OPEB liability	36.91%	31.95%	35.73%	43.31%
Covered-employee payroll	\$ 4,211,793	\$ 3,926,264	\$ 4,325,247	\$ 3,579,723
Net OPEB liability as a percentage of covered-employee payroll	112.91%	176.30%	154.20%	187.43%

(1): Amount includes implicit subsidy associated with benefits paid.

*Fiscal Year 2018 was the 1st year of implementation therefore only 7 years are shown.

CITY OF DUARTE

REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
Last Ten Fiscal Years* (Continued)

	Measurement Period		
	2022	2023	2024
Total OPEB Liability			
Service cost	\$ 447,366	\$ 459,669	\$ 333,762
Interest on the total OPEB liability	748,420	790,303	617,179
Differences between expected and actual experience	35,353	-	-
Changes of assumptions	583,430	392,831	-
Changes due to plan experience	-	(4,196,475)	-
Benefit payments (1)	(462,219)	(459,831)	(443,810)
Net change in total OPEB liability	1,352,350	(3,013,503)	507,131
Total OPEB liability - beginning	11,835,609	13,187,959	10,174,456
Total OPEB liability - ending (a)	<u>\$ 13,187,959</u>	<u>\$ 10,174,456</u>	<u>\$ 10,681,587</u>
Plan Fiduciary Net Position			
Contribution - employer (1)	\$ 868,219	\$ 1,031,831	\$ 692,810
Net Increase (decrease) in fair value of investments	(688,055)	300,420	357,378
Benefit payments (1)	(462,219)	(459,831)	(443,810)
Change due to investment experience	-	144,868	395,384
Administrative expense	(29,705)	-	-
Net Change in plan fiduciary net position	(311,760)	1,017,288	1,001,762
Plan fiduciary net position - beginning	5,126,269	4,814,509	5,831,797
Plan fiduciary net position - ending (b)	<u>\$ 4,814,509</u>	<u>\$ 5,831,797</u>	<u>\$ 6,833,559</u>
Net OPEB liability (a) - (b)	<u>\$ 8,373,450</u>	<u>\$ 4,342,659</u>	<u>\$ 3,848,028</u>
Plan fiduciary net position as a percentage of total OPEB liability	36.51%	57.32%	63.98%
Covered-employee payroll	\$ 3,613,652	\$ 4,422,484	\$ 4,246,072
Net OPEB liability as a percentage of covered-employee payroll	231.72%	98.20%	90.63%

(1): Amount includes implicit subsidy associated with benefits paid.

*Fiscal Year 2018 was the 1st year of implementation therefore only 7 years are shown.

CITY OF DUARTE

**REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024**

**SCHEDULE OF OPEB CONTRIBUTIONS
Last Ten Fiscal Years***

	Fiscal Year 6/30/2018	Fiscal Year 6/30/2019	Fiscal Year 6/30/2020	Fiscal Year 6/30/2021
Contractually Determined Contribution (CDC)	\$ 1,491,134	\$ 782,535	\$ 803,739	\$ 765,007
Contributions in relation to the CDC	(915,033)	(651,809)	(741,655)	(876,406)
Contribution deficiency (excess)	<u>\$ 576,101</u>	<u>\$ 130,726</u>	<u>\$ 62,084</u>	<u>\$ (111,399)</u>
Covered-employee payroll	\$ 4,211,793	\$ 3,926,264	\$ 4,325,247	\$ 3,579,723
Contributions as a percentage of covered-employee payroll	21.73%	16.60%	17.15%	24.48%
	Fiscal Year 6/30/2022	Fiscal Year 6/30/2023	Fiscal Year 6/30/2024	
Contractually Determined Contribution (CDC)	\$ 867,895	\$ 1,022,910	\$ 709,176	
Contributions in relation to the CDC	(868,219)	(1,031,831)	(692,810)	
Contribution deficiency (excess)	<u>\$ (324)</u>	<u>\$ (8,921)</u>	<u>\$ 16,366</u>	
Covered-employee payroll	\$ 3,613,652	\$ 4,422,484	\$ 4,246,072	
Contributions as a percentage of covered-employee payroll	24.03%	23.33%	16.32%	

*Fiscal Year 2018 was the 1st year of implementation therefore only 7 years are shown.

CITY OF DUARTE

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024**

Note 1: Budgets and Budgetary Accounting

The City adopts an annual budget prepared in accordance with accounting principles generally accepted in the United States of America and on the modified accrual basis of accounting for its governmental funds. The City Manager or designee is authorized to transfer budgeted amounts between the accounts of any department. Any revisions that alter the total appropriations of any department or fund must be approved by the City Council. Prior year appropriations lapse unless they are approved for carryover into the following fiscal year. Expenditures may not legally exceed appropriations at the fund level.

CITY OF DUARTE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	Special Revenue Funds			
	State Gasoline Tax	Lighting and Landscaping	Community Development Block Grant	Supplemental Law Enforcement
Assets:				
Pooled cash and investments	\$ 2,304,701	\$ 218,318	\$ -	\$ 20,888
Receivables:				
Taxes	53,444	11,499	-	-
Grants	-	-	7,534	-
Land held for resale	-	-	-	-
Total Assets	\$ 2,358,145	\$ 229,817	\$ 7,534	\$ 20,888
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 42,776	\$ 123,996	\$ 468	\$ 20,888
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Retention payable	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	7,066	-
Total Liabilities	42,776	123,996	7,534	20,888
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted for:				
Development projects	-	105,821	-	-
Recreation and culture	-	-	-	-
Transportation	2,315,369	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (deficits)	2,315,369	105,821	-	-
Total Liabilities and Fund Balances	\$ 2,358,145	\$ 229,817	\$ 7,534	\$ 20,888

(Continued)

CITY OF DUARTE

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
 JUNE 30, 2024

	Special Revenue Funds			
	Air Quality Management	Measure M	Quimby Act	Prop A Transit
Assets:				
Pooled cash and investments	\$ 149,748	\$ 1,356,668	\$ 71,383	\$ 1,126,102
Receivables:				
Taxes	-	-	-	-
Grants	7,669	31,320	-	-
Land held for resale	-	-	-	-
Total Assets	\$ 157,417	\$ 1,387,988	\$ 71,383	\$ 1,126,102
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 710	\$ 407,176	\$ -	\$ 44,472
Accrued liabilities	-	-	-	1,223
Unearned revenues	-	-	-	-
Retention payable	-	19,960	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	710	427,136	-	45,695
Deferred Inflows of Resources:				
Unavailable revenues	7,669	-	-	-
Total Deferred Inflows of Resources	7,669	-	-	-
Fund Balances:				
Restricted for:				
Development projects	-	-	-	-
Recreation and culture	-	-	71,383	-
Transportation	149,038	960,852	-	1,080,407
Unassigned	-	-	-	-
Total Fund Balances (deficits)	149,038	960,852	71,383	1,080,407
Total Liabilities and Fund Balances	\$ 157,417	\$ 1,387,988	\$ 71,383	\$ 1,126,102

(Continued)

CITY OF DUARTE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2024

	Special Revenue Funds			
	Housing Authority	Prop C Transit	PEG	Measure R LR Transit
Assets:				
Pooled cash and investments	\$ 2,107,766	\$ 365,021	\$ 61,062	\$ 815,221
Receivables:				
Taxes	-	-	-	-
Grants	-	36,726	6,634	27,625
Land held for resale	-	-	-	-
Total Assets	\$ 2,107,766	\$ 401,747	\$ 67,696	\$ 842,846
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 459	\$ 35,356	\$ 1,440	\$ 251,750
Accrued liabilities	-	1,001	-	-
Unearned revenues	-	-	-	-
Retention payable	-	-	-	13,250
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	459	36,357	1,440	265,000
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted for:				
Development projects	2,107,307	-	66,256	-
Recreation and culture	-	-	-	-
Transportation	-	365,390	-	577,846
Unassigned	-	-	-	-
Total Fund Balances (deficits)	2,107,307	365,390	66,256	577,846
Total Liabilities and Fund Balances	\$ 2,107,766	\$ 401,747	\$ 67,696	\$ 842,846

(Continued)

CITY OF DUARTE

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
 JUNE 30, 2024

	Special Revenue Funds			
	Park Development	Measure W	Bicycle and Pedestrian	Low and Moderate Housing
Assets:				
Pooled cash and investments	\$ -	\$ 456,438	\$ -	\$ 3,358,159
Receivables:				
Taxes	-	-	-	-
Grants	20,374	-	-	-
Land held for resale	-	-	-	881,753
Total Assets	\$ 20,374	\$ 456,438	\$ -	\$ 4,239,912
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 636	\$ 8,965	\$ -	\$ -
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Retention payable	-	-	-	-
Deposits payable	-	-	-	30,000
Due to other funds	79,494	-	-	-
Total Liabilities	80,130	8,965	-	30,000
Deferred Inflows of Resources:				
Unavailable revenues	20,374	-	-	-
Total Deferred Inflows of Resources	20,374	-	-	-
Fund Balances:				
Restricted for:				
Development projects	-	447,473	-	4,209,912
Recreation and culture	-	-	-	-
Transportation	-	-	-	-
Unassigned	(80,130)	-	-	-
Total Fund Balances (deficits)	(80,130)	447,473	-	4,209,912
Total Liabilities and Fund Balances	\$ 20,374	\$ 456,438	\$ -	\$ 4,239,912

(Continued)

CITY OF DUARTE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2024

	Capital Project Funds		Infrastructure Debt Service Fund	Total Nonmajor Governmental Funds
	Inclusionary Housing	Community Improvement		
Assets:				
Pooled cash and investments	\$ 557,801	\$ -	\$ -	\$ 12,969,276
Receivables:				
Taxes	-	1,201,326	-	1,266,269
Grants	-	-	-	137,882
Land held for resale	-	-	-	881,753
Total Assets	\$ 557,801	\$ 1,201,326	\$ -	\$ 15,255,180
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 939,092
Accrued liabilities	-	-	-	2,224
Unearned revenues	-	208,693	-	208,693
Retention payable	-	82,908	-	116,118
Deposits payable	-	-	-	30,000
Due to other funds	-	527,002	-	613,562
Total Liabilities	-	818,603	-	1,909,689
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	28,043
Total Deferred Inflows of Resources	-	-	-	28,043
Fund Balances:				
Restricted for:				
Development projects	557,801	382,723	-	7,877,293
Recreation and culture	-	-	-	71,383
Transportation	-	-	-	5,448,902
Unassigned	-	-	-	(80,130)
Total Fund Balances (deficits)	557,801	382,723	-	13,317,448
Total Liabilities and Fund Balances	\$ 557,801	\$ 1,201,326	\$ -	\$ 15,255,180

CITY OF DUARTE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Special Revenue Funds			
	State Gasoline Tax	Lighting and Landscaping	Community Development Block Grant	Supplemental Law Enforcement
Revenues:				
Assessments	\$ -	\$ 1,016,214	\$ -	\$ -
Intergovernmental	621,249	-	111,773	186,159
Charges for services	-	-	-	-
Use of money and property	84,302	-	-	1,801
Miscellaneous	-	-	-	-
Total Revenues	705,551	1,016,214	111,773	187,960
Expenditures:				
Current:				
Safety	-	-	-	187,960
Development	-	1,336,265	7,897	-
Transportation	445,789	-	-	-
Capital outlay	4,015	-	103,876	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	449,804	1,336,265	111,773	187,960
Excess (Deficiency) of Revenues Over (Under) Expenditures	255,747	(320,051)	-	-
Other Financing Sources (Uses):				
Lease and subscription proceeds	-	-	-	-
Transfers in	-	672,427	-	-
Transfers out	(89,961)	(343,200)	-	-
Total Other Financing Sources (Uses)	(89,961)	329,227	-	-
Net Changes in Fund Balances	165,786	9,176	-	-
Fund balances (Deficits), Beginning of Fiscal Year	2,149,583	96,645	-	-
Fund Balances (Deficits), End of Fiscal Year	<u>\$ 2,315,369</u>	<u>\$ 105,821</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

CITY OF DUARTE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Special Revenue Funds			
	Air Quality Management	Measure M	Quimby Act	Prop A Transit
Revenues:				
Assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	22,994	395,860	-	563,685
Charges for services	-	-	-	-
Use of money and property	27,952	47,175	2,522	39,630
Miscellaneous	-	-	-	12,564
Total Revenues	50,946	443,035	2,522	615,879
Expenditures:				
Current:				
Safety	-	-	-	-
Development	-	-	-	-
Transportation	-	-	-	377,720
Capital outlay	93,626	470,119	-	46,645
Debt service:				
Principal retirement	20,727	-	-	-
Interest and fiscal charges	1,932	-	-	-
Total Expenditures	116,285	470,119	-	424,365
Excess (Deficiency) of Revenues Over (Under) Expenditures	(65,339)	(27,084)	2,522	191,514
Other Financing Sources (Uses):				
Lease and subscription proceeds	60,360	-	-	-
Transfers in	3,182	-	-	-
Transfers out	-	(94,024)	-	(60,000)
Total Other Financing Sources (Uses)	63,542	(94,024)	-	(60,000)
Net Changes in Fund Balances	(1,797)	(121,108)	2,522	131,514
Fund balances (Deficits), Beginning of Fiscal Year	150,835	1,081,960	68,861	948,893
Fund Balances (Deficits), End of Fiscal Year	<u>\$ 149,038</u>	<u>\$ 960,852</u>	<u>\$ 71,383</u>	<u>\$ 1,080,407</u>

(Continued)

CITY OF DUARTE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Special Revenue Funds			
	Housing Authority	Prop C Transit	PEG	Measure R LR Transit
Revenues:				
Assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	467,564	-	350,563
Charges for services	-	-	27,920	-
Use of money and property	74,603	13,495	1,856	28,550
Miscellaneous	-	10,279	-	-
Total Revenues	74,603	491,338	29,776	379,113
Expenditures:				
Current:				
Safety	-	-	-	-
Development	20,596	-	-	-
Transportation	-	303,740	-	-
Capital outlay	-	38,164	4,788	377,929
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	20,596	341,904	4,788	377,929
Excess (Deficiency) of Revenues Over (Under) Expenditures	54,007	149,434	24,988	1,184
Other Financing Sources (Uses):				
Lease and subscription proceeds	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	(45,000)	-	(75,586)
Total Other Financing Sources (Uses)	-	(45,000)	-	(75,586)
Net Changes in Fund Balances	54,007	104,434	24,988	(74,402)
Fund balances (Deficits), Beginning of Fiscal Year	2,053,300	260,956	41,268	652,248
Fund Balances (Deficits), End of Fiscal Year	<u>\$ 2,107,307</u>	<u>\$ 365,390</u>	<u>\$ 66,256</u>	<u>\$ 577,846</u>

(Continued)

CITY OF DUARTE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Special Revenue Funds			
	Park Development	Measure W	Bicycle and Pedestrian	Low and Moderate Housing
Revenues:				
Assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	29,944	253,566	45,085	-
Charges for services	-	-	-	-
Use of money and property	-	13,546	-	117,953
Miscellaneous	-	-	-	-
Total Revenues	29,944	267,112	45,085	117,953
Expenditures:				
Current:				
Safety	-	-	-	-
Development	-	148,276	-	8,120
Transportation	-	-	-	-
Capital outlay	91,266	14,348	45,085	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	91,266	162,624	45,085	8,120
Excess (Deficiency) of Revenues Over (Under) Expenditures	(61,322)	104,488	-	109,833
Other Financing Sources (Uses):				
Lease and subscription proceeds	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Changes in Fund Balances	(61,322)	104,488	-	109,833
Fund balances (Deficits), Beginning of Fiscal Year	(18,808)	342,985	-	4,100,079
Fund Balances (Deficits), End of Fiscal Year	\$ (80,130)	\$ 447,473	\$ -	\$ 4,209,912

(Continued)

CITY OF DUARTE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Capital Project Funds</u>		<u>Infrastructure Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Inclusionary Housing</u>	<u>Community Improvement</u>		
Revenues:				
Assessments	\$ -	\$ -	\$ -	\$ 1,016,214
Intergovernmental	-	1,208,426	-	4,256,868
Charges for services	-	-	-	27,920
Use of money and property	19,709	20,592	-	493,686
Miscellaneous	-	-	-	22,843
Total Revenues	19,709	1,229,018	-	5,817,531
Expenditures:				
Current:				
Safety	-	-	-	187,960
Development	-	-	-	1,521,154
Transportation	-	-	-	1,127,249
Capital outlay	-	1,658,146	-	2,948,007
Debt service:				
Principal retirement	-	-	165,750	186,477
Interest and fiscal charges	-	-	55,087	57,019
Total Expenditures	-	1,658,146	220,837	6,027,866
Excess (Deficiency) of Revenues Over (Under) Expenditures	19,709	(429,128)	(220,837)	(210,335)
Other Financing Sources (Uses):				
Lease and subscription proceeds	-	-	-	60,360
Transfers in	-	-	220,837	896,446
Transfers out	-	-	-	(707,771)
Total Other Financing Sources (Uses)	-	-	220,837	249,035
Net Changes in Fund Balances	19,709	(429,128)	-	38,700
Fund balances (Deficits), Beginning of Fiscal Year	538,092	811,851	-	13,278,748
Fund Balances (Deficits), End of Fiscal Year	\$ <u>557,801</u>	\$ <u>382,723</u>	\$ <u>-</u>	\$ <u>13,317,448</u>

CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE
STATE GASOLINE TAX
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,149,583	\$ 2,149,583	\$ 2,149,583	\$ -
Resources (Inflows):				
Intergovernmental	618,200	618,200	621,249	3,049
Use of money and property	51,700	51,700	84,302	32,602
Amounts Available for Appropriations	<u>2,819,483</u>	<u>2,819,483</u>	<u>2,855,134</u>	<u>35,651</u>
Charges to Appropriations (Outflows):				
Transportation	795,000	955,000	445,789	509,211
Capital outlay	10,000	10,000	4,015	5,985
Transfers out	164,000	189,000	89,961	99,039
Total Charges to Appropriations	<u>969,000</u>	<u>1,154,000</u>	<u>539,765</u>	<u>614,235</u>
Budgetary Fund Balance, June 30	<u>\$ 1,850,483</u>	<u>\$ 1,665,483</u>	<u>\$ 2,315,369</u>	<u>\$ 649,886</u>

CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE
LIGHTING AND LANDSCAPING
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 96,645	\$ 96,645	\$ 96,645	\$ -
Resources (Inflows):				
Assessments	1,007,300	1,007,300	1,016,214	8,914
Transfers in	620,500	717,900	672,427	(45,473)
Amounts Available for Appropriations	<u>1,724,445</u>	<u>1,821,845</u>	<u>1,785,286</u>	<u>(36,559)</u>
Charges to Appropriations (Outflows):				
Development	1,334,200	1,490,600	1,336,265	154,335
Transfers out	343,200	343,200	343,200	-
Total Charges to Appropriations	<u>1,677,400</u>	<u>1,833,800</u>	<u>1,679,465</u>	<u>154,335</u>
Budgetary Fund Balance, June 30	<u>\$ 47,045</u>	<u>\$ (11,955)</u>	<u>\$ 105,821</u>	<u>\$ 117,776</u>

CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance (Deficit), July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	148,000	148,000	111,773	(36,227)
Amounts Available for Appropriations	<u>148,000</u>	<u>148,000</u>	<u>111,773</u>	<u>(36,227)</u>
Charges to Appropriations (Outflows):				
Development	10,000	15,000	7,897	7,103
Capital outlay	18,000	113,000	103,876	9,124
Total Charges to Appropriations	<u>28,000</u>	<u>128,000</u>	<u>111,773</u>	<u>16,227</u>
Budgetary Fund Balance, June 30	<u>\$ 120,000</u>	<u>\$ 20,000</u>	<u>\$ -</u>	<u>\$ (20,000)</u>

CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE
 SUPPLEMENTAL LAW ENFORCEMENT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	161,600	186,000	186,159	159
Use of money and property	1,400	2,300	1,801	(499)
Amounts Available for Appropriations	<u>163,000</u>	<u>188,300</u>	<u>187,960</u>	<u>(340)</u>
Charges to Appropriations (Outflows):				
Safety	<u>163,000</u>	<u>188,300</u>	<u>187,960</u>	<u>340</u>
Total Charges to Appropriations	<u>163,000</u>	<u>188,300</u>	<u>187,960</u>	<u>340</u>
Budgetary Fund Balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE
AIR QUALITY MANAGEMENT DISTRIBUTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 150,835	\$ 150,835	\$ 150,835	\$ -
Resources (Inflows):				
Intergovernmental	27,000	27,000	22,994	(4,006)
Use of money and property	3,400	3,400	27,952	24,552
Transfers in	-	-	3,182	3,182
Issuance of debt leases and subscriptions	-	-	60,360	60,360
Amounts Available for Appropriations	181,235	181,235	265,323	84,088
Charges to Appropriations (Outflows):				
Capital outlay	1,341	41,041	93,626	(52,585)
Debt service:				
Principal retirement	20,727	20,727	20,727	-
Interest and fiscal charges	1,932	1,932	1,932	-
Total Charges to Appropriations	24,000	63,700	116,285	(52,585)
Budgetary Fund Balance, June 30	\$ 157,235	\$ 117,535	\$ 149,038	\$ 31,503

CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE
MEASURE M
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,081,960	\$ 1,081,960	\$ 1,081,960	\$ -
Resources (Inflows):				
Intergovernmental	433,100	433,100	395,860	(37,240)
Use of money and property	10,000	10,000	47,175	37,175
Amounts Available for Appropriations	<u>1,525,060</u>	<u>1,525,060</u>	<u>1,524,995</u>	<u>(65)</u>
Charges to Appropriations (Outflows):				
Capital outlay	240,000	539,199	470,119	69,080
Transfers out	48,000	108,000	94,024	13,976
Total Charges to Appropriations	<u>288,000</u>	<u>647,199</u>	<u>564,143</u>	<u>83,056</u>
Budgetary Fund Balance, June 30	<u>\$ 1,237,060</u>	<u>\$ 877,861</u>	<u>\$ 960,852</u>	<u>\$ 82,991</u>

CITY OF DUARTE

BUDGETARY COMPARISON SCHEDULE
 QUIMBY ACT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 68,861	\$ 68,861	\$ 68,861	\$ -
Resources (Inflows):				
Use of money and property	1,600	1,600	2,522	922
Amounts Available for Appropriations	<u>70,461</u>	<u>70,461</u>	<u>71,383</u>	<u>922</u>
Budgetary Fund Balance, June 30	<u>\$ 70,461</u>	<u>\$ 70,461</u>	<u>\$ 71,383</u>	<u>\$ 922</u>

CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE
PROPOSITION A TRANSIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 948,893	\$ 948,893	\$ 948,893	\$ -
Resources (Inflows):				
Intergovernmental	614,300	614,300	563,685	(50,615)
Use of money and property	28,000	28,000	39,630	11,630
Miscellaneous	21,000	21,000	12,564	(8,436)
Amounts Available for Appropriations	1,612,193	1,612,193	1,564,772	(47,421)
Charges to Appropriations (Outflows):				
Transportation	470,000	470,000	377,720	92,280
Capital outlay	47,000	47,000	46,645	355
Transfers out	50,000	50,000	60,000	(10,000)
Total Charges to Appropriations	567,000	567,000	484,365	82,635
Budgetary Fund Balance, June 30	\$ 1,045,193	\$ 1,045,193	\$ 1,080,407	\$ 35,214

CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE
HOUSING AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,053,300	\$ 2,053,300	\$ 2,053,300	\$ -
Resources (Inflows):				
Use of money and property	40,200	40,200	74,603	34,403
Amounts Available for Appropriations	<u>2,093,500</u>	<u>2,093,500</u>	<u>2,127,903</u>	<u>34,403</u>
Charges to Appropriations (Outflows):				
Development	133,900	133,900	20,596	113,304
Total Charges to Appropriations	<u>133,900</u>	<u>133,900</u>	<u>20,596</u>	<u>113,304</u>
Budgetary Fund Balance, June 30	<u>\$ 1,959,600</u>	<u>\$ 1,959,600</u>	<u>\$ 2,107,307</u>	<u>\$ 147,707</u>

CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE
PROPOSITION C TRANSIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 260,956	\$ 260,956	\$ 260,956	\$ -
Resources (Inflows):				
Intergovernmental	509,600	509,600	467,564	(42,036)
Use of money and property	7,500	7,500	13,495	5,995
Miscellaneous	17,000	17,000	10,279	(6,721)
Amounts Available for Appropriations	<u>795,056</u>	<u>795,056</u>	<u>752,294</u>	<u>(42,762)</u>
Charges to Appropriations (Outflows):				
Transportation	376,600	380,600	303,740	76,860
Capital outlay	38,200	38,200	38,164	36
Transfers out	40,000	40,000	45,000	(5,000)
Total Charges to Appropriations	<u>454,800</u>	<u>458,800</u>	<u>386,904</u>	<u>71,896</u>
Budgetary Fund Balance, June 30	<u>\$ 340,256</u>	<u>\$ 336,256</u>	<u>\$ 365,390</u>	<u>\$ 29,134</u>

CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE
PEG
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 41,268	\$ 41,268	\$ 41,268	\$ -
Resources (Inflows):				
Charges for services	33,000	33,000	27,920	(5,080)
Use of money and property	500	500	1,856	1,356
Amounts Available for Appropriations	<u>74,768</u>	<u>74,768</u>	<u>71,044</u>	<u>(3,724)</u>
Charges to Appropriations (Outflow):				
Capital outlay	-	10,000	4,788	5,212
Total Charges to Appropriations	<u>-</u>	<u>10,000</u>	<u>4,788</u>	<u>5,212</u>
Budgetary Fund Balance, June 30	<u>\$ 74,768</u>	<u>\$ 64,768</u>	<u>\$ 66,256</u>	<u>\$ 1,488</u>

CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE
MEASURE R LR TRANSIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 652,248	\$ 652,248	\$ 652,248	\$ -
Resources (Inflows):				
Intergovernmental	382,200	382,200	350,563	(31,637)
Use of money and property	30,300	30,300	28,550	(1,750)
Amounts Available for Appropriations	<u>1,064,748</u>	<u>1,064,748</u>	<u>1,031,361</u>	<u>(33,387)</u>
Charges to Appropriations (Outflows):				
Capital outlay	415,000	415,000	377,929	37,071
Transfers out	83,000	83,000	75,586	7,414
Total Charges to Appropriations	<u>498,000</u>	<u>498,000</u>	<u>453,515</u>	<u>44,485</u>
Budgetary Fund Balance, June 30	<u>\$ 566,748</u>	<u>\$ 566,748</u>	<u>\$ 577,846</u>	<u>\$ 11,098</u>

CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE
 PARK DEVELOPMENT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance (deficit), July 1	\$ (18,808)	\$ (18,808)	\$ (18,808)	\$ -
Resources (Inflows):				
Intergovernmental	<u>564,000</u>	<u>564,000</u>	<u>29,944</u>	<u>(534,056)</u>
Amounts Available for Appropriations	<u>545,192</u>	<u>545,192</u>	<u>11,136</u>	<u>(534,056)</u>
Charges to Appropriations (Outflow):				
Capital outlay	<u>564,000</u>	<u>564,000</u>	<u>91,266</u>	<u>472,734</u>
Total Charges to Appropriations	<u>564,000</u>	<u>564,000</u>	<u>91,266</u>	<u>472,734</u>
Budgetary Fund Balance (Deficit), June 30	<u><u>\$ (18,808)</u></u>	<u><u>\$ (18,808)</u></u>	<u><u>\$ (80,130)</u></u>	<u><u>\$ (61,322)</u></u>

CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE
MEASURE W
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 342,985	\$ 342,985	\$ 342,985	\$ -
Resources (Inflows):				
Intergovernmental	250,000	250,000	253,566	3,566
Use of money and property	600	600	13,546	12,946
Amounts Available for Appropriations	<u>593,585</u>	<u>593,585</u>	<u>610,097</u>	<u>16,512</u>
Charges to Appropriations (Outflows):				
Development	230,000	230,000	148,276	81,724
Capital outlay	-	-	14,348	(14,348)
Total Charges to Appropriations	<u>230,000</u>	<u>230,000</u>	<u>162,624</u>	<u>67,376</u>
Budgetary Fund Balance, June 30	<u>\$ 363,585</u>	<u>\$ 363,585</u>	<u>\$ 447,473</u>	<u>\$ 83,888</u>

CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE
BICYCLE AND PEDESTRIAN
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	40,000	40,000	45,085	5,085
Amounts Available for Appropriations	40,000	40,000	45,085	5,085
Charges to Appropriations (Outflow):				
Capital outlay	40,000	45,100	45,085	15
Total Charges to Appropriations	40,000	45,100	45,085	15
Budgetary Fund Balance (Deficit), June 30	\$ -	\$ (5,100)	\$ -	\$ 5,100

CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE
LOW AND MODERATE HOUSING
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,100,079	\$ 4,100,079	\$ 4,100,079	\$ -
Resources (Inflows):				
Use of money and property	98,900	98,900	117,953	19,053
Amounts Available for Appropriations	4,198,979	4,198,979	4,218,032	19,053
Charges to Appropriations (Outflows):				
Development	8,600	8,600	8,120	480
Total Charges to Appropriations	8,600	8,600	8,120	480
Budgetary Fund Balance, June 30	\$ 4,190,379	\$ 4,190,379	\$ 4,209,912	\$ 19,533

CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE
 INCLUSIONARY HOUSING CAPITAL PROJECTS FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 538,092	\$ 538,092	\$ 538,092	\$ -
Resources (Inflows):				
Use of money and property	13,300	13,300	19,709	6,409
Amounts Available for Appropriations	<u>551,392</u>	<u>551,392</u>	<u>557,801</u>	<u>6,409</u>
Budgetary Fund Balance, June 30	<u>\$ 551,392</u>	<u>\$ 551,392</u>	<u>\$ 557,801</u>	<u>\$ 6,409</u>

CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE
COMMUNITY IMPROVEMENT CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 811,851	\$ 811,851	\$ 811,851	\$ -
Resources (Inflows):				
Intergovernmental	4,967,000	4,967,000	1,208,426	(3,758,574)
Use of money and property	20,600	20,600	20,592	(8)
Amounts Available for Appropriations	<u>5,799,451</u>	<u>5,799,451</u>	<u>2,040,869</u>	<u>(3,758,582)</u>
Charges to Appropriations (Outflows):				
Capital outlay	4,988,000	4,988,000	1,658,146	3,329,854
Total Charges to Appropriations	<u>4,988,000</u>	<u>4,988,000</u>	<u>1,658,146</u>	<u>3,329,854</u>
Budgetary Fund Balance, June 30	<u>\$ 811,451</u>	<u>\$ 811,451</u>	<u>\$ 382,723</u>	<u>\$ (428,728)</u>

CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE
 INFRASTRUCTURE DEBT SERVICE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Transfers in	220,900	220,900	220,837	(63)
Amounts Available for Appropriations	220,900	220,900	220,837	(63)
Charges to Appropriations (Outflows):				
Principal retirement	165,800	165,800	165,750	50
Interest and fiscal charges	55,100	55,100	55,087	13
Total Charges to Appropriations	220,900	220,900	220,837	63
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -