

CITY OF DUARTE

ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2025



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CITY OF DUARTE, CALIFORNIA
Annual Financial Report
For the Fiscal Year Ended June 30, 2025

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Annual Financial Report
For the Fiscal Year Ended June 30, 2025

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INDEPENDENT AUDITORS' REPORT

To Honorable Mayor and City Council
City of Duarte, California

Report on the Audit of the Financial Statements

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 (hereafter, the City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Emphasis of Matter

Change in Accounting Principle

As described in Note 15 to the financial statements, in 2025, the City adopted new accounting guidance, GASB Statement No. 101, Compensated Absences. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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



To City Council
City of Duarte
Duarte, California

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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, *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, budgetary comparison information, and required pension and other post-employment benefits schedules as listed on the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.



To City Council
City of Duarte
Duarte, California

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 fund financial statements and schedules (supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is 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, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering City's internal control over financial reporting and compliance.

Sincerely,

LSL, LLP

Irvine, California
November 20, 2025

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Financial Highlights for Year Ended June 30, 2025

CITY OF DUARTE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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, 2025. 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 \$95,646,283 (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 34.
- During the fiscal year, City revenues exceeded expenses and the City's net position reflects an increase of \$4,040,739.
- The City's governmental funds had ending fund balances of \$50,421,067 which is a decrease of \$144,155 from the prior year fund balance of \$50,565,222.
- This fiscal year, the City's General Fund experienced a net change in Fund Balance of \$83,207. The relatively small net change in fund balance of \$83,207 indicates that revenues and expenditures were nearly balanced.
- The City's long-term liabilities decreased by \$653,145 during the fiscal year to \$3,919,199 due largely to the normal scheduled repayments. See Note 8 for further details.
- At June 30, 2025, the City reported a net pension liability of \$18,366,664 and related deferred outflows of \$5,179,834 and deferred inflows of \$717,390. See Note 11 for further details.
- At June 30, 2025, the City reported an OPEB liability of \$3,695,831 and related deferred outflows of \$1,066,772 and deferred inflows of \$2,732,681. 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 20 through 22 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, liabilities, and deferred inflows/outflows of resources, 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.

**CITY OF DUARTE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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 23 through 29 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 nineteen 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 26 and 28 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 30 through 58 of the report.

**CITY OF DUARTE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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, 2025, is as follows:

	Net Position	
	Governmental Activities	
	<u>2024</u>	<u>2025</u>
Current and other assets	\$ 55,350,541	\$ 56,887,126
Capital assets	63,227,736	67,726,375
Total Assets	<u>\$ 118,578,277</u>	<u>\$ 124,613,501</u>
Deferred Outflows of Resources	<u>\$ 8,127,880</u>	<u>\$ 6,246,606</u>
Other liabilities	4,431,864	5,304,817
Long-term liabilities outstanding	<u>26,891,799</u>	<u>25,981,694</u>
Total Liabilities	<u>\$ 31,323,663</u>	<u>\$ 31,286,511</u>
Deferred Inflows of Resources	<u>\$ 4,266,571</u>	<u>\$ 3,927,313</u>
Net assets (liabilities):		
Net Investment In Capital Assets	\$ 59,670,311	\$ 64,379,337
Restricted	16,863,221	16,887,815
Unrestricted	<u>14,582,391</u>	<u>14,379,131</u>
Total Net Position	<u><u>\$ 91,115,923</u></u>	<u><u>\$ 95,646,283</u></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 2025, assets and deferred outflows exceeded liabilities and deferred inflows by \$95,646,283.

The City's primary assets were cash - \$48,750,668, land held for resale - \$3,739,689 and capital assets - \$67,726,375. A 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 - \$18,366,664, its net OPEB liability - \$3,695,831 and its long-term liabilities for notes, leases, subscriptions, and compensated absences - \$3,919,199.

A summary of the changes in the City's net position for the fiscal year ended June 30, 2025, is as follows:

**CITY OF DUARTE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

A summary of the changes in the City's net position for the fiscal year ended June 30, 2025, is as follows:

	Governmental Activities	
	2024	2025
Revenues:		
Program Revenues:		
Charges For Services	\$ 4,174,366	\$ 4,085,087
Operating Grants	2,772,223	2,809,213
Capital Grants	2,513,353	2,542,087
General Revenues:		
Taxes	16,304,534	16,108,779
Use Of Money And Property	2,302,351	2,357,409
Motor Vehicle In Lieu	2,997,160	3,027,922
Miscellaneous	374,373	293,839
Total Revenues	31,438,360	31,224,336
Expenses:		
Governmental Activities:		
General Government	6,952,817	7,169,341
Safety	7,560,586	7,788,106
Development	4,658,200	5,124,507
Recreation And Culture	4,118,923	4,341,122
Transportation	2,554,442	2,670,591
Interest Expense And Fiscal Charges	80,297	89,930
Total expenses	25,925,265	27,183,597
Changes in net position	5,513,095	4,040,739
Net position - beginning of fiscal year	85,602,828	91,115,923
Change in accounting principle	-	489,621
Net position - beginning, as restated	85,602,828	91,605,544
Net position - end of fiscal year	\$ 91,115,923	\$ 95,646,283

At fiscal year-end, the City's net position had increased by \$4,040,739.

As described in Note 15 to the financial statements, the City implemented new accounting guidance, GASB Statement No. 101, Compensated Absences. The implementation of this new accounting guidance resulted in a restatement of the beginning net position in fiscal year 2025.

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, 2025, the City's governmental funds had a total ending fund balance of \$50,421,067. This amount represents a decrease of \$144,155, or 0.3% as compared to the prior fiscal year fund balance of \$50,565,222.

**CITY OF DUARTE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Really the majority of the decrease took place in the Special Revenue Funds, which represent about \$14.2 million of the City's governmental funds. The changes were in the Park Development fund related to projects pending grant reimbursements, SB1, Measure R, and Measure M related to construction projects, and the PEG fund related to the new Audio-Visual system.

Capital Asset and Debt Administration

Capital Assets

At fiscal year-end, the City had \$67.7 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 \$4,498,639 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 liabilities totaling \$3,919,199.

A summary of the City's long-term liabilities activity for the fiscal year ended is as follows:

Long Term Liabilities at Year-end

	<u>2024</u>	<u>2025</u>	<u>Increase (Decrease)</u>
US Bancorp Infrastructure Lease	\$ 2,110,556	\$ 1,940,794	\$ (169,762)
Apple Lease	21,605	-	(21,605)
CA Energy Comm Loan	29,439	9,959	(19,480)
Leases	837,038	926,017	88,979
Subscriptions	417,404	284,598	(132,806)
Accrued vacation & sick leave	1,156,302	757,831	(398,471)
Total debt	<u><u>\$ 4,572,344</u></u>	<u><u>\$ 3,919,199</u></u>	<u><u>\$ (653,145)</u></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's spendable fund balance ended fiscal year 2025 with \$33.1 million, which included \$2.3 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, \$1.1 million in funds encumbered for projects that will roll over to fiscal year 2026, \$240 thousand for public art and \$399 thousand in restricted funds for storm drain, pension and vehicle replacement expenses.

This is a \$500 thousand decrease in General Fund's spendable fund balance. The main reason for the decrease in fund balance is the portion that was allocated by Council from the Special Project funds for the Huntington Drive landscape median project. However, there is also \$1.1 million in encumbered funds due to delayed projects that would have decreased cash balance in the current year but instead will roll over to fiscal year 2025/26.

**CITY OF DUARTE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

General Fund revenues came in higher than projected and expenses came in lower than projected at Midyear. This is due in part to our conservative projections and the delayed projects mentioned above. The City will continue to take a conservative approach to its forecasts and aim to hold operating expenses in balance with ongoing revenues, while focusing large one-time capital projects on one-time revenues, grant funds and designated fund balances in order to maintain a 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.

BASIC FINANCIAL STATEMENTS

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Government-Wide Financial Statements

CITY OF DUARTE
Statement of Net Position
June 30, 2025

	Governmental Activities
ASSETS	
Cash and investments	\$ 48,448,159
Receivables:	
Accounts	120,870
Taxes	2,574,398
Accrued interest	484,218
Due from other governments	712,530
Prepaid costs	650
Restricted assets:	
Cash and investments with fiscal agent	302,509
Lease receivables	504,103
Land held for resale	3,739,689
Capital assets (not being depreciated)	26,196,790
Capital assets (net of accumulated depreciation/amortization)	41,529,585
Total assets	124,613,501
DEFERRED OUTFLOWS OF RESOURCES	
Pension related items	5,179,834
OPEB related items	1,066,772
Total deferred outflows of resources	6,246,606
LIABILITIES	
Accounts payable	3,577,081
Accrued liabilities	164,751
Retainage payable	185,670
Accrued interest payable	35,522
Deposits payable	935,664
Unearned revenues	406,129
Noncurrent liabilities:	
Due within one year:	
Notes, leases, subscriptions, and compensated absences	861,836
Due in more than one year:	
Notes, leases, subscriptions, and compensated absences	3,057,363
Net pension liability	18,366,664
Net OPEB liability	3,695,831
Total liabilities	31,286,511
DEFERRED INFLOWS OF RESOURCES	
Pension related items	717,390
OPEB related items	2,732,681
Leases	477,242
Total deferred inflows of resources	3,927,313
NET POSITION	
Net investment in capital assets	64,379,337
Restricted:	
Development projects	10,130,903
Transportation	6,046,682
Storm drains	93,704
Pensions	302,509
Public Art	239,700
Recreation and culture	74,317
Unrestricted	14,379,131
Total net position	\$ 95,646,283

CITY OF DUARTE
Statement of Activities
For the Fiscal Year Ended June 30, 2025

	Program Revenues				Net (Expenses) Revenues and Changes in Net Position
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Primary Government
					Governmental Activities
Functions/Programs:					
Primary government:					
Governmental activities:					
General government	\$ 7,169,341	\$ 79,943	\$ 288,423	\$ -	\$ (6,800,975)
Safety	7,788,106	333,794	348,076	-	(7,106,236)
Development	5,124,507	3,347,055	253,928	970,767	(552,757)
Recreation and cultural	4,341,122	324,295	-	264,272	(3,752,555)
Transportation	2,670,591	-	1,918,786	1,307,048	555,243
Interest expense and fiscal charges	89,930	-	-	-	(89,930)
Total primary government	\$ 27,183,597	\$ 4,085,087	\$ 2,809,213	\$ 2,542,087	(17,747,210)

General revenues:

General revenues:

Property taxes, levied for general purposes	3,505,941
Sales taxes	9,919,831
Franchise taxes	1,481,813
Business license taxes	391,440
Other taxes	809,754
Motor vehicle in lieu	3,027,922
Use of money and property	2,357,409
Miscellaneous income	293,839

Total general revenues **21,787,949**

Change in net position **4,040,739**

Net position - beginning 91,115,923

Change in accounting principle 489,621

Net position - beginning, as restated 91,605,544

Net position - ending **\$ 95,646,283**

Fund Financial Statements

Governmental Fund Financial Statements

CITY OF DUARTE
Balance Sheet
Governmental Funds
June 30, 2025

	<u>Capital Projects Fund</u>			Total Governmental Funds
	<u>General Fund</u>	<u>Community Improvement</u>	<u>Other Nonmajor Funds</u>	
ASSETS				
Cash and cash equivalents	\$ 33,686,059	\$ 754,499	\$ 14,310,110	\$ 48,750,668
Receivables (net of allowance for uncollectible):				
Accounts	115,261	-	5,609	120,870
Interest	484,218	-	-	484,218
Leases	504,103	-	-	504,103
Taxes	2,389,005	-	185,393	2,574,398
Due from other funds	251,531	-	-	251,531
Due from other governments	112,273	416,540	183,717	712,530
Prepaid expenses	650	-	-	650
Land held for resale	2,857,936	-	881,753	3,739,689
Total assets	\$ 40,401,036	\$ 1,171,039	\$ 15,566,582	\$ 57,138,657
LIABILITIES				
Accounts payable	\$ 1,923,395	\$ 110,770	\$ 1,534,297	\$ 3,568,462
Accrued payroll	161,646	-	2,955	164,601
Unearned revenue	197,436	208,693	-	406,129
Retainage payable	124,441	5,830	55,399	185,670
Other payables	8,769	-	-	8,769
Deposits	905,664	-	30,000	935,664
Due to other funds	-	-	251,531	251,531
Total liabilities	3,321,351	325,293	1,874,182	5,520,826
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	119,625	416,540	183,357	719,522
Leases	477,242	-	-	477,242
Total deferred inflows of resources	596,867	416,540	183,357	1,196,764
FUND BALANCES (DEFICITS)				
Nonspendable:				
Prepaid costs	650	-	-	650
Land held for resale	2,857,936	-	-	2,857,936
Leases receivable	504,103	-	-	504,103
Restricted for:				
Development projects	2,050,236	429,206	7,651,461	10,130,903
Recreation and culture	-	-	74,317	74,317
Transportation	-	-	6,046,682	6,046,682
Storm drains	93,704	-	-	93,704
Pensions	302,509	-	-	302,509
Public art	239,700	-	-	239,700
Committed to:				
Vehicle replacement	2,648	-	-	2,648
Assigned:				
Special projects	2,331,492	-	-	2,331,492
Encumbrances	1,139,784	-	-	1,139,784
Unassigned	26,960,056	-	(263,417)	26,696,639
Total fund balances (deficits)	36,482,818	429,206	13,509,043	50,421,067
Total liabilities and fund balances (deficits)	\$ 40,401,036	\$ 1,171,039	\$ 15,566,582	\$ 57,138,657

CITY OF DUARTE
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2025

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances - governmental funds		\$ 50,421,067
Capital assets, net of accumulated depreciation/amortization, used in governmental activities are not financial resources and, therefore, are not reported in the funds.		67,726,375
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings, and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the Statement of Net Position.		
Deferred outflows-pension related	5,179,834	
Deferred outflows-OPEB related	1,066,772	
Deferred inflows-pension related	(717,390)	
Deferred inflows-OPEB related	<u>(2,732,681)</u>	
Total deferred outflows and inflows related to postemployment benefits		2,796,535
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.		
Direct placement and direct borrowings	(1,950,753)	
Leases and SBITA payable	(1,210,615)	
Compensated absences	(757,831)	
Accrued interest payable on long-term debt	(35,522)	
Net pension liability	(18,366,664)	
Net OPEB liability	<u>(3,695,831)</u>	
Total long-term liabilities		(26,017,216)
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.		<u>719,522</u>
Net position of governmental activities		<u>\$ 95,646,283</u>

CITY OF DUARTE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Nonmajor Funds	Total Governmental Funds
		Formerly Major Fund	Formerly Nonmajor Fund		
		SB1/RMRA Special Revenue	Community Improvement		
REVENUES					
Taxes	\$ 16,108,779	\$ -	\$ -	\$ -	\$ 16,108,779
Intergovernmental	3,355,394	-	510,365	3,877,938	7,743,697
Fines and fees	381,646	-	-	-	381,646
Licenses and permits	1,593,994	-	-	-	1,593,994
Use of money and property	1,778,170	-	17,573	561,666	2,357,409
Special assessments	-	-	-	1,023,923	1,023,923
Charges for services	1,061,755	-	-	23,769	1,085,524
Miscellaneous	261,807	-	-	21,902	283,709
Interest income	14,215	-	-	-	14,215
Total revenues	24,555,760	-	527,938	5,509,198	30,592,896
EXPENDITURES					
General government	6,499,464	-	-	-	6,499,464
Safety	7,607,432	-	-	197,181	7,804,613
Development	2,932,262	-	-	1,877,811	4,810,073
Recreation and cultural	3,680,662	-	-	128,730	3,809,392
Transportation	-	-	-	924,476	924,476
Capital outlay	3,522,517	-	481,455	2,613,910	6,617,882
Debt service:					
Principal retirement	347,726	-	-	197,613	545,339
Interest expense and fiscal charges	40,016	-	-	53,503	93,519
Total expenditures	24,630,079	-	481,455	5,993,224	31,104,758
Excess (deficiency) of revenues over (under) expenditures	(74,319)	-	46,483	(484,026)	(511,862)
OTHER FINANCING SOURCES (USES)					
Debt issuance proceeds	345,056	-	-	-	345,056
Proceeds for sale of capital assets	22,651	-	-	-	22,651
Transfers in	958,033	-	-	1,168,214	2,126,247
Transfers out	(1,168,214)	-	-	(958,033)	(2,126,247)
Total other financing sources (uses)	157,526	-	-	210,181	367,707
Net change in fund balances	83,207	-	46,483	(273,845)	(144,155)
Fund balances - beginning	36,399,611	848,163	-	13,317,448	50,565,222
Change within financial reporting entity	-	(848,163)	382,723	465,440	-
Fund balances - beginning, as restated	36,399,611	-	382,723	13,782,888	50,565,222
Fund balances (deficit) - ending	\$ 36,482,818	\$ -	\$ 429,206	\$ 13,509,043	\$ 50,421,067

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, 2025

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

Net change in fund balances - total governmental funds: \$ (144,155)

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

Capital outlay	6,617,292	
Amounts not recorded as capital outlays that were capitalized	207,209	
Depreciation/amortization expense	<u>(2,229,343)</u>	
Total adjustment		4,595,158

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Earned but unavailable grant revenues	<u>635,525</u>	
Total adjustment		635,525

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase/(decrease) net position.

Donations of capital assets	116,400	
Miscellaneous capital asset adjustments	54,390	
Gain/(loss) on disposal of capital assets	<u>(212,918)</u>	
Total adjustment		(42,128)

Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Leases and SBITAs issued	(345,056)	
Principal payments	<u>545,339</u>	
Total adjustment		200,283

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Accrued interest on long-term debt	3,589	
Compensated absences	(91,150)	
Changes in pension liabilities and related deferred outflows and inflows of resources	(1,427,709)	
Changes in OPEB liabilities and related deferred outflows and inflows of resources	<u>311,326</u>	
Total adjustment		(1,203,944)

Change in net position of governmental activities \$ 4,040,739

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Notes to The Basic Financial Statements

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.

A. Reporting Entity

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.

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.

B. 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. The City does not have any business-type activities; therefore, only governmental activities are reported.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

C. 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.

Community Improvement Fund – This fund accounts for the City's capital improvement projects that are paid through special funds.

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.

D. 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position/ Fund Balance

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 on page 41.

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 acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the 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 Financial Statements
For the Fiscal Year Ended June 30, 2025

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 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 contract.

Deferred Inflows and Outflows of Resources

In addition to assets, the Statement of Financial Position 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.

In addition to liabilities, the Statement of Financial Position 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 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. The liability for compensated absences is reported as incurred in the financial statements. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation

The City's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Sick Leave

The City's policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employ of the City and, upon separation from service, no monetary obligation exists. However, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

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.

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.

CITY OF DUARTE
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deficit Fund Balances or Net Position

The following funds have a deficit fund balance at June 30, 2025 :

Nonmajor Fund - Park Development	\$(263,417)
----------------------------------	-------------

The City expects to eliminate these deficits with anticipated future revenues from grants, deferred payments, and reimbursements.

New GASB Pronouncements Effective during Fiscal Year

The following Government Accounting Standards Board (GASB) pronouncement was effective for and implemented for the fiscal year ended June 30, 2025:

GASB Statement No. 101, Compensated Absences

The requirements of this Statement will improve financial reporting by implementing a unified recognition and measurement model that will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. Establishing the unified model will result in consistent application to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave. This Statement will also result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences.

GASB Statement No. 102, Certain Risk Disclosures

The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government’s financial condition.

New GASB Pronouncements Effective in Future Fiscal Years

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

A. Cash and Investments

Cash and investments as of June 30, 2025, are classified in the accompanying financial statements as follows:

Statement of Net Position	
Cash on hand	\$ 3,025
Demand deposits	4,200,909
Investments in Local Agency Investment Fund (LAIF)	44,244,225
Restricted:	
Cash and investments with fiscal agent	302,509
	<hr/>
Total cash and investments	<u>\$ 48,750,668</u>

CITY OF DUARTE
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

B. Deposits

At June 30, 2025, the carrying amount of the City's deposits was \$4,200,909 and the bank balance was \$4,433,507. 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 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.

C. 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, 2025. 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 by State Law	Authorized by Investment Policy	Maximum Maturity		Maximum Percentages of Portfolio	
		CGC	City	CGC	City
California State Bonds	Yes	5 years	5 years	None	None
Federal Agency and U.S-Government Sponsored Enterprise Obligations		5 years	5 years	None	None
U.S Treasury Securities	Yes	5 years	5 years	None	None
Certificates of Deposit	Yes	5 years	5 years	30%	30%
Time Deposits	Yes	5 years	5 years	None	None
Local Agency Investment Fund (LAIF)	Yes	5 years	N/A	N/A	None

CITY OF DUARTE
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

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:		
Local Agency Investment (LAIF)	\$	44,244,225
U.S Bank Money Market Mutual Fund		302,509

D. 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 \$44,244,225 does not have a rating provided by a nationally recognized statistical rating organization. The City's restricted cash of \$302,509 held in U.S. Bank Money Market Mutual Fund does not have a rating by a nationally recognized statistical rating organization.

E. Concentration of Credit Risk

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

F. 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, 2025, \$3,950,909 of the City's deposits with financial institutions in excess of federal depository insurance limits was held in collateralized accounts.

CITY OF DUARTE
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

G. Fair Value Measurements

Investments are stated as 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".

H. 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, 2025, was \$44,244,225 which reflected an unrealized gain of \$52,955 for the current fiscal year.

The total amount invested by all public agencies in LAIF as of June 30, 2025, was \$24.1 billion. LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2025, has a balance of \$178.1 billion (55.09% was invested in government securities). The average maturity of PMIA investments was 248 days as of June 30, 2025.

NOTE 3 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

A. Due To/Due From Other Funds

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
<u>Major Funds:</u>		
General Fund	\$ 251,531	\$ -
<u>Nonmajor Special Revenue Funds:</u>		
Community Development Block	-	60
PEG	-	5,609
Park Development Grant	-	245,862
	<u>\$ 251,531</u>	<u>\$ 251,531</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 FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 13 - CONDUIT OBLIGATIONS (CONTINUED)

B. Transfers In/Transfers Out

Transfers In	(Transfers Out)		Total
	General Fund	Nonmajor Funds	
General Fund	\$ -	\$ 958,033	\$ 958,033
Nonmajor Funds	1,168,214	-	1,168,214
Total	\$ 1,168,214	\$ 958,033	\$ 2,126,247

Transfers out in the amount of \$1,168,214 were made out of the General Fund into the Lighting and Landscaping Fund (\$910,385) for capital and administrative costs, into the PAG Fund (\$36,992) 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 \$958,033 were made to reimburse the General Fund for expenditures paid on behalf of the State Gasoline Tax Fund (\$112,884), Lighting and Landscape Fund (\$343,200), Measure M Fund (\$119,286), Proposition A Transit Fund (\$76,000), the Proposition C Transit Fund (\$61,700), Measure R LR Transit Fund (\$81,845) and SB1/RMRA (\$163,118).

NOTE 4 - NOTES RECEIVABLE

Notes and loans receivable as of June 30, 2025, are comprised of the following:

A. Investment in State Investment Pool

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 a net \$0 balance of these loans outstanding at June 30, 2025.

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, 2025, is \$1,200,000 with an allowance for doubtful accounts of \$1,200,000 for net notes and loans receivable of \$0 as of June 30, 2025.

NOTE 5 - LEASES RECEIVABLE

As of June 30, 2025, City had 6 active leases. The leases have receipts that range from \$20,015 to \$33,397 and interest rates that range from 2.5110% to 4.0000%. As of June 30, 2025, the total combined value of the lease receivable is \$504,103, and the combined value of the deferred inflow of resources is \$477,242. No variable payments, not included in the lease receivable, were received within the fiscal year. The City recognized \$133,371 of lease revenue during fiscal year 2025.

CITY OF DUARTE
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 6 - CAPITAL ASSETS

A summary of the changes in capital assets for the fiscal year ended June 30, 2025, is as follows:

	Balance July 1, 2024	Additions	Deletions	Transfers	Balance June 30, 2025
Governmental activities:					
Capital assets, not being depreciated					
Land	\$ 21,737,333	\$ -	\$ -	\$ -	\$ 21,737,333
Construction-in-progress	3,273,459	6,076,072	-	(4,890,074)	4,459,457
Total capital assets, not being depreciated	<u>25,010,792</u>	<u>6,076,072</u>	<u>-</u>	<u>(4,890,074)</u>	<u>26,196,790</u>
Capital assets, being depreciated:					
Infrastructure	51,079,788	116,400	-	4,890,074	56,086,262
Structure and improvements	12,105,534	20,385	200,000	-	11,925,919
Machinery and equipment	3,160,087	333,003	514,180	-	2,978,910
Lease Assets					
Buildings	489,652	10,925	-	-	500,577
Vehicles	653,889	283,050	-	-	936,939
Machinery and Equipment	80,169	22,115	7,775	-	94,509
Subscription assets	655,099	78,465	96,403	-	637,161
Total capital assets, being depreciated	<u>68,224,218</u>	<u>864,343</u>	<u>818,358</u>	<u>4,890,074</u>	<u>73,160,277</u>
Less accumulated depreciation:					
Infrastructure	23,601,683	1,439,918	-	-	25,041,601
Structure and improvements	4,641,481	202,389	64,363	-	4,779,507
Machinery and equipment	1,236,253	155,082	483,626	-	907,709
Lease Assets					
Buildings	-	100,505	-	-	100,505
Vehicles	264,292	165,540	-	-	429,832
Machinery and Equipment	60,350	25,493	8,322	-	77,521
Subscription assets	203,215	140,416	49,614	-	294,017
Total accumulated depreciation	<u>30,007,274</u>	<u>2,229,343</u>	<u>605,925</u>	<u>-</u>	<u>31,630,692</u>
Total capital assets, being depreciated, net	<u>38,216,944</u>	<u>(1,365,000)</u>	<u>212,433</u>	<u>4,890,074</u>	<u>41,529,585</u>
Total governmental activities capital assets	<u>\$ 63,227,736</u>	<u>\$ 4,711,072</u>	<u>\$ 212,433</u>	<u>\$ -</u>	<u>\$ 67,726,375</u>

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

Governmental activities:

General government	\$ 359,674
Safety	18,144
Development	29,623
Recreation and culture	362,878
Transportation	1,459,024
Total	<u>\$ 2,229,343</u>

Lease 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.

CITY OF DUARTE
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2025

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, 2025, was \$719,522. The balance of lease receivables reported as deferred inflows of resources at June 30, 2025, was \$477,242. 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, 2025:

	Balance, as Restated July 1, 2024	Additions	Deletions	Balance June 30, 2025	Due Within One Year
Governmental activities					
U.S. Bancorp Infrastructure Lease	\$ 2,110,556	\$ -	\$ (169,762)	\$ 1,940,794	\$ 173,870
Apple Lease	21,605	-	(21,605)	-	-
CA Energy Commission Loan	29,439	-	(19,480)	9,959	9,959
Total direct placement and direct borrowings	2,161,600	-	(210,847)	1,950,753	183,829
Enterprise Leases	327,214	280,024	(151,239)	455,999	140,761
Canon Lease	19,953	-	(18,410)	1,543	1,543
Public Safety Office Lease	489,652	-	(36,055)	453,597	108,057
Quadient Leases	-	17,687	(2,809)	14,878	4,229
Mail Meter Lease	219	-	(219)	-	-
Subscriptions	417,404	47,345	(180,151)	284,598	158,296
Compensated Absences*	666,681	91,150	-	757,831	265,121
Total long-term liabilities	\$ 4,082,723	\$ 436,206	\$ (599,730)	\$ 3,919,199	\$ 861,836

*The change in compensated absences above is a net change for the year

CITY OF DUARTE
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 8 - LONG-TERM LIABILITIES (CONTINUED)

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

A. 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 \$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, 2025, is \$1,940,794.

Fiscal year ending June 30,	U.S. Bankcorp Infrastructure Lease	
	Principal	Interest
2026	\$ 173,870	\$ 46,967
2027	178,078	42,759
2028	182,387	38,450
2029	186,801	34,036
2030	191,321	29,516
2031-2034	1,028,337	75,848
Totals	<u>\$ 1,940,794</u>	<u>\$ 267,576</u>

B. Quadient – City Hall

On May 1, 2025, City of Duarte entered into a 60 month lease as Lessee for the use of Quadient - City Hall. An initial lease liability was recorded in the amount of \$10,052. As of June 30, 2025, the value of the lease liability is \$7,622. City of Duarte is required to make quarterly fixed payments of \$540. The lease has an interest rate of 3.0590%. The value of the right to use asset as of June 30, 2025 of \$10,052 with accumulated amortization of \$2,345 is included with Equipment on the Lease Class activities table found in Note 6. The debt matures as follows:

Fiscal year ending June 30,	Quadient - City Hall	
	Principal	Interest
2026	\$ 1,889	\$ 269
2027	1,948	211
2028	2,008	151
2029	2,071	89
2030	1,595	24
Totals	<u>\$ 9,511</u>	<u>\$ 744</u>

CITY OF DUARTE
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 8 - LONG-TERM LIABILITIES (CONTINUED)

C. Quadient – Public Safety

On August 1, 2022, City of Duarte entered into a 63 month lease as Lessee for the use of Quadient - Public Safety. An initial lease liability was recorded in the amount of \$12,063. As of June 30, 2025, the value of the lease liability is \$3,027. City of Duarte is required to make quarterly fixed payments of \$619. The lease has an interest rate of 3.0590%. The value of the right to use asset as of June 30, 2025 of \$12,063 with accumulated amortization of \$9,000 is included with Equipment on the Lease Class activities table found in Note 6. The debt matures as follows:

Fiscal year ending June 30,	Quadient - Public Safety	
	Principal	Interest
2026	\$ 2,340	\$ 137
2027	2,412	65
2029	615	5
Totals	<u>\$ 5,367</u>	<u>\$ 207</u>

D. 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, 2025, is \$9,959. 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.

Fiscal year ending June 30,	CA Energy Commission Loan	
	Principal	Interest
2026	\$ 9,959	\$ 150
Totals	<u>\$ 9,959</u>	<u>\$ 150</u>

E. Enterprise Leases

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 2022-2024 the City entered into 3 such lease agreements. During the fiscal year 2024-2025 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
2026	\$ 140,761	\$ 12,338
2027	117,040	8,407
2028	110,233	3,947
2029	69,076	1,502
2030	18,889	115
Totals	<u>\$ 455,999</u>	<u>\$ 26,309</u>

CITY OF DUARTE
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 8 - LONG-TERM LIABILITIES (CONTINUED)

F. 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:

Fiscal year ending June 30,	Canon Lease	
	Principal	Interest
2026	\$ 1,543	\$ 2
Totals	\$ 1,543	\$ 2

G. Public Safety Office Lease

The City entered into a lease agreement in April of 2025 for the use of office space for the Public Safety department from July 1, 2025 through June 30, 2034. The monthly base rent from July 1, 2025 through June 30, 2029 shall be \$10,076. The City received a base rent credit of \$5,000 for the twelve months from July 2025 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:

Fiscal year ending June 30,	Public Safety Office	
	Principal	Interest
2026	\$ 108,057	\$ 12,854
2027	111,543	9,369
2028	115,141	5,771
2029	118,856	2,057
Totals	\$ 453,597	\$ 30,051

H. Subscription-Based Information Technology Arrangements

As of June 30, 2025, the City had 12 active subscriptions. The subscriptions have payments that range from \$0 to \$56,809 and interest rates that range from 2.96% to 5.00%. As of June 30, 2025, the total value of the subscription liability was \$284,598. The subscriptions had no variable payments, not included in the subscription liability, within the fiscal year.

Fiscal year ending June 30,	Subscriptions	
	Principal	Interest
2026	\$ 158,296	\$ 9,488
2027	126,302	4,291
Totals	\$ 284,598	\$ 13,779

I. Defeased Bonds

The City has a defeased general obligation in the prior years by placing the proceedings of new bonds and the City's own resources into irrevocable trust accounts to provide for all future debt service payments on the old bonds. Accordingly, those trust account assets and the liability for those defeased bonds are not included in the City's financial statements. At June 30, 2025, \$4,371,966 defeased bonds remain outstanding. Of the amount of defeased bonds outstanding, \$4,609,053 is held by a trustee that may substitute the risk-free monetary assets held for the repayment of the debt with non-risk-free monetary assets.

NOTE 9 - LIABILITY, WORKER'S COMPENSATION, AND PURCHASED INSURANCE

A. 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.

B. 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.

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. 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) 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 2024-25 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.

C. 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.

NOTE 9 - LIABILITY, WORKER'S COMPENSATION, AND PURCHASED INSURANCE (CONTINUED)

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 \$29,493,073. 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 \$6,869,431. 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.

D. 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 2024-25.

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. As of July 1, 2024, the City began making matching contributions of up to \$100 per month for each employee already contributing to the Plan. The City made \$214,772 contributions to the Plan during fiscal year 2025. The amount held by trustees for the employees at June 30, 2025, was \$4,200,102. These amounts are not recorded in the books of the City and as such not included in these financial statements.

A. 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.

B. 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.

CITY OF DUARTE
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 11 - RETIREMENT PLAN (CONTINUED)

The Plan's provisions and benefits in effect at June 30, 2025 (measurement date), are summarized as follows:

	Tier 1*	Tier 2*	PEPRA
	Prior to	On or After	On or After
Hire date/CalPERS	January 1, 2010	January 1, 2010	January 1, 2013
Enrollment Date	2.5% @ 55	2% @ 60	2% @ 62
Benefit formula	5 years service	5 years service	5 years service
Benefit vesting schedule	monthly for life	monthly for life	monthly for life
Benefit payments	minimum 50 yrs	minimum for 50 yrs	minimum 52 yrs
Retirement age	50 yrs - 63+ yrs	50 yrs - 63+ yrs	50 yrs - 63+ yrs
Monthly benefits as a % of	1.425% - 2.418%	1.092% - 2.418%	1.000% - 2.500%
Eligible compensation			
Required employee			
contribution rates	8.00%	7.00%	8.25%
Required employer			
contribution rates	14.99%	10.93%	8.18%

*Plan closed to new entrants

C. 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, 2025, the contributions recognized as part of pension expense for the Plan were as follows:

	<u>Miscellaneous</u>
Contributions - employer	\$ 1,996,283

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

As of June 30, 2025, 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	\$ 18,366,664

CITY OF DUARTE
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 11 - RETIREMENT PLAN (CONTINUED)

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, 2024, 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, 2023 rolled forward to June 30, 2024 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, 2023, and 2024 was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2023	0.148063%
Proportion - June 30, 2024	0.151447%
Change - Decrease	<u>0.003384%</u>

For the fiscal year ended June 30, 2025, the City recognized pension expense of \$1,427,709. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contributions made after the measurement date	\$ 1,996,283	\$ -
Difference between expected and actual experience	1,587,967	61,961
Change in assumptions	472,061	-
contribution	66,177	104,888
Adjustments due to differences in proportion	-	550,541
Net difference between projected and actual earnings	<u>1,057,346</u>	<u>-</u>
Total	<u>\$ 5,179,834</u>	<u>\$ 717,390</u>

The \$1,996,283 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, 2026. 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 ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ 598,926
2027	2,253,359
2028	(23,784)
2029	<u>(362,340)</u>
Total	<u>\$ 2,466,161</u>

NOTE 11 - RETIREMENT PLAN (CONTINUED)

E. 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, 2023 actuarial valuation to June 30, 2024. The June 30, 2024, total pension liability was based on the following actuarial methods and assumptions:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
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 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.

F. 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, 2025.

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:

CITY OF DUARTE
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 11 - RETIREMENT PLAN (CONTINUED)

	<u>Miscellaneous</u>
1.0% Decrease	5.90%
Net Pension Liability	\$ 26,619,000
Current Discount Rate	6.90%
Net Pension Liability	\$ 18,366,664
1.0% Increase	7.90%
Net Pension Liability	\$ 11,573,777

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

A. 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 agent multiple 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 though 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 PEPRA 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, 2025, the maximum coverage rates are \$814 a month, \$1,628 a month, and \$2,117 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, 2025 actuarial valuation, the Plan provided benefits to 107 beneficiaries consisting of 54 active employees and 53 inactive employees or their beneficiaries.

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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.

B. 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 2024-2025 the City paid \$415,535 in post-employment healthcare costs directly to PERS and an additional contribution of \$173,000 into PARS during FY 2024-2025 for a total contribution amount of \$588,535

C. Net OPEB Liability

The City’s net OPEB liability was measured as of June 30, 2025, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2025. 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 other specified:

Salary increases	3.0 %
Investment rate of return	6.3 %
Inflation	2.5 %
Healthcare cost trend rates	
Pre-Medicare	6.3 %
Medicare	10.0 %

D. 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 6.3%, reflecting updated long-term rates of returned provided by PARS in June 2025. 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.

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

E. 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 6.30%.

F. Changes in the OPEB Liability

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

Service Cost	\$	343,775
Interest		645,937
Difference between expected and actual experience		77,417
Change of Assumptions		162,207
Benefit Payments		<u>(519,486)</u>
Net change in total OPEB liability		709,850
Total OPEB liability - beginning		<u>10,681,587</u>
Total OPEB liability - ending (a)	\$	<u>11,391,437</u>
Plan fiduciary net position		
Contributions employer (1)	\$	692,486
Net investment income		689,047
Benefit payments (1)		<u>(519,486)</u>
Net Change in plan fiduciary net position		862,047
Plan fiduciary net position - beginning		<u>6,833,559</u>
Plan fiduciary net position - ending (b)	\$	<u>7,695,606</u>
Net OPEB liability - ending (a) - (b)	\$	<u>3,695,831</u>

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

G. 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 (5.30%) or 1 percentage point higher (7.30%) than the current discount rate:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Net OPEB Liability	<u>\$ 5,310,338</u>	<u>\$ 3,695,831</u>	<u>\$ 2,375,030</u>

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

H. 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 (7.50% graded down to 2.90%) than the healthcare trend rate or 1 percentage point higher (9.50% graded down to 4.90%) than the current healthcare cost trend rates assumed to be 8.50% effective January 2026 and graded down to 3.90% for 20 years and 75 thereafter:

	<u>1% Decrease</u>	<u>Cost Rate</u>	<u>1% Increase</u>
Net OPEB Liability	<u>\$ 2,254,540</u>	<u>\$ 3,695,831</u>	<u>\$ 5,492,102</u>

I. 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, 2025, are listed below:

PARS Balanced HighMark Plus Portfolio

	<u>PARS Balanced</u>	<u>Expected Rate of Return</u>	
		<u>Target Allocation</u>	<u>Target Allocation</u>
US Large Cap Equity	34.20 %	7.00 %	7.20 %
US Small Cap Equity	1.80 %	7.90 %	7.90 %
International Development Equity	13.50 %	6.90 %	6.90 %
Emerging Markets Equity	4.50 %	7.40 %	7.40 %
REITs	3.00 %	7.20 %	7.00 %
Listed Infrastructure	3.00 %	6.80 %	7.40 %
Core Bonds	35.00 %	4.50 %	5.00 %
High Yield	3.00 %	6.00 %	6.10 %
Cash	2.00 %	3.30 %	2.90 %

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, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 6.30 percent. The money-weighted rate of return expresses investment performance, net of investment expense adjusted for the changing amounts invested.

J. 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.

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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 6.81 years. Liability changes attributable to benefit changes occurring during the period are recognized immediately.

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

For the fiscal year ended June 30, 2025, the City recognized OPEB income of \$311,326 and reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 618,272	\$ 152,638
Differences between expected and actual experience	448,500	2,265,582
Net difference between projected and actual earnings on OPEB plan investments	-	314,461
Total	<u>\$ 1,066,772</u>	<u>\$ 2,732,681</u>

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

Fiscal Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ (314,158)
2027	(498,864)
2028	(593,638)
2029	(322,938)
2030	35,187
Thereafter	28,502
Total	<u>\$ (1,665,909)</u>

A. 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.

NOTE 14 - COMMITMENTS AND CONTINGENCIES

A. 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.

CITY OF DUARTE
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 14 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

B. 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.

C. Contractual Commitments

On July 1, 2025, the City entered into a contract with the Los Angeles Sheriff’s Department to provide city law enforcement services for the 2024-2025 fiscal year for an estimated cost of \$5.55 million.

Project	Expenditures to date as of June 30, 2025	Remaining Commitments
Huntington Dr Median Islands Landscape Improvement	\$ 2,344,138	\$ 164,261
Highland Promenade Project	116,600	1,000,290
Huntington Dr Street Improvements PS&E	26,916	113,504
Duarte City Hall Exterior Refresh	-	847,000

Encumbrances

Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

Fund	Encumbrances
General Fund	\$ 1,139,784
Community Improvement	1,000,290
Nonmajor Funds	220,570
Total	<u>\$ 2,360,644</u>

NOTE 15 - ADJUSTMENTS AND RESTATEMENTS OF BEGINNING BALANCE

During the current year, the City implemented GASB Statement No. 101, Compensated Absences. In addition to the value of unused vacation time owed to employees upon separation of employment, the City now recognizes an estimated amount of sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences. The effects of the change in accounting principle are summarized below in the “Restatement - GASB 101 implementation” column in the table below.

CITY OF DUARTE
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 15 - ADJUSTMENTS AND RESTATEMENTS OF BEGINNING BALANCE (CONTINUED)

Due to the increased amount of funding being received, the Community Improvement Fund should be reported as a major governmental fund. The Community Improvement Fund was previously reported as a nonmajor governmental fund. In addition, due to the decreased amount of funding received, the SB1/RMRA Special Revenue fund should not be reported as a major governmental fund. The SB1/RMRA Special Revenue fund was previously reported as a major governmental fund. The effect of the change within the financial reporting entity is summarized below in the "Adjustments - changes in major funds" column in the following table:

	Net position/fund balance as of 6/30/2024 as previously reported	Restatement GASB 101 implementation	Adjustments - changes in major funds	Net position/fund balance as of 6/30/2024 as adjusted/ restated
Government-wide				
Governmental activities	\$ 91,115,923	\$ 489,621	\$ -	\$ 91,605,544
Total government-wide	<u>\$ 91,115,923</u>	<u>\$ 489,621</u>	<u>\$ -</u>	<u>\$ 91,605,544</u>
Governmental funds				
Major funds				
General Fund	\$ 36,399,611	\$ -	\$ -	\$ 36,399,611
Community Improvement Fund	-	-	382,723	382,723
Nonmajor funds				
SB1/RMRA Fund	848,163	-	(848,163)	-
Other Governmental Funds	13,317,448	-	465,440	13,782,888
Total governmental funds	<u>\$ 50,565,222</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,565,222</u>

NOTE 16 - SUBSEQUENT EVENTS

The City evaluated subsequent events for recognition and disclosure through November 20, 2025, the date on which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2025, that required recognition or disclosure in these financial statements.

Required Supplementary Information

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CITY OF DUARTE
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 16,194,000	\$ 15,694,000	\$ 16,108,779	\$ 414,779
Licenses and permits	777,000	1,377,000	1,593,994	216,994
Intergovernmental	3,438,000	3,438,000	3,355,394	(82,606)
Charges for services	903,400	903,400	1,061,755	158,355
Use of money and property	990,500	1,430,500	1,778,170	347,670
Fines and fees	310,000	310,000	381,646	71,646
Interest income	-	-	14,215	14,215
Miscellaneous	100,000	100,000	261,807	161,807
Total revenues	22,712,900	23,252,900	24,555,760	1,302,860
EXPENDITURES				
Current:				
General government	6,962,400	7,111,400	6,499,464	611,936
Safety	7,593,100	7,966,100	7,607,432	358,668
Development	3,414,900	3,551,900	2,932,262	619,638
Recreation and cultural	3,507,800	3,760,600	3,680,662	79,938
Capital outlay	3,766,000	4,243,600	3,522,517	721,083
Debt service:				
Principal retirement	20,300	20,300	347,726	(327,426)
Interest expense and fiscal charges	1,400	1,400	40,016	(38,616)
Total expenditures	25,265,900	26,655,300	24,630,079	2,025,221
Excess (deficiency) of revenues over (under) expenditures	(2,553,000)	(3,402,400)	(74,319)	3,328,081
OTHER FINANCING SOURCES (USES)				
Transfers in	1,025,500	1,025,500	958,033	(67,467)
Transfers out	(1,023,900)	(1,153,900)	(1,168,214)	(14,314)
Debt issuance proceeds	-	-	345,056	345,056
Proceeds for sale of capital assets	-	-	22,651	22,651
Total other financing sources (uses)	1,600	(128,400)	157,526	285,926
Net change in fund balance	\$ (2,551,400)	\$ (3,530,800)	83,207	\$ 3,614,007
Fund balance-beginning			36,399,611	
Fund balance-ending			\$ 36,482,818	

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CITY OF DUARTE
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
As of June 30, for the Last Ten Fiscal Years

Reporting Date² as of June 30,	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a % of Covered Payroll	Plan's Fiduciary Net Position as a % of the Total Pension Liability
2025	0.15145%	\$ 18,366,664	\$ 4,261,826	431.0%	79.91%
2024	0.14806%	18,471,427	4,162,481	443.8%	77.97%
2023	0.15140%	17,488,020	4,381,600	399.1%	78.19%
2022	0.27327%	9,811,894	4,338,950	226.1%	90.49%
2021	0.27813%	15,108,868	4,272,231	353.7%	77.71%
2020	0.27900%	14,091,516	4,338,950	324.8%	77.73%
2019	0.58309%	13,503,297	4,004,164	337.2%	77.69%
2018	0.29560%	14,098,986	4,047,472	348.3%	73.31%
2017	0.30027%	12,675,786	3,970,085	319.3%	75.87%
2016	0.29101%	10,578,290	3,706,685	285.4%	79.82%

Notes to the Schedule:

Benefit Changes: None

Changes of Assumptions: None

² *The proportions and proportionate share of the net pension liability are measured as of one year behind the reporting date. Refer to notes to basic financial statements.*

CITY OF DUARTE
Required Supplementary Information
Schedules of Pension Contributions
As of June 30, For the Last Ten Fiscal Years

Fiscal Year Ending June 30,	Actuarially Determined Contribution ¹	Actual Employer Contributions ²	Contribution Deficiency (Excess)	Covered Payroll ³	Contribution as a % of Covered Payroll
2025	\$ 528,162	\$ 1,996,283	\$ (1,468,121)	\$ 4,261,826	46.8%
2024	506,617	506,617	-	3,985,824	12.7%
2023	505,435	505,435	-	4,381,600	11.5%
2022	525,340	525,340	-	4,338,950	12.1%
2021	537,636	537,636	-	4,272,231	12.6%
2020	459,105	459,105	-	4,004,164	11.5%
2019	449,981	449,981	-	4,047,472	11.1%
2018	421,885	421,885	-	3,970,085	10.6%
2017	400,604	400,604	-	3,706,684	10.8%
2016	285,477	285,477	-	2,467,539	11.6%

Notes to the Schedule:

¹ Historical information is required only for measurement periods for which GASB Statement No. 68 is applicable.

² Some employers may choose to make additional contributions towards their unfunded liability. Contributions for such plans exceed the actuarially determined contributions.

³ 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 than 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.

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
Schedule of Changes in the Net OPEB Liability and Related Ratios
As of June 30, For the Last Ten Fiscal Years²

	2025	2024
Measurement Date	6/30/2024	6/30/2023
TOTAL OPEB LIABILITY		
Service cost	\$ 343,775	\$ 333,762
Interest on total pension liability	645,937	617,179
Difference between expected and actual experience	77,417	-
Changes of assumptions	162,207	-
Changed due to plan experience	-	-
Benefit payments, including refunds of employee contributions	(519,486)	(443,810)
Net change in total OPEB liability	709,850	507,131
Total OPEB liability-beginning	10,681,587	10,174,456
Total OPEB liability-ending (a)	11,391,437	10,681,587
PLAN FIDUCIARY NET POSITION		
Contributions-employer	692,486	692,810
Net Increase (decrease) in fair value of investments	689,047	357,378
Benefit payments, including refunds of employee contributions	(519,486)	(443,810)
Administrative expense	-	395,384
Net change in fiduciary net position	862,047	1,001,762
Plan fiduciary net position-beginning	6,833,559	5,831,797
Plan fiduciary net position-ending (b)	7,695,606	6,833,559
Net OPEB liability/(asset) (a) - (b)	\$ 3,695,831	\$ 3,848,028
Plan fiduciary net position as a percentage of the total OPEB liability	67.56%	63.98%
Covered-employee payroll	\$ 4,816,287	\$ 4,246,072
Net OPEB liability/(asset) as a percentage of covered-employee payroll	76.74%	90.63%

Notes to Schedule:

Benefit Changes: None

Changes of Assumptions: None

¹ Amount includes implicit subsidy associated with benefits paid.

² Fiscal year 2018 was the first year of GASB Statement No. 75 implementation; therefore only eight years are shown.

CITY OF DUARTE

Required Supplementary Information

Schedule of Changes in the Net OPEB Liability and Related Ratios (Continued)

As of June 30, For the Last Ten Fiscal Years²

2023	2022	2021	2020	2019	2018
<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
\$ 459,669	\$ 447,366	\$ 389,582	\$ 327,023	\$ 266,160	\$ 258,408
790,303	748,420	633,116	575,620	495,518	464,777
-	35,353	1,285,548	(331,435)	65,900	983,161
392,831	583,430	(419,273)	-	2,167,125	-
(4,196,475)	-	-	-	-	-
(459,831)	(462,219)	(431,406)	(365,155)	(359,809)	(662,583)
<u>(3,013,503)</u>	<u>1,352,350</u>	<u>1,457,567</u>	<u>206,053</u>	<u>2,634,894</u>	<u>1,043,763</u>
<u>13,187,959</u>	<u>11,835,609</u>	<u>10,378,042</u>	<u>10,171,989</u>	<u>7,537,095</u>	<u>6,493,332</u>
<u>10,174,456</u>	<u>13,187,959</u>	<u>11,835,609</u>	<u>10,378,042</u>	<u>10,171,989</u>	<u>7,537,095</u>
1,031,831	868,219	876,406	741,655	651,809	915,033
300,420	(688,055)	996,936	81,965	176,444	189,196
(459,831)	(462,219)	(431,406)	(365,155)	(359,809)	(662,583)
144,868	(29,705)	(24,255)	-	-	(13,347)
<u>1,017,288</u>	<u>(311,760)</u>	<u>1,417,681</u>	<u>458,465</u>	<u>468,444</u>	<u>428,299</u>
<u>4,814,509</u>	<u>5,126,269</u>	<u>3,708,588</u>	<u>3,250,123</u>	<u>2,781,679</u>	<u>2,353,380</u>
<u>5,831,797</u>	<u>4,814,509</u>	<u>5,126,269</u>	<u>3,708,588</u>	<u>3,250,123</u>	<u>2,781,679</u>
<u>\$ 4,342,659</u>	<u>\$ 8,373,450</u>	<u>\$ 6,709,340</u>	<u>\$ 6,669,454</u>	<u>\$ 6,921,866</u>	<u>\$ 4,755,416</u>
57.32%	36.51%	43.31%	35.73%	31.95%	36.91%
\$ 4,422,484	\$ 3,613,652	\$ 3,579,723	\$ 4,325,247	\$ 3,926,264	\$ 4,211,793
98.20%	231.72%	187.43%	154.20%	176.30%	112.91%

CITY OF DUARTE
Required Supplementary Information
Schedule of OPEB Contributions
As of June 30, For the Last Ten Fiscal Years¹

	<u>2025</u>	<u>2024</u>
Actuarially Determined Contribution	\$ 692,486	\$ 709,176
Contribution in Relation to the Actuarially Determined Contributions	<u>(599,700)</u>	<u>(692,810)</u>
Contribution Deficiency (Excess)	<u>\$ 92,786</u>	<u>\$ 16,366</u>
Covered-Employee Payroll	<u>\$ 4,816,287</u>	<u>\$ 4,246,072</u>
Contributions as a percentage of Covered-Employee Payroll	12.5%	16.32%

Notes to Schedule:

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

**CITY OF DUARTE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF OPEB CONTRIBUTIONS (CONTINUED)
AS OF JUNE 30, 2023, FOR THE LAST TEN FISCAL YEARS**

2023	2022	2021	2020	2019	2018
\$ 1,022,910	\$ 867,895	\$ 765,007	\$ 803,739	\$ 782,535	\$ 1,491,134
(1,031,831)	(868,219)	(876,406)	(741,655)	(651,809)	(915,033)
<u>\$ (8,921)</u>	<u>\$ (324)</u>	<u>\$ (111,399)</u>	<u>\$ 62,084</u>	<u>\$ 130,726</u>	<u>\$ 576,101</u>
\$ 4,422,484	\$ 3,613,652	\$ 3,579,723	\$ 4,325,247	\$ 3,926,264	\$ 4,211,793
23.33%	24.03%	24.48%	17.15%	16.60%	21.73%

CITY OF DUARTE
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2025

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.

Other Supplemental Information

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Combining and Individual Fund Statements and Schedules:

CITY OF DUARTE
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds			
	SB1/RMRA Special Revenue	State Gasoline Tax	Lighting and Landscaping	Community Development Block Grant
ASSETS				
Cash and cash equivalents	\$ 799,773	\$ 2,487,695	\$ 311,146	\$ -
Receivables				
Accounts	-	-	-	-
Taxes	113,759	56,130	15,504	-
Due from other governments	-	-	-	360
Land held for resale	-	-	-	-
Total assets	\$ 913,532	\$ 2,543,825	\$ 326,650	\$ 360
LIABILITIES				
Accounts payable	\$ 348,919	\$ 144,549	\$ 251,488	\$ 300
Accrued payroll	-	-	-	-
Retainage payable	17,837	4,218	-	-
Deposits	-	-	-	-
Due to other funds	-	-	-	60
Total liabilities	366,756	148,767	251,488	360
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES (DEFICITS)				
Restricted for:				
Development projects	-	-	75,162	-
Recreation and culture	-	-	-	-
Transportation	546,776	2,395,058	-	-
Unassigned	-	-	-	-
Total fund balances (deficits)	546,776	2,395,058	75,162	-
Total liabilities, deferred inflows, and fund balances (deficits)	\$ 913,532	\$ 2,543,825	\$ 326,650	\$ 360

CITY OF DUARTE
Combining Balance Sheet - Nonmajor Governmental Funds (Continued)
June 30, 2025

	Special Revenue Funds			
	Supplemental Law Enforcement	Air Quality Management	Measure M	Quimby Act
ASSETS				
Cash and cash equivalents	\$ 14,993	\$ 148,642	\$ 1,081,022	\$ 74,317
Receivables				
Accounts	-	-	-	-
Taxes	-	-	-	-
Due from other governments	-	8,234	-	-
Land held for resale	-	-	-	-
Total assets	\$ 14,993	\$ 156,876	\$ 1,081,022	\$ 74,317
LIABILITIES				
Accounts payable	\$ 14,993	\$ -	\$ 349,430	\$ -
Accrued payroll	-	-	-	-
Retainage payable	-	-	18,250	-
Deposits	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	14,993	-	367,680	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	8,234	-	-
Total deferred inflows of resources	-	8,234	-	-
FUND BALANCES (DEFICITS)				
Restricted for:				
Development projects	-	-	-	-
Recreation and culture	-	-	-	74,317
Transportation	-	148,642	713,342	-
Unassigned	-	-	-	-
Total fund balances (deficits)	-	148,642	713,342	74,317
Total liabilities, deferred inflows, and fund balances (deficits)	\$ 14,993	\$ 156,876	\$ 1,081,022	\$ 74,317

CITY OF DUARTE
Combining Balance Sheet - Nonmajor Governmental Funds (Continued)
June 30, 2025

	Special Revenue Funds			
	Prop A Transit	Housing Authority	Prop C Transit	PEG
ASSETS				
Cash and cash equivalents	\$ 1,302,799	\$ 2,173,348	\$ 537,511	\$ -
Receivables				
Accounts	-	-	-	5,609
Taxes	-	-	-	-
Due from other governments	-	-	-	-
Prepaid expenses	-	-	-	-
Land held for resale	-	-	-	-
Total assets	\$ 1,302,799	\$ 2,173,348	\$ 537,511	\$ 5,609
LIABILITIES				
Accounts payable	\$ 48,119	\$ -	\$ 37,584	\$ -
Accrued payroll	1,626	-	1,329	-
Retainage payable	-	-	-	-
Deposits	-	-	-	-
Due to other funds	-	-	-	5,609
Total liabilities	49,745	-	38,913	5,609
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES (DEFICITS)				
Restricted for:				
Development projects	-	2,173,348	-	-
Recreation and culture	-	-	-	-
Transportation	1,253,054	-	498,598	-
Unassigned	-	-	-	-
Total fund balances (deficits)	1,253,054	2,173,348	498,598	-
Total liabilities, deferred inflows, and fund balances (deficits)	\$ 1,302,799	\$ 2,173,348	\$ 537,511	\$ 5,609

CITY OF DUARTE
Combining Balance Sheet - Nonmajor Governmental Funds (Continued)
June 30, 2025

	Special Revenue Funds			
	Measure R LR Transit	Park Development	Measure W	Bicycle and Pedestrian
ASSETS				
Cash and cash equivalents	\$ 827,666	\$ -	\$ 484,842	\$ -
Receivables				
Accounts	-	-	-	-
Taxes	-	-	-	-
Due from other governments	-	175,123	-	-
Prepaid expenses	-	-	-	-
Land held for resale	-	-	-	-
Total assets	\$ 827,666	\$ 175,123	\$ 484,842	\$ -
LIABILITIES				
Accounts payable	\$ 321,360	\$ 17,555	\$ -	\$ -
Accrued payroll	-	-	-	-
Retainage payable	15,094	-	-	-
Deposits	-	-	-	-
Due to other funds	-	245,862	-	-
Total liabilities	336,454	263,417	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	175,123	-	-
Total deferred inflows of resources	-	175,123	-	-
FUND BALANCES (DEFICITS)				
Restricted for:				
Development projects	-	-	484,842	-
Recreation and culture	-	-	-	-
Transportation	491,212	-	-	-
Unassigned	-	(263,417)	-	-
Total fund balances (deficits)	491,212	(263,417)	484,842	-
Total liabilities, deferred inflows, and fund balances (deficits)	\$ 827,666	\$ 175,123	\$ 484,842	\$ -

CITY OF DUARTE
Combining Balance Sheet - Nonmajor Governmental Funds (Continued)
June 30, 2025

	Special Revenue Funds	Capital Project Funds	Debt Service Funds	
	Low and Moderate Housing	Inclusionary Housing	Infrastructure Debt Service Fund	Total Nonmajor Funds
ASSETS				
Cash and cash equivalents	\$ 3,485,632	\$ 580,724	\$ -	\$ 14,310,110
Receivables				
Accounts	-	-	-	5,609
Taxes	-	-	-	185,393
Due from other governments	-	-	-	183,717
Land held for resale	881,753	-	-	881,753
Total assets	\$ 4,367,385	\$ 580,724	\$ -	\$ 15,566,582
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ 1,534,297
Accrued payroll	-	-	-	2,955
Retainage payable	-	-	-	55,399
Deposits	30,000	-	-	30,000
Due to other funds	-	-	-	251,531
Total liabilities	30,000	-	-	1,874,182
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	183,357
Total deferred inflows of resources	-	-	-	183,357
FUND BALANCES (DEFICITS)				
Restricted for:				
Development projects	4,337,385	580,724	-	7,651,461
Recreation and culture	-	-	-	74,317
Transportation	-	-	-	6,046,682
Unassigned	-	-	-	(263,417)
Total fund balances (deficits)	4,337,385	580,724	-	13,509,043
Total liabilities, deferred inflows, and fund balances (deficits)	\$ 4,367,385	\$ 580,724	\$ -	\$ 15,566,582

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CITY OF DUARTE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2025

	Special Revenue Funds			
	Formerly Major Fund			
	SB1/RMRA Special Revenue	State Gasoline Tax	Lighting and Landscaping	Community Development Block Grant
REVENUES				
Intergovernmental	\$ 645,551	\$ 661,497	\$ -	\$ 114,907
Use of money and property	31,771	100,784	-	-
Special assessments	-	-	1,023,923	-
Charges for services	-	-	-	-
Miscellaneous	-	5,125	-	-
Total revenues	677,322	767,406	1,023,923	114,907
EXPENDITURES				
Current:				
Safety	-	-	-	-
Development	-	-	1,621,767	6,720
Recreation and cultural	-	-	-	-
Transportation	-	269,149	-	-
Capital outlay	815,591	305,684	-	108,188
Debt Service:				
Principal retirement	-	-	-	-
Interest expense and fiscal charges	-	-	-	-
Total expenditures	815,591	574,833	1,621,767	114,908
Excess (deficiency) of revenues over (under) expenditures	(138,269)	192,573	(597,844)	(1)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	910,385	1
Transfers out	(163,118)	(112,884)	(343,200)	-
Total other financing sources (uses)	(163,118)	(112,884)	567,185	1
Net change in fund balances	(301,387)	79,689	(30,659)	-
Fund balances - beginning	-	2,315,369	105,821	-
Change within financial reporting entity	848,163	-	-	-
Fund balances (deficit) - beginning, as restated	848,163	2,315,369	105,821	-
Fund balances (deficit) - ending	\$ 546,776	\$ 2,395,058	\$ 75,162	\$ -

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

	Special Revenue Funds			
	Supplemental Law Enforcement	Air Quality Management	Measure M	Quimby Act
REVENUES				
Intergovernmental	\$ 194,663	\$ 30,967	\$ 421,505	\$ -
Use of money and property	2,518	5,849	46,704	2,934
Special assessments	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	197,181	36,816	468,209	2,934
EXPENDITURES				
Current:				
Safety	197,181	-	-	-
Development	-	-	-	-
Recreation and cultural	-	-	91,105	-
Transportation	-	-	-	-
Capital outlay	-	6,933	505,328	-
Debt Service:				
Principal retirement	-	27,851	-	-
Interest expense and fiscal charges	-	2,428	-	-
Total expenditures	197,181	37,212	596,433	-
Excess (deficiency) of revenues over (under) expenditures	-	(396)	(128,224)	2,934
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	(119,286)	-
Total other financing sources (uses)	-	-	(119,286)	-
Net change in fund balances	-	(396)	(247,510)	2,934
Fund balances - beginning	-	149,038	960,852	71,383
Change within financial reporting entity	-	-	-	-
Fund balances (deficit) - beginning, as restated	-	149,038	960,852	71,383
Fund balances (deficit) - ending	\$ -	\$ 148,642	\$ 713,342	\$ 74,317

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

	Special Revenue Funds			
	Prop A Transit	Housing Authority	Prop C Transit	PEG
REVENUES				
Intergovernmental	\$ 598,138	\$ -	\$ 496,140	\$ -
Use of money and property	51,467	85,846	21,169	1,458
Special assessments	-	-	-	-
Charges for services	-	-	-	23,769
Miscellaneous	9,227	-	7,550	-
Total revenues	658,832	85,846	524,859	25,227
EXPENDITURES				
Current:				
Safety	-	-	-	-
Development	-	19,805	-	-
Recreation and cultural	-	-	-	-
Transportation	363,540	-	291,787	-
Capital outlay	46,645	-	38,164	128,474
Debt Service:				
Principal retirement	-	-	-	-
Interest expense and fiscal charges	-	-	-	-
Total expenditures	410,185	19,805	329,951	128,474
Excess (deficiency) of revenues over (under) expenditures	248,647	66,041	194,908	(103,247)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	36,991
Transfers out	(76,000)	-	(61,700)	-
Total other financing sources (uses)	(76,000)	-	(61,700)	36,991
Net change in fund balances	172,647	66,041	133,208	(66,256)
Fund balances - beginning	1,080,407	2,107,307	365,390	66,256
Change within financial reporting entity	-	-	-	-
Fund balances (deficit) - beginning, as restated	1,080,407	2,107,307	365,390	66,256
Fund balances (deficit) - ending	\$ 1,253,054	\$ 2,173,348	\$ 498,598	\$ -

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

	Special Revenue Funds			
	Measure R LR Transit	Park Development	Measure W	Bicycle and Pedestrian
REVENUES				
Intergovernmental	\$ 372,036	\$ 65,733	\$ 253,385	\$ 23,416
Use of money and property	32,402	-	18,143	-
Special assessments	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	404,438	65,733	271,528	23,416
EXPENDITURES				
Current:				
Safety	-	-	-	-
Development	-	-	219,294	-
Recreation and cultural	-	37,625	-	-
Transportation	-	-	-	-
Capital outlay	409,227	211,395	14,865	23,416
Debt Service:				
Principal retirement	-	-	-	-
Interest expense and fiscal charges	-	-	-	-
Total expenditures	409,227	249,020	234,159	23,416
Excess (deficiency) of revenues over (under) expenditures	(4,789)	(183,287)	37,369	-
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(81,845)	-	-	-
Total other financing sources (uses)	(81,845)	-	-	-
Net change in fund balances	(86,634)	(183,287)	37,369	-
Fund balances - beginning	577,846	(80,130)	447,473	-
Change within financial reporting entity	-	-	-	-
Fund balances (deficit) - beginning, as restated	577,846	(80,130)	447,473	-
Fund balances (deficit) - ending	\$ 491,212	\$ (263,417)	\$ 484,842	\$ -

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

	Special Revenue Funds	Capital Projects Funds		Debt Service Funds
	Low and Moderate Housing	Inclusionary Housing	Formerly Nonmajor Fund	Infrastructure Debt Service Fund
			Community Improvement	
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Use of money and property	137,698	22,923	-	-
Special assessments	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	137,698	22,923	-	-
EXPENDITURES				
Current:				
Safety	-	-	-	-
Development	10,225	-	-	-
Recreation and cultural	-	-	-	-
Transportation	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal retirement	-	-	-	169,762
Interest expense and fiscal charges	-	-	-	51,075
Total expenditures	10,225	-	-	220,837
Excess (deficiency) of revenues over (under) expenditures	127,473	22,923	-	(220,837)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	220,837
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	220,837
Net change in fund balances	127,473	22,923	-	-
Fund balances - beginning	4,209,912	557,801	382,723	-
Change within financial reporting entity	-	-	(382,723)	-
Fund balances (deficit) - beginning, as restated	4,209,912	557,801	-	-
Fund balances (deficit) - ending	\$ 4,337,385	\$ 580,724	\$ -	\$ -

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

	Total Nonmajor Funds
REVENUES	
Intergovernmental	\$ 3,877,938
Use of money and property	561,666
Special assessments	1,023,923
Charges for services	23,769
Miscellaneous	21,902
Total revenues	5,509,198
EXPENDITURES	
Current:	
Safety	197,181
Development	1,877,811
Recreation and cultural	128,730
Transportation	924,476
Capital outlay	2,613,910
Debt Service:	
Principal retirement	197,613
Interest expense and fiscal charges	53,503
Total expenditures	5,993,224
Excess (deficiency) of revenues over (under) expenditures	(484,026)
OTHER FINANCING SOURCES (USES)	
Transfers in	1,168,214
Transfers out	(958,033)
Total other financing sources (uses)	210,181
Net change in fund balances	(273,845)
Fund balances - beginning	13,317,448
Change within financial reporting entity	465,440
Fund balances (deficit) - beginning, as restated	13,782,888
Fund balances (deficit) - ending	\$ 13,509,043

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Budgetary Comparison Schedules - Nonmajor Special Revenue Funds

CITY OF DUARTE
Budgetary Comparison Schedule
SB1/RMRA Special Revenue
For the Fiscal Year Ended June 30, 2025

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 583,400	\$ 583,400	\$ 645,551	\$ (62,151)
Use of money and property	29,200	29,200	31,771	(2,571)
Total revenues	612,600	612,600	677,322	(64,722)
EXPENDITURES				
Capital outlay	535,000	984,000	815,591	168,409
Total expenditures	535,000	984,000	815,591	168,409
Excess (deficiency) of revenues over (under) expenditures	77,600	(371,400)	(138,269)	233,131
OTHER FINANCING SOURCES (USES)				
Transfers out	(107,000)	(196,800)	(163,118)	(33,682)
Total other financing sources (uses)	(107,000)	(196,800)	(163,118)	(33,682)
Net change in fund balance	\$ (29,400)	\$ (568,200)	(301,387)	\$ 266,813
Fund balance-beginning			848,164	
Fund balance-ending			\$ 546,776	

CITY OF DUARTE
Budgetary Comparison Schedule
State Gasoline Tax
For the Fiscal Year Ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 626,700	\$ 626,700	\$ 661,497	\$ 34,797
Use of money and property	97,500	97,500	100,784	3,284
Miscellaneous	-	-	5,125	5,125
Total revenues	724,200	724,200	767,406	43,206
EXPENDITURES				
Capital outlay	436,000	544,000	305,684	238,316
Total expenditures	1,006,000	1,122,185	574,833	547,352
Excess (deficiency) of revenues over (under) expenditures	(281,800)	(397,985)	192,573	590,558
OTHER FINANCING SOURCES (USES)				
Transfers out	(201,200)	(223,700)	(112,884)	(110,816)
Total other financing sources (uses)	(201,200)	(223,700)	(112,884)	(110,816)
Net change in fund balance	\$ (483,000)	\$ (621,685)	79,689	\$ 701,374
Fund balance-beginning			2,315,367	
Fund balance-ending			\$ 2,395,058	

CITY OF DUARTE
Budgetary Comparison Schedule
Lighting and Landscaping
For the Fiscal Year Ended June 30, 2025

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Special assessments	\$ 1,013,300	\$ 1,013,300	\$ 1,023,923	\$ 10,623
Total revenues	1,013,300	1,013,300	1,023,923	10,623
EXPENDITURES				
Current:				
Development	1,516,800	1,590,500	1,621,767	(31,267)
Total expenditures	1,516,800	1,590,500	1,621,767	(31,267)
Excess (deficiency) of revenues over (under) expenditures	(503,500)	(577,200)	(597,844)	(20,644)
OTHER FINANCING SOURCES (USES)				
Transfers in	803,000	878,700	910,385	(31,685)
Transfers out	(343,200)	(343,200)	(343,200)	-
Total other financing sources (uses)	459,800	535,500	567,185	(31,685)
Net change in fund balance	\$ (43,700)	\$ (41,700)	(30,659)	\$ 11,041
Fund balance-beginning			105,819	
Fund balance-ending			\$ 75,162	

CITY OF DUARTE
Budgetary Comparison Schedule
Community Development Block Grant
For the Fiscal Year Ended June 30, 2025

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Intergovernmental	\$ 141,200	\$ 141,200	\$ 114,907	\$ (26,293)
Total revenues	141,200	141,200	114,907	(26,293)
EXPENDITURES				
Current:				
Development	10,000	10,000	6,720	3,280
Capital outlay	131,200	131,200	108,188	23,012
Total expenditures	141,200	141,200	114,908	26,292
Excess (deficiency) of revenues over (under) expenditures	-	-	(1)	(1)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1	(1)
Total other financing sources (uses)	-	-	1	(1)
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance-beginning			-	
Fund balance-ending			\$ -	

CITY OF DUARTE
Budgetary Comparison Schedule
Supplemental Law Enforcement
For the Fiscal Year Ended June 30, 2025

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Intergovernmental	\$ 165,000	\$ 194,700	\$ 194,663	\$ (37)
Use of money and property	2,300	3,800	2,518	(1,282)
Total revenues	167,300	198,500	197,181	(1,319)
EXPENDITURES				
Current:				
Safety	167,300	198,500	197,181	1,319
Total expenditures	167,300	198,500	197,181	1,319
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance-beginning			-	
Fund balance-ending			\$ -	

CITY OF DUARTE
Budgetary Comparison Schedule
Air Quality Management
For the Fiscal Year Ended June 30, 2025

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 28,000	\$ 28,000	\$ 30,967	\$ 2,967
Use of money and property	7,400	7,400	5,849	(1,551)
Total revenues	35,400	35,400	36,816	1,416
EXPENDITURES				
Capital outlay	43,500	43,500	6,933	36,567
Debt service:				
Principal retirement	-	-	27,851	(27,851)
Interest expense and fiscal charges	-	-	2,428	(2,428)
Total expenditures	43,500	43,500	37,212	6,288
Net change in fund balance	\$ (8,100)	\$ (8,100)	(396)	\$ 7,704
Fund balance-beginning			149,038	
Fund balance-ending			\$ 148,642	

CITY OF DUARTE
Budgetary Comparison Schedule
Measure M
For the Fiscal Year Ended June 30, 2025

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 452,100	\$ 452,100	\$ 421,505	\$ (30,595)
Use of money and property	22,400	22,400	46,704	24,304
Total revenues	474,500	474,500	468,209	(6,291)
EXPENDITURES				
Current:				
Recreation and cultural	-	60,000	91,105	(31,105)
Capital outlay	615,000	627,000	505,328	121,672
Total expenditures	615,000	687,000	596,433	90,567
Excess (deficiency) of revenues over (under) expenditures	(140,500)	(212,500)	(128,224)	84,276
OTHER FINANCING SOURCES (USES)				
Transfers out	(123,000)	(132,500)	(119,286)	(13,214)
Total other financing sources (uses)	(123,000)	(132,500)	(119,286)	(13,214)
Net change in fund balance	\$ (263,500)	\$ (345,000)	(247,510)	\$ 97,490
Fund balance-beginning			960,852	
Fund balance-ending			\$ 713,342	

CITY OF DUARTE
Budgetary Comparison Schedule
Quimby Act
For the Fiscal Year Ended June 30, 2025

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Use of money and property	\$ 3,100	\$ 3,100	\$ 2,934	\$ (166)
Total revenues	3,100	3,100	2,934	(166)
EXPENDITURES				
Capital outlay	75,100	75,100	-	75,100
Total expenditures	75,100	75,100	-	75,100
Net change in fund balance	\$ (72,000)	\$ (72,000)	2,934	\$ 74,934
Fund balance-beginning			71,383	
Fund balance-ending			\$ 74,317	

CITY OF DUARTE
Budgetary Comparison Schedule
Prop A Transit
For the Fiscal Year Ended June 30, 2025

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Intergovernmental	\$ 641,200	\$ 641,200	\$ 598,138	\$ (43,062)
Use of money and property	40,300	40,300	51,467	11,167
Miscellaneous	10,000	10,000	9,227	(773)
Total revenues	691,500	691,500	658,832	(32,668)
EXPENDITURES				
Current:				
Transportation	325,900	332,700	363,540	(30,840)
Capital outlay	47,000	47,000	46,645	355
Total expenditures	372,900	379,700	410,185	(30,485)
Excess (deficiency) of revenues over (under) expenditures	318,600	311,800	248,647	(63,153)
OTHER FINANCING SOURCES (USES)				
Transfers out	(74,600)	(76,000)	(76,000)	-
Total other financing sources (uses)	(74,600)	(76,000)	(76,000)	-
Net change in fund balance	\$ 244,000	\$ 235,800	172,647	\$ (63,153)
Fund balance-beginning			1,080,407	
Fund balance-ending			\$ 1,253,054	

CITY OF DUARTE
Budgetary Comparison Schedule
Housing Authority
For the Fiscal Year Ended June 30, 2025

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Use of money and property	\$ 82,900	\$ 82,900	\$ 85,846	\$ 2,946
Total revenues	82,900	82,900	85,846	2,946
EXPENDITURES				
Current:				
Development	131,600	131,600	19,805	111,795
Total expenditures	131,600	131,600	19,805	111,795
Net change in fund balance	<u>\$ (48,700)</u>	<u>\$ (48,700)</u>	66,041	<u>\$ 114,741</u>
Fund balance-beginning			2,107,307	
Fund balance-ending			<u>\$ 2,173,348</u>	

CITY OF DUARTE
Budgetary Comparison Schedule
Prop C Transit
For the Fiscal Year Ended June 30, 2025

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Intergovernmental	\$ 531,800	\$ 531,800	\$ 496,140	\$ (35,660)
Use of money and property	13,400	13,400	21,169	7,769
Miscellaneous	8,000	8,000	7,550	(450)
Total revenues	553,200	553,200	524,859	(28,341)
EXPENDITURES				
Current:				
Transportation	264,300	270,300	291,787	(21,487)
Capital outlay	38,200	38,200	38,164	36
Total expenditures	302,500	308,500	329,951	(21,451)
Excess (deficiency) of revenues over (under) expenditures	250,700	244,700	194,908	(49,792)
OTHER FINANCING SOURCES (USES)				
Transfers out	(60,500)	(61,700)	(61,700)	-
Total other financing sources (uses)	(60,500)	(61,700)	(61,700)	-
Net change in fund balance	\$ 190,200	\$ 183,000	133,208	\$ (49,792)
Fund balance-beginning			365,390	
Fund balance-ending			\$ 498,598	

CITY OF DUARTE
Budgetary Comparison Schedule
PEG
For the Fiscal Year Ended June 30, 2025

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 29,000	\$ 7,000	\$ 23,769	\$ 16,769
Use of money and property	1,100	1,100	1,458	358
Total revenues	30,100	8,100	25,227	17,127
EXPENDITURES				
Capital outlay	185,000	129,700	128,474	1,226
Total expenditures	185,000	129,700	128,474	1,226
Excess (deficiency) of revenues over (under) expenditures	(154,900)	(121,600)	(103,247)	18,353
OTHER FINANCING SOURCES (USES)				
Transfers in	-	54,300	36,991	17,309
Total other financing sources (uses)	-	54,300	36,991	17,309
Net change in fund balance	\$ (154,900)	\$ (67,300)	(66,256)	\$ 1,044
Fund balance-beginning			66,256	
Fund balance-ending			\$ -	

CITY OF DUARTE
Budgetary Comparison Schedule
Measure R LR Transit
For the Fiscal Year Ended June 30, 2025

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Intergovernmental	\$ 398,900	\$ 398,900	\$ 372,036	\$ (26,864)
Use of money and property	53,500	53,500	32,402	(21,098)
Total revenues	452,400	452,400	404,438	(47,962)
EXPENDITURES				
Capital outlay	580,000	580,000	409,227	170,773
Total expenditures	580,000	580,000	409,227	170,773
Excess (deficiency) of revenues over (under) expenditures	(127,600)	(127,600)	(4,789)	122,811
OTHER FINANCING SOURCES (USES)				
Transfers out	(116,000)	(116,000)	(81,845)	(34,155)
Total other financing sources (uses)	(116,000)	(116,000)	(81,845)	(34,155)
Net change in fund balance	\$ (243,600)	\$ (243,600)	(86,634)	\$ 156,966
Fund balance-beginning			577,846	
Fund balance-ending			\$ 491,212	

CITY OF DUARTE
Budgetary Comparison Schedule
Park Development
For the Fiscal Year Ended June 30, 2025

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 514,500	\$ 514,500	\$ 65,733	\$ (448,767)
Total revenues	514,500	514,500	65,733	(448,767)
EXPENDITURES				
Current:				
Recreation and cultural	46,000	54,600	37,625	16,975
Capital outlay	468,500	291,500	211,395	80,105
Total expenditures	514,500	346,100	249,020	97,080
Net change in fund balance	\$ -	\$ 168,400	(183,287)	\$ (351,687)
Fund balance-beginning			(80,130)	
Fund balance-ending			\$ (263,417)	

CITY OF DUARTE
Budgetary Comparison Schedule
Measure W
For the Fiscal Year Ended June 30, 2025

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 250,000	\$ 250,000	\$ 253,385	\$ 3,385
Use of money and property	3,000	3,000	18,143	15,143
Total revenues	253,000	253,000	271,528	18,528
EXPENDITURES				
Current:				
Development	181,000	181,000	219,294	(38,294)
Capital outlay	150,000	15,000	14,865	135
Total expenditures	331,000	196,000	234,159	(38,159)
Net change in fund balance	<u>\$ (78,000)</u>	<u>\$ 57,000</u>	37,369	<u>\$ (19,631)</u>
Fund balance-beginning			447,473	
Fund balance-ending			<u>\$ 484,842</u>	

CITY OF DUARTE
Budgetary Comparison Schedule
Bicycle and Pedestrian
For the Fiscal Year Ended June 30, 2025

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 23,400	\$ 23,400	\$ 23,416	\$ 16
Total revenues	23,400	23,400	23,416	16
EXPENDITURES				
Capital outlay	23,400	23,400	23,416	(16)
Total expenditures	23,400	23,400	23,416	(16)
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance-beginning			-	
Fund balance-ending			\$ -	

CITY OF DUARTE
Budgetary Comparison Schedule
Low and Moderate Housing
For the Fiscal Year Ended June 30, 2025

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Use of money and property	\$ 168,900	\$ 168,900	\$ 137,698	\$ (31,202)
Total revenues	168,900	168,900	137,698	(31,202)
EXPENDITURES				
Current:				
Development	8,600	10,200	10,225	(25)
Total expenditures	8,600	10,200	10,225	(25)
Net change in fund balance	\$ 160,300	\$ 158,700	127,473	\$ (31,227)
Fund balance-beginning			4,209,912	
Fund balance-ending			\$ 4,337,385	

Budgetary Comparison Schedules – Capital Project Funds

CITY OF DUARTE
Budgetary Comparison Schedule - Capital Projects Funds
Inclusionary Housing
For the Fiscal Year Ended June 30, 2025

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Use of money and property	\$ 24,300	\$ 24,300	\$ 22,923	\$ (1,377)
Total revenues	<u>24,300</u>	<u>24,300</u>	<u>22,923</u>	<u>(1,377)</u>
Net change in fund balance	<u>\$ 24,300</u>	<u>\$ 24,300</u>	<u>22,923</u>	<u>\$ (1,377)</u>
Fund balance-beginning			<u>557,801</u>	
Fund balance-ending			<u>\$ 580,724</u>	

CITY OF DUARTE
Required Supplementary Information
Budgetary Comparison Schedule - Capital Projects Funds
Community Improvement
For the Fiscal Year Ended June 30, 2025

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 1,933,000	\$ 1,933,000	\$ 510,365	\$ (1,422,635)
Use of money and property	4,400	4,400	17,573	13,173
Total revenues	1,937,400	1,937,400	527,938	(1,409,462)
EXPENDITURES				
Capital outlay	1,933,000	1,598,000	481,455	1,116,545
Total expenditures	1,933,000	1,598,000	481,455	1,116,545
Net change in fund balance	\$ 4,400	\$ 339,400	46,483	\$ (292,917)
Fund balance-beginning			382,723	
Fund balance-ending			\$ 429,206	

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Budgetary Comparison Schedules – Debt Service Funds

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CITY OF DUARTE
Budgetary Comparison Schedule
Infrastructure Debt Service Fund
For the Fiscal Year Ended June 30, 2025

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Debt service:				
Principal retirement	\$ 169,800	\$ 169,800	\$ 169,762	\$ 38
Interest expense and fiscal charges	51,100	51,100	51,075	25
Total expenditures	220,900	220,900	220,837	63
OTHER FINANCING SOURCES (USES)				
Transfers in	220,900	220,900	220,837	63
Total other financing sources (uses)	220,900	220,900	220,837	63
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance-beginning			-	
Fund balance-ending			\$ -	

End of Report

If there are questions, or a need for more information, please contact:

City of Duarte
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(626) 357-7931