



**CITY COUNCIL
SPECIAL MEETING
AGENDA**

JANUARY 29, 2026 AT 9:00 AM

MAYOR CORY MOSS
MAYOR PRO TEM MICHAEL GREUBEL
COUNCIL MEMBER STEVE MARCUCCI
COUNCIL MEMBER MARK D. RADECKI
COUNCIL MEMBER NEWELL RUGGLES

LOCATION: City Council Chambers, 15651 Mayor Dave Way, City of Industry, California

ADDRESSING THE CITY COUNCIL:

Agenda Items: Members of the public may address the City Council on any matter listed on the Agenda. In order to conduct a timely meeting, there will be a one-minute time limit per person for any matter listed on the Agenda. Anyone wishing to speak to the City Council is asked to complete a Speaker's Card which can be found at the back of the room and at the podium. The completed card should be submitted to the City Clerk prior to the Agenda item being called and prior to the individual being heard by the City Council.

At the time of publication, no Councilmembers intend to take part in the meeting remotely under the provisions of AB 2449. Should that change between the time of publication and the start of the meeting, a live webcasting of the meeting will be accessible via the link, meeting ID, and meeting passcode listed below. Whenever possible, an announcement will be made at the start of the meeting via the live webcast to confirm whether or not a Councilmember will join remotely. If they will not be joining remotely, then the live webcast will terminate after the announcement.

www.microsoft.com/microsoft-teams/join-a-meeting

Meeting ID: 268 909 500 093 22

Meeting Passcode: oy6eU3hj

Or call in (audio only)

+1 657-204-3264,

Phone Conference ID: 360 320 945#

AMERICANS WITH DISABILITIES ACT:

In compliance with the ADA, if you need special assistance to participate in any City meeting (including assisted listening devices), please contact the City Clerk's Office (626) 333-2211. Notification of at least 48 hours prior to the meeting will assist staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting.

AGENDAS AND OTHER WRITINGS:

In compliance with SB 343, staff reports and other public records permissible for disclosure related to open session agenda items are available at City Hall, 15625 Mayor Dave Way, City of Industry, California, at the office of the City Clerk during regular business hours, Monday through Thursday 8:00 a.m. to 5:00 p.m., Fridays 8:00 a.m. to 4:00 p.m. Any person with a question concerning any agenda item may call the City Clerk's Office at (626) 333-2211.

1. Call to Order
2. Flag Salute
3. AB 2449 Vote on Emergency Circumstances (if necessary)
4. Roll Call
5. **Presentations-Homestead Quarterly Update**
6. **CONSENT CALENDAR**
 - 6.1. Consideration of the Register of Demands for January 22, 2026
RECOMMENDED ACTION: Ratify the Register of Demands for January 22, 2026.
 - 6.2. Consideration of Amendment No. 2 to a Professional Services Agreement with Bowser Geospatial, LLC., extending the term through June 30, 2029, increasing the compensation by \$200,000, and amending the Rate Schedule to reflect the Consultant's updated rates
RECOMMENDED ACTION: Approve the Amendment.
 - 6.3. Consideration of the Annual Financial Reports for the City of Industry for Year Ending June 30, 2025
RECOMMENDED ACTION: Instruct Staff to present a summary of the Annual Financial Reports for the year ending June 30, 2025 to the City Council, and receive and file the Reports.
7. **ACTION ITEMS-NONE**
8. **PUBLIC HEARINGS-NONE**
9. **CLOSED SESSION**
 - 9.1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation; Pursuant to Government Code Section 54956.9(d)(2) 1 potential case
10. **CITY MANAGER REPORTS**
11. **AB 1234 REPORTS**
12. **CITY COUNCIL COMMUNICATIONS**
13. Adjournment. The next regular City Council Meeting is Thursday, February 12, 2026, at 9:00 AM.

ITEM NO. 6.1

**CITY OF INDUSTRY
AUTHORIZATION FOR PAYMENT OF BILLS
CITY COUNCIL MEETING OF JANUARY 22, 2026**

FUND RECAP:

<u>FUND</u>	<u>DESCRIPTION</u>	<u>DISBURSEMENTS</u>
100	GENERAL FUND	2,541,666.73
103	PROP A FUND	3,828.80
107	MEASURE W FUND	47,184.00
120	CAPITAL IMPROVEMENTS	4,004,142.25
TOTAL ALL FUNDS		6,596,821.78

BANK RECAP:

<u>BANK</u>	<u>NAME</u>	<u>DISBURSEMENTS</u>
BOFA	BANK OF AMERICA - CKING ACCOUNT	14,278.39
PROP/A	PROP A - CKING ACCOUNT	3,828.80
M/W	MEASURE W - CKING ACCOUNT	47,184.00
WFBK	GENERAL OVERRIDE BOND	272,352.65
WFBK	WELLS FARGO - CKING ACCOUNT	6,259,177.94
TOTAL ALL BANKS		6,596,821.78

APPROVED PER CITY MANAGER

DATE



1/15/26

**CITY OF INDUSTRY
BANK OF AMERICA
January 22, 2026**

Check	Date			Payee Name	Check Amount
CITYGEN.CHK - City General					
WT1452	01/12/2026			JOHN HANCOCK USA	\$7,213.98
	Invoice	Date	Description	Amount	
	12/6/25-12/19/25	01/12/2026	PARS CONTRIBUTIUONS FOR 12/6/25-12/19/25	\$7,213.98	
WT1453	01/12/2026			JOHN HANCOCK USA	\$7,064.41
	Invoice	Date	Description	Amount	
	12/20/25-1/2/26	01/12/2026	PARS CONTRIBUTIUONS FOR 12/20/25-1/2/26	\$7,064.41	

Checks	Status	Count	Transaction Amount
	Total	2	\$14,278.39

**CITY OF INDUSTRY
PROP A
January 26, 2026**

Check	Date		Payee Name	Check Amount
PROPA.CHK - Prop A Checking				
90746	01/14/2026		SOUTHERN CALIFORNIA EDISON	\$293.18
	Invoice	Date	Description	Amount
	2026-00001148	12/22/2025	11/20-12/21/25 SVC-600 S BREA CYN RD B	\$293.18
90747	01/22/2026		INDUSTRY SECURITY SERVICES	\$2,852.00
	Invoice	Date	Description	Amount
	SG-ML-2072	01/09/2026	SECURITY SVC-METROLINK	\$2,852.00
90748	01/22/2026		SO CAL INDUSTRIES	\$103.03
	Invoice	Date	Description	Amount
	778336	12/23/2025	RR RENTAL-METROLINK	\$103.03
90749	01/22/2026		VALLEY VISTA SERVICES, INC	\$580.59
	Invoice	Date	Description	Amount
	3266188	01/01/2026	DISP SVC-METROLINK	\$580.59

Checks	Status	Count	Transaction Amount
	Total	4	\$3,828.80

**CITY OF INDUSTRY
MEASURE W
January 22, 2026**

Check	Date	Payee Name		Check Amount
MEASUREW.WF.CHK - Measure W Wells Fargo Checking				
300192	01/22/2026	ANNEALTA GROUP		\$47,184.00
	Invoice	Date	Description	Amount
	497-3727	01/12/2026	STORMWATER COMPLIANCE-DEC 2025	\$47,184.00

Checks	Status	Count	Transaction Amount
	Total	1	\$47,184.00

**CITY OF INDUSTRY
WELLS FARGO GENERAL OVERRIDE BOND
January 22, 2026**

Check	Date	Payee Name	Check Amount
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CITY.WF.GOB - City GOB Override Wells Fargo

700003	01/22/2026		SEQUEL CONTRACTORS, INC	\$272,352.65
	Invoice	Date	Description	Amount
	#2CITY-1528R	01/01/2026	ANNUAL PAVEMENT REHABILITATION FY 23	\$286,687.00

Checks	Status	Count	Transaction Amount
	Total	1	\$272,352.65

**CITY OF INDUSTRY
WELLS FARGO VOIDED CHECKS
January 22, 2026**

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
85130	05/08/2025		01/14/2026 SOUTHERN CALIFORNIA EDISON	(\$2,031.22)
	Invoice	Date	Description	Amount
			VOIDED-CK STALE-DATED	
	7590619709	04/29/2025	DESIGN OF LINE EXTENSION FOR NEW METER-1092 L	(\$2,031.22)
86285	11/27/2025		01/14/2026 PLANETBIDS, INC.	(\$36,630.80)
	Invoice	Date	Description	Amount
			VOIDED-CK NEVER RECEIVED	
	1024118	07/30/2025	BID/CONTRACT MGMT SYSTEM SOFTWARE 7/1/25-6/30	(\$36,630.80)
86551	01/08/2026		01/14/2026 NELSON, JOSHUA	(\$782.97)
	Invoice	Date	Description	Amount
			VOIDED-INCORRECT SIGNATURE	
	1/5/2026	01/05/2026	REIMBURSE FOR TRAVEL EXPENSE-CCCA SACRAMENTO	(\$782.97)
86624	01/22/2026		01/22/2026 SAN GABRIEL VALLEY COUNCIL OF G	(\$3,815,000.00)
	Invoice	Date	Description	Amount
			VOIDED-INCORRECT PROJECT DESCRIPTION	
	26-207-1	11/24/2025	BETTERMENT AGRMT-FAIRWAY DR GRADE SEPARATION	(\$3,815,000.00)

Checks	Status	Count	Transaction Amount
	Total	3	(\$3,854,444.99)

**CITY OF INDUSTRY
WELLS FARGO BANK
January 22, 2026**

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
86566	01/14/2026		PLANETBIDS, LLC	\$36,630.80
	Invoice	Date	Description	Amount
	1024118	07/30/2025	BID/CONTRACT MGMT SYSTEM SOFTWARE 7/1/25-6/30	\$36,630.80
86567	01/14/2026		QUADIENT FINANCE USA, INC.	\$500.00
	Invoice	Date	Description	Amount
	12/16/2025	12/16/2025	POSTAGE REFILL-FINANCE DEPT	\$500.00
86568	01/14/2026		TPX COMMUNICATIONS	\$4,598.22
	Invoice	Date	Description	Amount
	188693277-0	12/31/2025	INTERNET SVC-CITY HALL/METRO SOLAR	\$4,598.22
86569	01/14/2026		TPX COMMUNICATIONS	\$703.74
	Invoice	Date	Description	Amount
	188676420-0	12/31/2025	TEL/INTERNET-HOMESTEAD	\$703.74
86570	01/14/2026		AT & T	\$258.06
	Invoice	Date	Description	Amount
	2026-00001117	12/29/2025	12/29-1/28/26 SVC-METROLINK T1 CIRCUIT	\$258.06
86571	01/14/2026		FRONTIER	\$113.63
	Invoice	Date	Description	Amount
	2026-00001111	12/19/2025	12/19-1/18/26 SVC-FOLLOW'S CAMP	\$113.63
86572	01/14/2026		LA PUENTE VALLEY COUNTY WATER	\$33,597.75
	Invoice	Date	Description	Amount
	2026-00001115	01/01/2026	10/16-12/15/25 SVC-15625 MAYOR DAVE WAY	\$137.26
	2026-00001116	01/01/2026	10/16-12/15/25 SVC-15625 MAYOR DAVE WAY	\$290.78
	2026-00001118	01/01/2026	10/16-12/15/25 SVC-15414 DON JULIAN RD (IRRI)	\$673.49

**CITY OF INDUSTRY
WELLS FARGO BANK
January 22, 2026**

Check	Date	Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo			
2026-00001119	01/01/2026	10/16-12/15/25 SVC-15414 DON JULIAN RD	\$479.57
2026-00001120	01/01/2026	10/16-12/15/25 SVC-15660 STAFFORD ST	\$402.81
2026-00001121	01/01/2026	10/16-12/15/25 SVC-1 AZUSA WAY (IRRI)	\$913.89
2026-00001122	01/01/2026	10/16-12/15/25 SVC-285 HACIENDA BLVD (IRRI)	\$173.62
2026-00001123	01/01/2026	10/16-12/15/25 SVC-HACIENDA & STAFFORD ST (I)	\$697.73
2026-00001124	01/01/2026	10/16-12/15/25 SVC-HACIENDA & STAFFORD (IRR)	\$665.41
2026-00001125	01/01/2026	10/16-12/15/25 SVC-211 HACIENDA BLVD (IRRI)	\$278.66
2026-00001126	01/01/2026	10/16-12/15/25 SVC-HUDSON AVE (IRRI)	\$1,158.29
2026-00001127	01/01/2026	10/16-12/15/25 SVC-STAFFORD ST (IRRI)	\$1,182.53
2026-00001128	01/01/2026	10/16-12/15/25 SVC-220 HACIENDA BLVD (IRRI)	\$774.49
2026-00001129	01/01/2026	10/16-12/15/25 SVC-NELSON AVE (IRRI)	\$2,245.05
2026-00001130	01/01/2026	10/16-12/15/25 SVC-SOTRO ST (IRRI)	\$2,168.29
2026-00001131	01/01/2026	10/16-12/15/25 SVC-15651 STAFFORD ST	\$2,847.01
2026-00001132	01/01/2026	10/16-12/15/25 SVC-RAUSCH RD (IRRI)	\$452.38
2026-00001133	01/01/2026	10/16-12/15/25 SVC-RAUSCH RD (IRRI)	\$492.78
2026-00001134	01/01/2026	10/16-12/15/25 SVC-STAFFORD & OLD VALLEY (I)	\$1,837.01
2026-00001135	01/01/2026	10/16-12/15/25 SVC-15716 RAUSCH RD	\$298.86
2026-00001136	01/01/2026	10/16-12/15/25 SVC-ALONG RAILROAD TRACK (I)	\$899.73
2026-00001137	01/01/2026	10/16-12/15/25 SVC-PROCTOR & EL ENCANTO (I)	\$362.41
2026-00001138	01/01/2026	10/16-12/15/25 SVC-HACIENDA BLVD (IRRI)	\$108.98
2026-00001139	01/01/2026	10/16-12/15/25 SVC-15415 DON JULIAN RD (IRRI)	\$3,111.36
2026-00001140	01/01/2026	10/16-12/15/25 SVC-15414 DON JULIAN RD (IRRI)	\$822.97
2026-00001141	01/01/2026	10/16-12/15/25 SVC-15414 DON JULIAN RD	\$317.97
2026-00001142	01/01/2026	10/16-12/15/25 SVC-201 STAFFORD ST (IRRI)	\$4,399.90
2026-00001143	01/01/2026	10/16-12/15/25 SVC-VALLEY BLVD (IRRI)	\$165.54
2026-00001144	01/01/2026	10/16-12/15/25 SVC-15415 DON JULIAN RD (IRRI)	\$1,394.36
2026-00001145	01/01/2026	10/16-12/15/25 SVC-DON JULIAN RD	\$3,546.85
2026-00001146	01/01/2026	10/16-12/15/25 SVC-PARRIOTT & DON JULIAN RD (I)	\$297.77

**CITY OF INDUSTRY
WELLS FARGO BANK
January 22, 2026**

Check	Date	Payee Name		Check Amount
CITY.WF.CHK - City General Wells Fargo				
86573	01/14/2026	SAN GABRIEL VALLEY WATER CO.		\$326.21
	Invoice	Date	Description	Amount
	2026-00001114	12/30/2025	11/21-12/29/25 SVC-IRRIG SALT LAKE/SEVENTH	\$326.21
86574	01/14/2026	SOCALGAS		\$151.17
	Invoice	Date	Description	Amount
	2026-00001112	12/23/2025	11/20-12/19/25 SVC-13756 VALLEY BLVD	\$11.70
	2026-00001113	12/26/2025	11/21-12/22/25 SVC-15415 E DON JULIAN	\$139.47
86575	01/14/2026	SOUTHERN CALIFORNIA EDISON		\$73,920.07
	Invoice	Date	Description	Amount
	2026-00001084	12/18/2025	9/16-12/15/25 SVC-VARIOUS SITES	\$136.57
	2026-00001085	12/24/2025	11/24-12/23/25 SVC-VARIOUS SITES	\$273.92
	2026-00001086	12/22/2025	10/31-12/21/25 SVC-VARIOUS SITES	\$1,035.36
	2026-00001087	12/29/2025	11/26-12/28/25 SVC-205 N HUDSON AVE	\$316.95
	2026-00001088	12/19/2025	11/5-12/9/25 SVC-VARIOUS SITES	\$188.91
	2026-00001089	12/19/2025	11/14-12/15/25 SVC-VARIOUS SITES	\$5,405.03
	2026-00001090	12/22/2025	11/20-12/21/25 SVC-1007 LAWSON ST TC1	\$90.64
	2026-00001091	12/19/2025	11/19-12/18/25 SVC-VARIOUS SITES	\$129.05
	2026-00001092	12/22/2025	11/20-12/21/25 SVC-1004 U FAIRWAY DR	\$904.07
	2026-00001093	12/22/2025	11/20-12/21/25 SVC-580 BREA CYN RD	\$10.01
	2026-00001095	12/24/2025	11/24-12/23/25 SVC-VARIOUS SITES	\$975.20
	2026-00001096	01/05/2026	12/3-1/4/26 SVC-15651 MAYOR DAVE WAY	\$2,494.81
	2026-00001097	01/05/2026	12/3-1/4/26 SVC-15625 MAYOR DAVE WAY	\$4,424.49
	2026-00001098	01/05/2026	12/3-1/4/26 SVC-MAYOR DAVE WAY	\$3,300.26
	2026-00001099	01/02/2026	12/1-12/31/25 SVC-600 S BREA CYN A-METROLINK	\$22.71
	2026-00001100	01/02/2026	12/1-12/31/25 SVC-600 S BREA CYN METROLINK STN	\$363.10
	2026-00001101	01/05/2026	12/1-12/31/25 SVC-600 S BREA CYN-METROLINK	\$68.39
	2026-00001102	01/02/2026	12/1-12/31/25 SVC-133 N AZUSA AVE	\$126.98

**CITY OF INDUSTRY
WELLS FARGO BANK
January 22, 2026**

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
	2026-00001103	01/05/2026	12/3-1/4/26 SVC-15660 STAFFORD ST	\$2,452.93
	2026-00001104	01/02/2026	12/1-12/31/25 SVC-NOGALES ST/SAN JOSE AVE	\$204.23
	2026-00001105	01/02/2026	12/1-12/31/25 SVC-VARIOUS SITES	\$224.96
	2026-00001106	01/02/2026	12/1-12/31/25 SVC-1 VALLEY/AZUSA	\$29.60
	2026-00001107	01/02/2026	12/1-12/31/25 SVC-VARIOUS SITES	\$28,674.58
	2026-00001108	01/02/2026	12/1-12/31/25 SVC-VARIOUS SITES	\$11,052.06
	2026-00001109	01/02/2026	12/1-12/31/25 SVC-VARIOUS SITES	\$10,033.80
	2026-00001110	12/23/2025	11/19-12/18/25 SVC-1015 NOGALES ST	\$981.46
86576	01/14/2026		SOUTHERN CALIFORNIA EDISON	\$1,578.66
	Invoice	Date	Description	Amount
	2026-00001094	12/29/2025	11/26-12/28/25 SVC-15530 STAFFORD ST	\$1,578.66
86577	01/14/2026		SUBURBAN WATER SYSTEMS	\$2,680.80
	Invoice	Date	Description	Amount
	180062239705	12/19/2025	11/20-12/18/25 SVC-205 HUDSON	\$76.01
	180042675049	12/22/2025	11/21-12/19/25 SVC-AZUSA & GEMINI	\$2,604.79
86578	01/14/2026		THREE VALLEYS MUNICIPAL WATER I	\$2,002.72
	Invoice	Date	Description	Amount
	6846	12/31/2025	12/1-12/31/25 SVC-TONNER CYN	\$2,002.72
86579	01/14/2026		VERIZON WIRELESS - LA	\$1,105.84
	Invoice	Date	Description	Amount
	6132020061	12/26/2025	11/27-12/26/25 SVC-VARIOUS WIRELESS SVC	\$1,105.84
86580	01/22/2026		ABA ETHOS, LLC	\$4,000.00
	Invoice	Date	Description	Amount
	4123009-04	01/05/2026	CONSULTANT SVC-IH MOUNTAIN BIKING TRAIL	\$4,000.00

**CITY OF INDUSTRY
WELLS FARGO BANK
January 22, 2026**

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
86581	01/22/2026		AMAZON WEB SERVICES, INC	\$5,477.46
	Invoice	Date	Description	Amount
	2443454425	01/01/2026	AWS SVC-DEC 2025	\$5,477.46
86582	01/22/2026		ANNEALTA GROUP	\$98,852.00
	Invoice	Date	Description	Amount
	497-3728	01/12/2026	GENERAL DEV SVC-DEC 2025	\$44,652.00
	497-3729	01/12/2026	GENERAL PLANNING SVC-DEC 2025	\$29,340.00
	497-3730	01/12/2026	16010 & 16020 PHOENIX	\$4,676.00
	497-3731	01/12/2026	3228 GILMAN RD	\$344.00
	497-3732	01/12/2026	720 SEVENTH AVE	\$172.00
	497-3733	01/12/2026	16207, 16233 & 16253 GALE AVE	\$16,664.00
	497-3734	01/12/2026	184 S 6TH ST	\$3,004.00
86583	01/22/2026		BIGGS CARDOSA ASSOCIATES, INC.	\$43,759.50
	Invoice	Date	Description	Amount
	95058	12/05/2025	ENG SVC-ANAHEIM-PUENTE BRIDGE	\$43,759.50
86584	01/22/2026		BLAKE AIR CONDITIONING COMPANY	\$18,288.20
	Invoice	Date	Description	Amount
	M64903	12/17/2025	A/C MAINT-IBC	\$4,157.00
	M64884	01/06/2026	QRTLTY MAINT-CITY HALL	\$4,663.00
	M64888	12/18/2025	A/C MAINT-EL ENCANTO	\$9,051.00
	69843	01/07/2026	REPROGRAM THERMOSTAT-POST OFFICE	\$211.10
	69864	01/09/2026	INSPECT LEAKING COOLING TOWER-EL ENCANTO	\$206.10
86585	01/22/2026		BUSINESS LIFE MAGAZINE	\$2,250.00
	Invoice	Date	Description	Amount

**CITY OF INDUSTRY
WELLS FARGO BANK
January 22, 2026**

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
	121742	12/29/2025	AD FOR 2026 ECONOMIC & BUSINESS OUTLOOK	\$2,250.00
86586	01/22/2026		CHEM PRO LLC	\$2,056.72
	Invoice	Date	Description	Amount
	IN226686	01/01/2026	WATER TREATMENT-VARIOUS SITES	\$1,028.36
	IN218629	11/01/2025	WATER TREATMENT-VARIOUS SITES	\$1,028.36
86587	01/22/2026		CINTAS CORPORATION LOC 693	\$247.25
	Invoice	Date	Description	Amount
	9353383179	12/31/2025	LEASE FOR AED MACHINE-HOMESTEAD	\$164.63
	4256061500	01/12/2026	DOOR MATS	\$82.62
86588	01/22/2026		CITY OF INDUSTRY	\$120.75
	Invoice	Date	Description	Amount
	2026-00000033	12/31/2025	IH FUELS PUMP-CITY HALL VEHICLES	\$120.75
86589	01/22/2026		CNC ENGINEERING	\$107,652.50
	Invoice	Date	Description	Amount
	514146	01/08/2026	SOLAR INSTALLATION AT CITY HALL	\$12,445.00
	514147	01/08/2026	CITYWIDE ADA SELF-EVALUATION/TRANSITION PLAN	\$697.50
	514148	01/08/2026	KELLA AVE STORM DRAIN	\$460.00
	514149	01/08/2026	GALE AVE REALIGNMENT	\$3,925.00
	514151	01/08/2026	PRELIMINARY DESIGN OF EW BICYCLE PATH	\$3,882.50
	514152	01/08/2026	GENERAL ENG SVC-STREETLIGHT IMPROVE AT ROWI	\$600.00
	514153	01/08/2026	GENERAL ENG SVC-881 ANAHEIM-PUENTE RD	\$1,571.25
	514154	01/08/2026	GENERAL ENG SVC 12/22/25-1/4/26	\$21,446.25
	514155	01/08/2026	GENERAL ENG SVC-STREET LIGHT IMPROVE AT PRO(\$4,732.50
	514156	01/08/2026	GENERAL ENG SVC-STREET INSPECTIONS	\$2,735.00
	514157	01/08/2026	GENERAL ENG SVC-BACKFLOW DEVICE MAINT	\$1,032.50

**CITY OF INDUSTRY
WELLS FARGO BANK
January 22, 2026**

Check	Date	Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo			
514158	01/08/2026	GENERAL ENG SVC-FIELD OPERATIONS SERVICES	\$7,107.50
514159	01/08/2026	GENERAL ENG SVC-STREET LIGHTS	\$830.00
514160	01/08/2026	GENERAL ENG SVC 12/22/25-1/4/26	\$4,602.50
514161	01/08/2026	GENERAL ENG SVC-COUNTER SERVICE	\$4,900.00
514162	01/08/2026	GENERAL ENG SVC-TRAFFIC	\$657.50
514163	01/08/2026	GENERAL ENG SVC-PERMITS	\$14,061.25
514164	01/08/2026	GENERAL ENG SVC-PLAN APPROVAL	\$1,475.00
514165	01/08/2026	NPDES STORM WATER	\$1,180.00
514166	01/08/2026	SEWER MANAGEMENT SYSTEM	\$142.50
514167	01/08/2026	GENERAL ENG SVC-13530 NELSON AVE WAREHOUSE	\$185.00
514168	01/08/2026	GENERAL ENG SVC-16010, 16020 PHOENIX DR/901 STII	\$185.00
514169	01/08/2026	GENERAL ENG SVC-16010, 16020 PHOENIX DR	\$300.00
514170	01/08/2026	TONNER CYN PROPERTY	\$465.00
514171	01/08/2026	REPLACEMENT OF STEEL WATERLINE-BREA CREEK	\$7,462.50
514172	01/08/2026	COLIMA RD WIDENING	\$4,877.50
514173	01/08/2026	NELSON AVE RESURFACING	\$4,257.50
514183	01/08/2026	EL ENCANTO IMPROVEMENTS AND MAINT	\$1,206.25
514184	01/08/2026	EL ENCANTO ROOF REFURB	\$230.00
86590	01/22/2026	CNC ENGINEERING	\$83,098.75
Invoice	Date	Description	Amount
514174	01/08/2026	CITY ADMINISTRATIVE OFFICES - 15625 MAYOR DAVE	\$1,798.75
514175	01/08/2026	INDUSTRY BUSINESS COUNCIL AND CITY COUNCIL CH	\$732.50
514176	01/08/2026	CITY COUNCIL CHAMBER AND IBC BUILDING IMPROVE	\$1,327.50
514177	01/08/2026	ELECTRIC VEHICLE CHARGING STATIONS AT CITY HA	\$2,547.50
514178	01/08/2026	HOMESTEAD MUSEUM IMPROVEMENTS & MAINTENAN	\$72.50
514179	01/08/2026	VALLEY BLVD. CORRIDOR CO-OP PROJECT WITH L.A.	\$142.50
514180	01/08/2026	SIGNING & STRIPING IMPROVEMENTS AT VARIOUS R/	\$920.00
514181	01/08/2026	SHERIFF TRAILER SITE, FENCING AND ELECTRICAL IN	\$2,152.50

**CITY OF INDUSTRY
WELLS FARGO BANK
January 22, 2026**

Check	Date	Payee Name	Check Amount	
CITY.WF.CHK - City General Wells Fargo				
514182	01/08/2026	METROLINK - OPERATION AND MAINTENANCE OF THE	\$250.00	
514185	01/08/2026	SAN JOSE AVE. RECONSTRUCTION FROM 500' W. OF I	\$2,300.00	
514186	01/08/2026	INDUSTRY HILLS - FUEL TANKS DISPENSING DEVICES	\$217.50	
514187	01/08/2026	605 FWY AND VALLEY BLVD INTERCHANGE	\$890.00	
514188	01/08/2026	HIGHWAY BRIDGE PROGRAM FUNDING	\$142.50	
514189	01/08/2026	FISCAL YEAR BUDGET	\$1,777.50	
514190	01/08/2026	BIXBY DR PCC PAVEMENT	\$427.50	
514191	01/08/2026	NELSON AVE INTERSECTION	\$410.00	
514192	01/08/2026	REPAIRS/UPGRADES TO CITY OWNED PUMP STATION	\$865.00	
514193	01/08/2026	MAINT OF 1123 HATCHER AVE	\$300.00	
514194	01/08/2026	CARTEGRAPH MGMT	\$17,890.00	
514195	01/08/2026	GRAND AVE SLOPE RECONSTRUCTION-FERRERO TO	\$5,383.75	
514196	01/08/2026	ADD SIDEWALK ON SOUTH SIDE OF TEMPLE AVE	\$5,705.00	
514197	01/08/2026	MOUNTAIN BIKING TRAIL AT INDUSTRY HILLS	\$451.25	
514198	01/08/2026	CIVIC CENTER DECORATIVE LIGHTING	\$215.00	
514199	01/08/2026	2022-2023 ANNUAL PAVEMENT REHABILITATION	\$3,772.50	
514200	01/08/2026	CITYWIDE LICENSE PLATE CAMERA READER	\$745.00	
514201	01/08/2026	RAILROAD STREET PAVEMENT REHABILITATION	\$1,815.00	
514202	01/08/2026	2024-2025 ANNUAL PAVEMENT REHABILITATION	\$20,105.00	
514203	01/08/2026	AZUSA WAY BIKE PATH IMPROVEMENTS	\$1,657.50	
514204	01/08/2026	STREET LIGHT BANNER INSTALLATION	\$2,795.00	
514205	01/08/2026	PAVEMENT MANGEMENT PLAN 2022	\$5,290.00	
86591	01/22/2026	COUNTY OF LA - DEPT OF AGRICULT	\$25,013.71	
	Invoice	Date	Description	Amount
	260479	12/08/2025	WEED ABATEMENT-TONNER CYN (FIRESTONE CAMP)	\$25,013.71
86592	01/22/2026	COUNTY OF LA - DEPT OF AGRICULT	\$20,710.57	
	Invoice	Date	Description	Amount

**CITY OF INDUSTRY
WELLS FARGO BANK
January 22, 2026**

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
	260482	12/08/2025	WEEDS/PEST CONTROL-TRES HERMANOS	\$20,710.57
86593	01/22/2026		ENTERPRISE MAPS LLC	\$7,325.00
	Invoice	Date	Description	Amount
	1020	12/22/2025	AMAZON WEB SERVICES	\$3,630.00
	1019	12/17/2025	AMAZON WEB SERVICES	\$3,695.00
86594	01/22/2026		ESPY'S ELECTRICAL SERVICES INC.	\$3,000.00
	Invoice	Date	Description	Amount
	1796	12/19/2025	REPAIR PLANTER LIGHTS-EL ENCANTO	\$3,000.00
86595	01/22/2026		FRAZER, LLP	\$37,204.50
	Invoice	Date	Description	Amount
	196981	12/31/2025	COI-PROF SVC FOR DEC 2025	\$35,704.50
	196994	12/31/2025	SA-PROF SVC FOR DEC 2025	\$1,500.00
86596	01/22/2026		FUEL PROS, INC.	\$741.25
	Invoice	Date	Description	Amount
	80330	12/23/2025	INDUSTRY HILLS FUEL STN MAINT	\$250.00
	80214	12/15/2025	INDUSTRY HILLS FUEL STN MAINT	\$250.00
	80177	12/08/2025	INDUSTRY HILLS FUEL STN MAINT	\$241.25
86597	01/22/2026		GATEWAY CITIES COUNCIL OF GOVEI	\$431.00
	Invoice	Date	Description	Amount
	1/8/2026	01/08/2026	1% SB2 PHLA	\$431.00
86598	01/22/2026		HAGERTY, MARIA L.	\$470.96
	Invoice	Date	Description	Amount
	1/8/2026	01/08/2026	REIMBURSE FOR TRAVEL EXPENSE-LCW CONFERENC	\$470.96

**CITY OF INDUSTRY
WELLS FARGO BANK
January 22, 2026**

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
86599	01/22/2026		HARDT, JULIE	\$380.13
	Invoice	Date	Description	Amount
	1/8/2026	01/08/2026	REIMBURSE FOR TRAVEL EXPENSE-LCW CONFERENC	\$380.13
86600	01/22/2026		HISTORICAL RESOURCES, INC.	\$48,309.97
	Invoice	Date	Description	Amount
	COI2026-06	01/08/2026	ADMIN & MGMT SVC-HOMESTEAD	\$44,923.00
	COI2026-6.3	01/06/2026	REIMBURSE FOR MUSEUM ARTIFACT PURCHASE	\$867.35
	COI2026-02.6	01/08/2026	EXPENSE REIMBURSEMENT-DEC 2025	\$2,519.62
86601	01/22/2026		INDUSTRY SECURITY SERVICES	\$34,889.02
	Invoice	Date	Description	Amount
	SG-COI#1-2072	01/09/2026	SECURITY SVC 1/2-1/8/26	\$11,288.72
	SG-COI#1-2073	01/09/2026	SECURITY SVC-VARIOUS CITY SITES	\$23,600.30
86602	01/22/2026		IRRI-CARE PLUMBING & BACKFLOW T	\$130.00
	Invoice	Date	Description	Amount
	18502	12/31/2025	BACKFLOW TEST-220 N HACIENDA BLVD	\$65.00
	18501	12/31/2025	BACKFLOW TEST-CITY HALL	\$65.00
86603	01/22/2026		KEENAN AND ASSOCIATES	\$7,777.71
	Invoice	Date	Description	Amount
	332838	01/12/2026	PREMIUM STORAGE TANKS	\$7,777.71
86604	01/22/2026		KLEINFELDER, INC.	\$14,904.25
	Invoice	Date	Description	Amount
	001565083	12/11/2025	GEO SVC-ANNUAL PAVEMENT REHAB FY 23	\$14,904.25

**CITY OF INDUSTRY
WELLS FARGO BANK
January 22, 2026**

Check	Date			Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo					
86605	01/22/2026			L A COUNTY DEPT OF PUBLIC WORKS	\$4,655.01
	Invoice	Date	Description	Amount	
	IN260000361	12/18/2025	ACCIDENT-TEMPLE AVE @ VINELAND AVE	\$1,451.33	
	IN260000366	12/18/2025	ACCIDENT-NELSON AVE @ SUNSET AVE	\$3,019.85	
	IN260000363	12/18/2025	ACCIDENT-AMAR RD @ ECHELON AVE	\$183.83	
86606	01/22/2026			L A COUNTY SHERIFF'S DEPARTMENT	\$1,187,582.36
	Invoice	Date	Description	Amount	
	261534TZ	01/11/2026	SHERIFF CONTRACT-DEC 2025	\$1,187,582.36	
86607	01/22/2026			LOCKS PLUS, INC.	\$1,171.64
	Invoice	Date	Description	Amount	
	25915	01/12/2026	DUPLICATE KEYS-VARIOUS CITY SITES	\$658.50	
	36354	09/19/2025	CUSTOM DOOR TRIM-EL ENCANTO	\$513.14	
86608	01/22/2026			MORTISE & TENON BUILDING CORP	\$5,515.35
	Invoice	Date	Description	Amount	
	398.2	09/17/2025	REMAINING BALANCE-STORAGE CONTAINER @ SHER	\$3,000.00	
	446	12/16/2025	MAINT SVC-BUS STOPS	\$2,515.35	
86609	01/22/2026			MX GRAPHICS, INC.	\$337.85
	Invoice	Date	Description	Amount	
	35954	11/14/2025	COLOR SCANS-JN 6201	\$337.85	
86610	01/22/2026			NELSON, JOSHUA	\$782.97
	Invoice	Date	Description	Amount	
	1/5/2026	01/05/2026	REIMBURSE FOR TRAVEL EXPENSE-CCCA SACRAMEN	\$782.97	
86611	01/22/2026			NINYO & MOORE GEOTECHNICAL COI	\$1,101.25

**CITY OF INDUSTRY
WELLS FARGO BANK
January 22, 2026**

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
	Invoice	Date	Description	Amount
	313947	12/23/2025	MATERIAL TEST-SALT LAKE RECONSTRUCTION	\$1,101.25
86612	01/22/2026		OCEAN BLUE ENVIRONMENTAL SERV	\$6,160.80
	Invoice	Date	Description	Amount
	42295	01/05/2026	HAZARDOUS WASTE REMOVAL	\$6,160.80
86613	01/22/2026		ODP BUSINESS SOLUTIONS, LLC	\$141.66
	Invoice	Date	Description	Amount
	40034682	01/12/2026	OFFICE SUPPLIES	\$141.66
86614	01/22/2026		ON TRACK SOLUTIONS LLC	\$6,200.00
	Invoice	Date	Description	Amount
	1288	12/18/2025	ON-CALL RAILROAD COORDINATION	\$6,200.00
86615	01/22/2026		PLACEWORKS	\$15,343.75
	Invoice	Date	Description	Amount
	IND-22.15-13	12/31/2025	CEQA FOR 17871 CASTLETON ST	\$3,127.50
	IND-22.16-14	12/31/2025	CEQA FOR 1600 AZUSA AVE	\$12,216.25
86616	01/22/2026		PRICE, POSTEL & PARMA, LLP	\$1,384.00
	Invoice	Date	Description	Amount
	227942	01/12/2026	LEGAL SVC-DEC 2025	\$1,384.00
86617	01/22/2026		PRINCE GLOBAL SOLUTIONS, LLC	\$12,510.00
	Invoice	Date	Description	Amount
	81	12/11/2025	FEDERAL ADVOCACY-NOV 2025	\$6,255.00
	82	01/09/2026	FEDERAL ADVOCACY-DEC 2025	\$6,255.00

**CITY OF INDUSTRY
WELLS FARGO BANK
January 22, 2026**

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
86618	01/22/2026		PUENTE BASIN WATER AGENCY	\$946.00
	Invoice	Date	Description	Amount
	1961	10/31/2025	GROUNDWATER MGMT PLAN PHASE 2 (OCT 2025)	\$946.00
86619	01/22/2026		RICOH USA, INC.	\$320.68
	Invoice	Date	Description	Amount
	594326298	01/07/2026	COPIER LEASE-HOMESTEAD	\$320.68
86620	01/22/2026		ROBINSON'S FLOWERS	\$159.86
	Invoice	Date	Description	Amount
	3903	01/02/2026	FLOWERS AND DELIVERY	\$159.86
86621	01/22/2026		SAGE ENVIRONMENTAL GROUP	\$39,000.00
	Invoice	Date	Description	Amount
	2611	12/17/2025	GRAZING SVC-TONNER CYN	\$19,500.00
	2612	12/17/2025	GOAT FUEL REDUCTION-CITY	\$19,500.00
86622	01/22/2026		SAN GABRIEL VALLEY CITY MANAGEI	\$120.00
	Invoice	Date	Description	Amount
	1/9/2026	01/09/2026	SGVCMA MEETING-JOSH, SAM, BING	\$120.00
86623	01/22/2026		SAN GABRIEL VALLEY CONSERVATIO	\$1,116.00
	Invoice	Date	Description	Amount
	251117 LAOLYMPIC	12/17/2025	LANDSCAPE SVC-LA OLYMPIC	\$1,116.00
86624	01/22/2026	01/22/2026	SAN GABRIEL VALLEY COUNCIL OF G	\$3,815,000.00
	Invoice	Date	Description	Amount
	26-207-1	11/24/2025	BETTERMENT AGRMT-FAIRWAY DR GRADE SEPARAT	\$3,815,000.00

**CITY OF INDUSTRY
WELLS FARGO BANK
January 22, 2026**

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
86625	01/22/2026		SAN GABRIEL VALLEY NEWSPAPER C	\$2,846.61
	Invoice	Date	Description	Amount
	0011766624	12/01/2025	ACCT #5272431-NOTICE TO CONTRACTORS	\$1,260.88
	0011769549	12/16/2025	ACCT #5007735-NOTICE OF AVAILABILITY-JN 9428	\$1,585.73
86626	01/22/2026		SATSUMA LANDSCAPE & MAINT.	\$204,211.46
	Invoice	Date	Description	Amount
	1225XROADS	12/22/2025	LANDSCAPE SVC-CROSSROADS PKY NORTH & SOUTH	\$49,694.71
	1225CH	12/22/2025	LANDSCAPE SVC-CIVIC FINANCIAL CENTER	\$71,083.15
	1225TA	12/22/2025	LANDSCAPE SVC-TEMPLE & AZUSA	\$32,536.67
	1225EC	12/22/2025	LANDSCAPE SVC-EXPO CENTER	\$50,896.93
86627	01/22/2026		SHERIFF'S RELIEF EMPORIUM	\$1,341.69
	Invoice	Date	Description	Amount
	11.4.25	11/04/2025	POINT BLANK VESTS-SAO TEAM	\$1,341.69
86628	01/22/2026		SPECTRUM	\$938.99
	Invoice	Date	Description	Amount
	188632001010726	01/07/2026	BUSINESS INTERNET-JAN 2026	\$938.99
86629	01/22/2026		SQUARE ROOT GOLF & LANDSCAPE, I	\$240,678.43
	Invoice	Date	Description	Amount
	1841H-1	12/22/2025	SIGN REPAIR & INSTALLATION	\$1,978.87
	1841H-2	12/22/2025	GRAFFITI REMOVAL	\$872.70
	1841H-3	12/22/2025	HAZARDOUS WASTE REMOVAL	\$571.16
	1841H-4	12/22/2025	LANDSCAPE SVC-TONNER CYN	\$34,336.80
	1841H	12/22/2025	LANDSCAPE SVC-VARIOUS CITY SITES	\$170,488.62
	1838ELHM	12/22/2025	LANDSCAPE SVC-VARIOUS CITY SITES	\$5,064.50
	1839ELHM	12/22/2025	LANDSCAPE SVC-EL ENCANTO	\$9,719.72

**CITY OF INDUSTRY
WELLS FARGO BANK
January 22, 2026**

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
	1840ELHM	12/22/2025	LANDSCAPE SVC-HOMESTEAD	\$17,646.06
86630	01/22/2026		STATE COMPENSATION INSURANCE F	\$4,338.49
	Invoice	Date	Description	Amount
	1003042396	01/01/2026	WORKERS COMP PREMIUM FOR JANUARY 2026	\$4,338.49
86631	01/22/2026		SUPERIOR COURT OF CA-LA COUNTY	\$2,146.00
	Invoice	Date	Description	Amount
	DECEMBER 2025	01/06/2026	PARKING CITATIONS REPORT-DEC 2025	\$2,146.00
86632	01/22/2026		VALLEY VISTA SERVICES, INC	\$17,313.21
	Invoice	Date	Description	Amount
	3267018	01/01/2026	DISP SVC-15660 MAYOR DAVE WAY (YAL)	\$165.76
	3266093	01/01/2026	DISP SVC-CITY RESIDENTS	\$6,082.41
	3266276	01/01/2026	DISP SVC-205 N HUDSON AVE	\$275.79
	3267017	01/01/2026	DISP SVC-1123 HATCHER AVE	\$326.07
	3267015	01/01/2026	DISP SVC-TONNER CYN (CAMP COURAGE)	\$480.23
	3266420	01/01/2026	DISP SVC-CITY BUS STOPS	\$4,796.49
	3218028	12/31/2025	DISP SVC-CITY HALL	\$595.78
	3218209	12/04/2025	DISP SVC-1123 HATCHER AVE	\$3,384.44
	3218210	12/31/2025	DISP SVC-TONNER CYN (MAINT YD)	\$1,206.24
86633	01/22/2026		SAN GABRIEL VALLEY COUNCIL OF G	\$3,815,000.00
	Invoice	Date	Description	Amount
	26-207-1A	11/24/2025	BETTERMENT AGRMT-FULLERTON GRADE SEPARATI	\$3,815,000.00

CITY OF INDUSTRY
WELLS FARGO BANK
January 22, 2026

Check	Date	Payee Name	Check Amount
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CITY.WF.CHK - City General Wells Fargo

Checks	Status	Count	Transaction Amount
	Total	68	\$10,113,622.93

ITEM NO. 6.2



CITY OF INDUSTRY

MEMORANDUM

TO: Honorable Mayor and Members of the City Council

FROM: Joshua Nelson, City Manager

STAFF: Mathew Hudson, Director of Public Works

DATE: January 29, 2026

SUBJECT: Consideration of Amendment No. 2 to a Professional Services Agreement with Bowser Geospatial, LLC., extending the term through June 30, 2029, increasing the compensation by \$200,000, and amending the Rate Schedule to reflect the Consultant's updated rates

Background:

On August 8, 2024, the City Manager executed a Professional Services Agreement ("Agreement") with Bowser Geospatial, LLC for consultant services related to the City's GIS Management System in the amount of \$50,000. On April 9, 2025, Staff approved Amendment No. 1 to the Agreement extending the term and updating the rate schedule with no increase in compensation. Both within the City Managers Authority per Municipal Code Section 3.04.055.

Discussion:

The current Agreement is reaching its \$50,000 threshold; therefore, it is necessary to increase the Agreement amount to allow the Consultant to continue providing GIS support. Bowser Geospatial manages the entire GIS system for the system which includes operational support, system maintenance data stewardship, workflow development and modernization activities as needed. Bowser Geospatial also helps support the enterprise and cloud-based GIS environment that forms the foundation of the City's geospatial capabilities. This environment enables mapping, analysis, data access, and integration with internal workflows relied upon by City departments. Services within this area may include assistance with administrative tasks in the City's GIS platforms, configuration and maintenance of services and applications, and technical support intended to maintain system performance and reliability. These efforts help ensure that City Staff have access to accurate and current geospatial information necessary for engineering, planning, public works, and other operational functions.

In addition to maintaining the GIS environment Bowser helps with various GIS tasks. For example, they are creating a platform to make assigning addresses easier and more efficient. Bowser is also helping setting up our digital database which includes filling out meta data for various engineering plans so the City can have a digital data base of all of our plans. Bowser also does various tasks as assigned by the City Manager.

Staff is recommending Amendment No. 2 to the contract which extends the term for three years through June 30, 2029 with an accompany increase of \$200,000 over the three years and amend the Rate Schedule to reflect the Consultants updated rates.

Fiscal Impact:

The fiscal impact for Amendment No. 2 is \$200,000.00. In the adopted Fiscal Year 2025-2026 General Fund budget, \$500,000 is approved for this work. (Account No. 100-525-5120.01/MP 16-06).

Recommendation:

Staff recommends the City Council approve Amendment No. 2 to the Professional Services Agreement with Bowser Geospatial, LLC.

Exhibits:

- 1. Amendment No. 2 to the Professional Services Agreement, dated January 29, 2026
- 2. Professional Service Agreement with Bowser Geospatial, LLC, dated August 8, 2024

EXHIBIT 1

Amendment No. 2 to the Professional Services Agreement with Bowser Geospatial,
LLC, dated January 29, 2026

[Attached]

**AMENDMENT NO. 2
TO PROFESSIONAL SERVICES AGREEMENT WITH
BOWSER GEOSPATIAL, LLC, A CALIFORNIA CORPORATION**

This Amendment No. 2 to the Professional Services Agreement (“Agreement”) is made and entered into this 29th day of January 2026, (“Effective Date”) by and between the City of Industry (“City”), a municipal corporation, and Bowser Geospatial, LLC, a California limited liability company, (“Consultant”). City and Consultant are hereinafter collectively referred to as the “Parties.”

RECITALS

WHEREAS, on or about August 8, 2024, the City Manager approved a Professional Services Agreement (“Agreement”) with Consultant to provide GIS Management Consulting services and to manage and maintain City’s GIS database; and

WHEREAS, on or about April 9, 2025, Amendment No. 2 was approved extending the term to June 30, 2026, and revising the Rate Schedule; and

WHEREAS, the Agreement expires June 30, 2026, and it is necessary to extend the term through June 30, 2029, to allow the Consultant to continue providing GIS support, revise the rate schedule to reflect the Consultant’s current rates, and to increase compensation by \$200,000; and

WHEREAS, for the reason set forth herein, the City and Consultant desire to enter into this Amendment No. 2, as set forth below.

AMENDMENT

NOW, THEREFORE, in consideration of the mutual covenants, promises and agreements set forth herein, it is agreed the aforesaid Agreement, a copy of which is attached hereto as Exhibit B, and incorporated herein by reference, shall remain in full force and effect except as otherwise hereinafter provided:

1. TERM

Section 1 is hereby revised to read as follows:

This Agreement shall commence on the Effective Date and shall remain and continue in effect until tasks described herein are completed, but in no event later than June 30, 2029, unless sooner terminated pursuant to the provisions of this Agreement.

4. PAYMENT

The second sentence of Section 4(A) is hereby amended to read in its entirety as follows:

This amount shall not exceed Two Hundred Fifty Thousand Dollars (\$250,000.00) for the total Term of the Agreement unless additional payment is approved as provided in the Agreement.

EXHIBIT B, Rate Schedule

The Rate Schedule is hereby rescinded in its entirety and replaced with the new Exhibit C Rate Schedule set forth in Attachment 1, attached hereto, and incorporated herein by reference.

IN WITNESS WHEREOF, the Parties have executed this Amendment No. 1 to the Agreement as of the Effective Date.

The person or persons executing this Agreement on behalf of Consultant represents and warrants that he/she has the authority to execute this Agreement on behalf of the Consultant and has the authority to bind Consultant to the performance of its obligations hereunder.

“CITY”
City of Industry

“CONSULTANT”
BOWSER GEOSPATIAL, LLC

By: _____
Joshua Nelson, City Manager

By: _____
Timothy Bowser, CEO

Attest:

By: _____
Julie Gutierrez-Robles, City Clerk, CMC

APPROVED AS TO FORM

By: _____
James M. Casso, City Attorney

**ATTACHMENT 1
EXHIBIT B**

Rate Schedule

Role	Hourly Billing Rate
Leadership & Architecture	
Principal GIS Consultant	\$225
Cloud Solution Architect	\$215
Senior GIS Consultant	\$205
GIS Project Manager	\$195
Technical Specialists	
Utility Network / Data Migration Specialist	\$210
Systems Integration Engineer	\$195
Cloud / ArcGIS Ops Engineer	\$180
GIS Developer	\$185
Analysts & Field Operations	
Senior GIS Analyst	\$170
GIS Analyst	\$150
Training & Enablement Specialist	\$160
Field Mobility / Data Collection Specialist	\$150
GIS Technician	\$120
GIS Intern	\$85

Our rates are reviewed annually and are subject to up to a 3.5% increase each year to align with industry standards and ensure the continued quality of our services.

EXHIBIT 2

Professional Service Agreement with Bowser Geospatial, LLC, dated August 8, 2024

[Attached]

CITY OF INDUSTRY

PROFESSIONAL SERVICES AGREEMENT

This PROFESSIONAL SERVICES AGREEMENT ("Agreement"), is made and effective as of August 8, 2024 ("Effective Date"), between the City of Industry, a municipal corporation ("City") and Bowser Geospatial, LLC ("Consultant"). The City and Consultant are hereinafter collectively referred to as the "Parties".

RECITALS

WHEREAS, City desires to engage Consultant to perform the services described herein, and Consultant desires to perform such services in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions herein contained, City and Consultant agree as follows:

1. TERM

This Agreement shall commence on the Effective Date, and shall remain and continue in effect until tasks described herein are completed, but in no event later than June 30, 2025, unless sooner terminated pursuant to the provisions of this Agreement.

2. SERVICES

(a) Consultant shall perform the tasks ("Services") described and set forth in Exhibit A, attached hereto and incorporated herein as though set forth in full. ("Scope of Services"). Tasks other than those specifically described in the Scope of Services shall not be performed without prior written approval of the City. The Services shall be performed by Consultant, unless prior written approval is first obtained from the City. In the event of conflict or inconsistency between the terms of this Agreement and Exhibit A, the terms of this Agreement shall prevail.

(b) City shall have the right to request, in writing, changes to the Services. Any such changes mutually agreed upon by the Parties, and any corresponding increase or decrease in compensation, shall be incorporated by written amendment to this Agreement.

(c) Consultant shall perform all Services in a manner reasonably satisfactory to the City and in a first-class manner in conformance with the standards of quality normally observed by an entity providing Geographical Information Systems (GIS) consulting services, serving a municipal agency.

(d) Consultant shall comply with all applicable federal, state, and local laws, regulations and ordinances in the performance of this Agreement, including but not limited to, the conflict of interest provisions of Government Code Section 1090 and the Political Reform Act (Government Code Section 81000 *et seq.*). During the term of this

Agreement, Consultant shall not perform any work for another person or entity for whom Consultant was not working on the Effective Date if both (i) such work would require Consultant to abstain from a decision under this Agreement pursuant to a conflict of interest statute or law; and (ii) City has not consented in writing to Consultant's performance of such work. No officer or employee of City shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.* Consultant hereby warrants that it is not now, nor has it been in the previous twelve (12) months, an employee, agent, appointee, or official of the City. If Consultant was an employee, agent, appointee, or official of the City in the previous twelve (12) months, Consultant warrants that it did not participate in any manner in the forming of this Agreement. Consultant understands that, if this Agreement is made in violation of Government Code §1090 *et. seq.*, the entire Agreement is void and Consultant will not be entitled to any compensation for Services performed pursuant to this Agreement, and Consultant will be required to reimburse the City for any sums paid to the Consultant. Consultant understands that, in addition to the foregoing, it may be subject to criminal prosecution for a violation of Government Code § 1090 and, if applicable, will be disqualified from holding public office in the State of California.

(e) Consultant represents that it has, or will secure at its own expense, all licensed personnel required to perform the Services. All Services shall be performed by Consultant or under its supervision, and all personnel engaged in the Services shall be qualified and licensed to perform such services.

3. MANAGEMENT

City Manager shall represent the City in all matters pertaining to the administration of this Agreement, review and approval of all products submitted by Consultant, but shall have no authority to modify the Services or the compensation due to Consultant.

4. PAYMENT

(a) The City agrees to pay Consultant monthly, in accordance with the payment rates and terms and the schedule of payment as set forth in Exhibit B ("Rate Schedule"), attached hereto and incorporated herein by this reference as though set forth in full, based upon actual time spent on the above tasks. This amount shall not exceed Fifty Thousand Dollars (\$50,000.00) for the total Term of the Agreement unless additional payment is approved as provided in this Agreement.

(b) Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the City. Consultant shall be compensated for any additional services in the amounts and in the manner as agreed to by City and Consultant at the time City's written authorization is given to Consultant for the performance of said services.

(c) Consultant shall submit invoices monthly for actual services performed. Invoices shall be submitted on or about the first business day of each month, or as soon thereafter as

practical, for services provided in the previous month. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees. If the City disputes any of Consultant's fees it shall give written notice to Consultant within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice. Any final payment under this Agreement shall be made within 45 days of receipt of an invoice therefore.

5. SUSPENSION OR TERMINATION OF AGREEMENT

(a) The City may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the Consultant at least ten (10) days prior written notice. Upon receipt of said notice, the Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If the City suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.

(b) In the event this Agreement is terminated pursuant to this Section, the City shall pay to Consultant the actual value of the work performed up to the time of termination, provided that the work performed is of value to the City. Upon termination of the Agreement pursuant to this Section, the Consultant shall submit an invoice to the City pursuant to Section 5 of this Agreement.

6. OWNERSHIP OF DOCUMENTS

(a) Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by City that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of City or its designees at reasonable times to review such books and records; shall give City the right to examine and audit said books and records; shall permit City to make transcripts or copies therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.

(b) Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of the City and may be used, reused, or otherwise disposed of by the City without the permission of the Consultant. With respect to computer files, Consultant shall make available to the City, at the Consultant's office, and upon reasonable written request by the City, the necessary computer software and hardware for purposes of accessing, compiling, transferring, copying and/or printing computer files. Consultant hereby grants to City all right, title, and interest, including any copyright, in and to the documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared by Consultant in the course of providing the services under this

Agreement. All reports, documents, or other written material developed by Consultant in the performance of the Services pursuant to this Agreement, shall be and remain the property of the City.

7. INDEMNIFICATION

(a) Indemnity for professional liability

When the law establishes a professional standard of care for Consultant's Services, to the fullest extent permitted by law, Consultant shall indemnify, protect, defend and hold harmless the City and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including legal counsel's fees and costs caused in whole or in part by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees or subconsultants (or any agency or individual that Consultant shall bear the legal liability thereof) in the performance of professional services under this Agreement.

(b) Indemnity other than for professional liability

Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless City, and any and all of its employees, officials and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including legal counsel fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or agency for which Consultant is legally liable, including but not limited to officers, agents, employees or subcontractors of Consultant.

(c) Duty to defend.

In the event the City, its officers, employees, agents and/or volunteers are made a party to any action, claim, lawsuit, or other adversarial proceeding arising from the performance of the services encompassed by this Agreement, and upon demand by City, Consultant shall have an immediate duty to defend the City at Consultant's cost or at City's option, to reimburse the City for its costs of defense, including reasonable attorney's fees and costs incurred in the defense of such matters.

Payment by City is not a condition precedent to enforcement of this indemnity. In the event of any dispute between Consultant and City, as to whether liability arises from the sole negligence of the City or its officers, employees, or agents, Consultant will be obligated to pay for City's defense until such time as a final judgment has been entered adjudicating the City as solely negligent. Consultant will not be entitled in the absence of such a determination to any reimbursement of defense costs including but not limited to attorney's fees, expert fees and costs of litigation.

8. INSURANCE

Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit C attached hereto and incorporated herein by reference.

9. INDEPENDENT CONSULTANT

(a) Consultant is and shall at all times remain as to the City a wholly independent consultant and/or independent contractor. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultants exclusive direction and control. Neither City nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of the City. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against the City, or bind the City in any manner.

(b) No employee benefits shall be available to Consultant in connection with the performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, City shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for City. City shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

(c) Consultant shall indemnify, defend and hold harmless, the City, its elected officials, officers, employees and agents, from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including contributions to any retirement and/or pension plan, legal counsel fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, Consultant's or by any individual or agency for which Consultant is legally liable, including but not limited to officers, agents, employees or subconsultants of Consultant, service as an independent contractor. The indemnity provisions set forth in this Section 9 (c) shall survive the termination of this Agreement, and are in addition to any other rights or remedies the City may have under the law.

10. LEGAL RESPONSIBILITIES

The Consultant shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. The Consultant shall at all times observe and comply with all such laws and regulations. The City, and its officers and employees, shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this Section.

11. UNDUE INFLUENCE

Consultant declares and warrants that no undue influence or pressure was used against or in concert with any officer or employee of the City in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of the City has or will receive compensation, directly or indirectly, from Consultant, or from any officer, employee or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling the City to any and all remedies at law or in equity.

12. NO BENEFIT TO ARISE TO LOCAL OFFICERS AND EMPLOYEES

No member, officer, or employee of City, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the Project during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the Project performed under this Agreement.

13. RELEASE OF INFORMATION/CONFLICTS OF INTEREST

(a) All information gained by Consultant in performance of this Agreement shall be considered confidential and shall not be released by Consultant without City's prior written authorization. Consultant, its officers, employees, agents, or subconsultants, shall not without written authorization from the City, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within the City, unless otherwise required by law or court order.

(b) Consultant shall promptly notify City should Consultant, its officers, employees, agents, or subconsultants be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request ("Discovery"), court order, or subpoena from any person or party regarding this Agreement and the work performed there under or with respect to any project or property located within the City, unless Consultant is prohibited by law from informing the City of such Discovery, court order or subpoena. City retains the right, but has no obligation, to represent Consultant and/or be present at any deposition, hearing, or similar proceeding as allowed by law. Unless City is a party to the lawsuit, arbitration, or administrative proceeding and is adverse to Consultant in such proceeding, Consultant agrees to cooperate fully with the City and to provide the opportunity to review any response to discovery requests provided by Consultant. However, City's right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

14. NOTICES

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To City: City of Industry
15625 Mayor Dave Way
City of Industry, CA 91744
Attention: City Manager

With a Copy To: Casso & Sparks, LLP
13300 Crossroads Parkway North, Suite 410
City of Industry, CA 91746
Attention: James M. Casso, City Attorney

To Consultant: Bowser Geospatial
11175 Azusa Court, Suite 110
Rancho Cucamonga, CA 91737
Attention: Timothy Bowser

15. ASSIGNMENT

The Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of the City.

Before retaining or contracting with any subconsultant for any services under this Agreement, Consultant shall provide City with the identity of the proposed subconsultant, a copy of the proposed written contract between Consultant and such subconsultant which shall include an indemnity provision similar to the one provided herein and identifying City as an indemnified party, or an incorporation of the indemnity provision provided herein, and proof that such proposed subconsultant carries insurance at least equal to that required by this Agreement or obtain a written waiver from the City for such insurance.

Notwithstanding Consultant's use of any subconsultant, Consultant shall be responsible to the City for the performance of its subconsultant as it would be if Consultant had performed the Services itself. Nothing in this Agreement shall be deemed or construed to create a contractual relationship between the City and any subconsultant employed by Consultant. Consultant shall be solely responsible for payments to any subconsultants. Consultant shall indemnify, defend and hold harmless the Indemnified Parties for any claims arising from, or related to, the services performed by a subconsultant under this Agreement.

16. GOVERNING LAW/ATTORNEYS' FEES

The City and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the municipal, superior, or federal district court in Los Angeles County, California. If any action at law or suit in equity is brought to enforce or interpret the provisions of this Agreement, or arising out of or relating to the Services provided by Consultant under this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and all related costs, including costs of expert witnesses and consultants, as well as costs on appeal, in addition to any other relief to which it may be entitled.

17. ENTIRE AGREEMENT

This Agreement contains the entire understanding between the Parties relating to the obligations of the Parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written and pertaining to the subject of this Agreement or with respect to the terms and conditions of this Agreement, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

18. SEVERABILITY

If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, then such term or provision shall be amended to, and solely to, the extent necessary to cure such invalidity or unenforceability, and in its amended form shall be enforceable. In such event, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

19. COUNTERPARTS

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

20. CAPTIONS

The captions appearing at the commencement of the sections hereof, and in any paragraph thereof, are descriptive only and shall have no significance in the interpretation of this Agreement.

21. WAIVER

The waiver by City or Consultant of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or any other term, covenant or condition herein contained. No term, covenant or condition of this Agreement shall be deemed to have been waived by City or Consultant unless in writing.

22. REMEDIES

Each right, power and remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise shall be cumulative and shall be in addition to every other right, power, or remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise. The exercise, the commencement of the exercise, or the forbearance of the exercise by any party of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by such party of any of all of such other rights, powers or remedies.

23. AUTHORITY TO EXECUTE THIS AGREEMENT


The person or persons executing this Agreement on behalf of Consultant represents and warrants that he/she has the authority to execute this Agreement on behalf of the Consultant and has the authority to bind Consultant to the performance of its obligations hereunder.

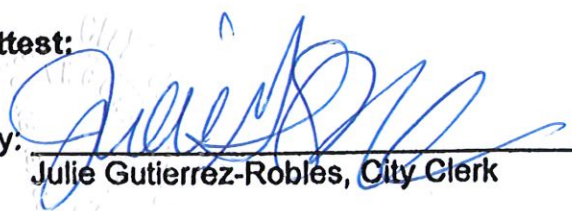
IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the Effective Date.

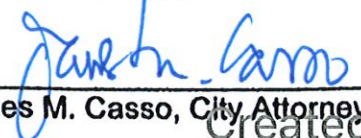
"CITY"
City of Industry

"CONSULTANT"
Bowser Geospatial, LLC

By: 
Joshua Nelson, City Manager

By: 
Timothy Bowser, CEO

Attest:
By: 
Julie Gutierrez-Robles, City Clerk

Approved as to form:
By: 
James M. Casso, City Attorney

Attachments: Exhibit A Scope of Services
 Exhibit B Rate Schedule
 Exhibit C Insurance Requirements

EXHIBIT A

SCOPE OF SERVICES

- A. Manage and maintain City's GIS database with feature layers and related records;
- B. Provide static and web-based mapping tools in support of City projects;
- C. Perform field collection of infrastructure location, specification, and condition;
- D. Train and support City staff in the use and application of GIS information, software, and associated information;
- E. Contribute content to the City's GIS web page;
- F. Provide GIS Management consulting services to City staff and other City consultants when needed.
- G. Provide GIS Services as directed by City Manager.

EXHIBIT B
RATE SCHEDULE

Title	Rate
GIS Consultant	\$200/hour

EXHIBIT C

INSURANCE REQUIREMENTS

Without limiting Consultant's indemnification of City, and prior to commencement of the Services, Consultant shall obtain, provide and maintain at its own expense during the term of this Agreement, policies of insurance of the type and amounts described below and in a form satisfactory to City.

General liability insurance. Consultant shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than \$1,000,000.00 per occurrence, \$2,000,000.00 general aggregate, for bodily injury, personal injury, and property damage. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO "insured contract" language will not be accepted.

Automobile liability insurance. Consultant shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with Work to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than \$1,000,000.00 combined single limit for each accident.

Professional liability (errors & omissions) insurance. Consultant shall maintain professional liability insurance that covers the Services to be performed in connection with this Agreement, in the minimum amount of \$1,000,000 per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this agreement and Consultant agrees to maintain continuous coverage through a period no less than three years after completion of the services required by this agreement.

Workers' compensation insurance. Consultant shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least \$1,000,000.00).

Consultant shall submit to City, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of City, its officers, agents, employees and volunteers.

Proof of insurance. Consultant shall provide certificates of insurance to City as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers' compensation. Insurance certificates and endorsement must be approved by City's Risk Manager prior to commencement of performance. Current certification of insurance shall be kept on file with City at all times during the term of this contract. City reserves the right to require complete, certified copies of all required insurance policies, at any time.

Duration of coverage. Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the Services hereunder by Consultant, his agents, representatives, employees or subconsultants.

Primary/noncontributing. Coverage provided by Consultant shall be primary and any insurance or self-insurance procured or maintained by City shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of City before the City's own insurance or self-insurance shall be called upon to protect it as a named insured.

City's rights of enforcement. In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by City will be promptly reimbursed by Consultant, or City will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, City may cancel this Agreement.

Acceptable insurers. All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VI (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the City's Risk Manager.

Waiver of subrogation. All insurance coverage maintained or procured pursuant to this agreement shall be endorsed to waive subrogation against City, its elected or appointed officers, agents, officials, employees and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against City, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

Enforcement of contract provisions (non estoppel). Consultant acknowledges and agrees that any actual or alleged failure on the part of the City to inform Consultant of non-compliance with any requirement imposes no additional obligations on the City nor does it waive any rights hereunder.

Requirements not limiting. Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Consultant maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

Notice of cancellation. Consultant agrees to oblige its insurance agent or broker and insurers to provide to City with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage.

Additional insured status. General liability policies shall provide or be endorsed to provide that City and its officers, officials, employees, and agents, and volunteers shall be additional insureds under such policies. This provision shall also apply to any excess liability policies.

Prohibition of undisclosed coverage limitations. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved of in writing.

Separation of Insureds. A severability of interests provision must apply for all additional insureds ensuring that Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limits of liability. The policy(ies) shall not contain any cross-liability exclusions.

Pass Through Clause. Consultant agrees to ensure that its subconsultants, subcontractors, and any other party involved with the project who is brought onto or involved in the project by Consultant, provide the same minimum insurance coverage and endorsements required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with consultants, subcontractors, and others engaged in the project will be submitted to City for review.

City's right to revise specifications. The City reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Consultant, the City and Consultant may renegotiate Consultant's compensation.

Self-insured retentions. Any self-insured retentions must be declared to and approved by the City. The City reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible. Self-insurance will not be considered to comply with these specifications unless approved by the City.

Timely notice of claims. Consultant shall give the City prompt and timely notice of claims made or suits instituted that arise out of or result from Consultant's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.

Additional insurance. Consultant shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the work.

ITEM NO. 6.3



CITY OF INDUSTRY

MEMORANDUM

TO: Honorable Mayor and Members of the City Council

FROM: Joshua Nelson, City Manager

STAFF: Yamini Pathak, Finance Director

DATE: January 29, 2026

SUBJECT: Consideration of the Annual Financial Reports for the City of Industry for Year Ending June 30, 2025

Background:

The City's independent auditors, Rogers, Anderson, Malody & Scott, LLP, have completed their annual audit of the City's financial statements which includes the financial activities of its component units (Successor Agency to the Industry Urban-Development Agency, the Civic-Recreational Industrial Authority, the Industry Public Facilities Authority, and the Industry Property and Housing Management Authority) for the year ending June 30, 2025. The financial statements received an unqualified (or clean) opinion. No material weakness in internal control was noted by the Auditors.

Discussion:

The financial reports and management compliance letter for the year ending June 30, 2025 are briefly described below:

Annual Financial Report

The annual financial statement is a comprehensive document reflecting the financial position of the City and its component units. The Auditors issued an unqualified (or clean) opinion on these financial statements.

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

No material weakness in internal control was noted by the Auditors.

The Auditors' Communications with the City's Audit Committee and City Council

Statement of Auditing Standards (SAS) No. 114 requires more and documented communications between the auditors and the City's Audit Committee and City Council. This letter provides an opportunity for the auditors to report on any difficulties or major concerns discovered during the audit and to further define their role. They provide commentary on management's responsibilities for accounting policies and estimates that no

significant difficulties were encountered in performing the audit, and no disagreements occurred with management. They point out that management has corrected all known material misstatements.

Independent Accountant's Report on Agreed-Upon Procedures Applied to Appropriation Limit Worksheets

Section 1.5 of Article XIII-B of the California Constitution requires that the City follow the procedures agreed upon by the State of California and the League of California Cities (as presented in the League publication entitled Article XIII-B Appropriations Limitation Uniform Guidelines) to determine the annual appropriations limit. The auditors provide this report, which confirms the City's compliance.

Fiscal Impact:

There is no fiscal impact as result of this action.

Recommendation:

Receive and file the City of Industry (the "City") annual financial reports for the year ending June 30, 2025, and instruct Staff to present a summary of the year ending June 30, 2025 Annual Financial Reports to the City Council.

1. Annual Audited Basic Financial Statements for the Year Ending June 30, 2025 with Independent Auditors' Report
2. Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters for the Year Ending June 30, 2025
3. Auditors' Communications with the City Council for the Year Ending June 30, 2025
4. Independent Auditors' Report on Agreed-Upon Procedures Applied to the Appropriations Limit Worksheets for the Year Ending June 30, 2025

Exhibits:

1. Financial Statements - Industry
2. GAGAS - Industry
3. COR-903 - Industry
4. GANN - Industry

City of Industry

Financial Statements and Supplementary Information

For the year ended June 30, 2025

City of Industry

Financial Statements For the Year Ended June 30, 2025

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Independent Auditor's Report

To the Honorable Mayor and Members
of the City Council of the
City of Industry

Report on the Audit of the Financial Statements

Opinions

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

Basis for Opinions

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

Emphasis of Matter

As described in Note 1 to the financial statements during the year ended June 30, 2025, the City adopted new accounting guidance under Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* and No. 102, *Certain Risk Disclosures*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's 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 auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining on a test basis, the 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 required supplementary information, such as management's discussion and analysis and those tables as listed in 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying 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 January 13, 2026 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
January 13, 2026

City of Industry

Management's Discussion and Analysis For the Year Ended June 30, 2025

As management of the City of Industry and its component units ("City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with the City's financial statements.

Financial Highlights

- The assets and deferred outflows of the City's governmental activities exceeded its liabilities and deferred inflows at June 30, 2025 by \$925.8 million (Net Position). Of this amount, \$437.8 million is invested in capital assets, and \$472.1 million in unrestricted net position. Net Position reflects an increase of \$7.7 million from prior period and is mainly attributable to increase in property tax revenue and reduction in public works expenses.
- The assets of the City's business-type activities exceeded its liabilities at June 30, 2025 by \$83.0 million (Net Position). Of this amount, \$65.1 million is invested in capital assets, net of related debt, and \$18.0 million in unrestricted net position. Net position remained comparable during the year ended June 30, 2025.
- The City's total debt and liabilities decreased by \$4.9 million, of which is primarily attributed to reductions in long-term liabilities due in more than one year as a result of scheduled principal payments on long-term debts.
- In the General Fund, the net change in fund balance was a increase of \$34.8 million. The increase in fund balance was attributed mostly to an increase in transfers in from debt service fund of sales tax money in excess of debt service payments. At June 30, 2025, the General Fund's ending fund balance was \$721.4 million with an unassigned balance of \$645.0 million.

General Overview of the Financial Statements

This annual report consists of four parts – *management's discussion and analysis*, the *basic financial statements*, *required supplementary information*, and other supplementary information section that presents *combining financial statements* and *debt amortization schedules*. The basic financial statements are comprised of 3 parts – (1) the government-wide financial statements, (2) the fund financial statements and (3) the notes to the financial statements. The government-wide financial statements, the Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and present a long-term view of the City's finances. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.

Government-Wide Statements

The Statement of Net Position and the Statement of Activities

The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's Net Position and changes thereto. Net Position, the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources are one way to measure the City's financial health or financial position. Over time, increases or decreases in Net Position are an indicator of whether the financial health is improving or deteriorating.

However, it is important to consider other non-financial factors such as changes in the City's property tax base or condition of the City's roads to accurately assess the overall health of the City.

The Statement of Net Position and the Statement of Activities, present information about the following:

Governmental Activities - All of the City's basic services are considered to be governmental activities, including general government support services, community development, public safety, public works, and community services. Property taxes, transient occupancy taxes, sales taxes, and franchise fees finance most of these activities.

Proprietary Activities/Business Type Activities - The City charges a fee to customers to cover all or most of the cost of the services provided. The Industry Public Utilities Commission (the "IPUC"), the Industry Hills Expo Center, and the Industry Property and Housing Authority (the "Housing Authority") are reported in this category.

Component Units - The City's government-wide financial statements include the blending with the City of the following entities: The Civic-Recreational-Industrial Authority ("CRIA"), the Industry Public Utilities Commission, the City of Industry Public Facilities Authority (the "PFA") and the Industry Property and Housing Management Authority (the "Housing Authority"). Although legally separate, these "component units" are important because the City is financially accountable for them.

Reporting the City's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds that aid in the administration of resources for particular purposes or meet legal responsibilities associated with the usage of certain taxes, grants, and other money. The City's three kinds of funds, governmental, proprietary and fiduciary, use different accounting approaches as explained below.

Governmental Funds - Most of the City's basic services are reported in governmental funds. Governmental funds focus on how resources flow in and out with balances remaining at year-end that are available for spending. These funds are reported using an accounting method called modified accrual, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information shows whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs.

We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds through a reconciliation following the fund financial statements.

Proprietary Funds - The City maintains four enterprise funds. The enterprise funds are classified as proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the IPUC, Industry Hills Expo Center, and Housing Authority. These funds use the full accrual method of accounting.

Fiduciary Funds - Custodial Funds are used to account for assets held by the City as an agent for individuals, other governments and/or other funds. Custodial Funds are custodial in nature (assets equal liabilities) and do not involve measurement or results of operations. The Private-Purpose Trust Fund is a fiduciary fund used by the City to report trust arrangements under which the principal and income benefits other governments. This fund reports the assets, liabilities and activities of the Successor Agency of the Industry Urban-Development Agency.

The City is the trustee, or fiduciary, for certain amounts held on behalf of developers, property owners, and others. These fiduciary activities are reported in Private-Purpose Trust Fund. The City is responsible for ensuring that the assets are used for their intended purposes. Therefore, fiduciary activities are excluded from the City's other financial statements because the assets cannot be used to finance operations.

City of Industry

Management's Discussion and Analysis For the Year Ended June 30, 2025

The City as a Whole

Our analysis focuses on the net position (Tables 1 and 3) and changes in net position (Tables 2 and 4) of the City's governmental and business activities.

Table 1
Net Position
As of June 30,

	Governmental Activities		
	2025	2024	Change
Current and other assets	\$ 837,521,568	\$ 847,738,605	\$ (10,217,037)
Capital assets, net	437,823,174	426,381,017	11,442,157
Total assets	1,275,344,742	1,274,119,622	1,225,120
Deferred outflows of resources:			
Deferred loss on refunding, net	435,949	435,949	-
Deferred outflows of resources - pension	2,469,343	3,855,124	(1,385,781)
Deferred outflow of resources - OPEB	1,127,273	1,995,254	(867,981)
Total deferred outflows of resources	4,032,565	6,286,327	(2,253,762)
Long-term liabilities	319,499,603	325,547,900	(6,048,297)
Other liabilities	26,913,268	29,054,461	(2,141,193)
Total liabilities	346,412,871	354,602,361	(8,189,490)
Deferred inflows of resources:			
Deferred inflow of resources - leases	5,783,777	5,915,523	(131,746)
Deferred inflows of resources - pension	1,383,988	1,474,003	(90,015)
Deferred inflows of resources - OPEB	-	322,862	(322,862)
Total deferred inflow of resources	7,167,765	7,712,388	(544,623)
Net position:			
Net investment in capital assets	437,823,174	426,381,017	11,442,157
Restricted for:			
Transportation and road	7,281,710	6,235,530	1,046,180
Section 115 Trust	6,226,595	5,636,568	590,027
Other postemployment benefits	2,388,510	2,191,411	197,099
Unrestricted	472,076,682	477,645,674	(5,568,992)
Total net position	\$ 925,796,671	\$ 918,090,200	\$ 7,706,471

As noted above, Net Position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities for governmental activities by approximately \$925.8 million at June 30, 2025.

City of Industry

Management's Discussion and Analysis For the Year Ended June 30, 2025

The largest portion of the Net Position, amounted to approximately \$472.1 is unrestricted by external sources on how the funds may be used. Approximately \$437.8 million is the City's net investment in its capital assets. In addition, \$7.3 million are restricted for transportation and road projects.

The City's total Net Position under governmental activities increased over the prior year by \$7.7 million mainly attributable to increase in revenues of all sources.

Total liabilities and deferred inflows/outflows of resources decreased by approximately \$11.0 million primarily attributable to reductions in long-term liabilities due in more than one year, as a result of regular scheduled principal payments on long-term debts.

The increase in net investment in capital assets of \$11.4 million is a result of net additions and dispositions of capital assets, and depreciation expense for the current year.

Governmental Activities – Changes in Net Position

Table 2
Change in Net Position
For the Year Ended June 30,

	Governmental Activities		
	2025	2024	Change
General revenues:			
Taxes	\$ 52,495,030	\$ 51,346,341	\$ 1,148,689
Revenues from use of money and property	48,372,453	47,390,977	981,476
Other revenues	2,157,145	1,243,436	913,709
Total general revenues	<u>103,024,628</u>	<u>99,980,754</u>	<u>3,043,874</u>
Expenses in excess of program revenues:			
General government	9,664,570	8,852,939	811,631
Support services	6,899,715	6,833,090	66,625
Community development	1,210,288	1,040,900	169,388
Community services	12,394,098	13,340,364	(946,266)
Public safety	17,070,789	14,634,712	2,436,077
Public works	22,183,362	24,241,896	(2,058,534)
Interest expense and fiscal charges	23,785,344	23,477,879	307,465
Total expenses in excess of program revenues	<u>93,208,166</u>	<u>92,421,780</u>	<u>786,386</u>
Change in net position before other items	9,816,462	7,558,974	2,257,488
Transfers, net	<u>(2,109,991)</u>	<u>(2,509,670)</u>	<u>399,679</u>
Change in net position	7,706,471	5,049,304	2,657,167
Net position, beginning of year , as restated	<u>918,090,200</u>	<u>913,040,896</u>	<u>5,049,304</u>
Net position, end of year	<u>\$ 925,796,671</u>	<u>\$ 918,090,200</u>	<u>\$ 7,706,471</u>

City of Industry

Management's Discussion and Analysis For the Year Ended June 30, 2025

The total revenues, reported as governmental activities, increased by approximately \$3.0 million. This was due to an increase in revenue from all sources.

The increase in net position before other items was due to the increase of expenses outpaced by the increase of revenues.

Business-Type Activities – Net Position

Table 3
Net Position
As of June 30,

	Business-Type Activities		
	2025	2024	Change
Current and other assets	\$ 25,153,148	\$ 21,380,887	\$ 3,772,261
Capital assets, net	65,165,590	66,902,691	(1,737,101)
Total assets	90,318,738	88,283,578	2,035,160
Liabilities	7,082,257	6,783,350	298,907
Total liabilities	7,082,257	6,783,350	298,907
Deferred inflows of resources - leases	197,839	265,669	(67,830)
Total deferred inflows of resources	197,839	265,669	(67,830)
Net position			
Net investment in capital assets	65,165,590	66,902,691	(1,737,101)
Unrestricted	17,873,052	14,331,868	3,541,184
Total net position	\$ 83,038,642	\$ 81,234,559	\$ 1,804,083

Total net position for the City's business type activities increased by approximately \$1.8 million as compared to the prior year. The increase was primarily attributable to an increase in net capital assets.

City of Industry

Management's Discussion and Analysis For the Year Ended June 30, 2025

Business-Type Activities – Change in Net Position

The change in Net Position for business type activities is summarized as follows:

Table 4
Change in Net Position
For the Year Ended June 30,

	Business-Type Activities		
	2025	2024	Change
Revenues			
Charges for services	\$ 14,900,636	\$ 18,908,797	\$ (4,008,161)
Other revenues	736,519	711,352	25,167
Total revenues	<u>15,637,155</u>	<u>19,620,149</u>	<u>(3,982,994)</u>
Expenses			
Water transmission and distributions	4,475,617	4,111,354	364,263
Purchased electricity	6,510,394	8,981,225	(2,470,831)
Cost of expo operations	3,974,000	3,867,057	106,943
Cost of housing authority operations	983,052	1,159,039	(175,987)
Total expenses	<u>15,943,063</u>	<u>18,118,675</u>	<u>(2,175,612)</u>
Income (loss) from operations before transfers	(305,908)	1,501,474	(1,807,382)
Transfers and contributions	<u>2,109,991</u>	<u>2,509,670</u>	<u>(399,679)</u>
Change in net position	1,804,083	4,011,144	(2,207,061)
Net position, beginning of year	<u>81,234,559</u>	<u>77,223,415</u>	<u>4,011,144</u>
Net position, end of year	<u>\$ 83,038,642</u>	<u>\$ 81,234,559</u>	<u>\$ 1,804,083</u>

Revenues decreased by \$4.0 million over the prior year, primarily due to decrease in charges for services.

Financial Analysis of the City's Funds

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements.

City of Industry

Management's Discussion and Analysis For the Year Ended June 30, 2025

Below is a summary of the General Fund revenues and expenditures compared to the prior year.

Table 5
General Fund Comparison
For the Year Ended June 30,

	Governmental Activities		
	2025	2024	Change
Revenues			
Taxes	\$ 52,505,518	\$ 51,356,984	\$ 1,148,534
Intergovernmental	374,968	293,998	80,970
Charges for services	315,978	242,096	73,882
Licenses and permits	2,337,729	1,910,505	427,224
Fines, forfeitures and penalties	250,075	331,964	(81,889)
Use of money and property	37,580,431	35,921,710	1,658,721
Other revenue	5,982,226	3,440,869	2,541,357
Total revenues	<u>99,346,925</u>	<u>93,498,126</u>	<u>5,848,799</u>
Expenditures			
Current:			
Legislative	979,962	930,356	49,606
General administration	6,830,782	6,797,286	33,496
Support services	4,515,992	4,344,699	171,293
Community development	3,418,817	2,889,926	528,891
Community services	11,049,678	12,058,063	(1,008,385)
Public safety	14,512,798	14,548,154	(35,356)
Public works	17,015,999	16,803,011	212,988
Capital outlay	206,877	1,866,666	(1,659,789)
Debt service:			
Principal retirement	146,886	-	146,886
Interest and fiscal charges	6,317	-	6,317
Total expenditures	<u>58,684,108</u>	<u>60,238,161</u>	<u>(1,554,053)</u>
Excess of revenues over expenditures	<u>40,662,817</u>	<u>33,259,965</u>	<u>7,402,852</u>
Other financing sources (uses):			
Net transfers	(6,402,357)	(45,612,994)	39,210,637
Subscription acquisition	360,080	-	360,080
Proceeds from sale of assets	210,687	-	210,687
Total other financing sources (uses)	<u>(5,831,590)</u>	<u>(45,612,994)</u>	<u>39,781,404</u>
Change in fund balance	<u>\$ 34,831,227</u>	<u>\$ (12,353,029)</u>	<u>\$ 47,184,256</u>

City of Industry

Management's Discussion and Analysis For the Year Ended June 30, 2025

The General Fund is the main operating fund of the City. At the end of the current fiscal year, the General Fund reflects a fund balance of \$721.4 million, which is an increase from prior year of \$34.8 million. The increase was attributed mostly to an increase in revenues of most sources and decrease of expenditures in community services and capital outlay.

General Fund Budgetary Highlights

The City adopts a budget every fiscal year. Differences between the budget and actual for current expenditures for the General Fund are shown below:

Table 6
General Fund Budget to Actual Comparison
For the Year Ended June 30,

	Original Budget	Revised Budget	Actual	Variance
Legislative	\$ 1,048,000	\$ 1,055,000	\$ 979,962	\$ 75,038
General administration	8,984,000	8,468,500	6,830,782	1,637,718
Support services	5,742,000	6,124,000	4,515,992	1,608,008
Community development	2,723,000	2,852,000	3,418,817	(566,817)
Community services	12,146,000	12,472,000	11,049,678	1,422,322
Public safety	15,307,000	15,312,000	14,512,798	799,202
Public works	14,406,500	14,601,500	17,015,999	(2,414,499)
Capital outlay	-	-	206,877	(206,877)
Debt service	-	-	153,203	(153,203)
Total expenditures	<u>\$ 60,356,500</u>	<u>\$ 60,885,000</u>	<u>\$ 58,684,108</u>	<u>\$ 2,200,892</u>

Overall, total actual expenditures for the City were on budget.

City of Industry

Management's Discussion and Analysis For the Year Ended June 30, 2025

Capital Asset and Debt Administration

Capital Assets

Net capital assets for governmental activities as of June 30, 2025 and 2024 are summarized as follows:

Table 7
Net Capital Assets at Year-End

	Governmental Activities		
	2025	2024	Change
Capital assets not being depreciated:			
Land	\$ 110,604,835	\$ 110,604,835	\$ -
Construction in progress	62,562,241	46,552,022	16,010,219
Total capital assets, not being depreciated	<u>173,167,076</u>	<u>157,156,857</u>	<u>16,010,219</u>
Capital assets being depreciated:			
Buildings and improvements	120,670,145	120,670,145	-
Equipment, furniture and fixtures	6,508,578	6,508,578	-
Infrastructure	353,141,602	343,029,178	10,112,424
Subscription asset	450,116	-	450,116
Total capital assets, being depreciated	<u>480,770,441</u>	<u>470,207,901</u>	<u>10,562,540</u>
Less accumulated depreciation/amortization	<u>(216,114,343)</u>	<u>(200,983,741)</u>	<u>(15,130,602)</u>
Total capital assets being depreciated, net	<u>264,656,098</u>	<u>269,224,160</u>	<u>(4,568,062)</u>
Total governmental activities	<u>\$ 437,823,174</u>	<u>\$ 426,381,017</u>	<u>\$ 11,442,157</u>

As of June 30, 2025, the City's governmental activities had approximately \$437.8 million invested in capital assets including buildings, land, roads, and other general infrastructure, net of accumulated depreciation. This amount represents a net decrease of \$11.4 million from prior year and it was due to additional capital improvement projects, as well as the City placing in service completed construction in progress projects for infrastructure, buildings and improvements. Accumulated depreciation increased by \$15.1 million.

City of Industry

Management's Discussion and Analysis For the Year Ended June 30, 2025

Net capital assets for business-type activities as of June 30, 2025 and 2024 are summarized as follows:

Table 8
Net Capital Assets at Year-End

	Business-Type Activities		
	2025	2024	Change
Capital assets not being depreciated:			
Land	\$ 6,764,880	\$ 6,764,880	\$ -
Water rights	441,200	441,200	-
Construction in progress	14,063,625	14,552,172	(488,547)
Total capital assets, not being depreciated	<u>21,269,705</u>	<u>21,758,252</u>	<u>(488,547)</u>
Capital assets being depreciated:			
Buildings and improvements	55,193,845	55,193,845	-
Equipment, furniture and fixtures	1,322,648	1,322,648	-
Infrastructure	35,019,199	33,782,414	1,236,785
Source of supply - electric	4,495,494	4,495,494	-
Total capital assets, being depreciated	96,031,186	94,794,401	1,236,785
Less accumulated depreciation	<u>(52,226,792)</u>	<u>(49,649,962)</u>	<u>(2,576,830)</u>
Total capital assets being depreciated, net	<u>43,804,394</u>	<u>45,144,439</u>	<u>(1,340,045)</u>
Total business-type activities	<u>\$ 65,074,099</u>	<u>\$ 66,902,691</u>	<u>\$ (1,828,592)</u>

Capital assets in the Business-Type Activities belong to IPUC and the Industry Hills Expo Center. The decrease in net capital assets of \$1.8 million was primarily due to depreciation of the assets.

Long-term Liabilities

At June 30, 2025, the City had total long term debt and other non-current liabilities of approximately \$323.5 million which is a decrease of \$4.9 million from prior year. The reduction is primarily due to principal payments of outstanding debt.

Below is a summary of the long-term liabilities at June 30, 2025:

Table 9
Outstanding Debt at Year-End

	Governmental Activities		
	2025	2024	Change
Revenue bonds	\$ 327,075,000	\$ 332,940,000	\$ (5,865,000)
Original issue premium	(4,546,474)	(4,826,355)	279,881
Compensated absences	728,185	235,566	492,619
Subscription liability	213,194	-	213,194
Total outstanding debt	<u>\$ 323,469,905</u>	<u>\$ 328,349,211</u>	<u>\$ (4,879,306)</u>

**Management’s Discussion and Analysis
For the Year Ended June 30, 2025**

Economic Factors and Next Year’s Budgets and Rates

The City continuously strives and plans infrastructure investments to maximize development opportunities, streamline goods movement and link the workforce to their workplaces. In the meantime, the City expands its efforts to provide services and programs that promote the wellbeing of the San Gabriel Valley.

The City’s General Fund has adopted an operating budget of \$84.7 million in revenues and \$61.0 million in expenses. Additionally, approximately \$74.5 million in capital project expenditures is budgeted for several funds in the 2025-2026 fiscal year. The following is a summary of the major capital improvement projects for citywide.

Table 10
Capital Projects for FY 2025-2026

	Project Description	Budget 2025-2026
1	GRADE SEPARATION PROJECTS	\$ 825,000
2	STREET WIDENING, RECONSTRUCTION, RESURFACING AND SLURRY SEAL	22,310,000
3	STORM DRAIN IMPROVEMENTS	1,330,000
4	TRAFFIC SIGNAL IMPROVEMENTS	4,675,000
5	BRIDGE WIDENING, SEISMIC RETROFIT AND MAINTNEANCE IMPROVEMENTS	375,000
6	HOMESTEAD MUSEUM	545,000
7	INDUSTRY HILLS GOLF & CONVENTION FACILITIES	190,000
8	EL ENCANTO C.I.P.	500,000
9	OPEN SPACES/ TONNER CANYON/TRES HERMANOS	1,190,000
10	PROPERTY REDEVELOPMENT & DEMO	25,000
11	MISCELLANEOUS	525,000
12	CIVIC CENTER FACILITIES	2,700,000
13	FACILITIES IMPROVEMENTS	3,540,000
	Total	<u>\$ 38,730,000</u>

The Operating Budget for Fiscal Year 2025-26 is a well-balanced budget that reflects the City’s commitment to the betterment of the community and stay within the City’s financial constraint. Budget documents are available online at www.cityofindustry.org. Questions or requests for information regarding the City of Industry’s budget should be sent to the Finance Department at the address below.

Request for Information

This financial report is designed to provide a general overview of the City’s finances for all those with an interest in the government’s finances. Questions concerning any information provided in this report or request for additional financial information should be directed to the Finance Department at the City of Industry, 15625 Mayor Dave Way, City of Industry, California 91744.

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City of Industry

Statement of Net Position June 30, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash	\$ 10,771,281	\$ 4,178,796	\$ 14,950,077
Investments	345,399,677	16,142,322	361,541,999
Investment in Section 115 Trust	6,226,595	-	6,226,595
Investments with fiscal agent - unrestricted	327,503,471	-	327,503,471
Accounts receivable, net	9,347,077	4,157,792	13,504,869
Accrued interest	6,432,217	184,472	6,616,689
Lease receivable, current portion	1,631,933	78,480	1,710,413
Internal balances	906,000	(906,000)	-
Inventory of materials and supplies	48,520	60,819	109,339
Prepaid items	3,490,555	317,467	3,808,022
Deposits	-	33,000	33,000
Total Current Assets	<u>711,757,326</u>	<u>24,247,148</u>	<u>736,004,474</u>
Noncurrent assets:			
Investments with fiscal agent - restricted	97,865,740	-	97,865,740
Lease receivable	4,381,012	91,491	4,472,503
Notes receivable	21,128,980	-	21,128,980
Net OPEB asset	2,388,510	-	2,388,510
Capital assets:			
Not being depreciated	173,167,076	21,269,705	194,436,781
Being depreciated (net of accumulated depreciation)	264,656,098	43,804,394	308,460,492
Total Noncurrent Assets	<u>563,587,416</u>	<u>65,165,590</u>	<u>628,753,006</u>
Total Assets	<u>1,275,344,742</u>	<u>89,412,738</u>	<u>1,364,757,480</u>
DEFERRED OUTFLOWS OF RESOURCES			
Loss on refunding	435,949	-	435,949
Deferred amounts from pension plans	2,469,343	-	2,469,343
Deferred amounts from OPEB	1,127,273	-	1,127,273
Total Deferred Outflows of Resources	<u>4,032,565</u>	<u>-</u>	<u>4,032,565</u>

(continued)

The accompanying notes are an integral part of these financial statements.

City of Industry

Statement of Net Position June 30, 2025

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 9,945,430	\$ 1,658,438	\$ 11,603,868
Accrued liabilities	412,574	-	412,574
Deposits	9,258	1,707,015	1,716,273
Interest payable	9,547,120	-	9,547,120
Unearned revenue	15,010	2,810,804	2,825,814
Long-term liabilities, current portion	6,983,876	-	6,983,876
Total Current Liabilities	<u>26,913,268</u>	<u>6,176,257</u>	<u>33,089,525</u>
Noncurrent liabilities:			
Net pension liability	3,013,574	-	3,013,574
Long-term liabilities, net of current portion	316,486,029	-	316,486,029
Total Noncurrent Liabilities	<u>319,499,603</u>	<u>-</u>	<u>319,499,603</u>
Total Liabilities	<u>346,412,871</u>	<u>6,176,257</u>	<u>352,589,128</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts from leases	5,783,777	197,839	5,981,616
Deferred amounts from pension plans	1,383,988	-	1,383,988
Total Deferred Inflows of Resources	<u>7,167,765</u>	<u>197,839</u>	<u>7,365,604</u>
NET POSITION			
Net investment in capital assets	437,823,174	65,165,590	502,988,764
Restricted for:			
Transportation and road	7,281,710	-	7,281,710
Section 115 Trust	6,226,595	-	6,226,595
Other postemployment benefits	2,388,510	-	2,388,510
Unrestricted	<u>472,076,682</u>	<u>17,873,052</u>	<u>489,949,734</u>
Total Net Position	<u>\$ 925,796,671</u>	<u>\$ 83,038,642</u>	<u>\$ 1,008,835,313</u> <i>(concluded)</i>

The accompanying notes are an integral part of these financial statements.

City of Industry

Statement of Activities For the Year Ended June 30, 2025

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 9,968,414	\$ 235,664	\$ 68,180	\$ -
Support services	6,899,715	-	-	-
Community development	3,822,106	2,611,818	-	-
Community services	12,394,098	-	-	-
Public safety	17,618,547	246,575	301,183	-
Public works	28,299,385	-	5,734,508	381,515
Interest expense and fiscal charges	23,785,344	-	-	-
Total Governmental Activities	<u>102,787,609</u>	<u>3,094,057</u>	<u>6,103,871</u>	<u>381,515</u>
Business-type activities:				
Industry Public Utilities Commission:				
Water utility	4,475,617	4,618,252	-	-
Electric utility	6,510,394	7,070,588	-	-
Industry Hill Expo Center	3,974,000	2,751,574	-	-
Property and Housing Management Authority	983,052	460,222	-	-
Total Business-Type Activities	<u>15,943,063</u>	<u>14,900,636</u>	<u>-</u>	<u>-</u>
Total Functions/Programs	<u>\$ 118,730,672</u>	<u>\$ 17,994,693</u>	<u>\$ 6,103,871</u>	<u>\$ 381,515</u>

(continued)

The accompanying notes are an integral part of these financial statements.

City of Industry

Statement of Activities For the Year Ended June 30, 2025

	Net Revenue (Expense) and Change in Net Position		
	Governmental Activities	Business-Type Activities	Total
FUNCTIONS/PROGRAMS			
Governmental activities:			
General government	\$ (9,664,570)	\$ -	\$ (9,664,570)
Support services	(6,899,715)	-	(6,899,715)
Community development	(1,210,288)	-	(1,210,288)
Community services	(12,394,098)	-	(12,394,098)
Public safety	(17,070,789)	-	(17,070,789)
Public works	(22,183,362)	-	(22,183,362)
Interest expense and fiscal charges	(23,785,344)	-	(23,785,344)
Total Governmental Activities	<u>(93,208,166)</u>	<u>-</u>	<u>(93,208,166)</u>
Business-type activities:			
Industry Public Utilities Commission:			
Water utility	-	142,635	142,635
Electric utility	-	560,194	560,194
Industry Hill Expo Center	-	(1,222,426)	(1,222,426)
Property and Housing Management Authority	-	(522,830)	(522,830)
Total Business-Type Activities	<u>-</u>	<u>(1,042,427)</u>	<u>(1,042,427)</u>
Total Functions/Programs	<u>(93,208,166)</u>	<u>(1,042,427)</u>	<u>(94,250,593)</u>
GENERAL REVENUES AND TRANSFERS			
Taxes:			
Property tax	12,028,912	-	12,028,912
Sales tax	35,979,850	-	35,979,850
Franchise tax	3,579,442	-	3,579,442
Documentary transfer tax	241,625	-	241,625
Transient occupancy tax	665,201	-	665,201
Total Taxes	<u>52,495,030</u>	<u>-</u>	<u>52,495,030</u>
Investment income	48,372,453	727,469	49,099,922
Sale of property	210,687	-	210,687
Other	1,946,458	9,050	1,955,508
Transfers	(2,109,991)	2,109,991	-
Total General Revenues and Transfers	<u>100,914,637</u>	<u>2,846,510</u>	<u>103,761,147</u>
Change in Net Position	7,706,471	1,804,083	9,510,554
Net Position, Beginning of Year, as previously reported	904,209,339	81,234,559	985,443,898
Correction of an error	<u>13,880,861</u>	<u>-</u>	<u>13,880,861</u>
Net Position, Beginning of Year, as restated	<u>918,090,200</u>	<u>81,234,559</u>	<u>999,324,759</u>
Net Position, End of Year	<u>\$ 925,796,671</u>	<u>\$ 83,038,642</u>	<u>\$ 1,008,835,313</u>

(concluded)

The accompanying notes are an integral part of these financial statements.

City of Industry

Balance Sheet June 30, 2025

	General Fund	Capital Projects Funds	Debt Service Funds City Debt Service Fund
ASSETS			
Cash	\$ 10,002,556	\$ 47,059	\$ 1,268
Investments	303,603,457	37,216,578	-
Investment in Section 115 Trust	6,226,595	-	-
Investments with fiscal agent - unrestricted	327,503,471	-	-
Accounts receivable, net	7,710,215	14	-
Accrued interest	4,514,402	407,663	-
Lease receivable	6,012,945	-	-
Inventory	48,520	-	-
Prepays and deposits	551,243	-	2,939,312
Due from other funds	1,010,762	1,492,183	-
Notes receivable	21,128,980	-	-
Investments with fiscal agent - restricted	-	53,333,484	44,532,256
Investments in City bonds	-	-	-
Advances to other funds	48,466,836	-	-
	<u>\$ 736,779,982</u>	<u>\$ 92,496,981</u>	<u>\$ 47,472,836</u>
Total Assets			
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 6,705,754	\$ 2,682,156	\$ -
Accrued liabilities	412,574	-	-
Deposits	9,258	-	-
Unearned revenue	15,010	-	-
Due to other funds	2,448,972	-	-
Advance from other funds	-	-	-
	<u>9,591,568</u>	<u>2,682,156</u>	<u>-</u>
Total Liabilities			
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows in leases	5,783,777	-	-
	<u>5,783,777</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources			
FUND BALANCES (DEFICIT)			
Nonspendable:			
Prepays and deposits	551,243	-	-
Inventory	48,520	-	-
Notes receivable	21,128,980	-	-
Advances to other funds	48,466,836	-	-
Restricted:			
Capital projects	-	89,814,825	-
Section 115 Trust	6,226,595	-	-
Debt service	-	-	47,472,836
Transportation and roads	-	-	-
Unassigned	644,982,463	-	-
	<u>721,404,637</u>	<u>89,814,825</u>	<u>47,472,836</u>
Total Fund Balances			
Total Liabilities, Deferred Inflows of Resources and Fund Balances			
	<u>\$ 736,779,982</u>	<u>\$ 92,496,981</u>	<u>\$ 47,472,836</u>

(continued)

The accompanying notes are an integral part of these financial statements.

City of Industry

Balance Sheet June 30, 2025

	Debt Service Fund Industry Public Facilities Authority	Nonmajor Governmental Funds	Total
ASSETS			
Cash	\$ -	\$ 720,398	\$ 10,771,281
Investments	-	4,579,642	345,399,677
Investment in Section 115 Trust	-	-	6,226,595
Investments with fiscal agent - unrestricted	-	-	327,503,471
Accounts receivable, net	-	1,636,848	9,347,077
Accrued interest	1,461,837	48,315	6,432,217
Lease receivable	-	-	6,012,945
Inventory	-	-	48,520
Prepays and deposits	-	-	3,490,555
Due from other funds	-	1,033,236	3,536,181
Notes receivable	-	-	21,128,980
Investments with fiscal agent - restricted	-	-	97,865,740
Investments in City bonds	40,053,611	-	40,053,611
Advances to other funds	-	-	48,466,836
	<u>\$ 41,515,448</u>	<u>\$ 8,018,439</u>	<u>\$ 926,283,686</u>
Total Assets			
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 2,000	\$ 555,520	\$ 9,945,430
Accrued liabilities	-	-	412,574
Deposits	-	-	9,258
Unearned revenue	-	-	15,010
Due to other funds	-	181,209	2,630,181
Advance from other funds	48,466,836	-	48,466,836
	<u>48,468,836</u>	<u>736,729</u>	<u>61,479,289</u>
Total Liabilities			
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows in leases	-	-	5,783,777
	<u>-</u>	<u>-</u>	<u>5,783,777</u>
Total Deferred Inflows of Resources			
FUND BALANCES (DEFICIT)			
Nonspendable:			
Prepays and deposits	-	-	551,243
Inventory	-	-	48,520
Notes receivable	-	-	21,128,980
Advances to other funds	-	-	48,466,836
Restricted:			
Capital projects	-	-	89,814,825
Section 115 Trust	-	-	6,226,595
Debt service	-	-	47,472,836
Transportation and roads	-	7,283,094	7,283,094
Unassigned	(6,953,388)	(1,384)	638,027,691
	<u>(6,953,388)</u>	<u>7,281,710</u>	<u>859,020,620</u>
Total Fund Balances			
Total Liabilities, Deferred Inflows of Resources and Fund Balances			
	<u>\$ 41,515,448</u>	<u>\$ 8,018,439</u>	<u>\$ 926,283,686</u>

(concluded)

The accompanying notes are an integral part of these financial statements.

City of Industry

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

Fund Balances of Governmental Funds \$ 859,020,620

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and, are not included in the funds. These assets consist of:

Capital assets	\$ 653,937,517	
Accumulated depreciation	(216,114,343)	
Total		437,823,174

Long-term liabilities applicable to governmental activities are not due and payable in the period and, accordingly, are not reported as fund liabilities. Long-term liabilities are included in the statement of net position as follows:

City of Industry:		
Bonds payable	(374,359,881)	
(Premium) discount, net	4,826,355	
Compensated absences	(728,185)	
Deferred loss on refunding, net	435,949	
Subscription liability	(213,194)	
Total		(370,038,956)

Accrued interest payable for the current portion of interest due on bonds are not reported in the governmental funds. (9,547,120)

Internal activities are eliminated in the governmental activities:

Investment in City bonds	(40,053,611)	
Bonds payable	47,005,000	
Total		6,951,389

Pension related liabilities applicable to the City's governmental activities are not due and in the current period and accordingly are not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to pensions are only reported in the statement of net position as the changes in these amounts affect only the government-wide statements for governmental activities:

Deferred outflows of resources	2,469,343	
Deferred inflows of resources	(1,383,988)	
Net pension liability	(3,013,574)	
Total		(1,928,219)

OPEB related liabilities applicable to the City's governmental activities are not due and the current period and accordingly are not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to OPEB are only reported in the statement of net position as the changes in these amounts affect only the government-wide statements for governmental activities:

Deferred outflows of resources	1,127,273	
OPEB asset	2,388,510	
Total		3,515,783

Net Position of Governmental Activities		\$ 925,796,671
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The accompanying notes are an integral part of these financial statements.

City of Industry

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

	General Fund	City Capital Projects Funds	Debt Service Funds City Debt Service Fund
REVENUES			
Taxes	\$ 52,505,518	\$ -	\$ -
Intergovernmental	374,968	-	-
Charges for services	315,978	-	-
Licenses and permits	2,337,729	-	-
Fines, forfeitures and penalties	250,075	-	-
Use of money and property	37,580,431	4,585,001	2,656,822
Other revenue	5,982,226	-	-
Total Revenues	99,346,925	4,585,001	2,656,822
EXPENDITURES			
Current:			
Legislative	979,962	-	-
General administration	6,830,782	-	15,900
Support services	4,515,992	-	-
Community development	3,418,817	-	-
Community services	11,049,678	390	-
Public safety	14,512,798	-	-
Public works	17,015,999	-	-
Capital outlay	206,877	26,379,301	-
Debt service:			
Principal retirement	146,886	-	6,510,000
Interest and fiscal charges	6,317	-	20,057,464
Total Expenditures	58,684,108	26,379,691	26,583,364
Excess (Deficiency) of Revenues Over (Under) Expenditures	40,662,817	(21,794,690)	(23,926,542)
OTHER FINANCE SOURCES (USES)			
Transfers in	60,700,041	27,145,389	38,887,822
Transfers out	(67,102,398)	(30,937,472)	(33,060,000)
Subscription acquisition	360,080	-	-
Sale of property	210,687	-	-
Total Other Financing Sources (Uses)	(5,831,590)	(3,792,083)	5,827,822
Net Change in Fund Balances	34,831,227	(25,586,773)	(18,098,720)
FUND BALANCES (DEFICIT)			
Beginning of Year	686,573,410	115,401,598	65,571,556
End of Year	\$ 721,404,637	\$ 89,814,825	\$ 47,472,836

The accompanying notes are an integral part of these financial statements.

City of Industry

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

	Debt Service Fund	Nonmajor Governmental	
	Industry Public Facilities Authority	Funds	Total
REVENUES			
Taxes	\$ -	\$ 6,969	\$ 52,512,487
Intergovernmental	-	2,038,354	2,413,322
Charges for services	-	-	315,978
Licenses and permits	-	-	2,337,729
Fines, forfeitures and penalties	-	-	250,075
Use of money and property	3,411,352	213,256	48,446,862
Other revenue	-	4	5,982,230
	<u>3,411,352</u>	<u>2,258,583</u>	<u>112,258,683</u>
Total Revenues	3,411,352	2,258,583	112,258,683
EXPENDITURES			
Current:			
Legislative	-	-	979,962
General administration	-	-	6,846,682
Support services	-	-	4,515,992
Community development	-	-	3,418,817
Community services	-	-	11,050,068
Public safety	-	-	14,512,798
Public works	-	3,461,550	20,477,549
Capital outlay	-	-	26,586,178
Debt service:			
Principal retirement	-	-	6,656,886
Interest and fiscal charges	3,555,533	-	23,619,314
	<u>3,555,533</u>	<u>3,461,550</u>	<u>118,664,246</u>
Total Expenditures	3,555,533	3,461,550	118,664,246
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(144,181)</u>	<u>(1,202,967)</u>	<u>(6,405,563)</u>
OTHER FINANCE SOURCES (USES)			
Transfers in	7,480	4,237,036	130,977,768
Transfers out	-	(1,987,889)	(133,087,759)
Subscription acquisition	-	-	360,080
Sale of property	-	-	210,687
	<u>7,480</u>	<u>2,249,147</u>	<u>(1,539,224)</u>
Total Other Financing Sources (Uses)	7,480	2,249,147	(1,539,224)
Net Change in Fund Balances	<u>(136,701)</u>	<u>1,046,180</u>	<u>(7,944,787)</u>
FUND BALANCES (DEFICIT)			
Beginning of Year	<u>(6,816,687)</u>	<u>6,235,530</u>	<u>866,965,407</u>
End of Year	<u>\$ (6,953,388)</u>	<u>\$ 7,281,710</u>	<u>\$ 859,020,620</u> <i>(concluded)</i>

The accompanying notes are an integral part of these financial statements.

City of Industry

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-wide Statements of Activities For the Year Ended June 30, 2025

Net Change in Fund Balances of Governmental Funds \$ (7,944,787)

Amount reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation and disposals in the current period.

Capital outlay	\$ 26,572,759	
Depreciation expense	<u>(15,130,602)</u>	
Total		11,442,157

The issuance of long term debt provides current financial resources to governmental while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance cost, discounts and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These amounts are the net effect of these differences in the treatments of long-term debt and related items.

Principal repayments	\$ 6,656,886	
Bond premium and discount amortization	(279,881)	
Subscription acquisition	<u>(360,080)</u>	
Total		6,016,925

Accrued interest for long-term liabilities. This is the net change in accrued interest in the current period. 113,851

Net effect of internal activities are eliminated in the statement of activities. 134,701

Compensated absences expenses reported in the statement of activities do not require use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. (492,619)

Pension expenditures reported in the governmental funds includes the annual required contributions. In the statement of activities, pension expense includes the change in the net pension liability, and related change in pension amounts for deferred outflows of resources and deferred inflows of resources. (1,215,737)

OPEB expenditures reported in the governmental funds includes the actual premium payments. In the statement of activities, OPEB expense includes the change in the net OPEB liability and related change in OPEB amounts for deferred outflows of resources and deferred inflows of resources. (348,020)

Change in Net Position of Governmental Activities \$ 7,706,471

The accompanying notes are an integral part of these financial statements.

City of Industry

Statement of Net Position Proprietary Funds June 30, 2025

	Industry Public Utilities Commission		Civic Recreational Industrial Authority Industry Hills Expo Center Fund	Non-major Property and Housing Management Authority Fund	Total
	Water Fund	Electric Fund			
ASSETS					
Current assets:					
Cash and investments	\$ 2,303,448	\$ 1,637,107	\$ 133,814	\$ 104,427	\$ 4,178,796
Investments	6,473,300	9,665,411	-	3,611	16,142,322
Accounts receivable, net	768,735	3,185,382	174,069	29,606	4,157,792
Accrued interest	70,720	113,712	-	40	184,472
Lease receivable	-	-	-	78,480	78,480
Inventory of materials and supplies	10,000	-	50,819	-	60,819
Prepaid items	302,353	6,040	9,074	-	317,467
Deposits	-	30,000	3,000	-	33,000
Total Current Assets	<u>9,928,556</u>	<u>14,637,652</u>	<u>370,776</u>	<u>216,164</u>	<u>25,153,148</u>
Noncurrent assets:					
Lease receivable	-	-	-	91,491	91,491
Capital assets:					
Capital assets not being depreciated	945,400	10,897,488	2,495,954	6,930,863	21,269,705
Capital assets being depreciated, net	<u>13,580,002</u>	<u>13,474,840</u>	<u>13,736,232</u>	<u>3,013,320</u>	<u>43,804,394</u>
Total Noncurrent Assets	<u>14,525,402</u>	<u>24,372,328</u>	<u>16,232,186</u>	<u>10,035,674</u>	<u>65,165,590</u>
Total Assets	<u>24,453,958</u>	<u>39,009,980</u>	<u>16,602,962</u>	<u>10,251,838</u>	<u>90,318,738</u>
LIABILITIES					
Current liabilities:					
Accounts payable	521,172	826,808	206,459	103,999	1,658,438
Deposits	60,719	1,605,996	39,000	1,300	1,707,015
Unearned revenue	2,689,824	-	120,841	139	2,810,804
Due to other funds	<u>453,000</u>	<u>453,000</u>	<u>-</u>	<u>-</u>	<u>906,000</u>
Total Current Liabilities	<u>3,724,715</u>	<u>2,885,804</u>	<u>366,300</u>	<u>105,438</u>	<u>7,082,257</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred amounts from leases	-	-	-	197,839	197,839
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>197,839</u>	<u>197,839</u>
NET POSITION (DEFICIT)					
Net investment in capital assets	14,525,402	24,372,328	16,232,186	10,035,674	65,165,590
Unrestricted	<u>6,203,841</u>	<u>11,751,848</u>	<u>4,476</u>	<u>(87,113)</u>	<u>17,873,052</u>
Total Net Position	<u>\$ 20,729,243</u>	<u>\$ 36,124,176</u>	<u>\$ 16,236,662</u>	<u>\$ 9,948,561</u>	<u>\$ 83,038,642</u>

The accompanying notes are an integral part of these financial statements.

City of Industry

Statement of Revenues, Expenses, and Changes in Net Position Proprietary Funds For the Year Ended June 30, 2025

	Industry Public Utilities Commission		Civic Recreational Industrial Authority Industry Hills Expo Center Fund	Non-major Property and Housing Management Authority Fund	Total
	Water Fund	Electric Fund			
OPERATING REVENUES					
Water sales and service	\$ 4,522,557	\$ -	\$ -	\$ -	\$ 4,522,557
Electric and solar energy sales	-	6,151,249	-	-	6,151,249
Event and rental revenues	-	-	2,731,402	371,180	3,102,582
Other revenue	95,695	919,339	20,172	89,042	1,124,248
Total Operating Revenues	4,618,252	7,070,588	2,751,574	460,222	14,900,636
OPERATING EXPENSES					
Purchased water	334,692	-	-	-	334,692
Purchased electricity	-	2,398,707	-	-	2,398,707
General administration	3,359,692	3,020,783	1,535,445	57,078	7,972,998
Expo Center operations	-	-	1,882,295	-	1,882,295
Housing Authority operations	-	-	-	777,541	777,541
Depreciation	781,233	1,090,904	556,260	148,433	2,576,830
Total Operating Expenses	4,475,617	6,510,394	3,974,000	983,052	15,943,063
Operating Income (Loss)	142,635	560,194	(1,222,426)	(522,830)	(1,042,427)
NONOPERATING REVENUES					
Investment income	298,760	428,547	-	162	727,469
Lease income - interest	-	-	-	9,050	9,050
Total Nonoperating Revenues	298,760	428,547	-	9,212	736,519
Income (Loss) Before Transfers and Contributions	441,395	988,741	(1,222,426)	(513,618)	(305,908)
TRANSFERS AND CAPITAL CONTRIBUTIONS					
Transfers in	-	-	1,499,889	610,102	2,109,991
Total Transfers and capital contributions	-	-	1,499,889	610,102	2,109,991
Change in Net Position	441,395	988,741	277,463	96,484	1,804,083
NET POSITION					
Beginning of Year	20,287,848	35,135,435	15,959,199	9,852,077	81,234,559
End of Year	\$ 20,729,243	\$ 36,124,176	\$ 16,236,662	\$ 9,948,561	\$ 83,038,642

The accompanying notes are an integral part of these financial statements.

City of Industry

Statement of Cash Flows Proprietary Funds For the Year Ended June 30, 2025

	Industry Public Utilities Commission		Civic Recreational Industrial Authority Industry Hills Expo Center Fund	Non-major Property and Housing Management Authority Fund	Total
	Water Fund	Electric Fund			
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers and users	\$ 3,970,179	\$ 5,130,508	\$ 2,667,296	\$ 427,296	\$ 12,195,279
Cash payments for water purchases	(389,192)	-	-	-	(389,192)
Cash payments for electric purchases	-	(2,278,640)	-	-	(2,278,640)
Cash payments for services and supplies	(3,359,692)	(896,055)	(3,404,143)	(961,398)	(8,621,288)
Net Cash Provided by (Used for) Operating Activities	221,295	1,955,813	(736,847)	(534,102)	906,159
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Cash received from other funds	-	-	1,499,889	610,102	2,109,991
Cash received/(repayments) to due to/from other funds	453,000	542,397	-	-	995,397
Net Cash Provided by Noncapital and Financing Activities	453,000	542,397	1,499,889	610,102	3,105,388
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(896,812)	(1,109,964)	(777,881)	(88,309)	(2,872,966)
Lease receipts	-	-	-	166,491	166,491
Net Cash Used for Capital and Related Financing Activities	(896,812)	(1,109,964)	(777,881)	78,182	(2,706,475)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	305,416	420,315	-	161	725,892
Net Cash Provided by Investing Activities	305,416	420,315	-	161	725,892
Net Change in Cash and Cash Equivalents	82,899	1,808,561	(14,839)	154,343	2,030,964
Cash and Cash Equivalents, Beginning of Year	8,693,849	9,493,957	148,653	45,186	18,381,645
Cash and Cash Equivalents, End of Year	\$ 8,776,748	\$ 11,302,518	\$ 133,814	\$ 199,529	\$ 20,412,609
CASH AND CASH EQUIVALENTS					
Cash	\$ 2,303,448	\$ 1,637,107	\$ 133,814	\$ 104,427	\$ 4,178,796
Investments	6,473,300	9,665,411	-	3,611	16,142,322
Total Cash and Cash Equivalents	\$ 8,776,748	\$ 11,302,518	\$ 133,814	\$ 108,038	\$ 20,321,118

(continued)

The accompanying notes are an integral part of these financial statements.

City of Industry

Statement of Cash Flows Proprietary Funds For the Year Ended June 30, 2025

	Industry Public Utilities Commission		Civic Recreational Industrial Authority Industry Hills Expo Center Fund	Non-major Property and Housing Management Authority Fund	Total
	Water Fund	Electric Fund			
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES					
Operating income (loss)	\$ 142,635	\$ 560,194	\$ (1,222,426)	\$ (522,830)	\$ (1,042,427)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	781,233	1,090,904	556,260	148,433	2,576,830
Abandoned construction in progress	-	2,124,728	-	-	2,124,728
Leases	-	-	-	(67,830)	(67,830)
Changes in operating assets and liabilities:					
(Increase) decrease in:					
Accounts receivable	(136,130)	(1,910,080)	(74,579)	34,872	(2,085,917)
Prepaid items	-	-	1,578	-	1,578
Inventory of material & supplies	31,346	5,024	(80)	-	36,290
Deposits	-	(30,000)	-	-	(30,000)
Increase (decrease) in:					
Deposits	(125,792)	(440,671)	14,299	(126,779)	(678,943)
Customer deposits	39,946	555,714	(2,200)	-	593,460
Unearned revenue	(511,943)	-	(9,699)	32	(521,610)
Total Adjustments	78,660	1,395,619	485,579	(11,272)	1,948,586
Net Cash Provided by (Used for) Operating Activities	\$ 221,295	\$ 1,955,813	\$ (736,847)	\$ (534,102)	\$ 906,159

The accompanying notes are an integral part of these financial statements.

City of Industry

**Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2025**

	<u>Private-Purpose Trust Fund</u>
ASSETS	
Cash	\$ 4,605,316
Investments	147,151,478
Accounts, net	3,199,142
Accrued interest	834,599
Property held for sale or disposition	50,064,421
Restricted assets:	
Investments	35,438,449
Capital assets, net of depreciation	205,729,847
Total Assets	<u>447,023,252</u>
LIABILITIES	
Current liabilities:	
Accounts payable	<u>1,876,376</u>
Total Current Liabilities	<u>1,876,376</u>
NET POSITION	
Restricted for Successor Agency	<u>445,146,876</u>
Total Net Position	<u>\$ 445,146,876</u>

The accompanying notes are an integral part of these financial statements.

City of Industry

**Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2025**

	<u>Private-Purpose Trust Fund</u>
ADDITIONS	
Interest income	\$ 8,103,407
Rental and other income	36,832,479
Other revenues	<u>1,838</u>
Total Additions	<u>44,937,724</u>
DEDUCTIONS	
General administration	103,980
Project expenses	<u>2,426,656</u>
Total Deductions	<u>2,530,636</u>
Change in Net Position	42,407,088
NET POSITION	
Beginning of Year	<u>402,739,788</u>
End of Year	<u><u>\$ 445,146,876</u></u>

The accompanying notes are an integral part of these financial statements.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A) Description of the Reporting Agency

The City is a municipal corporation governed by an elected five-member council of which the mayor is appointed by the members of the city council. The accompanying financial statements present the financial activities of the City, which is the primary government, and the financial activities of its component units, which are entities for which the City is financially accountable. Although legally separate entities, blended component units are in substance, part of the City's operations and are reported as an integral part of the City's financial statements. Blended component units, include the Civic-Recreational-Industrial Authority (CRIA), the Industry Public Utilities Commission (IPUC), the Industry Public Facilities Authority (IPFA), and the Industry Property and Housing Management Authority (the Housing Authority). They are reported as blended for the following reasons: (1) the governing board is substantively the same as the primary government, and there is a financial benefit or burden relationship between the primary government and the component unit; and (2) the component unit provides services entirely, or almost entirely, to the primary government or otherwise exclusively, or almost exclusively, benefits the primary government even though it does not provide services directly to it.

Blended Component Units

CRIA was established to develop and finance projects within the City and is governed by a commission of five members. Four members are appointed by the City Council and one member by the Council of the City of La Puente. The City transfers funds to CRIA to fund operations and capital projects. CRIA is represented by capital projects and proprietary funds.

IPUC was established to provide reliable utility service at reasonable rates to the residents and to assist in the promotion and stability for business owners in the City. IPUC manages the Industry Waterworks System and the Industry Electric System. The board that governs the IPUC consists of the council members of the City. The IPUC is reported as a proprietary fund.

IPFA was established for the purpose of establishing a vehicle to reduce local borrowing costs, accelerate construction, repair and maintenance of needed public capital improvements. The Board consists of all members of the City Council. IPFA receives all of its funding from payments received on bonds issued by the City which IPFA owns as investments. IPFA is reported as part of the debt service fund.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A) Description of the Reporting Agency (Continued)

The Housing Authority was established to manage the property and housing rental activity in the City. The Board consists of five members who are appointed by the City Council. The Housing Authority is reported as proprietary funds.

Fiduciary Fund

The City has elected to become the Successor Agency to the Industry Urban- Development Agency (SA to IUDA). The City and the SA to IUDA have separate Boards of Directors. However, individuals serving on the City's Council also serve on the SA to IUDA Board. The SA to IUDA is reported as private-purpose trust fund of the City that is fiduciary in nature and is reported in the statements of fiduciary net position and changes in fiduciary net position within the City's fiduciary funds.

Complete financial statements of CRIA, SA to IUDA and IPFA may be obtained from the finance department, which is located at 15625 Mayor Dave Way, City of Industry, California 91744. Separate financial statements are not prepared for IPUC and Housing Authority.

B) Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. All internal balances in the statement of net position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The types of transactions reported as program revenues for the City are reported in three categories:

1. Charges for services,
2. Operating grants and contributions, and
3. Capital grants and contributions.

Charges for services include revenues from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Grants and contributions include revenues restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C) Fund Financial Statements

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

Fund financial statements for the primary government are governmental and proprietary funds, which are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds in the aggregate for governmental and enterprise funds. Fiduciary statements include financial information for private purpose trust funds and custodial funds. Fiduciary funds of the City primarily represent assets held by the City in a trust or custodial capacity for other individuals or organizations.

The City reports the following major governmental funds:

General Fund - This is the City 's primary operating fund. It accounts for all activities of the general government, except those required to be accounted for in another fund.

City Capital Projects Funds - The Capital Projects Funds are used to account for financial resources to be used for the acquisition and construction of major capital projects (other than those financed by Proprietary Funds).

City Debt Service Fund - The Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt, principal, interest, and related costs.

Industry Public Facilities Authority Debt Service Fund - The Industry Public Facilities Authority Debt Service Fund is used to account for the accumulation of resources for, and the payment of the Authority 's long-term debt, principal, interest, and related costs.

City of Industry

Notes to Financial Statements June 30, 2025

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C) Fund Financial Statements (Continued)

The City reports the following major proprietary funds:

Water Enterprise Fund - This fund accounts for activities of providing water services to the public.

Electric Enterprise Fund - This fund accounts for activities of providing limited electrical services to the public.

Civic-Recreational-Industrial Authority Industry Hills Expo Center Enterprise Fund - This fund accounts for space rentals for events and equestrian activities to the general public.

Additionally, the City reports the following fund types:

Governmental Fund Types

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects), that are restricted to expenditures for special purposes.

Fiduciary Fund Types

The Private-Purpose Trust Fund is a fiduciary fund type used by the City to report trust arrangements under which the principal and income benefits other governments. This fund reports the assets, liabilities and activities of the Successor Agency of the Industry Urban-Development Agency.

D) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary and fiduciary funds.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Under the *economic resources measurement focus*, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with their activity are included on their statements of net position.

Operating statements present increases (revenues) and decreases (expenses) in total net position. Under 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. Nonexchange 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, property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund 's principal ongoing operations. The principal operating revenues of the proprietary funds are utility charges for service and event revenues. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under the *current financial resources measurement focus*, only current assets, current liabilities, and deferred inflows of resources are generally included on their balance sheets. The reported fund balance is considered to be a measure of "available spendable resources."

Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period. Noncurrent portions of long-term receivables are reported on the funds' balance sheets in spite of their spending measurement focus.

Under the *modified accrual basis of accounting* 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 generally are recorded when a liability is incurred, except for principal and interest on general long-term liabilities, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities are reported as other financing sources.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Property taxes, franchise fees, licenses, 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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

E) Cash and Investments

For purposes of the statement of cash flows, the City considers all highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents.

Short-term investments are reported at amortized cost, which approximates fair value. Investments that exceed more than one year in maturity and that are traded on a national exchange are valued at their quoted market price. Certain investments that exceed more than one year in maturity may be valued by pricing models that require inputs to the valuation methodology that include quoted prices of similar assets and certain observable inputs.

F) Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. A receivable balance is charged off in the period in which the receivable is deemed uncollectible. Management evaluates uncollectible amounts based on its assessment of the current status of individual accounts.

G) Interfund Transactions

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as due to/from other funds (i.e., current portion of interfund loans) and advances from/to other funds (i.e., noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H) Inventories

Inventories of the Industry Hills Expo Center Enterprise Fund consist of food and beverages. Inventories of IPUC Enterprise Fund consist of materials and supplies. Inventories of operating supplies, including fuel are maintained and accounted for in the General Fund. The inventories are carried at the lower of cost or net realizable value on the first-in, first-out basis of accounting.

I) Prepaid Items

Prepaid items are payments made to vendors for services or insurance premiums that will benefit periods beyond the fiscal year ended.

J) Property Held for Sale or Disposition

Property held for sale or disposition is reported in the fiduciary fund financial statements at the lower of cost or net realizable value.

K) Restricted Assets

Certain proceeds of debt issues, as well as certain resources set aside for their repayment, are classified as restricted assets in the financial statements because their use is limited by applicable bond covenants.

L) Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position and governmental funds balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The City has the following items that qualify for reporting in this category:

- Unamortized loss on bond defeasance reported in the government-wide statement of net position and the fiduciary funds financial statements. An unamortized loss on bond defeasance results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the life of the refunding debt.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L) Deferred Outflows and Inflows of Resources (Continued)

- Deferred outflow related to pensions equal to employer contributions made after the measurement date of the net pension liability. These amounts will be recognized in the next fiscal year.
- Deferred outflow related to OPEB for change in assumptions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the plan.
- Deferred outflow related to OPEB for differences between actual and expected experiences. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the plan.
- Deferred outflow related to pensions resulting from the difference in projected and actual earnings on investments of the pension plan fiduciary net position. These amounts are amortized over five years.
- Deferred outflows related to pensions for the changes in employer 's proportion and differences between the employer 's contributions and the employer's proportionate share of contributions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.

In addition to liabilities, the statement of net position and governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category:

- Deferred inflow related to OPEB resulting from the difference in projected and actual earnings on investments of the OPEB plan fiduciary net position. These amounts are amortized over five years.
- Deferred inflow related to pension and OPEB for differences between actual and expected experiences. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pension and OPEB through the plans.
- Deferred inflows related to pensions for the changes in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M) Capital Assets and Depreciation

Capital assets, including infrastructure, are recorded at cost where historical records are available and at an estimated original cost where no historical records exist. Donated capital assets are reported at acquisition value on the date of donation. Generally capital asset purchases in excess of \$5,000 are capitalized if they have an expected useful life of three years or more. Capital assets include public domain (infrastructure) general capital assets consisting of certain improvements including roads, streets, sidewalks, medians, and storm drains.

If a cost does not extend an asset's useful life, increase its productivity or improve its operating efficiency the cost is regarded as repairs and maintenance and recognized as an expense as incurred; if it does, the cost is regarded as major renewals and betterments and capitalized.

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the government-wide financial statements and in the fund financial statements of the proprietary fund types. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective statement of net position.

The SA to IUDA has capital assets that are not depreciated as they will be transferred to another entity that will be responsible for the maintenance of the capital assets at which time depreciation will commence.

The range of lives used for depreciation purposes for each capital asset class is as follows:

Buildings and improvements	45 years
Equipment	3 to 10 years
Infrastructure	20 to 50 years

N) Unearned Revenue and Unavailable Revenue

Unavailable revenues arise when revenue susceptible to accrual does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the government before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met or when the government has a legal claim to the resources, unearned revenue reported as liabilities and unavailable revenue reported as deferred inflows of resources are removed from the balance sheet and revenues are recognized.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O) Property Taxes

The valuation of property is determined as of March 1 each year and equal installments of taxes levied upon secured property become delinquent on the following 10th of December and April. Taxes on unsecured property are due when billed and become delinquent after August 31. If taxes are not paid on or before the date and time they become delinquent, a penalty of 10% is added. Unsecured property accrues an additional penalty of 1% per month beginning the first day of the third month following the delinquency date.

An initiative Constitutional Amendment, commonly known as the “Jarvis-Gann Initiative,” providing for, among other things, certain property tax limitations, was approved as Proposition 13 on the June 6, 1978, statewide election. The principal thrust of Proposition 13 is to limit the amount of ad valorem taxes on real property to 1% of “full cash value,” to define “full cash value” as the 1975-76 full cash value, to limit annual increases to two percent and to provide for reassessment after sale, transfer, or construction.

P) Bond Issuance Costs and Premiums/Discounts

Bond premiums and discounts in the government-wide and fiduciary funds financial statements are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as expense in the period incurred in the statement of changes in net position. In the governmental fund financial statements, governmental funds report bond premiums and discounts as other financial sources. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Q) Defined Benefit Pension Plan

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

R) Other Postemployment Benefits (OPEB) Plan

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

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S) Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick leave (compensated absences). All vacation pay and eligible sick leave pay is accrued when incurred in the government-wide financial statements. Compensated absences are reported in governmental funds only if they matured (i.e., unused reimbursable leave still outstanding following an employee's termination from employment). Typically, the General Fund has been used in prior years to liquidate the liability for compensated absences.

T) Net Position

Net position in the government-wide and proprietary fund financial statements is classified as following:

Net Investment in Capital Assets - This component of net position consists of capital assets, net of accumulated depreciation, and reduced by outstanding debt attributed to the acquisition of these assets, net of unspent debt proceeds, related deferred outflows and inflows of resources, and retention payable.

Restricted - This component of net position consists of assets, net of any related liabilities, which have had restrictions imposed on them by external creditors, grantors, contributors, or laws or regulations of other governments or laws through constitutional provisions or enabling legislations.

Unrestricted - This component of net position consists of amounts that do not meet the definition of net investment in capital assets or restricted net position.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first and then unrestricted resources, as they are needed.

U) Fund Balance

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

Nonspendable - items that cannot be spent because they are not in spendable form or items that are legally or contractually required to be maintained intact.

Restricted - restricted fund balances are amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; (b) imposed by law by constitutional provisions or enabling legislation.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

U) Fund Balance (Continued)

Committed - committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the City imposes upon itself at its highest level of decision-making authority (the City Council) through resolutions and that remain binding unless removed in the same manner.

Assigned - assigned fund balances are amounts that are constrained by the City's intent to be used for specific purposes. The intent can be established at either the highest level of decision making, or by a body or an official designated for that purpose. The City Council is authorized for this purpose.

Unassigned - includes the residual balance for the government's general fund and includes all spendable amounts not contained in other classifications. In other funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

When both restricted and unrestricted resources are available in a fund, expenditures are to be paid first from restricted resources, and then unrestricted resources in the order of committed, assigned, then unassigned.

V) Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

W) Implementation of New GASB Pronouncement

The City adopted the following pronouncements:

GASB Statement No. 101 - Compensated Absences. The primary objective of this Statement is to establish accounting and financial reporting guidance for compensated absences, which are leave benefits that are attributable to services already rendered, relate to rights that accumulate, and are more likely than not to be used for time off or otherwise paid to employees. The Statement requires governments to recognize a liability for certain types of compensated absences, such as vacation, sick leave, and paid time off, when the leave is earned rather than when it is taken.

City of Industry

Notes to Financial Statements June 30, 2025

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

W) Implementation of New GASB Pronouncement (Continued)

The adoption of GASB Statement No. 101 did not result in a restatement of beginning net position, as the entity's existing policies and practices for compensated absences were consistent with the provisions of the Statement. The entity has updated its disclosures to conform with the new requirements.

GASB Statement No. 102 - Certain Risk Disclosures. The primary objective of this Statement is to provide users of financial statements with better insight into risks that could have a material impact on the government's ability to provide services or meet obligations. These risks include concentration in revenue sources, investments, or loans; constraints imposed by external parties or legislation; and other conditions that may expose the entity to significant vulnerabilities.

Upon evaluation, management determined that there were no concentrations, constraints, or vulnerabilities that met the disclosure criteria under GASB Statement No. 102 for the current fiscal year. The entity has incorporated the applicable disclosure considerations in accordance with the new requirements.

2) CASH AND INVESTMENTS

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

	Government-Wide Statement of Net Position	Fiduciary Fund Statement of Net Position	Total
Cash and investments:			
Unrestricted cash and investments:			
Cash	\$ 14,950,077	\$ 4,605,316	\$ 19,555,393
Investments	361,541,999	147,151,478	508,693,477
Investments with fiscal agent	327,503,471	-	327,503,471
Restricted cash and investments:			
Investment	-	35,438,449	35,438,449
Investment in Section 115 Trust	6,226,595	-	6,226,595
Investment with fiscal agent	97,865,740	-	97,865,740
Total Cash and Investments	<u>\$ 808,087,882</u>	<u>\$ 187,195,243</u>	<u>\$ 995,283,125</u>

City of Industry

Notes to Financial Statements June 30, 2025

2) CASH AND INVESTMENTS (Continued)

As of June 30, 2025, cash and investments consisted of the following:

Cash and investments:	
Cash on hand	\$ 18,800
Deposits with financial institutions	19,536,593
Investments	544,131,926
Investment in Section 115 Trust - strategy 1 pool	6,226,595
Investments with fiscal agent	425,369,211
Total Cash and Investments	<u>\$ 995,283,125</u>

A) Demand Deposits

The carrying amount of the City's cash deposits was \$19,536,593 as of June 30, 2025. Bank balances are insured or collateralized with securities held by the pledging financial institutions in the City's name as discussed below. The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name. The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits. The City may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). The City, however, has not waived the collateralization requirements. As of June 30, 2025 City's deposits are federally insured or collateralized.

City of Industry

Notes to Financial Statements June 30, 2025

2) CASH AND INVESTMENTS (Continued)

B) Investments Authorized by the City's Investment Policy and California Government Code

Under provision of the City's Investment Policy, and in accordance with Section 53601 of the California Government Code, the City may invest in the following types of investments:

Authorized Investment Type	Maximum Maturity	Maximum Percentage Allowed	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	None	None
U.S. Government Sponsored Enterprise Securities	5 years	None	None
Money Market Funds (Composed Entirely of Security of U.S. Government and Agencies)	N/A	20%	None
Bankers Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Non-Negotiable Certificates of Deposit	5 years	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Repurchase Agreements	1 year	None	None
Los Angeles County Investment Pool	N/A	None	None
Local Agency Bonds	5 years	None	None
U.S. Corporate Bonds/Notes	5 years	30%	None

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City of Industry

Notes to Financial Statements June 30, 2025

2) CASH AND INVESTMENTS (Continued)

C) Investments Authorized by Debt Agreements

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. The table below identifies the investment types that are authorized for investments held by a bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Allowed	Maximum Investment in One Issuer
U.S. Treasury Obligations	None	None	None
U.S. Government Sponsored Enterprise Securities	None	None	None
Money Market Funds	None	None	None
Certificates of Deposit	None	None	None
Commercial Paper	None	None	None
Banker's Acceptances	18 Months	None	None
U.S. Corporate Bonds/Notes	None	None	None
Municipal Bonds	None	None	None
Noninvestment Grade Bonds	None	10%	None
Exchange Traded Funds	None	None	None
Mortgage-Backed Securities	None	None	None
Investment Contracts	None	None	None
LAIF	None	None	None
Foreign Government Bonds	None	None	None
Foreign Corporate Bonds/Notes	None	None	None

D) Risk Disclosures

Interest Rate Risk

Interest rate risk is the risk of changes in market interest rates that will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in the market interest rates. One of the ways that the City and its component units manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

City of Industry

Notes to Financial Statements June 30, 2025

2) CASH AND INVESTMENTS (Continued)

D) Risk Disclosures (Continued)

The City and its component units and fiduciary funds monitor the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio.

Investment Type	Amounts	Weighted Average Maturity
Investments - unrestricted:		
Money market funds	\$ 231,849,705	N/A
Commercial paper	163,170,277	10.08
LAIF	113,574,375	N/A
Investments - restricted:		
Commercial paper	18,642,673	0.21
Money market funds	22,019,029	N/A
U.S. Agencies	147,822,967	13.3
U.S. Treasury obligation	139,117,920	6.68
Section 115 Trust- strategy 1 pool	6,226,595	N/A
Investment held by fiscal agent:		
Money market funds	133,304,191	N/A
Total	\$ 975,727,732	

Credit Risk

Credit risk is generally 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 organization. Presented below is the minimum rating required by Section 53601 and Section 53635 of the California Government Code, Section 33603 of the Health and Safety Code, the City and its component unit's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Investment Type	Minimum Legal Rating	Aaa/P-1	AA/Aa - A/A	Not Rated	Total as of June 30, 2025
Investments - unrestricted:					
Money market funds	N/A	\$ -	\$ -	\$ 231,849,705	\$ 231,849,705
Commercial paper	Aaa/P-1	92,374,338	70,795,939	-	163,170,277
LAIF	N/A	-	-	113,574,375	113,574,375
Investments - restricted:					
Commercial paper	N/A	-	-	18,642,673	18,642,673
Money market funds	N/A	-	-	22,019,029	22,019,029
U.S. Agencies	N/A	-	-	147,822,967	147,822,967
U.S. Treasury obligation	N/A	-	-	139,117,920	139,117,920
Section 115 Trust - strategy 1 pool	N/A	-	-	6,226,595	6,226,595
Investment held by fiscal agent:					
Money market funds	N/A	-	-	133,304,191	133,304,191
Total		\$ 92,374,338	\$ 70,795,939	\$ 812,557,455	\$ 975,727,732

City of Industry

Notes to Financial Statements June 30, 2025

2) CASH AND INVESTMENTS (Continued)

E) State of California Local Agency Investment Fund

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 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. Currently, LAIF does not have an investment rating.

LAIF has a minimum \$5,000 transaction amount in increments of \$1,000 with a maximum of 15 transactions (combination of deposits and withdrawals) per month. LAIF requires a one-day prior notice for deposits and withdrawals of \$10 million or more.

F) Investment in City Bonds

As of June 30, 2025, the IPFA has investments in City bonds in the amounts totaling \$40,053,611. These investments are reported in the Industry Public Facilities Authority Debt Service Fund. These assets arise from interfund activity and have been eliminated from the government-wide financial statements.

G) Fair Value Measurement

The City categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the relative inputs used to measure the fair value of the investments. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are valued using a matrix pricing technique in where investments are valued based on the investments' relationship to benchmark quoted prices, and Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of June 30, 2025:

Investment Type	Measurement Input				Total
	Level 1	Level 2	Level 3	Uncategorized	
Investments - unrestricted:					
Money market funds	\$ -	\$231,849,705	\$ -	\$ -	\$231,849,705
Commercial paper	-	163,170,277	-	-	163,170,277
LAIF	-	-	-	113,574,375	113,574,375
Investments - restricted:					
Commercial paper	-	18,642,673	-	-	18,642,673
Money market funds	-	-	-	22,019,029	22,019,029
U.S. Agencies	-	147,822,967	-	-	147,822,967
U.S. Treasury obligation	-	139,117,920	-	-	139,117,920
Section 115 Trust - strategy 1 pool	-	-	-	6,226,595	6,226,595
Investment held by fiscal agent:					
Money market funds	-	133,304,191	-	-	133,304,191
Total	<u>\$ -</u>	<u>\$833,907,733</u>	<u>\$ -</u>	<u>\$141,819,999</u>	<u>\$975,727,732</u>

City of Industry

Notes to Financial Statements June 30, 2025

2) CASH AND INVESTMENTS (Continued)

H) Concentration of credit risk

The City is exposed to concentration of credit risk when deposits or investments are held with a single issuer in excess of policy limits. The City's investments in Federal Home Loan Banks represented 11% of the total investment portfolio.

3) ACCOUNTS RECEIVABLE

As of June 30, 2025, accounts receivable for governmental funds consisted of the following:

	General Fund	Capital Projects Funds	Nonmajor Governmental Funds	Total
Sales tax receivable	\$ 6,106,892	\$ -	\$ -	\$ 6,106,892
Measure W	959,985	-	1,626,979	2,586,964
Other	643,338	14	9,869	653,221
Total	<u>\$ 7,710,215</u>	<u>\$ 14</u>	<u>\$ 1,636,848</u>	<u>\$ 9,347,077</u>

4) NOTES RECEIVABLE

As of June 30, 2025 notes receivable consisted of the following:

	Governmental Activities
Notes receivable:	
City of La Puente	\$ 1,128,980
San Gabriel Valley Water and Power LLC	20,000,000
Total Notes Receivable	<u>\$ 21,128,980</u>

City of Industry

Notes to Financial Statements June 30, 2025

4) NOTES RECEIVABLE (Continued)

A) City of La Puente Loan

In October 2015, The City entered into an agreement with the City of La Puente to mitigate noise, traffic and railroad impact and for other public purposes. As part of the agreement, the City of Industry agreed to lend to the City of La Puente, and the City of La Puente agreed to borrow and repay to the City, the loan in the amount of \$5,952,908 for La Puente to use in constructing a sound wall along the north side of Valley Boulevard and the railroad tracks on the south side of Valley Boulevard along with other public improvements. The City of La Puente has borrowed a total of \$1,801,762 of the original amount of the loan. The project has been completed and the City of La Puente does not plan on borrowing any additional funds. In October 2019, the loan agreement has been modified to pay off the remaining \$1,422,945 over 28 years. Beginning November 1, 2019, the annual payment will be \$53,287 including interest at 0.33%.

B) San Gabriel Valley Water and Power, LLC

The City entered into master lease agreement (the Lease) with San Gabriel Valley Water and Power, LLC (SGVWP) and leased properties to SGVWP for a period of twenty-five years for the development of solar projects. As part of the Lease, as further amended, the City agreed to advance \$20,000,000 for funding of the project development costs. As of June 30, 2025 the outstanding balance of the advance was in the amount of \$20,000,000. Also refer to Note 17 for more contingency disclosures.

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City of Industry

Notes to Financial Statements June 30, 2025

5) LEASE RECEIVABLE

The City, acting as lessor, leases land and buildings under long-term, noncancelable lease agreements. The leases expire at various dates through 2026 and provide various renewal options ranging from three months to six years. During the year ended June 30, 2025, the City recognized \$2,227,034 and \$255,734 in lease revenue and interest revenue, respectively, pursuant to these contracts.

Certain leases provide for increases in future minimum annual rental payments based on defined increases in the Consumer Price Index, subject to certain minimum increases.

Total future minimum lease payments to be received under lease agreements are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 1,710,413	\$ 192,104	\$ 1,902,517
2027	1,590,428	134,440	1,724,868
2028	1,221,977	76,902	1,298,879
2029	570,366	48,035	618,401
2030	573,552	25,596	599,148
2031 - 3032	516,180	10,052	526,232
Total	<u>\$ 6,182,916</u>	<u>\$ 487,129</u>	<u>\$ 6,670,045</u>

6) INDUSTRY CONVALESCENT HOSPITAL

During 1992, the City Council passed a resolution stating that periodic advances made to Industry Convalescent Hospital dba: El Encanto Healthcare and Habilitation Center in the past, as well as currently, are treated as loans. The note is payable on demand with simple interest at 6% per annum on the unpaid balance. As of June 30, 2025, the unpaid note balance amounted to \$35,739,364 and accrued interest amounted to \$36,498,144. As the collectability of this note and accrued interest is uncertain, the loan amounts are offset with allowance for doubtful account in the financial statements; and the City will recognize the collections on the note receivable as revenue as the amounts are collected.

The Hospital leased property from the Successor Agency (SA) to IUDA for \$1 a year, which was renewed annually, and at the time of renewal the lease may be terminated or the lease payment renegotiated by SA to IUDA. In November 2018, the SA to IUDA sold the property to the City. The City is currently working with the Hospital on the new lease agreement. During the June 30, 2025 the City incurred expenses on behalf of the Hospital totaling \$1,028,019 relating to contract labor, security, and repairs and maintenance.

City of Industry

Notes to Financial Statements June 30, 2025

7) PREPAID ITEMS

As of June 30, 2025, government-wide financial statements report the following prepaid items:

	Governmental Activities	Business-Type Activities	Total
Prepaid bond insurance	\$ 2,939,312	\$ -	\$ 2,939,312
Other prepaid items	551,243	317,467	868,710
Total	<u>\$ 3,490,555</u>	<u>\$ 317,467</u>	<u>\$ 3,808,022</u>

As of June 30, 2025, fund financial statements reported the following prepaid items:

	Governmental Funds			Enterprise Funds			Total
	General Fund	City Debt Service Fund	Total	IPUC Water Fund	IPUC Electric Fund	Industry Hills - Expo Center Fund	
Prepaid bond insurance	\$ -	\$ 2,939,312	\$ 2,939,312	\$ -	\$ -	\$ -	\$ -
Other prepaid items	551,243	-	551,243	302,353	6,040	9,074	317,467
Total	<u>\$ 551,243</u>	<u>\$ 2,939,312</u>	<u>\$ 3,490,555</u>	<u>\$ 302,353</u>	<u>\$ 6,040</u>	<u>\$ 9,074</u>	<u>\$ 317,467</u>

8) INTERFUND TRANSACTIONS

All interfund assets, liabilities, fund equity, revenues, expenditures, and operating transfers have been eliminated in the statement of net position and the statement of activities.

A) Due to/from Other Funds

Due to/from other funds consisted of the following as of June 30, 2025:

Due to Other Fund	Due from Other Funds			Total
	Governmental Funds			
	General Fund	City Capital Projects Fund	Nonmajor Funds	
Governmental funds:				
General Fund	\$ -	\$ 1,415,736	\$ 1,033,236	\$ 2,448,972
Nonmajor Funds	104,762	76,447	-	181,209
Enterprise funds:				
IPUC Water Fund	453,000	-	-	453,000
IPUC Electric Fund	453,000	-	-	453,000
Total	<u>\$ 1,010,762</u>	<u>\$ 1,492,183</u>	<u>\$ 1,033,236</u>	<u>\$ 3,536,181</u>

The majority of the interfund balances were a result of routine short-term borrowing or reimbursement of expenditures.

City of Industry

Notes to Financial Statements June 30, 2025

8) INTERFUND TRANSACTIONS (Continued)

B) Advances to/from Other Fund

Advances to/from other funds consisted of the following as of June 30, 2025:

	Advance to Other Funds
	Governmental Fund
Advance from Other Funds	General Fund
Governmental fund:	
Industry Public Facilities Authority Debt Service Fund	\$ 48,466,836
Total	\$ 48,466,836

On December 1, 2015, the IPFA entered into loan agreement with the City to borrow \$51,460,000 for the purchase of City of Industry Subordinate Sales Tax Revenue Bonds, Series 2015B (Taxable). The loan bears interest ranging from 2.75% to 7.75% annually, due February 1 and August 1 each year. The principal payments are due on February 1 each year and range from \$520,000 to \$3,905,000.

As of June 30, 2025, the total outstanding balance amounted to \$48,466,836 (principal of \$47,005,000 and accrued interest of \$1,461,836). Interest revenue for the City and interest expense for the IPFA in the amount of \$3,561,760 is eliminated in the statement of activities.

The repayment schedule for the advances is as following:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 680,000	\$ 3,527,898	\$ 4,207,898
2027	715,000	3,490,158	4,205,158
2028	755,000	3,448,330	4,203,330
2029	805,000	3,401,898	4,206,898
2030	860,000	3,349,976	4,209,976
2031 to 2035	5,275,000	15,756,466	21,031,466
2036 to 2040	7,505,000	13,526,702	21,031,702
2041 to 2045	10,810,000	10,227,688	21,037,688
2046 to 2050	15,695,000	5,344,012	21,039,012
2051	3,905,000	302,638	4,207,638
Total	\$ 47,005,000	\$ 62,375,766	\$ 109,380,766

City of Industry

Notes to Financial Statements June 30, 2025

8) INTERFUND TRANSACTIONS (Continued)

C) Transfers

Transfers in and transfers out for the year ended June 30, 2025, consisted of the following:

Transfers In	Transfers Out				Total
	Governmental Funds				
	General Fund	City Capital Projects Funds	City Debt Service Fund	Nonmajor Governmental Funds	
Governmental funds:					
General Fund	\$ -	\$ 27,152,041	\$ 33,060,000	\$ 488,000	\$ 60,700,041
Capital Projects Funds	27,145,389	-	-	-	27,145,389
City Debt Service Fund	35,965,381	2,922,441	-	-	38,887,822
IPFA Debt Service Fund	7,480	-	-	-	7,480
Nonmajor Governmental Funds	3,460,148	776,888	-	-	4,237,036
Proprietary funds:					
Expo Center Fund	-	-	-	1,499,889	1,499,889
IPHMA Fund	524,000	86,102	-	-	610,102
Total	<u>\$ 67,102,398</u>	<u>\$ 30,937,472</u>	<u>\$ 33,060,000</u>	<u>\$ 1,987,889</u>	<u>\$ 133,087,759</u>

The following transfers were made:

- \$27,145,389 Transfer to CIP fund project expenditures.
- \$35,965,381 Transfer to debt service funds to for debt service.
- \$7,480 Transfer to cover fiscal agent fees.
- \$4,237,036 Transfer to fund CRIA expenditures and capital projects.
- \$33,060,000 Transfer to general fund for excess proceeds from Sales Tax Bonds
- \$488,000 Transfer to fund prop A projects.
- \$2,922,441 Interest income earned on bond proceeds for projects funds transferred to Debt Service.
- \$610,102 Transfer to IPHMA Fund to cover housing project costs.
- \$1,499,889 Transfer to fund expo center operations.
- \$27,152,041 Capital projects funds to reimburse General Fund for project costs.

City of Industry

Notes to Financial Statements June 30, 2025

9) CAPITAL ASSETS

A) Governmental Activities

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

Capital Assets	Balance at July 1, 2024	Prior period Adjustment	Additions	Deletions	Transfer and Reclassification	Balance at June 30, 2025
Primary government:						
Governmental activities:						
Capital assets, not being depreciated:						
Land	\$ 110,604,835	\$ -	\$ -	\$ -	\$ -	\$ 110,604,835
Construction in progress	32,671,161	13,880,861	26,122,643	-	(10,112,424)	62,562,241
Total capital assets, not being depreciated	143,275,996	13,880,861	26,122,643	-	(10,112,424)	173,167,076
Capital assets, being depreciated:						
Buildings and improvements	120,670,145	-	-	-	-	120,670,145
Machinery and equipment	1,926,746	-	-	-	-	1,926,746
Furniture and fixtures	4,581,832	-	-	-	-	4,581,832
Infrastructure	343,029,178	-	-	-	10,112,424	353,141,602
Subscription asset	-	-	450,116	-	-	450,116
Total capital assets, being depreciated	470,207,901	-	450,116	-	10,112,424	480,770,441
Less accumulated depreciation/amortization:						
Buildings and improvements	(79,749,182)	-	(2,912,844)	-	-	(82,662,026)
Machinery and equipment	(1,947,336)	-	(1,137)	-	-	(1,948,473)
Furniture and fixtures	(4,546,569)	-	-	-	-	(4,546,569)
Infrastructure	(114,740,654)	-	(12,088,824)	-	-	(126,829,478)
Subscription asset	-	-	(127,797)	-	-	(127,797)
Total accumulated depreciation/amortization	(200,983,741)	-	(15,130,602)	-	-	(216,114,343)
Total capital assets, being depreciated/amortized, net	269,224,160	-	(14,680,486)	-	10,112,424	264,656,098
Total Governmental Activities	\$ 412,500,156	\$ 13,880,861	\$ 11,442,157	\$ -	\$ -	\$ 437,823,174

Depreciation expense was charged to the primary government in the governmental activities in the amount of \$15,130,602 to the following functions:

General government	\$ 740,018
Support services	2,009,802
Community development	134,617
Community services	1,344,030
Public safety	3,093,718
Public works	7,808,417
Total depreciation expense	<u>\$ 15,130,602</u>

City of Industry

Notes to Financial Statements June 30, 2025

9) CAPITAL ASSETS (Continued)

B) Business-Type Activities

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

Capital Assets	Balance at July 1, 2024	Additions	Deletions	Transfer and Reclassification	Balance at June 30, 2025
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 6,764,880	\$ -	\$ -	\$ -	\$ 6,764,880
Water rights	441,200	-	-	-	441,200
Construction in progress	14,552,172	2,872,966	(2,124,728)	(1,236,785)	14,063,625
Total capital assets, not being depreciated	<u>21,758,252</u>	<u>2,872,966</u>	<u>(2,124,728)</u>	<u>(1,236,785)</u>	<u>21,269,705</u>
Capital assets, being depreciated:					
Buildings and improvements	55,193,845	-	-	-	55,193,845
Equipment, furniture and fixtures	1,322,648	-	-	-	1,322,648
Infrastructure	33,782,414	-	-	1,236,785	35,019,199
Source of supply - electric	4,495,494	-	-	-	4,495,494
Total capital assets, being depreciated	<u>94,794,401</u>	<u>-</u>	<u>-</u>	<u>1,236,785</u>	<u>96,031,186</u>
Less accumulated depreciation:					
Buildings and improvements	(41,444,252)	(421,692)	-	-	(41,865,944)
Equipment, furniture and fixtures	(1,317,792)	(13,642)	-	-	(1,331,434)
Infrastructure	(4,657,242)	(2,060,868)	-	-	(6,718,110)
Source of supply - electric	(2,230,676)	(80,628)	-	-	(2,311,304)
Total accumulated depreciation	<u>(49,649,962)</u>	<u>(2,576,830)</u>	<u>-</u>	<u>-</u>	<u>(52,226,792)</u>
Total capital assets, being depreciated, net	45,144,439	(2,576,830)	-	1,236,785	43,804,394
Total Business-type Activities	<u>\$ 66,902,691</u>	<u>\$ 296,136</u>	<u>\$ (2,124,728)</u>	<u>\$ -</u>	<u>\$ 65,074,099</u>

Depreciation expense for business activities in the amount of \$2,576,830 were charged to the following activities:

Water	\$ 781,233
Electric	1,090,904
CRIA Expo Center	556,260
IPHMA	148,433
Total Depreciation Expense	<u>\$ 2,576,830</u>

C) Private-Purpose Trust Fund

The SA to IUDA has the following assets held for sale or disposition.

	Balance at July 1, 2024	Transfer	Additions	Deletions	Balance at June 30, 2025
Property held for sale or disposition:					
Land	<u>\$ 50,064,421</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,064,421</u>

City of Industry

Notes to Financial Statements June 30, 2025

9) CAPITAL ASSETS (Continued)

C) Private-Purpose Trust Fund (Continued)

In addition, the SA to IUDA has the following capital assets as of June 30, 2025:

	Balance at July 1, 2024	Transfer	Additions	Deletions	Balance at June 30, 2025
Capital assets, being depreciated:					
Construction in progress	\$ 197,302,255	\$ -	\$ 8,266,079	\$ -	\$ 205,568,334
Infrastructure	166,310	-	-	-	166,310
Less accumulated depreciation:	(4,797)	-	-	-	(4,797)
Capital Assets, Net	<u>\$ 197,463,768</u>	<u>\$ -</u>	<u>\$ 8,266,079</u>	<u>\$ -</u>	<u>\$ 205,729,847</u>

10) UNEARNED REVENUE

Reclaimed Water Sales

The City purchases 10,000-acre feet of reclaimed water from LA County Sanitation District annually. The City also entered into separate joint use and development agreements with the Rowland Water District (RWD) and the Upper San Gabriel Valley Water District (SGVWD). The purpose of the agreements is to sell 3,400- and 2,500-acre feet of reclaimed water to RWD and SGVWD, respectively. Under the agreements, RWD and SGVWD had the option to pay their allocated shares of cost in advance or over 20 years. On July 15, 2009, RWD paid its allocated share of cost in advance in the amount of \$5,958,516. Subsequently, SGVWD also paid its allocable share of cost in advance in the amount of \$4,280,345 on November 10, 2012. Both advances are to be amortized and recognized as revenue over 20 years. As of June 30, 2025, total unearned revenue from the sale of reclaimed water to RWD and SGVWD was in the amount of \$2,689,824.

Civic-Recreational-Industrial Authority

Unearned revenue for CRIA are for event rental fees collected prior to the event. As of June 30, 2025, unearned revenue for CRIA was in the amount of \$120,841.

City of Industry

Notes to Financial Statements June 30, 2025

11) LONG-TERM LIABILITIES

A summary of changes in the governmental activities long-term liabilities for the year ended June 30, 2025, is as follows:

	Balance at July 1, 2024	Additions	Deletions	Balance at June 30, 2025	Amount Due in One Year	Amount Due in More Than One Year
Governmental activities:						
Bonds payable:						
City of Industry:						
Sales tax revenue bonds	\$ 332,940,000	\$ -	\$ (5,865,000)	\$ 327,075,000	\$ 6,060,000	\$ 321,015,000
Deferred amounts:						
Unamortized premium/discounts	(4,826,355)	-	279,881	(4,546,474)	279,881	(4,826,355)
Total bonds payable	328,113,645	-	(5,585,119)	322,528,526	6,339,881	316,188,645
Compensated absences	235,566	492,619	-	728,185	541,881	186,304
Subscription liability	-	360,080	(146,886)	213,194	102,114	111,080
Total long-term liabilities	<u>\$ 328,349,211</u>	<u>\$ 852,699</u>	<u>\$ (5,732,005)</u>	<u>\$ 323,469,905</u>	<u>\$ 6,983,876</u>	<u>\$ 316,486,029</u>

A) City of Industry Sales Tax Revenue Bonds

	Balance at July 1, 2024	Additions	Deletions	Balance at June 30, 2025	Amount Due in One Year
Sales tax revenue bonds:					
2015 Sales tax revenue refunding bonds, Series A	\$ 321,795,000	\$ -	\$ (2,270,000)	\$ 319,525,000	\$ 2,345,000
2015 Sales tax revenue refunding bonds, Series B	47,650,000	-	(645,000)	47,005,000	680,000
2017 Sales tax refunding revenue bonds	11,145,000	-	(3,595,000)	7,550,000	3,715,000
Elimination of City bonds issued to PFA	(47,650,000)	-	645,000	(47,005,000)	(680,000)
Total sales tax revenue bonds	<u>\$ 332,940,000</u>	<u>\$ -</u>	<u>\$ (5,865,000)</u>	<u>\$ 327,075,000</u>	<u>\$ 6,060,000</u>

2015 Taxable Sales Tax Revenue Refunding Bonds, Series A

On December 3, 2015, the City issued \$336,570,000 Senior Sales Tax Revenue Refunding Bonds, Series A (Taxable) to: (1) refund its 2005 and 2008 Sales Tax Revenue Bonds, (2) to finance certain improvements and expenditures of the City, (3) purchase a surety for the reserve fund for the bonds, (4) purchase a municipal bond insurance policy for the bonds, and (5) pay certain costs of issuance of the bonds. The 2005 Taxable Sales Tax Revenue Bonds and 2008 Taxable Sales Tax Revenue Bonds were fully redeemed on December 13, 2015.

City of Industry

Notes to Financial Statements June 30, 2025

11) LONG-TERM LIABILITIES (Continued)

A) City of Industry Sales Tax Revenue Bonds (Continued)

Principal ranges from \$2,200,000 to \$21,875,000 maturing annually through January 1, 2051. The bonds bear interest at rates ranging from 3.250% to 5.125%, due semiannually on January 1 and July 1. Debt service requirement to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 2,345,000	\$ 15,910,962	\$ 18,255,962
2027	2,435,000	15,825,956	18,260,956
2028	7,270,000	15,728,556	22,998,556
2029	7,560,000	15,437,756	22,997,756
2030	7,870,000	15,125,906	22,995,906
2031 to 2035	45,010,000	69,982,202	114,992,202
2036 to 2040	57,260,000	57,726,976	114,986,976
2041 to 2045	73,515,000	41,471,244	114,986,244
2046 to 2050	94,385,000	20,600,194	114,985,194
2051	21,875,000	1,121,094	22,996,094
Total	<u>\$ 319,525,000</u>	<u>\$ 268,930,846</u>	<u>\$ 588,455,846</u>

2015 Taxable Sales Tax Revenue Refunding Bonds, Series B

On December 3, 2015, the City issued \$51,460,000 Subordinate Sales Tax Revenue Bonds, Series 2015B (Taxable) to finance working capital expenditures and/or project costs. Principal ranges from \$615,000 to \$3,905,000 maturing annually through February 1, 2051. The bonds bear interest at rates ranging from 5.000% to 7.750%, due semiannually on February 1 and August 1.

Debt service requirement to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 680,000	\$ 3,527,896	\$ 4,207,896
2027	715,000	3,490,156	4,205,156
2028	755,000	3,448,330	4,203,330
2029	805,000	3,401,898	4,206,898
2030	860,000	3,349,976	4,209,976
2031 to 2035	5,275,000	15,756,461	21,031,461
2036 to 2040	7,505,000	13,526,700	21,031,700
2041 to 2045	10,810,000	10,227,686	21,037,686
2046 to 2050	15,695,000	5,344,022	21,039,022
2051	3,905,000	302,642	4,207,642
Total	<u>\$ 47,005,000</u>	<u>\$ 62,375,767</u>	<u>\$ 109,380,767</u>

City of Industry

Notes to Financial Statements June 30, 2025

11) LONG-TERM LIABILITIES (Continued)

A) City of Industry Sales Tax Revenue Bonds (Continued)

2017 Senior Taxable Sales Tax Revenue Refunding Bonds

On April 11, 2017, the City issued \$34,340,000 Senior Sales Tax Revenue Refunding Bonds (Taxable) to: (1) defease its 2010 Sales Tax Revenue Bonds, (2) purchase a surety for the reserve fund for the bonds, (3) purchase a municipal bond insurance policy for the bonds, and (4) pay certain costs of issuance of the bonds.

2017 Senior Taxable Sales Tax Revenue Refunding Bonds

Principal ranges from \$3,715,000 to \$3,835,000 maturing annually through January 1, 2027. The bonds bear interest at rates ranging from 2.750% to 3.500%, due semiannually on January 1 and July 1. Debt service requirement to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 3,715,000	\$ 259,606	\$ 3,974,606
2027	3,835,000	134,226	3,969,226
Total	<u>\$ 7,550,000</u>	<u>\$ 393,832</u>	<u>\$ 7,943,832</u>

Revenue Pledged

The sales tax revenue bonds are secured by sales tax revenues received by the City until the bonds are paid off in fiscal year 2051. Principal and interest payments outstanding as of June 30, 2025 on the bonds amounted to \$705,780,445. Annual principal and interest payments on the sales tax revenue bonds are expected to require 68% of the sales tax revenues. For the year ended June 30, 2025, total sales tax revenues received to pay for these bonds amounted to \$35,979,850. Principal and interest paid on the bonds during the year ended June 30, 2025, amounted to \$26,438,616.

B) Compensated Absences

As of June 30, 2025 compensated absences totaled to \$728,185, which will be liquidated by the General Fund.

City of Industry

Notes to Financial Statements June 30, 2025

11) LONG-TERM LIABILITIES (Continued)

C) Subscription Liability

As of June 30, 2025, the City had 2 active subscriptions. The subscriptions have payments that range from \$49,214 to \$111,080 and interest rates that range from 3.37% to 3.78%. As of June 30, 2025, the subscription liability is \$213,194 with a value of the right to use asset of \$450,116 with accumulated amortization of \$127,797.

Estimated future subscription liability requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 102,114	\$ 6,722	\$ 108,836
2027	111,080	3,177	114,257
Total	<u>\$ 213,194</u>	<u>\$ 9,899</u>	<u>\$ 223,093</u>

12) DEFINED BENEFIT PENSION PLAN

A) General Information About the Pension Plan

Plan Description

The City contributes to CalPERS, a cost-sharing multiple-employer defined benefit pension plan, for its miscellaneous employees. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute and City ordinance. Copies of CalPERS's annual financial report may be obtained from its executive office at 400 P Street, Sacramento, California 95814.

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 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

City of Industry

Notes to Financial Statements June 30, 2025

12) DEFINED BENEFIT PENSION PLAN (Continued)

A) General Information About the Pension Plan (Continued)

The Plans' provisions and benefits in effect as of June 30, 2025 are summarized as follows:

	Classic Tier 1	Classic Tier 2	PEPRA
Benefit formula	2% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	50 to 63	50 to 63	52 to 67
Monthly benefits, as a percentage of eligible compensation	1.426% to 2.418%	1.426% to 2.418%	1.000 to 2.500%
Required employee contribution rates	8.00%	7.00%	8.25%
Required employer contribution rates:			
Normal cost rate	17.62%	11.94%	8.63%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Employer contributions to the Plan for the fiscal year ended June 30, 2025 were \$502,190.

B) Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Net Pension Liability

The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2024, using an annual actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

12) DEFINED BENEFIT PENSION PLAN (Continued)

B) Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The collective total pension liability for the June 30, 2024 measurement period was determined by an actuarial valuation as of June 30, 2023, with update procedures used to roll forward the total pension liability to June 30, 2024. The collective total pension liability was based on the following assumptions:

	<u>Miscellaneous</u>
Valuation date	June 30, 2023
Measurement date	June 30, 2024
Actuarial cost method	Entry-age actuarial cost method
Asset valuation method	Fair value of assets
Actuarial assumptions:	
Discount rate	6.90%
Inflation	2.30%
Salary increases	Varies by entry age and service
Mortality rate table	Derived using CalPERS' membership data for all funds
Post retirement benefit increase	Contract COLA up to 2.30% until purchasing power protection allowance floor on purchasing power applies, 2.30% thereafter

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

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points.

12) DEFINED BENEFIT PENSION PLAN (Continued)

B) Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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

Asset Class	Assumed Asset Allocation	Real Return ^{1,2}
Global equity - cap-weighted	30.00%	4.54%
Global equity - non-weighted	12.00%	3.84%
Private equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed securities	5.00%	0.50%
Investment grade corporates	10.00%	1.56%
High yield	5.00%	2.27%
Emerging market debt	5.00%	2.48%
Private debt	5.00%	3.57%
Real assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	100.00%	

¹ An expected inflation of 2.30% used for this period

² Figures are based on the 2021-22 Asset Liability Management study

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Industry

Notes to Financial Statements June 30, 2025

12) DEFINED BENEFIT PENSION PLAN (Continued)

B) Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

Pension Plan Fiduciary Net Position

Information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS audited financial statements, which are publicly available reports that can be obtained at CalPERS website, at www.calpers.ca.gov. The plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

C) Proportionate Share of Net Pension Liability

The following table shows the City's proportionate share of the Plan's net pension liability over the measurement period.

Measurement date	Proportionate share of Miscellaneous Plan		
	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at: 6/30/2023	\$ 34,763,885	\$ 31,670,282	\$ 3,093,603
Balance at: 6/30/2024	37,368,876	34,355,302	3,013,574
Net change	\$ 2,604,991	\$ 2,685,020	\$ (80,029)

City of Industry

Notes to Financial Statements June 30, 2025

12) DEFINED BENEFIT PENSION PLAN (Continued)

C) Proportionate Share of Net Pension Liability (Continued)

The City's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS website, at www.calpers.ca.gov. The City's proportionate share of the net pension liability for the miscellaneous Plan as of the June 30, 2023 and 2024 measurement dates was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2023	0.06187%
Proportion - June 30, 2024	<u>0.06231%</u>
Change - increase	<u>0.00044%</u>

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

The following presents the City's proportionate share of the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 6.9 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.9 percent) or 1 percentage-point higher (7.9 percent) than the current rate:

	<u>Discount Rate</u> <u>-1% (5.90%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(6.90%)</u>	<u>Discount Rate</u> <u>+1% (7.90%)</u>
Net pension liability/(asset)	<u>\$ 8,056,145</u>	<u>\$ 3,013,574</u>	<u>\$ (1,137,203)</u>

Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

City of Industry

Notes to Financial Statements June 30, 2025

12) DEFINED BENEFIT PENSION PLAN (Continued)

C) Proportionate Share of Net Pension Liability (Continued)

The amortization period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on pension plan investments	5-year straight-line amortization
All other amounts	Straight-line amortization over the expected average remaining service lives (EARSL) of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period

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

As of the start of the measurement period (July 1, 2023), the City's net pension liability was \$3,093,603. For the measurement period ending June 30, 2024 (the measurement date), the City incurred a pension expense of \$1,717,928.

As of June 30, 2025, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 77,455	\$ -
Differences between actual and expected experience	250,385	-
Net differences between projected and actual earnings on Plan investments	173,488	-
Change in proportionate share of contributions		1,383,988
Change in employers proportion	1,465,825	
Pension contributions subsequent to measurement date	502,190	-
Total	<u>\$ 2,469,343</u>	<u>\$ 1,383,988</u>

City of Industry

Notes to Financial Statements June 30, 2025

12) DEFINED BENEFIT PENSION PLAN (Continued)

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

The amounts above are net of outflows and inflows recognized in the 2023-24 measurement period expense. Contributions subsequent to the measurement date of \$502,190 reported with deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ 562,266
2027	166,089
2028	(85,738)
2029	(59,452)
2030	-
Thereafter	-
Total	<u>\$ 583,165</u>

E) Payable to the Pension Plan

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

13) DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or an unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights (until paid or made available to the employees or other beneficiary) are solely the property and rights of the participant and are not subject to the claims of the City's general creditors.

Investments are managed by the plan's trustee under one of several investment options, or a combination thereof. The choice of the investment options is made by the participants. Plan assets are held in trust for the exclusive benefit of the participant and their beneficiaries; and therefore, are not included in the accompanying financial statements. As of June 30, 2025, the plan had investments in the amount of \$3,030,613.

City of Industry

Notes to Financial Statements June 30, 2025

14) OTHER POSTEMPLOYMENT BENEFITS

A) General Information about the OPEB Plan

Plan Description

The City provides other postemployment benefits (OPEB) through the California Employer's Retiree Benefit Trust Fund (CERBT), an agent multiple-employer defined benefit plan to provide postemployment medical benefits. Specifically, the City offers postretirement medical, dental and vision benefits to all employees who retire from the City. The plan does not provide a publicly available financial report.

Benefits provided by the plan are as follows:

	General Employees	Management
Benefit types provided	Medical, dental and vision	Medical, dental and vision
Duration of benefits	Lifetime	Lifetime
Required services	15 years**	15 years*
Minimum age	50	50
Dependent coverage	Yes	Yes
City contribution percentage	100.00%	100.00%
City cap	None	None

* Elected and appointed officials qualify for City-paid coverage after eight or more years.

** 25 years for those hired April 26, 1990 to June 30, 2012; 10 years for those hired prior to April 26, 1990.

Employees Covered by Benefit Term

At the June 30, 2023, valuation date, the following employees were covered by the benefit term:

Active employees	30
Inactive employees receiving benefits	31
Total	61

Contribution

The obligation of the City to contribute to the plan is established and may be amended by the City Council. Employees are not required to contribute to the plan.

B) Net OPEB Liability (Asset)

The City's net OPEB liability (asset) was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of June 30, 2023.

14) OTHER POSTEMPLOYMENT BENEFITS (Continued)

B) Net OPEB Liability (Asset) (Continued)

Actuarial Assumptions

Total OPEB liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Actuarial cost method	Entry age actuarial cost method
Actuarial assumptions:	
Inflation	2.50%
Discount rate	6.75%
Healthcare cost trend	4.00%
Payroll increase	2.75%
Mortality rate table	2021 CalPERS mortality for miscellaneous and school employees
Retirement rate:	
Hired before January 1, 2013	2021 CalPERS 2.7% @ 55 rates for miscellaneous employees
Hired before December 31, 2012	2021 CalPERS 2.0% @ 62 rates for miscellaneous employees
Service requirement:	
General employees:	
Hired before April 26, 1990	100% at 10 years of service
Hired April 26, 1990 to June 30, 2012	100% at 25 years of service
Hired July 1, 2012 or Later	100% at 15 years of service
Elected and appointed officials	100% at 8 years of service
Management	100% at 15 years of service
Participation rate:	
< 65 non-Medicare participation	% at 100%
> 65 Medicare participation	% at 100%
Turnover	2021 CalPERS turnover for miscellaneous employees

City of Industry

Notes to Financial Statements June 30, 2025

14) OTHER POSTEMPLOYMENT BENEFITS (Continued)

B) Net OPEB Liability (Asset) (Continued)

Discount Rate

The discount rate of 6.75% was used in the valuation. It was assumed that contributions would be sufficient to fully fund the obligation over a period not to exceed 30 years. The City used historic 27-year real rates of return for each asset class along with the assumed long-term inflation assumption to set the discount rate. The City offset the expected investment return by investment expenses of 25 basis points. The following is the assumed asset allocation and assumed rate of return:

Asset Class	Percentage of Portfolio	Assumed Gross Return
All equities	49.00%	7.25%
All fixed income	23.00%	4.25%
Real estate investment trusts	20.00%	7.25%
All commodities	3.00%	7.55%
Treasury Inflation Protection Securities (TIPS)	5.00%	3.00%
	100.00%	

The City looked at rolling periods of time for all asset classes in combination to appropriately reflect correlation between asset classes. That means that the average returns for any asset class don't necessarily reflect the averages over time individually, but reflect the return for the asset class for the portfolio average. The City used geometric means.

C) Change in the Net OPEB Liability (Asset)

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at June 30, 2023 (measurement date)	\$ 9,303,809	\$ 11,495,220	\$ (2,191,411)
Changes recognized for the measurement period:			
Service cost	316,670	-	316,670
Interest on total OPEB liability	618,960	1,274,015	(655,055)
Experience gains	137,517	-	137,517
Administrative expenses	-	(3,769)	3,769
Benefit payments	(722,251)	(722,251)	-
Net change during measurement period 2023 to 2024	350,896	547,995	(197,099)
Balance at June 30, 2024 (measurement date)	\$ 9,654,705	\$ 12,043,215	\$ (2,388,510)

City of Industry

Notes to Financial Statements June 30, 2025

14) OTHER POSTEMPLOYMENT BENEFITS (Continued)

C) Change in the Net OPEB Liability (Asset) (Continued)

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

The following presents the net OPEB asset of the City, as well as what the City's net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current discount rate:

	Healthcare Cost Trend Rate 1% lower	Current Healthcare Trend Rate	Healthcare Cost Trend Rate 1% higher
Net OPEB (asset)	<u>\$ (3,498,170)</u>	<u>\$ (2,388,510)</u>	<u>\$ (1,037,397)</u>

Sensitivity of the Net OPEB Asset to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability (asset) of the City, as well as what the City's net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	Healthcare Cost Trend Rate 1% lower	Current Healthcare Trend Rate	Healthcare Cost Trend Rate 1% higher
Net OPEB (asset)	<u>\$ (3,498,170)</u>	<u>\$ (2,388,510)</u>	<u>\$ (1,037,397)</u>

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

For the year ended June 30, 2025, the City recognized OPEB expense in the amount of \$348,020. As of June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between actual and expected experience	\$ 445,918	\$ -
Change in assumptions	481,529	-
Net differences between projected and actual earnings on Plan investments	199,826	-
Total	<u>\$ 1,127,273</u>	<u>\$ -</u>

City of Industry

Notes to Financial Statements June 30, 2025

14) OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ 400,492
2027	716,023
2028	17,701
2029	(21,675)
2030	14,732
Thereafter	-
Total	<u>\$ 1,127,273</u>

15) SELF-INSURANCE PLAN

The City established a Self-insurance Plan (the Plan) to pay for liability claims against the City and its component units. The Plan is administered by an insurance committee which is responsible for approving all claims of \$25,000 or less and for making provision to have sufficient funds available to pay approved claims and legal and investigative expenses. The insurance committee has vested this responsibility to the City Manager. Potential liability for claims in excess of \$250,000 up to \$10,000,000 is covered by excess liability insurance policies. As of June 30, 2025, there are approximately \$426,701 in pending liability claims and litigation outstanding against the City and its component units. This balance is included in the accrued liabilities of the general fund in the governmental balance sheet. Based on information presently available, the City believes that there are substantial defenses to such litigation and disputes and that, in any event, the ultimate liability, if any, resulting there from will not have a material effect on the financial position of the City and its component units.

Changes in the liability since June 30, 2023, resulted from the following:

	<u>Liability</u>
Liability at June 30, 2023	\$ 1,906,396
Estimates during the year	(555,769)
Claim payments during the year	-
Liability at June 30, 2024	<u>1,350,627</u>
Estimates during the year	(923,926)
Claim payments during the year	-
Liability at June 30, 2025	<u>\$ 426,701</u>

16) COMMITMENTS AND CONTINGENCIES

San Gabriel Valley Water and Power, LLC

On or about May 17, 2016, the City entered into the Lease with SGVWP. The Lease was ratified by the City Council on or about October 12, 2017. Among the Lease's various provisions, the City provided SGVWP with a \$20 million loan (Note 4) for SGVWP to analyze the feasibility of constructing a "solar farm" and other necessary public infrastructure improvements. The Lease potentially included two separate and adjacent properties. Under Section 25.3 of the Lease, repayment on the loan would be triggered "upon commencement of construction of the first project pursuant to the Lease." In January 2018, SGVWP failed to comply with certain material provisions of the Lease. The City gave SGVWP written notice of its obligations under the Lease and requested immediate compliance. On or about May 23, 2018, under Section 17.2.1 of the Lease, because SGVWP had failed to cure its default, the City informed SGVWP that the lease was null and void and of no further force or effect. During the year ended June 30, 2020, the City filed the lawsuit against SGVWP. At this time, given the termination of the Lease and the litigation, it is unknown whether SGVWP will repay the loan.

17) JOINT GOVERNED ORGANIZATION - TRES HERMANOS CONSERVATION AUTHORITY

The Tres Hermanos Ranch (the Ranch) consists of approximately 2,445 acres of largely undeveloped property. Approximately 1,750 acres are within the City of Chino Hills (Chino Hills) and 695 acres are within the City of Diamond Bar (Diamond Bar). The Ranch was acquired by the IUDA in 1978 and owned by SA to IUDA due to the dissolution of the IUDA. On January 19, 1999, Chino Hills and Diamond Bar entered into a certain Joint Exercise of Powers (1999 Agreement) for the purpose to coordinate the overall development and conservation of the Ranch. The City was made an ex-officio nonvoting member in 1999. As previously discussed in Note 4B, the City entered into a master lease agreement with SGVWP for the development of the solar project located at the Ranch with the plan to purchase the Ranch from SA to IUDA. Litigation was brought against the development of the solar project by Chino Hills and Diamond Bar. The three cities later entered into a settlement agreement dated February 4, 2019, where: (1) Chino Hills and Diamond Bar collectively contribute 10% of the City's \$41,650,000 purchase price for the Ranch from SA to IUDA, (2) preserve the Ranch as environmental, scientific, educational, and recreational resources, and (3) transfer the ownership of the Ranch to a re-constituted Tres Hermanos Conservation Authority (the Authority).

On February 6, 2019, the three cities entered into Amended and Restated Tres Hermanos Conservation Authority Joint Powers Agreement (the Agreement) which superseded the 1999 Agreement in its entirety. The general purpose of the Authority is to coordinate the overall conservation, use and potential improvement of the Ranch through collaboration by its members. The board consist of seven voting directors where three appointed by the City and two each appointed by Chino Hills and Diamond Bar. Each member city pays an equal one-third share of the cost for the reasonable annual and recurring maintenance of the Ranch. Any costs over the annual maintenance cost will be allocated and invoiced separately to the member cities based on the benefits provided.

City of Industry

**Notes to Financial Statements
June 30, 2025**

17) JOINT GOVERNED ORGANIZATION - TRES HERMANOS CONSERVATION AUTHORITY
(Continued)

In addition, the City is responsible for a onetime remediation work for the Arnold Reservoir dam. After the completion of the one-time remediation work, the City will not be responsible for any future repair, maintenance or other work to the Arnold Reservoir dam.

In February 2019, Chino Hills and Diamond Bar collectively contributed \$4,165,000, and the City contributed the remaining \$37,485,000 toward the purchase of the Ranch for the Authority. The financial statement of the Authority can be obtained at 14000 City Center Drive, Chino Hills, California.

18) TRANSACTIONS WITH RELATED PARTIES

The related party transactions of the City are summarized as follows:

<u>Service Provided by Vendor</u>	<u>Related Parties</u>	Expenditures for the Year Ended June 30, 2025
Landscaping services	City Council Member	\$ 2,940,182
<u>Other Related Party Transactions</u>	<u>Related Parties</u>	Amount for the Year Ended June 30, 2025
Tenant of the City's (Housing Authority) properties	City Council Members, Commissioners, and Board Members	\$ 81,060

City of Industry

Notes to Financial Statements June 30, 2025

19) EXCESS OF EXPENDITURES OVER APPROPRIATIONS

During the year ended June 30, 2025, expenditures in excess of appropriations are as follows:

	<u>Appropriation</u>	<u>Expenditures</u>	<u>Variance</u>
General Fund:			
Community development	\$ 2,852,000	\$ 3,418,817	\$ (566,817)
Public works	14,601,500	17,015,999	(2,414,499)
City Debt Service Fund:			
General administration	8,200	15,900	(7,700)
Interest and fiscal charges	19,928,800	20,057,464	(128,664)
Proposition A Sales Tax			
Special Revenue Fund:			
Public works	424,000	631,513	(207,513)

20) PRIOR PERIOD RESTATEMENT

During the current year, the City identified an error in the prior year presentation of Construction in Progress (CIP) within the governmental activities. The error related solely to the reporting of the CIP balance in the government-wide financial statements and did not affect the underlying accounting records or the City's internal capital asset tracking. The City's trial balance and subsidiary records were correct; however, the amount reported in the prior-year financial statements was understated due to a reporting oversight.

In accordance with GASB Statement No. 100, the City has corrected this error by restating beginning net position for governmental activities as follows:

	<u>Governmental Activities</u>
Net position, beginning of year, as previously reported	\$ 904,209,339
Restatement- correction of an error	<u>13,880,861</u>
Net position, beginning of year, as restated	<u><u>\$ 918,090,200</u></u>

City of Industry

Required Supplementary Information Schedule of the City's Proportional Share of the Plan's Net Pension Liability and Related Ratios (Unaudited) Last Ten Years

Measurement period	California Public Employees' Retirement System (CalPERS) Miscellaneous Classic Plan				
	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Reporting period	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Employer's proportion of the collective net pension liability (asset) ¹	0.062310%	0.061870%	0.047134%	-0.189058%	0.006036%
Employer's proportionate share of the collective net pension liability (asset) ¹	\$ 3,013,574	\$ 3,093,603	\$ 2,205,521	\$ (3,589,831)	\$ 656,759
Plan's covered payroll	\$ 3,405,056	\$ 3,071,627	\$ 2,840,527	\$ 2,615,700	\$ 2,376,701
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	88.50%	100.72%	-108.91%	-137.24%	27.63%
Plan's proportionate share of the fiduciary net position as a percentage of the Plan's total pension liability	78.08%	76.21%	76.68%	88.29%	75.10%

City of Industry

Required Supplementary Information Schedule of the City's Proportional Share of the Plan's Net Pension Liability and Related Ratios (Unaudited) (Continued) Last Ten Years

Measurement period	California Public Employees' Retirement System (CalPERS) Miscellaneous Classic Plan				
	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Reporting period	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Employer's proportion of the collective net pension liability (asset) ¹	0.000381%	-0.001493%	0.090690%	0.090886%	0.092292%
Employer's proportionate share of the collective net pension liability (asset) ¹	\$ 39,088	\$ (143,883)	\$ 8,994,206	\$ 7,864,480	\$ 6,331,815
Plan's covered payroll	\$ 1,730,895	\$ 1,680,481	\$ 2,072,156	\$ 1,936,492	\$ 1,988,262
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	2.26%	-8.56%	434.05%	406.12%	318.46%
Plan's proportionate share of the fiduciary net position as a percentage of the Plan's total pension liability	75.26%	75.26%	73.31%	74.06%	78.40%

City of Industry

Required Supplementary Information Schedule of Contributions – Pension (Unaudited) Last Ten Years

Fiscal Year Ended	California Public Employees' Retirement System (CalPERS) Miscellaneous Classic Plan				
	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Actuarially determined contribution	\$ 502,190	\$ 355,699	\$ 388,075	\$ 308,625	\$ 291,851
Contributions in relation to the actuarially determined contributions	(502,190)	(355,699)	(388,075)	(308,625)	(291,851)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 3,676,515	\$ 3,405,056	\$ 3,071,627	\$ 2,840,527	\$ 2,615,700
Contributions as a percentage of covered payroll	13.66%	10.45%	12.63%	10.87%	11.16%

Notes to Schedule:

Changes in Benefit Terms: There were no changes to benefit terms that applied to all members of the Public Agency Pool. However, individual employers in the Plan may have provided a benefit improvement to their employees such as Golden Handshakes, service purchases, and other prior service costs. Employers that have done so may need to report this information as a separate liability in their financial statement as CalPERS considers such amounts to be separately financed employer-specific liabilities. These employers should consult with their auditors. Additionally, the figures above do not include any liability impact that occurred after the June 30, 2023, valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

Change in Assumptions: There were no assumption changes in 2023 or 2024. Effective with the June 30, 2021, valuation date (June 30, 2022, measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017, through June 30, 2021, and 7.65% for measurement dates June 30, 2015, through June 30, 2016.

City of Industry

Required Supplementary Information Schedule of Contributions – Pension (Unaudited) (Continued) Last Ten Years

Fiscal Year Ended	California Public Employees' Retirement System (CalPERS) Miscellaneous Classic Plan				
	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Actuarially determined contribution	\$ 245,590	\$ 195,741	\$ 640,586	\$ 567,355	\$ 534,918
Contributions in relation to the actuarially determined contributions	<u>(245,590)</u>	<u>(195,741)</u>	<u>(9,206,926)</u>	<u>(567,355)</u>	<u>(534,918)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,566,340)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,376,701	\$ 1,730,895	\$ 1,680,481	\$ 2,072,156	\$ 1,936,492
Contributions as a percentage of covered payroll	10.33%	11.31%	38.12%	27.38%	27.62%

City of Industry

Required Supplementary Information Schedule of Changes Net Other Postemployment Benefits Liability (Asset) and Related Ratios (Unaudited) Last Ten Years*

Reporting period	Measurement Period Ended						
	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Total OPEB liability:							
Service cost	\$ 316,670	\$ 300,540	\$ 292,496	\$ 228,121	\$ 222,016	\$ 268,372	\$ 261,189
Interest on total OPEB liability	618,960	572,363	552,005	453,854	438,946	638,477	619,722
Changes in assumptions	-	490,295	-	609,924	-	-	-
Differences between expected and actual experience	137,517	53,713	46,166	975,729	105,870	(3,185,366)	95,803
Benefit payments	(722,251)	(714,841)	(594,910)	(560,106)	(550,184)	(825,116)	(579,992)
Actual minus expected benefit payments	-	-	-	-	-	171,949	(95,803)
Net change in Total OPEB Liability	350,896	702,070	295,757	1,707,522	216,648	(2,931,684)	300,919
Total OPEB liability, beginning of year	9,303,809	8,601,739	8,305,982	6,598,460	6,381,812	9,313,496	9,012,577
Total OPEB liability, end of year	9,654,705	9,303,809	8,601,739	8,305,982	6,598,460	6,381,812	9,313,496
OPEB fiduciary net position:							
Investment income	1,274,015	764,125	(1,838,972)	3,120,564	401,157	715,105	904,934
Contributions - employers	-	84,863	13,631	31,285	-	-	-
Benefit payments	(722,251)	(714,841)	(594,910)	(560,106)	(550,184)	(825,116)	(579,992)
Administrative expenses	(3,769)	(3,328)	(3,509)	(4,270)	(5,586)	(2,471)	(20,767)
Other	-	-	-	-	-	-	2,091
Net change in OPEB fiduciary net position	547,995	130,819	(2,423,760)	2,587,473	(154,613)	(112,482)	306,266
Total fiduciary net position, beginning of year	11,495,220	11,364,401	13,788,161	11,200,688	11,355,301	11,467,783	11,161,517
Total fiduciary net position, end of year (a)	12,043,215	11,495,220	11,364,401	13,788,161	11,200,688	11,355,301	11,467,783
Net OPEB asset	\$ (2,388,510)	\$ (2,191,411)	\$ (2,762,662)	\$ (5,482,179)	\$ (4,602,228)	\$ (4,973,489)	\$ (2,154,287)
Plan's fiduciary net position as a percentage of the total OPEB asset	124.74%	123.55%	132.12%	166.00%	169.75%	177.93%	123.13%
Covered-employee payroll	\$ 3,405,056	\$ 3,071,627	\$ 2,840,527	\$ 2,615,700	\$ 2,376,701	\$ 1,730,895	\$ 1,680,481
Net OPEB asset as a percentage of covered-employee payroll	70.15%	71.34%	97.26%	209.59%	193.64%	287.34%	128.19%

Notes to schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30 2024 to June 30 2025:

There were no changes in assumptions.

*Historical information is presented only for measurement periods for which GASB 75 is applicable. Additional years of information will be presented as they become available.

City of Industry

Required Supplementary Information Budgetary Comparison Schedule – General Fund (Unaudited) For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 50,512,000	\$ 48,544,000	\$ 52,505,518	\$ 3,961,518
Intergovernmental	351,000	419,000	374,968	(44,032)
Charges for services	210,000	300,000	315,978	15,978
License and permits	2,414,000	2,414,000	2,337,729	(76,271)
Fines, forfeitures, and penalties	354,000	354,000	250,075	(103,925)
Use of money and property	25,087,000	30,087,000	37,580,431	7,493,431
Other revenue	2,568,000	2,568,000	5,982,226	3,414,226
Total Revenues	81,496,000	84,686,000	99,346,925	14,660,925
EXPENDITURES				
Current:				
Legislative	1,048,000	1,055,000	979,962	75,038
General administration	8,984,000	8,468,500	6,830,782	1,637,718
Support services	5,742,000	6,124,000	4,515,992	1,608,008
Community development	2,723,000	2,852,000	3,418,817	(566,817)
Community services	12,146,000	12,472,000	11,049,678	1,422,322
Public safety	15,307,000	15,312,000	14,512,798	799,202
Public works	14,406,500	14,601,500	17,015,999	(2,414,499)
Capital outlay	-	-	206,877	(206,877)
Debt service:				
Principal retirement	-	-	146,886	(146,886)
Interest and fiscal charges	-	-	6,317	(6,317)
Total Expenditures	60,356,500	60,885,000	58,684,108	2,200,892
Excess (Deficiency) of Revenues Over (Under) Expenditures	21,139,500	23,801,000	40,662,817	16,861,817
OTHER FINANCING USES				
Transfers in	12,640,000	22,360,000	60,700,041	38,340,041
Transfers out	(39,100,900)	(2,557,600)	(67,102,398)	(64,544,798)
Subscription acquisition	-	-	360,080	360,080
Proceeds from sale of capital assets	-	-	210,687	210,687
Total Other Financing Uses	(26,460,900)	19,802,400	(5,831,590)	(25,633,990)
Net Change in Fund Balance	(5,321,400)	43,603,400	34,831,227	(8,772,173)
FUND BALANCE				
Beginning of Year	686,573,410	686,573,410	686,573,410	-
End of Year	\$ 681,252,010	\$ 730,176,810	\$ 721,404,637	\$ (8,772,173)

City of Industry

Note to Required Supplementary Information For the Year Ended June 30, 2025

The City Council adopts an annual budget, submitted by the City Manager prior to June 30. The appropriated budget is prepared by fund, function and department. All annual appropriations lapse at the end of the fiscal year. The City Council has the legal authority to amend the budget at any time during the fiscal year. There were no amendments to the budget during the year. The City Manager has the authority to make adjustments to the operating budget within a fund. Transfers of operating budgets between funds or from appropriated reserve accounts, use of unappropriated fund balances, cancellation of appropriation and all changes in capital improvement project budgets require the approval of the City Council.

The annual budget is prepared on a basis consistent with generally accepted accounting principles and is adopted for all governmental type funds other than the Tax Override Debt Service Fund and the Proposition C-AQMD Grant Special Revenue Fund.

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the appropriated budget approved by the City Council. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) for the operating budget is at the fund level.

Excess Expenditures over Appropriations

	<u>Appropriation</u>	<u>Expenditures</u>	<u>Variance</u>
General Fund:			
Community development	\$ 2,852,000	\$ 3,418,817	\$ (566,817)
Public works	14,601,500	17,015,999	(2,414,499)

City of Industry

Supplementary Information Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual City Capital Projects Fund – Major Fund For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 672,000	\$ 672,000	\$ -	\$ (672,000)
Use of money and property	5,544,000	5,544,000	4,585,001	(958,999)
Other revenue	1,008,000	1,008,000	-	(1,008,000)
Total Revenues	7,224,000	7,224,000	4,585,001	(2,638,999)
EXPENDITURES				
Current:				
Community services	25,000	26,000	390	25,610
Capital outlay	46,565,000	47,129,500	26,379,301	20,750,199
Total Expenditures	46,590,000	47,155,500	26,379,691	20,775,809
Excess (Deficiency) of Revenues Over (Under) Expenditures	(39,366,000)	(39,931,500)	(21,794,690)	18,136,810
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	27,145,389	27,145,389
Transfers out	(5,450,000)	(5,450,000)	(30,937,472)	(25,487,472)
Total Other Financing Sources (Uses)	(5,450,000)	(5,450,000)	(3,792,083)	1,657,917
Net Change in Fund Balance	(44,816,000)	(45,381,500)	(25,586,773)	19,794,727
FUND BALANCE				
Beginning of Year	115,401,598	115,401,598	115,401,598	-
End of Year	\$ 70,585,598	\$ 70,020,098	\$ 89,814,825	\$ 19,794,727

City of Industry

Supplementary Information Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual City Debt Service Fund – Major Fund For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ -	\$ 2,000,000	\$ 2,656,822	\$ 656,822
Total Revenues	-	2,000,000	2,656,822	656,822
EXPENDITURES				
Current:				
General administration	8,200	8,200	15,900	(7,700)
Debt service:				
Principal	6,510,000	6,510,000	6,510,000	-
Interest and fiscal charges	19,928,800	19,928,800	20,057,464	(128,664)
Total Expenditures	26,447,000	26,447,000	26,583,364	(136,364)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(26,447,000)	(24,447,000)	(23,926,542)	520,458
OTHER FINANCING SOURCES (USES)				
Transfers in	36,968,000	-	38,887,822	38,887,822
Transfers out	(12,640,000)	(22,360,000)	(33,060,000)	(10,700,000)
Total Other Financing Sources (Uses)	24,328,000	(22,360,000)	5,827,822	28,187,822
Net Change in Fund Balance	(2,119,000)	(46,807,000)	(18,098,720)	28,708,280
FUND BALANCE				
Beginning of Year	65,571,556	65,571,556	65,571,556	-
End of Year	\$ 63,452,556	\$ 18,764,556	\$ 47,472,836	\$ 28,708,280

City of Industry

**Supplementary Information
 Schedule of Revenues, Expenditures and Changes in Fund Balances –
 Budget and Actual
 Industry Public Facilities Authority Debt Service Fund – Major Fund
 For the Year Ended June 30, 2025**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ 3,562,000	\$ 3,562,000	\$ 3,411,352	\$ (150,648)
Total Revenues	<u>3,562,000</u>	<u>3,562,000</u>	<u>3,411,352</u>	<u>(150,648)</u>
EXPENDITURES				
Debt service:				
Interest and fiscal charges	<u>3,571,200</u>	<u>3,571,200</u>	<u>3,555,533</u>	<u>15,667</u>
Total Expenditures	<u>3,571,200</u>	<u>3,571,200</u>	<u>3,555,533</u>	<u>15,667</u>
Deficiency of Revenues Under Expenditures	<u>(9,200)</u>	<u>(9,200)</u>	<u>(144,181)</u>	<u>(134,981)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>9,200</u>	<u>9,200</u>	<u>7,480</u>	<u>(1,720)</u>
Total Other Financing Sources (Uses)	<u>9,200</u>	<u>9,200</u>	<u>7,480</u>	<u>(1,720)</u>
Net Change in Fund Balance	-	-	(136,701)	(136,701)
FUND BALANCE (DEFICIT)				
Beginning of Year	<u>(6,816,687)</u>	<u>(6,816,687)</u>	<u>(6,816,687)</u>	-
End of Year	<u>\$ (6,816,687)</u>	<u>\$ (6,816,687)</u>	<u>\$ (6,953,388)</u>	<u>\$ (136,701)</u>

City of Industry

**Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025**

	Special Revenue Funds				
	State Gas Tax	Measure R Local Return	Proposition A - Sales Tax	Proposition C - Sales Tax	Proposition C - AQMD Grants
ASSETS					
Cash	\$ -	\$ -	\$ 29,728	\$ 10,596	\$ -
Investments	-	-	1,542,530	-	-
Accounts receivable, net	9,398	-	-	-	471
Accrued interest	-	-	17,992	-	-
Due from funds	-	-	-	-	-
Total Assets	<u>\$ 9,398</u>	<u>\$ -</u>	<u>\$ 1,590,250</u>	<u>\$ 10,596</u>	<u>\$ 471</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ 66,324	\$ -	\$ -
Due to other funds	-	-	135,852	1,687	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>202,176</u>	<u>1,687</u>	<u>-</u>
FUND BALANCES (DEFICIT)					
Restricted for transportation and roads	9,398	-	1,388,074	8,909	471
Unassigned	-	-	-	-	-
Total Fund Balances	<u>9,398</u>	<u>-</u>	<u>1,388,074</u>	<u>8,909</u>	<u>471</u>
Total Liabilities and Fund Balances	<u>\$ 9,398</u>	<u>\$ -</u>	<u>\$ 1,590,250</u>	<u>\$ 10,596</u>	<u>\$ 471</u>

(continued)

City of Industry

**Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025**

	Special Revenue Funds			Capital Projects Fund Authority Capital Projects Fund	Debt Service Fund Tax Override Fund	Total
	Measure M	Measure W	CARB Grant			
ASSETS						
Cash	\$ -	\$ 100,737	\$ 297,141	\$ 280,035	\$ 2,161	\$ 720,398
Investments	-	2,180,242	764,211	92,659	-	4,579,642
Accounts receivable, net	-	1,626,979	-	-	-	1,636,848
Accrued interest	-	22,203	7,105	1,015	-	48,315
Due from funds	-	1,033,236	-	-	-	1,033,236
Total Assets	<u>\$ -</u>	<u>\$ 4,963,397</u>	<u>\$ 1,068,457</u>	<u>\$ 373,709</u>	<u>\$ 2,161</u>	<u>\$ 8,018,439</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ -	\$ 79,105	\$ 34,998	\$ 375,093	\$ -	\$ 555,520
Due to other funds	-	43,670	-	-	-	181,209
Total Liabilities	<u>-</u>	<u>122,775</u>	<u>34,998</u>	<u>375,093</u>	<u>-</u>	<u>736,729</u>
FUND BALANCES (DEFICIT)						
Restricted for transportation and roads	-	4,840,622	1,033,459	-	2,161	7,283,094
Unassigned	-	-	-	(1,384)	-	(1,384)
Total Fund Balances	<u>-</u>	<u>4,840,622</u>	<u>1,033,459</u>	<u>(1,384)</u>	<u>2,161</u>	<u>7,281,710</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 4,963,397</u>	<u>\$ 1,068,457</u>	<u>\$ 373,709</u>	<u>\$ 2,161</u>	<u>\$ 8,018,439</u> <i>(concluded)</i>

City of Industry

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

	Special Revenue Funds				
	State Gas Tax	Measure R Local Return	Proposition A - Sales Tax	Proposition C - Sales Tax	Proposition C - AQMD Grants
REVENUES					
Taxes	\$ -	\$ 6,969	\$ -	\$ -	\$ -
Intergovernmental	28,782	-	11,204	9,293	-
Use of money and property	-	-	84,827	-	-
Other	-	-	-	-	-
Total Revenues	28,782	6,969	96,031	9,293	-
EXPENDITURES					
Current:					
Public works	26,614	6,969	631,513	9,293	-
Total Expenditures	26,614	6,969	631,513	9,293	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,168	-	(535,482)	-	-
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	352,148	-	-
Transfers out	-	-	(488,000)	-	-
Total Other Financing Sources (Uses)	-	-	(135,852)	-	-
Net Change in Fund Balances	2,168	-	(671,334)	-	-
FUND BALANCES (DEFICIT)					
Beginning of year	7,230	-	2,059,408	8,909	471
End of year	\$ 9,398	\$ -	\$ 1,388,074	\$ 8,909	\$ 471

(continued)

City of Industry

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

	Special Revenue Funds			Capital Projects Fund	Debt Service Fund	Total
	Measure M	Measure W	CARB Grant	Authority Capital Projects Fund	Tax Override Fund	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,969
Intergovernmental	7,895	1,626,979	354,201	-	-	2,038,354
Use of money and property	-	96,973	27,315	4,141	-	213,256
Other	-	-	-	4	-	4
Total Revenues	7,895	1,723,952	381,516	4,145	-	2,258,583
EXPENDITURES						
Current:						
Public works	7,895	212,433	376,670	2,190,163	-	3,461,550
Total Expenditures	7,895	212,433	376,670	2,190,163	-	3,461,550
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	1,511,519	4,846	(2,186,018)	-	(1,202,967)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	3,884,888	-	4,237,036
Transfers out	-	-	-	(1,499,889)	-	(1,987,889)
Total Other Financing Sources (Uses)	-	-	-	2,384,999	-	2,249,147
Net Change in Fund Balances	-	1,511,519	4,846	198,981	-	1,046,180
FUND BALANCES (DEFICIT)						
Beginning of year	-	3,329,103	1,028,613	(200,365)	2,161	6,235,530
End of year	\$ -	\$ 4,840,622	\$ 1,033,459	\$ (1,384)	\$ 2,161	\$ 7,281,710

(concluded)

City of Industry

**Supplementary Information
 Schedule of Revenues, Expenditures and Changes in Fund Balances –
 Budget and Actual
 State Gas Tax Special Revenue Fund
 For the Year Ended June 30, 2025**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 28,000	\$ 28,000	\$ 28,782	\$ 782
Total Revenues	<u>28,000</u>	<u>28,000</u>	<u>28,782</u>	<u>782</u>
EXPENDITURES				
Current:				
Public works	<u>28,000</u>	<u>28,000</u>	<u>26,614</u>	<u>1,386</u>
Total Expenditures	<u>28,000</u>	<u>28,000</u>	<u>26,614</u>	<u>1,386</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	2,168	2,168
FUND BALANCE				
Beginning of Year	<u>7,230</u>	<u>7,230</u>	<u>7,230</u>	<u>-</u>
End of Year	<u>\$ 7,230</u>	<u>\$ 7,230</u>	<u>\$ 9,398</u>	<u>\$ 2,168</u>

City of Industry

**Supplementary Information
 Schedule of Revenues, Expenditures and Changes in Fund Balances –
 Budget and Actual
 Measure R Local Return Special Revenue Fund
 For the Year Ended June 30, 2025**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 8,000	\$ 8,000	\$ 6,969	\$ (1,031)
Total Revenues	<u>8,000</u>	<u>8,000</u>	<u>6,969</u>	<u>(1,031)</u>
EXPENDITURES				
Current:				
Public works	<u>8,000</u>	<u>8,000</u>	<u>6,969</u>	<u>1,031</u>
Total Expenditures	<u>8,000</u>	<u>8,000</u>	<u>6,969</u>	<u>1,031</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE				
Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Industry

**Supplementary Information
 Schedule of Revenues, Expenditures and Changes in Fund Balances –
 Budget and Actual
 Proposition A Sales Tax Special Revenue Fund
 For the Year Ended June 30, 2025**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 13,000	\$ 13,000	\$ 11,204	\$ (1,796)
Use of money and property	18,000	100,000	84,827	(15,173)
Total Revenues	<u>31,000</u>	<u>113,000</u>	<u>96,031</u>	<u>(16,969)</u>
EXPENDITURES				
Current:				
Public works	369,000	424,000	631,513	(207,513)
Total Expenditures	<u>369,000</u>	<u>424,000</u>	<u>631,513</u>	<u>(207,513)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(338,000)</u>	<u>(311,000)</u>	<u>(535,482)</u>	<u>(224,482)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	352,148	352,148
Transfers out	-	-	(488,000)	(488,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(135,852)</u>	<u>(135,852)</u>
Net Change in Fund Balances	(338,000)	(311,000)	(671,334)	(360,334)
FUND BALANCE				
Beginning of Year	<u>2,059,408</u>	<u>2,059,408</u>	<u>2,059,408</u>	<u>-</u>
End of Year	<u>\$ 1,721,408</u>	<u>\$ 1,748,408</u>	<u>\$ 1,388,074</u>	<u>\$ (360,334)</u>

City of Industry

**Supplementary Information
 Schedule of Revenues, Expenditures and Changes in Fund Balances –
 Budget and Actual
 Proposition C Sales Tax Special Revenue Fund
 For the Year Ended June 30, 2025**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 11,000	\$ 11,000	\$ 9,293	\$ (1,707)
Total Revenues	11,000	11,000	9,293	(1,707)
EXPENDITURES				
Current:				
Public works	11,000	11,000	9,293	1,707
Total Expenditures	11,000	11,000	9,293	1,707
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE				
Beginning of Year	8,909	8,909	8,909	-
End of Year	\$ 8,909	\$ 8,909	\$ 8,909	\$ -

City of Industry

**Supplementary Information
 Schedule of Revenues, Expenditures and Changes in Fund Balances –
 Budget and Actual
 Measure M Special Revenue Fund
 For the Year Ended June 30, 2025**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 9,000	\$ 9,000	\$ 7,895	\$ (1,105)
Total Revenues	<u>9,000</u>	<u>9,000</u>	<u>7,895</u>	<u>(1,105)</u>
EXPENDITURES				
Current:				
Public works	<u>9,000</u>	<u>9,000</u>	<u>7,895</u>	<u>1,105</u>
Total Expenditures	<u>9,000</u>	<u>9,000</u>	<u>7,895</u>	<u>1,105</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE				
Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Industry

**Supplementary Information
 Schedule of Revenues, Expenditures and Changes in Fund Balances –
 Budget and Actual
 Measure W Special Revenue Fund
 For the Year Ended June 30, 2025**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 1,600,000	\$ 1,600,000	\$ 1,626,979	\$ 26,979
Use of money and property	55,000	55,000	96,973	41,973
Total Revenues	<u>1,655,000</u>	<u>1,655,000</u>	<u>1,723,952</u>	<u>68,952</u>
EXPENDITURES				
Current:				
Public works	2,695,000	1,945,000	212,433	1,732,567
Total Expenditures	<u>2,695,000</u>	<u>1,945,000</u>	<u>212,433</u>	<u>1,732,567</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,040,000)	(290,000)	1,511,519	1,801,519
FUND BALANCE				
Beginning of Year	<u>3,329,103</u>	<u>3,329,103</u>	<u>3,329,103</u>	-
End of Year	<u>\$ 2,289,103</u>	<u>\$ 3,039,103</u>	<u>\$ 4,840,622</u>	<u>\$ 1,801,519</u>

City of Industry

**Supplementary Information
 Schedule of Revenues, Expenditures and Changes in Fund Balances –
 Budget and Actual
 CARB Tax Special Revenue Fund
 For the Year Ended June 30, 2025**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 440,000	\$ 440,000	\$ 354,201	\$ (85,799)
Use of money and property	49,000	49,000	27,315	(21,685)
Total Revenues	<u>489,000</u>	<u>489,000</u>	<u>381,516</u>	<u>(107,484)</u>
EXPENDITURES				
Current:				
Public works	250,000	450,000	376,670	73,330
Total Expenditures	<u>250,000</u>	<u>450,000</u>	<u>376,670</u>	<u>73,330</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	239,000	39,000	4,846	(34,154)
FUND BALANCE				
Beginning of Year	<u>1,028,613</u>	<u>1,028,613</u>	<u>1,028,613</u>	<u>-</u>
End of Year	<u><u>\$ 1,267,613</u></u>	<u><u>\$ 1,067,613</u></u>	<u><u>\$ 1,033,459</u></u>	<u><u>\$ (34,154)</u></u>

City of Industry

**Supplementary Information
 Schedule of Revenues, Expenditures and Changes in Fund Balances –
 Budget and Actual
 CRIA Capital Projects Fund
 For the Year Ended June 30, 2025**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ 4,000	\$ 4,000	\$ 4,141	\$ 141
Other revenue	-	-	4	4
Total Revenues	4,000	4,000	4,145	145
EXPENDITURES				
Current:				
Public works	2,442,000	2,687,896	2,190,163	497,733
Total Expenditures	2,442,000	2,687,896	2,190,163	497,733
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,438,000)	(2,683,896)	(2,186,018)	497,878
OTHER FINANCING SOURCES (USES)				
Transfers in	6,156,700	6,581,400	3,884,888	(2,696,512)
Transfers out	(4,923,300)	(5,148,000)	(1,499,889)	3,648,111
Total Other Financing Sources (Uses)	1,233,400	1,433,400	2,384,999	951,599
Net Change in Fund Balance	(1,204,600)	(1,250,496)	198,981	1,449,477
FUND BALANCE (DEFICIT)				
Beginning of Year	(200,365)	(200,365)	(200,365)	-
End of Year	\$ (1,404,965)	\$ (1,450,861)	\$ (1,384)	\$ 1,449,477

City of Industry

Supplementary Information

Schedule of Long-Term Debt – City of Industry Only

\$336,570,000 Taxable Sales Tax Refunding Bonds, Series 2015A

For the Year Ended June 30, 2025

Period Ending	Principal	Interest Rate	Interest	Debt Service	Annual Debt Service
July 1, 2025	\$ -	3.500%	\$ 7,955,481	\$ 7,955,481	\$ -
January 1, 2026	2,345,000	3.625%	7,955,481	10,300,481	18,255,962
July 1, 2026	-	3.625%	7,912,978	7,912,978	-
January 1, 2027	2,435,000	4.000%	7,912,978	10,347,978	18,260,956
July 1, 2027	-	4.000%	7,864,278	7,864,278	-
January 1, 2028	7,270,000	4.000%	7,864,278	15,134,278	22,998,556
July 1, 2028	-	4.000%	7,718,878	7,718,878	-
January 1, 2029	7,560,000	4.125%	7,718,878	15,278,878	22,997,756
July 1, 2029	-	4.125%	7,562,953	7,562,953	-
January 1, 2030	7,870,000	4.250%	7,562,953	15,432,953	22,995,906
July 1, 2030	-	4.250%	7,395,716	7,395,716	-
January 1, 2031	8,205,000	4.625%	7,395,716	15,600,716	22,996,432
January 1, 2021	-	4.625%	7,205,975	7,205,975	-
January 1, 2032	8,585,000	4.625%	7,205,975	15,790,975	22,996,950
July 1, 2032	-	4.625%	7,007,447	7,007,447	-
January 1, 2033	8,985,000	4.625%	7,007,447	15,992,447	22,999,894
July 1, 2033	-	4.625%	6,799,669	6,799,669	-
January 1, 2034	9,400,000	4.625%	6,799,669	16,199,669	22,999,338
July 1, 2034	-	4.625%	6,582,294	6,582,294	-
January 1, 2035	9,835,000	5.125%	6,582,294	16,417,294	22,999,588
July 1, 2035	-	5.125%	6,330,272	6,330,272	-
January 1, 2036	10,335,000	5.125%	6,330,272	16,665,272	22,995,544
July 1, 2036	-	5.125%	6,065,438	6,065,438	-
January 1, 2037	10,865,000	5.125%	6,065,438	16,930,438	22,995,876
July 1, 2037	-	5.125%	5,787,022	5,787,022	-
January 1, 2038	11,425,000	5.125%	5,787,022	17,212,022	22,999,044
July 1, 2038	-	5.125%	5,494,256	5,494,256	-
January 1, 2039	12,010,000	5.125%	5,494,256	17,504,256	22,998,512
July 1, 2039	-	5.125%	5,186,500	5,186,500	-
January 1, 2040	12,625,000	5.125%	5,186,500	17,811,500	22,998,000
July 1, 2040	-	5.125%	4,862,984	4,862,984	-
January 1, 2041	13,270,000	5.125%	4,862,984	18,132,984	22,995,968
July 1, 2041	-	5.125%	4,522,941	4,522,941	-
January 1, 2042	13,950,000	5.125%	4,522,941	18,472,941	22,995,882
July 1, 2042	-	5.125%	4,165,472	4,165,472	-
January 1, 2043	14,665,000	5.125%	4,165,472	18,830,472	22,995,944
July 1, 2043	-	5.125%	3,789,681	3,789,681	-
January 1, 2044	15,420,000	5.125%	3,789,681	19,209,681	22,999,362
July 1, 2044	-	5.125%	3,394,544	3,394,544	-
January 1, 2045	16,210,000	5.125%	3,394,544	19,604,544	22,999,088
July 1, 2045	-	5.125%	2,979,163	2,979,163	-
January 1, 2046	17,040,000	5.125%	2,979,163	20,019,163	22,998,326
July 1, 2046	-	5.125%	2,542,513	2,542,513	-
January 1, 2047	17,910,000	5.125%	2,542,513	20,452,513	22,995,026
July 1, 2047	-	5.125%	2,083,568	2,083,568	-
January 1, 2048	18,830,000	5.125%	2,083,568	20,913,568	22,997,138
July 1, 2048	-	5.125%	1,601,050	1,601,050	-
January 1, 2049	19,795,000	5.125%	1,601,050	21,396,050	22,997,100
July 1, 2049	-	5.125%	1,093,803	1,093,803	-
January 1, 2050	20,810,000	5.125%	1,093,803	21,903,803	22,997,606
July 1, 2050	-	5.125%	560,547	560,547	-
January 1, 2051	21,875,000	5.125%	560,547	22,435,547	22,996,094
	<u>\$ 319,525,000</u>		<u>\$ 268,930,846</u>	<u>\$ 588,455,848</u>	<u>\$ 588,455,848</u>

City of Industry

Supplementary Information

Schedule of Long-Term Debt – City of Industry Only

\$51,460,000 Taxable Sales Tax Refunding Bonds, Series 2015 B

For the Year Ended June 30, 2025

Period Ending	Principal	Interest Rate	Interest	Debt Service	Annual Debt Service
August 1, 2025	\$ -	5.550%	\$ 1,763,948	\$ 1,763,948	\$ -
February 1, 2026	680,000	5.550%	1,763,948	2,443,948	4,207,896
August 1, 2026	-	5.850%	1,745,078	1,745,078	-
February 1, 2027	715,000	5.850%	1,745,078	2,460,078	4,205,156
August 1, 2027	-	6.150%	1,724,165	1,724,165	-
February 1, 2028	755,000	6.150%	1,724,165	2,479,165	4,203,330
August 1, 2028	-	6.450%	1,700,949	1,700,949	-
February 1, 2029	805,000	6.450%	1,700,949	2,505,949	4,206,898
August 1, 2029	-	6.750%	1,674,988	1,674,988	-
February 1, 2030	860,000	6.750%	1,674,988	2,534,988	4,209,976
August 1, 2030	-	7.000%	1,645,962	1,645,962	-
February 1, 2031	915,000	7.000%	1,645,962	2,560,962	4,206,924
February 1, 2021	-	7.250%	1,613,937	1,613,937	-
February 1, 2032	980,000	7.250%	1,613,938	2,593,938	4,207,875
August 1, 2032	-	7.250%	1,578,412	1,578,412	-
February 1, 2033	1,050,000	7.250%	1,578,412	2,628,412	4,206,824
August 1, 2033	-	7.250%	1,540,350	1,540,350	-
February 1, 2034	1,125,000	7.250%	1,540,350	2,665,350	4,205,700
August 1, 2034	-	7.250%	1,499,569	1,499,569	-
February 1, 2035	1,205,000	7.250%	1,499,569	2,704,569	4,204,138
August 1, 2035	-	7.250%	1,455,887	1,455,887	-
February 1, 2036	1,295,000	7.250%	1,455,887	2,750,887	4,206,774
August 1, 2036	-	7.500%	1,408,943	1,408,943	-
February 1, 2037	1,390,000	7.500%	1,408,943	2,798,943	4,207,886
August 1, 2037	-	7.500%	1,356,819	1,356,819	-
February 1, 2038	1,490,000	7.500%	1,356,819	2,846,819	4,203,638
August 1, 2038	-	7.500%	1,300,945	1,300,945	-
February 1, 2039	1,605,000	7.500%	1,300,945	2,905,945	4,206,890
August 1, 2039	-	7.500%	1,240,756	1,240,756	-
February 1, 2040	1,725,000	7.500%	1,240,756	2,965,756	4,206,512
August 1, 2040	-	7.500%	1,176,068	1,176,068	-
February 1, 2041	1,855,000	7.500%	1,176,068	3,031,068	4,207,136
August 1, 2041	-	7.750%	1,106,506	1,106,506	-
February 1, 2042	1,995,000	7.750%	1,106,506	3,101,506	4,208,012
August 1, 2042	-	7.750%	1,029,200	1,029,200	-
February 1, 2043	2,150,000	7.750%	1,029,200	3,179,200	4,208,400
August 1, 2043	-	7.750%	945,888	945,888	-
February 1, 2044	2,315,000	7.750%	945,888	3,260,888	4,206,776
August 1, 2044	-	7.750%	856,181	856,181	-
February 1, 2045	2,495,000	7.750%	856,181	3,351,181	4,207,362
August 1, 2045	-	7.750%	759,500	759,500	-
February 1, 2046	2,685,000	7.750%	759,500	3,444,500	4,204,000
August 1, 2046	-	7.750%	655,457	655,457	-
February 1, 2047	2,900,000	7.750%	655,457	3,555,457	4,210,914
August 1, 2047	-	7.750%	543,082	543,082	-
February 1, 2048	3,120,000	7.750%	543,082	3,663,082	4,206,164
August 1, 2048	-	7.750%	422,183	422,183	-
February 1, 2049	3,365,000	7.750%	422,183	3,787,183	4,209,366
August 1, 2049	-	7.750%	291,789	291,789	-
February 1, 2050	3,625,000	7.750%	291,789	3,916,789	4,208,578
August 1, 2050	-	7.750%	151,321	151,321	-
February 1, 2051	3,905,000	7.750%	151,321	4,056,321	4,207,642
	<u>\$ 47,005,000</u>		<u>\$ 62,375,767</u>	<u>\$ 109,380,767</u>	<u>\$ 109,380,767</u>

City of Industry

**Supplementary Information
 Schedule of Long-Term Debt – City of Industry Only
 \$34,340,000 Taxable Sales Tax Refunding Bonds, Series 2017
 For the Year Ended June 30, 2025**

<u>Period Ending</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Debt Service</u>	<u>Annual Debt Service</u>
July 1, 2025	\$ -	3.250%	\$ 129,803	\$ 129,803	\$ -
January 1, 2026	3,715,000	3.375%	129,803	3,844,803	3,974,606
July 1, 2026	-	3.375%	67,113	67,113	-
January 1, 2027	3,835,000	3.500%	67,113	3,902,113	3,969,226
	<u>\$ 7,550,000</u>		<u>\$ 393,832</u>	<u>\$ 7,943,832</u>	<u>\$ 7,943,832</u>

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Independent Auditor's Report

To the Honorable City Council
City of Industry, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Industry (the entity), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements, and have issued our report thereon dated January 13, 2026.

Report on Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the entity's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
January 13, 2026

January 13, 2026

To the Honorable City Council
City of Industry, California

We have audited the financial statements of the City of Industry (the entity) as of and for the year ended June 30, 2025, and have issued our report thereon dated January 13, 2026. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated April 9, 2025, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of the system of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of the entity solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

We have evaluated whether certain nonattest services performed by our firm during the audit have created a significant threat to our independence in relation to the entity. We have identified a threat to our independence (preparation of the entity's financial statements, creating a self-review threat) that if not reduced to an acceptable level, would impair our independence. In order to reduce the threat to an acceptable level, we have applied the following safeguard:

Prior to the issuance of the entity's financial statements, another partner or manager, independent of the engagement, will review the financial statements.

Significant Risks Identified

We have identified the possibility of the following significant risks:

Management's override of internal controls over financial reporting – Management override of internal controls is the intervention by management in handling financial information and making decisions contrary to internal control policy.

Revenue recognition – Revenue recognition is a generally accepted accounting principle that refers to the conditions under which an entity can recognize a transaction as revenue. Auditing standards indicate that recognizing revenue is a presumed fraud risk and usually classified as a significant risk in most audits.

These significant risks are presumptive in most audits and merit attention by the auditors due to the direct impact over financial reporting and internal control processes. Although identified as significant risks, we noted no matters of management override of controls or deviations from generally accepted accounting principles which caused us to modify our audit procedures or any related matters which are required to be communicated to those charged with governance due to these identified risks.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the entity is included in Note 1 to the financial statements. The City adopted GASB Statement No. 101, *Compensated Absence*, and GASB Statement No. 102, *Certain Risk Disclosures* during 2025. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates and Related Disclosures

Accounting estimates and related disclosures are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the entity's financial statements are:

Management's estimate of the net pension liability and related deferred inflows and outflows of resources are based on actuarial reports by independent actuaries. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Management's estimate of the liability for other post-employment benefits (OPEB) and related deferred inflows and outflows of resources are based on actuarial reports provided by independent actuaries. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users.

The most sensitive disclosures affecting the entity's financial statements relate to:

The disclosure of net pension liability and related deferred inflows and outflows of resources in the basic financial statements is based on actuarial assumptions. Actual future liabilities and actuarial deferred inflows and outflows may vary from disclosed estimates.

The disclosures of the other post-employment benefits (OPEB) liability and related deferred inflows and outflows of resources in the basic financial statements is based on actuarial assumptions. Actual future liabilities and actuarial deferred inflows and outflows may vary from disclosed estimates.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected misstatements noted.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. Attachment A reflects all material misstatements that we identified as a result of our audit procedures that were brought to the attention of, and corrected by, management".

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the entity's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated January 13, 2026.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that they utilize the services of the City's internal auditor, Frazier, for consultations regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the entity, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the entity's auditors.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the City Council and management of the entity and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Rogers, Anderson, Malody & Scott, LLP.

Attachment A

Adjusting Journal Entries JE # 101

To properly record acquisition of lease liability for SBITA.

100-985-9799.01	Prop A Fund	360,080.00	
R100-2543.01	Principal payment	146,886.00	
R100-2543.02	Interest expense	6,317.00	
100-985-9799.01	Prop A Fund		146,886.00
100-985-9799.01	Prop A Fund		6,317.00
R100-2543	SBITA acquisition		360,080.00
Total		513,283.00	513,283.00



CITY OF INDUSTRY

January 13, 2026

Rogers, Anderson, Malody & Scott, LLP

This representation letter is provided in connection with your audit of the financial statements of the City of Industry (the entity) which comprise the statement of financial position as of June 30, 2025, and the respective change in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the financial statements of the various opinion units are presented fairly, in all material respects, in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information such that, in the light of surrounding circumstances, 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.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of January 13, 2026:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated April 9, 2025, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- The financial statements refer to above have been fairly presented in accordance with U.S. GAAP and include all properly classified funds, required supplementary information, and noted to the basic financial statements.
- We acknowledge our responsibility for the design, implementation, and maintenance of the system 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.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- The methods, data and significant assumptions used by us in making accounting estimates and their related disclosures, are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of U.S. GAAP.
- All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- All component units, as well as joint ventures with an equity interest, if any, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.

- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus as amended*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Special items and extraordinary items have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- Nonexchange and exchange financial guarantees, either written or oral, under which it is more likely than not that a liability exists have been properly recorded, or if we are obligated in any manner, are disclosed
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.
- We have evaluated all of our lease and subscription agreements and have given you our assessment as to whether each agreement is subject to GASB Statement No. 87, *Leases* and GASB Statement No. 96, *Subscription Based Information Technology Arrangements*.
- With regard to investments and other instruments reported at fair value:
 - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
 - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
- With regard to pensions and OPEB:
 - We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
 - Increases in benefits, elimination of benefits and all similar amendments have been disclosed in accordance with U.S. GAAP and are included in the most recent actuarial valuation, or disclosed as a subsequent event.
- We have conducted a comprehensive risk assessment and disclosed all material concentrations and constraints in accordance with GASB Statement No. 102, *Certain Risk Disclosures*. These

disclosures provide sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact associated with the concentration or constraint, if applicable.

- We have evaluated the concentrations and constraints, including those that occur subsequent to the statement of net position date but before the financial statements are issued and have been properly disclosed in the financial statements as subsequent events.
- With respect to preparation of the financial statements, we have performed the following:
 - Made all management decisions and performed all management functions;
 - Assigned a competent individual to oversee the services;
 - Evaluated the adequacy of the services performed;
 - Evaluated and accepted responsibility for the result of the service performed; and
 - Established and maintained internal controls, a process to monitor the system of internal controls.
- There have been no changes or updates to legal information disclosed to you by our attorney(s) since the date of such legal response and now.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - A written acknowledgement of all the documents that we expect to issue that will be included in the annual report and the planned timing and method of issuance of that annual report;
 - A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.
- The financial statements and any other information included in the annual report are consistent with one another, and the other information does not contain any material misstatements.
- All information provided in electronic form are true representations of the original documents.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have provided to you our analysis of the entity's ability to continue as a going concern, including significant conditions and events present, concentrations and constraints, and we believe that our use of the going concern basis of accounting is appropriate.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any instances, that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance, whether communicated by employees, former employees, vendors (contractors), analysts, regulators, or others.

- We have no knowledge of any instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that has a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- We have no knowledge of any instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- We have a process to track the status of audit findings and recommendations.
- We have identified for you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of all the entity's related parties and the nature of all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- The entity has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
- There are no:
 - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
 - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).

- The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

Use of a Specialist

- We agree with the findings of specialists in evaluating the entity's net pension and net other post-employment benefit liabilities and related deferred amounts and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.

Cybersecurity

- There have been no cybersecurity breaches or other cyber events whose effects should be considered for disclosure in the financial statements, as a basis for recording a loss contingency, or otherwise considered when preparing the financial statements.

Supplementary Information in Relation to the Financial Statements as a Whole

With respect to supplementary information accompanying the financial statements:

- We acknowledge our responsibility for the presentation of the supplementary information in accordance with accounting principles generally accepted in the United States of America.
- We believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America.
- The methods of measurement or presentation have not changed from those used in the prior period.
- We believe any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.
- When the supplementary information is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.
- We acknowledge our responsibility to include the auditor's report on the supplementary information in any document containing the supplementary information and that indicates the auditor reported on such supplementary information.
- We acknowledge our responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.

Required Supplementary Information

With respect to the required supplementary information accompanying the financial statements:

- We acknowledge our responsibility for the presentation of the required supplementary information in accordance with U.S. GAAP.
- We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with U.S. GAAP.
- The methods of measurement or presentation have not changed from those used in the prior period.
- We believe the significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

Accounting Estimates and Related Disclosures

- The significant judgments made in making the accounting estimates have taken into account all relevant information of which we are aware.
- We have consistently and appropriately selected and applied methods, assumptions, and data when making accounting estimates.
- The assumptions we used in making and disclosing accounting estimates appropriately reflect our intent and ability to carry out specific courses of action on behalf of the entity, when relevant to the accounting estimates and disclosures.
- The disclosures related to accounting estimates, including those disclosures describing estimation uncertainty, are complete and are reasonable in the context of the applicable financial reporting framework.
- We have obtained and applied appropriate specialized skills and expertise in making accounting estimates, if needed.
- We are not aware of any events subsequent to the date of the financial statements that require adjustment to our accounting estimates and related disclosures included in the financial statements.

Signature: Joshua Nelson

Title: CITY MANAGER

Signature: [Signature]

Title: FINANCE DIRECTOR

Independent Accountant's Report

To the Honorable City Council
City of Industry, California

We have performed the procedures enumerated below to the accompanying Appropriations Limit Worksheet of the City of Industry, California (the City) for the year ended June 30, 2025. The management of the City is responsible for the accompanying Appropriations Limit Worksheet.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of meeting the requirements of Section 1.5 of Article XIII-B of the California Constitution. These procedures, which were suggested by the League of California Cities and presented in the publication entitled *Agreed-upon Procedures Applied to the Appropriations Limitation Prescribed by Article XIII-B of the California Constitution*, were performed solely to assist you in meeting the requirements. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

1. We obtained the completed worksheets and compared the limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of the City Council. We also compared the population and inflation options included in the aforementioned documents to those that were selected by a recorded vote of the City Council.

Finding: No exceptions were noted as a result of our procedures.

2. For the accompanying Appropriations Limit Worksheet, we added last year's limit to total adjustments and agreed the resulting amount to this year's limit.

Finding: No exceptions were noted as a result of our procedures.

3. We agreed the current year information presented in the accompanying Appropriations Limit Worksheet to the other documents referenced in number one above.

Finding: No exceptions were noted as a result of our procedures.

4. We agreed the prior year appropriations limit presented in the accompanying Appropriations Limit Worksheet to the prior year appropriations limit adopted by the City Council during the prior year.

Finding: No exceptions were noted as a result of our procedures.

We were engaged by the City to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on accompanying Appropriations Limit Worksheet for the year ended June 30, 2025. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the City Council and management of the City of Industry, California, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
January 13, 2026

**CITY OF INDUSTRY
 APPROPRIATIONS LIMIT WORKSHEET
 2024-2025**

Change in growth in non-residential assessed valuation		5.88%
Change in city population		0.05%
Change in growth in the California per capita personal income converted to a ratio		1.0588
Change in city population converted to a ratio		1.0005
Calculation of factor for ratio of change (1.0588 x 1.0005)		1.05933
2023-2024 limit	\$ 1,086,785,073	
Adjustment for inflation and population	<u>64,478,306</u>	
2024-2025 limit	<u><u>\$ 1,151,263,379</u></u>	