



Annual Comprehensive Financial Report

Year Ended June 30, 2025



LOMITA, CA

The Next Chapter Begins!

CITY OF LOMITA,
CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL
REPORT Year Ended June 30, 2025



Prepared by: The Administrative Services Department

Susan Kamada, Administrative Services Director

CITY OF LOMITA
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Year Ended June 30, 2025

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CITY COUNCIL

MARK A. WARONEK
CINDY SEGAWA
JAMES GAZELEY
BILL UPHOFF
BARRY WAITE



ADMINISTRATION

CITY MANAGER
ANDREW VIALPANDO

CITY OF LOMITA

December 16, 2025

Honorable Mayor,
Members of the City Council,
and Citizens of Lomita

ANNUAL COMPREHENSIVE FINANCIAL REPORT FISCAL YEAR 2024-2025 LETTER OF TRANSMITTAL

It is with great pleasure that we present to you the City of Lomita's Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2025. This report complies with the most recent financial reporting model developed by the Governmental Accounting Standards Board (GASB) Statement 34 and Generally Accepted Accounting Principles (GAAP). The most recent financial reporting model is intended to improve financial accountability by adding significant information not previously available in local government financial statements. The City's implementation of the most recent model enables the City Council and residents of Lomita to become more aware of the City's financial condition and the information contained in its annual financial statements.

The ACFR was prepared by the Administrative Services Department in conformity with GAAP and has been audited in accordance with Generally Accepted Auditing Standards (GAAS) by a firm of licensed Certified Public Accountants. Our audit firm, Gruber and Lopez, Inc., is registered with the California State Board of Accountancy and, as a result, the City's auditors follow the same required rigor and quality control standards of all firms who are registered with the State. The report contains management's representation of the finances of the City. Consequently, responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge, it is our belief that the enclosed information is accurate in all material respects and is reported in a manner designed to present fairly the financial position of the City. All disclosures necessary to enable an understanding of the City's financial activities have been included.

The ACFR includes the financial activity for all funds of the City. The City provides its residents a wide range of municipal services either directly or through contractual arrangements including public safety, planning, building, public works, water utility, engineering, parks and recreation, and general management.

In addition to the fund-by-fund financial information presented in the City's financial statements, also included are government-wide financial statements. The government-wide financial statements, required by GASB 34, include a Statement of Net Position that provides the total net equity of the City including its infrastructure assets. The Statement of Activities illustrates the cost of providing government services.

These statements have been prepared using the accrual basis of accounting versus the modified accrual method used in the fund financial statements, as required by GASB 34.

The most recent reporting model includes an emphasis on the City's major funds as shown in the Governmental Fund Statements. These most recent statements combined with other financial information are further described in a narrative section called Management's Discussion and Analysis (MD&A). The MD&A provides financial highlights and interprets the financial reports by analyzing trends and by explaining changes, fluctuations and variances in the financial data. The MD&A is intended to disclose any known significant events or decisions that affect the financial condition of the City.

During the fiscal year ending June 30, 2025, the City adopted Statement on Governmental Accounting Standards (GASB Statement) No. 101, Compensated Absences. The primary objective of this statement is to establish a single comprehensive model for government entities to recognize and measure compensated absences, such as paid time off, vacation and sick leave.

The City, also, adopted GASB Statement No. 102, *Certain Risk Exposures* which requires state and local governments to disclose significant financial vulnerabilities from concentrations and constraints when an associated event makes them vulnerable to substantial impact within 12 months of financial statement issuance. Its adoption did not have a significant effect on the City's financial statements.

PROFILE OF THE GOVERNMENT

The City of Lomita, California, was founded in 1907 and incorporated on June 30, 1964, as a General Law City under the laws of the State of California. The City of Lomita is located 26 miles south of downtown Los Angeles and is bordered by the City of Torrance to its north and west limits, the City of Los Angeles to the east, and the City of Rolling Hills Estates to the south. Southeast of Lomita is the City of Rancho Palos Verdes and unincorporated County land. The City's total land area is 1,196.8 acres, or 1.97 square miles. As of 2025, the City's population is 20,407.

The City operates under the Council-Manager form of government. The City Council is comprised of five members elected by district for four-year terms, with Districts 2 and 4 on the same cycle, and 1, 3, and 5 on a separate cycle, with elections every two years. The Mayor and Mayor Pro-Tem are selected by the City Council from among its members to serve a one-year term. The City Council serves as the legislative and policy-making body of the City, enacting all laws and directing such actions as are required to provide for the general welfare of the community. As a "Contract City," the City provides most of its municipal services, such as legal and public safety services, waste collection, street sweeping and others through contracts with other agencies or organizations. The City of Lomita contracts with a private firm for its legal services. It contracts with the Los Angeles County Sheriff's Department for law enforcement services. Fire protection services are provided by the Los Angeles County Fire Department. The Lomita Public Library is administered by Los Angeles County. Building and safety services are also provided by the County. There are currently six City parks in Lomita including Lomita Park.

The City Manager, appointed by the City Council, serves as the Chief Executive Officer and is responsible to the City Council for the administration of all City affairs and the implementation of all policies established by the City Council. The City Attorney serves under contract to the City and is also appointed by the City Council.

The Assistant City Manager is appointed by and reports to the City Manager. All other department directors are also appointed by the City Manager and report to the City Manager.

LOCAL ECONOMIC CONDITIONS AND OUTLOOK

The City of Lomita is comprised of single and multi-family homes, condominiums, and apartments with a mixture of retail, light industrial and service entities providing a tax base for the City. Property Taxes, Sales and Use Taxes, Motor Vehicle-in-Lieu Fees, Refuse Taxes, Business License Taxes, Franchise Taxes, and Transient Occupancy Taxes financed approximately 83 percent of all governmental activities for the fiscal year.

As of June 30, 2025, the City's unemployment rate was 3.0 percent, which compares favorably to 5.9 percent for Los Angeles County and 5.8 percent for the State of California. The City's three largest employers are Lomita Post-Acute Care Center, Target, and Kaiser Permanente, and they continue to be stable employers.

The City adopted a balanced biennial budget for Fiscal Years 2024-2026 using a conservative approach to forecast revenues and maintain expenditures. The City's sales taxes, vehicle license fees, building & safety fees, and business license tax continue to be strong revenues sources. This, along with other revenue sources, continue to support the City in accomplishing its financial and infrastructure improvement goals. The budget continues to maintain public safety services and infrastructure projects at a high level of importance.

Though hopeful that the economy continues to steadily grow, the City expects long term revenues to remain stable while expenditures are expected to steadily grow. The City will remain conservative in its revenue forecasts, contain costs as much as possible while maintaining essential services for the community. We will continue to explore ways to stimulate the local economy by vigorously pursuing economic development and housing opportunities and developing projects and programs that support the continued growth of our community.

LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

In 2022, the City adopted a five-year Capital Improvement Program 2022-2027, and continues to work through the projects listed as funding is available. An annual review of this report is an integral part of the budget process. This is a plan for short and long-term development, improvement, maintenance, and acquisition of infrastructure assets City-wide. Current projects include facility improvements; information technology upgrades; engineering studies; major street repairs; storm water best management programs; water system upgrades including water main, water meter, water valves and service line replacements, and ongoing upgrades to our water facilities.

In 2023-2024, the City completed its 2024 Pavement Management Plan. A major element of the work was to complete a comprehensive assessment of the existing street network and Pavement Management Program database used by the City. The citywide weighted average Pavement Condition Index (PCI) is 74.8, a PCI range of Very Good. Lomita strives to maintain and improve its rating, by devoting considerable resources to the maintenance and improvement of its streets and roads. In June 2024, when the City adopted its biennial budget for Fiscal Years 2024-2026, it adopted Capital Improvement Projects (CIP) budgets of \$14.3 million and \$5.8 million, respectively. This year, 69 percent or \$5.1 million, of the fiscal year 2025-

2026 CIP budget is allocated for street-related projects such as the street rehabilitation of Narbonne Ave (south) and various streets in city Zone G, a three-phase project.

During the fiscal year of 2024-2025, the Cypress Water Production Facility, which provides water service through a blend of imported and locally produced ground water, remained offline. Water service continues to be provided to the City's residents through 100% imported water; this transition continues to result in significant, short-term increases in the City's costs to provide water service. The upgrade to the facility, including a secondary Granular Activated Carbon filtration system to remove benzene and improve the aesthetic qualities of the City's groundwater and a new well pump, is nearing completion. Bringing the facility back on-line requires a few remaining work items, including a Variable Frequency Drive motor controller to operate the well and multiple valves at the reservoir. The project is scheduled to be completed in winter of 2025.

The City continues to implement water rate structures, adopted in 2022, and will continue capital improvements, including pipeline replacements and upsizing, in an effort to be proactive in reducing service delivery costs and determining future revenue requirements to meet the operational needs of the water system while building and maintaining reserves for capital projects and its debt service obligations.

The City has also completed the Sanitary Sewer System Master Plan or Sewer Master Plan (SWP). One of the primary objectives of the SWP is to develop a hydraulic model of the wastewater collection system. The development of this hydraulic model helped the City identify CIP projects for the sewer line segments that are capacity deficient under future buildout conditions or that require excessive maintenance. Projects resulting from the recommendations in this plan will be added to the City's Capital Improvement Plan as part of annual budget adoption process for consideration by the City Council.

RELEVANT FINANCIAL POLICIES

The City's finances continue to be positively impacted by actual revenues which exceed conservative estimates, business license rates which are revised annually to reflect the changes in the consumer price index, and the updated valuation of the Infrastructure Assets which accurately reflect the true value of the City's assets.

Internal Controls

City management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft, or other misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the costs of a control should not exceed the benefits likely to be achieved. The valuation of the costs and benefits requires estimates and judgments by management.

As a recipient of Federal, State and County financial resources, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. The internal control structure is subject to annual evaluation by its independent auditors and periodic evaluation by management of the City.

Budgetary Controls

In addition to internal controls, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the General Fund, Special Revenue Funds, Proprietary Funds (including Internal Service and Enterprise Funds) and Fiduciary Funds are included in the annual appropriated budget.

The budget is arranged by department, function and fund and presented to the City Council by the City Manager and Administrative Services Director. The budget is then adopted bi-annually by the City Council prior to the beginning of the fiscal year and serves as the foundation for the City's financial planning and control. The budget is reviewed at mid-year and necessary adjustments are made to ensure that expenditures are not outpacing anticipated revenues.

The City maintains an encumbrance accounting system as an additional technique of accomplishing budgetary control. As demonstrated by the statements and schedules included in the financial section of this report, the City has enhanced its responsibility for sound financial management. The legal level of control of which expenditures cannot exceed appropriations is at the functional level. The City Council is informed of expenditures over appropriations and such amounts are informally approved as a part of the bi-monthly review of the demand warrants.

Annual Audit

Gruber & Lopez, Inc., was selected by the City to audit the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ending June 30, 2025, are free of material misstatement. As part of the City's annual audit, reviews are made to determine the adequacy of the internal control structure as well as to determine that the City has complied with applicable laws and regulations. The independent auditor concluded there was a basis for rendering an unmodified opinion and the City's financial statements are fairly presented in conformity with Generally Accepted Accounting Principles and GASB 34 requirements. The independent auditor's report is presented as the first component of the financial section of this report

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lomita for its ACFR for the fiscal year ended June 30, 2024. This was the twenty-first consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized ACFR that satisfied both generally accepted accounting principles and applicable program requirements.

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

The preparation and publication of this report would not have been possible without the support of the City Council and collaborative assistance of the Department Heads and staff in all City departments. It is important to recognize the dedicated employees of the Administrative Services Department. Their professional expertise and unwavering commitment to excellence is constantly manifested in the quality of the City's financial records and reporting. Appreciation is also expressed to the audit staff of Gruber & Lopez, Inc., for their advice and assistance in the preparation of this report.

Respectfully submitted,



Andrew Vialpando
City Manager



Susan Kamada
Administrative Services Director

**CITY OF LOMITA
LIST OF CITY OFFICIALS**

ELECTED OFFICIALS

Mayor	Mark A. Waronek
Mayor Pro Tem	Cindy Segawa
Council Member	James Gazeley
Council Member	Bill Uphoff
Council Member	Barry Waite

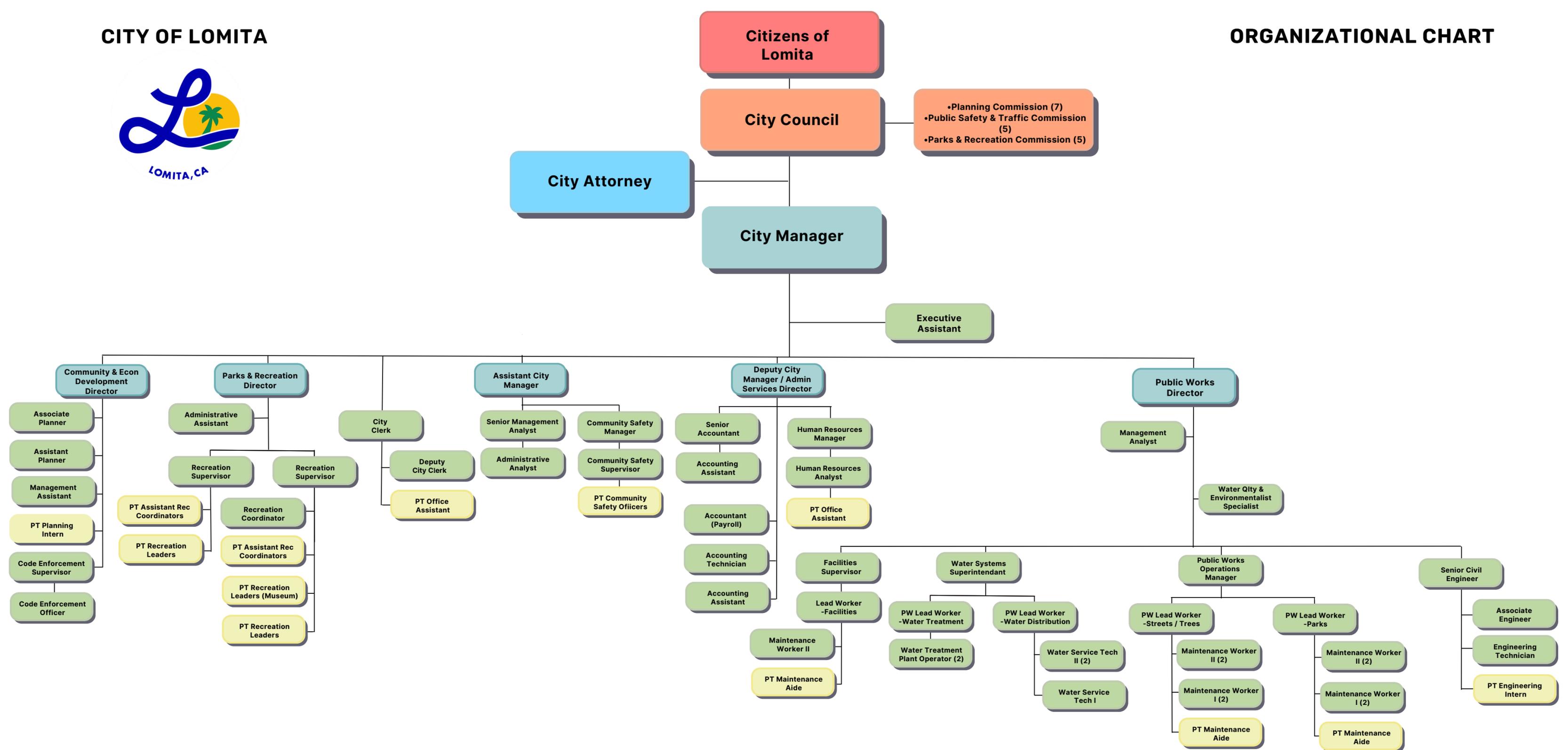
CITY STAFF

City Manager	Andrew Vialpando
Assistant City Manager	Lina Hernandez
City Attorney	Trevor Rusin, Best, Best & Krieger
Administrative Services Director	Susan Kamada
Community & Economic Development Director	Adrian Fernandez
Parks & Recreation Director	Emma Kelley
Public Works Director	Andres Gonzalez

CITY OF LOMITA



ORGANIZATIONAL CHART



- CM & Directors (6)**
- Full-Time Employees**
- Part-Time Employees**



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Lomita
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

CITY OF LOMITA
Annual Comprehensive
Financial Report June 30, 2025



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Honorable Mayor and City Council
City of Lomita, California

Independent Auditors' Report

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Lomita, California, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City of Lomita, California's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of the City of Lomita, California, 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. 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 of Lomita, California, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 of Lomita, California'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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Lomita, California'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 of Lomita, California's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of proportionate share of the net pension liability and the schedules of contributions for the CalPERS miscellaneous pension plan, the schedule of changes in the net other postemployment benefit (OPEB) liability (asset) and related ratios, and the budgetary comparison schedules for the General Fund and Major Special Revenue Fund, identified as Required Supplementary Information (RSI) in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the RSI 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 of Lomita's basic financial statements. The combining and individual fund financial statements and schedules, and financial data schedules, 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 auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, and financial data schedules, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2025, on our consideration of the City of Lomita’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Lomita’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Lomita’s internal control over financial reporting and compliance.

Gruber and Lopez, Inc.

Gruber and Lopez, Inc.

Newport Beach, California
December 11, 2025

CITY OF LOMITA
Management's Discussion and Analysis

The following discussion and analysis of the City of Lomita's financial statements provides an overview of the financial activities for the fiscal year ended June 30, 2025. This document should be read in conjunction with the accompanying transmittal letter which can be found on pages i-v of this report, and the basic financial statements.

FINANCIAL HIGHLIGHTS

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the 2024-2025 fiscal year by \$73,306,687 (total net position). Of this amount, \$15,687,028 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased \$6,246,000. Net position of governmental activities increased \$4,754,925 and net position of business-type activities increased \$1,491,075.
- As of the close of the 2024-2025 fiscal year, the City's governmental funds reported combined fund balances of \$28,531,621, an increase of \$2,768,278 in comparison to the prior year. General Fund increased by \$2,365,196, the Measure R and Proposition C Special Revenue Funds increased by \$106,537 and \$239,352, respectively, and the Street Improvements Capital Project Fund increased by \$177,868.
- At the end of the 2024-2025 fiscal year, fund balance (the total of the committed, assigned, unassigned components of fund balance) for the General Fund was \$13,838,224, or approximately 83% of total General Fund expenditures.

USING THE ANNUAL REPORT

The annual comprehensive financial reports are comprised of three components: 1) government-wide financial statements provide information about the activities of the City as a whole, except for its fiduciary activities, 2) fund financial statements illustrate how City services were financed, as well as, what remains for future spending; these 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, and 3) notes to the financial statements. This report also contains other supplementary information.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities report information about the City as a whole. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private sector companies. All of the current fiscal year's revenues and expenses are considered regardless of when cash is received or paid.

These two statements report on the City's net position and changes in the net position. Net position, the difference between assets and liabilities, may serve over time as a useful indicator of a government's financial position. The City's change in net position increased during Fiscal Year 2024-2025 despite ongoing fiscal challenges. Consideration should also be given to other non-financial factors, such as the condition of the City's infrastructure, to assess the overall health of the City.

CITY OF LOMITA
Management's Discussion and Analysis (Continued)

The City's basic services fall into two categories: governmental and business-type activities. Governmental activities are activities generally financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services provided by the City. These activities are usually reported in enterprise funds. The City's only business-type activity is its Water utility.

The Statement of Net position and the Statement of Activities present information about governmental and business-type activities, including General Government, Public Safety, Public Works, Community Development, Cultural and Recreation and Water Enterprise. General revenues such as Property Taxes, Sales Taxes, Motor Vehicle-in-Lieu Fees, Refuse Taxes, Business License Taxes, Franchise Taxes, and Transient Occupancy Taxes financed approximately 82% of all governmental activities for the fiscal year.

The government-wide financial statements can be found on pages 13-15 of this report.

FUND FINANCIAL STATEMENTS

The Fund Financial Statements provide specific detailed information about the most significant funds. Included are the General Fund, Measure R Highway Special Revenue Fund, and Water Enterprise Fund. Smaller specific funds are reported collectively as Other Governmental Funds. Some funds are required to be established by State law; however, the City establishes many other funds to help control and manage costs for specific purposes or to demonstrate compliance with legal requirements for using certain taxes, grants, and other monies. The City currently has three types of funds – governmental, proprietary, and fiduciary funds.

Governmental Funds Most of the City's basic services are reported under governmental funds. These financial statements focus on how money flows into and out of governmental funds and the balances left at fiscal year-end that are available for future appropriation. These funds are reported using the modified accrual accounting method. Under this method, revenues are recognized in the accounting period in which they become measurable and available to finance expenses of the current fiscal period while expenses are recognized in the accounting period in which the liability is incurred. There are five different types of governmental funds: the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds.

The Governmental Fund statements provide a detailed view of the City's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or less financial resources that can be spent in the near future to finance the City's programs. The relationship (or difference) between governmental activities (reported in the Statement of Net position and Statement of Activities) and Governmental Funds are described in the reconciliation at the bottom of the fund financial statements.

The basic governmental fund financial statements can be found on pages 16-19 of this report.

Proprietary Funds This category includes enterprise and internal service funds. The City's water operations are reflected in the Water Enterprise Fund. The cost of allocating vehicle and equipment purchases to all applicable departments citywide is represented in the Equipment Replacement and Park Equipment Replacement Fund.

The basic proprietary fund financial statements can be found on pages 20-22.

CITY OF LOMITA
Management’s Discussion and Analysis (Continued)

Fiduciary Funds This fund type reflects monies held on behalf of outside entities such as the Railroad Museum Foundation, and Tom Rico Memorial Fund. These funds do not belong to the City and are not used for city government activities. Fiduciary activities are reported in separate fiduciary fund financial statements. We exclude these activities from the City’s other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used exclusively for their intended purpose.

The basic fiduciary fund financial statements can be found on pages 23-24.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25-59.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information. This required supplementary information can be found on pages 60-68 of this report.

The combining statements in connection with non-major governmental funds are presented on pages 69-76. Individual fund schedules can be found on pages 77-95.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The analysis focuses on the net position and changes in net position of the City’s governmental and business-type activities. At fiscal year-end, the City is able to report positive balances in all three categories of net position.

CITY OF LOMITA NET POSITION

	Governmental Activities		Business-type Activities		TOTAL	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 34,966,146	\$ 30,945,605	\$ 7,692,932	\$ 8,974,023	\$ 42,659,078	\$ 39,919,628
Capital assets	24,548,095	22,919,349	29,821,088	27,261,480	54,369,183	50,180,829
Total Assets:	59,514,241	53,864,954	37,514,020	36,235,503	97,028,261	90,100,457
Deferred Outflow of Resources	3,488,054	3,243,075	887,330	1,178,839	4,375,384	4,421,914
Current liabilities	2,953,996	2,301,194	1,388,858	1,231,475	4,342,854	3,532,669
Non-current liabilities	13,686,720	13,283,195	7,693,594	8,276,183	21,380,314	21,559,378
Total Liabilities:	16,640,716	15,584,389	9,082,452	9,507,658	25,723,168	25,092,047
Deferred Inflows of Resources	2,282,613	2,199,599	91,177	170,038	2,373,790	2,369,637
Net Investment in Capital						
Assets						
Restricted	24,479,319	22,807,111	24,985,979	22,078,749	49,465,298	44,885,860
Unrestricted	8,154,361	6,864,545	-	-	8,154,361	6,864,545
Total	11,445,286	9,652,385	4,241,742	5,657,897	15,687,028	15,310,282
Total Net Position:	\$ 44,078,966	\$ 39,324,041	\$ 29,227,721	\$ 27,736,646	\$ 73,306,687	\$ 67,060,687

CITY OF LOMITA
Management's Discussion and Analysis (Continued)

Net Position

The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$73,306,687 (net position).

- \$49,465,298 (67%) of net position reflects investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), net of related debt. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.
- \$8,154,361 (11%) of net position is subject to external restrictions on how they may be used.
- \$15,687,028 (22%) of unrestricted net position may be used to meet the ongoing obligations to citizens and creditors which include the net OPEB and Pension obligations.

The City's overall net position increased \$6,246,000 from the prior year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities:

Governmental Activities. The net position for governmental activities increased \$4,754,925 during the 2024-2025 fiscal year for an ending balance of \$44,078,966. General revenues for governmental activities increased from the prior year by \$1,306,113, or approximately 6.5%. The overall increase is primarily property taxes, sales & use tax, vehicle license fees, business license tax, and building & safety fees.

Expenses increased by \$1,090,340 from the prior year, or approximately 7%, primarily due to increased spending on contractual services and professional services, in community development and public works. The increase in contractual expenses is attributed to increased developmental activity within the City. Professional expenses have increased due to temporary engagement of consultants to support public work operations.

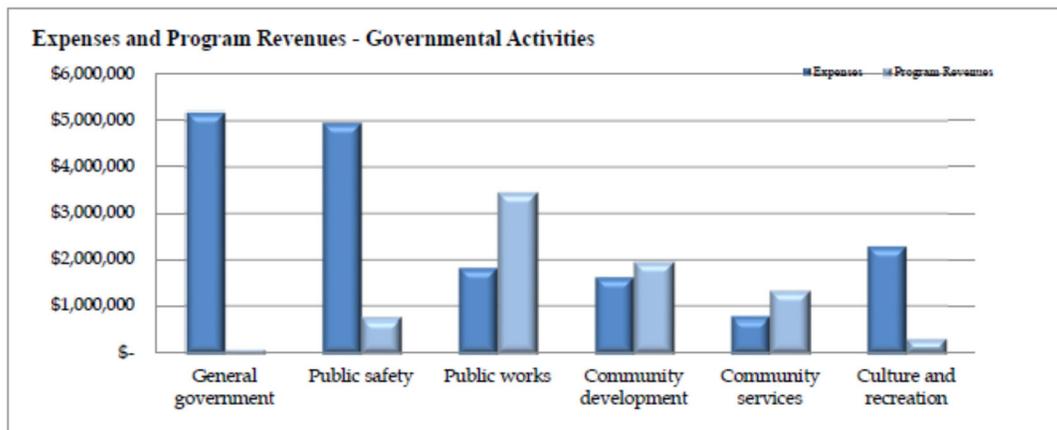
Additional information can be found in the statement of activities (Primary Government, pages 14-15).

CITY OF LOMITA
Management's Discussion and Analysis (Continued)

CITY OF LOMITA'S CHANGES IN NET POSITION

	Governmental Activities		Business -type Activities		TOTAL	
	2025	2024	2025	2024	2025	2024
Revenues:						
<i>Program Revenues:</i>						
Charges for services	\$ 3,469,524	\$ 3,126,795	\$ 7,968,377	\$ 6,972,510	\$ 11,437,901	\$ 10,099,305
Operating grants and contributions	3,751,045	3,441,655	-	-	3,751,045	3,441,655
Capital grants and contributions	559,585	548,502	-	-	559,585	548,502
<i>General Revenues:</i>						
Property taxes	2,256,481	2,093,294	-	-	2,256,481	2,093,294
Sales and other taxes	7,140,455	6,849,423	-	-	7,140,455	6,849,423
Investment income and miscellaneous	4,253,192	4,064,500	1,425,067	1,422,122	5,678,259	5,486,622
Total Revenues:	21,430,282	20,124,169	9,393,444	8,394,632	30,823,726	28,518,801
Expenses:						
General government	5,177,981	4,663,391	-	-	5,177,981	4,663,391
Public safety	4,955,004	5,010,478	-	-	4,955,004	5,010,478
Public works	1,829,339	1,868,583	-	-	1,829,339	1,868,583
Community development	1,626,446	1,371,669	-	-	1,626,446	1,371,669
Community services	792,565	836,331	-	-	792,565	836,331
Cultural and recreation	2,294,040	1,826,108	-	-	2,294,040	1,826,108
Interest	-	8,475	-	-	-	8,475
Water Enterprise operations	-	-	7,902,369	8,064,372	7,902,369	8,064,372
Total Expenses:	16,675,375	15,585,035	7,902,369	8,064,372	24,577,744	23,649,407
Increase (decrease) in Net Position before other revenues and transfers	4,754,907	4,539,134	1,491,075	330,260	6,245,982	4,869,394
Transfers	0	0	0	0		
Net position - beginning of year	39,324,041	34,784,907	27,736,646	27,406,386	67,060,687	62,191,293
Net position - end of year	\$ 44,078,948	\$ 39,324,041	\$ 29,227,721	\$ 27,736,646	\$ 73,306,669	\$ 67,060,687

Business-type Activities. The net position increased \$1,491,075 during the 2024-2025 fiscal year for an ending balance of \$29,227,721. The Water Enterprise business charges for water services to offset its operation expenses. Total revenues increased \$998,812, or approximately 12% from the prior year. In comparison to the prior fiscal year, the charges for services increased by \$995,867, or 14% due, in part, to an increase in investment income, grant revenues and water usage. Related business-type activity expenses decreased during the fiscal year by \$162,003, or 2% compared to the previous fiscal year; this decrease in expenses is a result of temporary salary savings rather than true operational savings. Expenses related to cost of water, contractual services, and repairs & maintenance continue to grow.



CITY OF LOMITA
Management's Discussion and Analysis (Continued)

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

Governmental Funds. On June 30, 2025, the City's governmental funds reported combined fund balances of \$28,531,621, an increase of \$2,768,277 in comparison with the prior year. \$1,850,066 or approximately 6.5% of this amount constitutes an unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either non-spendable, restricted, committed, or assigned to indicate that it is: (1) not in spendable form \$37,755; (2) restricted for particular purposes \$5,949,145; (3) committed for particular purposes \$5,680,280; or (4) assigned for particular purposes \$15,014,375.

The general fund is the chief operating fund of the City. At the end of the 2024-2025 fiscal year, the unassigned fund balance of the general fund was \$1,850,066, while the total fund balance increased by \$2,365,196 to \$13,838,224; the overall increase is primarily due to investment income, vehicle license fees, business license tax, franchise taxes and grant revenues. As a measure of the general fund's liquidity, it may be useful to compare both the unassigned fund balance and the total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 13% of total general fund balance, while total fund balance represents approximately 83% of the total general fund expenditures.

The Measure R and Proposition C major Special Revenue Funds, and the major Street Improvement Capital Projects fund reported fund balances of \$0, \$3,187,070, and \$2,983,040, and reported net changes in fund balances of \$106,537, \$239,352, and \$177,868, respectively.

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

Unrestricted net position of the Water Enterprise at the end of the fiscal year was \$4,241,742. The total increase in net position was \$1,491,075; this increase is a result of increased grant revenues, and water usage.

GENERAL FUND BUDGETARY HIGHLIGHTS

The revised budget estimated an increase in General Fund net change in fund balance of (\$812,243); however, the actual change in fund balance was an increase of \$2,365,196 to arrive at a total ending General Fund Balance of \$13,838,224. The overall difference in the original and final amended budgeted expenditures for the General Fund was a decrease of (\$518,875) or 3%. The final amended budgeted revenues increased from the original budgeted revenues by \$587,304 or 4%.

Revenues: In the General Fund, actual revenues were more than the amount budgeted by \$857,547 or 5%. Revenues in Licenses and permits had a significant increase over budget by \$322,449 or 22%, largely due to building & safety fees, which were \$279,356, or nearly 33%, higher than budgeted.

Expenditures: In the General Fund, actual expenditures were less than budgeted by \$2,319,892 or 14%. Actual revenues over actual departmental expenditures for the General Fund were \$3,177,439, not including transfers out.

CITY OF LOMITA
Management’s Discussion and Analysis (Continued)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The assets include a broad range of capital resources including land, buildings, equipment, furniture, vehicles, etc. Also included are public domain (infrastructure) capital assets consisting of certain improvements such as roads, streets, sidewalks, buildings, storm drains and the water main system. At the end of fiscal year 2024-2025, the City’s net capital assets total \$54,369,183 in a broad range of resources as listed below:

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

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Non-depreciable assets:						
Land	\$ 4,993,906	\$ 4,993,906	\$ 70,675	\$ 70,675	\$ 5,064,581	\$ 5,064,581
Street trees	1,650,378	1,650,378	-	-	1,650,378	\$ 1,650,378
Construction in progress	3,001,921	910,050	3,459,032	4,497,964	6,460,953	\$ 5,408,014
Total non-depreciable assets	9,646,205	7,554,334	3,529,707	4,568,639	13,175,912	12,122,973
Capital assets, being depreciated:						
Buildings/structures and improvements	803,556	984,517	-	-	803,556	984,517
Equipment and furniture	751,757	695,744	227,000	74,874	978,757	770,618
Right-to-Use - Lease Equipment	3,825	11,471	-	-	3,825	11,471
Right-to-Use - Subscription	59,321	141,235	-	-	59,321	141,235
Vehicles	385,318	336,956	290,159	77,961	675,477	414,917
Infrastructure	12,898,113	13,608,626	25,774,222	22,359,259	38,672,335	35,967,885
Total depreciable assets (net)	14,901,890	15,778,549	26,291,381	22,512,094	41,193,271	38,290,643
Total capital assets	\$ 24,548,095	\$ 23,332,883	\$ 29,821,088	\$ 27,080,733	\$ 54,369,183	\$ 50,413,616

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

- Completed phase one (1) of four (4) phases for the reconstruction of streets in zone G.
- Design for water main replacements in zone G continues.
- Pre-construction completed on the Narbonne South Pipe Replacement Project; construction of project begins in 2025-2026 fiscal year.
- Citywide School Loading Zone Study to address traffic and safety around schools continues.
- Completed emergency repair of depression along Lomita Blvd.

Additional information on the City’s capital assets can be found in Note 5 on pages 43-45 of this report.

Long-term Debt

The City currently has several long-term obligations. The City issued a bond for the first time in its history in fiscal year 2008-09 for the construction of the new Cypress Street Reservoir, and other potential capital improvements to the City’s aged water system. During fiscal year 2022, the City refinanced the water revenue bonds to take advantage of lower interest rates. Other long-term liabilities include net pension liability, compensated absences, and other post-employment benefits (OPEB).

CITY OF LOMITA
Management’s Discussion and Analysis (Continued)

CITY OF LOMITA'S OUTSTANDING DEBT

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Net pension liability	\$ 7,609,809	\$ 7,549,852	\$ 2,996,342	\$ 3,111,624	\$ 10,606,151	\$ 10,661,476
OPEB	5,591,323	5,143,750	-	-	5,591,323	5,143,750
Lease payable	3,783	7,528	-	-	3,783	7,528
Subscription leases payable	64,993	104,710	-	-	64,993	104,710
Compensated absences	579,682	650,688	273,674	411,497	853,356	1,062,185
COP Bonds payable, net of premium	-	-	4,835,109	5,182,731	4,835,109	5,182,731
	\$13,849,590	\$13,456,528	\$8,105,125	\$8,705,852	\$21,954,715	\$22,162,380

State statutes limit the amount of general obligation debt a governmental entity may issue to 3.75 percent of the average full valuation. The current debt limitation for the City is \$122,401,514, which is significantly in excess of the City’s outstanding general obligation debt of \$4,903,885.

Additional information can be found in the notes section of this report (Note 6- Long-Term Debt. pages 45-46).

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

The following economic factors currently affect the City and were considered when developing the 2024-2025 fiscal year budget:

- The performance of national, state, and primarily local economies and its impact on major revenue sources for the city of Lomita.
- The impact of inflation on the costs increase of labor, operating and maintenance materials and capital assets.
- The City’s Capital Improvement Plan (CIP) projects, aging infrastructure, and financing source options.
- The City’s current unemployment rate of 3.0 percent is 2.8 percent lower than the State’s unemployment rate of 5.8 percent. It is a 0.9 percent increase from the prior fiscal year.

REQUESTS 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 of the information provided in this report or requests for additional financial information should be addressed to the Administrative Services Department, 24300 Narbonne Avenue, Lomita, California 90717, or call (310) 325-7110.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT WIDE FINANCIAL STATEMENTS

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CITY OF LOMITA
Statement of Net Position
June 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments (note 2)	\$ 32,677,537	5,650,019	38,327,556
Receivable:			
Accounts	313,458	1,848,884	2,162,342
Taxes	142	25,021	25,163
Interest	44,854	-	44,854
Due from other governmental entities	1,892,400	-	1,892,400
Inventories	21,976	169,008	190,984
Prepaid items	15,779	-	15,779
Total current assets	<u>34,966,146</u>	<u>7,692,932</u>	<u>42,659,078</u>
Noncurrent assets:			
Capital assets (note 5):			
Non-depreciable	9,646,205	3,529,707	13,175,912
Depreciable, net	14,901,890	26,291,381	41,193,271
Total capital assets	<u>24,548,095</u>	<u>29,821,088</u>	<u>54,369,183</u>
Total noncurrent assets	<u>24,548,095</u>	<u>29,821,088</u>	<u>54,369,183</u>
Total assets	<u>59,514,241</u>	<u>37,514,020</u>	<u>97,028,261</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pensions (note 8)	2,253,553	887,330	3,140,883
OPEB (note 9)	1,234,501	-	1,234,501
Total deferred outflows of resources	<u>3,488,054</u>	<u>887,330</u>	<u>4,375,384</u>
LIABILITIES			
Current liabilities:			
Accounts payable	2,379,958	826,218	3,206,176
Accrued salaries and benefits	206,934	120,038	326,972
Interest payable	-	30,071	30,071
Deposits payable	204,234	1,000	205,234
OPEB (note 9)	276,731	-	276,731
Long-term - due within one year (note 6)	162,870	411,531	574,401
Total current liabilities	<u>3,230,727</u>	<u>1,388,858</u>	<u>4,619,585</u>
Noncurrent liabilities:			
Pension Liability (note 8)	7,609,809	2,996,342	10,606,151
OPEB (note 9)	5,314,592	-	5,314,592
Long-term - due in more than one year (note 6)	485,588	4,697,252	5,182,840
Total noncurrent liabilities	<u>13,409,989</u>	<u>7,693,594</u>	<u>21,103,583</u>
Total liabilities	<u>16,640,716</u>	<u>9,082,452</u>	<u>25,723,168</u>
DEFERRED INFLOWS OF RESOURCES			
Pensions (note 8)	231,561	91,177	322,738
OPEB (note 9)	2,051,052	-	2,051,052
Total deferred inflows of resources	<u>2,282,613</u>	<u>91,177</u>	<u>2,373,790</u>
NET POSITION			
Net investment in capital assets	24,479,319	24,985,979	49,465,298
Restricted for:			
Community development and services	2,286,201	-	2,286,201
Public safety	6,757	-	6,757
Public works	5,012,635	-	5,012,635
Cultural and recreation	848,768	-	848,768
Total restricted	<u>8,154,361</u>	<u>-</u>	<u>8,154,361</u>
Unrestricted	11,445,286	4,241,742	15,687,028
Total net position	<u>\$ 44,078,966</u>	<u>29,227,721</u>	<u>73,306,687</u>

See accompanying notes to the basic financial statements.

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

Functions/Programs	Expenses	Program Revenues			Total Program Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental activities:					
General government	\$ 5,177,981	60,000	-	-	60,000
Public safety	4,955,004	546,381	194,876	-	741,257
Public works	1,829,339	306,749	2,571,111	559,585	3,437,445
Community development	1,626,446	1,932,276	-	-	1,932,276
Community services	792,565	355,876	955,058	-	1,310,934
Cultural and recreation	2,294,040	268,242	30,000	-	298,242
Total governmental activities	<u>16,675,375</u>	<u>3,469,524</u>	<u>3,751,045</u>	<u>559,585</u>	<u>7,780,154</u>
Business-type activities:					
Water	<u>7,902,369</u>	<u>7,968,377</u>	<u>-</u>	<u>-</u>	<u>7,968,377</u>
Total business-type activities	<u>7,902,369</u>	<u>7,968,377</u>	<u>-</u>	<u>-</u>	<u>7,968,377</u>
Total primary government	<u>\$ 24,577,744</u>	<u>11,437,901</u>	<u>3,751,045</u>	<u>559,585</u>	<u>15,748,531</u>
General revenues:					
Taxes:					
Property taxes, net					
Sales taxes					
Business license tax					
Franchise taxes					
Refuse taxes					
Transient occupancy taxes					
Other taxes					
Total taxes					
Motor vehicle in-lieu, unrestricted					
Investment income (loss)					
Other revenues					
Total general revenues and transfers					
Change in net position					
Net position - beginning of year					
Net position - end of year					

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position

Primary Government

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
(5,117,981)	-	(5,117,981)
(4,213,747)	-	(4,213,747)
1,608,106	-	1,608,106
305,830	-	305,830
518,369	-	518,369
<u>(1,995,798)</u>	<u>-</u>	<u>(1,995,798)</u>
<u>(8,895,221)</u>	<u>-</u>	<u>(8,895,221)</u>
<u>-</u>	<u>66,008</u>	<u>66,008</u>
<u>-</u>	<u>66,008</u>	<u>66,008</u>
<u>(8,895,221)</u>	<u>66,008</u>	<u>(8,829,213)</u>
2,256,481	-	2,256,481
4,975,507	-	4,975,507
923,996	-	923,996
383,813	-	383,813
578,806	-	578,806
180,036	-	180,036
<u>98,297</u>	<u>-</u>	<u>98,297</u>
9,396,936	-	9,396,936
3,115,093	-	3,115,093
1,128,599	193,222	1,321,821
<u>9,518</u>	<u>1,231,845</u>	<u>1,241,363</u>
<u>13,650,146</u>	<u>1,425,067</u>	<u>15,075,213</u>
4,754,925	1,491,075	6,246,000
<u>39,324,041</u>	<u>27,736,646</u>	<u>67,060,687</u>
<u>\$ 44,078,966</u>	<u>29,227,721</u>	<u>73,306,687</u>

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FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements

Proprietary Fund Financial Statements

Fiduciary Fund Financial Statements

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

Measure R Highway Fund – Used to account for street improvement projects on a cost reimbursement basis.

Proposition C Fund – Used to account for Proposition C local return revenues received from County sales tax dollars.

Street Improvement Fund – Used to account for the acquisition, construction and improvement of street improvements and infrastructure. The projects are funded by transfers from the General Fund.

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CITY OF LOMITA

Balance Sheet

Governmental Funds

June 30, 2025

	General Fund	Special Revenue Funds		Capital Projects Fund	Non-major Governmental Funds	Total Governmental Funds
		Measure R Highway	Proposition C	Street Improvements		
ASSETS						
Cash and investments (note 2)	\$ 13,946,581	-	3,450,325	2,998,639	8,782,365	29,177,910
Receivables:						
Accounts	251,879	-	-	-	61,579	313,458
Taxes	-	-	-	-	142	142
Interest	44,854	-	-	-	-	44,854
Due from other governments	1,403,691	191,559	-	-	297,150	1,892,400
Due from other funds (note 3)	17,446	-	-	-	-	17,446
Inventory	21,976	-	-	-	-	21,976
Prepaid items	2,294	-	-	-	13,485	15,779
Total assets	<u>\$ 15,688,721</u>	<u>191,559</u>	<u>3,450,325</u>	<u>2,998,639</u>	<u>9,154,721</u>	<u>31,483,965</u>
LIABILITIES						
Accounts payable	\$ 1,473,420	-	263,255	15,599	579,897	2,332,171
Accrued liabilities	201,720	-	-	-	5,214	206,934
Deposits payable	175,357	-	-	-	28,877	204,234
Due to other funds (note 3)	-	-	-	-	17,446	17,446
Total liabilities	<u>1,850,497</u>	<u>-</u>	<u>263,255</u>	<u>15,599</u>	<u>631,434</u>	<u>2,760,785</u>
DEFERRED IN FLOWS OF RESOURCES						
Unavailable revenue	-	191,559	-	-	-	191,559
Total deferred in flows of resources	-	191,559	-	-	-	191,559
FUND BALANCES						
Nonspendable	24,270	-	-	-	13,485	37,755
Restricted	-	-	-	-	5,949,145	5,949,145
Committed	85,744	-	3,187,070	-	2,407,466	5,680,280
Assigned	11,878,144	-	-	2,983,040	153,191	15,014,375
Unassigned	1,850,066	-	-	-	-	1,850,066
Total fund balances	<u>13,838,224</u>	<u>-</u>	<u>3,187,070</u>	<u>2,983,040</u>	<u>8,523,287</u>	<u>28,531,621</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 15,688,721</u>	<u>191,559</u>	<u>3,450,325</u>	<u>2,998,639</u>	<u>9,154,721</u>	<u>31,483,965</u>

See accompanying notes to the basic financial statements.

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

Fund balances of governmental funds	\$ 28,531,621
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>	
<p>Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the governmental funds balance sheet. Excluding the internal service funds capital assets which are reported below, capital assets were adjusted as follows:</p>	
- Capital assets	42,611,073
- Accumulated depreciation	(18,616,855)
<p>Certain revenues were not available to pay for current-period expenditures and, therefore, were deferred in funds.</p>	
	191,559
<p>Internal service funds were used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The assets and liabilities of the internal service funds were included in governmental activities in the government-wide statement of net position.</p>	
	4,005,717
<p>Deferred outflows related to contributions made after the actuarial measurement date for the net pension liability.</p>	
	2,253,553
<p>Deferred inflows related to unrecognized actuarial gains and losses for the net pension liability.</p>	
	(231,561)
<p>Proportionate share of net pension liability has not been included in governmental fund activity.</p>	
	(7,609,809)
<p>Long-term liabilities (including compensated absences, lease payable, and OPEB liability) were not due and payable in the current period. Therefore, they were not reported in the governmental funds balance sheet. This amount excludes long-term liabilities reported in Internal Service funds.</p>	
	<u>(7,056,332)</u>
Net position of governmental activities	<u>\$ 44,078,966</u>

See accompanying notes to the basic financial statements.

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

	General Fund	Special Revenue Funds		Capital Projects Fund	Non-major Governmental Funds	Total Governmental Funds
		Measure R Highway	Proposition C	Street Improvements		
Revenues:						
Taxes and assessments	\$ 9,396,937	-	-	-	600,416	9,997,353
Intergovernmental	3,464,004	52,407	437,289	-	2,530,311	6,484,011
Licenses and permits	1,812,449	-	-	-	84,395	1,896,844
Charges for services	-	-	-	-	4,567	4,567
Fines and forfeitures	584,451	-	-	-	-	584,451
Investment income	1,081,214	-	103,020	84,003	252,385	1,520,622
Rental income	240,450	-	-	-	351,309	591,759
Other revenue	128,989	-	-	-	174,319	303,308
Total revenues	16,708,494	52,407	540,309	84,003	3,997,702	21,382,915
Expenditures:						
Current:						
General government	4,717,609	-	-	-	-	4,717,609
Community development	1,454,844	-	-	-	-	1,454,844
Community services	-	-	-	-	735,451	735,451
Public works	1,012,203	-	-	-	1,063,194	2,075,397
Public safety	4,945,450	-	-	-	-	4,945,450
Culture and recreation	1,986,424	-	-	-	97,007	2,083,431
Capital outlay	33,310	-	300,957	586,439	981,749	1,902,455
Total expenditures	14,149,840	-	300,957	586,439	2,877,401	17,914,637
Excess (deficiency) of revenues over (under) expenditures	2,558,654	52,407	239,352	(502,436)	1,120,301	3,468,278
Other financing sources (uses):						
Transfers in (note 4)	1,336,976	54,130	-	680,304	96,000	2,167,410
Transfers out (note 4)	(1,530,434)	-	-	-	(1,336,976)	(2,867,410)
Total other financing sources (uses)	(193,458)	54,130	-	680,304	(1,240,976)	(700,000)
Net change in fund balances	2,365,196	106,537	239,352	177,868	(120,675)	2,768,278
Fund balances (deficit), beginning of year	11,473,028	(106,537)	2,947,718	2,805,172	8,643,962	25,763,343
Fund balances, end of year	\$ 13,838,224	-	3,187,070	2,983,040	8,523,287	28,531,621

See accompanying notes to the basic financial statements.

CITY OF LOMITA
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balance to the Governmental-Wide Statement of Activities
For the Year Ended June 30, 2025

Changes in fund balances of governmental funds \$ 2,768,278

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

Governmental funds report capital outlay as expenditures. However, in the government-wide statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current year, net of disposals and internal service fund activity.

Capital outlay	2,358,768
Depreciation expense	(720,964)

To record as an expense the net change in compensated absences in the statement of activities.	71,006
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To record as an expense the net change in lease payable in the statement of activities.	43,462
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To record as an expense the net change in other post employment benefits liability in the statement of activities.	69,909
--	--------

Pension obligation expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(485,658)
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Internal service funds were used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net revenue (expense) of the internal service funds are reported with governmental activities.	<u>650,124</u>
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Change in net position of governmental activities	<u><u>\$ 4,754,925</u></u>
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See accompanying notes to financial statements.

PROPRIETARY FUND FINANCIAL STATEMENTS

Water Enterprise Fund - This fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that costs of providing water utility services to the general public on a continuing basis be financed or recovered primarily through user charges.

Internal Service Funds - This fund is used to account for the City's cost of maintenance replacing the City's capital assets. City departments are the primary users of these services and are charged a fee on a cost reimbursement basis.

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CITY OF LOMITA
Statement of Fund Net Position
Proprietary Funds
June 30, 2025

	Business-Type Activities	Governmental Activities
	Water Enterprise Fund	Internal Service Fund
ASSETS		
Current assets:		
Cash and investments (note 2)	\$ 5,650,019	3,499,627
Receivables:		
Accounts	1,848,884	-
Taxes	25,021	-
Inventories	169,008	-
Total current assets	7,692,932	3,499,627
Noncurrent assets:		
Capital assets (note 5):		
Land	70,675	-
Construction in progress	3,459,032	-
Equipment and furniture	874,955	809,509
Vehicles	-	-
Infrastructure	37,658,447	-
Less accumulated depreciation	(12,242,021)	(255,632)
Total capital assets, net	29,821,088	553,877
Total noncurrent assets	29,821,088	553,877
Total assets	37,514,020	4,053,504
DEFERRED OUTFLOWS OF RESOURCES		
Pensions (note 8)	887,330	-
Total deferred outflows of resources	887,330	-
LIABILITIES		
Current liabilities:		
Accounts payable	826,218	47,787
Accrued liabilities	120,038	-
Interest payable	30,071	-
Deposits payable	1,000	-
Bonds payable - due within one year (note 6)	356,796	-
Compensated absences - due within one year (note 6)	54,735	-
Total current liabilities	1,388,858	47,787
Noncurrent liabilities:		
Bonds payable - due in more than one year (note 6)	4,478,313	-
Pension Liability (note 8)	2,996,342	-
Compensated absences - due in more than one year (note 6)	218,939	-
Total noncurrent liabilities	7,693,594	-
Total liabilities	9,082,452	47,787
DEFERRED INFLOWS OF RESOURCES		
Pensions (note 8)	91,177	-
Total deferred inflows of resources	91,177	-
NET POSITION		
Net investment in capital assets	24,985,979	553,877
Unrestricted	4,241,742	3,451,840
Total net position	\$ 29,227,721	4,005,717

See accompanying notes to the basic financial statements.

CITY OF LOMITA
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the year ended June 30, 2025

	Business-Type Activities	Governmental Activities
	Water Enterprise Fund	Internal Service Fund
Operating revenues:		
Charges for services	\$ 7,968,377	-
Other revenues	1,231,845	-
Total operating revenues	<u>9,200,222</u>	<u>-</u>
Operating expenses:		
Cost of water purchased	3,616,511	-
Salaries, wages and benefits	2,194,546	-
Materials and supplies	172,144	-
Contractual services	544,571	32,862
Repairs and maintenance	332,442	-
Rents and leases	112,819	-
Depreciation (note 5)	784,985	64,399
Total operating expenses	<u>7,758,018</u>	<u>97,261</u>
Operating income (loss)	<u>1,442,204</u>	<u>(97,261)</u>
Non-operating revenues (expenses):		
Investment income	193,222	47,385
Interest expense and fees	(144,351)	-
Total non-operating revenues (expenses)	<u>48,871</u>	<u>47,385</u>
Income (loss) before transfers	1,491,075	(49,876)
Transfers in (note 4)	<u>-</u>	<u>700,000</u>
Change in net position	1,491,075	650,124
Net position, beginning of year	<u>27,736,646</u>	<u>3,355,593</u>
Net position, end of year	<u>\$ 29,227,721</u>	<u>4,005,717</u>

See accompanying notes to the basic financial statements.

CITY OF LOMITA
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2025

	Business-Type Activities	Governmental Activities
	Water Enterprise Fund	Internal Service Fund
Cash flows from operating activities:		
Cash received from customers and other governments	\$ 9,160,397	-
Cash paid to suppliers for goods or services	(4,738,207)	659
Cash paid to employees for services	(2,157,560)	-
Net cash provided (used by) operating activities	2,264,630	659
Cash flows from capital and related financing activities:		
Purchase, acquisition and construction of capital assets	(3,344,593)	(55,341)
Principal paid on capital debt	(341,000)	-
Interest paid on capital-related debt	(131,155)	-
Net cash provided (used by) capital and related financing activities	(3,816,748)	(55,341)
Cash flows from investing activities:		
Investment income	193,222	47,385
Net cash provided (used by) investing activities	193,222	47,385
Cash flows from non-capital activities - cash received		
(paid) from/to other funds	-	700,000
Net increase (decrease) in cash and cash equivalents	(1,358,896)	692,703
Cash and equivalents, beginning of year	7,008,915	2,806,924
Cash and equivalents, end of year	\$ 5,650,019	3,499,627
Reconciliation of operating income to net cash provided		
by operating activities:		
Operating income (loss)	\$ 1,442,204	(97,261)
Adjustments to reconcile operating income (loss)		
to net cash provided (used) by operating activities:		
Depreciation	784,985	64,399
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(51,882)	-
(Increase) decrease in taxes receivable	12,057	-
(Increase) decrease in inventories	(37,980)	-
Increase (decrease) in accounts payable	78,260	33,521
Increase (decrease) in accrued liabilities	77,443	-
Increase (decrease) in compensated absences	(137,823)	-
Increase (decrease) in net pension liability, net of deferred inflows and outflows	97,366	-
Total adjustments	822,426	97,920
Net cash provided (used) by operating activities	\$ 2,264,630	659

See accompanying notes to the basic financial statements.

CITY OF LOMITA
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FIDUCIARY FUND FINANCIAL STATEMENTS

Trust Funds - Trust funds are used to report a trust arrangement. All resources of these funds including any earnings on invested resources, must be used for specific purposes as set forth in the trust agreement. The City's trust funds are for a railroad foundation and donations for a memorial.

CITY OF LOMITA
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CITY OF LOMITA
Statement of Fiduciary Net Position
Private Purpose Trust Funds
June 30, 2025

	<u>Trust Funds</u>
ASSETS	
Current assets:	
Cash and investments (note 2)	\$ 22,813
Receivables:	
Accounts	<u>211</u>
Total assets	<u>23,024</u>
LIABILITIES	
Current liabilities:	
Accounts payable	747
Accrued liabilities	<u>16</u>
Total liabilities	<u>763</u>
NET POSITION	
Restricted for foundation	21,034
Restricted for memorial	<u>1,227</u>
Total net position	<u><u>\$ 22,261</u></u>

See accompanying notes to the basic financial statements.

CITY OF LOMITA
Statement of Changes in Fiduciary Net Position
Private Purpose Trust Funds
For the year ended June 30, 2025

	Private Purpose Trust Funds
Additions:	
Other revenues	<u>\$ 8,969</u>
Total additions	<u>8,969</u>
Deductions:	
Miscellaneous	<u>8,728</u>
Total deductions	<u>8,728</u>
Change in net position	241
Net position, beginning of year	<u>22,020</u>
Net position, end of year	<u><u>\$ 22,261</u></u>

See accompanying notes to the basic financial statements.

CITY OF LOMITA
NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2025

(1) Reporting Entity and Summary of Significant Accounting Policies

(a) Summary of Significant Accounting Policies

The basic financial statements of the City have been prepared in conformity with generally accepted accounting principles as applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The Financial Reporting Entity

The City of Lomita was incorporated June 30, 1964, under the general laws of the State of California. The City operates under a Council-Administrator form of government and provides the following services: public safety (police and fire through the County of Los Angeles), community services, engineering services, planning services, public works, general administrative services, and capital improvements.

This report includes governmental activities and business-type activities of the City of Lomita (the “primary government”), as well as, the Lomita Railroad Foundation, Inc. (Foundation), the Lomita Manor Housing Authority (the Authority), and the Lomita Public Financing Authority (PFA). The Foundation, the Authority, and the PFA all meet the definition of a component unit, and are presented on a “blended” basis as if they were part of the primary government. The PFA is not currently active. Although they are legally separate entities, the City Council serves as their governing board. The City may impose its will on the Foundation and the Authority, including the ability to appoint, hire, reassign or dismiss management. There is also a financial benefit/burden relationship between the City and the other entities.

The Lomita Railroad Museum Foundation, Inc. was formed September 17, 1990, as a non-profit organization under the laws of the State of California. The corporation was formed to assist in maintaining, enhancing, and promoting the Lomita Railroad Museum. Separate financial statements are not prepared for the Foundation.

The Lomita Manor Housing Authority was formed in 1985 as a non-profit organization to administer the local U.S. Department of Housing and Urban Development (HUD) conventional housing program. The City of Lomita contracts with an outside management company to administer this program. Separate financial statements are not prepared for the Authority.

The PFA was established to simplify the issuance of tax-exempt bonds that are issued by the City for the purpose of making lower-cost financing available for certain projects that provide a public benefit, contribute to social and economic growth, and improve the overall quality of life in the City.

CITY OF LOMITA
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(1) Reporting Entity and Summary of Significant Accounting Policies, (Continued)

(b) Basis of Accounting and Measurement Focus

The *basic financial statements* of the City are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

Financial reporting is based upon all GASB pronouncements, including the GASB Codification of Accounting and Financial Reporting Guidelines.

Government-wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government (including its blended component units). Eliminations have been made in the Statement of Activities so that certain allocated expenses are recorded only once (by the function to which they were allocated). However, general government expenses have not been allocated as indirect expenses to the various functions of the City.

Government-wide financial statements are presented using the *economic resources measurement focus* and the *accrual basis of accounting*. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. *Basis of accounting* refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with GASB Statement No. 33 government-wide activity requirements.

CITY OF LOMITA
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(1) Reporting Entity and Summary of Significant Accounting Policies, (Continued)

(b) Basis of Accounting and Measurement Focus, (Continued)

Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

Fund Financial Statements

The underlying accounting system of the City is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental 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's governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about the major fund individually and nonmajor funds in the aggregate for governmental and enterprise funds. Fiduciary statements include financial information for fiduciary funds and similar component units. Fiduciary funds of the City primarily represent assets held by the City in a custodial capacity for other individuals or organizations.

Governmental Funds

In the fund financial statements, governmental funds are presented using the *modified-accrual basis of accounting*. Their revenues are recognized when they become *measurable* and *available* as net current assets. *Measurable* means that the amounts can be estimated, or otherwise determined. *Available* means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The City uses an availability period of 60 days.

CITY OF LOMITA
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(1) Reporting Entity and Summary of Significant Accounting Policies, (Continued)

(b) Basis of Accounting and Measurement Focus, (Continued)

Sales taxes, property taxes, franchise taxes, gas taxes, motor vehicle in lieu fees, transient occupancy taxes, grants 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 to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available when cash is received by the government.

Revenue recognition is subject to the *measurable* and *available* criteria for the governmental funds in the fund financial statements. *Exchange transactions* are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). *Locally imposed derived tax revenues* are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. *Imposed nonexchange transactions* are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. *Government-mandated and voluntary nonexchange transactions* are recognized as revenues when all applicable eligibility requirements have been met.

In the fund financial statements, governmental funds are presented using the *current financial resources measurement focus*. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) 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 net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

Non-current portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus. Special reporting treatments are used to indicate; however, that they should not be considered “available spendable resources” since they do not represent net current assets.

Revenues, expenditures, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement Nos. 33 and 65 which require that local governments defer grant revenue that is not received within the City’s adopted policy of 60 days after the fiscal year ends to meet the “available” criteria of revenue recognition. Therefore recognition of governmental fund type revenue represented by non-current receivables are deferred inflow until they become current receivables. Non-current portions of other long-term receivables are offset by fund balance reserve accounts.

CITY OF LOMITA
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(1) Reporting Entity and Summary of Significant Accounting Policies, (Continued)

(b) Basis of Accounting and Measurement Focus, (Continued)

Due to the nature of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as *expenditures* in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as *other financing sources* rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

When both restricted and unrestricted resources are combined in a fund, expenses are considered to be paid first from restricted resources, and then from unrestricted resources.

Proprietary and Fiduciary Funds

The City's enterprise and internal service funds are proprietary funds. In the fund financial statements, proprietary funds are presented using the *accrual basis of accounting*. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, the proprietary fund is presented using the *economic resources measurement focus*. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies, taxes, and investment earnings result from nonexchange transactions or ancillary activities. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All expenses not meeting this definition are treated as non-operating expenses. Amounts paid to acquire capital assets are capitalized as assets in the enterprise fund financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the enterprise fund financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the enterprise fund are reported as a reduction of the related liability, rather than as an expenditure. Private-purpose trust funds are used to report a trust arrangement. All resources of these funds, including any earnings on invested resources, must be used for specific purposes.

CITY OF LOMITA
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(1) Reporting Entity and Summary of Significant Accounting Policies, (Continued)

(c) Fund Classifications

The City reports the following major funds:

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

Measure R Highway Fund – Used to account for street improvement projects on a cost reimbursement basis.

Proposition C Fund – Used to account for Proposition C local return revenues received from County sales tax dollars.

Street Improvements Fund – Used to account for the acquisition, construction and improvement of street improvements and infrastructure. The projects are funded by transfers from the General Fund.

Water Enterprise Fund – This fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that costs of providing water utility services to the general public on a continuing basis be financed or recovered primarily through user charges.

The City's fund structure also includes the following fund types:

Internal Service Fund – Internal service fund is used to account for the City's cost of maintaining and replacing the City's capital assets. City departments are the primary users of these services and are charged a fee on a cost reimbursement basis.

Fiduciary Funds – Fiduciary funds are used to report a trust arrangement for the Railroad Foundation and Tom Rico Memorial. All resources of these funds, including any earnings on invested resources, must be used for specific purposes as set forth in trust agreement.

CITY OF LOMITA
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(1) Reporting City and Summary of Significant Accounting Policies, (Continued)

(d) Fund Balances and Spending Policy

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 a spendable form, such as prepaids and inventories, items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan fund.

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

Committed – Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the government imposes upon itself at its highest level of decision making, the City Council is considered the highest authority for the City and approves such commitments through council resolutions. These committed amounts cannot be used for any other purposes unless the City Council removes or changes the specified use through council resolution.

Assigned – Assigned fund balances encompass the portion of net fund resources reflecting the government's intended use of resources that are neither restricted or committed. Assignment of resources can be done by the highest level of decision making (City Council Resolution) or by a committee or official designated for that purpose. The City Council has authorized the Director of Finance for the purpose to assign fund balance for specific departmental projects.

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

When both restricted and unrestricted resources are available for use when an expenditure is incurred, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. It is the City's policy to consider committed amounts as being reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

CITY OF LOMITA
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(1) Reporting City and Summary of Significant Accounting Policies, (Continued)

(e) Cash and Investments

Investments are reported in the accompanying balance sheet at fair value. These investments are not transferable and they have terms that are not affected by changes in market interest rates. Changes in fair value that occur during a fiscal year are recognized as *investment income* reported for that fiscal year. *Investment income* reports interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments. The City's practice is to hold investments until maturity.

As of July 1, 2015, the City adopted Governmental Accounting Standards Board ("GASB") Statement No. 72, *Fair Value Measurements and Application*. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes, applying fair value to investments, and disclosures related to all fair value measurements. The City categorized the fair value measurements for its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City follows the practice of pooling cash and investments of all funds except for funds required to be held by the outside fiscal agent under provisions of the loan payable agreement. Interest income earned on pooled cash and investments is allocated quarterly to the funds based on average monthly cash and investment balances. Interest income with cash with fiscal agent is credited directly to the related fund.

(f) Statement of Cash Flows

For purposes of the statement of cash flows the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. In addition, cash invested in the City's cash management pool is considered to be cash equivalents.

(g) Capital Assets

Capital assets (including additions to infrastructure) are recorded at cost (except for intangible right-to-use lease assets which the measurement is discussed thereafter) where historical records are available and at an estimated original cost where no historical records exist. Donated capital assets, works of art and similar items, and capital assets received in service concession arrangements are valued at acquisition value at the date of donation. Generally, capital asset purchases in excess of \$5,000 (including infrastructure) are capitalized if they have an expected useful life of one year or more. Capital assets include additions to public domain (infrastructure) general capital assets consisting of certain improvements including roads and streets, curbs, gutters and sidewalks, street lights, signs and signals, park equipment and storm drains. The City chose to value its infrastructure in its entirety (e.g., prior to 1980). Capital assets used in operations are depreciated over their

CITY OF LOMITA
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(1) Reporting City and Summary of Significant Accounting Policies, (Continued)

(g) Capital Assets, (Continued)

estimated useful lives using the straight-line method in the government – wide financial statements and in the fund financial statements of the enterprise fund. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective balance sheet. The ranges of lives used for depreciation purposes for each capital asset class are as follows:

Buildings and improvements	50 years
Leasehold improvements	10 years
Right of Use Leased Equipment/Subscriptions	3-5 years
Furniture, equipment and vehicles	3-25 years
Infrastructure - Sewer lines	25-50 years
Infrastructure – Storm drain system	20-100 years
Infrastructure - Roadways	30-100 years
Infrastructure – Waterlines	25-50 years
Infrastructure - Other	20-60 years

(h) Inventories and Prepaids

Inventories of water meters and fittings are recorded in the Water Department Enterprise Fund. Inventories in the General Fund consist of street signs. Inventories are stated at cost using the average cost method. Payments made to vendors for services that will benefit periods beyond the current fiscal year are recorded as prepaids. The City uses the consumption method when reporting prepaid items.

(i) Property Taxes

Property taxes attach as an enforceable lien on property as of the date the tax is levied. Taxes are levied annually in August, and are payable annually in two installments in November and March. The County bills and collects the property taxes and remits them to the City in installments during the year. City property tax revenues are recognized when levied to the extent that they result in current receivables in accordance with GASB Code Section P70.

The County is permitted by State Law (Proposition 13) to levy taxes at 1% of full market value (at time of purchase) and can increase the assessed value at no more than two percent per year. The City receives a share of this basic levy.

(j) Compensated Absences

The City accounts for compensated absences in accordance with GASB Statement No. 101. In governmental funds, compensated absences are recorded as expenditures in the year paid, as it is the City's policy to liquidate any unpaid vacation or sick leave at June 30 from future resources rather than currently available expendable resources. Accordingly, the entire unpaid liability for the governmental funds is recorded in the government-wide financial statements as these amounts will be liquidated from future resources.

CITY OF LOMITA
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(1) Reporting City and Summary of Significant Accounting Policies, (Continued)

(k) Deferred Outflows/ Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for *deferred outflows of resources*. This separate financial statement element, deferred outflows of resources, represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. Deferred outflows relating to the OPEB and net pension obligation reported in the government-wide statement of net position. These outflows are the results of contributions made after the measurement period, which are expensed in the following year, and of adjustment due to difference in proportions and the difference between actual contributions made and the proportionate share of the risk pool's total contributions. These amounts are deferred and amortized over the expected average remaining service life time. Deferred outflows relating to the reacquisition loss on refunding bonds reported in the government-wide statement of net position and statement of fund position for proprietary funds. These outflows are the results of difference between the reacquisition price and the net carrying amount of the refunded bonds, which are recognized as a component of interest expense over the remaining life of the bonds.

In addition to liabilities, the statement of financial position 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(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualifies for reporting in this category which are deferred inflows relating to leases, OPEB, and the net pension obligation reported in the government-wide statement of net position. These inflows are the result of the net difference between present value of future lease revenues, as well as, projected and actual earnings on OPEB and pension plan investments, respectively. The OPEB and pension amounts are deferred and amortized straight-line over a five-year period.

(l) Long-Term Debt and Interest Payable

In the Government-Wide Financial Statements, long-term debt and other long-term obligations are reported as liabilities in the appropriate activities. Bond premiums and discounts, as well as issuance costs, 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 immediately expensed in the Government-Wide Financial Statements in addition to the Proprietary and Fiduciary Fund Statements in accordance with GASBs No. 65 and 86. In the Fund Financial Statements, with the exception of advances from other funds, long-term liabilities are not presented. Consequently, long term debt is shown as a reconciling item in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.

CITY OF LOMITA
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

(1) Reporting City and Summary of Significant Accounting Policies, (Continued)

(l) Long-Term Debt and Interest Payable, (Continued)

In the Government-Wide Financial Statements, interest payable on long-term debt is recognized as the liability is incurred for governmental activities and business-type activities. In the Fund Financial Statements, only propriety fund types recognize the interest payable when the liability is incurred.

(m) Net Position Flow Assumption

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

In the Government-Wide Financial Statements, net position are classified in the following categories: *Net Investment in Capital Assets* consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Position are restricted by external creditors, grantors, contributors, laws or regulations of other governments. Unrestricted Net position is all net position that do not meet the definition of “invested in capital assets, net of related debt” or “restricted net position.”

(n) Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. In addition, estimates affect the reported amount of expenses. Actual results could differ from these estimates and assumptions.

(o) Pensions

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

CITY OF LOMITA
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(1) Reporting City and Summary of Significant Accounting Policies, (Continued)

(p) New Accounting Pronouncements

For the year ended June 30, 2025, the financial statements include the adoption of GASB Statement No. 101, *Compensated Absences*. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The cumulative effect of adopting this standard was not significant, hence, no restatement of beginning net position was required.

The City also adopted GASB Statement No. 102, *Certain Risk Exposures* during the current year, however, its adoption did not have a significant effect on the financial statements.

(q) Leases and Subscription Agreements

Lessee: The City is a lessee for a noncancellable lease of equipment and software subscriptions. The City recognizes a lease or subscription agreement liability and an intangible right-to-use lease or subscription agreement asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease or subscription agreement, the City initially measures the lease liability at the present value of payments expected to be made during the lease or subscription agreement term. Subsequently, the liability is reduced by the principal portion of payments made. The lease or subscription agreement asset is initially measured as the initial amount of the liability, adjusted for payments made at or before the commencement date, plus certain initial direct costs. Subsequently, the asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) payments. The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases. The term includes the noncancellable period of the lease. Lease payments included in the measurement of the liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

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

Lease or subscription agreement assets are reported with other capital assets and lease or subscription agreement liabilities are reported with long-term debt on the Statement of Net Position.

CITY OF LOMITA
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(1) Reporting City and Summary of Significant Accounting Policies, (Continued)

(q) Leases, (Continued)

Lessor: The City is a lessor for a noncancellable leases of a portion of real property, as well as, building and roof space. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key elements and judgement include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The City uses it estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included In the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

(2) Cash and Investments

Cash and investments at June 30, 2025 are reported as follows in the financial statements:

Statement of net position:	
Cash and investments	\$38,327,556
Statement of fiduciary net position:	
Cash and investments	<u>22,813</u>
	<u>\$38,350,369</u>

CITY OF LOMITA
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(2) Cash and Investments, (Continued)

Cash and investments at June 30, 2025 consisted of the following:

Petty cash	\$ 1,550
Demand deposits held by City	5,950,275
Investments:	
Money market	12,100
Negotiable certificates of deposits	17,255,692
US Treasury Notes	2,475,964
US Government Bonds	5,615,323
Corporate Bonds	2,940,540
Local Agency Investment Fund	<u>4,098,925</u>
Total cash and investments	<u>\$38,350,369</u>

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

The table below identifies the investment types that are authorized for the City by the California Government Code and the City's investment policy. The table also identifies certain provisions of the California Government Code (or the City's investment policy, if more restrictive) that address interest rate risk and concentration of credit risk.

<u>Investment Types</u> <u>Authorized by State Law</u>	<u>Authorized</u> <u>By Investment</u> <u>Policy</u>	<u>*Maximum</u> <u>*Maximum</u> <u>Maturity</u>	<u>*Maximum</u> <u>Percentage</u> <u>Of Portfolio</u>	<u>*Maximum</u> <u>Investment</u> <u>in One Issuer</u>
Local Agency Bonds	No	5 years	None	None
U.S. Treasury Bills	Yes	None	60%	None
U.S. Treasury Notes	Yes	5 years	40%	None
U.S. Agency Securities	Yes	5 years	20%	None
Banker's Acceptances	Yes	180 days	10%	None
Commercial Paper	Yes	180 days	10%	10%
Negotiable Certificates of Deposit	Yes	5 years	50%	None
Repurchase Agreements	No	1 year	None	None
Passbook savings demand deposits	Yes	5 years	None	None
Reverse Repurchase Agreements	No	92 days	20% of base value	None
Medium-Term Notes	Yes	5 years	30%	None
Mutual Funds that invest only in State of California authorized investments	Yes	5 years	20% combined	None
SEC registered Money Market Mutual Funds	Yes	5 years		None
Local Agency Investment Fund (LAIF)	Yes	5 years	\$40,000,000	None

* Based on state law requirements or investment policy requirements, whichever is more restrictive.

CITY OF LOMITA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(2) Cash and Investments, (Continued)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates 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 market interest rates. One of the ways that the City 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.

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

<u>Investment Type</u>		<u>Remaining Maturity (in Years)</u>			
		<u>1 Year Or less</u>	<u>1 to 2 Years</u>	<u>2 to 3 Years</u>	<u>3 to 5 Years</u>
Money market	\$ 12,100	12,100	-	-	-
Negotiable Certificates of Deposit	17,255,692	3,914,983	4,397,314	2,757,102	6,186,293
US Treasury Notes	2,475,964	1,002,090	-	-	1,473,874
US Government Bonds	5,615,323	1,224,515	1,467,753	749,020	2,174,035
Corporate Bonds	2,940,540	1,456,785	481,125	-	1,002,630
LAIF	<u>4,098,925</u>	<u>4,098,925</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 32,398,544</u>	<u>11,709,398</u>	<u>6,346,192</u>	<u>3,506,122</u>	<u>10,836,832</u>

Fair Value Classifications

Fair value measurements are categorized based on the valuation inputs used to measure fair value: Level 1 inputs are quoted prices in active markets for identical asset assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments categorized as Level 2 are valued using the valuation multiple approach which uses prices in observed transactions (i.e. comparable market prices) at the end of the fiscal year.

CITY OF LOMITA
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(2) Cash and Investments, (Continued)

Investments' fair value measurements are as follows as of June 30, 2025:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money market	\$ 12,100	12,100	-	-
Negotiable Certificates of Deposit	17,255,692	-	17,255,692	-
US Treasury Notes	2,475,964	-	2,475,964	-
US Government Bonds	5,615,323	-	5,615,323	-
Corporate Bonds	<u>2,940,540</u>	<u>-</u>	<u>2,940,540</u>	<u>-</u>
Subtotal	<u>28,299,619</u>	<u>12,100</u>	<u>28,287,519</u>	<u>-</u>
LAIF	<u>4,098,925</u>			
Total Leveled Investments	<u>\$32,398,544</u>			

Investments in LAIF are uncategorized as deposit and withdrawals are made on the basis of \$1 and not fair value.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of year end for each investment type.

<u>Investment Type</u>		Minimum Legal <u>Rating</u>	<u>Ratings as of Year End</u>			Not rated Exempt from <u>Disclosure</u>
			<u>AA+</u>	<u>A-</u>	<u>BBB+</u>	
Money market	\$ 12,100	N/A	-	-	-	12,100
Negotiable Certificates of Deposit	17,255,692	N/A	-	-	-	17,255,692
US Treasury Notes	2,475,964	N/A	2,475,964	-	-	-
US Government Bonds	5,615,323	N/A	5,615,323	-	-	-
Corporate Bonds	2,940,540	N/A	-	2,454,575	485,965	-
LAIF	<u>4,098,925</u>	N/A	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,098,925</u>
Total	<u>\$32,398,544</u>		<u>8,091,287</u>	<u>2,454,575</u>	<u>485,965</u>	<u>21,366,717</u>

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The city had no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments.

CITY OF LOMITA
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(2) Cash and Investments, (Continued)

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. In the current fiscal year, none of the City's deposits with financial institutions in excess of federal depository insurance limits were held in collateralized accounts. The City may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The City has not agreed to such a waiver.

Investments in State Investment Pool

The City is a participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

LAIF had the following limitations:

- Agencies are limited to a deposit amount of \$75 million.
- Please provide LAIF one day prior notice for deposits and withdrawals of \$10 million or more.
- Minimum \$5,000 transaction amount in increments of \$1,000.
- Maximum 15 transactions (combination of deposits and withdrawals) per month.

CITY OF LOMITA
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(3) Interfund Balances

Interfund balances at June 30, 2025 consisted of the following:

<u>Due To Other Funds:</u>		
<u>Due From Other Funds:</u>	Non-major Governmental <u>Funds</u>	<u>Total</u>
General Fund	<u>\$17,446</u>	<u>\$17,446</u>

The interfund balances were to eliminate negative cash balances in major and non-major special revenue funds.

(4) Interfund Transfers

Interfund transfers at June 30, 2025 consisted of the following:

	<u>Transfers In:</u>					<u>Total</u>
	<u>General Fund</u>	<u>Measure R Highway</u>	<u>Street Improvement Fund</u>	<u>Non-major Governmental Funds</u>	<u>Internal Service Fund</u>	
<u>Transfers Out:</u>						
General Fund	\$ -	54,130	680,304	96,000	700,000	1,530,434
Non-major Governmental Funds	<u>1,336,976</u>	-	-	-	-	<u>1,336,976</u>
Total	<u>\$1,336,976</u>	<u>54,130</u>	<u>680,304</u>	<u>96,000</u>	<u>700,000</u>	<u>2,867,410</u>

Transfers from the General Fund to the Internal Service fund in the amount of \$700,000 were for internal charges on equipment. Transfers of \$54,130, \$680,304, and \$96,000 from the General Fund were to subsidize the Measure R Highway, Street Improvement Fund and Non-major Governmental Funds for capital related projects and program reimbursements, respectively. A transfer of \$1,336,976 from a Non-major Governmental Fund were to subsidize law enforcement costs in the General Fund.

CITY OF LOMITA
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(5) Capital Assets

Capital asset activity for the year ended June 30, 2025 was as follows:

Governmental Activities:

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Non-depreciable:				
Land	\$ 4,993,906	-	-	4,993,906
Construction in process	910,050	2,180,468	88,597	3,001,921
Street trees	<u>1,650,378</u>	<u>-</u>	<u>-</u>	<u>1,650,378</u>
Total non-depreciable	<u>7,554,334</u>	<u>2,180,468</u>	<u>88,597</u>	<u>9,646,205</u>
Depreciable:				
Buildings	4,523,989	-	-	4,523,989
Equipment and furniture	1,314,676	95,819	34,708	1,375,787
Right-to-use – Leased Equipment	19,117	-	-	19,117
Right-to-use – Subscription	182,735	-	-	182,735
Vehicles	661,794	-	-	661,794
Infrastructure	<u>26,784,536</u>	<u>226,419</u>	<u>-</u>	<u>27,010,955</u>
Total depreciable capital assets	<u>33,486,847</u>	<u>322,238</u>	<u>34,708</u>	<u>33,774,377</u>
Less accumulated depreciation for:				
Buildings	3,629,952	90,481	-	3,720,433
Equipment and furniture	577,811	80,927	34,708	624,030
Right-to-use – Leased Equipment	11,469	3,823	-	15,292
Right-to-use – Subscription	86,500	36,914	-	123,414
Vehicles	227,539	48,937	-	276,476
Infrastructure	<u>13,588,561</u>	<u>524,281</u>	<u>-</u>	<u>14,112,842</u>
Total accumulated depreciation	<u>18,121,832</u>	<u>785,363</u>	<u>34,708</u>	<u>18,872,487</u>
Total depreciable capital assets, net	<u>15,365,015</u>	<u>(463,125)</u>	<u>-</u>	<u>14,901,890</u>
Total capital assets, net	<u>\$22,919,349</u>	<u>1,717,343</u>	<u>88,597</u>	<u>24,548,095</u>

CITY OF LOMITA
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(5) Capital Assets, (Continued)

Business-type Activities:

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Non-depreciable:				
Land	\$ 70,675	-	-	70,675
Construction in process	<u>5,279,420</u>	<u>2,499,529</u>	<u>4,319,917</u>	<u>3,459,032</u>
Total non-depreciable	<u>5,350,095</u>	<u>2,499,529</u>	<u>4,319,917</u>	<u>3,529,707</u>
Depreciable:				
Equipment and furniture	395,206	64,443	3,452	456,197
Vehicles	180,276	238,482	-	418,758
Infrastructure	<u>32,796,391</u>	<u>4,872,260</u>	<u>10,204</u>	<u>37,658,447</u>
Total depreciable capital assets	<u>33,371,873</u>	<u>5,175,185</u>	<u>13,656</u>	<u>38,533,402</u>
Less accumulated depreciation for:				
Equipment and furniture	206,598	26,051	3,452	229,197
Vehicles	113,469	15,130	-	128,599
Infrastructure	<u>11,140,421</u>	<u>743,804</u>	<u>-</u>	<u>11,884,225</u>
Total accumulated depreciation	<u>11,460,488</u>	<u>784,985</u>	<u>3,452</u>	<u>12,242,021</u>
Total depreciable capital assets, net	<u>21,911,385</u>	<u>4,390,200</u>	<u>10,204</u>	<u>26,291,381</u>
Total capital assets, net	<u>\$27,261,480</u>	<u>6,889,729</u>	<u>4,330,121</u>	<u>29,821,088</u>

	<u>Expenditures Spent-to-date</u>	<u>Remaining Commitment</u>
Construction commitments:		
Governmental activities- street projects:		
Street Reconstruction – Zone G	\$ 1,428,122	\$1,971,878
Lomita/Narbonne Intersection	115,076	767,924
Narbonne South Street Reconstruction	124,466	475,534
Business-type activities-water capital improvements:		
Narbonne South Pipe Replacement	94,205	1,350,795
Cypress Water Production Upgrade	4,872,261	127,739
246 th -247 th Pl - Western	1,955,888	-

CITY OF LOMITA
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(5) Capital Assets, (Continued)

Depreciation expense was charged in the following functions in the Statement of Activities:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
General Government	\$334,790	-
Community Development	103,245	-
Community Services	52,192	-
Public Works	147,283	-
Culture and Recreation	147,853	-
Water	<u>-</u>	<u>784,985</u>
Total	<u>\$785,363</u>	<u>784,985</u>

(6) Long-term Liabilities

Long-term liability activity for the year ended June 30, 2025 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Amounts Due within One Year</u>
Governmental Activities:					
Lease payable	\$ 7,528	-	3,745	3,783	3,783
Subscription Lease payable	104,710	-	39,717	64,993	43,151
Compensated absences (1)	<u>650,687</u>	<u>-</u>	<u>71,005</u> *	<u>579,682</u>	<u>115,936</u>
Total governmental activities	<u>\$ 762,925</u>	<u>-</u>	<u>114,467</u>	<u>648,458</u>	<u>162,870</u>
Business-type Activities:					
Bonds payable:					
Bonds, series 2021	5,084,000	-	341,000	4,743,000	350,000
Bond premium	98,731	-	6,622	92,109	6,796
Compensated absences (2)	<u>411,497</u>	<u>-</u>	<u>137,823</u> *	<u>273,674</u>	<u>54,735</u>
Total business-type activities	<u>5,594,228</u>	<u>-</u>	<u>485,445</u>	<u>5,108,783</u>	<u>411,531</u>
Total	<u>\$ 6,357,153</u>	<u>-</u>	<u>599,912</u>	<u>5,757,241</u>	<u>574,401</u>

(1) Compensated absences for government activities have typically been liquidated by the General Fund.

(2) Compensated absences for business-type activities have typically been liquidated by the Water Fund.

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

CITY OF LOMITA
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(6) Long-term Liabilities, (Continued)

2021 Water Revenue Refunding Bonds:

On July 15, 2021, the City issued the 2021 Water Revenue Refunding Bonds in the amount of \$6,081,000 to refinance the 2016 Water Revenue Refunding Bonds in the amount of \$5,995,000. The purpose of the original 2008 bond issue was for capital improvements to the City’s water system (2008 Project). Principal payments are due in annual installments ranging from \$337,000 to \$450,000, commencing June 1, 2022 through June 1, 2037. The bonds accrue interest at a rate of 2.42%. Interest on the bonds is payable semiannually on June 1 and December 1, commencing on December 1, 2021. The bonds are payable solely from the net revenues of the water system of the city. Principal and interest paid for the current year, and net revenues were \$461,952 and \$2,082,809, respectively. At June 30, 2025, the ratio of the debt service payments due to the net revenues during fiscal year 2025 was .22 (22%). Upon default by the City as defined in the bonds’ installment purchase agreement, the Authority will declare the unpaid principal and accrued interest due and payable immediately.

The bond agreement for the Water Revenue Refunding Bonds requires the city to pledge its annual net revenues (defined as total revenues (including interest and gains) for the fiscal year less operation and maintenance costs (excluding depreciation and amortization)) in an amount equal to at least 125% of the annual debt service requirement for each fiscal year through final maturity of the bonds on June 1, 2037 or early retirement of the bonds, whichever first occurs. The amount of annual net revenues equaled 360% of the annual debt service requirement in fiscal year 2025. As of June 30, 2025, the amount of the bonds outstanding was \$4,743,000 and the City’s legal debt margin was \$122,401,514.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 350,000	112,663	462,663
2027	359,000	104,133	463,133
2028	367,000	95,396	462,396
2029	380,000	86,430	466,430
2030	389,000	77,186	466,186
2031-2035	2,083,000	239,674	2,322,674
2036-2037	<u>815,000</u>	<u>23,534</u>	<u>838,534</u>
Total	<u>\$4,743,000</u>	<u>739,016</u>	<u>5,482,016</u>

CITY OF LOMITA
 NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(7) Leases

Leases Payable

In January 2022, the City entered into a five-year lease agreement as lessee for the acquisition and use of equipment. An initial lease liability was recorded in the amount of \$18,724 during the fiscal year. As of June 30, 2025, the value of the lease liability was \$3,783. The City is required to make monthly principal and interest payments of \$319 for the equipment. The lease has an interest rate of 1.05%. The equipment has a five-year estimated useful life. The value of the right-to-use asset as of June 30, 2025 was \$19,117 less accumulated amortization of \$15,292.

Subscription Agreements Payable

In September 2022, the City entered into a 60 month subscription for the use of budgeting software. An initial subscription liability was recorded in the amount of \$90,910. As of June 30, 2025, the value of the subscription liability is \$41,408. The City is required to make annual fixed payments ranging from \$20,000 to \$23,000. The subscription has an interest rate of 6.0%. The value of the right to use asset as of June 30, 2025 was \$90,910 less accumulated amortization of \$51,182.

In May 2022, the City entered into a 60 month subscription for the use of license and permit software. An initial subscription liability was recorded in the amount of \$91,825. As of June 30, 2025, the value of the subscription liability is \$23,585. The City is required to make annual fixed payments of \$25,000. The subscription has an interest rate of 6.0%. The value of the right to use asset as of June 30, 2025 was \$91,825 less accumulated amortization of \$72,232.

The following future principal and interest payments on the leases payable and subscription agreements payable for June 30 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 46,934	3,939	50,873
2027	<u>21,842</u>	<u>1,311</u>	<u>23,153</u>
Total	<u>\$68,776</u>	<u>5,250</u>	<u>74,026</u>

CITY OF LOMITA
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(8) Defined Benefit Pension Plans

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

Benefits Provided: CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 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.

The Public Employees' Pension Reform Act of 2013 (PEPRA) requires new benefits and member contributions for new members as defined by PEPRA, that are hired after January 1, 2013. These PEPRA members in pooled plans are reflected in the new Miscellaneous and Safety risk pools created by the CalPERS Board in response to the passage of PEPRA, beginning with the June 30, 2013, risk-pool valuations.

CITY OF LOMITA
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(8) Defined Benefit Pension Plans, (Continued)

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

	Miscellaneous		
	Prior to February 28, 2012	February 28, 2012 to January 31, 2013	On or after January 31, 2013
Hire Date			
Benefit formula	2.5% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50-55	50-63	52 - 67
Monthly benefits, as a % of compensation	2.0% to 2.5%	1.092% to 2.418%	1.0% to 2.5%
Required employee contribution rates	8.00%	7.00%	6.75%
Required contribution rates:			
Normal cost rate	14.06%	10.10%	7.68%
Payment of unfunded liability	\$959,179	\$15,608	\$14,392

Contributions: Section 20814(c) of the California Public Employees' Retirement Law 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. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City of Lomita is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Contributions to the pension plan were \$1,089,551 for the year ended June 30, 2025.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - As of June 30, 2025, the City of Lomita reported net pension liabilities for its proportionate shares of the net pension liability of \$10,606,151.

The City's net pension liability for the Miscellaneous Plan is measured as the proportionate share of the net pension liability of the collective cost-sharing plan. The City's net pension liability of the Plan is measured as of June 30, 2024, and the total pension liability for the Miscellaneous Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024, using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Miscellaneous Plan as of the June 30, 2023 and 2024 measurement dates was as follows:

Proportion – June 30, 2023	0.21321%
Proportion – June 30, 2024	<u>0.21929%</u>
Change – Increase/(Decrease)	<u>0.00608%</u>

CITY OF LOMITA
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(8) Defined Benefit Pension Plans, (Continued)

For the year ended June 30, 2025, the City of Lomita recognized pension expense of \$1,837,880. At June 30, 2025, the City of Lomita reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 1,254,856	\$ -
Difference between expected and actual experience	916,999	(35,781)
Changes in proportions	-	(233,237)
Difference between actual and projected contributions	85,845	(53,720)
Difference between actual and projected Investment earnings	610,583	-
Changes in assumptions	272,600	-
Total	\$3,140,883	\$ (322,738)

\$1,254,856 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2026	\$ 430,265
2027	1,340,366
2028	1,899
2029	(209,241)
Total	\$ 1,563,289

CITY OF LOMITA
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(8) Defined Benefit Pension Plans, (Continued)

Actuarial Assumptions – The total pension liabilities in the June 30, 2024 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.75%
Payroll Growth	3.0%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	7.375% (1)
Mortality	(2)

(1) Net of pension plan investment expenses, including inflation.

(2) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale AA.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2016 valuation were based on the results of a actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the City's contributions will be made at rates equal to the difference between actuarially determined contributions rates and the employee rate. Based on those assumptions, each pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

CITY OF LOMITA
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(8) Defined Benefit Pension Plans, (Continued)

Asset Class	Assumed Asset Allocation	Real Return 1-10 (a)(b)
Global equity-Cap-weighted	30.0%	4.54%
Global equity-Non-Cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	27.00%
Mortgage-backed Securities	5.0%	50.00%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	(5.0%)	(59.00)%
Total	100%	

- (a) An expected inflation of 2.30% used for this period.
(b) Figures are based on the 2021 Asset Liability Management study.

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, calculated using the discount rate of 6.90 percent, as well as what the City’s proportionate share of net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.90 percent), or 1-percentage point higher (7.90 percent), than the current rate:

	<u>Miscellaneous</u>
1% Decrease	5.90%
Net Pension Liability	\$15,585,365
Current Discount Rate	6.90%
Net Pension Liability	\$10,606,151
1% Increase	7.90%
Net Pension Liability	\$6,507,526

CITY OF LOMITA
 NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(9) Other Post Employment Benefits (OPEB)

Plan Description - In addition to the pension benefits described above, the City provides retiree health insurance benefits. The City contracts with the Public Employee’s Retirement System to provide benefits to retirees under the Employees’ Hospital and Medical Care Act. Employees who retire from the City may elect to continue their medical insurance through the available PERS plans. When retirees reach 65, they must enroll on Medicare and then may select a Medicare supplemental plan through the PERS insurance plans. This is a defined, single employer benefit plan with the City paying the minimum allowed contribution and the employees paying the balance of the selected plan premium. Changes to the plan require a resolution approved by the City Council and submitted to PERS.

Employee Covered – As of June 30, 2025 actuarial valuation, the following current and former employees were covered by the benefit terms under the plan:

Active employees	52
Inactive employees or beneficiaries currently receiving benefits	29
Inactive employees entitled to, but not yet receiving benefits	-
Total	<u>81</u>

Contributions - Currently, the City funds retiree healthcare benefits on a pay-as-you-go basis. The City recognizes expenditure for its share of the annual premiums as these benefits become due. For fiscal year 2024-2025, the City paid \$249,205 for benefits of 29 retired employees.

Net OPEB Liability - The City of Lomita net OPEB liability was measured as of June 30, 2025 and the total OPEB liability used to calculate the net OEPB liability was determined by an actuarial valuation date June 30, 2025 that was rolled forward to determine the June 30, 2025 total OPEB liability, based on the following actuarial methods and assumptions:

Actuarial Assumptions:

Discount Rate	4.71%
Projected Salary Increase	2.80%
General Inflation	2.30%
Mortality	Varies (1)

(1) The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2017 valuation were based on the results of a actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

CITY OF LOMITA
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(9) Other Post Employment Benefits (OPEB), (Continued)

Discount Rate – The discount rate used to measure the OPEB liability was 4.71 percent, which was based on the published change in return for the applicable municipal bond index.

The Changes in the net OPEB liability for the plan are as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/ (Asset) (c)=(a)-(b)
Balance at Fiscal Year Ending 6/30/24 <i>Measurement Date 6/30/24</i>	\$5,143,750	\$ -	\$5,143,750
Changes During the Period:			
Service Cost	139,065	-	139,065
Interest Cost	204,781	-	204,781
Expected Investment Income	-	-	-
Employer Contributions	-	249,205	(249,206)
Changes of Benefit Terms	-	-	-
Benefit Payments	(249,205)	(249,205)	-
Assumption Changes	(713,998)	-	(713,998)
Plan Experience	1,066,930	-	1,066,930
Investment Experience	-	-	-
Recognized Deferred Resources	-	-	-
Employer Contributions Subsequent to Measurement Date	-	-	-
Net Changes in Fiscal Year 2024-25	447,573	-	447,573
Balance at Fiscal Year Ending 6/30/25 <i>Measurement Date 6/30/25</i>	\$5,591,323	\$ -	\$5,591,323

Sensitivity of the Proportionate Share of the OPEB Liability to Changes in the Discount Rate – The following presents the City of Lomita’s’ OPEB liability, calculated using the discount rate, as well as what the City’s OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease OPEB Liability	3.71% \$6,340,174
Current Discount Rate OPEB Liability	4.71% \$5,591,323
1% Increase OPEB Liability	5.71% \$4,974,032

CITY OF LOMITA
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(9) Other Post Employment Benefits (OPEB), (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trends – The following presents the net OPEB liability of the City of Lomita if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for the measurement period June 30, 2024:

1% Decrease	6.9% decreasing to 3.04%
OPEB Liability	\$4,950,551
Current Healthcare Rate	7.9% decreasing to 4.04%
OPEB Liability	\$5,591,323
1% Increase	8.9% decreasing to 5.04%
OPEB Liability	\$6,380,017

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB – For the fiscal year ended June 30, 2025, the City of Lomita recognized OPEB expense of \$179,295. As of the fiscal year ended June 30, 2025, the City of Lomita reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in assumptions	\$ 263,740	(1,463,646)
Differences between expected and actuarial experience in measurement of the Total OPEB Liability	970,761	(587,406)
Total	\$ 1,234,501	(2,051,052)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2026	\$ (164,551)
2027	(164,551)
2028	(164,551)
2029	(209,523)
2030	(210,041)
Thereafter	96,660
	\$ (816,557)

(10) Risk Management

A. Description of Self-Insurance Pool Pursuant to Joint Powers Agreement: The City of Lomita is a member of the CALIFORNIA JOINT POWERS INSURANCE AUTHORITY (Authority). The Authority is composed of 126 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA

CITY OF LOMITA
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(10) Risk Management, (Continued)

began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

B. Primary Self-Insurance Programs of the Authority: Each member pays an annual contribution at the beginning of the coverage period. A retrospective adjustment is then conducted annually thereafter, for coverage years 2012-13 and prior. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment. The total funding requirement for primary self insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

Primary Liability Program: Claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$100,000 to \$500,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$500,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers. The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses also have a \$50 million per occurrence limit. The coverage structure is composed of a combination of pooled self-insurance, reinsurance, and excess insurance. Additional information concerning the coverage structure is available on the Authority's website: <https://cjpia.org/coverage/risk-sharing-pools/>.

Primary Workers' Compensation Program: Claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$75,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$75,000 to \$200,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$200,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers. For 2024-25 the Authority's pooled retention is \$1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

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

Property Insurance: The City of Lomita participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Lomita

CITY OF LOMITA
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(10) Risk Management, (Continued)

property is currently insured according to a schedule of covered property submitted by the City of Lomita to the Authority. City of Lomita property currently has all-risk property insurance protection in the amount of \$42,665,627. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

Earthquake and Flood Insurance: The City of Lomita purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. City of Lomita property currently has earthquake protection in the amount of \$8,132,758. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000.

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

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

D. Adequacy of Protection: During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2024-25.

(11) Commitments and Contingencies

- A. *Lawsuits in the Normal Course of Business:* The City is presently involved in certain matters of litigation that have arisen in the normal course of conducting City business. City management believes, based upon consultation with the City Attorney, that these cases, in the aggregate, are not expected to result in a material adverse financial impact on the City. Additionally, City management believes that the City's insurance programs are sufficient to cover any potential losses should an unfavorable outcome materialize.
- B. *Federal and State Grant Programs:* The City participates in several federal and state grant programs. These programs have been audited by the City's independent auditors in accordance with the provisions of the federal Single Audit Act, as amended and applicable state requirements. No cost disallowances were proposed as a result of these audits. However, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time.

CITY OF LOMITA
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(12) Classification of Fund Balances

The City follows the provisions of GASB Statement No. 54, "Fund Balance and Governmental Fund Type Definitions. GASB 54 established fund balance classification based largely upon the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The governmental fund statements conform to the new classification and are summarized as follows as of June 30, 2025:

	<u>Special Revenue Funds</u>			<u>Capital Project Fund</u>	<u>Non-major Governmental Funds</u>	<u>Totals</u>
	<u>General Fund</u>	<u>Measure R Highway</u>	<u>Proposition C</u>	<u>Street Improvement</u>		
<i>Nonspendable</i>						
Prepays	\$ 2,294	-	-	-	13,485	15,779
Inventory	<u>21,976</u>	-	-	-	-	<u>21,976</u>
Total Nonspendable	<u>24,270</u>	-	-	-	<u>13,485</u>	<u>37,755</u>
<i>Restricted</i>						
Street Maintenance	-	-	-	-	2,327,273	2,327,273
Public Transportation	-	-	-	-	1,478,143	1,478,143
Clean Air Act Programs	-	-	-	-	103,502	103,502
Safe Clean Water Program	-	-	-	-	368,926	368,926
Landscape Maintenance	-	-	-	-	21,204	21,204
Park Improvement	-	-	-	-	688,868	688,868
Park Athletic Program	-	-	-	-	159,901	159,901
Low Mod Housing & CDBG	-	-	-	-	794,572	794,572
Law Enforcement, CLEEP	-	-	-	-	<u>6,757</u>	<u>6,757</u>
Total Restricted	-	-	-	-	<u>5,949,145</u>	<u>5,949,145</u>
<i>Committed</i>						
Street Improvement	-	-	3,187,070	-	2,407,466	5,594,435
Stephenson Center	<u>85,744</u>	-	-	-	-	<u>85,744</u>
Total Committed	<u>85,744</u>	-	<u>3,187,070</u>	-	<u>2,407,466</u>	<u>5,680,280</u>
<i>Assigned</i>						
Facilities Improvement	3,263,508	-	-	-	-	3,263,508
Capital Improvement	-	-	-	-	153,191	153,191
Street Improvement	-	-	-	2,983,040	-	2,983,040
Reserve Appropriations	5,000,000	-	-	-	-	5,000,000
Economic Stabilization	500,000	-	-	-	-	500,000
OPEB Trust	272,932	-	-	-	-	272,932
Economic Development	746,507	-	-	-	-	746,507
General Plan Update	662,551	-	-	-	-	622,551
Pension Stabilization	<u>1,432,646</u>	-	-	-	-	<u>1,432,646</u>
Total Assigned	<u>11,878,144</u>	-	-	<u>2,983,040</u>	<u>153,191</u>	<u>15,014,375</u>
<i>Unassigned</i>	<u>1,850,066</u>	-	-	-	-	<u>1,850,066</u>
Totals	<u>\$13,838,224</u>	<u>-</u>	<u>3,187,070</u>	<u>2,983,040</u>	<u>8,523,287</u>	<u>28,531,621</u>

CITY OF LOMITA
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(13) Other Required Disclosures

Deficit Fund Balances

The following funds had deficit fund balances as of June 30, 2025:

Non-major Special Revenue Funds:

Community Development Block Grant	\$318 (a)
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(a) The deficit fund balance was due to actual expenses exceeding the reimbursable revenues.

(14) Subsequent Events

Management has evaluated subsequent events through December 11, 2025, which is the date the financial statements were available to be issued, and has determined that there are no transactions that will have a significant impact on the City.

CITY OF LOMITA
Annual Comprehensive
Financial Report June 30, 2025



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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LOMITA
Schedule of Proportionate Share of the Net Pension Liability and Related Ratios
June 30, 2025

Cost Sharing Defined Benefit Pension Plan
Last 10 Fiscal Years

	Combined June 30, 2024 Fiscal Year 2024-25	Combined June 30, 2023 Fiscal Year 2023-24	Combined June 30, 2022 Fiscal Year 2022-23	Combined June 30, 2021 Fiscal Year 2021-22
Proportion of the net pension liability (asset)	0.08746%	0.08546%	0.08687%	0.10083%
Proportionate share of the net pension liability (asset)	\$ 10,606,151	\$ 10,661,476	\$ 10,033,856	\$ 5,453,063
Covered payroll ¹	\$ 4,026,308	\$ 3,827,143	\$ 3,406,756	\$ 3,250,441
Proportionate Share of the net pension liability (asset) as percentage of covered payroll	263.42%	278.58%	294.53%	167.76%
Plan's fiduciary net position	\$ 19,241,277,838	\$ 17,692,895,076	\$ 16,770,671,339	\$ 18,065,791,524
Plan's total pension liability	\$ 24,077,884,150	\$ 22,693,312,153	\$ 21,449,898,398	\$ 19,964,594,105
Plan fiduciary net position as a percentage of the total pension liability	71.26%	69.84%	70.43%	83.07%

¹ Covered Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered payroll as the total of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2015. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes)

The City's defined benefit pension plan is held in a trust.

Combined June 30, 2020 Fiscal Year 2020-21	Combined June 30, 2019 Fiscal Year 2019-20	Combined June 30, 2018 Fiscal Year 2018-19	Combined June 30, 2017 Fiscal Year 2017-18	Combined June 30, 2016 Fiscal Year 2016-17	Combined June 30, 2015 Fiscal Year 2015-16
0.07908%	0.07873%	0.08409%	0.09084%	0.09326%	0.09967%
\$ 8,604,362	\$ 8,067,243	\$ 8,103,476	\$ 9,009,203	\$ 8,069,774	\$ 6,841,270
\$ 3,280,589	\$ 3,254,459	\$ 3,191,154	\$ 3,090,957	\$ 2,926,047	\$ 2,938,496
262.28%	247.88%	253.94%	291.47%	275.79%	232.82%
\$ 14,702,361,183	\$ 13,979,687,268	\$ 13,122,440,092	\$ 12,074,499,781	\$ 10,923,476,287	\$ 10,896,036,068
\$ 18,920,437,526	\$ 17,984,188,264	\$ 16,891,153,209	\$ 16,016,547,402	\$ 14,397,353,530	\$ 13,639,503,084
72.81%	73.65%	72.20%	67.95%	68.65%	72.19%

CITY OF LOMITA
Schedule of Plan Contributions
June 30, 2025

Cost Sharing Defined Benefit Pension Plan
Last 10 Fiscal Years

	Combined Fiscal Year 2024-25	Combined Fiscal Year 2023-24	Combined Fiscal Year 2022-23	Combined Fiscal Year 2021-22
Actuarially determined contribution ¹	\$ 1,254,856	\$ 1,089,551	\$ 1,073,677	\$ 955,758
Contributions in relation to the actuarially determined contributions ¹	<u>\$ (1,254,856)</u>	<u>\$ (1,089,551)</u>	<u>\$ (1,073,677)</u>	<u>\$ (955,758)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll ²	\$ 4,431,097	\$ 4,026,308	\$ 3,827,143	\$ 3,406,756
Contributions as a percentage of covered payroll ²	28.32%	27.06%	28.05%	28.05%

1 Employee are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions. CalPERS has determined that employer obligations referred to as "side funds" do not conform to the circumstances described in paragraph 120 of GASB 68, therefore are not considered separately financed specific liabilities.

2 Covered Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal 2018-19 were from the June 30, 2018 public agency valuations.

Actuarial cost method	Entry-age
Amortization method/period	For detail, see June 30, 2018 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details see June 30, 2018 Funding Valuation Report.
Inflation	2.75%
Salary increases	Varies by Entry Age and Service
Payroll growth	3.00%
Investment rate of return	7.5% Net of Pension Plan Investment and Administrative expenses, includes inflation
Retirement age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-Retirement mortality rates included 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

Combined Fiscal Year 2020-21	Combined Fiscal Year 2019-20	Combined Fiscal Year 2018-19	Combined Fiscal Year 2017-18	Combined Fiscal Year 2016-17	Combined Fiscal Year 2015-16
\$ 862,587	\$ 782,589	\$ 808,631	\$ 837,192	\$ 781,413	\$ 730,301
<u>\$ (862,587)</u>	<u>\$ (782,589)</u>	<u>\$ (1,282,850)</u>	<u>\$ (1,420,192)</u>	<u>\$ (781,257)</u>	<u>\$ (730,457)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (474,219)</u>	<u>\$ (583,000)</u>	<u>\$ 156</u>	<u>\$ (156)</u>
\$ 3,199,125	\$ 3,280,589	\$ 3,254,459	\$ 3,191,154	\$ 597,768	\$ 403,542
26.96%	23.86%	39.42%	44.50%	130.70%	181.01%

CITY OF LOMITA
Schedule of Changes in the Net OPEB Liability and Related Ratios
for the Measurement Periods Ended June 30

<i>Measurement Period</i>	2025	2024	2023	2022	2021
Total OPEB Liability					
Service cost	\$ 139,065	\$ 135,343	\$ 144,587	\$ 228,517	\$ 198,117
Interest on the total OPEB Liability	204,781	203,310	196,925	156,877	174,777
Actual and expected experience difference	1,066,930	43,325	4,944	(951,276)	(157,118)
Changes in assumptions	(713,998)	97,312	(1,339)	(1,504,719)	516,900
Changes in benefit terms	-	-	-	-	-
Benefit payments	(249,205)	(245,896)	(207,859)	(181,233)	(159,321)
Net change in total OPEB liability	447,573	233,394	137,258	(2,251,834)	573,355
Total OPEB liability - beginning	<u>5,143,750</u>	<u>4,910,356</u>	<u>4,773,098</u>	<u>7,024,932</u>	<u>6,451,577</u>
Total OPEB liability - ending (a)	<u>\$ 5,591,323</u>	<u>\$ 5,143,750</u>	<u>\$ 4,910,356</u>	<u>\$ 4,773,098</u>	<u>\$ 7,024,932</u>
Plan Fiduciary Net Position					
Contribution - employer	\$ 249,205	\$ 245,896	\$ 207,859	\$ 181,233	\$ 159,321
Net investment income	-	-	-	-	-
Benefit payments	(249,205)	(245,896)	(207,859)	(181,233)	(159,321)
Administrative expense	-	-	-	-	-
Net change in plan fiduciary net position	-	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-	-
Plan fiduciary net position - ending (b)	<u>\$ -</u>				
Net OPEB liability - ending (a)-(b)	<u>\$ 5,591,323</u>	<u>\$ 5,143,750</u>	<u>\$ 4,910,356</u>	<u>\$ 4,773,098</u>	<u>\$ 7,024,932</u>
Covered employee payroll	4,487,931	4,372,760	4,104,780	3,513,344	3,455,483
Net OPEB liability as a percentage of covered employee payroll	124.6%	117.6%	119.6%	135.9%	203.3%

Notes to Schedule

Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

<i>Measurement Period</i>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service cost	\$ 204,755	\$ 181,090	\$ 179,837
Interest on the total OPEB Liability	189,858	190,222	179,461
Actual and expected experience difference	(208,583)	-	-
Changes in assumptions	506,719	321,438	(86,699)
Changes in benefit terms	-	-	-
Benefit payments	<u>(127,296)</u>	<u>(120,887)</u>	<u>(113,517)</u>
Net change in total OPEB liability	565,453	571,863	159,082
Total OPEB liability - beginning	<u>5,886,124</u>	<u>5,314,261</u>	<u>5,155,179</u>
Total OPEB liability - ending (a)	<u>\$ 6,451,577</u>	<u>\$ 5,886,124</u>	<u>\$ 5,314,261</u>
Plan Fiduciary Net Position			
Contribution - employer	\$ 127,296	\$ 120,887	\$ 113,517
Net investment income	-	-	-
Benefit payments	(127,296)	(120,887)	(113,517)
Administrative expense	<u>-</u>	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	-	-	-
Plan fiduciary net position - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability - ending (a)-(b)	<u>\$ 6,451,577</u>	<u>\$ 5,886,124</u>	<u>\$ 5,314,261</u>
Covered employee payroll	3,363,000	3,105,000	3,191,154
Net OPEB liability as a percentage of covered employee payroll	191.8%	189.6%	166.5%

CITY OF LOMITA

General Fund

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes and assessments	\$ 9,000,143	9,100,143	9,396,937	296,794
Intergovernmental	3,305,000	3,435,000	3,464,004	29,004
Licenses and permits	1,490,000	1,490,000	1,812,449	322,449
Fines and forfeitures	633,000	633,000	584,451	(48,549)
Investment income	153,000	780,304	1,081,214	300,910
Rental income	260,000	260,000	240,450	(19,550)
Other revenue	152,500	152,500	128,989	(23,511)
Total revenues	<u>14,993,643</u>	<u>15,850,947</u>	<u>16,708,494</u>	<u>857,547</u>
Expenditures:				
Current:				
General government	5,320,928	5,498,599	4,717,609	780,990
Community development	859,976	1,461,976	1,454,844	7,132
Public works	1,209,782	1,157,632	1,012,203	145,429
Public safety	5,261,663	5,296,663	4,945,450	351,213
Culture and recreation	2,505,459	2,537,612	1,986,424	551,188
Capital outlay	1,830,799	517,250	33,310	483,940
Debt service - Principal	-	-	-	-
Debt service - Interest	-	-	-	-
Total expenditures	<u>16,988,607</u>	<u>16,469,732</u>	<u>14,149,840</u>	<u>2,319,892</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,994,964)</u>	<u>(618,785)</u>	<u>2,558,654</u>	<u>3,177,439</u>
Other financing sources (uses):				
Transfers in	1,313,055	1,336,976	1,336,976	-
Transfers out	(330,304)	(1,530,434)	(1,530,434)	-
Total other financing sources (uses)	<u>982,751</u>	<u>(193,458)</u>	<u>(193,458)</u>	<u>-</u>
Net change in fund balances	<u>(1,012,213)</u>	<u>(812,243)</u>	<u>2,365,196</u>	<u>3,177,439</u>
Fund balance, beginning of year	<u>11,473,028</u>	<u>11,473,028</u>	<u>11,473,028</u>	<u>-</u>
Fund balance, end of year	<u>\$ 10,460,815</u>	<u>10,660,785</u>	<u>13,838,224</u>	<u>3,177,439</u>

CITY OF LOMITA
Measure R Highway Special Revenue Fund
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final		(Negative)
Revenues:				
Intergovernmental	\$ -	\$ -	52,407	52,407
Total revenues	-	-	52,407	52,407
Expenditures:				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	52,407	52,407
Other financing sources (uses):				
Transfers in	-	-	54,130	54,130
Total other financing sources (uses)	-	-	54,130	54,130
Net change in fund balances	-	-	106,537	106,537
Fund balance (deficit), beginning of year	(106,537)	(106,537)	(106,537)	-
Fund balance (deficit), end of year	<u>\$ (106,537)</u>	<u>\$ (106,537)</u>	<u>-</u>	<u>106,537</u>

CITY OF LOMITA
Proposition C Special Revenue Fund
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2025

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 468,752	468,752	437,289	(31,463)
Investment income	<u>5,000</u>	<u>5,000</u>	<u>103,020</u>	<u>98,020</u>
Total revenues	<u>473,752</u>	<u>473,752</u>	<u>540,309</u>	<u>66,557</u>
Expenditures:				
Capital outlay	<u>311,360</u>	<u>300,957</u>	<u>300,957</u>	<u>-</u>
Total expenditures	<u>311,360</u>	<u>300,957</u>	<u>300,957</u>	<u>-</u>
Net change in fund balances	162,392	172,795	239,352	66,557
Fund balance, beginning of year	<u>2,947,718</u>	<u>2,947,718</u>	<u>2,947,718</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 3,110,110</u></u>	<u><u>3,120,513</u></u>	<u><u>3,187,070</u></u>	<u><u>66,557</u></u>

CITY OF LOMITA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2025

(1) Budgets and Budgetary Accounting

The City prepares its budgets on the modified accrual basis and, accordingly, the budget amounts included in the accompanying financial statements are presented in accordance with generally accepted accounting principles.

Each year, the City Administrator submits a proposed budget to the City Council during early May. The City Council holds budget hearings during May and early June. The final budget is adopted by the City Council during late June. Funds that have irregular activity are not budgeted, hence, no budget is adopted for the Measure R Highway Special Revenue Fund. The legal level of control of which expenditures cannot exceed appropriations is at the functional level. The City Council is informed of expenditures over appropriations and such amounts are informally approved as a part of the bi-monthly review of the demand warrants.

The City holds a mid-year budget review meeting. During the meeting, all budget expenditures are reviewed and projections for the whole year are made.

Unexpended and unencumbered appropriations of the governmental funds automatically lapse at the end of the year.

CITY OF LOMITA
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SUPPLEMENTARY INFORMATION

CITY OF LOMITA
Annual Comprehensive
Financial Report June 30, 2025



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NON-MAJOR GOVERNMENTAL FUNDS

The following funds have been classified as non-major funds in the accompanying financial statements.

SPECIAL REVENUE FUNDS:

State Gas Tax Fund - Used to account for monies received from the State and County for gas sales.

Measure M Fund - Used to account for street improvement projects on a cost reimbursement basis.

American Rescue Plan Act Fund - Used to account for City's use of emergency and rescue plan activities using ARPA COVID-19 funds received from the Department of Treasury.

Measure R Fund - Used to account for street improvement projects.

Transportation Development Act Fund - Used to account for funds received from the State for improvements of local streets and roads.

Community Development Block Grant Fund - Used to account for federal grants for programs benefiting low-income persons and/or families.

Proposition A Fund - Used to account for the City's share of Proposition A Local Return Funds from County sales tax dollars.

Air Quality Plan AB 2766 Fund - Used to account for funds received from the South Coast AQMD that were derived from clean air fees.

Park Grant Fund - Used to account for the grant funds received for park development and improvements.

Landscape Maintenance Fund - Used to account for assessment funds collected on property tax bills for Landscape Maintenance District #1.

Park Facilities Fund - Used to account for Park Development Tax and QUIMBY Act funds.

Park Athletic Fund - Used to account for user charges for park athletic programs.

Lomita Manor Development Fund - Used to account for the local U.S. HUD conventional housing

CLEEP Fund - Used to account for the purchase of specialized equipment and software to enhance public safety.

Measure W Fund - Used to fund projects dedicated to increase local water supply, improve water quality, and protect public health.

CAPITAL PROJECTS FUNDS:

Capital Improvement Fund - Used to account for the acquisition, construction and improvement of capital facilities and infrastructure. The projects are funded by transfers from the General Fund.

CITY OF LOMITA
Non-major Governmental Funds
Combining Balance Sheet
June 30, 2025

	Special Revenue Funds				
	State Gas Tax	Measure M	American Rescue Plan Act	Measure R	Transportation Development Act
<u>ASSETS</u>					
Cash and investments	\$ 2,255,724	1,510,378	-	906,219	-
Receivables:					
Accounts	-	-	-	-	-
Taxes	-	-	-	-	-
Due from other governments	176,716	-	-	-	-
Prepaid items	-	-	-	-	-
Total assets	<u>\$ 2,432,440</u>	<u>1,510,378</u>	<u>-</u>	<u>906,219</u>	<u>-</u>
<u>LIABILITIES</u>					
Accounts payable	\$ 100,910	-	-	9,131	-
Accrued liabilities	4,258	-	-	-	-
Deposits payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	<u>105,168</u>	<u>-</u>	<u>-</u>	<u>9,131</u>	<u>-</u>
<u>FUND BALANCES</u>					
Nonspendable	-	-	-	-	-
Restricted	2,327,272	-	-	-	-
Committed	-	1,510,378	-	897,088	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>2,327,272</u>	<u>1,510,378</u>	<u>-</u>	<u>897,088</u>	<u>-</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 2,432,440</u>	<u>1,510,378</u>	<u>-</u>	<u>906,219</u>	<u>-</u>

Special Revenue Funds

Community Development Block Grant	Proposition A	Air Quality Plan AB 2766	Park Grant	Landscape Maintenance	Parks Facilities
-	1,503,253	96,429	96,000	21,547	592,868
-	-	-	-	-	-
-	-	-	-	142	-
113,361	-	7,073	-	-	-
-	-	-	-	-	-
<u>113,361</u>	<u>1,503,253</u>	<u>103,502</u>	<u>96,000</u>	<u>21,689</u>	<u>592,868</u>
96,233	24,625	-	-	485	-
-	485	-	-	-	-
-	-	-	-	-	-
17,446	-	-	-	-	-
<u>113,679</u>	<u>25,110</u>	<u>-</u>	<u>-</u>	<u>485</u>	<u>-</u>
-	-	-	-	-	-
(318)	1,478,143	103,502	96,000	21,204	592,868
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(318)</u>	<u>1,478,143</u>	<u>103,502</u>	<u>96,000</u>	<u>21,204</u>	<u>592,868</u>
<u>113,361</u>	<u>1,503,253</u>	<u>103,502</u>	<u>96,000</u>	<u>21,689</u>	<u>592,868</u>

CITY OF LOMITA
Non-major Governmental Funds, Continued
Combining Balance Sheet
June 30, 2025

	Special Revenue Funds				Capital Projects Funds	Total Non-major Governmental Funds
	Park Athletic	Lomita Manor Development	CLEEP	Measure W	Capital Improvement	
<u>ASSETS</u>						
Cash and investments	\$ 165,832	955,575	6,757	518,592	153,191	8,782,365
Receivables:						
Accounts	1,537	60,042	-	-	-	61,579
Taxes	-	-	-	-	-	142
Due from other governments	-	-	-	-	-	297,150
Prepaid items	-	13,485	-	-	-	13,485
Total assets	<u>\$ 167,369</u>	<u>1,029,102</u>	<u>6,757</u>	<u>518,592</u>	<u>153,191</u>	<u>9,154,721</u>
<u>LIABILITIES</u>						
Accounts payable	\$ 6,998	191,849	-	149,666	-	579,897
Accrued liabilities	471	-	-	-	-	5,214
Deposits payable	-	28,877	-	-	-	28,877
Due to other funds	-	-	-	-	-	17,446
Total liabilities	<u>7,469</u>	<u>220,726</u>	<u>-</u>	<u>149,666</u>	<u>-</u>	<u>631,434</u>
<u>FUND BALANCES</u>						
Nonspendable	-	13,485	-	-	-	13,485
Restricted	159,900	794,891	6,757	368,926	-	5,949,145
Committed	-	-	-	-	-	2,407,466
Assigned	-	-	-	-	153,191	153,191
Unassigned	-	-	-	-	-	-
Total fund balances	<u>159,900</u>	<u>808,376</u>	<u>6,757</u>	<u>368,926</u>	<u>153,191</u>	<u>8,523,287</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 167,369</u>	<u>1,029,102</u>	<u>6,757</u>	<u>518,592</u>	<u>153,191</u>	<u>9,154,721</u>

CITY OF LOMITA
Annual Comprehensive
Financial Report June 30, 2025



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CITY OF LOMITA
Non-major Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2025

	Special Revenue Funds				
	State Gas Tax	Measure M	American Rescue Plan Act	Measure R	Transportation Development Act
Revenues:					
Taxes and assessments	\$ 586,426	-	-	-	-
Intergovernmental	571,188	371,507	-	327,906	19,276
Licenses and permits	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment income	68,507	42,071	-	35,216	-
Rental income	-	-	-	-	-
Other revenue	<u>109,305</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>1,335,426</u>	<u>413,578</u>	<u>-</u>	<u>363,122</u>	<u>19,276</u>
Expenditures:					
Current:					
Community services	-	-	-	-	-
Public works	422,319	-	-	5,680	19,276
Culture and recreation	-	-	-	-	-
Capital outlay	<u>482,327</u>	<u>-</u>	<u>-</u>	<u>499,422</u>	<u>-</u>
Total expenditures	<u>904,646</u>	<u>-</u>	<u>-</u>	<u>505,102</u>	<u>19,276</u>
Excess (deficiency) of revenues over (under) expenditures	<u>430,780</u>	<u>413,578</u>	<u>-</u>	<u>(141,980)</u>	<u>-</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>(1,336,976)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,336,976)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	430,780	413,578	(1,336,976)	(141,980)	-
Fund balances, beginning of year	<u>1,896,492</u>	<u>1,096,800</u>	<u>1,336,976</u>	<u>1,039,068</u>	<u>-</u>
Fund balances (deficits), end of year	<u>\$ 2,327,272</u>	<u>1,510,378</u>	<u>-</u>	<u>897,088</u>	<u>-</u>

Special Revenue Funds

Community Development Block Grant	Proposition A	Air Quality Plan AB 2766	Park Grant	Landscape Maintenance	Parks Facilities
-	-	-	-	11,590	2,400
137,046	527,188	27,085	-	-	-
-	-	-	-	-	-
-	4,567	-	-	-	-
-	41,161	2,559	-	577	19,580
-	-	-	-	-	-
-	-	-	-	-	-
<u>137,046</u>	<u>572,916</u>	<u>29,644</u>	<u>-</u>	<u>12,167</u>	<u>21,980</u>
-	134,224	-	-	-	-
137,366	-	-	-	7,686	-
-	-	-	-	-	35,350
-	-	-	-	-	-
<u>137,366</u>	<u>134,224</u>	<u>-</u>	<u>-</u>	<u>7,686</u>	<u>35,350</u>
<u>(320)</u>	<u>438,692</u>	<u>29,644</u>	<u>-</u>	<u>4,481</u>	<u>(13,370)</u>
-	-	-	96,000	-	-
-	-	-	-	-	-
-	-	-	96,000	-	-
(320)	438,692	29,644	96,000	4,481	(13,370)
<u>2</u>	<u>1,039,451</u>	<u>73,858</u>	<u>-</u>	<u>16,723</u>	<u>606,238</u>
<u>(318)</u>	<u>1,478,143</u>	<u>103,502</u>	<u>96,000</u>	<u>21,204</u>	<u>592,868</u>

CITY OF LOMITA

Non-major Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Continued

For the Year ended June 30, 2025

	Special Revenue Funds				Capital Projects Funds	Total Non-major Governmental Funds
	Park Athletic	Lomita Manor Development	CLEEP	Measure W	Capital Improvement	
Revenues:						
Taxes and assessments	\$ -	-	-	-	-	600,416
Intergovernmental	-	171,193	-	377,922	-	2,530,311
Licenses and permits	84,395	-	-	-	-	84,395
Charges for services	-	-	-	-	-	4,567
Investment income	4,731	13,456	213	19,430	4,884	252,385
Rental income	-	351,309	-	-	-	351,309
Other revenue	-	65,014	-	-	-	174,319
Total revenues	<u>89,126</u>	<u>600,972</u>	<u>213</u>	<u>397,352</u>	<u>4,884</u>	<u>3,997,702</u>
Expenditures:						
Current:						
Community services	-	601,227	-	-	-	735,451
Public works	-	-	-	470,867	-	1,063,194
Culture and recreation	61,657	-	-	-	-	97,007
Capital outlay	-	-	-	-	-	981,749
Total expenditures	<u>61,657</u>	<u>601,227</u>	<u>-</u>	<u>470,867</u>	<u>-</u>	<u>2,877,401</u>
Excess (deficiency) of revenues over (under) expenditures	<u>27,469</u>	<u>(255)</u>	<u>213</u>	<u>(73,515)</u>	<u>4,884</u>	<u>1,120,301</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	96,000
Transfers out	-	-	-	-	-	(1,336,976)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,240,976)</u>
Net change in fund balances	27,469	(255)	213	(73,515)	4,884	(120,675)
Fund balances, beginning of year	<u>132,431</u>	<u>808,631</u>	<u>6,544</u>	<u>442,441</u>	<u>148,307</u>	<u>8,643,962</u>
Fund balances (deficits), end of year	<u>\$ 159,900</u>	<u>808,376</u>	<u>6,757</u>	<u>368,926</u>	<u>153,191</u>	<u>8,523,287</u>

CITY OF LOMITA
Annual Comprehensive
Financial Report June 30, 2025



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CITY OF LOMITA
State Gas Tax Special Revenue Fund
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2025

	Budget	Actual	Variance with
	Final	Amounts	Final Budget
			Positive
			(Negative)
Revenues:			
Taxes and assessments	\$ 612,401	586,426	(25,975)
Intergovernmental	530,507	571,188	40,681
Investment income	5,000	68,507	63,507
Other revenue	<u>349,308</u>	<u>109,305</u>	<u>(240,003)</u>
Total revenues	<u>1,497,216</u>	<u>1,335,426</u>	<u>(161,790)</u>
Expenditures:			
Current:			
Public works	688,210	422,319	265,891
Capital outlay	<u>1,300,500</u>	<u>482,327</u>	<u>818,173</u>
Total expenditures	<u>1,988,710</u>	<u>904,646</u>	<u>1,084,064</u>
Net change in fund balances	(491,494)	430,780	922,274
Fund balance, beginning of year	<u>1,896,492</u>	<u>1,896,492</u>	-
Fund balance, end of year	<u>\$ 1,404,998</u>	<u>2,327,272</u>	<u>922,274</u>

CITY OF LOMITA
Measure M Special Revenue Fund
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2025

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Intergovernmental	\$ 371,507	371,507	-
Investment income	<u>42,072</u>	<u>42,071</u>	<u>(1)</u>
Total revenues	<u>413,579</u>	<u>413,578</u>	<u>(1)</u>
Expenditures:			
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	413,579	413,578	(1)
Fund balance, beginning of year	<u>1,096,800</u>	<u>1,096,800</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 1,510,379</u></u>	<u><u>1,510,378</u></u>	<u><u>(1)</u></u>

CITY OF LOMITA
American Rescue Plan Act Special Revenue Fund
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2025

	Budget	Actual	Variance with
	Final	Amounts	Final Budget
	<u>Final</u>	<u>Amounts</u>	<u>Positive</u>
			<u>(Negative)</u>
Revenues:			
Intergovernmental	\$ -	-	-
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):			
Transfers out	<u>(1,336,976)</u>	<u>(1,336,976)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,336,976)</u>	<u>(1,336,976)</u>	<u>-</u>
Net change in fund balances	(1,336,976)	(1,336,976)	-
Fund balance, beginning of year	<u>1,336,976</u>	<u>1,336,976</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ -</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

CITY OF LOMITA

Measure R Special Revenue Fund

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2025

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 351,564	327,906	(23,658)
Investment income	<u>5,000</u>	<u>35,216</u>	<u>30,216</u>
Total revenues	<u>356,564</u>	<u>363,122</u>	<u>6,558</u>
Expenditures:			
Current:			
Public works	5,680	5,680	-
Capital outlay	<u>600,000</u>	<u>499,422</u>	<u>100,578</u>
Total expenditures	<u>605,680</u>	<u>505,102</u>	<u>100,578</u>
Net change in fund balances	(249,116)	(141,980)	107,136
Fund balance, beginning of year	<u>1,039,068</u>	<u>1,039,068</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 789,952</u></u>	<u><u>897,088</u></u>	<u><u>107,136</u></u>

CITY OF LOMITA
Transportation Development Act Special Revenue Fund
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2025

	<u>Budget</u> Final	<u>Actual</u> Amounts	<u>Variance with</u> Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 50,000	19,276	(30,724)
Total revenues	<u>50,000</u>	<u>19,276</u>	<u>(30,724)</u>
Expenditures:			
Current:			
Public works	<u>19,276</u>	<u>19,276</u>	<u>-</u>
Total expenditures	<u>19,276</u>	<u>19,276</u>	<u>-</u>
Net change in fund balances	30,724	-	(30,724)
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ 30,724</u>	<u>-</u>	<u>(30,724)</u>

CITY OF LOMITA

Community Development Block Grant Special Revenue Fund

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2025

	Budget	Actual	Variance with
	Final	Amounts	Final Budget
			Positive
			(Negative)
	<u>Final</u>	<u>Amounts</u>	<u>(Negative)</u>
Revenues:			
Intergovernmental	\$ 436,829	137,046	(299,783)
Total revenues	<u>436,829</u>	<u>137,046</u>	<u>(299,783)</u>
Expenditures:			
Current:			
Public works	436,829	137,366	299,463
Total expenditures	<u>436,829</u>	<u>137,366</u>	<u>299,463</u>
Net change in fund balances	-	(320)	(320)
Fund balance, beginning of year	<u>2</u>	<u>2</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ 2</u>	<u>(318)</u>	<u>(320)</u>

CITY OF LOMITA
Proposition A Special Revenue Fund
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2025

	Budget	Actual	Variance with
	Final	Amounts	Final Budget
			Positive
			(Negative)
Revenues:			
Intergovernmental	\$ 565,120	527,188	(37,932)
Charges for services	25,000	4,567	(20,433)
Investment income	<u>4,000</u>	<u>41,161</u>	<u>37,161</u>
Total revenues	<u>594,120</u>	<u>572,916</u>	<u>(21,204)</u>
Expenditures:			
Current:			
Community services	<u>137,993</u>	<u>134,224</u>	<u>3,769</u>
Total expenditures	<u>137,993</u>	<u>134,224</u>	<u>3,769</u>
Net change in fund balances	456,127	438,692	(17,435)
Fund balance, beginning of year	<u>1,039,451</u>	<u>1,039,451</u>	-
Fund balance, end of year	<u><u>\$ 1,495,578</u></u>	<u><u>1,478,143</u></u>	<u><u>(17,435)</u></u>

CITY OF LOMITA

Air Quality Plan AB 2766 Special Revenue Fund

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2025

	Budget	Actual	Variance with
	Final	Amounts	Final Budget
			Positive
			(Negative)
Revenues:			
Intergovernmental	\$ 26,000	27,085	1,085
Investment income	500	2,559	2,059
Total revenues	<u>26,500</u>	<u>29,644</u>	<u>3,144</u>
Expenditures:			
Current:			
Public works	<u>53,000</u>	-	<u>53,000</u>
Total expenditures	<u>53,000</u>	-	<u>53,000</u>
Net change in fund balances	(26,500)	29,644	56,144
Fund balance, beginning of year	<u>73,858</u>	<u>73,858</u>	-
Fund balance, end of year	<u><u>\$ 47,358</u></u>	<u><u>103,502</u></u>	<u><u>56,144</u></u>

CITY OF LOMITA
Park Grant Special Revenue Fund
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2025

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Intergovernmental	\$ 66,000	-	(66,000)
Total revenues	<u>66,000</u>	<u>-</u>	<u>(66,000)</u>
Expenditures:			
Current:			
Cultural and recreation	738,000	-	738,000
Total expenditures	<u>738,000</u>	<u>-</u>	<u>738,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(672,000)</u>	<u>-</u>	<u>672,000</u>
Other financing sources (uses):			
Transfers in	96,000	96,000	-
Total other financing sources (uses)	<u>96,000</u>	<u>96,000</u>	<u>-</u>
Net change in fund balances	(576,000)	96,000	672,000
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit), end of year	<u><u>\$ (576,000)</u></u>	<u><u>96,000</u></u>	<u><u>672,000</u></u>

CITY OF LOMITA

Landscape Maintenance Special Revenue Fund

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2025

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Taxes and assessments	\$ 11,738	11,590	(148)
Investment income	<u>100</u>	<u>577</u>	<u>477</u>
Total revenues	<u>11,838</u>	<u>12,167</u>	<u>329</u>
Expenditures:			
Current:			
Public works	<u>16,500</u>	<u>7,686</u>	<u>8,814</u>
Total expenditures	<u>16,500</u>	<u>7,686</u>	<u>8,814</u>
Net change in fund balances	(4,662)	4,481	9,143
Fund balance, beginning of year	<u>16,723</u>	<u>16,723</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 12,061</u></u>	<u><u>21,204</u></u>	<u><u>9,143</u></u>

CITY OF LOMITA
Parks Facilities Special Revenue Fund
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2025

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes and assessments	\$ 5,000	2,400	(2,600)
Investment income	<u>1,000</u>	<u>19,580</u>	<u>18,580</u>
Total revenues	<u>6,000</u>	<u>21,980</u>	<u>15,980</u>
Expenditures:			
Current:			
Cultural and recreation	<u>323,000</u>	<u>35,350</u>	<u>287,650</u>
Total expenditures	<u>323,000</u>	<u>35,350</u>	<u>287,650</u>
Net change in fund balances	(317,000)	(13,370)	303,630
Fund balance, beginning of year	<u>606,238</u>	<u>606,238</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 289,238</u></u>	<u><u>592,868</u></u>	<u><u>303,630</u></u>

CITY OF LOMITA
Park Athletic Special Revenue Fund
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2025

	Budget	Actual	Variance with
	Final	Amounts	Final Budget
	<u>Final</u>	<u>Amounts</u>	Positive
			(Negative)
	<u>Final</u>	<u>Amounts</u>	<u>(Negative)</u>
Revenues:			
Licenses and permits	\$ 55,000	84,395	29,395
Investment income	1,000	4,731	3,731
Other revenue	<u>2,000</u>	<u>-</u>	<u>(2,000)</u>
Total revenues	<u>58,000</u>	<u>89,126</u>	<u>31,126</u>
Expenditures:			
Current:			
Cultural and recreation	<u>64,142</u>	<u>61,657</u>	<u>2,485</u>
Total expenditures	<u>64,142</u>	<u>61,657</u>	<u>2,485</u>
Net change in fund balances	(6,142)	27,469	33,611
Fund balance, beginning of year	<u>132,431</u>	<u>132,431</u>	<u>-</u>
Fund balance, end of year	<u>\$ 126,289</u>	<u>159,900</u>	<u>33,611</u>

CITY OF LOMITA

Lomita Manor Development Special Revenue Fund

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance with</u>
	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
			<u>Positive</u>
			<u>(Negative)</u>
Revenues:			
Intergovernmental	\$ 216,647	171,193	(45,454)
Investment income	-	13,456	13,456
Rental income	327,732	351,309	23,577
Other revenue	<u>4,079</u>	<u>65,014</u>	<u>60,935</u>
Total revenues	<u>548,458</u>	<u>600,972</u>	<u>52,514</u>
Expenditures:			
Current:			
Community services	<u>536,927</u>	<u>601,227</u>	<u>(64,300)</u>
Total expenditures	<u>536,927</u>	<u>601,227</u>	<u>(64,300)</u>
Net change in fund balances	11,531	(255)	(11,786)
Fund balance, beginning of year	<u>808,631</u>	<u>808,631</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 820,162</u></u>	<u><u>808,376</u></u>	<u><u>(11,786)</u></u>

CITY OF LOMITA

CLEEP Special Revenue Fund

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2025

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Investment income	\$ 150	213	63
Total revenues	150	213	63
Expenditures:			
Current:			
Public safety	-	-	-
Total expenditures	-	-	-
Net change in fund balances	150	213	63
Fund balance, beginning of year	6,544	6,544	-
Fund balance, end of year	\$ 6,694	6,757	63

CITY OF LOMITA

Measure W Special Revenue Fund

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2025

	Budget	Actual	Variance with
	Final	Amounts	Final Budget
			Positive
			(Negative)
	<u>Final</u>	<u>Amounts</u>	<u>(Negative)</u>
Revenues:			
Intergovernmental	\$ 374,300	377,922	3,622
Investment income	-	19,430	19,430
Total revenues	<u>374,300</u>	<u>397,352</u>	<u>23,052</u>
Expenditures:			
Current:			
Public works	866,711	470,867	395,844
Total expenditures	<u>866,711</u>	<u>470,867</u>	<u>395,844</u>
Net change in fund balances	(492,411)	(73,515)	418,896
Fund balance, beginning of year	<u>442,441</u>	<u>442,441</u>	-
Fund balance, end of year	<u><u>\$ (49,970)</u></u>	<u><u>368,926</u></u>	<u><u>418,896</u></u>

CITY OF LOMITA

Capital Improvement Capital Projects Fund

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2025

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Investment income	\$ 15,000	4,884	(10,116)
Total revenues	<u>15,000</u>	<u>4,884</u>	<u>(10,116)</u>
Expenditures:			
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	15,000	4,884	(10,116)
Fund balance, beginning of year	<u>148,307</u>	<u>148,307</u>	<u>-</u>
Fund balance, end of year	<u>\$ 163,307</u>	<u>153,191</u>	<u>(10,116)</u>

CITY OF LOMITA
Street Improvement Capital Projects Fund
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2025

	Budget	Actual	Variance with
	Final	Amounts	Final Budget
			Positive
			(Negative)
Revenues:			
Intergovernmental	\$ 134,000	-	(134,000)
Investment income	5,000	84,003	79,003
Total revenues	<u>139,000</u>	<u>84,003</u>	<u>(54,997)</u>
Expenditures:			
Current:			
Public works	60,500	-	60,500
Capital outlay	<u>885,679</u>	<u>586,439</u>	<u>299,240</u>
Total expenditures	<u>946,179</u>	<u>586,439</u>	<u>359,740</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(807,179)</u>	<u>(502,436)</u>	<u>304,743</u>
Other financing sources (uses):			
Transfers in	<u>680,304</u>	<u>680,304</u>	<u>-</u>
Total other financing sources (uses)	<u>680,304</u>	<u>680,304</u>	<u>-</u>
Net change in fund balances	(126,875)	177,868	304,743
Fund balance, beginning of year	<u>2,805,172</u>	<u>2,805,172</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 2,678,297</u></u>	<u><u>2,983,040</u></u>	<u><u>304,743</u></u>

FIDUCIARY FUNDS

CITY OF LOMITA
Annual Comprehensive
Financial Report June 30, 2025



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CITY OF LOMITA
Combining Statement of Fiduciary Net Position
Private Purpose Trust Funds
June 30, 2025

	<u>Railroad Foundation</u>	<u>Tom Rico Memorial</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and investments	\$ 21,586	1,227	22,813
Receivables:			
Accounts	<u>211</u>	<u>-</u>	<u>211</u>
Total assets	<u>21,797</u>	<u>1,227</u>	<u>23,024</u>
LIABILITIES			
Current liabilities:			
Accounts payable	747	-	747
Accrued liabilities	<u>16</u>	<u>-</u>	<u>16</u>
Total liabilities	<u>763</u>	<u>-</u>	<u>763</u>
NET POSITION			
Restricted for foundation	21,034	-	21,034
Restricted for memorial	<u>-</u>	<u>1,227</u>	<u>1,227</u>
Total net position	<u>\$ 21,034</u>	<u>1,227</u>	<u>22,261</u>

CITY OF LOMITA
Combining Statement of Changes in Fiduciary Net Position
Private Purpose Trust Funds
For the Year Ended June 30, 2025

	<u>Railroad Foundation</u>	<u>Tom Rico Memorial</u>	<u>Total</u>
Additions:			
Other revenues	\$ 8,968	1	8,969
Total additions	<u>8,968</u>	<u>1</u>	<u>8,969</u>
Deductions:			
Miscellaneous	<u>8,728</u>	-	<u>8,728</u>
Total deductions	<u>8,728</u>	<u>-</u>	<u>8,728</u>
Change in net position	240	1	241
Net position, beginning of year	<u>20,794</u>	<u>1,226</u>	<u>22,020</u>
Net position, end of year	<u>\$ 21,034</u>	<u>1,227</u>	<u>22,261</u>

Statistical Section

This part of the City of Lomita annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment with in which the government's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services that the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

City of Lomita
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2025	2024	2023	2022	2021
Governmental activities:					
Net investment in capital assets	\$ 24,479,319	\$ 22,807,111	\$ 22,718,159	\$ 22,183,927	\$ 20,121,459
Restricted	8,154,361	6,864,545	9,594,104	7,593,689	7,018,655
Unrestricted	<u>11,445,286</u>	<u>9,652,385</u>	<u>2,472,644</u>	<u>(1,553,860)</u>	<u>(3,058,698)</u>
Total governmental activities net position	<u>\$ 44,078,966</u>	<u>\$ 39,324,041</u>	<u>\$ 34,784,907</u>	<u>\$ 28,223,756</u>	<u>\$ 24,081,416</u>
Business-type activities:					
Net investment in capital assets	\$ 24,985,979	\$ 22,078,749	\$ 21,559,554	\$ 20,844,231	\$ 18,200,296
Restricted	-	-	-	-	-
Unrestricted	<u>4,241,742</u>	<u>5,657,897</u>	<u>5,846,832</u>	<u>2,673,936</u>	<u>3,602,880</u>
Total business-type activities net position	<u>\$ 29,227,721</u>	<u>\$ 27,736,646</u>	<u>\$ 27,406,386</u>	<u>\$ 23,518,167</u>	<u>\$ 21,803,176</u>
Primary government:					
Net investment in capital assets	\$ 49,465,298	\$ 44,885,860	\$ 44,277,713	\$ 43,028,158	\$ 38,321,755
Restricted	8,154,361	6,864,545	9,594,104	7,593,689	7,018,655
Unrestricted ⁽¹⁾	<u>15,687,028</u>	<u>15,310,282</u>	<u>8,319,476</u>	<u>1,120,076</u>	<u>544,182</u>
Total primary government net position	<u>\$ 73,306,687</u>	<u>\$ 67,060,687</u>	<u>\$ 62,191,293</u>	<u>\$ 51,741,923</u>	<u>\$ 45,884,592</u>

⁽¹⁾ GASB 75 was implemented June 30, 2018. The recording of the City's net OPEB liability resulted in a negative unrestricted net asset balance.

Fiscal Year					
2020	2019	2018	2017	2016	
\$ 20,331,203	\$ 20,579,331	\$ 19,933,570	\$ 17,033,665	\$ 18,274,572	
5,139,262	4,002,512	2,952,055	2,641,909	3,676,616	
<u>(4,982,190)</u>	<u>(4,384,212)</u>	<u>(4,506,553)</u>	<u>(969,590)</u>	<u>(726,465)</u>	
<u>\$ 20,488,275</u>	<u>\$ 20,197,631</u>	<u>\$ 18,379,072</u>	<u>\$ 18,705,984</u>	<u>\$ 21,224,723</u>	
\$ 18,452,593	\$ 17,995,090	\$ 16,255,533	\$ 15,480,584	\$ 16,158,075	
-	-	-	-	175,847	
<u>1,882,888</u>	<u>1,675,608</u>	<u>2,822,396</u>	<u>3,088,795</u>	<u>2,553,377</u>	
<u>\$ 20,335,481</u>	<u>\$ 19,670,698</u>	<u>\$ 19,077,929</u>	<u>\$ 18,569,379</u>	<u>\$ 18,887,299</u>	
\$ 38,783,796	\$ 38,574,421	\$ 36,189,103	\$ 32,514,249	\$ 34,432,647	
5,139,262	4,002,512	2,952,055	2,641,909	3,852,463	
<u>(3,099,302)</u>	<u>(2,708,604)</u>	<u>(1,684,157)</u>	<u>2,119,205</u>	<u>1,826,912</u>	
<u>\$ 40,823,756</u>	<u>\$ 39,868,329</u>	<u>\$ 37,457,001</u>	<u>\$ 37,275,363</u>	<u>\$ 40,112,022</u>	

City of Lomita
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2025	2024	2023	2022	2021
Expenses:					
Governmental activities:					
General government	\$ 5,177,981	\$ 4,663,391	\$ 3,651,972	\$ 4,615,742	\$ 3,516,508
Public safety	4,955,004	5,010,478	4,624,434	4,385,150	4,122,368
Public works	1,829,339	1,868,583	1,584,797	1,557,665	2,345,393
Community development	1,626,446	1,371,669	1,022,436	985,098	720,677
Community services	792,565	836,331	1,684,425	701,673	713,824
Culture and Recreation	2,294,040	1,826,108	1,688,139	1,731,965	1,127,697
Interest	-	8,475	-	-	-
Total governmental activities expenses	<u>16,675,375</u>	<u>15,585,035</u>	<u>14,256,203</u>	<u>13,977,293</u>	<u>12,546,467</u>
Business-type activities:					
Water Enterprise Operating Expenses	<u>7,902,369</u>	<u>8,064,372</u>	<u>5,168,136</u>	<u>7,011,399</u>	<u>6,746,049</u>
Total business-type activities expenses	<u>7,902,369</u>	<u>8,064,372</u>	<u>5,168,136</u>	<u>7,011,399</u>	<u>6,746,049</u>
Total primary government expenses	<u>24,577,744</u>	<u>23,649,407</u>	<u>19,424,339</u>	<u>20,988,692</u>	<u>19,292,516</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	60,000	60,000	60,000	160,000	60,000
Public safety	546,381	653,278	727,215	600,451	392,639
Public works	306,749	207,675	203,713	201,162	210,123
Community development	1,932,276	1,568,916	2,053,254	1,375,786	2,418,941
Community services	355,876	351,857	335,681	313,479	310,261
Cultural and Recreation	268,242	285,069	408,955	381,421	197,198
Operating grants and contributions	3,751,045	3,441,655	5,790,820	5,347,576	3,100,247
Capital grants and contributions	<u>559,585</u>	<u>548,502</u>	<u>723,342</u>	<u>621,557</u>	<u>526,724</u>
Total governmental activities program revenues	<u>7,780,154</u>	<u>7,116,952</u>	<u>10,302,980</u>	<u>9,001,432</u>	<u>7,216,133</u>
Business-type activities:					
Charges for services:					
Water	7,968,377	6,972,510	6,108,357	6,344,367	6,433,700
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities program revenues	<u>7,968,377</u>	<u>6,972,510</u>	<u>6,108,357</u>	<u>6,344,367</u>	<u>6,433,700</u>
Total primary government program revenues	<u>15,748,531</u>	<u>14,089,462</u>	<u>16,411,337</u>	<u>15,345,799</u>	<u>13,649,833</u>
Net revenues (expenses):					
Governmental activities	(8,895,221)	(8,468,083)	(3,953,223)	(4,975,861)	(5,330,334)
Business-type activities	<u>66,008</u>	<u>(1,091,862)</u>	<u>940,221</u>	<u>(667,032)</u>	<u>(312,349)</u>
Total net revenues (expenses)	<u>(8,829,213)</u>	<u>(9,559,945)</u>	<u>(3,013,002)</u>	<u>(5,642,893)</u>	<u>(5,642,683)</u>

		Fiscal Year							
		2020	2019	2018	2017	2016			
\$	3,097,344	\$	4,488,587	\$	4,078,593	\$	3,507,091	\$	3,123,342
	3,843,357		3,633,645		3,549,113		3,309,683		3,108,606
	1,830,924		1,496,818		1,850,296		2,028,211		1,440,942
	691,477		683,449		878,350		763,932		816,396
	861,971		920,398		926,762		1,480,018		861,319
	1,365,464		1,124,928		1,388,433		1,199,067		1,196,613
	-		-		-		-		-
	<u>11,690,537</u>		<u>12,347,825</u>		<u>12,671,547</u>		<u>12,288,002</u>		<u>10,547,218</u>
	<u>7,196,441</u>		<u>6,025,969</u>		<u>5,816,026</u>		<u>5,221,613</u>		<u>4,938,566</u>
	<u>7,196,441</u>		<u>6,025,969</u>		<u>5,816,026</u>		<u>5,221,613</u>		<u>4,938,566</u>
	<u>18,886,978</u>		<u>18,373,794</u>		<u>18,487,573</u>		<u>17,509,615</u>		<u>15,485,784</u>
	60,000		60,000		60,000		60,000		60,000
	473,892		441,691		386,780		373,933		364,735
	233,172		228,755		224,714		193,363		211,337
	811,739		1,612,396		992,241		846,262		1,075,688
	330,030		324,675		299,478		314,290		306,110
	197,254		340,053		430,563		368,800		334,994
	2,320,210		2,910,425		2,221,458		2,194,576		1,516,695
	<u>531,777</u>		<u>516,581</u>		<u>713,374</u>		<u>779,612</u>		<u>328,664</u>
	<u>4,958,074</u>		<u>6,434,576</u>		<u>5,328,608</u>		<u>5,130,836</u>		<u>4,198,223</u>
	6,023,257		5,629,363		5,330,322		4,789,815		4,435,449
	-		-		-		-		-
	<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>
	<u>6,023,257</u>		<u>5,629,363</u>		<u>5,330,322</u>		<u>4,789,815</u>		<u>4,435,449</u>
	<u>10,981,331</u>		<u>12,063,939</u>		<u>10,658,930</u>		<u>9,920,651</u>		<u>8,633,672</u>
	(6,732,463)		(5,913,249)		(7,342,939)		(7,157,166)		(6,348,995)
	<u>(1,173,184)</u>		<u>(396,606)</u>		<u>(485,704)</u>		<u>(431,798)</u>		<u>(503,117)</u>
	<u>(7,905,647)</u>		<u>(6,309,855)</u>		<u>(7,828,643)</u>		<u>(7,588,964)</u>		<u>(6,852,112)</u>

City of Lomita
Changes in Net Position, Continued
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2025	2024	2023	2022	2021
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Property taxes	2,256,481	2,093,294	2,112,200	1,990,207	1,893,942
Sales tax	4,975,507	4,866,947	4,944,221	5,040,048	2,637,134
Transient occupancy taxes	180,036	190,861	230,035	133,484	198,839
Refuse Tax	578,806	444,351	346,598	327,045	303,799
Business License Tax	923,996	811,363	678,225	688,309	630,812
Franchise Taxes	383,813	410,744	410,506	384,293	368,062
Other taxes	98,297	125,157	45,942	75,521	283,986
Motor vehicle in lieu, unrestricted	3,115,093	2,944,395	2,789,586	2,633,390	2,520,716
Investment income (loss)	1,128,599	1,226,641	(316,365)	(915,599)	13,242
Other general revenues	9,518	1,315,586	1,003,914	31,015	72,943
Gain on sales of property	-	-	-	-	-
Transfers	-	-	(1,730,488)	(1,269,512)	-
Total governmental activities	<u>13,650,146</u>	<u>14,429,339</u>	<u>10,514,374</u>	<u>9,118,201</u>	<u>8,923,475</u>
Business-type activities:					
Investment income	193,222	186,429	90,970	10,472	7,720
Other	1,231,845	1,235,693	1,126,540	1,102,039	1,772,324
Transfers	-	-	1,730,488	1,269,512	-
Total business-type activities	<u>1,425,067</u>	<u>1,422,122</u>	<u>2,947,998</u>	<u>2,382,023</u>	<u>1,780,044</u>
Total primary government	<u>15,075,213</u>	<u>15,851,461</u>	<u>13,462,372</u>	<u>11,500,224</u>	<u>10,703,519</u>
Changes in net position					
Governmental activities	4,754,925	5,961,256	6,561,151	4,142,340	3,593,141
Business-type activities	1,491,075	330,260	3,888,219	1,714,991	1,467,695
Total primary government	<u>\$ 6,246,000</u>	<u>\$ 6,291,516</u>	<u>\$ 10,449,370</u>	<u>\$ 5,857,331</u>	<u>\$ 5,060,836</u>

Fiscal Year				
2020	2019	2018	2017	2016
1,776,468	1,639,059	1,657,387	1,523,888	1,748,361
1,884,061	2,011,963	1,769,925	1,625,596	1,474,499
148,228	185,632	180,278	178,239	150,091
285,240	267,502	258,776	253,270	243,783
650,737	652,617	617,755	544,333	550,167
350,249	347,479	345,511	335,077	400,033
50,165	54,910	51,760	16,000	4,000
2,390,550	2,263,193	2,142,009	2,038,861	1,939,675
202,981	167,410	(40,487)	7,322	138,154
84,428	143,293	33,113	341,477	406
-	-	-	-	-
<u>(800,000)</u>	<u>-</u>	<u>-</u>	<u>2,733</u>	<u>-</u>
<u>7,023,107</u>	<u>7,733,058</u>	<u>7,016,027</u>	<u>6,866,796</u>	<u>6,649,169</u>
73,877	78,302	10,737	9,563	7,447
964,090	911,073	983,517	827,067	733,375
<u>800,000</u>	<u>-</u>	<u>-</u>	<u>(2,733)</u>	<u>-</u>
<u>1,837,967</u>	<u>989,375</u>	<u>994,254</u>	<u>833,897</u>	<u>740,822</u>
<u>8,861,074</u>	<u>8,722,433</u>	<u>8,010,281</u>	<u>7,700,693</u>	<u>7,389,991</u>
290,644	1,819,809	(326,912)	(290,370)	300,174
<u>664,783</u>	<u>592,769</u>	<u>508,550</u>	<u>402,099</u>	<u>237,705</u>
<u>\$ 955,427</u>	<u>\$ 2,412,578</u>	<u>\$ 181,638</u>	<u>\$ 111,729</u>	<u>\$ 537,879</u>

City of Lomita
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2025	2024	2023	2022	2021
General fund:					
Nonspendable	\$ 24,270	\$ 33,681	\$ 22,805	\$ 28,777	\$ 25,095
Committed	85,744	85,744	85,744	85,744	85,744
Assigned	11,878,144	9,771,337	9,022,199	7,334,625	6,304,510
Unassigned	<u>1,850,066</u>	<u>1,582,266</u>	<u>1,531,302</u>	<u>1,105,086</u>	<u>1,098,165</u>
Total general fund	<u>13,838,224</u>	<u>11,473,028</u>	<u>10,662,050</u>	<u>8,554,232</u>	<u>7,513,514</u>
All other governmental funds:					
Nonspendable	13,485	9,525	4,030	3,670	3,332
Restricted	5,949,145	5,013,286	4,070,880	3,409,072	2,767,734
Committed	5,594,536	5,083,586	3,834,124	2,841,524	2,850,143
Assigned	3,136,231	2,953,479	2,296,719	1,552,838	1,505,677
Unassigned	<u>-</u>	<u>1,230,439</u>	<u>1,230,439</u>	<u>857,321</u>	<u>(106,537)</u>
Total all other governmental funds	<u>14,693,397</u>	<u>14,290,315</u>	<u>11,436,192</u>	<u>8,664,425</u>	<u>7,020,349</u>
Grand Total	28,531,621	25,763,343	22,098,242	17,218,657	14,533,863

Fiscal Year				
2020	2019	2018	2017	2016
\$ 24,561	\$ 22,444	\$ 20,384	\$ 18,896	\$ 499,516
85,744	85,744	89,343	89,343	104,132
5,591,510	5,853,930	5,274,835	5,180,075	4,986,341
<u>980,273</u>	<u>980,422</u>	<u>1,002,484</u>	<u>1,544,373</u>	<u>789,516</u>
<u>6,682,088</u>	<u>6,942,540</u>	<u>6,387,046</u>	<u>6,832,687</u>	<u>6,379,505</u>
4,095	5,016	3,053	6,185	1,130
1,879,238	1,382,246	987,480	602,516	1,151,250
2,400,803	1,777,503	1,229,487	1,192,592	1,318,552
855,145	837,747	746,778	877,480	1,210,815
<u>(266,125)</u>	<u>(10,268)</u>	<u>(505,587)</u>	<u>(375,303)</u>	<u>(2,785)</u>
<u>4,873,156</u>	<u>3,992,244</u>	<u>2,461,211</u>	<u>2,303,470</u>	<u>3,678,962</u>
11,555,244	10,934,784	8,848,257	9,136,157	10,058,467

City of Lomita
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2025	2024	2023	2022	2021
Revenues:					
Taxes and assessments	\$ 9,997,353	\$ 9,536,084	\$ 9,426,524	\$ 9,293,309	\$ 6,922,990
Intergovernmental	6,484,011	6,197,146	9,352,488	8,392,801	5,788,221
Licenses and permits	1,896,844	1,565,551	2,112,485	1,315,005	2,428,326
Charges for services	4,567	10,317	8,818	9,466	7,824
Fines and forfeitures	584,451	683,623	818,565	619,001	394,939
Investment income (loss)	1,520,622	1,373,179	(174,784)	(899,406)	23,839
Rental income	591,759	585,130	569,171	537,171	493,144
Other	303,308	104,677	404,961	120,377	76,341
Total revenues	<u>21,382,915</u>	<u>20,055,707</u>	<u>22,518,228</u>	<u>19,387,724</u>	<u>16,135,624</u>
Expenditures					
Current:					
General government	4,717,609	4,739,297	3,961,115	3,654,560	2,909,752
Community development	1,454,844	1,476,064	1,124,403	914,687	685,949
Community services	735,451	832,994	1,681,448	686,419	691,979
Public works	2,075,397	1,755,405	1,307,722	1,371,232	1,345,083
Public safety	4,945,450	5,030,426	4,642,386	4,371,832	4,119,547
Cultural and recreation	2,083,431	1,886,883	1,848,705	1,551,436	1,096,712
Capital outlay	1,902,455	(801,695)	775,131	2,285,223	907,943
Debt service:					
Principal retirement	-	36,525	41,500	3,823	-
Interest and fiscal charges	-	8,475	-	-	-
Total expenditures	<u>17,914,637</u>	<u>14,964,374</u>	<u>15,382,410</u>	<u>14,839,212</u>	<u>11,756,965</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,468,278</u>	<u>5,091,333</u>	<u>7,135,818</u>	<u>4,548,512</u>	<u>4,378,659</u>
Other financing sources (uses):					
Transfers in	2,167,410	807,800	1,382,860	980,164	923,260
Transfers out	(2,867,410)	(1,100,000)	(3,821,828)	(2,862,606)	(2,323,260)
Proceeds from leases	-	-	182,735	18,724	-
Issuance of bonds	-	-	-	-	-
Payment to bond escrow agent	-	-	-	-	-
Total other financing sources (uses)	<u>(700,000)</u>	<u>(292,200)</u>	<u>(2,256,233)</u>	<u>(1,863,718)</u>	<u>(1,400,000)</u>
Net change in fund balances	<u>2,768,278</u>	<u>4,799,133</u>	<u>4,879,585</u>	<u>2,684,794</u>	<u>2,978,659</u>
Ratio of total debt service expenditures to total noncapital expenditures.	<u>0.00%</u>	<u>0.29%</u>	<u>0.28%</u>	<u>0.03%</u>	<u>n/a</u>

		Fiscal Year							
		2020	2019	2018	2017	2016			
\$	5,619,851	\$	5,578,097	\$	5,390,929	\$	4,929,177	\$	5,036,023
	4,784,452		5,808,278		4,604,060		3,713,536		3,715,286
	886,378		1,768,927		1,150,494		1,054,795		1,250,947
	20,390		26,937		25,384		20,210		19,571
	496,842		463,291		444,580		376,733		372,735
	321,521		247,567		(31,440)		20,354		147,297
	521,382		527,172		511,890		489,831		514,200
	126,436		233,783		95,697		756,655		62,772
	<u>12,777,252</u>		<u>14,654,052</u>		<u>12,191,594</u>		<u>11,361,291</u>		<u>11,118,831</u>
	2,738,871		3,803,130		3,047,279		2,687,690		2,735,363
	663,348		656,309		857,609		745,442		799,282
	840,928		901,046		908,870		1,464,068		846,556
	1,194,563		1,058,516		1,047,337		1,072,359		925,359
	3,842,231		3,632,226		3,549,113		3,309,683		3,108,606
	1,353,101		1,109,354		1,388,433		1,199,067		1,196,613
	532,191		1,205,694		1,608,353		1,768,025		710,564
	-		-		-		-		-
	<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>
	<u>11,165,233</u>		<u>12,366,275</u>		<u>12,406,994</u>		<u>12,246,334</u>		<u>10,322,343</u>
	<u>1,612,019</u>		<u>2,287,777</u>		<u>(215,400)</u>		<u>(885,043)</u>		<u>796,488</u>
	12,000		338,343		357,616		135,490		339,569
	(812,000)		(538,343)		(430,116)		(172,757)		(439,569)
	-		-		-		-		-
	-		-		-		-		-
	<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>
	<u>(800,000)</u>		<u>(200,000)</u>		<u>(72,500)</u>		<u>(37,267)</u>		<u>(100,000)</u>
	<u>812,019</u>		<u>2,087,777</u>		<u>(287,900)</u>		<u>(922,310)</u>		<u>696,488</u>
<u>n/a</u>		<u>n/a</u>		<u>n/a</u>		<u>n/a</u>		<u>n/a</u>	

City of Lomita
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30	City			Taxable Assessed Value	Percent Change	Parcel Counts				Total Direct Tax Rate
	Secured	Unsecured	Less: Exemptions ¹			Residential	Income	Industrial	Total	
2015/16	2,014,069,980	31,249,739		2,045,319,719	5.31%	4,579	477	16	5,072	0.10263%
2016/17	2,117,244,522	32,349,456		2,149,593,978	5.10%	4,580	477	15	5,072	0.10263%
2017/18	2,225,454,844	31,629,569		2,257,084,413	5.00%	4,580	475	15	5,070	0.10263%
2018/19	2,351,141,143	35,125,603		2,386,266,746	5.72%	4,598	475	14	5,087	0.10263%
2019/20	2,520,927,188	35,884,762		2,556,811,950	7.15%	4,602	470	14	5,086	0.10263%
2020/21	2,665,742,123	36,097,437		2,701,839,560	5.67%	4,613	473	14	5,100	0.10263%
2021/22	2,729,191,737	34,661,192		2,763,852,929	2.30%	4,632	473	14	5,119	0.10263%
2022/23	2,893,245,881	38,292,998		2,931,538,879	6.07%	4,631	472	14	5,117	0.10263%
2023/24	3,053,698,384	37,128,107		3,090,826,491	5.43%	4,633	473	14	5,120	0.10263%
2024/25	3,229,240,961	34,799,413		3,264,040,374	5.60%	4,641	485	14	5,140	0.10263%

In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source: HdL, Coren & Cone
 County of Los Angeles, Auditor-Controller Office/Tax Division

City of Lomita
Direct and Overlapping Property Tax Rates
(Rate per \$100 of assessed value)
Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016 ⁽²⁾
City Direct Rates:										
City Lomita Tax District 1	0.066600	0.066600	0.066600	0.066600	0.066600	0.066600	0.066600	0.066600	0.066550	0.066550
Lomita Waterworks	<u>0.036100</u>	<u>0.036080</u>	<u>0.036080</u>							
Total City Direct Rate	0.102700	0.102700	0.102700	0.102700	0.102700	0.102700	0.102700	0.102700	0.102630	0.102630
LA County General	0.214700	0.214700	0.214700	0.214700	0.214700	0.214700	0.214700	0.214700	0.214700	0.214700
LA County Other	0.209050	0.209050	0.209050	0.209050	0.209050	0.209050	0.209050	0.209050	0.209110	0.209110
Water Replenishment S.C.	0.000160	0.000160	0.000160	0.000160	0.000160	0.000160	0.000160	0.000160	0.000160	0.000160
LA Sanitary District	0.011090	0.011090	0.011090	0.011090	0.011090	0.011090	0.011090	0.011090	0.011090	0.011090
LA Unified School District	0.207800	0.207800	0.207800	0.207800	0.207800	0.207800	0.207800	0.207800	0.207830	0.207830
Educational Revenue Augmentation Fund	0.204800	0.204800	0.204800	0.204800	0.204800	0.204800	0.204800	0.204800	0.204800	0.204800
LA Community College	0.028200	0.028200	0.028200	0.028200	0.028200	0.028200	0.028200	0.028200	0.028200	0.028200
LA County Library	0.021500	0.021500	0.021500	0.021500	0.021500	0.021500	0.021500	0.021500	0.021480	0.021480
Total Prop 13 Rate	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
Overlapping Rates:										
LA County Bonds	0.051360	0.060230	0.024880	0.043760	0.040160	0.027170	0.046210	0.045990	0.035960	0.035750
LA County Storm Drain	-	-	-	-	-	-	-	-	-	-
LA Unified School Bonds	0.128020	0.124220	0.121070	0.113230	0.139930	0.125520	0.123230	0.122190	0.131100	0.129710
Palos Verdes Peninsula	-	-	-	-	-	-	-	-	-	-
West Basin MWD	0.007000	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500
Voter Approved Rate	<u>0.186380</u>	<u>0.187950</u>	<u>0.149450</u>	<u>0.160490</u>	<u>0.183590</u>	<u>0.156190</u>	<u>0.172940</u>	<u>0.171680</u>	<u>0.170560</u>	<u>0.168960</u>
Total Tax Rate	<u>1.186380</u>	<u>1.187950</u>	<u>1.149450</u>	<u>1.160490</u>	<u>1.183590</u>	<u>1.156190</u>	<u>1.172940</u>	<u>1.171680</u>	<u>1.170560</u>	<u>1.168960</u>

In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of the Los Angeles Unified School District bonds.

Source: L.A. County Assessor 2024/25 Annual Tax Increment Tables, HdL, Coren & Cone

City of Lomita
Principal Property Owners
Current Year and Prior Year
Top Ten

Taxpayer	Parcels	Use	2024/25		2023/24	
			Taxable Assessed Value	Percent of Total City	Taxable Assessed Value	Percent of Total City
Lomita & Crenshaw Acquisition LLC	5	c	40,656,062	1.25%	13,859,504	0.45%
Weiss Investment Properties LP	2	r	19,331,457	0.59%	18,952,560	0.61%
BRFI Lomita LLC	4	c	16,025,539	0.49%	16,672,915	0.54%
Mittal Legacy LP	8	r	12,177,696	0.37%	11,502,416	0.37%
Spectrum Pacific West LLC	4	u	11,801,373	0.36%	14,736,060	0.48%
JCM Homes LLC	21	r	10,263,620	0.31%	10,069,802	0.33%
William B Ghadimi Et Al	1	r	10,241,164	0.31%	10,040,358	0.32%
Sabra Lomita LP	1	i	10,218,151	0.31%	18,931,012	0.61%
Vista Verde Center LLC	1	c	10,006,858	0.31%	12,008,661	0.39%
Spencer Plaza LLC	10	r	9,956,514	0.31%	9,761,299	0.32%
Top Ten Totals			<u>150,678,434</u>	<u>4.62%</u>	<u>136,534,587</u>	<u>4.42%</u>
City Totals			\$ 3,264,040,374		\$ 3,090,826,491	
USE:						
Commercial		c				
Institutional		i				
Residential		r				
Unsecured		u				
Vacant		v				

Source: L.A. County Assessor 2024/25 Combined Tax Rolls and the SBE Non Unitary Tax Roll, HdL, Coren & Cone

City of Lomita
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2016	2,056,573	69,970	3.40%	136,059	206,028	10.02%
2017	2,158,376	89,443	4.14%	85,746	175,188	8.12%
2018	2,279,687	110,520	4.85%	86,460	196,980	8.64%
2019	2,361,888	81,748	3.46%	89,503	171,251	7.25%
2020	2,550,889 ⁽¹⁾	106,504	4.18%	88,844	195,348	7.66%
2021	2,702,917	113,995	4.22%	98,421	212,416	7.86%
2022	2,803,540	181,539	6.48%	105,687	287,226	10.25%
2023	2,961,666	114,457	3.86%	111,787	226,244	7.64%
2024	3,147,280	118,552	3.77%	112,490	231,042	7.34%
2025	3,353,461	153,462	4.58%	125,859	279,321	8.33%

NOTE: The amounts presented include City property taxes and Redevelopment Agency tax increment. This schedule also includes amounts collected by the City and Redevelopment Agency that were passed-through to other agencies.

⁽¹⁾ Correction for fiscal year 2020
Source: Los Angeles County Auditor Controller's Office

City of Lomita
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities						Total Governmental Activities
	Revenue	Pension Obligation	Certificates of	Leases	Subscription		
	Bonds	Ref Bonds	Participation	Payable	Liabilities	Other	
2016	n/a	n/a	n/a	n/a	n/a	n/a	-
2017	n/a	n/a	n/a	n/a	n/a	n/a	-
2018	n/a	n/a	n/a	n/a	n/a	n/a	-
2019	n/a	n/a	n/a	n/a	n/a	n/a	-
2020	n/a	n/a	n/a	n/a	n/a	n/a	-
2021	n/a	n/a	n/a	n/a	n/a	n/a	-
2022	n/a	n/a	n/a	14,901	n/a	n/a	14,901
2023 ⁽²⁾	n/a	n/a	n/a	11,234	141,235	n/a	152,469
2024 ⁽³⁾	n/a	n/a	n/a	7,528	104,710	n/a	112,238
2025 ⁽³⁾	n/a	n/a	n/a	3,783	64,993	n/a	68,776

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
 In July 2021, the City refunded the 2016 Water Revenue Refunding Bonds with a Private Placement Loan in the amount of \$6,081,000

- ⁽¹⁾ Net of applicable premium or discount
- ⁽²⁾ Correction for fiscal year 2022
- ⁽³⁾ Correction for fiscal year 2023

Business-type Activities					
Bonds Payable ⁽¹⁾	Other	Total Business-type Activities	Total Primary Government	Percentage of Personal Income	Debt per Capita
7,200,000	n/a	7,200,000	7,200,000	8.16%	355
6,985,000	n/a	6,985,000	6,985,000	8.82%	342
6,750,000	n/a	6,750,000	6,750,000	9.90%	326
6,505,000	n/a	6,505,000	6,505,000	10.62%	314
6,255,000	n/a	6,255,000	6,255,000	12.34%	304
5,995,000	n/a	5,995,000	5,995,000	13.05%	293
5,855,549	n/a	5,855,549	5,870,450	13.24%	285
5,521,179	n/a	5,521,179	5,673,648	15.51%	282
5,182,731	n/a	5,182,731	5,294,969	18.14%	261
4,835,109	n/a	4,835,109	4,903,885	19.59%	241

City of Lomita
Legal Debt Margin Information
Last Ten Fiscal Years (in thousands of dollars)

	2025	2024	2023	2022	2021
Assessed valuation	\$ 3,264,040,374	\$ 3,090,826,491	\$ 2,931,538,879	\$ 2,763,852,929	\$ 2,653,562,437
Conversion percentage	25.00%	25.00%	25.00%	25.00%	25.00%
Adjusted assessed valuation	816,010,094	772,706,623	732,884,720	690,963,232	663,390,609
Debt limit percentage	15.00%	15.00%	15.00%	15.00%	15.00%
Debt limit	122,401,514	115,905,993	109,932,708	103,644,485	99,508,591
Total net dept applicable to limit:					
General obligation bonds	-	-	-	-	-
Legal debt margin	\$ 122,401,514	\$ 115,905,993	\$ 109,932,708	\$ 103,644,485	\$ 99,508,591
Total net debt applicable to the limit as a percent of debt limit	0%	0%	0%	0%	0%
Lomita Long Term Debt outstanding:	4,903,885	5,294,969	5,673,648	5,870,450	5,995,000
Debt per capita:	241.33	260.58	282.38	284.52	293.43
Debt as a percentage of personal income:	18.55%	18.89%	16.25%	13.54%	13.05%

Section 43605 of the Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% OF MARKET VALUE. Effective with 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The Computations shown above reflect a conversion of assessed valuation data for each fiscal year from current full valuation perspective to the 25% level that was in effect at the time the legal debt margin was enacted by the State of California for local governments located within the State.

In July 2021, the City refunded the 2016 Water Revenue Refunding Bonds with a Private Placement Loan in the amount of \$6,081,000

2020	2019	2018	2017	2016
\$ 2,514,269,367	\$ 2,386,266,746	\$ 2,257,084,413	\$ 2,149,593,978	\$ 2,045,319,719
25.00%	25.00%	25.00%	25.00%	25.00%
628,567,342	596,566,687	564,271,103	537,398,495	511,329,930
15.00%	15.00%	15.00%	15.00%	15.00%
94,285,101	89,485,003	84,640,665	80,609,774	76,699,489
-	-	-	-	-
\$ 94,285,101	\$ 89,485,003	\$ 84,640,665	\$ 80,609,774	\$ 76,699,489
0%	0%	0%	0%	0%
6,255,000	6,505,000	6,750,000	6,985,000	7,200,000
304.44	313.71	325.85	342.35	354.85
12.34%	10.62%	9.90%	8.82%	8.16%

City of Lomita
Pledged Revenue Coverage
Last Ten Years

Fiscal Year Ended June 30	Certificates of Participation							Coverage
	Water Revenue*	Less Operating Expenses**	Net Available Revenue	Debt Service		Total		
				Principal	Interest			
2016	\$ 5,168,824	\$ 4,032,400	\$ 1,136,424	\$ 170,000	\$ 332,113	\$ 502,113	2.26	
2017	\$ 5,616,882	\$ 4,321,380	\$ 1,295,502	\$ 215,000	\$ 251,550	\$ 466,550	2.78	
2018	\$ 6,313,840	\$ 4,858,095	\$ 1,455,744 ⁽¹⁾	\$ 235,000	\$ 227,013	\$ 462,013	3.15	
2019	\$ 6,540,437	\$ 5,063,714	\$ 1,476,723	\$ 245,000	\$ 219,375	\$ 464,375	3.18	
2020	\$ 6,921,842	\$ 5,486,250	\$ 1,435,593 ⁽²⁾	\$ 250,000	\$ 211,413	\$ 461,413	3.11	
2021	\$ 8,206,024	\$ 5,764,712	\$ 2,441,312	\$ 260,000	\$ 203,288	\$ 463,288	5.27	
2022	\$ 7,446,407	\$ 6,421,035	\$ 1,025,372	\$ 337,000	\$ 127,129	\$ 464,129	2.21	
2023	\$ 7,234,936	\$ 4,950,569	\$ 2,284,367	\$ 328,000	\$ 137,008	\$ 465,008	4.91	
2024	\$ 8,208,203	\$ 6,962,410	\$ 1,245,793	\$ 332,000	\$ 129,034	\$ 461,034	2.70	
2025	\$ 9,200,222	\$ 7,673,032	\$ 1,527,190	\$ 350,000	\$ 112,663	\$ 462,663	3.30	

* Excludes interest income

** Excludes depreciation and interest income

Notes: Details regarding the City's Water Fund outstanding debt can be found in the notes to the financial statements.

In July 2021, the City refunded the 2016 Water Revenue Refunding Bonds with a Private Placement Loan in the amount of \$6,081,000

⁽¹⁾ Correction for fiscal year 2018

⁽²⁾ Correction for fiscal year 2020

Source: City of Lomita, Administrative Services Department - Finance

City of Lomita
Direct and Overlapping Debt
June 30, 2025

City Assessed Valuation		\$	3,264,040,374
Redevelopment Agency Incremental Valuation			-
Total Assessed Valuation		\$	<u>3,264,040,374</u>
	Percentage Applicable ¹	Outstanding Debt 6/30/25	Estimated Share of Overlapping Debt
Overlapping Tax and Assessment Debt:			
Metropolitan Water District	0.080%	\$ 17,155,000	13,724
LA Community College District	0.275%	4,919,505,000	13,528,639
LA Unified School District	0.336%	11,745,405,000	39,464,561
Total Gross Overlapping Tax and Assessment Debt		<u>16,682,065,000</u>	<u>53,006,924</u>
Less: LA Unified School District supported general obligation bonds		-	1,549,734
Total Gross Overlapping Tax and Assessment Debt		<u>16,682,065,000</u>	<u>51,457,190</u>
Overlapping General Fund Debt:			
LA County General Fund Obligations	0.155%	\$ 3,036,637,390	4,706,788
LA County Superintendent of Schools Certificates of Participation	0.155%	2,331,775	3,614
LA Unified School District Certificates of Participation	0.336%	225,010,000	756,034
Total Overlapping General Fund Debt		<u>3,263,979,165</u>	<u>5,466,436</u>
Total Overlapping Debt		\$ <u>19,946,044,165</u>	<u>56,923,625</u>
City of Lomita Direct Debt			<u>68,776</u>
Total Direct and Overlapping Debt			¹ \$ <u><u>56,992,401</u></u>

Notes:

¹ For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source: California Municipal Statistics, Inc., Los Angeles County Assessor's Office

City of Lomita
Top 25 Sales Tax Producers
(Miscellaneous Information)
Current Calendar Year and Nine Years Ago

Calendar Year 2024		
Tax Payers	Business Type	
1	ARCO	Service Stations
2	ARCO AM/PM	Service Stations
3	Auto Zone	Automotive Supply Stores
4	Battaglia's Title	Building Materials
5	Bites & Bashes	Casual Dining
6	California Pro Sports	Sporting Goods/Bike Stores
7	Car Bros Automotive	Used Automotive Dealers
8	CVS Pharmacy	Drug Stores
9	Discount Pool & Spa Supply	Specialty Stores
10	Eat Fantastic	Fast-Casual Restaurants
11	Enterprise Rent A Car	Transportation/Rentals
12	Harbor Freight Tools	Building Materials
13	Hot N Tot	Casual Dining
14	Jims Auto Sales	Used Automotive Dealers
15	Little Caesars	Quick-Service Restaurants
16	Lomita Feed Store	Gardening/Agricultural Supplies
17	Lomita Shell	Service Stations
18	Popeyes Louisiana Kitchen	Quick-Service Restaurants
19	Shell	Service Stations
20	Sushi Delight	Casual Dining
21	Szechwan Chinese	Casual Dining
22	Taco Bell/Pizza Hut	Quick-Service Restaurants
23	Target	Discount Dept Stores
24	Thompson Building Materials	Building Materials
25	Warehouse Discount Center	Electronics/Appliance Stores

Calendar Year 2015	
Tax Payers	Business Type
99 Cents Only	Variety Stores
Albertsons	Grocery Stores
Arco	Service Stations
Arco AM/PM	Service Stations
AutoZone	Automotive Supply Stores
Big Lots	Variety Stores
California Pro Sports	Sporting Goods/Bike Stores
CVS Pharmacy	Drug Stores
Cycle Gear	Boats/Motorcycles
Discount Pool & Spa Supply	Specialty Stores
Enterprise Rent A Car	Transportation/Rentals
Haggen	Grocery Stores
Harbor Freight Tools	Building Materials
Hot N Tot	Casual Dining
Jims Auto Sales	Used Automotive Dealers
Lees Tires	Automotive Supply Stores
Lomita Feed Store	Gardening/Agricultural Supplies
Lomita Shell	Service Stations
Pacific Coast Hobbies	Specialty Stores
Redondo Beach Towing	Transportation/Rentals
Shell	Service Stations
Sizzler	Casual Dining
Szechwan Chinese	Casual Dining
Taco Bell/Pizza Hut	Quick-Service Restaurants
Thompson Building Materials	Building Materials

-Account for 57.97%
of the total sales tax collected.

-Account for 58.72%
of the total sales tax collected.

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

Source: HdL Companies, State Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office
Period: January 2024 Thru December 2024

City of Lomita
Demographic and Economic Statistics
Last Ten Calendar Years

<u>Calendar Year</u>	<u>City of Lomita Population ⁽¹⁾</u>	<u>Median Age ⁽²⁾</u>	<u>Personal Income (in thousands) ⁽³⁾</u>	<u>Per Capital Personal Income ⁽⁴⁾</u>	<u>Lomita Unemployment Rate ⁽⁵⁾</u>
2016	20,290	40.3	587,263	28,943	4.8%
2017	20,403	40.8	615,782	30,180	3.7%
2018	20,715	40.4	668,303	32,261	4.6%
2019	20,736	40.7	690,910	33,275	4.3%
2020	20,549	40.1	771,963	37,566	16.5%
2021	20,431	40.1	782,242	38,287	5.6%
2022	20,633	40.5	777,527	37,683	2.3%
2023	20,092	39.5	880,182	43,807	2.2%
2024	20,320	40.5	960,538	47,270	2.1%
2025	20,407	39.0	908,656	44,526	2.8%

Source: ⁽¹⁾ California State Department of Finance
⁽²⁾ U.S. Department of Commerce Bureau of Economic Analysis, Census Bureau
⁽³⁾ U.S. Department of Commerce Bureau of Economic Analysis, Census Bureau
⁽⁴⁾ U.S. Department of Commerce Bureau of Economic Analysis, Census Bureau
⁽⁵⁾ California Employment Development Department

**City of Lomita
Principal Employers
Current Year and Nine Years Ago**

Employer	Business Type	2025		2016	
		Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Lomita Post-Acute Care Center	Nursing Facility	124	1.18%	98	0.84%
City of Lomita	Government	99	0.94%	102	0.88%
Target	Retail	75	0.71%	n/a	n/a
Kaiser Permanente	Medical	82	0.78%	n/a	n/a
Palos Verdes Health Care Center	Nursing Facility	50	0.48%	49	0.42%
Nishiyamoto Academy of California	Education	40	0.38%	n/a	n/a
Thompson Building Materials	Building	35	5.65%	40	0.34%
CVS, LLC	Retail	31	5.01%	42	0.36%
Grocery Outlet	Grocery	30	0.29%	n/a	n/a
Travers Tree Service	Service	30	0.29%	60	0.52%
Starbucks Corporation	Tea/Coffee Shop	23	0.22%	n/a	n/a
Total Top Ten Employers		619		391	
Total City Employment		10,500		11,600	

NOTE: Non-Governmental Employers.

Several potential businesses that may qualify for Top 10 ranking. However, current employee counts were unattainable at the time of report preparation. Previous historical data is not available.

Source: City of Lomita, Economic Development Department
State of California, Employment Development Department

City of Lomita
Full-time and Part-time City Employees
by Function
Last Ten Fiscal Years

Function	Full-Time and Part-time Employees as of June 30									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016 ⁽²⁾
General government	20	20	20	12	14	12	12	9	12	11
Public safety ⁽¹⁾	-	-	-	-	-	-	-	-	-	-
Public works	19	16	16	12	13	10	9	10	9	7
Community Services	5	5	5	5	5	5	6	4	10	8
Water	7	7	7	6	7	7	7	7	7	6
Community Development	8	6	5	5	3	4	3	6	6	4
Parks and Recreation	<u>40</u>	<u>41</u>	<u>37</u>	<u>37</u>	<u>34</u>	<u>37</u>	<u>42</u>	<u>49</u>	<u>46</u>	<u>43</u>
Total	<u>99</u>	<u>95</u>	<u>90</u>	<u>77</u>	<u>76</u>	<u>75</u>	<u>79</u>	<u>85</u>	<u>90</u>	<u>79</u>

⁽¹⁾ Police and fire services are provided by Los Angeles County.

⁽²⁾ Correction for fiscal year 2016.

Source: City of Lomita, Administrative Services Department - Finance

City of Lomita
Operating Indicators
by Function
Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
⁽¹⁾ Police:										
Arrests	476	398	513	477	663	815	994	865	913	n/a
Parking citations issued	9038	9588	9838	9001	7368	6001	6612	6201	5564	5380
⁽²⁾ Fire:										
Number of emergency calls	1969	2017	2006	1804	1016	1740	2920	1827	1816	1770
Inspections	554	514	804	899	0	200	1488	763	579	n/a
Public works:										
Street resurfacing (miles)	n/a									
Parks and recreation:										
Number of recreation classes	117	205	184	186	18	331	319	278	328	295
Number of facility rentals	308	295	378	403	10	179	407	475	402	344
Water:										
New connections	-	-	-	-	-	-	-	-	-	-
Average daily consumption (thousands of gallons)	n/a									
Sewer:										
New connections	n/a									
Average daily sewage treatment (thousands of gallons)	n/a									

⁽¹⁾ Deputy Sheriffs and Community Service Officers are provided through a contract with the Los Angeles County Sheriff's Department.

⁽²⁾ Fire Protection and Fire Personnel are provided through a contract with the Los Angeles County Fire Department.
 Due Covid-19 pandemic, business inspections are on hold and there no Brush inspections.

n/a Data is unavailable to include in this report.

Source: City of Lomita, Administrative Services Department
 Los Angeles County Fire Department

City of Lomita
Capital Asset Statistics
by Function
Last Ten Fiscal Years

	<u>Fiscal Year</u>									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
(1) Police:										
Stations	1	1	1	1	1	1	1	1	1	1
(2) Fire:										
Fire stations	1	1	1	1	1	1	1	1	1	1
Public works:										
Streets (miles) ⁽⁵⁾	31.90	31.90	31.90	31.90	31.90	33.20	31.00	31.00	31.00	31.00
Streetlights	58	58	58	58	58	58	58	58	58	58
Traffic signals	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Parks and recreation:										
Parks	7	7	7	7	7	7	7	7	7	7
Rail Road Museum	1	1	1	1	1	1	1	1	1	1
Community centers	1	1	1	1	1	1	1	1	1	1
Water System :										
Length of Pipes (LF) ⁽³⁾	228,975	228,975	228,975	228,975	228,975	228,975	228,015	228,015	228,015	228,015
Number of Pump Stations	3	3	3	3	3	3	3	3	3	3
Number of Catch Basin ⁽⁶⁾	69	69	69	69	69	72	69	69	42	42
Number of Service Connection	4,357	4,357	4,357	4,357	4,357	4,357	4,314	4,314	4,312	4,241
Sewer System:										
Length of Pipes (LF) ⁽⁴⁾	188,415	188,415	188,415	188,415	188,415	188,415	173,931	173,931	173,931	173,931
Number of manholes	883	883	883	883	883	883	882	882	882	882
Maximum daily treatment capacity (thousands of gallons)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

(1) Deputy Sheriffs and Community Service Officers are provided through a contract with the Los Angeles County Sheriff's Department.

(2) Fire Protection and Fire Personnel are provided through a contract with the Los Angeles County Fire Department.

(3) Corrected length of pipes in lateral feet to match our 2019 Water Loss Audit Report, 2015 Water Master Plan, 2004 Water Master Plan.

(4) Corrected length of pipes in lateral feet to match our 2016 Sewer System Management Plan

(5) Corrected miles to match our 2020 Pavement Management Plan

(6) Corrected catch basins - City of Lomita Public Works performed field check; three basins either erroneous or duplicates.

n/a Data is unavailable to include in this report.

Source: City of Lomita, Administrative Services Department
 Los Angeles County Fire Department
 Los Angeles County Department of Public Works

City of Lomita
Water Department
Water Sold by Type of Customer
Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Type of Customer:										
Residential	4,001 ⁽²⁾	4,057	4,003 ⁽²⁾	3,970 ⁽²⁾	4,004 ⁽¹⁾	3,966 ⁽²⁾	3,975 ⁽¹⁾	3,971 ⁽¹⁾	3,960 ⁽¹⁾	3,849 ⁽²⁾
Schools	21	21	21	21	21	21	25	25	21	21 ⁽¹⁾
Commercial	254 ⁽²⁾	286 ⁽¹⁾	283 ⁽¹⁾	281 ⁽¹⁾	279	279 ⁽¹⁾	270 ⁽¹⁾	266	261	246
Churches	27	32	31	31	30 ⁽²⁾	31	31	31	32	32
Government	72	72	72	72	72	72 ⁽¹⁾	17	17	14	12
City	18	18	18	18	18	18	19	19	18	15
Total	4,393	4,486	4,428	4,393	4,424	4,337	4,329	4,306	4,175	4,234
Total direct rate per 748 gallons	5.70	5.35	5.03	4.79	4.79	4.79	4.43	4.12	3.81	3.53

- ⁽¹⁾ New development
- ⁽²⁾ Vacancies
- ⁽³⁾ Type correction

Source: City of Lomita, Administrative Services Department - Finance

City of Lomita
Water Department
Water Rates
Last Ten Fiscal Years

Fiscal Year Ended June 30	Bi-Monthly Base Rate	Rate per 748 Gallons
2016	36.90	3.53
2017	39.73	3.81
2018	42.90	4.12
2019	46.78	4.43
2020	50.31	4.79
2021	50.31	4.79
2022	50.31	4.79
2023 ⁽²⁾	53.81	5.03
2024	57.31	5.35
2025	61.03	5.70

NOTE:
Rates are based on 5/8" meter, which is the standard household meter size.

⁽¹⁾ A new water rate structure went into effect March 1, 2015.

⁽²⁾ A new water rate structure went into effect January 1, 2023.

City of Lomita
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years (dollars in thousands, except per capita)

Fiscal Year Ended June 30	General Bonded Debt Outstanding					Percentage of Actual Value of Property (1)	Per Capita (2)
	Revenue Bonds	Tax Allocation Bonds	Pension Obligation Ref Bonds	Certificates of Participation	Total		
2016	n/a	n/a	n/a	n/a	-	n/a	n/a
2017	n/a	n/a	n/a	n/a	-	n/a	n/a
2018	n/a	n/a	n/a	n/a	-	n/a	n/a
2019	n/a	n/a	n/a	n/a	-	n/a	n/a
2020	n/a	n/a	n/a	n/a	-	n/a	n/a
2021	n/a	n/a	n/a	n/a	-	n/a	n/a
2022	n/a	n/a	n/a	n/a	-	n/a	n/a
2023	n/a	n/a	n/a	n/a	-	n/a	n/a
2024	n/a	n/a	n/a	n/a	-	n/a	n/a
2025	n/a	n/a	n/a	n/a	-	n/a	n/a

(1) See Schedule 6 for property value data.
(2) Population data can be found in Schedule 16.

Ten years of data is not available.



LOMITA CITY HALL

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